

GREEN SALVATION HERALD 2000

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Green Salvation**



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From the Editor

**GREEN
SALVATION
HERALD**

FOREWORD

By Megan Falvey

The «Green Salvation Herald 2000» is a special, English language supplement to the «Bulletin of Green Salvation». The «Bulletin of Green Salvation» is published quarterly in the Russian language and is devoted to proving a forum for discussion on the most pressing environmental issues in Kazakhstan. Some of the articles which appear in the Herald have been published in earlier issues of the Bulletin.

Like the Bulletin, the «Green Salvation Herald 2000» provides analysis and consideration of environmental problems in Kazakhstan. The publication's aim is not to provide a scientific explanation of these environmental problems, but rather, to look at their underlying, structural causes and provide some possible solutions for their resolution. All of the articles published in this issue of the «Herald» consider the existing environmental law in place (or the lack thereof) to deal with specific environmental problems and make recommendations on policy improvement, either at the micro or macro level.

This issue of the «Herald» is divided into three parts. The first section of the «Herald» provides a general overview of the framework within which NGOs work in Kazakhstan, including a critique of current NGO support and development programs and an overview of some of the weaknesses in the proposed draft bill to privatize land (the authors of all articles in the first section are the members of Green Salvation). The second section of the «Herald» considers economic mechanisms to promote nature protection and rational use of natural resources. An article by Valeriy Nesterenko provides an overview of two broad-based approaches for implementing market mechanisms to promote natural resource protection on a national level, while articles by Ben Steinberg, Sergei Kuratov and Semen Svitelman offer suggestions for implementing specific market mechanisms to deal with local-level environmental problems. The final section of this «Herald» focuses on oil production in the Caspian Sea,

providing an overview of some of the weaknesses of existing environmental law to regulate this production and the transnational corporations operating in this arena.

While the Herald touches on a wide range of environmental problems and issues (from dealing with municipal waste to establishing a national park in the Ile Alatau mountain range) the over-riding message is clear: without the development of basic environmental policy in Kazakhstan, attempting to solve these environmental problems will amount to nothing more than ineffective, stop-gap measures. The Herald urges the reader to consider the underlying causes of existing environmental problems in Kazakhstan and asserts that any sustainable solution to these problems will involve addressing their root causes, including, most importantly, an overhaul of the current patchwork of existing environmental law in Kazakhstan.

ACKNOWLEDGMENTS

We are indebted to many individuals and organizations for support and assistance in completing this book. Special recognition is due Megan Falvey, who played invaluable role in preparation of this issue, to Kate Watters and Sonia Heaven for assistance with translation from Russian. Finally, the Ecological Society Green Salvation wishes to thank all who helped us to prepare this issue.



The Ecological Society Green Salvation



Green Salvation (GS) is a non-governmental, public organization, established in 1990 and registered as an Almaty city organization. Green Salvation's goal is to improve socio-ecological conditions.

Since 1993, the organization has belonged to the International Association «Environmental Education». Since 1995, GS has been a member of The World Conservation International Union (IUCN). GS members include people with a varied set of skills: historians, art critics, engineers, etc. Membership in the organization is based on personal initiative and participation in specific projects. Green Salvation's members combine their organization-related work with their professional activities. The activities of Green Salvation are guided by the following principles:

- asserting the universality, indivisibility and interdependence of all human rights;
- ensuring the rights of individuals in contemporary society and of future generations to a healthy and fruitful life in harmony with nature;
- fulfilling the need for general environmental education and awareness;
- enhancing cooperation among governmental bodies, private entities and non-governmental organizations to resolve environmental problems.

The main areas of Green Salvation's activities include:

1. Participation in the development of legislation for environmental protection in the Republic of Kazakhstan. The organization has participated in official discussions on the law «Protection of the Environment in the Kazakh SSR» (1991) and on the laws of the Republic of Kazakhstan entitled «On Environmental Protection» (1997), «On Environmental Impact Assessments» (1997), «On Specially Protected Natural Territories» (1997), «On Radiation Safety for the Population» (1998), and on the bill On Land (1999).

2. The spread of environmental knowledge and information for sustainable development. Since 1992, Green Salvation has held seminars on humanitarian-ecological themes twice a month. Since 1995, the organization has published the officially registered bulletin Green Salvation. The bulletin focuses on issues such as sustainable development,

environmental education, environmental legislation, the workings of specially protected nature territories as well as other socio-environmental problems.

3. Promotion of environmental education and the inclusion of environmental perspectives in thinking about current social and economic issues and culture. GS devised a special course «Conception of Sustainable Development» for students of higher learning institutes. This information was published as a textbook in 1997. A history course, «The Interconnection between Society and Nature», was developed for school children. Informational and consulting support is provided to school children, students, teachers and lecturers of higher institutes. Since 1996, an annual summer environmental camp has been held in the mountains of the Ile-Alatau Governmental National Nature Park.

4. Environmental action. Green Salvation is collaborating with the Ile-Alatau National Park administration in an effort to include the park on the list of World Heritage Sites. Work is being done to close and liquidate an illegal solid waste dump and reduce the level of pollution in the Ainabulak and Dorozhnik neighborhoods.

5. Collection and dissemination of information about the environmental situation in the Republic of Kazakhstan. Green Salvation has gathered documents and reference materials on a wide spectrum of environmental problems, and these are kept in an electronic database and in the Green Salvation library.

Green Salvation cooperates with the International Socio-Ecological Union (SEU), the International Society of Environmental Economics (ISEE), and a number of environmental NGOs in Kazakhstan, Central Asia, Russia as well as other countries. GS collaborates with subdivisions of the Ministry of Environment, other governmental structures and officials at all governmental levels.

The Ecological Society Green Salvation is ready to collaborate on efforts within the above-mentioned spheres of activities.

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KAZAKHSTAN: AT THE CROSSROADS OF EUROPE AND ASIA

By Sergei Kuratov and Sergei Solyanik

A start has been made, but a national and well-organized environmental movement in Kazakhstan remains a distant ideal

«Many foreign organizations see Kazakhstan primarily as a Third World country and only offer traditional development aid programs».

«Given the current socio-economic crisis in Kazakhstan, the prospects for the development of a strong environmental movement appear very slim. For this reason we must learn to use all the tools we have for the protection of environmental rights».

Introduction

The environmental movement in Kazakhstan developed quickly in the last days of Soviet rule. Now, some ten years later, many of the people there are mainly concerned with their own survival and do not have time to fight for a healthy environment. Better national and international cooperation is needed to support further development of the Kazakh environmental movement.

In 1994, the Kazakh government became a signatory to the World Heritage Convention, which was created to promote the protection of the world's cultural and natural endowments. But the Kazakh government is not observing its obligations under this international convention. No uniform environmental policy has been developed, nor has the government created an appropriate legal basis for protection of the environment in a market economy. Furthermore, an adequate legal framework for the activities of NGOs is absent. Bureaucratic forms of management continue to play a dominant role, paralyzing the effectiveness of the law. Corruption is prospering in a black-market economy. A wild, chaotic form of capitalism has developed, plundering the natural resource base.

The environmental movement in Kazakhstan is fighting for democratic rights. However, Kazakh environmental organizations are not organized effectively enough to really influence political decision-making on

environmental matters in the country. There is no national coalition to coordinate environmental actions or develop common strategies. In December 1997, environmental NGOs in Kazakhstan made a start in this direction when they held their first national meeting in Almaty. But even after this, a well-organized, national movement, one in which people and organizations actively cooperate, is still a distant ideal.

Semipalatinsk

At the end of the 1980s, in the days of Perestroika, environmental organizations began to develop much more quickly than they had before. With the Soviet state loosening its grip on society, environmental problems — such as the effects of numerous Soviet nuclear tests held in the Kazakhstan steppe — became widely known. The spontaneous upsurge of the Kazakh environmental movement coincided with the rise of the democratic movement in the Soviet Union. Under the politically acceptable auspices of environmental protection, the people of Kazakhstan discovered that it was now possible to protest against what was wrong in society. Many participants in the movement, inspired by their first successes, expected easy victories with the rising wave of democratic reforms. But, of course, really solving environmental problems takes time and commitment. In the beginning of the 1990s, as it became possible to legally engage in political activity or to set up a business, many members of the movement left.

Initially, numerous forces could be found in the movement, ranging from ordinary people to obvious crooks and populist politicians. Throughout the country, hope for structural change in every sector of society made the environmental movement fairly strong. Politicians did their best to change the style of government and many local environmental problems were solved quickly. For example, under the pressure of protest actions organized by environmental groups, some highly polluting industrial plants that had been planned were not built, and Semipalatinsk, the Soviet test site for nuclear weapons, was closed.

Traditional Development Aid Programs

Despite the recent decrease in inflation rates and the stabilization of the downward trend in production in Kazakhstan, society continues to experience enormous difficulties. People are concerned with their own survival, even at the cost of the destruction of the natural environment. Unemployment, the absence of prospects for the future and a decrease in the quality of education has resulted in the out-migration of a significant

part of the activist population. All these factors have resulted in a considerably smaller social base for the Kazakh environmental movement.

To restructure the economy, the government has tried to attract foreign investment, but laws that have been enacted to control investors' activities have not been very effective. For example, transnational companies that have come to «help» Kazakhstan with the development of oil extraction facilities have moved quickly into key positions in these industries and are now to a large extent determining the economic policy of the state, which is aimed at intensifying the exploitation of natural resources.

With good intentions, foreign representatives from all sorts of governmental organizations and NGOs have set up international cooperation programs with Kazakh governmental authorities. These organizations should demonstrate methods of sustainable development that do not pollute the environment, but unfortunately this is not always the case. Many foreign organizations see Kazakhstan primarily as a Third World country and only offer traditional development aid programs. Kazakhstan indeed has a lot of problems, but you cannot compare the country with the Third World. Science and education levels, available health services and average life expectancy, to name but a few examples, are still at a much higher level in Kazakhstan than in most Third World countries, despite downward trends since the collapse of the Soviet Union.

«True» Communists and «True» Democrats

Another mistake often made by those supporting Kazakh development is the introduction of foreign technologies and solutions for environmental problems that are not suitable to local conditions. Bureaucrats quickly found ways to establish «fruitful cooperation» with aid organizations, which meant that money from Western taxpayers found its way from the hands of former «true» communists into the hands of those who are nowadays «true» democrats. Similar problems occur in the relations between foreign aid organizations and Kazakh environmental NGOs. Still, the need for effective cooperation with foreign NGOs and funding sources is very great. International support organizations have contributed a considerable amount of funding, information and technical support to help develop environmental NGOs in a country where the government has hardly any means for financing the third sector.

New and unforeseen problems have emerged. Foreign environmental NGOs in their home countries often exert pressure on businesses, forcing them to adhere to legal norms and environmental standards. While on the one hand, forcing business to adopt more environmentally friendly

measures in developed countries is a positive development, this also makes it more attractive for them to move their business to lesser developed countries, where environmental regulations are not as stringent. In this manner, NGOs from developed countries are unwittingly promoting the transfer of environmentally dangerous manufacturers to countries like Kazakhstan. For this reason, issues of solidarity and coordination of activities among environmental organizations from different countries must be high on the agenda.

Youthful Extravagance

The immaturity of the Kazakh environmental movement and the absence of a clear vision of its goals and objectives have led to «youthful extravagance». This can be seen in the lack of interest in learning from the experience of foreign environmental organizations and NGO attempts to forge their own unique path of development. When it comes to the protection of people's environmental rights, the majority of environmental NGOs do not go further than making statements and declarations. Direct actions, participation in the legislative process and judicial claims are effective ways of fighting for environmental protection that are used far less often in Kazakhstan than other less political forms of activities, such as environmental education, environmental cleanups, ect.

Kazakh environmental organizations have practically no effective political or legal tools at hand to influence the situation. This may be the reason why the most non-controversial types of activities (ecological education, information dissemination and research projects) are the ones that most often get organized and are the most successful.

Under conditions of socio-economic crisis in Kazakhstan, the prospects for the development of a strong environmental movement appear very slim. For this reason, we must learn to use all the legal tools now have to protect the environmental rights of both people and nature, and prevent the further loss of these rights.

At the current stage of the movement's development, it is necessary to concentrate efforts on preserving accumulated experience, improving methods and forms of work, and educating professional activists. Particularly attention should be given to cooperation with foreign NGOs and coordination of efforts for finding solutions to growing transboundary ecological problems.

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*The Social-Ecological Situation
and the Green Movement*

**GREEN
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EVALUATION OF THE NATIONAL ENVIRONMENTAL ACTION PLAN (NEAP) FOR SUSTAINABLE DEVELOPMENT IN THE REPUBLIC OF KAZAKHSTAN

By Sergei Kuratov, Semen Svitelman and Sergei Solyanik

Preparation of the National Environmental Action Plan for Sustainable Development (NEAP/SD) in the Republic of Kazakhstan (RK) began in 1995, after the RK Minister of Ecology and Biological Resources officially approached the UN Development Program (UNDP) with a request for assistance in developing a national concept of sustainable development. That developers have integrated the NEAP and the concept of sustainable development into the NEAP/SD is confusing since «the two concepts do use different approaches» and are not interchangeable (Green Peace...).

After a series of workshops on NEAP/SD a Coordination Working Group (CWG) composed of officials of government agencies and representatives of public organizations was set up. The CWG was established and carried out a series of one-time assignments from the RK Cabinet of Ministers N21-5/11436 dated 05/08/95 and N21-8/1725 dated 19/02/96.

In November 1996 the first stage of preparatory work on the NEAP/SD development was completed, whereupon, according to official information, the «Decree N137 of the RK government, dated 03/02/97, established time-limits for NEAP/SD development and implementation» (NEAP/SD, p. 6). The said Decree approved an action plan for implementation of the Concept of Ecological Safety of the Republic of Kazakhstan. While the Decree includes NEAP actions linked with the implementation of the Concept of Ecological Safety, it contains no reference to the time-limits for development and implementation of the overall NEAP/SD.

In March 1997 a NEAP/SD Center was established, which was to report to RK Ministry of Ecology and Biological Resources in order to coordinate efforts (NEAP/SD, p. 6-7).

