



Climate Finance Centre
under the Cabinet of Ministers of the Kyrgyz Republic



Climate Finance Center as the model
of climate finance coordination mechanism



Background for creation of the CFC

Technical Assistance of the Climate Investment Funds within the Pilot Program for Climate Resilience (PPCR) Phase 1

Component 1:
Developing a strategic climate investment planning framework - **Climate Investment Programme (CIP)**

Component 2:
Establishing a well-functioning Climate Finance Coordination Mechanism - a **Climate Finance Center of the Kyrgyz Republic (CFC)**



Phase 1 of the CIF/PPCR/CFC

(August 2018 – August 2022)



European Bank
for Reconstruction and Development



Recommendations for the Climate Finance Coordination Mechanism and Climate Finance Secretariat in the KR

The Climate Investment Programme (CIP) – country’s climate resilient development plan on 11 priorities directions

Resolution of the Government of the KR “On the establishment of the Climate Finance Center of the Kyrgyz Republic” August 14, 2017, No. 478.

Grant Agreement between the CFC and the EBRD on financing the activities of the CFC dated August 15, 2018



2015
First Joint MDB
Mission



2016
Climate Investment
Programme



2017
Establishment
of the CFC



2018
Operationalization
of the CFC

Phase 2 of the CIF/PPCR/CFC

Grant Agreement between the CCF and the EBRD on financing the activities of the CCF
(September 2022 - August 2025)



Project Preparation
Facility
(PPF/CFC)



