



Issue 18, July 2016 (semi-annual)

Industry Update

June 14, 2016

Meeting of consultation and coordination council

On June 9, 2016 a meeting of consultation and coordination council for piloting the reform of forest sector in Kyrgyzstan was held in Bishkek.

About 200,000 people in Kyrgyzstan live on the territory of forest fund and their well-being directly depends on forest resources. As it was reported by A. Rustamov: "Effective activities on rational use, resumption and protection of forest resources have a major impact on the level of poverty, especially in rural areas. Forests, trees and forestry can provide people, who live not only in the forests and nearby, but also a wide range of population, with various goods and services, sources of income and employment".

As per opinion of the specialist of SAEPP, Venera Surappaeva, it is necessary to calculate the economic valuation of ecosystem services. According to her, from economic perspective, ecosystem services are a part of natural capital. Forest provides people with wood, food for animals, it regulates climate by absorbing carbon and provides recreational services".

Experts acknowledged that one of the major problems in reformation of forest sector was funding by residual principle. The director of Balykchy Forest Service, Kanatbek Zhantaev, said that they would like to create a brand new system of effective and rational forest resources management, but when the ordinary forester has a salary lower than minimum wage, it is very hard to implement.

According to the reform plan 6 pilot forestries were identified. In those forestries base estimates and

Legal Update

June 6, 2016

Order of the Government of the Kyrgyz Republic dated June 6, 2016

In order to continuously regulate the control of radioactive sources during their displacement between CIS countries and in accordance with Article 8 of the Law of KR on international treaties of the Kyrgyz Republic, the Government of the Kyrgyz Republic ordered to approve the draft of the Agreement on informational collaboration of CIS countries regarding the displacement of radioactive sources.

The Agreement seeks to ensure informational collaboration between CIS countries during the displacement of radioactive sources from the territory of one country to the territory of another. At that, this Agreement does not apply to radioactive sources that are used for military purposes.

May 16, 2016

The decision of the Government of the Kyrgyz Republic regarding the draft of the Law of the Kyrgyz Republic on introduction of amendments to some legislative acts in the sphere of environmental protection, dated May 16, 2016, No. 258

In accordance with Article 79 of the Constitution of the Kyrgyz Republic, the Government of the KR had approved the draft of the Law of KR on introduction of amendments to some legislative acts in the sphere of

operational plans were developed, Councils for co-management of forest resources were organized. The main task of the reform is to refocus of the forest sector into income generation sector of economy through sustainable management.

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June 13, 2016

The European Union allocated 9 million euros for rehabilitation of radioactive mines

Extensive measures were taken to address the problem of uranium legacy of mining facilities in the Kyrgyz Republic. This was informed by the department of politics, press and information of the representative office of the European Union in the Kyrgyz Republic.

On June 13-14, 2016 a joint mission of the European Commission (EC) and the European Bank for Reconstruction and Development (EBRD) in the Kyrgyz Republic will focus on the following steps which will be taken jointly with the Kyrgyz Republic .

The statement said that efforts of the European Union (EU) consistently are aimed at assistance in rehabilitation of radioactive and polluted mines for the purpose of decreasing risks for health of the population and environment, which are faced by the Kyrgyz people. An integrated report containing the list of "hot" spots and priorities on recovery in the Central Asia, was developed by International Atomic Energy Agency (IAEA) in 2010 and is currently merged in the framework of strategic regional master-plan. The EU already allocated 9 million euros for detailed assessment of ecological consequences and feasibility studies on these prioritized facilities, including outdated areas of Min-Kush, Shekaftar and Mailuu-Suu.

EC spreads the program to raise awareness regarding the forthcoming remedial works among donors as well as among the population of the Kyrgyz Republic. The key phase of these efforts is creation of the account for rehabilitation of environment in 2015 which is the engine instrument to focus international efforts on search for long-term solutions of serious ecological problems related to previous extraction and processing of uranium in the region. The first meeting of the Assembly of donors of this account will take place in London in July 2016. Under the chairmanship of the EC it will gather representatives of the Kyrgyz Republic and other countries-partners', as well as the community of international donors.

