

# **Kyrgyz Republic Pilot Program for Climate Resilience**

## **Second Joint Multilateral Development Bank Mission Kyrgyz Republic, 19-22 September 2017**

### **Aide Memoire 29 September 2017**

*The European Bank for Reconstruction and Development (EBRD), the Asian Development Bank (ADB) and the World Bank (WB) thank the Government of the Kyrgyz Republic for its hospitality and support to the Second Joint Multilateral Development Bank (MDB) Mission. All inputs of the Kyrgyz authorities and other stakeholders are sincerely appreciated. This Aide Memoire outlines the findings and agreements between the Mission and Government of Kyrgyz Republic<sup>1</sup>.*

#### **I. INTRODUCTION**

Since May 2015 Multilateral Development Banks (EBRD – lead MDB, ADB, and WB) have been supporting the Government of the Kyrgyz Republic under the Pilot Programme for Climate Resilience (PPCR) of the Climate Investment Funds (CIF) to advance efforts to increase the climate resilience of the Kyrgyz Republic. In January 2016, following the Government’s request, the CIF allocated a USD 1.5 million grant (PPCR Grant) for the Kyrgyz Republic to:

- i. Establish a well-functioning and effective Climate Finance Coordination Mechanism (CFCM) to facilitate investment that supports the Kyrgyz Republic’s national development priorities and climate resilience; and
- ii. Develop a Strategic Program for Climate Resilience (SPCR), a business plan and operational framework on climate resilience investments in the country, to be submitted by the Government of Kyrgyz Republic for approval by the PPCR Sub-Committee of the CIF.

Following that decision, the Government of the Kyrgyz Republic appointed EBRD as the lead MDB for the process and requested EBRD to recruit and mobilize an expert team (the Expert Team) to support the preparation of the SPCR and identify appropriate options for the CFCM (PPCR Component 1).

A Second Joint MDB Mission was held from 19 till 22 September 2017 in Bishkek to meet with the First Vice Prime Minister of the Kyrgyz Republic, Mr. Abdygulov Tolkun, key government and civil society stakeholders as well as the community of development partners in the Kyrgyz Republic to:

- i. Discuss the prospective arrangements on the CFCM, including the role and structure of the newly established Climate Finance Centre as a central unit coordinating climate finance in the Kyrgyz Republic; and

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<sup>1</sup> The agreements and understandings described in this Aide Memoire are subject to review and concurrence by the higher authorities of the Asian Development Bank and the Government of Kyrgyz Republic.

- ii. Present and discuss the Consultation Draft of the Kyrgyz Republic SPCR and reach agreement with key national stakeholders on the priority climate resilience activities to be included in the SPCR.

The MDB representatives held constructive discussions with Government representatives and other stakeholders. This Aide Memoire summarizes the findings, discussions, and understanding from meetings with key stakeholders of the Mission. A list of persons met and Mission participants is available in Annex 1. The full schedule of the Mission, including workshop programmes, can be found in Annex 2.

## **II. BACKGROUND**

An MDB Technical Mission was held in December 2016 in the Kyrgyz Republic to discuss the Expert Team recommendations for a CFCM. Subsequently, in August 2017, a Climate Finance Centre of the Kyrgyz Republic (CFC) was established under the Government Office through Resolution No. 478, with a mandate to coordinate and monitor climate finance investments in the Kyrgyz Republic. This represents an important milestone in the process of strengthening the Kyrgyz Republic's capacities in accessing and managing climate and development funds for transformative climate resilience investments in key economic sectors.

A Consultation Draft of the SPCR document was completed by the Expert Team in August 2017. The document was developed based on desk review, structured interviews and consultations with a broad range of stakeholders, including Government Office, central planning ministries as well line ministries and agencies overseeing climate-sensitive sectors, development partners active in the field of climate change, private sector, and civil society representatives. The preparation of the Consultation Draft of the SPCR also draws upon the outcomes and agreement reached during the previous PPCR MDB missions to the Kyrgyz Republic.

