

ASIAN DEVELOPMENT BANK

**COUNTRY ASSISTANCE PLAN
(2000-2002)**

KYRGYZ REPUBLIC

December 1999

FOREWORD

The Country Assistance Plan describes the planned program of assistance by the Asian Development Bank for [the Kyrgyz Republic](#) covering the three-year period 2000-2002. It includes loan and technical assistance projects, as well as possible cofinancing from other donors. The CAP was prepared by the ADB between April and June 1999, in close consultation with the Government of [the Kyrgyz Republic](#), and other stakeholders, including non-government organizations. The CAP was discussed with the Board of Directors in October 1999. The assistance plan described in the CAP is only indicative and may be revised to reflect more recent developments.

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CURRENCY EQUIVALENTS

(as of 30 November 1999)

Currency Unit	—	Som
Som1.00	=	\$0.0221
\$1.00	=	Som45.30

ABBREVIATIONS

ADB	-	Asian Development Bank
ADF	-	Asian Development Fun
ADTA	-	advisory technical assistance
CARs	-	Central Asian republics
CDF	-	Comprehensive Development Framework
COS	-	Country Operational Strategy
DANIDA	-	Danish International Development Agency
DMC	-	developing member country
EBRD	-	European Bank for Reconstruction and Development
ECD	-	Early Child Development
ESW	-	economic and sector work
FINSAC	-	Financial Sector Adjustment Credit
FSU	-	former Soviet Union
GDP	-	gross domestic product
HDI	-	Human Development Index
IDA	-	International Development Association
IMF	-	International Monetary Fund
IPF	-	indicative planning figure
OECF	-	Overseas Economic Cooperation Fund
OPEC	-	Organization of Petroleum Exporting Countries
PO	-	President's Office
PRC	-	People's Republic of China
RETA	-	regional technical assistance
TA	-	technical assistance
UNDP	-	United Nations Development Programme
USAID	-	United States Agency for International Development

NOTES

- (i) The fiscal year (FY) of the Government ends on 31 December.
- (ii) In this Report, "\$" refers to US dollars.

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KYRGYZ REPUBLIC

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KYRGYZ REPUBLIC

I. Country Performance Assessment

A. Economic Performance Assessment

1. The Kyrgyz economy has been affected severely by the Russian economic crisis that broke out in August 1998. As a result, the performance of the economy in 1998 fell considerably short of expectations. The economic slowdown that started in the third quarter of 1998 has continued. Real gross domestic product (GDP) grew by only 0.4 percent in the first six months of 1999. An increase in inflation, which reached 27 percent during the same period, was largely caused by a weak som that depreciated another 30 percent during the first six months of 1999. While credit conditions eased somewhat by mid year, interest rates remained high. The weakness in the economy was reflected in the external accounts: both exports and imports, but especially the latter, fell during the first half of the year. A further factor straining the economic situation is a major act of financial fraud that has considerably weakened the banking system, including causing several large domestic banks to be put under central bank's conservatorship. Detailed economic performance indicators are shown in Appendix 1.

2. Prior to the outbreak of the crisis in 1998, the Government had introduced important structural reforms to move from a centrally planned economy to one in which market forces determine resource allocation and the production of goods and services. The measures include (i) liberalizing most prices; (ii) substantially privatizing public enterprises; (iii) banking reforms; (iv) developing the legal framework; and (v) efforts to strengthen the social safety net. Recently, structural reform activities have focused on privatization of both enterprises and agricultural land, and strengthening of the banking system. At the Consultative Group Meeting in May 1998, the Government's reform efforts were lauded by the donor community and the Kyrgyz Republic was recognized to have been at the forefront in implementing stabilization and economic reforms among the countries that were once a part of the former Soviet Union (FSU). It is the first Central Asian republic to (i) successfully complete an IMF-supported Enhanced Structural Adjustment Facility (ESAF) program; (ii) get formal membership of the World Trade Organization; and (iii) allow private ownership of land.

3. Faced with a deteriorating economic situation, the Government has reached agreement with the IMF on revising the ongoing ESAF program, which was approved by the IMF's Board on 25 February 1999. The International Monetary Fund (IMF) has augmented the ESAF with a loan of \$12.5 million to assist in meeting the short-term costs of the Russian crisis.

4. The policy package under the revised ESAF program contains two main components: a further tightening of fiscal and monetary policies with particular emphasis on the former and an acceleration and strengthening of structural reforms. On the fiscal front, a number of measures will be taken to reduce expenditures and improve expenditure management. Subsidies to state-owned enterprises (SOEs) will be cut further and measures will be taken to improve the finances of Kyrgyz Airlines, the state airline company which has been a major drain to the budget. Government personnel will be reduced by 12 percent; wage and pension arrears will be eliminated and the treasury and warrant system will be overhauled. Regarding revenues, there will be an increase in excise tax on most petroleum and alcohol products along with a further strengthening of tax collection and administration. Despite these measures, severe budget constraints are expected to prevail over the medium-term. The existing public investment program would need to be adjusted to fit current fiscal realities and a revised three-year budget program was presented to Parliament in June 1999.

5. A tight monetary policy will continue to be followed to curb inflation. While a managed float exchange regime will be maintained, interventions will be exercised with caution with a view to preserving foreign exchange reserves. The central bank will continue its efforts to improve the supervision of the banking sector. In particular, on-site inspections will be intensified and the existing prudential and reserve requirements will be enhanced.

6. The structural reforms under the revised ESAF program focus on accelerating privatization and improving implementation of related laws. The privatization program will bring forward the divestiture of some of the largest monopolies including Kyrgyztelecom, Kyrgyzenergo and Kyrgyz Airlines. Other structural reforms include civil service reform, improvement of external debt management, and strengthening the pension system.

7. Under the revised ESAF program real GDP growth is expected to be around 2 percent in 1999 and will rise to 4.2 percent in 2002 while inflation will be brought down to 8 percent in 1999 from 18.3 percent in 1998. The consolidated budget deficit is projected to decline from 9 percent of GDP in 1997 to 7.6 percent in 1999. This will be achieved through increased revenue collection and further rationalization of public expenditure. The debt service ratio is projected to remain at a relatively low level of 6.1 percent of exports of goods and non-factor services in 1999 and gross international reserves are targeted to increase to the equivalent of 3.2 months of import cover.

8. Notwithstanding the promising medium-term projections, the Kyrgyz economy remains in a precarious state, at least for 1999. The Asian Development Bank (ADB) is discussing with the Government measures to restore stability to the banking sector. However, the problems facing the banking sector have resulted in a lack of confidence in som-denominated holdings and instruments. The som has depreciated from around 31.5 to 41.5 per dollar between 1 March and 15 May 1999. The heightened economic difficulties pose a major challenge to the Government's fiscal and budgetary management. Despite a revised budget passed in June 1999, the Government has failed to reach its revenue target and fresh arrears in pensions and wages have accumulated since early 1999. It is primarily in these two areas that the Government failed to reach agreement in late July on a program to be supported by the IMF under the second annual arrangement of the three year ESAF. Discussions between the two sides are continuing and an agreement could be reached in November.

B. Assessment of Socio-Environmental Performance

1. Poverty Issues

9. Since independence, people in the Kyrgyz Republic are confronted with (i) a serious deterioration of the social infrastructure, (ii) high growth of unemployment and underemployment, (iii) a sharp reduction in the size and a change in the composition of income and social protection payments, (iv) a rapidly deteriorating social services provision, and (v) increasing social disintegration. The Government estimates that real incomes fell by over 73 percent between 1991 and 1997. The collapse of government stores and the sharp rise in food prices have caused malnutrition and hunger in remote rural areas. All this had a severe impact on poverty and the social conditions of the majority of the Kyrgyz population. Comprehensive poverty surveys suggest that in late 1993, about 40 percent of the households were living below the poverty line and 35 percent in severe poverty. In 1996, 49 percent of all families were living below the poverty line with the corresponding figure for rural areas as high as 70 percent. The growing problems of poverty have had a particularly severe impact on children and families with

unemployed members. The recent economic recovery is still too modest to greatly affect the basic welfare situation facing most people.

2. Gender Issues

10. The Kyrgyz Republic formally provides protection against gender discrimination. There is equal access to education and equality in the workplace. Before independence, women had been eminently involved in production and the social, cultural, and political fields. Women figured prominently in the workforce. Substantial support for the social welfare of women through public assistance and social service was provided. However, with the breakdown of the social safety net and the erosion of social service provisions during transition, more families are dependent on the female's traditional role of providing survival for the young and old in need. Women are the first to face the consequences of the closure of kindergartens, child care centers, rural schools, the lack of medicine for their children, the unsustainable pensions of their parents and the termination of service facilities like laundries and canteens, thereby affecting and restricting women's access to formally paid employment. In addition to the personal degradation caused by unemployment, loss of income and transfers, and the reduced access to social and public services, women are experiencing difficulties with increasing child mortality rates, rising divorce rates, alcoholism, and men's migration. In general, the negative impacts of transition in the Kyrgyz Republic reflect the economic difficulties prevailing in the country. Nevertheless, there are circumstances where the economic difficulties have a more severe impact on women than men, especially with regard to their children's access to education and health, and in the labor market. On the other side, transition gives women new opportunities especially in the bazaar, credit, and modern service economy.

3. Human Development

11. Comparatively high standards of human development were achieved before independence. The country's life expectancy, age-specific mortality, and literacy rates are still near the top of the range of countries with a similar per capita income, while showing no major gender discrimination. However, the rapid deterioration of social services and social safety net since 1991 had direct implications on the social situation of the people of the Kyrgyz Republic. The 1993 Human Development Report gave the Kyrgyz Republic a human development index (HDI) of 0.689 for 1990, ranking 83rd out of 173 countries. The HDI for 1997 was 0.702, which represents a ranking of 97th out of 174 countries. Given the continuing socioeconomic difficulties, a further deterioration in the human development index may be expected.