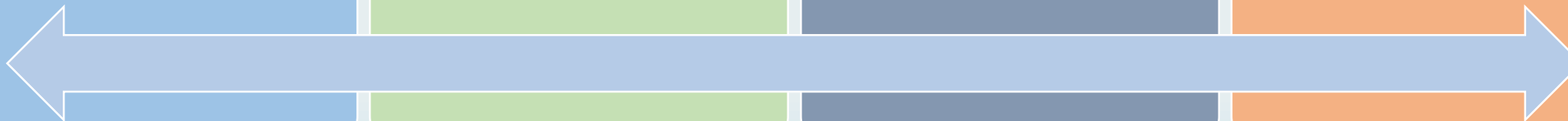
CFC Capacity
Building Programme



Online Knowledge
Platform



Integration of
Gender into Climate
Policy and Project
Development

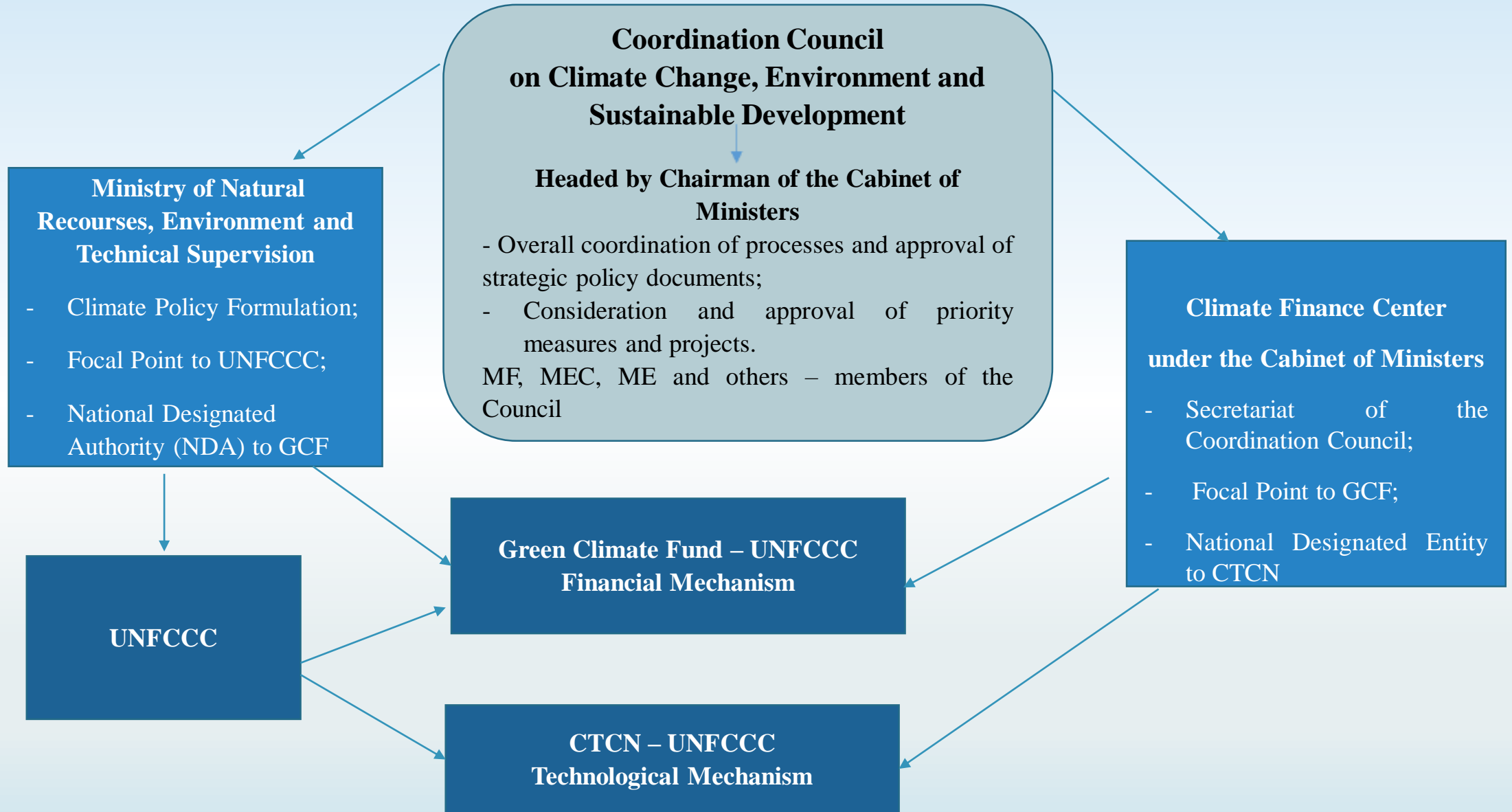


CFC Team and Structure

❖ 12 staff, including Director and two Deputy Directors:

1. Expert on Climate Policy and Finance;
2. Programme/Projects Coordinator;
3. Expert on Monitoring and Evaluation;
4. Manager of the Project Preparation Facility (PPF);
5. Expert of the PPF;
6. Expert of the PPF;
7. Expert of the PPF;
8. Communication Specialist/Office-Manager;
9. Accountant

Climate Finance Coordination Mechanism



Main Pillars of the CFC Activities

Support to the Climate Policy Development



- ❖ Support to the Presidential Administration and the Cabinet of Ministers on climate policy formulation;
- ❖ Support to the government agencies to integrate climate policy measures into sectoral policy documents.

Project/Pipeline Development



- ❖ Needs assessment and project idea initiation\identification;
- ❖ Project concepts development;
- ❖ Climate projects pipeline development and management.

Climate Finance Coordination and Mobilization



- ❖ Ensure overall coordination, engagement and communication among/with development partners and other stakeholders;
- ❖ Maintaining a register of existing climate related projects;
- ❖ Support to accreditation process.

Capacity Building, Training and Awareness Raising



- ❖ Capacity building on the climate finance and project development;
- ❖ Communication, awareness raising and outreach of the climate change and climate finance.

CFC Activity Results

Coordination

1. Draft Concept of Carbon Neutrality up to 2050 and its Action Plan, and draft National Adaptation Plans for 4 sectors: agriculture, emergency, health and biodiversity.
2. Climate Finance Strategy and Road Map for its implementation.
3. GCF Country Programme formulation.
4. Update of Climate Investment Programme and Projects Pipeline.
5. Formulation of the ADB PBL;
6. Support to accreditation (ARIS, Aiyl Bank...)