Hence, the NEAP/SD development process in Kazakhstan progressed having received no clear mandate at an appropriate government level.

During 1997, a republican seminar and similar local seminars in administrative regions through out Kazakhstan were held to identify priority environmental problems. «To this end, preliminary recommendations of the Ministries of Economy, Healthcare and Ecology», as well as other information were used (Methodological Recommendations..., p. 2). As a result, the following priority ecological problems were identified: pollution of atmospheric air in urbanized territories; deterioration of pastures and arable lands; deficit of water resources; shortage of forested areas and specially protected territories; pollution of the environment with solid industrial and household waste; contamination of the environment in oil production areas; pollution of water resources with sewage (NEAP/SD, p.7-9).

According to official information, about 2,000 specialists from different state agencies, industrial enterprises, educational establishments and non-governmental organizations (NGOs) were involved in the NEAP/SD development, as were experts of the World Bank, Harvard Institute for International Development (HIID), UNDP, USAID, TACIS at various stages (NEAP/SD, p.12).

As no decision has been taken so far at an appropriate government level on issues of the NEAP/SD development, the forms or extent of participation of republican ministries and departments, public organizations and local governments in the development process have failed to be defined. Neither have the procedures for governmental monitoring of preparation of the plan or its approval been established. As a result, development of the NEAP/SD has largely become the business of a narrow group of specialists, who work at the NEAP/SD Center.

By March 1998, the work on the NEAP/SD plan had been completed and a presentation of NEAP/SD plan projects took place. Overall, 33 NEAP/SD projects were prepared, including a long-term strategy for ecology and natural resources. The projects were grouped under three national zones, identified by the predominant factors affecting the environment: Zone A included territories with heavy oil production and processing; Zone B included territories with large industrial and energy sector enterprises; and C Zone included territories dominated by the agricultural sector.

The NEAP/SD plan fails to address all social and ecological problems of Kazakhstan (as was envisioned in the Agenda for the 21st Century – a final Rio-92 document) and is really just a set of project plans on separate

priority issues and territories. The NEAP/SD is more of a short-term plan of stop-gap measures, designed to address the most pressing environmental problems, rather than a plan mapping out steps towards sustainable development.

Between March 1998 and the year 2000, implementation and monitoring of NEAP/SD «priority projects» is planned. According to the strategy plan «Ecology and Natural Resources – 2030», the NEAP/SD implementation process will involve most of the RK ministries and departments, governmental organs at all levels and commercial and public organizations.

Although short-term objectives have been defined precisely enough, they are not quite feasible because they depend on the simultaneous implementation of several factors that are beyond the control of NEAP/SD developers and the Ministry of Natural Resources and Protection of the Environment (MoNR). For example, stated goals to improve Kazakhstan's environmental legislation are oversimplified. The designation of the three notional zones mentioned above also seems problematic, as each zone contains parts of several oblasts, while all managerial decisions in Kazakhstan are made at either the national or oblast level. This may lead to conflicts between different branches of government, ministries and departments.

In 1998, a National Ecological Center of Sustainable Development (NEC/SD) and «four regional NEAP offices» were set up for implementation and monitoring of NEAP/SD projects, with the NEAP/SD Center acting as a core office. «Departments for analysis and planning; project preparation and monitoring within the Ministry (MoNR), a Supervisory Board of Donors and a National Council for Sustainable Development were created» (Progress Evaluation..., p. 85). At present, the MoNR is organizational structure incorporates the departments of: the Central State Inspectorate for Environmental Protection; Analysis and Planning; the State Ecological Evaluation and Approval and Environmental Monitoring; and Management and Finance.

By now, some of the planned instruments have been abolished, while others are not effective or perform unintended functions. One case in point is the National Council for Sustainable Development, which has been dissolved (NEC/SD letter). In reality, there is no effective monitoring of the NEAP/SD implementation is currently carried out. Nature protection funds, to which the NEAP devotes a lot of attention, cannot play the role of full-fledged instruments of nature conservation, including financing of nature conservation projects, since bulk of payments and penalties for

pollution of the environment (79% under RK 1999 Budget Law) go not into these funds, but rather to the government budget, in violation of environmental legislation. Since the summer of 1999, NEAP/SD legal status has been uncertain. According to official information sources, it is not a subdivision of the MoNR organizational structure (MoNR Bulletin, 2nd Quarter of 1999, p. 6-7).

The NEAP/SD legal status is unclear. Officially, «the RK government and president approved the NEAP as a component part of the general strategy and action plan of the government» (Progress Evaluation..., p.85). However, according to the official information, it is difficult to identify precisely what the legal status of the NEAP/SD and the long-term strategy for Ecology and Natural Resources – 2030 really are. No references to regulatory acts of the RK president, parliament or government can be found in official documents, which define the legal status of the Strategy and of the NEAP/SD.

At any rate, because the status of NEAP/SD is not recognized under Article 27.2 of the RK law «On Protection of the Environment», Plan projects were not included in government budget line items for environmental protection measures. It is not a mere coincidence that NEAP/SD project financing is not included in expenditure items in RK budget laws for 1998 and 1999 at the national level. A series of environmental protection measures, which were originally to receive government financing, did not receive this financing once these projects were included as part of the Plan Zone B environmental projects (MoNR Bulletin, final 1998 Issue, p. 85).

Official NEAP/SD documents and the Strategy of Ecology and Natural Resources - 2030 were distributed on a wide scale to governmental, public and commercial organizations, and information on these documents published in the mass-media. Hence, public awareness of the document is high enough.

However, noteworthy is a fairly biased presentation of a number of materials in documents dealing with the NEAP/SD preparation and implementation (Progress Evaluation..., p.85). For example, these documents make no mention of efforts taken prior to 1995 to work out the fundamentals of state ecological policy and develop an action plan for protection of the environment. At the same time, documents exaggerate the NEAP/SD role in upgrading the status of the State Committee for Protection of Nature to that of a Ministry, since the Ministry of Ecology and Biological Resources was established on April 20, 1992, i.e. three years prior to commencement of the NEAP/SD development process

(Baideldinov, p.55). Mention is made of «the sound political, legislative and institutional basis» for successful implementation of NEAP/SD projects (NEAP/SD, p.15), which is contrary to the real course of events, where we have been witnessing a progressive weakening of legal mechanisms for nature protection ; over the course of the past few years, the RK parliament has virtually lost the right to manage natural resources and its role in nature protection efforts has been minimized. Nature conservation agencies have been undergoing perpetual structural changes, paralyzing their operations.

The major obstacles to the successful implementation of NEAP/SD are: lack of official state ecological policy; unsatisfactory environmental legislation; the fairly low status of the head agency for protection of the environment; the legislatively stipulated right of the government machinery to dispose of all natural resources; the virtual non-existence of economic mechanisms to promote nature protection and conservation of natural resources, legally mandated release of government officials from responsibility for environmental violation; lack of information resulting from the collapse of the information gathering system; noncompliance with the law on a mass scale in all areas of social life and at all levels of government; high corruption of government officials and overall social and economic instability in the country.

It would be a difficult task to implement the NEAP/SD legally, as violations of the law were observed even at the initial stages of the NEAP/SD development. Specifically, the NEAP/SD itself has not undergone an environmental impact assessment, in violation of the RK Law On Environmental Impact Assessment (Article 6).

The issue of financing of NEAP/SD projects deserves special attention. It will be difficult to find funding for these projects as government financing is unavailable, financing from nature protection funds is impossible, and since most commercial enterprises cannot enjoy the luxury of charitable donation. Against this background one can hardly expect any substantial investments from foreign sponsors.

Can the NEAP/SD become a productive instrument of government policy? There is no simple answer to this question because, in the first place, there is no officially approved RK environmental policy, and, in the second place, the legal status of the NEAP/SD is still unclear.

If nothing is done to provide an appropriate legislative framework for the NEAP/SD, to improve the institutional basis of its development and implementation, and, if no control over the execution of the NEAP/SD is established by the international community, then at best a number of

projects (most likely benefiting sponsors or of extreme importance) will be implemented with sponsors' money. It is hard to see how this would differ significantly from what the government was doing before the adoption of the NEAP/SD. At worst, the NEAP/SD will be buried in the depths of the state bureaucracy, as were the 1993 National Program of Rational Use of Natural Resources; 1994 National Environmental Action Plan of the Republic of Kazakhstan (draft); Fundamentals of the State Ecological Policy of the Republic of Kazakhstan (draft) for 1994 and other attempts to formulate environmental policy.

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November 1999.



COMMENTS AND PROPOSALS REGARDING THE BILL ON LAND

By Sergei Kuratov and Semen Svitelman

«The Earth does not belong to man; man belongs to the Earth»

Chief Seattle

The following are comments to the text of the bill On Land, which were published in «Yuridicheskaya Gaseta» (№ 25 (292), June 23, 1999).

1. Is a new law really necessary? Or, rather, would it be more prudent to strengthen the discipline of executive bodies, including increasing control over compliance with the law? Statements that the law is bad and that is why it is not observed may be interpreted as blaming the president, parliament and government for incompetence. Non-compliance with and violation of the laws is explained away by the poor quality of the laws. Naturally, this poses a question: will the new law be observed, even if it is well prepared? Often, rewriting and supplementing existing laws does not result in an increased level of compliance.

2. What is private property of land? Land is the basis of life and the basis of the activity of nations; it is the only and unique place of human existence, and it is limited in quantity. Therefore, the issue of privatization of land is not limited by economic frameworks, but touches upon the ecological, social-political, cultural-historical and international aspects of a country's life. Taking this into consideration, land should not be considered as a common commodity. Property of land, even if it is private, should not be of an absolute character. Private property of land should be considered in a limited sense, which complies with the practice of countries with developed market economies.

3. The land issue is a political issue, as here the interests of all strata of society clash. That is why this issue cannot be solved simply with the passing of a law on land. A corresponding land policy must be worked out and legally approved, and this policy should correspond to the state economic and environmental policy. Under the new draft law, the government does

not have the right to determine policy (article 10.1). However, under the Constitution of RK, policy can be proposed by the government and authorized executive organs; furthermore, the Constitution demands that policy should be considered and approved by the parliament (article 61.3). In the new bill On Land, the role of the parliament has been made non-existent.

4. Who will ensure that policy on land is followed and control its further development? This should primarily be the responsibility of the president and the parliament. Therefore, the law must include articles recognizing the authority of the president and the parliament in this realm; otherwise, management of the most important natural resource will be transferred to executive authority bodies, which would violate the principle of division of power and article 61.3 of the Constitution of RK. Moreover, the responsible executive bodies should be made to submit an annual report to the president and to the parliament on how they have implemented land policies and measures to preserve the land.

5. Wide circles of the community should take part in discussions on privatization and protection of the land. The bill should be introduced for national discussion and the general public should be involved in all aspects of discussion on land policy. No mention of public participation is made in the bill On Land, which contradicts to the principles of the Orchus Convention to support access to ecological information and community participation in environmental decision-making. The Republic of Kazakhstan signed this Convention in 1998.

6. Natural resources, including land, are divided into categories as resources, which have national, regional or local importance with respect to the role they play in providing for the lives and activities of society. The specific category of importance of a particular natural resource determines the nature of property rights for the resource and the inter-governmental division of management rights over state property.

Natural resources of national importance cannot be transferred to private property. Since these resources provide for life and activity of the entire state, they may only be the property of state organs at the federal (USA, Germany, Russia) or state (republican, national) level. Resources that are vital for discrete regions are usually the property of state organs of a lower level (states, provinces, and regions).

The law should determine the set and scope of responsibilities of:

- a. special authorized organs on land issues;
- b. special authorized organs on environmental protection;
- c. which land is state property;
- d. executive power at all levels.

7. The law should determine conditions and terms for land use for all categories of land.

8. The law should include a chapter on economic mechanisms to promote rational use and preservation of land. These economic mechanisms should be a means to implementing land policy.

Such a chapter on economic mechanisms should contain an article to protect small landowners from bankruptcy. Indeed, a national policy on bankruptcy should be developed. Otherwise, the small landowner, sensing that he is about to be bankrupted, may in fact inflict more harm to the land in an effort to receive any small, immediate profit, despite the environmental cost. The struggle against poverty is one of the main objectives of the «Agenda for the 21st century» approved at the Rio de Janeiro conference in 1992.

9. The law should contain an article on «Levels of Responsibility for Violation of Legislation on Land», which should comply with the Civil and Criminal Codes.

It is possible to continue the list of commentary, but the comments mentioned above are probably sufficient. In our opinion, these remarks touch upon the conceptual aspects of the bill. If this commentary is not taken into consideration, the law will be a useless legislative memorial to the increasing power of local executive organs and to the annihilation of the environment – which is the basis for life and society. Possibly, one of the ways to counteract this tendency is to attract the attention of the public and parliamentarians to the bill. It is impossible to ignore the low level of compliance with the legislation currently in force or the chaotic and rushed manner in which laws are considered and approved. The consideration of one of the country's founding laws (the law On Land) should not be a rushed process.

Before the bill is approved, the mapping of land resources should be clarified; an ecological assessment of the draft bill should be conducted, as is required under article 14.7 of the law «On Environmental Impact Assessment», the bill should be discussed on a nation-wide level and discussion should include in-depth consideration of its provisions and of alternative options, and finally, the bill should clarify and designate property ownership and management among state organs at all levels. Only then will there be hope that the draft law will really be a turning point in the development of national agriculture policy and in the formation of new forms of interaction between society and the nature.

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**METHODS OF FORMULATING ECONOMIC
MECHANISMS FOR THE USE OF NATURAL
RESOURCES UNDER CURRENT ECONOMIC AND
ENVIRONMENTAL CONDITIONS OF THE
REPUBLIC KAZAKHSTAN**

By Valeriy Nesterenko

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Kazakhstan is going through a rather difficult period in its history. Changes in the structure of the economy have caused a radical reconsideration of the old system of values and norms. The principle «survival of the fittest», competition and the struggle for existence have replaced compassion, sympathy, and aid to the weak and defenseless. Unfortunately, nature also falls into the category of the defenseless. Nature is perhaps the most defenseless; even invalids and pensioners can demonstrate and demand attention to their needs and problems; but nature has no such opportunity. Certainly, it takes its revenge, and even severe and terrible revenge, in the form of reduced of fertility of land, famine and disease. But frequently this does not happen at once, and at times it is difficult to follow the whole chain of relationships of cause and effect. Therefore, to the narrow-minded, all these phenomena exist in isolation from each other. More careful analysis of the situation, however, produces the unequivocal conclusion that mankind has come close to the point where the phantom of a universal environmental catastrophe looms.

