

# SUMMARY OF RECOMMENDATIONS ON PAYMENT FOR ECOSYSTEM SERVICES IN THE REPUBLIC OF KAZAKHSTAN

Almaty 2011



**osce** Organization for Security and  
Co-operation in Europe  
Centre in Astana

THE REGIONAL ENVIRONMENTAL CENTRE FOR CENTRAL ASIA

**SUMMARY OF RECOMMENDATIONS  
ON PAYMENT FOR ECOSYSTEM SERVICES  
IN THE REPUBLIC OF KAZAKHSTAN**

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**SUMMARY OF RECOMMENDATIONS FOR PES IN THE REPUBLIC OF KAZAKHSTAN**  
 Almaty: The Regional Environmental Centre for Central Asia, 2011. – 28 c.

The Regional Environmental Centre for Central Asia is pleased to express its gratitude to the experts:

*Leimona Beria,*  
*Zaure Kaliaskarova,*  
*Lyazzat Nugumanova,*  
*Brad Kinder,*  
*Susan Forbes,*  
*Nikola Smith;*  
 the trainer:  
*Askar Kaliyev*  
 CAREC staff:  
*Ekaterina Strikeleva,*  
*Mariya Genina,*  
*Simon Charre;*

as well as to all the participants of the national workshop on PES (8-9 Sept, 2011), side-event on PES at the 7<sup>th</sup> «Environment for Europe» Ministerial Conference (21 Sept, 2011) and a series of PES trainings for their significant contribution to the development of this report.

*This report was prepared in the framework of the project  
 «Introduction of the concept of Payment for Ecosystem Services in Kazakhstan»  
 of the OSCE Centre in Astana in partnership with  
 the Regional Environmental Centre for Central Asia.*

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- Establish the administrative structures responsible for the state monitoring and involvement in the PES implementation;
- Create a dedicated working group for further consideration and development of PES in the RK in order to consider appropriate amendments and changes to legislation, institutional structure, possibility of establishing a mechanism for implementing and monitoring of PES schemes.
- g) To consider the possibility of integration of PES with the existing «green» funds, transferring the money to the restoration and preservation of ecosystems. Allocation of funds under PES contract with the users of natural resources that deploy sustainable practices, can become one of the most effective tools and targeted investments in ecosystem conservation in Kazakhstan. At the same time transparent and effective mechanisms for regulating and managing the fund should be provided.

#### 2) **Non-governmental organizations**

- a) To initiate pilot PES projects at different ecological areas to demonstrate further project results.
- b) To raise awareness of the local population and invoke the key stakeholders.
- c) To include into the initiated projects the components of experiences and advice sharing of leading international experts.

#### 3) **Businesses**

- a) To consider the following potential benefits of private sector participation in PES:
  - **Economic benefit.** Based on existing international experience it can be asserted that for industrial companies investing in the ecosystem services improvement that are directly used in production and affect the quality of the products is much cheaper than buying additional pollution control equipment, facilities, etc. Conservation investments for preservation of «natural capital» are more beneficial for their business, rather than regular costs in measures for restoration of the lost natural properties.
  - **Image and sustainability.** PES projects can be viewed as an effective contribution to improving the image of the company and fostering more sustainable investments in projects of social and corporate responsibility, as well as an opportunity for attraction of foreign investors.
  - **Convenience.** PES - a convenient form of business participation in environmental protection, and thus in the development of environmentally responsible business, as this mechanism is based on the establishment of market relations.

#### 4) **International organizations**

- a) To consider inclusion of PES component in the development of strategic documents;
- b) To recommend application of PES as a mechanism to ensure continued financial sustainability of environmental projects when submitting project proposals;
- c) To act as facilitators of the process of promoting PES in RK, through the involvement of international expertise, development of manuals and recommendations, providing platforms for dialogue and exchange of experience.

#### **Pluralistic approach**

Finally, PES is a very interesting tool but shouldn't be considered as a panacea in any way. Indeed, PES cannot bring interesting solutions to all contexts and even if it is possible to implement the PES, some other tools might be more interesting and efficient. Thus, PES must be considered by politicians, population, NGOs, etc, as a tool for integrated watershed management, as a part of a larger process involving a large range of stakeholders, and not as the only mechanism (USFS technical report, 2010).

The innovation of PES is «conditionality» as an element introduced to increase transparency in conducting any conservation activities. This element can help creating better monitoring system

at different scales. Moreover, it will be more beneficial when the monitoring system is integrated to national environmental accounting scheme. However, the PES schemes are not sufficient. Pluralistic approach known as the combination of «carrot, stick and sermons» can guarantee better management of public goods (Leimona et al., 2011).

- **Sticks:** Regulatory approaches to land use, for example by enforcing top-down land use planning and often becoming policy impediments since it provides more benefits for external stakeholders but not to local community.
- **Carrots:** One-off or recurrent incentives to get a start in voluntary environmental conservation. The incentives can refer to any of the five livelihood framework of Sustainable Development (Chambers and Conway, 1992): natural capital (access to resources), human capital (support for education, health, political career opportunities), social capital (standing within the community, institutional growth), physical capital (road access, irrigation infrastructure) or finances (direct payments, microcredit, taxation or tax-deductibles, trust funds).
- **Norms ('sermons'):** Altruistic behaviour influence that fundamentally exists in any human culture and society (Beria, Brief scoping study, 2011).

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