The Consultation Draft SPCR aligns and builds on existing national policies and strategies and integrates them to provide a strategic climate resilience investment plan of the Kyrgyz Republic. It aims to provide a platform for accessing and leveraging climate finance in a transformative manner and facilitate coordination of climate finance across different sources. The SPCR comprises three sections:

- i. *Background and rationale*, highlighting how climate risks and vulnerabilities threaten the achievement of the Kyrgyz Republic's sustainable economic development priorities and making the case for building resilience in the US\$ billions of investments required to achieve sustainable development;
- ii. *Proposed investment program components*, identifying close to 130 climate resilience measures – investments, capacity development and technical assistance, and policy dialogue, across five themes (Infrastructure and built environment, Water resources, Health and food security, Private sector, Ecosystems) and ten cross sectoral investment programmes in support of these five themes.
- iii. *Initial investment project pipeline*, to be completed based on outcome from consultations on interest for specific themes/priority measures.

The SPCR is foreseen as a 'living document' that is continuously updated by the Climate Finance Centre to ensure full alignment with the evolving climate finance landscape and national priorities.

The Government Office of the Kyrgyz Republic released the Consultation Draft of the SPCR on 5 September 2017, inviting all stakeholders to provide feedback on the document until 15 September 2017.<sup>2</sup> The website [www.climatefinance.kg](http://www.climatefinance.kg) was launched to provide context on the PPCR, host the SPCR Consultation Draft, and provide a means to submit comments.

The original deadline for the SPCR approval by the PPCR Sub-Committee was May 2017. Following the Kyrgyz Republic's request, CIF extended the deadline for the SPCR submission by 6 months and advised that the SPCR must be submitted by the Kyrgyz Republic to the CIF by 9 November 2017 for approval during the PPCR Sub-Committee Meeting on 10-11 December 2017 in Washington, DC and that no further extension would be possible. This deadline is applicable to all seven PPCR countries with pending SPCR approval. Following approval, SPCR implementation (Phase II) will commence, including (i) setting up and operationalising the CFC (PPCR Component 2) and (ii) development and implementation of identified priority climate resilience investments (PPCR Component 3).

### **III. SUMMARY OF THE DISCUSSIONS ON THE CLIMATE FINANCE CENTRE AND THE SPCR CONSULTATION DRAFT**

During the mission, structured consultation meetings were held with the representatives of the Government of the Kyrgyz Republic, civil society, and the community of development partners and donors in the Kyrgyz Republic over 20-21 September 2017 (see Annex 1 and 2 for the list of stakeholders consulted during the mission and for the programme of the consultation workshops). The consultation meetings were led by the representatives of the Government Office and the MDBs and aimed to present and discuss:

- i. The prospective arrangements on the CFCM, including the role and structure of the newly established Climate Finance Centre as a central unit coordinating climate finance in the Kyrgyz Republic; and
- ii. The Consultation Draft of the Kyrgyz Republic SPCR and reach agreement with key national stakeholders on the priority climate resilience activities to be included in the SPCR.

There was significant interest from the consultation participants in the role of the Climate Finance Centre and SPCR in mobilising additional climate and development resources for transformative investments in key economic sectors of the economy. Workshop participants were overall supportive of the recent legal establishment of the CFC, as an important step towards increasing capacity for climate finance coordination and improving alignment with central planning processes. There was broad support and commitment to work with the CFC. Constructive and valuable feedback has also been received for the finalization of the SPCR document over the next few weeks. Guidance on the next steps can be summarised as follows.

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<sup>2</sup> Link to press release: <http://knews.kg/2017/09/kyrgyzstan-predprinyal-znachitelnye-shagi-v-razrabotke-strategij-po-adaptatsii-k-izmeneniyu-klimata/>

