

MINUTES
Project Appraisal Committee (PAC) meeting

Joint UNDP-GEF and Government of the Republic of Uzbekistan Medium-Sized Project “Mainstreaming Biodiversity into Uzbekistan’s Oil and Gas Sector Policies and Operations”

Date: August 4, 2010

Time: 10:00-11:30 a.m.

Venue: UNDP CO Conference Hall

Participants: *(as per the attached List of participants)*

The purpose of the PAC meeting was to review the joint UNDP-GEF and the Government of the Republic of Uzbekistan medium-sized Project proposal “Mainstreaming biodiversity into Uzbekistan’s oil and gas sector policies and operations”, obtain feedback from partners and seek partner endorsement for the project.

Mr. Nariman Umarov (Chair of State Committee for Nature Protection of Republic of Uzbekistan) opened the meeting and welcomed participants. In his introductory speech Mr. Umarov stressed the importance of biodiversity conservation for Uzbekistan, given that our country ratified a number of international conventions on biodiversity conservation (UN Convention on Biodiversity Conservation, UN Convention on Conservation of Migratory Species).

Ms. Nato Alhazishvili (UNDP Deputy Resident Representative) welcomed participants of the meeting on behalf of UNDP. Ms. Alhazishvili emphasized on importance and polarity of the project, since it involves government, private sector and NGOs into the project activity, and it is essential to take into consideration all parties’ opinion.

Ms. Rano Baykhanova (Climate Change Specialist of Environment and Energy Unit, UNDP) introduced the agenda of the PAC meeting and meeting participants.

Mr. Farhod Maksudov (Environment Specialist of Environment and Energy Unit, UNDP) presented the project proposal providing a detailed background to the problem of biodiversity in Uzbekistan, discussed the project strategy, highlighting project goal, objectives, target outcomes and outputs to be achieved. He also introduced the project budget structure, logframe matrix, duration, monitoring and evaluation strategies, as well as listed planned partners of the project represented by the State Committee for Nature Protection, Ministry of Economy, Flora and Fauna International (NGO) and oil and gas companies operating in Uzbekistan.

Following the project presentation the floor was open for discussion.

Discussion:

Question/Comment	Answer
Mr. Kim: Could you please tell us in more details about the State Biological Control Service, which is going to provide ecological passports?	Mr. Grigoryantz: The State Biological Control Service is a republican state inspection on protection and rational use of flora and fauna.
Mr. Kim: What were the criteria for indentifying the 8 monitoring sites on the Ustyurt Plateau?	Mr. Maksudov: Actually there are 10 sites (8 monitoring and 2 demonstration sites). For each site we have identified certain indicative species of animals and plants. Based on this we will determine the base level for each site. This information will be then used by the oil and gas investment companies to monitor themselves.

<p>Ms. Lanovenko: All project sites are located on the Ustyurt Plateau. As it is known, there are 2 protected areas – Saigachy and Sudochye – at the present in this region. I would suggest including the Sudochye lake as the project site as well. The fact is that currently a gas-chemical complex is being constructed around the area of this lake. This construction and related infrastructure will surely directly or indirectly harm flora and fauna of the lake. The lake is of great international importance, since most of the water bodies of the Aral region have been dried out. At the same time, one of the main migration routes – the Central Asian regional route – passes through this area. Consequently, load on this lake increased substantially as compared to, say, 20 years ago. In this respect, it is our responsibility to give enough attention to this issue.</p>	<p>Mr. Maksudov: Thank you for these valuable proposals. We will consider them during the project inception phase.</p>
<p>Ms. Kusnuyarova: During your presentation you mentioned periodical monitoring of implementation results at the pilot sites and auditing by independent contractors. Can you please explain who will conduct the periodical monitoring and auditing?</p>	<p>Ms. Baykhanova: Since this project is financed by GEF, there is a mandatory assessment procedure according to GEF requirements. Therefore each GEF financed project shall have a mandatory mid-term evaluation and final evaluation conducted by independent specialists.</p> <p>Mr. Maksudov: Besides, the project implementation results will be periodically monitored and evaluated by the UNDP CO.</p> <p>Mr. Sakhabutdinov (Task Manager of Project Preparatory Grant Stage): Along with that, the ecological audit will be an integral part of ecological management of oil and gas investment projects and will be conducted by independent ecological audit companies.</p>
<p>Ms. Zaynutdinova: What about the role of local communities in this project?</p>	<p>Mr. Maksudov: The point is that this project has two components, one of them is focused on legislation, and another is focused on pilots. Although, the project does not imply direct work with public, local community, it will raise public awareness by the means of PR activities. It is planned to hire a PR specialist who will have close connections with media, raise public awareness on objectives, activities and results of the project. Moreover, a similar project of Flora and Fauna International has a separate large component dedicated to work with local community, like anti-poaching. Thus, there will be close cooperation and synergy between these two projects.</p>
<p>Mr. Murzakanov: What kind of map are you planning to develop – a map which takes into account the investment companies' plans or a map with absolute data on the environment?</p>	<p>Mr. Maksudov: It was planned to elaborate an independent absolute map, where the areas are classified according to their importance in terms of nature conservation. However, may be we can elaborate a series of maps including plans of oil</p>

