

**ASIAN DEVELOPMENT BANK**

**COUNTRY STRATEGY AND PROGRAM UPDATE  
(2003–2005)**

**KYRGYZ REPUBLIC**

**August 2002**

## **CURRENCY EQUIVALENTS**

(as of 14 August 2002)

Currency Unit	–	Som
Som1.00	=	\$0.021739
\$1.00	=	Som46.0003

## **ABBREVIATIONS**

ADB	–	Asian Development Bank
ADF	–	Asian Development Fund
CDF	–	comprehensive development framework
CSP	–	country strategy and program
GDP	–	gross domestic product
NPRS	–	National Poverty Reduction Strategy
PIP	–	public investment program
PRGF	–	poverty reduction and growth facility
TA	–	technical assistance

## **NOTES**

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

## CONTENTS

	<b>Page</b>
I. CURRENT DEVELOPMENT TRENDS AND ISSUES	1
A. Recent Political and Social Developments	1
B. Economic Assessment and Outlook	1
C. Implications for Country Strategy and Program	3
II. IMPLEMENTATION OF THE COUNTRY STRATEGY AND PROGRAM	3
A. Progress under the Poverty Partnership Agreement	3
B. Progress in the Country Strategy and Program Focus Areas	3
C. Highlights in Coordination of External Funding and Partnership Arrangements	5
III. PORTFOLIO MANAGEMENT ISSUES	6
A. Portfolio Performance	6
B. Performance Monitoring and Evaluation	6
IV. COUNTRY PERFORMANCE AND ASSISTANCE LEVELS	7
A. Lending Level Proposed	7
B. Nonlending Program	7
C. Summary of Changes	7

## APPENDIXES

1. Country and Portfolio Indicators, and Assistance Pipeline	9
Table A1.1: Progress Toward the Millennium Development Goals and Targets	9
Table A1.2: Country Economic Indicators	11
Table A1.3: Country Poverty and Social Indicators	12
Table A1.4: Country Environment Indicators	13
Table A1.5: Development Coordination Matrix	14
Table A1.6: Portfolio Indicators—Portfolio Amounts and Ratings	21
Table A1.7: Portfolio Indicators—Disbursements and Net Transfers of Resources	22
Table A1.8: Portfolio Indicators—Evaluation Rating by Sector	23
Table A1.9: Portfolio Implementation Status	24
Table A1.10: Lending Scenarios and Performance Triggers for 2003	26
Table A1.11: Assistance Pipeline for Lending Products, 2003–2005	27
Table A1.12: Assistance Pipeline for Nonlending Products and Services, 2003–2005	29
2. Concept Papers for Lending Products	31
3. Concept Papers for Nonlending Products and Services	50

## I. CURRENT DEVELOPMENT TRENDS AND ISSUES

### A. Recent Political and Social Developments

1. After the presidential and parliamentary elections of 2000 in the Kyrgyz Republic, the momentum of the reform process, which had slowed in the run up to the elections, picked up. There are signs now of the Government's willingness to address some of the difficult social and economic problems facing the country. These include measures to improve the banking system, the initiation of civil service reforms, the raising of electricity tariffs, and the improvement of pensions and other social benefits. The security situation in the Kyrgyz Republic has improved since the end of the hostilities in Afghanistan. The aftermath of the 11 September 2001 events has not had the serious impact on the Kyrgyz economy that was earlier expected. The Government has come out strongly in support of the international efforts to fight terrorism. It has allowed the stationing of American, French, and other international troops in the country and permitted the use of Manas Airport in Bishkek for humanitarian and other operations in Afghanistan. On 30 May 2002, a new Prime Minister was appointed following the resignation of the previous one and the Cabinet on 22 May 2002. These events followed civil unrest after the incidents of March 2002 in which five people lost their lives during protests in the southern part of the country and have led to growing concerns about the political and economic situation in the country.

2. About 52% of the population was living in poverty in 2000. Poverty levels fell to 47.4% by September 2001 as a result of improved economic performance in that year (particularly in the agriculture sector), an increase in real wages, and a marked fall in inflation. However, the quality of social services in the country continues to decline as service delivery becomes increasingly unsustainable due to severe budgetary constraints. In addition, a number of subsidies have declined in value and increased utility charges and other tariffs that have been introduced have impacted on the lives of the poor. Appendix 1, Table A1.1, indicates the country's progress towards the Millennium Development Goals and Targets.

3. The Government launched a comprehensive development framework (CDF) process in the country in 1999 with its central theme of poverty reduction and emphasis on economic and social development. The CDF process sought and received the involvement of a wide cross section of civil society. The CDF strategy was finalized in 2001 together with an interim national poverty reduction strategy (NPRS).<sup>1</sup> The CDF represents the development vision of the Government until the year 2010, while the NPRS represents the CDF's activities until 2005. Under the CDF, the goal of poverty reduction will be achieved through three major thrusts: (i) effective and transparent state governance, (ii) a fair and secure society, and (iii) sustainable economic growth and development. Within this overall framework, the NPRS seeks to identify the specific policies and priority areas of intervention that will have the greatest impact on poverty and growth over the first five years of the CDF period.

### B. Economic Assessment and Outlook

4. In 2001, the economy grew at 5.3% and maintained the previous year's level of performance. But growth was not broad based. Agriculture grew at a healthy rate of 6.8%. Industry grew at 5.4%; however, excluding gold production, industrial output fell by 1.6% due to recession in several subsectors. The service sector registered a modest growth of 2.4%.

---

<sup>1</sup> The CDF and the interim NPRS were prepared with considerable inputs from the Asian Development Bank, the International Monetary Fund, and the World Bank.

Investment fell from about 20% of gross domestic product (GDP) to about 16% in 2001 due mainly to compression in public investment. The Government met its fiscal compression target by reducing investment and raising user charges. Tight monetary policy in 2001 restricted consumer price inflation to 6.9% from 18.7% in 2000 and maintained exchange rate stability. Foreign trade contracted by 10.2% in 2001 as both exports and imports shrank, yielding a positive trade balance of \$50.5 million. Preliminary data for the first half of 2002 indicate a decline in GDP by 4.9% owing to a sharp fall in gold production and lower agricultural output due to weather induced delays in harvesting. Detailed economic, poverty and social, and environmental indicators are at Appendix 1, Tables A1.2 to A1.4.

5. The Government is pursuing a three-pronged approach to mitigate medium-term risks to the economy and to improve economic performance. The key components of the program are implementation of a credible debt strategy, continued pursuit of prudent fiscal and monetary policies to maintain macroeconomic stability under the poverty reduction and growth facility (PRGF) of the International Monetary Fund (IMF), and implementation of structural reforms with technical and financial assistance from ADB, the World Bank, and other financing agencies. In 2001, the Government undertook measures to improve nontax revenues and reform taxes. Tax administration is being modernized with special focus on the customs department. Measures were also taken to strengthen banking sector regulation and improve performance of the financial sector. The Government prepared a blue print and a time-bound implementation plan for judicial reforms, and initiated steps to expedite public sector restructuring.

6. The Kyrgyz Republic has a high debt burden (110% of GDP in 2001 of which about 86% is public and public guaranteed debt) and the bunching of repayment of high interest commercial debt made debt servicing unsustainable. During 2002–2004, the total debt service burden on the Kyrgyz Republic was estimated at about \$480 million. This would have created an external financing gap (after factoring in projected foreign aid) of about \$221.2 million. In March 2002, agreement was reached at the Paris Club whereby the principal and interest falling due to member creditors during 2002–2004 was consolidated; the loans were rescheduled to a 20-year period at the contracted interest rates; and the moratorium interest was substantially capitalized. It was also agreed to consider the extension of concessional terms to this debt in September 2004 if the Government successfully implements the ongoing PRGF program. These decisions have considerably reduced debt servicing and brought down the uncovered external financing gap to an estimated \$125.8 million. The Government will now have to negotiate with non-Paris Club creditors, to whom it owes about \$170 million in debt servicing during 2002–2004.

7. Restructuring of external debt on concessional terms is critical for long-term fiscal sustainability and macroeconomic prospects. The economy is projected to grow at 4.5% during the PRGF period. According to the PRGF, realization of this will need investment levels of 18–20% of GDP even as the externally funded public investment program (PIP) is designed to fall from 5.5% of GDP in 2002 to 3.0% in 2005. Therefore, economic growth will depend on the private sector's ability to substitute for the falling levels of public investment. This depends on expeditious implementation of structural reforms, improvement of public sector governance, and other measures to create favorable conditions for private investment. A critical reform that must be undertaken is the prioritization of the investments in the PIP (para. 19) during this period of scarce budget resources. Thus, economic prospects depend in large part on the Government's success in undertaking the necessary stabilization measures and reforms and creating the enabling environment for private sector led growth.

### **C. Implications for Country Strategy and Program**

8. The following issues and factors will have a bearing on ADB operations in the country: (i) absorptive capacity and debt sustainability need to be kept in mind while determining the size and composition of future programs; (ii) the Government's capacity to borrow more funds for its development needs will improve if the PRGF is successfully implemented and the Paris Club creditors offer further concessional treatment of the Kyrgyz debt stock in 2005; (iii) successful bilateral negotiations with non-Paris Club creditors will improve public finances and availability of counterpart funds; (iv) the ongoing projects in the PIP have requirements that exceed the medium-term resource availability (consequently the projects in the PIP need to be prioritized and a spring cleaning exercise undertaken); and (v) higher but viable levels of external assistance may become necessary after 2004 if private investment does not increase as assumed under the PRGF to replace reduced public investment.

## **II. IMPLEMENTATION OF THE COUNTRY STRATEGY AND PROGRAM**

### **A. Progress under the Poverty Partnership Agreement**

9. The Government views the CDF and NPRS documents as its blueprints for development and expects future external assistance to be directed only to the priority areas identified in them. The NPRS is now expected to be finalized in December 2002 and the Government has indicated that the poverty partnership agreement could be finalized after that.

10. Under the CDF and NPRS, the Government has set itself the target of halving total poverty by 2010. This is an ambitious target especially given the regime of tight budget constraints and the difficulties facing private investment (para.14), which are expected to prevail over the medium term. However it underscores the importance the Government sets on reducing poverty in the country. Since 2000, in keeping with the increasing need to address poverty and unemployment in the country, ADB has aimed at reaching agreement with the Government in identifying a pipeline of projects with a focus on poverty reduction. Accordingly, four of the seven programs/projects in the 2003–2005 program are either poverty or core poverty interventions. These aim to support early childhood development, agriculture area development, power distribution, roads, and basic education projects, all of which will be located in poverty areas. These reflect the priority now given by the Government and ADB to reducing poverty and addressing social concerns in the country.

### **B. Progress in the Country Strategy and Program Focus Areas**

11. The current country operational strategy for the Kyrgyz Republic, which was endorsed by the ADB Board in December 1996, needs to be revised to reflect ADB's and the Government's latest priorities. A new country strategy and program (CSP) will be completed in 2003 in close consultation with the Government and other stakeholders. Meanwhile, the Government has sought assistance for the projects in the 2003–2005 program, particularly keeping in mind CDF and NPRS directions as well as the progress of ongoing projects in the same sectors. There have been no significant changes since the last CSPU in the areas of human development, gender and development, private sector development and environment protection.

## 1. Sectoral Priorities

12. ADB has assisted the Government in carrying out reforms in **the agriculture sector** that focused on policy and institutional aspects of land reform and natural resources management, restructuring and further improvement of the agricultural input supply system, improved cost recovery in irrigation, provision of credit, and capacity building of the sector's key institutions. ADB has also supported investments for rehabilitating irrigation and setting up viable credit unions in rural areas. The principal challenges faced by the sector require a continuation of these efforts, as also fostering the growth of agribusinesses that will reinvigorate demand for agriculture products. In **the power sector**, ADB has worked closely with the World Bank to rationalize and raise tariff levels for electricity and district heating and to improve the finances of the power utility. ADB also helped rehabilitate the country's power and district heating system. Government priorities in the sector envisage unbundling the power utility, which is already under way, and enhancing technical, commercial, and financial efficiency and taking measures to rationalize and improve regional energy trade. In **the road sector**, ADB operations have helped develop an efficient policy and regulatory framework, improve road funding, enhance safety standards, and privatize a number of state-owned enterprises in the sector. Support of the strategic Bishkek-Osh road and the regional road link between Almaty and Bishkek together with improvement of cross-border regulations have met some of the strategic objectives in the road sector. Future Government efforts in the sector will seek to address the needs of maintenance and restoration of the road network and to establish regional road links, which are critical to this landlocked country. ADB program assistance has supported the development of the basic regulatory and supervisory framework that has helped stabilize the **banking sector**. However, more remains to be done to reduce the vulnerability of the banking system, strengthen the stock market, and develop the insurance sector. ADB's strategy in **the education sector** aims to restore universal access to primary education, to expand participation in early-childhood and secondary education through reorienting, modernizing, and liberalizing the sector to ensure high levels of quality and financial sustainability. ADB-supported interventions have introduced income generation and cost recovery mechanisms, encouraged private education, rationalized staffing, strengthened planning and management capacities, and developed school-based finance management. In basic education, ADB has supported the development of new curricula and textbooks, teacher education, and school facilities and equipment improvement. The NPRS period envisages further measures to ensure sectoral sustainability and efficiency, development of private education, and improved access for children from poor families to basic education.

## 2. Thematic Priorities

### a. Economic Growth

13. Achieving sustainable economic growth and development is an important objective of the CDF. The Government's principal focus in this regard will be on private sector-led growth, particularly in view of the constraints on externally-financed public investment. Efforts will be made to mobilize domestic resources and attract foreign direct investment. ADB assistance will be provided in 2002 for a regional customs cooperation program, which is expected to improve revenues and bring about legal, policy, and institutional changes in the Kyrgyz customs. ADB program support in 2004 is expected to deepen and build upon the reforms in the financial sector, which were initiated under earlier ADB assistance.<sup>2</sup>

---

<sup>2</sup> ADB. 1999. *Report and Recommendation of the President to the Board of Directors on a Proposed Loan to the Kyrgyz Republic for the Financial Intermediation and Resource Mobilization Program*. Manila

## **b. Governance**

14. Improving governance is a key feature of ADB's lending and technical assistance (TA) operations in the agriculture, energy, road, and social sectors. ADB has provided loan and TA support to improve governance, including in fiscal management; the financial sector; and the areas of legal, judicial, and enterprise reform and corporate governance. These measures are helping to address some of the administrative bottlenecks and weaknesses in law enforcement and judiciary that have compounded the problems facing private sector activity. The Government's future priorities will include state governance reform, decentralization, and transparency of public finance management. ADB is assisting with strengthening the Ministry of Finance, including customs reforms and improving public investment management. It is supporting the development of a resilient, and properly regulated and supervised financial sector. In addition, ADB has assisted with improving commercial bank audits, and introducing international accounting, auditing, and valuation standards, to improve the need for transparency and predictability in economic activities. ADB continues to support the Government's efforts to reduce corruption. The Government is aware of the need to take strong measures and has formulated a program to fight corruption. A governance assessment being conducted with ADB assistance is scheduled for completion in 2002. It will focus on governance issues that impact directly on poverty reduction and will serve as a key input into the CSP.

## **c. Regional Cooperation**

15. A high-level ministerial conference on Central Asia economic cooperation, sponsored by ADB, was convened in Manila in late March 2002. The conference confirmed that economic cooperation is particularly important to the region and that transport, energy, and trade facilitation are priority areas. In keeping with the identified priorities, the Kyrgyz Republic will be participating in three regional projects in 2002–2005, viz. customs modernization, the southern corridor road, and power transmission. In addition to these, certain other subregional projects are provisionally included in the tables on lending and nonlending products and services (see para. 25). These investments need to be further discussed with the Government.

## **C. Highlights in Coordination of External Funding and Partnership Arrangements**

16. The preparation of the CDF and NPRS, which called for close consultation with and involvement of the funding community, has brought about significant improvements in aid coordination over the last few years. There is close coordination between ADB and the representative offices of the major funders through frequent meetings and consultations and a free exchange of operational information and documents. The Kyrgyz Resident Mission is coordinating ADB's efforts to help the Government prioritize the PIP and to improve its management. The progress and findings of related studies are discussed with the funding community. Coordination with the International Monetary Fund is close as ADB interventions support some of the key structural reforms covered under the PRGF. ADB and the World Bank account for the larger part of the projects in the PIP. The World Bank and ADB have an informal understanding regarding the social sectors that the World Bank will focus on assisting the health sector and ADB on the education sector. However, recently the World Bank has expressed an interest in reviewing this understanding and discussions have been initiated. The loan and TA program for 2003–2005 emerging from this year's country programming mission was shared with the representatives of the funding community in Bishkek and possibilities of cofinancing were discussed. The directions and activities of the major funders in the Kyrgyz Republic are shown in the Development Coordination Matrix at Appendix 1, Table A1.5.

### III. PORTFOLIO MANAGEMENT ISSUES

#### A. Portfolio Performance

17. ADB operations in the Kyrgyz Republic commenced in 1994. As of the end of December 2001, ADB had approved 20 loans for 16 projects totaling \$527.2 million, all from the Asian Development Fund (ADF). In addition, 46 TA grants have been approved, amounting to \$28.2 million. Five loans have been closed and 19 advisory TAs and six project/program preparatory TAs have been completed. Despite economic difficulties, fiscal constraints, and institutional weaknesses, ADB's portfolio in the Kyrgyz Republic has performed well until now, and the implementation of approved loans and TAs has proceeded generally on schedule (appendixes 2–3). Portfolio indicators and implementation status can be seen at Appendix 1, Tables A1.6–A1.9.

