
Informe del presidente

Préstamo propuesto

República Kirguisa

Programa de desarrollo ganadero y de mercados III (LMDP-III)

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Acción: Se invita a la Junta Ejecutiva a aprobar la recomendación que figura en el párrafo 41.

Cuestiones técnicas:

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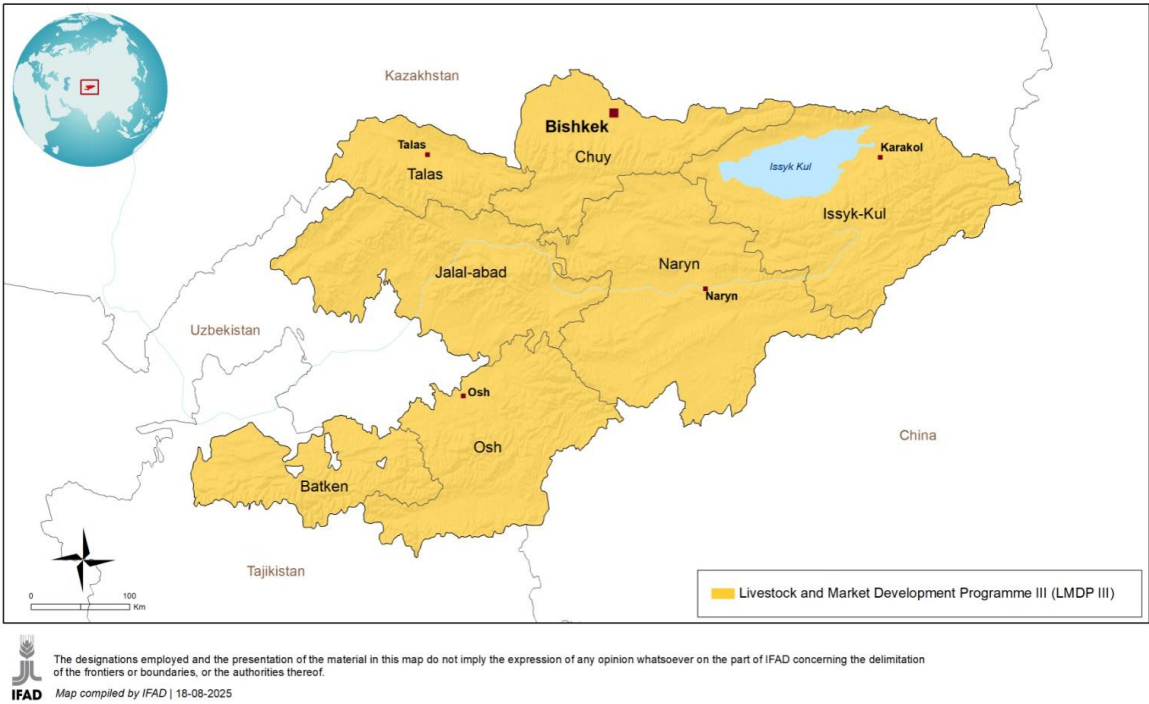
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Mapa del área del programa



Resumen de la financiación

Institución iniciadora:	FIDA
Prestatario:	República Kirguisa
Organismo de ejecución:	Ministerio de Recursos Hídricos, Agricultura e Industria de Transformación
Costo total del programa:	21,49 millones de dólares EE.UU.
Importe del préstamo del FIDA 1:	12,285 millones de DEG (equivalentes a aproximadamente 16,843 millones de dólares EE.UU.)
Condiciones del préstamo 1 del FIDA:	Condiciones muy favorables: 50 años, incluido un período de gracia de 10 años, con un cargo por servicio del 0,10 % anual en derechos especiales de giro (DEG) (ajustes para préstamos en moneda única)
Importe del préstamo 2 del FIDA:	3,070 millones de DEG (equivalentes a aproximadamente 4,210 millones de dólares EE. UU.)
Condiciones del préstamo 2 del FIDA:	Condiciones muy favorables: 40 años, incluido un período de gracia de 10 años, con un cargo por servicio del 0,75 % anual en DEG (ajustes para préstamos en una sola moneda)
Contribución del prestatario/beneficiario:	390 000 dólares EE.UU.
Contribución de los participantes en el programa:	46 000 dólares estadounidenses
Importe de la financiación climática del FIDA:	16,55 millones de dólares estadounidenses (de los cuales 0,8 millones de dólares estadounidenses son una contribución climática)
Institución colaboradora:	FIDA

I. Contexto

A. Contexto nacional y justificación de la participación del FIDA

Contexto nacional

1. La República Kirguisa se enfrenta a importantes retos de desarrollo, entre ellos un fuerte aumento de la pobreza rural, que pasó del 22,4 % en 2018 a casi el 30 % en 2023. Esto se debe a la disminución de la productividad ganadera, la degradación generalizada de los pastos de invierno y la debilidad de los sistemas veterinarios y de seguridad alimentaria. Más del 82 % de los pastos de invierno están gravemente degradados, y la producción de leche ha disminuido un 2 %, mientras que el peso de las canales se ha reducido un 5 % entre 2015 y 2023.

Aspectos especiales relacionados con las prioridades institucionales del FIDA en materia de integración

2. En consonancia con los compromisos de integración del FIDA, el programa ha sido validado como:

- ☒ Incluye financiación climática
- ☒ Transformador en materia de género
- ☒ Sensible a la nutrición
- ☒ Sensible a las necesidades de los jóvenes
- ☒ Incluye la capacidad de adaptación

3. El aumento de la pobreza rural está relacionado con la dependencia del país de la producción ganadera, lo que hace que los hogares sean vulnerables a las crisis que afectan a la salud animal, la disponibilidad de piensos y el acceso al mercado. Los hogares rurales pobres, especialmente los encabezados por mujeres y jóvenes, se enfrentan a la exclusión debido a las limitadas oportunidades de subsistencia, los efectos del cambio climático y al acceso restringido a la tierra y a los servicios. Las recientes reformas de gobernanza han debilitado la capacidad local para la gestión sostenible de los recursos naturales, en particular en las zonas de pastoreo y bosques, lo que ha socavado la resiliencia y la recuperación económica.

Justificación de la participación del FIDA

4. El Programa de Desarrollo Ganadero y de Mercados III (LMDP-III) se basa en los éxitos de sus fases anteriores, que mejoraron los medios de vida de más de 700 000 personas del medio rural y redujeron los casos de brucelosis en un 75 %. A pesar de estos avances, más de la mitad de los pastos del país están gravemente degradados. La reciente de la gestión de los pastos a autoridades locales con escasos recursos pone en peligro las inversiones realizadas. El LMDP-III tiene por objeto garantizar la continuidad y la sostenibilidad mediante transición de enfoques exitosos a nuevas estructuras institucionales. Con una fuerte implicación gubernamental y oportunidades de cofinanciación, el LMDP-III ofrece al FIDA una oportunidad estratégica para profundizar su impacto y catalizar una transformación rural inclusiva y resiliente al clima. Con una fuerte implicación gubernamental, oportunidades de cofinanciación y una estructura de gestión de proyectos ya establecida a través de la unidad de ejecución de proyectos agrícolas (APIU) existente, el LMDP-III ofrece al FIDA la oportunidad estratégica de profundizar su impacto, salvaguardar las inversiones anteriores y catalizar una transformación rural inclusiva y resiliente al clima.

B. Lecciones aprendidas

5. El LMDP-III aplicará las lecciones clave aprendidas de proyectos anteriores del FIDA para garantizar una mayor sostenibilidad e inclusión. El programa evitará crear nuevas instituciones jerárquicas que han demostrado ser insostenibles. Para abordar el uso excesivo de los pastos, introducirá la planificación del tamaño de los rebaños e incentivos en forma de tasas por el uso de los pastos. El programa también pasará de un apoyo basado en subvenciones a un mecanismo de fondo rotatorio, que proporcionará financiación reembolsable sin intereses para promover la disciplina financiera y la sostenibilidad. En lugar de basarse únicamente en cuotas, utilizará enfoques transformadores en materia de género, como el Sistema de Aprendizaje de Acción de Género y el Aprendizaje de Acción Empresarial para la

Innovación para empoderar de manera significativa a las mujeres y los jóvenes en las actividades y la gobernanza de los proyectos.

II. Descripción del programa

A. Objetivos, zona geográfica de intervención y grupos destinatarios

6. El objetivo general del LMDP-III es reducir la pobreza rural en Kirguistán aumentando la resiliencia, los ingresos y el crecimiento económico de las comunidades agrícolas rurales. El objetivo de desarrollo es aumentar los ingresos de los pequeños ganaderos mediante la mejora de la salud del ganado, la productividad de los pastos y el fortalecimiento de la resiliencia climática. Se espera que el programa establezca un marco general que sirva de hoja de ruta nacional para la gestión sostenible de los pastos y los bosques durante un período de 10 a 15 años, prestando apoyo en última instancia a 231 *aiyl okmotu* (AO) (órganos de gobierno de las comunidades rurales) y 40 *leskhoze* (unidades de gestión forestal), lo que supone un total de 271 autoridades territoriales gubernamentales responsables de la gestión de los pastos y los bosques, así como de los parques nacionales. La operación actual se designa como fase 1 (2027-2031), para marcar el punto de partida de la hoja de ruta y sentar las bases para futuros proyectos que se presentarán como pasos sucesivos a lo largo de la hoja de ruta. En la fase 1 (2027-2031), se prestará apoyo a unas 100 organizaciones agrícolas y *leskhoze* seleccionadas para preparar y ejecutar planes de gestión de pastos y medios de vida, planes de desarrollo socioeconómico y planes de gestión de los recursos naturales. El programa beneficiará directamente a 30 000 hogares rurales, es decir, a aproximadamente 141 000 personas en 100 AO y *leskhoze*. Se dirigirá a los grupos pobres y vulnerables, incluidos los pastores nómadas, los recolectores de productos forestales, los productores de forraje y los pequeños empresarios rurales. Las mujeres y los jóvenes son grupos destinatarios clave, con objetivos de alcance de al menos el 40 % de mujeres y el 30 % de jóvenes.

B. Componentes, resultados y actividades

7. El LMDP-III tendrá los siguientes componentes: i) gestión sostenible e integrada de los ecosistemas forestales y de pastizales basada en la comunidad; ii) fortalecimiento del sistema de seguridad alimentaria; y iii) cadenas de valor resistentes al clima para la diversificación de los medios de vida.
 - **Componente 1: La gestión integrada y sostenible de los ecosistemas forestales y de pastizales basada en la comunidad** prestará apoyo a 100 organizaciones de agricultores y *leskhoze* en la preparación y ejecución de planes de gestión de pastos y medios de vida y planes de desarrollo socioeconómico. También ejecutará al menos 500 subproyectos de infraestructura resistente al clima, como puntos de agua y controles de erosión, y creará aproximadamente 4500 puestos de trabajo, con nuevas oportunidades para las mujeres y los jóvenes.
 - **Componente 2: el fortalecimiento del sistema de seguridad alimentaria** ampliará la cobertura veterinaria rural mediante la creación de centros veterinarios comunitarios y clínicas móviles. Se formará a 500 jóvenes veterinarios y auxiliares veterinarios y se proporcionará apoyo nutricional específico a 12 000 hogares. Se espera que este componente reduzca la morbilidad y la mortalidad del ganado en al menos un 10 %.
 - **Componente 3: Cadenas de valor resilientes al clima para los medios de vida La diversificación** respaldará la diversificación hacia productos prometedores como la miel, las bayas y los productos forestales no madereros. Se creará un Fondo de Desarrollo de la Cadena de Valor Agrícola específico para proporcionar financiación reembolsable y sin intereses a las cooperativas. Al menos 100 cooperativas y 12 000 miembros y no miembros se beneficiarán de la financiación, la formación y los vínculos con el mercado, lo que permitirá a 2500 hogares obtener contratos de suministro.
8. Entre los principales indicadores de impacto figuran el aumento de la resiliencia en el 25 % de los hogares, el aumento de los ingresos en el 30 % de los hogares y la adopción de prácticas sostenibles desde el punto de vista medioambiental y resilientes al clima en el 40 % de los hogares. Además, se crearán 4 500 nuevos

puestos de trabajo y el 80 % de los hogares informará de una mayor diversidad alimentaria para las mujeres.

C. Teoría del cambio

9. La teoría del cambio se basa en un enfoque triple para abordar los retos interconectados a los que se enfrentan los pequeños agricultores. Si se empodera a las autoridades locales (AO y *leskhoze*) para desarrollar e implementar planes de gestión e infraestructura, los pastizales se recuperarán, mejorará la disponibilidad de forraje y se reforzará la resiliencia del ecosistema. Si se proporciona equipo técnico y formación a una nueva generación de veterinarios, aumentarán las tasas de vacunación y se reforzarán las normas de seguridad alimentaria. Si se presta apoyo financiero y técnico a las cooperativas, sus miembros adoptarán mejores prácticas empresariales, lo que se traducirá en mayores ingresos y un mejor acceso al mercado para las mujeres y los jóvenes.

D. Alineación, apropiación y alianzas

10. El LMDP-III está totalmente alineado con el Programa de Oportunidades Estratégicas del País (COSOP) del FIDA para Kirguistán 2025-2030 y con las estrategias nacionales. El Ministerio de Recursos Hídricos, Agricultura e Industria de Transformación (MWRAP) dirigirá la ejecución a través de su APIU, que cuenta con más de dos décadas de experiencia en la gestión de proyectos financiados con fondos externos. El programa también trabajará en sinergia con otros socios para el desarrollo, incluidos el Banco Mundial y el Banco Asiático de Desarrollo, y con las partes interesadas locales a través de plataformas de coordinación nacionales. Esta sólida apropiación gubernamental y la estructura de gestión establecida ofrecen una oportunidad estratégica para profundizar el impacto.

E. Costes, beneficios y financiación

Costos del programa

11. Los costos totales de inversión y los costos incrementales recurrentes del programa, incluidas las contingencias físicas y de precios, se estiman en unos 21,490 millones de dólares de los Estados Unidos. Las contingencias físicas y de precios son bajas, representando el 1 % del costo total del programa. Esto se debe en gran medida a que solo se refieren a las partidas de obras civiles y bienes, y equipo y materiales, que representan solo el 16,5 % de los costos del programa. Según los bancos multilaterales de desarrollo metodologías para el seguimiento de la financiación destinada a la adaptación al cambio climático y la mitigación de sus efectos, el importe total de la financiación climática del FIDA para este programa se estima en 16 551 000 dólares de los Estados Unidos, lo que representa el 78,6 % del costo total del programa del FIDA como financiación del FIDA para el cambio climático: 12 439 000 dólares (59,1 %) para la adaptación y 4 112 000 dólares (19,5 %) para la mitigación.

