



Annual Work Plan for 2023

UNDP Kazakhstan

Project Title: Assisting the Republic of Kazakhstan in meeting international commitments to reduce greenhouse gas emissions by reducing the carbon footprint of electricity suppliers for leading technology company Bitfury

Project Number: 00111145

Implementing Partner: Forestry and Wildlife Committee of the Ministry of Ecology and Natural Resources of the Republic of Kazakhstan

Start Date: December 2020

End Date: December 2023

Brief Description

The purpose of the project is aimed at the implementation of complex measures in Kazakhstan to absorb CO2 emissions by forest ecosystems. The main objectives of the project will be achieved through activities to (1) reduce the carbon footprint produced by Bitfury's electricity suppliers in the Republic of Kazakhstan by 110% with a total consumption of 82 MW (2) support Kazakhstan's national initiative to create offset mechanisms to neutralize greenhouse gas emissions of gases as part of the commitments under the Paris Agreement (3) contribute to the achievement of the UN Sustainable Development Goal of restoring 350 million hectares of forests worldwide by 2030 as part of the fight against climate change (4) assessment of the impact to project results on the health of men and women in the project areas.

Contributing Outcome (CPD):	Outcome 3.2. By 2025, all people in Kazakhstan, in particular most vulnerable, benefit from increased climate resilience, sustainable management of environment and clean energy, and sustainable rural and urban development	Total resources required:	249,613.85 USD
Indicative Output(s) with gender marker ¹ :	GEN 2	Total resources allocated:	249,613.85 USD
		Bitfury	249,613.85 USD

Agreed by (signatures)²:

UNDP	Implementing Partner
<p>DocuSigned by:</p> <p><i>Eugene Hong</i></p> <p>795A8F229B5F4A7...</p> <p>Eugene Hong, Assistant of UNDP Resident Representative</p> <p>Date: 16-Mar-2023</p>	<p>Daniyar Turgambayev, National Project Director</p> <p>Date:</p>

¹ The Gender Marker measures how much a project invests in gender equality and women's empowerment. Select one for each output: GEN3 (Gender equality as a principle objective); GEN2 (Gender equality as a significant objective); GEN1 (Limited contribution to gender equality); GEN0 (No contribution to gender quality)

² Note: Adjust signatures as needed

I. ANNUAL WORK PLAN

EXPECTED OUTPUTS	PLANNED ACTIVITIES	TIMEFRAME (QUARTER)				RESPONSIBLE PARTY	PLANNED BUDGET			
		Q1	Q2	Q3	Q4		Funding source	Budget description	Amount (USD)	
Component 1. Transfer of unaccounted forests of East Kazakhstan and Pavlodar regions into the category of managed forests										
Outcome 1. At least 100,000 ha of unaccounted forests of East Kazakhstan and Pavlodar regions are transferred to the category of managed forests and registered in accordance with the legislation of the Republic of Kazakhstan. Indicator 1.2 The number of hectares of forest transferred to the protected and managed regime Target: 109,672 ha Outcome 2. The technical potential of forestries is strengthened as a result of the purchase of firefighting equipment. Indicator 2.1: Amount of purchased firefighting equipment Target: 1 GEN: 2	1.1. Drawing up land management documents in accordance with a land use maps and developing proposals for the ownership of unaccounted forests in the East Kazakhstan region: geodetic work on unaccounted forests; land users mapping; registration of title documents for land plots.	X	X	X	X	UNDP, FWC	Bitfury - 3000	72100 - Local companies	70 000 USD	
		X	X	X	X	UNDP, FWC	Bitfury - 3000	71600 - Travel	1 000 USD	
	1.2. Drawing up land management documents in accordance with a land use maps and developing proposals for the ownership of unaccounted forests in the Pavlodar and Abay region: geodetic work on unaccounted forests; land users mapping; registration of title documents for land plots.	X	X	X	X	UNDP, FWC	Bitfury - 3000	72100 - Local companies	30 000 USD	
		X	X	X	X	UNDP, FWC	Bitfury - 3000	71600 - Travel	1 000 USD	
	1.3. Purchase of firefighting equipment				X	X	UNDP, FWC	Bitfury - 3000	72200 - Equipment	30.000 USD
	1.4. Preparation of articles, publications in social networks	X	X	X	X	UNDP, FWC	Bitfury - 3000	74200 - Audio Visual & Print Prod, translations costs	1 000 USD	

