Country Results Report

The Biodiversity Finance Initiative (**BIOFIN**) programme in
KAZAKHSTAN
REPORTING PERIOD: 2025

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BIOFIN COUNTRY PROGRAMME

W: https://www.biofin.org/kazakhstan

BIOFIN
The Biodiversity Finance Initiative

BIOFIN COUNTRY PROGRAMME PROFILE

Country: Kazakhstan

Geographic coverage: country-wide

Programme period: January 2019 – December 2030

Budget:

Government of Germany:

2018-2021: $250 000 (Phase II)

2022-2024: $266,963 (Phase II)

2024-2029: $233,037 (Phase II)

Government of Swiss:

2019-2021: $401 606 (Phase II)

2022-2025: $320 000 (Phase II)

Government of Canada:

2024-2026: $250,000 (Phase II)

United Kingdom:

2023-2025: USD30,000 (Phase II)

European Union:

2026-2029: USD790,000 (Phase II)

Alignment with UNDP country programme strategic outcomes: Outcome 2. Accelerate structural transformations for sustainable development.

The Biodiversity Finance Initiative (BIOFIN) programme team in Kazakhstan would like to thank our partners – namely, Government of Germany and Government of Switzerland, Government of Canada, Government of United Kingdom and Government of European Union – for their support in making the implementation of BIOFIN in Kazakhstan possible.

This report is collaboratively authored by members of the programme team, with support from the BIOFIN global programme management team.

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Abbreviations and Acronyms

FWC	Forestry and Wildlife Committee
MENR	Ministry of Ecology and Natural Resources
HC	Hunting Concessions
PA	Protected Areas
MF	Ministry of Finance
NC	National Company
TIC	Tourism Industry Committee
MCS	Ministry of Culture and Sports
NBSAP	National Biodiversity Strategy and Actional Plan
RSA	Republican State Authority

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Executive summary

Progress toward targeted results

In 2025, BIOFIN in Kazakhstan continue to focus on creating an enabling environment for the implementation of activities and discussing with stakeholders the further institutionalization of finance solutions.

Moreover, the BIOFIN methodology steps PIR[1] and BER[2] were updated and **published**. From 2008 to 2022, biodiversity funding in Kazakhstan has significantly increased, rising from 0.08-0.18% of GDP to 1.25% by 2022. Despite this increase, the funding allocated is insufficient to cover the needs (under the NBSAP) for positive biodiversity outcomes. Private sector contributions, especially from industrial companies, continue to be minimal and insufficient relative to their environmental impact. There is a clear need for legislative regulation and tax incentives to increase biodiversity funding from industrial companies. In this regard, the figures demonstrate the appropriateness of BIOFIN's chosen financial solutions.

The assessment of Kazakhstan's readiness to disclose financial information related to natural capital is published in September 2025 (English version) as a policy brief[3]. The main findings of the assessment are the lack of detailed steps and requirements in policy documents. However, public entities have good potential to drive progress on disclosure work. This assessment identified key directions for action, including integrating nature more effectively into voluntary guidelines and planning future piloting.

Finance solution 1: Strengthening PA management and financial planning for improved state financing.

This finance solution aims to reduce the funding gap for protected areas and create financial sustainability by improving PA management plans and budgeting thereby securing additional state funding for PAs. The regulatory framework regarding the formation of tariffs for paid services of PAs has been revised to ensure annual guaranteed growth of organizations' funds. In 2024 a recommended list of the main types of paid services provided by PAs has also been developed, and the corresponding tariffs have been calculated. The legislative document was approved by the Order of the Minister of Ecology and Natural Resources of the Republic of Kazakhstan dated October 2, 2024 № 232. Registered with the Ministry of Justice of the Republic of Kazakhstan on October 3, 2024 № 35202[4].

In 2025, an assessment was conducted to determine the impact of changes in approaches to the development of paid services recommended by BIOFIN on the growth of revenues from protected areas. The assessment revealed that ecotourism income grew from USD 0.6 million to USD 2.6 million in 2025. It is expected that the own-source revenues of protected areas will reach USD 6.4 million by 2030.

Public expenditure on protected areas for 2025 – USD 71,857,976 (KZT 37,384,112,000 UN Rate for 31 December 2025 is 520,25) (*Annex 2*)[5].

[1] https://www.biofin.org/knowledge-product/policy-and-institutional-review-kazakhstan-2025
[2] https://www.biofin.org/knowledge-product/biodiversity-expenditure-review-kazakhstan-2025
[3] https://www.biofin.org/knowledge-product/kazakhstan-ready-nature-related-financial-disclosures
[4] https://adilet.zan.kz/rus/docs/V2400035202
[5] https://www.gov.kz/memleket/entities/ecogeo/documents/details/871087?lang=ru

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During the reporting period, the training program was adapted to align with the format of university educational documentation. In May 2025, a memorandum of understanding was signed between UNDP and Kazakh Agrotechnical University to formalize this collaboration[6] *(Annex 3*).

In the reporting period, the financial solution was successfully implemented, and full financial completion is planned in 2026. All indicators have been achieved.

Finance solution 2: Institutionalization and increasing of sustainability of the biodiversity offsets in the practice of the infrastructure projects implementation in Kazakhstan.

In the short term, this finance solution will create statutory limits for the application of biodiversity offsets within the framework of infrastructure projects. In the longer term, a biodiversity offsets mechanism will increase the developer's responsibility for biodiversity, introduce biodiversity issues into sectoral planning, and mobilize financial resources for animal and plant conservation.

During the reporting period, work continued advising government institutions on the use of mechanisms to prevent, minimize, and mitigate impacts on biodiversity, as well as to compensate for residual losses. Additionally, a local company was contracted to prepare recommendations for the Government of Kazakhstan to ensure the alignment of biodiversity offset mechanisms with existing national policies; developing training materials, conducting capacity-building sessions for representatives of public authorities and independent experts, and piloting a financial solution using a selected project as a case study.

During the reporting period, a pilot site was selected to test the application of biodiversity offset mechanisms — a planned wind power plant. According to expert assessments, the technical potential of wind energy in Kazakhstan is estimated at no less than 920 billion kWh per year, and the Government of Kazakhstan intends to further expand the deployment of wind farms nationwide.

At the same time, wind energy installations may pose risks to bird populations and small terrestrial fauna inhabiting these areas. In this context, ERG has taken the initiative to collaborate with BIOFIN in piloting an innovative financial solution aimed at addressing biodiversity impacts associated with renewable energy development.

Finance solution 3: Subsidizing game breeding to save threatened animal species and develop an improved system of hunting concessions.

In the long term, the outcome of the finance solution is an increase in the population numbers of rare wild animals through fiscal support of hunting concessions. In the short term, the outcome of the finance solution is to achieve consistency in the allocation of subsidies for wildlife breeding within the framework of the Ministry of Ecology and Natural Resources (MENR) subsidy program.

Kazakhstan has experience in the breeding and feralization of certain animal species, but there is no unified methodology for breeding and release into the wild. To cover this gap, in 2023, the Methodological guidelines for the breeding of ungulates and birds and the Methodological

[6] https://www.undp.org/kazakhstan/press-releases/first-ever-academic-programme-financial-planning-protected-areas-launched-universities-kazakhstan

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guidelines for the release of animals and birds into the natural habitat were developed. The following documents were reviewed by the experts of hunting concessions, regional forestry, and wildlife inspectorates and received support for the further implementation of these documents into the legislative framework. To raise awareness of the breeding and release of animals, more than 60 representatives of hunting concessions were trained. In 2024 the wildlife subsidy rules have been submitted to the relevant authorities, including the Ministry of Finance, for review in accordance with the regulations for the preparation and approval of regulations.

During the reporting period, consultations were conducted with the relevant state authority, and an economic model for wildlife breeding subsidies—including detailed calculations—was developed. This model sent to the Ministry of Ecology and Natural Resources for review and approval.

Finance solution 4: Creating a basis for certification in the field of ecotourism.

The aim of this finance solution is to grow a thriving ecotourism sector in Kazakhstan – one that supports rather than harms biodiversity and ecosystems. This will be done through the introduction of standardization and improvement of the system that certifies services in the field of ecotourism, such as services of tour operation, accommodation, catering, services of organizations for the production and sale of souvenirs, information, advertising, and travel agency services.

Together with the national company “Kazakh Tourism” JSC, educational video materials on the certification process in the field of ecotourism have been developed[7].