18. Budget constraints have traditionally affected the implementation of ongoing projects in the country. However, the fiscal situation has become even more severe in recent years and resulted in new limits to the PIP, which will have a significant impact on the implementation of ongoing projects. ADB initiated a dialogue with the Government over two years ago to prioritize the projects in the PIP and to allocate more of the scarce resources to better performing and priority projects. ADB extended TA<sup>3</sup> to assist the Government in this regard and to improve the management of the PIP. Factors that came to light as a result of the TA indicate that the fiscal constraints and implementation problems will seriously affect ongoing and future projects over the next few years and will call for a selective approach to lending by ADB and other aid agencies.

19. The PIP study has found that scope exists for rationalization by stopping the implementation or reducing the size of many of the poor performing and slow-moving projects and reducing their funding allocations. This would make room both for new, higher priority projects, and for the better performing projects. Government estimates indicate that, in 2002, the ongoing projects require around \$140 million against the \$90 million envisaged under the PRGF. A mismatch between the actual funding requirements of ongoing projects and the annual PRGF limits, although on a somewhat declining scale, also exists for the rest of the PRGF period. Given the annual PIP limits and slow implementation of many projects, adding new lending is not possible. Even extending reduced levels of lending without pruning some of the poorly performing projects and limiting funding to them would affect the implementation of all projects. This underscores the need for the Government and the funding agencies to work closely together to prioritize and make adjustments to ongoing projects. During the 2002 country programming mission, this was a major area of dialogue and the Government is appreciative of ADB's continued support in this area.

#### B. Performance Monitoring and Evaluation

20. The country portfolio review mission planned for later this year will discuss a portfolio rationalization exercise and whether any adjustments are necessary to individual projects because of implementation performance, budget constraints, and the PIP limits. The Government's capacity to monitor and evaluate the implementation of externally assisted projects is of particular importance now that more of the scarce resources are needed for the better performing and priority projects. A planned advisory TA in 2002 for strengthening aid

---

<sup>3</sup> ADB. 2001. Technical Assistance to the Kyrgyz Republic for *Strengthening Capacity in the Ministry of Finance for Financial Management and Planning of the Public Investment Program, Phase I and Phase II*. Manila.

coordination and management will focus on improving the Ministry of Finance's capacity to monitor and evaluate foreign-assisted projects.

#### **IV. COUNTRY PERFORMANCE AND ASSISTANCE LEVELS**

##### **A. Lending Level Proposed**

21. The Kyrgyz Republic is an ADF only borrower and the status is expected to remain for the foreseeable future. An assessment of the country's performance to determine the resource allocation for 2002 showed overall progress. However, in keeping with absorptive capacity considerations due to the high level of external debt and borrowing constraints, actual lending in 2002 is expected to be \$20 million. This compares to an average lending level of \$73.4 million during 1997–2001. In 2003, the triggers will focus on macroeconomic performance, structural reforms, social development, good governance, and portfolio performance (Appendix 1, Table A1.10). As the new CSP will be prepared during 2003, the lending scenarios with triggers will be further refined for 2004–2005.

22. The base case for 2003 assumes steady progress on key reform issues, and the prioritization by Government of PIP projects without which both ongoing as well as future projects will be jeopardized. Under a base case scenario, maximum ADF assistance would be about \$30 million based on the present assessment of the debt and budget parameters.

23. A decisive slowdown in reforms and a deteriorating macroeconomic performance are identified in the low case scenario for 2003. The prioritization of the PIP, continued adherence to the debt strategy, and the finalization of the NPRS are some of the main criteria. Lending under the low case scenario would be \$15 million or less. No high case has been identified, given that developments beyond 2002 are still uncertain. This will be further examined during the preparation of the new CSP.

##### **B. Nonlending Program**

24. The TA program for 2003–2005 includes 12 projects totaling \$6.6 million. These are project preparatory and advisory TAs related to specific planned loans. The reduction of the TA indicative planning figure for the Kyrgyz Republic to around \$2.2 million per annum from levels of \$3 million to \$4 million in previous years limits the scope for capacity building and institutional strengthening. Efforts will be made to identify sources of cofinancing. The following items of economic, thematic, and sector work have been identified. Work on a poverty partnership agreement will be initiated later this year and completed in 2003. A study on budgetary procedures and another on the impact of economic reforms on growth and poverty will also be completed during this period.

##### **C. Summary of Changes<sup>4</sup>**

25. The proposed assistance pipeline for 2003–2005 for lending and nonlending products and services as agreed with the Government is shown in Appendix 1, Tables A1.11 and A1.12; the corresponding concept papers for these are in Appendixes 2 and 3. The strategic emphasis of this program is on growth, regional cooperation, human development, governance, and poverty. There have been significant changes to the operational program planned in the CSP

---

<sup>4</sup> This section summarizes major changes in the lending pipeline compared with the composition of the loan and technical assistance program shown in the previous year's CSP Update (2002-2004).

update for 2002–2004, which envisaged annual lending levels of \$55 million to \$62 million. Such levels of lending are not sustainable.<sup>5</sup> Current estimates indicate that total external borrowing of about \$70 million to \$90 million per annum will be needed from 2003 onwards. The Government would prefer future projects to be smaller in size. The changes to the lending program are summarized in the table below. Corresponding changes have been made in the ADB-financed TA program for this period.

### Proposed Changes

Year	Change
2003	<ul style="list-style-type: none"> <li>• The loan for Power Distribution in Poverty Areas Project was reduced in scope and shifted to 2005.</li> <li>• The loan for the Third Education Development Project was reduced in scope.</li> </ul>
2004	<ul style="list-style-type: none"> <li>• The loan for the Second Agriculture Area Development Project was reduced in scope and shifted to 2005.</li> </ul>

<sup>5</sup> The 2002 program was also affected. The loan for the Community-Based Early Child Development Project was reduced from \$30 million to \$10 million and shifted to 2003. The loan for the Rural Development Project was shifted to 2006. The Regional Customs Cooperation Program loan was included in 2002 and will help in augmenting revenues and facilitating cross-border trade among Central Asian Republics. A regional power transmission project, which contains a small component for the Kyrgyz Republic, has also been included in the 2002 program.

## COUNTRY AND PORTFOLIO INDICATORS, AND ASSISTANCE PIPELINE

**Table A1.1: Progress Toward the Millennium Development Goals and Targets**

International Development Goals (IDGs) and Targets	Status of DMC
<p><b>Goal 1: Eradicate Extreme Poverty and Hunger</b> Target 1: Halve, between 1990 and 2015, the proportion of people whose income is less than one dollar a day.</p>	<p>The Comprehensive Development Framework 2010 aims to reduce the level of income poverty from 52.3% in 2000 to 26.5% in 2010. The incidence of income poverty fell to 47.4% in 2001.</p>
<p>Target 2: Halve, between 1990 and 2015, the proportion of people who suffer from hunger.</p>	<p>There is no specific target for reducing nutrition-based poverty. Implicitly it will also be reduced by the same magnitude as income poverty. Nutrition based extreme poverty was 13.2% in 2001.</p>
<p><b>Goal 2: Achieve Universal Primary Education</b> Target 3: Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling.</p>	<p>Net enrolment rates in primary education are about 85%, with a roughly even gender balance.</p>
<p><b>Goal 3: Promote Gender Equality and Empower Women</b> Target 4: Eliminate gender disparity in primary and secondary education preferably by 2005 and to all levels of education no later than 2015.</p>	<p>There is no significant recorded gender disparity in enrolment at all levels.</p>
<p><b>Goal 4: Reduce Child Mortality</b> Target 5: Reduce by two-thirds, between 1990 and 2015, the under-five mortality rate.</p>	<p>Child mortality rate was reduced from 44.6 in 1993 to 33.2 in 2000.</p>
<p><b>Goal 5: Improve Maternal Health</b> Target 6: Reduce by three quarters, between 1990 and 2015, the maternal mortality ratio (MMR).</p>	<p>MMR has increased from 31.5 in 1996 to 45.5 in 2000. The Government aims to reduce the MMR by 25% by 2010. Deterioration in the quality of and access to primary health services and pre- and post-natal care could be the reason for the increase in maternal mortality rate.</p>
<p><b>Goal 6: Combat HIV/AIDS, Malaria and Other Diseases</b> Target 7: Have halted by 2015, and begun to reverse, the spread of HIV/AIDS</p>	<p>The incidence of HIV/AIDS per 100,000 population increased from 0.04 in 1997 to 0.33 in 2000. Drug abuse is considered to be the main reason for the increase in incidence. The Government is developing a comprehensive policy to arrest the increase in incidence of HIV/AIDS.</p>

Target 8: Have halted by 2015, and begun to reverse, the incidence of malaria and other major diseases.

Incidence of malaria is low: 0.1 per 100,000 in 1999 and is not a major concern. The incidence of other infectious diseases increased by 2.6% in 1999. Tuberculosis is becoming an increasingly serious health problem. Its incidence doubled between 1991 and 2000 when the rate of incidence was 122 per 100,000. Waterborne diseases such as gastro-intestinal diseases, viral hepatitis, and typhoid are high and increasing.

---

**Goal 7: Ensure Environmental Sustainability**

Target 9: Integrate the principles of sustainable development into country policies and programs and reverse the loss of environmental resources.

The comprehensive development framework 2010 aims to improve the legal framework for environmental management. It also proposes to develop decentralized approaches for management of mountainous ecology.

Target 10: Halve, by 2015, the proportion of people without sustainable access to safe drinking water.

Access to drinking water through piped supply is 90.2% in urban areas and 19% in rural areas in 2000. The Government plans to substantially improve the access to clean water supply in rural areas. Sixty-five percent of families have dwelling space of less than 5 square meters per family member. The Government plans to reduce this inequality and increase the average dwelling space per capita to 14.2 square meters by 2010.

Target 11: By 2020, to have achieved a significant improvement in the lives of at least 100 million slum dwellers.

---

HIV/AIDS = human immunodeficiency virus/acquired immunodeficiency syndrome.

Table A1.2: Country Economic Indicators

Item	Fiscal Year						
	1995	1996	1997	1998	1999	2000	2001
<b>A. Income and Growth</b>							
1. GDP per Capita (\$, current)	328.8	397.0	381.1	346.8	260.7	279.6	308.4
2. GDP Growth (% , in constant prices)	(5.2)	7.1	9.9	2.1	3.7	5.4	5.3
Agriculture	(1.9)	15.2	12.3	2.9	8.2	2.7	6.8
Industry	(10.4)	2.6	19.8	(1.8)	(3.8)	8.9	5.4
Services	(6.9)	(0.2)	0.6	3.9	3.4	5.8	2.4
<b>B. Saving and Investment (current and market prices)</b>							
							(% of GDP)
1. Gross Domestic Investment	18.3	25.2	21.7	15.4	18.0	20.0	16.4 <sup>a</sup>
2. Gross Domestic Saving	5.5	(0.6)	13.8	(6.1)	(0.8)	10.8	-
<b>C. Money and Inflation</b>							
							(annual % change)
1. Consumer Price Index <sup>b</sup>	19.8	32.0	23.4	10.5	35.9	18.7	6.9
2. Total Liquidity (M2)	78.2	21.3	25.4	17.2	33.9	12.1	11.3
<b>D. Government Finance</b>							
							(% of GDP)
1. Revenue and Grants	16.7	16.0	16.2	18.0	17.7	15.9	17.0
2. Expenditure and On lending	33.2	25.2	25.3	28.8	30.4	26.1	22.1
3. Overall Fiscal Surplus (Deficit)	(17.3)	(9.5)	(9.2)	(9.5)	(11.9)	(9.7)	(5.0)
<b>E. Balance of Payments<sup>c</sup></b>							
1. Merchandise Trade Balance (% of GDP)	(8.2)	(13.8)	(0.9)	(13.4)	(6.7)	0.6	3.3
2. Current Account Balance (% of GDP)	(15.7)	(23.2)	(7.8)	(22.2)	(14.4)	(5.6)	(0.9)
3. Merchandise Export (\$) Growth (annual % change)	20.3	29.9	18.8	(15.2)	(13.5)	10.4	(6.0)
4. Merchandise Import (\$) Growth (annual % change)	67.5	47.5	(17.5)	17.0	(27.6)	(8.2)	(14.4)
<b>F. External Payments Indicators</b>							
1. Gross Official Reserves (including gold, \$ million)	114.6	128.5	198.3	188.6	248.8	261.1	285.2
weeks of current year's imports of goods	8.6	6.9	12.9	10.8	18.6	21.2	27.3
2. External Debt Service (% of exports of goods and services)	22.3	15.5	12.0	21.8	26.0	28.1	34.5
3. Total External Debt (% of GDP)	51.1	63.0	76.3	90.2	131.7	124.4	110.0
<b>G. Memorandum Items</b>							
1. GDP (current prices, million soms)	16,145	23,399	30,686	34,181	48,744	65,358	73,890
2. Exchange Rate (som per \$, annual average)	10.8	12.8	17.3	20.8	39.0	47.7	48.4
3. Population (million)	4.5	4.6	4.7	4.7	4.8	4.9	4.9

- = not available; GDP=gross domestic product; GNP=gross national product.

<sup>a</sup> provisional

<sup>b</sup> Annual percentage change (period average)

<sup>c</sup> Balance of payment data updated using the latest National Bank of Kyrgyz Republic data.

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

**Table A1.3: Country Poverty and Social Indicators**

Item	Period			
	1985	1993	Latest Year	
<b>A. Population Indicators</b>				
1. Total Population (million)	4.0	4.5	4.9	(2001)
2. Annual Population Growth Rate (% change)	2.4	(0.7)	0.79	(2001)
<b>B. Social Indicators</b>				
1. Total Fertility Rate (births/woman)	3.9	3.1	2.4	(2000)
2. Maternal Mortality Rate (per 100,000 live Births)	42.8	44.5	43.8	(2001)
3. Infant Mortality Rate (below 1 yr/1,000 live Births)	37.8	31.9	21.7	(2001)
4. Life Expectancy at Birth (years)	68.5	67.3	68.7	(2001)
Female	69.8	71.7	72.4	(2001)
Male	65.6	63.0	64.9	(2001)
5. Adult Literacy (%)	90.5	97.0	98.7	(2001)
Female	–	–	–	
Male	–	–	–	
6. Primary School Gross Enrollment (%)	123.0	112.0	98	(1999)
Female	–	–	97	(1999)
7. Secondary School Gross Enrollment (%)	110.0	101.0	94	(1999)
Female	–	–	99	(1999)
8. Child Malnutrition (% below age 5)	–	7.0	6.6	(2000)
9. Population Below Poverty Line (International, %)	–	–	–	
10. Population with Access to Safe Water (%)	–	–	86.0	(2000)
11. Population with Access to Sanitation (%)	–	–	53.0	(1993)
12. Public Education Expenditure (% of GDP)	–	4.8	3.3	(2000)
13. Human Development Index	–	0.699	0.719	(2000)
Rank	–	83.0	97.0	(1997)
14. Gender-Related Development Index	–	–	0.715	(2000)
Rank	–	–	–	
<b>C. Poverty Indicators</b>				
1. Poverty Incidence	–	–	47.4%	
2. Percent of Poor to Total Population				
Batken Oblast	–	–	69.0	(2000)
Jalal-Abad Oblast	–	–	67.9	(2000)
Issyk-Kul Oblast	–	–	53.7	(2000)
Naryn Oblast	–	–	81.4	(2000)
Osh Oblast	–	–	51.6	(2000)
Talas Oblast	–	–	72.7	(2000)
Chui Oblast	–	–	28.1	(2000)
3. Poverty Gap	–	–	0.25	(1999)
4. Poverty Severity Index	–	–	12.30	(1998)
5. Inequality (Gini Coefficient)	–	–	0.37	(1999)
6. Human Poverty Index	–	–	9.3	(2000)
Rank	–	–	–	

– = not available; GDP=gross domestic product.

Sources: National Statistical Committee, United Nations Development Programme, World Bank, World Development Indicators.

Table A1.4: Country Environment Indicators

Indicator	1985	Latest Year	
<b>A. Energy Efficiency of Emissions</b>			
1. GDP/Unit of Energy Use (PPP\$/kgoe)	–	4.0	(2000)
2. Traditional Fuel Use (% of total energy use)	–	0	(2000)
3. Carbon Dioxide Emissions			
tons	–	5.5	(1995)
tons per capita	–	1.2	(1995)
<b>B. Water Pollution: Water and Sanitation</b>			
1. % Urban Population with Access to Safe Water	–	92.8	(1999)
2. % Rural Population with Access to Safe Water	–	74.5	(1999)
3. % Urban Population with Access to Sanitation	–	100	(2000)
<b>C. Land Use and Deforestation</b>			
1. Forest Area (thousands hectares)	–	849.5	(1998)
2. Average annual Deforestation			
square kilometers	–	–	
% change	–	(2.6)	(2000)
3. Rural Population Density (people/km <sup>2</sup> of arable land)	–	235	(2000)
4. Arable Land (% of total land)	–	6.8	(2000)
5. permanent Cropland (% of total land)	–	6.0	(2000)
<b>D. Biodiversity and Protected Areas</b>			
1. Nationally Protected Area	–	350	(1999)
thousand hectares	–	–	
% of total land	–	3.6	(2000)
2. Mammals (number of threatened species)	–	15	(2000)
3. Birds (number of threatened species)	–	35	(2000)
4. Plants (number of threatened species)	–	71	(2000)
5. Reptiles (number of threatened species)	–	5	(2000)
6. Amphibians (number of threatened species)	–	3	(2000)
<b>E. Urban Areas</b>			
1. Urban Population	–	1,734,600	(2001)
% of total population	–	35.4	(2001)
2. Per Capita Water Use (liters/day)	–	176.0	(1999)
3. Wastewater Treated (%)	–	–	
4. Solid Waste Generated Per Capita (kg/day)	–	–	

kg=kilogram, kgoe=kilograms of oil equivalent, km<sup>2</sup>=square kilometer, PPP=purchasing power parity.

