BIOFIN
The Biodiversity Finance Initiative

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Kazakhstan's Biodiversity Policy-Institutional and Expenditure Review

Policy Brief

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The Biodiversity Finance Initiative (BIOFIN) is a global partnership, led by the UNDP working with over 130 countries to develop and implement finance solutions for nature. BIOFIN helps governments identify, mobilize, and align public and private financial flows to close the biodiversity finance gap and integrate biodiversity into national planning, budgeting, and economic policy.

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United Nations Development Programme in Kazakhstan
UN House in Astana
Mambetov str 14, 010000 Astana, Kazakhstan
www.undp.org/kazakhstan – www.biofin.org

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Photo: Gleb Bolbotov

ABBREVIATIONS AND ACRONYMS

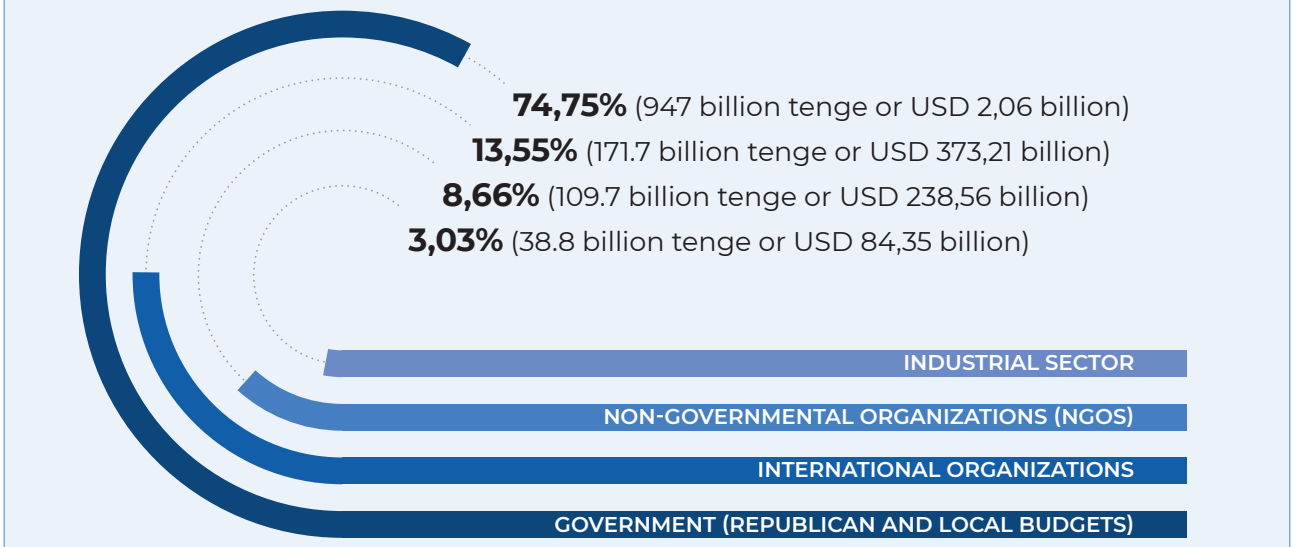
AP RK	Administration of the President of the Republic of Kazakhstan
BER	The Biodiversity Expenditure Review
BIOFIN	The Biodiversity Finance Initiative
CBD	The Convention on Biological Diversity
GBF	The Kunming-Montreal Global Biodiversity Framework
GDP	Gross Domestic Product
GEF	Global Environment Facility
MA	Ministry of Agriculture of the Republic of Kazakhstan
MCI	Ministry of Culture and Information of the Republic of Kazakhstan
MD	Ministry of Defense of the Republic of Kazakhstan
MDDIAI	Ministry of Digital Development, Innovations and Aerospace Industry of the Republic of Kazakhstan
ME	Ministry of Education of the Republic of Kazakhstan
MEN	Ministry of Energy of the Republic of Kazakhstan
MENR	Ministry of Ecology and Natural Resources of the Republic of Kazakhstan
MES	Ministry of Emergency Situations of the Republic of Kazakhstan
MF	Ministry of Finance of the Republic of Kazakhstan
MFA	Ministry of Foreign Affairs of the Republic of Kazakhstan
MH	Ministry of Health of the Republic of Kazakhstan
MIA	Ministry of Internal Affairs of the Republic of Kazakhstan
MIC	Ministry of Industry and Construction of the Republic of Kazakhstan
MJ	Ministry of Justice of the Republic of Kazakhstan
MLSPP	Ministry of Labor and Social Protection of the Population of the Republic of Kazakhstan
MNE	Ministry of National Economy of the Republic of Kazakhstan
MSHE	Ministry of Science and Higher Education of the Republic of Kazakhstan
MT	Ministry of Transport of the Republic of Kazakhstan
MTI	Ministry of Trade and Integration of the Republic of Kazakhstan
MTS	Ministry of Tourism and Sports of the Republic of Kazakhstan
MWRI	Ministry of Water Resources and Irrigation of the Republic of Kazakhstan
NBSAP	National Biodiversity Strategy and Action Plan
NGO	Non-Governmental Organisation
PA	Protected area
SDG	Sustainable Development Goals
SPS	State Planning System
UNDP	United Nations Development Programme

EXECUTIVE SUMMARY

As economic pressures and climate change intensify threats to ecosystems, it is imperative to realign financial flows in support of biodiversity conservation and nature-based solutions. It not only safeguards critical natural assets but also strengthens global efforts to achieve climate and development goals. BIOFIN's Policy and Institutional Review (PIR) and Biodiversity Expenditure Review (BER) provide evidence for informed policymaking as they highlight what is working, what is missing, and where to focus efforts to ensure that the biodiversity of Kazakhstan is preserved for future generations. This policy brief presents the findings of these reviews and offers recommendations for strengthening biodiversity finance in Kazakhstan in line with national interests and global commitments.

BER identified that from 2015 to 2022 a total of 1.3 trillion tenge (USD 2.75 billion) was spent directly on biodiversity conservation and development in Kazakhstan according the BIOFIN Methodology with application of attribution rate. This figure represents 1.25% of the country's GDP in 2022 (103.8 trillion tenge or USD 225,58 billion) and 5.34% of the total consolidated state budget in the same year (22.6 trillion tenge or USD 49,13 billion). These expenditures covered a wide range of activities, including the management of water resources, forestry, fisheries, protected areas, and wildlife protection.

Figure 1. Breakdown by funding source



This distribution highlights the dominance of public and donor financing, with limited engagement from the private sector despite its significant ecological impact.

Kazakhstan has made notable progress in nature conservation; however, significant gaps remain in policy implementation, financial sustainability, and institutional capacity. Addressing these challenges will require a more dedicated commitment to conservation financing, deeper integration of biodiversity priorities into national development planning, and strengthened cross-sectoral cooperation.

To achieve tangible results, the country must complete and begin implementing its National Biodiversity Strategy and Action Plan (NBSAP), which would serve as a legally binding framework for mainstreaming conservation into national development agendas. The NBSAP should align with the Kunming-Montreal Global Biodiversity Framework (KMGBF) and address policy gaps, and the financial instruments needed to ensure the long-term protection of biodiversity.

The key recommendations formulated based on PIR and BER:

- Complete and implement a legally binding National Biodiversity Strategy and Action Plan aligned with the KMGBF.
- Integrate clear biodiversity targets into high-level planning and budgeting processes; revise the Environmental Code and sectoral laws to strengthen biodiversity monitoring, restoration, and compensation mechanisms.
- Improve environmental impact assessments and consolidate biodiversity data on the national platform (a unified environmental portal).
- Maintain and increase public biodiversity funding; create a distinct budget line for nature; revise the current environmental fines mechanism.
- Stimulate private sector engagement through legislative incentives and diversify funding sources.

INTRODUCTION

Kazakhstan is the largest landlocked country in the world, encompassing a mosaic of ecological regions such as spanning steppes, mountains, deserts, and wetlands. Nature in Kazakhstan provides crucial ecosystem goods and services – from fertile soil for agriculture to regulation of water resources. The state GDP was USD288 billion in 2024, mainly relying heavily on oil, gas, and mineral exports[i]. This reliance on natural resources makes sustainable management of natural capital, including biodiversity, essential for long-term economic resilience. Robust biodiversity is foundational to sectors like agriculture, forestry, and tourism and underpins objectives such as climate adaptation and public health. Acknowledging both the value of biodiversity and the threats it faces, Kazakhstan has joined global efforts to "bend the curve" of nature loss by 2030. The country became a Party to the Convention on Biological Diversity (CBD) in 1994 and has committed to the 2030 Agenda for Sustainable Development, integrating the Sustainable Development Goals (SDGs) into national planning. As of 2024, Kazakhstan ranks 66th out of 167 countries on the SDG Index reflecting solid progress on socio-economic goals but lingering challenges on environmental targets[ii]. Notably, SDG 15 (Life on Land) remains difficult to achieve as biodiversity loss and land degradation persist.