During the reporting period Standard 2993 on ecotourism was officially adopted by the Government of Kazakhstan. This standard serves as the foundation for the further development and implementation of a national ecotourism certification mechanism. In June of this year, a local company was contracted to design the certification algorithm. This financial solution is being supported by the Tourism Committee of the Ministry of Sport and Tourism of Kazakhstan.

Finance solution 5: Creating an enabling environment for attracting positive carbon offsets from the international market, multinational enterprises operating in the country.

BIOFIN is supporting the Government of Kazakhstan in unlocking the potential of carbon offset mechanisms to channel financial resources toward forest ecosystem conservation including establishing clear and transparent conditions to attract international investors. Specifically, recommendations to the Ecology code to enable the operationalization of Article 6 of the Paris Agreement were provided to the Government which are currently under review in the Parliament.

This finance solution will ensure that forest carbon projects will be developed in accordance with international standards and implemented by foreign investors in partnership Kazakhstan's companies. This is due to the fact the companies that do not have branches in Kazakhstan cannot implement forest carbon offset projects themselves. Investors' financial resources will be directly channeled to the conservation of forest biomes, increasing forest area and improving the forest management system. The finance solution focuses on enhancing

[7] https://academy.tourismonline.kz/all-courses/module-nineteen/

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opportunities for positive carbon offsets of forests and/or forest biodiversity. State support within the framework of the country's climate policy will increase the sustainability of forest carbon offset projects and achieve positive results for forest biodiversity.

To attract foreign investment, Kazakhstan must demonstrate that both its voluntary carbon market (VCM) interface and its Article 6 mechanisms are operational, transparent, and credible. The cornerstone of creating such an enabling environment has been the development of a comprehensive regulatory framework for Article 6, which provides the legal and procedural backbone for international carbon cooperation. The framework defines decision-making governance, procedures for approving Internationally Transferred Mitigation Outcome (ITMO) projects, and the institutional architecture needed for high-integrity carbon transactions. Properly designed ITMO-generating mitigation activities can deliver not only emission reductions but also substantial co-benefits for biodiversity conservation and sustainable landscape management. Importantly, Kazakhstan’s engagement with international voluntary carbon markets is also closely tied to the emerging Article 6 framework. Leading VCM standards increasingly require host-country authorization to ensure environmental integrity, avoid double counting, and strengthen market credibility. Investors likewise prefer authorized units, as they offer greater regulatory certainty, clearer claims, reduced reputational and policy risk, and typically command a premium price in international markets. As a result, meaningful participation in high-integrity VCM transactions will depend on the establishment of clear authorization procedures under Article 6, which will provide the necessary legal certainty for both international buyers and standards.

The framework was finalized in May 2024 and submitted to the Ministry of Ecology and Natural Resources (MENR), incorporating clarity gained after COP-29 negotiations on reporting rules, registry requirements, and national authorization processes. In parallel, a positive list of Article 6-eligible project types was consolidated and submitted to MENR, and a pipeline of potential forest-sector carbon projects was identified. From this pipeline, one pilot was selected, and a concept note is now being prepared for presentation to prospective investors seeking Article 6-authorized carbon credits (ITMOs).

Given that government institutions are still navigating the complexity of carbon market rules and lacked knowledge about how to translate them into workable national procedures, BIOFIN has provided continuous advisory support—pragmatic, technically grounded, and focused on what can be implemented in Kazakhstan’s context. This work advanced further in 2025. Legislative proposals developed under BIOFIN and endorsed by MENR—aimed at embedding Article 6 procedures and safeguards into national law—are currently undergoing parliamentary review, marking a decisive step toward a fully operational Article 6 system capable of mobilizing international finance at scale while ensuring that mitigation activities deliver benefits for ecosystems and species conservation.

Finance solution 6: Establishing an internal Forest Carbon Trading System and embedding carbon offsets into the national legal framework.

Kazakhstan’s ETS, now in its fifth phase (2022–2025), has struggled to fulfill its potential as a tool for reducing emissions and fostering a robust carbon market. Key issues include 100% free allocation of quotas, additional free quotas, over-the-counter (OTC) trading, and high barriers for trading on commodity exchanges.

Importantly, with BIOFIN technical support, the Environmental Code of Kazakhstan provides for the generation of offset carbon units from afforestation and reforestation projects to compensate emissions from ETS-covered enterprises, creating a legal foundation for piloting forest-based offset initiatives.

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This finance solution aims to promote Kazakhstan's forest carbon offsets standard supported by an effective monitoring and evaluation system. Such system will offer low-cost emissions offsets and boost funding for forestry conservation. The ETS cap formally declines by 1.5 percent per year—an approach that in principle should increase scarcity and stimulate future demand, hence the demand for forest carbon units is expected to rise, encouraging companies to invest in forest creation and management. These investments, regulated by forest and environmental codes, will support forest conservation efforts.

Kazakhstan has yet to issue forestry carbon credits, with development hindered by regulatory obstacles, complex land transfer procedures, and a lack of supporting policies and local Validation and Verification Bodies (VVBs).

In 2025 BIOFIN legislative recommendations for attracting investments in the forestry sector through forest carbon offsetting (FS5 and FS6) were sent to Parliament for approval by Ministry of Ecology and Natural Resources. In 2025 these proposals for the implementation of forest carbon offsets on the territory of the state forest fund are supported by the Government of Kazakhstan and officially approved at the legislative level[8]. This allows investors (registered in Kazakhstan) to receive carbon offsets under the Kazakhstan ETS, while ensuring that newly planted forests remain state property. So carbon-offset activities access more than 11 million hectares of state forest lands, unlocking large-scale opportunities for afforestation and reforestation initiatives. As part of the initial testing of this new regulatory space, in December 2025 the Forest and Wildlife Committee officially allocated 97 hectares of land in the green belt around Astana to pilot a forest carbon offset project, providing a practical entry point for investors and demonstrating how the mechanism can function under real conditions (Annex 4). Negotiations with potential investors are currently underway to structure this pilot.

A methodology for calculating greenhouse gas absorption in forestry, developed by BIOFIN and adopted in 2023[9], was updated in 2025 and is under approval of Forestry and Wildlife Committee and Zhassyl Damu.

Overarching themes and looking ahead

Since 2014, the BIOFIN project has been dedicated to promoting and securing approval for the National Biodiversity Strategy and Action Plan (NBSAP). In 2015-2016, the project developed an NBSAP budget using the BIOFIN methodology. BIOFIN experts continuously provide advisory support to state bodies for the adoption of the NBSAP. To this end, the project conducted consultations between 2019 and 2021 with deputies of the Mazhilis of the Parliament of the Republic of Kazakhstan, the leading political party back then Nur-Otan, the Prosecutor General's Office, and the Association of Environmental Organizations of Kazakhstan.

The Global Biodiversity Framework Early Action Support (GBF EAS) project has been implemented in 2024 as part of the UNDP biodiversity portfolio. The update of the BIOFIN Methodology, namely PIR and BER is conducted under the BIOFIN programme, FNA and BFP under GEF projects in 2025-2026. Experts from both projects actively collaborate and support each other. The updated BFP will address the new NBSAP covering the period from 2026-2035. PIR and BER have been completed and employed from the initial stages of the NBSAP development process. Economists responsible for the Financial Needs Assessment were engaged throughout the entire NBSAP development, ensuring that it is costable and viable.

[8] https://adilet.zan.kz/rus/docs/Z2500000198#z141
[9] https://adilet.zan.kz/rus/docs/V2300031735#z1430

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In September, a new project SPACES was launched[10] to in advance measures planned to strengthen the protected area (PA) system, including action on new and existing protected areas, and Other Effective Area-Based Conservation Measures (OECMs), e.g. hunting reserves and Key Biodiversity Areas and ecological corridors. The project is implemented by UNEP-WCMC, UNDP, and the Association for the Conservation of Biodiversity of Kazakhstan (ACBK). The planned activity on assessment of expenditure for current and existing PAs and OECMs, identification of funding gaps was based on BIOFIN methodology. So as one of the outcomes of the project was the Finance Plan for the Protected and Conserved Areas (KM GBF target 30x30) of Kazakhstan till 2035 which builds on prior assessments conducted under the BIOFIN, including the Financial Needs Assessment and the BER. Building on these analyses, the Finance Plan applies clear spatial and financial assumptions to model expansion of protected and conserved areas to 30% of national territory by 2035 and to estimate associated establishment and management costs. Based on this modelling, total public financing needs for protected areas and OECMs over 2025–2035 are estimated at around USD 1.1 billion, highlighting a substantial remaining funding gap beyond current commitments. To close this gap, the model assesses twelve financing solutions tailored to Kazakhstan's context, covering both public and private instruments. While public budgets remain the backbone of PA financing, private and voluntary sources could mobilize up to USD 342 million by 2035. The roadmap is structured around general results, cross-cutting enabling actions, and solution-specific sections, detailing expected outcomes, responsibilities, indicative costs, and priority mechanisms such as project finance for permanence, ESG-aligned corporate contributions, biodiversity offsets and habitat banking, voluntary biodiversity credits, sustainable tourism, and public–private partnerships.

