

**KYRGYZ REPUBLIC**  
**COUNTRY PERFORMANCE INDICATORS**

Item	1995	1996	1997	1998	1999
<b>ECONOMIC INDICATORS</b>					
<b>A. Income and Growth</b>					
1. GNP per capita (\$, current) <sup>a</sup>	500.0	550.0	480.0	380.0	—
2. GDP Growth (% , constant prices)	(5.4)	7.1	10.1	2.1	3.7
a. Agriculture and Forestry	(2.0)	15.2	12.3	4.1	8.7
b. Industry and Construction	(12.3)	2.6	19.8	(6.6)	(1.7)
c. Services	(4.4)	(0.2)	0.6	4.5	1.7
<b>B. Money and Inflation</b>					
		<b>(annual percent change)</b>			
1. Consumer Prices (annual average)	43.5	31.9	23.5	8.2	35.9
2. Consumer Prices (end of period)	31.9	35.0	14.7	18.3	39.9
3. Broad Money (M2)	77.8	22.9	25.4	17.2	33.9
<b>C. Government Finance</b>					
		<b>(percent of GDP)</b>			
1. Revenue (including grants)	16.7	16.0	16.2	18.0	17.8
2. Total Expenditure	33.2	25.2	25.3	28.8	30.6
3. Accrual Surplus (+) / Deficit (-) <sup>b</sup>	(16.4)	(9.4)	(9.2)	(9.5)	(12.0)
4. Overall (cash) Surplus (+) / Deficit (-) <sup>b</sup>	(16.5)	(9.2)	(9.1)	(10.8)	(12.8)
<b>D. Balance of Payments</b>					
1. Trade Balance (% of GDP)	(12.0)	(13.8)	(0.9)	(10.5)	(6.8)
2. Current Account Balance (% of GDP)	(16.2)	(23.2)	(7.9)	(19.8)	(16.3)
3. Export (\$) growth (annual percent change)	20.3	29.8	18.8	(7.3)	(20.9)
4. Import (\$) growth (annual percent change)	24.6	33.7	(17.5)	17.0	(27.6)
<b>E. External Payments Indicators</b>					
1. Official Reserves (\$ million, end-period)	115.0	110.0	142.0	130.0	184.0
(months of Imports) <sup>d</sup>	1.3	1.6	1.8	2.2	3.2
2. External Debt Service (% of exports) <sup>c</sup>	17.8	8.5	5.7	7.0	8.3
3. External Debt (% of GDP)	41.3	53.0	54.8	97.5	128.8
<b>Memorandum Items:</b>					
GDP (million soms, current prices)	16,145	23,399	30,686	34,181	48,744
Exchange Rate (som per \$, annual average)	10.8	12.8	17.4	20.8	39.0
Population (million)	4.5	4.6	4.7	4.7	4.8

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

<sup>a</sup> 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.

<sup>b</sup> 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.

<sup>c</sup> External debt includes public and publicly-guaranteed debt.

<sup>d</sup> Excludes NBKR Pledges to secure government guaranteed debt and blocked deposits.

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

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Item	1985	1990	Latest Year
<b>POPULATION INDICATORS</b>			
Total Population (millions)	4.0	4.3	4.8 (1999)
Rural Population (percent)	-	61.9	65.0 (1997)
Annual Population Growth Rate (% change over the previous year)	2.4	1.9	1.5 (1999)
<b>SOCIAL INDICATORS</b>			
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)
<b>ENVIRONMENTAL INDICATORS</b>			
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)	-	-	-
Number	-	-	-
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 <sub>2</sub> emissions (thousand metric tons)	-	-	5,463 (1995)
Per capita CO <sub>2</sub> emissions (metric tons)	-	-	1.2 (1995)

- = not available; GDP = Gross Domestic Product; CO<sub>2</sub> = 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 1999)

A. Project Portfolio	Net Loan Amount \$ million      %		Rating (No.) <sup>a</sup>										
			Total		Implementation Progress				Development Objectives				
			No.	%	HS	S	PS	U	HS	S	PS	U	
Agriculture and Natural Resources	48.3	18.4	2	20.0	-	2	-	-	-	-	2	-	-
Energy	27.9	10.6	1	10.0	-	-	1	-	-	-	1	-	-
Finance and Industry	35.5	13.5	1	10.0	-	1	-	-	-	-	1	-	-
Social Infrastructure	42.9	16.3	2	20.0	-	2	-	-	-	-	2	-	-
Transport and Communications	98.6	37.6	2	20.0	-	2	-	-	-	-	2	-	-
Others/Multisector	9.1	3.5	2	20.0	1	1	-	-	-	-	2	-	-
<b>Total</b>	<b>262.4</b>	<b>100.0</b>	<b>10</b>	<b>100.0</b>	<b>1</b>	<b>8</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>10</b>	<b>0</b>	<b>0</b>