Source: National Statistical Committee

Table A1.5: Development Coordination Matrix

Sector/Thematic/Area	ADB Strategy/Activities	Other Development Partners' Strategy/Activities
<b>Agriculture</b>	Support the sector's transition to a market economy with focus on policy and institutional efforts in land reforms and natural resource management, restructuring and further improvement of agricultural input supply system, improved cost recovery in irrigation, the setting up of viable credit unions in rural areas, and capacity building of sectors key institutions. Arrest degradation of water and soil resources. Develop systems for maintaining and rehabilitating agricultural infrastructure. Considerable support extended for capacity building and for rehabilitation of irrigation schemes.	<p><b>World Bank (WB):</b> Main objective of the strategy is to promote greater private sector role in the agriculture sector, and assist in policy reforms and institutional development. World Bank has provided support to implement agrarian reform and farm restructuring, develop input markets, develop a regulatory framework, establish an agriculture market information system, enhance institutional capacity of the Ministry of Agriculture and develop irrigation facilities, and assist animal husbandry.</p> <p><b>EBRD:</b> Supported private sector supply of essential farm inputs, equipment, storage facilities, and extension services for farmers.</p> <p><b>Switzerland:</b> Support the establishment, implementation, and continued improvement of the newly formed countrywide rural advisory and development services. Focuses on development in mountainous areas.</p> <p><b>UK (DFID):</b> Improve the legal, social, and institutional framework for equitable and transparent private ownership of land. Develop a demand-driven and sustainable rural advisory and developments service to help farmers to manage their land and labor resources effectively. Create sustainable income generating activities in livestock producing communities in backward areas.</p>
<b>Energy</b>	Encourage fiscally responsible operations of state-owned utilities; rationalize, rehabilitate, and maintain the infrastructure supply system, promote the private sector in production and conservation of energy, and reduce pollution. Promote regional cooperation. ADB has worked closely with the World Bank and other funding agencies to rationalize and raise tariffs for electricity and district heating, and has assisted in the rehabilitation of the country's power and heating system.	<p><b>World Bank:</b> Promote comprehensive reforms in the energy sector with special focus on electricity. Promotion of market reforms and strengthening of regulatory and institutional capacity. Provided assistance for restructuring the largest power utility.</p> <p><b>EBRD:</b> Provided assistance to upgrade the electricity transmission network in Issyk Kul.</p> <p><b>USAID:</b> Promotion of energy conservation through public participation. Assisted in introducing efficient heating systems.</p>

Sector/Thematic/Area	ADB Strategy/Activities	Other Development Partners' Strategy/Activities
	country's power and heating system.	<p><b>Germany:</b> Rehabilitation of small hydroelectric projects.</p> <p><b>Denmark:</b> Energy conservation. Provided assistance for rehabilitating electric power and central heating systems.</p> <p><b>Islamic Development Bank:</b> Rural electrification</p> <p><b>Switzerland:</b> Energy conservation. Provided assistance for rehabilitation of power distribution systems.</p> <p><b>UK (DFID):</b> Promotion of reforms in the electricity sector with emphasis on tariff reforms and regulation of power utilities.</p>
<b>Transport</b>	Rehabilitate, rationalize, and maintain infrastructure; develop an efficient policy and regulatory framework; introduce internationally comparable safety and technical standards; privatization of a number of state-owned enterprises in the sector; improve road funding; and promote regional cooperation. Rehabilitating the strategic Bishkek–Osh road and support of Almay–Bishkek regional road.	<p><b>World Bank:</b> Promotion of efficient transport system in urban areas. Provided assistance for rehabilitation of roads in selected urban areas.</p> <p><b>Islamic Development Bank:</b> Cofinanced Bishkek–Osh road rehabilitation with ADB.</p> <p><b>EU Tacis:</b> Improve regional transport networks. Provided assistance in Isyk-Kul region</p> <p><b>Japan:</b> Modernize transport infrastructure to promote growth. Provided assistance to rehabilitate Manas airport and cofinanced Bishkek–Osh road rehabilitation with ADB.</p>
<b>Communication</b>	ADB strategy does not envisage active participation in the communications sector.	<p><b>World Bank:</b> Promote comprehensive reforms in the sector. Commercialize communication activities, develop regulatory framework and institutional capacity.</p> <p><b>EBRD:</b> Modernize the telecommunication system.</p>
<b>Water Resources</b>	See "Agriculture" also for involvement in irrigation. ADB has supported drinking water supply and sanitation in rural areas in selected provinces of the country.	<p><b>World Bank:</b> Improve crop production by providing better irrigation. Rehabilitation of irrigation facilities with participation of beneficiaries. Promote water users associations to raise user charges to ensure continued maintenance of irrigation facilities with</p>

Sector/Thematic/Area	ADB Strategy/Activities	Other Development Partners' Strategy/Activities
	selected provinces of the country.	<p>local resources. Improve access to potable water in rural areas with active participation of communities in their creation, rehabilitation, and maintenance.</p> <p><b>USAID:</b> Improve management of water resources.</p> <p><b>Switzerland:</b> Improve management of water resources in Fergana Valley. Achieve better allocation and utilization of water regionally between the three countries in the valley (Uzbekistan, Tajikistan, and Kyrgyzstan).</p> <p><b>UK (DFID):</b> Strengthen the Government's policy making, monitoring and regulatory capacity in water and sanitation sectors.</p>
<b>Education</b>	Support development of new policy and planning frameworks for reorienting, modernizing, and liberalizing the education sector, with focus on early childhood and basic education, to raise levels of coverage, quality, and financial sustainability. Activities include decentralization of education management, capacity building of the Ministry of Education and Culture, financing reform, learning materials' provision, teacher training, and rehabilitation of schools.	<p><b>OPEC Fund:</b> Cofinanced the education sector with ADB with focus on basic education.</p> <p><b>USAID:</b> Support for legal reform, capacity building and democracy education.</p> <p><b>Soros Foundation:</b> School development, teacher training, learning materials' development, capacity building, and overseas scholarships.</p> <p><b>UNICEF:</b> Capacity building of local administrations, school development, policy formulation.</p> <p><b>UNESCO:</b> Promotion of the education for all strategy.</p> <p><b>Save the Children Fund (UK):</b> promotion of education, including nonformal education, for children from poor families.</p>
<b>Health</b>	Limited involvement in the health sector.	<p><b>World Bank:</b> Improve performance and long-term financial viability of the health system. Enhance access to health care through better distribution of services. Improve responsiveness and efficiency of the health system.</p>

Sector/Thematic/Area	ADB Strategy/Activities	Other Development Partners' Strategy/Activities
		<p><b>USAID:</b> Implement cost-effective primary health care. Develop a sentinel surveillance system for hepatitis in some regions.</p> <p><b>Germany:</b> Promote maternal and child health care. Prevent infectious diseases, in particular tuberculosis.</p> <p><b>Switzerland:</b> Improve health status of the population in remote and poor areas by securing access to health services through supporting the Government's health sector reforms.</p> <p><b>UK (DFID):</b> Strengthen the health sector through improved health policy and evaluation. Establish a sustainable process for monitoring the effects of health reforms on service delivery, access, and quality. Improve hygiene, sanitation, and water-related practices at individual, family, and institutional levels in some poor areas.</p>
<b>Social Protection</b>	Limited direct involvement in the area.	<b>World Bank:</b> Develop the mechanism to monitor the labor market and strengthen the capacity of the employment service, improve benefit delivery, organize adult retraining, accelerate the redeployment of unemployed workers. Support pension reforms.
<b>Private Sector Development</b>	A major objective is to support Kyrgyzstan's transition into a market-based economy. ADB has provided support for financial sector reform and to strengthen the legal, institutional, and regulatory environment necessary to promote the private sector and improve corporate governance in private enterprises. Support is also being provided to streamline the adjudication process with a view to reducing the transaction costs. Encourage privatization of public enterprises.	<p><b>World Bank:</b> Create an environment conducive for promotion of private enterprise in the Kyrgyz Republic by promoting appropriate policies and institutional strengthening. Strengthen the capacity of the commercial banking in project appraisal, financial risk management, and loan delivery.</p> <p><b>EBRD:</b> Support the private enterprises, in particular small and medium enterprises (SMEs), with financial resources. Invest in promising local companies to promote the private sector; provide medium-term debt financing to private sector enterprises.</p> <p><b>Germany (KfW)</b> Support SMEs with financial resources.</p> <p><b>USAID:</b> Provide SMEs with resource materials and training. Create an appropriate legal environment and promote tax policy conducive</p>

Sector/Thematic/Area	ADB Strategy/Activities	Other Development Partners' Strategy/Activities
		<p>to promote private enterprise.</p> <p><b>Switzerland:</b> Promote private sector development by providing low interest credit, training, and advisory services to SME promoters. Support processing and marketing of agriculture and forest products to generate income in rural areas.</p> <p><b>UNDP:</b> Create an enabling environment for SME development by addressing the issues of licensing, taxation, and other controls that act as disincentives.</p> <p><b>EU Tacis:</b> Support SMEs in food processing and ecotourism sectors. Assist regional authorities to improve local business environment.</p>
<b>Finance and Banking</b>	<p>Promote comprehensive reforms in the financial. Provided support to strengthen the banking sector and its supervision and regulation. Promote good corporate governance in the banking sector. Reduce transaction costs in the banking sector with appropriate legal and institutional reforms.</p>	<p><b>World Bank:</b> Promote comprehensive reforms in the financial sector by creating conducive policy regulatory and institutional environment. Strengthen and expand a sustainable rural financial system. Provided structural adjustment credit to promote financial sector reforms.</p> <p><b>EBRD:</b> Equity investments in local banks.</p> <p><b>USAID:</b> Training to leaders in the banking sector on aspects of bank management.</p> <p><b>EU Tacis:</b> Develop the nonbanking financial services sector including a market for agricultural mortgages.</p>
<b>Trade Promotion</b>	<p>Support trade facilitation at subregional level. Customs reforms.</p>	<p><b>EBRD:</b> Facilitate foreign trade through trade financing.</p> <p><b>USAID:</b> Support for improving legal and regulatory environment to improve transparency. Support customs reforms.</p> <p><b>Switzerland:</b> Support customs reforms.</p> <p><b>EU Tacis:</b> Support customs reforms.</p>

Sector/Thematic/Area	ADB Strategy/Activities	Other Development Partners' Strategy/Activities
<b>Tourism</b>	No participation.	<p><b>EBRD:</b> Investment in private sector tourism facilities, including hotels.</p> <p><b>Germany:</b> Investment in private sector tourism facilities, including hotels.</p>
<b>Poverty Reduction</b>	Since 2000, ADB projects, in keeping with its overarching objective, have a significant focus on poverty reduction. ADB has provided support for the Government's National Poverty Reduction Strategy.	<p><b>World Bank:</b> Similar importance as ADB's is given to poverty reduction. Provided support to improve the Government's capacity to monitor poverty. Carried out focused analytical work, and provided advisory services. Pipeline of projects aim at bringing about poverty reduction.</p> <p><b>IMF:</b> Integrating poverty reduction concerns with macroeconomic stability and good governance.</p> <p><b>UNDP:</b> Create community-based groups and provide them with microcredit.</p>
<b>Environment</b>	Stresses the importance of sound management of natural resources and protection of environment to promote sustainable development. Importance is given to addressing environmental concerns relating to its own projects. Active involvement in capacity building in the sector.	<p><b>Switzerland:</b> Improve management of forest resources by involving local communities. Capacity building in forestry management.</p>
<b>Governance</b>	Improving governance in all strategic sectors in which ADB is operating is an important element of ADB operations. Considerable focus on improving corporate governance in general and in the banking sector in particular. Assistance to promote legal reforms and improve governance in key activities of the Government.	<p><b>World Bank:</b> Improve public resource management capability of the Government. Promote tax reforms and improve public expenditure management. Streamline regulation of the private sector. Promote civil service reforms to improve public sector governance.</p> <p><b>USAID:</b> Promote fiscal reforms, in particular, improve tax administration and streamline the budgetary process and intergovernmental finances. Promote decentralization and good governance at all levels.</p> <p><b>Switzerland:</b> Promote legal education in rural areas. Assist the</p>

Sector/Thematic/Area	ADB Strategy/Activities	Other Development Partners' Strategy/Activities
		<p>Government in conducting national population census and agricultural census.</p> <p><b>UNDP:</b> Promote civil service reforms. Support the Parliament in the formulation of rules and procedures. Encourage decentralization by assisting in the formulation of enabling legal environment and developing administrative capacities.</p> <p><b>UK (DFID):</b> Strengthen the capacity of the Kyrgyz National Statistical Committee and other key players in the statistical system to produce and disseminate high quality social statistics with a sound methodological basis.</p>

EBRD = European Bank for Reconstruction and Development; KfW = Kreditanstalt für Wiederaufbau; OPEC = Organization of Petroleum Exporting Countries; UK (DFID) = United Kingdom (Department for International Development); UNDP = United Nations Development Programme; UNESCO = United Nations Educational, Scientific and Cultural Organization; UNICEF = United Nation's Children Fund; USAID = U.S. Agency for International Development.

**Table A1.6: Portfolio Indicators—Portfolio Amounts and Ratings**  
(public sector loans, as of 31 December 2001)

Portfolio	Net Loan Amount		Total		Performance Rating <sup>a</sup>								Potential Problem <sup>b</sup>		At Risk <sup>c</sup>		
	\$ million	%	No.	%	Highly Satisfactory		Satisfactory		Partly Satisfactory		Unsatisfactory		No.	%	No.	%	
					No.	%	No.	%	No.	%	No.	%					
Agriculture and Natural Resources	32.8	10.0	1	6.7	–	–	1	8.3	–	–	–	–	–	–	–	–	–
Energy	27.7	8.6	1	6.7	–	–	1	8.3	–	–	–	–	1	50.0	1	20.0	
Finance	45.8	14.2	3	20.0	–	–	2	16.7	1	100.0	–	–	–	–	1	20.0	
Industry and Nonfuel Minerals	24.2	7.5	1	6.7	–	–	–	–	–	–	1	50.0	–	–	1	20.0	
Multisector Others	38.3	18.9	2	13.3	–	–	2	16.7	–	–	–	–	–	–	–	–	–
Social Infrastructure	61.3	28.9	4	26.7	–	–	4	33.3	–	–	–	–	1	50.0	1	20.0	
Transport and Communications	93.4	28.9	3	20.0	–	–	2	16.7	–	–	1	50.0	–	–	1	20.0	
<b>Total</b>	<b>323.5</b>	<b>100.0</b>	<b>15.0</b>	<b>100.0</b>	<b>–</b>	<b>–</b>	<b>12</b>	<b>100.0</b>	<b>1</b>	<b>100.0</b>	<b>2</b>	<b>100.0</b>	<b>2</b>	<b>100.0</b>	<b>5</b>	<b>100.0</b>	

No. = number

<sup>a</sup> One rating for implementation progress and development objectives, based on the lower rating of either.

<sup>b</sup> Potential problem loans are satisfactory loans but have four or more risk factors associated with partly satisfactory or unsatisfactory performance.

<sup>c</sup> A loan is "at risk" if it is rated as partly satisfactory, as unsatisfactory, or as a potential problem.

Source: Asian Development Bank estimates.

**Table A1.7: Portfolio Indicators—Disbursements and Net Transfers of Resources**  
(public sector loans, as of 31 December 2001)

<b>Disbursements and Transfers</b>	<b>OCR</b>	<b>ADF</b>	<b>Total</b>
<b>Disbursements<sup>a</sup></b>			
Total Funds Available for Withdrawal (\$million, active loans only)	–	437.0	437.0
Disbursed Amount (\$million, cumulative, active loans only)	–	314.7	314.7
Percentage Disbursed (disbursed amt/total available)	–	72.0	72.0
Disbursements (\$million, latest year)	–	56.4	56.4
Disbursement Ratio (%) <sup>b</sup>	–	30.3	30.3
<b>Net Transfer of Resources</b> (\$ million) <sup>c</sup>			
1997	–	51.2	51.2
1998	–	42.1	42.1
1999	–	77.8	77.8
2000	–	19.0	19.0
2001	–	55.8	55.8

ADF=Asian Development Fund, OCR=ordinary capital resources.

<sup>a</sup> Includes all loans with disbursements during 2001.

<sup>b</sup> Ratio of disbursements during the year over the undisbursed net loan balance at the beginning of the year less cancellations at the beginning of the year. Effective loans during the year have also been added to the beginning balance of undisbursed loans.

<sup>c</sup> Includes private sector projects.

Source: Asian Development Bank estimates.

**Table A1.8: Portfolio Indicators—Evaluation Rating by Sector\***  
(by year of PPAR circulation, as of 31 December 2001)

Sector	Highly Successful		Successful		Partly Successful		Unsuccessful		No Rating		Total	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Agriculture and Natural Resources	-		-		-		-		-		-	
Energy	-		-		-		-		-		-	
Finance	-		-		-		-		-		-	
Industry and Nonfuel Minerals	-		-		-		-		-		-	
Multisector	-		-		-		-		-		-	
Others	-		-		-		-		-		-	
Social Infrastructure	-		-		-		-		-		-	
Transport and Communications	-		-		-		-		-		-	
<b>Total</b>												

PPAR=project or program performance audit report.

Sources: Asian Development Bank project (program) audit reports.

\* So far, no closed loan has been audited.

