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GREEN CLIMATE FUND PROJECT FORMULATION, READINESS AND START-UP SUPPORT: SUSTAINABLE ECOSYSTEM-BASED TRANSFORMATION OF NATURAL RESOURCE MANAGEMENT IN KYRGYZSTAN (SET NRM)

April 2020

SDGs:



Countries:

Kyrgyzstan

Project Codes:

TCP/KYR/3606

FAO Contribution

USD 360 000

Duration:

1 January 2018 – 31 December 2019

Contact Info:

FAO Representation in Kyrgyzstan

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Implementing Partners

Ministry of Agriculture, Food Industry and Melioration (MAFIM), State Agency on Environment Protection and Forestry (SAEPF).

Beneficiaries

Farmers, local businesses and existing extension services.

Country Programming Framing Outputs

CPF 2018-2022: Priority 1: Coherent and gender-sensitive agricultural, food security and nutrition, social protection and rural development policies and programmes; Priority 2: Reducing rural poverty through smallholder support; and Priority 3: Sustainable natural resource management, and resilience to climate change and disasters.



BACKGROUND

Kyrgyzstan is one of the most vulnerable countries to the impacts of climate change in Central Asia. It is affected by drought, land and mudslides; while flooding events and river banks erosion are set to increase in frequency and intensity. Recurrent extreme weather events and marked changes in microclimate are already being observed with particular magnitude in target areas. Forests and pastures are among the most sensitive resources being impacted by climate change; and reduced productivity of low altitude pastures and decreased resilience of forest ecosystem are increasing the vulnerability of communities and negatively impacting rural livelihoods. Climate change, coupled with unsustainable management of natural resources, threatens both key ecosystems and Kyrgyzstan's cultural heritage and development opportunities. The Government of Kyrgyzstan is developing plans and programmes to tackle climate change; however, significant resources are needed to implement them. Against this background, the Government requested that FAO provide technical assistance to design and start up a Green Climate Fund (GCF)-funded investment project aimed at increasing mitigation, climate resilience and low emission sustainable development; as well as preparing a funding proposal for the project, and strengthening stakeholder capacity to implement it.

IMPACT

The project contributed to promoting and supporting investments in sustainable agricultural development, to alleviate poverty and contribute to inclusive, resilient and low-emission growth and employment.

In addition, Russian Kyrgyz Development Fund (RKDF) loans were mobilized by the Technical Cooperation Programme (TCP) to complement the GCF financing for vulnerable populations in the GCF project target area. Coupled with the grant-funded part of the complementary technical assistance provided, this will provide substantial opportunities to the target population, including youth and women.

ACHIEVEMENT OF RESULTS

The project prepared a GCF full-funding project proposal, titled: "Carbon Sequestration through Climate Investments in Forests and Rangelands" (CS-FOR), which was submitted and approved. FAO-Kyrgyzstan (KG) is now working with GCF project stakeholders to ensure preparation for the smooth inception and implementation of the GCF project.

In order to effectively prepare the GCF project, beneficiaries and stakeholders were consulted via four formal consultation workshops at national level; extensive field visits in the project areas; and three environmental and social safeguards focused group discussions with beneficiaries in the GCF project districts. More specifically, the process of consultation involved discussions with, and feedback from, national-level institutions (both governmental and technical); Non-governmental Organization (NGOs); Civil Society Organizations (CSOs); donors engaged in rural development, environmental protection and climate change adaptation in Kyrgyzstan; and officials of local government (*aiyl okmotu*) and state forest enterprises (*leskhoz*s). Stakeholder engagement also saw discussions held, and feedback received, from representatives of *zhayit* committees (Pasture User Unions [PUUs]), agro-enterprises, private farmers, households, and private veterinarians.

A micro-assessment of the fiduciary and administrative capacities of the National Designated Authority (please see Logframe for further details) and the Community Development and Investment Agency (ARIS) of Kyrgyzstan, as preselected co-executing entities of the GCF project, was carried out. This aimed to ensure the capacity of these two organizations to serve as FAO's operational partners, and therefore to design and implement climate investments.

Critically important knowledge and capacity-development material was prepared, including a Project Implementation Manual (PIM). The manual aimed to summarize key contextual and strategic elements of the GCF project. Given that it was designed for all GCF project stakeholders, it will serve as a guiding document for the SAEPF, ARIS, RKDF and other partners, and will facilitate the inception of the GCF project.