At the end of 2024, the UNDP biodiversity portfolio launched a GEF-8 Umbrella Project focused on the National Biodiversity Strategy and Action Plan (NBSAP) and the Seventh National Report on Biodiversity. Within the framework of this project, it is anticipated that Kazakhstan's Biodiversity Concept (NBSAP) will be formally adopted in January 2026 as it was approved by the Government in the end of December. Additionally, the development of a comprehensive biodiversity financing plan is planned, with the aim of creating a unified, country-wide strategy for biodiversity funding.

[10] https://www.undp.org/kazakhstan/news/connecting-nature-and-people-kazakhstans-path-biodiversity-resilience-through-spaces-initiative

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A. Country factsheet: the country's biodiversity finance profile and the programming approach

A.1. Biodiversity finance profile

In Kazakhstan, the state budget is the main source of biodiversity financing; the participation of the private sector which is a direct recipient of natural benefits can be assessed as passive. Budget funds do not cover the actual damage inflicted on the animal and plant world by different industries. For many, human dependence on biodiversity and its value is not clear. However, biodiversity is important for obtaining high-quality agricultural, forest, and fish products, medicines, and many other benefits, without which a healthy existence is impossible. Therefore, biodiversity conservation should be comprehensive and addressed by all economic sectors.

Kazakhstan is an agro-industrial country; agriculture and oil and gas sectors are the main income-generating industries. Given that the country is at the initial stage of green growth, the pressure on biodiversity and ecosystems from these industries is obvious. Within the framework of the policy of transition to a "green" economy, legislative norms are being updated in accordance with global environmental trends, and the practices of applying green technologies in the industrial; agricultural; and transport sectors are gradually being expanded. However, all these measures do not adequately address biodiversity-related issues.

Systemic issues in funding and promoting biodiversity in Kazakhstan have stemmed from the lack of a national biodiversity conservation strategy and the absence of biodiversity goals in high-level government planning documents. This lack of strategic direction is compounded by weak planning at the state administration level, where strategic aims in higher-level documents are not effectively cascaded to lower-level plans. The resulting misalignment and lack of coherence have hindered efforts and resource allocation, limiting progress toward achieving sustainable changes.

Existing tools for inventory, monitoring, protection, compensation for loss, and restoration of biodiversity are not adequately reflected in sectoral laws and regulations.

Additionally, the current practice of directing 100% of collected environmental fines towards environmental protection creates a counterproductive incentive for increasing violations rather than preventing them. There is also a notable disconnect in understanding the concept and economic value of biodiversity among key institutions, leading to difficulties in securing budget allocations for biodiversity projects.

Figure 1: Distribution of public and private biodiversity funding in Kazakhstan, 2015-2022

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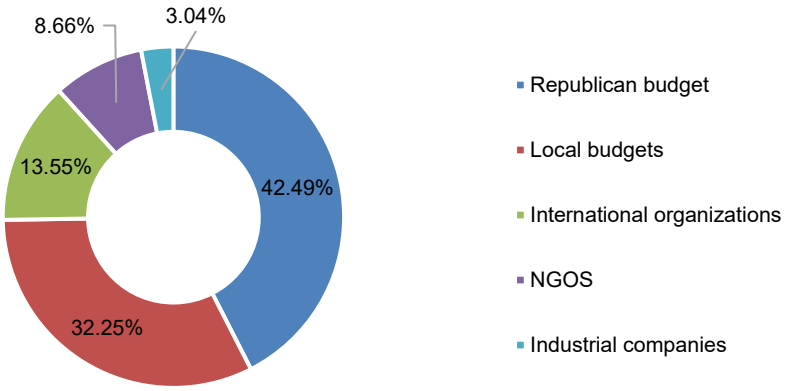

From 2008 to 2022, biodiversity funding in Kazakhstan has significantly increased, rising from 0.08-0.18% of GDP to 1.25% by 2022. The government's contribution remains dominant but has slightly decreased from 86% to 74.75%, while international funding saw a rise. Despite these improvements**, private sector contributions, especially from industrial companies, continue to be minimal and insufficient relative to their environmental impact.**

The Biodiversity Expenditure Review for 2015-2022 reveals significant deficiencies in the existing biodiversity financing. Given the resource-based nature of Kazakhstan's economy, the current funding levels are negligible compared to the environmental damage caused. There is a clear need for legislative regulation and tax incentives to increase biodiversity funding from industrial companies. In this regard, the figures demonstrate the appropriateness of BIOFIN's chosen financial solutions.

The current biodiversity financing mechanisms in Kazakhstan are inadequate. The government has not incorporated specific biodiversity conservation targets with precise numerical indicators into high-level strategic planning documents. Additionally, there is a lack of alignment between strategic planning and budget planning, resulting in insufficient budgetary allocations for biodiversity measures by the authorized state body.

According to the Forecast of Socio-Economic Development of the Republic of Kazakhstan for 2024-2028, developed by the Ministry of National Economy, annual GDP growth of 5% is projected. Meanwhile, Kazakhstan faces significant environmental challenges due to climate change and resource depletion, with scientists predicting a further 4°C temperature increase by mid-century. This, combined with a 26.4% reduction in water resources over the past 40 years and desertification affecting 76% of the land, poses serious threats to ecosystems, including fisheries, forestry, and biodiversity. In response, the state is unlikely to reduce funding for environmental protection and may even increase investments in biodiversity conservation. As of 2022, 1.25% of GDP was allocated to biodiversity conservation, with optimistic projections suggesting expenditures will remain within 1%-1.2% of GDP in the coming years. Additionally, stable oil prices in the range of 70-80 USD per barrel are expected to ensure consistent revenues to the National Fund and state budget, avoiding sharp fluctuations and devaluation of the tenge.

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A.2. National implementation context

The six finance solutions that the BIOFIN is currently implementing in Kazakhstan were identified in the BIOFIN Phase I up to 2018, based on expert analysis, discussions with government agencies and independent experts. However, a considerable amount of time has elapsed since then and the country's environmental policy has been updated to focus more on climate change mitigation and adaptation. Accordingly, finance solutions on forest carbon offsets have taken on greater importance and relevance considering the country's stated goal of achieving carbon neutrality by 2060. The finance solution on the increase of PA funding also remains relevant. In accordance with a global biodiversity framework Kazakhstan is seeking solutions to increase the area of protected areas to cover up to 30 per cent of the country's territory. The creation of new PAs and the expansion of existing ones require the mobilization of resources and improved management. In this context, BIOFIN is making a significant contribution of PA development and funding opportunities. Also, currently BIOFIN Kazakhstan in the process of implementing finance solutions related to wildlife management ecotourism, including the subsidizing of wildlife breeding, biodiversity offsets and ecotourism certification. To achieve sustainability of the results, a legal framework must be improved, as well as a great deal of explanatory work carried out with the private sector and public financial structures. The relevance of these finance solutions is increasing year on year.

The implementation of BIOFIN Kazakhstan is based on several key points:

1) improvement (including creation) of legislation: this involves participation in the work of Parliament to consider legislative documents, conducting explanatory events, and other activities;
2) strengthening the knowledge of local specialists: this includes creating training courses and integrating them into educational programs at higher educational institutions, state academies, and conducting educational events and trainings;
3) advocacy of the goals and results of financial decisions: this entails strengthening interaction with government agencies and beneficiaries;
4) pilot testing, if possible.