**Table A1.9: Portfolio Implementation Status**  
(public sector loans, as of 31 December 2001)

#	Sector	Loan No.	Seg	Title	Net Loan Amount		Approval Date	Effectivity Date	Closing Date		Progress
					OCR	ADF			Original	Revised	
					(\$ million)	(\$ million)	(dd/mm/yy)	(dd/mm/yy)	(dd/mm/yy)	(dd/mm/yy)	(%complete)
1	AGR	1726		Agriculture Area Development		32.8	20 Dec 99	01 Sep 00	31 Jan 07	-	10
2	ENE	1443		Power and District Heating		27.7	06 Jun 96	24 Apr 97	30 Jun 00	31 Mar 02	99
3	FIN	1529		Rural Financial Institutions		11.5	21 Aug 97	30 Apr 98	31 Mar 05	-	52
4	FIN	1723		Financial Intermediation and Resource Mobilization Program		33.4	17 Dec 99	23 Dec 99	30 Sep 01	27 Feb 02	-
5	FIN	1724		Commercial Bank Audits		0.9	17 Dec 99	23 Dec 99	30 Jan 01	31 Mar 02	62
6	IND	1786		Skills and Entrepreneurship Development Project		24.2	28 Nov 00	-	30 Jun 06	-	-
7	OTH	1547		Capacity Building in Corporate Governance & Insolvency Procedures		3.8	25 Sep 97	9 Dec 97	30 Jun 01	31 Dec 03	59
8	OTH	1860		Corporate Governance & Enterprise Reform Program II		34.5	22 Nov 01	7 Dec 01	31 Dec 04	-	-
9	SOC	1555		Education Sector Development Program		12.9	29 Sep 97	20 Mar 98	30 Jun 03	-	30
10	SOC	1633		Flood Emergency Rehabilitation Project		4.9	24 Sep 98	26 Nov 98	30 Apr 01	15 Aug 02	90
11	SOC	1645		Social Services Delivery and Finance Project		9.2	27 Nov 98	28 Jul 99	30 Jun 04	-	30
12	SOC	1742		Community-Based Infrastructure Services Sector Project		34.3	8 Jun 00	28 Nov 00	31 Dec 06	-	5
13	T&C	1630		Second Road Rehabilitation		48.7	10 Sep 98	10 Mar 99	30 Apr 02	30 Jul 03	92
14	T&C	1775		Almaty-Bishkek Regional Road Rehabilitation		4.8	31 Oct 00	-	30 Jun 04	-	2
15	T&C	1853		Third Road Rehabilitation		39.9	31 Oct 01	-	30 Apr 05	-	3
<b>Total</b>						<b>323.5</b>					

ADF=Asian Development Fund, AGR= agriculture and natural resources, ENE=energy, FIN=finance, IND=industry and nonfuel minerals, MUL=multisector, OCR=ordinary capital resources, OTH=other and multisector, Seg=segment (pertaining to loans with more than one withdrawal authority), SOC=social infrastructure, T&C=transport and communications.

#	Sector	Loan No.	Seg	Title	Cumulative Contracts/ Commitments (\$ million)	Cumulative Disbursements (\$ million)	Performance Rating		Potential Problem <sup>a</sup>	At Risk <sup>b</sup>
							IP	DO		
1	AGR	1726		Agriculture Area Development	2.4	0.6	S	S		
2	ENE	1443		Power and District Heating	27.5	27.4	S	S	Yes	Yes
3	FIN	1529		Rural Financial Institutions	3.3	3.8	S	S		
4	FIN	1723		Financial Intermediation and Resource Mobilization Program	33.4	33.4	S	S		
5	FIN	1724		Commercial Bank Audits	0.4	0.4	PS	S		Yes
6	IND	1786		Skills and Entrepreneurship Development Project	0.0	0.0	U	PS		Yes
7	OTH	1547		Capacity Building in Corporate Governance & Insolvency Procedures	3.1	2.9	S	S		
8	OTH	1860		Corporate Governance & Enterprise Reform Program II	17.3	17.3	S	S		
9	SOC	1555		Education Sector Development Program	3.7	3.7	S	S	Yes	Yes
10	SOC	1633		Flood Emergency Rehabilitation Project	4.9	4.4	S	S		
11	SOC	1645		Social Services Delivery and Finance Project	2.8	2.4	S	S		
12	SOC	1742		Community-Based Infrastructure Services Sector Project	2.7	1.3	S	S		
13	T&C	1630		Second Road Rehabilitation	45.3	35.2	S	S		
14	T&C	1775		Almaty-Bishkek Regional Road Rehabilitation	0.0	0.0	U	S		Yes
15	T&C	1853		Third Road Rehabilitation	0.0	0.0	S	S		
<b>Total</b>					<b>146.8</b>	<b>132.8</b>				

DO=development objectives, HS=highly satisfactory, IP= implementation progress, PS=partly satisfactory, S=satisfactory, U=unsatisfactory.

<sup>a</sup> "Yes" for loans with four or more risk factors associated with partly satisfactory or unsatisfactory performance.

<sup>b</sup> A loan is considered "at risk" if it is rated as "PS" or "U" in either implementation progress or development objectives, or if it is a potential problem loan.

**Table A1.10: Lending Scenarios and Performance Triggers for 2003**

<b>Low Case</b>	<b>Base Case</b>
<ul style="list-style-type: none"> <li>• Inadequate progress in macroeconomic and structural reforms</li> </ul>	<ul style="list-style-type: none"> <li>• Steady progress in macroeconomic and structural reforms, with emphasis on the financial sector, public sector and customs reforms</li> </ul>
<ul style="list-style-type: none"> <li>• Government does not prioritize and spring clean ongoing projects in the Public Investment Program (PIP)</li> </ul>	<ul style="list-style-type: none"> <li>• Government with technical assistance from ADB makes progress in prioritizing and spring cleaning of ongoing projects in the PIP</li> </ul>
<ul style="list-style-type: none"> <li>• Government does not follow the measures defined in the national debt strategy finalized in 2001</li> </ul>	<ul style="list-style-type: none"> <li>• Continued adherence to the national debt strategy</li> </ul>
<ul style="list-style-type: none"> <li>• A National Poverty Reduction Strategy (NPRS), acceptable to ADB, is not finalized by the Government.</li> </ul>	<ul style="list-style-type: none"> <li>• Finalization of NPRS by the Government</li> </ul>
<ul style="list-style-type: none"> <li>• No significant legal and judicial reforms are undertaken to improve the climate for private sector activity.</li> </ul>	<ul style="list-style-type: none"> <li>• Steady progress is made in formulating and commencing implementation of a package of legal and judicial reforms for improving the investment climate for the private sector.</li> </ul>

**Table A1.11: Assistance Pipeline for Lending Products, 2003–2005**

Sector Proj/Prog Name	Poverty Classifi- cation	Thematic Priority	Division	Year of PPTA	Total	Cost (\$m)				
						ADB			Gov't	Cofi- nancing
						OCR	ADF	Total		
<b>2003 Firm Loans</b>										
<b>Transport and Communications</b>										
Kyrgyz Transport Corridor Road Project, Phase I	OTH	REG/ECO	ECID	2001	25.0	–	20.0	20.0	5.0	0.0
<b>Subtotal</b>					<b>25.0</b>	<b>0.0</b>	<b>20.0</b>	<b>20.0</b>	<b>5.0</b>	<b>0.0</b>
<b>Social Infrastructure</b>										
Community-Based Early Childhood Development	CPI	HD	ECSS	2000	12.5	–	10.0	10.0	2.5	0.0
<b>Subtotal</b>					<b>12.5</b>	<b>0.0</b>	<b>10.0</b>	<b>10.0</b>	<b>2.5</b>	<b>0.0</b>
<b>Total</b>					<b>37.5</b>	<b>0.0</b>	<b>30.0</b>	<b>30.0</b>	<b>7.5</b>	<b>0.0</b>
<b>2004 Firm Loans</b>										
<b>Social Infrastructure</b>										
Third Education	PI	HD	ECSS	2003	12.5	–	10.0	10.0	2.5	0.0
<b>Subtotal</b>					<b>12.5</b>	<b>–</b>	<b>10.0</b>	<b>10.0</b>	<b>2.5</b>	<b>0.0</b>
<b>Finance</b>										
Financial Sector Program	OTH	ECO	ECGF	2003	25.0	–	20.0	20.0	5.0	0.0
<b>Subtotal</b>					<b>25.0</b>	<b>0.0</b>	<b>20.0</b>	<b>20.0</b>	<b>5.0</b>	<b>0.0</b>
<b>Total</b>					<b>37.5</b>	<b>0.0</b>	<b>30.0</b>	<b>30.0</b>	<b>7.5</b>	<b>0.0</b>
<b>2005 Firm Loans</b>										
<b>Agriculture and Natural Resources</b>										
Second Agriculture Development	PI	ECO	ECAE	2004	18.75	–	15.0	15.0	3.75	0.0
<b>Subtotal</b>					<b>18.75</b>	<b>0.0</b>	<b>15.0</b>	<b>15.0</b>	<b>3.75</b>	<b>0.0</b>
<b>Energy Sector</b>										
Power Distribution in Poverty Areas	CPI	ECO	ECID	2004	18.75	–	15.0	15.0	3.75	0.0
<b>Subtotal</b>					<b>18.75</b>	<b>0.0</b>	<b>15.0</b>	<b>15.0</b>	<b>3.75</b>	<b>0.0</b>
<b>Total</b>					<b>37.5</b>	<b>0.0</b>	<b>30.0</b>	<b>30.0</b>	<b>7.5</b>	<b>0.0</b>
<b>2005 Standby Loan</b>										
<b>Transport and Communications</b>										
Kyrgyz Transport Corridor Road Project, Phase II	OTH	REG/ECO	ECID	2004	25.0	–	20.0	20.0	5.0	0.0
<b>Subtotal</b>					<b>25.0</b>	<b>0.0</b>	<b>20.0</b>	<b>20.0</b>	<b>5.0</b>	<b>0.0</b>
<b>Total</b>					<b>25.0</b>	<b>–</b>	<b>20.0</b>	<b>20.0</b>	<b>5.0</b>	<b>0.0</b>

Sector Proj/Prog Name	Poverty Classifi- cation	Thematic Priority	Division	Year of PPTA	Total	Cost (\$m)			Gov't	Cofi- nancing
						ADB		Total		
						OCR	ADF			
<b>Subregional Loans*</b>										
<b>2003</b>										
none										
<b>2004</b>										
<b>Energy</b>										
Regional Power Transmission Modernization Project in CARs, Phase II	OTH	ECO/REG	ECID	2003						
Central Asia Gas Transmission Improvement Project (Phase I)	OTH	ECO/REG	ECID	2003						
<b>2005</b>										
none										

ADB=Asian Development Bank, ADF=Asian Development Fund, CPI=core poverty intervention, ECAE=Agriculture, Environment and Natural Resources Division, ECGF=Governance, Finance & Trade Division, ECID=Infrastructure Division, ECSS=Social Sectors Division, ECO=economic growth, GAD=gender and development, GG=good governance, HD=human development, OCR=ordinary capital resources, PI=poverty intervention, REG=regional cooperation, TBD=to be determined.

\* Provisionally included in this list and subject to further discussions with the Government

**Table A1.12: Assistance Pipeline for Nonlending Products and Services, 2003–2005**

Sector Assistance Name	Responsible Division	Assistance Type	ADB	Amount (\$ '000)	
				Others	Total
<b>2003</b>					
<b>Social Infrastructure</b>					
1. Community-Based Early Childhood Development <sup>a</sup>	ECSS	ID	500.0		500.0
2. Third Education	ECSS	PP	600.0		600.0
<b>Subtotal</b>			<b>1,100.0</b>		<b>1,100.0</b>
<b>Transport</b>					
1. Kyrgyz Transport Corridor Road Project, Phase I <sup>a</sup>	ECID	ID	500.0		500.0
<b>Subtotal</b>			<b>500.0</b>		<b>500.0</b>
<b>Finance</b>					
1. Financial Sector Program II	ECGF	PP	600.0		600.0
<b>Subtotal</b>			<b>600.0</b>		<b>600.0</b>
<b>Others</b>					
1. Impact of Economic Reforms on Growth and Poverty	KYRM/ECOC	ETSW	–		–
2. A Review of Budgetary Procedures	KYRM/ECOC	ETSW	–		–
<b>Subtotal</b>			<b>0.0</b>		<b>0.0</b>
<b>Total</b>			<b>2,200.0</b>		<b>2,200.0</b>
<b>2004</b>					
<b>Social Infrastructure</b>					
1. Third Education <sup>a</sup>	ECSS	ID	500.0		500.0
<b>Subtotal</b>			<b>500.0</b>		<b>500.0</b>
<b>Agriculture and Natural Resources</b>					
1. Second Agriculture Area Development Program	ECAE	PP	600.0		600.0
<b>Subtotal</b>			<b>600.0</b>		<b>600.0</b>
<b>Others</b>					
1. Power Distribution in Poverty Areas	ECID	PP	600.0		600.0
2. Financial Sector Program II <sup>a</sup>	ECGF	ID	500.0		500.0
<b>Subtotal</b>			<b>1,100.0</b>		<b>1,100.0</b>
<b>Total</b>			<b>2,200.0</b>		<b>2,200.0</b>
<b>2005</b>					
<b>Agriculture and Natural Resources</b>					
1. Rural Development	ECAE	PP	500.0		500.0
2. Second Agriculture Area Development Program <sup>a</sup>	ECAE	ID	600.0		600.0
<b>Subtotal</b>			<b>1,100.0</b>		<b>1,100.0</b>

Sector Assistance Name	Responsible Division	Assistance Type	Amount (\$ '000)		Total
			ADB	Others	
<b>Transport and Communications</b>					
1. Kyrgyz Transport Corridor Road Project, Phase II <sup>a</sup>	ECID	ID	600.0		600.0
<b>Subtotal</b>			<b>600.0</b>		<b>600.0</b>
<b>Energy</b>					
1. Power Distribution in Poverty Areas	ECID	ID	500.0		500.0
<b>Subtotal</b>			<b>500.0</b>		<b>500.0</b>
<b>Total</b>			<b>2,200.0</b>		<b>2,200.0</b>
<b>Subregional*</b>					
<b>2003</b>					
<b>Transport and Communications</b>					
1. Kyrgyz Transport Corridor Development, Phase II	ECID	PP			
<b>Finance &amp; Industry</b>					
1. Regional Private Sector Development	ECGF	RETA			
2. Regional Financial Sector Development	ECGF	RETA			
<b>2004</b>					
<b>Social Infrastructure</b>					
1. Participatory Water Management in Central Asia	ECAE	ETSW/ID			
<b>Finance and Industry</b>					
1. Regional Tourism Development	ECGF	RETA			
2. Trade Facilitation and Customs Cooperation Program, Phase II	ECGF	RETA			
<b>Others</b>					
1. Capacity Building in Priority Areas of Regional Cooperation	CARECU	RETA			
<b>2005</b>					
<b>Finance &amp; Industry</b>					
1. Regional Financial Sector Development, Phase II	ECGF	RETA			
2. Trade Facilitation & Customs Cooperation Program III	ECGF	RETA			

ADB=Asian Development Bank, ECAE=Agriculture, Environment and Natural Resources Division, ECGF=Governance, Finance & Trade Division, ECID=Infrastructure Division, ECOC = Operations Coordination Division, ECSS=Social Sectors Division, ID=institutional development, KYRM = Kyrgyz Resident Mission, PP=project preparatory.

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

\* Provisionally included in this list and subject to further discussions with the Government

## CONCEPT PAPERS FOR LENDING PRODUCTS

This appendix contains the concept papers for the following lending products.

- (i) Table A2.1: Kyrgyz Transport Corridor Road Project Phases I and II
- (ii) Table A2.2: Community-Based Early Childhood Development
- (iii) Table A2.3: Primary and Secondary Education Development Project (Third Education)
- (iv) Table A2.4: Financial Sector Program II
- (v) Table A2.5: Second Agriculture Development
- (vi) Table A2.6: Power Distribution in Poverty Areas
- (vii) Table A2.7: Central Asia Gas Transmission Improvement Project
- (viii) Table A2.8: Regional Power Transmission Modernization Project in CARs, Phase II

**Table A2.1: Kyrgyz Transport Corridor Road Project Phases I and II  
Concept Paper**

**Date: 20 June 2002**

<p><b>1. Type/modality of assistance</b></p> <p><input checked="" type="checkbox"/> Lending</p> <p><input checked="" type="checkbox"/> Project loan</p> <p><input type="checkbox"/> Program loan</p> <p><input type="checkbox"/> Sector loan</p> <p><input type="checkbox"/> Sector development program loan</p> <p><input type="checkbox"/> Other:</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p><input type="checkbox"/> Project preparatory</p> <p><input checked="" type="checkbox"/> Other than project preparatory</p> <p><input type="checkbox"/> Economic, thematic, and sector work</p> <p><input checked="" type="checkbox"/> Institutional development</p> <p><input type="checkbox"/> Other:</p>										
<p><b>2. Assistance Focus</b></p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Transport Subsector: Roads</p> <p>b. For project preparatory and lending, classification</p> <p><input type="checkbox"/> Core poverty intervention</p> <p><input type="checkbox"/> Poverty intervention</p> <p>c. Key thematic area(s)</p> <table border="0"> <tr> <td><input checked="" type="checkbox"/> Economic growth</td> <td><input type="checkbox"/> Human development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td><input type="checkbox"/> Good governance</td> </tr> <tr> <td><input type="checkbox"/> Environmental protection</td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input checked="" type="checkbox"/> Regional cooperation</td> <td><input type="checkbox"/> Social protection</td> </tr> <tr> <td><input type="checkbox"/> Other:</td> <td></td> </tr> </table>	<input checked="" type="checkbox"/> Economic growth	<input type="checkbox"/> Human development	<input type="checkbox"/> Gender and development	<input type="checkbox"/> Good governance	<input type="checkbox"/> Environmental protection	<input type="checkbox"/> Private sector development	<input checked="" type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection	<input type="checkbox"/> Other:	
<input checked="" type="checkbox"/> Economic growth	<input type="checkbox"/> Human development									
<input type="checkbox"/> Gender and development	<input type="checkbox"/> Good governance									
<input type="checkbox"/> Environmental protection	<input type="checkbox"/> Private sector development									
<input checked="" type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection									
<input type="checkbox"/> Other:										
<p><b>3. Coverage</b></p> <p><input checked="" type="checkbox"/> Country                      <input checked="" type="checkbox"/> Subregional                      <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>										
<p><b>4. Responsible division/department:</b> Infrastructure Division/East and Central Asia Department</p>										
<p><b>5. Responsible ADB officer(s):</b> S. O' Sullivan</p>										
<p><b>6. Description of assistance(s)</b></p> <p><b>a. Background/linkage to country/regional strategy:</b> The road through southern Kyrgyz Republic linking the PRC and Uzbekistan, the Andizhan-Osh-Irkeshtan-Kashgar road, needs improvement to allow effective use of this international route. Increased trade and communication along this transport corridor would improve relations between PRC, Kyrgyz Republic, and Uzbekistan, as well as generate economic benefits in all three. The route is likely to have extraregional transport potential.</p> <p><b>b. Goal and purpose:</b> To reduce poverty and increase regional trade and cooperation by rehabilitating the road linking Andijan, Uzbekistan, Osh Kyrgyz Republic, and Kashgar PRC.</p> <p><b>c. Components and outputs:</b> The project will include civil works for rehabilitation, consulting services for project implementation, institutional strengthening and policy reform, and possibly purchase of equipment for road maintenance.</p> <p><b>d. Expected results and deliverables:</b> Rehabilitation of the road. Improved road maintenance financing</p>										

