

# Carbon Pricing in the Kyrgyz Republic

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# Agenda

Background

Methodology

Carbon Pricing

Theory of Change

Stakeholder Mapping



# Background

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- Policy relevant;
- Interdisciplinary;
- Case study – Kyrgyz Republic;
- Limitations



# Team



Bishkek-based think tank  
[https:// crossroads-ca.org/](https://crossroads-ca.org/)

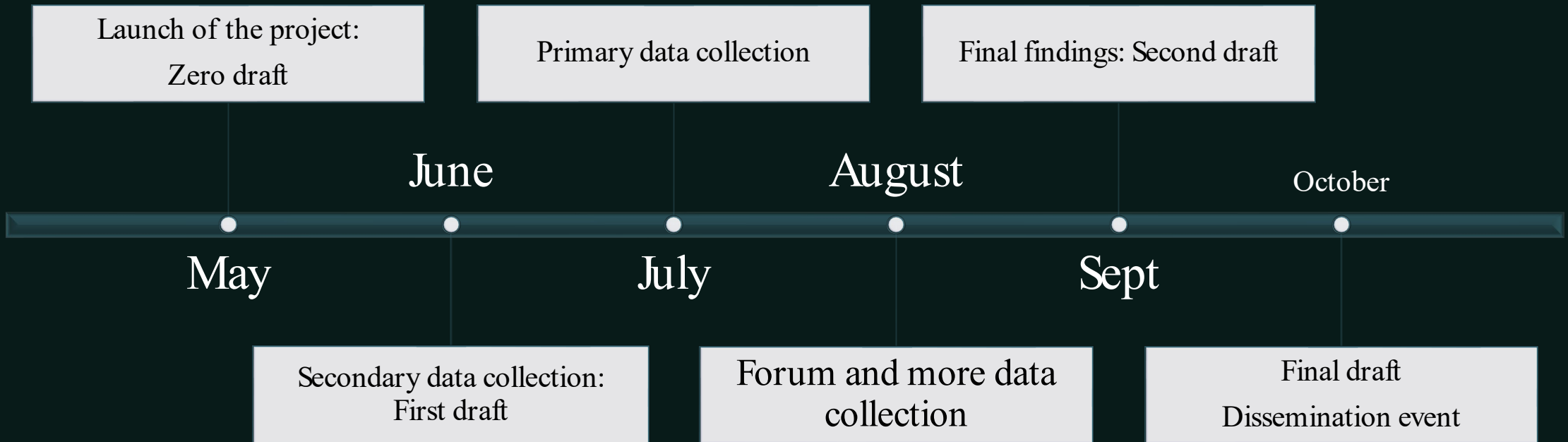


**Dr. Rahat Sabyrbekov,  
Economist**



**Dr. Aijan Sharshenova,  
Political analyst**

# Timeline



# Pillars of our project

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## CARBON PRICING

- A climate change mitigation mechanism
- New(ish) to the region of Central Asia
- Track record of positive impact worldwide
- Needs an in-depth analysis before policy-making

## THEORY OF CHANGE

- International development concept
- How to bring about a meaningful change
- Change vs. Transformation

## STAKEHOLDER MAPPING

- Management construct
- Required for local ownership
- State, non-state and international dimensions of analysis

# Components of our research

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## ENVIRONMENT & ECONOMICS

- Climate change science
- Climate mitigation mechanisms
- Economics
- International development studies

## POLITICS & INTERNATIONAL RELATIONS

- Public policy
- Decision making in politics
- Political psychology
- Strategic communications

# Data Collection and Analysis

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## Desk research

- Policy reports
- Academic publications
- Statistical data

## Fieldwork (summer 2024, ongoing)

- Interviews
  - a) With government officials
  - b) With relevant civil society
  - c) With experts
- Online survey



