



Empowered lives.
Resilient nations.

BIOFIN Countries results

Kyrgyzstan, Kazakhstan and Uzbekistan
GEF Constituency meeting

What is BIOFIN

- BIOFIN is Program and a methodology to develop and implement sustainable finance solutions to protect biodiversity and to implement parties obligation under the CBD (e.g. Target 19 (b) of the GBF)
- BIOFIN supports countries in the design and implementation of their National Finance Plans (NFP).
- Today BIOFIN works with 40 countries around the globe

How are BIOFIN and the GEF related?

- Countries can fund their BIOFIN projects using their BD STAR Allocation
- In 2022 the GEF approved Early Action Grants to update the NBSAPs and FP of 138 countries

How does Switzerland support BIOFIN?

- Switzerland has supported BIOFIN since the start 10 years ago
- Currently Switzerland is financing BIOFINs activities in Kazakhstan and Kirgizstan with a total of around CHF 676'000 in 2022 and 2023

How does BIOFIN work with ist partner Countries



UZBEKISTAN (BFP Design)

Policy & Institution Review

Findings:

- fragmented and contradicting legal framework
- non-inclusive planning process
- harmful subsidy practices
- lack of private sector incentives
- undeveloped PES concept

Recommendations:

- adoption of a unified legislation (Environmental Code)
- accession to the Aarhus Convention
- mandatory biodiversity targets in economic sectors
- developing effective national communication strategies
- bringing protected areas in line with the IUCN standards
- introduction of PES

Biodiversity Expenditures Review

Preliminary Findings:

- lack of adequate funding
- absence of BD expenditures tagging system

Recommendations:

- ✓ revision and optimization of state subsidies
- ✓ developing and introduction of BD tagging in public finances
- ✓ enabling environment for private sector
- ✓ statutory payments for polluters (Polluter Pays)

Finance Needs Assessment

Biodiversity Finance Plan

POTENTIAL FINANCE SOLUTIONS:

- State Budget:
Increasing allocations to BD funds earned from mandatory payments to the state budget (taxes, fee, fines and compensation payments) from currently 74% to 100%
- Extra-Budgetary:
Authorize and extend services (ecotourism, PPP, etc.) by PAs and BD funds to create additional earnings
- Private Sector:
Incentivize FINTECH companies to introduce voluntary donation programs within the major national payment systems (PayMe, Click, Uzum, etc.)



KYRGYZSTAN (BFP implementation)

- ✓ **RBB** methodological guidelines for PAs and FEs **approved** by Government
- ✓ Capacity building trainings conducted for the staff of 56 state institutions on RBB and Management plans
- ✓ Development of video training course and online testing system on RBB in process

FS#1: Scaling up the adoption of Results based budgeting (RBB) in Protected Areas (PAs) and Forest enterprises (FEs)



- ✓ The analysis proved that the **state subsidy** – “tax benefit in the form of VAT exemption for imports and supplies of chemical plant protection products and mineral fertilizers” **is not effective**
- ✓ The draft amendment to reform subsidy with 3 alternatives scenarios developed and submitted to the Government

FS#2: Reforming harmful agricultural subsidies to remove barriers to green/organic agriculture



- ✓ **Results of DfNS feasibility study:**
 - The DfNS is feasible – bilateral swaps
 - Key target creditors recommended
 - Policy brief with action plan for a bilateral DfNS implementation developed
- ✓ Letters of interest to creditors have been sent out by the Ministry of Finance of the Kyrgyz Republic

FS#3: Debt-for-Nature Swap



- ✓ Feasibility study on establishment of the TF is in process
- ✓ As a result, the design of the TF is expected: mission, institutional strategy, governance and management structures, resource mobilization strategy, financial modalities

FS#4: Establishment of Biodiversity Conservation Trust Fund (TF) as a new mechanism for the resource mobilization





KAZAKHSTAN (*BFP implementation*)



FS#1: Strengthening PAs management planning for improved financing

- A **training module** on budget planning in PAs was developed
- **Learning for Nature** platform **launched** a Russian-language online training course on budgeting in PAs
- More than **100 people** from 30 PAs are trained annually



FS#2: Introduction of biodiversity offsets as a formal instrument

- The biodiversity offset was **adopted** in new Environmental Code (2021) as official mechanism for **biodiversity financing**
- The **by-laws #151** on implementation of biodiversity offset was **approved** by the Minister of Ecology (2021)
- Biodiversity offsets are included in the new **EIA rules**
- Biodiversity offsets methodology training will be launch in July 2023



FS#3: Subsidizing game breeding to save animal species and develop hunting concessions

- Draft Rules for **Subsidizing Wildlife breeding** has been prepared and submitted to the Ministry of Ecology
- Economic calculations of the subsidy mechanism were prepared
- **Guidelines** for breeding of eight species prepared

KAZAKHSTAN *continuing*



FS#4: Creating a basis for certification in the field of ecotourism

- The **definition** of “**ecotourism**” was **firstly** introduced into **national law**
- The principles of ecotourism in national parks are officially included in Environmental Code (2021)
- A **national standard** for ecotourism developed
- Ecotourism standard trainings will be launch in 3rd quarter of 2023



FS#5: Creating an enabling environment for attracting carbon offsets from the international market, multinational enterprises operating in the country

- **By-law #371** Methodology on preparation of projects to increase absorption and reduce greenhouse gas emissions in forestry **approved (2022)**
- Pilot project with a private company was launched and agreement in the amount of **\$1.5 million** was signed (Dec. 2019)



FS#6: Implementation of carbon offsetting in the revised Emissions Trading System to finance biodiversity conservation projects

- ✓ **By-law #455** on approval of carbon offset and the provision of offset units were **approved (2021)**
- ✓ Trainings on development and implementation of forest carbon projects were developed and conducted



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Thank you