<p>and practices.</p> <p><b>e. Social or environmental issues or concerns:</b> None</p> <p><b>f. Plans for disseminating results/deliverables:</b> To be determined.</p>										
<p><b>7. Proposed executing/implementing agencies:</b> Ministry of Transport</p>										
<p><b>8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:</b> Regional meetings will be held.</p>										
<p><b>9. Timetable for assistance design, processing, and implementation</b></p> <p>a. Year included in CSP, CSP update, SCSP, SCSP update, or interregional work plan: 2002</p> <p>b. Expected date of submission for approval</p> <table> <tr> <td>Lending:</td> <td>2003, 2005</td> </tr> <tr> <td>Nonlending (project preparatory):</td> <td></td> </tr> <tr> <td>Nonlending (other than project preparatory):</td> <td>2003, 2005</td> </tr> </table> <p>c. Period and duration of assistance</p> <table> <tr> <td>Lending:</td> <td>2003–2008</td> </tr> <tr> <td>Nonlending:</td> <td></td> </tr> </table>	Lending:	2003, 2005	Nonlending (project preparatory):		Nonlending (other than project preparatory):	2003, 2005	Lending:	2003–2008	Nonlending:	
Lending:	2003, 2005									
Nonlending (project preparatory):										
Nonlending (other than project preparatory):	2003, 2005									
Lending:	2003–2008									
Nonlending:										
<p><b>10. Financing Plan</b> (Indicate possible financing sources and amount of assistance, cost estimates, and financing arrangements)</p> <p>a. For lending</p> <p><input type="checkbox"/> Ordinary capital resources:</p> <p><input checked="" type="checkbox"/> Asian Development Fund: \$20.0 million (Phase I); \$20.0 million (Phase II)</p> <p><input type="checkbox"/> Other:</p> <p>If cofinancing is required indicate sources, and amount sought: If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):</p> <p>b. For nonlending</p> <p><input type="checkbox"/> No resources required, other than ADB staff</p> <p><input type="checkbox"/> ADB's administrative budget:</p> <p><input checked="" type="checkbox"/> Grant TA funds: \$450,000 (for the attached TA)</p> <p>If cofinancing is required indicate sources, and amount sought: If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):</p>										

ADB = Asian Development Bank, CSP = country strategy and program, PRC = People's Republic of China, SCSP = subregional cooperation strategy and program, TA = technical assistance.

**Table A2.2: Community-Based Early Childhood Development  
Concept Paper**

**Date: June 2002**

<p><b>1. Type/modality of assistance</b></p> <p><input checked="" type="checkbox"/> Lending</p> <p><input checked="" type="checkbox"/> Project loan</p> <p><input type="checkbox"/> Program loan</p> <p><input type="checkbox"/> Sector loan</p> <p><input type="checkbox"/> Sector development program loan</p> <p><input type="checkbox"/> Other:</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p><input type="checkbox"/> Project preparatory</p> <p><input checked="" type="checkbox"/> Other than project preparatory</p> <p><input type="checkbox"/> Economic, thematic, and sector work</p> <p><input checked="" type="checkbox"/> Institutional development</p> <p><input type="checkbox"/> Other:</p>										
<p><b>2. Assistance Focus</b></p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Social sector Subsector: Early childhood development</p> <p>b. For project preparatory and lending, classification</p> <p><input checked="" type="checkbox"/> Core poverty intervention</p> <p><input type="checkbox"/> Poverty intervention</p> <p>c. Key thematic area(s)</p> <table border="0"> <tr> <td><input type="checkbox"/> Economic growth</td> <td><input checked="" type="checkbox"/> Human development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td><input type="checkbox"/> Good governance</td> </tr> <tr> <td><input type="checkbox"/> Environmental protection</td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Regional cooperation</td> <td><input checked="" type="checkbox"/> Social protection</td> </tr> <tr> <td><input type="checkbox"/> Other:</td> <td></td> </tr> </table>	<input type="checkbox"/> Economic growth	<input checked="" type="checkbox"/> Human development	<input type="checkbox"/> Gender and development	<input type="checkbox"/> Good governance	<input type="checkbox"/> Environmental protection	<input type="checkbox"/> Private sector development	<input type="checkbox"/> Regional cooperation	<input checked="" type="checkbox"/> Social protection	<input type="checkbox"/> Other:	
<input type="checkbox"/> Economic growth	<input checked="" type="checkbox"/> Human development									
<input type="checkbox"/> Gender and development	<input type="checkbox"/> Good governance									
<input type="checkbox"/> Environmental protection	<input type="checkbox"/> Private sector development									
<input type="checkbox"/> Regional cooperation	<input checked="" type="checkbox"/> Social protection									
<input type="checkbox"/> Other:										
<p><b>3. Coverage</b></p> <p><input checked="" type="checkbox"/> Country                      <input type="checkbox"/> Subregional                      <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>										
<p><b>4. Responsible division/department:</b> Social Sectors Division/East and Central Asia Department</p>										
<p><b>5. Responsible ADB officer(s):</b> R. Hiraoka</p>										
<p><b>6. Description of assistance(s)</b></p> <p><b>a. Background/linkage to country/regional strategy:</b> Early childhood development is instrumental for future human resource development, and providing equal opportunities to children at an early stage of child development regardless of the household's income level. It would also have direct impact on achievements of millennium goals, by reducing infant mortality rates through improving access to primary health care, and nutrition levels of women and children.</p> <p><b>b. Goal and purpose:</b> The proposed project is aimed at ensuring survival and sound development of children in the Kyrgyz Republic by strengthening public services and empowering poorer communities to utilize services as well as contribute to development of their children.</p> <p><b>c. Components and outputs:</b> Components are (i) improving primary health care services, (ii) extending public early childhood development programs, and (iii) supporting community level activities for child development.</p>										

<p><b>d. Expected results and deliverables:</b> Expected deliverables are reduced child mortality rates and increased number of poor children who have access to early childhood development programs.</p> <p><b>e. Social or environmental issues or concerns:</b> Not applicable.</p> <p><b>f. Plans for disseminating results/deliverables:</b> The project plans to cover six oblasts and disseminate successful interventions through national level workshops.</p>										
<p><b>7. Proposed executing/implementing agencies:</b> President's Office or Ministry of Finance</p>										
<p><b>8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:</b> The TA concepts largely reflect the request from the local governments. However, further consultation will be required to incorporate needs of central government departments.</p>										
<p><b>9. Timetable for assistance design, processing, and implementation</b></p> <p>a. Year included in CSP, CSP update, SCSP, SCSP update, or interregional work plan: 2003 Country Program</p> <p>b. Expected date of submission for approval</p> <table> <tr> <td>Lending:</td> <td>March 2003</td> </tr> <tr> <td>Nonlending (project preparatory):</td> <td></td> </tr> <tr> <td>Nonlending (other than project preparatory):</td> <td>March 2003</td> </tr> </table> <p>c. Period and duration of assistance</p> <table> <tr> <td>Lending:</td> <td>5 years</td> </tr> <tr> <td>Nonlending:</td> <td>18 months</td> </tr> </table>	Lending:	March 2003	Nonlending (project preparatory):		Nonlending (other than project preparatory):	March 2003	Lending:	5 years	Nonlending:	18 months
Lending:	March 2003									
Nonlending (project preparatory):										
Nonlending (other than project preparatory):	March 2003									
Lending:	5 years									
Nonlending:	18 months									
<p><b>10. Financing Plan</b> (Indicate possible financing sources and amount of assistance, cost estimates, and financing arrangements)</p> <p>a. For lending</p> <p><input type="checkbox"/> Ordinary capital resources:</p> <p><input checked="" type="checkbox"/> Asian Development Fund: \$10 million</p> <p><input type="checkbox"/> Other:</p> <p>If cofinancing is required indicate sources, and amount sought: If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):</p> <p>b. For nonlending</p> <p><input type="checkbox"/> No resources required, other than ADB staff</p> <p><input type="checkbox"/> ADB's administrative budget:</p> <p><input checked="" type="checkbox"/> Grant TA funds: \$500,000 (for the attached TA)</p> <p>If cofinancing is required indicate sources, and amount sought: If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):</p>										

ADB = Asian Development Bank, CSP = country strategy and program, SCSP = subregional cooperation strategy and program, TA = technical assistance.

**Table A2.3: Primary and Secondary Education Development Project (Third Education)  
Concept Paper**

**Date: 28 May 2002**

<p><b>1. Type/modality of assistance</b></p> <p><input checked="" type="checkbox"/> Lending</p> <p><input checked="" type="checkbox"/> Project loan</p> <p><input type="checkbox"/> Program loan</p> <p><input type="checkbox"/> Sector loan</p> <p><input type="checkbox"/> Sector development program loan</p> <p><input type="checkbox"/> Other:</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p><input checked="" type="checkbox"/> Project preparatory</p> <p><input checked="" type="checkbox"/> Other than project preparatory</p> <p><input type="checkbox"/> Economic, thematic, and sector work</p> <p><input checked="" type="checkbox"/> Institutional development</p> <p><input type="checkbox"/> Other:</p>										
<p><b>2. Assistance Focus</b></p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Education Subsector: Primary and secondary (basic) education</p> <p>b. For project preparatory and lending, classification</p> <p><input type="checkbox"/> Core poverty intervention</p> <p><input checked="" type="checkbox"/> Poverty intervention</p> <p>c. Key thematic area(s)</p> <table> <tr> <td><input checked="" type="checkbox"/> Economic growth</td> <td><input checked="" type="checkbox"/> Human development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td><input checked="" type="checkbox"/> Good governance</td> </tr> <tr> <td><input type="checkbox"/> Environmental protection</td> <td><input checked="" type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Regional cooperation</td> <td><input type="checkbox"/> Social protection</td> </tr> <tr> <td><input type="checkbox"/> Other:</td> <td></td> </tr> </table>	<input checked="" type="checkbox"/> Economic growth	<input checked="" type="checkbox"/> Human development	<input type="checkbox"/> Gender and development	<input checked="" type="checkbox"/> Good governance	<input type="checkbox"/> Environmental protection	<input checked="" type="checkbox"/> Private sector development	<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection	<input type="checkbox"/> Other:	
<input checked="" type="checkbox"/> Economic growth	<input checked="" type="checkbox"/> Human development									
<input type="checkbox"/> Gender and development	<input checked="" type="checkbox"/> Good governance									
<input type="checkbox"/> Environmental protection	<input checked="" type="checkbox"/> Private sector development									
<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection									
<input type="checkbox"/> Other:										
<p><b>3. Coverage</b></p> <p><input checked="" type="checkbox"/> Country                      <input type="checkbox"/> Subregional                      <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>										
<p><b>4. Responsible division/department:</b> Social Sectors Division/East and Central Asia Department</p>										
<p><b>5. Responsible ADB officer(s):</b> R. Schoellhammer</p>										
<p><b>6. Description of assistance(s)</b></p> <p><b>a. Background/linkage to country/regional strategy:</b> Since independence, access to basic education and learning attainment of pupils' has fallen substantially, especially for poor children. Access to mainstream education for children with disabilities is also severely constrained. Investment in basic education is required to reorient, modernize and liberalize the education sector in order to restore access for poor children, integrate children with disabilities, and improve educational quality and relevance to the needs of labor markets.</p> <p><b>b. Goal and purpose:</b> The goal of the project, in cooperation with other development partners, is to support the achievement of Millennium Development Goals and to enhance quality, sustainability, and coverage of basic education services.</p> <p><b>c. Components and outputs:</b> The project will include support for (i) capacity building of local education administrations for education management and finance; (ii) quality improvements including curriculum</p>										

development (including information and communication technologies and languages education), teacher training, and quality assurance systems; (iii) facilities development; (iv) liberalization of educational publishing, development of new titles with modernized content, and provision of learning materials; and (v) integration of children with disabilities in mainstream education.

**d. Expected results and deliverables:** The project will (i) increase the coverage of education services to poor children and will allow children with disabilities to be integrated into mainstream education; (ii) improve pupils' learning attainment, promote the private sector's role in delivering education services, and build the capacity of local administrations to plan, finance, and support sustainable delivery of services; and (iii) promote economic growth by making curricula more relevant to the needs of labor markets.

**e. Social or environmental issues or concerns:** None

**f. Plans for disseminating results/deliverables:** Coordination with agencies involved in education development and development partners will be maintained throughout Project implementation. "Best practices" will be identified and lessons learned disseminated to relevant agencies and institutions.

**7. Proposed executing/implementing agencies:**

Ministry of Education and Culture (MEC)—Executing Agency  
Local education administration—Implementing Agencies

**8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:**

The concept was developed after discussions with MEC, Ministry of Finance, Office of the President, and Office of the Prime Minister, as well as key development partners including Soros Foundation, UNICEF, and World Bank. A memorandum of understanding between ADB and the Government was signed on 20 May 2002 for the Country Programming Mission, defining the framework for future assistance.

**9. Timetable for assistance design, processing, and implementation**

a. Year included in CSP, CSP update, SCSP, SCSP update, or interregional work plan: 2002

b. Expected date of submission for approval

Lending:	QIV 2004
Nonlending (project preparatory):	2003
Nonlending (other than project preparatory):	QIV 2004

c. Period and duration of assistance

Lending:	5 years
Nonlending:	18 months

**10. Financing Plan**

a. For lending

- Ordinary capital resources:  
 Asian Development Fund: \$10 million  
 Other:

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):

b. For nonlending

- No resources required, other than ADB staff  
 ADB's administrative budget:  
 Grant TA funds: \$600,000 (PPTA); \$500,000 (for the attached TA)

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):

ADB = Asian Development Bank, CSP = country strategy and program, ICT = information and communications technology, SCSP = subregional cooperation strategy and program, TA = technical assistance, UNICEF = United Nations Children's Fund.

**Table A2.4: Financial Sector Program II  
Concept Paper**

**Date: 2003-2004**

<p><b>1. Type/modality of assistance</b></p> <p><input checked="" type="checkbox"/> Lending</p> <p><input type="checkbox"/> Project loan</p> <p><input checked="" type="checkbox"/> Program loan</p> <p><input type="checkbox"/> Sector loan</p> <p><input type="checkbox"/> Sector development program loan</p> <p><input type="checkbox"/> Other:</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p><input checked="" type="checkbox"/> Project preparatory</p> <p><input checked="" type="checkbox"/> Other than project preparatory</p> <p><input type="checkbox"/> Economic, thematic, and sector work</p> <p><input checked="" type="checkbox"/> Institutional development</p> <p><input type="checkbox"/> Other:</p>										
<p><b>2. Assistance Focus</b></p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Financial sector Subsector: Multisector</p> <p>b. For project preparatory and lending, classification</p> <p><input type="checkbox"/> Core poverty intervention</p> <p><input type="checkbox"/> Poverty intervention</p> <p>c. Key thematic area(s)</p> <table border="0"> <tr> <td><input checked="" type="checkbox"/> Economic growth</td> <td><input type="checkbox"/> Human development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td><input checked="" type="checkbox"/> Good governance</td> </tr> <tr> <td><input type="checkbox"/> Environmental protection</td> <td><input checked="" type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Regional cooperation</td> <td><input type="checkbox"/> Social protection</td> </tr> <tr> <td><input type="checkbox"/> Other:</td> <td></td> </tr> </table>	<input checked="" type="checkbox"/> Economic growth	<input type="checkbox"/> Human development	<input type="checkbox"/> Gender and development	<input checked="" type="checkbox"/> Good governance	<input type="checkbox"/> Environmental protection	<input checked="" type="checkbox"/> Private sector development	<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection	<input type="checkbox"/> Other:	
<input checked="" type="checkbox"/> Economic growth	<input type="checkbox"/> Human development									
<input type="checkbox"/> Gender and development	<input checked="" type="checkbox"/> Good governance									
<input type="checkbox"/> Environmental protection	<input checked="" type="checkbox"/> Private sector development									
<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection									
<input type="checkbox"/> Other:										
<p><b>3. Coverage</b></p> <p><input checked="" type="checkbox"/> Country                      <input type="checkbox"/> Subregional                      <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>										
<p><b>4. Responsible division/department:</b> Governance, Finance &amp; Trade Division/East and Central Asia Department</p>										
<p><b>5. Responsible ADB officer(s):</b> To be determined.</p>										
<p><b>6. Description of assistance(s)</b></p> <p><b>a. Background/linkage to country/regional strategy:</b> The Financial Intermediation and Resource Mobilization (FIRM) Program (Loan 1723, approved in December 1999 for \$35 million equivalent) was ADB's first major intervention in the Kyrgyz financial sector. The FIRM Program has contributed strengthening (i) on-site and off-site supervision standards and practices, (ii) mechanisms for prompt and corrective action on problem banks, and (iii) capital market institutions. However, real sector weaknesses in the economy continue to translate into vulnerabilities in the financial system. Given this, ADB is supporting some enterprise restructuring initiatives under Corporate Government and Enterprise Reform Program II (Loan 1860, approved in November 2001, in the amount of \$35 million equivalent). In addition, the unfinished agenda of banking sector reforms needs to be finished while adjusting to the changes in conditions since the FIRM was launched in 1999.</p> <p><b>b. Goal and purpose:</b> The proposed program aims to enhance the resilience of the banking sector and provide sound alternatives of financial intermediation, by promoting public capital markets and other nonbank financial institutions. The predesign phase over 2002–2003 will build commitment at the highest</p>										

levels to achieve points (i) and (ii) of the previous paragraph, given the present ownership and structure of banks. The primary objective of the proposed advisory TA is to support initiatives for banking sector consolidation and financial restructuring of viable enterprises through the banking sector. It will also further ADB's earlier support for asset recovery mechanisms, and support introduction of international sound practices in selected institutions to attract foreign equity participation in a transparent and financially sound manner.

