

United Nations Development Programme
Country: Uzbekistan
Project Document



Project Title

Strengthening National Capacity in Rio Convention Implementation Through Targeted Institutional Strengthening and Professional Development

UNDAF Outcome(s):

By 2009, national laws are harmonized with selected United Nations legal instruments, and the implementation and monitoring of the latter are improved

Expected CP Outcome(s):

(Those linked to the project and extracted from the CPAP)

Obligations under international environmental conventions and agreements fulfilled through improved effectiveness of environment management and development of clean energy sources

Expected Output(s):

(Those that will result from the project and extracted from the CPAP)

Improve national capacity to monitor the state of the environment and trends and to assess the policy performance in promoting environmental sustainability
 State Committee for Nature Protection of the Republic of Uzbekistan

Implementing Partner:

Centre for Hydrometeorological Service under the Cabinet of Ministers,

Responsible Parties:

Ministry for Agriculture and Water Resources,
 District Khakimiyats

Brief Description

The project aims at assisting Uzbekistan to improve its national environment governance system, by creating adequate national capacity to accommodate global environmental concerns into the national development and environmental management plans. The project's goal is to effectively mainstream global environmental priorities into national development planning and management processes of Uzbekistan. The overall objective of the project is to build national capacity for more effective environmental management in Uzbekistan, by improved national environmental policy planning and financing. The project plans to attain its objective through the accomplishment of two major activities. These are: (i) Improvement of environmental planning and management to accommodate global environmental objectives; (ii) Improvement of financial management capacity of the National Environmental Fund for increased global environmental financing.

Programme Period:	<u>2005-2009</u>
Key Result Area (Strategic Plan):	<u>SP Key Result Area 4.1: Mainstreaming Environment and Energy. Strengthened national capacities to mainstream environment and energy concerns into national development plans and implementation systems</u>
Atlas Award ID:	<u>00051062</u>
Start date:	<u>April, 2009</u>
End Date:	<u>May, 2011</u>
PAC Meeting Date:	<u>April 6th, 2009</u>
Management Arrangements:	<u>NIM</u>

2009 AWP budget:	<u>\$112,525</u>
Total resources required:	<u>\$640,000</u>
Total allocated resources:	<u>\$640,000</u>
• Other:	
○ GEF	<u>\$475,000</u>
Unfunded budget:	
In-kind Contributions:	
○ Government	<u>\$80,000</u>
○ UNDP	<u>\$85,000</u>

Agreed by State Committee for Nature Protection:

B.B. Alikhanov, Chair 6.05.09

Agreed by UNDP:

64/May/2009 Anita Nirody, Resident Representative

I. SITUATION ANALYSIS

Uzbekistan has acceded to a number of environmental agreements, including global conventions on climate change, biodiversity and combating desertification (hereafter referred as the Rio Conventions). In 2004, GEF approved an initiative to conduct a National Capacity Self-Assessment (NCSA) process in Uzbekistan. The very idea of conducting NCSA processes in countries was supported by GEF under the rationale that political will of the countries alone is not sufficient for effective implementation of global environmental conventions: it is imperative that countries have appropriate professional capacities in environmental management. The objective of the NCSA in Uzbekistan was to examine and identify a level of existing national capacity and priority capacity development needs related to implementation of the country's global environmental commitments.

The NCSA has completed its assessment and presented the findings to the Government of Uzbekistan. The proposed project is a follow-up initiative, based on the results of the NCSA assessment in Uzbekistan. The key recommendations outlined by the NCSA refer to necessity of improving national environmental management capacities through a number of mechanisms.

Based on the results of the National Capacity Self-Assessment (NCSA) process and subsequent analysis of the existing opportunities during the preparatory process (PDF-A), it became evident that the national system of environmental management should be further improved for better accommodation of global environmental priorities. The environmental concerns in Uzbekistan can only be addressed when all involved stakeholders at the national level have a common strategic vision on outstanding environmental issues and attempt to solve the problems jointly, and in a cost-effective way. This can be done through a number of instruments that will strengthen coordination and cooperation efforts of the stakeholders. At present, governmental agencies who are involved in the process of natural resources and environment management do not have a joint mechanism that enables them to coordinate activities for more effective implementation of sound environmental practices. This leads to a situation when not only every sector of the national economy, but also institutions directly engaged in environment management, develop their own departmental action plans, which do not take any account of plans from other sectors, and thus do not bring any additional value to activities. In these conditions, improvement of coordination and cooperation mechanisms becomes vital.

This dissociation is further exacerbated by low levels of understanding among personnel of involved sectoral and environmental ministries regarding real values of environmental products and services, and their significance for sustainable development of the country.

The NCSA and the preparatory analysis have demonstrated that deficiencies in environmental management planning and management processes as well as in environmental professional education, indeed exist and should be regarded as priorities for Uzbekistan. These deficiencies cause constant omission of environmental concerns, while composing national development plans, and must thus be addressed immediately.

II. STRATEGY

The analysis undertaken during the NCSA process identified key weaknesses in national environmental management capacities that seriously impede more synergistic and cost-effective implementation of the global convention requirements. The PDF-A confirmed the recommendations of the NCSA and determined that such key barriers as ineffective financial management capacities, weak coordination of efforts between focal environmental areas' responsible entities, low level of environmental understanding among decision makers seriously affect implementation of global and national environmental agenda, and addressing of the most outstanding environmental priorities.

