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The Russian Federation-UNDP Trust Fund for Development

Strengthening capacities for sustainable development finance in the Commonwealth of Independent States region

Final report

Endorsed by Ms. Monica Rijal, UNDP Deputy Resident Representative

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Monica Rijal
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The Russian Federation-UNDP Trust Fund for Development (TFD)

Project Final Narrative and Financial Progress Report

Project title:	Strengthening capacities for sustainable development finance in the Commonwealth of Independent States (CIS) region
Atlas Project ID:	00107048
Implementing partner:	The Ministry of Economy of the KR, the Russian-Kyrgyz Development Fund, the Eurasian Development Bank
Project budget:	**USD 1 200 000** UNDP – Russian TDF **USD 115 589,89** EDB (Financing agreement for third party donors between UNDP and the EDB has been signed per which the EDB contributed 115,852.90 USD to the Project budget. The contribution consists of 68,137.85 USD as the EDB's contribution and 47,445.05 USD as the project beneficiaries' contributions. **USD 198 000** UNDP (co-funding)
Co-financing attracted since project start:	*0*
Project start and end date:	November 2017 – October 2020 Project extended: November 2020 – December 2022
Date of the last Project Board meeting:	November 28th, 2022
SDGs supported by the project:	1 (1.4.); 5 (5 a); 8; 9; 12; 17. The list is on page 4

Table of contents

ACRONYMS

CIS – Commonwealth of Independent States

Council – the Council on the formation of a list of priority investment projects

EDB – the Eurasian Development Bank

KR – the Kyrgyz Republic

RKDF – the Russian-Kyrgyz Development Fund

SDG - Sustainable Development Goals

SEIG – Social Economic Inclusive Growth

UNDP – United Nations Development Program

Contribution to the Achievement of the SDGs

All these completed project activities, directly and indirectly, contribute to the implementation of the SDGs.

Goal 1. End poverty in all its forms everywhere (1.4 By 2030, ensure that all men and women, in particular, the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance).

Goal 5. Achieve gender equality and empower all women and girls. (5.a Undertake reforms to give women equal rights to economic resources, as well as access to ownership and control over land and other forms of property, financial services, inheritance and natural resources, in accordance with national laws).

Goal 8. Promote inclusive and sustainable economic growth, employment and decent work for all.

Goal 9. Build resilient infrastructure, promote sustainable industrialization and foster innovation

Goal 12: Ensure sustainable consumption and production patterns

Goal 17: Revitalize the global partnership for sustainable development

1. EXECUTIVE SUMMARY

"Strengthening capacities for sustainable development finance in the Commonwealth of Independent States region" is a regional project. The project's **objective** is to raise awareness and strengthen the capacities of ministries and governmental agencies, national financial institutions, business entities and entrepreneurs in dealing with international financial institutions' projects in the Commonwealth of Independent States countries (Armenia, Belarus, Kazakhstan, Kyrgyzstan, and Tajikistan, including clients of the Eurasian Development Bank).

The achievement of the following **results** supports this objective:

- Building capacity for preparation and implementation of investment development projects in the Kyrgyz Republic;
- Building capacity of the CIS member-states in accessing new development finance sources.

The following **two activities** contribute to the achievement of these results:
Activity 1. Technical assistance to the Kyrgyz Republic in the identification, preparation and implementation of bankable projects for financing from the Russian-Kyrgyz Development Fund.

Activity 2. Technical assistance in project preparation for potential financing from the International Financial Institutions to governmental and business entities in Armenia, Belarus, Kazakhstan, Kyrgyzstan, and Tajikistan, including clients of the Eurasian Development Bank.

Alignment with Global Development Agendas

The implementation of the Sustainable Development Goals (SDGs) requires leveraging all sources of finance – domestic and international – complementing and reinforcing each other. The Addis Ababa Action Agenda recognizes that enterprises, especially SMEs, often have difficulty in obtaining financing. It encourages increasing lending to them and commits to strengthen the capacity of financial institutions, including through public training programmes, increased capacity building and knowledge sharing at the regional and global levels. To help meet the requirements of the Addis Ababa Action Agenda, which aims to create a stronger funding base for international development, UNDP is closely working with International Financial Institutions. The International Financial Institutions are critical development partners to achieve. However, enabling development finance in the CIS countries at the right scale, and targeting the most in need sectors and geographic areas, remains a challenge. In most CIS countries there is a clear need in strengthening capacities of ministries and government agencies, national financial institutions, business entities and entrepreneurs in accessing international finance markets and improving procedures of selection, preparation and implementation of projects intended to foster socioeconomic development at sub-national and local level. Lessons learned from the experience of the International Financial Institutions indicate that for the success of operations adequate assistance in building clients' capacity to engage with the IFIs' financing is essential. In successful operations IFIs support training of clients in project preparation and also secure availability of the technical, financial, environmental and other advice as may be required to ensure delivery by clients of viable project proposals for the IFI financing.

Project Implementation and key achievements

Within the framework of UNDP's strategic partnership with the Russian Federation and reflecting the important role played by the Eurasian Development Bank regionally and Russian-Kyrgyz Development Fund in the Kyrgyz Republic, the project "Strengthening capacities for sustainable development finance in the Commonwealth of Independent States (CIS) region" covered a range of programmatic activities to provide capacity building support and technical assistance to the select CIS countries and help to enhance the efficiency of collaboration with financial institutions in project preparation for potential financing by the IFIs.

The project achieved the following key results:

1. Enhanced Access to Finance

- The Project in partnership with its national partners, provided support in building entrepreneurial capacities to enhance access to finance. **As a result of supported feasibility studies, $1.7mln of the financing were mobilized** from the Russian-Kyrgyz Development Fund, **and $10.0mln were leveraged** from the state budget for the implementation of investment projects. The mobilized financing was used to open the new medical center and clothing production factory and expand the dairy farm and production facilities. These projects target SDGs 2, 3, 5 and 8. **100 new jobs have been created** as the result of implementation of these projects. Among the projects with approved financing from the Russian-Kyrgyz Development Fund **were 2 projects owned and managed by women entrepreneurs** from the country's regions.
- The financing agreement for third-party donors was signed between UNDP and the EDB, under which the EDB made a financial contribution to the Project to co-finance the development of feasibility studies for 2 investment projects from Kyrgyzstan and Tajikistan. The investment projects envisage the construction of a small hydropower plant in Kyrgyzstan and implementation of several initiatives in Tajikistan, including the expansion of intensive fruit gardening, acquisition of trucks for fruit transport, and increased flour and pasta production. The financial contribution was done on behalf of the EDB and the investment project owners. As a result, feasibility studies were developed for 2 investment projects from Kyrgyzstan and Tajikistan to explore potential financing opportunities from the EDB.

2. Capacity Building for Financial Institutions and Businesses

- Capacity-building measures have been implemented to strengthen the capacities of the clients of the RKDF and the EDB (both business and second-tier banks).
    - Within the national component of the project, in partnership with the RKDF and the Ministry of Economy and Commerce of the KR, 731 beneficiaries (out of which 329 participants were women) from the business and banking sector have been trained. **As direct and indirect result of the capacity building activities** on the business plan development (Start-up projects) and for the dairy farming entities, the participants of the trainings **managed to receive 585 000 USD of financing from the credit line programs of the RKDF through the second-tier banks and around 680 000 USD from other sources;**
    - Within the regional component of the project, the trainings' participants coverage included **Belarus, Armenia, Russia, Kyrgyzstan** and **263 people have been trained**, out of which **95 were women.**

3. Promoting Responsible and Green Finance

- To promote the responsible and “green” financing and enhance knowledge in these areas, 2 key interventions were undertaken to support the EDB clients on implementing ESG practices in their activities:
  - **A comprehensive study** was conducted to analyze and summarize **global best practices and methodologies adopted by international financial organizations in responsible investments, incorporating ESG factors**;
  - **Individual recommendations for integrating ESG practices into banking operations were** provided to 9 financial institutions in Kazakhstan, Kyrgyzstan, Belarus, Russia and Armenia (second-tier bank-partners of the EDB), facilitating introduction of the ESG practices in their activities.
  - The findings from the ESG research played a pivotal role in shaping the ESG session at the Second Eurasian Congress organized by the EDB on December 2, 2021. Additionally, to further scale the impact of this initiative, a guide with recommendations for implementing ESG practices in second-tier banks was developed and distributed among financial institutions in the Kyrgyz Republic.

4. Supporting Business Development Policies

- To enhance favorable business environment, **the Project supported the Ministry of Economy and Commerce to develop the strategic document “Business development program of the Kyrgyz Republic until 2026”** which outlines concrete measures and initiatives developed jointly with the private sector. The Program was officially approved by the decree of the Cabinet of Ministers of the KR;
- To capacitate small and medium-sized enterprises and to facilitate their access to financing, **the Project assisted** the Ministry of Economy and Commerce in **developing business plan templates for various business activities**. These templates are publicly available on the Ministry’s website, providing accessible guidance for entrepreneurs.

The project was initially due to be closed on October 31st, 2020. However, the Project had encountered the objective delays of activities due to pandemics COVID-19 and the political situation in three of the five countries, participating in the project. Additionally, the growing interest in the Project’s approach to improving access to the financial resources by the enterprises informed the Project Board’s decision to make the first extension of the project duration until the end of 2021.

At the end of 2021, the EDB requested another extension to implement a key intervention under Activity 2, specifically the cooperation framework for bankable project preparation, which had not been executed during the previously extended period due to the non-identification of viable investment projects. Given the potential impact of this initiative, the Project Board approved an additional extension until the end of 2022 to co-finance feasibility studies for investment projects in Kyrgyzstan and Tajikistan.

The global pandemic had direct impact on the financial situation of the businesses and the further uncertainty of the development of events affected the decisions of entrepreneurs about the need and possibilities to attract financial resources for their businesses. Moreover, the political instability in the Kyrgyz Republic, led to the frequent changes in the Government structure and temporary halt of the direct financing by the Russian-Kyrgyz Development Fund in 2021, thus affecting the delivery of the project implementation. Despite these difficult circumstances, the project successfully met most of its targets, exceeding expectations in several areas.

2. RESULTS

The following results have been achieved within **Activity 1**. **Technical assistance to the Kyrgyz Republic in identification, preparation and implementation of bankable projects for financing from the Russian-Kyrgyz Development Fund**

Action 1.1. Support to the strategic programming of development operations by the government.