# The price of carbon: Input-Output Model

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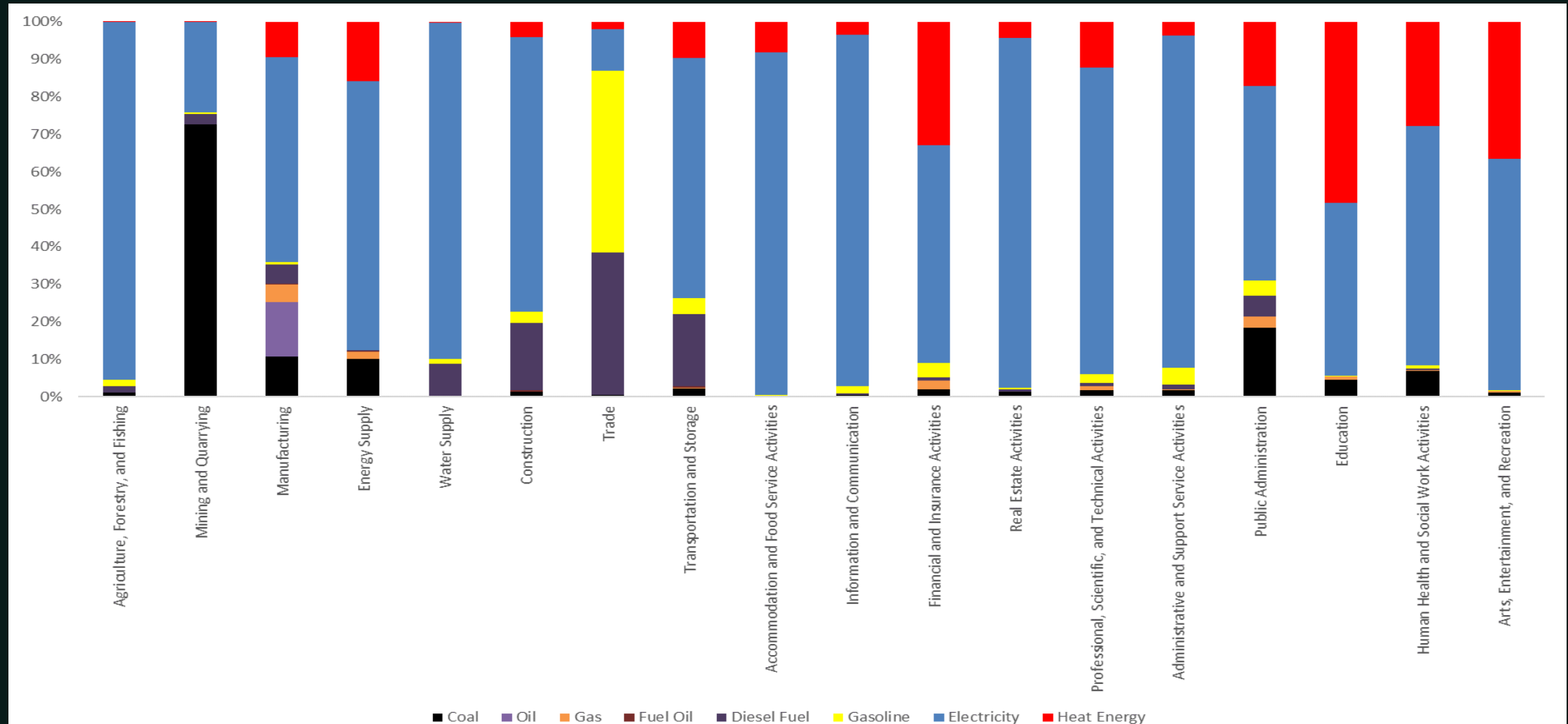
## WORLD

- CO2 emission calculation
  - A broad range from USD 1 to USD 167
  - A mix of carbon tax and ETS
  - World Bank Carbon Pricing Dashboard