In the framework of the Instrument of cooperation in the sphere of nuclear safety (INSC), European Union has allocated 16.5 million euro for operational funds of the fund. Currently EU is working jointly with other international partners on attracting of additional contributions for rehabilitation works in Central Asia. Instrument of cooperation in the sphere of nuclear safety

environmental protection and had sent it to Jogorku Kenesh of the KR.

This draft proposes to:

- replace the words "in courts" with the words "in accordance with legislation in the sphere of administrative activities and administrative procedures" in part 3, Article 16 of the Forestry Code, in part 3, Article 41 of the Law of the KR on Environmental protection and part 1, Article 31 of the Law of KR on Protection and usage of flora.
- complement the Law of the KR on Protection of ozone layer with the Article 6-1, which states the following: "The decisions of the officials of specially authorized state bodies on protection of environment, local state administrations, and local self-governments may be appealed in accordance with legislation in the sphere of administrative activities and administrative procedures"

May 16, 2016

The decree of the Government of the Kyrgyz Republic on adoption of the Protocol on introducing amendments to the Cooperation agreement in the sphere of ecological monitoring dated January 13, 1999, signed on October 30, 2015 in Dushanbe, dated May 16, 2016, No.257

In order to complete the inter-state procedures, and in accordance with the Law of the KR on international treaties of the KR, the Government of the KR ordered to approve the Protocol on introducing amendments to the Cooperation agreement in the sphere of ecological monitoring dated January 13, 1999, signed in October 30, 2015 in Dushanbe.

This Agreement establishes the cooperation between CIS countries in following directions:

- creation of interstate system of monitoring of the state of environment on the basis of use of equipment of aerospace and ground base surveillance, and existing communication infrastructure;
- assistance in development of both national and regional systems of ecological monitoring;
- harmonization of legal, normative-methodological, technical and software and hardware support;
- timely identification of unfavorable ecological situations

The approved Protocol excludes Article 6 from the Agreement, in accordance with which Interstate center of ecological monitoring involving interested organizations, parties of coordination of Interstate ecological council is created in the Russian Federation.

in EU promotes culture of nuclear safety, responsible and safe waste disposal management and nuclear guarantees all over the world.

EBRD manages funds of seven donor funds that provide support for raise of nuclear safety and decrease of radiation danger in Eastern Europe and Central Asia. As of today, 45 countries-donors and institutes agreed to allocate 4 billion euro to the projects managed by EBRD. The biggest project is transforming of Chernobyl nuclear power station into environmentally sound and secure area.

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June 7, 2016

Kyrgyz Delegation took part in the First conference on strategic cooperation in the sphere of forestry in Central Asia

On May 30-31, 2016 the delegation of the Kyrgyz Republic participated in First conference on strategic cooperation in the sphere of forestry in Central Asia that took part in Astana.

Participants of the conference included heads, deputy heads of state bodies on forestry of China, Mongolia, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan.

The delegation of Kyrgyzstan, headed by the deputy director of SAEPPF, Nurlan Zhumaev, held bilateral meetings with deputy minister of the Ministry of agriculture of Kazakhstan, Erlan Nasynbaev, where joint activities while fighting the forest fires were agreed on (note: there are 21 helicopters in the Aerial forest fire center in the Ministry of agriculture of Kazakhstan, which are equipped with special firefighting equipment).

Besides, negotiations on cooperation in planting of dry lands of the Kyrgyz Republic were held with the administrator of the People's Republic of China, Chang Zhialong.

According to the results of the event the declaration of the First Conference of Ministers on strategic cooperation in the sphere of forestry in Central Asia was adopted.

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May 31, 2016

IBC proposes to suspend new fee rate for environmental pollution

The extended meeting of the Council on business development and investment under the Government of the KR, which was held on May 30, was devoted to the topic:

March 24, 2016

The Law "On introducing amendments to the Law of the Kyrgyz Republic "On protection of atmospheric air" as of March 24, 2016 № 28

The Law "On introducing amendments to the Law of the Kyrgyz Republic "On protection of atmospheric air" dated as of March 24, 2016 № 28 (the "Law") among other amendments provides that standards (sanitary norms) on protection of atmospheric air for humans beings, standards on protection of atmospheric air for environmental objects, climate protection and ozone protection, quality standards for all types of fuel and oil products, raw materials and other products, and also as standards of pollutants for mobile sources of emissions, air pollution standards for maximum permissible emissions of pollutants for stationary air pollution sources, norms harmful physical effects of maximum permissible levels in the ambient air for the stationary and sliding sources referred to in articles 7 and 10 of the Law, contain characteristics of a normative legal act, containing generally binding rules of conduct designed for an indefinite number of persons, and accordingly may only be approved by rule-making bodies as defined in Article 5 of the Law "On normative legal acts of the Kyrgyz Republic".