- 1. The establishment of the Climate Finance Centre (CFC) aims to support the Kyrgyz Republic’s efforts in successfully mainstreaming climate change considerations into sustainable development planning and align the country’s efforts with international requirements regarding climate finance.** The Government Office confirmed that the CFC is the central administrative unit of the national Climate Finance Coordination Mechanism (CFCM), a system of national organizations and development partners that work jointly to mobilise climate and development finance from a variety of sources, and coordinate and blend them together to support the development and implementation of climate projects in the country in alignment with national development priorities. The main functions of the CFC are: (i) assistance in the attraction of financial resources and investments from the Green Climate Fund and other international sources; and (ii) assistance in advancing of investments, implementation of programs, and projects in the field of climate change. As such, the CFC will not duplicate or misalign with existing functions found elsewhere in government.
- 2. Funding for the operations of the Climate Finance Centre will be provided by the PPCR Grant and will be governed by the Grant Agreement signed between the Government Office and the EBRD.** Funding of the CFC is contingent on timely submission and approval of the SPCR by the PPCR Sub-Committee.
- 3. The CFC Head will report to the Climate Finance Focal Point in the country.** The Government of the Kyrgyz Republic confirmed that the Climate Finance Focal Point has been appointed at the level of Vice Prime Minister and will be responsible for overall coordination of stakeholders involved in climate change and climate finance. As noted during the mission, the role of the National Designated Authority (NDA) is still being discussed within the government and will be announced at a later stage by the Prime Minister. For reasons of continuity, the State Agency for Environmental Protection and Forestry will act as the NDA of Kyrgyz Republic for the Green Climate Fund until the decision is made.
- 4. Linkages to existing and planned strategies, policy documents as well as action plans need to be clearly stated in the SPCR to ensure full alignment with the national and sectoral investment priorities.** Participants provided their feedback and additional information on the development context of the Kyrgyz Republic and climate vulnerability for specific sectors. A number of important strategies, action plans and policy and investment programmes were mentioned in support for prioritisation of actions on climate change in the Kyrgyz Republic. Further guidance was provided on the status of the Government’s programme “40 Steps to New Era” (Zhany doorgo kyrk kadam) as well as on the new National Strategy for Sustainable Development for 2018-2023.
- 5. Status of the SPCR has been clarified against the protocol and methodologies for official national documents of the Kyrgyz Republic.** It was clarified by the MDB representatives that the SPCR title (Strategic Programme) derives from the CIF terminology. The SPCR aims to provide an operational framework and a roadmap for strengthening the Kyrgyz Republic’s capacity in accessing and managing climate and development funds for climate resilience investments. As such, the SPCR is not intended to supersede existing or planned government strategies or replace existing bilateral investment project pipeline documents with development partners. Furthermore, the SPCR is not required to hold the

legal and political status of a strategy document in the Kyrgyz Republic as established in the Guidance Document on “Methodology of strategic planning of the sustainable development” issued by the Ministry of Economy. Instead, the SPCR is an operational framework for identifying and managing climate resilience investments<sup>3</sup> that in the near term may require international climate (co-)financing to achieve climate resilience objectives. It was further explained that the SPCR is considered a “living document”, with the CFC being responsible for coordinating the process of selecting investment components, in line with existing priorities of development partners and donors. It is envisaged that over time, a participatory and dynamic investment plan will evolve according to national priorities and stakeholders’ interests.

**6. Proposed initial climate resilience investment pipeline will be closely coordinated with the GCF accredited entities in the Kyrgyz Republic to reflect the discussion held so far between the Government of the Kyrgyz Republic and development partners.**

During the consultation workshops, the Government Office and the MDBs reiterated that the 9 November 2017 deadline for SPCR submission to the CIF is a hard deadline and that no further extensions would be feasible.

## **IV. NEXT STEPS**

Representatives of Government Office reiterated to the MDBs their full commitment to complete the revision, necessary endorsement, and timely submission of the SPCR to the CIF. Following the detailed discussions over 19-21 September 2017, the Prime Minister, Mr. Isakov, and Vice Prime Minister, Mr. Zilaliev, have been informed about the outcomes of the Mission and are supportive of the agreed process for finalisation of the SPCR.

### ***1. SPCR COMPLETION***

To ensure the timely finalization of the SPCR over the next few weeks, the Government Office will take the lead role on the process. A working group will be established under the leadership of a senior government official and tasked with a preparation of the final version of the SPCR for the submission to the CIF by 9 November 2017.

The Ministry of Economy has been tasked with collecting structured feedback from Government Line Ministries and Agencies on development context and climate risk and priority climate measures. Feedback and comments from the civil society organisations will be collected through a dedicated website ([www.climatefinance.kg](http://www.climatefinance.kg)) and coordinated by the EBRD. As discussed and agreed during the Mission, the deadline for providing feedback on the SPCR has been further extended until 1 October 2017 to enable all stakeholders to provide further guidance and comments on the document.

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<sup>3</sup> Currently, the only “accredited agencies” operating in Kyrgyz Republic and certified to apply for international climate finance are international donor agencies.