But not until now has the economic and political situation been such that natural resources are squeezed so as to extract from them as much money as possible, with no accountability or regard for the future. The experience of the underdeveloped countries, a category into which Kazakhstan is already included, shows that this a situation is not likely to improve in the near future and may become even worse.

The result of this situation is the violation of one of the basic rights of man - the right to live. Catastrophes have been avoided to some extent only because of the general recession in industrial and agricultural production. But pollution of the environment per unit of production is growing at a horrifying rate. Violation of technical requirements, lack of control, deterioration of the quality of raw materials and fuel, deterioration of equipment, introduction of polluting technologies, and cutbacks in the removal of polluting substances have become widespread. As paradoxical as it sounds, we should be thankful that there is no growth in production, as, if there were, we would choke on air pollution or be poisoned by wastewater.

This situation has been caused by the unrestrained egotism of manufacturers and natural resource consumers, who, in the ecstasy of consumption, have forgotten that they are cutting off the branch on which they sit. Under such conditions, environmentalists have no other choice but to learn how to talk to them in a language which they understand — the language of economics. Appeals to conscience, civic responsibility, to the instinct of self-preservation, may work to some extent in developed countries where people are more or less satisfied, but in underdeveloped countries, where each day can be the businessman's last, such appeals are completely unproductive.

The only hope for survival under such circumstances is the creation of economic conditions under which compliance with regulations on environmental pollution and the use of natural resources is rewarded, and whereby violation of such regulations would result in bankruptcy. Such conditions can be created through the application of economic mechanisms for resource use, the basic element of which is the system of payments for pollution of the environment and use of natural resources.

The basis for interaction between environmentalists and natural resource users should be environmental norms, which set specific limits on the use of natural resources. The «polluter-pays» system works on the basis of such limits. If, during the course of his activity, the resource user remains within the limit allotted to him, the fees or payments he must make for pollution of the environment and use of natural resources are not prohibitive and are likely to be included in production costs and thus passed on to the consumer.

However, the situation changes if the resource user exceeds the established limit. In this case, payment for the volume of pollution above the limit is set according to rates for normative resource use and is multiplied by a factor, which is increased the higher the volume of pollution over the set limit. Thus, the greater the volume of pollution over the set

limits the higher the corresponding fee. There is additional incentive for the resource user to try to avoid polluting above the limit, since these fees on above the limit pollution must be paid out of the company's after-tax profit. These payments in fact provide a strong incentive for resources users to adopt environmental protection measures. The logic here is very simple: If the resource-user fails to take any environmental protection measures, all other things being equal (continuous work, constant quantity and quality of raw materials and fuel), he will most likely exceed his limit. And if the failure to carry out environmental protection measures is a regular occurrence, the amount of above-limit payments might reach a level, which will result in bankruptcy for the resource-user.

Economic mechanisms in a resource management system perform two basic tasks:

- First, they stimulate resource-users to implement environmental protection measures by application of up to the of limit and above the limit payments for pollution;
- Secondly, these payments create a source of funding for environmental protection measures of regional significance.

Depending on which of these two tasks is given priority, the approach to the creation of the economic mechanism of a given country will differ. If greatest importance is given to formation of sources of funding (the fiscal approach), paramount importance is given, first of all, to maximizing the amount of revenue from payments for resource use. A basic negative stimulus is applied, while the system of privileges and incentives is used at a minimum. The rates of payment are calculated without regard to specific environmental protection measures and are directed towards achieving the greatest possible collection. As the funds obtained from these payments are not linked to environmental measures, it is easy to maneuver them and to use them for purposes that are not connected with the environment. Control over expenditure of funds is complicated, and resource users have no control over what happens to the payments they make. Their attitude towards the payments that they make for resource use is likely to be negative as these payments may line the pockets of bureaucrats from the environmental department rather than being re-invested in environmental protection measures.

If, during formation of economic mechanisms, priority is given to stimulating resource users to implement environmental protection measures (the environmental approach), resource users will be involved in the improvement of environmental conditions via both negative and positive stimuli. The payments have a special-purpose character, and therefore, rates are calculated on the basis of expenditure for implementation of specific

environmental measures. Thus, the expenditure of fees is firmly focused on implementation of only those measures, which were taken into account during the establishment of the rates of payment. Such coordination allows for supervision of how received payments are spent and that they are spent only on agreed upon purposes. This system considerably reduces opportunities for the ineffective use of received payments. Resource users participate in the environmental fee system at all stages, from the calculation of rates of payments, to agreement upon environmental protection measures to be carried out, to expenditure of the payments received. Such an approach promotes the establishment of cooperative relationships between environmentalists and resource users, as the latter can see that the payments they make are spent on specific, nature protection measures.

The introduction of economic mechanisms for resource use and implementation of the «polluter pays» principle began in Kazakhstan in 1989 on the wave of Perestroika or reconstruction.*

During the first stage (1989-1998), economic mechanisms were formulated on the basis of the environmental approach. A system of normative-methodological documents was developed, and there was a strong link between systems of payments and implementation of environmental protection measures. These rates of payment were calculated in each oblast, taking into account local conditions and the need for the improvement of local environmental conditions, which were then confirmed by the Akim (Akims are leaders of local government, akin to mayors in the United States) or local authority of the oblast.

All the work associated with calculating the rates of payments, and preparing them for presentation and approval fell on the oblast environmental officials. Developing plans for environmental protection measures, including the calculation of rates and reaching agreement with natural resource users on set quotas and rates was especially difficult. The obligation to finance specific environmental protection measures through payments received was also extremely burdensome. Of course, it would have been easier to arbitrarily obligate these funds, but this was never possible, because at any moment this distribution could be subject to checks by the Ministry, public organizations or representatives of the payers.

Because of the heavy workload this system entailed, oblast-level environmental officials began to demand that Kazakhstan switch to the fiscal model for calculation and expenditure of payments since virtually the first years of the introduction of economic mechanisms to regulate resource use at an oblast level. It was proposed that this switch would be carried out by developing rates for payments based on republic-wide averages. Under such a system, oblast-level environmental officials would

be completely freed from the task of developing environmental protection measures and from financing them. And since payments received would no longer need to go towards environmental protection measures, this money could be spent without the risk of checks by natural resource users, the public or other organizations.

The experience of the developed countries and countries of Eastern Europe was cited in support of the adoption of one, republic-wide rate for natural resource use.

The suggestions of the oblast level environmental management departments were finally accepted in 1998, although, clearly, this «European approach» to setting fees for resource use does not fit Kazakhstan. Kazakhstan is nearly as large as all of Western Europe in territory and the variety of its natural-climatic conditions is comparable only to those of the Russian Federation. Almost all oblasts in Kazakhstan suffer from more serious environmental problems than in the largest state in Europe. Under such conditions, the establishment of uniform rates of payments for the whole Republic is equivalent to the acknowledging only one temperature for all of the patients in a hospital.

Foreign investors also supported the adoption of Republican-wide rates. Naturally, the investors did not like the differences in the rates of payments in various areas, which were logically set to reflect the regional variability of environmental, economic and natural-climatic conditions. Foreign investors were lucky. In 1998, the situation changed sharply, with the appointment of new people to the Ministry responsible for environmental issues. Their reaction to foreigners' demands was basically to stand at attention and implement the changes the foreign investors requested.

Towards the end of 1998, general Republican-wide rates of payment for pollution of the environment for 1999 were calculated and authorized by the Ministry of Ecology and Natural Resources. A strange legal situation was created, since, according to the law «On Environmental Protection» (clause 29), «the rates of payments for pollution of the environment are established by the Akims of oblasts (or city of Almaty)», and the Minister of Natural Resources and Environmental Protection simply confirms these rates. Therefore, rates confirmed by the Ministry are really only recommendations, and, as they are calculated on the basis of an arithmetical average, will not be appropriate for any one particular oblast. For ten years, since the beginning of introduction of payments for environmental pollution in Kazakhstan, each oblast has had varying rates. During this time, the Akims in each oblast have grown accustomed to this system, and they are now unlikely to adopt the new republic-wide rates,

especially as these rates are only recommendations. The rates affirmed by the Minister will appear excessively high in one oblast, and the payers will be dissatisfied with them, while for other oblasts, they will be too low, and the local budget will not receive sufficient funds.

Under such conditions, the Akims, using the right given them under the law, and taking into account that the suggested Republican rate is only a recommendation, will establish rates at a level which has become the norm in these oblasts. Thus, the interregional distinctions in rates, which have caused such discontent on the part of foreign investors, will be maintained, and it is likely that the Ministry will once again have to answer to foreign investor complaints about varying rates. The oblast environmental officials will decide their own issues: already, no one can require them to substantiate payments for environmental protection measures or their subsequent financing: the funds from payments are anonymous, which creates opportunity for their misuse.

In the Law on the Budget for 1999, one can see that implementation of these approaches has already begun. If, in recent years it was planned to spend 60 % of monies received from environmental pollution payments for the purpose of environmental protection, in 1999 only 21% will enter funds that to some extent have a special-purpose character regarding expenditure for environmental protection. The remaining 79% of these monies fall into the government budget and will be used for financing general budgetary needs. Reassuring announcements are made to the public that these monies also go towards financing of environmental protection measures, but this is difficult to believe. Most likely, these funds will be spent on the construction of prestigious houses for government bureaucrats in Astana or on financing the next big anniversary.

From this point of view, the Environmental Protection Funds deserve the close attention of the public. Here, too, everything is far from in order. With permission from the government, the Ministry of Natural Resources has succeeded in basically turning these Funds into sources of money for the Ministry, despite the fact that the Funds have the status of a separate legal entity. Thus, in 1998, most of the monies that entered the Republican Environmental Protection Fund were spent on construction of accommodation for the staff of the Ministry and reconstruction of office buildings, the purchase of furniture and office equipment. There was apparently not enough money left over to pay scientific institutions for work that they carried out, and these debts were transferred to 1999. It almost seems that fees received as payment for environmental pollution and natural resource use are not spent on financing of environmental protection measures all. Rather, it seems that they are divided between

the Ministry of Finance and Ministry of Natural Resources and Environmental Protection with each of them filling their own financial gaps, forgetting completely why this money was gathered from the payers in the first place.

A logical question arises: what can be done to improve the situation? Some answers are:

1. We should return to the environmental model of calculation and collection of payments. The payments should be calculated on the basis of costs for specific environmental protection measures, which should then be financed through fees received from the polluters. The whole process, from calculation of the rates of payment, up to expenditure of fees received, should be transparent and open to natural resource users and public organizations. Discussions with foreign investors should be carried out to explain to them the necessity for implementing varying rates of payment for pollution in different oblasts of Kazakhstan.
2. The Environmental Protection Funds need to have real independence. The Funds should get not just 21 %, but all monies received from payments for environmental pollution. The Funds should be independent from state management organs, such as the Ministry of Natural Resources and Environmental Protection – otherwise, Fund monies may be misused (everyone still remembers the Obligatory Medical Insurance Fund, which was plundered to the core). To prevent this, it is essential to place the activities of Funds under firm public control, by creating a management structure for the Funds. This management structure should take the form of a public committee having wide powers to confirm budgets of the Funds and control their expenditures. The public committee should be made up of representatives of those who pay fees for pollution of the environment, public organizations and state organs involved in protection of the environment.

Under current conditions, the right of the inhabitants of Kazakhstan to a healthy environment can be secured only through development and implementation of the environmental model for resource use. Reducing the environmental fee system to a primitive club for extracting money from resource-users does not promote this end.

* The «polluter and user pays» principle was recommended to use Organization of Economic Cooperation and Development for the first time in May 1972.

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YET ANOTHER TRY – OR, INTO THE NEW MILLENNIUM WITH OLD PROBLEMS

By Sergei Kuratov and Semen Svitelman

On the 10th of November 1999, the Almaty-city Department of Ecology held a seminar on managing solid waste in Almaty. The issue is a timely one, as the city is literally drowning in wastes and city municipal services is no condition to handle with this growing problem. In fact, this issue of solid waste management is so critical that the seminar was jointly organized by the Japanese Agency for International Development, the Ministry of Natural Resources and Environmental Protection, and the Akim of Almaty.

The main event of the seminar was the presentation of a solid waste management project, which was prepared by the Japanese are the request of the government of Kazakhstan.

Project developers conducted a complete analysis of the solid waste situation, including an analysis of how solid waste affects the environment and how solid wastes might be recycled and stored. An evaluation of city municipal services' ability to cope with solid waste and an analysis of the chemical make up of solid waste as well as an evaluation of the current legal-institutional basis for solid waste management were also conducted. Much attention was given to the numerous, illegal waste dumps in the area, and to the insufficient monitoring and control of solid waste by the city sanitation department and the Almaty-city Department of Ecology.

However, in their analysis, project developers could not help but notice perhaps the main cause of the solid waste problem in the Almaty area: the lack of a clear legislative basis for waste management. Project developers correctly mentioned the slow tempo of development of the legal-institutional basis for protection of public health and the environment, the lack of clear delimitation of the responsibilities of legal entities in the management of solid waste, the lack of clear laws and delimitation of responsibilities of private property owners in maintaining sanitation norms, the strong

concentration (centralization) of the power (governing) structure, and the inconsistencies within the existing legislative base.

It would be possible to give additional praise to the project developers, however, this would be ignoring many weaknesses in the project, which are especially noticeable to non-governmental organizations.

In our opinion, economic mechanisms of waste management — including measures to reduce waste production and recycling—should have been more thoroughly considered, keeping in mind the rather undeveloped state of market mechanisms in Kazakhstan.

Ways of introducing mini-technologies for the reduction and recycling of wastes into everyday life need to be developed.