To systematically address the challenge of financing biodiversity, in 2013, Kazakhstan joined the Biodiversity Finance Initiative (BIOFIN) – a global partnership led by UNDP. The BIOFIN Workbook[iii] provides a step-by-step methodology to help countries measure their biodiversity expenditures, assess financial needs, and craft solutions to improve biodiversity financing. Under BIOFIN Phase I, Kazakhstan completed its first PIR and BER (covering 2008–2014), and this policy brief presents the results of the updated one (covering 2015-2022). The following sections detail findings from the PIR and the BER, applying the BIOFIN methodology to the country context.

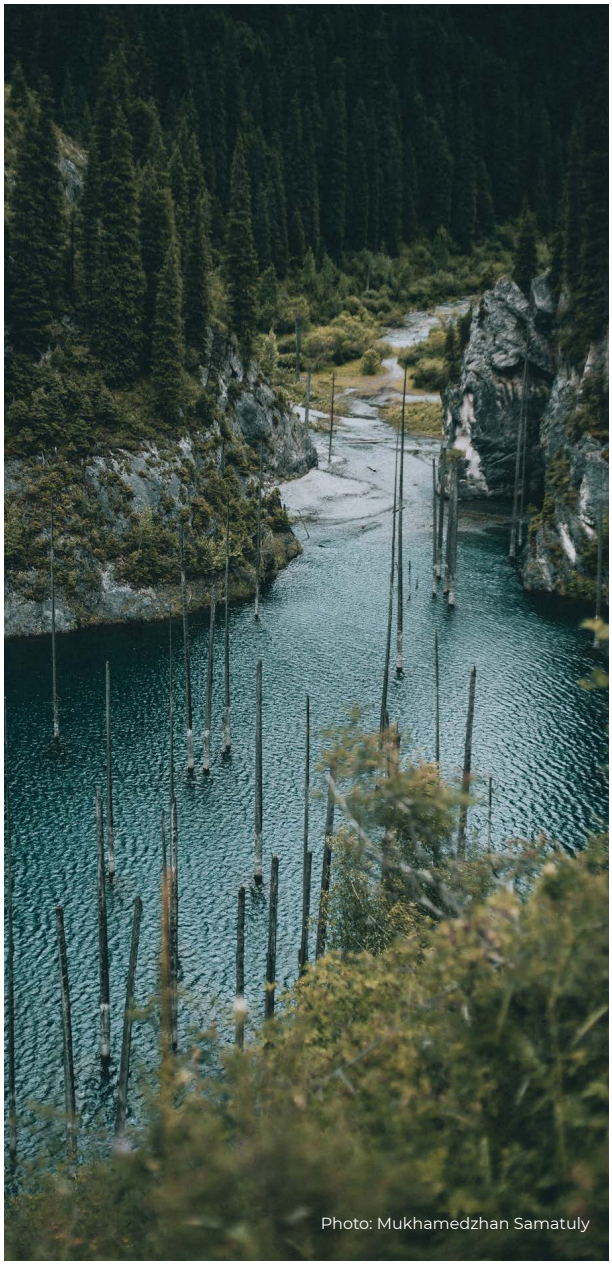


Photo: Mukhamedzhan Samatuly

POLICY AND INSTITUTIONAL REVIEW

The Policy and Institutional Review (PIR) is a foundational step in the BIOFIN process. It involves a detailed examination of the policy landscape in Kazakhstan, institutional arrangements, and stakeholder roles related to biodiversity. The goal is to understand the enabling environment for biodiversity finance: in other words, are the policies and institutions in place supportive of resource mobilisation for biodiversity conservation, or are there gaps and misalignments? This chapter summarises the PIR findings made in line with the BIOFIN Workbook.

Current situation

National legal framework for biodiversity conservation

The state planning system of the Republic of Kazakhstan is a set of interconnected elements comprising principles, documents, processes, and actors that collectively ensure the development of the country over the long term (more than five years) and medium term (from one to five years inclusive).

By Government Resolution of the Republic of Kazakhstan No. 350 dated 29 April 2024, the documents of the State Planning System[iv] are structured by hierarchical importance as follows:

TARGET-SETTING DOCUMENTS	STATE PLANNING SYSTEM (SPS) DOCUMENTS	OTHER DOCUMENTS (OUTSIDE THE SPS)
Strategy Kazakhstan 2050 Strategy for Achieving Carbon Neutrality of Kazakhstan by 2060[v]	1. National Development Plan of Kazakhstan 2. National Security Strategy of Kazakhstan 3. Development Plans of State Agencies 4. Development Plans of Regions 5. Development Plans of Holdings and National Companies	1. Concepts 2. National Projects 3. State Programs 4. Doctrines (Strategies) 5. Comprehensive Plans 6. National Infrastructure Plan

Source: Presentation of MENR based on the revised Decree of the Economy of the Republic of Kazakhstan dated 04/29/2024 No. 350

The analysis reveals that biodiversity conservation is not reflected in the highest-level documents of the State Planning System of Kazakhstan, including the "Kazakhstan-2050" Development Strategy and the National Priorities. Strategic goals related to biodiversity are only present in documents, such as the Strategic Development Plan of the Republic of Kazakhstan until 2025, and the Ministry of Ecology and Natural Resources Development Plan for 2020–2024.

This gap highlights a critical inconsistency in applying the State Planning System hierarchy principles. According to these principles, strategic aims, target indicators, and performance indicators should be systematically arranged from higher-level to lower-level documents. However, the absence of biodiversity goals in top-tier documents prevents the proper decomposition and alignment of biodiversity objectives across the planning hierarchy.

This situation points to weak strategic planning and a lack of coherence between different levels of state planning. It undermines the integrity of the State Planning System, where lower-level documents should derive their necessity and legitimacy from higher-level strategic goals. Without explicit references at the top levels, effective monitoring, evaluation, and allocation of funding for biodiversity conservation become significantly more challenging.

Although Kazakhstan overarching environmental policy framework has evolved in recent years, as of 2024, a dedicated and up-to-date NBSAP is still pending official approval. It is a critical gap since the NBSAP would have usually set national biodiversity targets, costed action plans, and responsibilities in line with global frameworks. Without it, biodiversity objectives lack high-level endorsement and integration.

Photo: Alexey Koshkin

Kazakhstan has several important policies and plans that mention nature to varying degrees as one of the foundations of the country's prosperity:

The **National Development Strategy "Kazakhstan-2050"**[vi] and medium-term development plans have traditionally focused on economic growth and social well-being. However, the resilient state of biodiversity has not been recognized as an integral condition for achieving these goals. This approach conveys the impression that socioeconomic development can occur at best without consideration of biodiversity, or at worst, at the expense of its degradation. The PIR highlights the need for stronger integration of biodiversity conservation objectives into high-level strategic planning documents. In particular, the key national vision document – the "Kazakhstan-2050" Strategy – should explicitly affirm the priority of environmental well being, with biodiversity as a core component. It should clearly state that economic growth cannot and should not be achieved through the depletion of nature or the unsustainable exploitation of ecosystem components.

The **Concept for the transition of the Republic of Kazakhstan to a "green economy"** outlines broad goals for sustainable development, covering areas such as renewable energy, resource efficiency, and some aspects of ecosystem management without mentioning the term "biodiversity"[vii].

Kazakhstan has **sectoral legal biodiversity-related framework for forestry, fisheries, and agriculture. The Forest Code and Law on Wildlife Protection** provide the legal basis for managing forests and fauna (e.g., hunting regulations and forest use rules). The Agricultural Development Program touches on sustainable pasture management and agrobiodiversity. However, the PIR notes that these sector policies often operate in silos, and biodiversity conservation is not uniformly prioritised across sectors and lacks recognition as a backbone for the well-functioning of these sectors. While the updated Environmental Code includes biodiversity to some extent – defining protected areas, environmental impact assessment (EIA) requirements, etc. – it is important that biodiversity be established as a distinct priority within the environmental legislation. In practice, biodiversity is often implicitly addressed by environmental protection, but there is a call to explicitly recognise "biodiversity conservation" as a standalone objective in laws and policy to ensure clarity and funding commitment.

Since January 1, 2024, Kazakhstan legally requires that biodiversity interests be formally considered during the development of strategic planning documents (state programs, territorial development programs, and master plans for settlements) across sectors such as agriculture, forestry, mining, energy, and urban planning. This is done through the Strategic Environmental Assessment (SEA) mechanism, introduced in the Environmental Code of 2021. Unlike project-level assessments governed by the mitigation hierarchy, SEA focuses on evaluating potential negative environmental impacts at the strategic level, ensuring that biodiversity considerations are integrated early in the planning process. However, a key weakness is the limited involvement of independent environmental experts in assessing biodiversity-related risks. A proposed solution would be to consider adoption of a model similar to Kazakhstan's anti-corruption review system, where certified experts are compensated for their evaluations. Introducing a paid, formalized role for biodiversity experts in SEA, supported by an approved methodology, could significantly strengthen biodiversity safeguards in policy planning.