B. Disbursements	OCR	ADF	Total
(1) Total funds available for withdrawal (\$ mn, active loans only)	-	225.46	225.46
(2) Disbursed amount (\$ mn, cumulative, active loans only)	-	118.33	118.33
(3) Percentage disbursed [(2)/(1)] (%)	-	52.49	52.49
(4) Disbursements (\$mn, active loans only, latest year)	-	79.60	79.60
(5) Disbursement ratio (%) <sup>b</sup>	-	41.49	41.49
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
Net transfer in 1999	-	77.82	77.82
<b>Total</b>	<b>-</b>	<b>230.89</b>	<b>230.89</b>

D. Post-Evaluated Projects (By Year of Approval)	1968 - 1977		1978 - 1987		1988 - 1999		1968 - 1999			
	No.	%	No.	%	No.	%	No.	%		
<b>1. Postevaluation Rating</b>										
Rated Generally Successful (GS)	-	-	-	-	1	50.0	1	50.0		
Rated Partly Successful (PS)	-	-	-	-	1	50.0	1	50.0		
Rated Unsuccessful (US)	-	-	-	-	-	-	-	-		
No Rating	-	-	-	-	-	-	-	-		
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2</b>	<b>100.0</b>	<b>2</b>	<b>100.0</b>		
<b>2. Postevaluation Rating by Sector (1968-1999)</b>	<b>GS</b>		<b>PS</b>		<b>US</b>		<b>NR</b>		<b>Total</b>	
	No.	%	No.	%	No.	%	No.	%	No.	%
Agriculture and Natural Resources	-	-	1	100.0	-	-	-	-	1	50.0
Energy	-	-	-	-	-	-	-	-	-	-
Finance and Industry	-	-	-	-	-	-	-	-	-	-
Social Infrastructure	-	-	-	-	-	-	-	-	-	-
Transport and Communications	-	-	-	-	-	-	-	-	-	-
Others/Multisector	1	100.0	-	-	-	-	-	-	1	50.0
<b>Total</b>	<b>1</b>	<b>100.0</b>	<b>1</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>	<b>2</b>	<b>100.0</b>

<sup>a</sup> HS: Highly satisfactory; S: Satisfactory; PS: Partially satisfactory; U: Unsatisfactory

<sup>b</sup> 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 1999)

Sector <sup>a</sup>	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 <sup>b</sup>	
		OCR	ADF			Original	Revised				Implementation Progress	Development Objective
		(\$ million)				(mm/yy)						
AGR	Rural Financial Institutions Project	-	12.35	Aug-97	Apr-98	Mar-05	-	19	0.79	1.29	S	S
AGR	Agriculture Area Development	-	35.93	Dec-99	pending	Jan-07	-	-	-	-	S	S
ENE	Power and District Heating Rehabilitation Project	-	27.90	Jun-96	Apr-97	Jun-00	-	28	27.39	24.87	PS	S
SOC	Education Sector Development Program	-	19.00	Sep-97	Mar-98	Dec-99	-	-	19.00	19.00	S	S
SOC	Education Sector Development Project	-	13.85	Sep-97	Mar-98	Jun-03	-	10	2.33	1.68	S	S
SOC	Social Services Delivery and Finance Project	-	10.02	Nov-98	Jul-99	Jun-04	-	-	-	-	S	S
I&F	Financial Intermediation and Resource Mobilization Program	-	34.56	Dec-99	Dec-99	Sep-01	-	-	17.25	17.25	S	S
I&F	Commercial Bank Audit	-	0.99	Dec-99	pending	Jan-01	-	-	-	-	S	S
T&C	Road Rehabilitation Project	-	47.05	Jun-96	Sep-96	Apr-00	-	80	44.14	40.03	S	S
T&C	Second Road Rehabilitation Project	-	51.59	Sep-98	Mar-99	Apr-02	-	20	40.85	10.93	S	S
OTH	Capacity Building in Corporate Governance & Insolvency Project	-	3.96	Sep-97	Dec-97	Jun-01	-	55	2.41	2.02	HS	S
OTH	Flood Emergency Rehabilitation Project	-	5.18	Sep-98	Nov-98	Apr-01	-	34	0.84	1.26	S	S
	<b>Total</b>	<b>0.00</b>	<b>262.37</b>						<b>154.99</b>	<b>118.33</b>		