Cuadro 1

Costos del programa por componente y subcomponente y financiador

(En miles de dólares estadounidenses)

	<i>Préstamo del FIDA 1 altamente concesional (HC)</i>		<i>Préstamo del FIDA 2 HC</i>		<i>Participants' contribution</i>		<i>Exenciones fiscales del Gobierno</i>		<i>Total</i>		<i>extranjero cambio</i>	<i>Local (excluidos impuestos)</i>	<i>Derechos y impuestos</i>
	<i>Importe</i>	<i>%</i>	<i>Importe</i>	<i>%</i>	<i>Importe</i>	<i>%</i>	<i>Importe</i>	<i>%</i>	<i>Importe</i>	<i>%</i>			
1. Gestión sostenible integrada de los ecosistemas forestales y de pastizales basada en la comunidad													
1.1 Elaboración de planes de gestión de pastos, bosques y medios de vida	335	72,2	84	18,0	46	9,8	-	-	464	2,2	-	464	-
1.2 Fortalecimiento de los procesos y capacidades institucionales resilientes al clima	2 229	78,2	557	19,5	-	-	65	2,3	2 852	13,3	-	2 787	65
1,3 Planes de gestión de pastos y bosques implementados	9 148	80,0	2 287	20,0	-	-	-	-	11 435	53,2	-	11 435	-
Subtotal	11 712	79,4	2 928	19,8	46	0,3	65	0,4	14 751	68,6	-	14 686	65
2. Fortalecimiento del sistema de seguridad alimentaria													
2.1 Fortalecimiento de la capacidad del país en materia de seguridad alimentaria	1 639	72,0	410	18,0	-	-	227	10,0	2 276	10,6	-	2 048	227
2,2 Establecimiento de un sistema modernizado de certificación de la seguridad alimentaria	577	71,4	144	17,9	-	-	87	10,7	808	3,8	-	721	87
Subtotal	2 216	71,9	554	18,0	-	-	314	10,2	3 083	14,3	-	2 770	314
3. Cadenas de valor resilientes al clima para la diversificación de los medios de vida													
3.1 Identificación y desarrollo de cadenas de valor resilientes al clima prioritarias	176	80,0	44	20	-	-	-	-	220	1,0	-	220	-
3,2 Creación del Fondo para el Desarrollo de la Cadena de Valor Agrícola	2 000	80,0	500	20,0	-	-	-	-	2 500	11,6	-	2 500	-
3,3 Cooperativas financiadas y vinculadas a los mercados	115	80,0	29	20,0	-	-	-	-	143	0,7	-	143	-
Subtotal	2 291	80,0	573	20,0	-	-	-	-	2 863	13,3	-	2 863	-
4. Gestión del programa													
Gestión de programas	625	78,9	156	19,7	-	-	11	1,3	792	3,7	-	781	11
Total	16 843	78,4	4 211	19,6	46	0,2	390	1,8	21 489	100,0	-	21 100	390

Cuadro 2

Costos del programa por categoría de gastos y financiador

(En miles de dólares estadounidenses)

	<i>Préstamo del FIDA 1 altamente concesional</i>		<i>Préstamo del FIDA 2 HC</i>		<i>Contribución de los participantes</i>		<i>Gobierno Exenciones fiscales</i>		<i>Total</i>		<i>Cambio Extranjero</i>	<i>Local (excluidos impuestos)</i>	<i>Derechos y impuestos</i>
	<i>Importe</i>	<i>%</i>	<i>Importe</i>	<i>%</i>	<i>Importe</i>	<i>%</i>	<i>Importe</i>	<i>%</i>	<i>Importe</i>	<i>%</i>			
I. Costes de inversión													
A. Obras civiles	582	71,2	145	17,8	-	-	90	11,0	817	3,8	-	727	90
B. Equipos, bienes y vehículos													
Bienes, equipos y materiales	1 940	71,2	485	17,8	-	-	300	11,0	2 725	12,7	-	2 425	300
Vehículos	120	80,0	30	20,0	-	-	-	-	150	0,7	-	150	-
Subtotal	2 060	71,7	515	17,9	-	-	300	10,4	2 875	13,4	-	2 575	300
C. Asistencia técnica, estudios, formación y talleres													
Formación y talleres	174	80,0	44	20,0	-	-	-	-	218	1,0	-	218	-
Asistencia técnica internacional	25	80,0	6	20,0	-	-	-	-	31	0,1	-	31	-
Asistencia técnica nacional	351	80,0	88	20,0	-	-	-	-	439	2,0	-	439	-
Subtotal	550	80,0	138	20,0	-	-	-	-	688	3,2	-	688	-
D. Financiación													
Crédito y fondos	13 127	79,8	3 282	19,9	46	0,3	-	-	16 455	76,6	-	16 455	-
Costes totales de inversión	16 320	78,3	4 080	19,6	46	0,2	390	1,9	20 835	97,0	-	20 445	390
II. Gastos recurrentes													
A. Sueldos y subsidios	424	80,0	106	20,0	-	-	-	-	530	2,5	-	530	-
B. Fondo social	75	80,0	19	20,0	-	-	-	-	94	0,4	-	94	-
C. Otros gastos de explotación Gastos de oficina	24	80,0	6	20	-	-	-	-	30	0,1	-	30	-
Total de gastos recurrentes	524	80,0	131	20,0	-	-	-	-	655	3,0	-	655	-
Total	16 843	78,4	4 211	19,6	46	0,2	390	1,8	21 489	100,0	-	21 100	390

Cuadro 3

Costos del programa por componente y subcomponente y año del programa

(En miles de dólares estadounidenses)

Componente/subcomponente	2027		2028		2029		2030		2031		Total	
	Importe	%	Importe	%	Importe	%	Importe	%	Importe	%	Importe	%
1. Gestión sostenible integrada de los ecosistemas forestales y de pastizales basada en la comunidad												
1.1 Elaboración de planes de gestión de pastos, bosques y medios de vida	464	3	-	-	-	-	-	-	-	-	464	2
1.2 Fortalecimiento de los procesos y capacidades institucionales resilientes al clima	1 440	8	341	21	341	65	341	67	388	56	2 852	13
1,3 Planes de gestión de pastos y bosques implementados	11 435	63	-	-	-	-	-	-	-	-	11 435	53
Subtotal	13 339	74	341	21	341	65	341	67	388	56	14 751	69
2. Fortalecimiento del sistema de seguridad alimentaria												
2.1 Se refuerza la capacidad del país en materia de seguridad alimentaria	1352	7	874	53	16	3	16	3	17	2	2 276	11
2.2 Establecimiento de un sistema modernizado de certificación de la seguridad alimentaria	541	3	267	16	-	-	-	-	-	-	808	4
Subtotal	1 893	10	1 141	69	16	3	16	3	17	2	3 083	14
3. Cadenas de valor resilientes al clima para la diversificación de los medios de vida												
3.1 Identificación y desarrollo de cadenas de valor resilientes al clima prioritarias	110	1	110	7	-	-	-	-	-	-	220	1
3.2 Creación del Fondo para el Desarrollo de la Cadena de Valor Agrícola	2 500	14	-	-	-	-	-	-	-	-	2 500	12
3.3 Cooperativas financiadas y vinculadas a los mercados	25	0	50	3	39,4	8	14,4	3	14,4	2	143	1
Subtotal	2 635	15	160	10	39,4	8	14,4	3	14,4	2	2 863	13
4. Gestión del programa												
Gestión del programa	259	1	-	-	127	24	135	27	270	39	792	4
Total	18 126	100	1 642	100	524	100	507	100	690	100	21 489	100

Estrategia y plan de financiación y cofinanciación

12. La financiación del FIDA asciende a un total de 21,054 millones de dólares EE.UU., de los cuales 16,843 millones se otorgan en condiciones súper favorables y 4,210 millones en condiciones muy favorables del sistema de asignación basada en el desempeño en el marco de la 13ª reposición de los recursos del FIDA (FIDA13). El préstamo en condiciones súper favorables condiciones (78,4 % del costo total del programa) financiará el 79,4 % por ciento del componente 1, gestión sostenible integrada de los ecosistemas forestales y de pastizales basada en la comunidad (que asciende a 11,71 millones de dólares estadounidenses); el 71,9 % del componente 2, fortalecimiento del sistema de seguridad alimentaria (2,21 millones de dólares estadounidenses); el 80 % del componente 3, cadenas de valor resistentes al clima para la diversificación de los medios de vida (2,29 millones de dólares); y el 78,9 % del componente de gestión del programa (0,62 millones de dólares). El préstamo en condiciones muy favorables (19,6 % del costo total del programa) financiará el 19,8 % del componente 1 (2,92 millones de dólares); el 18 % del componente 2 (0,55 millones de dólares estadounidenses); el 20 % del componente 3 (0,57 millones de dólares estadounidenses); y el 19,7 % del componente de gestión del programa (150 000 dólares estadounidenses). El Gobierno aportará 390 000 dólares estadounidenses en forma de exenciones de impuestos y aranceles, mientras que se espera que los participantes en el programa contribuyan con 46 000 dólares estadounidenses. Actualmente, el programa no prevé ninguna cofinanciación para su fase inicial, pero se están manteniendo conversaciones con posibles financiadores, como el Fondo de Adaptación y la Fundación Aga Khan, y es posible que se materialice la cofinanciación para las fases posteriores.

Desembolso

13. Las categorías de gastos incluyen obras civiles; equipo, bienes y vehículos; asistencia técnica, estudios, capacitación y talleres; créditos y fondos; salarios y prestaciones; y gastos operativos.
14. Los fondos se pagarán a la cuenta designada para el proyecto, que se abrirá en un banco identificado por el Ministerio de Finanzas y aceptable para el FIDA. La cuenta designada recibirá los desembolsos de ambos préstamos del FIDA, y la contabilidad y la informes financieros serán llevados a cabo por la APIU sobre una base de igualdad (80 por ciento para el préstamo en condiciones superconcesionales y 20 por ciento para el préstamo en condiciones altamente concesionales).
15. La APIU abrirá una cuenta corriente en moneda local para recibir las transferencias de la cuenta designada correspondiente. Además, el programa abrirá dos cuentas bancarias específicas en moneda local en las que se depositarán la contribución del Gobierno y la contribución de los participantes en el programa.
16. El programa utilizará un mecanismo de desembolso basado en informes, con anticipos basados en previsiones de flujo de caja semestrales. Las solicitudes de retirada de fondos se respaldarán con informes financieros provisionales trimestrales y otros informes necesarios.

Resumen de los beneficios y análisis económico

17. El análisis económico y financiero confirma la viabilidad del programa y sus beneficios para los pequeños ganaderos de Kirguistán. El programa está dirigido a 30 000 hogares rurales, de los cuales el 40 % son mujeres y el 30 % jóvenes. El análisis financiero muestra sólidos indicadores de rentabilidad, con una tasa interna de rendimiento financiero que oscila entre el 16,9 % y el 91,3 % y valores actuales netos positivos en todos los modelos. El análisis económico revela una tasa de rendimiento económico del 20,7 % y un valor actual neto económico de 16 millones de dólares estadounidenses. El análisis de sensibilidad confirma la viabilidad económica en diversos escenarios, lo que garantiza la resiliencia y la sostenibilidad del programa.

Estrategia de salida y sostenibilidad

18. El LMDP-III garantizará la sostenibilidad, la ampliación y la salida mediante una sólida propiedad local apropiación local, sistemas de gobernanza integrados y mecanismos de financiación sostenibles. El programa creará capacidades duraderas en las organizaciones de agricultores y *las leskhoz* para planificar, implementar y mantener inversiones, al tiempo que integrará los planes de desarrollo en la legislación sobre pastos y bosques. Los enfoques probados se ampliarán horizontalmente

a través del aprendizaje entre pares y verticalmente a través de la integración de políticas. La estrategia de salida garantizará que los gobiernos locales mantengan la infraestructura, las cooperativas reinviertan los ingresos y las instituciones nacionales incorporen innovaciones clave para obtener beneficios a largo plazo.

III. Gestión de riesgos

A. Riesgos y medidas de mitigación

19. Kirguistán se enfrenta a importantes riesgos externos, entre ellos la vulnerabilidad económica a choques externos, desastres naturales y fenómenos climáticos extremos. Estos riesgos se mitigan mediante la alineación con las iniciativas gubernamentales de resiliencia, pero siguen siendo elevados y requieren un seguimiento continuo. Los riesgos relacionados con las políticas y las estrategias sectoriales son moderados debido a las deficiencias en la implementación como resultado de la capacidad y los recursos limitados. El LMDP-III desarrollará capacidades institucionales y participará en el diálogo sobre políticas para reducir estos riesgos. Los riesgos del proyecto incluyen retos moderados en cuanto a la capacidad institucional de implementación, mitigados por una estructura de gestión de proyectos optimizada y una amplia Desarrollo de capacidades. Los procesos de adquisición enfrentan riesgos moderados relacionados con la eficiencia y la transparencia, que se abordan mediante un plan integral de adquisiciones y el cumplimiento de las normas del FIDA. La gestión financiera plantea riesgos sustanciales, que se mitigan mediante la contratación de personal financiero calificado, la instalación de un software financiero robusto y el establecimiento de funciones de control interno. Los riesgos relacionados con la participación de las partes interesadas son moderados, mitigados por mecanismos participativos de planificación y coordinación.

Cuadro 4

Resumen general de riesgos

Áreas de riesgo	Calificación del riesgo inherente	Calificación del riesgo residual
Contexto del país	Sustancial	Sustancial
Estrategias y políticas sectoriales	Sustancial	Sustancial
Contexto medioambiental y climático	Sustancial	Sustancial
Alcance del proyecto	Moderado	Moderado
Capacidad institucional para la implementación y la sostenibilidad	Moderada	Moderada
Gestión financiera	Sustancial	Sustancial
Adquisición de proyectos	Moderada	Moderada
Impacto medioambiental, social y climático	Moderado	Moderado
Partes interesadas	Moderado	Moderado
En general	Moderado	Moderado

B. Categoría medioambiental y social, y clasificación del riesgo climático

20. Los riesgos medioambientales y climáticos son considerables. El pastoreo excesivo, la degradación del suelo, la erosión, la sequía y las inundaciones representan amenazas inherentes considerables. El LMDP-III mitiga estos riesgos mediante la restauración de los ecosistemas, la gestión climáticamente inteligente de los pastos, la recogida de agua a pequeña escala, los cultivos forrajeros resistentes a la sequía y el fortalecimiento de los sistemas de alerta temprana. Todas las medidas cumplen plenamente con las directrices de los Procedimientos de Evaluación Social, Ambiental y Climática (SECAP) del FIDA, lo que garantiza que los impactos sigan siendo reversibles. Gracias a estas intervenciones, los riesgos residuales ambientales y climáticos se reducen a niveles moderados.

C. Sostenibilidad de la deuda

21. El análisis de la sostenibilidad de la deuda de Kirguistán indica un riesgo moderado de sobreendeudamiento externo y general. Desde 2023, el crecimiento ha sido de un promedio anual de alrededor del 9 %, mientras que la inflación volvió a situarse en un solo dígito a finales de 2024. La deuda pública se redujo al 36,6 % del PIB en 2024. La elevada dependencia de la economía rusa (comercio, remesas) significa que cualquier recesión en ese país podría reducir el crecimiento y los ingresos de los hogares kirguisos. Se prevé que el crecimiento se modere hasta el 6,8 % en 2025 y converja hacia 5,6 % a medio plazo y descenderá hasta alrededor del 5 % a largo plazo en 2045, a medida que se normalice el auge de las reexportaciones.

IV. Aplicación

A. Marco organizativo

Gestión y coordinación del programa

22. El MWRAPI tendrá la responsabilidad general del LMDP-III en nombre del Gobierno de la República Kirguisa. La supervisión estratégica correrá a cargo de un comité directivo del programa presidido por el MWRAPI. La APIU será el organismo principal de ejecución, y el programa colaborará con múltiples socios, entre ellos la Asociación Veterinaria Kirguisa y las autoridades locales (organizaciones autóctonas y *leskhoze*).

Gestión financiera, adquisiciones y gobernanza

23. Las disposiciones de gestión financiera del LMDP-III se basan en la experiencia de la APIU, que forma parte del MWRAPI y lleva más de 20 años gestionando proyectos financiados con fondos externos.
24. Si bien se considera que el riesgo de gestión financiera es considerable debido a los retos generales de gobernanza y a la complejidad del programa, la sólida trayectoria de la APIU y las medidas de mitigación de riesgos —como la contratación de personal dedicado a la gestión financiera, la supervisión financiera periódica, las auditorías periódicas que abarcan el fondo rotatorio y el establecimiento de mecanismos de auditoría interna— contribuyen a garantizar unos controles sólidos.
25. La APIU gestionará todos los acuerdos financieros, añadiendo un responsable de desembolsos y un contable bajo la supervisión del actual director financiero. Los flujos de fondos se estructurarán a través de una cuenta designada en dólares estadounidenses, y las transferencias operativas se realizarán a una cuenta en moneda local. En la carta de gestión y control financieros se proporcionarán instrucciones adicionales sobre los desembolsos se proporcionarán en la carta de gestión financiera y control financiero.
26. El programa seguirá las Normas Internacionales de Contabilidad del Sector Público, en base al principio de contabilidad de caja, y utilizará un para generar informes financieros automatizados. Los presupuestos abarcarán todas las actividades anuales, desglosadas por trimestre, componente y financiador.
27. Los informes de gestión financiera incluirán informes financieros provisionales trimestrales (que deberán presentarse en un plazo de 45 días a partir del final del período), estados financieros anuales no auditados (en un plazo de cuatro meses a partir del final del ejercicio) y estados auditados externamente (en un plazo de seis meses del cierre del ejercicio). Las auditorías externas serán realizadas anualmente por una empresa auditora privada con experiencia en donantes, aplicando las normas internacionales y las directrices del FIDA.