	and gas companies. This issue will be discussed with cartographers, geodesists and oil and gas companies. We can elaborate a mini-atlas including maps made with various approaches.
Ms. Kusnuyarova: We have suggestions regarding project partners. Based on our previous experience of operation in the Ustyurt Plateau region we would like the Ministry of Agriculture and Water Resources (MAWR) to be involved into this project. I will give you a real life example happened recently. LukOil carried out onshore exploration works at Kungrad and some other investment blocks within the Plateau Ustyurt. In half a year period from that moment this area was swamped for some reason, i.e. flora and fauna is affected not only by exploration works, but also due to irrigation management.	Mr. Maksudov: Thank you for this interesting comment, we will consider it. I agree that we need to include the MAWR into the partners list. The final list of participants will be provided at the inception workshop. Ms. Alhazishvili: Yes, I think this is a good idea to involve the MAWR in the project.
Mr. Kim: Referring to the component 1 of the project, you are going to elaborate amendments to State Ecological Examination and Environmental Impact Assessment screening instruments to require a thorough check of biodiversity impacts of proposed oil-and-gas projects. The state inspection Sanoatkontekhnazorat is currently the primary focal point on industrial security for exploration companies. This inspection examines impacts from exploration activities. However, this organization is not involved in this project at all. In my opinion, it should also be included into the project partners list. Otherwise, we will have to have 2 types of inspections.	Mr. Maksudov: Let me clarify, Sanoatkontekhnazorat inspects soil, water and air quality. Whereas, the idea of our project is biodiversity mainstreaming, i.e. to protect flora and fauna at the projected territories. That is why it can not be perceived as duplication of inspections. But we will consider inclusion of the Sanoatkontekhnazorat to the list of project partners.
Ms. Kusnuyarova: The project will be completed in 2014, whereas oil and gas sector development programme will terminate in 2012. Are you planning to finalize maps until 2012?	Mr. Sakhabutdinov: Actually we can recommend them until 2012, and they will be included into the subsequent oil and gas development plans.

Summarizing this part of the PAC meeting the participants agreed the comments and additions would be included in project proposal and approved by Project Board during the inception phase of the project.

#	Question of PAC check list	Opinions of participants
1.	Relevance	Affirmative.
2.	Stakeholder participation and partnership-building	Affirmative. All key stakeholders are involved and other recommended partners can be included during the project inception phase.
3.	Contribution to poverty reduction.	Affirmative. The project will ensure sustainable use of natural resources.
4.	Gender equality and the advancement of women	Affirmative. TORs of the project positions will state that female candidates with similar qualifications will be given priority.
5.	Protection and regeneration of the environment	Affirmative. The primary goal of the project is conservation of natural resources.

6.	Feasibility and technical soundness.	Affirmative.
7.	Management arrangements	Affirmative.
8.	Integration, synergies, complementary	Affirmative. The project will interact with other projects in this field.
9.	Result orientation	Affirmative.
10.	Resources and inputs	Affirmative.
11.	Governance	Affirmative.
12.	Most promising strategy (risks and external factors)	The Risk Log is provided in the project document.
13.	Incorporation of lessons learned	Affirmative
14.	Capacity development and sustainability	Affirmative

Conclusion:

Ms. Baykhanova summarized the discussion, announced approval of the project and noted that adjustments will be made in accordance with the comments and proposals during the inception phase. She thanked all the participants for constructive work and exchange of opinions.