Table 1. Main positive and negative trends in biodiversity conservation in Kazakhstan

MAIN POSITIVE TRENDS	MAIN NEGATIVE TRENDS
The establishment of the Ministry of Ecology and Natural Resources as an independent ministry in 2019. Demonstrates the commitment of the Government to providing targeted leadership in environmental governance and sustainable resource management. Another substantial update to environmental governance in Kazakhstan was the adoption of a new Environmental Code in 2021, which modernised environmental regulation. The Code introduces progressive concepts such as Best Available Techniques for pollution control. Several of these provisions as payments for ecosystem services, ecotourism, and biodiversity offsets were developed with the support of BIOFIN, helping to institutionalize financial mechanisms that align economic planning with biodiversity conservation objectives.	Economic interests often override ecological considerations in decision processes, partly because of the ways institutions are structured and mandated. For instance, if a new infrastructural project is proposed in a sensitive area, the institutions advocating for economic gain may carry more weight than the environmental authority unless strong protective policies are in place[viii]. Properly regulated biodiversity offsets can help address this imbalance by making developers compensate for residual biodiversity loss after all avoidance and minimization measures. This creates a cost for environmental degradation, embeds ecological considerations into economic planning, and shifts the logic from 'biodiversity versus development' to one where development is conditional on achieving no net loss or a net gain in biodiversity.[ix]
Development of environmental culture across the country citizens, especially among youth, reducing long-term risks to biodiversity. This reflected in the Concept for Education Development 2023–2029.[x]	Absence of an adopted NBSAP The work on developing a strategic document for biodiversity conservation has been ongoing in Kazakhstan for quite some time. However, in 2023, the Government of Kazakhstan has started developing its NBSAP UNDP-GEF project 'Global Biodiversity Frameworks – Early Action Support'.[xi]
Simplifying public and expert access to information about activities potentially harmful to biodiversity. E.g. Unified Environmental Portal created by MENR with OSCE; includes Public Hearings section.[xii]	Underfunded and unsystematic government policies regarding biodiversity monitoring and scientific research in this area[xiii]. This can cause disruption of research programs due to changes in government science funding regulations.

MAIN POSITIVE TRENDS	MAIN NEGATIVE TRENDS
Expanding the practice of using space monitoring to solve environmental problems. Systemically significant factors that negatively affect the state of biodiversity are identified. E.g. Space monitoring by JSC Gharysh Sapary for MENR; Space monitoring revealed 2,503 cases of illegal mining, including 77 new cases in 2023, 377 historical cases with area changes and 2,049 historical cases without area changes[xiv].	Chronic underfunding and the absence of a systematic government policy hinder the remediation of significant and historical pollution sites that continue to poison ecosystems and biodiversity[xv]. These legacy pollution sites – many originating decades ago – still have a profound and ongoing impact on soil, water, and habitat quality, yet fall outside the scope of current accountability mechanisms. For example, the Ilek River remains heavily polluted due to the suspension of remediation efforts after 2012, resulting in long-term degradation of freshwater biodiversity and contamination of the surrounding environment. This type of pollution is not addressed by existing environmental regulations and requires a dedicated national strategy to mitigate its ecological and health impacts.[xvi]
Increased prioritization of water resources and stronger societal and governmental intolerance to violations. E.g.: Water Council of Kazakhstan established by Prime Minister's Order No. 47-r (March 9, 2022); Separate Ministry of Water Resources and Irrigation created in 2023; Water Coordination Council of Kazakhstan launched in 2024[xvii].	Conflict of interest in Environmental Impact Assessment (EIA) financing occurs as according to current legislation[xviii] polluters fund such assessment which can lead to biasing results in favor of project approval, undermining biodiversity safeguards.

The following table outlines the main pressures driving biodiversity loss in Kazakhstan, alongside the policy and institutional levers that can influence positive change.

Table 2. Key drivers and levers of change

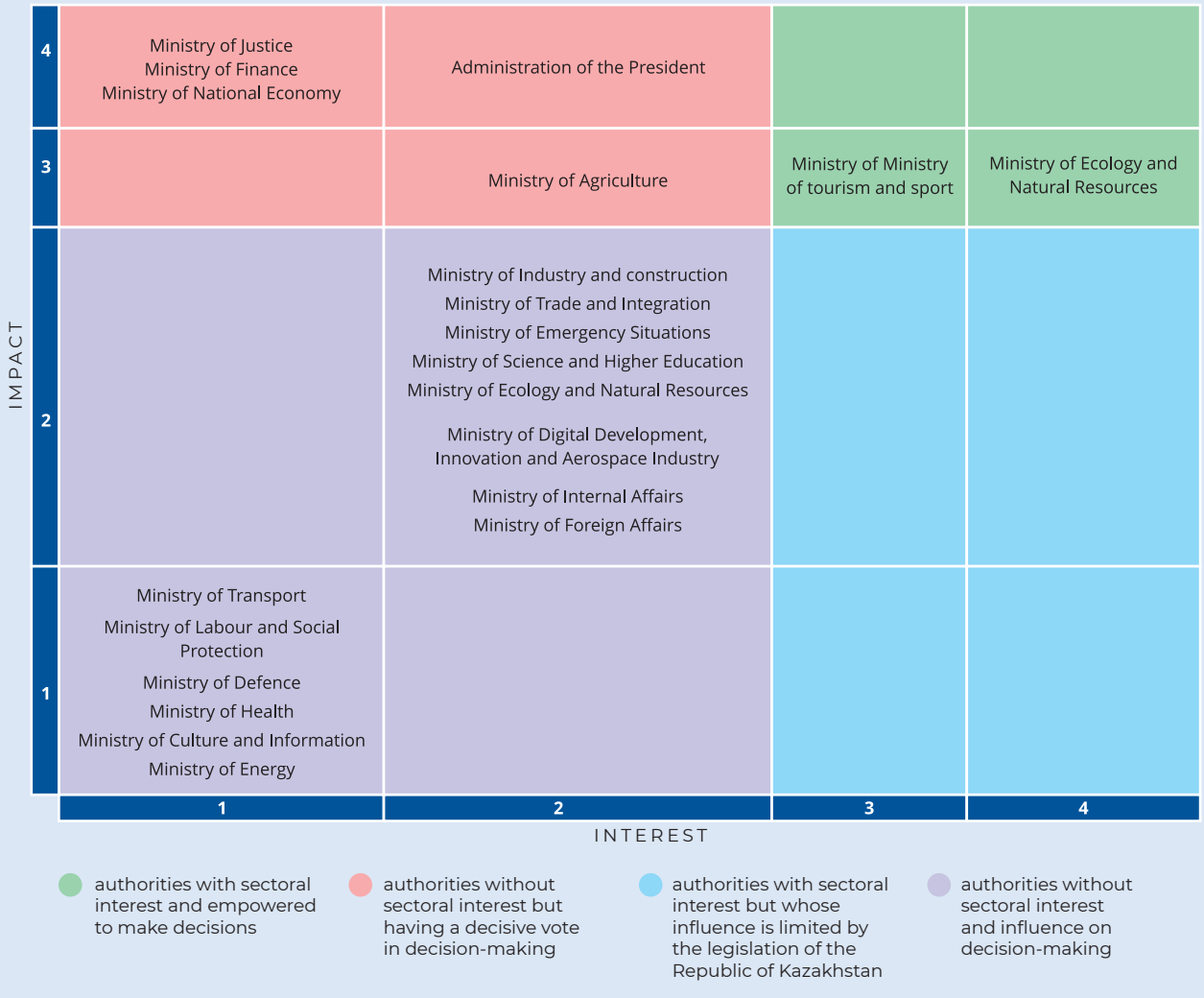
NEGATIVE Driving Force	Chain of Root Causes ("Why")
Ignoring biodiversity interests in infrastructure and industrial projects	Environmental impact assessments (EIA) consider biodiversity only formally.
	Authorities overlook biodiversity risks to avoid project delays.
	Government and investors face greater risks from halting projects than from biodiversity loss.
	Effectiveness of local authorities is measured by investment and job creation, not biodiversity protection.
	Strategic national development documents prioritize industrial growth and investment, without linking these to biodiversity.
	Biodiversity is absent from investment policy and lower-tier planning frameworks.
	Both officials and the public poorly understand biodiversity and its role in sustainable development.
	Biodiversity is poorly promoted: lack of public awareness campaigns, low funding, and weak expert engagement.