The Government Office has set an internal working deadline of 1 November 2017 for the finalization of the SPCR, with an effective deadline for the working group of mid-October.

The MDB representatives confirmed that endorsement of the SPCR by the relevant authority (Prime Minister, or Vice Prime Minister) would suffice for submission to CIF, rather than a government resolution.

## ***2. PREPARATION OF THE GRANT AGREEMENT FOR OPERATIONALISATION OF THE CLIMATE FINANC CENTRE***

The Government Office and EBRD agreed to commence advanced action in preparing the grant agreement for ensuing financing of the CFC, so that it may quickly be signed after SPCR approval in December 2017.

The agreed next steps are set out in the below table.

**Table 1: Agreed next steps**

<b>Action</b>	<b>Target Date</b>	<b>Responsibility</b>
<b>1.</b> MDBs send mission Aide Memoire and covering letter to Prime Minister	By 29 September 2017	EBRD
<b>2.</b> Deadline for stakeholder comments on SPCR Consultation Draft (via <a href="http://www.climatefinanc.kg">www.climatefinanc.kg</a> )	1 October 2017	Government Office/ MDBs
<b>3.</b> Release of the Draft Final SPCR	Mid-October 2017	Government Office
<b>4.</b> Internal working deadline for preparation of the Final SPCR	1 November	Government Office
<b>5.</b> Kyrgyz Government to endorse final SPCR and submit to PPCR Sub-Committee of CIF for approval	9 November 2017 (Sub-Committee approval December 2017)	Government Office
<b>6.</b> Grant Agreement for financial support for the Climate Finance Center signed between EBRD and Government of Kyrgyz Republic	Following approval of SPCR by PPCR Sub-Committee (December 2017)	Government Office/ EBRD
<b>7.</b> Climate Finance Center consultants to be recruited and office space established	Following signing of the Grant Agreement	Government Office/ EBRD
<b>8.</b> SPCR implementation commences	Following SPCR approval by PPCR Subcommittee	Government Office/ EBRD

## **ANNEX 1. List of Persons Met and Mission Participants of the Second Joint Mission**

### **List of representatives of the Government Office and central planning ministries**

<b>NAME OF THE INSTITUTION</b>	<b>NAME OF THE REPRESENTATIVE</b>	<b>POSITION</b>
Government Office	Mr. Abdygulov Tolkun	First Vice Prime Minister of the Kyrgyz Republic
Government Office	Mr. Umetaliev Sanjar	Deputy Head of the Government Office
President Office	Mrs. Akhmetova Nursulu	Head of the Department on Financial and Economic Analysis and Development Monitoring
President Office	Mr. Sadykov Talay	Expert, Department on Financial and Economic Analysis and Development Monitoring
Government Office	Mr. Aaliev Aziz	Head of the Department on Finance and Credit Policy
Government Office	Mr. Chuikov Nikolay	Head of the Department on Economy and Investment
Government Office	Mr. Sheishekanov Danyar	Deputy Head of the Department of Industry, Fuel and Energy Complex and Subsoil Use
Government Office	Mr. Dalbaev Talay	Head of the Department of agro-industrial complex and ecology
Government Office	Mr. Jundubaev Kylychbek	Head of the Department of agro-industrial complex and ecology
Ministry of Economy	Mr. Imanaliev Danyar	Deputy Minister
Ministry of Economy	Mrs. Jeenbekova Nadira	Head of the External Relations and Donor Help
Ministry of Economy	Mr. Kadyrov Aibek	Acting as Head of Department on Strategic Planning
Ministry of Economy	Mr. Kadyrakunov Sanjar	Head of the Department on Donor Help
Ministry of Finance	Mr. Baigonchokov Mirlan	Deputy Minister
Ministry of Finance	Mr. Mamasadykov Nurbek	

