Document of
The World Bank

Report No:ICR0000357

IMPLEMENTATION COMPLETION AND RESULTS REPORT
(WBTF-22498)

ON A

GRANT

IN THE AMOUNT OF US$10.13 MILLION

TO THE

REPUBLIC OF KAZAKHSTAN
KYRGYZ REPUBLIC
AND
REPUBLIC OF UZBEKISTAN

FOR A

CENTRAL ASIA TRANSBOUNDARY BIODIVERSITY PROJECT

MARCH 2, 2007

SUSTAINABLE DEVELOPMENT SECTOR DEPARTMENT
CENTRAL ASIA COUNTRY DEPARTMENT
EUROPE AND CENTRAL ASIA REGION

CURRENCY EQUIVALENTS
(Exchange Rates Effective February 2007)

Currency Units = KZT, KGS, UZS
Kazakhstan Tenge KZT125 = US$1
Kyrgyzstan Som SoKGS39.8 = US$1
Uzbekistan Sum UZS1,241 = US$1

FISCAL YEAR
[January 1 – December 31]

ABBREVIATIONS AND ACRONYMS

CATBP	Central Asia Transboundary Biodiversity Project
EA	Environmental Assessment
EIA	Environmental Impact Assessment
GC	Group of Consultants
GEF	Global Environmental Facility
GEO	Global Environmental Objective
ICR	Implementation Completion report
ISR	Implementation Status and Results Report
IUCN	International Union for the Conservation of Nature and Natural Resources
KGS	Kyrgyzstan Som
KZT	Kazakhstan Tenge
ND	National Director
NGO	Non Governmental Organization
NPIU	National Project Implementation Unit
NSC	National Steering Committee
PA	Protected Area
PAD	Project Appraisal Document
PIU	Project Implementation Unit
RPIU	Regional Project Implementation Unit
SCEPF	State Agency for Environment Protection and Forestry, Kyrgyz Republic
SCFH	State Committee for Forest and Hunting, Republic of Kazakhstan
SCNP	State Committee for Nature Protection, Republic of Uzbekistan
SGP	Small Grant Program
TACIS	Technical Assistance Grants Funded by the European Union
TBR	TransBoundary Reserve (or Biosphere)
TSC	Transnational Steering Committee
UZS	Uzbekistan Sum
WTS	Western Tien Shan

Vice President:	Shigeo Katsu
Country Director:	Mehrnaz Teymourian
Sector Manager:	Juergen Voegele
Project Team Leader:	Maurizio Guadagni
ICR Team Leader:	Maurizio Guadagni

Central Asia
Central Asia Biodiversity GEF Project

CONTENTS

A. Basic Information

Country:	Central Asia	Project Name:	Central Asia Biodiversity GEF Project
Project ID:	P042573	L/C/TF Number(s):	WBTF-22498
ICR Date:	03/05/2007	ICR Type:	Core ICR
Lending Instrument:	SIL	Borrower:	GOVT. OF KAZAKS., UZBEKIS., AND KYRGYZ
Original Total Commitment:	USD 10.2M	Disbursed Amount:	USD 10.1M
Environmental Category: C		**Global Focal Area: B**	

Implementing Agencies:

State Agency on Environmental Protection and Forestry (Kyrgyz Republic)
Forestry and Hunting Committee, under the Ministry of Agriculture (Republic of Kazakhstan)
State Committee for Nature Protection (Republic of Uzbekistan)

Cofinanciers and Other External Partners:

B. Key Dates

Process	Date	Process	Original Date	Revised / Actual Date(s)
Concept Review:	02/02/1996	Effectiveness:		
Appraisal:	09/17/1998	Restructuring(s):		
Approval:	06/22/1999	Mid-term Review:		10/01/2003
		Closing:	06/30/2004	06/30/2006

C. Ratings Summary

C.1 Performance Rating by ICR

Outcomes:	Satisfactory
Risk to Global Environment Outcome	Substantial
Bank Performance:	Satisfactory
Borrower Performance:	Satisfactory

C.2 Detailed Ratings of Bank and Borrower Performance

Bank	Ratings	Borrower	Ratings
Quality at Entry:	Satisfactory	Government:	Not Applicable
Quality of Supervision:	Satisfactory	Implementing Agency/Agencies:	Not Applicable
Overall Bank Performance:	Satisfactory	**Overall Borrower Performance:**	Satisfactory

C.3 Quality at Entry and Implementation Performance Indicators			
Implementation Performan ce	**Indicators**	**QAG Assessments (if any)**	**Rating**
Potential Problem Project at any time (Yes/No):	No	Quality at Entry (QEA):	None
Problem Project at any time (Yes/No):	No	Quality of Supervision (QSA):	None
GEO rating before Closing/Inactive status	Satisfactory		

D. Sector and Theme Codes		
	Original	**Actual**
Sector Code (as % of total Bank financing)		
Central government administration	22	70
Forestry	47	10
General education sector	12	10
Other industry	10	10
Other social services	9	
Theme Code (Primary/Secondary)		
Biodiversity	Primary	Primary
Environmental policies and institutions	Primary	Primary
Law reform	Secondary	Secondary
Participation and civic engagement	Primary	Secondary
Rural non-farm income generation	Primary	Secondary

E. Bank Staff		
Positions	**At ICR**	**At Approval**
Vice President:	Shigeo Katsu	Johannes F. Linn
Country Director:	Mehrnaz Teymourian	Kiyoshi Kodera
Sector Manager:	Juergen Voegele	Kevin M. Cleaver
Project Team Leader:	Maurizio Guadagni	Piotr Krzyzanowski
ICR Team Leader:	Maurizio Guadagni	
ICR Primary Author:	Bulat Utkelov	

F. Results Framework Analysis

Global Environment Objectives (GEO) and Key Indicators(as approved)

The primary objectives of the project were to support the protection of vulnerable and unique biological communities within the Western Tien Shan and to assist the three countries to strengthen and coordinate national policies, regulations, and institutional arrangements for biodiversity protection. Associated objectives were to:

(a) Strengthen and expand the zapovednik (strict nature reserves) network in the West Tien Shan to conserve unique plant and animal communities, including wild relatives of domesticated species;

(b) Identify alternative and sustainable income-generating activities for local communities and other stakeholders to reduce pressure on the zapovedniks and their biological resources;

(c) Strengthen local and national capacity through education and training;

(d) Raise public awareness of biodiversity values and increase participation in biodiversity conservation;

(e) Conservation; and

(f) Establish regional (Transnational) coordination and cooperation mechanisms for biodiversity conservation activities to strengthen zapovednik management and wildlife protection and prevent the fragmentation of habitat corridors.

The global environmental objective is to ensure the conservation of the globally important biodiversity within the West Tien Shan. Specific objectives were to:

(a) Conserve biodiversity through the implementation of an ecosystem-based management approach that involves the strengthening of zapovednik management systems and the integration of a coordinated management concept across regional, national and local programs;

(b) Improve knowledge of the distribution and status of rare, endangered and endemic species through targeted surveys to better focus conservation measures;

(c) Enhance biodiversity conservation within mountain ecosystems by developing cross-sector multi-use management systems to preserve critical ecosystems;

(d) Promote the protection of ecosystems, natural habitats, landscapes and the in-situ maintenance of viable populations of species by developing sustainable land-use which integrates conservation management between zapovedniks and adjacent forest production units (leshoz) and farming communities; and

(e) Increase the awareness of biodiversity conservation and endangered species by the development of training programs and dissemination of information.

Revised Global Environment Objectives (as approved by original approving authority) and Key Indicators and reasons/justifications

Objectives and key indicators were not revised.

(a) GEO Indicator(s)

Indicator	Baseline Value	Original Target Values (from approval documents)	Formally Revised Target Values	Actual Value Achieved at Completion or Target Years
Indicator 1 :	Reduced rate of decline of important species, habitats and communities within and outside protected areas. Increased and expanded conservation activities			
Value (quantitative or Qualitative)	Recorded occurrences of some important species in project areas in 2000: Roe: 135 Ibex: 857 Wild boar: 128 Stone marten: 141	Reduced decline (but still decline)		Recorded occurrences and changes of the following species in 2004: Roe: 196 (+45%) Ibex: 1,069 (+25%) Wild boar: 139 (+9%) Stone marten: 188 (+33%)
Date achieved	03/01/2000	06/25/1999		12/17/2004
Comments (incl. % achievement)	Instead of reduced decline, the number of occurrences increased for some species. The target was exceeded			

(b) Intermediate Outcome Indicator(s)

Indicator	Baseline Value	Original Target Values (from approval documents)	Formally Revised Target Values	Actual Value Achieved at Completion or Target Years
Indicator 1 :	Expand the protected area network			
Value (quantitative or Qualitative)	Four protected areas with a coverage of 2,067 Km2	No target established		Five new protected areas reaching a total of 5,852 Km2 (+184%)
Date achieved	03/01/2000	06/25/1999		06/30/2006
Comments (incl. % achievement)	The protected areas increased by 125% in number and 184% in area, increasing the coverage of PA coverage of vulnerable flora and fauna in WTS from 25-30% to 40-45% (+55%)			
Indicator 2 :	Strengthen the nature reserves network in the West Tien Shan. (Measured though the IUCN PA Management Effectiveness Score Card, see table 3 in Annex 2)			
Value	60 in average for 4	No target set		76 in average for

(quantitative or Qualitative)	Protected Areas			the same 4 protected areas
Date achieved	06/25/1999	06/25/1999		06/30/2005
Comments (incl. % achievement)	PA management was significantly strengthened as recorded by a 27% increase of the IUCN scorecard			
Indicator 3 :	Use small grants to identify and disseminate alternative income generating activities which reduce anthropological pressure to national parks and protected areas.			
Value (quantitative or Qualitative)	No small grant program	Target not specified	500 small grants implemented	593 small grants implemented with 9,292 ha reforested and 1,064 ha of pasture improved
Date achieved	06/25/1999	06/25/1999	12/10/2003	06/30/2006
Comments (incl. % achievement)	Although small grants were instrumental in changing the attitude of the local population toward the environment (see annex 5) to expect that they would identify alternative income generating activities was over-ambitious			
Indicator 4 :	Increase quantity, relevance, and dissemination of research activities on biodiversity			
Value (quantitative or Qualitative)	Limited new research activities and minimal (if any) dissemination	Target not specified		Large number of publications in various languages, workshops and training seminars, and awareness activities
Date achieved	06/25/1999	06/25/1999		06/30/2006
Comments (incl. % achievement)	Target achieved			
Indicator 5 :	Strengthen local and national capacity through education and training			
Value (quantitative or Qualitative)	Limited number of academic events	No target specified		A total of 3,529 people trained, more than half of which in Uzbekistan. More than 30 study tours were carried out during the project
Date achieved	06/25/1999	06/25/1999		06/30/2006
Comments (incl. % achievement)	Increased international exposure of scientists was key to counterweight the isolation created by the collapse of the Soviet Union			
Indicator 6 :	Establish regional (Transnational) coordination and cooperation mechanisms for biodiversity conservation activities to strengthen zapovednik management and wildlife protection and prevent the fragmentation of habitat corridors			
Value (quantitative or Qualitative)	Lack of a legal framework to establish a joint protected area	Establishment of a tripartite agreement on the		The legal framework was updated to allow a