4. Environment

12. Major environmental problems in the country result from the salinization of land and the excessive use of toxic agrochemicals. Soil erosion caused by overgrazing, poor drainage management, and lack of forest cover affects more than 50 percent of the country's arable pastures. Other major concerns are industrial pollution from mines and metallurgical plants, including those plants that process or store radioactive and industrial wastes. To address ecological problems, more efforts need to be directed to the implementation of the 1995 National Environmental Action Plan. Many agencies are involved in environmental monitoring and management. The ability of all agencies to function effectively, however, is limited owing to reduced budgets, outdated equipment, and scarce supplies.

C. Governance: Sound Development Management

13. Since independence the Kyrgyz Republic has achieved considerable progress in improving governance as reflected in the substantial reforms in public sector management and in increasing degrees of accountability, participation, predictability and transparency. Areas in which the Government has taken steps to improve accountability and participation include: (i) strengthening the responsibilities and capabilities of local governments to better target the decentralization of development reforms; and (ii) laying special emphasis on decentralized social services delivery and the management of communal/urban utilities divested from state enterprises. As it privatizes state farms and state industrial enterprises, the Government is further encouraging and expanding the role for the private sector and the non-government organizations.

14. Government accountability is being improved in several ways, including better public financial management and civil service reform. Improving the management of public finance aimed at restoring fiscal balance constitutes one of the main elements of the Government's macroeconomic stabilization program. Besides instituting fundamental tax reforms, the Government has been making strenuous efforts to further rationalize expenditures, to strengthen the tax collection and administration, and to improve its budget process. These have borne results and the overall budget deficit has been brought down from around 16.4 percent of GDP in 1995 to 9.9 percent in 1998. The Government is also actively downsizing the civil service. Major ministries have been reorganized in late 1996 and agencies privatized or contracted out. Civil service reforms are underway to strengthen local government administration, streamline central government policymaking, and progressively withdraw from directing and allocating the factors of economic production. Early this year the Government has instituted a stringent drive for the collection of overdue loans from the budget or guaranteed by the Government. An active campaign against corruption has also been launched. The present transition process to a market-oriented economy requires a new definition of institutional responsibilities and implementation practices both in the productive as well as in the social sectors. Greater efforts will be needed both at the national and the local level to increase revenues and strengthen governance.

D. Implementation Assessment

1. The Portfolio

15. ADB activities in the Kyrgyz Republic began in 1994. As of 31 December 1999, ADB had approved 15 loans for 12 projects totaling \$386.2 million, all from the Asian Development Fund (ADF). In addition, 34 technical assistance (TA) grants have been approved amounting to \$21.12 million. Three loans have been closed. Thirteen advisory technical assistance (ADTA) projects have been completed. As is to be expected in the case of a country that experienced such a severe decline in output since 1991, the major part of ADB's lending so far was for projects aimed at fostering economic growth. Despite economic difficulties, fiscal constraints, and institutional weaknesses, except for one project in the energy sector which is experiencing difficulties (see para. 16), ADB's portfolio in the Kyrgyz Republic is performing well and the implementation of approved loans and TAs is proceeding substantially on schedule. In the short period of time since its operations in the country began, ADB has emerged as a major source of development assistance to the Kyrgyz Republic. ADB has been requested by the Government to take the lead role in the education sector. ADB has also responded promptly to the Government's requests for supporting priority interventions in the areas of roads, rural finance, corporate governance, and enterprise reform.

16. ADB, along with the World Bank, the Nordic Development Fund and the Swiss Government, is implementing the Power and District Heating Rehabilitation Project to strengthen the district heat network in Bishkek and availability of power for sale. There have been delays in the implementation of the project but of greater concern is Kyrgyzenergo's weak financial performance. As of the beginning of this year, all the loan covenants related to the improvement of Kyrgyzenergo's financial operations were not complied with. In 1997, Kyrgyzenergo's net income amounted to Som 154 million while for 1998 preliminary estimates indicate a net loss of Som 200 million. Accounts receivable had similarly deteriorated from about an equivalent of 97 days billings in 1997 to about 112 days at the end of 1998. A joint-mission from the World Bank, ADB and the European Bank for Reconstruction and Development (EBRD) (which is another major donor to Kyrgyzenergo) helped the national power utility draw up an Action Plan in January 1999 to halt the deterioration of its financial operations and accelerate its institutional reform. Among the measures envisaged are the corporatization of Kyrgyzenergo's distribution sector and the national transmission grid and the privatization of at least one distribution company by mid-1999. It is expected that the Action Plan will lead to a significant improvement in Kyrgyzenergo's finances and operations.

17. ADB's portfolio of projects in the Kyrgyz Republic is characterized by a significant proportion of policy-based lending (around 44 percent). It is, however, a young portfolio in which most projects are still in the early or middle stages of implementation. As such, their development impact is yet to be fully realized. A special assistance loan extended in 1994 and an agriculture sector program loan extended in 1995 have been full disbursed. The former intervention helped stabilize the economy during a very difficult period in the country's history. The agriculture sector program was implemented substantially on schedule and has brought about significant changes in the transition of the sector to a market-based one (see para. 26). A ADB-supported corporate governance and enterprise reform program and an education sector development program are being implemented and are expected to bring about far-reaching results in the concerned sectors. ADB-financed technical assistance has had considerable development impact in supporting capacity building, institution strengthening, regional cooperation, and improving the legal and regulatory framework in various sectors as well as creating the environment for private sector-led growth. In view of the Government's fiscal constraints, local cost financing is expected to be an important feature of ADB operations in the country (see para. 44). Detailed portfolio performance indicators are given in Appendix 2.

2. Issues in Project Implementation

18. The following constraints are likely to limit the country's absorptive capacity: (i) the scarcity of local counterpart funds for project-type investments (see para. 22); (ii) an administrative and implementation structure with weak institutional responsibilities and capacities for decentralized and social market-oriented planning; (iii) problems in formulating coherent development and sectoral policies both at the central as well as the decentralized level; (iv) lack of experience with policies and procedures of external donors; and (v) communication, cultural, and language barriers. Considerable emphasis will need to be placed on capacity building and on strengthening the Government machinery, particularly for the implementation of development projects. Capacity building and human resource development will need to be key components in all ADB investment projects and technical assistance. Recently, there have been delays in the Government's fulfilling conditions to make ADB loans effective. The Parliament's approval of individual loans is a part of the Government's internal requirements in this regard. ADB has been requesting the Government to take all necessary actions in time so that project implementation is not adversely affected. ADB has established a small locally staffed liaison office in the country to facilitate logistics. The operations have grown

in complexity and size and a sizeable portfolio of ongoing projects has been built up. The Kyrgyz loan portfolio has the largest number of ongoing projects among the Central Asian republics (CARs), and accounts for 33 percent of the overall value and 43 percent of ongoing loans to the CARs. The effects of the ongoing Russian crisis are still working their way through the Kyrgyz economy and ADB's operations in the country will be faced with considerable challenges in the coming years.

II. Country Operational Strategy

19. ADB's country operational strategy (COS) for the Kyrgyz Republic was finalized in December 1996 to replace an earlier interim operational strategy. The primary objectives of the COS are to (i) support the Government's reform activities and strengthen its development management through encouraging institutional change; strengthening institutional capacity, and improving the provision of public services; (ii) encourage the creation of a new structure for output and capacity by the private sector through investment and job creation; and (iii) enhance the long-term potential of the country by investing in physical infrastructure and human development as well as selective interventions to protect and rehabilitate the environment.

20. Implementation of the COS has been carefully designed to maximize the impact of ADB's limited resources and to complement the extensive assistance programs of other funding agencies. Thus, ADB activities during 2000-2002 will concentrate on four strategic areas: (i) improvement in the provision of public services, particularly those provided by local governments; (ii) agriculture, including rural finance; (iii) human development; and (iv) infrastructure, especially rehabilitation projects to preserve the economic utility of the past investment in the energy and roads sectors. In the initial years, ADB operations in the Kyrgyz Republic were focused principally on restoring economic growth. By 1998, there were definite signs of sustainable economic recovery. At the same time poverty and unemployment and a general deterioration of the quality of life for a majority of the people were becoming increasingly apparent. The assistance programs prepared in 1998 and 1999 took into consideration the need for ADB operations to address these growing social concerns and this is reflected in the 2000-2002 pipeline.

21. A community-based infrastructure services project (2000) would cover about 400 rural communities. The project will improve water supply and sanitation and will support other essentially required investments in the targeted communities. The Early Child Development (ECD) project (2001) will assist the Government in developing an affordable package of community-based ECD services for the rural poor. In keeping with its priorities to support poverty alleviation in the less developed regions, projects like the Second Agriculture Area Development (2001) and the Rural Development/Poverty Reduction projects (2002) have been introduced into the program and will likely be located in the poorer and more remote oblasts. These initiatives are in keeping with the Government's plans to combat poverty. In 1998, the Government started the National Program on Poverty Alleviation which aims at increasing employment, improving access to basic social services, and the better targeting of social assistance. The program also recognizes that the development of an efficient agriculture sector is fundamental to the alleviation of poverty.