The proposed project will build upon the findings of the NCSA process, and use the momentum available after NCSA completion. The following features favours implementation of the current project at this point in time:

- This is a good timing for follow-up interventions, as the NCSA process has initiated and kept alive a profound discussion of the capacity needs in the area of environmental management, major stakeholders involved in the process of NCSA assessment have fresh memories of discussions and are eager to continue the process as the findings of the NCSA were the result of their direct contribution;
- The government understand the need to improve its environmental management capacities and open to modernization of environmental management processes; and
- The Government has taken up the recommendations of the NCSA, by including its capacity development Strategy and Action Plan in the State Programme for Environment Protection 2006-2010, thus putting capacity development needs among the Government's priorities in environmental management.

The GEF project will take this process further, by assisting the government in improving planning and implementation mechanisms for the five year State Programme for Environmental Protection, introducing the participatory planning model with a detailed set of procedures, timelines and accountability system for monitoring and evaluation. The project will coherently link the SPEP planning process and with other planning exercises under the global conventions and various related sectors; it will also more rigorously tie the SPEP with the funding framework set by the Environmental Fund. The project will increase effectiveness of EF operations in support to global environmental objectives, by introducing the appropriate eligibility criteria, as well as quality management system to the Fund's operations. In so doing, the project will look into the good practices and lessons learned from the other countries of Eastern and Central Europe and CIS. Environmental fund management practices from Bulgaria's National Trust Ecofund, the Czech State Environmental Fund and others will be reviewed and lessons learned considered, based on existing analysis and performance reviews. Particular focus will be placed on the following key elements of EF management and operations: (i) roles and objectives of funds; (ii) legal foundations and institutional structures; (iii) revenues; (iv) spending strategies and expenditures; (v) project appraisal and selection ("project cycle management"); (vi) monitoring, evaluation and reporting.

The proposed project aims at assisting Uzbekistan's administrative and environment governance system to enhance effectiveness of environmental management, by creating adequate capacities of involved stakeholders in financial management of the environmental expenditures, strengthening professional capacities of the environmental institutions' personnel and developing suitable level of environmental education among sectoral decision makers for more effective planning and implementation of the environmental programme.

The approach of developing capacities within both environment and non-environment Ministries to promote global environmental issues, is seen as an essential complement to other GEF supported interventions in Uzbekistan, inasmuch as it will provide a conducive environment for these interventions, as they seek a dialogue with national and regional environmental planning authorities in the context of realizing their site-specific, or focal area specific objectives. These cross-cutting capacities are of critical importance for realizing the objectives of multiple GEF focal areas.

To implement the project strategy, it will be essential to involve and build ownership of the project among other key stakeholder groups as well – regional and local authorities, environmental institutions, academia, local NGOs and makhallyas (lowest level municipalities), and private enterprises/companies. All these groups are essential to influencing and changing the current practice in terms of how national, regional and local planning documents and environmental expenditures plans are formulated and implemented.

The main imperative should lie in stressing the importance of joint measures that will improve efficiency of the national activities to fulfil the general commitments related to the Rio Conventions

and increase coordination of the intersectoral activities and interaction among all involved participants at all levels.

The overall objective of the project is to build national capacity for more effective environmental management in Uzbekistan, by improved national environmental policy planning and implementation.

The project plans to attain its objective through the performance of two major activities:

Activity 1: Improvement of environmental planning and management to accommodate global environmental objectives.

The activity aims to strengthen cooperation and coordination capacities of the stakeholders involved in the process of environmental planning and management. This will be achieved through establishing a mechanism that will enable individuals and institutions who manage and evaluate the environmental planning processes (i.e. State Programme for Environmental Protection, EF programming, sectoral plans) to effectively incorporate the priorities of the Rio Conventions in the planning and programming cycles. It will also identify and introduce the procedural mechanisms that will bring the key stakeholders together during the formulation of State Programme for Environmental Protection – a key five-year environmental planning document. Improve the prioritization, decision-making structure, and monitoring and evaluation. This main national environmental planning cycle will systematically integrate global environmental convention objectives as they relate to national environmental management priorities. Professional capacity of the environmental institutions to develop, formulate and evaluate effectiveness of the environmental programmes and projects will be strengthened through targeted capacity building trainings. Result-oriented programming approach will be taught to the principal personnel of the institutions involved in environmental management planning and implementation processes. It is also planned to increase understanding and educational level among the key institutions responsible for national development policy planning and implementation. Through this activity, the project will address capacity barriers at the individual, institutional and systemic levels that inhibit effective global environmental mainstreaming into the national environment governance processes.

Action 1.1: Introduction of a new mechanism for coordinated environmental planning and management for SPEP and programming from environmental funds

The project will develop and introduce a modified set of procedures for SPEP formulation that will establish a coordinated and participatory model of developing a five-year state programme that will systematically integrate national priority actions, as defined under the planning processes for implementation of global environmental conventions. The planning tools for biodiversity conservation, land management and climate change will be streamlined with the five year SPEP, so that the global environmental targets are fully reflected into the national environmental planning, as much as they relate to national environmental and sustainable development priorities. Adequate procedure will also be introduced to harmonise the SPEP process with the programming under the Environmental Funds. The clear monitoring and evaluation plan will be developed with the set of indicators to regularly monitor the implementation of the SPEP, also in relation to the programmes funded under the EFs. The project will develop and adopt, in the existing environment monitoring system, a set of indicators that show the progress of Uzbekistan in achieving objectives of the Rio Conventions.