<sup>a</sup> Sector:

AGR: Agriculture & Natural Resources

ENE: Energy

SOC: Social Infrastructure

I&F: Industry and Finance

T&C: Transport and Communications

OTH: Multisector/Others

<sup>b</sup> HS: Highly satisfactory; S: Satisfactory; PS: Partially satisfactory; U: Unsatisfactory

**KYRGYZ REPUBLIC**  
**OVERALL EXTERNAL ASSISTANCE**

External Source (in \$ million)	Past 5 Years (annual average)		1999 Approvals	
	Loan/Credit	TA	Loan/Credit	TA
<b>A. Multilateral Assistance</b>				
ADB	68.44	3.75	72.00	2.92
EBRD	19.84	0.52	6.00	0.00
EU	6.35	13.72	9.95	1.63
IDB	6.57	0.23	0.00	0.00
IFAD	2.30	0.00	0.00	0.00
Nordic Fund	1.12	0.00	0.00	0.00
OPEC	1.71	0.00	3.58	0.00
UNDP	0.00	3.47	0.00	3.06
World Bank	65.69	4.56	46.50	2.03
<b>Subtotal</b>	<b>172.02</b>	<b>26.25</b>	<b>138.03</b>	<b>9.64</b>
<b>B. Bilateral Assistance</b>				
China	3.83	0.28	1.15	1.40
Denmark	1.96	1.96	0.00	0.00
Finland	0.00	0.50	0.00	0.00
France	0.87	0.00	0.00	0.00
Great Britain	0.00	0.48	0.00	0.00
Germany	9.61	5.01	28.63	1.40
India	1.00	0.00	0.00	0.00
Japan	40.56	11.66	33.50	10.88
Korea	2.40	0.00	0.00	0.00
Kuwait	3.78	0.00	0.00	0.00
Netherlands	0.53	0.23	2.63	0.00
Norway	0.00	0.12	0.00	0.00
Pakistan	1.60	0.00	0.00	0.00
Switzerland	8.09	2.88	1.35	3.12
Turkey	7.08	0.00	7.08	0.00
USAID	0.00	21.57	0.00	21.57
<b>Subtotal</b>	<b>81.31</b>	<b>44.69</b>	<b>74.34</b>	<b>38.37</b>
<b>Total</b>	<b>253.33</b>	<b>70.94</b>	<b>212.37</b>	<b>48.02</b>

Source: Goscominvest

**KYRGYZ REPUBLIC**  
**LENDING PIPELINE AND TECHNICAL ASSISTANCE PROGRAM, 2001-2003**

Sector/Project Name	Poverty Classification <sup>a*</sup>	Crosscutting Operational Priority <sup>b*</sup>	Responsible Division	Year of PPTA	PROJECT COST (\$ million)					
					TOTAL	Bank			Gov't	Cofinancing (Others)
						OCR	ADF	Total		
<b>2001 LOAN PIPELINE</b>										
<b>Social Infrastructure</b> 1. Community-Based Early Child Development <i>Subtotal</i>	CPI	HD	AEEH	2000	TBD	-	30.0	30.0	TBD	TBD
					TBD	0.0	30.0	30.0	TBD	TBD
<b>Transport and Communications</b> 1. Third Road Rehabilitation <i>Subtotal</i>	ODI	GG	IETC	1999	TBD	-	40.0	40.0	TBD	TBD
					TBD	0.0	40.0	40.0	TBD	TBD
<b>Total</b>					<b>TBD</b>	<b>0.0</b>	<b>70.0</b>	<b>70.0</b>	<b>TBD</b>	<b>TBD</b>
<b>2002 LOAN PIPELINE</b>										
<b>Agriculture and Natural Resources</b> 1. Rural Development/Poverty Reduction <i>Subtotal</i>	CPI	HD	AEAR	2001	TBD	-	40.0	40.0	TBD	TBD
					TBD	0.0	40.0	40.0	TBD	TBD
<b>Others</b> 1. Corporate Governance and Enterprise Reform Program II <i>Subtotal</i>	ODI	PSD	IEFI	2001	TBD	-	30.0	30.0	TBD	TBD
					TBD	0.0	30.0	30.0	TBD	TBD
<b>Energy</b> 1. Sub-regional Power Transmission Line <i>Subtotal</i>	ODI	RC/GG	IEEN	-	TBD	-	20.0	20.0	TBD	TBD
					TBD	0.0	20.0	20.0	TBD	TBD
<b>Total</b>					<b>TBD</b>	<b>0.0</b>	<b>90.0</b>	<b>90.0</b>	<b>TBD</b>	<b>TBD</b>
<b>2003 LOAN PIPELINE</b>										
<b>Agriculture and Natural Resources</b> 1. Second Agriculture Area Development <i>Subtotal</i>	PI	HD	AEAR	2002	TBD	-	30.0	30.0	TBD	TBD
					TBD	0.0	30.0	30.0	TBD	TBD
<b>Social Infrastructure</b> 1. Third Education <i>Subtotal</i>	PI	HD	AEEH	2002	TBD	-	25.0	25.0	TBD	TBD
					TBD	0.0	25.0	25.0	TBD	TBD
<b>Others</b> 1. Environment Improvement <i>Subtotal</i>	ODI	ENV	IEEN	2002	TBD	-	20.0	20.0	TBD	TBD
					TBD	0.0	20.0	20.0	TBD	TBD
<b>Total</b>					<b>TBD</b>	<b>0.0</b>	<b>75.0</b>	<b>75.0</b>	<b>TBD</b>	<b>TBD</b>