## List of representatives of the Private Sector, Civil Society Organisations and Research Institutes

NAME OF THE INSTITUTION	NAME OF THE REPRESENTATIVE	POSITION
Public Association "AGROLEAD"	Ms. Kayirkul Kazylaeva	Manager
Public Association "AGROLEAD"/ Osh office	Ms. Tashtanova Nurgul	
Central - Asian Institute for Applied Geosciences (CAIAG)	Mr. Moldobekov Bolot	Co-director
Public Association "Resource Centre for the Elderly" (RIC)	Ms.Svetlana Bashtovenko	President
Public Foundation "Relascope"	Mr. Nurbek Kuldanbaev	Director
"Association of RES of KR" and LLC "Kalininskaya HPP	Ms. Eleonora Kazakova	Executive Director
Ozone Center	Mr.Mars Amanaliev	Head
Unison Group	Ms. Nurzat Abdyrasulova	President
Regional Mountain Centre	Mr. Ismail Dairov	Director
UCA's MSRI	Stefanos Xenario	Senior Research Scientist
UCA's MSRI	Zalina Enikeeva	Research Assistant
Public Foundation "Camp Alatoo"	Ms. Aida Gareeva	Senior coordinator of projects
Public Foundation "Camp Alatoo"	Ms. Karabaeva A	
Regional Programme Officer	Ms. Elbegzaya Batjargal	Mountain Partnership Secretariat
AGOCA- Alliance of Central Asian Mountain Communities	Mr. Rahmanberdy uulu Akylbek	
	Mr. Rysbek Satylkanov	PF Eco Consult
Association "Agrarian Platform of Kyrgyzstan"	Ms. Aizhan Zhakypbek	Project Coordinator
Academy of Science	Ms. Tamara Tuzova	



Academy of Science	Mr. Lipkin Vladimir	
Secretariat of the Business Development and Investments Councils under the Government of the Kyrgyz Republic	Mr. Kuban Ashyrkulov	Parliament Liaison Officer
Kyrgyz Association of Forest and Land Users	Ms. Tazhibaeva Sairagul	
ARIS Kyrgyz Republic's Community Development and Investment Agency	Ms. Meerim Kerimbaeva	

### List of representatives of the Development Partners and Donors

NAME OF THE INSTITUTION	NAME OF THE REPRESENTATIVE	POSITION
EU Delegation in Kyrgyz Republic	Ms. Mia-	Attache, Project Manager, EU Delegation
SECO	Mr. Kudabaev Tunzhur	National Coordinator of the Programmes
UNDP	Mr. Kasybekov Erkin	Senior Adviser to the UNDP Resident Representative
UNDP	Mr. Grevnev Vladimir	Programme Coordinator
UNDP	Mr. Kumarov Kylych	
FAO	Ms. Alibakieva Cholpon	Project Manager
GIZ	Ms. Edith Koshkin	Project manager of GIZ "Biodiversity conservation and poverty reduction with the involvement of local communities to manage walnut-fruit forests and pastures"
GIZ	Ms. Alyeva Nazira	Consultant of the GIZ project "Environmental program of adaptation to climate change"
WFP	Ms. Keiko Izushi	Deputy Country Director
WFP	Ms. Abjamilova Dinara	Vulnerability and Mapping Analyst

DPPC Coordinator	Ms. Kenjekaraeva Ainura	Attache, Project Manager, EU Delegation
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### List of representatives of the MDB Technical Mission and the Expert Team

NAME OF THE INSTITUTION	NAME OF THE REPRESENTATIVE	POSITION
European Bank for Reconstruction and Development	Craig Davies	Head of Climate Change Adaptation
European Bank for Reconstruction and Development	Marta Modelewska	Principal Manager, Climate Change Adaptation
European Bank for Reconstruction and Development	Nurgul Esenamanova	Climate Finance Officer
Asian Development Bank	Candice McDeigan	Country Director
Asian Development Bank	Nathan Rive	Climate Change Specialist
World Bank	Bolormaa Amgaabazar	Country Manager
World Bank	Philippe Ambrosi	Senior Environmental Economist
World Bank	Tolkun Jukusheva	Operations Officer
Expert Team	Almaz Asipjanov	Institutional Expert

## ANNEX 2. Schedule of the Mission and Workshop Programmes

### 1. Plenary Meeting to present and discuss the Consultation Draft of the Strategic Programme for Climate Resilience of the Kyrgyz Republic

