Sustainable Development in the Kyrgyz Republic

Ulan-Baatar, Mongolia

2025

Strategic Documents on Green Finance in the Kyrgyz Republic

The Paris Agreement under the UN Framework Convention on Climate Change (11.11.2029)

The National Development Strategy of the Kyrgyz Republic for 2018-2040

Decree of the President of the Kyrgyz Republic dated March 19, 2021 UP No. 77 “On measures to ensure environmental safety and climate sustainability of the Kyrgyz Republic”

Decree of the President of the Kyrgyz Republic “On measures for further development of the stock market and stock exchange activities” dated November 15, 2022 No. 376

The Business Development Program of the Kyrgyz Republic till 2026 - implementation of ESG requirements in the financial and banking systems to expand opportunities for access to sustainable development financing in the Kyrgyz Republic

Securities market

Law of the Kyrgyz Republic "On the Securities Market"

Regulation "On the Issuance and Circulation of Bonds in the Kyrgyz Republic” approved by Resolution of the Government of the Kyrgyz Republic dated June 1, 2011 No. 275

Planned amendments to the Law

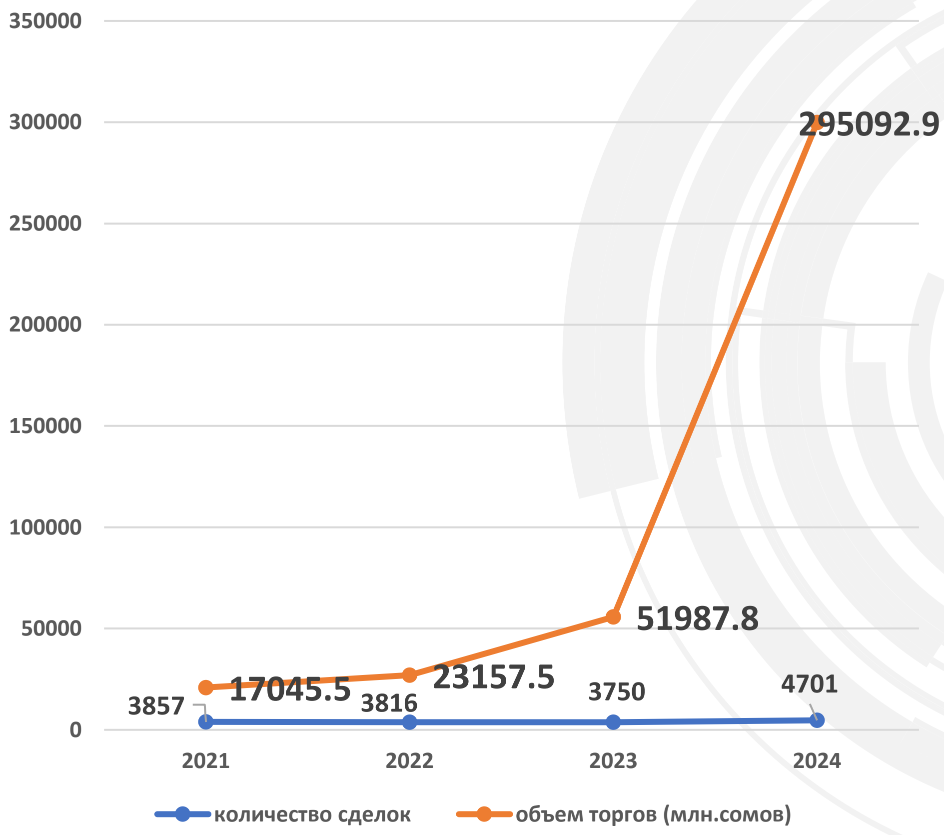
Green bonds, sustainability bonds, sustainability-linked bonds and social bonds

- conclusion of an independent expert
- disclosure of information (independent assessment, reviews of funds raised)