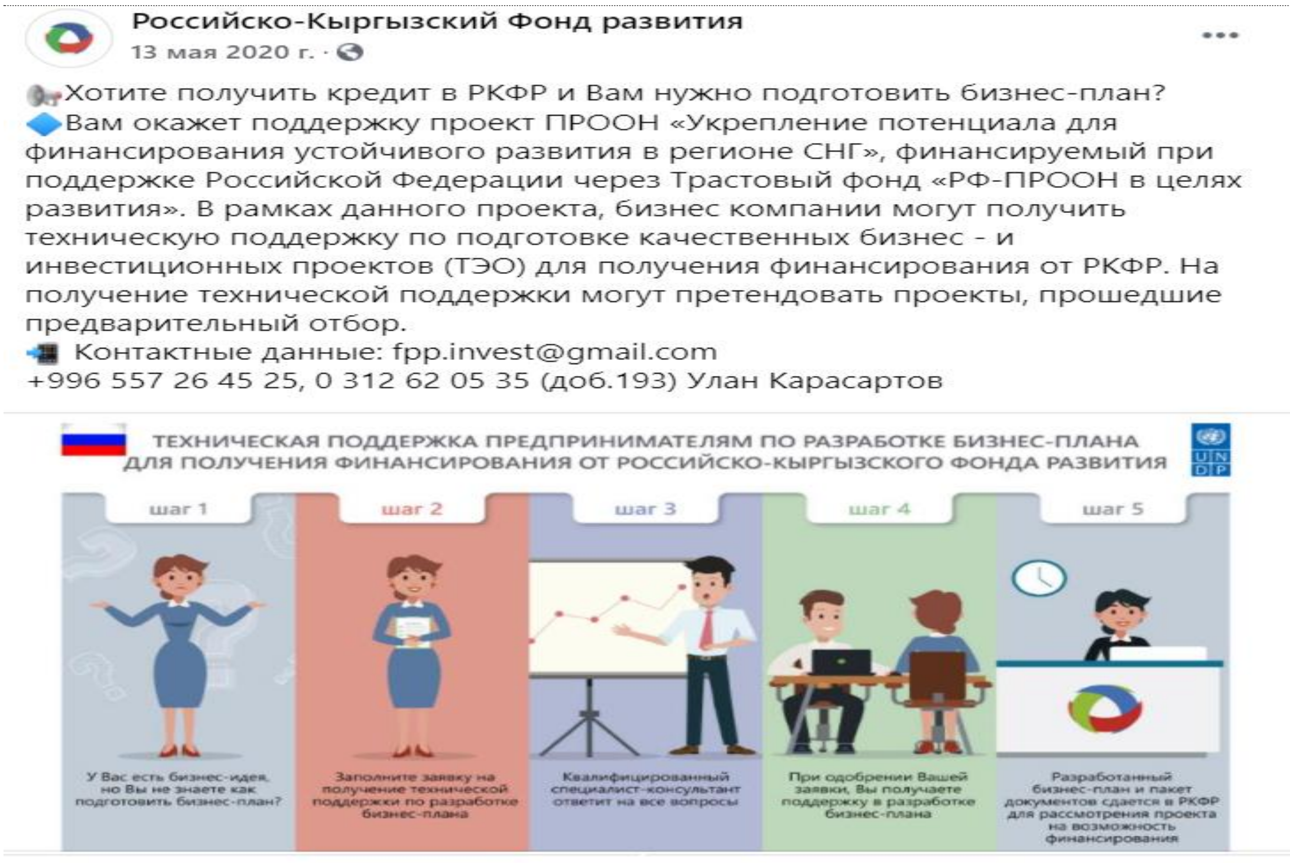
Establishment of a Strategic Business Support Mechanism

- As one of the instruments to ensure the economic development of the country, the government of the Kyrgyz Republic has committed to establish the Project Preparation Fund which was included in the Government Program for 2018-2023 titled "Unity. Trust. Creation" approved by the national Parliament of the KR. To support the government's strategic development programming efforts, the Project in collaboration with the Ministry of Economy and Commerce of the KR and the RKDF, facilitated the creation, launch, and successful testing of a national mechanism for identifying potential business projects eligible for strategic support. This mechanism introduced a novel approach, enhancing national capacity to identify high-potential projects in priority economic sectors that require targeted assistance. A Council for the Formation of a List of Priority Investment Projects was established under the Ministry of Economy and Commerce, responsible for selecting business projects to receive technical assistance in developing feasibility studies for potential RKDF financing. The Council was composed of representatives from government agencies, international financial institutions (IFIs), and business associations.

  Given the underdeveloped, underfinanced, and capacity-constrained business sector in the regions, the Project placed particular emphasis on identifying investment opportunities outside major urban centers. Consequently, the majority of endorsed business projects to receive the technical support originated from regional areas, where business scales and required financing were relatively modest. The typical funding requests ranged between $200,000 and $400,000, reflecting the financial realities and needs of businesses in these regions.


Meetings of the Council for the formation of the list of priority investment projects at the Ministry of economy of the KR

Meetings with the business associations targeted at the raising awareness about the Project and identifying potential business projects for technical assistance


Российско-Кыргызский Фонд развития
13 мая 2020 г. ·

Хотите получить кредит в РКФР и Вам нужно подготовить бизнес-план?
Вам окажет поддержку проект ПРООН «Укрепление потенциала для финансирования устойчивого развития в регионе СНГ», финансируемый при поддержке Российской Федерации через Трастовый фонд «РФ-ПРООН в целях развития». В рамках данного проекта, бизнес компании могут получить техническую поддержку по подготовке качественных бизнес - и инвестиционных проектов (ТЭО) для получения финансирования от РКФР. На получение технической поддержки могут претендовать проекты, прошедшие предварительный отбор.
Контактные данные: fpp.invest@gmail.com
+996 557 26 45 25, 0 312 62 05 35 (доб.193) Улан Карасартов

Advancing Green Finance in the Kyrgyz Republic

- Green finance in the Kyrgyz Republic remains in its early stages, with several initiatives aimed at promoting its development. However, significant challenges persist, particularly the lack of awareness and understanding of green finance among businesses, investors, and the general public. To help address this challenge, the Project contributed by co-hosting the 2019 Conference on "Green Funds of the Kyrgyz Republic: Trends and Prospects of Sustainable Finance Development" as part of the annually held Green Week in the Kyrgyz Republic. The conference brought together 80 participants from government agencies, the parliament, ministries, the National Bank of the Kyrgyz Republic, international financial institutions (IFIs), the banking sector, the private sector, and international organizations. The event aimed to highlight the role of the financial sector in promoting sustainable finance, drawing from international and regional best practices; foster sustainable economic development by encouraging active participation from the financial and business sectors, and support the adoption of green economy principles and enhance cooperation among key stakeholders.

- The conference provided a platform for dialogue, enabling participants to discuss mechanisms for promoting sustainable finance, explore potential partnerships with international financial institutions, and assess future prospects for green finance development in the Kyrgyz Republic.

Photos from Conference on "Green funds of the Kyrgyz Republic: trends and prospects of sustainable finance development"

<u>Supporting a Favorable Business Environment in the Kyrgyz Republic</u>

- The National Development Strategy of the Kyrgyz Republic (2018–2040) and the National Development Program until 2026 identify the creation of a favorable business environment as a key pillar of sustainable development, emphasizing the government's role in stimulating entrepreneurship and market mechanisms. However, these strategic documents provide a broad framework for business environment development without a sector-specific approach.

  To address this gap, the Project supported the Ministry of Economy and Commerce of the Kyrgyz Republic in developing the Business Development Program of the Kyrgyz Republic until 2026, along with its Action Plan. This program outlines concrete measures and initiatives jointly developed by the state and private sector to foster sustainable business growth. The document was officially approved by a decree of the Cabinet of Ministers of the Kyrgyz Republic, ensuring a structured and targeted approach to enhancing the business environment and promoting long-term economic development.

КЫРГЫЗ РЕСПУБЛИКАСЫНЫН МИНИСТРЛЕР КАБИНЕТИ | КАБИНЕТ МИНИСТРОВ КЫРГЫЗСКОЙ РЕСПУБЛИКИ

ТОКТОМ
ПОСТАНОВЛЕНИЕ

2023-жылдын 22-февралы, № 94

2026-жылга чейин Кыргыз Республикасынын бизнести өнүктүрүү программасын бекитүү жөнүндө

Кыргыз Республикасынын Президентинин 2021-жылдын 12-октябрындагы № 435 Жарлыгы менен бекитилген 2026-жылга чейин Кыргыз Республикасын өнүктүрүүнүн улуттук программасын ишке ашыруу максатында, "Кыргыз Республикасынын Министрлер Кабинети жөнүндө" Кыргыз Республикасынын конституциялык Мыйзамынын 13, 17-беренелерине ылайык Кыргыз Республикасынын Министрлер Кабинети токтом кылат:

1. Төмөнкүлөр бекитилсин:
1) 2026-жылга чейин Кыргыз Республикасынын бизнести өнүктүрүү программасы 1-тиркемеге ылайык;
2) 2026-жылга чейин Кыргыз Республикасынын бизнести өнүктүрүү программасын ишке ашыруу боюнча Кыргыз Республикасынын Министрлер Кабинетинин иш-чаралар планы 2-тиркемеге ылайык.

2. Кыргыз Республикасынын аткаруу бийлигинин мамлекеттик органдары, Кыргыз Республикасынын Президентинин облустардагы ыйгарым укуктуу өкүлдөрү, Кыргыз Республикасынын Улуттук статистика комитети (макулдашуу боюнча), Кыргыз Республикасынын Президентине караштуу Инвестициялар боюнча улуттук агенттик (макулдашуу боюнча), Кыргыз Республикасынын Соода-өнөр жай палатасы (макулдашуу боюнча), Кыргыз Республикасынын Улуттук банкы (макулдашуу боюнча) жыл сайын отчеттук мезгилден кийинки жылдын 1-июнуна жана 31-декабрына чейинки мөөнөттө Кыргыз Республикасынын Экономика жана коммерция министрлигине 2026-жылга чейин Кыргыз Республикасынын бизнести өнүктүрүү программасын ишке ашыруу боюнча Кыргыз Республикасынын Министрлер Кабинетинин иш-чаралар планын ишке ашыруунун жүрүшү жөнүндө маалымат берсин.

№ 005833 *

3. Бул токтомдун аткарылышын контролдоо Кыргыз Республикасынын Президентинин Администрациясынын Президенттин жана Министрлер Кабинетинин чечимдерин аткарууну контролдоо башкармалыгына жүктөлсүн.

4. Бул токтом расмий жарыяланган күндөн тартып он беш күн өткөндөн кийин күчүнө кирет.

Кыргыз Республикасынын Министрлер Кабинетинин Төрагасы **А.У. Жапаров**

КЫРГЫЗ РЕСПУБЛИКАСЫНЫН МИНИСТРЛЕР КАБИНЕТИ | КАБИНЕТ МИНИСТРОВ КЫРГЫЗСКОЙ РЕСПУБЛИКИ

ТОКТОМ
ПОСТАНОВЛЕНИЕ

от 22 февраля 2023 года № 94

Об утверждении Программы развития бизнеса Кыргызской Республики до 2026 года

В целях реализации Национальной программы развития Кыргызской Республики до 2026 года, утвержденной Указом Президента Кыргызской Республики от 12 октября 2021 года № 435, в соответствии со статьями 13, 17 конституционного Закона Кыргызской Республики «О Кабинете Министров Кыргызской Республики» Кабинет Министров Кыргызской Республики постановляет:

1. Утвердить:
1) Программу развития бизнеса Кыргызской Республики до 2026 года согласно приложению 1;
2) План мероприятий Кабинета Министров Кыргызской Республики по реализации Программы развития бизнеса Кыргызской Республики до 2026 года согласно приложению 2.

2. Государственным органам исполнительной власти Кыргызской Республики, полномочным представителям Президента Кыргызской Республики в областях, Национальному статистическому комитету Кыргызской Республики (по согласованию), Национальному агентству по инвестициям при Президенте Кыргызской Республики (по согласованию), Торгово-промышленной палате Кыргызской Республики (по согласованию), Национальному банку Кыргызской Республики (по согласованию) ежегодно, в срок до 1 июня и до 31 декабря года, следующего за отчетным периодом, предоставлять в Министерство экономики и коммерции Кыргызской Республики информацию о ходе реализации Плана мероприятий Кабинета Министров Кыргызской Республики по реализации Программы развития бизнеса Кыргызской Республики до 2026 года.

3. Контроль за исполнением настоящего постановления возложить на управление контроля исполнения решений Президента и

№ 005837 *

Кабинета Министров Администрации Президента Кыргызской Республики.

4. Настоящее постановление вступает в силу по истечении пятнадцати дней со дня официального опубликования.

