



Issue 22, July 2018 (semi-annual)

Industry Update

January 11, 2018

Nature Development Fund established in Kyrgyzstan

The Nature Development Fund was established in Kyrgyzstan in order to improve the environmental situation. The relevant resolution was signed by Prime Minister Sapar Isakov.

As noted, the Fund was established to finance environmental conservation projects and nature preservation in the Kyrgyz Republic under the Strategic Agreement on Environmental Protection and Investment Promotion among the Government of the Kyrgyz Republic, Centerra Gold Inc. and Kumtor Gold Company dated September 11, 2017.

The sources of financing of the Fund are:

- a lump sum payment of US \$ 50 million contributed by Kumtor Gold Company;
- annual payments of US \$ 2.7 million in respect of each year from and including 2017 to the end of the life of the Kumtor Mine, under the Strategic Agreement;
- voluntary contributions and donations, as well as other revenues not prohibited by Kyrgyz law.

Contributions made to the Fund will be used exclusively for the financing of environmental conservation projects and nature preservation in the Kyrgyz Republic, building capacity to protect the environment in the area around the Kumtor Mine and to encourage sustainable development of the natural resources of the Kyrgyz Republic.

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February 13, 2018

Transition to Euro V (K5) fuel

Legal Update

Parliament Resolution No. 2232-VI dated February 1, 2018 addressing some aspects of state of environment in Kyrgyz Republic, outlook for green economy and measures to promote image of Kyrgyzstan as green economy country

But this Resolution, Parliament instructed to set up a working group to develop and implement the green economy concept in the Kyrgyz Republic.

The tasks of the working group include:

- ensuring cardinal improvement of the regulatory and legal framework to create conditions for the introduction of the green economy principles in the Kyrgyz Republic;
- promoting practical cooperation on green economy issues with international organizations, such as the United Nations (the United Nations Environment Programme), the Global Environment Facility, the Green Climate Fund and other funds promoting the transition to the green economy;
- promoting the development of resource-efficient and environmentally friendly industrial production;
- developing measures to introduce new financial instruments such as: green bonds, loans for green projects, energy efficiency loans, funds;
- using environmentally friendly biotechnological reclamation in mining projects;
- encouraging the transition to green technologies in agriculture (organic farming, drip irrigation, restoration of productivity of agricultural lands and pastures);
- promoting the development of environmentally friendly cattle production, GMO-free cattle production, and non-use of biological ripening agents;
- promoting the development of environmentally friendly transport, encouraging the import and use of electric vehicles, introduction of progressive taxation

standards

The Atmospheric Air Protection Bill and the Environmental Impact Assessment Bill passed through their second reading stage in Parliament.

They introduce a ban on the import, production and turnover of fuel and lubricants in the territory of Kyrgyzstan that do not meet the requirements of the Customs Union technical regulations.

Thus, from January 1, 2019, the sale of gasoline and diesel of K2, K3, and K4 standards will be restricted. The restriction will not apply only to exporters, provided that they sell such fuel outside Kyrgyzstan till January 1, 2021.

It should be noted that the Kyrgyz Republic was supposed to switch to K5 standard already this year not so much upon the recommendation of Parliament as pursuant to the requirements of the Eurasian Economic Union, of which it is a member.

However, taking into account the complexity of this process, our country was granted an adaptation period until August 12, 2019.

That said other Eurasian Economic Union member states such as Kazakhstan, Russia, Armenia and Belarus have already fully completed their transition to new standards effective January 1 of the current year.

According to the Government, last year, the import of K5 standard fuel reached 400 thousand tons. As a comparison, the import of K2 standard fuel stopped at a level of 95 thousand tons, K3 - 132 thousand tons, and substandard fuel – 315.5 thousand tons.

The use of K5 standard fuel and lubricants will have a positive impact not only on the environment of the Kyrgyz Republic, but also on cars. As practice shows both in the EU and in Russia, K5 standard fuel improves its combustion process, reduces noise and vibration, corrosion, facilitates engine start-up, reduces fuel consumption, etc.

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May 16, 2018

How certification can help combat corruption in forestry sector

International certification will help reduce the level of corruption in the forestry sector, Aitkul Burkhanov, the head of the Kyrgyz Association of Forest and Land Users, said at the Forests For All Forever international conference.

Forest Stewardship Council (FSC) is an international organization operating in more than 90 countries around the world. To earn FSC certification and the right to use the FSC label, an organization must first adapt its management and operations to conform to all applicable FSC requirements such as environmentally appropriate, socially beneficial and economically viable forest

depending on the period of operation of motor vehicles and engine capacity, the transition of the public transport to gas fuel;

- promoting the introducing of green methods of public procurement of services, works or goods, the construction of publicly funded energy-efficient social infrastructure facilities (schools, hospitals, etc.), lighting systems of residential settlements, pumping stations etc.

