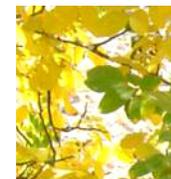


MAKING CHANGE

**THE CENTRAL ASIAN
FINANCING PARTNERSHIP**

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preface

2 | With its vast steppes and rugged land forms, Central Asia is a place of both great scenic beauty and socio-ecological challenges. In recent decades, poor land management has caused environmental degradation and threatened economic sustainability in Kazakhstan, Kyrgyz Republic, Tajikistan, Turkmenistan, and Uzbekistan. Reversing this situation will require policy, legislative, institutional and incentive frameworks to create economic incentives and promote sustainable land management

The United Nations Convention to Combat Desertification and Drought (UNCCD) came into force in 1996 to bring about an internationally and nationally coordinated response to reverse land degradation at the local level. While past efforts for implementation of the Convention have been largely ad hoc, today there is growing emphasis on coordinated action, consistent with national and local priorities. This is the driving objective of the Central Asian Countries Initiative for Land Management (CACILM).

CACILM is a comprehensive programme for concerted action that aims to reverse decades of land degradation by bringing policymakers, institutions and civil society in the affected countries together with donors. CACILM sets out a ten-year framework with clear national priorities targeting local and national needs and investments, in pursuit of sustainable land management.

The Global Mechanism of the UNCCD (GM) was instrumental in bringing the Central Asian countries together with donors in defining a common programme of work with dedicated financing, built on a climate of trust and accountability.

CACILM is a programme of the Central Asian Countries. The Asian Development Bank (ADB) is proud to be their partner. ADB has provided leadership by spearheading the design of CACILM and by earmarking substantial financial resources over ten years for implementation.

We would like to express our appreciation to the many colleagues from Central Asia and international organizations who have patiently accompanied the process over the last five years and systematically contributed to the development of CACILM.

Many individuals and institutions have contributed to the successful launch of CACILM. We would however like to single out a few of the more active members, such as the UNCCD Focal Points of the Central Asian countries, CCD Project of GTZ, IFAD, UNDP, ICARDA, SDC, CIDA and UNEP. Also, the Global Environment Facility (GEF) was instrumental with its timely launch of the Country Programming Partnership (CPP), enabling increased participation in the financing for sustainable land management.



There are no “quick fixes” for tackling land degradation, the causes are many, ranging from climate change to international trade patterns and unsustainable land management practices. Concerted effort, patience and sustained commitment will enable us to jointly contribute to weaving a sustainable socio-economic and ecological fabric in Central Asia over the next ten years - a strong fabric that can withstand the inevitable challenges posed by a dynamic world.

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THE CHALLENGE

Desertification is an environmental crisis that can be seen with our own eyes, and measured in both its socio-economic and ecological dimensions. Though the long-term climatic causes may be beyond our immediate control, the human activity that contributes to land degradation can be reversed, and adaptation measures to climate change taken. For over a decade, the United Nations Convention to Combat Desertification (UNCCD) has focused international attention and resources on the problem, identifying the global challenge and zeroing in on geographical regions that are particularly exposed.

Central Asia is one of the world’s prime victims of land degradation, for both natural and man-made reasons. Its fragile ecosystem of arid and semi-arid areas is one of inherently low productivity, and the rural landscape is home to remnant populations of nomadic peoples and farmers. Its characteristic dryland and mountainous topography is also a unique source of biodiversity. Unfortunately, the continuing survival of these communities and the safeguarding of plant and animal life in Central Asia were largely overlooked through much of the 20th century, in the pursuit of more immediate needs.

Agricultural practices were designed to maximize productivity, while sustainability was effectively ignored. In the lowlands, where cotton and other crops required extensive irrigation, water resources were poorly managed. This resulted in water-logging and salt build-up that eroded the land of agricultural viability.



The highland areas were exploited for extensive crop planting and livestock grazing, diminishing the fertility of the land and decreasing the abundance of surrounding forests and consequently many wild varieties of domesticated crop and fruit species. Mining practices also contributed to degradation, with their impact extending well beyond the immediate sites of excavation. Other areas were contaminated by nuclear testing and unchecked resource extraction.

With the break-up of the Soviet Union, and the transformation of Central Asia's political and commercial relationships, old problems were exacerbated, and new problems arose. At the same time, the seeds of an eventual response to regional desertification were sown.