Председатель Кабинета Министров Кыргызской Республики **А.У. Жапаров**

Enhancing SME Capacity and Access to Finance

- To strengthen small and medium-sized enterprises (SMEs) and facilitate their access to finance, the Project supported the Ministry of Economy and Commerce in developing 29 business plan templates for various industries and business activities.
- These templates serve as practical tools for entrepreneurs, helping them structure and prepare business plans when applying for financing from financial institutions. By providing standardized guidance, the templates enhance the quality of business proposals, increasing the likelihood of securing funding.
- All 29 business plan templates are publicly available on the Ministry's website, ensuring widespread accessibility and supporting a more inclusive and business-friendly environment. [Шаблоны бизнес-планов проектов для предпринимателей (mineconom.gov.kg)]

Action 1.2. Preparation of the high priority projects for RKDF financing

Development of feasibility studies to access the RKDF financing

- As part of its efforts to enhance access to finance and support business development, the Project provided technical assistance for 18 business projects, facilitating the development of feasibility studies for potential financing from the Russian-Kyrgyz Development Fund (RKDF).
    1. **Financing is approved from the RKDF -** 5 projects with a total amount of 1,762,000 USD.
        1. Project 1 – Expansion of the cattle farm and launching the diary production. The approved amount is 295,000 USD. The 1st tranche of the loan in the amount of 60,000 USD has been disbursed to refinance other existing loans with other financial institution. The second tranche was approved to be disbursed in the local currency per the request of the client. Due to the lack of the financing in the local currency of the RKDF, the client has received the financing through the Fund's partner-bank.
        2. Project 2 – The approved amount is 251,000 USD for modernization of the brick factory. The project is in the process of implementation. The client is utilizing the financing per the approved conditions.
        3. Project 3 - Opening a factory to produce smart water meters. Approved loan amount = 500,000 USD. Unfortunately, the client has decided not to take the financing after the loan has been approved due to the changes in the business environments that became unfavorable for the project implementation.
        4. Project 4 – The approved amount is 256,000 USD to open the new factory for sewing production in one of the remote regions of the country. The project is in the process of implementation. The client is utilizing the financing per the approved conditions.
        5. Project 5 – The financing in the amount of 460,000 USD is approved to open the medical center in one of the remote oblasts of the country. The project is in the process of implementation. The client is utilizing the financing per the approved conditions.

Financing is approved from the public budget - 1 project with a total amount of 10,000,000 USD.

   1. The project owner is one of the strategic state companies which requested the financing to launch the new glassware production line from the RKDF. Due to the financial risks, the RKDF didn't consider the financing of the project. The project owner applied for the financing from the public budget. The feasibility study of the project has been utilized by the project beneficiary during the application process and 10,000,000 USD have been leveraged from the public budget.

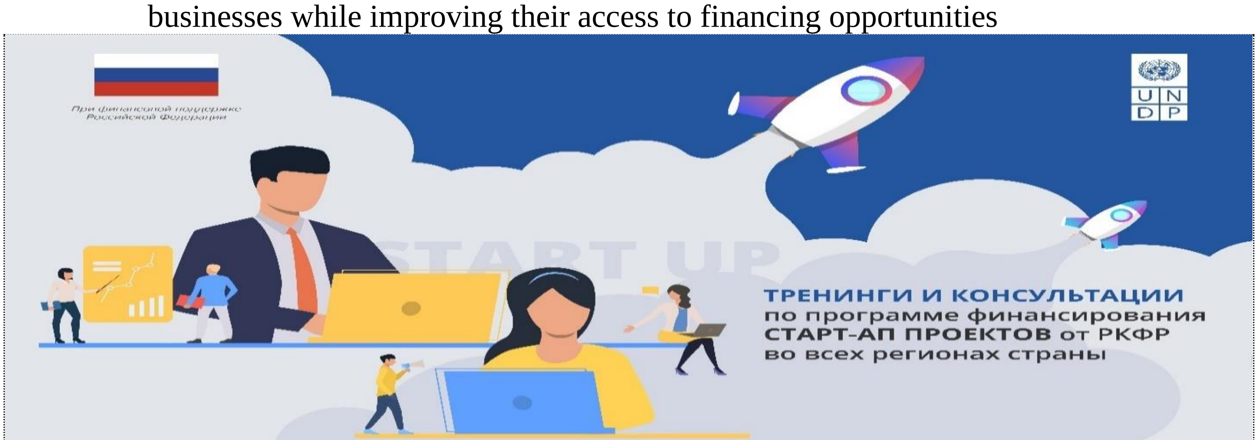
2. **Put on hold by the RKDF:** 2 projects. The 1st project project with a total preliminary amount of 2,300,000 USD. The financing has been requested to expand the current business activity (sewing production which is mostly exported to Russia) via opening the second factory for sewing production due to the high demand for the produced goods. The project concept has been approved at the preliminary credit committee. At the final credit committee, it has been recommended to identify the more suitable building than the one that the client has already identified. Thus, the decision taking on the financing request has been put on hold until the recommendation of the Credit committee is delivered. The 2nd project which requested financing for the construction of the 2nd small hydro power station, was put on hold until the project owner starts the operation of the 1st hydropower station the construction of which has been just finalized by the project owner.
3. **Rejected by the RKDF**: 3 projects with a total requested funding amount of 14,150,000 USD. The main reasons for rejection were the high financial and currency risks. One of the rejected projects leveraged the financing from the public budget as indicated above.

4. **Withdrawn by the project owners:** 8 projects. The main reasons are impact of COVID-19, inability to fulfill the recommendations of the RKDF mostly related to collateral, the lack of local currency resources of the RKDF and reluctance of the project owners to take financing in USD due to the currency fluctuations. 1 project has been recommended to apply for financing in one of the RKDF's bank-partners where the project owner had an active loan due to its credit history, but the project owner did not apply for financing there.

Strengthening Entrepreneurial Capacities Through Training Programs

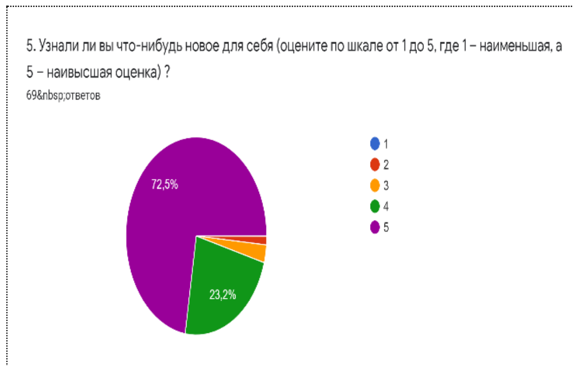
- One of the key priorities of the Project was strengthening the capacities of the business sector by equipping entrepreneurs with essential skills for business development and financing. To achieve this, the Project supported the Russian-Kyrgyz Development Fund (RKDF) and the Ministry of Economy in organizing training programs designed to enhance entrepreneurial knowledge and prepare businesses for funding opportunities:
    - To strengthen the capacity of entrepreneurs in the preparation of business projects for funding and to support the further implementation of the RKDF loan product for financing start-up projects in the regions and taking into account the need to increase the potential of the business environment in these areas, trainings on business plan development have been conducted in 2019 and 2020. During the trainings, the participants with the start-up project ideas gained knowledge on key aspects related to how to start the business from a scratch, how to effectively manage the business, how to develop the business plan and they received practical support in preparing the business plans for their start-up ideas. These trainings were conducted across all 7 oblasts of the country, with 141 participants, including 56 women. Most participants were young entrepreneurs aged 20 to 40 years old. The training programmes covered the following topics:
        - how to start the business: the business registration; the accounting; the taxation;
        - how to develop the start-up idea;
        - the development of a business plan: the market analysis, the marketing; the business modeling; the production planning and management; the sales; the financial planning and management; the operational planning and management; the risk management; the SWOT analysis; the presentation of the business plan.

    Through these training initiatives, the Project significantly enhanced the knowledge and skills of aspiring entrepreneurs, empowering them to establish and sustain successful businesses while improving their access to financing opportunities



Photos from the trainings

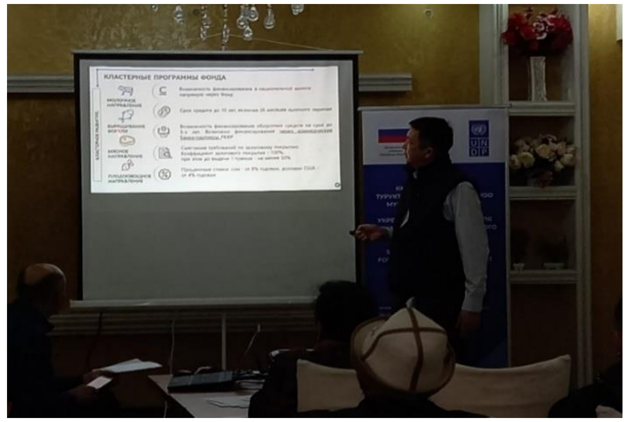
The following feedback has been received from the participants on the usefulness of the training:



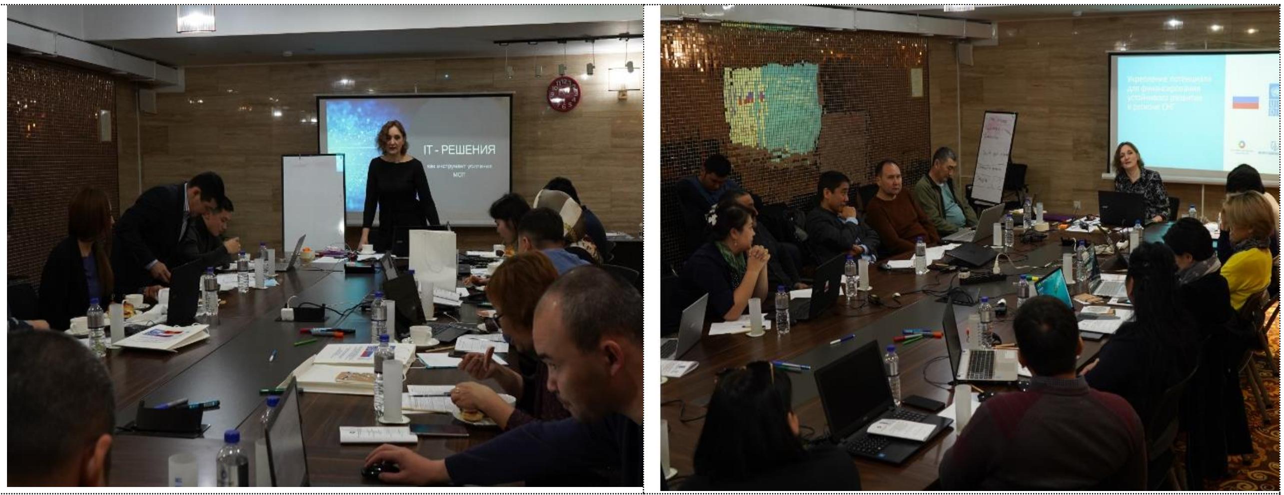
- During the COVID-19 pandemic, as part of these measures to support the economy in order to minimize the impact of the crisis on the business, the Russian-Kyrgyz Development Fund (RKDF) introduced new loan products based on a cluster approach to support key agricultural sectors, including dairy production development, meat processing development, and aquaculture development. In response to RKDF's request, the Project provided capacity-building support to dairy farming enterprises to enhance their knowledge and explore opportunities for financing through RKDF's loan programs. The training included both theoretical sessions covering essential aspects of dairy farming and business development, and practical demonstrations conducted at real dairy farms, allowing participants to observe best practices firsthand. The representatives of the RKDF made a presentation and held a Q&A session addressing participants' queries on loan products, application procedures, and financing conditions. The total number of participants trained is 57, out of which 24 participants were women.

To further support dairy farmers, the Project developed a comprehensive Guide on Dairy Farming, which was widely distributed among farmers. The guide includes: The Guide on Diary farming for farmers has been developed and has been widely disseminated. The guide includes practical guidelines and best practices for dairy farming, brief information on RKDF's loan products and contact details for financing inquiries, and relevant contacts and resources for dairy farmers to enhance their operations.