B. Overview of key results

B.1. PIR>BER>FNA>BFP

According to the BIOFIN Methodology to enable the achievement of national biodiversity goals and targets aligned with GBF the following steps have been undertaken so far:

- The Biodiversity Policy and Institutional Review has been conducted to analyze the policy and institutional context for biodiversity finance in Kazakhstan. In 2025 document was finalized in accordance with comments from Global BIOFIN and published in September 2025.
- To determine funding spent on biodiversity the expert has prepared Biodiversity Expenditure Review. In 2025 document was finalized in accordance with comments from Global BIOFIN and published in September 2025.
- Expert economists were engaged from the early stages of NBSAP development to ensure its financial feasibility, streamlining its operationalization and implementation. **The NBSAP, titled *"Concept for Biodiversity Conservation and Sustainable Use***

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***for 2025–2035,"* was finalized in December 2024** and includes an analysis of the budget financing gap[11]. The total cost of implementing the NBSAP by 2035 is estimated at USD 4.14 billion, with the state budget projected to contribute USD 1.63 billion. The Financial Needs Assessment identified a funding gap of USD 2.506 billion. The resource mobilization plan included 17 financial solutions from BIOFIN Catalogue to ensure effective implementation of the Action Plan. The NBSAP was submitted to the Government Administration Office for approval, followed by a public review and subsequent adoption.

Previously, BIOFIN prepared all three such analyses for the Concept for biodiversity conservation and sustainable use in the Republic of Kazakhstan till 2030 to meet its commitments under Aichi targets. (that NBSAP of Kazakhstan was not eventually adopted due to the changes and misalignments in the ministerial authorities and state planning regulation).

B.2. Implementation of Finance Solutions

2.1. Strengthened PA management planning system for improved financing

In 2017, the PA's Management Plan was approved in the legislation as the main document for determining budget financing for each PA. Therefore, ensuring PA Management Plans are well developed, both in terms of planned biodiversity management and the budgeting of this, is imperative for sufficient funding for the Kazakhstan PA estate.

In 2021 the new Methodology for the development of the PA management plan (hereinafter – Methodology) was prepared and officially agreed upon by the Scientific and Technical Council of the Forestry and Wildlife Committee (FWC). The Methodology aimed to strengthen results-oriented budgeting.

Based on the Methodology, the Rules for the preparation of a PA management plan were developed. These rules are officially approved by the Minister of Ecology, Geology and Natural Resources, order No. 643 of October 4, 2022.An online training program on financial planning in protected areas was launched on the Learning for Nature platform, the coverage of training in 2021 was 57 managers and specialists of protected areas.

Key stakeholders of the finance solution are PAs, FWC, and the Ministry of Finance of the Republic of Kazakhstan. Based on the approved Rules on PA management plans, the Forestry and Wildlife Committee sent an assignment to PAs on the need to develop new management plans. Based on these during the reporting period 4 PAs prepared new management plans and the new Management plans of 4 PAs sent them for approval and environmental expertise.

Within the reporting period, it was determined that enhancing this finance solution required integrating a budget planning training program into the standard curriculum at three pilot universities. The terms of reference were developed to hire a national company, which will analyze relevant educational programs, select pilot universities, adapt and implement the training program, train lecturers, and develop assessment criteria to ensure the program's effectiveness. This effort aims to better prepare future Protected Area employees for sustainable management and improved financing.

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[11] [11] https://www.instagram.com/p/DDMpHqwojQk/?img_index=1

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In this regard the integration of the training program on PA financial into the undergraduate curriculum of three higher educational institutions - Pavlodar State University, Kazakh Agrotechnical University, Kazakh State Agrarian University was discussed and agreed. In May 2025, a memorandum of understanding was signed between UNDP and Kazakh Agrotechnical University to formalize this collaboration.

In November 2025, faculty members and master's students from the participating higher education institutions completed a training on financial planning for protected areas, organized by BIOFIN. The training facilitated an exchange of experience on the delivery of content biodiversity financing to students and provided a platform to discuss recommendations for expanding and strengthening academic training programmes in this field.

Photo 1,2. Participants of training, November 2025

In accordance with the legislation, some sources of financing for PAs have been provided, including the formation of own funds by paid services rendered in seven directions. The authorized body approves tariffs for paid services rendering. Tariff pricing for paid services is

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carried out at the level of the PAs. Accordingly, the tariffs for the same services differ in PAs, sometimes raising doubts as to the relevance of prices on the part of the public.

In this connection, pegging tariffs to the minimum calculation index (MCI) factor used by the Government of Kazakhstan to calculate tax, social, and other payments is one of the issue solutions. MCI is a convenient economic tool for the state, which is adjusted according to the inflation rate and other macroeconomic processes in the country. Such an approach will allow for increased transparency of calculations and an annual automatic increase in tariffs for paid services of PAs, thus increasing the minimum threshold of own funds of PAs by an average of 5-6% annually.

Based on the updated project submitted by the BIOFIN team, in 2024, the Minister of Ecology and Natural Resources approved the order “On approval of tariffs for services provided by protected areas” dated October 2, 2024 № 232. Registered with the Ministry of Justice of the Republic of Kazakhstan on October 3, 2024 № 35202. This RLA a list of the main types of paid services provided by protected areas and calculates the appropriate tariffs.

In 2025, an assessment was conducted to determine the impact of changes in approaches to the development of paid services recommended by BIOFIN on the growth of revenues from protected areas. The assessment revealed that ecotourism income grew from USD 0.6 million to USD 2.6 million in 2025. It is expected that the own-source revenues of protected areas will reach USD 6.4 million by 2030.

2.2. Institutionalization and increasing of sustainability of the biodiversity offsets in the practice of the infrastructure projects implementation in Kazakhstan

In the short term, this finance solution will create statutory requirements for the application of biodiversity offsets within the framework of infrastructure projects. In the longer term, a biodiversity offsets mechanism will increase the developer’s responsibility for biodiversity, introduce biodiversity issues into sectoral planning, and mobilize financial resources for animal and plant conservation.

Currently, Kazakhstan's environmental policy and legislation are undergoing major changes in support of global environmental challenges, and this creates opportunities for integrating new approaches into biodiversity conservation practices and policies. Against the backdrop of these changes, the consolidation of biodiversity offsets in the environmental legislation as a mechanism for the financial and economic regulation of environmental management will help avoid multi-million budget expenditures for the restoration of the environment in the future.

At the same time, numerous discussions at various levels of the government and the private sector on the ways to introduce offsetting measures into practice voluntarily showed that there is a lack of understanding of the nature of the mechanism of biodiversity offsets. This, in turn, gives rise to the myth that the introduction of the offsetting mechanism involves an additional financial burden on the business. This gap is reinforced by the lack of accessible methodological documents allowing decision-makers to use the biodiversity offsets mechanism when planning infrastructure projects.

In this regard, the introduction of biodiversity offsets to the policy is related to the need to create an accessible methodological basis and increase the awareness of stakeholders about the use of the mechanisms of biodiversity offsets.

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In January 2021, the President endorsed a new Environmental Code, which approved a mechanism to prevent, minimize, mitigate, and compensate for biodiversity losses as a biodiversity conservation measure.

To implement the biodiversity offsets and Paragraph 5 of Article 241 of the new Environmental Code, there were developed the Biological Diversity offsets Rules, which agreed then with the state authorities, Atameken NChE, and approved by the Order of the Minister of Ecology, Geology, and Natural Resources of Kazakhstan on 19 May 2021.

The draft methodological guidelines on the development of effective biodiversity offsets were prepared by an international expert. This document was discussed with experts and presented to state agencies for discussion in July 2021.

In 2024, a thorough analysis of the progress was conducted, and the financial proposal for this finance solution was updated. It was identified that to continue the work sustainably, several key tasks need to be accomplished. These include studying the legal and institutional frameworks in Kazakhstan and international practices for biodiversity offset mechanisms, organizing targeted discussions with stakeholders to select an infrastructure project for piloting the mechanism, developing step-by-step measures for impact prevention, minimization, and biodiversity loss compensation, creating an action plan for implementing these measures, presenting the results to relevant authorities and stakeholders, and developing training modules for ecologists. Also, work continued advising government institutions on the use of mechanisms to prevent, minimize, and mitigate impacts on biodiversity, as well as to compensate for residual losses.

In 2025 a local company was contracted to prepare recommendations for the Government of Kazakhstan to ensure the alignment of biodiversity offset mechanisms with existing national policies; to developing training materials, conducting capacity-building sessions for representatives of public authorities and independent experts, and piloting a financial solution using a selected project as a case study. The selection process for the pilot project is currently underway in coordination with the Ministry of Ecology and Natural Resources. Draft training modules have currently been prepared as part of the contract with the company, and training sessions are planned for February 2026.

During the reporting period, a pilot site was selected to test the application of biodiversity offset mechanisms — a planned wind power plant. According to expert assessments, the technical potential of wind energy in Kazakhstan is estimated at no less than 920 billion kWh per year, and the Government of Kazakhstan intends to further expand the deployment of wind farms nationwide.