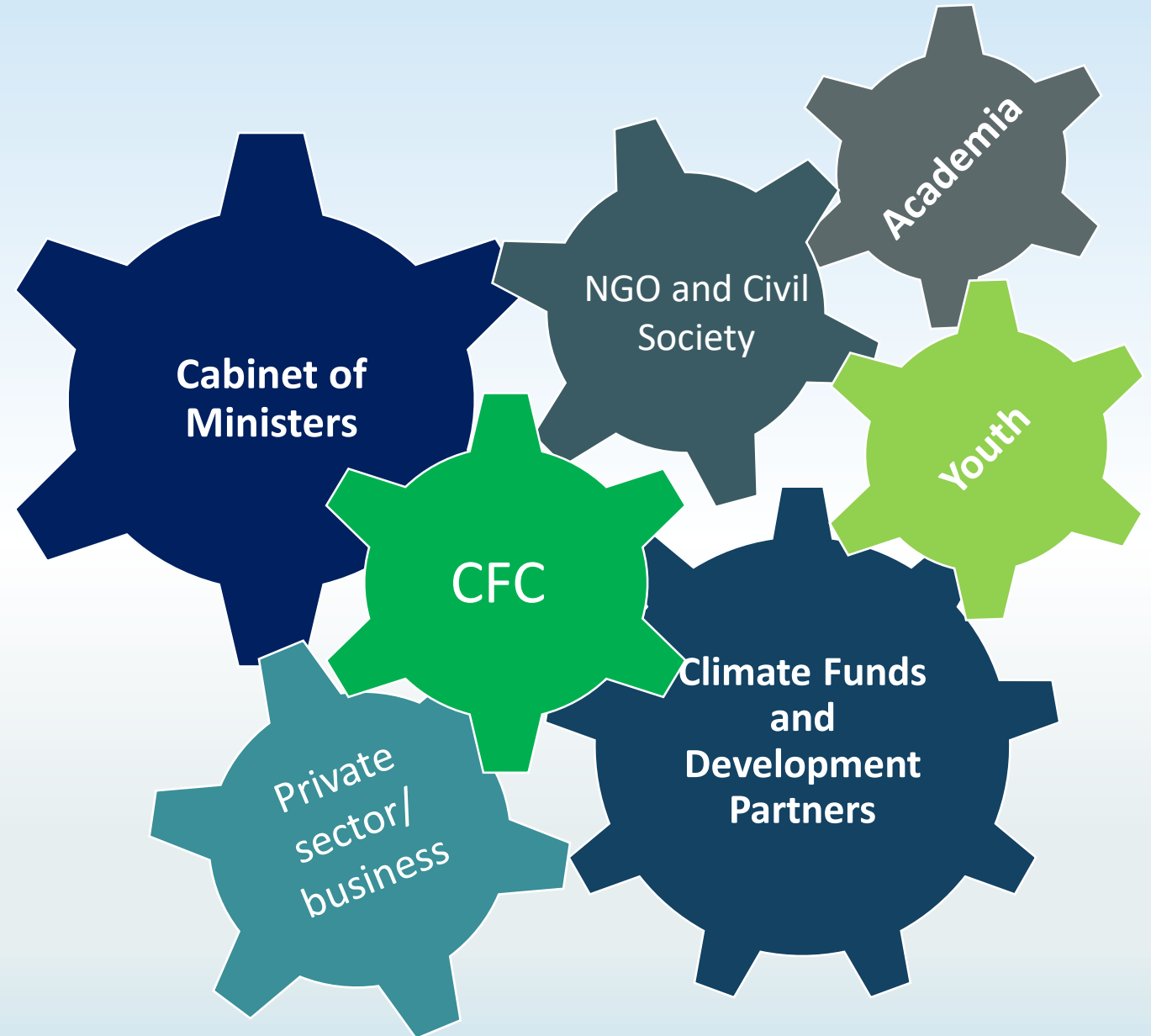
Projects

1. "Air quality improvement project in the KR, 10 mln. USD" (submitted to the KOICA);
2. "Reducing risks of low-carbon investments in public buildings in the KR, 25 mln. USD" (submitted to the GCF jointly with ARIS);
3. "Bishkek Energy Efficiency and Clean Heating, 49 mln. USD" (submitted to the GCF jointly with the ADB);
4. "Reducing greenhouse gas emissions in the residential sector of the KR, 10 mln. USD" (submitted jointly with the ADB to the MAF);
5. "Reducing risks and expanding investments in decentralized climate-smart wastewater treatment systems in the Issyk-Kul region of the KR, 25 mln. USD" (submitted to the GCF).

Trainings

- Series of consultation seminars on identification and formulation of project ideas from government organizations:
 - 1st seminar – January 17 - 20, 2023;
 - 2nd seminar – January 24 – 26, 2023;
 - 3rd seminar – February 7, 9, 2023;
 - 4th seminar – February 20 – 25, 2023.
- In total more than 80 project ideas.
- CFC Capacity Building Programme (CBP) Concept and Plan is under development.
- The implementation of the CBP is planned for the 2024.

The role of the CFC – to be a catalyst for attracting climate finance and a bridge between the needs of the country and resources available external and internal



ADB support to strengthen CFC's operations and functions

ADB TA (Fast track) to provide six (6) consultants, including Institutional Capacity Development, Adaptation, Mitigation, Legal, Climate Finance (origination and investment):

- Strengthening organizational structure/functions;
- preparing organizational procedures and guidelines for project origination and financing;
- developing a corporate business plan with specific short to medium-term operational key performance indicators and targets confirmed by the government;
- technical guidance on emission calculation, appropriate technologies, and best practices in exploring and developing climate investments;
- developing an integrated climate investment plan and solutions compliant with national public investment program and consistent with available financial instruments (to present in the COP29, Baku)

What next?

- ❖ ADB Policy based Lending (PBL) Program formulation for institutional and structural reforms.

- ❖ Formulation of the next phase of the CFC operations (after August 2025)

Focus on the private finance mobilization:

By creating an enabling legal and institutional environment and development of innovative green finance instruments (integration of environmental and social standards (ESG), establishing ESCO, issuing green bonds, climate risk insurance of energy-efficiency and agriculture activities, development of carbon markets, introduction of carbon taxes etc., PPP in climate finance, etc...).

- ❖ ADB TA support will strengthen the CFC capacity (many thanks to ADB Experts Team), but we need more support to ensure its further sustainability.

Example of Regional Projects

Project “From Glaciers to Farms (G2F) – Resilient Central and West Asia Regional Programme”

- ❖ Development Partner and GCF Accredited Entity – ADB.
- ❖ Objective: To enhance the resilience of food production systems and vulnerable communities in the Central and West Asia Region.

Impact: Better resilience of food production systems through:

- Better farming and livestock adaptation practices;
 - better information and management of water resources dependent on glaciers and climate vulnerable sources; and
 - better mainstreaming of adaptation in portfolios of local agricultural financial institutions
- ❖ Implementation Period: 2025-2034 (10 years)
 - ❖ Status: under consultation stage