POSITIVE Driving Force	Chain of Root Causes ("Why")
Low tolerance for obvious biodiversity loss *(e.g. mass death of saigas, seals, swans)*	Civil society and eco-activists raise awareness and frame loss as urgent.
	Government is sensitive to public outcry on social media.
	Kazakhstan has high internet penetration (89.2%) and widespread smartphone use (767 per 1,000 people)[xix], making social media a powerful accountability tool.

Analysis of the institutional setup in terms of interest and influence on biodiversity conservation

The PIR also assessed the influence and interest of major institutions in sustainable development and biodiversity conservation. In Kazakhstan, a paradox emerges that institutions with the highest influence often show the least interest in biodiversity, posing a critical challenge to improving the institutional environment. Understanding these patterns is key for stakeholder engagement, as institutions like the Ministry of Finance or Ministry of Agriculture, while not having biodiversity as a core function, can significantly impact biodiversity outcomes through their decisions (Figure 2).

Figure 2. Influence and interest matrix



Source: author based on the policy and institutional review

State authorities of the Republic of Kazakhstan play a key role in biodiversity preservation and financing, implementation of policies and measures aimed at its protection and improvement biodiversity and ensuring the necessary funding for these measures.

The matrix illustrates these dynamics, though its accuracy is limited by factors such as formal versus actual interest and varying areas of influence.

In practice, biodiversity governance in Kazakhstan can be characterized as centralized but with evolving inter-sector coordination. Most key decisions (e.g., creating a new protected area, approving large development projects after EIA, budget allocations for conservation) are made at the national level by the relevant ministry in agreement with central authorities (the Government Apparatus or President's Administration). The PIR highlights that fulfilling domestic and global commitments will require overcoming implementation gaps. Many past commitments saw partial fulfilment due to funding and institutional constraints. Therefore, a key takeaway is that commitments must be supported by adequate financing and capacity. It is precisely why the financial dimension (explored in the BER) is so crucial.

Biodiversity makes a substantial contribution to the national budget, primarily through taxes collected from sectors that heavily depend on it, such as agriculture and tourism.

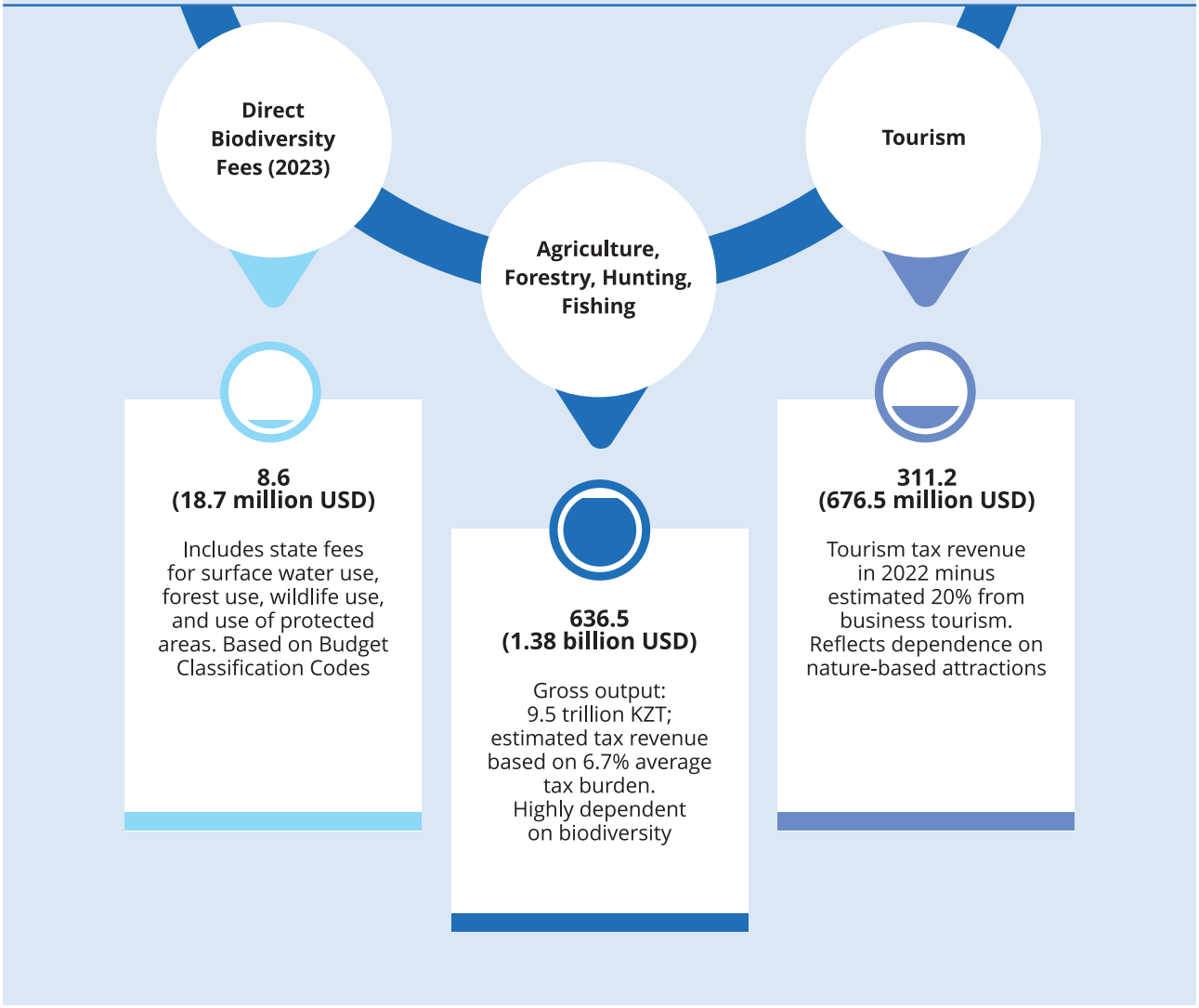
However, funds received as compensation for environmental damage are not classified as true biodiversity revenues, as they merely serve to offset ecological losses rather than generate new value. At the same time, accurately attributing tax revenues to biodiversity remains and requires large-scale research and comprehensive analysis across all sectors of the economy. At the same time, we can estimate the approximate volume of such revenues using the following method:

1. Determining the gross income of the economic sector with a high dependence on biodiversity;

2. Applying the average industry tax burden coefficient to this income, based on data from the Committee of State Revenues of Kazakhstan or, in the absence of such data, use the profit tax burden rate (Profit TTCR %) of 16.4%, as defined by the World Bank and cited in a study by the Institute of Economic Research of Kazakhstan.

Photo: Saltore Saparbayev

Figure 3. Biodiversity-Related Revenues in Kazakhstan



Estimated total biodiversity-related revenues: 955.3 billion KZT per year. Establishing a system for strategically tracking biodiversity-related fiscal flows could enhance the evidence base for policy decisions and improve funding mechanisms for conservation efforts. With BIOFIN support, all Protected Area management plans are now officially recognized as budgetary tools, helping to institutionalize results-based financing for conservation. As a result, state budget allocations for PAs have increased 2.6 times since 2020, reaching approximately USD 60 million in 2024 demonstrating the potential impact of better-integrated planning and budgeting on biodiversity outcomes.

The following section delves into the Biodiversity Expenditure Review, shedding light on how Kazakhstan has been funding its biodiversity commitments to date and what that means for the future.

BIODIVERSITY EXPENDITURE REVIEW: KEY FINDINGS

Biodiversity Expenditure Review (BER) is a quantitative analysis answering the questions: ***«How much do we spend on biodiversity conservation, and where does that money come from?»***. By following the BIOFIN methodology, BER systematically tracked expenditures over a defined period (2008-2014 and 2015-2022), grouping them by source, biodiversity relevance, and use.

BER for Kazakhstan applied the causa *finalis* (end purpose intent) principle for biodiversity attribution. It considered only expenditures with documented biodiversity intent. Attribution was done at the most detailed budget level, with estimated percentages used when detailed data were lacking. A standardized system of coefficients (0 to 100%, with milestones at 0, 1, 5, 25, 50, 75, and 100% ±15%) was used to weigh expenditures and ensure consistency, accuracy, and repeatability.

Relevance to biodiversity determines the percentage impact on specific budget expenditures by activity area, with 100% assigned to the expenditures having a direct influence (see Figure 4).

Figure 4: Biodiversity Relevance (BIOFIN Workbook 2024)

Biodiversity Relevance	% of biodiversity impact	Examples
DIRECT	100%	Improve planning, monitoring and/or conservation of natural resources
	90%	Directing subsidies for biodiversity conservation
	50%	Supporting ecological stability, e.g. habitat connectivity
	30%	Directing nature-positive subsidies to primary sector products
	10%	Improvement of the constructed infrastructure of the region
	5%	Improvement of water accessibility
INDIRECT	0	No impact on biodiversity

For instance, from 2015 to 2019, the Ministry of Agriculture was the chief ministry responsible for supervising issues of water, forestry, fisheries, wildlife and environmental protection with budget programmes (see Table 3).

