Project Summary Information

	Date of Document Preparation: August 7, 2026
Project Name	Second Sustainable and Inclusive Growth Development Policy Operation under the Energy, Food Security, and Economic Resilience Facility
Project Number	P001184
AIIB member	Kyrgyzstan
Sector/Subsector	ERF - Policy-Based Financing
Alignment with AIIB's thematic priorities	Green Infrastructure
Status of Financing	Under Preparation
Objective	To support Kyrgyzstan in mitigating the economic and social impacts arising from the recent developments in the Middle East, while preserving fiscal space for priority expenditures and strengthening resilience.
Project Description	The Program is proposed as a USD50 million equivalent Policy-Based Co-financing (PBCF) operation under AIIB's Energy, Food Security and Economic Resilience Facility, to provide fast-disbursing budget support to Kyrgyzstan. The Program will co-finance the Second Sustainable and Inclusive Growth Development Policy Operation (DPO-2) series of the World Bank (WB) for Kyrgyzstan. DPO-2 supports 11 prior actions under three pillars: (a) ensuring sustainable and equitable energy supply, through reforms to strengthen the financial viability, governance, transparency, and private sector participation in the energy sector; (b) enhancing social service delivery and climate resilience, through improvements in social protection, regional development financing, climate governance, and green finance; and (c) strengthening fiscal sustainability and the business environment, through fiscal rule implementation, public procurement reforms, and measures to promote competition. These prior actions are aligned with Kyrgyzstan's national development priorities and sector strategies, reflect strong government ownership, and build on reforms supported under the WB's first DPO operation.
Expected Results	The Program is expected to support sustainable and equitable energy supply, enhanced social service delivery and climate resilience, strengthened fiscal sustainability, and an improved business environment.

	Key expected outcomes include improved electricity cost recovery, more transparent energy-sector governance, increased investment into renewable energy, enablement of public-private partnership (PPP) procurement, improved targeting of households living in poverty through Uy-Bulogo Komok (UBK), Kyrgyzstan's targeted social assistance program, expanded program-based regional transfers, increased green credit reporting, stronger climate and water-sector frameworks, improved competition and licensing rules, strengthened fiscal-risk management, and more transparent public procurement.
Environmental and Social Category	Not Applicable.
Environmental and Social Information	**Applicable Policy and Categorization.** AIIB's Environmental and Social Policy (ESP), including the Environmental and Social Exclusion List (ESEL), applies to this Program. The provisions on environmental and social (E&S) categorization in the ESP do not apply to PBCF operations. AIIB has conducted a streamlined Environmental and Social Due Diligence (ESDD) based on the analytical work undertaken by the Government of Kyrgyzstan and the WB, a review of the supported prior actions, and a review of government systems relevant to managing potential E&S impacts. No prior action is proposed to be excluded from AIIB financing under the ESEL. **Environmental and Social Aspects.** The proposed operation is expected to have largely positive environmental impacts and neutral social impacts. Environmental benefits are expected from renewable energy, tariffs, climate finance, green taxonomy, and climate policy reforms, which should reduce emissions, improve resource efficiency, strengthen energy security, and support the clean energy transition. While electricity and water tariff reforms may have limited effects on vulnerable groups, these risks are expected to be mitigated through gradual implementation and strengthened social assistance programs, including UBK reforms, the Universal Child Benefit, and expanded Guaranteed Minimum Income coverage. **Program Grievance Redress Mechanism (GRM).** Individuals and communities who believe that they are adversely affected by the Program may submit complaints to the responsible Government authorities and the appropriate local and national grievance mechanisms. Information about the availability of these mechanisms and AIIB's Project-Affected People's Mechanism (PPM) will be disclosed in a timely and appropriate manner. **Monitoring and Reporting Arrangement.** The main implementing agency, the Ministry of Finance (MOF), is tasked by the Chairman of the Cabinet of Ministers to coordinate with other government agencies and to oversee the overall implementation of the Program. The MOF has demonstrated adequate capacity to coordinate, monitor, and evaluate program-related indicators to date. Given that all prior actions have been completed and verified prior to AIIB loan approval and effectiveness, AIIB will coordinate periodically with the WB to monitor reform progress, the achievement of results indicators, and developments that may affect the Program's objectives or outcomes. For internal reporting purposes, AIIB will reflect results and attribution through the Project Implementation and Monitoring Report (PIMR) and at the Program's closure.

Cost and Financing Plan	Total financing amount: USD100 million AIIB financing: USD50 million equivalent World Bank/IDA financing: USD50 million			
Borrower	Kyrgyzstan			
Implementing Entity	Ministry of Finance, Kyrgyzstan			
Estimated date of loan closing (SBF)	Dec. 31, 2027			
Contact Points:	**AIIB**	**World Bank**	**Borrower**	**Implementation Organization**
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Date of Single Review Decision	August 10, 2026			
Estimated Date of Financing Approval	2026 Q4			

Independent Accountability Mechanism	All complaints relating to compliance with AIIB's ESP under this Program will be handled by AIIB's Project-Affected People's Mechanism (PPM). In accordance with AIIB's Policy on PPM, submission of such complaints to the PPM will be eligible for consideration by the PPM. Information on AIIB's PPM is available at: https://www.aiib.org/en/about-aiib/who-we-are/project-affected-peoples-mechanism/how-we-assist-you/index.html.