		Western Tien Shan Biosphere		joint protected area. The implementing agencies drafted the tripartite agreement, but Ministries of Foreign Affairs of the three countries have not yet agreed on a final text of the agreement
Date achieved	06/25/1999	06/25/1999		06/30/2006
Comments (incl. % achievement)	The fact that the tri-partite agreement was not reached represent a shortcoming of the project. This may have been caused but excessive expectations and underestimations of the difficult relationships among the three countries			

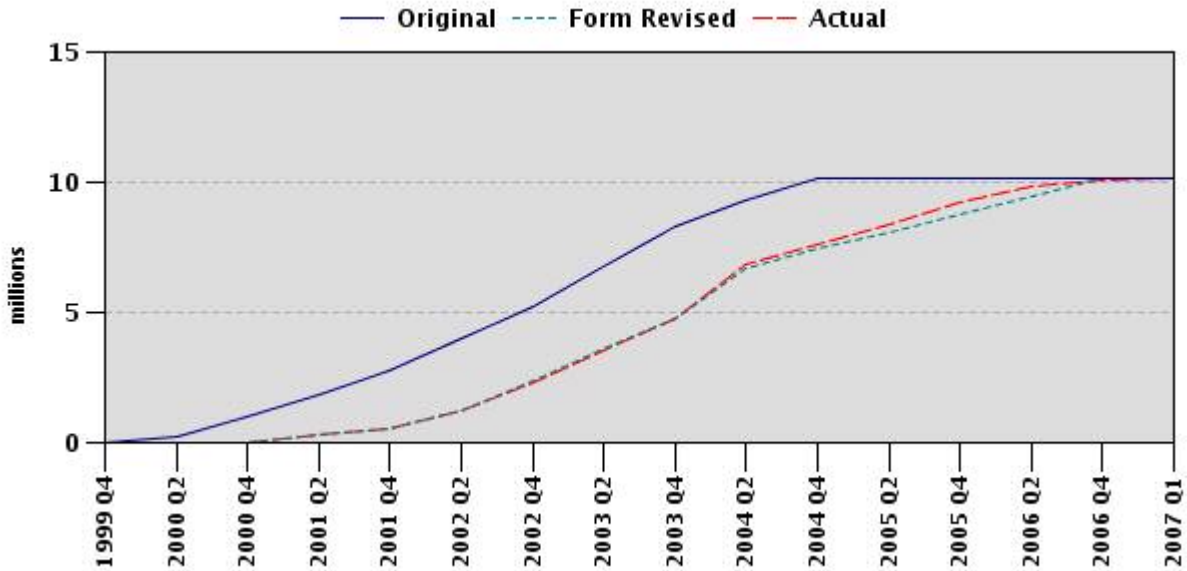
G. Ratings of Project Performance in ISRs

No.	Date ISR Archived	GEO	IP	Actual Disbursements (USD millions)
1	07/01/1999	Satisfactory	Satisfactory	0.00
2	09/29/1999	Satisfactory	Satisfactory	0.00
3	04/24/2000	Satisfactory	Satisfactory	0.00
4	04/25/2000	Satisfactory	Satisfactory	0.00
5	07/19/2000	Satisfactory	Satisfactory	0.30
6	12/06/2000	Satisfactory	Satisfactory	0.30
7	06/14/2001	Satisfactory	Satisfactory	0.56
8	08/27/2001	Satisfactory	Satisfactory	0.80
9	02/20/2002	Satisfactory	Satisfactory	1.73
10	05/30/2002	Satisfactory	Satisfactory	2.33
11	11/25/2002	Satisfactory	Satisfactory	3.35
12	04/14/2003	Satisfactory	Satisfactory	4.12
13	12/22/2003	Satisfactory	Satisfactory	6.55
14	06/29/2004	Satisfactory	Satisfactory	7.57
15	12/16/2004	Satisfactory	Satisfactory	8.40
16	06/29/2005	Satisfactory	Satisfactory	9.22
17	01/04/2006	Satisfactory	Satisfactory	9.85
18	06/30/2006	Satisfactory	Satisfactory	10.07

H. Restructuring (if any)

Not Applicable

I. Disbursement Profile



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1. Project Context, Global Environment Objectives and Design

(this section is descriptive, taken from other documents, e.g., PAD/ISR, not evaluative)

1.1 Context at Appraisal

(brief summary of country and sector background, rationale for Bank assistance)

The transition from Soviet planned economies to market economies created a significant stress to the three countries in Central Asia. Many sectors have been severely underinvested, and the environment suffered more than other sectors because of its challenging accountability and the decline of social discipline. As a consequence investments in environmental sustainability and biodiversity protection were drastically reduced during the transition.

The dismantling of the Soviet Union also created new borders across newly created countries in the Tien Shan mountain region. This created new challenges to coordinate the management of this area which was suddenly divided among Kazakhstan, the Kyrgyz Republic, and Uzbekistan.

The Western Tien Shan is a "biodiversity hotspot" due to the high number of endemic species and the level of threat to them. The concentration of different species in the Western Tien Shan is much higher than in rest of Central Asia. The reason for such concentration of biodiversity is that this mountain range represents an oasis surrounded by vast arid and semi-desert planes and steppes, particularly toward the north. After flowing undisturbed for long distances over the plains, the air is lifted by the mountains causing a temperature drop which produces condensation and a consequent concentration of precipitation. The project region contains a full range of habitats from sub-tropical to tundra, which support unique and globally significant communities, and threatened species such as snow leopard, white-clawed bear, and Central Asian mountain goat and argali. The region also contains wild relatives of commercialized horticultural and agricultural plants (including apples, walnuts, apricots and tulips), medicinal plants, various grasses, and many other endemic flower species. This high concentration of different natural ecosystems, from glaciers to deserts, in a relatively small part of Central Asia requires special attention to biodiversity conservation. These ecosystems are under threat from uncontrolled over-use of natural resources, such as poaching, over-grazing, and illegal logging.

1.2 Original Global Environment Objectives (GEO) and Key Indicators (*as approved*)

Original objective. The primary objectives of the project were to support the protection of vulnerable and unique biological communities within the Western Tien Shan and to assist the three countries to strengthen and coordinate national policies, regulations, and institutional arrangements for biodiversity protection. Associated objectives were to:

1. Strengthen and expand the *zapovednik* (strict nature reserves) network in the West Tien Shan to conserve unique plant and animal communities, including wild relatives of domesticated species;
2. Identify alternative and sustainable income-generating activities for local communities and other stakeholders to reduce pressure on the *zapovedniks* and their biological resources;
3. Strengthen local and national capacity through education and training;
4. Raise public awareness of biodiversity values and increase participation in biodiversity conservation; and

5. Establish regional (Transnational) coordination and cooperation mechanisms for biodiversity conservation activities to strengthen *zapovednik* management and wildlife protection and prevent the fragmentation of habitat corridors.

The global environmental objective is to ensure the conservation of the globally important biodiversity within the West Tien Shan. Specific objectives were to:

1. Conserve biodiversity through the implementation of an ecosystem-based management approach that involves the strengthening of *zapovednik* management systems and the integration of a coordinated management concept across regional, national and local programs;
2. Improve knowledge of the distribution and status of rare, endangered and endemic species through targeted surveys to better focus conservation measures;
3. Enhance biodiversity conservation within mountain ecosystems by developing cross-sector multi-use management systems to preserve critical ecosystems;
4. Promote the protection of ecosystems, natural habitats, landscapes and the in-situ maintenance of viable populations of species by developing sustainable land-use which integrates conservation management between *zapovedniks* and adjacent forest production units (leshoz) and farming communities; and
5. Increase the awareness of biodiversity conservation and endangered species by the development of training programs and dissemination of information.

1.3 Revised GEO (*as approved by original approving authority*) and Key Indicators, and reasons/justification

Objectives and key indicators were not revised.

1.4 Main Beneficiaries
(original and revised, briefly describe the "primary target group" identified in the PAD and as captured in the GEO, as well as any other individuals and organizations expected to benefit from the project)

Local communities living in and around the *zapovedniks*, staff of public protected area agencies, associated academic institutions and scientists, farmers and other private sector representatives, members of NGOs have benefited from the project through testing innovative management of the PAs and their buffer zones, sustainable use of their resources, through the provision of opportunities for skill development and income generation, through increased employment opportunities, associated with the upgrading of ecotourism facilities, park staff, reforestation, tourism, as well as from the project's Small Grant Program, trainings, information, and opportunities of replication.

1.5 Original Components (*as approved*)

The project supported an integrated set of biodiversity conservation activities at local, national and transnational levels, from issues of legislation to alternative income-generating activities. The project was organized in the following six components.

Component A: Legal and Financial Reform . This component had the objective to assist in improving the policy and legal framework for biodiversity conservation in all three countries and

in developing and implementing a strategy for budgetary reform needed to enhance project sustainability. The activities to be implemented are: (i) Establish mechanisms for the regional coordination of biodiversity conservation activities and policies. Achieving the biodiversity conservation objectives of the project requires coordination of initiatives and activities at the regional (transboundary), national, and local levels. This was to be achieved by establishing coordinating mechanisms at all three levels. (ii) Improve and harmonize legal frameworks. National and international consultants were contracted to assist the project's executing agencies in a review of legislation relating to natural resource ownership and use, and accompanying regulations, as a first step to harmonizing legislation among the three countries. These reviews focused on natural resource use rights, tourism, hunting, and cultural sites in the project sites. Recommendations were to be made for new regulations and legislative changes, as appropriate, to harmonize the legislative frameworks in the three countries; (iii) Financial and budgetary mechanisms for sustainable funding of biodiversity conservation. The project financed technical assistance to the executing agencies to undertake an analysis of the financial needs and recurrent costs and budgetary allocations for biodiversity conservation and sustainable use, particularly for the *zapovedniks*. A strategy for recurrent funding mechanisms for the conservation areas was supposed to be developed. Examples of alternative funding mechanisms include regional environmental funds and taxes, donors (including trust funds other than GEF), and resource use fees.

Component B: Strengthening the Protected Area Network of the West Tien Shan . The component had to finance the implementation of management plans for the following four protected areas: Aksu Djabagly in Kazakhstan, Chatkal in Uzbekistan, Sary Chelek and the Besh Aral in the Kyrgyz Republic. Implementation of management plans included provision of technical assistance, training, communication and other equipment, and infrastructure. At each site a rapid biological assessment to rationalize protected area boundaries, identify appropriate land/resource use and zoning needs, and improve habitat management and species protection was to be carried out.