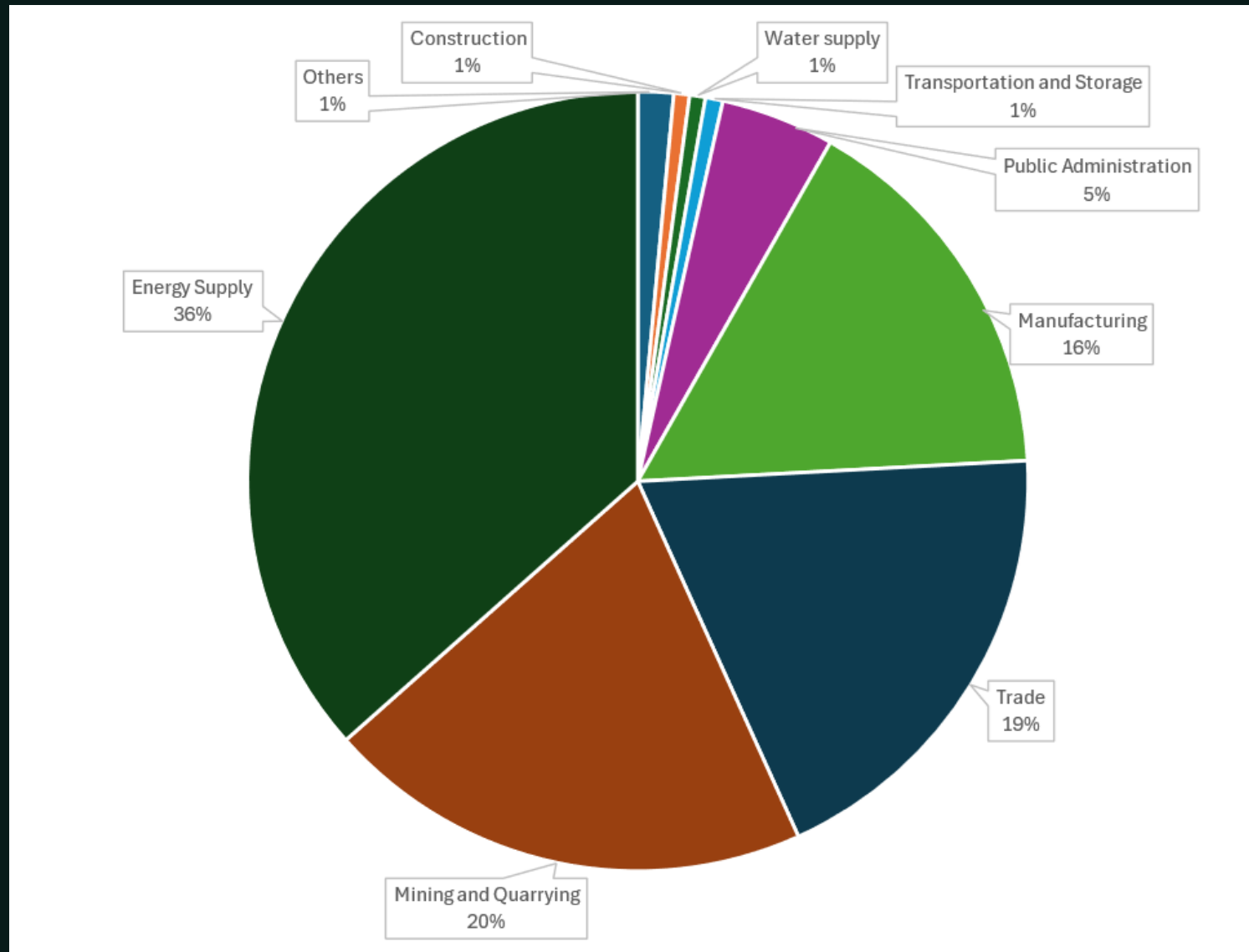
## KYRGYZ REPUBLIC

- CO2 emission calculation
  - No historic price
  - Energy intensive economy
  - National Statistics Committee