This initiative contributed to strengthening the dairy sector, improving farmers' financial literacy, and expanding their access to sustainable financing options

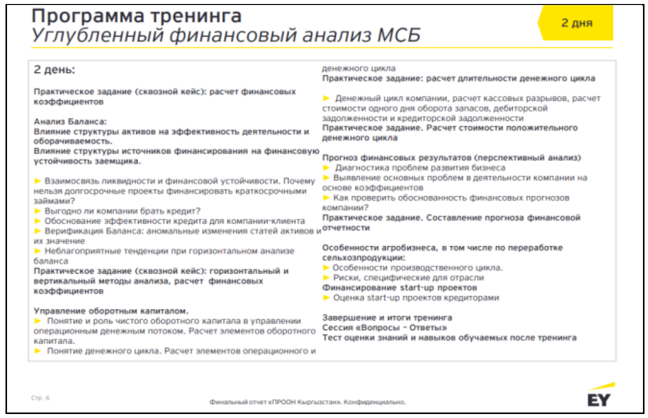
- As direct and indirect result of the capacity building activities on the business plan development (Start-up projects) and the for the dairy farming entities, the participants of the trainings successfully secured 585 000 USD in financing from the RKDF credit line programs through the second-tier banks and around 680 000 USD from other financial sources.
- As part of COVID-19 economic response measure, the educational program on supporting the entrepreneurs has been initiated, during which entrepreneurs gained knowledge on the new format of work under crisis conditions and on remote business management tools with the use of modern information technologies for business. 49 participants have been trained, out of which 18 were women.

Photos from the trainings

- To strengthen the implementation of RKDF credit lines, the Project provided technical support to enhance the capacities of RKDF's partner banks in evaluating and financing SMEs and large businesses. The training focused on equipping bank employees with essential financial analysis skills, enabling them to apply financial assessment tools to evaluate the financial standing of real companies across various industries, and identify, assess, and manage financial risks associated with SME and large business financing. 456 employees of 14 bank-partners of the RKDF, located in 7 oblasts of the country and Bishkek have been trained. The training has been conducted by Ernst & Young Academy Kazakhstan.

  By enhancing the financial assessment capabilities of RKDF's banking partners, the training contributed to improving the efficiency and effectiveness of credit line implementation, ultimately facilitating better access to financing for businesses across the country.



<u>Raising Public Awareness on Access to Finance Through Media Engagement</u>

- At the request of the Ministry of Economy, the Project supported the organization of a media competition aimed at increasing public awareness of access to financing for sustainable development through International Financial Institutions (IFIs). The competition Objective were to encourage journalists and media representatives to create and publish informative materials on financial accessibility, and improve the financial literacy of the population by disseminating key information through mass media.
  - <u>Особый акцент: как получить кредит в РКФР — беседа с экспертом фонда - 17.03.2021, Sputnik Кыргызстан</u> (Particular emphasis: how to get a loan from the RKDF - a conversation with the fund expert
  - <u>Репортаж инвестиционное финансирование РКФР.MP3 / Облако Mail.ru (Investment financing of the RKDF)</u>

The following results have been achieved within **Activity 2. Technical assistance in project preparation for potential financing from the International Financial Institutions to governmental and business entities in Armenia, Belarus, Kazakhstan, Kyrgyzstan, and Tajikistan, including clients of the Eurasian Development Bank.**

Action 2.1. Cooperation framework for targeted support to the preparation of quality bankable projects for EDB's lending

<u>Co-Financing Mechanism for Feasibility Studies</u>

- To facilitate investment project development, various options for a joint co-financing mechanism between UNDP and the Eurasian Development Bank (EDB) were explored. As a result, both institutions agreed to a financing agreement for third-party donors, under which $116,738.72 was transferred to the project budget. This amount included $68,819.23 from the EDB, and $47,919.50 as contributions from project beneficiaries. The funds were allocated to co-finance feasibility studies for investment projects seeking potential EDB financing.
- The Project and the EDB faced the challenge in the identification of potential investment projects for which the technical support for the development of the feasibility study should be provided. The identification of the projects had been carried by the local representative offices of the EDB in Armenia, Tajikistan, and Belarus and with the support of UNDP COs in Armenia, Belarus, Kyrgyzstan and Tajikistan. The main reasons for this challenge were the high minimal loan

requirement for loan products of the EDB, limiting accessibility, very few projects/companies present in the target countries with the financial capacity to manage such amounts of financing and large investment project owners often prepare the feasibility studies independently, reducing demand for external support. Despite the challenges, two investment projects were successfully identified and approved by the Project Board for technical support in feasibility study development, with a combined financing need of $52 million.

1. The project in the Kyrgyz Republic involves the construction of a new small hydropower plant with a capacity of 15-25 MW. This project should contribute to the energy security of the Kyrgyz Republic and strengthen the position of the Kyrgyz Republic in the regional electricity market.
   The feasibility study for this project was successfully developed and handed over to the EDB and the Project beneficiary for further consideration.
2. The project in the Republic of Tajikistan entails the implementation of several export-oriented initiatives, including the expansion of intensive fruit gardening to export products to foreign markets, purchase of temperature-controlled trucks for fruit transportation/export, and expansion of flour and pasta production. This project will not only contribute to the development of food security and development of the agro-industrial complex in the country, but also the realization of Tajikistan's potential as an exporter of agricultural products to the EAEU countries.
   The feasibility study was developed, however did not fully meet the expected quality and comprehensiveness. As a result, discussions were held with the Vendor, leading to an agreed adjustment to the payment amount for the services provided. The reimbursed part of co-financing amount is to be returned to the EDB. Moving forward, the EDB and the Project beneficiary will explore potential refinements and improvements to ensure the report meets EDB’s evaluation standards and decision-making criteria.

Action 2.2. Capacity development for financial intermediary operations

One of the key priority areas of the Project was strengthening the capacities of the client of the EDB – the financial institutions.

<u>Assessment of Credit Products and Development of New Financing Solutions</u>

- To ensure that EDB’s credit products effectively address the needs of the business environment and second-tier banks, a comprehensive study of international business models and credit lines was conducted in the first quarter of 2020. This study focused on Energy efficiency financing, Sustainable agricultural production, Microcredit financing, Small and medium-sized business support, Trade finance and other priority areas. As part of this assignment, the consultant also conducted on-site visits to the EDB’s 12 partner banks located in Belarus, Armenia, and Kyrgyzstan. The interviews with the managers and specialists of partner-banks allowed them to gather feedback on their experience working with EDB and other international development institutions in attracting credit lines. Based on the findings from the study and consultations, the consultant proposed 17 tailored credit line options to EDB, including 7 credit lines for Belarus, 5 credit lines for Armenia and 5 credit lines for Kyrgyzstanю These proposals included adjustments to existing credit products and new credit lines specifically designed to meet the requests of partner banks and align with the financial market conditions in each country. However, despite the comprehensive analysis and recommendations, no new credit products or modifications to existing credit lines were implemented by EDB as a result of this study.

Tailored trainings for EDB’s Partner Banks

- In 2020, a comprehensive needs assessment was conducted to evaluate the capacity-building requirements of second-tier banks (EDB’s partner financial institutions). Based on the findings, 18 key areas for strengthening bank operations were identified. Following these recommendations, training programs on 14 different topics were delivered to five partner banks of EDB in the last quarter of 2021 through both online and offline sessions. The training sessions focused on critical areas essential for improving banking operations and financial services, including Risk management and compliance, Development of credit scoring models, Digital marketing strategies, Process optimization, IT and information security and Performance management. 159 participants of 5 banks located in Belarus, Kyrgyzstan, Armenia have been trained. 95 were women. These training initiatives helped enhance the expertise and operational efficiency of EDB’s partner banks, supporting their ability to better serve businesses and strengthen financial inclusion. Below are the links to some of the training conducted in online mode.

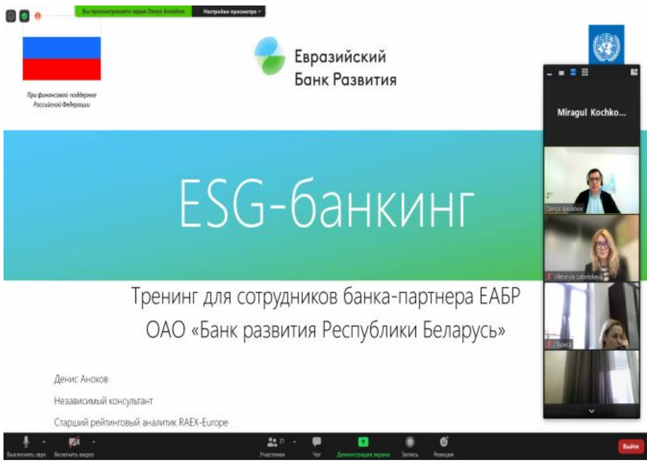
  https://www.youtube.com/watch?v=nuTq0tjpnZU&feature=youtu.be

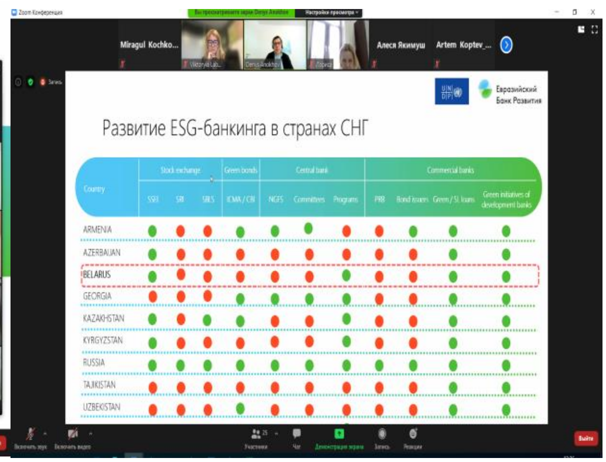
  https://www.youtube.com/watch?v=vrD0AOP_luo

  https://www.youtube.com/watch?v=0xKeTzHk6o4

Promoting ESG Integration in EDB’s Partner Banks

- In recent years, sustainability goals and Environmental, Social, and Governance (ESG) principles have gained significant momentum in global capital investments. The banking sector is increasingly recognizing the need for comprehensive and credible ESG strategies to align with the growing sustainable finance market. However, despite the rapid global shift toward ESG, several challenges persist in the CIS region, where ESG investment standards remain undefined by regulators and investors. To advance the ESG agenda, the Project provided support to 10 financial institutions across Kazakhstan, Kyrgyzstan, Belarus, Russia, and Armenia in assessing how ESG factors impact their business models and core operations. The international consultant conducted a comprehensive analysis of both open-source and internal bank data on the implementation of responsible investment practices and ESG factors in their activities through the desk research and interviews. As a result, tailored recommendations for the implementation of ESG practices for each of the banks, incorporating global best practices and methodologies in responsible investment and ESG implementation.





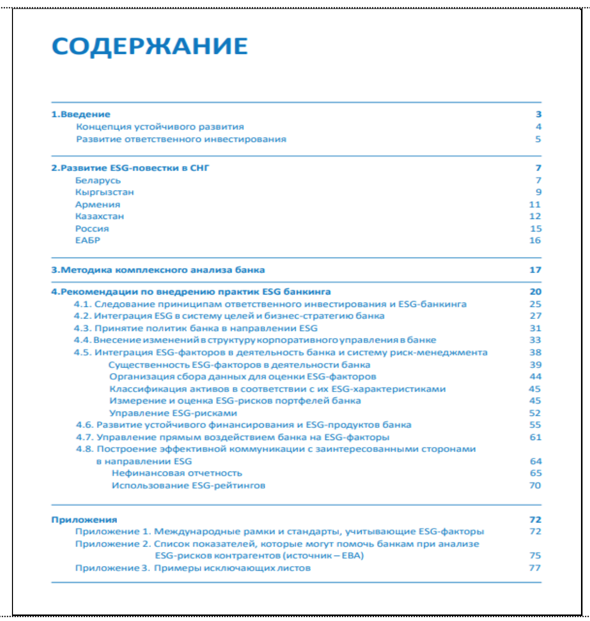
Additionally, the guide with recommendations to implement ESG-practices in the operation of second-tier banks have been developed and distributed among the financial institutions of the Kyrgyz Republic.


