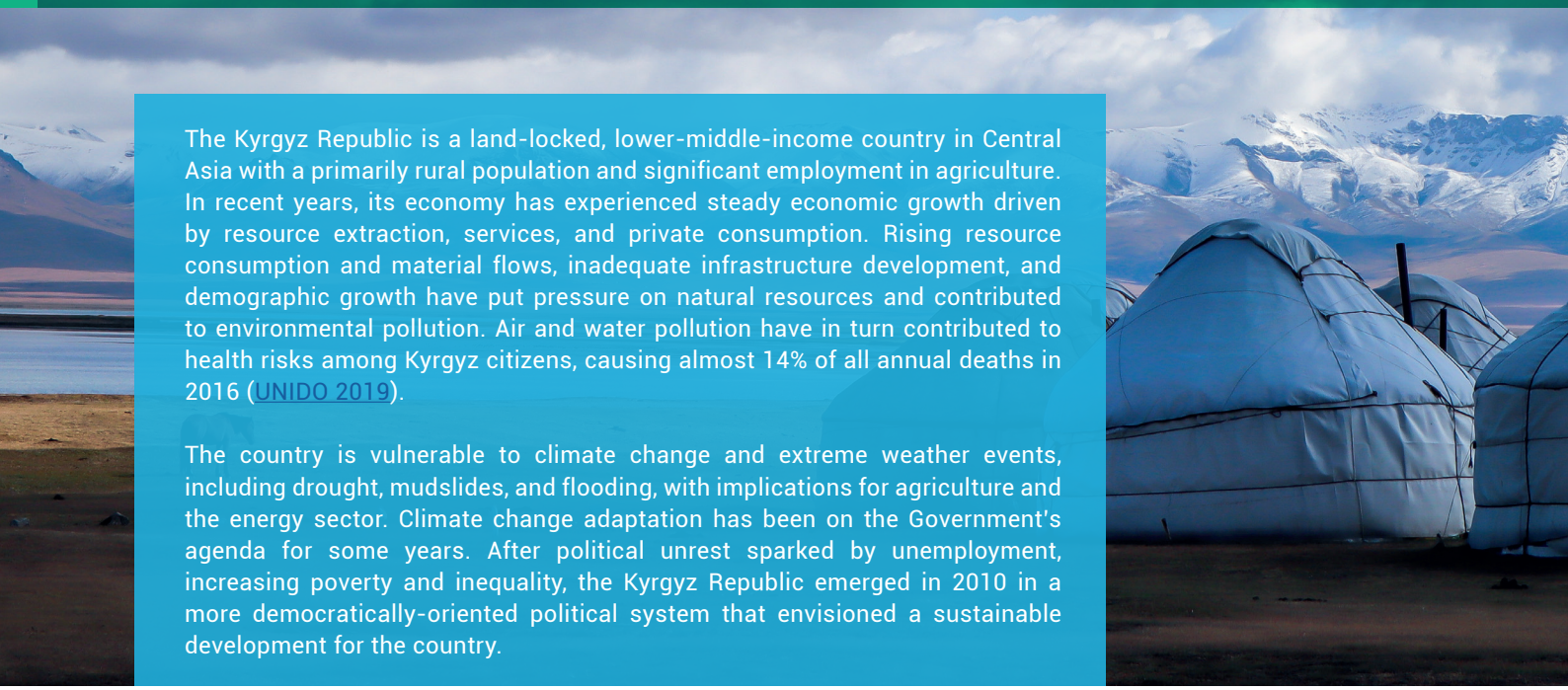
European Commission

Green and circular growth

A uniting vision for the Kyrgyz Republic



The Kyrgyz Republic is a land-locked, lower-middle-income country in Central Asia with a primarily rural population and significant employment in agriculture. In recent years, its economy has experienced steady economic growth driven by resource extraction, services, and private consumption. Rising resource consumption and material flows, inadequate infrastructure development, and demographic growth have put pressure on natural resources and contributed to environmental pollution. Air and water pollution have in turn contributed to health risks among Kyrgyz citizens, causing almost 14% of all annual deaths in 2016 (UNIDO 2019).

The country is vulnerable to climate change and extreme weather events, including drought, mudslides, and flooding, with implications for agriculture and the energy sector. Climate change adaptation has been on the Government's agenda for some years. After political unrest sparked by unemployment, increasing poverty and inequality, the Kyrgyz Republic emerged in 2010 in a more democratically-oriented political system that envisioned a sustainable development for the country.