<sup>a</sup> CPI = Core Poverty Intervention; PI = Poverty Intervention; ODI = Other Development Interventions.

<sup>b</sup> ENV = Environmental Protection; GAD = Gender and Development; GG = Good Governance; HD = Human Development;

PSD = Private Sector Development; and RC = Regional Cooperation.

TBD = to be determined.

\* This classification was completed prior to the finalization of the improved and redesigned classification system in December 2000, which will be applied from January 2001.

**KYRGYZ REPUBLIC**  
**LENDING PIPELINE AND TECHNICAL ASSISTANCE PROGRAM, 2000-2003**

Sector/Project Name		Responsible Division	Type of TA	Amount (\$'000)		
				Bank	Others	Total
<b>2000 TECHNICAL ASSISTANCE PROGRAM</b>						
<b>Agriculture and Natural Resources</b>						
1	Capacity Building Program for the Min. of Agr. & Water Resources	AEAR	AD	585.0	-	585.0
	<b>Subtotal</b>			585.0	0.0	585.0
<b>Transport and Communications</b>						
1	Improvement of Road sector Efficiency (JSF)	IETC	AD	440.0	-	440.0
	<b>Subtotal</b>			440.0	0.0	440.0
<b>Social Infrastructure</b>						
1	Community-Based Early Child Development	AEEH	PP	700.0	-	700.0
2	Institutional Strengthening for Community-Based Infrastructure Services	AEWU	AD	650.0	-	650.0
3	Strengthening Skills and Entrepreneurship Development	AEEH	AD	600.0	-	600.0
	<b>Subtotal</b>			1950.0	0.0	1950.0
<b>Others</b>						
1	Environment Monitoring and Management Capacity Building II	ENVD	AD	650.0	-	650.0
2	Poverty Reduction Study	PE3	AD	600.0	-	600.0
3	Corporate Governance and Enterprise Reform Program II	IEFI	PP	700.0	-	700.0
	<b>Subtotal</b>			1950.0	0.0	1950.0
	<b>Total</b>			<b>4925.0</b>	<b>0.0</b>	<b>4925.0</b>
<b>2001 TECHNICAL ASSISTANCE PROGRAM</b>						
<b>Agriculture and Natural Resources</b>						
1	Rural Development/Poverty Reduction	AEAR	PP	700.0	-	700.0
	<b>Subtotal</b>			700.0	0.0	700.0
<b>Transport and Communications</b>						
1	Institutional Support in the Transport Sector <sup>a</sup>	IETC	AD	650.0	0.0	650.0
	<b>Subtotal</b>			650.0	0.0	650.0
<b>Social Infrastructure</b>						
1	Institutional Support for Early Childhood Development <sup>a</sup>	AEEH	AD	650.0	-	650.0
	<b>Subtotal</b>			650.0	0.0	650.0
<b>Others</b>						
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
	<b>Subtotal</b>			1,300.0	0.0	1,300.0
	<b>Total</b>			<b>3300.0</b>	<b>0.0</b>	<b>3300.0</b>
<b>2002 TECHNICAL ASSISTANCE PROGRAM</b>						
<b>Agriculture and Natural Resources</b>						
1	Capacity Building for Rural Development/Poverty Reduction <sup>a</sup>	AEAR	AD	650.0	-	650.0
2	Second Agriculture Area Development	AEAR	PP	650.0	-	650.0
	<b>Subtotal</b>			1,300.0	0.0	1,300.0
<b>Social Infrastructure</b>						
1	Third Education	AEEH	PP	650.0	-	650.0
	<b>Subtotal</b>			650.0	0.0	650.0
<b>Others</b>						
1	Environment Improvement Project	IEEN	PP	550.0	-	550.0
2	Corporate Governance and Enterprise Reform Program II <sup>a</sup>	IEFI	AD	700.0	-	700.0
	<b>Subtotal</b>			1,250.0	0.0	1,250.0
	<b>Total</b>			<b>3200.0</b>	<b>0.0</b>	<b>3200.0</b>
<b>2003 TECHNICAL ASSISTANCE PROGRAM</b>						
<b>Agriculture and Natural Resources</b>						
1	Livelihood/Microcredit Project	AEAR	PP	650.0	-	650.0
2	Second Agriculture Area Development <sup>a</sup>	AEAR	AD	700.0	-	700.0
	<b>Subtotal</b>			1,350.0	0.0	1,350.0
<b>Social Infrastructure</b>						
1	Institutional Support for Education <sup>a</sup>	AEEH	AD	650.0	-	650.0
	<b>Subtotal</b>			650.0	0.0	650.0
<b>Transport and Communications</b>						
1	Fourth Road Rehabilitation	IETC	PP	700.0	-	700.0
	<b>Subtotal</b>			700.0	0.0	700.0
<b>Others</b>						
1	Environment Improvement Institutional Strengthening <sup>a</sup>	IEEN	AD	600.0	-	600.0
2	Power Distribution in Poverty Areas	IEEN	PP	600.0	-	600.0
	<b>Subtotal</b>			1,200.0	0.0	1,200.0
	<b>Total</b>			<b>3900.0</b>	<b>0.0</b>	<b>3900.0</b>