Action 1.2: Improvement of professional capacity of the environmental institutions to develop, formulate and evaluate effectiveness of the environmental programmes and environmental plans.

Training course(s) will be developed for national planning and programming that will enable the planning practitioners from the relevant agencies to effectively integrate biodiversity, climate change and land degradation priorities, based on the result-oriented programming principles for more effective environmental management. Initial set of trainings will be conducted among personnel of environmental institutions involved in environmental management focusing on environmental planning and programming, environmental financing and monitoring and evaluation. The project will develop and adopt an accredited training programme for representatives of

decision-making organization (Parliament committees, sectoral ministries, regional and local administrations – khokimiyats, etc) on the integration of environmental concerns and CBD, UNFCCC, UNCCD objectives into processes of national development and environmental planning and implementation. The project will identify a national certified academic institution (like Academy of Governance under President of Uzbekistan or its equivalent) that would be willing to host the training programme on a sustainable basis. The project will develop the capacity of the hosting academic institution to implement the accredited training programme and ensure its long term sustainability.

Activity 2: Improvement of financial management capacity of the National Environmental Fund for increased global environmental financing

This activity is targeting to initiate and adopt new financial management approaches, as they are applicable for Uzbekistan. The outcome supports removal of the critical bottlenecks for sustainable financing of the environmental programmes and projects in Uzbekistan. It aims to build solid national capacities in financing strategic national and global environmental priorities, and thus will contribute to future GEF assistance in Uzbekistan. The project will specifically target the Environmental Funds both at national and regional levels operating in Uzbekistan to finance priority environmental issues. The project will introduce the quality management system to the Funds' management and operations.

Action 2.1: Introduction of fund management tools for improved operations of the EFs

The project will introduce clearly defined regulations concerning operations of the environmental funds in Uzbekistan. The mandates of the fund governing councils will include the tasks for coordination and participation of the key concerned stakeholders that will be detailed into the set of rules and regulations. The project will also develop and introduce a set of clear-cut criteria for selection of projects and programmes eligible for financing from the EFs based on result-oriented principle and in direct connection with the SPEP priorities that includes national priorities for global environmental compliance.

The project will also develop templates for programmes to be financed by the EFs resources, and introduce the streamlined operational procedures that will increase the effectiveness of the fund and lead to optimization of the national financing for global environmental management. The project will do this by closely examining the existing best practices in management of the extra-budgetary environmental funds in the region and beyond, and adapt the key successful features to the current context of Uzbekistan, where the resource allocations to the fund is guaranteed by the regular replenishments from the environmental charges and fees. Despite these regular resource allocations to the Funds the funding and results remain mediocre due to management and operational deficiencies. The national funding mechanism also does not fully consider the national and global environmental priorities as defined by the key planning processes (SPEP, BSAP, NAP etc). These deficiencies will be addressed by introducing effective management tools to improve operations of the Funds.

Action 2.2: Improvement of skills and knowledge of the EF personnel to effectively manage EF.

In order to ensure the full-fledged uptake of the developed management and operational tools for the funds, the project will develop a training course for the EF personnel to effectively manage financial resources of the EFs and undertake the training. The project will also identify and introduce the means of sustaining the training. It can possibly be done by allocating operational fees to the staff professionalisation and human resource development activities. The project will develop the resource mobilization skills of the personnel.