III. Sector Strategies

22. The effects of the Russian crisis are continuing to have an impact on the Kyrgyz economy. The Kyrgyz Republic has a good record of absorbing planned levels of ADB assistance and of providing budget counterpart funds in a timely manner. As stated earlier, the

Government is facing severe budget constraints which are expected to prevail over the medium-term. Nevertheless, the Government has recently assured ADB that the counterpart fund requirements of ongoing and planned ADB-financed projects would be met adequately. To enable this, the Government has indicated that budget cuts would be made first for projects which suffer from poor implementation. The Government also plans to prioritize the projects included in the public investment program and to limit future borrowings from non-concessional sources. The Government and the IMF have also stressed the need for donors like ADB and the World Bank to not reduce lending levels as the country particularly needs such assistance with its characteristics of policy and institutional support during this difficult economic period. ADB will closely track the actual provision of counterpart funds. If there are serious shortcomings in this regard or if the budget situation was to worsen for any unforeseen reason, then the future lending program may be scaled back.

23. Another issue facing ADB operations in the Kyrgyz Republic is the risk that ADB-financed ADTAs could be affected adversely by the ongoing program of civil service reforms. The related government restructuring, organization of ministries and downsizing of personnel was carried out in the past in an unstructured manner. Some of the major institutional and capacity building efforts supported by ADB-financed ADTAs have met with mixed success since significant numbers of concerned staff were shifted to other agencies, left for the private sector or do not continue in their present posts for other reasons. The responsibility for civil service reforms has recently been shifted to the President's Office (PO). ADB has been able to reach understanding with PO to institute safeguards which will minimize the risk of the impact and objectives of future ADTAs being affected by the process of civil service reforms.

24. In late August 1999, several hundred armed combatants infiltrated the south of the Kyrgyz Republic from Tajikistan. Due to the resultant uncertain security in the southern provinces of the country, an area where ADB is active, mission travel was temporarily suspended. The United Nations has since provided clearance for travel in most areas. Until the security is fully settled, there is the risk that the Government's resources will be diverted, causing further difficulties to an already tight financial situation.

25. The economic, legal, and regulatory framework inherited at independence in the Kyrgyz Republic emphasized administrative rather than market-determined and contractual relationships. These suppressed economic initiatives by individuals and enterprises and imposed constraints on private sector development. Across all sectors, policy and institutional reform and capacity building remain the highest priority and the critical element in spurring new productive investment and economic growth. Through advisory technical assistance and program and project lending, ADB proposes to support policy changes in the agriculture, education, road transport, power, and social sectors.

A. Agriculture

26. In the agriculture sector, the Government has carried out a comprehensive program of reforms under ADB's Agriculture Sector Program Loan of 1995 which focused on policy and institutional efforts in land reform and natural resources management, restructuring and further improvement of the agricultural input supply system, maintenance of social protection, and capacity building of the sector's key institutions in managing the transitional process. Significant elements of capacity building and institutional strengthening have been and will continue to be a major feature of ADB's operations in the agriculture sector in the Kyrgyz Republic. The key development issues challenging the Government are (i) the policy and institutional inefficiencies remaining from the inherited structure of agricultural production and organization; (ii) the extent

of poverty, particularly in the rural areas; and (iii) the unsustainable use of natural resources. In addressing these issues the Government is continuing its overall reform agenda to (i) create basic market institutions through establishment of clearly defined and enforceable property rights; (ii) promote development of competitive markets through privatization and restructuring of agricultural entities; and (iii) ensure the reform program proceeds with minimum social and environmental costs. These and assistance for capacity building, rural finance and increasing agriculture productivity are identified in the COS as priority areas in ADB operations. ADB will consider further support to the Government's sector objectives and reform program through the Second Agriculture Area Development Project.

B. Infrastructure

1. Energy

27. In the energy sector the COS aims at (i) encouraging fiscally responsible operations of SOEs; (ii) promoting the active involvement of the private sector in production and conservation; (iii) rationalizing, rehabilitating and maintaining the infrastructure supply system; and (iv) reducing pollution as a result of sector activities. In the power sector, there is a critical need to rationalize the tariff levels for electricity and district heating since low tariffs have led to uneconomical consumption patterns and weak financial performance of the national power utility, Kyrgyzenergo. ADB has also carried out two regional studies that indicate the possibility of implementing a transmission line between Naryn in the Kyrgyz Republic and Kashgar in Xinjiang Uygur Autonomous Region in the PRC. The proposed 220 kV transmission line would provide 150-200 GWh annually for the development of Kashgar region and provide export earnings to the Kyrgyz Republic without having to build new generating capacity. Provided satisfactory understandings are reached between the two sides on the tariff rates at which electricity would be sold, ADB would support the proposal for implementation.

2. Transport

28. ADB's operations in the transport sector in the Kyrgyz Republic focuses on the road subsector. Provision of reliable road transport network and services will promote sustainable economic development, providing more employment opportunities and generating additional incomes in poor areas thus contributing to poverty reduction. In the road transport sector, the country operational strategy aims at (i) developing an efficient policy and regulatory framework; (ii) corporatizing/commercializing and, where appropriate, privatizing operations of state-owned enterprises; (iii) promoting competition and private sector participation in the provision and operations of road transport facilities and services; (iv) improving road funding by improving tax and duties collection, developing user-pay approach to roads funding, and removing of subsidy-induced distortions in pricing of transport networks; (v) rehabilitating and improving operations, maintenance, and safety standards of the transport networks; (vi) human resource development; and (vii) improving environmental standards. Support is also envisaged for the rehabilitation of the regional road between Bishkek and Almaty and the improvement of cross-border procedures and regulation, and for the third and final phase of improving the Bishkek-Osh road.

3. Industry and Finance

29. The operational strategy eschews active involvement in industry with the exception of program-based lending to further basic policy reform. In making this decision, the relatively limited resources of ADB, the needs of the country, and the programs of other funding agencies

have been taken into account. The strategy also says that as long as ADB does not become directly involved in private sector support projects, the scope for long-term ADB operations in industry and finance, through loans to the public sector is limited. However, recent events have necessitated some alignments being made to this position. ADB-financed technical assistance associated with pension reform had studied the development of capital and insurance markets to enhance financial markets development through promotion and greater financial intermediation and a wider range of financial instruments. These studies identified serious weaknesses in the financial sector and an unfinished reform agenda. While a World Bank-financed structural adjustment credit initiated a comprehensive reform agenda for the Kyrgyz banking sector (FINSAC), the Russian crisis has brought to light new areas of strengthening. ADB has coordinated closely with the World Bank and the EBRD to ensure that there is full understanding and agreement on ADB to build upon the work done under the FINSAC. The World Bank and the EBRD has supported fully ADB's initiative in this matter and the former has clarified that it is not planning a FINSAC II. Accordingly, ADB has extended support for a Financial Intermediation and Resource Mobilization Program Loan in 1999, the key objective of which is to improve the efficiency of financial intermediation by promoting a sound, well-functioning and resilient banking system, and enhancing the role of capital markets.

C. Social Infrastructure and Environment

30. The education sector needs reorientation and restructuring in order to meet the new skill requirements of an emerging market economy. Education policy and planning need to be reoriented, institutional capacity strengthened, curricula reformed, teachers retrained, cost recovery improved, and teaching materials and equipment modernized. These requirements cited above are accorded with high priority in the operational strategy. An education master plan formulated with technical assistance from ADB formed the basis for a wide-ranging sector development program financed by ADB in 1997, which addressed many of these issues. ADB-financed technical assistance will support the Government's plan to strengthen education planning and administration. ADB will continue to support the Government's reform efforts in the education sector and in meeting its requirements in basic education and technical and vocational education.

31. The social security system established under the former centrally planned economy is inefficient, and financially unsustainable. The COS recognizes that reforms are needed to promote cost recovery of the system both at the national and provincial levels while addressing poverty and unemployment problems, supporting sustainable decentralized social policy, and better targeting the vulnerable groups. As stated in para. 20, the project mix for the years 2000-2002 indicates a greater focus on social concerns, with increased attention to reducing poverty and improving the quality of life.

32. The operational strategy for the Kyrgyz Republic states the importance of sound management of natural resources and protection of the environment as an important element for sustainable growth. It envisages, however, ADB assistance in this regard to be focused more on addressing environmental concerns related to the projects that ADB support in sectors such as agriculture and infrastructure. ADB extended technical assistance in December 1997 to strengthen the Government's capacity for environmental monitoring and management. ADB assistance is planned on a standby basis in 2000 for a project that will address the long-standing problem of radioactive and other hazardous tailings from several abandoned uranium mines and processing facilities at different locations in the country. The processing of the project is conditional to the requirement that all uranium processing facilities in the country should have been permanently closed down.

D. Governance Dimensions of ADB Operations

33. ADB operations in the Kyrgyz Republic have focused on supporting the transition from the former central planning structures toward rapidly building institutions based on market economy principles. ADB TA and lending operations in the agriculture, energy, road transport, and social sectors have incorporated a substantial program of institution building. ADB assistance has been provided to support strengthening of economic policy making and monitoring capabilities in key government agencies. Besides improving the organizational structure of the agencies, the assistance provides for strengthening their capacity to analyze economic issues, make appropriate policy prescriptions, and monitor the progress and impact of policy reforms. A key area of ADB assistance is support for corporate governance and enterprise reform, which is designed to reform the policy and legal environment to strengthen the competitiveness of public and private enterprises and improve their management. Major components are development of a model company charter for medium and large enterprises, assistance in expediting the liquidation and restructuring of nonviable enterprises, and increased transparency and greater stakeholder commitment of the restructuring process through public information and education. In addition, state-owned and private enterprises have been cut off from subsidized loans from the budget and now must access credit provided by commercial banks, without government guarantee. In the roads sector, ADB operations have supported market liberalization by providing for increased competition between the public and private sectors. In the energy sector, ADB assistance has been provided to enhance cost recovery by strengthening the capacity of concerned agencies to prepare cost-based tariffs for electricity and district heating. In the education sector, ADB assistance has supported developing an education and training master plan to better align policy and planning with the needs of the emerging market economy. Other capacity-building assistance has been provided to water users associations and for environmental management, while the pipeline proposes further assistance in agriculture, education, and tax administration. ADB has an ongoing program of in-country workshops on procurement and disbursement procedures in order to familiarize government officials with best practices in transparent and efficient project implementation. To facilitate widespread dissemination, ADB's guidelines on procurement and consultant selection have been translated into Russian. In 1998, Kyrgyz officials participated in an ADB workshop on improving taxation systems. Officials from the Kyrgyz Republic have also participated in a program of regional TA for Central Asian economies in transition designed to build capacity in project accounting, improve macroeconomic analysis for key policy makers, and improve economic analysis of projects.