Adquisiciones

28. El riesgo global de las adquisiciones se ha evaluado como moderado. La evaluación del marco normativo e institucional identificó desafíos estructurales, entre ellos responsabilidades institucionales fragmentadas y capacidad limitada para la contratación estratégica. La Ley de Contratación Pública se ajusta en general a las prácticas internacionales, pero no contiene disposiciones explícitas sobre la contratación sostenible y presenta deficiencias en su aplicación, en particular en lo que respecta a la ejecución, la revisión independiente de las reclamaciones y la supervisión de los contratos. Se apoya en cierta medida la transparencia; sin embargo, sus mecanismos no se aplican plenamente en todos los métodos de contratación. Existen sistemas de supervisión y auditoría, pero son principalmente reactivos y no dan lugar de manera sistemática a sanciones o mejoras sistémicas.

Participación de los grupos destinatarios, comentarios y reparación de agravios

29. La estrategia de participación de los grupos destinatarios incluye el desarrollo de capacidades, la sensibilización de la comunidad, consultas y un seguimiento periódico. Se celebrarán reuniones públicas comunicarán los objetivos, productos y servicios del proyecto, así como los criterios y expectativas para garantizar la máxima participación. La participación incluye la investigación de la cadena de valor para evaluar las necesidades de los participantes en el programa y las prioridades del gobierno, con reuniones celebradas

en idiomas locales y se proporcionará alojamiento a las mujeres, los hombres, los jóvenes y las personas con discapacidad.

30. El LMDP-III proporcionará información en idiomas culturalmente apropiados y garantizará que las intervenciones sean contextualmente relevantes. Los mecanismos de retroalimentación incluyen misiones de supervisión, visitas de seguimiento, encuestas y evaluaciones para informar las revisiones periódicas y la presentación de informes. La APIU gestiona todas las intervenciones, seleccionando a los participantes en todo Kirguistán, centrándose en los grupos marginados. Inclusión social y género Se proporcionará capacitación a los socios.

Mecanismo de reclamación

31. El mecanismo de reparación de agravios aborda las reclamaciones mediante un enfoque de tres niveles: comunitario, formal y procedimientos de reclamación del FIDA. El mecanismo de reparación de agravios garantiza la accesibilidad y la comunicación culturalmente sensible. El plan de participación de las partes interesadas establece los requisitos de participación, con el objetivo de mejorar la toma de decisiones y la inclusividad mediante la participación de las personas afectadas y las partes interesadas.

B. Planificación, seguimiento y evaluación, aprendizaje, gestión del conocimiento y comunicaciones

32. La APIU será responsable de la función de seguimiento y evaluación (SyE) del programa. El sistema de SyE se basará en el marco lógico del programa para proporcionar datos fiables sobre los avances y los resultados. Aprovechará un sistema electrónico de gestión de la información existente de proyectos anteriores del FIDA, con un módulo personalizado para el LMDP-III. Se utilizará un conjunto de herramientas de tecnología de la información y las comunicaciones para el desarrollo de proyectos se utilizará un conjunto de herramientas de TIC para el desarrollo con el fin de geolocalizar los activos, realizar un seguimiento del uso de los pastos y supervisar el cobro de las tasas, con datos que se mostrarán en sencillos paneles de control.

Innovación y ampliación

33. La estrategia de ampliación tiene por objeto generalizar las prácticas exitosas del LMDP-III en todo el país, transformando la gestión de pastizales y bosques, los servicios veterinarios y las empresas cooperativas en prácticas estándar. Se centra en replicar enfoques probados mediante el aprendizaje entre pares, la formación digital y los incentivos al rendimiento, al tiempo que institucionaliza las innovaciones en los marcos normativos nacionales y los presupuestos de gobernanza local. La estrategia incluye la actualización de la normativa, el fortalecimiento de la gobernanza local, mecanismos de financiación sostenibles, vínculos sólidos con el mercado y herramientas integrales de intercambio de conocimientos para garantizar un impacto a largo plazo.

C. Planes de implementación

Preparación para la implementación y planes de puesta en marcha

34. La estrategia de preparación para la implementación garantiza un inicio oportuno y eficiente del proyecto al abordar los retrasos típicos. La APIU existente, que gestiona los proyectos agrícolas financiados por el FIDA y otros donantes solo requerirán personal adicional para integrarse en la estructura actual. Las actividades preparatorias clave se llevarán a cabo entre la finalización del diseño del proyecto en noviembre de 2025 y la entrada en vigor del proyecto en junio de 2026. Estas actividades incluyen la puesta a prueba y el perfeccionamiento de los planes de gestión de pastos y medios de vida y de los planes de gestión de los recursos naturales, el desarrollo de un conjunto de herramientas de formación digital, la organización de talleres de orientación y el despliegue de equipos de apoyo entre pares para fortalecer las capacidades de las partes interesadas locales.
35. Las directrices de aplicación fundamentales para los planes de gestión de pastos y medios de vida, los planes de desarrollo socioeconómico y los planes de gestión de los recursos naturales se proporcionan en el manual de implementación del programa y pueden probarse y perfeccionados durante la ejecución del Proyecto Regional de Comunidades Pastorales Resilientes (RRPCP). Manuales como el manual de ejecución del programa, el manual de gestión financiera y el manual de adquisiciones serán finalizados y aprobados por el FIDA y el Gobierno antes de la entrada en vigor del programa. Se creará legalmente el Fondo de Desarrollo de la Cadena de Valor Agrícola, se ultimará su manual operativo finalizado y se contratará al administrador del fondo para permitir un funcionamiento rápido en el momento de

la revisión intermedia. El sistema de gestión financiera se configurará con un módulo dedicado al LMDP-III, y el personal financiero recibirá formación durante el período preparatorio.

36. El plan de trabajo y el presupuesto anual iniciales se presentarán al Ministerio de Finanzas en octubre de 2026, en consonancia con el ciclo presupuestario nacional que comienza en enero de 2027. El programa aprovechará la asignación presupuestaria gubernamental existente para el RRPCP, garantizando la disponibilidad oportuna de los fondos de contrapartida. El calendario de ejecución tiene en cuenta todos los requisitos legales en materia de salvaguardias ambientales y sociales. Un plan de adquisiciones detallado de 18 meses reducirá aún más los riesgos de ejecución relacionados con los retrasos en las adquisiciones.

Supervisión, revisión intermedia y planes de finalización

37. El FIDA supervisará la ejecución del LMDP-III mediante misiones de supervisión anuales, misiones de apoyo a la ejecución y respaldo técnico. Las misiones anuales examinarán los progresos, los resultados financieros y la alineación con las prioridades. Las misiones de apoyo flexibles abordarán las cuestiones que vayan surgiendo. En una revisión intermedia se evaluarán la pertinencia y los resultados. El FIDA coordinará con el Ministerio de Finanzas las cuestiones relacionadas con los préstamos y cuestiones de política, y colaborará con el MWRAPÍ en cuestiones técnicas. Las reuniones y revisiones virtuales periódicas complementarán las misiones en el país, garantizando el cumplimiento de las normas.

V. Instrumentos jurídicos y autoridad

38. Un acuerdo de financiación entre la República Kirguisa y el FIDA constituirá el instrumento jurídico para conceder la financiación propuesta al prestatario/beneficiario. Se adjunta una copia del acuerdo de financiación negociado en el apéndice I.
39. La República Kirguisa está facultada por sus leyes para recibir financiación del FIDA.
40. Estoy convencido de que la financiación propuesta se ajustará al Convenio Constitutivo del FIDA y a las Políticas y criterios de financiación del FIDA.

VI. Recomendación

41. Recomiendo que la Junta Ejecutiva apruebe la financiación propuesta en los términos de la siguiente resolución:

RESUELVE: que el Fondo concederá un préstamo en condiciones muy favorables a la República Kirguisa por un importe equivalente a doce millones doscientos ochenta y cinco mil derechos especiales de giro (DEG 12 285 000) (equivalentes a 16 843 000 dólares EE.UU.) y en condiciones que se ajustarán en lo esencial a las condiciones que se exponen en el presente documento.

SE RESUELVE ADEMÁS: que el Fondo otorgue un préstamo en condiciones muy favorables a la República Kirguisa por un monto de tres millones setenta mil derechos especiales de giro (DEG 3.070.000) (equivalentes a US\$4.210.000) y en términos y condiciones que se ajusten sustancialmente a los términos y condiciones presentados en el presente documento.

Álvaro Lario
Presidente

Negotiated financing agreement

IFAD Loan No: _____

IFAD Loan No: _____

Project name: Livestock and Market Development Programme III (the "LMDP-III" or the "Programme" or the "Project")

Kyrgyz Republic (the "Borrower")

and

The International Fund for Agricultural Development (the "Fund" or "IFAD")

(each a "Party" and both of them collectively the "Parties")

WHEREAS the Borrower has requested a loan from the Fund for the purpose of financing the Programme described in Schedule 1 to this Agreement;

WHEREAS, the Fund has agreed to provide financing for the Programme;

NOW THEREFORE, the Parties hereby agree as follows:

Section A

1. This Agreement comprises the following: the Main Document (Whereas and Section A-E), the Programme Description and Implementation Arrangements (Schedule 1), the Allocation Table (Schedule 2) and the Special Covenants (Schedule 3).

2. The Fund's General Conditions for Agricultural Development Financing dated 29 April 2009, amended as of December 2022, and as may be amended hereafter from time to time (the "General Conditions") are annexed to this Agreement, and all provisions thereof shall apply to this Agreement. For the purposes of this Agreement the terms defined in the General Conditions shall have the meanings set forth therein, unless the Parties shall otherwise agree in this Agreement. In case of a conflict between the provisions of this Agreement and the General Conditions, the provisions of this Agreement shall prevail.

3. The Fund shall provide two loans (the "Financing") to the Borrower which the Borrower shall use to implement the Programme in accordance with the terms and conditions of this Agreement.

Section B

1. A. The amount of the Loan eligible to super highly concessional terms (SHCT Loan) is twelve million two hundred eighty five thousand special drawing rights (SDR 12 285 000).

B. The amount of the Loan eligible to highly concessional terms (HCT Loan) is three million seventy thousand special drawing rights (SDR 3 070 000).

2. In relation to the SHCT Loan:

- i. it shall be free of interest but shall bear a fixed service charge of one-tenth of one per cent (0.1%) from the date of approval of the Loan by the Fund's Executive Board, payable semi-annually in the Loan Service Payment Currency;
 - ii. it shall have a maturity period of fifty (50) years, including a grace period of ten (10) years starting from the date of approval of the Loan by the Fund's Executive Board; and
 - iii. the principal of the SHCT Loan will be repaid at two and a half per cent (2.5%) of the total principal per annum for years eleven (11) to fifty (50).
3. In relation to the HCT Loan:
 - i. it shall be free of interest but shall bear a fixed service charge of three-quarters of one per cent (0.75%) from the date of approval of the Loan by the Fund's Executive Board, payable semi-annually in the Loan Service Payment Currency;
 - ii. it shall have a maturity period of forty (40) years, including a grace period of ten (10) years starting from the date of approval of the Loan by the Fund's Executive Board; and
 - iii. it will be repaid at two per cent (2%) of the total principal per annum for years eleven (11) to twenty (20), and four per cent (4%) of the total principal per annum for years twenty-one (21) to forty (40).
4. The Loan Service Payment Currency shall be in US dollar.
5. The first day of the applicable Fiscal Year shall be 01 January.
6. Payments of principal and service charge shall be payable on each 15 May and 15 November.
7. There shall be one (1) Designated Account denominated in USD (referred to as the "Designated Account") opened by the Borrower in a bank identified by the Ministry of Finance and acceptable to IFAD through which the proceeds of the Financing shall be channelled. The Borrower shall inform the Fund of the officials authorized to operate the Designated Account.
8. There shall be one (1) Programme Operating Account denominated in the local currency (referred to as the "Programme Account") opened by the Borrower in a bank identified by the Ministry of Finance to receive and hold the Financing transferred from the Designated Account.
9. The Borrower shall contribute to the Programme an amount of three hundred ninety thousand United States Dollars (USD 390,000) covering the payment of taxes and duties levied in the implementation of the Programme.

Section C

1. The Lead Programme Agency shall be the Ministry of Water Resources, Agriculture, and Processing Industry MWRAPI or its successor.
2. The following are designated as additional Programme Parties: APIU; the Veterinary, Livestock Development, Pasture and Fodder Service under the MWRAPI; Department of Agrochemical Application, Plant Protection, and Quarantine under MWRAPI; the Veterinary Chamber and the Kyrgyz Veterinary Association (KVA);; the Kyrgyz Livestock and

Pasture Research Institute (KLPRI); NGOs like the Kyrgyz Association of Forest and Land Users (KAFLU), Licensed private veterinarians (nationwide network).

3. A Mid-Term Review will be conducted as specified in Section 8.03 (b) and (c) of the General Conditions; however, the Parties may agree on a different date for the Mid-Term Review of the implementation of the Programme.
4. The Programme Completion Date shall be the 5th anniversary of the date of entry into force of this Agreement and the Financing Closing Date shall be 6 months later, or such other date as the Fund may designate by notice to the Borrower.
5. Procurement of goods, works and services financed by the Financing shall be carried out in accordance with procurement methods and any other measures identified by IFAD.

Section D

1. The Fund will administer the Financing and supervise the Programme.

Section E

1. The following are designated as additional general conditions precedent to withdrawal:
 - a) The Fund's no objection to the Programme Implementation Manual (PIM) shall have been obtained.
 - b) The Project Steering Committee (the "SC") referred to in paragraph 7 of Schedule 1 to this Agreement shall have been duly established and fully functioning;
 - c) The Programme key personnel (namely the APIU Director, the APIU Finance Manager and the APIU Procurement Manager) subject to no objection by the Fund, shall have been duly appointed;
 - d) The Designated Account and the Programme Account are opened and the sample signatures of the persons authorised to operate the accounts have been delivered to IFAD.
 - e) A fully functional accounting software shall have been established at the APIU and level, to the satisfaction of the Fund.
2. The following are designated as additional grounds for suspension of disbursements:
 - (a) The PIM and/or any provision thereof, has been waived, suspended, terminated, amended or modified without the prior agreement of the Fund and the Fund, after consultation with the Borrower, has determined that it has had, or is likely to have, a material adverse effect on the Programme.
 - (b) The Programme key personnel (namely the APIU Director, the APIU Finance Manager and the APIU Procurement Manager) are appointed, transferred or removed from their functions without the prior concurrence of the Fund.
3. This Agreement is subject to ratification by the Borrower in accordance with applicable procedures as per legislation of the Kyrgyz Republic.
4. The following are the designated representatives and addresses to be used for any communication related to this Agreement:

For the Borrower:

[Authorized Representative title]
[Address]

For the Fund:

President
International Fund for Agricultural Development
Via Paolo di Dono 44
00142 Rome, Italy

This Agreement has been prepared in the English language in two (2) original copies, one (1) for the Fund and one (1) for the Borrower.

KYRGYZ REPUBLIC

"[Authorised Representative Name]"
"[Authorised Representative title]"

Date: _____

INTERNATIONAL FUND FOR
AGRICULTURAL DEVELOPMENT

"[Authorised Representative Name]"
"[Authorised Representative title]"

Date: _____

Schedule 1

Programme Description and Implementation Arrangements

I. Programme Description

1. *Target Population.* The Programme target population is composed poor and vulnerable groups, including mobile herders, forest product collectors, fodder producers, and small rural entrepreneurs. Women and youth are key target groups, with outreach targets of at least 40% women and 30% youth.