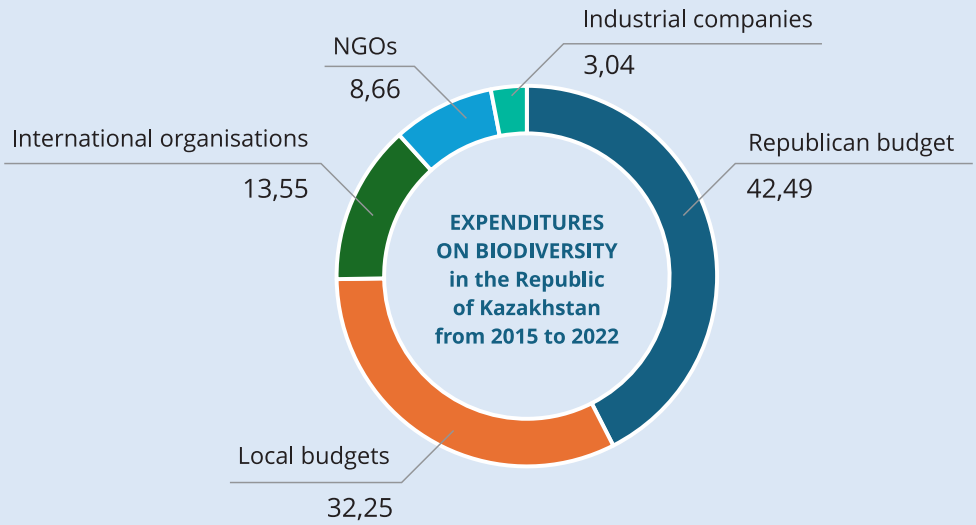
Table 3. Attribution of Budget Programmes to Biodiversity Conservation during Ministry of Agriculture's Oversight

Attribution level	Median attribution	Range	Budget program level expenditures
Major	100 %	Absent	230 "Forest management, ensuring the conservation and development of forest resources and wildlife" 239 "Conservation and reproduction of fish resources and other aquatic animals"
Secondary			
Medium	50 %	+/- 15	233 "Improvement of the system of planning, monitoring, conservation and efficient use of natural resources" 254 "Effective management of water resources". 268 "Improvement of irrigation and drainage systems".
Low	5 %	+/- 5	261 "Ensuring inflow of transboundary river runoff from neighbouring countries in line with water allocation agreements" 234 Targeted transfers for the development of the regional budget of Zhambyl oblast for bank protection works on the Shu River along the State Border of the Republic of Kazakhstan 235 Construction and reconstruction of the water supply system, hydraulic structures 237 Overhaul and rehabilitation of especially emergency sections of inter-farm canals and irrigation and drainage facilities 238 Regulation of the use and protection of the water fund, ensuring the functioning of water management systems and structures 240 Targeted development transfers to regional budgets, budgets of Astana and Almaty cities to increase surface water availability
Minor	1 %	+/- 1	001 Planning, regulation, and management in the sphere of agriculture and nature management

Main Sources of Biodiversity Funding in Kazakhstan

From 2015 to 2022, a total of 1,267,015,260 thousand tenge was spent on biodiversity conservation and development in the Republic of Kazakhstan from the state and local budgets, as well as from the funds of international organisations, industrial enterprises, and NGOs, which is 1.25% of the GDP of the Republic of Kazakhstan in 2022 (*GDP in 2022 103,765,518.2 million tenge*) or 5.34% of the total consolidated state budget of the country in 2022 (*budget volume in 2022 22.6 trillion tenge*) (see Figure 5).

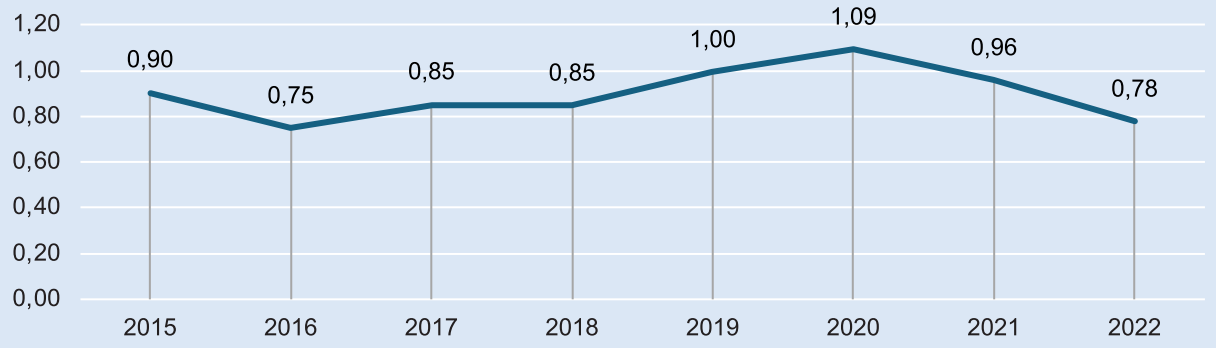
Figure 5. Expenditures on biodiversity in the Republic of Kazakhstan from 2015 to 2022 *(direct expenditures)*



Source: author, biodiversity expenditure review

Photo: Oleg Bilyalov

Figure 6. Biodiversity expenditures in relations to GDP



Source: Ministry of National Economy of the Republic of Kazakhstan

When comparing annual investments in biodiversity with macroeconomic indicators, Thus, for eight years the biodiversity funding constitutes 1.08% of GDP or 4.97% of the total volume of the country's consolidated budget.

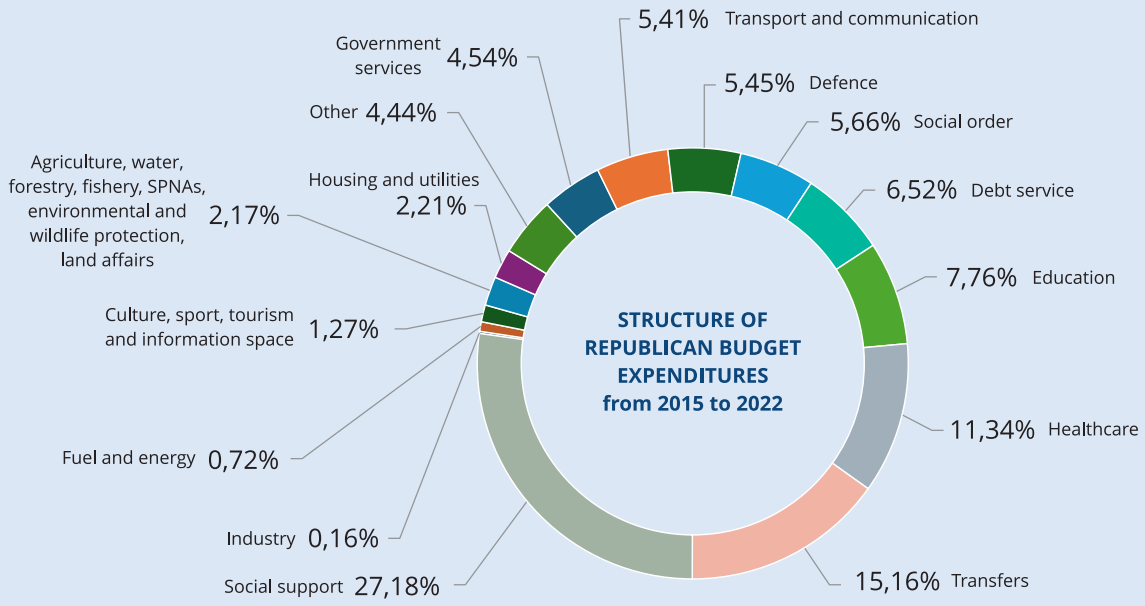
At the same time, there is a minor decrease in the percentage of biodiversity financing in relation to GDP. For example, the indicator in 2015 was 0.9%, and in 2022 0.78%. As of now, biodiversity financing is not a priority for the public and private sectors alike.

Biodiversity funding from republican budget

The state budget of the Republic of Kazakhstan, which includes the republican and local budgets, is socially oriented. Total expenditures of the republican budget from 2015 to 2022 amounted to 82,733,728,462.00 thousand tenge (116.9% growth), with spending on agriculture, water, forestry, fisheries, PA, environmental protection and wildlife, land relations from 2015 to 2022 amounted to 1,825,602,500.00 thousand tenge (90.3% growth). Biodiversity financing falls under the policy sector "Agriculture, water, forestry, fisheries, protected areas, environment, and wildlife," accounting for just 2.17% of total expenditures, or 1.83 trillion tenge for the period from 2015 to 2022 (see Figure 7).