E. Gender Dimensions of ADB Operations

34. When the Kyrgyz Republic was part of the Soviet Union, significant inroads had been made in equal opportunity for female participation in the labor force at all levels. This was supported by guaranteed equal access to education, a complete childcare system, and the availability of extraordinary maternity and prenatal benefits and care facilities. With independence, the cost of maintaining the extensive social care system has been untenable and led to erosion of some institutions that supported gender equality. Through projects in social service delivery and skills development, ADB will mitigate some negative impacts of economic transition. The ongoing ADB-financed Social Services Delivery and Finance Project is working with central and local governments to rationalize the costs and delivery of social services. This has been supported by a TA and will be followed by a loan next year. To address the increasing incidence of poverty and unemployment accompanying transition, ADB has developed a project on Skills and Entrepreneurship Development. This project will focus on formal education and training, non-formal skills development, and entrepreneurship supported by the nascent private

sector; the active participation of women is expected to be a special feature of project design. At the sector level, ADB conducted a study on the impact of transition on women titled *Women and Gender Relations: The Kyrgyz Republic in Transition*. The report provides ADB with gender-related interventions in specific sectors with implications for future ADB programming and project activities.

F. Private Sector Operations

35. To date, ADB has not undertaken any direct private sector operations in CARs. This resulted from an earlier arrangement between ADB and the EBRD that there would be a division of labor between the two institutions such that private sector operations would be the responsibility of the latter. However, it is now felt by all parties that ADB has a relevant role to play in direct support to the private sector. Consequently, in consultation with the governments of the CARs and the EBRD, ADB prepared a Private Sector Strategy for Central Asia, which was circulated to the Board of Directors in March 1998. The strategy proposes that ADB respond to the region's needs by (i) focusing on private sector operations that would be directly complementary to public sector programs; (ii) developing programs in those sectors that can have a direct impact on reducing the costs of transition, particularly in the social sectors; and (iii) seeking the maximum involvement of other investors or participants. The Strategy recognizes that, given the existing programs of ADB and other funding agencies, there are likely opportunities for ADB to provide direct assistance to the private sector in (i) the financial sector, especially to encourage good corporate governance; (ii) infrastructure, especially in rehabilitation and operation projects; (iii) the company towns facing difficulties; (iv) agriculture to encourage farm restructuring; (v) small- and medium-scale enterprise assistance; and (vi) social infrastructure to help create private sector service providers. The Government has shown a keen interest in the Strategy and has requested that ADB commence private sector operations in the country at an early date. Accordingly, Private Sector Group staff accompanied ADB's 1999 Country Programming Mission to the Kyrgyz Republic and are currently examining certain possibilities of private sector assistance.

IV. Subregional Economic Cooperation

36. ADB will actively support subregional cooperation in Central Asia. The four ADB members in the region (the Kyrgyz Republic, Kazakhstan, Tajikistan and Uzbekistan) share a common institutional history and face similar policy and reform challenges. Moreover, the infrastructure inherited upon independence was designed to meet the needs of the former Soviet Union, not the requirements of the present independent countries.

37. In response to strong requests from the governments, ADB assistance has been provided to help resolve cross-border and subregional issues. Under a regional technical assistance (RETA) approved in 1997, ADB has supported subregional cooperation among the Kyrgyz Republic, Kazakhstan, Uzbekistan, and the Xinjiang Uygur Autonomous Region of the PRC in the areas of energy, transport, and trade and payments systems. During a series of workshops, high-priority policy reforms and investments were identified. Under the second phase of the initiative, for which additional RETA support was approved by ADB in December 1998: (i) the dialogue will be intensified to support policy reform and sector analysis; (ii) active private sector involvement will be sought; (iii) steps will be taken to improve the institutional capacity of public agencies involved and to enhance the legal and regulatory framework; (iv) assistance will be provided to implement priority regional infrastructure investments; and (v) the inclusion of Tajikistan in these activities will be examined. ADB's support for regional economic cooperation is expected to result in support in 2000 for the rehabilitation of the strategic road

link between Bishkek and Almaty. Other loan projects that could result from the second-phase RETA study are further support of (i) selected road and other transport links between the cited countries; and (ii) subsectors such as intraregional energy trade. Under the ADB-financed RETA: Rural Financial Systems Workshops in Central Asia, a workshop was held which aimed at contributing to capacity building for developing a sustainable rural financial system by gaining better insights on the role of rural finance, by exposing policy makers to best international practices, and by learning from rural finance experiences in the region.

V. Donor Activities and Aid Coordination

38. Within the framework of the Consultative Group, the International Monetary Fund (IMF) and the World Bank play a lead role in mobilizing support in the foreign donor community for the transition of the Kyrgyz Republic to a market economy. In 1993, the IMF provided support through a Standby Arrangement and also made resources available under the Systemic Transformation Facility. IMF efforts have continued since July 1994 with a three-year ESAF, which was completed last year. A second three-year ESAF arrangement was approved by the Fund on 29 June 1998. The World Bank has concentrated on supporting structural reforms, focusing particularly on enterprise and banking reform and agriculture. Its Agriculture Privatization and Enterprise Adjustment Credit supported reforms in land titling and farm restructuring. The World Bank also supports projects in social protection, labor market transformation, and energy. There is an informal understanding between the World Bank and ADB regarding social sector that the former will focus on assisting the health sector and ADB on the education sector. The EBRD has focused on promoting private sector activities through equity participation and loans for mining and agro-processing enterprises and a line of credit for small and medium enterprises. It has provided technical assistance in such sectors as hydropower, agriculture, telecommunications, and tourism. The United States has provided TA programs to support privatization and economic restructuring. Financial and technical assistance has also been provided by the United Nations Development Programme, Japan, Denmark, European Union, Germany, the Netherlands, the United Kingdom, Pakistan, Switzerland, and Turkey.

39. Aid coordination takes place through regular contact between ADB staff and other donors while on mission and through the annual Consultative Group Meetings chaired by the World Bank. The Kyrgyz Republic is one of the countries selected under the Comprehensive Development Framework (CDF) initiative proposed by the World Bank. Pending the opening of a Resident Mission in Bishkek, Management has approved PED undertaking a series of revolving missions to the Kyrgyz Republic in 1999 to support operations and to further strengthen aid coordination. There is already very close coordination between ADB and the representative offices of the major donors to the country such as the World Bank, the IMF, EBRD, USAID, and the UNDP. Excellent relations exist with these organizations and there is generally a free exchange of operational information and documents. A summary of overall external assistance to the Kyrgyz Republic is given in Appendix 3.

VI. Cofinancing and Catalyzing External Resources

40. Cofinancing has been an important feature of ADB operations in the Kyrgyz Republic. Of the 12 projects financed by ADB (with loans amounting to \$386.2 million) five have involved cofinancing from sources such as IDA, DANIDA, Switzerland, OECF, OPEC Fund and the Nordic Development Fund amounting to \$110.28 million equivalent. This represents a cofinancing ratio of 28.6 percent (vs. Bankwide average of 40.0 percent). A number of high-priority project proposals, such as investments in power and transport infrastructure, involve

large sums of external assistance relative to the resources that ADB can provide. Therefore cofinancing will be sought to fill these financing gaps, bearing in mind the need to maintain concessional terms for lending activities. Given the Government's fiscal difficulties, cofinancing is also important to help reduce the share of counterpart financing in total project costs. For these reasons, ADB and the Government have agreed to explore cofinancing opportunities with key donors. However, since the Kyrgyz Republic is implementing an economic stabilization program under the IMF, cofinancing strategies should maintain consistency with external borrowing policies under the IMF program, especially nonconcessional borrowing including Government guarantees. ADB cofinancing operations have focused on official cofinancing in accordance with the ESAF program. Given the restrictions on nonconcessional borrowing including Government guarantees, there are very limited prospects for export credit financing and commercial financing.

VII. ADB's Operational Program

41. ADB's operations are proceeding well and the Government takes a keen interest in implementing projects on time. Its determination to take difficult policy decisions particularly relating to sectoral adjustments can be seen from ADB-assisted interventions in the road, power, agriculture, and education sectors and for improving corporate governance. Both the Government and ADB can look back with some satisfaction to the operations that have grown from one loan each of \$40 million in 1994 and 1995 to three loans amounting to \$72 million in 1999. Lending levels to the Kyrgyz Republic will depend principally on (i) ADF availability; (ii) the Government's adherence to the macroeconomic stabilization and structural reform program; (iii) the satisfactory performance of the ongoing projects in the Kyrgyz portfolio; and (iv) the availability of counterpart funds. Due to ADB's ADF resource constraints since 1998, the annual lending indicative planning figures (IPF) for the Kyrgyz Republic was reduced from \$80 million to \$70 million. In view of the Kyrgyz Republic's excellent track record in carrying out reforms and in implementing ADB-financed projects, the cut in the annual lending IPF was less than that in some other ADF-recipient DMCs. Despite the current budget constraints, in the medium-term the Kyrgyz Republic has the capacity to absorb a higher level of concessional ADB assistance to meet its development needs. As may be seen from the operational program for 2000-2002 the requirements for ADB financing exceed the annual lending IPF of \$70 million. Adjustments would have to be made each year to fit the lending program within the ADF resources available.