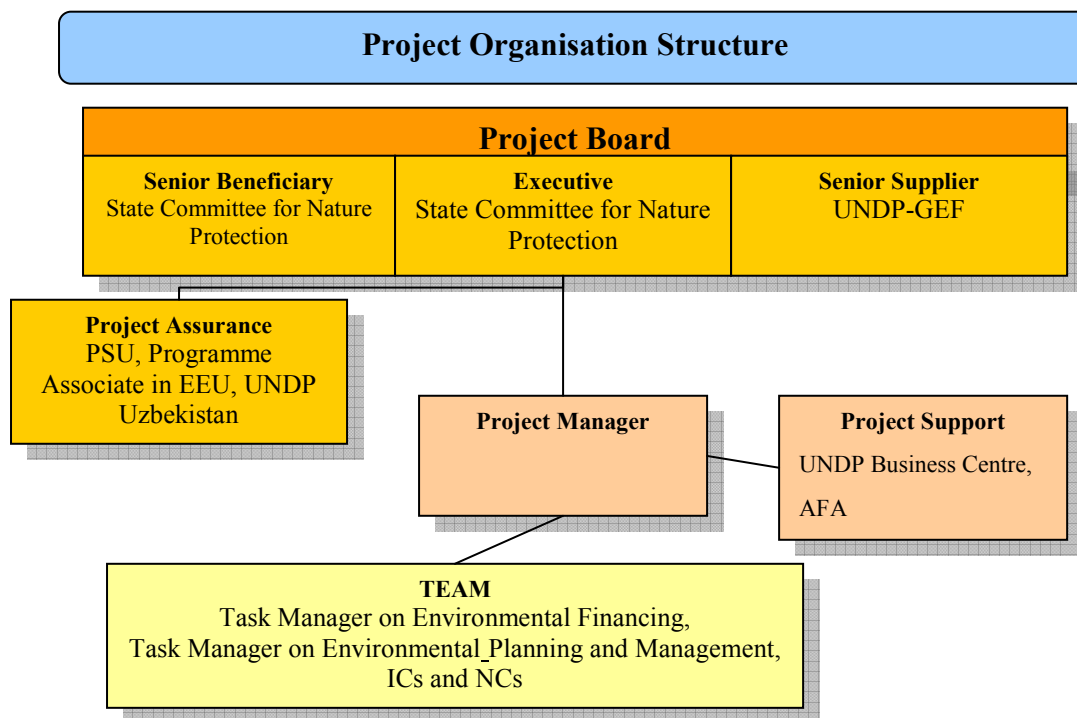
III. RESULTS AND RESOURCES FRAMEWORK

Intended Outcome as stated in the Country Programme Results and Resource Framework: Obligations under international environmental conventions and agreements fulfilled through improved effectiveness of environment management and development of clean energy sources						
Outcome indicators as stated in the Country Programme Results and Resources Framework, including baseline and targets: <i>Indicators:</i> Improved capacity in environmental management through reorganization of environmental governance structures. National renewable energy strategy and national waste management strategy adopted and implementation started; <i>Baseline:</i> National policy/strategic plans in place, but poorly implemented; <i>Target:</i> Uzbekistan meets obligations under United Nations Framework Convention on Climate, United Nations Convention on Biodiversity and United Nations Convention to Combat Diversification and timely reports on implementation						
Applicable Key Result Area (from 2008-11 Strategic Plan): Key Result Area: Mainstreaming environment and energy Provisional Corporate Outcome: Strengthened national capacities to mainstream environment and energy concerns into national development plans and implementation systems.						
Partnership Strategy: State Committee for Nature Protection of the Republic of Uzbekistan is an Implementing Agency. Other partners are Centre for Hydrometeorological Service under the Cabinet of Ministers, Ministry for Agriculture and Water Resources, District Khakimiyats.						
Project title and ID (ATLAS Award ID): Strengthening National Capacity in Rio Convention Implementation Through Targeted Institutional Strengthening and Professional Development ; Project ID # 00063395						
INTENDED OUTPUT(S)	OUTPUT BASELINE	OUTPUT INDICATOR(S)	OUTPUT TARGETS	INDICATIVE ACTIVITIES	RESPONSIBLE PARTIES	INPUTS
Output National capacity for more effective environmental management in Uzbekistan is built, by improved national environmental policy planning and implementation.	1. SPEP process is not focused on achieving defined results. The planning process of the EF resources distribution is not structured to accommodate global environmental priorities of the country as well as it does not address the needs of the stakeholders	1. SPEP development and implementation becomes participatory national environmental planning process that fully accommodates global environmental targets. 2. EFs management and operation capacity improved to finance national and global	Target 1.1 Set of procedures introduced to improve participation of the key stakeholders into the SPEP formulation and implementation (2008-20011) Target 1.2 By end of the project, the SPEP implementation and EF resource distribution are streamlined to address environmental priorities. (2008-20011) Target 1.3 Quality management system introduced to improve effectiveness of the EFs operations. (2008-20011) Target 2.1 the EFs' resources available for the open application process are increased by 50% from the current amount.. (2008-20011)	1 Activity Result Improved environmental planning and management to accommodate global environmental objectives. ▪ Action 1 Introduction of a new mechanism for coordinated environmental planning and management for SPEP and programming from environmental funds; ▪ Action 2 Improvement of professional capacity of the environmental institutions to develop, formulate and evaluate effectiveness of the environmental programmes and environmental plans. 2 Activity Result Improved financial management capacity of the National Environmental Fund for increased global environmental financing ▪ Action 1 Introduction of fund management tools for	Activity 1 The State Committee of the Republic of Uzbekistan for nature protection, Center of Hydrometeorological Services under the Cabinet of Ministers of the Republic of Uzbekistan Activity 2	TOTAL for the Activity 1 – \$130,000 (in-kind UNDP: \$34,000; Govt.: \$32,000) Year 2009 – \$30,217 (IC, NCs, admin & management cost, travels) Year 2010 - \$51,800 (IC, NC, admin & management cost) Year 2011 – \$47,983 (IC, NCs, project admin & management cost, publishing)

	<p>outside the authority of the SCNP;</p> <p>2. The resources of the EFs are distributed thinly between the focal areas and priorities are not set. An amount of the available financial resources is a constraint for full-fledged realization of the existing environmental priorities;</p>	<p>environmental priorities.</p>	<p>Target 2.2 A least 50% of decision makers who have received training according to the developed curriculum in the State Academy for State and Public Construction under the President of Uzbekistan have positive attitude towards improving the situation in the area of environment protection and have strong commitments to integrate environmental concerns during fulfilling his/her job responsibilities. (2008-20011)</p>	<p>improved operations of the EFs;</p> <ul style="list-style-type: none"> • Action 2 Improvement of Skills and knowledge of the EF personnel to effectively manage EF; 	<p>The State Committee of the Republic of Uzbekistan for nature protection, Center of Hydrometeorological Services under the Cabinet of Ministers of the Republic of Uzbekistan</p>	<p><u>TOTAL for the Activity 2 – \$303,000</u> <u>(in-kind UNDP: \$34,000; Govt.: \$32,000)</u></p> <p>Year 2009 – \$72,508 (NCs)</p> <p>Year 2010 – \$118,300 (equipment, NCs, travels)</p> <p>Year 2011 – \$112,192 (NCs)</p> <p><u>TOTAL for the Activity 3 – \$42,000</u> <u>(in-kind UNDP: \$17,000; Govt.: \$16,000)</u></p> <p>Year 2009 – \$9,800 (NCs)</p> <p>Year 2010 – \$16,800 (NCs, study tour, workshops, seminars, trainings, travels)</p> <p>Year 2011 – \$15,400 (NCs, workshops, seminars, trainings, travels)</p> <p>TOTAL FOR OUTPUT: \$475,000</p>
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IV. MANAGEMENT ARRANGEMENTS

The project will be nationally implemented (NIM). The implementing agency for the project is the State Committee for Nature Protection of the Republic of Uzbekistan. The strategic management of the project will be implemented by a Project Board (see the organigram below). The Board will be responsible for managerial decision-making through achieving a consensus between all project stakeholders to guide the Project Manager on the strategic outcomes. Moreover, the Project Board plays a key role in UNDP project evaluation process ensuring quality assurance for the project monitoring and project outputs, and using the monitoring results for further improvement of project implementation, reporting and elaboration of lessons to be learnt.