These protected area management activities had to be supported by training programs to strengthen capacity of protected area staff; public education and awareness programs to build a local and national constituency in support of conservation; surveys, land use planning to identify and protect wildlife corridors between the project protected areas, and monitoring and evaluation activities. The project had also to finance the costs of regional coordination and collaboration among the protected areas staff and other stakeholders, including joint training programs, anti-poaching campaigns and joint monitoring of key indicator species.

Component C: Sustainable Use of Biodiversity. This component was to provide training activities and small grants to promote the development of biodiversity-friendly activities that were implemented in and around protected areas. The small grants program financed model programs for sustainable use of biodiversity activities, to be developed and implemented by local communities, NGOs and individuals living in villages around the project protected areas. These were evaluated and selected by an evaluation committee according to conservation needs and appropriate land use planning. Activities were to include the development of model or pilot projects for sustainable grazing and forestry practices with direct incremental biodiversity benefits, or the provision of seed funding for activities that have the potential to develop alternative livelihoods which reduce pressure on the parks and their biological resources. The small grants program was to finance demand-driven activities to develop rural tourism, such as technical advice and training for providing accommodation in rural homes, guiding and site interpretation; cottage industries for handicrafts, nursery development, traditional resource use

practices, renewable energy projects (photovoltaic systems) and appropriate animal husbandry programs.

Component D: Strengthening of the local and national capacity . The component had to provide professional development, education and training programs to build the necessary capacity for: (a) protected areas management; (b) conservation field skills; (c) public awareness; (d) project management skills; (e) business management; and (f) training of trainers and maintaining a trainer network. The project provided opportunities for regional training, work-study visits, and exchange of regional expertise. The training program was to support implementation of other project components.

Component E: Public participation in biodiversity conservation. The component had to finance the participation of local communities in habitat restoration and reforestation in areas adjoining the protected areas. Priority had to be given to areas that function as wildlife corridors, or are otherwise important for biodiversity conservation. In order to reduce pressure on local forests for fuel wood, the component had to support a study on alternative energy sources and potential financing for its implementation. This component was supposed to be complemented by activities financed under the small grants program.

Component F: Project management. The component had to finance operating costs of a Regional PIU (RPIU) and National PIUs (NPIUs), under the direction of the responsible line Ministries. For each country, a National Director (ND) from the Ministries/State Committee is to direct the implementation of national project activities. The ND is to be advised by a National Supervisory Committee, and was responsible to appoint key staff of the NPIU. The PIU was headed by the Project Manager (PM), who was responsible for the day-to-day management of the PIU, including staff/consultant selection and performance, coordination of technical work, and reporting and reviewing of work in progress. A Regional Project Implementation Unit (RPIU) located in Bishkek had to manage implementation of the Kyrgyz national components of the project and the regional components. The RPIU was advised by a Transnational Steering Committee. The RPIU coordinated the activities of each NPIU and managed the Special Account.

The NPIUs and RPIU were responsible for contracting for the delivery of goods, works, and consultant services to implement the project. Under the direction of the National Directors, the PIUs contracted: (i) firms and individuals to carry out consulting and other technical assistance services; (ii) individuals and firms for works/ infrastructural improvements to the *zapovedniks*; and (iii) suppliers for the delivery of goods.

1.6 Revised Components

After the Mid Term review, Components C and E were merged (Public Participation in Biodiversity and Sustainable Use of Biodiversity). Indeed it was planned from the beginning that most activities under the two components would be implemented through the Small Grant Program. However the total allocation for the Small Grant Program was lower than the total of the two components because some funds were redirected to Component B to finance additional infrastructure and equipment for protected areas.

1.7 Other significant changes

(in design, scope and scale, implementation arrangements and schedule, and funding allocations

The project implementation period was extended by two years. This was mostly a consequence of the difficulty to start a new operation in three new countries, with cumbersome and different implementation procedures.

Also, counterpart funding was reduced from the initial $2.0 million to around $0.9 million. The Kyrgyz Republic faced particularly strong financial difficulties which were not anticipated and accounted for at project design. The other two countries reduced their contribution to maintain a balance rather than stepping in to help.

2. Key Factors Affecting Implementation and Outcomes

2.1 Project Preparation, Design and Quality at Entry

(including whether lessons of earlier operations were taken into account, risks and their mitigations identified, and adequacy of participatory processes, as applicable)

Quality at entry was satisfactory and allowed the project to achieve globally relevant objectives. However some project objectives and indicators may have been over-ambitious. This reflects the overall very positive prospects for the region at the time of project preparation (1998-1999). Expectations were later reduced due, inter alias, to significant financial and political difficulties in the Kyrgyz Republic, to the pace of reforms in Uzbekistan, and the alternating relationships among the three countries.

An important lesson from the Aral Sea Regional Project was key to allowing a successful project implementation. Project implementation arrangements, even though somehow cumbersome, allowed maintaining a sufficient level of commitment from all three countries. The experience of the Aral Sea project had proven that adopting a fully integrated regional approach does erode commitment at the national level (principle of subsidiarity). Instead the mixed implementation arrangements adopted by this project allowed for agreeing on a common strategy at regional level leaving its implementation at national level when possible. The project had a Transnational Steering Committee (TSC) and three National Steering Committees (NSC), with strategic functions, in parallel to a Regional Project Implementing Unit (RPIU) and three National Implementing Units (NPIUs). The committees were not permanently staffed, but just met regularly to provide a strategic guidance to the project. Only the four PIUs were permanently staffed and the division of responsibility along national lines allowed national implementation within a commonly agreed strategy. The coordination role of RPIU allowed reconciliation of issues raised across NPIUs in relation to methodological aspects, nature reserve objects selection, structure and content of the Bioregional Plan, and necessary activities in preparing research activities, as well as preparing workshops and TSC meetings. The RPIU was often able to help reaching an agreement among NPIUs.

A design weakness was the Environmental Category classification (OD 4.01). The Project was designated as EA Category C, but in fact included elements which would seem more appropriate for Category B, including civil works inside Protected Areas, expansion and creation of new Protected Areas, and activities such as construction of small dams under the Small Grants Program. Given the environmental nature of this project, this is somehow surprising.

2.2 Implementation
(including any project changes/restructuring, mid-term review, Project at Risk status, and actions taken, as applicable)

Some factors outside the control of governments or implementing agencies affected project performance. Particularly the relationships among the three recently independent countries did not always develop in the harmonious way as anticipated at project appraisal. Tensions among the three countries were caused by many factors, including a very different development pace and tensions for the management of an important natural resource, water. This eroded the interest in regional coordination and may have limited achievements in this area.

Approval of legislation is under parliamentary control. In theory the Governments do not have control over this process. Although this may not be fully true in practice, it has been used as a justification for the delays in the approval process of some laws. Also the level of administrative requirements in Uzbekistan (such as contract registration, rigid limits in cash payments, etc.) created serious difficulties to the implementation of project activities. Therefore implementation in Uzbekistan was slower and more costly than initially planned.

A positive role in achieving the stipulated goals was played by international consultants and the WB missions. Their recommendations, based on international experience, were complemented with locally accrued experience, and allowed to make timely corrections in project activities.

The merging of component E (Public Participation in Biodiversity Conservation) with Component B (Strengthening the Protected Area Network of the West Tien Shan) significantly reduced the scope of Public Participation in Biodiversity Conservation, since the Small Grant Program invested only around $0.6 million against the $2.8 million planned for component E. Funds allocated for this component have been reallocated for other activities, particularly the creation of new Protected Areas.

2.3 Monitoring and Evaluation (M&E) Design, Implementation and Utilization

The design of the monitoring and evaluation system lacked specific targets and was somehow overly complex, leading to limited utilization during project implementation. For instance, the project document has 15 key indicators for the "main global objective' but without any numeric target. This was also consequence of the limited attention provided to M&E at the period of project approval, in 1999.

The use of the IUCN Protected Areas management effectiveness score cards allowed an important quantification of project effects on the management of protected areas. The project effects on the management of protected areas were assessed by independent international experts who used IUCN protected areas management effectiveness score cards. See table 1 in chapter 3.1 (a) for improvements during project implementation.

2.4 Safeguard and Fiduciary Compliance
(focusing on issues and their resolution, as applicable)

During the Mid Term Review, the Environmental Assessment (OD 4.01) of the project was rated unsatisfactory. This because the Project was designated as EA Category C, but in fact includes elements which would seem more appropriate for Category B, including civil works inside

Protected Areas, expansion and creation of new PAs, and activities such as construction of small dams under the Small Grants Program. The Small Grant Program (SGP) Operations Manual includes environmental screening, but it is not clear how effectively this has been done. For civil works in the PAs, Executing Agencies have been following environmental screening requirements according to the national laws, but these have not been submitting EAs to WB for review, as called for in the Project Document. Similarly, social assessments have been carried out prior to expansion and creation of PAs, in accordance with local procedures, but had not been submitted to the WB for review. Steps to address these issues were taken, such as retroactive review of the reports from the nationally mandated procedures.

Later on during 2004 a few sample retroactive Environmental Impact Assessments were carried out and an agreement was reached regarding procedures for giving greater attention to environmental screening for SGP small projects. On this basis, the project compliance EA rating is restored to satisfactory.

2.5 Post-completion Operation/Next Phase

(including transition arrangement to post-completion operation of investments financed by present operation, Operation & Maintenance arrangements, sustaining reforms and institutional capacity, and next phase/follow-up operation, if applicable)

The Governments of the three countries expressed on various occasions their strong interest for a follow-up operation. On one side, this is the result of the Governments' appreciation for the results achieved during the first phase. On another side, this may also be a consequence of their concerns regarding sustainability of the project activities. This greatly varies from country to country: given the availability of public budget in Kazakhstan, the sustainability here is very likely. The Kyrgyz Republic is at the opposite extreme, where the very limited availability of financial resources does create an important obstacle to the sustainability of project achievements. The follow-up phase intends to further develop approaches to provide a constant flow of funds for project activities, such as nature-based tourism, and also develop new approaches, such reforestation and consequent carbon sequestration and trade in the Kyrgyz Republic. The last approach may allow a constant annual revenue of more than US$400,000 to the Kyrgyz Republic alone.

The potential for a follow-up operation has been used to leverage more commitment on the conclusion of the process to agree on the Regional Biosphere reserve. Nonetheless, this target has not yet been achieved since the legal document is under procedure of agreeing it between the three countries. However this should not be considered as a cause for disengagement from the continued dialogue on such an issue. Achieving institutional change does often require a long engagement period.

3. Assessment of Outcomes

3.1 Relevance of Objectives, Design and Implementation

(to current country and global priorities, and Bank assistance strategy)

Project objectives were consistent with the Bank's strategies to assist the Governments of the three countries, which targeted (i) poverty reduction through integrated rural natural resources programs and (ii) development of environmentally sustainable policies to contribute to sustainable development.

Project objectives were also consistent with the GEF Operational Strategy and with the Operational Programs on Forest and Mountain Ecosystems.