	Project experts salary costs	X	X	X	X	UNDP	Bitfury - 3000	71500 - UNV	7 000 USD
Subtotal for Component 1:									140 000 USD
GMS (8%) for Component 1:									11 200 USD
TOTAL for for Component 1:									151 200 USD
Component 2. Creation of green spaces of 20 ha in Pavlodar region									
Outcome 4. 20 ha of green spaces in Pavlodar region are created and transferred to the state. Indicator 4.2: Forest area created Target: 20 ha GEN: 2	2.1. Holding meetings with the Akimat of Pavlodar region and agreeing on sites for planting green spaces. Conducting working meetings during project implementation with stakeholders, taking into account the impact of gender issues on project results.	X	X	X	X	UNDP, MENR	Bitfury - 3000	71600 - Travel	5 000 USD
	2.1. Approval and receipt of environmental expertise for the Design project for the creation of green spaces around the city of Pavlodar on 20 hectares. <i>In progress, contract #2022-019 s/a</i>	X				UNDP, MENR	Bitfury - 3000	72100 - Local companies	14 600 USD
	2.2. Field work. Purchase of planting material and creation of plantings in the green zone of the Pavlodar city, taking into account the impact on the health of men and women. <i>In the progress, contract #2022-054 s/a</i>		X	X		UNDP, MENR	Bitfury - 3000	72100 - Local companies	37 500 USD
	2.3. Conducting a PR event on planting forest plantations in cooperation with the		X			UNDP, MENR,	Bitfury - 3000	72100 - Local companies	4 000 USD

	local authorities of Pavlodar region. Ensuring gender aspects during PR campaigns.		X	X	X	Akimat of Pavlodar region	Bitfury - 3000	74200 - Audio Visual&Print Prod, translations costs	1 723 USD
	2.4. Creation 'of video, photo materials about project results to inform the public taking into account gender aspects		X	X	X	UNDP	Bitfury - 3000	72100 - Local companies	10 000 USD
Subtotal for Component 2:									72 823 USD
GMS (8%) for Component 2:									5 826 USD
TOTAL for for Component 2:									78 649 USD
Component 3: Drawing up of forest carbon projects									
Outcome 5. Two forest carbon projects are drawn up and approved Indicators: 5.2 Validation report Target: 2 Outcome 6. A set of documents for approval and registration of the project in the national registry of carbon projects is prepared Indicator 6.1 Set of documents prepared (Project Concept, Project document, Monitoring plan) Target: 2 GEN: 2	3.1. Discussion and approval of forest carbon projects with the authorized body	X	X	X	X	UNDP, MENR	Bitfury - 3000	71500 - UNV	2 500 USD
	3.2. Preparation of documents for approval and registration of forest carbon projects in the carbon trading system	X	X	X	X	UNDP, MENR	Bitfury - 3000	71500 - UNV	2 500 USD

[illegible]

Total GMS:									18 490.06 USD
PROJECT GROSS TOTAL:									249 613.85 USD

II. Monitoring And Evaluation Plan

Monitoring Activity	Purpose	Timeframe	Responsible Person
Project Boards/Steering Committee meetings	Project management, decision making, coordination of project results and plans	2 times in year January 2023 December 2023	Project manager
2022 Annual project report	To report on progress made	January 2023	Project manager
Quarterly Project reports	Track project progress	April, July and October 2023	Project Manager
2023 AWP development	Review of project progress, planning of activities	February 2023	Project manager
Final Project report	Capture project results, and lessons learned	December 2023	Project Manager
Project Exit Plan	Pass along knowledge and ensure sustainability of impacts after project completion	December 2023	Project Manager
Closure stage Project Quality Assurance	Assure adherence to UNDP quality standards for programming	December 2023	Project Manager
Programme meetings with SM	Informing SM on the progress of the project, planning of priority actions	Monthly	Project manager
Programme meetings with EE Unit	Informing EE Unit on the progress of the project, planning of priority actions	Weekly	Project manager

III. Project Risk Register

#	Event	Cause	Impact(s)	Risk Category and Sub-category	Likelihood: 2 (Not likely) Impact: 1 Risk level: Low	Risk Valid From/To	Risk Owner (individual accountable for managing the risk)	Risk Treatment and Treatment Owner
1	Frequent changes in government can lead to unforeseen policy changes that will affect the achievement of project goals	Frequent reorganization of the structure of the key partner of the project, the Forestry and Wildlife Committee of the Ministry of Ecology, Geology and Natural Resources of the Republic of Kazakhstan (MEGNR)	May cause delays in approving documents, joint actions, etc.	Strategic Change/turn over in government	P – 1, I – 1, Low	From: At the time of the development of the project document To: for the entire project period of the project	UNDP	<u>Risk Treatment:</u> To ensure institutional memory in the process of its implementation, the project will mainly work at the level of heads of structural units of state bodies. To reduce the consequences of these changes and make the results more sustainable, the project will promote environmental and forestry legislation on the development and implementation of forest carbon projects <u>Risk Treatment Owner:</u> Project Managerl
2	Delays with paperwork for transferring unaccounted forests into the category of managed forests, transferring green spaces to the state balance at the level	An outdated database on the coordinates of land plots and inconsistencies in the data from land use and forestry authorities can be a reason for lengthy paperwork	The delays with paperwork can affect the achievement of project goals	Operational Partners engagement	P – 1, I – 1, Low	From: At the time of the development of the project document To: for the entire project	UNDP	<u>Risk Treatment:</u> During the project implementation, the existing barriers will be removed through the organization of working meetings, meetings with the authorized body and local executive bodies by explaining the importance of keeping the deadlines