The Project Board will also organize meetings to monitor implementation of the project activities during the project management boundaries (planned timeframes), and/or the meetings can be set up based on the Project Manager's request. The project Board provides consulting assistance to the Project Manager to make decisions that are out of the Project Manager's tolerance limits (mainly related to the project timeframes and budget issues). Based on the approved AWP, the Project Board will consider and approve the quarterly plans (if applicable) and also approve any essential deviations from the original plans.

The Project Board consists of three major project stakeholders:

- (i) Senior Suppliers are UNDP and GEF that are responsible for timely provision of all resources required for achieving the project outputs. The resources include: program and technical support, knowledge and information, planning and evaluation, financial resources, logistics and other assistance;
- (ii) Executive as the State Committee for Nature Protection of the Republic of Uzbekistan. The Executive is an organization that is fully interested in successful achieving the project outputs;
- (iii) Senior Beneficiary is the State Committee for Nature Protection of the Republic of Uzbekistan representing the interests of the stakeholders will directly benefit from the project outputs. Within the Project Board, the Senior Beneficiary is responsible for achieving the planned project outputs in terms of the other project stakeholder groups.

The Project Board may delegate its controlling functions to the Project Assurance Group. The role of the project assurance group is to support the Project Board in conducting the objective and independent

control function. This role also is ensured that the key project stages subjected to the Project Board management will be properly implemented. Project Assurance Group shall be independent of the Project Manager's tolerance. The key personnel of the project are Project Manager, Task Manager on Environmental Planning and Management (local), Task Manager on Environmental Financing (local), and Administrative and Financial Assistant.

The Project Manager is fully responsible for the direct project execution and coordination of all project activities. He/she has a right to implement the planned activities in accordance with the AWP approved by the Project Board.

The Task Manager on Environmental Financing will be responsible for assessing the bigger picture of environmental financing situation in Uzbekistan, including the nature and scale of current need for subsidized environmental finance. S/he will also be responsible for assessing the strengths, weaknesses, opportunities and threats to effective functioning of the Environmental Funds in Uzbekistan.

The Task Manager on Environmental Planning and Management will be responsible for undertaking a comprehensive assessment of the environmental planning process in Uzbekistan, including functional review of all key stakeholders engaged in environmental planning at national and sub-national level. To this end, s/he will have the added responsibility of bringing together many of the project outputs to bear on the recommended changes to the environmental planning framework coherently coupled with the Environmental Funds project cycle management.

The Administrative and Financial Assistant Project Assistant will be responsible for organizational, financial and logistical matters related to project execution and will be responsible for smooth functioning of the project according to the designated rules and procedures.

A function to be performed by the Project Support is providing the services required for the project implementation or services required by the Project Manager. Services include project reporting, filing of project information, logistics, and other support on financial matters, procurement or hiring procedures.

To achieve the project outputs and implement the project activities, Project Manager will be supported by a team of national experts (from research institutes, relevant ministries, NGOs etc.) and international consultant(s) recruited by UNDP based on the approved Annual Plan on project activities. The Project Manager will be responsible for the consultants' timely deliverables and their contributions to the overall project outputs.

Direct UNDP Country office Support Services to the Programme Implementation

The UNDP and Implementing Partner, have agreed that the UNDP Country Office will provide the following support services for the project activities at the request of the Implementing Partner in Uzbekistan:

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

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

When providing the above support services, the UNDP Country Office will recover the costs for providing Implementation Support Services on the basis of actual costs and transaction fee based on the Universal Price List (see Annex 1 attached). According to the corporate guidelines, these costs are an integral part of project delivery and, hence, will be charged to the same budget line (account in AWP) as the project input itself.

The procurement of goods and services and the recruitment of project personnel by the UNDP country office shall be in accordance with the UNDP regulations, rules, policies and procedures. If the requirements for support services by the country office change during the life of a project, the list UNDP country office support services is revised with the mutual agreement of the UNDP resident representative and the Implementing Partner in Uzbekistan.

The relevant provisions of the Standard Basic Assistance Agreement (SBAA) between the Government of Uzbekistan and the UNDP, signed by Parties on 10th June 1993, including the provisions on liability and privileges and immunities, shall apply to the provision of such support services.

The Implementing Partner in Uzbekistan shall retain overall responsibility for this nationally managed project and will appoint the National Project Coordinator (NPC). Direct responsibility of the NPC will be provision of strategic advice, as well as coordination of the project activity taking into account interests of the Government. He/she will approve Annual Work Plan of the Project, according to which the whole project activity will be carried out.

Any claim or dispute arising under or in connection with the provision of support services by the UNDP country office in accordance with this document shall be handled pursuant to the relevant provisions of the SBAA.