Название проекта
ПРООН «УКРЕПЛЕНИЕ ПОТЕНЦИАЛА ДЛЯ ФИНАНСИРОВАНИЯ УСТОЙЧИВОГО РАЗВИТИЯ В РЕГИОНЕ СНГ»

Название работы
РЕЗУЛЬТАТ ПРЕДОСТАВЛЕНИЯ УСЛУГИ ПО РАЗРАБОТКЕ ПОЛИТИК ВНЕДРЕНИЯ ESG-ПРАКТИК ДЛЯ КОММЕРЧЕСКИХ БАНКОВ

Исполнитель
Анохов Денис Александрович

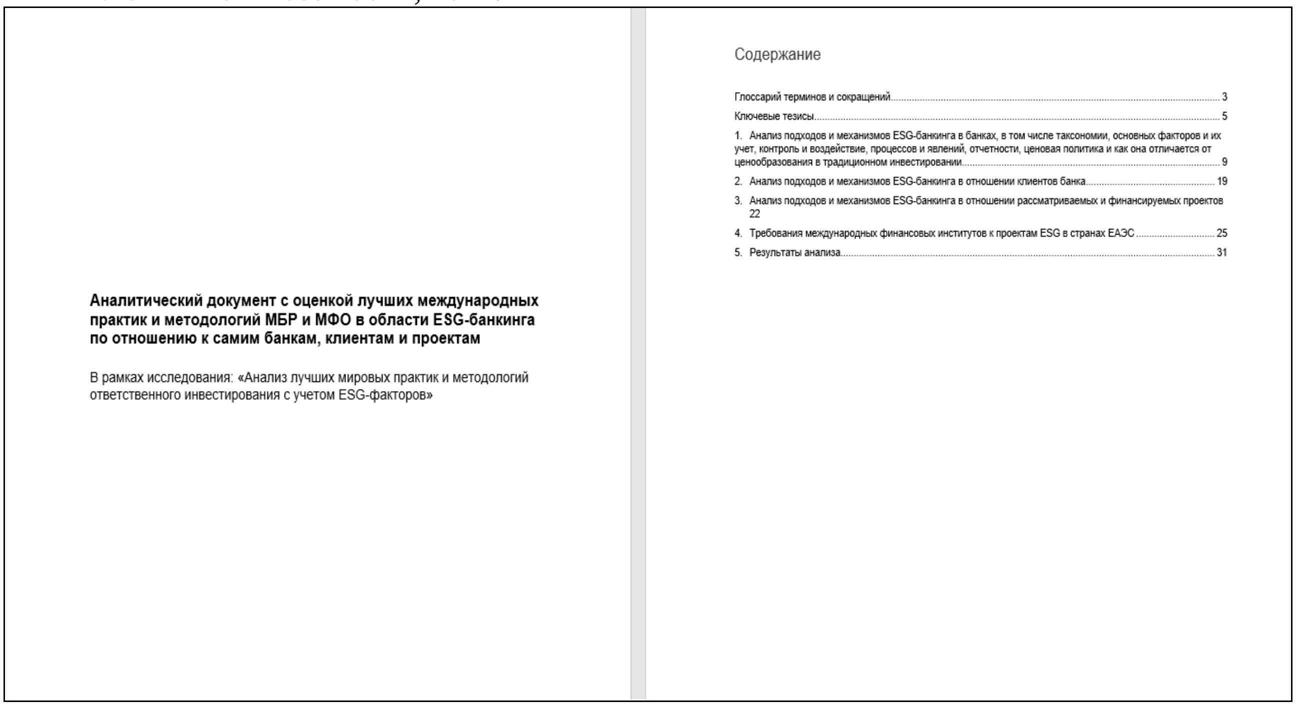
04 марта 2022 года


СОДЕРЖАНИЕ

This initiative has helped partner financial institutions build a foundation for sustainable banking practices, aligning their strategies with international ESG standards and strengthening their position in the growing sustainable finance market.

Action 2.3. Knowledge management to improve the accessibility of development financing

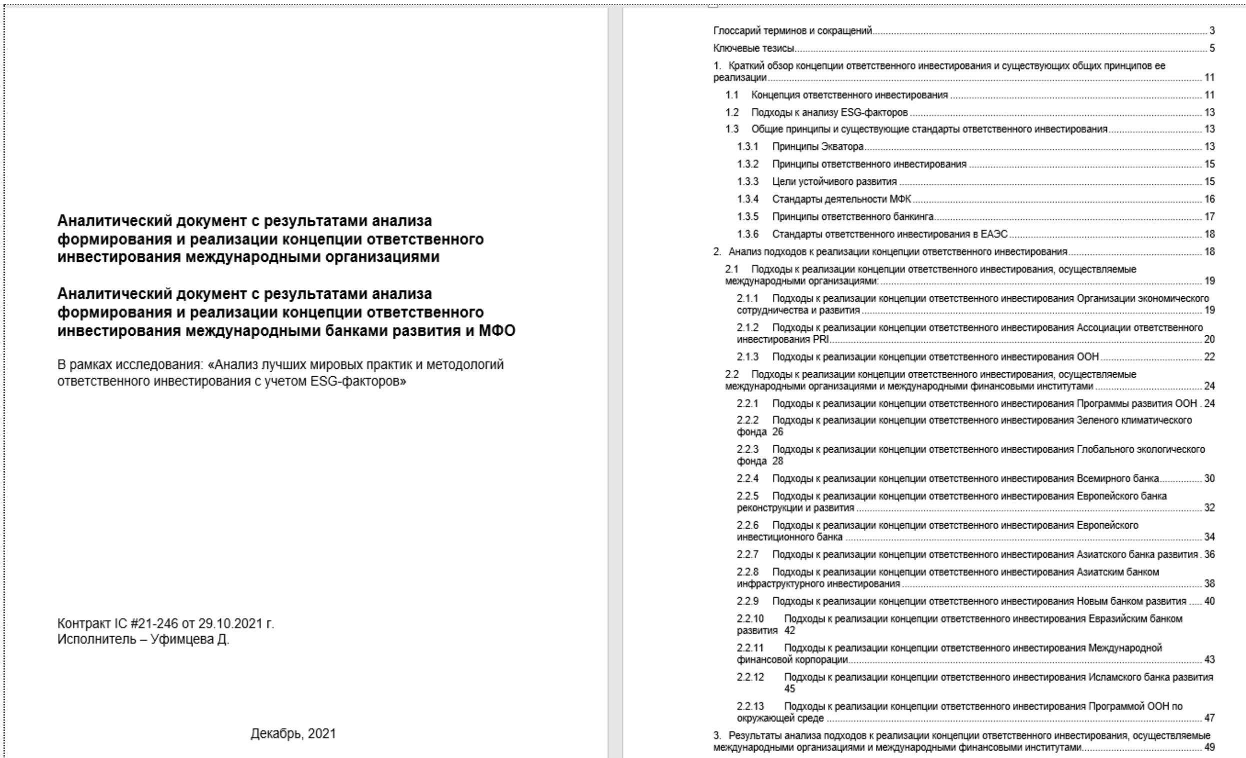
- A comprehensive research study was conducted to analyze and summarize global best practices and methodologies adopted by international financial organizations in the field of responsible investment, with a particular focus on ESG factors. The findings of this research were instrumental in shaping the ESG session at the Second Eurasian Congress, organized by the EDB on December 2, 2021.



Аналитический документ с оценкой лучших международных практик и методологий МБР и МФО в области ESG-банкинга по отношению к самим банкам, клиентам и проектам

В рамках исследования: «Анализ лучших мировых практик и методологий ответственного инвестирования с учетом ESG-факторов»

Содержание



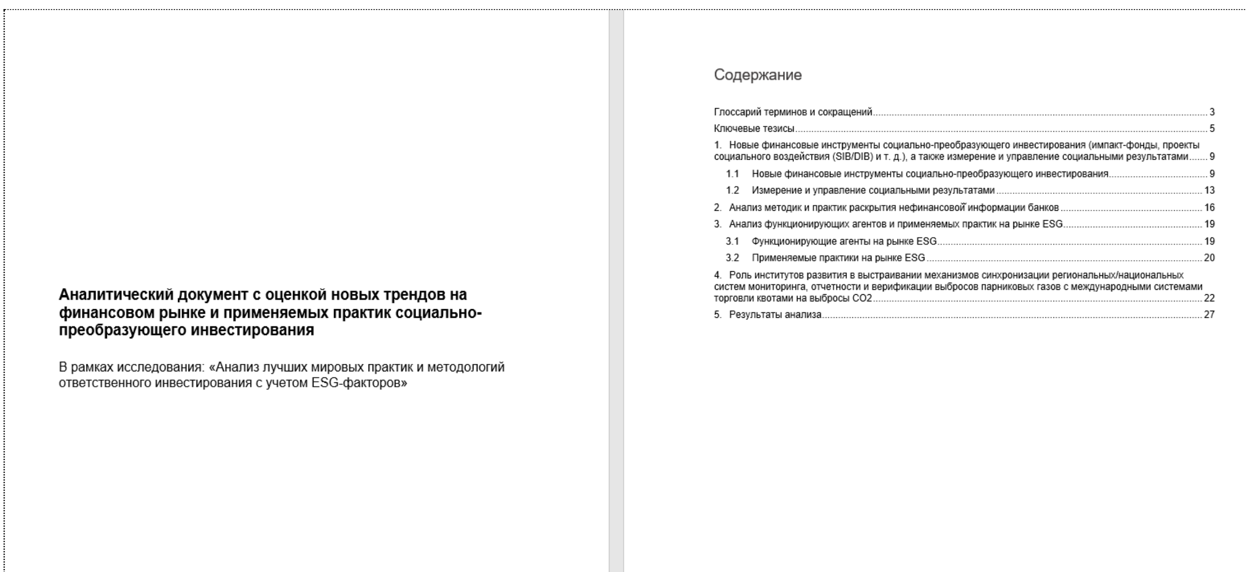
Аналитический документ с результатами анализа формирования и реализации концепции ответственного инвестирования международными организациями

Аналитический документ с результатами анализа формирования и реализации концепции ответственного инвестирования международными банками развития и МФО

В рамках исследования: «Анализ лучших мировых практик и методологий ответственного инвестирования с учетом ESG-факторов»

Контракт IC #21-246 от 29.10.2021 г.
Исполнитель – Уфимцева Д.

Декабрь, 2021



Аналитический документ с оценкой новых трендов на финансовом рынке и применяемых практик социально-преобразующего инвестирования

В рамках исследования: «Анализ лучших мировых практик и методологий ответственного инвестирования с учетом ESG-факторов»

Содержание

- To develop the knowledge products such as analytical studies on issues of high relevance to the EDB clients and UNDP Country offices, the Project provided support to the EDB to conduct research on the following subjects: "Analysis of the best practices and methodologies of countries on the development of "Green Economy" and "Analysis of the best international practices and methodologies of IDBs and IFIs in the field of financing green projects". The research aimed to analyze the best practices and methodologies of countries and international organizations, IDBs and IFIs on the development of "green economy" and “green financing” and to provide recommendations for the development of "green economy" and "green finance" in the Eurasian space.