Government Resolution No.94 dated February 15, 2018 addressing issues related to management of medical waste and mercury-containing products in health organizations of Kyrgyz Republic

The Government Resolution approved: (1) Temporary instruction on the management of medical waste in the territory of the Kyrgyz Republic and (2) Temporary rules for dealing with mercury-containing medical products.

The approved regulatory acts set forth the requirements for medical waste handling, hazard classification, transportation, processing, management, storage, disposal, etc.

Amendments to Atmospheric Air Protection Act and Environmental Impact Assessment Act

On June 27, Parliament considered the bill proposing amendments to certain legislative acts of the Kyrgyz Republic such as the Atmospheric Air Protection Act and the Environmental Impact Assessment Act.

The amendments are proposed to make the Atmospheric Air Protection Act consistent with the Licensing and Permitting System Act by introducing provisions regulating the types of permits for engaging in activities related to artificial changing of atmospheric phenomena and physical impact on atmospheric air.

The amendments to the Environmental Impact Assessment Act propose changes related to the objects of environmental impact assessment, and requirements for environmental clearance documents and procedures. These changes aim to protect the project initiator against the risk of environmental clearance delays.

The bill passed through its second reading state in Parliament on June 27, 2018.

Act No. 67 dated July 4, 2018 introducing amendments to Code of Administrative Liability

Article 505-15 of the Code of Administrative Liability was amended to include the provision imposing the liability by

management.

Today, there are substantial shortcomings and problems in the forest management and the introduction of international standards can help preserve biodiversity, improve the image of the industry in general, and reduce the level of corruption. Access to foreign markets is one of the main benefits of international certification for local producers.

Using the FSC logo signifies that the product comes from well-managed forests and complies with the FSC requirements and standards. That said we are more concerned about non-timer forest products rather than timber, the official said.

The introduction of FSC certification can provide a positive impetus to the forestry sector reform, says Kylychbek Zhundubayev, the Deputy Chief of the Agro-Industrial Complex and Ecology Division of the Office of the Government.

In Kyrgyzstan, more than a million people live in forest areas and use forest products. As part of the pilot projects, 52 forest users have already obtained the FSC certificates.

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July 10, 2018

Lake Issyk-Kul's water quality meets all maximum permissible concentration norms and requirements

The State Agency for Environmental Protection and Forestry under the Government of the Kyrgyz Republic (SAEPF) has undertaken deep and coastal monitoring of Lake Issyk-Kul to assess water quality.

A chemical analysis revealed that water quality at all selected points meets all maximum permissible concentration norms and requirements for fishery industry water bodies by all assessable parameters.

In addition, as part of the project funded by Finnish Environment Institute, the SAEPF periodically monitors water quality of the entire aquatorium of Lake Issyk-Kul.

Over the period 2016-2017, chemical composition and quality of water did not undergo any significant changes. During this period, the SAEPF experts have completed more than a thousand tests.

It is important to note that the SAEPF takes water samples from Lake Issyk-Kul three times a year: before, during and after season. For this purpose, the SAEPF maintains several state-of-the-art laboratories meeting international standards.

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charging a fine of KGS 500 (for individuals) and KGS 10,000 (for organizations) for violating the rules and requirements for the production of hydro-meteorological observations, observations over the state of the environment and its pollution and for the collection, processing, analysis, storage and release of information on hydro-meteorological observations and on the state of the environment and its pollution.

Government Resolution o. 40 of January 22, 2018 approving description of boundaries and explication of lands of Saimaluu-Tash state natural park located in Toguz-Torou district, Jalal-Abad region

To promote the socio-economic development of the Toguz-Torou district, Jalal-Abad region, the Government of the Kyrgyz Republic has resolved as follows:

1. To demarcate a land parcel of 75.2 hectares (including 23.8 hectares of forest land, 2.9 hectares of thin forest land, and 48.5 hectares of pasture land) from the lands of the specially protected natural areas of the Saimaluu-Tash state natural park located in the Toguz-Torou district of the Jalal-Abad region.

2. To approve:

- a description of the external borders of Saimaluu-Tash;
- a description of the boundaries of the land parcel of 75.2 hectares (including 23.8 hectares of forest land, 2.9 hectares of thin forest land, and 48.5 hectares of pasture land) located in Saimaluu-Tash;
- an explication of lands of Saimaluu-Tash.

Government Resolution No 14 dated January 10, 2018 addressing Ak-Suu State Complex Preserve

To preserve biological diversity and determine the boundaries of the Ak-Suu State Complex Preserve, the Government of the Kyrgyz Republic approved an explication of lands and a description of boundaries of the Ak-Suu State Complex Preserve.

The State Agency for Environmental Protection and Forestry under the Government of the Kyrgyz Republic was instructed to fully complete, before 2019, the internal hunting policies for the Ak-Suu State Complex Preserve.



71 Erkindik Boulevard,
Bishkek, 720040
Kyrgyz Republic

Tel.: +996 (312) 666060
Fax: +996 (312) 662788
Web: www.k-a.kg
Email: lawyer@k-a.kg

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If you have any comments, please contact Magomed Saaduev at msaaduev@k-a.kg

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