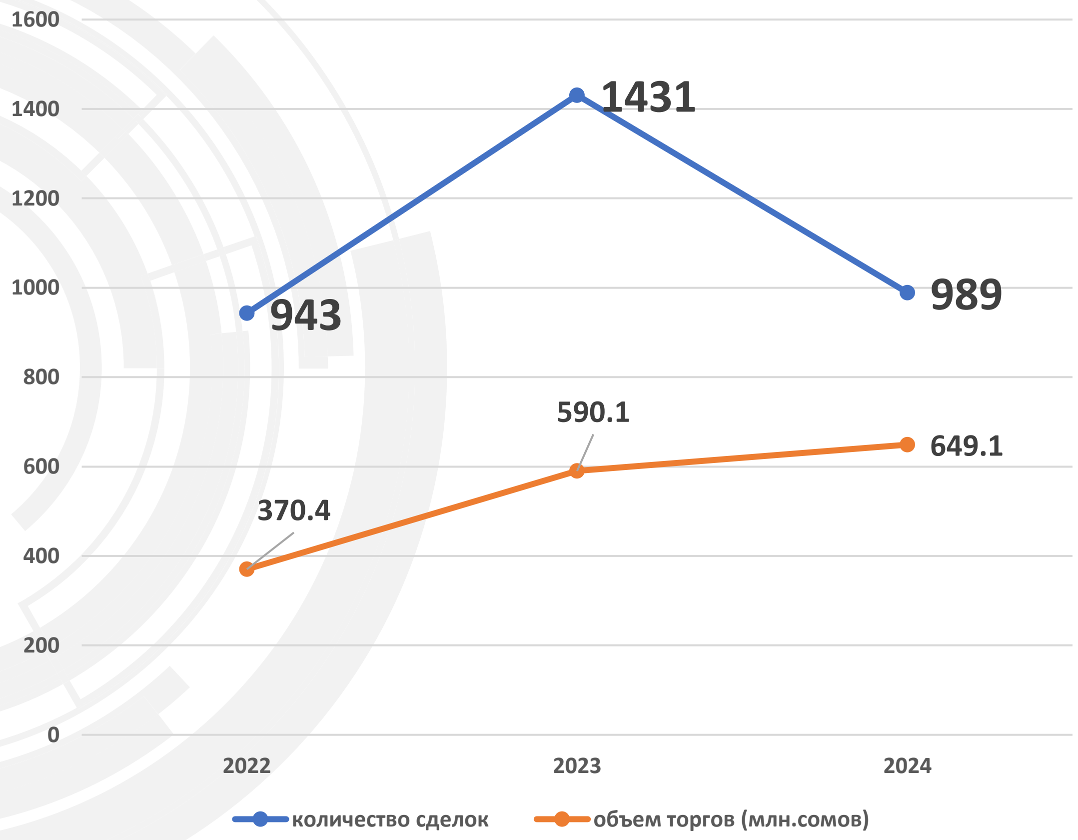
Compliance with the Corporate Governance Code

Activities in the Securities Market

The volume of trading and the number of transactions



The volume of trading and the number of transactions with corporate bonds



Registration of Sustainable Bond Issues

Issuer	JSC Bank of Asia	OJSC Dos-Kredobank
Type of sustainable bond	Social	Green
Volume of issue (thousand soms)	1) 82,000; 2) 100,000	85,000
Yeild (annual)	1) 12%; 2) 11%	16%
Maturity	1) 3 years; 2) 5 years	3 years
Listing Category	"B"	"B"
Placement share	1) 36%; 2) 100% (expected)	100%
Compliance with standards	The International Capital Markets Association (ICMA) Social Bond Principles	ICMA Green Bond Principles
External evaluation	Green Finance Center of the International Financial Center "Astana"	Green Finance Center of the International Financial Center "Astana"
Purpose of the issue	Financing sustainable development projects, green projects	Financing and refinancing a portfolio of green projects that promote sustainable environmental development
Placement	1) Among individuals (41 persons) – 3,280 thousand soms; Among legal entities (13 entities) – 25,992 thousand soms. 2) Among legal entities	Among individuals (46 persons) – 65,000 thousand soms Among legal entities (4 entities) – 20,000 thousand soms

Next Steps in the Securities Market

- Entry of enterprises into capital markets using various financial instruments, including IPOs and issuance of green/sustainable bonds
- Development of criteria and conditions to be met by projects financed from the funds received as a result of bond issues and placement
- Participation in international initiatives
- Public-private partnership
- Improving disclosure requirements
- Independent evaluation of projects with the involvement of third parties

The Role of Kyrgyz Banks in Sustainable Development

Recommendations for identifying, monitoring, and disclosing financial risks related to ESG

Roadmap for Sustainable Finance Development and ESG Implementation the Kyrgyz Republic

Green Bonds Issue

Green lending

10 commercial banks issue green loans

Loan portfolio:
$50,896,634

The Roadmap for Green Economy Development and Implementing ESG Principles in the Banking Sector

2024

Создание многопрофильной РГ:
- изучение и анализ ранее принятых планов мероприятий
- оценка банковского сектора (возможности, пробелы, барьеры и области требующих действий)
- подготовка банковского сектора по применению финансовых инструментов по стандартам ESG
- Членство НБКР в NGFS, SBFN, мероприятия по повышению потенциала НБКР и сектора

2025

Интеграция факторов ESG в нормативные акты
- отчетность по зеленому / устойчивому финансированию, дополнения в РБО
- применение МСФО S1 и S2
- адаптация Зеленой таксономии КР
- разработка инструментов по оценке и управлению ESG и климатическими рисками
- методология надзора с учетом ESG-рисков

2026

Оценка финансовой стабильности с учетом климатических рисков:
- информационная панель по климатическим рискам, влияющих на финансовую стабильность;
- разработка аналитических инструментов в практику оценки финансовой стабильности
- отчет о финстабильности с учетом климатических рисков

2027

Устойчивое и экологическое развитие НБКР:
- внедрение принципов устойчивого и экологического развития в операционную деятельность и сокращение углеродного следа
- раскрытие информации