Photo: Saltore Saparbayev

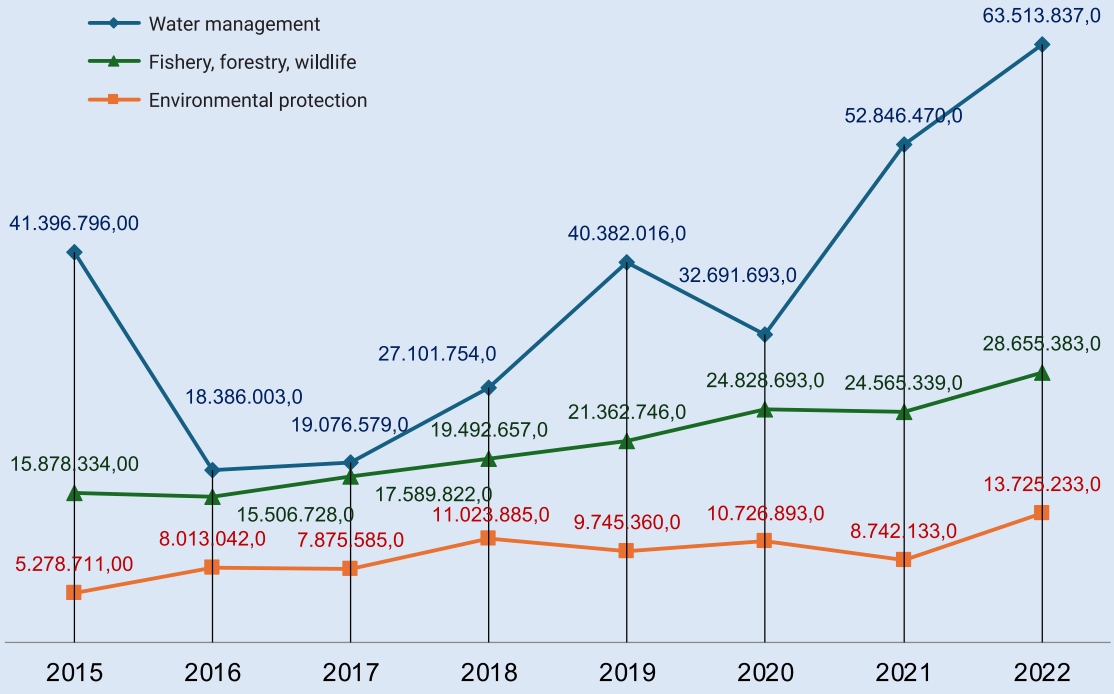
Figure 7. Structure of Republican budget expenditures from 2015 to 2022



Source: Ministry of National Economy of the Republic of Kazakhstan

Excluding the expenditures on agriculture and land relations, the public spending on water management, environmental protection, fisheries, forestry and wildlife amounted to 538,405,692.00 thousand tenge or 0.65% of the state budget total expenditures for eight years.

Figure 8. Expenditures on water, fisheries, forestry, wildlife and environmental protection from 2015 to 2022 from republican budget *(direct expenditures)*

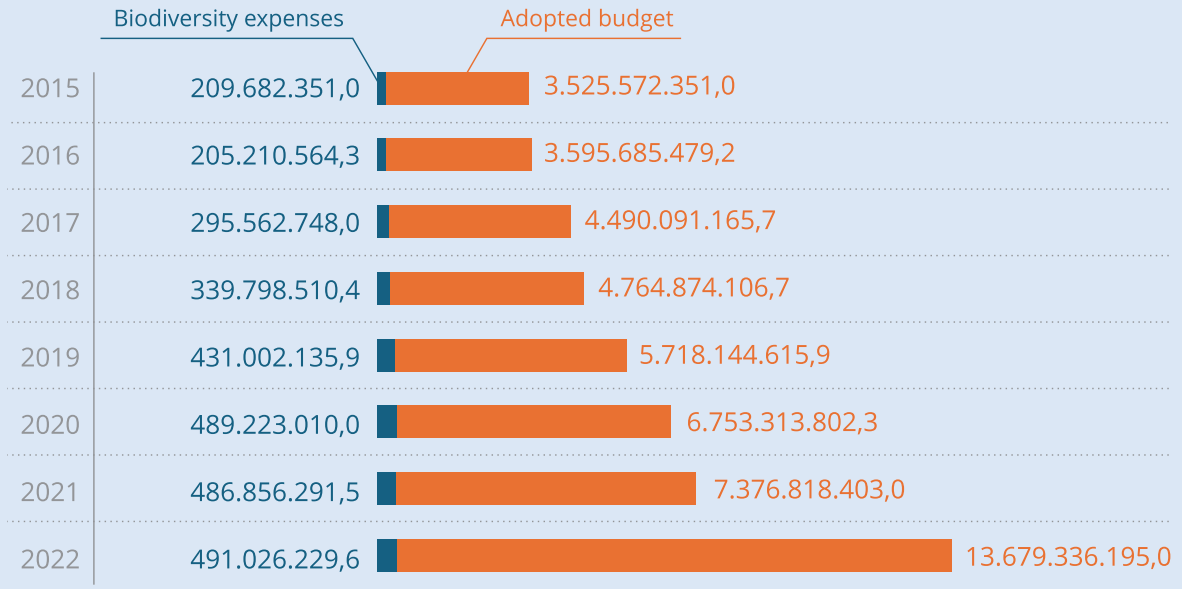


Source: Ministry of National Economy of the Republic of Kazakhstan

Biodiversity funding from the local budget

The information on local executive authorities includes 17 regions (oblasts) and three cities of regional significance. Between 2015 and 2022, local budgets allocated 408.64 billion tenge to water management, environmental protection, fisheries, forestry, and wildlife – just 0.81% of total local expenditures (see Figure 7). While overall local spending grew by 288%, biodiversity-related spending increased by only 134.2%, reflecting a disproportionate focus.

Figure 9. Comparison of total costs of local budgets with biodiversity costs *(direct and indirect expenditures)*



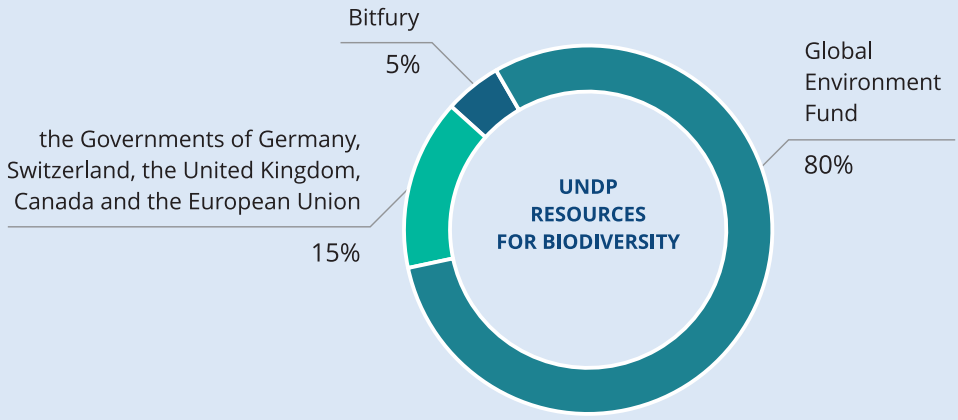
Despite higher local revenues following Small and Medium-sized Enterprise tax de-centralization and post-pandemic recovery, biodiversity financing has not respectively increased.


Photo: Gleb Bolbotov

Private Sector

1) Out of 22 identified biodiversity-related organisations, nine international organisations, and NGOs participated in the review by providing data on their biodiversity expenditures. For example, UNDP Kazakhstan implemented 10 biodiversity conservation projects between 2015 and 2022, with total donor funding amounting to 16.2 million USD (see Figure 10).

Figure 10. UNDP resources for biodiversity



Source: UNDP in Kazakhstan

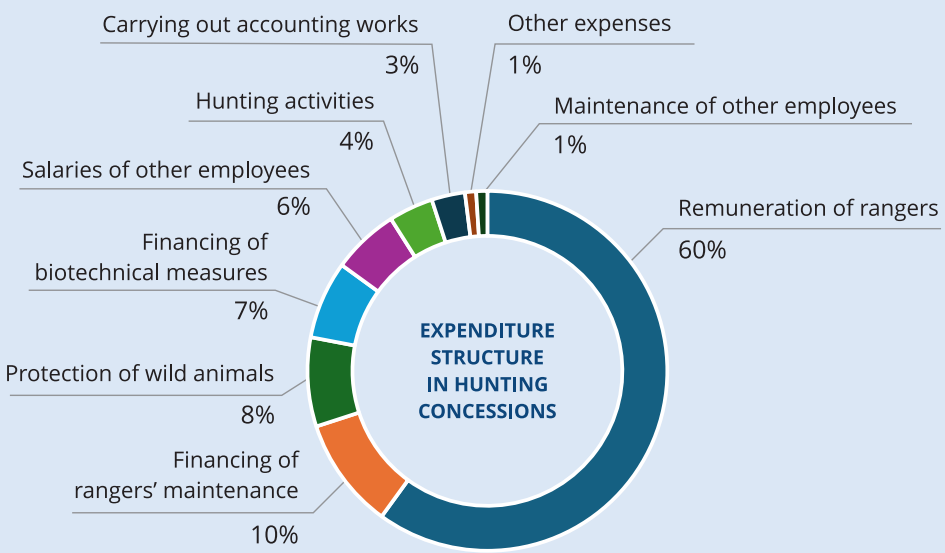
2) Environmental users of hazardous production facilities – primarily mining, oil and gas, and industrial companies – provide limited financing, mainly through mandatory environmental payments, which remain negligible compared to the ecological damage caused.