**c. Components and outputs:** The program will focus on (i) banking sector consolidation; (ii) strengthening of licensing mechanisms for entry of sound institutions and management, and supporting orderly exit of weak banks in a speedy manner; (iii) improvement of asset foreclosure and recovery mechanisms; (iv) provision of catalytic support for foreign participation in selected institutions; (v) financial restructuring of viable enterprises through the banking sector; (vi) establishment of regional trading platforms to expand the investor-horizon for attracting investments to viable Kyrgyz enterprises; and (vii) strengthening of the operational framework for nonbank financial institutions.

**d. Expected results and deliverables:** The program is expected to lead to a smaller number of banks that would be resilient to endogenous and exogenous shocks. Subject to successful regional economic cooperation, a regional trading platform for issuing and trading shares in enterprises in the region will emerge from the program.

**e. Social or environmental issues or concerns:** Consolidation of the financial sector should not affect access to basic banking services; any retrenchments stemming from such measures or financial restructuring should have compensating measures.

**f. Plans for disseminating results/deliverables:** Commercial banks, shareholders, and other stakeholders will be consulted throughout the design and implementation phases.

**7. Proposed executing/implementing agencies:** National Bank of Kyrgyz Republic (NBKR)/Ministry of Finance

**8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:** The Government has taken an active part in conceptualizing the FIRM program, and has sought ADB's support to move forward on the reform agenda.

**9. Timetable for assistance design, processing, and implementation**

a. Year included in CSP, CSP update, SCSP, SCSP update, or interregional work plan: 2002

b. Expected date of submission for approval

Lending:	June 2004
Nonlending (project preparatory):	January 2003
Nonlending (other than project preparatory):	2004

c. Period and duration of assistance

Lending:	June 2004–December 2006
Nonlending:	March 2003–December 2003

**10. Financing Plan** (Indicate possible financing sources and amount of assistance, cost estimates, and financing arrangements)

- a. For lending
- Ordinary capital resources:
  - Asian Development Fund: \$20 million
  - Other:

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):

- b. For nonlending
- No resources required, other than ADB staff
  - ADB's administrative budget:

Grant TA funds: \$600,000 (PPTA); \$500,000 (for the attached TA)

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):

ADB = Asian Development Bank, CSP = country strategy and program, SCSP = subregional cooperation strategy and program, TA = technical assistance.

**Table A2.5: Second Agriculture Development  
Concept Paper**

**Date: 31 May 2002**

<p><b>1. Type/modality of assistance</b></p> <p><input checked="" type="checkbox"/> Lending</p> <p><input checked="" type="checkbox"/> Project loan</p> <p><input type="checkbox"/> Program loan</p> <p><input type="checkbox"/> Sector loan</p> <p><input type="checkbox"/> Sector development program loan</p> <p><input type="checkbox"/> Other:</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p><input checked="" type="checkbox"/> Project preparatory</p> <p><input checked="" type="checkbox"/> Other than project preparatory</p> <p><input type="checkbox"/> Economic, thematic, and sector work</p> <p><input checked="" type="checkbox"/> Institutional development</p> <p><input type="checkbox"/> Other:</p>										
<p><b>2. Assistance Focus</b></p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector:           Agriculture and Natural Resources Subsector:</p> <p>b. For project preparatory and lending, classification</p> <p><input type="checkbox"/> Core poverty intervention</p> <p><input checked="" type="checkbox"/> Poverty intervention</p> <p>c. Key thematic area(s)</p> <table border="0"> <tr> <td><input checked="" type="checkbox"/> Economic growth</td> <td><input type="checkbox"/> Human development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td><input type="checkbox"/> Good governance</td> </tr> <tr> <td><input type="checkbox"/> Environmental protection</td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Regional cooperation</td> <td><input type="checkbox"/> Social protection</td> </tr> <tr> <td><input type="checkbox"/> Other:</td> <td></td> </tr> </table>	<input checked="" type="checkbox"/> Economic growth	<input type="checkbox"/> Human development	<input type="checkbox"/> Gender and development	<input type="checkbox"/> Good governance	<input type="checkbox"/> Environmental protection	<input type="checkbox"/> Private sector development	<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection	<input type="checkbox"/> Other:	
<input checked="" type="checkbox"/> Economic growth	<input type="checkbox"/> Human development									
<input type="checkbox"/> Gender and development	<input type="checkbox"/> Good governance									
<input type="checkbox"/> Environmental protection	<input type="checkbox"/> Private sector development									
<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection									
<input type="checkbox"/> Other:										
<p><b>3. Coverage</b></p> <p><input checked="" type="checkbox"/> Country                      <input type="checkbox"/> Subregional                      <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>										
<p><b>4. Responsible division/department:</b> Agriculture, Environment &amp; Natural Resources Division/East and Central Asia Department</p>										
<p><b>5. Responsible ADB officer(s):</b> J. Whittle</p>										
<p><b>6. Description of assistance(s)</b></p> <p><b>a. Background/linkage to country/regional strategy:</b> Loan 1726: Agriculture Area Development Project is being implemented in the Chui Region. The development activities and lessons of this project will be adapted to the needs of another region(s). The proposed project will be designed in accordance with the country strategy developed during 2003.</p> <p><b>b. Goal and purpose:</b> Goal: to increase the incomes of farmers. Purpose: To increase on-farm productivity and profitability.</p> <p><b>c. Components and outputs:</b> The likely components are farm restructuring/development, drainage and irrigation rehabilitation, and development of cooperatives and business enterprises for on-farm and off-farm services.</p>										

<p><b>d. Expected results and deliverables:</b> Increased farm yields, improved profitability of farms, and enhanced linkages to existing and new enterprises to support agricultural development.</p> <p><b>e. Social or environmental issues or concerns:</b> These concerns will be identified when the specific location for the project is identified.</p> <p><b>f. Plans for disseminating results/deliverables:</b> To be determined.</p>										
<p><b>7. Proposed executing/implementing agencies:</b> Ministry of Agriculture, Water Resources, and Processing Industry and oblast (region) administration(s)</p>										
<p><b>8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:</b> It is proposed to undertake a longer term planning approach to ensure the maximum participation of both government agencies and potential beneficiaries, and other relevant stakeholders such as nongovernment organizations likely to be involved in implementation.</p>										
<p><b>9. Timetable for assistance design, processing, and implementation</b></p> <p>a. Year included in CSP, CSP update, SCSP, SCSP update, or interregional work plan: 2005</p> <p>b. Expected date of submission for approval</p> <table> <tr> <td>Lending:</td> <td>2005</td> </tr> <tr> <td>Nonlending (project preparatory):</td> <td>2004</td> </tr> <tr> <td>Nonlending (other than project preparatory):</td> <td>2005</td> </tr> </table> <p>c. Period and duration of assistance</p> <table> <tr> <td>Lending:</td> <td>2005–2012</td> </tr> <tr> <td>Nonlending:</td> <td>PPTA—2004 ADTA—2005–2007</td> </tr> </table>	Lending:	2005	Nonlending (project preparatory):	2004	Nonlending (other than project preparatory):	2005	Lending:	2005–2012	Nonlending:	PPTA—2004 ADTA—2005–2007
Lending:	2005									
Nonlending (project preparatory):	2004									
Nonlending (other than project preparatory):	2005									
Lending:	2005–2012									
Nonlending:	PPTA—2004 ADTA—2005–2007									
<p><b>10. Financing Plan</b> (Indicate possible financing sources and amount of assistance, cost estimates, and financing arrangements)</p> <p>a. For lending</p> <p><input type="checkbox"/> Ordinary capital resources:</p> <p><input checked="" type="checkbox"/> Asian Development Fund: \$15 million</p> <p><input type="checkbox"/> Other:</p> <p>If cofinancing is required indicate sources, and amount sought: If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):</p> <p>b. For nonlending</p> <p><input type="checkbox"/> No resources required, other than ADB staff</p> <p><input type="checkbox"/> ADB's administrative budget:</p> <p><input checked="" type="checkbox"/> Grant TA funds: \$600,000 (PPTA); \$600,000 (for the attached TA)</p> <p>If cofinancing is required indicate sources, and amount sought: If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):</p>										

ADB = Asian Development Bank, CSP = country strategy and program, SCSP = subregional cooperation strategy and program, TA = technical assistance.

**Table A2.6: Power Distribution in Poverty Areas  
Concept Paper**

**Date: 9 July 2002**

<p><b>1. Type/modality of assistance</b></p> <p><input checked="" type="checkbox"/> Lending</p> <p>    <input checked="" type="checkbox"/> Project loan</p> <p>    <input type="checkbox"/> Program loan</p> <p>    <input type="checkbox"/> Sector loan</p> <p>    <input type="checkbox"/> Sector development program loan</p> <p>    <input type="checkbox"/> Other:</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p>    <input checked="" type="checkbox"/> Project preparatory</p> <p>    <input type="checkbox"/> Other than project preparatory</p> <p>        <input type="checkbox"/> Economic, thematic, and sector work</p> <p>        <input checked="" type="checkbox"/> Institutional development</p> <p>    <input type="checkbox"/> Other:</p>										
<p><b>2. Assistance Focus</b></p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Energy Subsector: Power</p> <p>b. For project preparatory and lending, classification</p> <p>    <input checked="" type="checkbox"/> Core poverty intervention</p> <p>    <input type="checkbox"/> Poverty intervention</p> <p>c. Key thematic area(s)</p> <table border="0"> <tr> <td><input checked="" type="checkbox"/> Economic growth</td> <td><input type="checkbox"/> Human development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td><input type="checkbox"/> Good governance</td> </tr> <tr> <td><input type="checkbox"/> Environmental protection</td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Regional cooperation</td> <td><input type="checkbox"/> Social protection</td> </tr> <tr> <td><input type="checkbox"/> Other:</td> <td></td> </tr> </table>	<input checked="" type="checkbox"/> Economic growth	<input type="checkbox"/> Human development	<input type="checkbox"/> Gender and development	<input type="checkbox"/> Good governance	<input type="checkbox"/> Environmental protection	<input type="checkbox"/> Private sector development	<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection	<input type="checkbox"/> Other:	
<input checked="" type="checkbox"/> Economic growth	<input type="checkbox"/> Human development									
<input type="checkbox"/> Gender and development	<input type="checkbox"/> Good governance									
<input type="checkbox"/> Environmental protection	<input type="checkbox"/> Private sector development									
<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection									
<input type="checkbox"/> Other:										
<p><b>3. Coverage</b></p> <p><input checked="" type="checkbox"/> Country                      <input type="checkbox"/> Subregional                      <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>										
<p><b>4. Responsible division/department:</b> Infrastructure Division/East and Central Asia Department</p>										
<p><b>5. Responsible ADB officer(s):</b> S. O'Sullivan</p>										
<p><b>6. Description of assistance(s)</b></p> <p><b>a. Background/linkage to country/regional strategy:</b> The Kyrgyz Republic has unbundled its power sector and is taking steps to commercialize the operations of each new generation, transmission, and distribution enterprise. In line with ADB's focus on poverty reduction, the next power sector operation is to be focused on power distribution in poor areas of the country.</p> <p><b>b. Goal and purpose:</b> To enhance the availability of electricity to the poorer regions to improve the quality of life of the poor.</p> <p><b>c. Components and outputs:</b> The project components will include one or more of the following: (i) rural electrification to connect remote consumers, (ii) development of mini-hydro or other decentralized power supply options, (iii) rehabilitation and reinforcement of existing distribution systems, and (iv) energy efficiency and demand-side management promotion.</p> <p><b>d. Expected results and deliverables:</b> The project will provide more adequate, reliable, and cost-</p>										

effective power supplies to poor consumers. The project will have innovative financing mechanisms to ensure the cost of access to any new services and energy supply cost is affordable for poor consumers.

**e. Social or environmental issues or concerns:** The project will have positive social benefits in terms of better power supply for domestic and commercial purposes. Resettlement and indigenous people issues are unlikely. Energy efficiency aspects and renewable supply development will be positive in environmental terms. Negative environmental issues are unlikely.

**f. Plans for disseminating results/deliverables:**

**7. Proposed executing/implementing agencies:** Kyrgyz distribution companies

**8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:** Active involvement of local government and electricity consumers will be sought in the development and implementation of the project.

**9. Timetable for assistance design, processing, and implementation**

- a. Year included in CSP, CSP update, SCSP, SCSP update, or interregional work plan: 2000
- b. Expected date of submission for approval
- |  |      |
|--|------|
| Lending:                                     | 2005 |
| Nonlending (project preparatory):            |      |
| Nonlending (other than project preparatory): |      |
- c. Period and duration of assistance
- |             |                 |
|-------------|-----------------|
| Lending:    | 3-year duration |
| Nonlending: |                 |

**10. Financing Plan** (Indicate possible financing sources and amount of assistance, cost estimates, and financing arrangements)

- a. For lending
- Ordinary capital resources:
- Asian Development Fund: \$15 million
- Other:

If cofinancing is required indicate sources, and amount sought: To be decided.

If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):

- b. For nonlending
- No resources required, other than ADB staff
- ADB's administrative budget:
- Grant TA funds: \$600,000 (PPTA); \$500,000 (for the attached TA)

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):

ADB = Asian Development Bank, CSP = country strategy and program, PPTA = project preparatory technical assistance, SCSP = subregional cooperation strategy and program, TA = technical assistance.

**Table A2.7: Central Asia Gas Transmission Improvement Project (Phase I)  
Concept Paper**

**Date: 28 August 2002**

<p><b>1. Type/modality of assistance</b></p> <p><input checked="" type="checkbox"/> Lending</p> <p><input checked="" type="checkbox"/> Project loan</p> <p><input type="checkbox"/> Program loan</p> <p><input type="checkbox"/> Sector loan</p> <p><input type="checkbox"/> Sector development program loan</p> <p><input type="checkbox"/> Other:</p> <p><input type="checkbox"/> Nonlending</p> <p><input type="checkbox"/> Project preparatory</p> <p><input type="checkbox"/> Other than project preparatory</p> <p><input type="checkbox"/> Economic, thematic, and sector work</p> <p><input type="checkbox"/> Institutional development</p> <p><input type="checkbox"/> Other:</p>
<p><b>2. Assistance Focus</b></p> <p>a. If assistance focuses on a particular sector or subsector, specify the</p> <p>Sector: Energy</p> <p>Subsector: Gas</p> <p>b. For project preparatory and lending, classification</p> <p><input type="checkbox"/> Core poverty intervention</p> <p><input type="checkbox"/> Poverty intervention</p> <p>c. Key thematic area(s)</p> <p><input checked="" type="checkbox"/> Economic growth</p> <p><input type="checkbox"/> Gender and development</p> <p><input type="checkbox"/> Environmental protection</p> <p><input checked="" type="checkbox"/> Regional cooperation</p> <p><input type="checkbox"/> Other:</p> <p><input type="checkbox"/> Human development</p> <p><input type="checkbox"/> Good governance</p> <p><input type="checkbox"/> Private sector development</p> <p><input type="checkbox"/> Social protection</p>
<p><b>3. Coverage</b></p> <p><input type="checkbox"/> Country</p> <p><input checked="" type="checkbox"/> Subregional</p> <p><input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>
<p><b>4. Responsible division/department:</b> Infrastructure Division/East and Central Asia Department</p>
<p><b>5. Responsible ADB officer(s):</b> E. Hassing</p>
<p><b>6. Description of assistance(s)</b></p> <p><b>a. Background/linkage to country/regional strategy:</b> The natural gas sector has considerable potential for increasing regional cooperation in Central Asia, in particular among Kazakhstan, Kyrgyz Republic, Tajikistan, Turkmenistan, and Uzbekistan.</p> <p><b>b. Goal and purpose:</b> To promote sustained economic growth through regional cooperation in the Central Asian Republics by eliminating technical and institutional bottlenecks and other barriers that constrain efficient operation and flow of natural gas, prevent energy trade, and impede rational use of the transmission system linking them.</p> <p><b>c. Components and outputs:</b> Rehabilitation and modernization of the gas transmission network in the five countries. Improved regional policy, institutional and regulatory environment.</p> <p><b>d. Expected results and deliverables:</b> Increased economic exchange of gas between the countries.</p>

<p><b>e. Social or environmental issues or concerns:</b> To be decided.</p> <p><b>f. Plans for disseminating results/deliverables:</b></p>
<p><b>7. Proposed executing/implementing agencies:</b> Gas transmission company in each country.</p>
<p><b>8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:</b> Regional meetings will be held.</p>
<p><b>9. Timetable for assistance design, processing, and implementation</b></p> <p>a. Year included in CSP, CSP update, SCSP, SCSP update, or interregional work plan: 2002</p> <p>b. Expected date of submission for approval Lending: 2004 Nonlending (project preparatory): Nonlending (other than project preparatory):</p> <p>c. Period and duration of assistance Lending: To be decided. Nonlending:</p>
<p><b>10. Financing Plan</b> (Indicate possible financing sources and amount of assistance, cost estimates, and financing arrangements)</p> <p>a. For lending  <input checked="" type="checkbox"/> Ordinary capital resources: To be decided.  <input checked="" type="checkbox"/> Asian Development Fund: To be decided.  <input type="checkbox"/> Other:</p> <p>If cofinancing is required indicate sources, and amount sought: If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):</p> <p>b. For nonlending  <input type="checkbox"/> No resources required, other than ADB staff  <input type="checkbox"/> ADB's administrative budget:  <input type="checkbox"/> Grant TA funds</p> <p>If cofinancing is required indicate sources, and amount sought: If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):</p>

ADB = Asian Development Bank, CSP = country strategy and program, SCSP = subregional cooperation strategy and program, TA = technical assistance.