42. The proposed loan and TA pipeline for 2000-2002 is summarized in Table 1. The details are in Appendixes 4 and 5. Project profiles for firm 2000 loans are attached as Appendix 6.

VIII. Economic and Sector Work Program

43. The proposed economic and sector work (ESW) is focused on assisting the Government in developing and implementing policy and institutional reforms in the education, road, power, and social sectors. Cross-cutting issues such as poverty reduction and environmental management will also be analyzed. The second phase of the regional economic technical assistance for the governments of the Kyrgyz Republic, Kazakhstan, the People's Republic of China, and Uzbekistan (see para. 36) will also constitute an important item of ESW during the current year.

Table 1: Lending and Technical Assistance Program, 2000-2002

A. Public Sector Lending Program

	1998 (Actual)		1999 (Actual)		2000		2001		2002	
	(No.)	(\$ million)	(No.)	(\$ million)	(No.)	(\$ million)	(No.)	(\$ million)	(No.)	(\$ million)
Lending Program ^a	3	65.0	3	72.0	3	66.0	4	110.0	2	80.0
ADF	3	65.0	3	72.0	3	66.0	4	110.0	2	80.0
OCR	-	-	-	-	-	-	-	-	-	-
Lending Pipeline ^b					4	86.0	4	110.0	2	80.0
ADF					4	86.0	4	110.0	2	80.0
OCR					-	-	-	-	-	-

B. Technical Assistance Program

	1998 (Actual)		1999 (Actual)		2000		2001		2002	
	(No.)	(\$'000)	(No.)	(\$'000)	(No.)	(\$'000)	(No.)	(\$'000)	(No.)	(\$'000)
TA Program ^a	7	3,918.0	6	2,922.5	9	5,390.0	5	3,350.0	2	1,300.0
TA Pipeline ^b					10	5,990.0	5	3,350.0	2	1,300.0

^a The Program is comprised of the firm projects.

^b The Pipeline consists of the Program (firm projects) and standby projects. In 2001 and 2002, there is no distinction between firm and standby.

IX. Local Cost Financing

44. There are inherent weaknesses in the tax administration and budget systems of the Government. These are being addressed with the help of the IMF and other agencies but the results will only be apparent over the medium term. The focus of the Government has therefore been on reducing public expenditure, which has resulted in a serious limitation of funds available for agriculture, social sector needs and public infrastructure. In view of these factors, ADB will finance up to 80 percent of total project costs, including the provision of local cost financing. To date, ADB financing has been limited to 30-58 percent of the total cost of individual projects, including a relatively modest amount of local cost. This is largely because of the availability of cofinancing for the concerned projects.

KYRGYZ REPUBLIC
COUNTRY PERFORMANCE INDICATORS

Item	1994	1995	1996	1997	1998	1999
ECONOMIC INDICATORS						
A. Income and Growth						
1. GNP per capita (\$, current) ^a	550.0	500.0	550.0	480.0	-	-
2. GDP Growth (% , constant prices)	-20.1	-5.4	7.1	9.9	1.8	0.4 ^b
a. Agriculture and Forestry	-8.6	-2.0	15.2	12.3	4.1	-6.8 ^b
b. Industry and Construction	-37.3	-12.3	2.6	19.8	-6.6	6.5 ^b
c. Services	-17.1	-4.4	-0.2	0.6	4.5	0.9 ^b
B. Money and Inflation						
	(annual percent change)					
1. Consumer Prices (annual average)	278.1	42.9	30.3	25.5	12.1	27.2 ^b
2. Consumer Prices (end of period)	87.2	31.9	35.0	14.7	18.3	40.9 ^b
3. Broad Money (M2)	125.3	77.8	22.9	25.4	17.1	16.0 ^b
C. Government Finance						
	(percent of GDP)					
1. Revenue (including grants)	20.8	16.7	15.9	16.2	17.6	-
2. Total Expenditure	32.4	33.2	25.3	25.1	27.5	-
3. Accrual Surplus (+) / Deficit (-) ^c	-11.6	-16.4	-9.4	-8.9	-9.9	-
4. Overall (cash) Surplus (+) / Deficit (-) ^c	-11.6	-17.3	-9.5	-9.0	-8.8	-
D. Balance of Payments						
	(percent of GDP)					
1. Trade Balance	-7.8	-8.2	-13.8	-0.9	-13.7	-4.1 ^d
2. Current Account Balance	-7.6	-15.7	-23.2	-7.8	-22.6	-15.3 ^d
3. Export (\$) growth (%)	0.1	20.3	29.9	18.8	-15.2	-10.1 ^d
4. Import (\$) growth (%)	-4.6	24.6	47.5	-17.5	17.0	-23.3 ^d
E. External Payments Indicators						
1. Gross Official Reserves (\$ million, end-period)	97.9	113.8	127.5	195.9	188.6	209.1 ^d
(months of Imports)	2.5	2.0	1.5	3.0	2.5	3.9 ^d
2. External Debt Service (% of exports) ^e	4.1	17.8	8.5	5.7	7.0	8.0 ^d
3. External Debt (% of GDP) ^e	32.3	36.4	41.5	54.1	65.8	76.1 ^d
Memorandum Items:						
GDP (million soms, current prices)	12,019	16,145	23,399	30,686	33,891	14,916 ^b
Exchange Rate (som per \$, annual average)	10.9	10.8	12.8	17.4	21.0	35.1 ^b
Population (thousand)	4433	4547	4605	4666	4730	-

- = Not available; GNP = Gross National Product; GDP = Gross Domestic Product.

^a World Bank estimates, using Atlas methodology based on a three-year average of inflation-adjusted exchange rates. The estimate is heavily biased by the use of the official ruble-dollar exchange rate in pre-independence years.

^b Refers to the first half of 1999.

^c The fiscal accounts now include the foreign financed public investment program (PIP); and privatization revenues were reclassified from capital revenue to domestic financing. As a result, the measured deficits differ from previous reports.

^d Refers to the first quarter of 1999.

^e External debt includes public and publicly-guaranteed debt.

Sources: National Statistical Committee, National Bank of the Kyrgyz Republic, World Bank, and International Monetary Fund.

KYRGYZ REPUBLIC
COUNTRY PERFORMANCE INDICATORS

Item	1985	1990	Latest Year	
POPULATION INDICATORS				
Total Population (millions)	4.0	4.3	4.7	(1998)
Rural Population (percent)	–	61.9	65.0	(1997)
Annual Population Growth Rate (% change over the previous year)	2.4	1.9	1.4	(1998)
SOCIAL INDICATORS				
Total Fertility Rate (births per woman)	3.9	3.7 (1992)	3.3	(1995)
Maternal Mortality Rate (per hundred thousand live births)	42.8	44.0 (1993)	44.0	(1995)
Infant Mortality Rate (below 1 year; per '000 live births)	37.8	31.3 (1993)	35.0	(1995)
Life Expectancy at Birth (years)	68.5	68.0 (1993)	66.9	(1997)
Female	69.8	72.7 (1993)	71.0	(1997)
Male	65.6	64.6 (1993)	62.3	(1997)
Adult Literacy (%)	90.5	95.2 (1991)	95.1	(1997)
Primary School Enrollment (% of schoolage population)	123.0	112.0	110.0	(1994)
Female	123.0	112.0	111.0	(1994)
Secondary School Enrollment (% of schoolage population)	110.0	101.0	86.0	(1994)
Female	108.0	102.0	89.0	(1994)
Child Malnutrition (% of under age 5)	–	7.0 (1993)	9.3	(1996)
Percent of households below the poverty line	–	39.7 (1993)	49.2	(1996)
Income Ratio of Highest 20% to Lowest 20%	–	5.7 (1993)	6.7	(1995)
Population with Access to Safe Water (%)	–	–	–	
Population with Access to Sanitation (%)	–	–	53.0	(1993)
Public Education Expenditure as % of GDP	–	8.2	5.6	(1995)
Public Health Expenditure as % of GDP	–	3.9	3.4	(1995)
Human Development Index	–	0.689	0.702	(1997)
Human Development Ranking	–	83	97	(1997)
ENVIRONMENTAL INDICATORS				
Forestry				
Total Forest Area (thousand hectares)	–	730 (1990)	730	(1995)
Annual deforestation	–	–	–	
Biodiversity				
Nationally protected area				
Area (thousand hectares)	–	–	688	(1997)
Number	–	–	31	(1997)
As % of land area	–	–	3.6	(1997)
Biosphere reserves				
Area (thousand hectares)	–	–	71	(1997)
Number	–	–	1	(1997)
World Heritage sites (number)				
Area (thousand hectares)	–	–	–	(1997)
Number	–	–	–	(1997)
Wetlands of international importance				
Area (thousand hectares)	–	–	630	(1997)
Number	–	–	1	(1997)
Land Use (thousand hectares)				
Cropland	–	–	1,387	(1992-94)
Permanent pasture	–	–	8,900	(1992-94)
Global Environmental Problems				
Total CO ₂ emissions (thousand metric tons)	–	–	5,463	(1995)
Per capita CO ₂ emissions (metric tons)	–	–	1.2	(1995)

– = not available; GDP = Gross Domestic Product; CO₂ = carbon dioxide.

Source: National Statistical Committee, World Bank, UNDP, WRI.