At the same time, wind energy installations may pose risks to bird populations and small terrestrial fauna inhabiting these areas. In this context, ERG has taken the initiative to collaborate with BIOFIN in piloting an innovative financial solution aimed at addressing biodiversity impacts associated with renewable energy development.

The assessment of potential impacts of the planned wind power plant in the pilot area indicates a moderate level of risk to avifauna, primarily during the construction phase. Field surveys conducted in October 2025 confirmed the presence of 22 bird species, including 19 vulnerable species, along an important section of the Central Asian flyway. Several nationally and internationally protected species, such as the Steppe Eagle, Golden Eagle and cranes, were recorded during seasonal migrations.

Overall flight activity in the project area was assessed as low, suggesting a limited collision risk under normal operating conditions. The main potential impacts relate to habitat disturbance during construction and possible interactions with turbines and associated power lines. The findings highlight the importance of applying targeted mitigation measures, including turbine micro-siting, seasonal construction planning and the installation of bird-protection

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devices on transmission lines, to minimize risks and ensure biodiversity-sensitive development of renewable energy infrastructure.

A phased framework of measures has been developed to prevent, minimize, and mitigate impacts, as well as to compensate for residual biodiversity losses. These recommendations have been formally communicated to the company, and further consultations and decision-making processes are planned to ensure their effective implementation in line with biodiversity conservation priorities.

2.3. Subsidizing game breeding for wildlife conservation and development of hunting concessions

The finance solution is designed to provide additional state support for the hunting concessions. The essence of this finance solution is to provide subsidies for wildlife breeding, with the subsequent release of part of the bred animals into the wild. This will solve the problem of pressing on the natural population of endangered animals and reducing the degree of poaching. The fundamental condition of the finance solution is the breeding of local species of animals (the number of which is decreasing) and compliance with the practice of breeding, to avoid harm to the species or the natural environment.

In 2023, two main methodological documents were prepared - Methodological guidelines for breeding ungulates and birds and methodological guidelines for the release of animals and birds into the natural habitat. These documents were reviewed by experts of hunting concessions, regional forestry and wildlife inspectorates and received many positive reviews. In 2023 three regional training sessions were conducted, during which elucidation of prepared methodological documents took place. This initiative yielded successful outcomes, with over 60 representatives from hunting concessions benefiting from the training sessions. Also, the Rules for subsidizing the breeding of wildlife were sent to the Ministry of Finance.

In 2024 the wildlife subsidy rules have been submitted to the relevant authorities for review in accordance with the regulations for the preparation and approval of regulations. Also in the last year experts have been hired, and work has begun to prepare an economic justification for the introduction of mechanisms of state incentives for wildlife breeding. At the level of the Ministry of Ecology and Natural Resources of the Republic of Kazakhstan, the task was set to increase attention to the issue of wildlife breeding and improve legislation in this direction.

In 2025 consultations were conducted with the relevant state authority, and an economic model for wildlife breeding subsidies—including detailed calculations—was developed. This model is scheduled for presentation to the Ministry of Ecology and Natural Resources in July. Also, work continued on finalizing the Rules for subsidizing the Breeding of Wild Animals, but the document has not yet been adopted. Members of the Project Board have supported legislative proposals and recommended for submission to Parliament.

UNDP CO and the BIOFIN team presented BIOFIN’s results on wildlife breeding and carbon offsets to the Senate of the Parliament three times during the reporting year. Members of

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Parliament expressed support for the proposed legislative amendments and facilitate the implementation of the financial solution.

2.4. Creating a basis for certification in the field of ecotourism is in place and fully operational

The government of Kazakhstan sees tourism development as an opportunity for sustainable development because the country has vast natural areas. Ecotourism has the potential to create financial flows for biodiversity while controlling impacts on natural ecosystems. In practice, ecotourism is associated with increasing opportunities for tourists to visit protected areas (PAs), increasing national and international flows of such tourists, and the creation of appropriate tourism infrastructure. Ecotourism is not mass tourism, and it is not focused on supporting large flows of tourists to natural areas, but rather an alternative to such an approach, allowing the preservation of the natural wealth of Kazakhstan and bringing the benefits of tourism to PAs and local populations. For the development of correct ecotourism in national parks, it is necessary to introduce national standards in the field of ecotourism with requirements based on ecotourism approaches. According to the World Tourism Organization (UNWTO), ecotourism meets the following requirements, promotes the conservation of biodiversity, contains educational activities, and generates additional financial flows to the local population.

The aim of the finance solution is the development of ecotourism in Kazakhstan without harming biodiversity and ecosystems through the introduction of standardization and improvement of the certification system in the field of ecotourism.

Figure 5: Number of tourists in protected areas

Statistical data of the FWC MENR

The Forestry and Wildlife Committee, Tourism Industry Committee, and National Company "KazakhTourism" are key stakeholders in finance solutions. FWC is the state body responsible for the implementation of tourism and recreational activities in national parks. As part of the

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finance solution, together with the FWC, norms on compulsory compliance with national standards and the improvement of regulations in the field of regulation of ecotourism in the national parks are introduced. TIC of the Ministry of Culture and Sports is a state body responsible for leadership, inter-sectoral coordination, and state regulation in the areas of tourism activities. Work with TIC is carried out within the framework of improvement of legislation in the field of definition and principles of ecotourism. The NC "KazakhTourism" is a joint-stock company with 100 percent state participation and is a subordinate organization of the Tourism Industry Committee of the Ministry of Culture and Sports. Together with the NC "KazakhTourism" measures to improve the certification system in the field of ecotourism are implemented.

In 2025 Standard 2993 on ecotourism, developed by BIOFIN, was officially approved by the Government of Kazakhstan. This standard serves as the foundation for the further development and implementation of a national ecotourism certification mechanism. With the approved national standard on ecotourism in place, the team can now focus on implementing a comprehensive certification system for ecotourism services. Given the recent emergence of tourism development, including ecotourism, in the country and the shortage of qualified specialists—particularly auditors—several consultations were held with government authorities and relevant stakeholders. These discussions revealed the presence of nine training centres for auditors in the country, but a lack of capacity in the field of ecotourism. Negotiations were conducted with the National Accreditation Center (NAC), which expressed interest in cooperation and in building national capacity by training its auditors abroad. Work is ongoing to advance collaboration and support the implementation of an ecotourism service certification system in line with the adopted national standard. This financial solution is being supported by the Tourism Committee of the Ministry of Sport and Tourism of Kazakhstan. In 2025, the BIOFIN team worked on creating a certification mechanism based on standard 2993. This will enable the subsequent piloting of responsible ecotourism based on standard 2993.

2.5. Creating an enabling environment for attracting positive carbon offsets from the international market, multinational enterprises operating in the country.

Key objective of this finance solution is provide technical assistance to help ensure that creating an enabling environment for attracting positive carbon offsets from the international market, multinational enterprises operating in the country is in place and fully operational.

The primary goal of this finance solution is to institutionalize and ensure the sustainability of an international carbon offset market for forest projects in Kazakhstan. This will be achieved through improved legislation, strengthening government bodies, engaging experts, and integrating best practices into forest carbon project implementation. For the short term, the result of this finance solution will be to ensure sufficient funding for forest management. In the long term, the result of it will be an increase in forest area, and the conservation of the habitats of rare endangered species.

This finance solution will ensure that forest carbon projects will be developed in accordance with international standards and implemented by foreign investors. Investors' financial resources will be directly channeled to the goals of forest biodiversity conservation, increasing forest area and improving the forest management system. The finance solution will focus on enhancing opportunities for positive carbon offsets of forests and/or forest biodiversity, as currently this process is a priority under the climate policy in the country and is monitored by Government and public organizations.

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The development of a forest carbon offset system is a highly relevant and attractive topic for private companies, driven by the government's ambitious plans to achieve carbon neutrality by 2060, plant 2 billion trees, and reduce emissions from national and transnational companies in Kazakhstan. Despite this interest, there is a lack of sufficient knowledge and experience to create and scale forest carbon projects. To bridge this gap, BIOFIN conducts consultations and webinars for stakeholders on an ongoing basis. BIOFIN experts explain the specifics of forest carbon offsets.