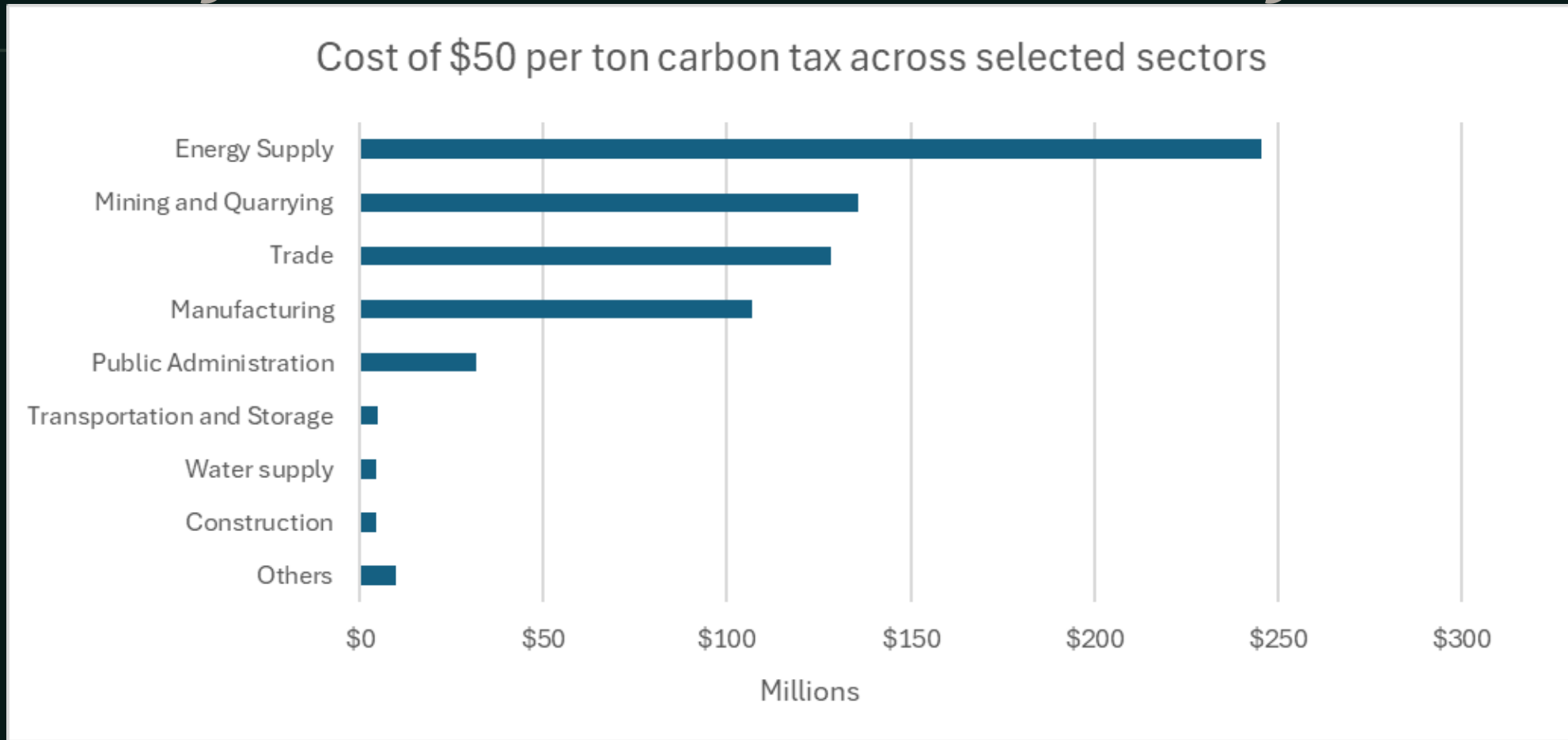
# Consumption of types of energy by sectors



# CO2 Emissions by Sector by sector in the Kyrgyz Republic



# *Costs of carbon tax across sectors of economy*



High CO<sub>2</sub> emitting sectors include energy supply, mining and quarrying, and wholesale and retail trade.

# If carbon tax is to be introduced...

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- Top-down approach is required
- A normative and legal foundation will need to be built from the scratch
- Extensive and expensive expert support is required
- External sources of funding would be a must
- Coalition/community of domestic and international stakeholders will need to be formed – map stakeholders



# Why map stakeholders

- Identify interested parties
- Evaluate their level of interest
- Evaluate their level of power/ability to impact
- Develop tailored engagement strategies