Wednesday, 20<sup>th</sup> September 2017, 9:00 – 12:30

Park Hotel

TIME	AGENDA ITEM	LEAD PRESENTER
8:30 – 9:00	<i>Registration &amp; welcome coffee</i>	
9:00 – 9:15	<b>1. Welcome and opening of the meeting</b> 1.1 Presentation of the objectives and expected outcomes of the meeting 1.2 Introduction of the participants	Government Office
9:15 – 9:45	<b>2. Climate finance arrangements in the Kyrgyz Republic:</b> 2.1. Presentation of the newly established Centre on Climate Finance of the Kyrgyz Republic 2.2. Presentation of the changes in the structure of the Coordination Commission on Climate Change Problems of the Kyrgyz Republic 2.3. Q&A	Government Office
9:45 - 10:15	<b>3. Preparation of the Strategic Programme for Climate Resilience (SPCR)</b> 3.1. Presentation of the SPCR Consultation Draft document 3.2. Q&A	Expert Team, MDBs
10:30-11:00	<i>Coffee break</i>	
11:00 -12:00	<b>4. Discussion on the SPCR Consultation Draft</b> 4.1. Presentation of the feedback received on the SPCR Consultation Draft 4.2. Discussion on the initial pipeline of climate resilience investment projects	Government Office, Ministry of Economy
12:00 – 12:15	<b>5. Presentation of the steps for SPCR finalisation and submission to the PPCR Sub-Committee for approval</b>	Government Office
12:15 – 12:30	<b>6. Conclusion</b>	Government Office, MDBs
12:30 – 13:30	<i>Lunch</i>	

**2. Consultation Draft of the Strategic Programme for  
Climate Resilience of the Kyrgyz Republic: *Workshop with Private  
Sector, Civil Society Organisations and Research Institutes***

Thursday, 21<sup>st</sup> September 2017, 9:00 – 12:30

Park Hotel

<b>TIME</b>	<b>AGENDA ITEM</b>	<b>LEAD PRESENTER</b>
8:30 – 9:00	<i>Registration &amp; welcome coffee</i>	
9:00 – 9:15	<b>1. Welcome and opening of the meeting</b> 1.3 Presentation of the objectives and expected outcomes of the meeting 1.4 Introduction of the participants	Government Office
9:15 – 9:45	<b>2. Summary of the Plenary Meeting chaired by the VPM of the Kyrgyz Republic</b> 2.1. Presentation of the conclusions regarding the newly established Centre on Climate Finance of the Kyrgyz Republic 2.2. Presentation of the conclusions regarding the SPCR Consultation Draft 2.3. Q&A	Government Office
9:45 – 11:00	<b>3. Moderated discussion on the SPCR Consultation Draft &amp; support to the Climate Finance Centre of the Kyrgyz Republic</b>	Government Office MDBs/ Expert Team
<i>11:00 - 11:30</i>	<i>Coffee break</i>	
11:30 - 12:00	<b>4. Presentation of the steps for SPCR finalisation and submission to the PPCR Sub-Committee for approval</b>	Government Office
12:00 – 12:30	<b>5. Conclusion</b>	Government Office
<i>12:30 – 13:30</i>	<i>Lunch</i>	

### 3. Consultation Draft of the Strategic Programme for Climate Resilience of the Kyrgyz Republic: *Workshop with Development Partners and Donors*

Thursday, 21<sup>st</sup> September 2017, 14:00 – 17:00

Park Hotel

TIME	AGENDA ITEM	LEAD PRESENTER
13:30 – 14:00	<i>Registration &amp; welcome coffee</i>	
14:00 – 14:15	<b>1. Welcome and opening of the meeting</b> 1.5 Presentation of the objectives and expected outcomes of the meeting 1.6 Introduction of the participants	Government Office
14:15 – 14:45	<b>2. Summary of the Plenary Meeting chaired by the VPM of the Kyrgyz Republic</b> 2.1. Presentation of the conclusions regarding the newly established Centre on Climate Finance of the Kyrgyz Republic 2.2. Presentation of the conclusions regarding the SPCR Consultation Draft 2.3. Q&A	Government Office
14:45 – 16:00	<b>3. Moderated discussion on the SPCR Consultation Draft &amp; support to the Climate Finance Centre of the Kyrgyz Republic</b>	Government Office Expert Team/ MDBs
16:00 - 16:15	<i>Coffee break</i>	
16:15 - 16:45	<b>4. Presentation of the steps for SPCR finalisation and submission to the PPCR Sub-Committee for approval</b>	Government Office
16:45 – 17:00	<b>5. Conclusion</b>	Government Office