Beneficiaries and stakeholders were consulted throughout the project, via formal consultation workshops at national level; extensive field visits in the project areas; and environmental and social safeguards focused group discussions with beneficiaries in the GCF project districts. Institutions' capacities were enhanced through on-the-job capacity development (such as climate-sensitive value chain studies; specific training sessions on certification; and on-the-job exposure to remote-sensing tools for climate and Natural Resource Management [NRM] and carbon accounting tools). As a result, the project reached the core teams of the key stakeholders, including eight staff members from the State Agency on Environment Protection and Forestry (SAEPF), five in the ARIS and three in the RKDF; and a number of local SAEPF and government staff involved in the project consultations. This outreach represented a critical portion of the technical officers who will most probably support the implementation of the GCF project.

In addition, a technical capacity needs assessment (CNA) was carried out on selected actors of the climate-sensitive value chains. The assessment focused on the current production, processing and vertical integration of value chains, including non-timber forest products, horticulture, dairy, ecotourism, and others. A total of 40 climate-sensitive value chain actors were then trained in soft skills related to the expansion of their businesses, to anticipate and possibly favour their engagement in the climate investment generated by the GCF project.

IMPLEMENTATION OF WORK PLAN

The implementation of the project encountered some delays, as the GCF project funding proposal was not approved until late in the TCP project cycle, and not all outputs were fully achieved. However, through dedicated coordination, FAO-KG and the FAO Investment Centre Division (DPI) successfully adjusted the interventions, and resources were allocated to meet the most important needs in a timely manner.

FOLLOW-UP FOR GOVERNMENT ATTENTION

In January 2020, the Ministry of Economy was appointed by decree as the new National Designated Authority (NDA), substituting the SAEPF. To this end, in order to capitalize on the technical support produced by the TCP project and to ensure smooth inception of the GCF project, it is a priority to ensure that the Government and the new NDA are fully aware of the project objectives and scope.

SUSTAINABILITY

1. Capacity development

The project was successful in identifying policy and regulatory bottlenecks that needed to be addressed and ironed out during the implementation of the GCF project. It is with the latter that the paradigm shift is expected to be visible and make a difference in the country.

The most relevant institutions responsible for natural resources and climate change were involved during the implementation of project activities, and were active participants. These were selected as operational partners of the GCF project, allowing for both continuous capacity development and institutional relevance and sustainability.

The TCP project also worked towards cementing the partnership with the World Food Programme (WFP), as the United Nations recipient of another partly related GCF project (references on coordination are provided in the Funding Proposal), and with the RKDF as innovative partner and co-financier. In particular, for the latter, the TCP mobilized internal resources to facilitate the definition of the scope of collaboration, by analysing selected value chains, and training their actors.

The project was a unique opportunity to focus not only on mobilizing USD 30 million of the GCF grant, but also on strengthening the capacities of the related institutions and stakeholders for its implementation. However, notwithstanding the available documentation (the funding proposal and annexes) and tools (the PIM), particular attention will need to be paid to the Country Office in coordination with the other executing entities.

2. Gender equality

Beneficiaries and stakeholders were consulted throughout the project. Targeted district-level consultations involved over 40 stakeholders from each district, including representatives of local self-governments (*ayil okmotu*), forest enterprises (*leskhoze*), pasture committees, women's councils and traditional councils of the elders; and their priorities were summarized in the Gender Action Plan (GAP). The GAP document had various plans to cater for the needs of women and other vulnerable groups in the project area. The pertinent issues addressed in the GAP document are summarized in the project proposal and in the Independent Technical Advisory Panel's (ITAP) report (last stage of project appraisal).