2028

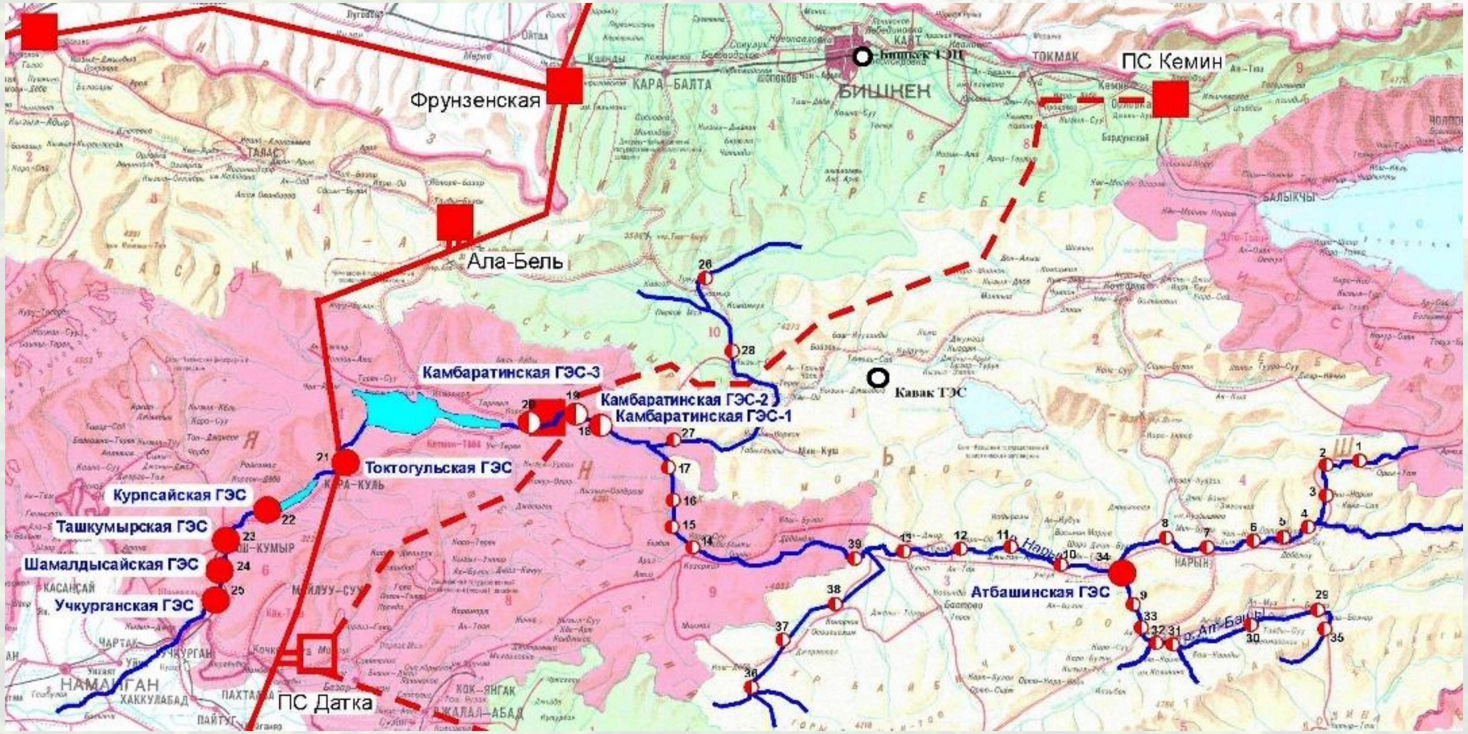
Денежно-кредитная политика с учетом климатических рисков и достижения целей устойчивого развития

Parameters of Eurobond Issues

Issuer	The Ministry of Finance of the Kyrgyz Republic
Issuer's Rating	B3/Stable by Moody's; B+ by S&P; B/Stable by Fitch
Type of government securities	Eurobonds
Listing	one or more foreign exchanges
Volume of issue	equivalent to 1.7 billion US dollars
Currency	Som, offshore Chinese yuan, US dollar, Euro, Hong Kong dollar, UAE dirham
Nominal value	100 US dollars
Maturity	up to 10 years
Coupon payment frequency	once or twice a year
Auction date	2nd quarter 2025

Total Hydropower Potential of the Kyrgyz Republic

- The total natural hydropower potential of the Kyrgyz Republic is 142.5 billion kWh.
- The Republic ranks third in the CIS after Russia and Tajikistan
- Only 10% of natural potential is tapped



- 9 cascades of 38 hydro power plants are expected to be constructed Naryn oblast
- The total installed capacity of the proposed cascades is 9,271.2 MW.
- Average annual electricity generation is more than 26 billion kWh

Expected impacts

Reduced electricity imports

Reduced the burden on the budget

Financing of priority projects

Job creation and infrastructure development

Increased attractiveness of the country’s for investment

Opens the Way for Corporate Bonds

Thank you for your attention!