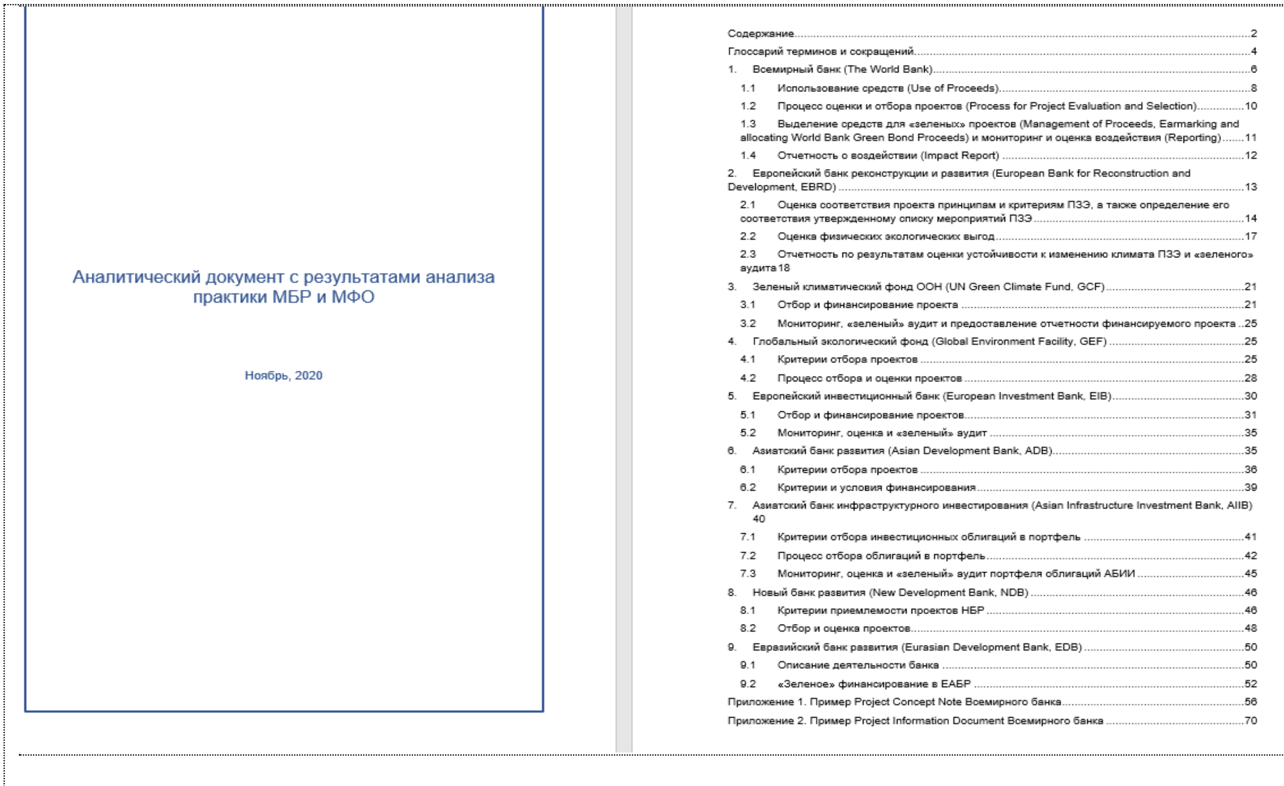
Оценка лучших мировых практик и методологий стран в области развития «зелёной экономики»

СОДЕРЖАНИЕ

Аналитический документ с результатами анализа реализации программ «зеленой» экономики, осуществляемых международными организациями

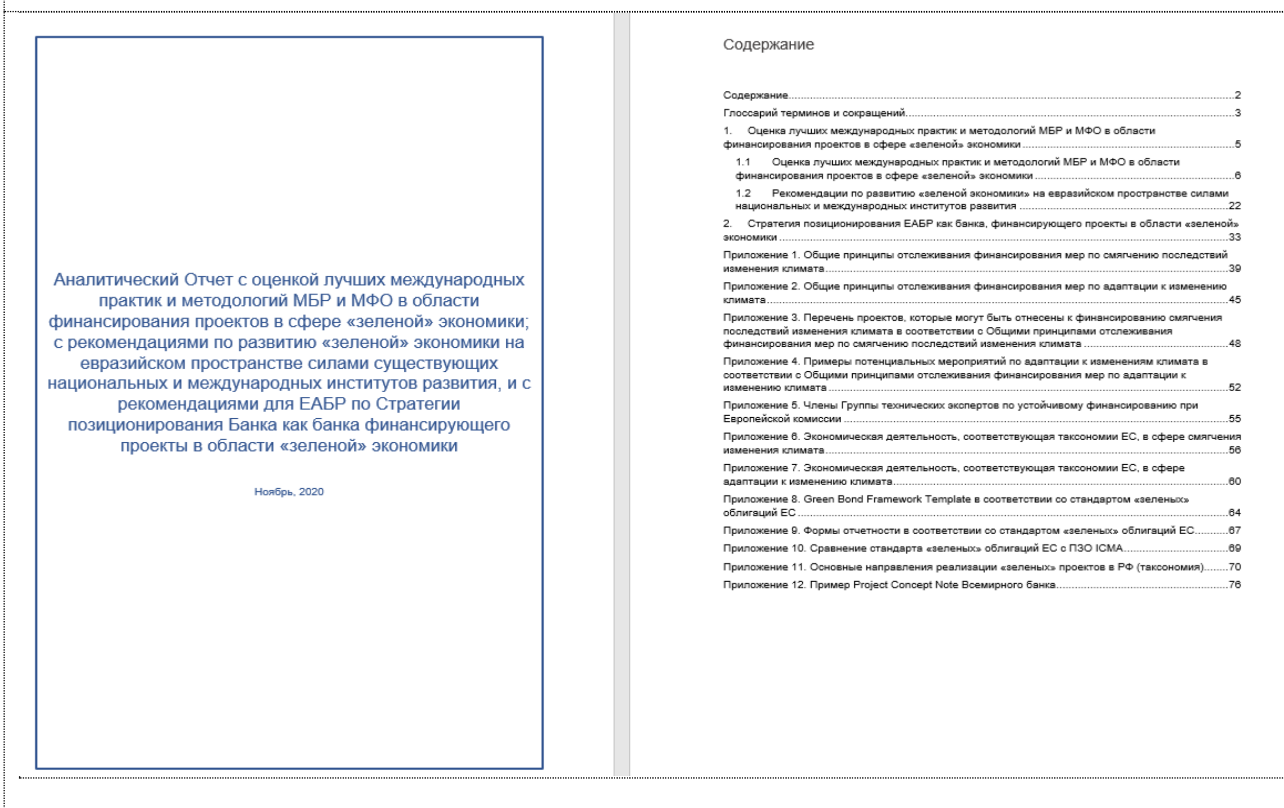
Ноябрь, 2020

Содержание



Аналитический документ с результатами анализа практики МБР и МФО

Ноябрь, 2020



Аналитический Отчет с оценкой лучших международных практик и методологий МБР и МФО в области финансирования проектов в сфере «зеленой» экономики; с рекомендациями по развитию «зеленой» экономики на евразийском пространстве силами существующих национальных и международных институтов развития, и с рекомендациями для ЕАБР по Стратегии позиционирования Банка как банка финансирующего проекты в области «зеленой» экономики

Ноябрь, 2020

Содержание

The project evaluation

As the Project was originally scheduled to conclude at the end of 2021, a final project evaluation was initiated and conducted by an international consultant in late 2021. The final evaluation of the Project covered the period from its starting date up to the date of the evaluation (2018-2021).
However, on December 21, 2021, the EDB formally requested an extension of the Project in an official letter to UNDP CO Kyrgyzstan, citing newly identified investment projects eligible for technical support. In response, the Project Board approved an extension until the end of 2022, specifically to support the co-financing of feasibility study development for these investment projects. Therefore, when reviewing the evaluation report, it is important to consider that it only covers activities and results achieved up until the end of 2021 and does not reflect subsequent developments during the 2022 extension period.

The main recommendation from the evaluation report:

Recommendation 1: UNDP can continue supporting businesses in accessing finance, but it is advised to utilize its experience gained through this Project and support state authorities at the national and local level to develop bankable proposals in such areas of strategic importance as green development and water management for IFI financing. Such proposals should be developed through a transparent and competitive market-based mechanism with direct involvement of the private sector. It is recommended for UNDP to build partnerships with such IFIs as European Bank of Reconstruction and Development (EBRD) as well as improve internal partnerships with other relevant UNDP projects.
Recommendation 2: In politically unstable realities of Kyrgyzstan, UNDP is not advised to focus on providing direct policy advice to related ministries to support business development but rather focus on establishing a platform for a constructive dialogue of businesses, mostly SMEs with key decisionmakers responsible for policies supporting economic development that will help them to listen to, understand and act to address the needs of businesses.
Recommendation 3: UNDP is advised to pursue long-term institutional solutions to capacity building of businesses, with focus on SMEs, and partner with the Chamber of Commerce and business and banking associations.
Recommendation 4: In pursuing innovative solutions in those areas where local or corporate expertise is limited, UNDP is advised to conduct mid-term projects review and strengthen internal M&E systems to identify gaps and limitations and make timely adjustments and corrections to Projects implementation to ensure that they stay on track and are focused on results.
Recommendation 5: Participating UNDP COs, RBEC and EDB should work to strengthen steering and advisory structures and ensure consistency in strategic guidance for regional implementation. It is advisable to conduct regular meetings at the senior management level to ensure strategic focus throughout the Project implementation. To avoid challenges associated with implementation of regional UNDP initiatives such as decentralized management and variability in expectations, it is recommended to assess if COs are well positioned to lead implementation of any regional projects. Roles of all COs involved into similar regional projects should be clearly articulated, positions in COs adequately funded and accountability lines articulated. It is recommended to improve joint planning through preparation of Annual/ Bi-annual Work Plans that would articulate specific activities and results for all UNDP COs involved into similar regional projects.

3. SUSTAINABILITY OF THE ACHIEVED RESULTS AND FUTURE PLANS

The Project has delivered several sustainable outcomes, which continue to contribute to economic development and institutional strengthening in the Kyrgyz Republic.

1. **Strategic Framework for Business Development**

   - The Business Development Program of the Kyrgyz Republic until 2026, along with its Action Plan, was developed with the support of the Project.
   - As a strategic document, its implementation and progress are monitored by the Cabinet of Ministers and the Ministry of Economy and Commerce, ensuring long-term impact.

2. **Publicly Accessible Business Plan Templates**

   - The 29 business plan templates, developed for various industries and business activities, are freely available on the Ministry of Economy and Commerce's website.
   - These templates continue to serve as a valuable resource for entrepreneurs seeking financing.

3. **Sustainable Business Financing and Job Creation**

   - Several business projects supported by the RKDF and other financial sources have a high likelihood of profitability, contributing to economic growth in their respective regions.
   - 100 new jobs have been created through these financed projects, fostering local employment and economic sustainability.

The institutional sustainability of the national Council for the formation of a list of priority investment projects under the Ministry of Economy and Commerce is unlikely due to the establishment of the Coordination Council of the Development institutions of the Kyrgyz Republic in June 2022 by the Decree of the Cabinet of Ministers. The Coordination Council was created to improve the investment climate, increase the efficiency of investment projects, and consolidate measures of state support and resources of development institutions. The compositions of this Council consist of the representatives of the National Bank, the Ministry of Finance, the Finance-credit fund under the Ministry of Finance, the National Investment Agency, the bilateral development funds like Russian-Kyrgyz Development Fund, Uzbek-Kyrgyz Development Fund, Hungarian-Kyrgyz Development Fund, the state-owned "Guarantee Fund", 2 state-owned second-tier banks, and local development funds. Although the Council for the Formation of a List of Priority Investment Projects is no longer operational, elements of its mechanisms and methodologies have been replicated within the newly established Coordination Council, demonstrating the viability and impact of the Project's initiatives.