**Table A2.8: Regional Power Transmission Modernization Project in CARs, Phase II  
Concept Paper**

**Date: 28 August 2002**

<p><b>1. Type/modality of assistance</b></p> <p><input checked="" type="checkbox"/> Lending</p> <p><input checked="" type="checkbox"/> Project loan</p> <p><input type="checkbox"/> Program loan</p> <p><input type="checkbox"/> Sector loan</p> <p><input type="checkbox"/> Sector development program loan</p> <p><input type="checkbox"/> Other:</p> <p><input type="checkbox"/> Nonlending</p> <p><input type="checkbox"/> Project preparatory</p> <p><input type="checkbox"/> Other than project preparatory</p> <p><input type="checkbox"/> Economic, thematic, and sector work</p> <p><input type="checkbox"/> Institutional development</p> <p><input type="checkbox"/> Other:</p>
<p><b>2. Assistance Focus</b></p> <p>a. If assistance focuses on a particular sector or subsector, specify the</p> <p>Sector: Energy</p> <p>Subsector: Power</p> <p>b. For project preparatory and lending, classification</p> <p><input type="checkbox"/> Core poverty intervention</p> <p><input type="checkbox"/> Poverty intervention</p> <p>c. Key thematic area(s)</p> <p><input checked="" type="checkbox"/> Economic growth</p> <p><input type="checkbox"/> Gender and development</p> <p><input type="checkbox"/> Environmental protection</p> <p><input checked="" type="checkbox"/> Regional cooperation</p> <p><input type="checkbox"/> Other:</p> <p><input type="checkbox"/> Human development</p> <p><input type="checkbox"/> Good governance</p> <p><input type="checkbox"/> Private sector development</p> <p><input type="checkbox"/> Social protection</p>
<p><b>3. Coverage</b></p> <p><input type="checkbox"/> Country</p> <p><input checked="" type="checkbox"/> Subregional</p> <p><input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>
<p><b>4. Responsible division/department:</b> Infrastructure Division/East and Central Asia Department</p>
<p><b>5. Responsible ADB officer(s):</b> S. O'Sullivan</p>
<p><b>6. Description of assistance(s)</b></p> <p><b>a. Background/linkage to country/regional strategy:</b> The Central Asia power system comprises interconnected high-voltage links encompassing southern Kazakhstan, Kyrgyz Republic, Tajikistan, Turkmenistan and Uzbekistan. The main transmission lines link the power systems of the five countries for parallel operation. The system shares common operational and service management, planning, information channels and control, and connects 83 power plants, including 29 thermal and 48 hydropower plants, with a total installed capacity of about 25,000 megawatts. The unified dispatch center in Tashkent is responsible for maintaining the balanced and synchronized operation of the power transmission and distribution systems of the five countries. Following the dissolution of the Soviet Union in 1991, the countries maintained their balanced and synchronized operation to allow import and export of electricity among them. Market-oriented issues increasingly play a major role in power system management. However, the regional technical operation protocols are less respected and funds for maintenance and rehabilitation are scarce. Each country has been focusing more on power self-sufficiency rather than establishing a competitive regional market that would achieve economically efficient patterns of trade.</p>

**b. Goal and purpose:** To improve the operation and efficiency of the regional power transmission system and enhance economic regional power trade and cooperation among the Central Asian Republics. The Project will encourage inter-country power trading and establish the foundation for a future wholesale regional power market.

**c. Components and outputs:** Rehabilitated and refurbished 500 kV substations and switchyards—replacement in each substation of circuit breakers, current transformers, protection and control systems and the DC system.

Rehabilitated and upgraded dispatch and communication facilities and new metering - Upgrading of facilities at the Unified Dispatch Center, national control center and area control centers in each country and interconnecting telecommunication links. Install new remote terminal units in 500kV substations and in major power plants. Install new trans-border metering together with meter management systems at control centers.

Improved policy, institutional and regulatory environment for the Central Asian Grid

**d. Expected results and deliverables:**

- Increased economic exchange of energy between the countries and between energy companies
- Improved reliability and quality of electricity supply to industrial, commercial and domestic consumers in the region.
- Reduced primary energy consumption as fuel for power generation
- Optimization of generation in the region with additional generation from hydro power stations and savings in generating costs
- Reduction of unserved energy due to forced outages
- Reduction of technical transmission network losses
- Reduced emissions due to increased use of renewable energy and better energy efficiency

**e. Social or environmental issues or concerns:** There are no negative socio-economic impacts as a direct result of the proposed Project, which is expected to result in an improved power supply to all consumers. However, adequate safety nets must be provided to the poor as electricity tariffs rise with the move to full cost recovery pricing in each country.

The proposed Project should not have any adverse environmental impacts that cannot be satisfactorily mitigated. Rehabilitation and upgrading of the transmission and dispatch facilities involves existing component replacement or retrofitting new components to existing equipment. The Project should have net environmental benefits as a result of fuel savings and reduced emissions.

Environmental Category B

**g. Plans for disseminating results/deliverables:**

**7. Proposed executing/implementing agencies:** Power utility/transmission company in each country.

**8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:** Three regional meetings, with delegates from ministries of energy, finance and trade and the power utility companies, have been held to provide direction to the consultants in formulating the scope of the project and to consider the collaborative actions required to enhance regional cooperation and power trading among the countries.

**9. Timetable for assistance design, processing, and implementation**

- a. Year included in CSP, CSP update, SCSP, SCSP update, or interregional work plan: 2002
- b. Expected date of submission for approval
  - Lending: October 2004
  - Nonlending (project preparatory):
  - Nonlending (other than project preparatory):
- c. Period and duration of assistance
  - Lending: To be determined.
  - Nonlending:

**10. Financing Plan** (Indicate possible financing sources and amount of assistance, cost estimates, and financing arrangements)

a. For lending

- Ordinary capital resources: To be determined.
- Asian Development Fund: To be determined.
- Other:

If cofinancing is required indicate sources, and amount sought: To be determined.

If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):

b. For nonlending

- No resources required, other than ADB staff
- ADB's administrative budget:
- Grant TA funds

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):

ADB = Asian Development Bank, CSP = country strategy and program, SCSP = subregional cooperation strategy and program, TA = technical assistance.

## CONCEPT PAPERS FOR NONLENDING PRODUCTS AND SERVICES

This appendix contains the concept papers for projected nonlending products.

- (i) Table A3.1: Assessment of the Impact of Economic Reforms on Growth and Poverty
- (ii) Table A3.2: A Review of Budgetary Processes
- (iii) Table A3.3: Rural Development
- (iv) Table A3.4: Regional Private Sector Development
- (v) Table A3.5: Regional Financial Sector Development, Phase I
- (vi) Table A3.6: Participatory Water Management in Central Asia
- (vii) Table A3.7: Regional Tourism Development
- (viii) Table A3.8: Regional Trade Facilitation and Customs Cooperation Program, Phase II
- (ix) Table A3.9: Capacity Building in Priority Areas of Regional Cooperation
- (x) Table A3.10: Regional Financial Sector Development, Phase II
- (xi) Table A3.11: Regional Trade Facilitation and Customs Cooperation Program, Phase III

**Table A3.1: Assessment of the Impact of Economic Reforms on Growth and Poverty  
Concept Paper**

**Date: 27 May 2002**

<p><b>1. Type/modality of assistance</b></p> <p><input type="checkbox"/> Lending</p> <p><input type="checkbox"/> Project loan</p> <p><input type="checkbox"/> Program loan</p> <p><input type="checkbox"/> Sector loan</p> <p><input type="checkbox"/> Sector development program loan</p> <p><input type="checkbox"/> Other:</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p><input type="checkbox"/> Project preparatory</p> <p><input type="checkbox"/> Other than project preparatory</p> <p><input checked="" type="checkbox"/> Economic, thematic, and sector work</p> <p><input type="checkbox"/> Institutional development</p> <p><input type="checkbox"/> Other:</p>
<p><b>2. Assistance Focus</b></p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Economic growth and poverty Subsector:</p> <p>b. For project preparatory and lending, classification</p> <p><input type="checkbox"/> Core poverty intervention</p> <p><input type="checkbox"/> Poverty intervention</p> <p>c. Key thematic area(s)</p> <p><input checked="" type="checkbox"/> Economic growth</p> <p><input type="checkbox"/> Gender and development</p> <p><input type="checkbox"/> Environmental protection</p> <p><input type="checkbox"/> Regional cooperation</p> <p><input type="checkbox"/> Other:</p> <p><input type="checkbox"/> Human development</p> <p><input type="checkbox"/> Good governance</p> <p><input type="checkbox"/> Private sector development</p> <p><input type="checkbox"/> Social protection</p>
<p><b>3. Coverage</b></p> <p><input checked="" type="checkbox"/> Country                      <input type="checkbox"/> Subregional                      <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>
<p><b>4. Responsible division/department:</b> Kyrgyz Resident Mission</p>
<p><b>5. Responsible ADB officer(s):</b> V. B. Tulasidhar</p>
<p><b>6. Description of assistance(s)</b></p> <p><b>a. Background/linkage to country/regional strategy:</b> The study will provide the necessary background information and analytical support for the CSP planned for next year.</p> <p><b>b. Goal and purpose:</b> To document all the reform measure undertaken by the Government in different sectors of the economy with assistance from funding agencies since the early 1990s, and assess their impact on growth on poverty.</p> <p><b>c. Components and outputs:</b> The study will have the following specific components: (i) document the progress of economic reforms in critical sectors; (ii) assess the medium- and long-term impact of reforms on the performance of critical sectors and various proximate determinants of growth and poverty; (iii) where possible and relevant, draw lessons from the experience of other more successful transition economies; and (iv) indicate the unfinished agenda in different key sectors.</p>

<p><b>d. Expected results and deliverables:</b> The study is expected to provide operationally relevant intellectual inputs to ADB staff and the Government to prepare a medium-term country assistance strategy.</p> <p><b>e. Social or environmental issues or concerns:</b> Not applicable.</p> <p><b>f. Plans for disseminating results/deliverables:</b> Results will be disseminated in ADB and among stakeholders by circulating the study.</p>
<p><b>7. Proposed executing/implementing agencies:</b> Not applicable.</p>
<p><b>8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:</b> Government agencies, external funding agencies and the civil society will be closely consulted in the preparation of the study.</p>
<p><b>9. Timetable for assistance design, processing, and implementation</b></p> <p>a. Year included in CSP, CSP update, SCSP, SCSP update, or interregional work plan: 2002</p> <p>b. Expected date of submission for approval  Lending:  Nonlending (project preparatory):  Nonlending (other than project preparatory): Q1 2003</p> <p>c. Period and duration of assistance  Lending:  Nonlending:</p>
<p><b>10. Financing Plan</b> (Indicate possible financing sources and amount of assistance, cost estimates, and financing arrangements)</p> <p>a. For lending  <input type="checkbox"/> Ordinary capital resources:  <input type="checkbox"/> Asian Development Fund:  <input type="checkbox"/> Other:</p> <p>If cofinancing is required indicate sources, and amount sought:  If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):</p> <p>b. For nonlending  <input checked="" type="checkbox"/> No resources required, other than ADB staff  <input type="checkbox"/> ADB's administrative budget:  <input type="checkbox"/> Grant TA funds</p> <p>If cofinancing is required indicate sources, and amount sought:  If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):</p>

ADB = Asian Development Bank, CSP = country strategy and program, SCSP = subregional cooperation strategy and program, TA = technical assistance.

**Table A3.2: A Review of Budgetary Processes  
Concept Paper**

**Date: 27 May 2002**

<p><b>1. Type/modality of assistance</b></p> <p><input type="checkbox"/> Lending</p> <p><input type="checkbox"/> Project loan</p> <p><input type="checkbox"/> Program loan</p> <p><input type="checkbox"/> Sector loan</p> <p><input type="checkbox"/> Sector development program loan</p> <p><input type="checkbox"/> Other:</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p><input type="checkbox"/> Project preparatory</p> <p><input type="checkbox"/> Other than project preparatory</p> <p><input checked="" type="checkbox"/> Economic, thematic, and sector work</p> <p><input type="checkbox"/> Institutional development</p> <p><input type="checkbox"/> Other:</p>										
<p><b>2. Assistance Focus</b></p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Governance Subsector:</p> <p>b. For project preparatory and lending, classification</p> <p><input type="checkbox"/> Core poverty intervention</p> <p><input type="checkbox"/> Poverty intervention</p> <p>c. Key thematic area(s)</p> <table border="0"> <tr> <td><input type="checkbox"/> Economic growth</td> <td><input type="checkbox"/> Human development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td><input checked="" type="checkbox"/> Good governance</td> </tr> <tr> <td><input type="checkbox"/> Environmental protection</td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Regional cooperation</td> <td><input type="checkbox"/> Social protection</td> </tr> <tr> <td><input type="checkbox"/> Other:</td> <td></td> </tr> </table>	<input type="checkbox"/> Economic growth	<input type="checkbox"/> Human development	<input type="checkbox"/> Gender and development	<input checked="" type="checkbox"/> Good governance	<input type="checkbox"/> Environmental protection	<input type="checkbox"/> Private sector development	<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection	<input type="checkbox"/> Other:	
<input type="checkbox"/> Economic growth	<input type="checkbox"/> Human development									
<input type="checkbox"/> Gender and development	<input checked="" type="checkbox"/> Good governance									
<input type="checkbox"/> Environmental protection	<input type="checkbox"/> Private sector development									
<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection									
<input type="checkbox"/> Other:										
<p><b>3. Coverage</b></p> <p><input checked="" type="checkbox"/> Country                      <input type="checkbox"/> Subregional                      <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>										
<p><b>4. Responsible division/department:</b> Kyrgyz Resident Mission</p>										
<p><b>5. Responsible ADB officer(s):</b> V. B. Tulasidhar</p>										
<p><b>6. Description of assistance(s)</b></p> <p><b>a. Background/linkage to country/regional strategy:</b> The study has no direct linkage to the country strategy. It will be relevant for programming, project processing, and ongoing projects.</p> <p><b>b. Goal and purpose:</b> To provide an over view of budgetary process and its programming implications for ADB's use.</p> <p><b>c. Components and outputs:</b> The study will have the following specific components: (i) describe the process of budget preparation and its approval at the national and local levels with special emphasis on the responsibilities and powers of different agencies/institutions; (ii) document key features of budget law with operational relevance, (iii) explain the process of appropriation of budget with emphasis on disbursement procedures and budget control systems; (iv) describe the fiscal relations and financial transfers between the central and local governments, and (v) indicate the deficiencies in the system and the reforms under way.</p>										

<p><b>d. Expected results and deliverables:</b> The study is operationally oriented to improve ADB staff's understanding of the budgetary processes in the Kyrgyz Republic.</p> <p><b>e. Social or environmental issues or concerns:</b> Not applicable.</p> <p><b>f. Plans for disseminating results/deliverables:</b> Results will be disseminated in ADB and among stakeholders by circulating the study.</p>
<p><b>7. Proposed executing/implementing agencies:</b> Not applicable.</p>
<p><b>8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:</b></p> <p>Government agencies and external funding agencies will be consulted in the preparation of the study.</p>
<p><b>9. Timetable for assistance design, processing, and implementation</b></p> <p>a. Year included in CSP, CSP update, SCSP, SCSP update, or interregional work plan: 2002</p> <p>b. Expected date of submission for approval</p> <p>Lending:</p> <p>Nonlending (project preparatory):</p> <p>Nonlending (other than project preparatory): Q3 2002</p> <p>c. Period and duration of assistance</p> <p>Lending:</p> <p>Nonlending:</p>
<p><b>10. Financing Plan</b> (Indicate possible financing sources and amount of assistance, cost estimates, and financing arrangements)</p> <p>a. For lending</p> <p><input type="checkbox"/> Ordinary capital resources:</p> <p><input type="checkbox"/> Asian Development Fund:</p> <p><input type="checkbox"/> Other:</p> <p>If cofinancing is required indicate sources, and amount sought: If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):</p> <p>b. For nonlending</p> <p><input checked="" type="checkbox"/> No resources required, other than ADB staff</p> <p><input type="checkbox"/> ADB's administrative budget:</p> <p><input type="checkbox"/> Grant TA funds</p> <p>If cofinancing is required indicate sources, and amount sought: If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):</p>

ADB = Asian Development Bank, CSP = country strategy and program, SCSP = subregional cooperation strategy and program, TA = technical assistance.