In order to accord proper acknowledgement to GEF for providing funding, a GEF should appear on all relevant GEF project publications, including among others, project hardware and vehicles purchased with GEF funds. Any citation on publications regarding projects funded by GEF should also accord proper acknowledgement to GEF. The UNDP logo should be more prominent -- and separated from the GEF logo if possible, as UN visibility is important for security purposes.

V. MONITORING FRAMEWORK AND EVALUATION

Project monitoring and evaluation will be conducted in accordance with established UNDP and GEF procedures and will be provided by the project team and the UNDP Country Office (UNDP-CO) with support from UNDP/GEF. The Logical Framework Matrix in the approved MSP proposal (Section IV, Part I) provides performance and impact indicators for project implementation along with their corresponding means of verification. These will form the basis on which the project's Monitoring and Evaluation system will be built.

Project Monitoring Reporting

The Project Manager in conjunction with the UNDP-GEF extended team will be responsible for the preparation and submission of the following reports that form part of the monitoring process.

Inception Report (IR) A Project Inception Report will be prepared immediately following the Inception Workshop. It will include a detailed First Year/ Annual Work Plan divided in quarterly time-frames detailing the activities and progress indicators that will guide implementation during the first year of the project; including the completed CD monitoring scorecard. This Work Plan would include the dates of specific field visits, support missions from the UNDP CO or the Regional Coordinating Unit (RCU) or consultants, as well as time-frames for meetings of the project's decision making structures. The Report will also include the detailed project budget for the first full year of implementation, prepared on the basis of the Annual Work Plan, and including any monitoring and evaluation requirements to effectively measure project performance during the targeted 12 months time-frame.

The Inception Report will include a more detailed narrative on the institutional roles, responsibilities, coordinating actions and feedback mechanisms of project related partners. In addition, a section will be included on progress to date on project establishment and start-up activities and an update of any changed external conditions that may effect project implementation. When finalized the report will be circulated to project counterparts who will be given a period of one calendar month in which to respond with comments or queries. Prior to this circulation of the IR, the UNDP Country Office will review the document.

Project Implementation Review (PIR) Report The UNDP-GEF PIR report will be prepared on an annual basis prior to the Tripartite Project Review, to reflect progress achieved in meeting the project's Annual Work Plan and assess performance of the project in contributing to intended outcomes through outputs and partnership work. The PIR will include the following:

- An analysis of project performance over the reporting period, including outputs produced and, where possible, information on the status of the outcome
- The constraints experienced in the progress towards results and the reasons for these
- The three (at most) major constraints to achievement of results
- AWP and other expenditure reports (ERP generated)
- Lessons learned
- Clear recommendations for future orientation in addressing key problems in lack of progress

Quarterly Progress Reports Short reports outlining main updates in project progress will be provided quarterly to the local UNDP Country Office and the UNDP-GEF regional office by the project team.

Project Terminal Report During the last three months of the project the project team will prepare the Project Terminal Report. This comprehensive report will summarize all activities, achievements and outputs of the Project, lessons learnt, objectives met, or not achieved, structures and systems implemented, etc. and will be the definitive statement of the Project's activities during its lifetime. It will also lay out recommendations for any further steps that may need to be taken to ensure the sustainability and replicability of the project's activities.

Technical Reports As part of the Inception Report, the project team will prepare a draft Reports List, detailing the technical reports that are expected to be prepared on key areas of activity during the course of the Project, and tentative due dates. Where necessary this Reports List will be revised and updated, and included in subsequent PIRs. These technical reports will represent the project's substantive contribution to specific areas, and will be used in efforts to disseminate relevant information and best practices at local, national and international levels.

Independent Evaluation The project will be subject to at least one independent external evaluation as follows:

- Mid-term Evaluation Due to the short period of the project Mid-Term Evaluation will not be carried out.
- Final Evaluation An independent Final Evaluation will take place three months prior to the terminal tripartite review meeting, and will focus on the same issues as the mid-term evaluation. 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. It will include an update of the CD monitoring scorecard. The Final Evaluation should also provide recommendations for follow-up activities. The Terms of Reference for this evaluation will be prepared by the UNDP CO based on guidance from the Regional Coordinating Unit and UNDP-GEF.

Audit Clause

The Audit will be conducted by the legally recognized auditor of the Government, or by a commercial auditor engaged by the Government and will follow the UNDP-GEF rules.