<sup>a</sup> Piggy-backed to a loan.

**KYRGYZ REPUBLIC**  
**LENDING PROGRAM, 2001-2003**  
**BY POVERTY CLASSIFICATION, CROSSCUTTING OPERATIONAL PRIORITY AND SECTOR**

Classification	2001 (Firm)		2002-2003	
	No.	% <sup>a</sup>	No.	% <sup>a</sup>
<b>I. By Poverty Classification *</b>				
A. Core Poverty Intervention	1	50.0	1	16.7
B. Poverty Intervention	-	-	2	33.3
C. Other Development Interventions	1	50.0	3	50.0
<b>Total</b>	<b>2</b>	<b>100.0</b>	<b>6</b>	<b>100.0</b>
<b>II. By Crosscutting Operational Priority *</b>				
A. Environment	-	0.0	1	16.7
B. Gender and Development	-	0.0	-	0.0
C. Good Governance	1	50.0	-	0.0
D. Human Development	1	50.0	3	50.0
E. Private Sector Development	-	0.0	1	16.7
F. Regional Cooperation	-	0.0	1	16.7
<b>Total</b>	<b>2</b>	<b>100.0</b>	<b>6</b>	<b>100.0</b>
<b>III. By Sector</b>				
A. Agriculture and Natural Resources	-	0.0	2	33.3
B. Energy	-	0.0	1	16.7
C. Finance and Industry	-	0.0	-	0.0
D. Social Infrastructure	1	50.0	1	16.7
E. Transport and Communications	1	50.0	-	0.0
F. Others/Multisector	-	0.0	2	33.3
<b>Total</b>	<b>2</b>	<b>100.0</b>	<b>6</b>	<b>100.0</b>

<sup>a</sup> rounded off.

\* This classification was completed prior to the finalization of the improved and redesigned classification system in December 2000, which will be applied from January 2001.