Finally, project objectives were highly justified since the dismantling of the Soviet Union created new borders among the three republics which required a special effort to develop new mechanisms of transboundary cooperation. Also, during the hardship caused by the transition, environmental issues received particularly low priority. As a consequence the protected areas network decayed due to the lack of financing, and the ecosystem and biodiversity of the region were threatened. The project played an important role in mitigating such acute problems.

3.2 Achievement of Global Environmental Objectives
(including brief discussion of causal linkages between outputs and outcomes, with details on outputs in Annex 2)

The project outcome is assessed as satisfactory since the most important project objectives have been achieved

(a) Strengthen and expand the zapovednik (strict nature reserves) network in the West Tien Shan (WTS) to conserve unique plant and animal communities, including wild relatives of domesticated species

As the table below shows, the area under protection increased by 183%, while the management effectiveness was increased by 28%. Four new strict nature reserves (*zapovedniks*) and one new natural park were created under the project, while no other *zapovednik* was created in the three countries in the same period. These new reserves were created according to a bio-regional plan.

Table 1 – Protected Areas Strengthened and Expanded

	Before project	At project closing	Change
Area under protection(Km2)	2,067	5,852	**+183%**
Number of PAs	4	9	**+125%**
IUCN Protected Area management effectiveness score card*	60	77	**+28%**
PA coverage of vulnerable flora and fauna in WTS	25-30%	40-45%	**+55%**

*Before project rating was assessed in 2002 by Ron Petocz (before most project activities) and was assessed again in 2005 by Natalia Danilina (IUCN deputy chair for Eurasia region). See Annex 2 for a detailed description of the score-card ratings.

Significant investments in infrastructure allowed for very tangible benefits such as improved facilities for PA staff, including offices, "cordon" houses (rangers' houses along the protected areas borders), a small nature museum in each country, road rehabilitation, procurement of vehicles, equipment and outfit for rangers, horses, communication equipment, and a micro hydropower plant in Sary Chelek. All of this, combined with training and management plans, has significantly improved the management of protected areas, as revealed by an increase of 25% in terms of IUCN management effectiveness score card during the last 3 years of project implementation.

This increased countries' capacity for conservation of unique ecosystems and diversity of species in WTS (see detailed outputs of component 2 below).

(b) Identify alternative and sustainable income-generating activities for local communities and other stakeholders to reduce pressure on the zapovedniks and their biological resources

The Small Grants Program contributed to test environmentally friendly activities and alternative income generative activities to reduce pressure on biological resources. Small grants were pivotal to changing the attitude of local communities to biodiversity conservation: until this program, those communities saw the reserves as only a limit to their regular activities. Small grants were the first benefits that *zapovedniks* brought them. This contributed to behavioral change, as detected by an independent evaluation. It also achieved improved natural resources management, as in the case of improved pasture management. It is however less clear whether these small grants contributed to reducing pressure on biological resources.

However the project may have excessively concentrated its effort inside the *zapovedniks*, and it could have done more in areas among *zapovedniks*. In fact when funds were re-allocated from Component E (Public participation in biodiversity conservation), the level of investment outside protected areas has been reduced. The project could also have done more in terms of promoting the region in terms of nature based tourism. Both shortcomings represent a missed opportunity. However, from a different point of view, this concentration inside protected areas, reduced the risk of dispersing limited resources in excessively large areas.

(c) Strengthen local and national capacity through education and training;

Nature reserves staff were trained in biodiversity monitoring techniques, management plan development and implementation, legislative framework, laboratory equipment use, information technology, Geographical Information Systems and map interpretation, video and photo equipment, etc. The regional seminars maintained or developed professional relationships and exchanges among the researchers and inspectors of the three countries. Relationships with universities and educational centers were developed.

(d) Raise public awareness of biodiversity values and increase participation in biodiversity

The project published periodical informational bulletins in Russian and English. More than 100 different books, brochures, leaflets, posters, and calendars were developed and distributed at workshops, conferences, universities. The project also produced informational and popular scientific video films about biodiversity of the WTS. Moreover the *Zapovedniks* conducted several public awareness activities with local communities such as the March of Parks, Tulips' Day, and Birds' Day. These activities were carried out together with the representatives of local authorities, NGOs, environmental and educational agencies, local communities and mass media. Also, the small grants contributed significantly to increase public awareness about biodiversity in those communities adjacent to the nature reserves. According to an independent evaluation carried out in 2005, 66% of direct beneficiaries perceived a change in attitude toward the environment, while 40% non direct beneficiaries perceived the same change. Also, 44% of surveyed residents took part in meetings and seminars.

(e) Conservation

Monitoring occurrence of protected species in PAs and adjacent areas proves a clear growth of biodiversity thanks to active project interventions from the year 2000 to 2004. The table below demonstrates the restoration and growth data by showing the change of occurrences in the territory of PAs for those species that inhabit more than one nature reserve. The average growth has been between 9 and 45% while in some specific reserves growth has been up to 250 percent.

Species	Nature Reserve	2000 Occurrences	2004 Occurrences	Change (%)
Roe	Sary-Chelek	8	27	238
	Besh-Aral	34	42	24
	Chatkal	2	7	250
	Aksu-Djabagly	91	120	32
sub-total		*135*	*196*	*45*
Ibex	Sary-Chelek	205	209	*2*
	Besh-Aral	300	460	*53*
	Chatkal	352	400	*14*
sub-total		857	1069	*25*
Wild boar	Sary-Chelek	76	79	*4*
	Chatkal	50	55	*10*
	Aksu-Djabagly	2	5	*150*
sub-total		128	139	*9*
Stone marten	Sary-Chelek	24	35	*46*
	Besh-Aral	117	153	*31*
sub-total		141	188	*33*

The frequency of occurrence was considered as a more suitable indicator than the estimated number of animals because the latter would require a longer period of observation. If animals are not disturbed or less disturbed inside a reserve, they are quiet and it is therefore possible to see them at a short distance. This is a good indicator of the level of protection. From this point of view, Aksu-Djabagly and Besh-Aral were considered as the safest. Ibexes and bears could be approached at half the distance than before the project.

(f) Establish regional (Transnational) coordination and cooperation mechanisms for biodiversity conservation activities to strengthen zapovednik management and wildlife protection and prevent the fragmentation of habitat corridors

The project contributed to draft an Interstate Agreement for the establishment of the transboundary 'Western Tien Shan Biosphere Reserve'. This activity was jointly carried out with a TACIS project. The three project implementing agencies expressed their strong willingness to establish the Reserve. However, the agreement to be officially approved needs to pass certain administrative steps necessary in such interstate cases and the draft agreement is still under revision of the three Governments. Kazakhstan recently made some modifications in the agreement text which are under revision of Uzbekistan and the Kyrgyz Republic.

Global environmental objectives:

(a) Conserve biodiversity through the implementation of an ecosystem-based management approach that involves the strengthening of zapovednik management systems and the integration of a coordinated management concept across regional, national and local programs

See point (e) above

(b) Improve knowledge of the distribution and status of rare, endangered and endemic species through targeted surveys to better focus conservation measures

The project contributed a significant amount of research about status of biodiversity including a common methodology for identification of natural area value, ecosystem definition, and regular monitoring of the status of ecosystems and biodiversity within and outside of the protected areas. This information was the basis of many regional maps used to develop the bioregional plan.

(c) Enhance biodiversity conservation within mountain ecosystems by developing cross-sector multi-use management systems to preserve critical ecosystem

The project contributed to the development of a bioregional plan which covered also areas between nature reserves where cross-sector activities were implemented, mostly through the small grant program. These contributed to establishment of micro-reserves, feeding grounds for predatory birds (with possibility for tourists to watch them), juniper nurseries, pheasant farms, arrangements for pasture rotation, environmental education, etc.

(d) Promote the protection of ecosystems, natural habitats, landscapes and the in-situ maintenance of viable populations of species by developing sustainable land-use which integrates conservation management between zapovedniks and adjacent forest production units (leshoz) and farming communities

Under the small grant program, new forested area covering a total of 1,064 hectares and pasture management improvement of 9,292 hectares were piloted.

(e) Increase the awareness of biodiversity conservation and endangered species by the development of training programs and dissemination of information.

Awareness of biological conservation was achieved through training and dissemination activities and through the small grant program. An independent survey carried out in 2005 revealed that 48% of respondents could notice positive changes in the attitude of the population surrounding the project protected areas to the forests and other nature resources. Interesting to note that 66% of direct beneficiaries perceived a change in attitude toward the environment, while 40% non direct beneficiaries perceived the same change. According to an independent evaluation, 44% of surveyed residents of took part in meetings and seminars.

3.3 Efficiency

(Net Present Value/Economic Rate of Return, cost effectiveness, e.g., unit rate norms, least cost, and comparisons; and Financial Rate of Return)

No specific efficiency assessment was carried out. However a comparison across the three countries showed higher unit costs in Uzbekistan. A detailed procurement and financial

management review concluded that this was mostly the consequence of higher transaction costs in Uzbekistan.

3.4 Justification of Overall Outcome Rating

(combining relevance, achievement of GEOs, and efficiency)

Rating: Satisfactory

The satisfactory assessment is based on the fact that the main project development objectives have been achieved. Particularly positive is the fact that the area under protection increased by 183%, while the management effectiveness increased by 28% (see Table 1 above). As a consequence, the population of several animal and plant species either increased or was restored to target levels. The increased occurrence of protected species from the year 2000 to 2004 is a reliable evidence of this important achievement, going well beyond the more modest target of "reducing the rate of decline of globally important species" (see Result Framework Analysis). The project helped the countries to agree the joint current and prospective activities to protect the regional biodiversity based on the Bioregional Plan reflecting ecosystem approach.

Although the main objective of the project was achieved, there were also some shortcomings: (i) institutional development: the three countries have not yet been able to finalize the administrative works and establish the regional protected area (the "Western Tian Shan Biosphere Reserve"); (ii) the level of effort to improve conservation in areas adjacent to protected areas was inferior to plans; (iii) attention to promoting the Western Tien Shan territory as an international tourist destination was below plan; and (iv) starting implementation was more demanding than initially planned and therefore an extension of two years was required.

However, the team considers that clear project achievements notably outweigh its shortcomings and therefore assessed the overall project outcome as satisfactory.

3.5 Overarching Themes, Other Outcomes and Impacts

(if any, where not previously covered or to amplify discussion above)

(a) Poverty Impacts, Gender Aspects, and Social Development

The Small Grant Program (SGP) of the Project contributed to reduce poverty in communities situated in the buffer zones of protected areas in Western Tien Shan. About 75% of beneficiaries of the alternative source of income projects perceive that their financial position improved during the last 3 years thanks also to the SGP. These are small communities which felt penalized by their proximity to the protected areas, because they are not allowed to use the abundant available natural resources (good pastures, wildlife, fruits, medicinal plants, and other). The SGP contributed to reduce their resistance to protection activities, while stressing some benefits that local people may get thanks to their proximity to protected areas (such as increased presence of tourists). This did contribute to reduce local resistance to the conservation efforts.