The largest share of reported private sector spending (82.5%) was directed toward green space development and landscaping activities, followed by support for biodiversity-focused NGOs (11.1%) and land reclamation efforts (5.6%). Stocking of fishponds received the least funding (0.8%). These categories represent the main biodiversity-related activities that companies identify in their environmental protection reporting, although their direct contribution to broader ecosystem conservation goals remains limited.

Data gaps persist, as leading oil and gas operators did not provide biodiversity-related expenditure information, and inconsistencies were observed among energy companies in financing conservation measures.

3) Hunting concessions play an important role in biodiversity management by covering large geographical areas outside PAs (see Figure 11).

Figure 11. Expenditure structure in hunting concessions

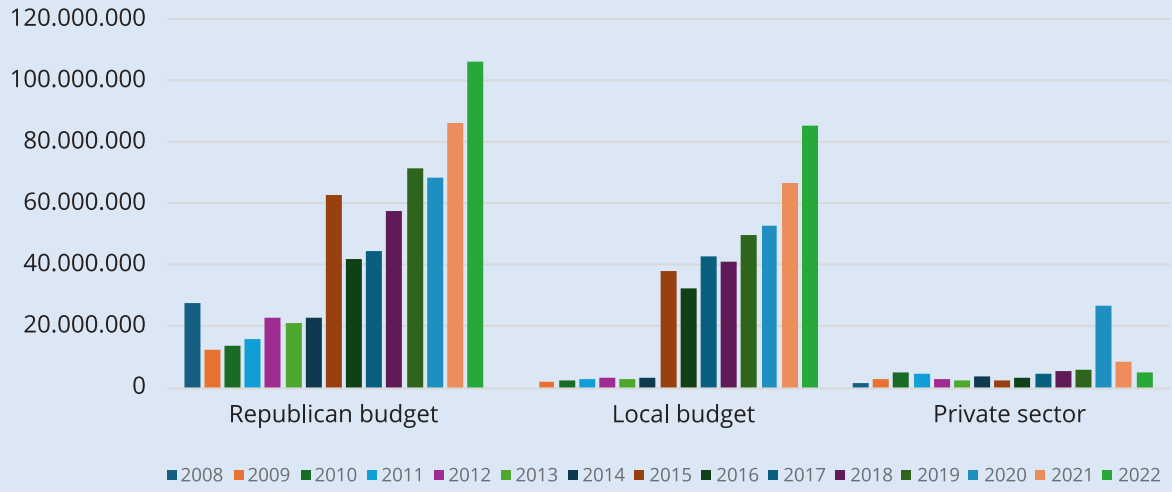


Source: Forestry and Wildlife Committee of the MENR

Expenditure Trends (2008–2022)

Analysis of the trends in biodiversity expenditure over time reveals noteworthy patterns. Thanks to two cycles of BER (first for 2008–2014[xx], and second f or 2015–2022), we can observe how funding has changed over roughly 15 years in Kazakhstan.

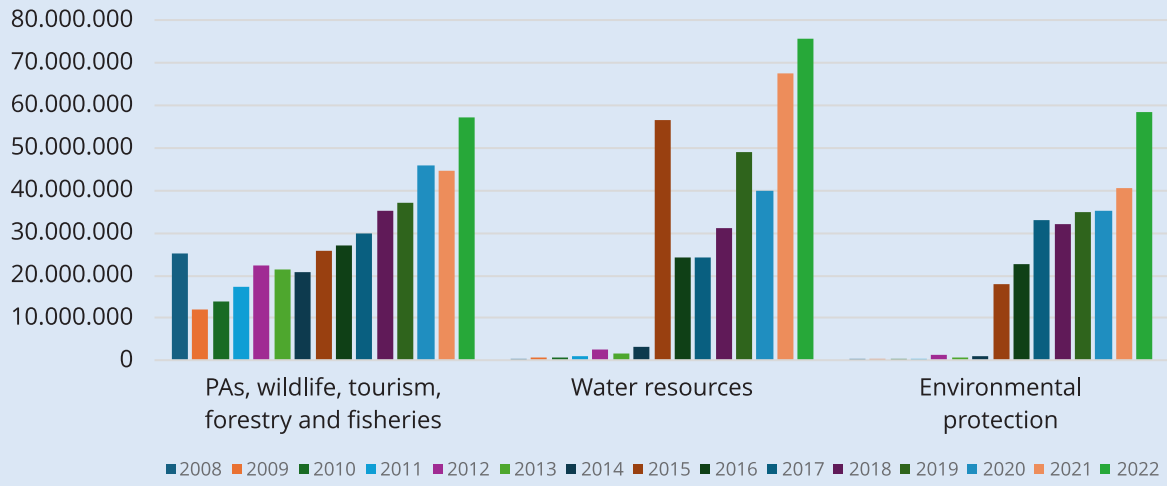
Figure 12. Biodiversity financing sources (direct expenditures)



Source: author, biodiversity expenditure reviews of the first for 2008–2014, and the second for 2015–2022

Overall, biodiversity-related expenditures have steadily increased in absolute terms, from 29.5 billion tenge in 2008 to more than 795,1 billion tenge by 2022. However, despite this growth, biodiversity financing remains relatively modest compared to total government expenditures and GDP.

Figure 13. Biodiversity expenditure categories



Source: author, biodiversity expenditure reviews of the first for 2008–2014, and the second for 2015–2022

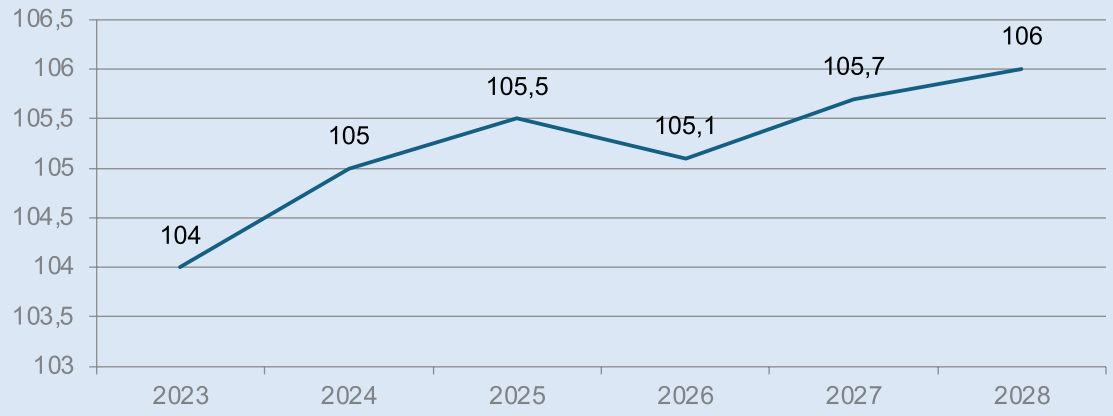
Photo: UNDP Kazakhstan

Despite these positive trends, biodiversity financing as a share of GDP has slightly declined, falling from 0.9% in 2015 to 0.78% in 2022, suggesting that biodiversity spending has not kept pace with the overall economic growth of Kazakhstan. Private sector engagement continues to be limited, particularly when considering the environmental impact of industrial and hazardous production facilities. While Kazakhstan has made significant progress in increasing biodiversity-related expenditures, the financing structure remains heavily dependent on public budgets, and the scale of investment remains insufficient relative to the existing biodiversity challenges and international commitments.

Projected Needs and Future Outlook

Future biodiversity funding estimates rely on projected GDP growth and budget performance for 2024–2028. With an annual GDP growth rate of 5% as forecasted by the MNE (see Figure 14), baseline funding under a business-as-usual scenario will be tied to GDP trends and used to assess future financial needs for biodiversity conservation.