# Stakeholders

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## DOMESTIC

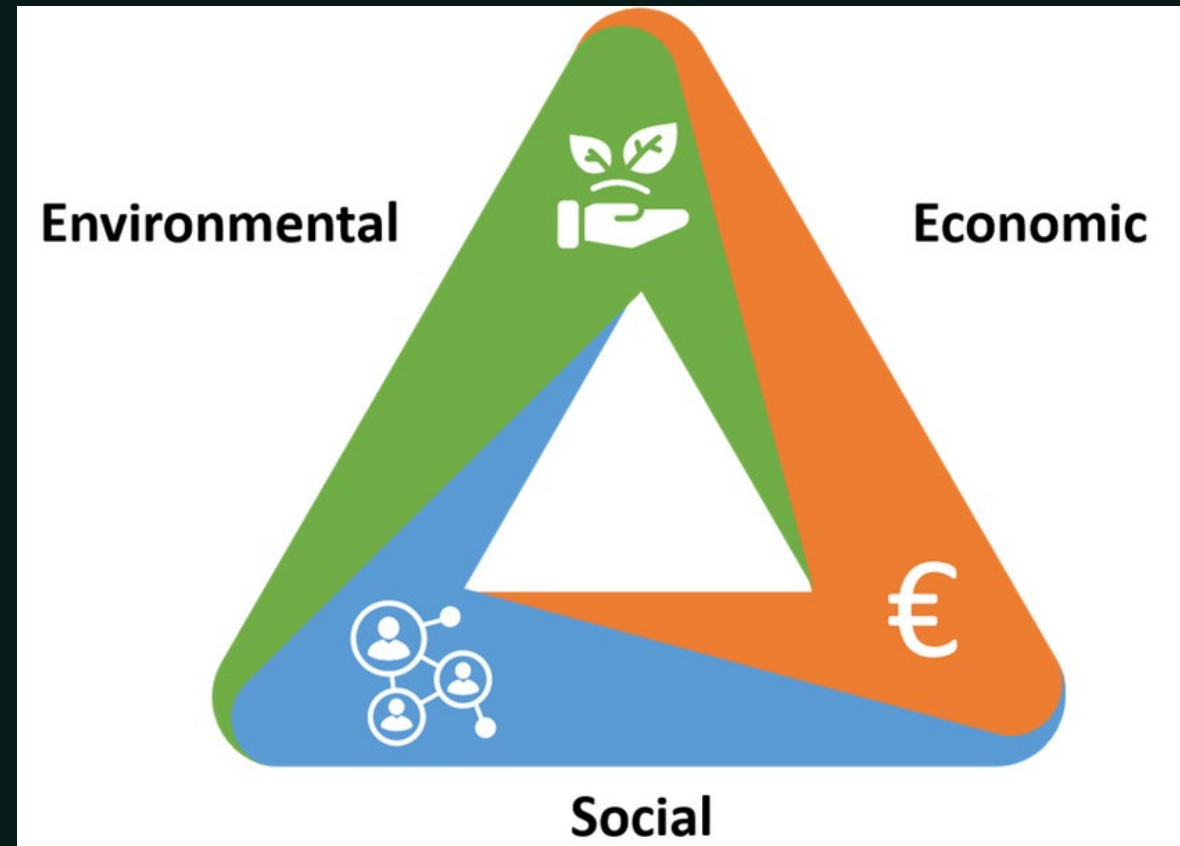
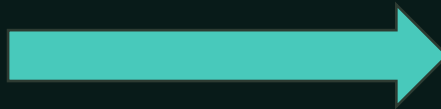
- Government stakeholders
  - a) President
  - b) Cabinet of Ministers
  - c) Specific govt agencies/units
- Private sector
  - a) Businesses, who will be taxed
  - b) Businesses, who will supply green tech
- Public

## INTERNATIONAL

- Donors
  - a) International organisations - experts
  - b) IFIs - funding
- Investors
  - a) GHG quota buyers
  - b) Green tech investors

# Key barriers at the moment

- Lack of normative and legal framework
- Lack of domestic resources
- Lack of expertise and data
- Business-only approach





# Key opportunities

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- Flexibility of Kyrgyz politics
- Resilience of Kyrgyz businesses
- Availability of global investors
- Availability of committed experts at the mid-level management of the civil service

# Conclusions

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## CARBON PRICING IN KR

- provides a strong incentive to reduce GHG and to adopt clean tech;
- generates revenue that the government can reinvest in sustainable development;
- enhances the Kyrgyz Republic's international standing to attract green investment.

## THEORY OF CHANGE IN KR

- Classic ToC might not be applicable
- Top-down approach is a must
- Long-term strategic comms to work with the businesses and the public

## STAKEHOLDERS IN THIS CASE

- Government stakeholders are scattered across agencies
- Private sector might be against – how to change that
- Public buy-in needs further exploration
- A strong coalition of committed stakeholders is required

# Thank you!



Any questions?

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Photos by Stephen Lioy

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