On track to a green, notably circular economy

At the Rio+20 conference, the Kyrgyz Republic reiterated its' commitment to sustainable development by promoting green economy priorities, including reducing consumption, introducing low-waste and resource-efficient technologies, and recycling waste. In 2013, the National Strategy for Sustainable Development of the Kyrgyz Republic (2013-2017) and related action plan were approved, including provisions on assessing costs and benefits of mineral resource extraction, and on promoting the efficient use of water resources, sustainable land use, energy saving, and energy efficiency. Since then, green economy considerations were integrated into national legislation, including in the laws on environmental protection, atmospheric air, renewable energy sources, public health, and the forest code.

The implementation of green economy objectives gained further impetus through climate finance. The Climate Investment Programme (2018), for example, strengthens resilience in (among others) food production and agricultural practices, in water and energy supply infrastructure, in buildings, healthcare and mining, as well as in forestry and biodiversity. In 2018, the Kyrgyz Republic adopted a National Development Strategy 2018-2040 that envisions a future with "negative CO^2 emissions", as the "greenest country in the region.

A year later, the Sustainable Development Strategy in Industry (2019-2023) was endorsed, acknowledging the need to increase environment-friendly investments, while developing a comprehensive approach towards recycling, to decrease the amount of industrial waste.

The enacted Green Economy Development Programme (2019-2023) focuses on 7 priority sectors, including green energy, green agriculture, green industry, low carbon and environmentally friendly transportation, sustainable tourism, waste management, and green cities. In support to the transition process to a green economy, it is envisaged to promote sustainable financing, fiscal incentives, sustainable public procurement and capacity building and awareness raising.

switch2 green

The programme and accompanying Action Plan include circular economy considerations highlighting waste management as a focus area for the circularity of materials, and aiming at reducing emissions from waste burning and dumping. They also prioritise green manufacturing, with particular emphasis on (among others) waste, and resource / energy efficiency. In 2020, a Coordination Council on Green Economy and Climate Change was formed to merge coordination on climate change and green economy, with the Climate Finance Centre as its Secretariat.

A National Action Plan on Sustainable Consumption and Production is under discussion and is envisioned to recommend amendments to current legislation and frameworks that would promote a circular economy approach to the green transition, particularly in the sectors of agri-food and construction.

Key milestones for the green and circular transition

01 — 2012
Presentation of "**The prospects of a green economy in the Kyrgyz Republic**" at Rio 20+, with a structural and investment focus on reduced consumption and recycling.

02 — 2013
National Development Plan 2013-2017 and action plan adopted, with a focus in transitioning to sustainable development.

03 — 2015
Kyrgyzstan accepted as to the **Pilot Program for Climate Resilience**, to link into climate finance flows to implement green and circular economy activities.

04 — 2016
Kyrgyzstan becomes a **member of PAGE**.

05 — 2018
"**Kyrgyzstan is a country of the green economy**" concept and National Development Plan Vision 2040 adopted, with focus on 7 priority sectors, including green energy, green agriculture, green industry, low carbon and environmentally friendly transportation, sustainable tourism, waste management, and green cities.

06 — 2019
Green Economy Development Programme launched, with a focus on circularity of materials and Waste Management as a pillar State Water Resource Agency established. Multi-stakeholder consultation on SCP to identify priority sectors for circular economy initiatives.

07 — 2020
EU Delegation is developing a **focus on agriculture and eco-friendly food systems**, integrated water resource management, clean energy and the energy transition, biodiversity, and circular economy and waste management. SCP Framework development Kick-off meeting held.

Drivers for the green, notably circular shift

Supporting social cohesion. Improving the quality of life across areas of the country, including those with high poverty levels and ethnic minorities, has been a priority – given the social unrest in 2010. A transition to a green and circular economy is seen as a vehicle for reducing inequalities.

Protecting Ecosystems as cultural, natural and economic assets. Preventing the loss of essential natural ecosystems drives policy making as ecosystems connect generations, offer services to local societies and economies, and guarantee future economic growth, especially with regard to branding Kyrgyzstan as an eco-tourism destination and an organic agriculture country.

Building human capital. Investing in human capital that enables a growing young population to understand, invest in, and manage more modern and greener technologies will create capacity for green and circular economy jobs. It expands opportunities for the fast growing young population, and at the same time promotes the transfer of low carbon technologies.