“Factors which hinder the development of export and measures of Government for implementation of export capacity of the Kyrgyz Republic”.

The representatives of business associations and donors' organizations took part in the meeting of the Council under the chairmanship of the Prime Minister of the KR, Sooronbai Zheenbekov.

The Prime Minister of the KR Sooronbai Zheenbekov, stated that according to the 4-months results of 2016 there has been a decline of business activity; in modern conditions it is possible for the state to complete the tasks only under tight cooperation with businesses. He added that at the same time, he would like to ensure all entrepreneurs that their voices would be heard and proposals would be taken into account.

The Prime Minister urged businesses for open dialogue, emphasizing his readiness to meet with representatives of business community on the regulatory basis for immediate solving of the existing problems.

The executive director of the International Business Council, Askar Sydykov, reported on problems of mining industry, related to fee rates for environmental pollution.

In September 2015 the Government of the Kyrgyz Republic adopted a decree, which introduced new fee rates for environmental pollution. The draft of the decree has been discussed repeatedly during the round tables involving specialists-ecologists, however, the negative view of the experts and representatives of business community were not taken into account.

The decree unduly overstates the existing tariffs (rates), moreover, it imposes new fee rates for accommodation of mountain dumps. Askar Sydykov presented data on preliminary estimates of the companies according to annual environmental payment.

Thus, Kyrgyzalyn's enterprise, “Makmalzoloto” plant has to pay 23 million soms, whereas before this payment was not charged. In case of introducing this payment, the enterprise may go bankrupt and it will be necessary to liquidate the whole company, which gives work to more than two thousands employees.

Previously all environmental payments of one of the largest mining companies “KAZ Minerals Bozymchak” was about 10 million soms, but since the adoption of the new decree, the company has to pay 30 million soms. This list can go on and on.

Accordingly, the fee rates for environmental pollution will factually exceed the cumulative total of all fiscal transfers for the whole period of economic activity of the companies. This decree deters the potential investors and creates unacceptable conditions for those, who already started work. These are not the appropriate steps to take during the world crisis. International Business Council urges to consider the possibility of suspension of the decree and to create a working group with attraction of experts and considering

international practice.

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April 25, 2016

Ministry of Foreign Affairs of the Kyrgyz Republic: Kyrgyzstan does not refuse to sign the climate agreement

According to the Ministry of Foreign Affairs, Kyrgyzstan does not deny its obligations to sign the Paris climate agreement at any other time.

Nurlan Suerkulov, the press secretary of the Ministry of Foreign Affairs, stated the following: "This document is open for signature. Each delegation chooses convenient moment for themselves to sign the agreement. Kyrgyzstan has not signed the document yet. However, this doesn't mean that Kyrgyzstan refuses to sign and denies its obligations".

It should be noted that on April 22 the UN published a list of countries that have already ratified the agreement. Kyrgyzstan was not among those 175 countries that signed the document. The representative of the Ministry of Foreign Affairs did not inform when the agreement will be signed.

For information, Paris climate agreement is the document that obliges its member countries to prepare and implement national action plans for combating global warming. On November 30, 2015 the President of the Kyrgyz Republic Almazbek Atambayev when presenting at the opening of the conference on climate in Paris said that Kyrgyzstan supports this document and will actively participate in combatting environmental violations.

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March 15, 2016

First meeting of Interdepartmental working group on development of measures for ensuring environmental safety

On March 11, 2016 a first meeting of the Interdepartmental working group on development of measures for ensuring environmental safety of the Kyrgyz Republic for 2016-2020 took place at the State Agency for Environmental Protection and Forestry (SAEPF).

Abdykalykov Rustamov, Deputy Director of SAEPP, noted that environmental safety is an integral part of national security, and it's necessary to develop specific measures

for environmental protection that can be implemented by ministries and departments.

At the meeting it was decided to prepare a draft version of the document before March 30, 2016 and to discuss it during the next meeting.

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