(b) Institutional Change/Strengthening

(particularly with reference to impacts on longer-term capacity and institutional development)

The project provided significant legal and management strengthening, as described under outcomes.

(c) Other Unintended Outcomes and Impacts (*positive or negative***)**

None

3.6 Summary of Findings of Beneficiary Survey and/or Stakeholder Workshops
(optional for Core ICR, required for ILI, details in annexes)

See annex 5.

4. Assessment of Risk to Development Outcome

Rating: Substantial

The risks that project achievements will not be sustained are substantial. A balanced assessment of risks is challenging because of the important differences in the three participating countries. While Kazakhstan and to a lesser extent Uzbekistan have sufficient financial resources to dedicate to long term objectives such as environmental protection, this is not the case in the Kyrgyz Republic. Due to the important financial difficulties that the Kyrgyz Republic is facing, any long term development activity faces significant challenges. As a consequence the team is proposing a follow-up operation to increase the potentials for financial sustainability of protected areas and involvement of surrounding local communities into nature protection through sustainable use of natural resources including reforestation and community based nature tourism.

5. Assessment of Bank and Borrower Performance
(relating to design, implementation and outcome issues)

5.1 Bank
(a) Bank Performance in Ensuring Quality at Entry
(i.e., performance through lending phase)
Rating: Satisfactory

The Bank's performance during project preparation was satisfactory. The preparation team was competent and balanced, and covered the necessary skills in biodiversity, national policies, legislative framework and institutional arrangements for biodiversity protection, economics, engineering, environment, and social sciences. The extensive experience of the team in preparing and implementing environmental, biodiversity protection and national institutional capacity development projects worldwide was an important factor in the success of the project. The team worked closely with the governments, scientific institutions, NGOs, and contributed to present best practices in prioritizing activities, preparing feasibility studies, designs, EIAs, and institutional arrangements for implementation and procurement. The team prepared excellent terms of reference for the project preparation consultants. Thanks to thorough and detailed preparation of several scientific field expeditions before Grant approval and the design of institutional arrangements for implementation, project implementation proceeded without major hurdles. The project preparation led to additional investment by the TACIS project for improving and harmonizing legislation among the three countries (see cofinancing).

The main shortcomings of project preparation were: (i) lack of specific targets in the monitoring system, probably due to the fact that at the time of project preparation, in 1997, were not yet required ; and (ii) Environmental Assessment classification as "C" (no EA required) while project activities would have required a "B" (partial EA).

(b) Quality of Supervision
(including of fiduciary and safeguards policies)
Rating: Satisfactory

Project supervision was satisfactory. The supervision was based on the standard practice of two supervision missions per year. The missions were staffed with appropriate skills, depending on the project implementation stage and expected issues. Most supervision missions consisted of expertise in natural resources protection, engineering, financial management, procurement, social and environmental, and operational issues. The project's mid-term review conducted with participation of the GEF representatives assessed positively project activities. The Bank responded to the requirements of the Governments quickly in order to resolve issues that may have otherwise created major problems in project implementation, e.g. the need for reallocating funds; currency change (from SDR to USD); and extension of the loan closing date by two years.

During implementation the Bank participated in several Steering Committee meetings and provided useful guidance and technical advice. The Mid-Term Review also introduced some important changes, such as merging Components C and E (Public Participation in Biodiversity and Sustainable Use of Biodiversity). The World Bank also recommended to carry out an independent international assessment of Protected Areas management performance before and during the project according to the IUCN scorecards method. This provided a reliable monitoring indicator. The Bank organized trainings on financial management and procurement issues for the PIUs which facilitated project implementation. It also helped organize tours for to the national parks and reserves in other countries (USA, Russia), and participation and presenting the project's results by the PIUs representatives including scientific consultants at various international conferences.

(c) Justification of Rating for Overall Bank Performance
Rating: Satisfactory

The Bank's overall performance is rated *satisfactory*, with good project design backed by sound supervision and follow up.

5.2 Borrower
(a) Government Performance
Rating: Not Applicable

(b) Implementing Agency or Agencies Performance
Rating: Not Applicable

Implementing Agency	Performance
State Agency on Environmental Protection and Forestry (Kyrgyz Republic) Forestry and Hunting Committee, under the Ministry of Agriculture (Republic of Kazakhstan) State Committee for Nature Protection (Republic of Uzbekistan)	

(c) Justification of Rating for Overall Borrower Performance
Rating: Satisfactory

The Recipients' participation in project preparation was satisfactory. (Governments and implementing agencies are jointly assessed, thus the separate ratings above are not applicable.) The project was initiated by Kyrgyzstan scientist Professor Shukurov, who sent an application to the GEF on behalf of the environmental NGO "Aleine" in 1994. During 1995-1997 discussions between the WB, Kazakhstan, Uzbekistan and Kyrgyzstan specialists, as well as the British environmental organization FFI (which provided a grant for project preparation) led to signing the project's Grant Agreement between the three countries and the WB in 1999. The project was prepared using the GEF PDF-B grant by specialists on forestry, paleontology, botany, zoology, land tenure, soils, protected areas, sociology, communities' participation, climate, hydrology, legal, cartography, economy, alternative sources of energy, and geo-information systems. In 1997 the three countries have joined the Convention on Biodiversity which was a GEF mandatory condition for the project. In 1998 the three countries and Tajikistan have signed an Agreement on Western Tien Shan Biodiversity Protection Cooperation. Each of the three countries has established National Steering Committees consisting of scientists, NGOs and local governing bodies' representatives, and Environmental Ministries to manage the project. The Transnational Steering Committee was established to coordinate the national project activities. Since 2001 the project cooperated with TACIS project on legal and information-educational issues.

Main shortcomings were: (i) slow decision making in the initial stages of the project, which caused delays in disbursement; (ii) initially the project suffered from delayed availability of counterpart funds mostly by the Kyrgyz Republic and Uzbekistan; and (iii) it was difficult to reach agreement with other Governmental agencies, such as Ministries of Economy, Finance, External Affairs, and Agriculture, and to get them to respond to implementation problems. Most of these shortcomings were addressed later on during project implementation. However initial delays required an extension of two years of project implementation.

6. Lessons Learned
(both project-specific and of wide general application)

Regional projects are usually challenging in terms of overall management to sustain ownership and commitment from the individual countries. This requires more time to achieve a consensus when this is essential, as in the case of the tripartite agreement to establish the Transboundary Biosphere. The bulk of these problems were avoided by the implementation arrangements of the project, which allowed for regional strategic coordination but left implementation at national level as much as possible. The National and Transboundary Steering Committees provided the strategic guidance and coordination, while the national PIUs implemented national activities at national level. Only the regional PIU implemented the activities which could have not been implemented at national level, such as coordination meetings, many training activities, communication campaigns, and others.

This was possible also thanks to the common language and common heritage from the Former Soviet Union. Considering other countries, such as China, which also share part of the Tien Shan, may have been an excessive challenge and may not have allowed successful implementation.

The success of regional activities often depends on the adequate contribution of the national structures. Frequently delay of one of the sides delayed execution of all activities. To avoid such problems it is necessary to strengthen the role of Transboundary Steering Committee.

The experience gained during implementation of the project demonstrated that biodiversity protection presents lower risk for conflicts between countries in comparison with regional coordination on water resources management.

Although PAs financing in Kazakhstan and Kyrgyzstan increased, weaknesses of protected areas are still evident. Natural reserves need qualified specialists and a possibility to find such qualified specialists is to develop cooperation between PAs with scientific and educational institutions, to attract students for practice in protected areas and to develop voluntary activities. Much more effort to disseminate scientific work in a form that is understandable for the public at large is still required.

Finally, this project proved the difficulty to contribute significant counterpart funds by financially weak countries. The lesson for future operations is that in such cases co-financing may be from donors allocations (e.g., IDA) or though revenue generation mechanisms (e.g., carbon trading).

7. Comments on Issues Raised by Borrower/Implementing Agencies/Partners
(a) Borrower/implementing agencies

All the three implementing agency provided written comments to a draft version of this ICR, which was distributed in Russian during December 2006. All agencies are satisfied with project results, and indeed are asking for a follow-up phase. Even the Ministry of Economy and/or Finance of the three countries did provide official comments, fundamentally agreeing with the substance of this report.

In the opinion of the assessing team, an important reason which generates satisfaction among various agencies of the three countries is the balance between hardware and software aspects of the project: investments in tangible infrastructure (see Table 5 in Annex 2) were matched with investments in technical assistance and training in a way to produce tangible results. This was an important element for project success.

(b) Cofinanciers

The European Commission Technical Assistance for the Commonwealth of Independent States (TACIS), then Euro-Aid, financed two phases of the Western Tien Shan Biodiversity Preservation project. This was more of a parallel financing rather than co-financing. The TACIS project complemented the GEF funded project in many ways, particularly by focusing on eco-tourism and providing assistance to the creation of the Transboundary Bio-Sphere Reserve.

(c) Other partners and stakeholders
(e.g. NGOs/private sector/civil society)

Annex 1. Project Costs and Financing

(a) Project Cost by Component (in USD Million equivalent)

Components	Appraisal Estimate (USD M)	Actual/Latest Estimate (USD M)	Percentage of Appraisal
LEGAL AND FINANCIAL REFORM	0.55	0.11	20.00
STRENGTHEN THE *ZAPOVEDNIK* NETWORK	5.70	6.65	116.67
SUSTAINABLE USES OF BIODIVERSITY	1.00	0.86	86.00
STRENGTHENING LOCAL AND NATIONAL CAPACITY THROUGH EDUCATION AND TRAINING	1.50	0.81	54.00
PUBLIC PARTICIPATION IN BIODIVERSITY CONSERVATION	2.80	0.00	.00
PROJECT MANAGEMENT	2.10	2.16	102.86
Total Baseline Cost	**13.65**	**10.59**	
Physical Contingencies	0.00		
Price Contingencies	0.00		
Total Project Costs	**13.65**		
Front-end fee PPF	0.00	0.00	0.00
Front-end fee IBRD	0.00	0.00	0.00
Total Financing Required	**13.65**	**10.59**	

(b) Financing

Source of Funds	Type of Cofinancing	Appraisal Estimate (USD M)	Actual/Latest Estimate (USD M)	Percentage of Appraisal
Borrower	Governments	2.00	0.90	45.00
European Commission: TECH ASSISTANCE FOR the CIS - TACIS	TACIS Parallel Financing	1.50	1.50	100.00
GLOBAL ENVIRONMENT FACILITY	GEF Grant	10.15	10.13	99.80

Annex 2. Outputs by Component

The component helped each of the three countries to adopt a new or modify an existing national Law on Protected Areas (PA). Specifically, the national laws harmonized (i) the PA categories in accordance with IUCN recommendations, (ii) introduced, among others, the definitions of "Transboundary Biosphere Reserve" "ecological network", "PA management plan and certificate". This contributed to build a legal basis for the establishment of transboundary nature protected areas.