Figure 14. Real GDP change, in % to the previous year



Source: Ministry of National Economy of the Republic of Kazakhstan

Key Macroeconomic Indicators Shaping Biodiversity Financing Outlook (2024–2028)

The outlook for biodiversity financing in Kazakhstan is closely tied to broader macroeconomic trends. The table below summarizes key projections that will influence the fiscal space available for environmental and biodiversity-related spending during the 2024–2028 period.

Indicator	Projection (2024–2028)	Source
GDP Growth	Average 5% annual growth; GDP expected to rise from 118.3 to 221.5 trillion tenge	MNE, 2024
State Budget Trends	Stable growth; revenues to reach 33.8 trillion tenge, expenditures 32.6 trillion tenge by 2026	MNE, 2024
National Fund Revenues	Increase driven by oil sector taxes, privatization proceeds, and investment income	MF, 2024
Oil Price Forecast	Stable at 75–80 USD per barrel until 2030	Deloitte Energy Forecast, 2022
Debt Strategy	Higher domestic and external borrowings to manage deficits and support development	MF, 2024

Implication for Biodiversity

Implication for Biodiversity

Biodiversity funding under a business-as-usual scenario will largely depend on maintaining stable GDP growth, oil sector performance, and effective budget execution that highlights the need for proactive integration of biodiversity priorities into fiscal planning.

The growing impacts of the triple crises – climate change, biodiversity loss and pollution[xxi] are expected to strongly impact Kazakhstan's future biodiversity financing needs. These environmental pressures will affect key sectors such as fisheries, forestry, and natural ecosystems, increasing the demand for sustained and enhanced conservation efforts. Not only will nature be negatively affected, but the overall economy is also projected to suffer as these crises intensify.

Given these challenges, a reduction in biodiversity-related budget allocations is not anticipated. On the contrary, adjustments toward increased funding are likely. As of 2022, biodiversity expenditures accounted for approximately 1.25% of Kazakhstan's GDP or 5.34% of the consolidated budget. Under an optimistic scenario, future biodiversity spending is expected to remain around 1–1.2% of GDP or 5–6% of the consolidated budget.

Stable oil prices between 70–80 USD per barrel are expected to support consistent revenues to the National Fund and the state budget, maintaining fiscal stability and reducing risks of budgetary shocks or tenge devaluation.

Adoption of Kazakhstan's first National Biodiversity Strategy and Action Plan would also play a critical role in defining strategic conservation priorities and providing a structured basis for planning and scaling future biodiversity expenditures.

According to RSE "Kazhydromet," national forecasts project a further temperature increase of up to 4°C by the mid-21st century. Over the past 40 years, available water resources in Kazakhstan have declined by 26.4%, while 76% of its land area is subject to desertification. These trends are expected to negatively impact agriculture, fisheries, forestry, and flora and fauna undermining ecosystem services critical to food security and rural development.

Overall, substantial additional funding will be required and biodiversity expenditures are projected to rise from 1,494.29 million tenge in 2024 to 2,392.39 million tenge in 2028, depending on economic performance, budget parameters, and national strategic decisions.

Recommendations

POLICY AND INSTITUTIONAL RECOMMENDATIONS

Systemic issues in funding and advancing biodiversity objectives in Kazakhstan observed over the study period stem from the absence of a national biodiversity conservation strategy and the lack of mainstreaming of biodiversity into high-level state planning documents and other sectors of the economy.

Legal and policy recommendations

A fundamentally new understanding of the "biodiversity" concept is needed, tailored to Kazakhstan's current socio-economic realities. The next step should involve a more focused and precise definition of "biodiversity" in the Environmental Code of the Republic of Kazakhstan.

It is recommended to officially adopt the National Biodiversity Strategy and Action Plan, which, as of April 2025, is expected to be titled the Concept for Biodiversity Conservation and Sustainable Use for 2025–2035 and is currently undergoing revision.

Subsequently, tools for inventory, monitoring, protection, compensation for biodiversity loss, and restoration should be embedded in sectoral laws and regulations, aligning with the definitions, principles, and objectives established in the Environmental Code.

Changes in sector policy and practice that will help reduce biodiversity losses and/or improve biodiversity financing

The most effective measure will be to solve two key problems:

1) specification of requirements for assessing the impact of planned activities on biodiversity followed by specific measures for biodiversity conservation and restoration. It can be achieved by amending and supplementing the Environmental Code of the Republic of Kazakhstan, the Instructions for Organising and Conducting Environmental Assessment (approved by the Minister of Ecology, Geology, and Natural Resources of the Republic of Kazakhstan on 30 July 2021, No. 280), and the Rules for Biodiversity Loss Compensation (approved by the Minister on 19 May 2021, No. 151).

2) aggregated national and regional analytical data on biodiversity status, the impact on biodiversity of all new projects which are subject to public hearings, and documented biodiversity damage, should be consolidated and made available in a new separate section, "Biodiversity," on the "Unified Environmental Portal" https://ecoportal.kz/

Institutional/organisational and capacity-building recommendations

It is recommended to integrate biodiversity-related objectives across all national strategic documents, including those where a direct connection to biodiversity may not be immediately evident. For example, promoting biodiversity conservation within the framework of the state cinematography development concept.

A good example is the Concept for the Development of the Transport and Logistics Potential of the Republic of Kazakhstan until 2030, which outlines key objectives concerning biodiversity interests. However, this Concept requires further refinement to specify the proposed measures and mechanisms.

Formation of a project office on the conservation and financing of biodiversity under the MENR RK.

Remarks on the Potential of Existing Financial Solutions

The existing mechanism of allocating 100% of fines collected for environmental violations to environmental protection creates a reverse incentive: the state becomes interested in an increase in environmental violations, while a reduction in such violations leads to decreased funding for environmental objectives. At the same time, it is necessary to introduce a separate budget line specifically for biodiversity-related tasks potentially employing biodiversity budget tagging mechanism.

Opportunities to Improve Budgeting and Planning Processes

At the current stage of biodiversity management in Kazakhstan, challenges in planning and budgeting are linked not only to technical aspects of the budget process, but also to broader institutional factors. For instance, the Ministry of Finance's reluctance to approve biodiversity-related expenditures proposed by the Ministry of Ecology stems in part from a lack of understanding of the concept and economic value of biodiversity, as well as the absence of biodiversity priorities in high-level strategic planning documents. Addressing these institutional barriers is crucial for strengthening biodiversity financing.

BIODIVERSITY FINANCING RECOMMENDATIONS:

To improve biodiversity financing in Kazakhstan, the Government has to integrate clear, quantifiable biodiversity conservation targets into the highest-level strategic planning documents. At the stage of budget planning, budget allocations should be directly linked to the achievement of these targets by the authorized state bodies.

The analysis conducted indicates that the current biodiversity financing framework in Kazakhstan requires fundamental changes. Given that public expenditures represent the largest share of biodiversity funding, it is essential to maintain and progressively increase public investment in the sector by ensuring that biodiversity objectives are systematically reflected in planning and budgeting processes.

At the same time, funding from the private sector and environmentally impactful industries remains minimal, especially when compared to the environmental damage generated. Measures are needed to stimulate private sector contributions, including legislative reforms and tax incentives to encourage industrial companies to invest in biodiversity conservation.

In addition to public and private sector financing, it is crucial to develop and diversify alternative sources of funding, including:

- Encourage private companies to allocate dedicated budgets for biodiversity through expanded corporate social responsibility (CSR) programs, including clear biodiversity targets and reporting.
- Facilitate access to grants, sponsorships, and philanthropic funds from national and international NGOs and foundations by creating a centralized database and application support services.
- Launch and promote crowdfunding campaigns via online platforms specifically designed for environmental and biodiversity projects to engage the wider public and raise funds efficiently.
- Invest in and market eco-tourism and sustainable tourism initiatives by developing infrastructure, training local guides, and creating attractive tourism packages that generate revenue and incentivize conservation.
- Develop and issue green bonds and sustainability-linked financial instruments targeted at institutional investors to raise capital earmarked for biodiversity-friendly projects.
- Support the establishment of social enterprises that integrate profitable business models with biodiversity protection goals, providing technical and financial assistance for startups.
- Facilitate easier access to international financing mechanisms, such as the GEF, by building the capacity of relevant agencies to prepare competitive project proposals.
- Strengthen public-private partnerships (PPPs) and design concession agreements that clearly define roles, responsibilities, and benefits for biodiversity outcomes.

- Use state external borrowings strategically by channelling part of the proceeds into biodiversity conservation and sustainable development projects.
- Coordinate and attract investment projects with international financial organizations (e.g., World Bank, Asian Development Bank) that prioritize biodiversity funding.
- Provide incentives (e.g., tax breaks, co-financing) to local communities to foster partnerships with regional industries aimed at biodiversity conservation and sustainable resource use.
- Expand paid service activities and sales of regulated products within Protected Areas (PAs), such as entrance fees, guided tours, and eco-friendly merchandise, to generate sustainable income streams.

Photo: UNDP Kazakhstan

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