2. *Programme area.* The Programme will operate in all seven regions of Kyrgyzstan: Batken, Osh, Jalalabad, Naryn, Issyk-Kul, , Chuy, and Talas.

3. *Goal.* The overall goal of the Programme is the reduction of rural poverty in Kyrgyzstan through increased resilience, incomes, and enhanced economic growth in rural farming communities.

4. *Objectives.* The Programme objective is to increase the incomes of smallholder livestock farmers, achieved through improved livestock health, pasture productivity, and strengthened climate resilience of pastoral communities.

5. *Components.* The Programme shall consist of the following Components:

5.1 *Component 1: Sustainable Community-Based Integrated Forest and Rangeland Ecosystem Management.* Component 1 will establish sustainable, community-driven management of forests and rangelands, resulting in healthier ecosystems and more resilient rural livelihoods. It will address root causes such as overgrazing by excessive herd sizes, scarce water and fodder resources, weak governance of pasture and forest lands, and low adoption of climate-smart practices, as well as the past exclusion of women and youth from decision-making.

Subcomponent 1.1: Pasture, forestry and livelihood management plans prepared. This sub-component shall support the formulation of Pasture and Livelihood Management Plans (PLMPs) and Socio-Economic Development Plans (SEDPs) by each Aiyl Okmotu (AO), and Natural Resources Management Plans (NRMPs) by each leskhoz. Aligned with local development objectives, around 141 plans shall be developed through participatory processes with local authorities and resource users, guiding rehabilitation investments across approximately 2 million hectares. These plans will be developed through a participatory process with local authorities and resource users. They will map resources, resolve land-use conflicts, and define actions like grazing rotations, water point improvements, and fodder production. The plans will guide investments for pasture rehabilitation and sustainable forest grazing, while promoting alternative livelihoods to ease grazing pressure. This will provide communities with a roadmap to balance livestock production, land conservation, and income diversification.

Subcomponent 1.2: Climate-resilient institutional processes and capacities strengthened. This subcomponent will build the capacity of institutions at national and local levels to implement the plans. Nationally, the project will strengthen the Veterinary, Livestock Development, Pasture and Fodder Service under the MWRAP and the State Forestry Service under the Ministry of Emergency Situations (MES KR) to support resource management through improved monitoring, integrated forest–pasture coordination, and climate-smart practices. Around 1,000 government staff will be trained in ecosystem management and reforestation. Locally, AOs and leskhozoes will receive training, tools, and digital dashboards to support data-driven, transparent decision-making. Capacity building will cover sustainable land use, reinvestment of pasture fees, and participatory governance. Performance-based incentives will reward improvements in land health and plan implementation. This

will enhance local institutions' ability to enforce grazing rules, maintain infrastructure, and manage climate risks, forming a model for national pasture and forest governance.

Subcomponent 1.3: Pasture and forestry management plans implemented. This subcomponent will support around 100 AOs and 41 leskhozoes with infrastructure financing—up to USD 100,000 per AO and USD 35,000 per leskhoz—for protective (e.g. solar wells, check-dams) and productive (e.g. milk coolers, seed nurseries) investments. At least 350 infrastructure projects will be planned and implemented, with Phase 1 focusing on forest pasture improvements in leskhozoes, and later phases expanding to full forest restoration. AOs and leskhozoes will lead implementation, applying climate-resilient measures such as restoring watering points, replanting degraded areas, and building erosion and fire control structures. Improved grazing practices and community training will ensure sustainability. The project will create at least 2,000 jobs¹ for women and youth in restoration, infrastructure maintenance, and entrepreneurship. These efforts will enhance natural resource health and resilience. As results emerge, the government is expected to formalize the integrated pasture-forest management model, enabling national replication.

5.2 Component 2: Strengthening the Food Safety System. This component will modernize veterinary and food safety systems to help smallholder livestock producers deliver safe, hygienic products, improving public health and access to higher-value markets. It will address key barriers such as weak rural veterinary services, limited disease surveillance, and burdensome certification processes. Climate-smart risk management will be integrated to tackle rising disease and spoilage risks linked to climate change. By revitalizing veterinary networks and streamlining food safety certification, the project will reduce climate-sensitive health hazards and support policy reforms. Demonstrated approaches—like community-based vet services and risk-based certification—will guide national improvements in veterinary public health and resilience.

Subcomponent 2.1: Country's capacity for food safety strengthened. This subcomponent will expand veterinary services as a foundation for safe livestock production and public health. Community vet points and mobile clinics will extend services to remote villages, while AOs will contract private vets to deliver vaccinations, treatments, and disease surveillance. To address rural vet shortages, the project will support at least 500 young vets and para-vets with training, start-up aid, and travel allowances. Ongoing training will improve skills in herd health, hygienic handling, and climate-sensitive disease detection, aiming to reduce livestock morbidity and mortality by 10%. The project will also strengthen national surveillance of zoonotic and food-borne diseases and support a national action plan for responsible antimicrobial use. By project end, livestock health and vaccination coverage will improve, and preventable disease outbreaks will decline. This community-based, preventive model will inform national veterinary policy and programs.

Subcomponent 2.2: Modernized food safety certification system established. This subcomponent will reform the national food safety certification system for animal products, making it more efficient, transparent, and climate-informed. It will clarify agency roles, improve coordination, and streamline certification into a single-window, risk-based process—eliminating redundancies while strengthening essential safety tests. Standard operating procedures will be documented, and inspectors and veterinarians trained to apply them consistently. Climate-related risks, such as spoilage during warmer periods, will be addressed through improved hygiene and

¹ The minimum achievable target is 2,000 jobs based on current assessments. During implementation, the APIU will use 4,500 jobs as a soft benchmark to orient the territorial investment proposals towards more job creation. Progress will be tracked, and the target may be raised at MTR to 4,500 or more if field results confirm higher employment potential

refrigeration protocols. These reforms will lower certification costs for small producers, expand formal market access, and improve food safety for consumers. By demonstrating a reliable, adaptive system, the project will support regulatory updates and inter-agency agreements, aligning national food safety policy with international standards.

5.3 Component 3: Climate-Resilient Value Chains for Livelihoods Diversification. This sub-component will support rural households in diversifying livelihoods beyond livestock by developing inclusive, climate-resilient value chains for high-value products. By linking producers to better markets and strengthening cooperatives, it will boost incomes and reduce grazing pressure—addressing pasture degradation and rural poverty. Climate adaptation will be integrated through drought-tolerant crops, sustainable wild harvesting, and climate-smart processing. As households earn more from new products, pressure on pastures will ease. The project will showcase a climate-smart development model focused on value addition, informing national policy and encouraging replication of diversified, sustainable practices.

Subcomponent 3.1: Priority climate-resilient value chains identified and developed. This subcomponent will work with local stakeholders to identify high-potential value chains—such as non-timber forest products, beekeeping, horticulture, and specialty livestock—based on market demand, value addition, inclusion, and climate resilience. For each selected chain, action plans will be integrated into local development plans to improve production, aggregation, and market access. Producer groups and cooperatives will receive tailored training in climate-smart practices, quality standards, and business skills. These efforts will support nutrition diversity among women, with the specific target to be established following the baseline survey.

Subcomponent 3.2: Agricultural Value Chain Development Fund (AVCDF) established. This subcomponent will establish an Agricultural Value Chain Development Fund (AVCDF) within MWRAPI to provide interest-free, repayable financing to cooperatives—up to support value-added investments. A steering committee of government and producer representatives will oversee the fund, which will prioritize proposals that include climate adaptation and benefit vulnerable groups (e.g. solar dryers, milk chillers). The revolving fund will recycle repayments into new loans, enabling cooperatives to invest in equipment, processing, and storage. Over time, the AVCDF is expected to become a permanent mechanism, demonstrating how targeted public finance can drive climate-smart rural enterprise growth and serve as a model for replication.

Subcomponent 3.3: Cooperatives financed and linked to markets. This subcomponent will support at least 100 cooperatives in accessing AVCDF financing and reaching sustainable markets. Cooperatives will receive pre-funding training in governance, financial management, and business planning, and post-funding mentorship to adopt new technologies and manage investments—benefiting at least 9,000 members and non members linked through value chain activities. The project will also facilitate market linkages through trade fairs, buyer meetings, and certification support, with at least 2,500 households cooperative members and non-members benefiting from cooperative-led marketing agreements. By project end, many cooperatives are expected to sell higher-value processed goods under contracts, raising incomes and reducing reliance on livestock. These results will demonstrate the benefits of value addition and diversification, encouraging national adoption of climate-smart, market-oriented rural development strategies.

II. Implementation Arrangements

6. *Lead Programme Agency.* The Programme will be implemented by the Agriculture Projects Implementation Unit (APIU) of the Ministry of Water Resources, Agriculture, and Processing Industry (MWRAPI) which will engage private partners (veterinary services and agribusinesses) local self government bodies and leskhozoes to ensure producers have better services and market outlets.

7. *Project Steering Committee.* Project Steering Committee (PSC) is responsible for providing strategic oversight for the Programme. The PSC is chaired by the Ministry of Water Resources, Agriculture, and Processing Industry (MWRAPI) and includes members from key ministries and agencies, as well as representatives from NGOs, associations, and the research sector, acting as observers. The PSC's functions include providing political and strategic guidance, ensuring inter-institutional coordination, enhancing coordination within the donors' community, and reviewing and approving annual work plans and budgets.

8. *Programme Management Unit.* The Agricultural Projects Implementation Unit (APIU) serves as the central unit for day-to-day project management and implementation. The APIU, under the Ministry of Water Resources, Agriculture, and Processing Industry, manages all financial arrangements for the project. It is headed by a Project Director supported by an administrative team and a technical team, comprising various specialists and consultants to ensure the effective coordination, monitoring, and execution of the project activities. The APIU's role includes ensuring proper financial management, procurement, monitoring and evaluation, and other administrative functions necessary for the project's success.

9. *Implementing partners.* The Programme will be led by the MWRAPI, which will oversee the Agricultural Project Implementation Unit (APIU) responsible for day-to-day project management. Within MWRAPI, the Veterinary, Livestock Development, Pasture and Fodder Service will guide livestock genetics and pasture productivity and will support animal health; the Department of Agrochemical Application, Plant Protection, and Quarantine will guide phytosanitary compliance and food safety, will support cooperative development and producer groups. Complementing these efforts Veterinary service delivery will involve a nationwide network of licensed private veterinarians, supported institutionally by the Veterinary Chamber and the Kyrgyz Veterinary Association (KVA). Technical capacity building and applied research will be led by specialized national institutions, including the Kyrgyz Livestock and Pasture Research Institute (KLPRI).

10. *Monitoring and Evaluation.* The APIU will assume overall responsibility for the Programme's monitoring and evaluation (M&E) function. Core responsibilities include coordinating impact research, knowledge management and communications; consolidating reporting across implementing agencies; maintaining a performance evaluation framework for partner institutions; and providing technical, financial, and managerial support to stakeholders. The M&E system will be anchored in the project's logical framework and designed to generate verifiable data to support planning, budgeting, operational oversight, and results-based decision-making. Particular emphasis will be placed on poverty targeting, gender equity, and broader social indicators. All activities will align with IFAD's corporate M&E guidance to ensure consistency and rigor in assessing performance and impact.

11. *Knowledge Management.* The Programme proposes a comprehensive approach to Knowledge Management (KM) with the aim of improving project performance and contributing to policy development. An integrated KM and Communication Strategy will be developed to outline strategic objectives and main focus areas for KM-related work. This strategy is intended to link KM activities with project performance and the documentation and promotion of innovations. The project emphasizes evidence-based knowledge management as a tool for policy development. Among the key outputs will be diverse knowledge products such as case studies, policy briefs, and impact assessments, which

will document successful innovations and project findings. These activities will be aligned with national policy dialogues and aim at ensuring replication of successful project innovations across the country. Moreover, the project includes stakeholder meetings and knowledge-sharing workshops to promote dialogue and disseminate knowledge. The overall goal is to use generated and managed knowledge to inform national policy dialogues and improve project outcomes.

12. *Programme Implementation Manual*. The Programme Implementation Manual (PIM) for the Programme is prepared by the Agriculture Projects Implementation Unit (APIU) with the relevant guidelines already provided. These guidelines can be immediately tested and refined during the ongoing implementation of the RRPCP-ADAPT project. The PIM, along with other manuals such as the Financial Management Manual and Procurement Manual, must be finalized and formally approved by IFAD and the Government within an agreed timeframe following project effectiveness.

Schedule 2*Allocation Table*

1. *Allocation of Financing Proceeds.* (a) The Table below sets forth the Categories of Eligible Expenditures to be financed by the IFAD Loans and the allocation of the amounts to each category of the Financing and the percentages of expenditures for items to be financed in each Category:

Category	SHCT Loan (expressed in SDR)	HCT Loan (expressed in SDR)	Percentage
I. Civil Works	390 000	110 000	100% net of taxes and government contribution
II. Equipment, Goods, and Vehicles	1 350 000	333 000	100% net of taxes and government contribution
III. Technical Assistance, Training & Workshops	352 000	80 000	100% net of taxes
IV. Credit & Funds	8 620 000	2 150 000	100% net of taxes and beneficiaries contribution
V. Salaries and allowances, and operating costs	345 000	90 000	100% net of taxes
Unallocated	1 228 000	307 000	
TOTAL	12 285 000	3 070 000	

(b) The terms used in the Table above are defined as follows:

- (i) Category I "Civil Works" includes *inter alia* costs of investments in repair, construction and renovation activities.
- (ii) Category II "Equipment, Goods, and Vehicles" includes *inter alia* costs of investments in goods and equipment for mobile veterinary clinics, Project coordination (including software and georeferencing of project activities) and development of knowledge management and communication products.
- (iii) Category III "Technical Assistance, Training & Workshops" includes *inter alia* costs of investments in national and international specialists providing technical support to the project; trainings, seminars and study tours for capacity building.
- (iv) Category IV "Credit & Funds" includes *inter alia* costs of investments in management plans, institutional capacity, pastures and leskhozoes public infrastructure improvement, and Agriculture Value Chain Development Fund (revolving fund).

- (v) Category V "Salaries and allowances, and operating costs" includes *inter alia* remuneration of APIU staff, allowances and contribution to social fund of the Kyrgyz Republic, and operating costs.

Schedule 3

Special Covenants²

I. General Provisions

In accordance with Section 12.01(a)(xxiii) of the General Conditions, the Fund may suspend, in whole or in part, the right of the Borrower to request withdrawals from the Loan Account if the Borrower has defaulted in the performance of any covenant set forth below, and the Fund has determined that such default has had, or is likely to have, a material adverse effect on the Programme:

1. Within 6 months of entry into force of the Financing Agreement, the APIU will procure and install for the purposes of the implementation of the Programme a customized accounting software, as it is the practice in IFAD on-going supported projects, to satisfy the International Accounting Standards and IFAD's requirements.

2. Within six (6) months of entry into force of the Financing Agreement, the APIU will enter for the purposes of the Programme into Memorandum of Understandings (MoU) with implementing partners that will structure the collaboration, define roles, responsibilities and duties with regards to implementation, financial management, accounting and reporting.

3. *Planning, Monitoring and Evaluation.* The Borrower shall ensure that (i) a Planning, Monitoring and Evaluation (PM&E) system shall be established within twelve (12) months from the date of entry into force of this Agreement.

4. *Compliance with the Social Environmental and Climate Assessment Procedures (SECAP).* The Borrower shall ensure that the Programme will be implemented in compliance with IFAD's SECAP and more specifically that the following measures shall be taken:

Environment and Social Safeguards. The Borrower shall ensure that: (a) all Programme activities are implemented in strict conformity with the Borrower relevant laws/regulations; (b) all Programme activities give special consideration to the participation and practices of ethnic minority population in compliance with IFAD's Policy on Engagement with Indigenous Peoples, as appropriate; (c) proposals for civil works include confirmation that no involuntary land acquisition or resettlement is required under the Programme. In the event of unforeseen land acquisition or involuntary resettlement under Programme, the Borrower shall immediately inform the Fund and prepare the necessary planning documents; (d) women and men shall be paid equal remuneration for work of equal value under the Programme; (e) recourse to child labour is not made under the Programme.