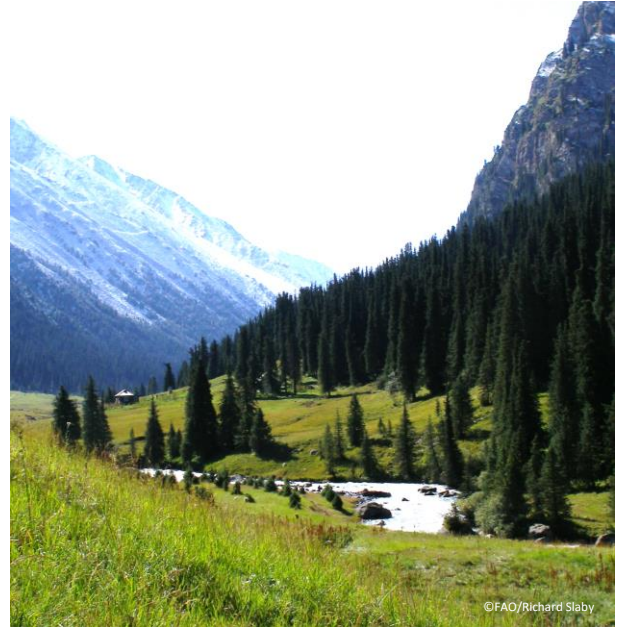
Women and youth (both young women and young men) will benefit from their specific inclusion in project activities, as outlined in the Gender and Social Inclusion Action Plan. However, women's enjoyment of the project benefits will need to be thoroughly monitored to ensure substantive reduction of gender discriminations.

3. Environmental sustainability

The provision of environmental and ecosystem services (including but not limited to carbon sequestration) is the key of the GCF project.

4. Human Rights-based Approach (HRBA) – in particular Right to Food and Decent Work

The project mobilized USD 15 million of RKDF loans to complement GCF investments for vulnerable populations in the GCF project target area. Coupled with the grant-funded part of the complementary technical assistance provided by the project, this will provide substantial opportunities to the target population, including youth and women.



5. Economic sustainability

The designed GCF project's potential to generate financial and economic benefits for the target area is considered high. More specifically, incomes of rural dwellers in the regions covered by the GCF project are expected to increase through the investment that will be provided. Specific financial benefits will come from better herd management, contributing to an expected rise of livestock production. Agricultural productivity will also be enhanced, leading to increased incomes for families that will participate under funding from the project, involving ecosystem services, including fruit trees/nuts plantations, supplying fruits and/or nuts, and other commercial crops covered by the project, to the selected value chains featuring green technologies. Forest users will benefit from collecting non-timber forest products, through certification according to the international voluntary standards for sustainable forest use and management.

Most of the productive technologies and approaches (for rangeland and value chain developments) are affordable for the targeted communities and individuals. However, in order to maximize the results, the project has mobilized co-financing that will contribute to the investments in the form of loans (financed by a senior loan from the RKDF). The use of grant funding from the GCF, blended with co-financing, will provide funds for the private sector and the other beneficiaries, whose livelihoods in sustainable agriculture will be enhanced, and can build a very robust financial exit strategy.