Bylaws adopted unified the methodology for biodiversity monitoring which is based on the ecosystem approach and use of a unified regional list of indicator species. Transboundary monitoring routes were agreed. The project also contributed to draft other laws and bylaws, some of which are still under discussion by the Parliaments of the three countries. It is expected that some may get approved even after project completion. The component developed the scientific and legal prerequisites for an interstate agreement to protect biodiversity in the Western Tien Shan. The Bioregional Plan provided the scientific justification for establishing the transboundary biosphere as an overall ecosystem of the West Tien Shan. On the basis of this scientific work, the component drafted a tri-state agreement on the Western Tien Shan Transboundary Biosphere Reserve. The objective of the tripartite agreement is the conservation of 80-85% of plant and animal species in the transboundary area. The tri-partite agreement was drafted in collaboration with the TACIS parallel project. The tri-partite agreement has been under revision of the three Governments since 2005. Recently the Ministry of Foreign Affairs of Kazakhstan introduced some modifications which are under consideration by Kyrgyzstan and Uzbekistan. The fact that the tri-partite agreement has not yet been approved is an important shortcoming of the component. The justification used by the counterparts that the project was directly responsible only for drafting the agreement, while its approval is responsibility of Government agencies and ultimately the legislative power is not sufficient to justify this shortcoming.

In total the component achieved the following legal reforms:
Kazakhstan: the national law on PA harmonized, 8 bylaws adopted, and 2 draft laws submitted to the government for consideration.
Uzbekistan: a new national law on PA adopted, 5 bylaws adopted, and one draft law submitted to the government for consideration;
Kyrgyzstan: the national law on PA harmonized, 15 bylaws adopted, 9 draft laws submitted to the government for consideration, and 15 more are being drafted.

The financial reform part of this component was supposed to provide technical assistance for the development if financial and budgetary mechanisms for sustainable funding of biodiversity conservation. This was achieved only in Kazakhstan and Uzbekistan, where availability of public funding allowed a significant increase of budget resources. However funding of protected areas remains insufficient in the Kyrgyz Republic, as shown in the table below. Also it was not possible to implement and strategy to guarantee financial sustainability of regional activities. This is a clearly a second shortcoming of the component, which is however partly justified on the basis of over-ambition of the planned objective.

Table 2 - Public Investments in Protected Areas

	Protected Area (Km2)	Annual State Budget US$	US$/Km2
Kazakhstan	33,391	11,959,700	358
Uzbekistan	8,141	1,748,200	215
Kyrgyz Republic	6,416	283,000	44
TOTAL/AVERAGE	47,948	13,990,900	291

Component B. Strengthening the Protected Area Network of the West Tien Shan

This was the largest component at appraisal, representing 52% of total planned project costs. Actual expenditures were even higher than planned, leading to the component being responsible for 60% of project costs. Activities under this component contributed to (i) strengthening existing PAs, (ii) scientific justification for and active promotion of establishment of fours new nature reserves and one new natural park), and (iii) creation of a network of in transboundary areas of PAs based on a bioregional plan. The component strengthened four existing protected areas in accordance with IUCN guidelines by (i) developing PA management plans, (ii) providing equipment and communication means, (iii) repairing and/or construction of offices, scientific facilities, field stations and cordons, (iv) establishment of visitor-centers, (v) provision of training.

This allowed a substantial improvement in Protected Areas management effectiveness as revealed by the score rating carried out for the period of 2003-2005 according to the IUCN methodology (see table 3 below). In 2005 by Mrs. Natalia Danilina (deputy chief of IUCN in Eurasia region) was invited as an international consultant by the Central Asia Transboundary Biodiversity Project to assess management effectiveness of four protected areas using the IUCN method of rapid assessment of PA management.

The international consultant compared findings with the results of the assessment undertaken in 2003, which were made by the international consultant Ron Petocz using the scoring system. In order to get comparable data, the assessments for 2005 were converted into scores meeting criteria which had been applied in 2003, and were incorporated in the same comparative tables (see below). Despite some simplification, this approach enables to identify tendencies in change of management effectiveness of the assessed reserves.

Table 3 - IUCN PA Management Effectiveness Score Card Rating

	2003	**2005**	**Change**
Aksu-Djabagly (KAZ)	64	84	31%
Besh-Aral (KR)	55	76	39%
Chatkal (UZ)	51	62	33%
Sary-Chelek (KR)	71	81	13%
AVERAGE	**60**	**76**	**26%**

As the scorecards highlight, there is an evident improvement of the situation in the reserves, and increase of operation effectiveness and increase of their rating.

1. IUCN PA Management Effectiveness Score Card Detailed Ratings for Aksu-Djabagly Protected Area (Kyrgyz Republic)

Main Issues	Criteria	Efficiency (%) in 2003	Efficiency (%) in 2005
Status of Protected Area	1. Legislation	66,6	66,6
	2. Law enforcement	66,6	100
Subtotal:		66,6	83,3
Availability of information and effectiveness of planning	3. Planning	100	100
	4. Inventory of resources	66,6	66,6
Subtotal:		83,3	83,3
Sustainability of financial and human resources	5. Available resources (financial and human)	66,6	66,6
	6. Maintenance	33,3	100
Subtotal:		50	83,3
Partnership	7. Neighboring areas	100	100
	9. Contacts	66,6	66,6
Subtotal:		83,3	83,3
Nature resources management system and vulnerability control	10. Management system	133,3	133,3
	11. Access control / utilization of protected area	66,6	100
	13. Visit potential	66,6	66,6
	14. Visitors	33,3	33,3
	16. Management intervention May	33,3	33,3
Subtotal:		66,6	73,3
Linkage with local communities	8. Economic benefits of the protected area to the local communities	33,3	33,3
	12. Resident communities and/or traditional landowners	33,3	33,3
Subtotal:		0,33	0,33
TOTAL:		64,4	84,4

2. IUCN PA Management Effectiveness Score Card Detailed Ratings for Besh-Aral Protected Area (Kyrgyz Republic)

Key aspects	Criteria	Efficiency (%) in 2003	Efficiency (%) in 2005
Status of Protected Area	1. Legislation	66,6	66,6
	2. Application of law	66,6	66,6
Subtotal:		66,6	66,6
Availability of information and effectiveness of planning	3. Planning	100	100
	4. Inventory of resources	66,6	100
Subtotal:		83,3	100

Sustainability of financial and human resources	5. Available resources (financial and human)	66,6	66,6
	6. Maintenance	33,3	66,6
Subtotal:		50	66,6
Natural resources management system and vulnerability control	10. Management system	100	100
	11. Access control / utilization of protected area	66,6	66,6
Subtotal:		66,6	83,5
Partnership	7. Neighboring areas	33,3	100
	9. Contacts	66.6	66,3
Subtotal:		66,6	83,3
Linkage with local communities	8. Economic benefits of local community	100	100
Subtotal:		66,3	100
Total:		54,5	75,7

3. IUCN PA Management Effectiveness Score Card Detailed Ratings for Chatkal Protected Area (Uzbekistan)

Main Issues	**Criteria**	**Efficiency (%) in 2003**	**Efficiency (%) in 2005**
Status of the PA	1. Legislation	33	66,6
	2. Law enforcement	33	100
Subtotal:		33	83,3
Information availability and Planning efficiency	3. Baseline information	33	66,6
	4. Planning system	83	83
Subtotal:		66	77,77
Financial and human resources sustainability	5. Resources (financial and human) availability	33	33,.3
	6. Maintenance of the equipment	67	100
	7. Financial and human resources management systems	58.3	66,6
	8. Resource sustainability	33	33
Subtotal:		43	60
Natural resources management systems and vulnerability control	9. Sustainability of the production around the Reserve	33	33
	10. Management intervention	33	66,6
	11. Control of activities within and around Chatkal reserve	67	66,6
	12. Control efficiency over access/use of the protected area	33	33
	13. Opportunities for ecotourism	33	33
Subtotal:		40	46,6

Partnership	14. Communication with stakeholders	67	67
	15. Collaboration with neighbors	60	60
Subtotal:		62.5	62,5
Relationship with local communities	16. Economic benefits of the protected area to the local communities	67	66,6
	17. Local resource users participation in the process of the management of the Reserve	50	50
Subtotal:		57.1	57,1
TOTAL:		51	61,7

4. IUCN PA Management Effectiveness Score Card Detailed Ratings for Sary-Chelek Protected Area (Kyrgyz Republic)

Key aspects	**Criteria**	**Efficiency (%) in 2003**	**Efficiency (%) in 2005**
		66,6	66,6
	2. Application of law	66,6	66,6
Subtotal:		66,6	66,6
Availability of information and effectiveness of planning	3. Planning	100	100
	4. Inventory of resources	66,6	66,6
Subtotal:		83,3	100
Sustainability of financial and human resources	5. Available resources (financial and human)	66,6	66,6
	6. Maintenance	33,3	66,6
Subtotal:		50	66,6
Natural resources management system and vulnerability control	10. Management system	100	100
	11. Access control / utilization of protected area	66,6	66,6
	13. Visit potential	66,6	66,6
	14. Visitors	33,3	66,6
Subtotal:		66.6	75
Partnership	7. Neighboring areas	100	100
	9. Contacts	66,6	66,3
Subtotal:		83,3	83,3
Linkage with local communities	8. Economic benefits of local community	66,6	66,3
		33,3	100
Subtotal:		83,3	83,3
Total:		71,4	81

The component provided scientific justification for establishment of 11 new PAs and extension of 3 existing PAs. Relevant decisions were made by the governments and 4 nature reserves and 1

natural park were established with the assistance of the project. During the project period the area under protection increased by 0.38 million ha which in total represent the area of 0.58 million ha increased by 183% during last 4 years:

	PA Name	Country	Before project (ha)	After project (ha)	Change (ha)
1	Sary Chelek	KYR	23,900	23,900	0
2	Besh Aral	KYR	61,478	110,296	48,818
3	Aksu-Djabagly	KAZ	85,700	132,582	46,882
4	Chatkal	UZ	35,686	35,686	0
5	Padysha-Ata	KYR	0	15,846	15,846
6	Kulun-Ata	KYR	0	24,510	24,510
7	Kara-Bura	KYR	0	59,067	59,067
8	Karatau	KAZ	0	34,300	34,300
9	Sairam-Ugam	KAZ	0	149,053	149,053
	TOTAL		**206,764**	**585,240**	**378,476**

The protected area represents now the core sites of the future Transboundary Biosphere Reserve "Western Tien Shan". The expanded area of Besh Aral nature reserve along with Kara Bura nature reserve in Kyrgyz Republic is contiguous with Aksu-Djabagly nature reserve and Sairam-Ugam natural park in Kazakhstan and Uzbekistan protected areas (Chatkal nature reserve/Ugam-Chatkal natural park) creating thus a core transboundary protected area.