5. *Programme Personnel.* Professional staff of the APIU shall be contracted, under procedures acceptable to the Fund, on an open, transparent and competitive basis and have qualifications and experience commensurate with their duties. Any discrimination based on gender, age, ethnicity or religion shall be prohibited in the recruitment of Programme staff, in accordance with the laws in force in the territory of the Borrower. The recruitment and removal of professional staff shall be subject to the notification of the Fund.

6. *Gender.* The Borrower shall ensure that gender concerns shall be mainstreamed in all programme activities throughout the Programme Implementation Period. The Borrower

² To be agreed with Negotiation team which to include and adapt wording to each specific negotiation.

shall also ensure that women beneficiaries shall be represented in all Programme activities and that they receive appropriate benefits from the Programme outputs.

7. *Land tenure security.* The Borrower shall ensure that the land acquisition process has already been completed and that compensation processes were consistent with international best practice and free prior and informed consent principles.

8. *Anticorruption Measures.* The Borrower shall comply with IFAD Policy on Preventing Fraud and Corruption in its Activities and Operations.

9. *Sexual Harassment, Sexual Exploitation and Abuse.* The Borrower and the Programme parties shall ensure that the Programme is carried out in accordance with the provisions of the IFAD Policy on Preventing and Responding to Sexual Harassment, Sexual Exploitation and Abuse, as may be amended from time to time.

10. *IFAD Client Portal (ICP) Contract Monitoring Tool.* The Borrower shall ensure that a request is sent to IFAD to access the project procurement Contract Monitoring Tool in the IFAD Client Portal (ICP). The Borrower shall ensure that all contracts, memoranda of understanding, purchase orders and related payments are registered in the Programme Procurement Contract Monitoring Tool in the IFAD Client Portal (ICP) in relation to the procurement of goods, works, services, consultancy, non-consulting services, community contracts, grants and financing contracts. The Borrower shall ensure that the contract data is updated on a quarterly basis during the implementation of the Programme.

11. The Key Programme Personnel are: APIU Director, the APIU Finance Manager and the APIU Procurement Manager. In order to assist in the implementation of the Programme, the APIU, unless otherwise agreed with IFAD, shall employ or cause to be employed, as required, key staff whose qualifications, experience and terms of reference are satisfactory to IFAD. Key Programme Personnel shall be seconded to the APIU in the case of government officials or recruited under a consulting contract following the individual consultant selection method in the IFAD Procurement Handbook, or any equivalent selection method in the national procurement system that is acceptable to IFAD. The recruitment of Key Programme Personnel is subject to IFAD's prior review as is the dismissal of Key Programme Personnel.

Logical framework

Results Hierarchy	Indicators				Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Source	Frequency	Responsibility	
Outreach Estimated outreach of the project based on an av. HH size of 4.7 members (4.2-5.3 range in the project area) - considering only 1st phase	1 Persons reached by project-supported activities				M&E system: Beneficiary database	semester/annual		
	Males - Males	0	14 400	36 000				
	Females - Females	0	9 600	24 000				
	Young - Young people	0	7 000	18 000				
	Total number of persons receiving services - Number of people	0	24 000	60 000				
	Male - Percentage (%)		60	60				
	Female - Percentage (%)		40	40				
	Young - Percentage (%)		30	30				
	1.a Corresponding number of households reached				M&E system - beneficiaries data base			
	Women-headed households	0	1 200	3 000				
	Non-women-headed households		11 800	27 000				
	Households -	0	12 000	30 000				
	1.b Estimated corresponding total number of households members				M&E system			
	Household members	0	56400	141000				
Project Goal Contribute to rural poverty alleviation through increased resilience, incomes and enhanced economic growth in rural farming communities.	Percentage increase in the HH assets' ownership index (including productive assets)				COI HH Survey	BL, MT, Endline	PCU	
	Households - Percentage (%)	0	7	15				
	Women-headed HHs - Percentage (%)	0	5	10				
	Percentage of benefiting livestock farmers reporting an increase in income				HH survey	BL, MTR, Endline		
	Income increase - Percentage (%)	0	15	30				
Development Objective Increase the incomes of smallholder livestock farmers, through improved livestock health, pasture productivity, and strengthened climate resilience of pastoral communities	2.2.1 Persons with new jobs/employment opportunities				HH outcome surveys and M&E system	BL, MTR, PCR		
	Males - Males	0	300	2 250				
	Females - Females	0	300	2 250				
	Young - Young people	0	600	4 500				
	Total number of persons with new jobs/employment opportunities	0	600	4 500				
	3.2.1 Tons of Greenhouse gas emissions (tCO2e) avoided and/or sequestered				FAO Method	BL, Endline		
	Hectares of land - Area (ha)	0	0	226 901.43				
	tCO2e/20 years - Number	0	0	3 948 880				
	tCO2e/ha - Number	0	0	17.4				
	tCO2e/ha/year - Number	0	0	0.87				
Outcome 1. Climate-resilient integrated forest-rangeland ecosystems are sustainably managed by the rural communities	SF.2.2 Households reporting they can influence decision-making of local authorities and project-supported service providers				COI HH outcome surveys	BL, MTR, Completion		Livestock herders adopt improved grazing practices that rebalance stocking rates with ecological capacities, restoring the ecosystem health
	Household members	0	5 640	28 200				
	Women-headed households	0	120	600				
	Households - Percentage (%)	0	10	20				
	Households	0	1 200	6 000				

	3.2.2 Households reporting adoption of environmentally sustainable and climate-resilient technologies and practices				COI HH Survey	BL, MT, End	M&E Unit and Service provider		
	Total number of household members		11 280	56 400					
	Households - Percentage (%)	0	20	40					
	Households	0	2 400	12 000					
	Percentage change in average Normalized Difference Vegetation Index (NDVI) in project-supported pasture and forest areas,				GIS		ACPIU		
	% change - Percentage (%)	0		10					
Output 1.1. Pasture, forestry and livelihood management plans are prepared	Number of Pasture and Livelihood Management Plan (PLMP) prepared by the participating Aiyl Okmotu communities in the 1st Phase				M&E system	annual	PCU	i) PUUs remain actively involved in consultation processes, contributing to every aspect of pasture governance and management and ii) the PLMPs are designed inclusively, providing economic opportunities—especially for women, youth, and poor households to improve their livelihoods.	
	No PLMP - Number	0	60	100					
	3.1.4 Land brought under climate-resilient practices				M&E System and GIS mapping	annual	PCU		
	Hectares of land - Area (ha)	0	750 000	2 000 000					
	Households - Number	0	12 000	30 000					
	HH members benefitting	0	56 400	141 000					
Output 1.2. Climate resilient institutional processes and capacities strengthened.	Number of governmental staff (mainly AOS and Lekhose) trained on ecosystem management (Pasture, Livestock and Forestry) and monitoring, forest reforestation				M&E system	semestrial/annual	PCU	Effective inclusive governance and equitable financial management are in place to further reinforce pro-poor outcomes, with mechanisms to guarantee representation for women, youth, and vulnerable groups, ensuring their participation through mandated membership quotas and dedicated forums.	
	Government staff trained - Number	0	500	1 000					
Output 1.3 Pasture and forestry management plans implemented	Number of pasture and forestry infrastructure rehabilitated				M&E system		PMU		
	No of infrastructures - Number	0	200	500					
Outcome 2. Improved animal health services ensure productive, resilient livestock herds and enhanced rural livelihoods	SF.2.1 Households satisfied with project-supported services				COI HH survey	BL, MTR, PCR	PCU		i) veterinarians respond positively to new incentives and choose to practice in rural communities, ii) upgraded veterinary infrastructure are consistently maintained and staffed, and iii) disease surveillance and rapid-response systems function effectively and sustainably.
	Household members		16 920	98 700					
	Women-headed households	0	360	2 100					
	Households - Percentage (%)	0	30	70					
	Households - Households	0	3 600	21 000					
	1.2.2 Households reporting adoption of new/improved inputs, technologies or practices				COI HH survey	BL, MT, End			
	Total number of household members		28 200	56 400					
	Households - Percentage (%)	0	20	40					
	Households - Households	0	6 000	12 000					
	Percentage reduction in livestock morbidity and mortality								
	Reduction - Percentage (%)	0	5	10					
	1.2.8 Women reporting minimum dietary diversity (MDDW)				COI Outcome Survey	BL, MT and endline	APIU		
	Women (%) - Percentage (%)	0	65	80					
	Women (number) - Females	0	6 240	19 200					
Households (%) - Percentage (%)	0	65	80						
Households (number)	0	7 800	24 000						

	Household members		36 660	112 800				
	IE.2.1 Individuals demonstrating an improvement in empowerment				COI Outcome survey	BL, MT, Endline		
	Total persons - Percentage (%)		12.5	25				
	Total persons - Number of people		3 000	15 000				
	Females - Percentage (%)	0	30	50				
	Females - Females		2 880	12 000				
	Males - Percentage (%)	0	30	50				
	Males - Males		4 320	18 000				
Output 2.1 Output: Country's capacity for food safety is strengthened (public-private veterinary system)	1.1.4 Persons trained in production practices and/or technologies				M&E system - training records	semester/annual	PMU	veterinarians will respond positively to new incentives and choose to practice in rural communities, upgraded veterinary infrastructure will be consistently maintained and staffed,
	Men trained in livestock - Males	0	3 600	9 000				
	Women trained in livestock - Females	0	2 400	6 000				
	Young people trained in livestock	0	1 800	4 500				
	Total persons trained in livestock	0	6 000	15 000				
	Number of veterinaries benefiting from improved rural outreach infrastructures (mobile vet clinics, etc.)				M&E report		PMU	
	Vets - Number	0	200	500				
	Number of vets and paravets benefiting from capacity building trainings				Project M&E system	semester/annual		
	Male - Number	0	120	300				
	Females - Number	0	80	200				
	1.1.8 Persons provided with targeted support to improve their nutrition							
	Total persons participating	0	4 800	12 000				
	Males - Males	0	0	0				
	Females - Females	0	4 800	12 000				
	Households	0	4 800	12 000				
	Household members benefitted	0	22 560	56 400				
	Young		0	0				
Output Output 2.2. Modernized food safety certification system is established	Number of central vet labs reequipped and restaffed				M&E system	semester/annual		Disease surveillance and rapid-response systems function effectively and sustainably.
	vet labs - Number	0	1	2				
	Annual zoonosis and food-borne disease surveillance programme implemented by KSRVI				M&E System - KSRVI reporting			
	Annual program - Number	0		1				
Outcome 3. Enhanced market access and resilient rural livelihoods through inclusive, climate-smart, cooperative-based value chain development.	1.2.5 Households reporting using rural financial services				COI HH survey	BL, MT, End	APIU	
	Total number of household members		16 920	28 200				
	Households - Percentage (%)	0	9	20				
	Households	0	3 600	6 000				
	2.2.2 Supported rural enterprises reporting an increase in profit				COI HH survey	BL,MT, End	APIU	
	Number of enterprises - Enterprises	0	35	70				
	Percentage of enterprises	0	35	70				
Output Output 3.1 Priority climate resilient value chain are identified and developed	1.1.5 Persons in rural areas accessing financial services				M&E system			
	Men in rural areas accessing financial services - credit - Males	0	2 160	5 400				
	Women in rural areas accessing financial services - credit - Females	0	1 440	3 600				
	Young people in rural areas accessing financial services - credit	0	1 080	2 700				
	Total persons accessing financial services - credit	0	3 600	9 000				
	Enterprises – Enterprises		30	1 000				
	2.1.2 Persons trained in income-generating activities or business management				M&E system			

	Males - Males		2 800	7 200				
	Females - Females		1 920	4 800				
	Young - Young people	0	1 440	3 600				
	Persons trained in IGAs or BM (total)	0	4 720	12 000				
Output Output 3.2 Agricultural value chain development fund (AVCDF) is established and functional	Number of Households benefiting from marketing agreement of their cooperatives with lead enterprises							
	Households - Number	0	1 000	2 500				
Output Output 3.3 Eligible cooperatives access financing from the Agricultural Value Chain Development Fund on a sustainable basis.	2.1.1 Rural enterprises accessing business development services				M&E system			AOs integrate employment and entrepreneurship targets explicitly for the most vulnerable groups into their PLMP, SEDP, and NRMP planning processes
	Size of enterprises - Enterprises	0	750	1 500				
	Rural enterprises - Enterprises	0	50	100				
	Women in leadership position	0	300	600				

Integrated programme risk matrix

Overall Summary

Risk Category / Subcategory	Inherent risk	Residual risk
Country Context	Substantial	Substantial
Political Commitment	Low	Low
Governance	High	High
Macroeconomic	Substantial	Substantial
Fragility and Security	Substantial	Substantial
Sector Strategies and Policies	Substantial	Substantial
Policy alignment	Moderate	Moderate
Policy Development and Implementation	Substantial	Substantial
Environment and Climate Context	Substantial	Substantial
Project vulnerability to environmental conditions	Substantial	Substantial
Project vulnerability to climate change impacts	Moderate	Moderate
Project Scope	Moderate	Moderate
Project Relevance	Low	Low
Technical Soundness	Moderate	Moderate
Institutional Capacity for Implementation and Sustainability	Moderate	Moderate
Implementation Arrangements	Moderate	Moderate
Monitoring and Evaluation Arrangements	Moderate	Moderate
Project Financial Management	Substantial	Substantial
Project Organization and Staffing	Moderate	Moderate
Project Budgeting	Substantial	Substantial
Project Funds Flow/Disbursement Arrangements	Substantial	Substantial
Project Internal Controls	Substantial	Substantial
Project Accounting and Financial Reporting	Moderate	Moderate
Project External Audit	Moderate	Moderate
Project Procurement	Moderate	Moderate
B.1 Assessment of Project Complexity	Moderate	Moderate
B.2 Assessment of Implementing Agency Capacity	Substantial	Substantial
Project Procurement Overall	Moderate	Moderate
A.1 Legal, Regulatory and Policy Framework	Moderate	Moderate
A.2 Institutional Framework and Management Capacity	Moderate	Moderate
A.4 Accountability, Integrity and Transparency of the Public Procurement System	Moderate	Moderate
A.3 Public Procurement Operations and Market Practices.	Moderate	Moderate
Environment, Social and Climate Impact	Moderate	Moderate
Biodiversity Conservation	Moderate	Moderate
Resource Efficiency and Pollution Prevention	Moderate	Moderate
Cultural Heritage	Low	Low
Indigenous People	Low	Low
Labour and Working Conditions	Moderate	Moderate
Community health, safety and security	Low	Low
Physical and Economic Resettlement	Low	Low
Financial intermediaries and direct investments	Moderate	Moderate
Climate change	Moderate	Moderate
Stakeholders	Moderate	Moderate
Stakeholder Engagement/Coordination	Moderate	Moderate

Risk Category / Subcategory	Inherent risk	Residual risk
Stakeholder Grievances	Moderate	Moderate
Overall	Moderate	Moderate