KYRGYZ REPUBLIC
PORTFOLIO PERFORMANCE

Table 1 : Implementation, Disbursement Performance and Postevaluation Results
Public Sector Projects only
(as of 31 December 1998)

A. Project Portfolio	Net Loan Amount \$ million %		Rating (No.) ^a										
			Total		Implementation Progress				Development Objectives				
			No.	%	HS	S	PS	U	HS	S	PS	U	
Agriculture and Natural Resources	12.7	4.6	1	11.1	-	1	-	-	-	-	1	-	-
Energy	28.4	10.4	1	11.1	-	1	-	-	-	-	1	-	-
Finance and Industry	-	-	-	-	-	-	-	-	-	-	-	-	-
Social Infrastructure	43.7	15.9	2	22.2	-	2	-	-	-	-	2	-	-
Transport and Communications	100.4	36.6	2	22.2	-	2	-	-	-	-	2	-	-
Others/Multisector	89.1	32.5	3	33.4	-	3	-	-	-	-	2	1	-
Total	274.3	100.0	9	100.0	0	9	0	0	0	0	8	1	0

B. Disbursements	OCR	ADF	Total
(1) Total funds available for withdrawal (\$ mn, active loans only)	-	211.12	211.12
(2) Disbursed amount (\$ mn, cumulative, active loans only)	-	117.49	117.49
(3) Percentage disbursed [(2)/(1)] (%)	-	55.65	55.65
(4) Disbursements (\$mn, active loans only, latest year)	-	43.28	43.28
(5) Disbursement ratio (%) ^b	-	32.62	32.62
C. Net Transfer of Resources (\$ million)	OCR	ADF	Total
Net transfer in 1995	-	33.94	33.94
Net transfer in 1996	-	25.80	25.80
Net transfer in 1997	-	51.24	51.24
Net transfer in 1998	-	42.10	42.10

D. Post-Evaluated Projects (By Year of Approval)	1968 - 1977		1978 - 1987		1988 - 1998		1968 - 1998	
	No.	%	No.	%	No.	%	No.	%
1. Postevaluation Rating								
Rated Generally Successful (GS)	-	-	-	-	-	-	-	-
Rated Partly Successful (PS)	-	-	-	-	-	-	-	-
Rated Unsuccessful (US)	-	-	-	-	-	-	-	-
No Rating	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-
2. Postevaluation Rating by Sector (1968-1998)								
	GS	PS	US	NR	Total			
	No. %	No. %	No. %	No. %	No. %	No.	%	
Agriculture and Natural Resources	- -	- -	- -	- -	- -	-	-	
Energy	- -	- -	- -	- -	- -	-	-	
Finance and Industry	- -	- -	- -	- -	- -	-	-	
Social Infrastructure	- -	- -	- -	- -	- -	-	-	
Transport and Communications	- -	- -	- -	- -	- -	-	-	
Others/Multisector	- -	- -	- -	- -	- -	-	-	
Total	- -	- -	- -	- -	- -	-	-	

^a HS: Highly satisfactory; S: Satisfactory; PS: Partially satisfactory; U: Unsatisfactory

^b Ratio of disbursement during the year over the undisbursed net loan balance less cancellations at the beginning of the year. Effective loans during the year have also been added to the beginning balance of undisbursed loans.

KYRGYZ REPUBLIC
PORTFOLIO PERFORMANCE

Table 2 : Status of Project Implementation
Public Sector Projects Only
(as of 31 December 1998)

Sector ^a	Project Title	Net Loan Amount		Approval Date (mm/yy)	Effectivity Date (mm/yy)	Closing Date		Physical Progress (% complete)	Cum. Contract Awards (\$ million)	Cumulative Disbursement (\$ million)	Project Performance Rating ^b	
		OCR	ADF			Original	Revised				Implementation Progress	Development Objective
		(\$ million)				(mm/yy)						
AGR	Rural Financial Institutions Project	-	12.65	Aug-97	Apr-98	Mar-05	-	-	0.27	0.77	S	S
ENE	Power and District Heating Rehabilitation Project	-	28.39	Jun-96	Apr-97	Jun-00	-	-	26.39	13.00	S	S
SOC	Education Sector Development Program	-	19.28	Sep-97	Mar-98	May-99	-	-	9.78	9.42	S	S
SOC	Education Sector Development Project	-	14.19	Sep-97	Mar-98	Jun-03	-	3	0.43	0.50	S	S
SOC	Social Services Delivery and Finance Project	-	10.27	Nov-98	pending	Jun-04	-	-	-	-	S	S
T&C	Road Rehabilitation Project	-	47.48	Jun-96	Sep-96	Apr-00	-	65	44.12	32.41	S	S
T&C	Second Road Rehabilitation Project	-	52.95	Sep-98	pending	Apr-02	-	-	-	-	S	S
OTH	Corporate Governance and Enterprise Reform Program	-	40.04	Sep-97	Dec-97	Dec-99	-	-	22.66	19.65	S	S
OTH	Capacity Building in Corporate Governance & Insolvency Project	-	4.04	Sep-97	Dec-97	Jun-01	-	25	2.29	1.13	S	S
OTH	Special Assistance Project	-	39.77	Dec-94	Feb-95	Jun-97	Oct-98	95	39.77	39.77	S	PS
OTH	Flood Emergency Rehabilitation Project	-	5.30	Sep-98	Nov-98	Apr-01	-	2	1.00	0.84	S	S
Total		0.00	274.36						146.71	117.49		

^a Sector:

AGR: Agriculture & Natural Resources

ENE: Energy

SOC: Social Infrastructure

I&F: Industry and Finance

T&C: Transport and Communications

OTH: Multisector/Others

^b HS: Highly satisfactory; S: Satisfactory; PS: Partially satisfactory; U: Unsatisfactory

KYRGYZ REPUBLIC
OVERALL EXTERNAL ASSISTANCE

External Source (\$ million)	Pre 1998 Cumulative	1998 Approvals	Total
A. Multilateral Assistance			
ADB	263.48	65.00	328.48
EBRD	91.44	20.00	111.44
EU	51.92	-	51.92
IDB	31.04	10.00	41.04
IFAD	9.60	8.00	17.60
Nordic Fund	5.50	-	5.50
OPEC	-	5.00	5.00
UNDP	19.21	-	19.21
USAID	73.14	-	73.14
World Bank	390.31	50.00	440.31
Subtotal	935.64	158.00	1,093.64
B. Bilateral Assistance			
China	5.35	12.00	17.35
Denmark	20.19	9.80	29.99
Finland	2.50	-	2.50
France	4.34	-	4.34
Great Britain	1.59	-	1.59
Germany	60.99	12.00	72.99
India	5.00	-	5.00
Japan	223.85	40.80	264.65
Korea	-	12.00	12.00
Kuwait	8.70	-	8.70
Norway	0.60	-	0.60
Pakistan	10.00	-	10.00
Switzerland	31.30	-	31.30
Turkey	77.15	-	77.15
USA	-	-	-
Netherlands	15.74	-	15.74
Subtotal	467.31	86.60	553.91
Total	1,402.95	244.60	1,647.55

Source : Government and Programs Division.

KYRGYZ REPUBLIC
LENDING PIPELINE AND TECHNICAL ASSISTANCE PROGRAM, 2000-2002
(Amounts in \$ million)

Sector/Project Name	Strategic		Responsible	Year of	PROJECT COST							
	Dev't Objectives ^a				Division	PPTA	TOTAL	Bank			Gov't	Cofinancing (Others)
	Primary	Secondary						OCR	ADF	Total		
2000 FIRM LOANS												
Social Infrastructure												
1. Community-Based Infrastructure Services Sector	POV	HD	AEWU	1998	45.0	-	36.0	36.0	9.0	-		
2. Skills and Entrepreneurship Development	HD	POV	AEEH	1998	31.3	-	25.0	25.0	TBD	TBD		
Subtotal					76.3	0.0	61.0	61.0	TBD	TBD		
Transport and Communications												
1. Almaty-Bushkek Regional Road Rehabilitation	ECO	-	IETC	1996	6.7	-	5.0	5.0	1.3	0.4		
Subtotal					6.7	0.0	5.0	5.0	1.3	0.4		
Total					83.0	0.0	66.0	66.0	TBD	TBD		
2000 STANDBY LOAN												
Others												
1. Environment Improvement	ENV	-	IEEN	1999	33.0	-	20.0	20.0	13.0	-		
Subtotal					33.0	0.0	20.0	20.0	13.0	0.0		
Total					33.0	0.0	20.0	20.0	13.0	0.0		
2001 LOAN PIPELINE												
Agriculture and Natural Resources												
1. Second Agriculture Area Development	ECO	-	AEAR	2000	38.0	-	30.0	30.0	TBD	TBD		
Subtotal					38.0	0.0	30.0	30.0	TBD	TBD		
Energy												
1. Sub-regional Power Transmission Line	ECO	-	IEEN	-	25.0	-	20.0	20.0	TBD	TBD		
Subtotal					25.0	0.0	20.0	20.0	TBD	TBD		
Social Infrastructure												
1. Community-Based Early Child Development	HD	POV	AEEH	1999	25.0	-	20.0	20.0	TBD	TBD		
Subtotal					25.0	0.0	20.0	20.0	TBD	TBD		
Transport and Communications												
1. Third Road Rehabilitation	ECO	-	IETC	1999	50.0	-	40.0	40.0	TBD	TBD		
Subtotal					50.0	0.0	40.0	40.0	TBD	TBD		
Total					138.0	0.0	110.0	110.0	TBD	TBD		
2002 LOAN PIPELINE												
Agriculture and Natural Resources												
1. Rural Development/Poverty Reduction	ECO	POV	AEAR	2001	50.0	-	40.0	40.0	TBD	TBD		
Subtotal					50.0	0.0	40.0	40.0	TBD	TBD		
Social Infrastructure												
1. Third Education	HD	-	AEEH	2001	50.0	-	40.0	40.0	TBD	TBD		
Subtotal					50.0	0.0	40.0	40.0	TBD	TBD		
Total					100.0	0.0	80.0	80.0	TBD	TBD		

^a ECO = Economic Growth; ENV = Environmental Protection; HD = Human Development; and POV = Poverty Reduction.
TBD = to be determined.

