Annex D: NOTIFICATION OF DELAY OF RRPCP-ADAPT PROJECT INCEPTION

Implementing Entity Name: IFAD

AF Project/Programme ID: AF00000226

Project/Programme Title: Regional Resilient Pastoral Communities Project - Adapt

(RRPCP-Adapt)

Country: Kyrgyz Republic

Project/Programme Approval Date: 04/08/2022

Expected Project/Programme Start Date: 15/07/2024

Proposed Revised Completion Data: N/A

1. Reasons/ justification for delay in the project's/programme's inception and the number of months of delay from the project approval date.

The main delay is explained by the cancellation of the already negotiated IFAD-funded Regional Resilient Pastoral Communities Project (RRPCP), which should have been implemented in parallel with RRPCP-Adapt, and the subsequent measures including the initiation of the dedicated negotiation for the Financing Agreement between IFAD and the Kyrgyz Government for RRPCP-Adapt.

Despite the cancellation of RRPCP, the IFAD Country Team offered the Government, the option to move on with the implementation of RRPCP-Adapt, and to expedite the negotiations and signature procedures of the related Financing Agreement so as to hold the inception workshop in October 2023.

IFAD received the attached letter dated 19 February 2024 (Nb 01-10/1102) from the Minister of Natural Resources, Ecology, and Technical Supervision of the Kyrgyz Republic, that is the National Designated Authority for the Adaptation Fund, stating that the Ministry, has considered IFAD proposal dated August 18, 2023 regarding the launch of RRPCP-Adapt in October 2023, and confirmed that the project is one of the priorities and necessary projects for agriculture and forestry of the Kyrgyz Republic. The Minister, confirmed that due to long negotiations between the Government and IFAD on the Executive and Implementing arrangement for RRPCP-Adapt, as well as the ongoing changes in the structure of the main executive agency (Ministry of Water Resources, Agriculture and Processing Industry of the Kyrgyz Republic), the Kyrgyz side will need additional time to carry out the necessary internal procedures for the entry into force of the Financial Agreement for RRPCP-Adapt, and accordingly organize the start-up workshop as foreseen.

The Government requested to undertake some reconfiguration in the implementation arrangements, namely not to retain the Community Development and Investment Agency (ARIS) as the second implementing partner (with APIU remaining the main implementing entity), but rather procure Service Providers when needed.

The Kyrgyz Government informed IFAD on the need of an additional time to carry out the necessary internal procedures for the entry into force of the project's Financial Agreement.

The newly proposed project inception date is 15 July 2024.

2. Approaches/ mitigation measures to ensure the start of implementation

With the alignment of views between IFAD and the Kyrgyz Government on the slightly adapted implementation arrangement, the Government seems determined more than ever, to complete the negotiation process to sign the Financing Agreement with IFAD and to move to the inception and full-scale implementation of the project. Therefore, a renewed extension of the timeline up until 31 July 2024, would allow for the appropriate conditions towards achieving this important milestone.

We would like to also seek the confirmation of the Adaptation Fund on the slight change in the implementation arrangement of the project as described above. This change will not lead to a "Material Change" to the project, given that the project budget, outputs and targets remain unchanged.

We appreciate the prompt action and collaboration with the Adaptation Fund Secretariat to allow for the finalization of the Financing Agreement, and accordingly ensure the implementation readiness for RRPCP-Adapt.

3. Challenges (in addition to those mentioned in section 1) that may extend the project/ programme completion date)

Once we receive the approval of the Adaptation Fund on the extension request and the slight change in the implementation arrangement, the Financing Agreement will go through the signature and the Parliamentarian ratification processes. This will result in the inception and start-up of the implementation to be held in July 2024. On the basis of the current development and the determination of the Government, there is no foreseen challenges beyond the procedure that will successively entail: (i) the conclusion of the Financing Agreement negotiations between IFAD and the Kyrgyz Government; (ii) the confirmation from the Adaptation Fund that the slightly modified implementation arrangement can be accommodated (exclusion of Community Development and Investment Agency - ARIS - from the implementation); (iii) the signature of the Financing agreement and its ratification by the Kyrgyz Parliament.

Implementing Entity certification

This notification for delay on project inception has been prepared in accordance with Adaptation Fund policies and procedures, and delay on project start has been agreed by participating executing entities and has been notified to the designated authority.

Name & Signature Project contact person

Walid Nadim Nasr

Lead Regional Environment and Climate Specialist

Contacts: w.nasr@ifad.org; +9613342114

Date: 19 February 2024

Name & Signature IE Coordinator

Janie Rioux

Senior Climate Finance Specialist, and GEF/AF Coordinator

Contact: j.rioux@ifad.org
Date: 01 March 2024

Janie Proux.

КЫРГЫЗ РЕСПУБЛИКАСЫНЫН ЖАРАТЫЛЫШ РЕСУРСТАРЫ, ЭКОЛОГИЯ ЖАНА ТЕХНИКАЛЫК КӨЗӨМӨЛ МИНИСТРЛИГИ



МИНИСТЕРСТВО ПРИРОДНЫХ РЕСУРСОВ, ЭКОЛОГИИ И ТЕХНИЧЕСКОГО НАДЗОРА КЫРГЫЗСКОЙ РЕСПУБЛИКИ

720040, Кыргыз Республикасы Бишкек ш., Эркиндик бульвары, 2 эл. почта: info@mnr.gov.kg тел.: +996(312)30-06-67 СИН 00306202110080 ИУРК 30968288 КР ФМ караштуу БК БИК 440201 э/э 4402011000102181

720040, Кыргызская Республика г. Бишкек, бульвар Эркиндик, 2 эл. почта: info@mnr.gov.kg тел.: +996(312)30-06-67 ИНН 00306202110080 ОКПО 30968288 ЦК при МФ КР БИК 440201 р/с 4402011000102181

19 02.	2024 № <u>01-10/1102</u>
На №	

To the IFAD Country Director in the Kyrgyz Republic Mr. Samir Bejaoui

Extension of the entry into force date for the Regional Resilient Pastoral Communities Project -Adapt (RRPCP-Adapt)

Dear Mr. Samir Bejaoui,

The Ministry of Natural Resources, Environment and Technical Supervision of the Kyrgyz Republic (hereinafter referred to as the Ministry) presents its compliments to the International Fund for Agricultural Development for its support and assistance aimed at expanding economic opportunities for rural residents of the Kyrgyz Republic and has the honor to inform you as follows.

The Ministry, having considered your letter dated August 18, 2023 regarding the launch of the Adaptation Fund Project "Regional Resilient Pastoral Communities Project -Adapt" (RRPCP-Adapt) in October 2023, confirms that the project is one of the priorities and necessary projects for agriculture and forestry of the Kyrgyz Republic.

Given the long negotiations of the official delegations on the Executive and Implementing arrangement for the RRPCP-Adapt project, which are currently being finalized, as well as the ongoing changes in the structure of the main executive agency (Ministry of Water Resources, Agriculture and Processing Industry of the Kyrgyz Republic), the Kyrgyz side will need additional time to carry out the necessary internal procedures for the entry into force of the Financial Agreement on the RRPCP-Adapt project (the schedule of activities with deadlines is attached), and organize the start-up workshop as foreseen.

In view of the above, the Kyrgyz side would appreciate an extension of the entry into force of the draft Financial Agreement for the RRPCP-Adapt project to July 1, 2024.

We take this opportunity to renew to IFAD the assurances of our highest consideration and look forward to supporting the extension of the project entry into force.

M. Threener &

Enclosed: the schedule of activities with deadlines

Sincerely,

Minister

Melis Turgunbaev