## KYRGYZ REPUBLIC

<b>PROJECT PROFILE</b>				
<b>1. Project Name:</b> Community-Based Early Childhood Development		<b>2. Sector/Subsector:</b> Social Infrastructure/Human Development		
<b>3. Poverty Classification:</b> <sup>a *</sup> CPI		<b>4. Crosscutting Operational Priority:</b> <sup>b*</sup> HD		
<b>5. Rationale and Objectives:</b> The Project will support the development of a national Early Childhood Development (ECD) program to improve the health, nutritional, educational and psycho-social development of children up to age eight.		<b>6. Beneficiary Participation/Consultation Needs:</b> To be determined during PPTA.		
<b>7. Scope:</b> The investment project will include the following three concepts: (1) integrated child care and development which includes tailored services for each oblast: (a) maternal and child health/nutrition, including attention to improved infant feeding practices and providing complementary foods based on strict selection criteria and psychosocial care and (b) home-based ECE supported by child development resource centers, to maintain health and nutrition status. (2) support systems which includes (a) decentralized planning, management and information systems; (b) communications and social mobilization; and (c) training and human resources development ; and capacity building and sustainability which includes (a) capacity building in the President's Office and in the selected oblast administrations; (b) pilot testing of investment project interventions under components 1 and 2 in a suitable site in parallel with the preparation of the ECD project; (c) program innovation and policy development; and (d) monitoring and evaluation.				
<b>8. Estimated Cost and Financing Plan (\$ m)</b> (a) TA Amount : \$ 0.7 m Source: JSF (b) Loan Project cost : \$ 30.0 m				<b>Remarks:</b>
Financing (Source)	<b>FC</b>	<b>LC</b>	<b>Total</b>	
Bank	TBD	TBD	30.00	
Cofinancing	TBD	TBD	TBD	
Borrower	TBD	TBD	TBD	
Total	TBD	TBD	TBD	
<b>9. Estimated Benefits and Beneficiary Groups:</b> The Project will target severely and moderately malnourished children in priority areas where high prevalence of child malnutrition parallels severe incidence of poverty. The Project will endeavor to raise the nutritional status, psycho-social skills and educability of underprivileged children up to age eight to improve educational achievement, while sustaining the gains in child health through immunization and infectious disease control programs.				
<b>10. Executing Agency:</b> TBD		<b>11. Project Implementation Period:</b> <b>Start:</b> TBD <b>End:</b> TBD		
<b>12. Environment Category:</b> TBD		<b>13. Processing Year:</b> TA : 1999                      Loan: 2001		

<sup>a</sup> CPI = Core Poverty Intervention; PI = Poverty Intervention; ODI = Other Development Interventions.

<sup>b</sup> ENV = Environmental Protection; GAD = Gender and Development; GG = Good Governance;  
HD = Human Development; PSD = Private Sector Development; and RC = Regional Cooperation.

\* This classification was completed prior to the finalization of the improved and redesigned classification system in December 2000, which will be applied from January 2001.

## KYRGYZ REPUBLIC

<b>PROJECT PROFILE</b>				
<b>1. Project Name:</b> Third Road Rehabilitation		<b>2. Sector/Subsector:</b> Transport & Communications/ Roads & Road Transport		
<b>3. Poverty Classification:</b> <sup>a *</sup> ODI		<b>4. Crosscutting Operational Priority:</b> <sup>b *</sup> GG		
<b>5. Rationale:</b> The Project comprises the third and final phase of a rehabilitation program for the Bishkek-Osh road. The first two projects are rehabilitating 345 km of the central, mountainous sections of the road which have deteriorated quite severely and have the worst safety conditions. The proposed Project will rehabilitate the remaining sections of the road from the origin at Bishkek to km 81 in Chui oblast and from km 426 to km 620 in Osh and Jalal-Abad oblasts. Rehabilitating the remaining sections of the Bishkek-Osh road as well as the feeder roads that connect nearby towns and villages will contribute to poverty reduction in the project area, as well as the country as a whole.		<b>6. Beneficiary Participation/Consultation Needs:</b>  To be determined during PPTA.		
<b>7. Objectives and Scope:</b> The goal of the Project is to promote economic growth and poverty reduction in the areas covered by the Bishkek-Osh road. The purpose of the Project is to improve the access of the poor to urban markets and the mainstream economy, improve the efficiency and quality of road maintenance, improve road safety in the project corridor, and assist the Government in developing the road sector through institutional strengthening and policy reform.				
<b>8. Estimated Cost and Financing Plan (\$)</b>				<b>Remarks:</b>  Cofinancing will be sought during loan processing.
<b>Loan Project Cost (\$m)</b>				
Financing (Source)	<b>FC</b>	<b>LC</b>	<b>Total</b>	
Bank	TBD	TBD	40.00	
Cofinancing	TBD	TBD	TBD	
Borrower	TBD	TBD	TBD	
Total	TBD	TBD	TBD	
<b>9. Estimated Benefits and Beneficiary Groups:</b>  To be determined during the PPTA.				
<b>10. Executing Agency:</b> Ministry of Transport and Communications			<b>11. Project Implementation Period:</b> <b>Start:</b> 2002 <b>End:</b> 2006	
<b>12. Environment Category:</b> TBD			<b>13. Processing Year:</b> 2001	

<sup>a</sup> CPI = Core Poverty Intervention; PI = Poverty Intervention; ODI = Other Development Interventions.