4. LESSONS LEARNT

- **Partner Ownership and Engagement in Project Implementation:** Strong commitment and ownership from project partners are essential for successful implementation. This has been significantly affected by frequent staff turnover at the Ministry of Economy and Commerce and RKDF, particularly the resignation of mid-level focal points, which impacted continuity and engagement. Though the temporarily focal points have been appointed, their engagement with their direct functions and other priorities raised from dealing with COVID-19 consequences affected their full engagement in project implementation. The limited direct engagement with and monitoring of assignments being implemented by the external consultants took place from the side of the partners. Therefore, to ensure the ownership for the activities implemented and to ensure more frequent direct communication between the consultants and the partners throughout the activity implementation, the regular joint progress meetings have been conducted with the participation of the UNDP, the partners and the Vendors, fostering greater alignment and accountability.

- **A withdrawal rate of business applications:** Though most of the applications were withdrawn because of the impact of COVID-19 on the businesses, some business owners did not show the proper motivation for obtaining further technical support and withdrew their projects after selection by the Council. Analysis showed that more thorough pre-screening at the initial stage could have prevented unnecessary withdrawals. To ensure the quality of the application submitted to the Council and to decrease the rate of withdrawals, the socio-economic pre-screening of applications was included in the TOR of the consultants that have been recruited to develop the feasibility studies.
- **Adapting the loan products and operational processes:**
    - The Financial institutions need to adapt the loan products to the economic context and needs of the country and the business sector, eg. the high minimal financing amount requirements need to be decreased;
    - Financial institutions target businesses with strong financial position and profitability. The businesses that are at their early stage of operations, but with a potential to develop further are underserved and lack access to finance;
    - The internal operational processes of both UNDP and partners are one of the key enablers to ensure the success of the project implementation. They have to be well streamlined to ensure the effective and timely delivery.
- **Green finance:** Limited institutional capacity in financial institutions to assess and finance green projects remains a significant challenge. A lack of investment-ready projects is more prominent in the green finance. To address the above-mentioned, UNDP allocated funds from its core-funding to conduct the feasibility study on establishment a mechanism to address the need to develop bankable projects and SMEs focusing on “green development" through providing support to green projects overcome the capacity, technical and financial barriers they face, and growing them to the point of bankability. The feasibility study recommended to set up a facility that has the elements of a business incubator/accelerator and the financing opportunities. UNDP under the its Sustainable Economic development program supported the government to set up the Green Financing Program at the State Development Bank.

5. RISKS AND MITIGATION MEASURES

- A lengthy gap between the Project’s design phase and its official launch led to misaligned expectations among key governmental partners. This required additional efforts from the Project team to clarify objectives and ensure a shared understanding. To mitigate these risks, the Project team engaged in a series of negotiations, ensuring that partners had a clear and unified vision of the Project’s goals.
- The limited capacity of state employees, local governments, and private sector representatives in generating business ideas and developing investment-ready proposals was a significant challenge. In response, the Project designed and implemented targeted capacity-building activities aimed at raising awareness among national partners, clarifying selection criteria and application procedures for investment projects, and providing hands-on guidance on structuring and presenting investment proposals.
- COVID-19 and political instability:

- Lockdowns and mobility restrictions caused delays in the implementation of various project activities. To mitigate these delays, activities that could be conducted remotely were shifted to online formats, although organizing remote cooperation with beneficiaries presented additional challenges.
- The deteriorating financial situation of businesses due to COVID-19, coupled with the fluctuation and increase in the USD exchange rate and further uncertainty of economic recovery created the entrepreneurs' hesitancy to take on new financial commitments. As a response, the RKDF adjusted its financing policy, reducing the minimum loan amount for regional projects to improve accessibility. Despite ongoing discussions with the RKDF about introducing local currency financing, this was ultimately not implemented due to institutional constraints.
- The Project has encountered the delays of activities delivery due to pandemics COVID-19 and the political situation in three of the five countries, participating in the project. Indeed, the impact of COVID-19 on the financial situation of the businesses, the unstable political situation in the country and the further uncertainty of the development of events affected the decisions of entrepreneurs about the need and possibilities to attract financial resources for their businesses and affected the process of identifying business projects for potential financing from the EDB and RKDF. However, the project's approach, with strong capacity development element in it, was appreciated by the participating countries and the project stakeholders along the course. Taking into consideration the above-mentioned and the impactful potential of the project, the project extension has been approved by the Project Board.
- Following political unrest after the October 2020 parliamentary elections, the Russian Federation temporarily halted financing through the Russian-Kyrgyz Development Fund (RKDF) in November 2020. As a result, RKDF suspended loan disbursements for nearly 8 months, only resuming financing in the second half of 2021.
- After the presidential elections and referendum at the beginning of 2021, the new structure and composition of the government have been approved in the Kyrgyz Republic. As a result of this, the Ministry of Economy has been merged with the Ministry of Finance in the 1 quarter of 2021 and the internal restructuring of the new Ministry took place. Then, in the 4th quarter of 2021, the Ministry of Economy and the Ministry of Finance have been separated into 2 independent ministries, due to which the structural changes in the Ministry of Economy took place once again. This has impacted the timely implementation of some of the project activities in 2021 as the project's focal persons from the Ministry being changed several times. Though it took certain time, but the Project managed this risk by proactively engaging with newly appointed officials, conducting briefings to ensure continuity and align the Ministry's evolving structure with Project activities.

6. PARTNERSHIPS

In alignment with the Project's goals and objectives, strong partnerships were established with both governmental entities and private sector representatives, ensuring a collaborative approach to fostering investment and capacity-building efforts.

The Project actively collaborated with business associations to support the identification of business projects for potential financing and capacity-building activities to strengthen investment readiness.

Strong working relationships were built with governmental offices (the Office of the Government of the Kyrgyz Republic, Ministry of Economy), the RKDF, and the business associations through their participation as members of the Council for the formation of a list of priority investment projects.

As a result of this partnership, $1.7mln of the direct financing and 585 000 USD of financing through the second-tier banks were mobilized from the Russian-Kyrgyz Development Fund, and $10.0mln leveraged from the public budget for the implementation of investment projects. These projects target SDGs 2, 3, 5 and 8.

7. PARTNERSHIP WITH THE RUSSIAN FEDERATION

The implementation of both components of the project is considered as one of the key areas of partnership with the Russian Federation through the RKDF and the EDB.
The individual experts and companies have been procured through the open competitive tendering process for the delivery of assignment within both Project components.
Within the framework of Activity 1:

- Individual consultant - to deliver the training;
- Company - to conduct training;

Within the framework of Activity 2:

- Individual consultant - the development of the UNDP-EDB co-financing mechanism;
- Individual consultant - to develop new credit products for EDB and second-tier banks;
- Individual consultant – to conduct research on “green economy and financing”;
- Individual consultant – to conduct research on “ESG”;
- Company - to conduct trainings for the second-tier banks;
  Company – to develop feasibility study of an investment project.

8. COMMUNICATION AND VISIBILITY

The Project ensured the wide coverage of the Project activities and the donor visibility through UNDP’s and key partners’ social media channels and websites and external mass media.

The press clipping with links to main publications/communication materials is in Annex 10.2

9. FINANCIAL MANAGEMENT

The financial data is as of 31.12.2024.

Donor	Allocated funding	Delivered	Delivery rate (%)
Russia-UNDP TF for Development	1 200 000,00	1 096 261,82	91%
Programatic expenses		1 014 780,38	
GMS		81 481,44	
Eurasian Development Fund (co-financing)	115 582,89	91 304,49	79%
Programatic expenses		84 541,19	
GMS		6 763,30	
UNDP core funding	198 000,00	198 635,00	100%

Programatic expenses		198 635,00	
Total	**1 513 582,89**	**1 386 201,31**	**92%**

Prepared by Kochkorova Miragul, Project Coordinator

Date: January 30, 2025

DocuSigned by:

Miragul Kochkorova

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10. ANNEXES

10.1 **Project performance data**

Expected outputs	Output indicators	Data source	Baseline		Value for the previous year if different from baseline	Targets	Actual value
			Value	Year			
Output 1 Enhanced capacity of financial institutions and business entities in investment development projects preparation and implementation in the Kyrgyz Republic	**1.1** Number of workshops and trainings for potential borrowers of the RKDF preferably with no less than 30% women-borrowers	*- TOR and tender documentation.* *- The delivery report of the consultants; - The project report;*		2017		2 trainings	6 trainings – 731 participants (329 – female = 45%)
	1.2 Number of gender-sensitive pre-feasibility studies, business plans, assessments developed under the technical assistance to potential borrowers of the RKDF	*- The delivery report of the consultants;* *- The project report;* *- The feasibility studies developed;*		2017		5	18 business projects received technical support in developing feasibility studies
	1.3 Number of projects that received RKDF loan out of all projects supported under Activity 1			2017		70%	-Financing is approved from the RKDF - 5 projects with a total amount of 1,762,000 USD; -Financing is approved from the public budget – 1 project with a total amount of 10,000,000 USD; -Projects put on hold: 2 projects

Output 2 Enhanced capacity of the select CIS countries in accessing new development finance sources	**2.1** Number of gender-sensitive pre-feasibility and feasibility studies, business plans, assessments, etc. developed under the technical assistance to potential borrowers of the EDB			2017		3.	2 investment projects with financing needs of 52mil USD.
	2.2 Number of lending products and credit lines supported by the project	-TOR and tender documentation; The delivery report of the consultants; - The project report;		2017		2	The consultant proposed 17 options of credit lines to the EDB, with adjustments to the terms of existing products, and new products - credit lines customized according to the requests of the partner banks and the specifics of market development in specific countries (7 credit lines for Belarus, 5 credit lines for Armenia and 5 credit lines for Kyrgyzstan). Nevertheless, no new credit products or adjustment of the existing credit products have been done by the EDB on the base of these recommendations.

