



**UNDP-UNEP POVERTY-ENVIRONMENT INITIATIVE**  
**PNUD-PNUE Initiative Pauvreté-Environnement**  
**PNUD-PNUMA Iniciativa Pobreza-Medio Ambiente**



## **Kyrgyzstan**

### **Basic facts of the PEI in Kyrgyzstan**

- Following the request of the Government of Kyrgyzstan, the Europe & CIS PEI regional team jointly developed a PEI country programme (Phase 1) with relevant Government partners and the UNDP Country Office during 2009. The Preparatory Phase included extensive stakeholder discussions.
- During 2009 and 2010, the Regional Team led consultations with national counterparts and the UNDP Country Office (UNDP CO) to complete the Preparatory Phase. The Preparatory Phase lasted longer than anticipated due to the political upheaval of April 2010 and the precarious political and social situation related to the crises experienced by the country in spring and summer of 2010.
- At the end of 2010, the UNDP CO and national counterparts undertook a wide consultation process to elaborate the PEI Phase 1 Country Programme Document for 2011–2013, jointly developed with the Ministry of Economic Regulation, the State Agency of Environmental Protection and Forestry, and other key stakeholders. Phase 1 officially started in March 2011 after the First-Vice Prime Minister of the Republic of Kyrgyzstan, the UN Resident Coordinator and the PEI signed the project document.
- Key entry points for poverty-environment mainstreaming in Kyrgyzstan include: subnational development programmes and plans at the *oblast* (province) level and the *aiylokmotu* (village) level; UN/UNDP programming processes (new UNDAF 2012–2016, UNDP Country Programme Document and its Country Programme Action Plan); and the new Country Development Strategy (CDS).
- The programme is coordinated by the joint UNDP- UNEP PEI Regional Team and the UNDP Country Office team, composed of both the Poverty Reduction and the Environment and Disaster Risk Management units.
- PEI contributed to the elaboration of the new United Nations Development Assistance Framework (UNDAF) 2011–2016 approved in March 2011 by the Government and the UN, and influenced the decision of the UN Country Team to have poverty reduction and environment as one of its three main pillars.
- Key country partners include the Office of the First Vice-Prime Minister, Ministry of Economic Regulation, State Agency for Environment Protection and Forestry, State Agency of Local Self-Governance Development, Academy of Management under the President of Kyrgyzstan and subnational authorities of selected areas.
- Phase I has a budget of USD 1.20 million, with contributions from PEI (USD 900,000), UNDP (USD 70,000), and a parallel contribution from national UNDP Environment and Poverty Reduction Programmes/Projects (USD 350,000).

### **The context of poverty-environment mainstreaming in Kyrgyzstan**

- Poverty remains high in the Kyrgyz Republic though extreme poverty is moderate. An estimated 31.7 per cent of the population lives below the poverty line and 6 per cent in extreme poverty.

About 65 per cent of Kyrgyzstan's population lives in rural areas. Some 51 per cent of the rural population lives in poverty, compared to 30 per cent of the urban population. In five out of eight provinces in Kyrgyzstan, the poverty rate is over 50 per cent.

- Agriculture is the structural backbone of the economy, accounting for about 40 per cent of total employment (70 per cent of the poor) and more than one-third of GDP. As over 40 per cent of agricultural land is degraded and over 85 per cent of territory is exposed to erosion, sustained agricultural growth and measures to raise farm productivity and farm incomes are key priorities of the Government.
- Additional major environmental problems in Kyrgyzstan include deforestation, lack of safe energy supply, soil and water contamination, toxic waste and chemicals and frequent natural disasters. The country is highly vulnerable to natural disasters and is frequently exposed to over 20 different types of hazardous natural events and processes. The new UNDAF states that "the Kyrgyz Republic suffers about US\$35 million in damages each year from natural disasters". Numerous sites in the country are heavily contaminated with toxic and radioactive waste because of mining production, including uranium-tailing sites. Most of these tailings are located in areas prone to natural hazards, with potentially disastrous consequences for the population.
- The development direction of the country is defined through its current CDS. This strategy is anchored on four pillars, including environmental sustainability and natural resources management as one major policy commitment. While the understanding of environmental issues and poverty-environment linkages is good at national level, as reflected in leading strategic documents, implementation, particularly at subnational level, is hampered by lack of administrative skills and missing institutional and procedural mechanisms. The actual expenditures for environment protection during recent years have been reduced to a critical low level and make up only 0.26 per cent of GDP.
- The level of understanding of the significance and the interdependence of poverty-environment linkages in state institutions is generally fair. The level of perception and assessment of problems related to poverty-environment is low as well as in the *oblasts*, *rayons* and *aiylokmotos*. Therefore, identification of poverty-environment initiatives, their integration in the current strategic planning, and their implementation can be achieved at that level of decision-making. It can be improved through capacity strengthening at the institutional level of relevant stakeholders, such as government, subnational authorities, NGOs and research institutions.
- The planning and budgeting processes utilized by different levels of government have been disconnected and uncoordinated, making it extremely difficult to link the allocation of resources with any identified local development priorities. The existing planning and budgeting processes lack the corollary financial support, which would allow proper implementation of planned intentions, as the system of budgeting in Kyrgyzstan remains highly centralized and uncoordinated with the local planning process. Local governments have not had the autonomy to set and collect adequate revenue to finance local government services, while the system of transfers from national taxes has not been transparent.
- The Government of the Kyrgyz Republic is interested in using debt-for-nature swaps as a financial mechanism to support implementation of poverty reduction and environment protection initiatives in the country. This interest has been expressed at different international fora, including presentation of the President of Kyrgyzstan, Ms Roza Otunbaeva, at the United Nations General Assembly on 22 September 2010, and during her speech on UN Day, 21 October 2010. In view of this, President Otunbaeva asked UNDP to help, as Kyrgyzstan is facing serious environmental problems.
- The country has legal instruments for integrating environment only in infrastructure-type of projects and industrial planning documents - Environmental Impact Assessment or OVOS, as they are called in the country. Kyrgyzstan ratified the Convention on Environmental Impact