Quality Management for Project Activity Results

OUTPUT 1: Strengthened national capacity for more effective environmental management in Uzbekistan by improved national environmental policy planning and implementation		
Activity Result 1 (Atlas Activity ID)	<i>Improved environmental planning & management to accommodate global environmental objectives</i>	Start Date: Jun 2009 End Date: May 2011
Purpose	<i>To accommodate global environmental objectives</i>	
Description	<i>Action 1: To assess key stakeholders' participation status in SPEP planning and implementation processes; Action 2: To develop new procedures for improving participation of key stakeholders in SPEP planning and implementation processes; Action 3: To conduct two workshops / seminars on assessment of gaps in SPEP programming and EF resource distribution</i>	
Quality Criteria <i>how/with what indicators the quality of the activity result will be measured?</i>	Quality Method <i>Means of verification. what method will be used to determine if quality criteria has been met?</i>	Date of Assessment <i>When will the assessment of quality be performed?</i>
<i>(1) Degree of participation of key stakeholders in SPEP planning and implementation processes</i>	<i>Monthly checklist of participants and schedule</i>	Dec 2009
<i>(2) Existence of guidelines with new procedures for improving participation of key stakeholders</i>	<i>Guidelines for key stakeholders for introducing a participatory approach available and used by respective Government authorities</i>	Dec 2009
<i>(3) Determined list of existing gaps and constraints in SPEP programming and EF resource distribution</i>	<i>Two workshops / seminars conducted in participatory manner</i>	Dec 2009
Activity Result 2 (Atlas Activity ID)	<i>Improved financial management capacity of National Environmental Fund for increased global environmental financing</i>	Start Date: Jun 2009 End Date: May 2011
Purpose	<i>To improve the financial management capacity of National Environmental Fund for increased global environmental financing</i>	
Description	<i>Action 1: To conduct series of analytical discussions via participatory workshops/seminars with key stakeholders; Action 2: To analyse available present national normatives and legislation of EF in/outflow cycle</i>	
Quality Criteria <i>how/with what indicators the quality of the activity result will be measured?</i>	Quality Method <i>Means of verification. what method will be used to determine if quality criteria has been met?</i>	Date of Assessment <i>When will the assessment of quality be performed?</i>
<i>(1) Existence of reports from participatory discussion with key stakeholders</i>	<i>Series of discussions in participatory manner</i>	Dec 2009
<i>(2) Existence of analytical report on EF in/outflow cycle legal framework</i>	<i>Data analyses based on literature review, qualitative / quantitative data collection</i>	Dec 2009

VI. LEGAL CONTEXT

This project document shall be the instrument referred to as such in Article 1 of the SBAA between the Government of Uzbekistan and UNDP, signed on June 10, 1993.

Consistent with the Article III of the Standard Basic Assistance Agreement, the responsibility for the safety and security of the executing agency and its personnel and property, and of UNDP's property in the executing agency's custody, rests with the executing agency.

The executing agency shall:

- a) put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;
- b) assume all risks and liabilities related to the executing agency's security, and the full implementation of the security plan.

UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of this agreement.

The executing agency agrees to undertake all reasonable efforts to ensure that none of the UNDP funds received pursuant to the Project Document are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via

<http://www.un.org/Docs/sc/committees/1267/1267ListEng.htm>. This provision must be included in all sub-contracts or sub-agreements entered into under this Project Document.

VII. ANNEXES

Annex 1. Risk Analysis

Annex 2. Terms of Reference

Annex 3. Approved MSP proposal

Annex 1. Risk Analysis

#	Description	Date Identified	Type	Impact & Probability	Countermeasures/Mngt response	Owner	Submitted, updated by	Last Update	Status
1	Lack of willingness of various state agencies responsible for implementation of Rio Conventions to collaborate and cooperate towards achieving the results of the project.	October 2008	Operational	The risk will negatively impact the result of the Target-1.1	Promoting inter-agency cooperation and collaboration for achieving the ultimate national goals not the agency interests.	Project Manager	Farhod Maksudov		
2	No commitment of the Uzbekistan Government to implement the project due to political reasons (e.g. relations with UN and other international aid organisations).	October 2008	Political	The risk will negatively impact the result of the Target-1.3, Target-2.2	The UN is actively supporting the Uzbekistan's Governmental initiatives in various spheres of economic development and is by far the only large international body still acting in this country. At present the political situation is stable, however this risk is beyond the control of UNDP.	Project Manager	Farhod Maksudov		
3	Unwillingness of the Uzbekistan state authorities to reorganize the National Nature protection Fund due to lack of understanding of importance of environmental concerns.	October 2008	Regulatory	The risk will negatively impact the result of the Target-2.1, Target-1.2	Creating a well-formulated strategy for reorganizing the National Nature Protection Fund by the project, which clearly shows the benefits of this reform to overall sustainable development of the country.	Project Manager	Farhod Maksudov		

ANNEX 2. TERMS OF REFERENCE

The project will contract local and international expertise to provide a number of services outlined in the project work plan. These include: Project Manager, Administrative and Financial Assistant, Task Manager on Environmental Financing, Task Manager on Environmental Planning and Management, Environmental Financing expert (international); Natural Resource Management (local); Lessons Learned Consultant (local);

1. Project Manager

Overall responsibilities: The PM has the authority to run the project on a day-to-day basis on behalf of the Project Board within the constraints laid down by the Board. The PM is responsible for day-to-day management and decision-making for the project. The PM's prime responsibility is to ensure that the project produces the results specified in the project document, to the required standard of quality and within the specified constraints of time and cost.

The Implementing Partner appoints the PM, who should be different from the Implementing Partner's representative in the Outcome Board. Prior to the approval of the project, the Project Developer role is the UNDP staff member responsible for project management functions during formulation until the PM from the Implementing Partner is in place.

Specific responsibilities would include:

Overall project management:

- Manage the realization of project outputs through activities;
- Provide direction and guidance to project team(s)/ responsible party (ies);
- Liaise with the Project Board or its appointed Project Assurance roles to assure the overall direction and integrity of the project;
- Identify and obtain any support and advice required for the management, planning and control of the project;
- Responsible for project administration;
- Liaise with any suppliers;
- May also perform Team Manager and Project Support roles;

Running a project

- Plan the activities of the project and monitor progress against the initial quality criteria.
- Mobilize goods and services to initiative activities, including drafting TORs and work specifications;
- Monitor events as determined in the Monitoring & Communication Plan, and update the plan as required;
- Manage requests for the provision of financial resources by UNDP, using advance of funds, direct payments, or reimbursement using the FACE (Fund Authorization and Certificate of Expenditures);
- Monitor financial resources and accounting to ensure accuracy and reliability of financial reports;
- Manage and monitor the project risks as initially identified in the Project Brief appraised by the LPAC, submit new risks to the Project Board for consideration and decision on possible actions if required; update the status of these risks by maintaining the Project Risks Log;
- Be responsible for managing issues and requests for change by maintaining an Issues Log.
- Prepare the Project Quarterly Progress Report (progress against planned activities, update on Risks and Issues, expenditures) and submit the report to the Project Board and Project Assurance;
- Prepare the Annual review Report, and submit the report to the Project Board and the Outcome Board;
- Based on the review, prepare the AWP for the following year, as well as Quarterly Plans if required.