Environmental policy in Kazakhstan is centralized under the Ministry of Ecology and Natural Resources (MENR), making it a pivotal stakeholder. Key entities involved include the Climate Policy Department of MENR, the Forestry and Wildlife Committee (FWC), JSC Zhasyl Damu, and the Astana International Financial Centre (AIFC). International partners, such as the Governments of Japan and the Republic of Korea—with which Kazakhstan signed bilateral agreements under Article 6 of the Paris Agreement[12][13]—also play a significant role. Additionally, local executive bodies (regional Akimats) and international companies are critical stakeholders in advancing cooperation. Following the inception consultations on Article 6 of the Paris Agreement held on October 11-13, 2023[14], in Astana, Kazakhstan, an online workshop was conducted on February 2, 2024, with the Ministry of Ecology and Natural Resources and Zhasyl Damu. This workshop aimed to provide detailed technical insights into the operationalization process. The primary goal of these meetings is to offer guidance on implementing Article 6 of the Paris Agreement and to develop Kazakhstan's Article 6.2 Framework. These events are invaluable for enhancing the country's readiness and knowledge base regarding the effective and efficient use of mechanisms outlined in Article 6. During these national consultations, discussions actively focused on the role of forests and the potential for developing forest carbon offsets. The involvement of national and transnational companies in implementing climate projects, including forest initiatives, was also a key topic.

BIOFIN team was included in the working group for developing proposals for the implementation of carbon offset projects created by order No. 179-Ө dated 09.08.2024 of the Committee for Forestry and Wildlife of the MENR. In September, BIOFIN facilitated a workshop and a series of meetings to discuss these recommendations. Proposed amendments to the Forest Code focus on clarifying land ownership and leasing arrangements to facilitate carbon credit projects, ensuring alignment with the Ecological Code). A positive list of eligible activities for Kazakhstan's Article 6 Framework was proposed, prioritizing investment attraction, socioeconomic and biodiversity enhancement, and the promotion of innovative low-carbon technologies. This list includes activities in the Forestry and Other Land Use sector, such as productive agroforestry plantations, the establishment of forest nurseries, and Afforestation, Reforestation, and Restoration (ARR) projects.

Additionally, in 2024 BIOFIN prepared a strategy to prevent the overselling of mitigation outcomes and to ensure carbon finance flows effectively into projects. This strategy emphasizes the importance of maintaining the host country’s ability to meet its NDC commitments when authorising Internationally Transferred Mitigation Outcomes (ITMOs) under Article 6 frameworks. Currently, consultations with the Ministry of Ecology and Natural Resources (MENR) and Zhasyl Damu, the National GHG Inventory Operator, are ongoing[15].

This work continued in 2025. Legislative proposals initiated within the BIOFIN framework and supported by the Ministry of Ecology and Natural Resources are currently under consideration in Parliament. These legislative proposals are aimed at attracting investments in the

[12] https://www.kz.emb-japan.go.jp/itpr_ja/11_000001_00465.html
[13] https://www.gov.kz/memleket/entities/mps/press/news/details/790969?lang=ru
[14] https://www.undp.org/kazakhstan/news/how-article-6-powers-global-climate-cooperation
[15] https://www.gov.kz/memleket/entities/forest/press/news/details/838511?lang=ru

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conservation of existing forests and the creation of new forests in Kazakhstan at the expense of foreign investors or transnational companies. BIOFIN continues to support the development of Article 6 rules and authorization criteria forming the core of Kazakhstan's future international carbon market architecture and participate in the development of the VCM in the country. In 2025, the BIOFIN team was formally included in the national working group on VCM development aimed at ensuring coherence between Article 6 implementation, VCM requirements, and emerging investor expectations. During the reporting period, the project team continued meetings with potential investors and government agencies in order to achieve the indicator of attracting USD 4 million.

2.6. Introducing carbon offsets in the revised Emissions Trading System (ETS) to fund biodiversity conservation projects is in place and fully operational

This finance solution is aimed at developing and promoting the adopted forest carbon offsets standard in the sector of agriculture, forestry and other types of land use in Kazakhstan, which includes an effective monitoring and evaluation system. The creation of this system will provide the market with low-cost options for emissions offsets and will increase funding for projects in the field of agriculture and forestry that focus on biodiversity.

Currently, the Government provides emission quotas for industrial companies. The government plans to gradually reduce the allocation of these quotas in the future, which is expected to increase the demand for forest carbon units.

Companies will invest in creating forests or improvement of forest management in the country in order to reducing emissions. The received investments will be directed to forest conservation activities and will be regulated by the forest and environmental codes.

The finance solution involves drawing up a roadmap for the implementation of projects to offset domestic carbon emissions, taking into account the needs of local companies in carbon credits. Funds mobilized through internal projects will be used to support the objectives of the State Forest Fund.

The promotion of a mechanism for offsetting greenhouse gas emissions from forests creates substantial financial opportunities for the forest sector and an increase in the forest cover of the country. One of the conditions for the development of this mechanism in the country is the presence of a favourable legal environment and qualified specialists at the national level. The experience of BIOFIN has shown that due to the novelty of forest carbon initiatives in the practice of Kazakhstan, the number of specialists having expertise in the development, implementation, monitoring and assessment of carbon projects in the context of forests specificity is limited. This situation creates the risk that, even with a favourable legal framework, the development of forest carbon initiatives / projects may be postponed for many years. Therefore, the issues of increasing human capacity for the development of forest carbon initiatives, their implementation and further monitoring are relevant.

In this regard the training on design and implementation of forest carbon projects was developed and then tested in a mixed format (online/ offline). The feedback from the participants showed the need in extension of this training, including more technical issues in preparation and calculation of forest carbon projects.

The key stakeholders are the Climate Policy Department of the Ministry of Ecology, Geology and Natural Resources, FWC, JSC Zhasyl Damu, AIFC and local executive bodies (Akimats of the regions).

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In 2020-2021, BIOFIN experts developed legislative recommendations for attracting investments in the forestry sector through forest carbon offsetting (FS5 and FS6). These, whereas under the current legislation new forests on the territory of the State Forest Fund could only be created with state financing or sponsorship. It took several years for the Ministry of Ecology and Natural Resources to be convinced that the forest sector has a key role to play in meeting climate change commitments. As a result, BIOFIN's recommendations included the possibility of creating new forests on the territory of the State Forest Fund under investor financing were sent to Parliament for approval in 2024. In 2025 these proposals for the implementation of forest carbon offsets on the territory of the state forest fund are supported by the Government of Kazakhstan and officially approved at the legislative level. This opens the possibility for forestry carbon credits to be used in the domestic ETS and international carbon markets, including compliance markets under Article 6 cooperative approaches and the voluntary carbon market (VCM). This allows to mobilize financial resources for the development of forest institutions, forest protection and creation of new forests in the country. As an initial step under the new regulatory space, 97 hectares in the green belt around Astana were formally confirmed by the Forest and Wildlife Committee for piloting forest carbon offset activities.

A methodology for calculating greenhouse gas absorption in forestry, developed under UNDP's BIOFIN and adopted in 2023[16], is updated in 2025 and is under approval of Forestry and Wildlife Committee and Zhassyl Damu.

BIOFIN is developing a training module on the design and implementation of high-integrity, nature-based carbon projects. The module is targeted at key stakeholders, including government officials, public agencies, project developers, validation and verification bodies, and potential private-sector investors. In 2025, an international consultant developed the training module, which is scheduled to be tested with the target audience in January 2026. Its content is informed by a stakeholder survey conducted among government representatives, project developers, and other market actors (approximately 20 participants). Negotiations are currently underway with the Ministry of Ecology and Natural Resources regarding the institutional host that will integrate this training module into its curriculum.

B.3. Implementation of activities under the "Enabling and Scaling up Nature-related Financial Disclosures" (IKI-TNFD) project [if applicable]

Kazakhstan was selected to conduct nature financial disclosure readiness studies under BIOFIN. The goal of this exercise is not only to produce a report that enhances understanding of the nature financial disclosure landscape in the country but also to develop a list of action points, concrete recommendations, and entry points to improve nature disclosure. This involved collaborating with key stakeholders from the financial sector, such as the Ministry of Finance, Ministry of National Economy, Ministry of Finance, Agency for Regulation and Development of the Financial Market of the Republic of Kazakhstan, Kazakhstan Stock Exchange (KASE), Bureau of National Statistics, Association of Financiers of Kazakhstan and others.

The study consists of three parts:

[16] https://adilet.zan.kz/rus/docs/V2300031735#z1430

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1. Assessing readiness for nature-related finance and risk disclosure.
2. Evaluating the capacities of governmental economic agents.
3. Developing recommendations and an action plan.