But first, the nations of Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan were forced to confront the legacy of the past, including agricultural and water policies that were formulated by Soviet leaders in the 1950s. Traditionally regulated markets of goods and services that connected the former Soviet Republics were now gone, making it even more difficult for rural populations in the region to maintain their livelihoods.

Desertification currently affects 66% of Kazakhstan's land area, and up to 80% of Turkmenistan and Uzbekistan. Erosion impacts respectively nearly 90% of Kyrgyzstan's and 97% of Tajikistan's arable land. Unsustainable land-use practices and withering land productivity threaten the economic survival of one-third of the total population of these five countries, and constitutes a looming environmental emergency.

The good news however, is that combating land degradation in Central Asia has now become a key public policy priority. Both within and outside the region, experts and government leaders have begun to understand that current conditions require a new, more urgent approach, that factors in land tenure, crop choices, marketing opportunities, production capabilities and broader ecological realities.

Above all, a coordinated resolution among the nations of Central Asia, with support from the international community, is necessary for reinvigorating the land's productive capabilities, and assuring a resilient human and environmental future for the region. Indeed, the combination of the new political context and the growing awareness of land degradation in the region, has created an unprecedented opportunity for effective solutions to emerge.



THE RESPONSE

The first sign that the Central Asian countries were ready to face the challenge of desertification came in the late 1990s as each of them became Parties to the UNCCD. That was followed by the elaboration of National Action Programmes (NAPs) by each country. Still, it soon became evident that such distinct national responses would prove insufficient. Not only were certain types of expertise and economic resources lacking in the affected countries but also, there was a need for a deeper awareness of the regional dimensions and root causes of land degradation. Equally important was the need for a more sustained and better-integrated international commitment to tackle the problem.

The Global Mechanism thus formulated the Strategic Partnership Agreement for UNCCD Implementation in Central Asian Countries (SPA) for counteracting the causes of desertification. The SPA was forged with the collaboration of the Asian Development Bank (ADB), the CCD Project of GTZ, and the Canadian International Development Agency (CIDA).

Subsequently the following agencies became members: the International Fund for Agricultural Development (IFAD), the Swiss Agency for Development Cooperation (SDC), the International Centre for Agricultural Research in Dry Areas (ICARDA), the United Nations Development Programme (UNDP) and the United Nations Environment Programme (UNEP).



The SPA launched a number of activities. For example, the GM and ADB undertook analytical work to understand the challenges and opportunities for addressing land degradation, while the CCD Project of GTZ focused on community based pilot projects. Similarly, the GM and UNDP launched a programme to mobilise local communities for preparing projects that meet their needs.

In addition, joint SPA missions to the countries sparked an expanded consultation process among national stakeholders. These preparatory activities set the stage for convening a sub-regional forum in Tashkent, Uzbekistan, with the goal of seeking a broad political and financial commitment to counteract the root causes of land degradation.

The Tashkent forum, held from 30 June - 4 July 2003, brought together 78 participants from Central Asia and beyond, and was attended by high-level representatives from national ministries, international agencies and civil society organizations. Noteworthy was the participation of the respective Ministries of Finance - much welcomed partners to the table. The meeting resulted in the Tashkent Joint Platform of Action for UNCCD Implementation, which was to become the basis for co-operation among the five Central Asian Countries, and guarantee a long-term commitment from the international donor community.

The forum brought about a rapid shift from idea to implementation. The GM's negotiations with the respective Heads of State led to the establishment of UNCCD Working Groups in each country comprised of diverse representation. The Asian Development Bank - demonstrating its growing attention to environmental challenges facing the continent – committed 450 million dollars over 10 years.

Furthermore, the Global Environment Facility (GEF) identified Central Asia as the first sub-region where the programme entitled Country Partnership Programme for Sustainable Land Management (CPP) would be launched. This was a decisive endorsement of the preparatory work the GM and its partners had undertaken in the previous three years.

By early 2004, under the leadership of the Asian Development Bank and support from the SPA, a guiding framework began to take shape that would actually begin to undo the damage done by land degradation, and lay the foundations for sustainability into the future.





THE RESULTS

The fruit of these efforts is the Central Asian Countries Initiative for Land Management (CACILM), which has a 10-year mandate to launch sustainable land management (SLM) activities in each of the five countries, as well as, across the sub-region. Funding is earmarked both from the countries and international partners with the objective of reversing land degradation and improving the lives of the affected rural populations.

The goals include:

- developing sustainable agriculture in both rain-fed and irrigated lands
- protecting grazing and forest lands
- conserving natural resources and promoting biodiversity.