10.2 **Media coverage report** with links to main publications

Video report on the key results of the project

Project video report “Capacity building for financing sustainable development in the CIS region"

Отчетное видео проекта "Укрепление потенциала для финансирования устойчивого развития в регионе СНГ"

Year 2018

Project Preparation Foundation set up under the Ministry of Economy_http://kabar.kg/news/fond-podgotovki-proektov-ustoichivogo-razvitiia-sozdan-pri-minekonomiki/

Project Preparation Foundation set up in accordance with Order the Ministry of Economy http://mineconom.gov.kg/ru/direct/7/179

Foundation for preparation of sustainable development projects set up under the Ministry of Economy http://mineconom.gov.kg/ru/post/5130

About the the first meeting of the Council for formation of the list of priority investment projects http://mineconom.gov.kg/ru/post/5474

Foundation for preparation of sustainable development projects set up under the Ministry of Economy https://www.akchabar.kg/news/kg-business-fund/

Foundation for preparation of sustainable development projects set up under the Ministry of Economy supported by the “Strengthening capacities for sustainable development finance in the CIS region” project of the UNDP-Kyrgyzstan
http://www.cci.kg/news/4/2569.html

Foundation for preparation of sustainable development projects set up under the Ministry of Economy http://www.rkdf.org/ru/novosti/1826_pri_minekonomiki_kr_sozdan_fond_podgotovki_proektov_ustoychivogo_razvitiya

Foundation for preparation of sustainable development projects set up under the Ministry of Economy http://www.tazabek.kg/news:1474500

Foundation for preparation of sustainable development projects set up in Kygyrzstan http://kg.mirtv.ru/news/85277

How will the foundation for preparation of investment projects support regional businesses? https://www.vb.kg/doc/374123_kak_pomojet_regionalnomy_biznesy_fond_podgotovki_investproektov.html

The Ministry of Economy to support development of bankable business projects https://rus.azattyk.org/a/29581463.html

A new foundation in Kygyzstan will support entrepreneurs https://economist.kg/2018/10/17/v-kyirgyizstane-poyavilsya-novyiy-fond-dlya-pomoshhi-predprinimatelyam/

A round table discussion of the “Green finance and role of the private sector” in Osh included a presentation of the goals and objectives of the “Project Preparation Foundation” and the Foundation’s plans.
https://www.facebook.com/pg/oshjia/photos/?tab=album&album_id=703877529993172&__xts__%5B0%5D=68.ARCXzykg9XqzctdcFOtQO366sKDirZp5Le_j07l8M_3Mtn45deI9mFoLdZcnAgc3wITnN6XsFLIwbt8_Op8G6kJepdAYtSJbR5--khVceYIcCCFDm1Rk6SgIP3XuS-6rlbKQSnc9zff0nuBgutYmS0Ceu5e2zK-KccK5lEx-QpdGS8X-kMfgrHNLmaVnCD0z_XbdJNCHyFYbO7rEWVxfdG2Y_gz1ivnEm-pxcWnVmzZZvrv-ypdr9XtAQzZaK-s8PGW4csqd1secyoo-eRbYFYBqWIvKM02KJ9yKhxBpDY2doN84LCt9MTQgnOi_2-WQByZVfHqYSPvefySReU7GXXgGUom9qs28ix1xfdCuNNLPTKJWBDZAU4HR41xZ2DML9tI9aueyqcoZp-WRpcVWrA6ReQKPjXCNzoPjI3XsXv1Ga2XNnqMtX3jpICCs9g0IJ_iYyhKK0uzD96qpMQ&__tn__=-UC-R

Year 2019

On the work of Project Preparation Facility under the Ministry of Economy
http://mineconom.gov.kg/ru/post/5858

For the first time in Central Asia and Kyrgyzstan, training is planned for entrepreneurs on the methodology of Harvard University
http://mineconom.gov.kg/ru/post/5843?fbclid=IwAR1xCm3TeVuX10OsclYiiR82AdsuLXbzWZKw9OXG4WuGtF3AKVRtNHCnQ14

With the support of UNDP, the Ministry of Economy of Kyrgyzstan organizes a FREE 6-day workshop for small / medium-sized businesses
https://www.facebook.com/RealEconomyWithSaltanat/photos/a.1952398308339515/2367026680210007/?type=3&theater

Business plan templates for the RKDF
http://www.rkdf.org/ru/kreditovanie/shablony_biznes_planov/krs/

Training within the frame of the new program RKDF on start-up finance
https://economist.kg/2019/10/14/10-biznesmenov-poluchat-kredity-ot-rkfr-po-linii-finansirovaniya-startapov/
https://www.akchabar.kg/ru/news/v-kr-obsudili-mehanizm-finansirovaniya-startap-proektov-v-regionah/

Year 2020

The press service of the Ministry of Economy has published the news about the ongoing selection of business applications for obtaining finance from RKDF:

http://mineconom.gov.kg/ru/post/6440

Information portals, where this news was mentioned with reference to UNDP:
Kabar: http://kabar.kg/news/prodolzhaetsia-otbor-zaiavok-biznes-proektov-na-razrabotku-teo-dlia-polucheniia-finansirovaniia-ot-rkfr/
Economist: https://economist.kg/2020/06/01/predprinimateli-mogut-podat-zayavki-na-poluchenie-finansirovaniya-ot-rkfr/
JIA: https://jia.kg/meropriyatiya/ukreplenie-potentsiala-dlya-finansirovaniya-ustojchivogo-razvitiya-v-regione-sng/
Publication of this news in social media of UNDP:
Facebook: https://www.facebook.com/116487388447179/posts/2966423763453513/?d=w
Twitter: https://twitter.com/undpkg/status/1268141208586551298?s=20

Information about the project at UNDP website:
ENG - https://www.kg.undp.org/content/kyrgyzstan/en/home/presscenter/articles/2020/05/do-you-want-to-get-a-loan-from-rkdf-and-you-need-to-prepare-a-bu.html
RUS - https://www.kg.undp.org/content/kyrgyzstan/ru/home/presscenter/articles/2020/05/do-you-want-to-get-a-loan-from-rkdf-and-you-need-to-prepare-a-bu.html
KYR - https://www.kg.undp.org/content/kyrgyzstan/ky/home/presscenter/articles/2020/05/do-you-want-to-get-a-loan-from-rkdf-and-you-need-to-prepare-a-bu.html

Social Media:
Facebook - https://www.facebook.com/undpkg/posts/2902391629856727
Twitter - https://twitter.com/undpkg/status/1258704310965284866?s=20
Instagram - https://www.instagram.com/p/B_6hjtSA8gv/

The articles about the project in the magazine “Bayan”
RUS: https://www.kg.undp.org/content/kyrgyzstan/ru/home/library/bayan-7-issue.html
KYR: https://www.kg.undp.org/content/kyrgyzstan/ky/home/library/bayan-7-issue.html

We support business - we develop the economy. Cooperation with RKDF
ENG: https://www.kg.undp.org/content/kyrgyzstan/en/home/presscenter/articles/2020/09/we-support-business---we-develop-the-economy--cooperation-with-r.html
RUS: https://www.kg.undp.org/content/kyrgyzstan/ru/home/presscenter/articles/2020/09/we-support-business---we-develop-the-economy--cooperation-with-r.html

Training on start-up projects
https://www.facebook.com/undpkg/posts/3499083406854210
https://www.instagram.com/p/CIm8CcnMI93/?igshid=1kwi97ww6qv1v

News about the project, published by the RKDF
https://www.facebook.com/856521477749455/posts/3028246377243610/?d=n
https://www.instagram.com/p/CAHm3UcH8AZ/?igshid=1sxpzuarypk0d

<u>Year 2021</u>

Support on development of feasibility study of business projects:

http://www.rkdf.org/ru/novosti/2316_rkfr_profinansiruet_razvitie_molochnogo_hozyaystva_v_chuyskoy_oblasti__

https://www.rkdf.org/ru/novosti/novosti_fonda/2252_prodlenie_sroka_predprinimatelyam_kirgizstana_pomogut_podgotovit_teo_dlya_potencialnogo_finansirovaniya_rkfr

https://www.linkedin.com/feed/update/urn:li:activity:6809064871804579840/

https://www.facebook.com/116487388447179/posts/3999044566858089/?d=n

https://www.mk.kg/social/2021/06/10/predprinimatelyam-kyrgyzstana-pomogut-podgotovit-teo-dlya-potencialnogo-finansirovaniya-ot-rkfr.html

Capacity building

https://banks.kg/news/farmers-of-chui-region-took-part-in-educational-trainings

http://www.rkdf.org/ru/novosti/novosti_fonda/2353_50_fermerov_chuyskoy_oblasti_proshli_treningi_po_vedeniyu_molochnogo_ghivotnovodstva_

https://www.facebook.com/agrolead.org/posts/6906763696002276

https://twitter.com/undpkg/status/1429645213073555462?s=21

https://www.instagram.com/p/CS5skzBoCSh/?utm_medium=copy_link

https://www.facebook.com/undpkg/posts/4203621529733724

https://www.facebook.com/undpkg/posts/3653903224705560

Facebook

Cooperation with the EDB

https://eabr.org/press/releases/eabr-pomog-12-bankam-partneram-iz-armenii-belarusi-i-kyrgyzstana-povysit-svoyu-effektivnost-obespech/

https://www.kg.undp.org/content/kyrgyzstan/ru/home/library/poverty/green-economy.html

UNDP jointly with the Ministry of Investment of the Kyrgyz Republic awarded journalists in a media contest

https://ru.sputnik.kg/20211020/konkurs-joutnalisty-pobediteli-1054291578.html

https://www.facebook.com/116487388447179/posts/4387131668049375/?d=n

Year 2022

Support on development of feasibility study of business projects:

В Баткенской области при поддержке РКФР построят современный медцентр - Российско - Кыргызский Фонд развития (rkdf.org)

РКФР (@rkfr_kg) • Фото и видео в Instagram

РКФР (@rkfr_kg) • Фото и видео в Instagram

Support on development of business plans

Шаблоны бизнес-планов проектов для предпринимателей (mineconom.gov.kg)

ПРООН совместно с МЭК КР разработала шаблоны бизнес-планов проектов для предпринимателей (kaktus.media)

Хотите заложить яблоневый сад? Шаблон бизнес-проекта для предпринимателей :: Банки Кыргызстана (banks.kg)

Для кыргызстанских предпринимателей разработали шаблоны бизнес-планов проектов (kabar.kg)

Шаблоны бизнес-планов подготовили для предпринимателей Кыргызстана (sputnik.kg)

Минэкономики разработало шаблоны бизнес-планов для предпринимателей - Финансовые новости Кыргызстана (akchabar.kg)

Минэкономики разработало для предпринимателей шаблоны бизнес-планов проектов - Булак (bulak.kg)

creative hubs в Instagram: «📢 Вниманию предпринимателей! Теперь на сайте МЭК КР вы сможете найти шаблоны бизнес-планов проектов, которые предприниматели могут…»

Бизнес ассоциация JIA в Instagram: «📢 Вниманию предпринимателей! Теперь на сайте МЭК КР вы сможете найти шаблоны бизнес-планов проектов, которые предприниматели могут…»

МЭК КР KG в Instagram: «📢 Ишкерлердин назарына! Эми КР ЭКМ сайтынан сиз каржылоону тартууда, ишкерлер өз долбоорлорунун бизнес-пландарын даярдоодо колдоно ала…»

МЭК КР KG в Instagram: «Эгер сиз ишкер болсоңуз жана пландарыңызда бакча уюштуруу бар болсо, анда бул маалымат сиз үчүн пайдалуу болушу мүмкүн! 👉 Сиздерге…»

МЭК КР KG в Instagram: «Биз КР ЭКМнин сайтын жаңырттык жана толуктадык! 👉 Анда көрсөтүлгөн багыттар: ▪ «Жемиштерди сублимация аркылуу кургатуу» долбоордун…»

Capacity building

ПРООН и РКФР повышают уровень компетенции банковских сотрудников по работе с инвестиционными проектами - Российско - Кыргызский Фонд развития (rkdf.org)

ПРООН и РКФР оказали поддержку банкам в укреплении их потенциала в работе с МСБ - | 24.KG

24.KG НОВОСТИ КЫРГЫЗСТАНА в Instagram: «С 14 февраля по 4 марта 2022 года во всех областях Кыргызской Республики и городе Бишкек прошла серия тренингов по теме «Углубленный…»

EY Kazakhstan в Instagram: «Эксперты @eyacademy.kz провели тренинги по финансовому анализу для кредитных аналитиков банков второго уровня в Кыргызстане. Тренинги…»

EY Kazakhstan - Эксперты Академии бизнеса EY провели... | Facebook

ПРООН и РКФР оказали поддержку банкам в укреплении их потенциала в работе с МСБ (newslinekg.com)

Cooperation with the EDB

ЕАБР в сотрудничестве с ООН обеспечил условия внедрения ESG-практик у 9 банков-партнеров из всех стран ЕАЭС – Евразийский Банк Развития (eabr.org)

Евразийский банк развития помог 12 банкам-партнерам из Армении, Беларуси и Кыргызстана повысить свою эффективность, обеспечив им доступ к проекту Программы развития ООН (e-cis.info)

10.3 **Statistical annex** on main results since the project start

Kyrgyzstan_IFIs%20
project_Statistical%2

10.4 **Evaluation reports** if available

UNDP%20Kyrgyzsta
n,%20IFI's%20Projec