In our opinion, if, as suggested by the project developers, an agency to manage solid wastes is developed and given uncontrolled authority, it is likely to become a monopoly. Therefore, such an agency should instigate market mechanisms for managing waste (including developing mini-technologies mentioned above), should provide for adherence to laws and acts on waste management, and should work together with small business and the public in addressing the problem of solid waste. This agency should not work on «developing systems of distributing contracts» as suggested by the project developers.

The project does not envision much in the way of NGO and public participation in working on the resolution of solid waste issues. Only perfunctory mention of raising public awareness on solid waste issues, as a first step in solving problems of solid waste, is made in the project.

Of course, many factors determining the solid waste situation cannot be resolved by project developers only. In these areas, decisions need to be made by the parliament, the government, the Ministry of Natural resources and Environmental Protection.

For solid waste to be well managed, both at the Almaty-city level and throughout all of Kazakhstan as a whole, first, a sound policy on waste management needs to be developed within governmental environmental policy. This should be developed and ratified by the parliament as an official government document. Second, a law (or laws) on managing waste needs to be drafted and ratified. Third, strict observance of the law must be upheld. For example, financial resources of local and republican environmental protection funds should only be used for nature protection and natural resource saving measures. It will then be possible to count on these resources for the rational management of solid waste management, rather than trying to squeeze out pennies from the labyrinth of the government budget when crises arise. Fourth, the final evaluation of the

project will be given in an environmental assessment, which must be conducted, according to the law of Kazakhstan «On Environmental Impact Assessment».

And finally, a bit of history. A few years ago, in 1996, the NGO «Almaty-ecologstroj» developed a project entitled «Initial Evaluation of the Solid Waste Management System in Almaty» at the request of the Almaty-city Department of Environmental Protection». However, this effort got no further than the initial project-development stage. Is this how the new attempt to improve the waste management system will end, too? Will the developers of the new project learn a lesson from this?

Of course, one would like to hope, both for the sake of Almaty-city residents and for the project developers, that the new project will be carried out, rather than that the project become the latest in series of plans to resolve this important problem that fail to be realized.

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FOSTERING INTERNATIONAL LINKAGES FOR THE ILE-ALATAU NATIONAL PARK

By Ben Steinberg

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The Ile-Alatau National Park in Kazakhstan is a national treasure, one requiring immediate attention. Inside the park's 164,400 hectares, visitors can bear witness to stunning views from mountains reaching 5,000 meters, diverse and endangered flora and fauna, and cultural relics that reveal signs of human settlement over thousands of years. Regrettably, park visitors are also likely to witness the damaging effects resulting from uncontrolled use, including soil erosion, illegal woodcutting, and overgrazing. Such problems have been compounded by a diminished political will to protect the park. An enhanced partnership among local organizations, governmental entities, and the international community would provide the best opportunity to protect the park's natural and cultural resources.

After many years of lobbying by scientists, specialists, some individually committed government officials, ordinary people, and local non-governmental organizations (NGOs), the government of Kazakhstan put into place a regulation to merge a zapovednik with protected forestland and other territories to create the Ile-Alatau National Park in February 22, 1996. The creation of Kazakhstan's third national park represented a rare victory for the country's environmental community, and it fostered hopes that environmental degradation within the park's new borders could eventually be reversed. Expectations of success were also raised by the working partnership that had already developed among the park administration, local NGOs, and the international community. The public-private-international partnership was also a new innovation in Kazakhstan, a county that has favored a top-down governmental approach.

The government made a wise choice in selecting the Ile-Alatau National Park for protection, both because of its natural and cultural values and because of its accessibility. Almaty, the former capital and largest city in Kazakhstan, lies at the foot of the Ile-Alatau mountains. In addition to protecting the natural wonders and cultural history of the region, the park can offer the Kazakhstani people an opportunity to enjoy their heritage and experience nature. If the necessary infrastructure is developed, the park would draw foreign tourists and contribute to local economic growth. For this to be achieved, however, numerous problems must first be resolved.

The problems confronting the park may be divided into external and internal issues. Externally, the park faces severe financing issues. Due to the economic crisis in Kazakhstan, environmental issues are arguably the government's lowest priority. Contributions from the federal budget are so meager that most staff is owed several months' back wages. Other alternatives have been explored to help the park generate its own funds, including user fees and private-public partnerships to produce juice from the park's wild apple trees. But these initiatives are too small to generate significant revenues in the next several years.

Internally, the park administration is confronted with a daunting task, requiring significant staff retraining and the development of new policies—from park planning to enforcing new policies in the field. In Soviet times, zapovedniks were entirely closed to the public while lands protected by the state forestry committee were managed for multiple purposes. Neither the zapovedniks nor the protected forested areas developed management strategies, which both preserved the park areas and encouraged visitation by the public. Those managing the Ile-Alatau* must now pioneer ways to implement this national park concept. The park administration is now faced with simultaneously developing new preservation policies and retraining staff to provide visitors with a positive experience while at the same time protecting the park through controlled use and rangering.

Once the government regulation establishing the park was in place, government officials and cooperating local organizations invited the international community to participate in the formation of the park and the training of its staff. Such a locally initiated effort to develop a «grassroots» partnership among the local government, non-governmental organizations, and the international community is extremely unusual. The goodwill behind that invitation has already been demonstrated through cooperation with Volunteers in Overseas Cooperative Assistance (VOCA), a United States Agency for International Development (USAID)-funded

organization. VOCA first began working with the protected area in 1993 to assist in the protection of the area and its designation as a national park. After the park's designation in 1996, VOCA helped the park's administration identify strategies to improve protection of the park area. VOCA next provided management and field training to the park's staff in several key areas. Based on the recommendations, the administration and the field staff made adjustments to improve the management of the park

While VOCA's projects achieved their core objectives, they had several short-comings which reduced their overall effectiveness. First, the projects were essentially short-term technical assistance assignments which averaged approximately four weeks, too short a time to have a sustained, long-lasting impact on the park's management practices. Second, the VOCA program could not provide financial assistance to implement its recommendations. The park administration readily agreed to many recommendations but lacked resources from the central budget for their implementation. Third, VOCA, with its limited resources, was able to only tackle a few key management issues. Other issues (e.g., planning) could not be adequately addressed given the short period of time available. Although the VOCA technical assistance projects were not able to solve all the park's many problems, they did establish that the park administration and local NGOs were willing partners. Learning from the park's history to date, the national government and the international community should undertake a more intensive effort to support the park. Several initiatives should be pursued simultaneously. First, the government of Kazakhstan, a member of the World Heritage Convention, should move ahead with its application to nominate the Ile-Alatau National Park for inscription on UNESCO's World Heritage List. The World Heritage List identifies sites around the globe that are unique and of vital importance to humankind from a natural or cultural perspective. World Heritage Sites are assured a higher level of protection by the national government, earn international prestige, and stimulate international tourism. Kazakhstan need only to look at Uzbekistan, which has several World Heritage Sites, to see such benefits. Inscription on the World Heritage List appears to be the only way to increase the park's long-term priority in the eyes of the cash-strapped government.

Second, the international community should increase its cooperation with the NGOs and the park administration, providing sustained technical assistance. The international community must identify innovative ways of providing long-term comprehensive assistance and consider partnering

the Ile-Alatau with a similar park entity from abroad. One option for the international community would be to provide a «sister park» for the Ile-Alatau in North America or Europe. Similar to the concept of a sister city, the park in the West would serve as a reservoir of experience and skills for the Ile-Alatau to tap. In a long-term relationship, it would be easier to identify strategies and answers to long-term problems facilitated by exchanges of personnel and informational transfers. Third, the role that the local community plays in the management of the park must be enhanced. At present, many people from the community derive benefits from the park, but they are not contributing to its preservation. International NGOs, such as the Sierra Club, have the experience needed to broaden and to deepen the level of community involvement and support. Local NGOs, such as Green Salvation, already play a very active role promoting the park. A formal linkage between the local NGOs and international NGOs, such as the Sierra Club, would facilitate the transfer of information and strategies to garner community involvement in the park's management.

Fourth, an international donor must provide financial support for the sister park program in its start-up stages. While national parks and international NGOs in the United States and Europe are willing to contribute staff time to these partnerships, an international development institution, such as USAID or EU-TACIS, must be identified to cover the actual costs of these activities. These donors have active programs in Kazakhstan. The key is convincing them of the importance of the activity and rolling it into their program priorities.

Immediate action is urgent. The Ile-Alatau National Park is nearing the end of its formative years. While some incremental improvements have occurred, the adverse affects of uncontrolled use outweigh this progress. The park's nature, both fragile and resilient, can be protected through increased community involvement and political will, for the legal structure is already in place. The international community can play a key role in ensuring that Kazakhstan's premier national park fulfills its mandate, and preserves this national treasure for future generations.

January 2000.



NGOS AND TRANSNATIONAL CORPORATIONS: PRINCIPLES FOR INTERACTION

By Sergei Solyanik

The influence of transnational corporations (TNCs) has long been an issue of international concern. In the 1970s, some of the strongest TNCs were economically ahead of some of the developed countries of Europe. In 1995, the annual sales of the well-known U.S. TNC, General Motors, was higher than the GNP of 169 countries, including Saudi Arabia, the United Arab Emirates, Malaysia and Norway(1). The economist John Kenneth Galbraith states that one of the basic goals of TNCs is not only to acquire maximum profits, but also to ensure maximum growth of the activities of the company (that is, to maximize scales of production, market resources and sales, and spheres of influence). Despite their colossal financial and technical power, the activities of TNCs are concentrated to a significant degree on the exploitation of natural and human resources. The environment is perhaps the sphere in which the activities of TNCs are most deeply felt.

Currently, concern is growing about insufficient government and social control over the activities of TNCs. Contributing to this concern is the unique legal «space» in which TNCs operate, using shortcomings in national laws, international conventions and agreements. From a legal standpoint, as economic and organizational entities, TNCs can represent themselves in a variety of ways. TNCs have the flexibility to use the norms of national law when it suits them, thereby transferring responsibility to structures that exist in different states, and essentially trading places with the enterprise that breaks the law(2).

The scale of activity of TNCs and the ineffective control over their activities creates a threat to the environment, humanity and society. A striking example of this threat is the sad and well-known catastrophe of the tanker, the Exxon Valdez, the tenth anniversary of which we celebrate this year.

On March 24, 1989 the tanker «Valdez» ran into a reef in the Prince William Sound in Alaska, spilling close to 40,000 tons of oil and polluting the shoreline for almost 2,000 kilometers (by way of comparison, the length of the Caspian coast is approximately 1,150 kilometers from north to south). This caused the most significant «black tide» in the history of the USA. Up to one million birds died and 98% of the seals and 75% of the zone for salmon fishing was affected by the «black tide». Liquidating the immediate effects of the catastrophe cost over 2 billion US dollars(3).

The tragedy took place in the USA — the most developed country in the world. One of the leading oil companies in the world was sued. However, nothing could have prevented the catastrophe. The Valdez accident demonstrated the lack of environmental political influence within governments, big business and society to prevent such accidents. It became a clear confirmation of the inconclusive nature of national law, economic mechanisms and the lack of technical preparedness. The inability of the state and the public to control the activities of transnational corporations was clearly revealed, demonstrating disregard for public opinion, despite of the considerable authority and experience of environmentalists in the US.

An examination of the reasons for the accident is interesting. Exxon believes that the Valdez accidentally banked itself on the reef(4). The US Congress determined that it was consequence of careless self-confidence, displayed by representatives of industry and government(5). Although the accident in Prince William Sound was a drop in the sea of global environmental problems, it had profound resonance in NGO and business circles that contributed to the development of new legal instruments on the national and international levels.

The United States, unsatisfied with the level of responsibility and foresight of TNCs, passed the Oil Pollution Act of 1990 (6).

Voluntary corporate agreements and standards have begun to be developed on the international level. In 1989 the «Valdez Principles» were established (now known as the CERES principles) — a voluntary code of conduct for environmentally responsible companies. Following this, came the Charter of Business Circles for Sustainable Development (1991). In 1992, the International Organization for Standardization worked to create a series of environmental standards. In 1995, The European Union adopted a voluntary environmental management and auditing system for businesses working in Europe. All of this reflected the changes taking place in environmental policy within companies and governments as well as in the position of the public.

Today, TNCs have come to extract oil from the Caspian sea. Furthermore, it appears that in the near future, TNCs will have significant influence on the political, economic and environmental situation in the countries of the Caspian region. For example, according to 1997 figures, investment in and special payments made by Tengizchevroil (a joint venture with the company Chevron) equaled \$346 million (in comparison, the inflows to the budget of the republic of Kazakhstan for 1998 were approximately \$2.62 billion) and accounted for 30% of the total oil extracted in the Republic of Kazakhstan(7). But are the Caspian States insured against the tragic consequences of «business as usual» and a new Valdez?

In the decade since the Valdez accident, there has been a significant strengthening of legal mechanisms and technical capacity to prevent and clean up major oil spills in developed countries. However, many doubt that the legal, financial and technical capabilities of the young sovereign states of the Caspian region of 1999 compare with the capabilities of the US in 1989.

The oil industry has been developing for over 100 years. But during this time it has not become safe for the environment. Today, within the US oil industry alone, as a result of wear and tear, spills, and ineffective use of equipment, on an annual basis, 280 million barrels of oil are wasted — the equivalent of 1,000 Valdez's every year(8)!

Under ideal circumstances, states striving to operate in accordance with the norms of international law, international voluntary corporate agreements and standards, internal environmental policy, national law, environmental impact assessments and other legal mechanisms must develop and implement solid policy for the prevention and cleanup of oil spills, including careful regulation of the activities of TNCs. Unfortunately, the Caspian countries, which still suffer from «weakly developed legal, administrative and procedural mechanisms to manage the environment,» are far from prepared. Furthermore, it is disturbing that international recommendations on preventing oil spills in the Caspian Sea contain no reference to the existing legal mechanisms such as international conventions, voluntary corporate agreements and standards (9).

The situation is complicated by the uncertainty of the international legal status of the Caspian Sea, which makes it difficult to apply the standards of special international environmental conventions (10). The draft Convention to Defend the Marine Habitat of the Caspian Sea — which is currently being developed by UNEP (without the participation of NGOs from the five Caspian countries) — also does not determine the

international legal status of the Caspian Sea. The need for states to conform to the legal standards is not discussed and no mention is made of the role of NGOs (11).