<sup>b</sup> ENV = Environmental Protection; GAD = Gender and Development; GG = Good Governance; HD = Human Development; PSD = Private Sector Development; and RC = Regional Cooperation.

\* This classification was completed prior to the finalization of the improved and redesigned classification system in December 2000, which will be applied from January 2001.

## POVERTY IN THE KYRGYZ REPUBLIC

1. Following its independence in 1991 from the former Soviet Union, of which it was one of the poorest republics, the Kyrgyz Republic experienced a period of severe economic difficulties accompanied by a steep decline in output and in standards of living. Economic recovery began in 1996- 1997 but the gains were offset by the effects of the Russian crisis which has taken a severe toll. Mainly as a result of this phenomenon, the incidence of poverty rose sharply in 1998. This write-up seeks to provide an overview of poverty in the country and to identify its levels and distribution as well as some of the characteristics of the poor.

2. There are two poverty lines used in the measurement of poverty in the Kyrgyz Republic. The first or the food poverty line, measures extreme poverty and is set at the level of consumption below which, even if all resources were devoted to food, the minimum caloric need could not be met. The other, or the general poverty line, represents a minimum level of consumption taking into account both food and non-food necessities. <sup>1</sup>For 1997, the value of the extreme poverty line was fixed at 2439 Som and the general poverty line at 4647 Som per capita per annum. For 1998 these were revised to 2595 Som and 4309 Som, respectively. The Government estimates indicate that the numbers of the poor increased from 42.9 percent of the population in 1997 to 54.9 percent in 1998. **Table 1**, which shows recent poverty statistics may kindly be seen.

**Table 1: Urban and Rural poverty 1996-1998, as a percentage of total population<sup>2</sup>**

	Poor			Extreme poor		
	Urban	Rural	Total	Urban	Rural	Total
<b>1996</b>	30.3	49.6	43.5	10.3	23.3	19.1
<b>1997</b>	22.2	55.3	42.9	4.9	20.7	14.8
<b>1998</b>	42.2	62.4	54.9	18.3	25.8	23.0

3. As may be seen there was a decline in 1997 in the numbers of people living in poverty and extreme poverty but this was reversed by the economic difficulties experienced in 1998. Poverty is still basically a rural phenomenon with some 62.4 percent of the poor living in rural areas. What is interesting to note is that, though poverty increased substantially in 1998, recession hit mostly in industry, construction and transport. Poverty consequently rose sharply in urban areas and the gap between urban and rural areas decreased. **Table 2** gives the details of poverty in 1997 and 1998 in the various oblasts.

<sup>1</sup> Poverty levels for 1996-1998 have been recalculated by the Government recently taking into account inflation and revisions to the cost of a food basket that provides daily caloric requirements and reflects the actual dietary patterns of the population.

<sup>2</sup> Source: the National Statistical Committee.

**Table 2: Poverty by oblasts in 1997-1998, as a percentage total population<sup>3</sup>**

	Poor		Extreme Poor	
	1997	1998	1997	1998
<b>Bishkek</b>	3.5	20.9	0.8	6.5
<b>Issyk-Kul</b>	57.5	58.1	23.8	16.5
<b>Djalal-Abad</b>	65.4	65.2	30.6	29.3
<b>Naryn</b>	87.1	83.0	58.6	42.6
<b>Osh</b>	51.5	70.1	10.1	31.3
<b>Talas</b>	57.8	77.0	23.0	48.8
<b>Chui</b>	21.3	31.1	3.5	8.1

4. About 58 percent of total consumption of all poor households is for food with a fifth of food consumption coming from home production. The introduction of cost recovery in publicly provided services has resulted in an increased share of consumption going to these areas e.g. in 1998 expenditures for education and utilities represented about 11 percent of the total consumption of the poor. Poor households tend to be larger and the household composition of poverty groups show the difference in size between poor and non poor households is because of a larger numbers of children. On average poor households have also one more adult member (see **Table 3**).