DOCUMENTS AND OUTREACH PRODUCTS

- ❑ Carbon Sequestration through Climate Investment in Forests and Rangelands Funding Proposal and submission package. Prepared under FAO-KG overall guidance and DPI leadership (T. Alacevich, Lead Technical Officer [LTO] and team leader; J. Monzini, A. Jumabayeva, leading before TCP life cycle), with contributions from DPI, Animal Production and Health Division (AGA), Climate and Environment Division (CBC), Forest Assessment, Management and Conservation Division (FOM), Regional Office for Europe and Central Asia (REU), and other FAO technical divisions.
- ❑ If not under direct responsibility of the LTO/team leader indicated above, specific authorships are indicated against the specific documents produced. The set includes:
 - CS-FOR Funding Proposal.
 - CS-FOR Feasibility Study.
 - Gender and Social Inclusion Action Plan and Gender Assessment (Y. Ishihara, DPI; D. Abdurazakova, A. Myrzabekova and Umutai Dautetova, REU).
 - Stakeholders Engagement Report (Team, compiled by N. Azzu, DPI).
 - Economic and Financial Analysis (S. Berdikeev and T. Alacevich, DPI).
 - Carbon Accounting (A. Mottet, AGA; and A. Toudert, Agricultural Development Economics Division [ESA]).
 - Budget Plan in GCF format (T. Alacevich and K. Aoki, DPI).
 - Procurement plan in GCF format.
 - ARIS Kyrgyzstan - Micro-assessment report (Moore-Stephens Limited Liability Partnership [LLP]).
 - SAEPP - Micro-assessment report (Moore-Stephens LLP).
 - Environmental and Social Management Framework (N. Azzu, DPI).
 - Map of Intervention areas (J. Monzini, DPI; and A. Martucci, CBC).
 - Baseline Atlas (J. Monzini, DPI; and A. Martucci, CBC).
 - Atlas Report (J. Monzini, DPI; and A. Martucci, CBC).
 - FAO Earth Map Presentation (J. Monzini, DPI).
 - Working papers: i) Climate change and ecosystem-based NRM (N. Azzu, DPI); ii) Forestry (A. Isakov, FAO-KG; and K. Sparff, DPI); iii) Georeferencing Strategy (J. Monzini, DPI); iv) Livestock Development (K. Khamdamov, DPI); v) NRM Policy and Governance (A. Undeland and A. Achilova, DPI); vi) Pastures Sector and Recommendations (N. Kilyazova, FAO-KG with contributions from B. Norton); vii) Value Chain Finance (O. Tomilova, DPI); viii) Value Chains Development (I. Punda, DPI); ix) Walnuts Value Chain (A. Kigychin, FAO-KG); and x) Resilience Analysis in the project target areas (S. Di Giuseppe, ESA, with contributions from T. Alacevich and J. Monzini, DPI).
- ❑ With technical support from the Rural Development Fund (RDF), contracted via Letter of Agreement (LoA): Livelihoods report in CS-FOR project areas, compared with a control area with similar environmental and socio-economic challenges. The study included a survey of 900 households (600 in the project intervention area and 300 in the control area).
- ❑ Under AgroLead Technical Support, contracted via LoA:
 - Agrifood Value Chain Mapping and Preliminary Capacity Assessment in Uzgen, Suzak, Toguz Toro and Ak-Talaa Rayons of Kyrgyzstan.
 - Report on the Business Plan assessment of the Alysh Dan Organic Agricultural Production Cooperative, for the readiness to be funded by the RKDF.
 - Assessment of the readiness of the Tolonov Private Enterprise to be financed.
 - Short training report on the FAO UN project “Strengthening capacities of agrifood climate sensitive value chain actors”.
 - Visual and infographics on RKDF loan programme in rural areas.
- ❑ Under direct DPI supervision and with collaborations from CBC, FAO-KG and REU: CS-FOR Project Implementation Manual (draft, T. Alacevich and M. McDonnagh, DPI).
- ❑ Visual and infographics on RKDF loan programme in rural areas. AgroLead. November 2019.
- ❑ CS-FOR Environmental and Social Management Framework. DPI/FAO-KG. October 2019 (in English and Russian).
- ❑ ReliefWeb Article (November 2019): Green Climate Fund approves programmes to fight climate change in Chile, Kyrgyzstan and Nepal – available at <https://reliefweb.int/report/nepal/green-climate-fund-approves-programmes-fight-climate-change-chile-kyrgyzstan-and-nepal>.
- ❑ Devdiscourse Article (November 2019): Kyrgyzstan: GCF approves USD 50m fund for rangelands and forest resources – available at <https://www.devdiscourse.com/article/headlines/744-580-kyrgyzstan-gcfapproves-usd-50m-fund-for-rangelands-and-forest-resources>.