In looking at the environmental movement in the countries of the Caspian region, it is impossible not to notice the absence of a common position, agreement on a course of action, a shared understanding of the legal issues, or even of a clearly-defined stance on oil extraction. The relationship between the greens in the region and transnational corporations is unclear, which in turn minimizes the already modest role of non-governmental organizations in resolving existing and future environmental problems.

As far as oil production in the Caspian region is concerned, the international community, and of course TNCs themselves, seem to want to brush over any potential areas of conflict with environmental NGOs. According to recommendations presented at an international seminar on oil spill response and prevention in the Caspian Sea (Almaty, 10-12 December 1998), non-governmental organizations should «...play an important and constructive role...work(ing) in cooperation with multinational corporations...» to «...guarantee the sustainability of the ecosystem in the Caspian...» This attempt on the part of TNCs to brush aside any potential areas of conflict is precisely why environmental NGOs in Kazakhstan need to develop a set of principles in their relations with TNCs; all the more so, since TNCs operating in Kazakhstan offer environmental NGOs a potential source of financing to conduct specific approved environmental projects. Under such conditions, there is the possibility that an accident like the Exxon Valdez may be repeated in the Caspian Sea!

TNCs have already become a reality for the countries of the Caspian region and the CIS. The development of oil in the Caspian Sea is yet one instance of their activities. One can remember the tragic accident in May of last year, which occurred at Lake Issyk-Kul, where there was a cyanide spill at the site operated by the Kumptor Operating Company (a joint venture with the Canadian firm Kamsko).

Both the government and environmental NGOs in the region have inadequate experience in interaction with TNCs. It would be expedient for their daily activities, and in the formation of a long-term strategy, to use the existing legal instruments and mechanisms, as well as the experience of the international environmental movement, rather than wasting time and strength searching for a unique path of development. First of all, it is necessary to engage in a dialogue with TNCs on legal issues, as well as to

discuss a few matters in the technical sphere (types of drilling installations, technology of extraction, etc.). Representatives of the government and the public will, of course, find themselves in a position of disadvantage in comparison with TNCs, which have enormous industrial experience and highly qualified specialists. But the dialogue can be a constructive one if the arguments of the government and NGO representatives are clearly based on environmental policy, including alternative paths to the development of energy.

In the opinion of the environmental society, Green Salvation, it would be expedient to direct our energy in the following direction:

1. Obtain from the governments of the countries of the Caspian region a determination of the international legal status of the Caspian Sea and to secure the signing of suitable agreements and conventions.
2. Obtain from the government the adoption and implementation of an environmental policy, and the implementation of national environmental legislation based on international standards and agreements.
3. Establish cooperation with international and national NGOs abroad, in countries where TNCs working in the Caspian maintain offices. International corporate solidarity among TNCs must be countered by international corporate solidarity of NGOs!
4. Use international voluntary corporate agreements and standards in our activities and in dialogues with TNCs. First, such agreements should include the principles of the Coalition for Environmentally Responsible Business (CERES), the Charter for Business Groups for Sustainable Development of the International Chamber of Commerce, the European Union's Framework for Environmental Oversight and Auditing, and the ISO 14,000 Series of the International Organization for Standardization.
5. Environmental NGOs from the countries of the Caspian region should begin a dialogue with the goal of developing general principles for interaction with TNCs.

Of course, the legal instruments and mechanisms mentioned above are far from comprehensive. The experience of foreign countries and the international environmental movement is not always completely appropriate for the countries of the Caspian region. But disregard for international experience, given our current shortcomings, is simply unacceptable!

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9. Project recommendations of the international seminar on oil spill response and prevention in the Caspian Sea (Almaty, 10-12 December 1998).
10. For example, such as:
 - The Brussels International Convention on citizen responsibility for damage from oil pollution (with corrections), 1969.
 - The Brussels International Convention on creating an International Fund for Compensation for Damages from Oil Pollution, 1971.
 - The London Convention on prevention of pollution of the Sea from discarded waste and other materials, 1972.
 - The London International Convention on ensuring preparedness on the event of oil pollution, fighting the pollution, and cooperation, 1990.
 - Included in Espo the Convention on evaluation of the impact on the environment in a transborder context, 1991.
11. The project of the Ramsar Convention on protecting marine habitat in the Caspian Sea, December 1998.

April 1999.



IS THE FUTURE OF THE CASPIAN SEA PREORDAINED?

An Interview with Yuriy I. Eidinov,

*Deputy Director of the Kazakh Agency for Applied Ecology,
from a seminar organized by Ecological Society Green Salvation.*

Each new stage in human endeavors, whether a breakthrough in technology, the rise of new industries, or entry into new, environmentally sensitive regions, causes the public to become actively involved and generates an outburst of public opinion that is reflected in the press and other mass media. Then, in cases where the public's fears are not justified, relative calm sets in, only to be replaced once again, in each successive step, by interest that rises to indignation.

We now find ourselves in a wave of public interest about the Caspian Sea, which is due to the commencement of exploratory drilling for oil and gas offshore — an interest fueled by various seminars and statements made by our colleagues from Atyrau and other representatives of the Kazakhstani environmental community in the press and elsewhere. How objective these statements are is another matter entirely, and I am of two minds about this point. I believe that there can be no complete objectivity — we all speak from our own understanding and try as best possible to reason our own convictions.

I must frankly confess to you that my attitude toward the «Greens» is ambivalent. I have never adhered and will never adhere to the Greenpeace position (which is near-Malthusian) that «nature must be preserved independently of human interests». Of course, if one follows Malthusian theory, according to which, as far as I recall, the human population grows as the square of land resources, then humanity has no choice but to go extinct or to sacrifice the interests of nature. However, experience thus far demonstrates that humankind is coping with this dilemma on a global scale; naturally, the environment suffers some harm. I do not accept the word «harm» in this context. We truly do make significant changes in the

environment, replacing some of its natural components with secondary ecosystems related to human activities. But this is after all inevitable in view of the rise of humans in the known historical period as a social rather than a biological species. In addition to this premise, one could cite excerpts from the theoretical constructs of Professor S. Kapitsa, as published in the Kazakhstani press. Let me quote: «Man is a creation of nature, but he has long been ‘fashioning’ nature by actively intruding in all processes on Earth. While still a part of nature, man nonetheless is a phenomenon. Scientists have calculated that in proportion to other animals (specifically, undomesticated species) there are approximately 100,000 times more people on the planet than there should be if there were equilibrium in nature» («Kazakhstani Scientists Meet With Representatives of the Banner-of-the-Earth Project,» Panorama, January 8, 1999). Thus, the basic position to which I try to adhere in the course of my impact-assessment work is based on the following proposition (requirement, commitment): one always must adhere to a measure, a very fine one, a very sensitive one, but one that actually exists (recall «The Razor Blade», a science-fiction novel by Yefremov written at the level of a philosophical essay), one that obligates humanity to do everything necessary to preserve the natural environment while improving the environment for its own life. And we, as ecologists who live and act today, professionals, among whom I dare to place myself, and the public, must do everything we can to find and preserve the balance between two sometimes mutually exclusive, sometimes mutually complementary concepts. We now have the very same situation with the Caspian Sea.

I started to work on problems of the Caspian only when I began to work in the Ministry of Ecology and Biological Resources of the Republic of Kazakhstan (if one ignores my essay on the topic of «Fluctuations of Caspian Sea Level», which I wrote in a geography club in 1948), and I was specifically assigned to this work only when geophysical research began in the Caspian. This was a very acute and complex problem from both environmental and political standpoints. And I, as a peaceful man, a man convinced that the aggravation of a problem never leads to a constructive solution, was assigned to this work to smooth out a peak of contradictions that had formed. Whether we like it or not, to exist we must use natural resources. We will indeed use them, but this must be done with minimal harm to the environment.

Interest in the Caspian and public protests against activity in the Caspian related to mineral prospecting and production began as early as the 1960s and 1970s. That interest coincided in time with geophysical

work on at least as great a scale as we see now. Shot methods of exploration also were in use then; these were later banned and replaced by more forgiving acoustical methods. At the time, attempts were made to link the outbreak of epidemics in the Caspian seal with geophysical operations in the Caspian. This obviously provided further impetus for the creation of the preserve zone in the Caspian Sea and for introducing there appropriate restrictions, particularly a ban on all geophysical operations. It was not hard to do this, since the work was practically complete in that phase, and the discovery and development of vast amounts of oil in Western Siberia pushed to the background the study of the resources in the northern part of the Caspian Sea.

Then, as you know, when Kazakhstan gained its independence, the question of big oil reserves became a question of the republic's strategic survival. In the current stage even the conviction held by world business circles that we have a lot of oil is a factor of some consequence. After all, thus far we have no guarantee that these reserves will be found. The very same Western companies that have carried out large amounts of geophysical surveys will say nothing about the reliability of the reserves until exploratory drilling is carried out and the wells penetrate the oil formations. We still have hope. And we cannot and must not give up on this hope. In 1993 a decree of the Republic of Kazakhstan government revised the Regulation on the North Caspian Preserve Zone of 1974. Just one provision was changed. That was the provision that banned any work on mineral prospecting and production in the northern part of the Caspian Sea. All else had been allowed previously: maritime transportation, fishing, and harvesting shells for use in poultry feed. By way of revision of this provision, the 1993 Decree allowed mineral prospecting and production.

The same provision later was incorporated in the law «On Specially Protected Natural Territories», which retained this position. Naturally, if we actually were to speak of some regulatory bans, everything is allowed in the North Caspian Preserve Zone, except for the stipulation that: «special environmental conditions are observed.» This very stipulation is to a certain extent a fairly effective tool in the hands of environmental expert review teams and the environmental community in regard to restrictions on corporate operations.

Officially approved special environmental conditions were drawn up for geophysical operations in the northeastern part of the Caspian Sea, and they basically set forth restrictions in regard to the times when work is done and restrictions on work at certain places: nesting sites, spawning grounds, bird gathering grounds during migrations, and so forth. Today the press, speeches at seminars, and various forums on problems of the Caspian Sea

focus attention on the question of whether there should be no special environmental conditions for drilling operations. I believe this to be not entirely true, since in regard to times and spatial restrictions there is no difference from those given in the special conditions for conducting geophysical operations, and the finding of the State Environmental Expert Review on the Exploratory Drilling Program quite explicitly includes a ban on all discharges into the waters of the Caspian Sea during drilling and drilling-support operations, as well as on any discharges of waste water or any other waste, which must be transported ashore.

Another question is: is this categorical ban rational? But here the experts have not even begun to discuss these positions, largely factoring in the public reactions, since certain types of waste that could be rendered harmless directly at the drilling rig might better be left on site — this might be preferable from the environmental standpoint. This is because burrowing around the Caspian Sea, looking for suitable sites, and arranging for storage on shore also impose additional environmental burdens. Nonetheless, this ban of the State Environmental Expert Review rang out quite unambiguously: all discharges during operations in the Caspian are banned, except the water used to fill a barge when it is flooded. But this water is in fact the very same Caspian water. It is poured into the barge when it has to be flooded, the barge settles to the sea floor, and then, when it had to be raised, the water must be pumped out. This involves hundreds of metric tons of water, and transporting it ashore costs us even more. This water therefore is pumped out, then treated and discharged back into the sea.

Such is the position of balance to which I have adhered and continue to adhere. The expert review during a geophysical program fully justified itself, in my view, because no real harm was observed by the official oversight services, international observers, or our colleagues from Atyrau and Aktau who directly oversee and keep track of this work. The only real harm inflicted came when the geophysicists began to set off their detonators on some profiles in the transition zone (at depths of less than 1 m.) not according to plan, but with a slight reduction in the depth of the shotholes. When this occurred, the death of a few small ordinary fish was observed. The work was halted immediately, the responsible parties were duly punished, and the shooting method was modified. It should be noted that shooting methods using small charges (1.3 kg.) originally were allowed in a very small area where no ships could travel, at depths of less than 1 m. As a result of tightening additional requirements, environmental authorities, with the constructive cooperation of the companies, reached

an agreement whereby the amount of these shooting operations was one-third the planned level, so that this phase of the exploratory seismic operations was completed relatively successfully. Today, as you know, the berm, that is, the subsea substructure for the drilling platform, is already being filled, and this work is nearly complete. More accurately, there will not be a drilling platform such as we are accustomed to seeing in pictures, in three stories with high decks — instead it will be a different system used in the Gulf of Mexico and elsewhere. It will be a semi-submersible barge in view of the shallow depths in the drilling region (about 4–5 m.). At the drill-site, about 2.5–3 m. of foundation has already been built up so that the barge with the drilling rig can be pulled up, filled with water, flooded, and seated on this packed-rock foundation. As noted above, the exploratory drilling program also has undergone governmental environmental expert review, for which at least 30 experts were brought in from the Ministry of Ecology, and also from the Aktau and Atyrau oblast administrations of ecology. The proper permit to conduct this work was issued with consideration for the special environmental conditions.

Nonetheless, the problems of exploratory drilling are frequently discussed at seminars. We jointly attended one seminar at the Almaty Pedagogical Institute. A second forum recently was held at Al-Farabi State University. The press ran a great many responses based on the results of that forum. Many statements are appearing in the mass media. Take for example the interview with Professor Diarov in the Atyrau newspaper *Ak Zhaiyk* and in *Kazakhstanskaya Pravda*; members of Green Women disseminated two reports over the Internet. The common theme of the statements that have reached me is the alternative: oil or fish, as mutually exclusive factors.

I do not hold this point of view. I believe that a combination of these two directions of economic activity, a combination of the use of the mineral resources of the sea floor and preservation of the biological diversity of the sea, is entirely possible if modern technologies are used and unfailingly observed. In large measure, the reasoning is usually based on an analysis of the accident at Well 37, which burned for a year, during the development of the now operative Tengiz Field. Nearly a million metric tons of crude oil burned up then, and a great amount of hydrogen sulfide was emitted. But, first of all, natural disasters are inevitable, and secondly, the very long time needed to recover from the accident was due to the fact that our oilmen wanted to do everything through their own efforts and with their own resources, without resorting to available world know-how and equipment. It should be noted that the requirements of our law mandating

burning of hydrocarbon emissions containing a high level of hydrogen sulfide are not in line with world standards.