Country Context	Substantial	Substantial
Political Commitment	Low	Low
Risk: Kyrgyzstan's history of political upheaval poses a risk to consistent policy support. The country has seen multiple revolutions and leadership changes (five presidents since 1991) leading to periodic instability. Most recently, protests in 2020 led to a new president and a switch to a presidential system in 2021. While the situation has since stabilized under the stronger executive authority, underlying factors like corruption and ethnic tensions continue to simmer. There remains a moderate risk that sudden political shifts or government reshuffles could disrupt project priorities or commitment.	Low	Low
Mitigations: The project is anchored within established government structures to ensure continuity despite high-level political changes. Implementation is also through local self-government agencies (Aiyl Okmotus). IFAD maintains active government engagement so that incoming officials remain aware of and committed to LMDP-III's objectives. Key reforms (e.g. pasture management re-centralization) have broad stakeholder buy-in, making them less prone to reversal. Continuous capacity building of local institutions and community empowerment will help buffer the project from national political instability.		
Governance	High	High
Risk: Despite a formal decentralization framework (enshrined in the 2021 Constitution and earlier laws) that empowers local self-governments, achieving sound governance remains challenging. Local administrations (ayil okmotus) often lack experience and resources, and the territorial consolidation in 2022–23 merged many smaller AOs into larger ones, straining their capacity. Political volatility has undermined governance in the past (e.g. the 2020 turmoil revealed structural weaknesses in public administration). Weak accountability and the risk of elite capture or corruption at local levels could hinder transparent project implementation, especially in resource allocation.	High	High
Mitigations: LMDP-III will strengthen local governance through intensive institutional support and community engagement. The project supports bottom-up planning – helping communities prepare integrated pasture/livelihood plans – which increases transparency and local oversight. Training and mentoring for AO officials will improve administrative capacity in the newly consolidated local governments. The project also facilitates policy feedback loops, so local governance issues encountered are flagged to higher authorities for corrective action (e.g. refining pasture regulations to close governance gaps).		
Macroeconomic	Substantial	Substantial
Risk: The national economy faces significant external and fiscal risks. In 2022–2023, regional sanctions and supply shocks (due to the Russia–Ukraine crisis) slowed growth and drove inflation to around 15%. Public debt was about 50% of GDP in 2022, reflecting constrained fiscal space. High dependence on the Russian economy (trade, remittances) means any downturn there could reduce Kyrgyz growth and household incomes. That said, a recent surge in growth (≈9% in 2024) temporarily improved the outlook, with inflation dropping to ~5% and public debt falling below 40% of GDP. The sustainability of this upswing is uncertain – it was driven by exceptional re-exports and gold sales – and underlying vulnerabilities (small export base, large import needs) persist. Overall, there is a substantial inherent risk that macro instability (high prices or budget shortfalls) could erode farmers' purchasing power and government co-financing capacity.	Substantial	Substantial
Mitigations: The government has launched an anti-crisis action plan and fiscal reforms to stabilize the economy, including measures to diversify import sources and boost private sector activity. IFAD-supported interventions under LMDP-III emphasize diversification of income sources and food systems to reduce rural reliance on any single market. The project promotes value chain development and market linkages for livestock products, which will help rural communities better withstand external price shocks. Close monitoring of macro trends – such as exchange rates and fuel prices – will inform timely adaptation of project plans (for example, scaling subsidies or adjusting credit terms) to protect beneficiaries.		

Fragility and Security	Substantial	Substantial
Risk: Kyrgyzstan is not classified as a fragile state, but it exhibits elements of fragility. Internal ethnic and regional divides (notably between Kyrgyz and Uzbek communities in the south) and a history of social unrest threaten stability. Governance weaknesses (corruption, weak rule of law) contribute to public distrust. The country has also experienced security incidents, such as border conflicts in Batken, which could disrupt project areas. Additionally, climate-related shocks (droughts, floods) can exacerbate food insecurity and social tension, contributing to fragility in rural communities. Without proactive measures, these factors could ignite local conflicts or reduce the willingness of communities to collaborate, thus posing substantial risk to project implementation.	Substantial	Substantial
Mitigations: The COSOP and LMDP-III strategy explicitly address root causes of fragility by fostering inclusion and resilience. Project activities prioritize the most vulnerable groups – including women, youth, and ethnic minorities – in economic opportunities, which helps reduce grievances. LMDP-III works in many border and high-risk communities, where it will promote resource-sharing agreements and dialogue (e.g. equitable pasture use plans) to pre-empt conflicts. To bolster security, the project will coordinate with local authorities and other partners. By improving community infrastructure, creating jobs, and strengthening local governance, LMDP-III contributes to social stability. The project will also monitor conflict dynamics (through its M&E system and field staff) and adapt interventions or seek mediation support if tensions rise.		
Sector Strategies and Policies	Substantial	Substantial
Policy alignment	Moderate	Moderate
Risk: The project is broadly aligned with Kyrgyzstan's development policies, which lowers the risk of misalignment. The National Sustainable Development Strategy (NSDS) 2018–2040 and the medium-term agricultural programs emphasize inclusive growth, regional equity, and sustainable resource use – goals that LMDP-III directly supports. Government strategy is pro-poor and prioritizes agriculture and food security, so there is low risk of a policy conflict. One area of concern is the level of government ownership and resourcing of these strategies: if the Strategy for Agricultural Development (or similar sector plans) lacks funding or political backing, it could slow down the project's policy-related interventions.	Moderate	Moderate
Mitigations: IFAD will reinforce policy dialogue and advocacy to maintain strong alignment between LMDP-III and government priorities. The project works closely with the Ministry of Agriculture and other agencies to ensure that new initiatives (e.g. breeding improvements, veterinary reforms) are embedded in national plans. Regular consultations and joint reviews (e.g. through the Project Steering Committee and sector working groups) will secure continued government buy-in. Where the government's own strategies face resource constraints, LMDP-III can demonstrate successful pilots and encourage budget allocations or donor support to scale up those initiatives, thus keeping policy objectives on track.		
Policy Development and Implementation	Substantial	Substantial
Risk: There are gaps in the government's capacity to develop and roll out effective agricultural and rural development policies. The Ministry of Agriculture has limited resources and extension reach, which hampers support to rural communities in accessing credit, markets, and new technologies. Key policy reforms in pasture management have devolved responsibilities to local bodies, but if those local institutions fail to implement the reforms properly, it could render policies ineffective. For example, without strong local enforcement, pasture laws may not prevent overuse, and without MoA support, efforts to link farmers to markets or finance may stall. Thus, a substantial risk is that well-intended policies are not effectively translated into action on the ground, undermining project innovations.	Substantial	Substantial

Mitigations: LMDP-III is designed to bridge the implementation gap by building capacities at both national and local levels. At the national level, the project will work with the MoA and related agencies (e.g. the veterinary department) to develop practical guidelines and tools, and provide training to staff, thereby strengthening the ministry's outreach to communities. IFAD will also facilitate donor coordination and South-South exchanges for Kyrgyz officials to learn from countries with similar reforms. At the local level, the project invests heavily in training Aiyl Okmotu authorities and community organizations (Pasture Committees, cooperatives) to effectively carry out policy reforms – for instance, training on enforcing grazing plans or managing veterinary services. By improving the “last-mile” delivery of policy (through funding positions like community veterinarians or para-vets, and supporting local land management committees), LMDP-III ensures that national policies are implemented and sustained. Continuous policy engagement by IFAD, as outlined in the COSOP, will address higher-level issues such as land tenure conflicts or regulatory bottlenecks that the project alone cannot solve.		
Environment and Climate Context	Substantial	Substantial
Project vulnerability to environmental conditions	Substantial	Substantial
Risk: LMDP-III targets regions with some sizeable environmental pressures. Rangeland degradation is the main concern – overgrazing and poor pasture management have led to soil erosion and reduced vegetation cover in many areas. The project's mountain ecosystems are also prone to natural hazards like landslides and mudflows (especially during heavy rains). In 2024, for example, intense early-summer rains caused mudslides and floods that were 30% more damaging than those in the previous year. Such events can damage infrastructure, reduce productive land, and setback project gains. The inherent risk is high that without intervention, environmental conditions (poor soil, water scarcity, disasters) could undermine agricultural productivity and livelihoods.	Substantial	Substantial
Mitigations: The project directly tackles these environmental risks through its sustainable landscape management focus. Community-led Pasture and Livelihood Management Plans will introduce rotational grazing, reseeding of pastures, and controlled stocking rates to allow land regeneration. Investments in green infrastructure (e.g. small check dams, erosion barriers, tree planting) will reduce soil erosion and buffer against landslides. All civil works (water points, storage facilities) will include standard environmental protection measures – such as drainage management and proper waste disposal – to prevent localized pollution. By rehabilitating degraded land and improving water resource management, the project lessens the impact of adverse environmental conditions. Ongoing environmental monitoring will be conducted with community participation, enabling early warning and response (for instance, adjusting grazing plans in response to drought conditions).		
Project vulnerability to climate change impacts	Moderate	Moderate
Risk: Climate change poses a moderate but significant risk to project success. The project areas are inherently sensitive to climate variability – higher temperatures, shifting precipitation, and more frequent extreme events are already evident. Projections indicate increased incidence of droughts, seasonal water shortages, and flash floods in Kyrgyzstan's pasturelands and mountain catchments. These changes could directly reduce pasture productivity, water availability for livestock, and increase pest/disease pressures on animals. Over the project horizon, such impacts might disrupt agricultural cycles and harm incomes, especially if extreme weather events occur in consecutive years.	Moderate	Moderate

Mitigations: The project is proactively designed to build climate resilience. LMDP-III's adaptation measures include promoting drought-tolerant fodder crops, supporting water infrastructure like small-scale irrigation and rainwater harvesting, and climate-informed afforestation in degraded areas. Community pasture management plans incorporate climate risk information – for example, identifying reserve pastures for use in drought years. The project also strengthens local early warning systems by collaborating with national hydrometeorological services (e.g. training communities to interpret weather forecasts and plan accordingly). By diversifying livelihoods under Component 3 (e.g. introducing agri-processing or non-farm income), households become less dependent on climate-sensitive activities alone. These efforts collectively maintain the residual climate risk at a moderate level, as the increased capacity to adapt should offset much of the climate-related vulnerability.		
Project Scope	Moderate	Moderate
Project Relevance	Low	Low
Risk: The relevance risk is very low. LMDP-III is firmly rooted in the country's development priorities and in the expressed needs of rural communities. It scales up successful elements from LMDP-II and I, and responds to persistent challenges in the livestock sector (such as low productivity and limited market access). The project's goal – to improve livestock-based livelihoods and resilience – aligns with government strategy and beneficiaries' aspirations. Unless the project were to deviate significantly from its design, there is little risk of it not addressing the right problems. The only slight concern could be if external conditions change drastically (e.g. a disease outbreak or market collapse outside the project's scope), but even then the design is broad enough to adjust.	Low	Low
Mitigations: Relevance is maintained through strong stakeholder engagement at all levels. During implementation, regular consultations with community groups and local authorities will ensure the project activities remain on target and can be adjusted to emerging needs. IFAD will conduct supervision missions and implementation support visits to keep the project focused on its development objective. The project's results framework is aligned with the IFAD Country Strategic Opportunities Programme (COSOP), ensuring that it continues to contribute to higher-level strategic goals even if some activities are tweaked. In sum, LMDP-III's built-in flexibility and participatory planning processes act as safeguards so that the project stays relevant throughout its life.		
Technical Soundness	Moderate	Moderate
Risk: The project's technical design is comprehensive, integrating natural resource management, animal health, and value chain development. This multi-sectoral approach is appropriate but requires effective coordination and expertise, hence a moderate inherent risk. All interventions are based on tested models (e.g. community pasture management, cooperative development), yet implementation challenges could arise. One risk is elite capture or unequal participation – better-off individuals might try to corner project benefits like grants or equipment if checks are weak. Another is capacity: some innovative elements (digital monitoring tools, improved breeding techniques) may face adoption barriers if not well understood by local partners. Moreover, corruption remains a general threat in the public sector, which could undermine technical activities (for instance, if procurement of equipment is compromised). Overall, while the design is sound, these factors make the inherent risk moderate.	Moderate	Moderate

Mitigations: The project embeds several measures to ensure technical soundness and equity, bringing the residual risk low. First, IFAD and the government will closely supervise project implementation, including oversight by the Ministry of Agriculture, to prevent any deviation or misuse. The PMU staff and key implementing partners are receiving training in critical areas (procurement, financial management, M&E) to maintain high implementation standards. The project has clear eligibility and selection criteria for all investments (e.g. competitive grant awards, community infrastructure) to guarantee transparency and fairness – these are detailed in the PIM and will be rigorously followed. To address potential capacity gaps, LMDP-III engages technical service providers and mentors: for example, experienced NGOs or research institutes will support farmer training, and international TA will guide the rollout of any new technologies. Finally, by leveraging synergies with other projects, the project can apply proven solutions and troubleshoot issues collaboratively. These mitigation steps ensure that the project's innovative approaches remain on solid technical footing.		
Institutional Capacity for Implementation and Sustainability	Moderate	Moderate
Implementation Arrangements	Moderate	Moderate
Risk: The execution of LMDP-III depends on effective coordination among implementing entities and sufficient management capacity. In earlier projects, overlapping roles between agencies (e.g. APIU and the community development agency ARIS) led to confusion and delays. Learning from this, LMDP-III has centralized key functions within the APIU. However, there is still a moderate risk that bureaucratic procedures or limited capacity within APIU and partner ministries could slow implementation. The PMU is government-hosted, and changes in its structure or staffing (e.g. turnover of project staff) could disrupt progress. Additionally, while using a single agency improves accountability, it puts the onus on APIU to cover a wide geographic area; any weaknesses in their field presence or coordination with local authorities could affect delivery. Corruption or lengthy decision-making in public institutions remains a concern that could impact procurement and fund flow.	Moderate	Moderate
Mitigations: The project has taken clear steps to streamline and strengthen implementation. Responsibility is focused in the APIU, with roles and expectations formalized through agreements (e.g. a Memorandum of Understanding between the Ministry of Agriculture and any partner agencies clarifying roles). Key staff positions in the PMU (project director, financial controller, procurement officer, etc.) are filled with experienced personnel from previous IFAD projects to ensure continuity. To avoid coordination breakdowns, LMDP-III established a robust governance structure: a Project Steering Committee at national level will resolve inter-agency issues promptly, and regional coordination meetings will include oblast-level authorities to align field activities. The project also invests in institutional capacity building – training PMU and local government staff in project management, fiduciary topics, and safeguards. IFAD will provide close implementation support, especially in the start-up phase, to mentor the PMU and help instill efficient workflows. By maintaining a tight focus on one lead agency and continuously strengthening it, the project keeps implementation risks at a moderate level.		
Monitoring and Evaluation Arrangements	Moderate	Moderate
Risk: A sound Monitoring and Evaluation system is crucial for adaptive management and learning in LMDP-III. The inherent risk is moderate, considering that M&E in decentralized projects can be challenging – data must be gathered across 4 regions (Batken, Osh, Naryn, Talas) and numerous communities, requiring diligent coordination. If M&E capacity or systems are weak, there is a risk of delayed or poor-quality data, which could obscure problems until too late. Past projects sometimes struggled with timely baseline surveys and consistent reporting. Additionally, the project's ambition to use digital tools for M&E (e.g. an online dashboard) might face initial technical or user adoption issues.	Moderate	Moderate

Mitigations: The project is putting in place a robust M&E framework from inception to minimize these risks. The PMU will have a dedicated M&E unit staffed with trained officers who will coordinate all data collection and reporting. Monitoring responsibilities are clearly delineated down to the community level – for example, Pasture Committees will track grazing plan indicators, and veterinary units will report on service delivery. LMDP-III is leveraging digital solutions (smartphone apps for field data collection, GPS mapping of investments, etc.) to enhance accuracy and timeliness of data. Training on these tools will be provided to field staff early on. By centralizing M&E coordination within APIU and using unified templates and software, the project ensures consistency. IFAD will also review M&E outputs during supervision missions, providing feedback and helping to course-correct if indicators are off-track. These measures should bring residual M&E risk down to low, as real-time tracking and adaptive management become integral to implementation.		
Project Financial Management	Substantial	Substantial
Project Organization and Staffing	Moderate	Moderate
Risk: APIU is growing in terms of the number of donors funded projects it is implementing. With LMDP III, the unit will be working on four investment projects funded by IFAD, WB and ADB. This could create risk of incomplete staffing or overload on the finance team to work and deliver the project financial requirements. -There will be various implementing agencies included in the project. Under some components, funds will be decentralized to implementing partners especially under the financing public infrastructure investments and the revolving fund facility.	Moderate	Moderate
Mitigations: - The Finance Manager shall supervise all donor funded projects and the finance staff recruited under each project. There shall be a dedicated Disbursement Officer and a dedicated accountant working full time on this IFAD project. APIU currently manage an ADB project, IFAD RRCP Adapt project and an upcoming new World Bank project. The unit has long experience implementing IFAD funded projects and it has the required financial management systems and procedures. Clear roles and responsibilities should be developed in the MOUs/agreements with all implementing agencies with focus on the reporting requirements, frequency, templates and deadlines. In addition, APIU finance staff should include clear roles and responsibilities on managing the implementing agencies to ensure timely monitoring and tracking of the investments and the revolving fund.		
Project Budgeting	Substantial	Substantial
Risk: - Delays in the preparation and submission of the annual work plan and budget (AWPB). - Risk of irregular monitoring of the AWPB and untimely decisions on budget variances due to irregular of preparation and submission of the variances reports to project management. - Risk of overstated budgets that do not include reasonable plan due to over-ambitious planning that does not consider updates and changes at country and project level.	Substantial	Substantial
Mitigations: -Ensure more accurate and reasonable budget estimates. -Monitor budget versus actual performance on monthly basis. -Upload the budget in the accounting software for timely and efficient monitoring. -Analyse budget planning on annual basis to avoid committing same shortcomings for next year planning.		
Project Funds Flow/Disbursement Arrangements	Substantial	Substantial
Risk: -Delays in opening separate DAs for IFAD loan and Adaptation Fund grant which could affect project liquidity. This could be due to delays in preparedness for project at APIU. -Project will be disbursing using the report-based disbursement mechanism, hence there is a risk of inadequate cash forecast due to lack of cash forecast skills. - Exchange rate losses experienced by other Kyrgyz projects due to loans/grants being denominated in SDR.	Substantial	Substantial
Mitigations: Provide training to finance staff on the report based disbursement mechanism at project start-up -Analyse cash forecasts versus actual cash outflow for each quarter to enhance cash management skills. -PMU to work as a team to prepare the cash forecasts each quarter (procurement, project coordinator and finance) -The IFAD loan/grant will be denominated and disbursed in USD.		