One of the principle aims is to steer the initiative away from the “top-down” policies of the past that imposed projects and programmes on local beneficiaries. The focus is now on encouraging the development of policy, legal, institutional, and incentive structures at the national level that support effective local responses.

A National Steering Committee in each of the five nations is assigned to facilitate the activities and promote coordination on both the national and multi-country levels. These bodies are crucial strategic players in the process and are expected to be inclusive and seek participation of all stakeholders.

The National Steering Committee is responsible for identifying both the ideas for specific projects, as well as the international partner or group of partners best suited to assist them. Project ideas, however, must be consistent with their respective National Programming Framework (NPF) – a 10-year programme that lays out the sequence of work and the corresponding investment needs.



Clear objectives are established at the outset of all projects, based on concrete targets, indicators and timeframes. Constant collaboration both among national stakeholders and outside agencies, also serves to raise awareness and commitment to the projects. Attention is also focused on streamlining and harmonizing the donor partners' procedures, with the aim of reducing transaction costs and implementing the projects with transparency and accountability.

CACILM also includes a range of action for both the financing and implementation of multi-country initiatives, with ideas, information, capacity building, and benefits shared across borders. The Multi-Country Framework links the national programming structures and coordinates activities in order to benefit from economies of scale.

Multi-Country Activities are based on four key goals:

- integrating sustainable land policy into planning and management
- developing a land management information system
- facilitating research of sustainable land management policy
- encouraging knowledge management and information dissemination

Financing for CACILM is expected to reach USD 1.4 billion over 10 years, through a concerted effort to leverage support from multiple sources. Phase One was launched in November 2006 with a commitment of 155 million dollars provided by the countries (25 mil), the GEF (20 mil) and donors (110 mil).

The initial funding provides CACILM the support and stability necessary to pursue the goals of better land management. *"This initiative brings together a unique blend of partners between countries and donor agencies to tackle*

land degradation, one of the most critical environmental problems in Central Asia", says Monique Barbut, CEO and Chairperson of GEF.

Eight high-priority national projects and two multi-country projects have been chosen to launch CACILM. Already underway are efforts at rangeland ecosystem management in Kazakhstan, mountain pasture management in Kyrgyz Republic, land improvement in Uzbekistan and locally-driven sustainable land management in Tajikistan (See table on pages 16-17). These activities will not only begin to reverse the effects of desertification on the ground, but also, will serve as the building blocks for the entire 10-year programme.

Their outcomes will be evaluated, improvements made where necessary, and knowledge applied as future projects are launched. Richard Thomas, Programme Director at ICARDA, is optimistic about the new collaborative impulse. *"With a decade of experience in Central Asia, ICARDA will lead a CACILM research project on sustainable land management"*, Thomas noted. *"We will rely on the combined knowledge and expertise of over 1000 international scientists in the CGIAR system"*.

While local leaders and the international community were once either resigned to the inevitability of land degradation in Central Asia, or simply unaware of its existence, there is now a steadfast commitment to reversing desertification.

With the establishment and financing of the decade-long CACILM framework – and the launching of 10 specific projects – the Central Asian countries and the participating external organizations are now fully invested in an integrated process of change that can bring a brighter future to regional land management. Yet hard work, strong leadership, and a constant spirit of collaboration remain essential requirements for success.

CACILM Phase I Projects (Funding in USD)