KYRGYZ REPUBLIC
LENDING PIPELINE AND TECHNICAL ASSISTANCE PROGRAM, 2000-2002

Sector/Project Name	Responsible Division	Type of TA	Amount (\$'000)		
			Bank	Others	Total
2000 TECHNICAL ASSISTANCE PROGRAM					
<u>FIRM</u>					
Agriculture and Natural Resources					
1. Second Agriculture Area Development	AEAR	PP	650.0	-	650.0
2. Capacity Building Program for Agriculture in Selected Oblasts	AEAR	AD	700.0	-	700.0
Subtotal			1,350.0	0.0	1,350.0
Social Infrastructure					
1. Community-based Early Child Development	AEEH	PP	700.0	-	700.0
2. Institutional Strengthening for Community-based Infrastructure Services ^a	AEWU	AD	650.0	-	650.0
3. Strengthening Skills and Entrepreneurship Development ^a	AEEH	AD	650.0	-	650.0
Subtotal			2,000.0	0.0	2,000.0
Transport and Communications					
1. Improvement of Road Sector Efficiency	IETC	PP	440.0	-	440.0
Subtotal			440.0	0.0	440.0
Others					
1. Environment Improvement Project	IEEN	PP	550.0	-	550.0
2. Environment Monitoring and Management Capacity Building II	ENVD	AD	650.0	-	650.0
3. Strengthening Project Monitoring and Aid Coordination (Phase II)	PE3	AD	400.0	-	400.0
Subtotal			1,600.0	0.0	1,600.0
Total (Firm)			5,390.0	0.0	5,390.0
<u>STANDBY</u>					
Others					
1. Environment Improvement Institutional Strengthening ^a	IEEN	AD	600.0	-	600.0
Subtotal			600.0	0.0	600.0
Total (Standby)			600.0	0.0	600.0
2001 TECHNICAL ASSISTANCE PROGRAM					
Agriculture and Natural Resources					
1. Rural Development/Poverty Reduction	AEAR	PP	700.0	-	700.0
Subtotal			700.0	0.0	700.0
Social Infrastructure					
1. Third Education	AEEH	PP	650.0	-	650.0
2. Institutional Support for Early Child Development ^a	AEEH	AD	650.0	-	650.0
Subtotal			1,300.0	0.0	1,300.0
Transport and Communications					
1. Fourth Road Rehabilitation	IETC	PP	700.0	-	700.0
2. Institutional Support in the Transport Sector ^a	IETC	AD	650.0	-	650.0
Subtotal			1,350.0	0.0	1,350.0
Total			3,350.0	0.0	3,350.0
2002 TECHNICAL ASSISTANCE PROGRAM					
Agriculture and Natural Resources					
1. Capacity Building for Rural Development/Poverty Reduction	AEAR	AD	650.0	-	650.0
Subtotal			650.0	0.0	650.0
Social Infrastructure					
1. Institutional Support for Education ^a	AEEH	AD	650.0	-	650.0
Subtotal			650.0	0.0	650.0
Total			1,300.0	0.0	1,300.0

^a Piggy-backed to a loan.

KYRGYZ REPUBLIC
LENDING PROGRAM BY TYPE AND SECTOR, 2000-2002

Classification	2000 (Firm)		2001-2002	
	No.	% ^a	No.	% ^a
I. By Type				
A. Economic Growth	1	33.3	3	50.0
B. Projects Directly Aimed at Social Concerns	2	66.7	2	33.3
C. Projects Directly Aimed at Environmental Concerns	-	-	-	-
D. Economic Growth-oriented Projects with Social and/or Environmental Concerns	-	-	1	16.7
Total	3	100.0	6	100.0
II. By Sector				
A. Agriculture and Natural Resources	-	-	2	33.3
B. Energy	-	-	1	16.7
C. Finance and Industry	-	-	-	-
D. Transport and Communications	1	33.3	1	16.7
E. Social Infrastructure	2	66.7	2	33.3
F. Others/Multisector	-	-	-	-
Total	3	100.0	6	100.0

^a rounded off.

KYRGYZ REPUBLIC

PROJECT PROFILE					
1. Project Name: Community-Based Infrastructure Services Sector			2. Sector/Subsector: Social Infrastructure/Urban Development		
3. Dev. Objective: Primary: POV Secondary: HD					
4. Rationale & Objectives: There is a large unmet demand for basic infrastructure services. The objective of the Project is to provide to selected communities: (i) safe, adequate, and reliable piped water supply services; (ii) sanitation facilities, health and hygiene education, and water quality surveillance; (iii) flood control and drainage facilities, and improvement of local roads; and (iv) improvement of the capacity of the local government offices responsible for operation and maintenance of the infrastructure services.			5. Beneficiary Participation/Consultation Needs: The Project recognizes that community management is central to achieving the envisaged human development objective. Accordingly, the Project includes the capacity-building program, involvement of community-based organizations; and other institutional support.		
6. Scope: The Project consists of two parts: Part A includes subprojects for the construction of (i) simple, low-cost water supply system; (ii) sanitation, flood control and drainage facilities; and (iii) local roads. Part B includes (i) a health and hygiene education program; (ii) water quality testing program; and (iii) a capacity-building program for the local governments to help set up organizations for operation and maintenance of the basic need infrastructure services.					
7. Estimated Cost & Financing Plan (\$):			(b) Remarks		
(a) Loan Project Cost (\$m)			The local governments are expected to contribute about \$5 million and the central government about \$4 million.		
Financing (Source)	FC	LC			Total
ADB	18.0	18.0			36.0
Cofinancing					
Borrower		9.0			9.0
Total	17.0	27.0	45.0		
8. Estimated Benefits and Beneficiary Groups: The Project is expected to cover and benefit about five selected small towns and 600 villages located in the provinces of Chui, Jalal-Abab, and Osh. Overall, about one million, of whom approximately 60 percent are below the poverty line, will benefit directly from the Project through the provision of good quality water supply facilities and other basic need infrastructure facilities.					
9. Executing Agency: The Ministry of Agriculture and Water Resources			11. Project Implementation Period: Start: June 2000 End: June 2005		
10. Previous Bank Experience with EA (Good, Fair, Poor): Good					
12. Portfolio Feedback:			13. Expected Issues: Implementation arrangements		
14. Environmental Category: B			16. Processing Year:		
15. Input Date: 17-Jun-1999			1998	2000	

KYRGYZ REPUBLIC

PROJECT PROFILE					
1. Project Name: Skills and Entrepreneurship Development		2. Sector/Subsector:			
Location (Province): Kyrgyz Republic		Social Infrastructure/Education			
3. Dev. Objective: Primary: HD Secondary: POV		5. Beneficiary Participation/Consultation Needs:			
4. Rationale & Objectives:		To be determined during the PPTA.			
The Government is now faced with the immediate problems of increasing poverty and unemployment and the medium- to long-term concern of how to prepare its labor force for eventual economic recovery. The Project aims to improve not only the formal system of technical and vocational education and training but also non-formal skills and entrepreneurship development.					
6. Scope:					
To be determined by the PPTA. Tentatively, the Project will address the country's needs in: (i) formal technical and vocational education and training; (ii) non-formal skills development; (iii) entrepreneurship development; and (iv) development of private sector linkages with the above three areas.					
7. Estimated Cost & Financing Plan (\$):				(c) Remarks	
(a) TA: Amount - \$600,000 (PPTA - 1998) Source - TBD					
(b) Loan Project Cost (\$m)					
Financing (Source)	FC	LC	Total		
ADB	TBD	TBD	25.0		
Cofinancing	TBD	TBD	TBD		
Borrower	TBD	TBD	TBD		
Total	TBD	TBD	31.3		
8. Estimated Benefits and Beneficiary Groups:					
The Project would improve not only the skills of the country's economically active segment of the labor force but also the capacity of unemployed and out-of-school youth and adults to seek livelihood through entrepreneurship. The Project would also increase the sense of partnership between the Government and the private sector in skills and entrepreneurship development. Beneficiary will be identified by the PPTA.					
9. Executing Agency:		11. Project Implementation Period:			
TBD		Start: 2001			
10. Previous Bank Experience with EA (Good, Fair, Poor): Good		End: 2006			
12. Portfolio Feedback:		13. Expected Issues:			
14. Environmental Category: TBD		16. Processing Year:		TA	
15. Input Date: Jun-1999				1998	
				2000	