Closing a Project

- Prepare Final Project Review Reports to be submitted to the Project Board and the Outcome Board;

- Identify follow-on actions and submit them for consideration to the Project Board;
- Manage the transfer of project deliverables, documents, files, equipment and materials to national beneficiaries;
- Prepare final CDR/FACE for signature by UNDP and the Implementing Partner.

2. Administrative and Financial Assistant

Administrative and Financial 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 Task Managers in the proper use of the project budget, including the preparation of budget revisions
- Report to the 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

3. Task Manager on Environmental Financing

The Task Manager on Environmental Financing will:

- a. Assess the big picture of environmental financing situation in Uzbekistan. That will include the nature and scale of current need for subsidized environmental finance (financing gap) in Uzbekistan. The legal, policy tools and institutional framework that address public finance need for environmental management. In the context of broader environmental financing identify and elaborate on role and added-value of Environmental Fund in Uzbekistan.

Output: Analysis on Uzbekistan's legal and institutional framework for environmental financing targeted to natural resource management and environmental protection.

- b. Assess strengths, weaknesses, opportunities and threats (SWOT) to effective functioning of the EF in Uzbekistan. This will be undertaken as part of the functional analysis of the EF with particular focus on operational capacity, effectiveness and efficiency as a funding mechanism for environmental management.

Output: SWOT analysis of operational capacity of EF.

Qualifications

- Post-graduate degree in environmental economics or financing;
- Five years or more experience with the, financial management, environmental economics and other areas of relevance;

- Experience with the public financing for environmental management;
- 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. Task Manager on Environmental Planning and Management

The Task Manager on Environmental Planning and Management will:

- Undertake consultations with government officials to negotiate regulatory and operational modifications for improving the revenues, spending strategies, expenditures and project cycle management of EF;
- Undertake a comprehensive assessment of the environmental planning process in Uzbekistan
- Undertake functional review of all key stakeholders engaged in environmental planning at national and sub-national levels
- Facilitate policy consultations to integrate regulatory and operational recommendations of more integrated planning in the context of SPEP. This includes the ways to harmonize SPEP with under strategic planning processes under the global environmental conventions;
- Develop procedures for linking SPEP priorities with EF project cycle management
- Develop improved procedures for monitoring and evaluation of SPEP implementation
- Develop a training programme for understanding and implementing new and improved environmental financing measures
- Undertake policy and technical consultations to restructure government procedures to improve environmental financing for natural resource management

In undertaking the policy and technical consultations with government officials, the Task Manager on Environmental Planning and Management 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 environmental planning framework coherently coupled with EF project cycle management. 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 Uzbekistan'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 various stakeholders in the field of environmental management
- 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. Environmental Financing Expert (international)

a. The international consultant will assess environmental financing conditions in Uzbekistan with particular focus on EF. This will cover the following elements: i) role and objective of EF in the context of broader environmental financing in Uzbekistan; ii) legal foundation and institutional structure; iii) revenues (potential for diversification, reliability over the long period of time, sufficient to support meaningful progress etc.); iv) Operating and financing principles of EF (objectivity, transparency, accountability and efficiency; potential for leveraging co-financing, additionality principle etc); v) foundation and regulatory and Institutional structure of the EF. The consultant will also examine the key lessons and assessments concerning Environmental Funds in a wider region of CEE and CIS. The expert will compile good practices and comparative assessment of other successes and failures of EFs as relevant in the context of Uzbekistan.

Output: In-depth, analytical report with suit of recommendations to improve operational capacity, effectiveness and efficiency of the EF and introduce quality management system that sustainably improves functioning of EF in support of environmental management.

Output: Lessons learned and comparative assessment of EFs in CEE and CIS as relevant for the context of Uzbekistan

Qualifications

- Post-graduate degree in environmental economics, environmental financing and other related field
- Ten years or more experience with the environmental financing mechanisms
- Preferably, experience with and knowledge of how Environmental Funds are set and operational in CEE/CIS
- Experience with researching government statutes, legislation, regulation, and directives that govern public finance management
- Knowledge of Uzbekistan's institutional framework of public finance management desirable
- Fluent in English (and preferably 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

6. Natural Resource Management Specialist (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. 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 fund as means to support national environmental management priorities, including country's commitments under the global conventions.

Output: Knowledge product (document) explaining the value of environmental funds in a broader context of environmental financing focusing on project findings and results in Uzbekistan, however, with relevant references and comparative assessment of other funds and environmental financing tools in other countries of CEE and CIS.

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

Contractual Services

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

- a. Training workshops on the interpretation of environmental financing tools, policy and environmental fund structures.

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 environmental planning framework and underlying regulatory framework.

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 key stakeholders at national level.

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 at sub-national level.

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 centre 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.