The assessment of Kazakhstan's readiness to disclose financial information related to natural capital highlighted several key findings. The National Development Plan 2024–2029 is the only state planning document addressing sustainable use of natural capital, while existing policies, such as the Green Economy Concept, lack detailed steps and requirements for disclosure practices. Legislative gaps were identified in areas like natural capital reporting, with no unified regulatory framework or clear responsibilities for data collection, monitoring, and methodology. Key institutions, including the Ministry of Ecology, the Ministry of Finance, and the National Chamber Atameken, have potential to drive progress, while private companies often possess valuable natural capital data but fail to utilize or disclose it, underscoring the need for a national natural capital database. This assessment identified key directions for action, including integrating nature more effectively into voluntary guidelines and planning future piloting.

In 2025 Policy Brief based the assessment of Kazakhstan's readiness to disclose financial information related to natural capital finalized and published in September 2025 (English version) as a policy brief[17].

The continuation of the pilot work on the NFD is supported by the European Union and will be implemented as a separate finance solution starting in 2025. This involves collaboration with national leaders on disclosure (JSC Samruk-Kazyna and JSC NMH Baiterek) to mainstream in their guidance nature, identified in the assessment as national leaders in disclosures to mainstream nature, and may also include the participation of the National Chamber of Entrepreneurs "Atameken". Finance solution proposal is currently being developed.

C. Social inclusion stories

The task of resource mobilization for biodiversity aims to establish legislative and institutional mechanisms that foster economic incentives and government support, while also identifying potential external funders to finance biodiversity conservation in Kazakhstan. Within this framework, gender equality is defined as ensuring equal access for both women and men to participate in balanced management decision-making processes. This approach not only creates favorable conditions for the active involvement of all genders in environmental protection activities but also strengthens the overall effectiveness of conservation efforts. To further these goals, a comprehensive gender action plan will be developed by the end of 2025, incorporating initiatives that connect all six finance solutions and empower vulnerable groups, including women, youth, and marginalized communities. This gender action plan will be meticulously considered in the development of project activities and documentation (analyses, reports, plans) to enhance the work of all six finance solutions, ensuring inclusivity and equity at every stage.

[17] https://www.biofin.org/knowledge-product/kazakhstan-ready-nature-related-financial-disclosures

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Greig's Tulip, Aksu-Zhabagly national reserve, photo by Victoria Kovshar

D. Lessons learned and adaptive measures

At the policy level, the main barrier to the implementation of financial solutions is a lack of strategic vision of biodiversity issues in the sectoral context, and the lack of approved policy (program) documents. To solve this problem, BIOFIN experts have been providing ongoing consulting support to governmental agencies since 2014.

In 2023-2024, the project “Global Biodiversity Framework Early Action Support” was implemented by UNDP in cooperation with the Ministry of Ecology and Natural Resources. Under this project the NBSAP of the country was developed and titled “Concept of Biodiversity Conservation and Sustainable Use for 2025-2035”.

Additionally, the global project “Umbrella Programme to Support NBSAP Update and the 7th National Reports” has been approved by the GEF Secretariat. This means that the NBSAP, which has been developed, and its Financial Plan will be updated. The BIOFIN workbook will need to be applied again to guide this process.

At the level of separate financial solutions, challenges are faced due to the lengthy process of approval of legislative and by-laws by the state bodies. The necessary amendments are expected to be considered in 2026, which affects the pace at which investment commitments can be formalized. Despite this sequencing constraint, preparatory negotiations and investor engagement have continued proactively to ensure that financing can materialize once the legal framework is in place. Additionally, there is an ongoing need for readiness support to enable the government to implement these mechanisms effectively. For example, the participation in Article 6 mechanisms of the Paris Agreement is evolving at a measured pace, influenced by the need for greater public awareness and enhanced capacity within authorized bodies in such mechanisms. So considering the current status of concept notes for carbon offset pilot projects, further engagement with carbon offset project owners and partners will be essential to refine and provide greater clarity to the project concepts.

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One of the key lessons learned is the importance of aligning detailed expert guidelines with existing legislative frameworks. In instances where guidelines are too specific and lack formal legislative backing, they may be rejected or significantly altered by state agencies, diminishing their effectiveness. To improve this, it is essential to develop a robust legislative foundation that supports detailed standards. Raising awareness and building consensus among stakeholders, alongside demonstrating the practical benefits of detailed guidelines, can facilitate better alignment and acceptance.

E. Risks

E.1. Programmatic risks (risks to the programme)

The introduction of new finance solutions and their continued sustainability depend on the adoption of these new mechanisms as official conservation tools. In this regard, risks associated with the approval of finance solutions are identified within each solution. The table below shows the risks relevant for the reporting period.

Risks	Mitigation measures	Comments
FS 1: Strengthening PA management and financial planning for improved state financing		
The financing of PAs is not the first priority in the allocation of the state budget.	Mitigation measures - advocacy for strengthening PA financing through the approval by the Government of the Concept on the Biodiversity Conservation of Kazakhstan until 2030. Providing support to PA staff in gaining new knowledge on ways of attracting and mobilizing more financial support, not solely relying on the state budget.	The Biodiversity Concept, developed in 2024 and updated in 2025, identifies the expansion and development of protected areas (PAs) as one of its key priorities, marked by a dedicated indicator in the document. The Prime Minister has instructed the Government to approve the Concept in 2025. These developments create favorable conditions to anticipate a significant increase in funding for PAs.
State funding of PAs will not be sufficient after updating the management plans	Mitigation measures - the updated Methodology on the preparation of the PA Management Plan and the new Management plans of the pilot PA was developed with a new approach aimed at prioritizing the PA's values as objects of management, for effective financing. BIOFIN in collaboration with the GEF-UNDP Forest Project will	In 2025 the Management plans of 4 PAs were approved for the next 5-year period and the Management plans of 4 PAs were developed and sent to complete to the ecological expertise. The BIOFIN is intending to provide support in all stages of this work.

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Risks	Mitigation measures	Comments
	continue to provide advice on new mechanisms to increase funding for PAs. BIOFIN will also continue to inform stakeholders about the value of PA and biodiversity for the development of the local economy, and tourism, improving the well-being of the rural population, and creating jobs. FWC will continue to work on strengthening the status of the PAs Management Plan for budget financing. The BIOFIN team will continue supporting PAs in developing efficient and applicable management plans to provide a sustainable inflow of financing to support the PAs.	
Insufficient PA capacity to ensure effective financial planning	Mitigation measures – in 2021 the Methodology was agreed upon by FWC. This document will improve understanding of financial planning issues in PA and systematize the PA's goals and objectives concerning financing.	In 2022 based on the Methodology, the Rules for the preparation of a PA management plan were developed. These rules are officially approved by the Minister of Ecology, Geology and Natural Resources, order No. 643 of October 4, 2022.
Gaps in the transfer of knowledge of financial planning due to staff turnover	The solution to reducing risk is to create a comprehensive training program that will be conducted by the Committee centrally and continuously updated. The project team will organize discussions with the Ministry of Finance to integrate the training module into the curriculum of the civil service academy which will be accessible through an online training module. Also, BIOFIN together with the Committee will integrate the training in results-based budget planning into the education	Training courses were organized on financial and budget planning and the development of a PA management plan. During the training, 10 managers and 73 workers of PAs were trained and improved their knowledge and capacity. The training program was adapted to align with the format of university educational documentation. In May 2025, a memorandum of understanding was signed between UNDP and Kazakh Agrotechnical

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Risks	Mitigation measures	Comments
	program of master students of at least 1 university.	University to formalize this collaboration.
FS 2: Institutionalization and increasing of sustainability of the biodiversity offsets in the practice of the infrastructure projects implementation in Kazakhstan		
The key risk is that the country has no experience in implementing biodiversity offsets. This can lead to a misunderstanding of this mechanism and the revision of the accepted new legal norms on biodiversity offsets as a non-working norm.	Mitigation measures - the work on public awareness and development of the expert's potential and creating a sufficient methodological basis for building measures to prevent, minimize, mitigate the negative impact, and compensate for biodiversity loss.	A local company was contracted to prepare recommendations for the Government of Kazakhstan to ensure the alignment of biodiversity offset mechanisms with existing national policies; to developing training materials, conducting capacity-building sessions for representatives of public authorities and independent experts, and piloting a financial solution using a selected project as a case study.
The current challenge in implementing biodiversity offsets in Kazakhstan is the lack of institutionally approved documents and projects that demonstrate their efficiency. Without these, it is difficult to showcase the benefits and effectiveness of biodiversity offset mechanisms to stakeholders and policymakers, hindering broader adoption and support.	To mitigate this, we propose developing a detailed roadmap and instructional framework for implementing biodiversity offsets. This will follow the mitigation hierarchy of avoidance, minimization, remediation, and offsetting. By providing clear, step-by-step guidelines, the roadmap will facilitate the practical application of biodiversity offsets, ensuring all stages of the mitigation process are addressed and building confidence in their effectiveness.	Not applicable for the reporting period
FS 3. Subsidising wildlife breeding to save threatened animal species and develop an improved system of hunting concessions		
Lack of sufficient financial resources in the national budget to implement a new type of subsidy.	The study of alternative mechanisms for financing game breeding in Kazakhstan.	During the reporting period, consultations were conducted with the relevant state authority, and an economic model for wildlife breeding subsidies—including detailed calculations—was developed. This model is