ACHIEVEMENT OF RESULTS - LOGICAL FRAMEWORK

Expected Impact	Promote and support investments in sustainable agricultural development, to alleviate poverty and to contribute to inclusive, resilient and low-emission growth and employment	
Outcome	Climate investment project stakeholders gain capacity to implement a climate investment project	
	Indicators	<ol style="list-style-type: none"> 1. Funding proposal submitted for GCF Board approval. 2. National Designated Authority (NDA) leads effective coordination mechanism. 3. At least 75% of the stakeholders targeted by the Technical Cooperation Programme (TCP) project gain capacity to implement a climate investment project.
	Baseline	<ol style="list-style-type: none"> 1. 0 2. N/A 3. N/A
	End Target	<ol style="list-style-type: none"> 1. Full-funding project proposal is submitted in due time. 2. An efficient coordination mechanism is being developed. 3. Stakeholders skills and knowledge are increased through TCP capacity-development interventions (disaggregated topic, gender, stakeholder).
	Comments and follow-up action to be taken	<ol style="list-style-type: none"> 1. GCF Secretariat and its Independent Technical Advisory Panel (iTAP) appraised the project and ranked it as high (maximum scoring) for all its criteria. The Funding Proposal was approved in November 2019. FAO-KG will lead follow-up actions, and is working with the GCF project stakeholders to ensure preparation for a smooth inception and implementation, with support from FAO's regional and subregional offices and headquarters' divisions. 2. The project worked in close and effective coordination with the SAEPF, appointed as GCF NDA until January 2020 (after the closure of the TCP). The NDA recently shifted from the SAEPF to the Ministry of Economy (the Government of Kyrgyzstan's Decree No. 15 of 20 January 2020). In support and in parallel to this TCP, the GCF-financed and FAO-implemented first Readiness project is developing an effective coordination mechanism and Country Work Programme for Kyrgyzstan. Currently, these draft documents are under discussion with stakeholders. 3. Critically important knowledge and capacity-development material was prepared. This output could only be partially realized, as the GCF project (Output 1 result) was approved late in the TCP project cycle. However, in order to ensure a broader outreach, a PIM was drafted. It is expected that this manual, summarizing key elements of the project and detailing the strategy of implementation and the modality of activity delivery, will facilitate inception. In general, institutions' capacities were enhanced through on-the-job capacity development (such as climate-sensitive value chain studies; specific training sessions on certification, and on-the-job exposure to remote sensing tools for climate and natural resources monitoring and carbon accounting tools). As a result, the project reached, via coaching and on-the-job learning, the core teams of the key stakeholders, including eight staff members from the SAEPF, five in the ARIS and three in the RKDF; and a number of local SAEPF and governmental staff involved in the project consultations. This outreach represents a critical portion of the technical officers, who will most probably support the implementation of the GCF project. In addition, 40 climate-sensitive value chain actors (100% of the target) were trained in soft skills related to the expansion of their businesses, to anticipate and possibly favour their engagement in the climate investment generated by the GCF project.

Output 1	Full-funding project proposal prepared and submitted respecting the FAO and GCF quality requirements and deadlines		
	Indicators	Target	Achieved
	1. Inclusive national consultations carried out. 2. GCF Funding project proposal prepared and shared with GCF Secretariat.	1. Inclusive consultations carried out. 2. Full-funding project proposal ready.	Yes
Baseline	N/A		
Comments	<p>1. Beneficiaries and stakeholders were consulted throughout the project, via four formal consultation workshops at national level; extensive field visits in the project areas; and three environmental and social safeguards focused group discussions with beneficiaries in the GCF project districts. More specifically, the process of consultation involved discussions with, and feedback from, national-level institutions (both governmental and technical); NGOs; CSOs; donors engaged in rural development, environmental protection and climate change adaptation in Kyrgyzstan; and officials of local government (<i>aiyl okmotu</i>) and state forest enterprises (<i>leskhoz</i>s). Stakeholder engagement also saw discussions held, and feedback received, from representatives of <i>zhayit</i> committees (PUUs), agro-enterprises, private farmers, households and private veterinarians. The results are summarized in the Environmental and Social Safeguards of the project, published on SAEPF and FAO websites in Russian (http://www.fao.org/publications/card/en/c/CA6323RU) and English (http://www.fao.org/documents/card/en/c/ca6323en/).</p> <p>2. A GCF funding proposal was submitted and approved on 14 November 2019 (https://www.greenclimate.fund/project/fp116).</p>		
Activity 1.1	Project design team to be created		
	Achieved	Yes	
Activity 1.2	Project missions to be conducted		
	Achieved	Yes	
Activity 1.3	Full-funding project proposal to be prepared and timely submitted		
	Achieved	Yes	
Activity 1.4	Inclusive national consultations to be carried out		
	Achieved	Yes	
	Comments	Inclusive consultations were organized throughout the project, with DPI technical support (proceedings and results are summarized in the project's Environmental and Social Management Framework).	