Title	Timeframe	Location	Partner(s)	Total Funding	Government & Other	Development Partner	CACILM GEF-3	GEF Agency
Multicountry Initiatives								
CACILM National and Multicountry Partnership and Framework Design and Preparation	April 2005 June 2006	Kazakhstan, Kyrgyz Republic, Tajikistan, Turkmenistan, Uzbekistan	National WGs, ADB, GM, GEF, cooperation with all SPA/task force partners	1,750,000	550,000	500,000	700,000	ADB
CACILM Multicountry Partnership Framework Support	July 2006 December 2008	Kazakhstan, Kyrgyz Republic, Tajikistan, Turkmenistan, Uzbekistan	National WGs, ADB, GM, GEF, ICARDA, FAO, CCD Project of GTZ in cooperation with SPA partners	6,325,000	500,000	2,800,000	3,025,000	ADB
CACILM Multicountry Capacity Building Project	September 2006 December 2008	Kazakhstan, Kyrgyz Republic, Tajikistan, Turkmenistan, Uzbekistan	National WGs, UNDP, GM, GEF, ADB, CCD Project of GTZ, ICARDA, IFAD in cooperation with SPA partners	6,550,000	500,000	3,050,000	3,000,000	UNDP
National Initiatives								
Rangeland Ecosystem Management	July 2006 June 2010	Kazakhstan	Ministry of Environment Protection, Ministry of Agriculture; NGOs, communities, UNDP	3,550,000	2,100,000	450,000	1,000,000	UNDP
Integrated Agricultural Development and Land Improvement	December 2006 June 2010	Kyrgyz Republic	Ministry of Agriculture, Water Resources and Industrial Processing; ADB	23,200,000	TBD	20,700,000	2,500,000	ADB
Mountain Pasture Management in Susamir Valley, Kyrgyz Republic	September 2006 March 2010	Kyrgyz Republic	Ministry of Agriculture, Water Resources and Industrial Processing; Chui Oblast, UNDP	1,950,000	170,000	805,000	975,000	UNDP
Rural Development	January 2007 June 2010	Tajikistan	Ministry of Agriculture; State Committee on Land Management, ADB	25,188,000	4,338,000	17,350,000	3,500,000	ADB
Demonstrating Local Responses to Combating Land Degradation and Improving Sustainable Land Management in SW Tajikistan	July 2006 March 2010	Tajikistan	State Committees on Environment and Forests and on Land Management, Tajik Forestry Research and Devel. Institute, UNDP	1,700,000	TBD	700,000	1,000,000	UNDP
Achieving Ecosystem Stability on the degraded land in Karakalpakstan and the Kyzylkum Desert	April 2005 March 2010	Uzbekistan	Forestry Department, Ministry of Agriculture and Water Resources, Uzhydromet, Academy of Science, Goscompiroda, UNDP	3,810,000	114,000	2,696,000	1,000,000	UNDP
Land Improvement	January 2007 December 2010	Uzbekistan	Min. of Agriculture and Water Resources, ADB	79,400,000	15,600,000	60,800,000	3,000,000	ADB
Capacity Building and On-the-Ground Investments for Integrated and Sustainable Land Management	January 2007 December 2010	Turkmenistan	UNDP, GTZ, other partners to be identified	2,100,000	175,000	925,000	1,000,000	UNDP
All Projects				155,523,000	24,047,000	110,776,000	20,700,000	

“Reversing land degradation at the local level provides direct benefits to communities and helps them better cope with natural disasters and man-made crises”, says Vladimir Mamaev of UNDP/GEF. “UNDP’s country teams are well placed to support the Central Asian countries with CACILM implementation at the local level”.



THE KEYS TO FUTURE SUCCESS

For those eyes that have witnessed the degradation of Central Asian land over recent decades, it may still be too early to actually see it reversing course on the ground. But change is clearly happening. CACILM partners’ commitment to better land management, improved productivity and both social and ecological progress can be found in those first projects, now underway, as well as in the very efforts and insight that have helped bring the unique framework to life: partnership-building, trust, stakeholder participation, accountability and multi-source financing.

“CACILM has a clear vision for Uzbekistan’s future, based on economic growth and social and environmental stability”, says Bakhtiyor Kadirov, First Deputy General Director of the Centre of Hydrometeorological Services and National Focal Point of the UNCCD of Uzbekistan. “Combining international experience with local capabilities and cultural traditions, CACILM’s integrated approach will ensure sustainable development and land resource management for years to come”.

Ultimately, the success or failure of these concerted efforts to combat land degradation will be measured across the sub-region and beyond, from the economic well-being of a single Tajik farming family to the biodiversity of a Kazakh river valley, to the very structure of environmental policy and practices around the world. For results to be positive, the lessons learned in successfully establishing CACILM must be applied to the implementation of the entire programme itself.

PARTNERSHIPS: The establishment of a multi-nation, multi-donor partnership requires a consistently high level of stakeholder participation, to ensure projects are sustained and adequate funding is secured. Effective consultation among all partners can help increase economies of scale, reduce transaction costs, facilitate knowledge management and exchange, and target training for



sustainable land management.

Within the countries, it is necessary that all relevant national stakeholders remain closely involved in order to capitalize on the successful sub-regional cooperation that the CACILM development process has produced. This also means ensuring continued commitment from donors, aligning donor priorities with those of individual countries, and harmonizing donor procedures.

GOVERNANCE: CACILM partners are committed to working with national and international representatives to jointly establish policy and legislative solutions that are both adapted to local needs and in line with international norms. It aims to encourage programmes based on incentives rather than punitive measures, making governments stakeholders in combating land degradation and expanding the participation of rural communities in integrated land management.