When I was in Canada, we were told of an accident at a gas well with a high hydrogen sulfide content. It was killed in 1.5 weeks. There were some emissions, and the well burned up. Canadian specialists put out the fire immediately. For the time needed to control and recover from the accident, the public was evacuated from all dangerous areas, and the well was killed. When it was placed back in service, the regulatory requirements were tightened up with respect to both drilling practices and designs and materials. Since then there have been no serious accidents, though minor incidents take place fairly often.

The level of the accident was such that the odor of hydrogen sulfide was picked up, we were told, in the United States at a distance of about 1500 kilometers. That is, this was not a minor accident, but it did not serve as the grounds for shutting down oil and gas production in the country or in regions with a much higher population density than we have. I therefore think that conducting environmental measures that will minimize, though not eliminate, the danger is entirely feasible. The requirement that 100% of accidents be prevented would be the other extreme. Anything can happen, but no matter what does happen it would not be global in impact and would never reach a level (from either individual wells or individual accidents) that could lead to the complete destruction of biodiversity, to a catastrophe. I stress this point because the publications mentioned above and other publications constantly use words such as «catastrophic» and «global» in reference to the environmental consequences of oil operations in the Caspian.

Even in speaking of the consequences of the major accident at Well 37 from the standpoint of environmental impact and the direct impact on the surrounding land, one may assert with complete certainty that it was entirely local. It is of interest that, as I learned from an eyewitness, when the well still had not caught fire in the first days, people quite calmly approached the well, which was spewing oil and gas with a 20% hydrogen sulfide content, without respirators. But this of course is a rare event. Hydrogen sulfide is a very dangerous, toxic gas; this is why the sanitary protection zone of the Tengiz Field, like those of the Karachaganak fields in Western Kazakhstan Oblast, was expanded to 10 km., versus the customary 1–2 km. This is an entirely reasonable decision: in this case no one needs the risk, though in Canada it wouldn't occur to anyone to adopt such protective zones: safety is assured by process engineering. After all, the maintenance of a protective buffer strip requires major expenditures.

For example, when the boundaries of the sanitary protection zone were set, a mandatory condition was that the closest inhabited point — the village of Sarakamys — be moved. But to date it has not been moved. The village is a small stock-raising settlement, which previously was the base camp for the Prorva Field. The people do not want to leave it now. There is nowhere to go: where they have been told (or more accurately, were told) to go there is no work, while they have pastureland here, a place for their camels to graze. When there are no means of livelihood, people no longer fear anything (think of those who are returning to the Chernobyl zone, bypassing all barriers). Of course, this is no solution. But such is the situation that has taken shape.

The foes of conducting any oil operations in the Caspian strongly emphasize the high level of pollution of the Caspian Sea and its impact on the biota. They attribute to pollution the current spread of various diseases, including muscle separation, among fish. You heard the same arguments in regard to Sorbulak and the Balkhash Basin. It was the same disease, both in Acipenseridae and in other fish species. I am no ichthyologist, and perhaps my proposals are amateurish, but as far as I can see no one has been able to prove that there is any kind of direct correlation. The almost complete destruction (except on the Ural River) of natural spawning grounds must have played no less a role in the genetic changes in sturgeons, which also are noted and attributed to pollution alone. On the Volga only some very small areas in the lower run of the river remain. And the sturgeon, the population that had to travel the river in its natural state to Saratov and beyond, over a distance of nearly 1000 km., now has to travel just 500 km. to spawn in fresh water. Naturally, this too must have affected the hereditary apparatus of the fish.

The level of pollution in the Caspian Sea has decreased significantly of late, despite the fact that all publications speak of an increase. This is because most of the pollutants are carried in by the discharge of the Volga, and the volume of pollutants discharged has decreased dramatically in the Volga basin. The situation has now stabilized to some extent as a result of the decline in erosion from flooded fields on the Kazakhstani coast. In some cases they were washed away by wind-driven waves, and in other cases local dikes surrounding the fields played a part. After wind-driven wave events, restoration of the marine environment takes place in fairly short order.

According to data of the Atyrau Oblast Administration of Ecology, within three months the background level of the state of the sea was fully restored, even after one of the largest wind-driven wave events that washed

petroleum products from existing fields on the north coast. In recent years these observations and the monitoring that environmental authorities have forced all companies that want to work in the sea to implement (both our own and foreign experts took part in the observations) have demonstrated the relative well-being in the state of the marine environment. This does not mean that the sea has become as pure as the driven snow — I fear that such places no longer exist on earth. One sees two–three times the maximum acceptable concentration (MAC) of petroleum products, and in places up to four times the MAC. But the greatest violation of standards is seen with respect to phenols. I’ve been trying to find out from anyone, why phenols? Half say that this is due to petroleum products, and the other half say that it not caused by petroleum products. Onshore we have phenol, which is basically a product of human activity. Normal sewage or any other municipal discharges carry most of the phenol. There is a lot of copper in the Caspian Sea. Its specific source also is unknown. It enters the sea with surface runoff, and no routine local discharges have been identified. Phosphates have declined. There were and are pesticides. This is because they undergo very little decomposition, and reenter the water as a result of agitation every time the bottom sediments are roiled during big storms and heavy wave action. Over all and in general I have set forth everything that I wanted to as the basis for our discussion. I think that’s enough. On the one hand, there is a great deal of information, but for systematic generalizations it never will be enough.

The problem is that whereas Russian weather stations have remained in operation in recent years, ours have all been shut down. Whatever we have been able to obtain has come from expeditionary surveys. Thank God that in the period since 1993 we have some work to show: impact assessments for geophysical surveys, and later exploratory drilling. The requirement to carry out work in accordance with the requirements of governmental environmental expert review has forced the oil companies to conduct background studies and environmental monitoring. In the period 1994–1995 monitoring was carried out at 50 stations throughout the entire Kazakhstani sector of the Caspian Sea. In the years since then observations have been carried out at twenty five stations, mostly in the northeastern preserve part of the Caspian Sea, in regions of planned drilling.

In the northern region, observations are conducted regularly in the area of drilling operations, once each season. In some years the winter season is skipped to assure safety during the surveys, especially since such surveys in the impact-assessment stage are not of great consequence for a general understanding of the situation.

A specific feature of the Caspian Sea is the cyclic changes in its level. This is not a disastrous situation, as some have tried to depict it to be of late. The disaster is our own stupidity and lack of foresight. The fluctuations of the Caspian have long been known, and in Russia they were studied at the turn of this century by Academician L. S. Berg. This program of water-quality measures, with discussions of the fall in the level of the Caspian, which the Moscow Institute of Water Management offered in the Soviet era, therefore always has been incomprehensible to me. This was a purely market-driven policy. The fluctuations are within the range of long-term normalcy, and are not at all disastrous from the standpoint of natural history. After 1978 the sea rose 2.5 m. (from -29 to -26.5 m.), but it has now begun to decline once again. At the end of 1995 the level stabilized at -27 m. Now it has reached -27.7 m.

Any sea is a living organism. And a second peculiarity of this sea is the fact that wind-driven waves develop on it because the sea is very shallow, and wind activity is quite intense. Holding its direction for several days, the wind takes hold of large amounts of water and drives them ashore with a wave height of 1.2 m., in places up to 1.5 m. Because our coastline, like the Russian one, has an extremely gentle slope, the wave drives 30–40 km ashore. Whether this is harmful or beneficial, the result here is the same as with human activity: for some things it is harmful, and for some things not. For agriculture this phenomenon has extremely favorable consequences: flooding of a sizable area, flushing of salt from the soil, and attendant improvement of the fodder base. Over all, of course, adapting to sea-level fluctuations is not a simple task. Humans cannot live without water, and you don't need to be convinced of this. As the sea level fell (from the 1930s to the 1970s), people followed the sea. The whole development and engineering infrastructures perforce followed the people. The oil fields made no allowance at all for sea-level fluctuations. They kept to their old onshore methods; accordingly, the infrastructure was drawn to them: oil pipelines, high-tension power lines, the transportation system, and settlements on the north sea coast. The city of Atyrau also expanded seaward. Everything followed the sea. And when the sea began to rise, we began to speak of a disaster. In short, we created our own problems so that we could fight them. We could well have followed the sea without building any capital structures, making do with a situation in which everything could be disassembled and evacuated at any time. Humans have settled and always will settle near the water. When we speak of water-conservation zones, of a ban on living within them, this is impractical: people simply need to live well and decently in water-

conservation zones. Take one particular situation: 15–20 years ago (I don't remember the exact date) there was enormous flooding due to a monsoon in the delta of the Ganges River in Bangladesh. Something on the order of 2 million people died. Everything was flooded for a vast distance upstream, where people lived on alluvial low islands. That was truly a global disaster. When the water receded and the river went back within its banks, after just 5 years these places began to be repopulated, even though many knew full well that that flood would not be the *last*.

Question: How do you view the status of the preserve zone? To judge by your statement, it would seem that the zone was established under public pressure. Does this unique territory deserve the status of a preserve zone?

Answer: The preserve zone was not established under public pressure. In 1974 we had practically no public. We had a socialist society, and everything was done rationally, according to plan. The preserve zone therefore was created under pressure from the Ministry of Fishing Industry in order to preserve the population of Acipenseridae. This was an entirely reasonable step, because it allowed the introduction of certain restrictions. When those of us at the Kazgiprograd Institute drew up a development and siting map for preserve-fund facilities, we quite sharply protested the use of this term in this case, since it discredits the very concept of preserve status, in that absolutely everything was allowed in the zone: navigation, fishing, seal hunting, and the barbaric clubbing of baby (white-coat) seals. But the introduction of some restriction from the standpoint of conserving fish resources was fully justified. One could have written «Marine Reserve» or any other name you could think up, even «Zone with Special Conditions for Conservation of Fish Resources.» But the term «preserve» was not acceptable. Today, when the effective development of the offshore area of the sea has begun, I no longer oppose this term. The concept of preserve status serves us as a weapon in our relations with economic entities. In this case the word does have a big role to play.

Question: How justified is the statement that we often hear at conferences: why did oil production have to be started in the Caspian Sea when there are many explored fields that have not yet been exploited? Why go to sea when there is oil onshore?

Answer: This question is not environmental, not even economic, but political. In this case Kazakhstan will have to work at sea. We need to know that there is enough oil to support the republic's political authority for now. This is basic.

Secondly, Azerbaijan is producing oil all out. Oil is produced in various places. For the first five years after our separation, Russia was a fierce opponent of oil production in the Caspian Sea solely because it had enormous volumes and reserves in Western Siberia and did not need this oil. But now the only fine field we have supporting our oil independence is Tengiz. Even in the Soviet era we destroyed, with practically no effort at all, such fields as Uzen', Prorva, and Zhetybai in Mangistau Oblast because we hurried production and released so much gas that the fields were depressed. Now those fields produce approximately 75–80% water and 20% oil. Still, don't think that that's bad. In Los Angeles I visited fields right next to the city that produce 99% water and 1% oil. One field was leased from the city by oil producers, but the city owns the field. There is production from islands near the coast. The islands are ringed by palm trees. All the drilling rigs are covered with lovely special screens. None of the facilities disturbs the esthetics.

Question: What if the republic moves toward predictable economic losses to enhance its political image, that is, oil is cheaper and simpler to produce on shore than on the shelf?

Answer: No one has the slightest doubt that oil is cheaper to produce on shore. On shore we have just one field of the same stature as Tengiz: Korolev. Offshore, all foreign companies have aimed only for similar fields. The first highly promising site that will now be explored is Kashagan. If it does not produce a lot of oil, all the hullabaloo over offshore operations will fall off by some 70 percent. This is very expensive amusement. But it is justified only if the field is highly productive and the crude is of high enough quality. In the Soviet era several refineries «fought» over Tengiz oil. And recently the press wrote that the views of Kazakhstan in terms of oil production are utterly unwarranted if the country has just one large field — the Tengiz Field — and its oil is of poor quality.

Question: Is the paraffin content high?

Answer: None, in Tengiz there is none, hasn't been any; there is paraffin at Uzen', at all the other fields, but not at Tengiz. There the oil has a high sulfur dioxide content, is corrosive, and requires major outlays to desulfurize it; that's why its quality is lower. Once the hydrogen sulfide and mercaptan (an aromatic hydrocarbon with an unusually foul odor) are removed, then this is a light crude of fairly high quality.

Question: Let's take a closer look at the hydrogen sulfide. I disagree with your statement that pollution does not affect the fish. First, the spawning grounds of Acipenseridae on the Volga have been blown up,

that is, the fish are cut off from their spawning grounds. On the Ural River all the spawning grounds have been preserved. The closest dam is the state regional power plant in Orenburg Oblast. It has been noted that in the case of the fish of the North Caspian, the Acipenseridae, pollution specifically played a role in the decline of their populations. And this was proven as follows: Acipenseridae can be subdivided quite neatly by their dietary range into predators, mixed type, and saprophages. The starred sturgeon (sevryuga) consumes organisms that have a high pollutant content and is most subject to myopathy, specifically muscle separation; the great sturgeon (beluga), which is a predator and feeds on more or less pure fish, is less subject to this disease. Therefore, saying that pollution does not have any direct impact on the fish is a complete fabrication.

In connection with this I would like to ask whether you take into account in your work the fact that in the North Caspian, at places where Volga water flows in, stagnation zones due to the high hydrogen sulfide content form, and vast spaces deprived of oxygen become dead zones. Do you consider oil-production programs per se or with consideration for the fact that there are other pollutants as well, which will not wait — they continue to have an impact and obviously will continue to have an impact in the future?

Answer: In regard to the spawning grounds. Unfortunately, a great many spawning grounds on the Ural River have been lost as a result of our active campaign for environmental purity, which 10–15 years ago resulted in the ban on navigation. Then cleaning of the navigable channel was abandoned, and nearly all the spawning grounds silted up and choked up. And now I am advocating the resumption of navigation, since no money is given simply to clean up the channel. But when there was navigation, the channel was cleaned regularly.