**Table 3: Composition of the household and dependency ratio, 1998<sup>3</sup>**

	Children	Adults	Elderly	Household size	Dependency ratio <sup>a</sup>
<b>Extreme poor</b>	2.93	3.7	0.48	7.11	3.23
<b>All Poor</b>	2.49	3.26	0.47	6.22	2.96
<b>Non poor</b>	1.05	2.27	0.43	3.75	2.70
<b>Total</b>	1.74	2.74	0.45	4.92	2.85

<sup>a</sup> Since in many households there are not employed members, the dependency ratio is calculated dividing group's population by the number of its employed people.

5. Other characteristics of poverty in the country are (i) the education of the household head is strongly linked to poverty; (ii) female headed households are less likely to be poor; and (iii) Kyrgyz headed households are poorer than those headed by other ethnic groups such as Russian, Ukrainians and Uzbeks.

6. The economic difficulties arising mainly from the effects of the Russian crises have resulted in labor force participation declining from 65.2% in 1997 to 60 percent in 1998. The unemployment rate increased during this period from 7.3% to 7.8%. Surprisingly, the unemployment rate is found to be lower among the poor (5.9%) than among the non-poor (10.4%). However, the probable explanation for this is that the poor are more willing to take seasonal and ad-hoc difficult jobs which tend to keep them technically out of the definition of

<sup>3</sup> Source: the National Statistical Committee

unemployed (to qualify for which a person needs to be without a job throughout the year and to declare that he or she has actively sought employment during that period). Underemployment and not just unemployment, appears to be an increasingly important explanation of poverty. In 1998 in areas where poverty increased by higher rates there was a serious reduction of labor force participation. Changes in female labor patterns are also emerging. The labor force participation rates for women is further from 1993 levels than the male rate is. Women have lower unemployment rates than men (7% vs. 7.5% in 1997), but this hides the fact that in the same year poor women had higher unemployment rates than poor men (5.4% vs. 5.3%).

7. There has been a serious deterioration in social infrastructure since independence and the provision of such services is seriously deficient in rural areas and in many parts of the urban areas. Only about 27 percent of the population is served by house water and sanitation. About 40 percent receive water from public stand pipes or water tankers. About one third have no public water service at all. Reportedly, about 70% percent of the estimated 1770 villages have no functioning water system at all. Only about 26% percent of the population have access to a water sewer system and this is largely in the bigger cities. The poor state of water and sanitation service results in many negative consequences for the people and the economy. Poor service is responsible for (i) deteriorating public health and increased expenditures in that area; and (ii) consumers incurring significant time costs and inconvenience. Centralized systems of heat, water and gas are practically exclusive to urban areas. The greater reliance on centralized services by the non-poor result in them disproportionately benefiting from the subsidies for these services. Electricity is the only universally provided service but here also there are marked differences in the quality of the services received between the poor and the non-poor, and urban and rural areas.

8. There is diversification in terms of income-generating activities in the rural parts of the country. Less than half of all rural households rely solely on own farm activities and people were also engaged in agricultural and non-agricultural wage labor. Reliance on agriculture wage earnings, however, is associated with greater poverty. Subsistence farming is a major characteristic of agriculture in rural areas more than a third of all persons growing crops doing so for home consumption. Consistent patterns relating types of agriculture to poverty are hard to identify owing to too many recent changes and reforms in the agricultural sector. Further investigative studies are necessary to establish clearly what activities are profitable, what are the principal remaining impediments to growth, and how household characteristics affect this. Some trends, however, have emerged from the analysis to date though even these would require further study. It would appear for example that (i) the non-poor are more likely to diversify among different agricultural activities, whereas the poor tend to only grow crops; and (ii) in rural areas a key differentiating factor between the poor and non poor is the value of livestock owned by the household.

9. The problem of poverty requires a number of approaches. Economic growth of course is the principal solution to addressing poverty in the Kyrgyz Republic. In the short run, however well targeted social assistance programs will be needed to keep people out of extreme poverty. Further studies are necessary to better understand the profile of the poor and to identify obstacles and bottlenecks for effective poverty reduction. The ADB together with the IMF, the World Bank and the UNDP will work to complete these tasks and will assist the Government in 2000 in preparing a National Strategy for Poverty Reduction (NSPR). The NSPR will be linked to macroeconomic and budget realities and will when completed identify the structural and social policies necessary for achieving specific medium and long term goals for growth and poverty reduction.