There is growing consciousness that the role of government is no longer to make production decisions, but to create conditions under which individuals, families and enterprises are empowered to decide for their own benefit, without repercussions on the rest of society. In addition, there is a need to encourage a more equitable gender balance in employment and leadership, of the administrative entities implementing reforms.

Similarly, if implementation of CACILM is to succeed, radically different ways of project delivery at the national level are required. Better collaboration is needed among the national technical agencies, together with the Ministries of Finance, in order to integrate the responses to sustainable land management. Ensuring that these progressive policy, legislative, institutional and incentive reform processes are put in place and implemented, requires considerable political commitment on the part of the countries.

ECONOMICS: Sustainable land management in Central Asia will continue to be part of broader national and regional efforts for achieving development goals of poverty alleviation, economic growth and social well-being. CACILM partners are aware that legislation in these countries has sometimes been insufficient, and that the traditional public service delivery systems have

largely collapsed. The shortage of financial intermediaries to provide credit to support small business development and help diversify the rural economy is also a serious challenge.

Furthermore, given the extent of the problem, the search for sufficient funding from a variety of sources must continue. Notwithstanding incremental increases in national and donor financing, each country must develop strategies that identify adequate sources of funding, to carry this initiative well beyond the ten-year implementation period. Among the opportunities worth seeking are climate change financing mechanisms and adaptation, compensation for environmental services, trade-related financing and debt-for-nature swaps.

ECOLOGY: Counteracting the root causes of land degradation will help rehabilitate degraded areas and conserve those under threat. As sustainable land management approaches become common practice, the overall Central Asian ecosystem will grow more resilient, preparing it better to deal with anticipated climate change scenarios.

Less obvious, perhaps, is that robust ecosystems and economic development feed off each other. Eco-friendly policies have a multiplying effect: expanding availability of high-quality water helps moderate the adverse health impacts caused by saline water and improves agricultural productivity; the regeneration of forests helps reverse the loss of carbon stocks sequestered in soils and the emission of greenhouse gases; and promoting better land management reverses habitat loss and protects biodiversity.

Keeping the beneficial relationship between the environment and economy forefront in national development policy discussions will be key to ensuring that all development interventions remain within the carrying capacity of the land.

“UNEP is a catalyst for thinking globally about the nexus between environmental sustainability and the international economy. CACILM is a unique platform for spurring dialogue between all partners involved in sustainable land management, linking human well-being to the protection of ecosystems”.

Achim Steiner,
Executive Director,
United Nations
Environment
Programme
(UNEP)



A MODEL FOR THE FUTURE

“The establishment of a multi-nation, multi-donor partnership makes CACILM a model for regional cooperation and it is indeed the first real example that is consistent with the Paris Declaration on Aid Effectiveness at regional level” says Anneke Trux, Project Coordinator, CCD Project of GTZ.

The international donors are investing in an improved ecological and economic landscape in Central Asia, but they are also banking on its long-term benefits reaching across the globe. There are lessons to be learned and practices to be followed from the example of local beneficiaries and international contributors joining forces to confront a regional problem. The role of the Global Mechanism in replicating this approach in other regions is vital for advancing the implementation of the UNCCD.

Policymakers are confronting the challenge of donor coordination, harmonization and alignment among countries and agencies. CACILM is also an experiment in addressing the need for flexibility in coordination mechanisms, and it is becoming evident that a better understanding of donors’ programming cycles and their respective strategic objectives lends itself to donor harmonisation and alignment.

CACILM is also on a quest to find cost savings in the implementation of sustainable land policy, both in the private and public sectors. Partners are sought according to their comparative advantage, with agreement to build synergies at the outset of the project design. During the course of the

activities, the transparency of financial interventions and financial reporting arrangements is also assured.

Finally, CACILM projects are to be implemented with more than just the objective of achieving short-term benefits. Beginning from the project-design stage, capacity building and training components must be created that will sustain the initiative and potentially prepare for others in the future. Activities are developed that address aspects that transcend individual projects, such as:

- strengthening institutions
- improving inter-sectoral coordination
- mainstreaming sustainable land management into national budgets, policy and legal frameworks
- enhancing analysis and exchange of experiences among projects and national policymakers

CACILM was born in response to the specific need to address land degradation in one region of the world - Central Asia - which remains its driving imperative. At the same time, the experience of multi-tiered integration among five countries in transition and the international donor community, offers a global model for cooperative problem-solving.

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