You are entirely correct that the Ural remained the only clear river in the Caspian, since there are dams everywhere on the Terek, the Sulak, and the Kura. On the Ural, practically all the spawning grounds could be restored.

Concerning mass-destruction phenomena and natural hydrogen sulfide. We know about this, but in our zone such areas have not been found during monitoring. Monitoring was carried out in the Kazakhstani part of the Caspian. But we will never free ourselves of natural processes — they have been and will be. We are trying to encourage reductions in the quantitative scale of phenomenon.

Everyone categorically demands that in building the foundation you must take into account the mounts of hydrogen sulfide that will be released

because you will upset the bottom sediments. Yes, indeed, there will be emissions, but only for three days, after which everything will stabilize. After each storm, after every major wave action in the Caspian, the bottom sediments are roiled everywhere to a depth of four to five meters. Demands should be made, but they must be reasonable. I am not saying that there will be no impact. There will be. After that, the question is, will we or will we not be able to observe the balance that we now have? Will these changes reach a level such that the state of the ecosystem will be changed, or will they be limited and the impacts largely compensated by the benefits that we will derive? We say: we have a disaster, fish catches are declining, and we will lose our fish resources. The fish schools are now on the move in the Caspian, but we do not take one-tenth of what we could [in the past]. The carp are running along the north coast, and also at Sorbulak, and we do not catch them. Our sprat catch has fallen by well over 90 percent. I believe that the present fishing unquestionably has a bigger impact on fish populations than pollution does. The situation in the Caspian is now such that the shoal, with the exception of Acipenseridae, is not taken at all.

Question: The expert review group has now issued its orders. To what extent is there oversight of these orders? And is the oblast administration of ecology active here?

Answer: They are. I can't speak as to this moment, but they are working quite actively, despite their very limited funding. Through their orders, environmental authorities require investors to furnish in a timely fashion information on the site, time, and status of work, and to place an inspector on board, and require them to collect any samples and send them wherever they must go. It should be noted that the requirements of Kazakhstani legal and regulatory documents are much milder than those embodied in Russian law concerning the continental shelf. There an inspector must be on board the drilling rig throughout the entire work period, with accommodations at the level of the ship's officers. This mandate conceals the poverty of states in the post-Soviet period.

Question: The question came up at a meeting at the Kazakh Abai State University. You said then: we cannot guarantee 100% safety, that is, spills are perhaps somehow calculated, and determined in monetary terms. You said that such calculations had been made for hypothetical spills, the economic damages had been calculated, and the amount of money needed to restore disturbances, to provide compensation, and so forth had been determined. How does the amount of damages from the largest spill relate to the assets of the company that now will begin to drill for oil? Won't a situation arise in which this company, registered

somewhere, has shareholder equity and assets (another big question is the legal status of the company) that may prove less than the amount needed to recover from a possible spill? The scale of what happened in India, in Bhopal, or with the [Exxon] «Valdez» still hasn't been estimated. How does this relate?

Answer: Let us consider two positions. Our economic mechanism for the use of natural resources breaks down into two parts: payments for the use of natural resources, and compensation for harm. If payments for the use of natural resources, for emissions into the air basin, for waste disposal, and so forth are secured as concrete amounts in the Production-Sharing Agreement, then compensation for any harm resulting from a breakdown in technology or from any other force, major circumstances will be assumed unconditionally by the Consortium in full. The second issue is wherewithal. The Production-Sharing Agreement of which we are speaking has been entered into with six companies, which are among the largest in the world. That is, the question of whether their assets can compensate for harm in the event of an accident has only an affirmative answer. In the West there is a scale of requirements: a company must insure its operations on a compulsory basis, and insurance also is taken out against the possibility of environmental damage. There are a number of companies to which this requirement does not apply. For example, Mobil does not always insure against risks, since it is able to pay damages out of its own assets.

Question: What then is the legal status of an enterprise such as the OKIOC? Is it a subsidiary or a joint venture with stakes held by the six companies?

Answer: The Production-Sharing Agreement was entered into by the Republic of Kazakhstan government with a consortium of Western enterprises from six companies and the Kazakhstankaspishelf JSC (now, after the government's sale of the Kazakhstankaspishelf stake to Philips Petroleum and Inpex, the Consortium has eight companies, or more accurately nine, since BP and Statoil are acting as an alliance). It is not a joint venture. It is a consortium of Western companies (if one counts the Japanese Inpex as Western). It acts through its operator — OKIOC. But the operator is not a financial entity. It acts at the direction of its management committee, which includes both representatives of the companies and representatives of the Republic of Kazakhstan government. All companies have joint liability for all their commitments. It is not some offshore company registered in the Bahamas. When Kazakhstankaspishelf originally joined the Consortium as a separate company, our fields were its assets. Kazakhstan invested no money. But

obviously it assumed a share of the liability for any possible environmental damage. Now the Consortium will pay for everything on its own.

Question: You said that the spawning grounds of Acipenseridae died as a result of silting?

Answer: They did not die but lost their productivity. They still exist, but there are far fewer of them.

Questions (continued): Before people began to clear out the channel, how did they exist? There was silting . . .

Answer: This is a problem not only on the Ural River. We logged all the forests. You know that here along the Ural River leafy groves covered almost the entire area of the river valley above Ural'sk. We cut down absolutely everything. We ploughed up everything we could, the fields ran right up to the Ural River, and even the floodplain was ploughed in the Soviet era. Silting is an anthropogenic process. It is not due to navigation, but began when we started to develop intensively the banks of the Ural, and we then began to clear the channel. It was always cleaned, since it changed constantly. If you want ships to travel, the channel must be kept in order, and this need grows as the silting process intensifies. And when the [cleaning] operations abruptly came to a halt, the amount of spawning grounds decreased very quickly. Not only the spawning grounds of Acipenseridae, but in part those of small ordinary fish species as well.

Question: Under what environmental standards do Western companies now operate in the Caspian: international or their own?

Answer: The Production-Sharing Agreement clearly states that the companies must operate in accordance with the requirements and standards of the Republic of Kazakhstan above all, and only then in accordance with international standards. This is not always a good thing. If there are contradictions, the more stringent standard (ours) applies. Our standards are the former Soviet standards, which are very strict, sometimes to the point of being unreasonable due to their impracticability.

Question: Which country or group of countries has the tightest standards in oil production?

Answer: Today nearly all countries use the standards set by the American Petroleum Institute (API). This is an organization that prepares and drafts standards for practically the entire world. Their standards-preparation system differs fundamentally from ours. It differs in that the standards and any positions taken are prepared, on one hand, by

governmental agencies with public participation, but on the other hand, the participation of industry also is mandatory. Their requirements are balanced and rely on realistic assessments. The same principle is applied in Germany. We, in contrast, discredit ourselves, and collect enormous amounts of payments, since our enterprises are unable to keep within regulated emissions levels. But we give almost nothing from these payments to environmental protection. If 20 percent remains, that's good.

Question: Doesn't Kazakhstan face the problem of recycling iron and metal structures? How will this problem be handled?

Answer: This question came up in the initial phase, when we faced the question of choosing the type of drilling foundations, and I always was an advocate of islands. The option now chosen is optimal. That is the barge. The sea will have islands, or more likely barges, to depths of seven–eight meters.

Question: Doesn't this island system interfere with the natural migration of fish and other marine wildlife?

Answer: I think not, because the area occupied is negligible. If one calculates on the basis of area, even if we develop all 120 blocks offered, that would mean on the order of 120 islands. That is a hypothetical figure. But realistically, of course, the companies will merge and drill with a smaller number of islands. An island takes up 4 hectares. This of course is not a problem without difficulties, since there are certain places that ichthyologists define as permanent, saturated migration sites for wildlife and fish, so especially sensitive places will be avoided.

Question: There is a non-governmental U.S. organization called the «Council of Economic Priorities». It surveyed leading U.S. oil companies on a number of items, including whether the companies that now intend to drill have an environmental policy, and whether they enunciate it in the Republic of Kazakhstan.

Answer: This environmental policy is stated by the Consortium — we cannot deal with every company. Any company that presents us a project, even a tiny company, must without fail submit its environmental policy.

Question: That is, we may assume that these documents are open and can be obtained?

Answer: This is described as a separate section of their EIA. Many companies also submit a separate document. At the recent KIOGE-98 exhibition, a number of companies passed out booklets containing their environmental policy. They are largely promotional, of course.

Question: A number of large private companies have become advocates of introducing voluntary green standards for purposes of promotion and to verify that they actually do suffer losses. The question arises: in developing crude oil in the preserve zone, did these companies adopt tighter voluntary environmental standards or not?

Answer: I don't know. I have never encountered this phrasing in negotiations or in the expert-review process. It was officially documented that all companies that signed the Production-Sharing Agreement would commit to obey the laws of the Republic of Kazakhstan and international environmental standards, and to compensate in full for any unanticipated harm (accident situations). I am confident that no company, if asked, would refuse to send in an official document. They have been drawn up and elaborated in detail (100, 200, even 400 pages). Our instructions of course are more concise, more local, more definite. In the West such documents contain some free will: if such and such happens, we will react in a similar fashion, and if that doesn't work, any possible consequences will be passed on to others. But here things are simple: gas emission is prohibited, and that's that!

Question: When Kazakhstankaspi shelf reported to the Ministry of Ecology on its first year of operations, the question came up at the meeting regarding the fact that a significant number of wells were drilled during oil exploration around the Caspian, far from all of them were placed in conservation, and as the level of the Caspian Sea rose, the danger of flooding and of spontaneous release of crude oil from unplugged wells cropped up. [Take] the fact that many of them were lost after flooding, were written off because the Soviet Union had drilled them, and now Kazakhstan could not find the documents or the exact location of those wells. Are you considering this problem? And if so, how is it being addressed?

Answer: This problem is being examined in great detail. An international conference dealing with this matter will be held soon, at the end of November. Kazakhstankaspi shelf, as the Consortium's operator, also has conducted a study of this question. We now are dealing with the Consortium itself. That is, both Kazakhstankaspi shelf and OKIOC will be accountable. All work on impact-assessment that has been done includes searching for and studying those wells that could be found. Kazakhstankaspi shelf also ordered diving operations. The diving group tried to find completely flooded wells. It did find one well in the Rakushechnoye More Field, which flooded near the coast of Mangistau

and which was drilled by the Azeris. They had a gas release, the foundation was underwashed, and the platform toppled. No other wells were found, despite searches using available geodetic coordinates.

Question: Can they be sources of spontaneous emissions?

Answer: No such phenomenon has been detected anywhere else.

Question: So far?

Answer: Not «so far» but «to date». In the northern area, a study was made during recent work within the fields, and a number of wells were found from which oil continues to effuse through the sucker rods. These are relatively small amounts. There are many unconserved wells. We are now drawing up a plan on this matter to obtain a grant.

Question: We know that work has been done to determine the content of petroleum products in seal bodies: the liver, the muscles, nerve tissue. Do you know who did that work and what the results were?

Answer: Here I can't give you anything specific, but I can find out. As for fish, ichthyological studies and studies on all three types of tissues have been conducted for many years in all stages of the monitoring studies mentioned above.

Question: KazNIIRKh [the Kazakh Scientific Research Institute of Fishing Industry] has not published these data, claiming that they are confidential.

Answer: Those are not confidential materials: they are fully at the disposal of the Ministry of Ecology. Furthermore, I have communicated with OKIOC, and they are prepared to give permission for release of these materials.

Question: Nonetheless, the people responsible for them refuse to answer any questions, claiming that they are bound by contractual terms.

Answer: They are behaving correctly. There are two ways: go directly to the Ministry of Ecology or the company; they will furnish some 80 percent of the information. Some people actually are bound by contract. When I made a report, the National Report of the Republic of Kazakhstan on the Caspian Environmental Program, a special letter was sent to each organization, requesting permission for the invited contractors to submit all materials needed for the report. That permission was granted. But the United Nations Development Program is the sponsor of the report. I have the report on my desk, but until it is published in final form, I can't present it for your information. Not because of confidentiality, but because of the notorious copyright.

Question: Here's how we take it: if they are being quiet, that means they have found something negative.

Answer: No, unequivocally no. There is pollution, there are changes of a precisely determined extent, but no more than noted in all the Soviet work. I cannot get the information from Kazgidromet [the Kazakh Scientific Research Hydrometeorological Institute].

Question: You have spoken of pollution. Have you tracked mercury in the North Caspian? How much if any mercury is there?

Answer: I believe that we have almost no mercury.

Question: I know that a discharge came down the Volga.

Answer: Yes, but we don't have any. Studies were done, but no significant presence of mercury was found. It should be noted that mercury is a very difficult element in terms of finding the source. In its day, when Kazgiprograd implemented the Almaty environmental-protection program, mercury was found at many points, but where it came from is hard to say. The main thing, after all, is not to find the pollutant but to detect its source and plan ways of eliminating it. Studies need to be conducted over a long period of time at a single point, and a judgment needs to be made from the systematized results. Then one could agree that this content is a reflection of a real situation. It always has been a puzzle to me where the mercury comes from. Wherever I go, there always is an excess level.

Question: Let us continue with the topic of green standards. Recently our organization turned up a document (that we bought) called Environmental Accounting of Enterprises. The document was prepared by the UN Intergovernmental Working Group of Experts on International Standards. It contains a section titled «Environmental Record Laws of Various Countries». Here «environmental records» means the record-keeping of transnational companies. In this case the companies that are operating in the Caspian are transnational. We did not find information on Kazakhstan in that book. Do Republic of Kazakhstan law and regulatory documents contain any provisions related to environmental records and reporting at enterprises? A situation takes shape in which the transnationals claim that they are acting according to the laws and standards of the countries where they operate. The United Nations published laws concerning documents required by various countries, and it turned out that an overwhelming majority of developing countries have no requirements at all for environmental documentation. It therefore is convenient to state that we act according to the mandates of some country

where the law doesn't even mention environmental protection. Which documents must they submit, and how is this reflected in the legislation?