Output 2	NDA and relevant institutions' staff are provided with learning opportunities to increase their readiness capacities		
	Indicators	Target	Achieved
	1. CNA carried out for the NDA. 2. Number of people benefiting from capacity-development interventions (workshop training).	1. Tailor-made CNA done. 2. 10 key technical staff members in SAEPF and ARIS	Yes
Baseline	1. N/A 2. N/A		
Comments	1. A micro-assessment of the capacities of the SAEPF was carried out. 2. With its continuous missions and follow up activities, the design process of the GCF project represented for the SAEPF (the NDA during the TCP life cycle) and ARIS (implementing, among others, also climate investment projects) long-term exposure to the potential and use of remote-sensing information and tools for NRM and carbon accounting.		
Activity 2.1	Capacity needs assessment carried out		
	Achieved	Partially	
	Comments	The micro-assessment of the fiduciary and administrative capacities of the NDA and the ARIS (project implementing institution), as preselected co-executing entities of the GCF project, was carried out. This aimed to ensure the capacity of these two organizations to serve as FAO's operational partners, and therefore to design and implement climate investments. The technical capacity development needs assessment of the executing entities was not carried out, owing to delays in GCF feedback on the project (as part of the appraisal process), and the subsequent need to dedicate TCP resources and time to the appraisal process itself.	
Activity 2.2	Capacity-development interventions (workshop, training) implemented		
	Achieved	Partially	
	Comments	This activity was partially implemented, owing to the delay in the approval of the project proposal, which, in turn, held up decisions on the scope of training activities. However, the use of TCP resources was adjusted in due course, and according to in-country set priorities (FAO-KG with DPI support). In spite of these delays, the project generated a number of knowledge products, encompassing climate change analysis; environmental analysis; value chain assessments and mapping; strategic ecosystem-based integrated natural resources management policy assessments; livelihood studies (please see detailed list of reports in Documents and Outreach Products Section). The PIM aimed to summarize key contextual and strategic elements of the GCF project. Given that it was designed for all GCF project stakeholders, it will serve as a guiding document for the SAEPF, ARIS, RKDF, and other partners. The manual, as well as the GCF project, generated a Natural Resources Atlas, and all other studies represent the most relevant and tangible results of knowledge available for the country to understand, interpret and implement climate investment projects in the agricultural field.	

Output 3	Project stakeholders received capacity development and support to better implement public investment with climate perspective		
	Indicators	Target	Achieved
	<ol style="list-style-type: none"> Project start-up activities have been carried out. Number of people and institutions who benefited from capacity-development interventions. 	<ol style="list-style-type: none"> Activities conducted as per implementation work plan (year 1). 50 people (30%) women. 	<ol style="list-style-type: none"> Partially Yes
Baseline	N/A		
Comments	<p>Owing to the delay in the approval of the project proposal by the GCF, only the design of the PIM was completed during the project. However, the combination of the PIM and the technical material prepared for the GCF project design represent a sufficient legacy for the implementation of the GCF project.</p> <p>Throughout the process of GCF design, the TCP project generated opportunities to increase the exposure of project stakeholders (SAEPF, ARIS, RKDF, and other institutions) to the potential and the use of remote-sensing information and tools for NRM and carbon accounting.</p> <p>The training of value chain actors was carried out (proceedings available at FAO-KG) under an LoA with AgroLead.</p>		
Activity 3.1	Project start-up activities to be carried out		
	Achieved	Partially	
	Comments	<p>The PIM and procurement plan for FAO, as well as for the two other executing partners were drafted. In addition, in spite of the above-mentioned delays, the project organized specific analyses to advance the identification and mapping of climate-sensitive value chains. This represented one of the elements of flexibility in the management of the TCP project.</p>	
Activity 3.2	Capacity-development interventions to be carried out		
	Achieved	Partially	
	Comments	<ul style="list-style-type: none"> The project organized workshops, and coaching and learning on-the-job sessions, which were tailored to the needs of the relevant institutions. A total of three national workshops and four district workshops served as exposure to the project's ideas and technologies. Formal training was provided to value chain actors by AgroLead. The delay in approval of the project proposal by GCF determined a shift in the implementation of the dedicated and tailor-made training activities useful for the implementation of the GCF project. However, a technical CNA was carried out on selected actors of the climate-sensitive value chains that could receive support from the GCF project. The assessment focused on the current production, processing and vertical integration of value chains, including non-timber forest products, horticulture, dairy, ecotourism and others (documented in the final reports of the LoA with AgroLead). In the framework of the LoA with AgroLead, specific technical training was provided to climate-sensitive value chain actors (30 men and 10 women, including three young entrepreneurs) on systems of certification of food products (plant and animal origin), in accordance with the requirements of the standards on food safety, organic production, fair trade, and others. 	

Partnerships and Outreach

For more information, please contact: Reporting@fao.org

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