Project Internal Controls	Substantial	Substantial
Risk: -Risks of weak internal control measures identified for the Revolving Fund Facility. This risk could result from untimely or incomplete reporting on the credit and repayment to APIU or from not following the criteria and arrangements identified in the developed manual. -Lack of internal audit function within APIU. -Establishing a revolving fund facility for the second phase of the project with the aim to keep it sustainable after project closure. Some of the risks that might arise would include: - Risk of weak institutional set up of the revolving fund including legal, operational and governance aspects. -Risk of weak oversight by APIU (and the ministry at later stage), this could be impacted by weak financial management system and technical expertise to manage the fund. -Risk of weak tracking, monitoring & evaluation system to track principal payments and repayment. -Absence of grievance redress mechanisms to allow for community feedback. -Weak capacity by the cooperatives to manage the borrowed funds and the repayments. -Risk that there is no clear sustainability strategy that would allow the ministry to keeping the revolving fund operational.	Substantial	Substantial
Mitigations: -Draft and finalize the finance manual section of the PIM at design. -APIU to draft and add to the internal control section so it is tailored to provide more details on the APIU internal control measures to control payments including the Revolving Fund. -APIU should consider to either establish an internal audit unit to work on all donor funded projects or to seek the services from an external firm which could be appointed to perform internal audit functions, specifically focussed on activities of the down streamed funds, investments and revolving funds. APIU is subject to a review by the Chamber of Accounts which considers compliance with systems and processes. -The overall process of managing the revolving fund should be clear and established within an independent unit within the ministry with possibility of engaging a financial institution to support in the fund management (disbursement and repayments). -APIU should work on setting up a sound financial management system that clearly defines the arrangements of disbursement, repayments, collaterals, etc. -There shall be monthly financial reporting on the revolving fund facility monitored by both the Component Manager and the Finance Manager at APIU. -The project audit should include some tasks to check and review transactions under the revolving fund facility. -There should be clear eligibility criteria identified on who can access the revolving fund mechanism. -While establishing the facility, financial literacy & business development training to the cooperatives should be considered (if needed) to reduce risk of default risk and to maximize the fund impact. -Ensure that there is long-term sustainability plan to ensure gradual handover and transitioning of the facility to the ministry toward the project completion.		
Project Accounting and Financial Reporting	Moderate	Moderate
Risk: -Late installation and/or procurement of an accounting software due to delays at in APIU preparedness. -Low reliability of the project financial reports due to lack of new staff experience. -Delayed submission of IFRs. -Risk of delayed reporting on the revolving fund credit and repayments.	Moderate	Moderate
Mitigations: -Training to the new finance staff on the IFRs preparation at project start-up - Automation of the IFRs templates in the accounting software at the time of purchase. -Project to follow accounting standards acceptable to IFAD. -Agree on the accounting software specifications with IFAD. -Finalize accounting software set-up at project start-up. -There shall be monthly financial reporting on the revolving fund facility monitored by both the Component Manager and the Finance Manager at APIU.		
Project External Audit	Moderate	Moderate
Risk: IFAD funded projects are audited by a private audit firm selected on competitive basis. Normally, the audit reports are submitted on time (within 6 months of the year-end). However, there is always a risk of new auditors that are not informed of IFAD guidelines and procedures.	Moderate	Moderate
Mitigations: -Clear the audit TOR at project start-up to ensure understating of audit scope and requirements. -Share and discuss the cleared audit TOR with the auditors and include it as an annex to the contract.		

Project Procurement	Moderate	Moderate
B.1 Assessment of Project Complexity	Moderate	Moderate
Risk: The adopted procurement methodologies align with IFAD Procurement Guidelines and Handbook, making new procurement methodologies unnecessary. Project investment value does not include substantial inter-dependent and high-volume estimated procurements that require advanced sequencing and coordination skills.	Moderate	Moderate
Mitigations: Capacity building is essential for the Procurement staff to enhance coordination and expedite implementation. Plans and activities should be organized in stages to timely reach various locations. Ensure that procurement involving community participation adheres to IFAD guidelines. Compliance with SECAP standards must be maintained at all stages of procuring goods, works, or services that may have social, environmental, or climate-related impacts. The criteria for evaluating SECAP requirements should be applied and clearly outlined in the bidding documents or requests for proposals. All procurement processes and procedures within LMDP-III should align with IFAD Procurement Guidelines and Handbook.		
B.2 Assessment of Implementing Agency Capacity	Substantial	Substantial
Risk: The selection and awarding processes consider SECAP criteria, but there is lack of monitoring of its provisions in procurement contracts. The APIU fully implements IFAD standards for prequalification documents and qualification criteria. Bid evaluation criteria are mostly objective, proportionate, or value-based, although no evidence clarification procedures are applied in some tenders. There were also some cases of missing NOITA for informing awarded contracts, including public advertising. The Procurement Department is staffed one procurement specialist, who is not a certified practitioner. APIU's regular annual procurement volume exceeds expected project procurement in value and complexity. APIU is not staffed with sufficient procurement specialists with sufficient experience to undertake additional procurement in line IFAD funded procurement procedures.	Substantial	Substantial
Mitigations: The SBDs must adhere to SECAP standards, and evaluation criteria should incorporate SECAP guidelines. A monitoring process is required. The APIU should make sure prequalification documents align with IFAD's standards and qualification criteria. APIU needs to keep records of communications and clarifications, and issue NOITA and NOA as per IFAD guidelines. Develop professional capacity through trainings and workshops organized by IFAD, as well as on-the-job training. It is highly recommended that procurement staff participates in all the BUILDPROC Programme launched by IFAD and implemented by ITCILO. Hiring of additional procurement staff is essential for the project implementation and completion.		
Project Procurement Overall	Moderate	Moderate
Risk: The Law of the Kyrgyz Republic 'On Public Procurement' lays out the basic principles and general framework of the procurement process, makes it operational and indicates how the law must be applied to specific circumstances. PPL stipulates that electronic means is the primary method of conducting public procurement and of communication between procuring entities and tender participants. Standard Bidding documents exist for goods, works, services and consultancy services. The PPL does not provide any sustainability evaluation criteria that allows procurement processes to consider to some extent environmental and economic aspects. Obligations deriving from international agreements are reflected in the primary legislation. The PPL does not contain provisions on mechanisms for consultation, dialogue and partnerships between public and private sector. There is no evidence of any analysis by the Government of Kyrgyzstan of the supply market for defining the key sectors for public procurement, as well as of any efforts to proactively develop the competitiveness of enterprises in sectors of importance to public procurement. There is a limited civil society organizations involvement in monitoring public procurement, helping to adjust the legislative framework, identify irregularities, etc.	Moderate	Moderate

<p>The selection and awarding processes consider SECAP criteria, but there is lack of monitoring of its provisions in procurement contracts. SECAP standards are included in the evaluation process. However, there is no defined procedure for monitoring SECAP compliance in contract management. The project hires firms to audit overall activities, including finance, but not specifically procurement. APIU utilizes an accounting software for payments and role management in contract administration, but it doesn't have a dedicated contract management module. No evidence clarification procedures are applied in some tenders. There were also some cases of missing NOITA for informing awarded contracts, including public advertising.</p> <p>APIU is not staffed with sufficient procurement specialists with sufficient experience to undertake additional procurement in line IFAD funded procurement procedures.</p>		
<p>Mitigations:</p> <p>The project must follow IFAD's Procurement Guidelines, Handbook, and Project Implementation Manual (PIM), using IFAD's methods, thresholds, and time-limits. Use IFAD Standard Bidding Documents and train procurement staff on evaluation criteria, focusing on value for money and sustainability per IFAD and SECAP guidelines. Apply IFAD's debriefing, protest, appeal mechanisms, and standstill period. Contract management should comply with IFAD's standards, with staff trained on roles, responsibilities, and dispute resolution. Use the OPEN and Contract Monitoring Tool (CMT) systems for record retention and compliance. Enhancing procurement staff coordination and expediting project implementation through staged activities and adherence to IFAD guidelines for community participation and SECAP standards is crucial.</p> <p>The project must adhere strictly to the AWPB, procurement strategy, and Procurement Plan preparation and updates in line with IFAD templates and guidelines. Comprehensive training on IFAD regulations, including anti-corruption policies, will be provided to the project team. Collect more detailed and reliable data on actual procurement practices, and use for improving policies and procedures as well as documentation, information and training; Examine in further detail the reasons why economic operators would or would not participate in public procurement, and change policies and practices accordingly in order to raise the level of trust in the system and encourage wider participation. IFAD's complaint mechanisms, including NOITA and standstill period, must be observed, and all bidding documents should reflect IFAD's policies against fraud, corruption, sexual harassment, and money laundering. Any corruption allegations must be reported to IFAD promptly, with self-certifications verifying cross-debarment. All procurement activities must comply with IFAD's ethics and accountability standards. The IA shall hire at least one additional procurement specialist and ensure that Project staff participate regularly participate in the training sessions organized by IFAD on OPEN, IFAD Project Procurement Guidelines and a Handbook (BuildProc program).</p>		
<p>A.1 Legal, Regulatory and Policy Framework</p>	<p>Moderate</p>	<p>Moderate</p>
<p>Risk:</p> <ul style="list-style-type: none"> -The latest revision to the Law of the Kyrgyz Republic 'On Public Procurement' is dated April 14, 2022, No.27, as amended on January 20, 2023, No.19. There is also a secondary legislation (23 by-laws) that lays out the basic principles and general framework of the procurement process, makes it operational and indicates how the law must be applied to specific circumstances. -PPL stipulates that electronic means is the primary method of conducting public procurement and of communication between procuring entities and tender participants. -Standard Bidding documents exist for goods, works, services and consultancy services. -The PPL does not provide any sustainability evaluation criteria that allows procurement processes to consider to some extent environmental and economic aspects. Obligations deriving from international agreements are reflected in the primary legislation. 	<p>Moderate</p>	<p>Moderate</p>
<p>Mitigations:</p> <p>The project must follow IFAD's Procurement Guidelines, Handbook, and Project Implementation Manual (PIM), using IFAD's methods, thresholds, and time-limits. Bid opportunities should be posted on the Ministry's and IFAD's websites for equal participation. Use IFAD Standard Bidding Documents and train procurement staff on evaluation criteria, focusing on value for money and sustainability per IFAD and SECAP guidelines. Apply IFAD's debriefing, protest, appeal mechanisms, and standstill period. Contract management should comply with IFAD's standards, with staff trained on roles, responsibilities, and dispute resolution. Use the OPEN and Contract Monitoring Tool (CMT) systems for record retention and compliance. Enhancing procurement staff coordination and expediting project implementation through staged activities and adherence to IFAD guidelines for community participation and SECAP standards is crucial.</p>		

A.2 Institutional Framework and Management Capacity	Moderate	Moderate
<p>Risk:</p> <ul style="list-style-type: none"> -Procurement planning is carried out for 3 years based on the need for the purchase of goods, works, services and consulting services in accordance with the cost rationing, taking into account strategic development and actual balances for the period established by the budgetary legislation of the Kyrgyz Republic. -PPL stipulates that procurement process should not normally be initiated until the appropriate financial resources have been identified. - Procurement is not recognized as a profession, although according to Article 45, all procurement-related complaints shall be reviewed/assessed by an independent commission members who shall be professionals certified in public procurement. -The PPL (Article 3) establishes a single official point of access (i.e. an online portal) for all procedures and information related to public procurement 	Moderate	Moderate
<p>Mitigations:</p> <p>The project must adhere strictly to the AWPB, procurement strategy, and Procurement Plan preparation and updates in line with IFAD templates and guidelines. It is crucial to continuously monitor the alignment between the PP and AWPB, as well as regularly update the procurement strategy. Comprehensive training on IFAD regulations, including anti-corruption policies, will be provided to the project team. The PIM should clearly outline the roles and responsibilities, and the project will utilize the OPEN and CMT systems for data collection and management. Project staff are required to participate in IFAD-organized training sessions, including BUILDPROC, to enhance their professional skills. Regular performance monitoring will help identify additional training needs.</p>		
A.4 Accountability, Integrity and Transparency of the Public Procurement System	Moderate	Moderate
<p>Risk:</p> <ul style="list-style-type: none"> -The PPL does not stipulate public control of procurement procedures and there is no evidence whether a transparent and consultative process is followed when changes are formulated to the public procurement system. - The official public procurement portal is a website (http://zakupki.gov.kg) maintained by an authorized body that provides electronic viewing of the most recent information on public procurement announcements, public procurement results, proposals of participants and other information provided for by law, as well as collection of information entered by (sent) by operators of electronic public procurement systems on conducted electronic public procurement. - There is a limited civil society organizations involvement in monitoring public procurement, helping to adjust the legislative framework, identify irregularities, etc 	Moderate	Moderate
<p>Mitigations:</p> <p>The project must adhere to IFAD's debriefing, standstill provisions, and guidelines, ensuring transparency by making procurement information accessible. The PIM should specify publication rules for project information and stakeholder interactions, following IFAD guidelines. IFAD's complaint mechanisms, including NOITA and standstill period, must be observed, and all bidding documents should reflect IFAD's policies against fraud, corruption, sexual harassment, and money laundering. Any corruption allegations must be reported to IFAD promptly, with self-certifications verifying cross-debarment. All procurement activities must comply with IFAD's ethics and accountability standards.</p>		
A.3 Public Procurement Operations and Market Practices.	Moderate	Moderate
<p>Risk:</p> <ul style="list-style-type: none"> -PPL defines procurement planning as the first step of public procurement process and it shall be carried out for 3 years based on the need for the purchase of goods, works, services and consulting services taking into account strategic development goals and actual balances established by the budgetary legislation of the Kyrgyz Republic for the period. -The PPL does not contain provisions on mechanisms for consultation, dialogue and partnerships between public and private sector. -There is no evidence of any analysis by the Government of Kyrgyzstan of the supply market for defining the key sectors for public procurement, as well as of any efforts to proactively develop the competitiveness of enterprises in sectors of importance to public procurement. 	Moderate	Moderate