KYRGYZ REPUBLIC

PROJECT PROFILE

1. Project Name: Almaty-Bishkek Regional Road Rehabilitation Location (Province): Bet. Almaty in KAZ and Bishkek in KGZ		2. Sector/Subsector: Transport and Communication (Roads and Road Transport Subsector)		
3. Dev. Objective: Primary: ECO Secondary:				
4. Rationale & Objectives: The Almaty-Bishkek road is at a cross-link between the road corridors that connect the Far East with Europe and Fergana valley with Russia. Its rehabilitation, combined with removal of the cross-border physical and non-physical barriers impeding cross-border transport will facilitate regional cooperation complementing earlier assistance by the Bank in Kazakhstan, the Kyrgyz Republic and Uzbekistan and is given high priority by both the Governments. The objective of the Project is to improve the efficiency and safety of the principal regional road transport link between Almaty and Bishkek by rehabilitating road infrastructure, modernizing border control policies and procedures, upgrading cross-border facilities, improving the coordination and management of road safety and introducing an efficient road maintenance system.		5. Beneficiary Participation/Consultation Needs: Beneficiary participation in the project formulation was encouraged during the course of social analysis using participatory approach. Local key persons and households were interviewed in selected towns and villages of the project influence area to address such problems in project design.		
6. Scope: The Project comprises (i) rehabilitation of Kyrgyz portion of Almaty-Bishkek road comprising about 41 km, including consulting services for project supervision; and (ii) improvement of customs facilities at Georgievka border.				
7. Estimated Cost & Financing Plan (\$):			(c) Remarks	
(a) TA: Amount - (Project preparation study was carried out under Loan No. 1444-KGZ.)				
(b) Loan Project Cost (\$m)				
Financing (Source)	FC	LC		Total
ADB	3.3	1.7		5.0
Cofinancing	0.4	0.0		0.4
Borrower	0.0	1.3		1.3
Total	3.7	3.0	6.7	
8. Estimated Benefits and Beneficiary Groups: Efficient road transport and cross-border services on the Almaty-Bishkek road will benefit regional and international freight and passenger traffic, facilitate regional economic cooperation, and will serve as an example for future harmonizing and coordinating road transport and customs policies, regulations and procedures through simplified, effective and transparent cross-border procedures. The beneficiaries will be the road users and private contractors participating in road maintenance after completion of rehabilitation works. The economic internal rate of return of the Kyrgyz portion of the Project is estimated by about 34 percent.				
9. Executing Agency: Ministry of Transport and Communications		11. Project Implementation Period: Start: 2000 End: 2002		
10. Previous Bank Experience with EA (Good, Fair, Poor): Good				
12. Portfolio Feedback: N/A		14. Expected Issues:		
14. Environmental Category: B		16. Processing Year:		
15. Input Date: 13-Jan-2000		TA	Loan	
		-	2000	

KYRGYZ REPUBLIC

PROJECT PROFILE					
1. Project Name: Environment Improvement Project			2. Sector/Subsector: Energy-Others		
3. Dev. Objective: Primary: ENV Secondary:			5. Beneficiary Participation/Consultation Needs:		
4. Rationale & Objectives: The primary objective of the TA is to formulate a project for environmental improvement which aims at (i) mitigating and controlling risks at the closed uranium mining and processing sites, and (ii) building environmental management capacity to decommission sites, undertake remedial measures, assess environmental impacts, and monitor compliance in an accountable and cost-effective manner.					
6. Scope: The study to be financed by the TA would review all relevant information and data on the uranium tailings located at the closed mines and processing plants to identify priority environmental problems and to determine ways of achieving cost-effective environmental improvement. The technical integrity, risks and potential damage costs of possible failures at the tailings sites would be assessed to develop an action plan for any recommended remedial measures. A strategy for implementation of the plan would be outlined, and a prioritized program and social impacts of the tailings would be assessed to outline a program for minimizing any adverse effect.					
7. Estimated Cost & Financing Plan (\$):			(c) Remarks		
<p>(a) TA: Amount - 0.550 m Source - TASF</p>					
(b) Loan Project Cost (\$m)					
Financing (Source)	FC	LC			Total
ADB	20.0				20.0
Cofinancing					
Borrower	5.0	8.0	13.0		
Total	25.0	8.0	33.0		
8. Estimated Benefits and Beneficiary Groups:					
9. Executing Agency: Ministry of Emergency and Civil Defense			11. Project Implementation Period: Start: 2001 End: 2004		
10. Previous Bank Experience with EA (Good, Fair, Poor):			13. Expected Issues: Closure of uranium mines and processing facilities.		
12. Portfolio Feedback:					
14. Environmental Category: A			16. Processing Year:		
15. Input Date: 29-Jul-1999			1999	2000	

ASIAN DEVELOPMENT BANK

**COUNTRY ASSISTANCE PLAN
(2000-2002)
PIPELINE UPDATE**

KYRGYZ REPUBLIC

March 2000

KYRGYZ REPUBLIC
LENDING PIPELINE AND TECHNICAL ASSISTANCE PROGRAM, 2000-2002
(Amounts in \$ million)

Sector/Project Name	Strategic Dev't Objectives ^a		Responsible Division	Year of PPTA	PROJECT COST					
	Primary	Secondary			TOTAL	Bank		Gov't	Cofinancing (Others)	
						OCR	ADF			Total
2000 FIRM LOANS										
Social Infrastructure										
1. Community-Based Infrastructure Services Sector	POV	HD	AEWU	1998	45.0	-	36.0	36.0	9.0	-
2. Skills and Entrepreneurship Development	HD	POV	AEEH	1998	31.3	-	25.0	25.0	TBD	TBD
Subtotal					76.3	0.0	61.0	61.0	TBD	TBD
Transport and Communications										
1. Almaty-Bishkek Regional Road Rehabilitation	ECO	-	IETC	1996	6.7	-	5.0	5.0	1.3	0.4
Subtotal					6.7	0.0	5.0	5.0	1.3	0.4
Total					83.0	0.0	66.0	66.0	TBD	TBD
2001 LOAN PIPELINE										
Transport and Communications										
1. Third Road Rehabilitation	ECO		IETC	1999	50.0	-	40.0	40.0	TBD	TBD
Subtotal					50.0	0.0	40.0	40.0	TBD	TBD
Social Infrastructure										
1. Community-Based Early Child Development	POV	HD	AEEH	2000	37.5	-	30.0	30.0	TBD	TBD
Subtotal					37.5	0.0	30.0	30.0	TBD	TBD
Total					87.5	0.0	70.0	70.0	TBD	TBD
2002 LOAN PIPELINE										
Agriculture and Natural Resources										
1. Rural Development/Poverty Reduction	POV		AEAR	2001	50.0	-	40.0	40.0	TBD	TBD
Subtotal					50.0	0.0	40.0	40.0	TBD	TBD
Others										
1. Corporate Governance and Enterprise Reform Program II	ECO		IEFI	2001	30.0	-	30.0	30.0	0.0	0.0
Subtotal					30.0	0.0	30.0	30.0	0.0	0.0
Total					80.0	0.0	70.0	70.0	TBD	TBD

^a ECO = Economic Growth; HD = Human Development; and POV = Poverty Reduction.
TBD = to be determined.

KYRGYZ REPUBLIC
LENDING PIPELINE AND TECHNICAL ASSISTANCE PROGRAM, 2000-2002

Sector/Project Name	Responsible Division	Type of TA	Amount (\$'000)		
			Bank	Others	Total
2000 TECHNICAL ASSISTANCE PROGRAM					
Agriculture and Natural Resources					
1. Capacity Building Program for the Ministry of Agriculture and Water Resources	AEAR	AD	600.0	-	600.0
Subtotal			<u>600.0</u>	<u>0.0</u>	<u>600.0</u>
Social Infrastructure					
1. Community-based Early Child Development	AEEH	PP	700.0	-	700.0
2. Institutional Strengthening for Community-based Infrastructure Services ^a	AEWU	AD	650.0	-	650.0
3. Strengthening Skills and Entrepreneurship Development ^a	AEEH	AD	600.0	-	600.0
Subtotal			<u>1,950.0</u>	<u>0.0</u>	<u>1,950.0</u>
Transport and Communications					
1. Improvement of Road Sector Efficiency ^a	IETC	AD	440.0	-	440.0
Subtotal			<u>440.0</u>	<u>0.0</u>	<u>440.0</u>
Others					
1. Environment Monitoring and Management Capacity Building II	ENVD	AD	650.0	-	650.0
2. Poverty Reduction Study	PE3	AD	600.0	-	600.0
Subtotal			<u>1,250.0</u>	<u>0.0</u>	<u>1,250.0</u>
Total			<u>4,240.0</u>	<u>0.0</u>	<u>4,240.0</u>
2001 TECHNICAL ASSISTANCE PROGRAM					
Agriculture and Natural Resources					
1. Rural Development/Poverty Reduction	AEAR	PP	700.0	-	700.0
Subtotal			<u>700.0</u>	<u>0.0</u>	<u>700.0</u>
Social Infrastructure					
1. Institutional Support for Early Childhood Development ^a	AEEH	AD	650.0	-	650.0
Subtotal			<u>650.0</u>	<u>0.0</u>	<u>650.0</u>
Transport and Communications					
1. Institutional Support in the Transport Sector ^a	IETC	AD	650.0	-	650.0
Subtotal			<u>650.0</u>	<u>0.0</u>	<u>650.0</u>
Others					
1. Support for Public Sector Reforms	PE3	AD	700.0	-	700.0
2. Strengthening Project Monitoring and Aid Coordination (Phase II)	PE3	AD	600.0	-	600.0
3. Corporate Governance and Enterprise Reform Program II	IEFI	PP	700.0	-	700.0
Subtotal			<u>2,000.0</u>	<u>0.0</u>	<u>2,000.0</u>
Total			<u>4,000.0</u>	<u>0.0</u>	<u>4,000.0</u>
2002 TECHNICAL ASSISTANCE PROGRAM					
Agriculture and Natural Resources					
1. Capacity Building for Rural Development/Poverty Reduction ^a	AEAR	AD	650.0	-	650.0
2. Second Agriculture Area Development	AEAR	PP	650.0	-	650.0
Subtotal			<u>1,300.0</u>	<u>0.0</u>	<u>1,300.0</u>
Social Infrastructure					
1. Third Education	AEEH	PP	650.0	-	650.0
Subtotal			<u>650.0</u>	<u>0.0</u>	<u>650.0</u>
Others					
1. Environment Improvement Project	IEEN	PP	550.0	-	550.0
2. Corporate Governance and Enterprise Reform Program II ^a	IEEN	AD	700.0	-	700.0
Subtotal			<u>1,250.0</u>	<u>0.0</u>	<u>1,250.0</u>
Total			<u>3,200.0</u>	<u>0.0</u>	<u>3,200.0</u>

^a Piggy-backed to a loan.