Mr. Umarov thanked UNDP and colleagues for this initiative and stressed Government commitment to provide the necessary support, resources and expertise available for efficient project implementation made.

Ms. Alhazishvili thanked Mr. Umarov and participants for their valuable comments. She stressed the need for the project to use the experience and expertise already available locally, and highlighted the importance of bringing in global good practices in biodiversity conservation as well as the need for a strong and inclusive partnership strategy.

PAC decision and immediate follow-up actions:

The PAC noted the comments of participants and endorsed the project. The next steps outlined were the following:

1. Submit minutes to UNDP Bratislava Regional Centre for endorsement to obtain the Delegation of Authority.
2. Submit the Project Document to the State Committee for Nature Protection of the Republic of Uzbekistan for signature.
3. Launch the project as soon as the project document is signed and hold the inception workshop ensuring timely project personnel recruitment.

Cleared by: 

Mr. Abduvakkos Abdurahmanov, Head of Environment and Energy Unit, UNDP

Cleared by: 

Ms. Nato Alhazishvili, UNDP Deputy Resident Representative

Cleared by: 

**Mr. Nariman Umarov, Chair of State Committee for Nature Protection
(Project National Implementing Agency)**

**LIST OF PARTICIPANTS
PROJECT APPRAISAL COMMITTEE (PAC) MEETING**

Project of UNDP/GEF and the State Committee for Nature Protection (SCNP) on “Mainstreaming biodiversity into Uzbekistan’s oil and gas sector policies and operations”

4 August, 2010, UNDP CO Conference Hall, 4 T. Shevchenko, Tashkent

UNDP Uzbekistan		
1.	Ms. Alhazishvili	UNDP Deputy Resident Representative
2.	Ms. Baykhanova	Climate Change Specialist, E&E Unit
3.	Mr. Maksudov	Environment Specialist, E&E Unit
4.	Ms. Iskhakova	Programme Assistant, E&E Unit
5.	Mr. Ismatov	Project Manager of UNDP/GEF project «Strengthening Sustainability of the National Protected Area System by Focusing on Strictly Protected Areas»
Ministries and Committees of the Republic of Uzbekistan		
6.	Mr. Umarov	Chair of SCNP, National Project Coordinator
7.	Mr. Grigoryantz	Head of State Biological Control Service, SCNP, Focal point on UN Convention on Biological Diversity
8.	Mr. Goncharov	State Biological Control Service, Head of Department
9.	Ms. Khegay	NHC Uzbekneftegaz, Head of Industrial Environmental Security Department
Oil and Gas investment Companies		
10.	Mr. Fakhrutdinov	Gazprom Zarubejneftegaz, Chief Design Specialist
11.	Ms. Kusnuyarova	Lukoil Uzbekistan Operating Company, Head of Ecology Department
12.	Ms. Allobergenova	Petronas, Ecologist
13.	Mr. Kim	CNPC, Deputy Head of Drilling Department
14.	Mr. Nigmatov	KNOC, HTC Engineer
Academy of Sciences of the Republic of Uzbekistan		
15.	Ms. Lanovenko	Institute of Zoology of the Academy of Sciences of the RUz, Senior Research Scientist
International Organizations		
16.	Mr. Sakhabutdinov	Flora and Fauna International, Project Coordinator; Task Manager of Project Preparatory Grant Stage
17.	Mr. Esipov	Saiga Conservation Alliance, Research Scientist of the Institute of Zoology
18.	Ms. Bykova	Saiga Conservation Alliance, Research Scientist of the Institute of Zoology
19.	Mr. Yunusov	National Secretariat, Interstate Commission on Sustainable Development, Uzbekistan, Head of Division
NGOs		
20.	Mr. Khushvaktov	Ecological Movement of Uzbekistan, Head of Work Group
21.	Mr. Kuziyev	«ECOSAN», Director of Tashkent Region Branch
22.	Ms. Zaynutdinova	«Armon», Director
23.	Mr. Murzakhonov	«Armon», Researcher
Mass Media		
24.	Mr. Ibragimov	Eco News Publishing House, Deputy Editor-in-Chief