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Risks	Mitigation measures	Comments
		scheduled for presentation to the Ministry of Ecology and Natural Resources in July.
Lack of interest of hunting concessions in obtaining subsidies, lack of projects for game breeding.	Competent information distribution among potential participants about the availability of investment subsidies, conducting awareness campaigns.	At the level of the Ministry of Ecology and Natural Resources of the Republic of Kazakhstan, the task was set to increase attention to the issue of wildlife breeding and improve legislation in this direction.
Low productivity indicators, which can lead to a delay in sustainable growth (low population dynamics) and effectiveness of subsidies.	When developing rules for subsidies, it is necessary to foresee the planned indicators in the size and scope of monitoring.	Not applicable for the reporting period
Inappropriate use of funds by hunting concessions, which may result in the discrediting of the finance solution.	Establishing reporting systems and regular monitoring (by analogy with the requirements of subsidies in agriculture) with due account to the specifics of production.	The monitoring measures are provided as part of the rules for subsidizing the breeding of animal species. Not applicable for the reporting period
FS 4: Creating a basis for certification in the field of ecotourism		
Lack of interest by companies in certifying their businesses	1) The introduction of ecotourism within the voluntary certification system NC "Kazakhtourism" will reduce this risk, by providing incentives to companies within this system. 2) Development of online video courses to increase business capacity in environmental and certification issues. 3) Conduction of capacity building training for businesses on environmental and certification issues.	In 2023 together with NC “KazakhTourism”, educational video materials on the certification process in the field of ecotourism have been developed. In 2024 a memorandum of understanding was signed between UNDP and the Al-Farabi Kazakh National University, aimed at developing educational programs in the field of ecotourism and professional development. Within the framework of this cooperation, it is planned to integrate modern

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Risks	Mitigation measures	Comments
High cost of certification for businesses	Providing incentives (for example: free advertising, subsidizing the cost of certification) under the voluntary certification system of NC "Kazakhtourism.	standards and approaches into the educational process, which will contribute to more effective education and training in the field of sustainable use of natural resources. In 2025 Standard 2993 on ecotourism, developed by BIOFIN, was officially approved by the Government of Kazakhstan. This standard serves as the foundation for the further development and implementation of a national ecotourism certification mechanism. In June of this year, a local company was contracted to design the certification algorithm. This financial solution is being supported by the Tourism Committee of the Ministry of Sport and Tourism of Kazakhstan.
Poor quality of the monitoring	Creation of working groups (in conjunction with local executive bodies, and local associations) to conduct additional monitoring under the voluntary certification system based on NC "Kazakhtourism	To ensure more thorough monitoring of the certification procedure in the field of ecotourism, as part of a financial solution it is planned to work with the "National Accreditation Center" by possibly strengthening the requirements for the "body for confirmation of compliance" as part of the standard on ecotourism. Also, based on the National Chamber of Entrepreneurs "Atameken" is possible to conduct public monitoring of the provision of certificate services by the method of "mystery shopping". Moreover, the issue of creating a voluntary certification system in the field of tourism, with the inclusion of ecotourism as part of this system is being worked out with the NC "KazakhTourism".
High environmental load, the increase in	1) Develop ecotourism guidelines that minimize this	Measures to mitigate this risk have been implemented. As part

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Risks	Mitigation measures	Comments
the number of tourists above normal	risk, based on no net loss/net gain principles. 2) Develop more general guidelines/policies/legislation that protect the natural environment from the main threats brought about by the tourism sector. 3) Functional zoning of the regions, the definition of tourist and recreational load.	of the new Environmental Code, the principles of ecotourism have been implemented. Moreover, mandatory compliance with the national standard for ecotourism and rules of tourist and recreational activities have been implemented in the national park areas. In 2025 Standard 2993 on ecotourism, developed by BIOFIN, was officially approved by the Government of Kazakhstan. This standard serves as the foundation for the further development and implementation of a national ecotourism certification mechanism. In June of this year, a local company was contracted to design the certification algorithm. This financial solution is being supported by the Tourism Committee of the Ministry of Sport and Tourism of Kazakhstan.
FS 5: Creating an enabling environment for attracting positive carbon offsets from the international market, multinational enterprises operating in the country		
Another important risk is the political will of the Government of Kazakhstan, despite the demand from foreign companies for forest carbon projects. The government has not yet developed a clear mechanism for the ownership of forest carbon units.	Creation of a favorable legal framework for the ownership of carbon units, the implementation of forest carbon offsets projects and a monitoring system, for both local and multinational companies. The resolution of this issue may take several years, and as a result, BIOFIN may not have time to pilot the mechanism on several projects. Mitigation for this risk UNDP will negotiate with the government to employ	By the end of 2021, BIOFIN experts have developed a roadmap for the implementation of forest carbon offsets. This document includes four main tasks - (1) preparation of a strategy for the development of forest carbon offsets, (2) improvement of legislation, (3) capacity building of experts and knowledge management, and (4) implementation and replication of pilot projects. This roadmap proposes changes to the legislation specifically addressing issues of ownership of forest carbon

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Risks	Mitigation measures	Comments
	"sandbox" approach for piloting first project.	credits and local and foreign companies. At the initiative of private companies, working meetings and discussions were held on the development and implementation of forest carbon projects.
There is a risk of sustainability in terms of maintenance of a forest for instance in case of wildfires.	For mitigation activity project shall have institutional and regulatory framework in place to ensure sustainability for proper preventive wildfire management. Kazakhstan shall reflect in its legislation a buffer reserve fund or insurance pool can be established for carbon forest projects to account for risks such as wildfires, pest outbreaks, or other natural disasters that might compromise the carbon storage and affect the issuance of carbon credits.	In progress
For afforestation projects, low survival rates of trees due to poor site selection or inadequate maintenance pose a significant risk, potentially undermining the project's carbon sequestration goals.	This can be prevented thorough site and species adaptation assessment and effective maintenance plans.	A mandatory condition for the development of forest carbon projects will be the planting of native species. The use of alien species in the country is prohibited.
FS 6. Establishing an internal Forest Carbon Trading System and embedding carbon offsets into the national legal framework		
The risk of the finance solution is in the specificity of the duration and novelty of forest projects in the framework of CTS. The period of implementation of the	Creation of a favorable legal framework for the implementation of forest carbon offsets, taking into account the specifics of forests.	In 2025 these proposals for the implementation of forest carbon offsets on the territory of the state forest fund are supported by the Government of Kazakhstan and officially approved at the legislative level. This opens the possibility for

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Risks	Mitigation measures	Comments
finance solution and confirmation of a successful result may take more than 7-10 years. At the same time, the Government of Kazakhstan is interested in the implementation of forest projects, in the context of the fulfillment of the country's obligations under the Paris Agreement. Therefore, this risk is low.	Increase the capacity of local experts and organizations through comprehensive training.	forestry carbon credits to be used in the domestic ETS and international carbon markets, including compliance markets under Article 6 cooperative approaches and the voluntary carbon market (VCM). This allows to mobilize financial resources for the development of forest institutions, forest protection and creation of new forests in the country.

E.2. Social and environmental risks (of the programme)

The BIOFIN country programme does not generate additional social and environmental risks. Indeed, the programme works to mitigate existing risks by integrating UNDP's programming principles for strengthening social and environmental sustainability (SESP), and the programme is directly aligned with Standard 1 of the project-level standards therein, viz., Biodiversity Conservation and Sustainable Natural Resource Management.

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Annexes

List of annexes and related notes

The following annexes are included in this report:

Annex 1. Indicators tracking table of Kazakhstan

Annex 2. 2025 Budget of the Ministry of Ecology and Natural Resources

Annex 3. Agenda and LOP from the memorandum signing event

Annex 4.Letter-Confirmation on pilot plot allocation.