Mitigations: The project's procurement planning should conform to IFAD's Handbook and templates, including compliance with AWPB preparation. A procurement strategy needs to be created, regularly updated, and fully in line with IFAD guidelines and SECAP standards. Contract management must adhere strictly to IFAD's Procurement Handbook, and the project should use the CMT. Collect more detailed and reliable data on actual procurement practices, and use for improving policies and procedures as well as documentation, information and training; Examine in further detail the reasons why economic operators would or would not participate in public procurement, and change policies and practices accordingly in order to raise the level of trust in the system and encourage wider participation.		
Environment, Social and Climate Impact	Moderate	Moderate
Biodiversity Conservation	Moderate	Moderate
Risk: The project operates in diverse ecosystems (mountain pastures, forest areas) with important biodiversity. In general, project interventions aim to restore and protect these ecosystems, but some risks exist. Without care, activities like reseeded pastures or introducing tree species for afforestation could inadvertently affect local biodiversity (e.g. if non-native species were used). Additionally, if grazing pressure is not actually reduced, pasture degradation could continue to drive loss of flora and fauna. However, these risks are limited and localized. There are no critical habitats under threat from project works, and any biodiversity impacts are expected to be positive or minor with mitigation.	Moderate	Moderate
Mitigations: The project will actively promote biodiversity conservation as part of its nature-based solutions. Pasture management plans include designating and protecting reserve areas to allow regeneration of native plant species and habitat for wildlife. All species used for replanting or fodder are vetted to ensure they are indigenous or well-adapted and non-invasive. For example, local forage plant varieties and native tree species will be prioritized for reseeded and reforestation. Training for communities will cover the importance of biodiversity (such as pollinators, wild herbs) and encourage community guards or rangers to monitor illegal hunting or overharvesting in project sites. By improving habitat quality through reduced overgrazing and reforestation, the project will have a net positive effect on biodiversity. Any unforeseen impacts will be caught through annual environmental audits and addressed (e.g. adjusting species mix in seeding). With these measures, the residual risk to biodiversity is low.		
Resource Efficiency and Pollution Prevention	Moderate	Moderate
Risk: Project activities could pose minor pollution risks if not well-managed. Construction of facilities (e.g. milk collection centers, water points) might generate waste, and increased use of agricultural inputs (vaccines, feed supplements, etc.) could lead to packaging or chemical waste. Similarly, if farmers adopt more intensive practices, there could be localized water pollution (nutrient runoff) or soil contamination. Resource use efficiency is another concern: irrigation for fodder crops, if any, could strain local water sources if not optimized. While these risks are moderate in scale – given the project's generally small infrastructure and focus on sustainable practices – they need attention to ensure the project's environmental footprint remains low.	Moderate	Moderate
Mitigations: LMDP-III integrates pollution prevention and resource efficiency into its design. For any small works or facilities, contractors are required to implement waste management plans (safe disposal of construction debris, proper sanitation at work sites, etc.). The project will support local veterinary offices with protocols for disposing of medical waste (like vaccine vials and syringes) in line with national regulations to prevent environmental contamination. Through training, farmers will learn improved manure management – for instance, composting – which both recycles nutrients and curbs pollution of water sources. The project also emphasizes efficient water use: any irrigation demos for fodder crops will use water-saving techniques (drip irrigation, water harvesting) and will be vetted to avoid depleting community water supplies. By focusing on recycling, safe waste disposal, and efficient resource use, the project ensures that any pollution or resource strain is minimized. The residual risk in this domain is low, as these mitigation measures are expected to effectively manage the scale of activities envisaged.		

Cultural Heritage	Low	Low
Risk: There is little risk of negative impact on cultural heritage, as project activities are not located near known historical or cultural sites. The project largely works in existing pasture and farming areas. However, chance finds of archaeological artifacts during earthworks are possible anywhere in a country with long history. The risk is low but present that an unaware contractor could inadvertently damage a buried cultural resource. On the social side, respecting local cultural practices (e.g. traditional norms around land use or sacred sites like cemeteries near pastures) is important to avoid community friction.	Low	Low
Mitigations: The project includes measures to safeguard cultural heritage. As part of the ESMF, a Chance Find Procedure will be implemented: contractors and communities have been briefed that if any potential cultural artifacts (bones, pottery, structures) are encountered during excavation, work must stop and local authorities/museums notified immediately. This procedure is built into contract clauses. Moreover, site selection for infrastructure will avoid any areas that local communities identify as culturally or spiritually significant – the participatory planning process will flag such sites. The project team will also coordinate with the Ministry of Culture if any heritage issues arise. By adhering to these precautions, LMDP-III ensures cultural heritage is respected and preserved, keeping this risk at a low level.		
Indigenous People	Low	Low
Risk: The Kyrgyz Republic does not have identified Indigenous Peoples (as per IFAD's definition) who are distinct from the mainstream population – the vast majority of project beneficiaries are ethnic Kyrgyz or other local groups integrated into the national socio-political context. Therefore, no specific IP risks are triggered. However, the project works in multi-ethnic communities (including Kyrgyz and Uzbek households, for example), and it must ensure inclusive participation so that minority groups are not left out. The risk of exclusion or negative impact on any particular ethnic group is low but something to be consciously managed.	Low	Low
Mitigations: The project applies the principles of free, prior, and informed consultation in all community engagement, ensuring that all ethnic groups have a voice. Communication and training materials will be provided in appropriate languages (both Kyrgyz and Uzbek in areas where communities are mixed) to facilitate understanding. The targeting approach explicitly includes vulnerable and marginalized groups, irrespective of ethnicity. Traditional community decision-making structures are being engaged so that project interventions are culturally appropriate. While no Indigenous Peoples Plan is required (given the absence of a distinct IP group), these actions mirror best practices in inclusion. As a result, the residual risk related to Indigenous Peoples or ethnic minority exclusion remains low.		
Labour and Working Conditions	Moderate	Moderate
Risk: The project will create various short-term and long-term employment opportunities (e.g. construction jobs, roles in cooperatives, community animal health workers). There is a moderate inherent risk that labor and working condition standards might not be fully upheld, especially with local contractors or community labor where awareness of international standards is limited. Potential issues include the use of child labor or unpaid family labor in on-farm activities, lack of proper protective equipment for workers, or excessive working hours during peak construction/farming periods. Ensuring OHS (Occupational Health and Safety) and fair labor practices in a rural context requires attention.	Moderate	Moderate

Mitigations: LMDP-III will enforce compliance with national labor laws and IFAD's core labor standards in all its activities. All works contracts financed by the project include clauses prohibiting child labor and forced labor, ensuring fair wages, and mandating safe working conditions (e.g. first aid availability, safety training). The PMU's supervision engineers will regularly inspect work sites for OHS compliance and can halt work if serious breaches are observed. For activities involving community contributions (such as communal pasture improvements), the project will provide guidance to make sure such labor is truly voluntary and does not negatively impact those who contribute (for example, by rotating labor duties and providing refreshments or small incentives for volunteers). The project also promotes equal opportunity hiring – encouraging contractors to hire locally and pay equal wages to men and women for similar work. Through these measures, the residual risk to labor and working conditions is kept low, ensuring that the project's economic benefits are not achieved at the expense of workers' rights or safety.		
Community health, safety and security	Low	Low
Risk: Community health and safety could be moderately affected if certain project activities are not carefully managed. For example, as livestock production intensifies, there could be an increased risk of zoonotic disease transmission (brucellosis, anthrax) if vaccination and hygiene do not improve concomitantly – Kyrgyzstan has had recurrent outbreaks of such diseases due to gaps in veterinary coverage. Small-scale construction (water points, rehabilitation of veterinary labs) brings typical construction hazards (risk of injury to workers or nearby residents, contamination of water if works are not done properly). Additionally, improved road access or increased traffic from value chain development could raise accident risks. Socially, if project benefits are perceived as unfair, it could create community tension, indirectly impacting safety. Overall, these risks are moderate and localized, mostly preventable with good practices.	Low	Low
Mitigations: LMDP-III incorporates measures to protect community health and safety. Under Component 2, the project strengthens veterinary services, which will directly improve disease surveillance and vaccination rates – mitigating the risk of zoonoses in communities. The project supports public awareness campaigns on topics like brucellosis prevention (proper milk boiling, animal vaccination schedules) to further safeguard human health. For infrastructure activities, contractors will be required to implement site-specific Health and Safety Plans: fencing off construction sites, posting warning signage, providing workers with protective gear, and managing debris to avoid hazards. Water points will be constructed following standards to prevent contamination of drinking sources. To handle the social aspect, the project emphasizes equitable access to benefits and has set up a grievance redress mechanism to promptly resolve any conflicts or complaints, helping maintain communal harmony. By improving overall services and enforcing safety protocols, the project keeps community health and safety risks at a moderate, controllable level.		
Physical and Economic Resettlement	Low	Low
Risk: LMDP-III is not expected to involve any physical relocation of people. The infrastructure financed (such as veterinary clinics, milk collection centers, water infrastructure) will be built on public land or land voluntarily provided by communities, avoiding involuntary resettlement. Economic resettlement risk (loss of access to resources) is minimal; the project's pasture management might introduce grazing exclusions in certain degraded areas, but these are community-agreed and rotational. Still, there is a low risk that a few individuals could perceive loss – for instance, if someone's animals can't graze in a protected area temporarily, or if land tenure is unclear and a structure is built. Such cases are expected to be very limited and manageable.	Low	Low

Mitigations: The project adheres to a “no involuntary resettlement” policy. During the design of each infrastructure subproject or conservation measure, thorough consultations are held to ensure no one’s land or assets are taken without consent. If land is needed for a facility, it will either be government-owned land or given willingly by the community under documented voluntary land donation protocols. For pasture management, the community-based plans ensure that any temporary grazing restrictions are paired with alternatives (like cut-and-carry feeding, or opening other areas) so that livelihoods are not adversely affected. A Resettlement Framework is in place in case a minor land acquisition or economic impact is identified; it details compensation measures consistent with IFAD standards (e.g. compensating for any lost crops or providing equivalent grazing access elsewhere). By proactively planning and involving all users in decision-making, the project keeps the risk of displacement or loss of livelihood at a negligible level.		
Financial intermediaries and direct investments	Moderate	Moderate
Risk: The project will provide financial support from the revolving fund scheme under component 3. The Agricultural Value Chain Development Fund (AVCDF) will be a dedicated financing mechanism to support agricultural cooperatives with interest free reimbursable financing leading to investments in strengthening rural value chains with explicit focus on financing climate-resilient investments.	Moderate	Moderate
Mitigations: <ul style="list-style-type: none"> • APIU to establish an ESMS at the early stage of the establishment of the Revolving Fund, including screening, categorization, and monitoring mechanisms to identify and manage environmental and social (E&S) risks associated with cooperative investments. • Develop and apply clear eligibility criteria for cooperatives and investments • IFAD’s Exclusion list to be systematically applied for all loans. • Proactive recruitment of qualified finance staff, installation of robust financial software, clear reporting mechanisms, and establishment of internal control functions, including internal audits. 		
Climate change	Moderate	Moderate
Risk: Given its focus on livestock sector growth, LMDP-III has an inherent moderate risk of increasing greenhouse gas (GHG) emissions. Livestock (especially cattle and sheep) produce methane, and improving productivity could lead to modest herd growth or more intensive feeding, potentially raising emissions. IFAD’s SECAP assessment noted that a primary environmental risk of livestock-focused projects is higher GHG emissions. Without interventions, better animal survival and productivity might encourage farmers to keep larger herds, thereby emitting more methane and nitrous oxide (from manure). Although the project will not finance any activity with a large carbon footprint (no large infrastructure or land-use change causing emissions), cumulatively the agricultural GHG output could rise slightly, hence a moderate risk.	Moderate	Moderate
Mitigations: The project incorporates climate-smart practices to ensure net emissions are minimized. A major mitigation is improving feed quality and veterinary care – healthier, better-fed animals emit less methane per unit of product, thus lowering emission intensity. By promoting reduced herd sizes at higher productivity (i.e. “fewer but better” livestock), the project discourages unnecessary herd expansion. Manure management interventions (such as compost pits or biogas units where feasible) will capture methane that would otherwise be released. Additionally, Component 1’s afforestation and pasture restoration activities will sequester carbon in soils and biomass, offsetting a portion of the livestock emissions. An in-depth climate risk assessment was done, and its recommendations (like integrating GHG accounting into M&E) are followed to monitor the project’s carbon footprint. With these measures, the residual GHG emission risk is expected to be low – any increase in emissions should be marginal and counterbalanced by mitigation actions and carbon sequestration.		

Stakeholders	Moderate	Moderate
Stakeholder Engagement/Coordination	Moderate	Moderate
Risk: Multiple stakeholders must work in concert for LMDP-III's success, introducing a moderate inherent risk of coordination breakdowns. Key actors include the Ministry of Agriculture (lead agency), the Ministry of Finance (for funds flow), local government administrations (Aiyl Okmotus implementing activities on the ground), community-based organizations (Pasture Committees, water user groups), and private sector entities (veterinary associations, dairy processors). Without clear delineation, there could be duplication or gaps – a risk evidenced in the past when overlapping mandates between APIU and ARIS caused inefficiencies. There's also the engagement risk that some stakeholders (e.g. private sector or certain community groups) might initially be less active if they don't see immediate benefits. Ensuring consistent, collaborative engagement across this spectrum is challenging but crucial.	Moderate	Moderate
Mitigations: LMDP-III has been structured to foster strong stakeholder coordination from the outset. The Project Steering Committee (PSC), chaired by the Government, includes high-level representatives from all relevant ministries and meets regularly to provide strategic guidance and resolve inter-agency issues. At the working level, the APIU (PMU) acts as a central hub for coordination, organizing monthly coordination meetings among stakeholders. Formal agreements (MoUs) have been signed with each major partner (e.g. with the Livestock Research Institute for breeding activities, with the Veterinary Chamber for vet services) to specify roles, deliverables, and information-sharing protocols. The project also utilizes a digital management platform where stakeholders can upload and review work plans and progress (as mentioned, a GIS-linked planning tool is being introduced), improving transparency and joint monitoring. To engage the private sector and communities, the project sets up stakeholder forums – such as value chain roundtables and pasture management conferences – allowing these groups to voice feedback and stay committed. These efforts create a well-oiled coordination mechanism, bringing the residual risk down to low by maintaining alignment and avoiding duplication or conflict among stakeholders.		
Stakeholder Grievances	Moderate	Moderate
Risk: In any complex project, grievances can arise – perhaps a community feels a neighbouring village got more support, or a contractor disputes a payment, or a local leader disagrees with a targeting decision. If not effectively addressed, such grievances can lead to dissatisfaction, non-cooperation, or even public disputes that hinder progress. Kyrgyzstan has both formal and informal grievance redress traditions, but they need to be accessible and trusted. The moderate inherent risk is that without a clear grievance mechanism, issues could fester or escalate, affecting project reputation and stakeholder relationships.	Moderate	Moderate
Mitigations: LMDP-III has established a clear, multi-level Grievance Redress Mechanism (GRM) to handle complaints and feedback. Building on existing structures, communities are informed that they can submit grievances through their Aiyl Okmotu offices or pasture committees, which will be recorded and forwarded to the PMU. The project also provides a hotline and an email contact for direct grievance submission, ensuring accessibility. At the national level, the PMU assigns a Social Safeguards or M&E officer to manage the GRM database – logging each grievance, categorizing it (e.g. procurement issue, benefit targeting, environmental concern), and tracking its resolution. Project-specific arrangements (like grievance focal points in each region) supplement local processes to ensure timely handling. The GRM is publicized widely during community meetings and on information boards so that stakeholders know how to use it. The PSC will receive a summary of grievances and resolutions at each meeting, enabling high-level oversight. With this robust GRM in place, most issues can be resolved quickly and amicably, preventing escalation. Consequently, the residual risk from stakeholder grievances affecting the project is low.		