Answer: Any enterprise of the Republic of Kazakhstan, any economic entity of the Republic of Kazakhstan, any legal entity is accountable on standard reporting forms. A transnational company, a joint venture, a small Western company, or a gigantic plant all use standard reporting forms. They all are accountable to local units of environmental oversight authorities, and they all are registered. If they do not conduct any activity involving an environmental impact, they are exempt from reporting, though they must first prove, for example, that they are exclusively a sewing shop and don't have, for example, a paint shop. This is our approach, which we defend — total environmental expert review, to which all economic entities are subject, and it decides whether or not you are having an impact.

This brings protests from Western investors, but the environmental reporting of any enterprise obeys the legislative requirements of the Republic of Kazakhstan under a unified approach. After all, there are specific forms: for the air, for the water, and so forth. Furthermore, at some stage all enterprises, even the tiniest, must fill out an enterprise environmental certificate («passport») according to Union standards. Most of them have done so. For now the brakes have been applied to certification, but it most likely will be resumed.

Question: You have spoken of the role of green environmental organizations in solving the problems of the Caspian. What would you wish for those nongovernmental organizations concerned with problems of the Caspian Sea?

Answer: I believe that in many regards they must act as they have acted up until now. Because without that everything would be very quiet and calm. The green organizations should continue to raise public opinion and focus public opinion on those negative and dubious aspects of economic activity. Without that, we will never be able to observe the balance of interests between environmental protection and social development. I am convinced that ecology and ecological problems (the environment and environmental problems) are not natural but social problems. The ecology of which we speak is a social science, in contrast to ecology as a purely natural science. I am convinced that the social movement, the green movement, should observe some balance in developing their positions. Those positions should be stringent, well-founded, and objective and should not be focused solely on the negative

effects of economic activity, and should not cull out only the most extreme, most egregious facts. They definitely should be published and brought to the attention of people and executive authorities, but behind them we need to see the overall balanced picture as well, we need to see the role of these negative factors and clearly determine whether the most extreme manifestations will be able to affect the overall state of the ecosystem or environment both from the standpoint of preserving the natural environment and from the standpoint of creating normal conditions for human existence, that is, from the standpoint of creating a different anthropogenic ecosystem, one that also has the right to exist.

The material was prepared for publication by Mariya Kamenskaya who was a volunteer of Green Salvation in 1998.

November 1998.



Information

**GREEN
SALVATION
HERALD**

HIVOS

Humanist Institute for Co-operation With Developing Countries

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Mission statement

Hivos is convinced that poverty is a consequence of unequal opportunities and an unfair distribution of knowledge, power, production and income—on a global scale and within national states. Our world can only be a sustainable and fair place to live if more people have access to the resources and the decision-making processes that determine their future. Nowadays, the information revolution offers us new ways of achieving this. Access for all is a motto, which succinctly expresses the ideology and policy of Hivos.

Hivos, the Humanist Institute for Development Cooperation, wants to increase opportunities for people in the South and give them greater scope to develop themselves. Local organisations and community groups can play a key role in this. They support groups of citizens who defend their own interests and who fight for human rights and democratisation. Such groups build the foundations on which the structure of society is erected.

Hivos supports autonomous non-governmental organisations, which contribute to sustainable development. Hivos is their ally in the political

debate on international cooperation. As an active member of Dutch and European networks, Hivos lobbies for a foreign policy that gives consideration to the interests of developing countries.

Policies

Hivos does not carry out projects or programmes itself, nor does it post development workers overseas. Hivos provides financial support and advice to local NGOs. These organisations carry out a wide range of activities at many different levels of society. They play a role in the way in which their society develops. Hivos always seeks out partners that are not afraid to point the way, that are not dogmatic and that welcome innovation.

Hivos takes an institutional approach in supporting organisations that enable people to stand up for their rights and that increase their access to decision-making. This entails support not only to the activities of the organisation, but also to the organisation itself: organisational and policy development, financial control, internal democracy and public accountability. Based on this same approach, Hivos encourages and fosters cooperation between organisations, social movements and national umbrella organisations.

Hivos supports organisations that are secular, autonomous and without government ties. Hivos places great value on an association with large organisations and interest groups from the local community, selecting them on the basis of its policy priorities. At a national level, such organisations can be powerful champions of the interests of underprivileged groups. Community-based organisations constitute a second important group. Such grassroots initiatives can demonstrate that things can be done differently and better. Organisations that combine these two elements (influence at a national and a grassroots level) are particularly valuable. Hivos also supports NGOs that act as intermediaries and service providers if the services they offer are related to Hivos policy, if they are effective facilitators and promote access to decision-making. Network and umbrella organisations also receive support on a limited scale.

Hivos concentrates its activities geographically in a limited number of countries and regions. In Central Asia it limits its work to Kazakhstan and Kyrgyzstan.

In allocating its funding, Hivos gives priority to five special themes and sectors, which it likes to refer to as policy spearheads. They are:

1. economy and credit facilities
2. culture and the arts
3. gender, women and development

4. sustainable development
5. human rights and AIDS

Environment: sustainable development

In 1999, a new policy paper defined Hivos's strategy on the environment. This strategy revolves around sustainable development: economic, political and socio-cultural developments cannot be taken out of their ecological context, which is formed by the limited natural resources available to us.

The new strategy — development from the perspective of the environment — emerges from Hivos's experience with environmental policy in the past ten years. Hivos has successfully established a sound collaborative structure with organisations prominent in the field of sustainable development. However, it has been extremely difficult to convince other partners to integrate sustainable development into their activities.

The policy paper presents a long-term vision of how this integration can be accomplished: it concretely defines the common ground between human rights, gender and the environment, such as the right to live and work in a healthy environment. Hivos supports organisations that work on that common ground—for example, organisations that advocate local ownership of natural resources. The paper also explains how economic and ecological development can be integrated. The new policy gives high priority to groups that promote technologies and production processes, which are friendly to humankind and the environment alike. In formulating and elaborating this environmental policy, Hivos works together with organisations such as Vereniging Milieudefensie, Friends of the Earth International and IFOAM (International Federation of Organic Agricultural Movements).

Green Salvation in Almaty was one of the first partners of Hivos in Central Asia. The start of the cooperation dates back from Mid-1994.

If you would like further information, please contact us at the address mentioned above. Documentation (in English and Russian) is available on the basic principles, criteria and implementation of overall Hivos policy and policy in respect of the special priorities.



ISAR, the Initiative for Social Action and Renewal in Eurasia, is a nonprofit organization that supports the development of grassroots civil society in the countries of the former Soviet Union. With offices in Azerbaijan (Baku), Kazakhstan (Almaty and Atyrau), Russia (Moscow, Novosibirsk and Vladivostok), Ukraine (Kiev) and headquartered in Washington, DC, ISAR has worked with grassroots partners in the former Soviet Union (FSU) since 1983. Since 1991, we have focused specifically on working with NGOs in that region.

ISAR provides financial support and training to NGOs, produces publications, supports partnerships and exchanges, and provides advocacy and publicity for Eurasian NGOs in the US. ISAR responds to locally identified needs and recognizes that approaches to problem solving differ from community to community. By hiring local staff and seeking the guidance of regional experts through local boards of advisors, our programs reflect the priorities of the communities in which we work.

ISAR's mission:

ISAR promotes citizen participation and the development of the nongovernmental sector in the countries of the former Soviet Union. Our offices in the US and Eurasia support citizen activists and grassroots nongovernmental organizations (NGOs) in their efforts to create just and sustainable societies.

ISAR's offices facilitate links among activists, nurturing partnerships among NGOs in Eurasia and the US through programs that emphasize information exchange, cooperative activities and networking. ISAR also educates the public in the US and Eurasia about the unique role that grassroots organizations play in shaping positive social, political and economic transformation in the countries of the FSU.

Our programs: Financial support to ngos:

While NGOs in the FSU identify the crucial issues in their communities and devise strategies to address them, they frequently lack the financial resources to implement projects. Since 1993, ISAR's small grants programs have provided over \$3.5 million in support of over 2,000 grants in 11 countries of the FSU (Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, Turkmenistan, Ukraine and Uzbekistan). From monitoring radiation levels in Ukrainian schools to producing the first ever Tajik-language Red Book of endangered species; from protecting endangered nesting grounds for cranes in Russia to

conducting environmentally sound agricultural seminars in Turkmenistan; from providing consumer protection in Azerbaijan to developing women's self-defense classes in the Russian Far East; from protecting fragile desert ruins in Georgia to producing alternative publications in Moldova, NGOs across the region have utilized ISAR's small grants programs to protect, preserve and educate their communities.

Training:

In order to help establish strong, effective organizations, ISAR provides training to NGO activists on subjects as basic as «What is an NGO?» to strategic planning and the development of a board of directors. We also provide technical training such as basic computer skills including e-mail and Internet use, budgeting, and financial management. From one-on-one consultations to group training sessions, ISAR's staff tailors training sessions to the needs of our clients, ensuring effective methodology and techniques. ISAR's trainers are professionals from the communities we serve.

Partnerships and exchanges:

One of the key elements for assuring the sustainability of NGOs is partnership. Through our cooperative grants programs, we have provided \$1.9 million to support 53 partnership projects between US and FSU environmental activists. Through our women's leadership program, several ISAR offices are jointly managing a project bringing women environmental health leaders together for joint training and project planning, exploring strategies for effective women's leadership and community action. ISAR's Transcaspian program unites environmental activists from around the Caspian Basin to work together on their common environmental concerns. The program offers a cooperative grants program, an e-mail network, an information service, and topical seminars to address critical issues identified by the activists.

Publications and information

Each ISAR office produces publications that offer news and analysis on civil society and the NGO sector. ISAR-DC's quarterly journal, *Give & Take: A Journal on Civil Society in Eurasia*, explores key issues on the development of civil society, featuring articles by FSU authors and experienced US practitioners working in the region. Each ISAR overseas office publishes an information bulletin, which is disseminated via hard copy and electronically to regional and international subscribers. Our quarterly newsletter, *ISAR in Focus*, describes recent program activity from all of our offices.

Information

ISAR-DC's regular NGO Forum series focuses on topics related to strengthening and publicizing the work of NGOs in the FSU. In addition, ISAR-DC maintains a comprehensive library open to the public, and our website (www.isar.org) offers an archive of articles published in our journals, along with program information from each of our offices.

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**Junior
Achievement
of Kazakhstan**

**SUMMARY OF THE ACTIVITIES
OF THE PUBLIC FUND «JUNIOR ACHIEVEMENT»**

The main goal of the public fund «Junior Achievement» is the promotion of ideas of open society through the development and proliferation of the programs of economic education for youth and children. We consider that the economic stability is the warrant of social safety, the educational level of the population playing not the last role in it.

The activities of JAK are organized in several major directions:

1. Organization of 5-days' training seminars for the teachers:
 - starting seminar in the program of Applied Economics for high school students in Russian and Kazakh. At the trainings the teachers get techniques of teaching macro- and microeconomics, play business games and learn how to organize them in class, study MESE and learn about running a Student company;
 - second level training seminar for economics teachers of high schools – «Microeconomics, macroeconomics and active methods of teaching»;
 - training seminar for primary school teachers on the program «Fundamentals of Economics». The seminar focuses on the methods of developing teaching, main economic concepts, methodology of business and educative games;
 - training seminar «Student Company» – practical skills in organization of Student companies and career planning.
2. Publication of Applied Economics text books and teachers' manuals in Russian and Kazakh: Applied Economics text book, task and test book, methodological manual for the teachers, MESE methodological manual for the teachers, Fundamentals of Market Economics text books and teachers' manual (specialized course for school graduates and college students), cross-word book, «Student Company» and «Market» business games.
3. Development and publication of «Fundamentals of Economics» for primary school consisting of 5 blocks: «Needs», «Family», «Our city», «Our nation», «Our Universe».

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4. Students' participation in regional and republican contests of Applied Economics. The project is being developed in cooperation with the Ministry of Education of the Republic of Kazakhstan.
5. Regular publication of the teachers' magazine «News of Applied Economics».
6. The Fund started working on adaptation of JA's program for middle grades. We received considerable help from JAI in working on this program.
7. Work with Mass media. Annually 10-15 articles are contributed to local mass media by the executive director of the fund, staff members, teachers, trainers, volunteers, regional centers' directors and JA's students. The articles highlight the activities of the JAK and describe JA's programs of economic education.
8. Work with sponsors. The JAK fund constantly seeks businesses, foundations and agencies capable and willing to provide grants for the development of JA. Our current partners are Chevron Munaigas – general sponsor, ExxonMobile, Citibank, Hurricane, Soros Foundation Kazakhstan, Eurasia Fund, Counterpart Consortium, Golden Eagles Partners, USIS and Peace Corps of the USA.
9. Proliferation of JA's programs in Central Asian states. Joint projects with JA's headquarters in Uzbekistan and Kyrgyzstan – training teachers and trainers, adaptation of JA's programs for middle grades to local peculiarities, organization of youth economic camps. JA of Tajikistan helps in providing schools with text-books.
10. Work with volunteers. Groups of volunteers united around the national headquarters of JA of Kazakhstan and regional centers. They consist of business consultants – representatives of local businesses, teachers, parents, Peace Corps volunteers, university students who always actively participate in the activities of JAK.
11. Coordination of activities of JA's regional centers. Annually the president of the Fund organizes meetings of regional directors of JAK to get them involved in strategic planning and to receive the reports on activities undertaken. Almost all regional centers are equipped with computers and necessary software to ensure systematic exchange of information via Internet and E-mail.
12. Youth business club. The youth business club successfully operates in the form of workshops: «Career planning», «Entrepreneurship», «Human Rights», «Business planning», «FOME» and others. The students meet volunteers, solve problems of choosing occupation, learn

to work creatively in teams, acquire leadership skills to implement in life and business.

13. Republican Fair of Student Companies. The contest «Best student company of the year» has been held for three years in the republic. The winners of this contest will attend the Republican Fair of Student Companies. The fair is to be organized on the 7th of May, 2000 and will be held in one of the public squares in Almaty. Student companies from Central Asia and Russia will take part in this fair. The organizers of the fair will give out awards in the following categories: Best Advertising, Best Booth Decoration, Best Assortment of Goods, and Best Sales.

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