DRIVERS

Need for **Social cohesion**
Building **human capital**
Protecting **human health**
Building a **resilient economy**
Using **available resources**
Protecting **ecosystems**

Realising the potential of natural resources. The Kyrgyz Republic's topography allows for utilising significant water resources for hydropower that can support both growth and Kyrgyzstan's positioning within the region as a green economic power.

Tackling pollution. The pollution of water and air has significant impact on the health of many Kyrgyz citizens as well as on the economy. By addressing pollution, the Government aimed at protecting citizens and reducing economic losses.

Building resilience into important economic sectors. Addressing vulnerabilities in forestry, agriculture, water, and other sectors is an important trigger for the shift to a green and circular economy.

How EU actions support the Kyrgyz Republic going green and circular

In 2016, the Kyrgyz Republic became a member country of the EU co-funded Partnership for Green Economy (PAGE). PAGE supported the development of the Green Economy Development Programme 2019-2023 and Action Plan. Since joining PAGE, the Kyrgyz Republic held five Green Economy Weeks to build partnerships, exhibit green economy projects and entered a South-South Cooperation with Mongolia.

In 2019, the EU SWITCH-Asia programme, the EU Delegation, and the Ministry of the Economy consulted with key actors to identify sustainable consumption and production needs and priority areas to further the circular economy delivery. The priority sectors identified include the agri-food sector, clean and low carbon transport, and energy efficiency in the building sector. The identification of priority sectors for SCP practices and the circular economy are feeding into the development of a Framework for a National Action Plan on SCP.

The EU Delegation has also provided support to the private sector, for example through the KyrSEFF+ project, which extends credit to households and SMEs for energy efficiency projects. The project is implemented in partnership with local banks and as a blended project with EBRD.

EU support at a glance

- Support to the discussion of a National Action Plan on Sustainable Consumption and Production via the SWITCH-Asia Programme
- Support to the private sector for example through the KyrSEFF+ project or the EU Central Asia Invest programme
- The EU (through the EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT -EBRD) funds critical solid waste investments resulting in an improved level of solid waste services
- The EU (through EBRD) funds the Kyrgyzstan Climate Resilience Water Supply Project, and (through EIB) provides financial support to small and medium-sized enterprises in the agri-food sector.
- The EU-funded PAGE programme supported the elaboration of the country's Green Economy Development Programme 2019-2023.

Lessons Learnt

The EUD has gathered several insights from the country's green (and more recently circular) economy transition process:

Coordination and integration have been important at many levels - among EU cooperation sectors, among development partners, and in the approach to green economy topics. Co-operation among development partners has helped each partner to focus on those areas where they bring added value.

Support from development partners has helped establish appropriate structures within government institutions, and played an important role in supporting the development of capacities within institutions, including by adopting an integrated approach and contributing to the implementation of relevant sector strategies.

Partnerships between the EU and finance institutions have leveraged both actors' strengths to deliver results. Different types of instruments implemented by the EU complement infrastructure support funded by financial institutions like the EIB or EBRD.

Green economy programmes should also take into account other cross-cutting issues and priorities, such as digitalisation. Interlinkages can form new opportunities for partnerships.

Events such as the Green Economy Week showcasing the efforts of various projects and initiatives are helpful to align and coordinate across the sectors.

Future Steps

Whereas a supportive policy environment for green economy is in place, further steps are needed to fully unfold a transition to circular economy practices. A transition to a green, notably circular economy would benefit from linking policy objectives to a budget to ensure implementation. Expanding public investments on a green and circular economy programme would need sufficient sources of finance, including climate financing and beyond. Infrastructure investments can offer entry points, for example in the agriculture sector, where deficient irrigation infrastructure leads to inefficient water usage and does not allow for water re-use.

To ensure resource recovery, measures should be put in place to address the financing needs of building, professionalising, and upgrading recycling facilities at landfills, even when economic feasibility of investing in these facilities is low. Enacting reforms in the energy sector can accelerate efficiency improvements. Tackling potential negative impacts through complementary measures is important to address concerns over public unrest with increased tariffs, which have hampered efforts so far. Linkages between the priority sectors – for example between water resources, energy, and food security, would benefit the green / circular economy frameworks. Coordination across the priority sectors is crucial to reaching the objectives of a green, notably circular economy.