Table 4 - Description of the Protected Areas Established under the Project

Kyrgyz Republic

Protected Area	Padysha-Ata	Kulun-Ata	Kara-Bura	Total
Area (ha)	15,846	24,510	59,067	99,423
Year of establishment	2003	2004	2005	
Total flora	1000	1000	1000	
including WTS endemics	120	90	120	
including listed in Red Book	10	3	4	10
Birds	Over 100	over 100	over 100	
including listed in Red Book	12	9	11	12
Fauna (vertebrates)	27	30	30	
including listed in Red Book	4	6	5	6
Number of species not founded in previously existed *zapovedniks*	10	28	24	28
Coverage of WTS flora and fauna before establishing new *zapovedniks* - 30%				
Coverage of WTS flora and fauna including new established *zapovedniks* - 45 %				

Kazakhstan

Protected Area	Karatau	Sairam-Ugamski
Area	34,300	149,053
Year of establishment	2004	2006
Total flora	673	619
including WTS endemics	39	76

including listed in Red data book	77	23
Birds	80	131
including listed in Red data book	7	10
Fauna (vertebrates)	20	59
including listed in Red data book	3	10
Coverage of WTS flora and fauna before establishing new PAs – 25%		
Coverage of WTS flora and fauna including new established PAs – 45%		

The component constructed and/or rehabilitated a large set of facilities, including almost 2,000 square meters of buildings consisting of cordons, offices, horse stables, guest-houses, visitor centers, etc (see table 5 below). In addition the component rehabilitated 23.4 Km of roads, 4 bridges, procured scientific equipment, vehicles and horses. As result, the share of funds allocated for works was 24% versus an initial plan of 9%. This important re-allocation may be a weakness for outsiders, but it was actually a very important element for the positive assessment of project achievements at the local level. In countries with high level of corruption, the possibility to have physical "visible" outcomes is in fact highly valued. This may contribute to increase the challenge in terms of sustainability, and may be inconsistent with more streamlines and effective management approaches. However it is consequence of the project environment, and it did contribute to increase external support to the project.

Table 5 – New rehabilitated Constructions under the Project

Kazakhstan	**m2**
Aksu-Djabagly - 11 cordons	930
Aksu-Djabagly - reconstruction office buildings	1,680
Aksu-Djabagly - visit center	900
Karatau - administrative building	574
Karatau - 4 cordons	280
Sub-total Kazakhstan	4,364
Kyrgyz Republic	
Sary-Chelek - Labs	480
Sary-Chelek - Administrative buildings	480
Sary-chelek - 6 new cordons + repair of 4 existing ones	620
Sary-chelek - meteo station	16
Sary-chelek -- 2 check-points	32
Sary-chelek - 2 guest houses rehabilitated	280
Sary-Chelek - Visitor-center + conference room	400
Micro-hydro power station	20
Besh-Aral-Visitor-center + guest house	800
2 stables	1,000
Sub-total Kyrgyz republic	4,128
Uzbekistan (Chatkal)	
Reconstruction & repair of buildings in Chatkal reserve	150
Reconstruction of nature museum	350
Reconstruction of administrative building	400
Reconstruction of cordons	300
Repair of facilities (incl. stables)	200
Sub-total Uzbekistan	1,400
TOTAL	**9,892**

The component developed a comprehensive Bioregional Plan to schedule long-term activities to protect biodiversity in all key ecosystems of the large Ecosystem of the WTS, and conservation of 80-85% of plant and animal species growing and inhabiting the area to ensure sustainable socio-economical development of the region and adjacent areas as a result of joint efforts of all the countries geographically related to the WTS. The subject of planning included main biodiversity components, conservation objects, socio-economical situation, legal framework, institutions, stakeholders, existing infrastructure of wildlife protection and use, methodology for bio-geographical analysis, and geographical information system (GIS) to be applied in the Bioregional Plan. The methodology was based on the ecosystem approach. Indicator species monitoring was used as a method for assessment of the natural ecosystem status. The method was developed under the project. It was for the first time that all natural ecosystems of the region were assessed using evaluation of the level of anthropogenic disturbance. The whole area was divided into different ecological and economical zones depending on a mode of use. The cartographical and bio-geographical analyses have provided a basis for proposals on ecological network establishment in the West Tien Shan. A major part of the network had to be a Transboundary Biosphere Reserve (TBR), located in the center of region. The TBR had to incorporate the most important parts and the main conservation targets in the West Tien Shan.

Component C. Sustainable Uses of Biodiversity

This component had the objective of changing the behavior toward environmental protection and biodiversity of the people living in the regional. Small Grant Program (SGP) and training were provided to local communities and non-governmental organizations. SGP supported small-scale initiatives contributing to alternative socio-economical development and biodiversity conservation contributed to increase standards of living and change the perception of local communities toward environmental protection. In total, 582 small grants were implemented benefiting 6,700 households with a total cost of around $600,000.

Table 6 – Small Grant Program

Country	Applications	Approvals	Average size of grant (US$ per grant)
Kyrgyz Republic	2,654	412	500
Kazakhstan	285	89	2,500
Uzbekistan	239	92	3,000
TOTAL	3,178	593	1,000

Grants recipients have planted trees, herbs and mushrooms, improved pastures, created feeding grounds for birds and animals. Projects devoted to development of bee-keeping, creating processing of medicinal plants, developing small workshops on the production of flour and forages, on sewing and developing carpet weaving, on the traditional handicrafts have promoted rebirth of national traditions. Some of the priority projects were ecotourism and assistance for tourists with dwelling and tour guides; handicraft and economic activity related to traditional resources, etc. These activities provided alternative income for the rural population. Many of the SGP projects were devoted to planting of fruit, endemic species trees and bushes, rapidly growing poplar trees in the buffer zones. As a whole 425,000 trees were planted: in Kazakhstan 162,397, in Uzbekistan 78,000, and in Kyrgyzstan 185,000. The SGP helped to create 1,139 new jobs: for home made crafts, hand made carpets, national clothing workshops, small fruit processing manufactories; 162 of them were created in Kazakhstan, 540 in Kyrgyzstan and 437 in Uzbekistan. Most of the projects were initiated by and supported women.

An assessment of the Small Grant Program (SGP) was completed in August 2005 by an independent consulting firm (www.ekspert.kg). The assessment was based on a survey of 1,040 respondents among a local population of around 50,000 in Aksu-Djabagly (Kaz), Sary-Chelek, Besh-Aral (KR) and Ugam-Chatkal (Uz) nature reserves and their buffer zones. Both beneficiaries and non beneficiaries were surveyed (30% and 70% respectively). According to the survey, the SGP positively changed the attitude toward environment of grant beneficiaries and also of those who did not benefit from the grants, although the change in the second group is lower (66% and 40% respectively). In addition, 90% of the employees of PA perceive that during last 3 years, the attitude of local population to the environment improved. In addition, grants for alternative sources of income provided indirect benefits not only to the direct participants, but also to those who did not participate in grant implementation, but got an information encouraging to entrepreneur.

Component D. Strengthening Local and National Capacity

Public awareness activities were carried out on the regional, national and PAs levels and were directed to attract public attention to the problem of the Central Asia biodiversity reduction; to reduce level of the anthropogenic pressure on biodiversity from the local communities by increasing public environmental awareness. The population of the buffer zones received important training, as the table below shows.

Table 7 - Participation to Training Seminars

Country	Participants
Kyrgyz Republic	985
Kazakhstan	735
Uzbekistan	1,800
TOTAL	3,520

In addition, more than 50 informative activities were carried out, which included conferences, briefings, informational seminars, publication and distribution of the project informational materials, actions like the March of Parks, the day of the Earth, the day of the birds and so on. More than 5 thousand people took part in the project informational activities. PA scientists took part in 8 international forums, where they distributed 93 sets of the informational materials: bulletins, booklets, calendars, CDs with the documentary movies about the project and biodiversity of the nature reserves. Some of the printed project informational materials were issued on a regular base: wall, table and pocket calendars, documentary movies about biodiversity and nature reserves of the West Tien-Shan, educational and methodological materials in the framework of the Bioregional plan implementation. An estimated total number of around 60,000 people received material on the Western Tien Shan developed under the project. The International jury of the Fourth Central-Asia Ecological Journalistic Festival–2004 (Tashkent) has awarded the second place to the documentary movie "Aksu-Jabagly – life repository of the West Tien-Shan" among the documentary movies in the nomination "Television", and has given special prize for being the best ecological-educational movie. The January issue of Uzbekistan Airways In-flight Magazine featured a cover article on "Tien Shan – The Homeland of Tulips", to increase awareness about tulip paleontology and building the "Tien Shan" brand. The main purpose of the carried training activities was to increase the level of knowledge and skills of the different target groups involved in project implementation. The target groups included employees of nature reserves, civil servants of the Executing Agencies and other authorities, related to biodiversity conservation, as well as NGOs and local people. About 30 study tours, training seminars, workshops and other activities, directed on sharing experience among the employees of the nature

reserves were carried out. In total 6,279 man/days were dedicated to training: 19% at regional level, 33% in the Kyrgyz Republic, 20% in Kazakhstan, and 28% in Uzbekistan. The employees of nature reserves increased their knowledge and skills in equipment which was procured under the project such as radio, computers, video-photo end laboratory equipment. As a result of these activities the image of the PAs as scientific and ecological centers has improved among the state and public institutions, local population and educational establishments.

Component E. Public participation in biodiversity conservation.

The component activities were conducted under the Small Grant Program of component C.

Component F. Project management

Throughout the implementation period, the relevant RPIU/NPIUs staff was provided with training on preparation of bidding documents, financial reports, with which they were not familiar before. They also received on-the-job training by working with local and international consultants. These institutional changes have further strengthened the institutional capacity of the national nature protection sectors, since Forestry and Nature Protection Committees' and other relevant agencies staff also have got training in project monitoring and evaluation, on procurement and financial management and used to work with involved people of wide range including researchers, local communities, authorities, NGOs, private enterprises, tourists, simple people in the project activities connected with forests, biodiversity and other nature resources protection, especially during the SGP. This allowed to address biodiversity issues in an integrated manner and enhanced the governments' interaction with the final nature resources users through the PIUs and better functioning oblast and rayon level branches of the Forestry and Nature Protection Committees and other relevant agencies, as well as through the existed and emerged NGOs and actively involved scientists.

The project's institution building support has actually extended beyond the State Forestry or Nature Protection Committees of the three countries to many government and private institutions involved in the sector: scientific institutes, rural construction and tourism industries. The capacity of several scientific institutes and contractors that were involved in the project implementation has been enhanced substantially through on the job experience at the *zapovedniks* and their buffer zones. About fifteen scientific institutes have worked with international consultants in preparing bioregional plan and management plans for each of the existed *zapovedniks*, as well as for the newly established PAs. As the result of their participation in the project, these institutes, as well as the Forestry and Nature Protection Agencies staff were exposed to, and have acquired new techniques, computer systems including GIS, as well as skills for carrying out surveys, investigations, biodiversity protection measures planning, preparation of environmental assessments, business plans, modern reports. Similarly, the local PIU staff and consultants gained experience in competitive bidding and working with local communities, management standards, and quality control. More over, *zapovedniks* and their nature museums are getting to be the centers of distribution of biodiversity knowledge for researchers, PA employees, tourists and tourist guides, pupils. E.g. Aksu Djabagly is now a firmly established training centre for other *zapovedniks* and national parks staff.