	of local executive bodies					period of the project		<u>Risk Treatment Owner:</u> Project Manager
3	Delays with approval and allocation of funds from private sector	Force majeure situations on the market affecting the financial condition of the company	Unfulfilled donor's obligations can affect the achievement of the project goals	Financial Delivery	P – 3, I – 3, Moderate	From: At the time of the development of the project document To: for the entire project period of the project	UNDP	<u>Risk Treatment:</u> The project was developed as a voluntary initiative of Bitfury to reduce the carbon footprint created by energy consumption from coal generation. Bitfury will strictly follow financial volumes and deadlines defined in the project document to achieve 100% compensation for emissions. Any expected changes should be discussed at the PB meetings <u>Risk Treatment Owner:</u> Project Manager
4	Fluctuations in the exchange rate of the currency, bitcoins, MW volumes and other factors affecting the volume and terms of financing	Fluctuations in the exchange rate of the currency, bitcoins, and other factors can affect the financial condition of the company, which in turn will affect the Company's energy consumption in Kazakhstan	The depreciation of the dollar can lead to a shortage of funds when converted to the national currency; the appreciation of the dollar will lead to an increase in the cost of services of local companies.	Financial Fluctuation in credit rate, market, currency	P – 2, I – 2, Low	From: At the time of the development of the project document To: for the entire project period of the project	UNDP	<u>Risk Treatment:</u> The activity of Bitfury at the time of the conclusion of the agreement involves the consumption of electricity in the Republic of Kazakhstan in the amount of up to 82 MW. The levels of financing directly depend on this amount based on the calculation of the carbon footprint offset by 110%. Financing terms may be changed in case of changes in consumption. The amount and period of financing may be subject to significant changes in Bitfury's agreements with electricity suppliers. Bitfury will provide UNDP with analytical notes on planned changes in

								advance and take steps to mitigate this risk <u>Risk Treatment Owner:</u> Project Manager
5	Lack of financing for the project due to a temporary shutdown of the data center, repair work, power outages	Temporary shutdown of the data center, repair work, power outages	Failures or suspension of work of the data center will involve a review of the amount of real CO2 emissions, which the project budget is tied to	Financial Delivery	P – 1, I – 1, Low	From: At the time of the development of the project document To: for the entire project period of the project	UNDP	<u>Risk Treatment:</u> In the event of a Data Center shutdown, actual CO2 emissions for the accounting period will be reduced. In this case, the allocation of funds to compensate for the carbon footprint of Bitfury will be reassessed <u>Risk Treatment Owner:</u> Project Manager
6	Project activities may affect human rights and/or possibly limit the quality or access to resources of people living in territories adjacent to the state forest fund	The project involves the transfer of unaccounted forests into the category of managed forests by changing the type of land use	Adverse impacts on enjoyment of the human rights of the affected population	Environmental Human rights	P – 2, I – 2, Low	From: At the time of the development of the project document To: for the entire project period of the project	UNDP	<u>Risk Treatment:</u> The project will closely cooperate with everyone to ensure that stakeholders are properly consulted. The fact that there are public and private forms of forest ownership, which provide different levels of participation of local communities in forest management, gives significant flexibility to the project and all stakeholders to ensure the satisfaction of environmental and social, economic needs, as well as human rights and priorities. <u>Risk Treatment Owner:</u> Project Manager

7	Resource users and other right holders do not have knowledge on how to claim their rights	Resource users are not fully educated and informed about what rights they have, or procedures that require compliance with these rights.	Adverse impacts on enjoyment of the human rights of the affected population	Environmental Human rights	P – 2, I – 2, Low	From: At the time of the development of the project document To: for the entire project period of the project	UNDP	<p><u>Risk Treatment:</u> Project will closely cooperate with all stakeholders to support government bodies and forest management institutions to fulfill their commitments and to explain the resources right holder how to claim their rights, for example, the rights of citizens to private forest ownership, its management and receiving financial benefits from carbon units.</p> <p>This will be achieved through consultations with stakeholders on all relevant aspects of the project so that all parties know and understand the relevant obligations and rights.</p> <p><u>Risk Treatment Owner:</u> Project Manager</p>
8	Land tenure mechanisms and / or property rights at the community level or customary rights to land, territories or resources is affected	Official assignment of a state status to forest plots that are currently without management that include changes in land and resource use	Changes in land and resource use of people living in the areas of project activity can lead to short-term negative impact on livelihoods of people living in the areas of project activity	Environmental Displacement and resettlement	P – 2, I – 2, Low	From: At the time of the development of the project document To: for the entire project period of the project	UNDP	<p><u>Risk Treatment:</u> Risk will be constantly monitored throughout the project implementation through standard project control systems and risk monitoring systems.</p> <p><u>Risk Treatment Owner:</u> Project Manager</p>