Assessment in a Transboundary Context (Espoo Convention) in 2001, but has not acceded yet to the Protocol on Strategic Environmental Assessment (SEA).

- A major finding of the initial PEI missions included the recommendation to place strong emphasis on systematic poverty–environment mainstreaming to subnational planning processes. In the current Kyrgyz political context, the governance structures at subnational level are more stable than at national level and provide better conditions for integrated and participatory planning.
- The PEI country programme will initially focus on two provinces: *Narynblast* (province) and *Suusamyr aiylokmotu*, an administrative unit of rural communities consisting of up to 20 small settlements. Both areas are among the poorest in Kyrgyzstan, with poverty levels at approximately 50 per cent.
- PEI will actively promote poverty–environment mainstreaming into development programmes of the selected areas. The main source of income in both *Narynblast* and the *Suusamyr* valley is animal herding, so sustainable pasture management for poverty reduction and income generation has been preliminarily selected as the key focus of the programme.
- At national level, a review of the current Country Development Strategy (CDS) and support for the development of a new CSD were identified as main entry points for PEI. The mainstreaming effort will be supported by the results of identifying measurable poverty–environment indicators to be applied in M&E frameworks of the national and subnational planning documents.
- In the spirit of the UNDP-UNEP joint programming, PEI will build on and complement the efforts and results of on-going projects of the UNDP Democratic Governance, Environment and Disaster Risk Management, and Poverty Reduction units to help develop and strengthen capacities of local communities and governments on decentralization and environmental fiscal reform policies.
- The Government and the Country Office have jointly identified the next CDS and the Long-Term Country Development Strategy as the main PEI national-level entry points. Considering the on-going major government reforms, the character of a new CDS and time frame of the long-term strategy are not clear at this time (i.e., as of April 2011) but their elaboration is very likely in the near future.

### **Main activities**

- PEI will continue to work toward increased awareness and improved understanding of poverty–environment linkages within key stakeholders, supported by studies showing the economic and social value of ecosystem goods and services.
- PEI will select the most appropriate approach for integrating poverty–environment into planning and monitoring processes at national and subnational level, and into the UN programming (UNDAF).
- PEI will also seek partnerships with key donors, such as WB, GEF, GIZ, DFID, EU and the Aga Khan Foundation.

### **What has been achieved to date?**

- The UNDP Country Team established a poverty–environment working group, composed of specialists from both Environment and Disaster Risk Management and Poverty Reduction units.
- PEI supported the elaboration of the national long-term development strategy. In June 2009, following an urgent request from the President’s office, PEI supported the elaboration of the draft national Long Term Development Strategy 2020. PEI provided recommendations to better

reflect environmental sustainability in the document. This ad-hoc intervention helped to establish key entry points and to identify champions among political decision-makers to promote poverty-environment mainstreaming.

- PEI contributed to the UN Country Team's decision to have poverty reduction and environment under one joint pillar in the UNDAF 2012–2016. In the previous UNDAFs, they always formed separate pillars.

### **Way forward**

- Establish the PEI Kyrgyzstan country programme implementation unit.
- Organize the inception workshop, where PEI and its main partners will discuss concrete implementation issues.
- Identify existing (or establish, if needed) interagency coordination body to support continuous dialogue and cooperation among ministries and agencies, as well as civil society and potentially the private sector.
- Review and evaluate the current CSD 2009–2011 and related sectoral plans, budgeting and M&E and processes from a poverty-environment perspective.
- Prepare the guidance for integrating poverty-environment linkages into subnational and national development planning and budgets.
- Elaborate the set of measurable indicators to be applied in the M&E frameworks of the national and subnational plans.
- Design and implement a comprehensive PEI communication strategy to build long-term strategic partnerships, raise awareness, and facilitate civil society involvement in decision-making processes and advocacy on poverty-environment mainstreaming.