Annex 3. Economic and Financial Analysis
(including assumptions in the analysis)

No economic or financial analysis was carried out

Annex 4. Bank Lending and Implementation Support/Supervision Processes

Names	Title	Unit	Responsibility/Specialty
Lending			
Supervision/ICR			
Maurizio Guadagni	Senior Rural Development Specialist	ECSSD	TTL starting in 2005
Dilshod Khidirov	Operations Officer	ECSSD	Operations Officer - Uz
Agnes I. Kiss	Lead Ecologist	ECSSD	TTL 2004-2005
Talaibek Torokulovich Koshmatov	Operations Officer	ECSSD	Operations Officer - KR
Ainura Kupueva	Operations Officer	ECSSD	Operations Officer - KR
Nurbek Kurmanaliev	Procurement Officer	ECSPS	Procurement
John Otieno Ogallo	Sr Financial Management Specialist	ECSPS	Financial Management
Talimjan Urazov	Operations Officer	ECSSD	Operations Officer - KAZ
Bulat Utkelov	Operations Officer	ECSSD	Deputy Team Leader
Nurlan Yeskendirov	Consultant	ECSSD	Consultant

(b) Ratings of Project Performance in ISRs

No.	Date ISR Archived	IP	GEO	Actual Disbursements (USD M)
1	07/01/1999		Satisfactory	0.00
2	09/29/1999		Satisfactory	0.00
3	04/24/2000		Satisfactory	0.00
4	04/25/2000		Satisfactory	0.00
5	07/19/2000		Satisfactory	0.30
6	12/06/2000		Satisfactory	0.30
7	06/14/2001		Satisfactory	0.56
8	08/27/2001		Satisfactory	0.80
9	02/20/2002		Satisfactory	1.73
10	05/30/2002		Satisfactory	2.33
11	11/25/2002		Satisfactory	3.35
12	04/14/2003		Satisfactory	4.12
13	12/22/2003		Satisfactory	6.55
14	06/29/2004		Satisfactory	7.57
15	12/16/2004		Satisfactory	8.40
16	06/29/2005		Satisfactory	9.22
17	01/04/2006		Satisfactory	9.85
18	06/30/2006		Satisfactory	10.07

(c) Staff Time and Cost

Stage of Project Cycle	Staff Time and Cost (Bank Budget Only)	
	No. of staff weeks	USD Thousands (including travel and consultant costs)
Lending		
FY96		118.77
FY97		80.29
FY98		66.63
FY99		140.19
FY00		10.58
FY01		0.00
FY02		0.00
FY03		0.00
FY04		0.00
FY05		0.00
FY06		0.00
FY07		0.00
Total:		**416.46**
Supervision/ICR		
FY96		0.00
FY97		0.00
FY98		0.00
FY99		0.00
FY00		78.90
FY01		171.37
FY02		153.78
FY03		178.85
FY04		146.58
FY05		84.96
FY06		115.97
FY07		20.53
Total:		**950.94**

Annex 5. Beneficiary Survey Results
(if any)

An assessment of the Small Grant Program (SGP) was completed in August 2005 by an independent consulting firm (www.ekspert.kg). The assessment was based on a survey of 1,040 respondents among a local population of around 50,000 in Aksu-Jabagly (Kaz), Sary-Chelek, Besh-Aral (KR) and Ugam-Chatkal (Uz) nature reserves and their buffer zones. Both beneficiaries and non beneficiaries were surveyed (30% and 70% respectively). According to the survey, the SGP positively changed the attitude toward environment of grant beneficiaries and also of those who did not benefit from the grants, although the change in the second group is lower (66% and 40% respectively). In addition, 90% of the employees of PA perceive that during last 3 years, the attitude of local population to the environment improved. In addition, grants for alternative sources of income provided indirect benefits not only to the direct participants, but also to those who did not participate in grant implementation, but got an information encouraging to entrepreneur.

Annex 6. Stakeholder Workshop Report and Results (if any)

Annex 7. Summary of Borrower's ICR and/or Comments on Draft ICR

Ministry of Agriculture of the Republic of Kazakhstan
Forestry and Hunting Committee

January 3, 2007
No.25-11-23/02

World Bank
Country Office in Kazakhstan

The Forestry and Hunting Committee under the Ministry of Agriculture of the Republic of Kazakhstan have considered the Implementation Completion Report on Central Asia Transboundary Biodiversity Project and informs you on the following.

The ICR basically fully covers all activities under the Project. The major Project goals were mainly reached and the majority of the planned activities were implemented what is reflected in the ICR.

In a view of the above Forestry and Hunting Committee under the Ministry of Agriculture of the Republic of Kazakhstan approves the ICR on the above Project.

First Deputy Chairman **I.Koval**

Comments
of the State Agency for Environment Protection and Forestry
under the Government of the Kyrgyz Republic
on the Implementation Completion and Results Report
for the Central Asia Transboundary Biodiversity Project (WBTF: 22498)
Grant in amount of USD 10.15 million provided
to the Republic of Kazakhstan, Kyrgyz Republic and the Republic of Uzbekistan

The Implementing Agency for the Central Asia Transboundary West Tien Shan Biodiversity Project (hereinafter referred to as the Implementing Agency), the State Agency for Environment Protection and Forestry under the Government of the Kyrgyz Republic highly evaluates performance of the World Bank to render assistance in identification, preparation and implementation of the project.

The Central Asia Transboundary West Tien Shan Biodiversity Project is consistent with the governmental strategy of the Kyrgyz Republic , as well as with the World Bank's strategy and priorities in the area of poverty reduction through integrated environmental resource management programs for rural communities and elaboration of the fundamentals of the environmental policy integrated with sustainable development.

The project is also in compliance with the GEF operational strategy for biodiversity, and especially with the operational program for forest and mountain ecosystems. The project is consistent with Article 8 (*in-situ* maintenance) of the Convention on Biodiversity, since it is aimed at improvement of protection activities related to management and expansion of protected areas in a biodiversity-rich region, as well as at improved protection of natural habitats and species within protected areas and beyond.

At the preparation stage, the World Bank elaborated the Project Appraisal Document, which is the core financial and technical document of the project.

The project was implemented in accordance with the procedures of the World Bank, with involvement of international and national consultants and experts. The Transnational and National Steering Committees coordinated the project with assistance of the Task Team Leader of the World Bank.

The project supervision by the World Bank was based on the standard practice of two supervision missions per year to evaluate procurement of goods and services, institutional development, protected area capacity building, and implementation of Management Plans prepared for each protected area with assistance of the International Expert for natural reserves.

At the project implementation stage, the World Bank organized a mid-term review with participation of representatives of the Global Environmental Facility, who noted good project implementation progress.

During project implementation review, the Bank followed the policy of hiring independent expertise. For instance, the IUCN deputy chair for Northern Eurasia Region was invited to assess the rating of protected areas covered by this project.

The State Agency for Environment Protection and Forestry of the Kyrgyz Republic believes that the rating of protected areas is correct and reflects the true situation.

Independent international auditors also assessed appropriateness of disbursements made under this project.

International experience of the World Bank allowed for avoiding misunderstanding among three countries participating in implementation of the Transboundary Project.

The Government of the Kyrgyz Republic has fully met its commitments under the Central Asia Transboundary West Tien Shan Biodiversity Project, which are specified in the Grant Agreement. It must be mentioned that the Kyrgyz Government and the Ministry of Finance of the Kyrgyz Republic have for the most part contributed required amounts of counterpart funds on term.

The Project Implementing Agency assisted the Project Implementation Unit and managed the project at the implementation stage. No violation of the World Bank's procedures for procurement of goods and services was observed.

The Government of the Kyrgyz Republic supported protected area network expansion activities initiated by the Implementing Agency and the Project, which resulted in establishment of three new protected areas (Padysha-Ata, Kulun-Ata and Kara-Bura), as well as considerable expansion of the existing Besh-Aral protected area.

The grant provided by the Global Environmental Fund was sufficient for accomplishment of the project goals and objectives.

All of the threats and challenges were given proper consideration as far as possible in the course of preparation and implementation of the project.

The financial package and sufficiency of its amount were consistent with the project budget.

The Central Asia Transboundary West Tien Shan Biodiversity Project has made following significant accomplishments in the three participating countries (Kazakhstan, Kyrgyz Republic and Uzbekistan):

- Environmental legislation frameworks of the participating countries (Kazakhstan, Kyrgyz Republic and Uzbekistan) have been harmonized;
- The *zapovednik* (strict nature reserves) network has expanded, and the capacity of protected areas in the West Tien Shan region has improved;
- The anthropogenic pressure on biodiversity has reduced as a result of poverty reduction through development of alternative income-generating activities for local communities;
- The project identified coordination and cooperation mechanisms for biodiversity conservation activities to strengthen *zapovednik* management and wildlife protection and prevent the fragmentation of habitat corridors.

The project contributed to considerable improvement of management efficiency and strengthened technical and institutional capacity of protected areas in the West Tien Shan region, as well as introduced elements to ensure sustainability of the project results through development of alternative and environment-friendly income-generating activities in protected areas.

Promotion of partnership between protected areas and local communities, and environmental awareness-raising efforts are an important promising area of activity for the above-mentioned *zapovedniks*, as well as the prerequisite for prevention of threats and reduction of anthropogenic pressure on protected areas.

In view of above, the State Agency for Environment Protection and Forestry of the Kyrgyz Republic would like to *emphasize the need for the follow-up operation in the*

future and further enhancement of the project scope to cover the entire Tien Shan region, which would allow considerable improvement of technical (infrastructure, quality of tourist services, scientific and methodology framework, and legislative framework), financial (through improvement of income from ecotourism development and financial management improvement) and administrative (management plans, level of cooperation with local communities and local authorities) capacity of protected areas, as well as significant reduction of adverse anthropogenic impact on mountain ecosystems (through improved sustainability of pasture management and land use as a whole). The follow-up operation will establish and support environmental network of protected areas throughout the entire Tien Shan region, including 23 protected areas in the participating three countries, along with promotion of alternative environment-friendly activities in the territories between protected areas with a view to mitigate the anthropogenic pressure. Local communities will have an opportunity of participating in sustainable economic activities of protected areas, including project and activities aimed at sustainable land use, pasture management, community-based forestry management, promotion and development of alternative types of economic activities.

State Committee for Nature Protection of the Republic of Uzbekistan

January 15, 2007

To the World Bank Office in Uzbekistan

Regarding: *Central Asian Transborder Biodiversity Project (TF 22498) – Project Completion Report*

Having reviewed the draft preliminary Report of the aforesaid Project the State Nature Committee of the Republic of Uzbekistan advises that, on the whole, it supports and approves of the draft preliminary Report.