

PUBLIC

**DOCUMENT OF THE EUROPEAN BANK
FOR RECONSTRUCTION AND DEVELOPMENT**

STRATEGY FOR KYRGYZ REPUBLIC

**REPORT ON THE INVITATION
TO THE PUBLIC TO COMMENT**

PUBLIC

1. INTRODUCTION

The objective of this report is to summarise key comments received from stakeholders during the consultation period on the Bank's strategy for Kyrgyz Republic and to provide the Bank's management responses. The comments received during the public consultation period were reviewed by the Bank's management and reflected in the strategy as appropriate.

In accordance with the EBRD Public Information Policy (PIP), the draft strategy for Kyrgyz Republic was posted on the EBRD website in English and Russian for 45 calendar days from 29 April 2019. The public was invited to submit comments on the draft strategy no later than 12 June 2019. The previous strategy was also made available on the EBRD website at <https://www.ebrd.com/kyrgyz-republic.html>.

Information about the public consultation process was posted on the EBRD's dedicated webpage "Have your say", which highlights the latest opportunities for the public to comment on the Bank's policies and strategies under review. In addition, targeted notifications of the consultation process were sent to national and international civil society organisations (CSOs) that have expressed interest in the Bank's work in the country.

No written comments on the draft strategy for Kyrgyz Republic were received during the public consultation period.

In line with the Bank's increased efforts to involve civil society at an early stage of country strategy development, the EBRD organised a consultative meeting with civil society organisations on 13 March 2019 in Bishkek to gather civil society's feedback during the preparatory phase for developing the draft strategy. The consultation provided a platform for dialogue between civil society representatives and EBRD staff involved in the strategy preparation process, including senior management. A summary of the meeting and list of participating organisations are provided in the Annex to this report.

Summary of EBRD's consultation meeting with civil society on 13 March 2019 in Bishkek

As part of the public consultation process, the EBRD organised a consultation meeting on 13 March 2019 in the Bishkek Resident Office that was attended by six civil society representatives to discuss the upcoming country strategy for the Kyrgyz Republic, debate remaining transition challenges, investment risks, and support to the green economy transition.

Strategic directions and transition challenges

Civil society representatives broadly endorsed the strategic priorities proposed by the Bank for the new strategy period and in particular supported the work envisaged in the area of “green economy”, improving the business environment, and regional integration. CSOs recommended supporting the use of best available techniques and modern technology in area of green utilities and prompted the Bank to pay great attention to the sustainability of municipal and energy infrastructure. Knowledge economy was seen as an area with high potential that the Bank may want to explore. Also social entrepreneurship could be supported by the Bank, according to some CSOs.

CSOs identified remaining challenges related to Article 1, in particular in the areas of judicial independence, separation of powers, transparency and anti-corruption, as well as gender equality. Some representatives considered that the low level of judicial integrity and independence of judges and prosecutors represents an impediment for the implementation of the Bank's strategy priorities. In terms of the operating environment for civil society, most representatives noted that freedoms of speech, assembly and association are largely respected and that CSOs are able to regularly engage with government bodies and exercise legislative advocacy.

CSOs pointed out that there are a number of challenges that hamper reform potential, and negatively affect the business environment for both, local businesses and foreign investors, namely the weak institutional capacity of government bodies, and the lack of legal protection for businesses despite existing legislative provisions and regulations in this area. CSOs have commended the Bank's support to the Investment Council and the establishment of a Business Ombudsman's office.

Some CSOs emphasised the vulnerability of rural populations to climate change impacts and encouraged the Bank to improve its communication and outreach at the local level. CSOs also pointed to the need to increase accountability at the local level and suggested that local CSOs and community groups could support the Bank with monitoring activities. Finally, concerns were expressed over the sustainability of the civil society sector, as donor assistance is continuing to decline.

List of CSO represented at the consultation meetings

- Central Asian Free Market Institute
- Forum of Women NGOs
- Institute of Public Analysis
- Legal Aid Clinic
- Tabiyat Environmental Movement
- Tian Shan Policy Center