**Table A3.3: Rural Development  
Concept Paper**

**Date: 31 May 2002**

<p><b>1. Type/modality of assistance</b></p> <p><input type="checkbox"/> Lending</p> <p><input type="checkbox"/> Project loan</p> <p><input type="checkbox"/> Program loan</p> <p><input type="checkbox"/> Sector loan</p> <p><input type="checkbox"/> Sector development program loan</p> <p><input type="checkbox"/> Other:</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p><input checked="" type="checkbox"/> Project preparatory</p> <p><input type="checkbox"/> Other than project preparatory</p> <p><input type="checkbox"/> Economic, thematic, and sector work</p> <p><input type="checkbox"/> Institutional development</p> <p><input type="checkbox"/> Other:</p>										
<p><b>2. Assistance Focus</b></p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector:           Agriculture and natural resources Subsector:</p> <p>b. For project preparatory and lending, classification</p> <p><input type="checkbox"/> Core poverty intervention</p> <p><input checked="" type="checkbox"/> Poverty intervention</p> <p>c. Key thematic area(s)</p> <table border="0"> <tr> <td><input type="checkbox"/> Economic growth</td> <td><input type="checkbox"/> Human development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td><input type="checkbox"/> Good governance</td> </tr> <tr> <td><input type="checkbox"/> Environmental protection</td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Regional cooperation</td> <td><input type="checkbox"/> Social protection</td> </tr> <tr> <td><input type="checkbox"/> Other:</td> <td></td> </tr> </table>	<input type="checkbox"/> Economic growth	<input type="checkbox"/> Human development	<input type="checkbox"/> Gender and development	<input type="checkbox"/> Good governance	<input type="checkbox"/> Environmental protection	<input type="checkbox"/> Private sector development	<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection	<input type="checkbox"/> Other:	
<input type="checkbox"/> Economic growth	<input type="checkbox"/> Human development									
<input type="checkbox"/> Gender and development	<input type="checkbox"/> Good governance									
<input type="checkbox"/> Environmental protection	<input type="checkbox"/> Private sector development									
<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection									
<input type="checkbox"/> Other:										
<p><b>3. Coverage</b></p> <p><input checked="" type="checkbox"/> Country                      <input type="checkbox"/> Subregional                      <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>										
<p><b>4. Responsible division/department:</b> Agriculture, Environment &amp; Natural Resources Division/East and Central Asia Department</p>										
<p><b>5. Responsible ADB officer(s):</b> J. Whittle</p>										
<p><b>6. Description of assistance(s)</b></p> <p>a. <b>Background/linkage to country/regional strategy:</b> A PPTA will be undertaken to develop the project in accordance with the country strategy prepared in 2003.</p> <p>b. <b>Goal and purpose:</b> To be determined.</p> <p>c. <b>Components and outputs:</b> To be determined.</p> <p>d. <b>Expected results and deliverables:</b> To be determined.</p> <p>e. <b>Social or environmental issues or concerns:</b> To be determined.</p> <p>f. <b>Plans for disseminating results/deliverables:</b> To be determined.</p>										

<p><b>7. Proposed executing/implementing agencies:</b> Ministry of Agriculture, Water Resources, and Processing Industry and Oblast (Region) Administration(s)</p>												
<p><b>8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:</b> It is proposed to undertake a longer term planning approach to ensure the maximum participation of both government agencies and potential beneficiaries, and other relevant stakeholders such as nongovernment organizations likely to be involved in implementation.</p>												
<p><b>9. Timetable for assistance design, processing, and implementation</b></p> <p>a. Year included in CSP, CSP update, SCSP, SCSP update, or interregional work plan: 2005</p> <p>b. Expected date of submission for approval</p> <table> <tr> <td>Lending:</td> <td></td> </tr> <tr> <td>Nonlending (project preparatory):</td> <td>2004</td> </tr> <tr> <td>Nonlending (other than project preparatory):</td> <td></td> </tr> </table> <p>c. Period and duration of assistance</p> <table> <tr> <td>Lending:</td> <td></td> </tr> <tr> <td>Nonlending:</td> <td>2004</td> </tr> </table>	Lending:		Nonlending (project preparatory):	2004	Nonlending (other than project preparatory):		Lending:		Nonlending:	2004		
Lending:												
Nonlending (project preparatory):	2004											
Nonlending (other than project preparatory):												
Lending:												
Nonlending:	2004											
<p><b>10. Financing Plan</b> (Indicate possible financing sources and amount of assistance, cost estimates, and financing arrangements)</p> <p>a. For lending</p> <table> <tr> <td><input type="checkbox"/></td> <td>Ordinary capital resources:</td> </tr> <tr> <td><input type="checkbox"/></td> <td>Asian Development Fund:</td> </tr> <tr> <td><input type="checkbox"/></td> <td>Other:</td> </tr> </table> <p>If cofinancing is required indicate sources, and amount sought: If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):</p> <p>b. For nonlending</p> <table> <tr> <td><input type="checkbox"/></td> <td>No resources required, other than ADB staff</td> </tr> <tr> <td><input type="checkbox"/></td> <td>ADB's administrative budget:</td> </tr> <tr> <td><input checked="" type="checkbox"/></td> <td>Grant TA funds: \$600,000</td> </tr> </table> <p>If cofinancing is required indicate sources, and amount sought: If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):</p>	<input type="checkbox"/>	Ordinary capital resources:	<input type="checkbox"/>	Asian Development Fund:	<input type="checkbox"/>	Other:	<input type="checkbox"/>	No resources required, other than ADB staff	<input type="checkbox"/>	ADB's administrative budget:	<input checked="" type="checkbox"/>	Grant TA funds: \$600,000
<input type="checkbox"/>	Ordinary capital resources:											
<input type="checkbox"/>	Asian Development Fund:											
<input type="checkbox"/>	Other:											
<input type="checkbox"/>	No resources required, other than ADB staff											
<input type="checkbox"/>	ADB's administrative budget:											
<input checked="" type="checkbox"/>	Grant TA funds: \$600,000											

ADB = Asian Development Bank, CSP = country strategy and program, SCSP = subregional cooperation strategy and program, TA = technical assistance.

**Table A3.4: Regional Private Sector Development  
Concept Paper**

**Date: May 2002**

<p><b>1. Type/modality of assistance</b></p> <p><input type="checkbox"/> Lending</p> <p><input type="checkbox"/> Project loan</p> <p><input type="checkbox"/> Program loan</p> <p><input type="checkbox"/> Sector loan</p> <p><input type="checkbox"/> Sector development program loan</p> <p><input type="checkbox"/> Other:</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p><input type="checkbox"/> Project preparatory</p> <p><input type="checkbox"/> Other than project preparatory</p> <p><input type="checkbox"/> Economic, thematic, and sector work</p> <p><input type="checkbox"/> Institutional development</p> <p><input checked="" type="checkbox"/> Other: RETA</p>										
<p><b>2. Assistance Focus</b></p> <p>a. If assistance focuses on a particular sector or subsector, specify the</p> <p>Sector: Trade</p> <p>Subsector: Customs</p> <p>b. For project preparatory and lending, classification</p> <p><input type="checkbox"/> Core poverty intervention</p> <p><input type="checkbox"/> Poverty intervention</p> <p>c. Key thematic area(s)</p> <table> <tr> <td><input type="checkbox"/> Economic growth</td> <td><input type="checkbox"/> Human development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td><input type="checkbox"/> Good governance</td> </tr> <tr> <td><input type="checkbox"/> Environmental protection</td> <td><input checked="" type="checkbox"/> Private sector development</td> </tr> <tr> <td><input checked="" type="checkbox"/> Regional cooperation</td> <td><input type="checkbox"/> Social protection</td> </tr> <tr> <td><input type="checkbox"/> Other:</td> <td></td> </tr> </table>	<input type="checkbox"/> Economic growth	<input type="checkbox"/> Human development	<input type="checkbox"/> Gender and development	<input type="checkbox"/> Good governance	<input type="checkbox"/> Environmental protection	<input checked="" type="checkbox"/> Private sector development	<input checked="" type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection	<input type="checkbox"/> Other:	
<input type="checkbox"/> Economic growth	<input type="checkbox"/> Human development									
<input type="checkbox"/> Gender and development	<input type="checkbox"/> Good governance									
<input type="checkbox"/> Environmental protection	<input checked="" type="checkbox"/> Private sector development									
<input checked="" type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection									
<input type="checkbox"/> Other:										
<p><b>3. Coverage</b></p> <p><input type="checkbox"/> Country                      <input checked="" type="checkbox"/> Subregional                      <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>										
<p><b>4. Responsible division/department:</b> Governance, Finance &amp; Trade Division/East and Central Asia Department</p>										
<p><b>5. Responsible ADB officer(s):</b> To be determined.</p>										
<p><b>6. Description of assistance(s)</b></p> <p><b>a. Background/linkage to country/regional strategy:</b> A vibrant private sector is vital to growth and development in the CARs. While the share of the private sector of GDP in the CARs has increased, large state-owned enterprises dominate in the industrial sectors. These sectors tend to be heavily concentrated with few enterprises as well. Resource-rich countries like Kazakhstan and Azerbaijan have attracted foreign direct investments (FDI) in their oil industries but the other countries have received comparatively small amounts of FDI and there is a lack of private financing for infrastructure, for example. Lack of coherent investment and competition policies hamper private sector development and investments, both domestic and foreign. Furthermore, these countries have to exploit the options for public-private partnerships in infrastructure finance. Private capital is necessary to complement the scarcity of government funding for investments and infrastructure in particular.</p> <p><b>b. Goal and purpose:</b> The goal is to promote private sector development in the region to enhance trade, investments, and growth. The purpose of the TA is to identify the constraints to investment and private</p>										

sector development and develop measures and actions to address these in a regional context.

**c. Components and outputs:** The TA will (i) examine investment policies, competition policies, the legal framework for public-private partnership for infrastructure financing, and the potential for the region's economies to attract private capital both foreign direct investment and financing for infrastructure; and (ii) develop recommendations for policies and guidelines for investment and competition policies in line with the proposed WTO recommendations, and measures to facilitate and enhance the flow of FDI and promote private-public partnerships for infrastructure finance.

**d. Expected results and deliverables:** Reports, workshops.

**e. Social or environmental issues or concerns:** None.

**f. Plans for disseminating results/deliverables:** To be determined.

**7. Proposed executing/implementing agencies:** ADB will execute the overall TA. The ministries of trade and industry, chambers of commerce or equivalents, and industry associations or equivalent in the respective countries in the east and central Asian region will be the implementing agencies.

**8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:** Chambers of commerce (and equivalents) and industry associations have been consulted in the preparation of the initial concept.

**9. Timetable for assistance design, processing, and implementation**

a. Year included in CSP, CSP update, SCSP, SCSP update, or interregional work plan: 2001

b. Expected date of submission for approval

Lending:

Nonlending (project preparatory):

Nonlending (other than project preparatory): 2003

c. Period and duration of assistance

Lending:

Nonlending: To be determined.

**10. Financing Plan** (Indicate possible financing sources and amount of assistance, cost estimates, and financing arrangements)

a. For lending

Ordinary capital resources:

Asian Development Fund:

Other:

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):

b. For nonlending

No resources required, other than ADB staff

ADB's administrative budget:

Grant TA funds

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):

ADB = Asian Development Bank, CAR = Central Asian republic, CSP = country strategy and program, GDP= gross domestic product, SCSP = subregional cooperation strategy and program, TA = technical assistance, WTO = World Trade Organization.

**Table A3.5: Regional Financial Sector Development, Phase I  
Concept Paper**

**Date: May 2002**

<p><b>1. Type/modality of assistance</b></p> <p><input type="checkbox"/> Lending</p> <p><input type="checkbox"/> Project loan</p> <p><input type="checkbox"/> Program loan</p> <p><input type="checkbox"/> Sector loan</p> <p><input type="checkbox"/> Sector development program loan</p> <p><input type="checkbox"/> Other:</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p><input type="checkbox"/> Project preparatory</p> <p><input type="checkbox"/> Other than project preparatory</p> <p><input type="checkbox"/> Economic, thematic, and sector work</p> <p><input type="checkbox"/> Institutional development</p> <p><input checked="" type="checkbox"/> Other: RETA</p>
<p><b>2. Assistance Focus</b></p> <p>a. If assistance focuses on a particular sector or subsector, specify the</p> <p>Sector: Trade</p> <p>Subsector: Customs</p> <p>b. For project preparatory and lending, classification</p> <p><input type="checkbox"/> Core poverty intervention</p> <p><input type="checkbox"/> Poverty intervention</p> <p>c. Key thematic area(s)</p> <p><input checked="" type="checkbox"/> Economic growth</p> <p><input type="checkbox"/> Gender and development</p> <p><input type="checkbox"/> Environmental protection</p> <p><input checked="" type="checkbox"/> Regional cooperation</p> <p><input type="checkbox"/> Other:</p> <p><input type="checkbox"/> Human development</p> <p><input type="checkbox"/> Good governance</p> <p><input type="checkbox"/> Private sector development</p> <p><input type="checkbox"/> Social protection</p>
<p><b>3. Coverage</b></p> <p><input type="checkbox"/> Country</p> <p><input checked="" type="checkbox"/> Subregional</p> <p><input type="checkbox"/> Internal policy development</p> <p><input type="checkbox"/> Interregional</p>
<p><b>4. Responsible division/department:</b> Governance, Finance &amp; Trade Division/East and Central Asia Department</p>
<p><b>5. Responsible ADB officer(s):</b> To be determined.</p>
<p><b>6. Description of assistance(s)</b></p> <p><b>a. Background/linkage to country/regional strategy:</b> The financial sectors in the CARs are dominated by banks that provide basic financial services, but the financial sectors are shallow as indicated by low ratios of deposits and credit to GDP, and ineffective in financial intermediation due to inadequate experience in credit risk and management. Thus, they are ineffective in providing credit and trade finance to the private sector. While efforts have been made to upgrade regulation and supervision of financial institutions, enforcement is still lacking. The financial institutions are not effective in providing financing and catalyzing private sector development in the region, and capital markets have yet to develop to broaden and deepen the financial sectors. Effective financial sectors and institutions will catalyze private sector development and facilitate regional trade and growth.</p> <p><b>b. Goal and purpose:</b> The goal is to promote effective financial sectors in the region that can catalyze private sector development, regional trade, and growth. The purpose is to identify weaknesses in the financial sectors in the region that are obstacles to private sector development and develop</p>

recommendations and actions to address these. The TA will also complement the private sector and financial management assessments being undertaken for each of the countries in the region.

**c. Components and outputs:** The TA will have 2 components. The first component is a diagnostic study of the financial sectors in the region to (i) assess the capability of CAR financial institutions to provide financing (working capital, medium-term credit, trade finance) to support private sector development; (ii) the state of regulation and supervision of financial institutions and need for capacity building; and (iii) the options and role of the capital markets to support enterprise growth and development in a regional context. The second component will be development of a blueprint for (i) capacity building for financial sector regulators, (ii) harmonization of banking sector policies, and (iii) development and integration of capital markets.

**d. Expected results and deliverables:** Reports.

**e. Social or environmental issues or concerns:** None.

**f. Plans for disseminating results/deliverables:** To be determined.

**7. Proposed executing/implementing agencies:** ADB will execute the overall TA. The ministries of finance, central banks, and other regulatory agencies in the respective countries in the east and central Asian region will be the implementing agencies.

**8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:**

**9. Timetable for assistance design, processing, and implementation**

a. Year included in CSP, CSP update, SCSP, SCSP update, or interregional work plan: 2001

b. Expected date of submission for approval

Lending:

Nonlending (project preparatory):

Nonlending (other than project preparatory): 2003

c. Period and duration of assistance

Lending:

Nonlending: To be determined

**10. Financing Plan** (Indicate possible financing sources and amount of assistance, cost estimates, and financing arrangements)

a. For lending

Ordinary capital resources:

Asian Development Fund:

Other:

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):

b. For nonlending

No resources required, other than ADB staff

ADB's administrative budget:

Grant TA funds

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):

ADB = Asian Development Bank, CAR = Central Asian republic, CSP = country strategy and program, GDP = gross domestic product, SCSP = subregional cooperation strategy and program, TA = technical assistance.

**Table A3.6: Participatory Water Management in Central Asia  
Concept Paper**

**Date: 28 May 2002**

<p><b>1. Type/modality of assistance</b></p> <p><input type="checkbox"/> Lending</p> <p>    <input type="checkbox"/> Project loan</p> <p>    <input type="checkbox"/> Program loan</p> <p>    <input type="checkbox"/> Sector loan</p> <p>    <input type="checkbox"/> Sector development program loan</p> <p>    <input type="checkbox"/> Other:</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p>    <input type="checkbox"/> Project preparatory</p> <p>    <input type="checkbox"/> Other than project preparatory</p> <p>        <input type="checkbox"/> Economic, thematic, and sector work</p> <p>        <input type="checkbox"/> Institutional development</p> <p>        <input checked="" type="checkbox"/> Other: RETA</p>										
<p><b>2. Assistance Focus</b></p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Subsector:</p> <p>b. For project preparatory and lending, classification</p> <p>    <input type="checkbox"/> Core poverty intervention</p> <p>    <input type="checkbox"/> Poverty intervention</p> <p>c. Key thematic area(s)</p> <table border="0"> <tr> <td><input checked="" type="checkbox"/> Economic growth</td> <td><input checked="" type="checkbox"/> Human development</td> </tr> <tr> <td><input checked="" type="checkbox"/> Gender and development</td> <td><input checked="" type="checkbox"/> Good governance</td> </tr> <tr> <td><input type="checkbox"/> Environmental protection</td> <td><input checked="" type="checkbox"/> Private sector development</td> </tr> <tr> <td><input checked="" type="checkbox"/> Regional cooperation</td> <td><input type="checkbox"/> Social protection</td> </tr> <tr> <td><input type="checkbox"/> Other:</td> <td></td> </tr> </table>	<input checked="" type="checkbox"/> Economic growth	<input checked="" type="checkbox"/> Human development	<input checked="" type="checkbox"/> Gender and development	<input checked="" type="checkbox"/> Good governance	<input type="checkbox"/> Environmental protection	<input checked="" type="checkbox"/> Private sector development	<input checked="" type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection	<input type="checkbox"/> Other:	
<input checked="" type="checkbox"/> Economic growth	<input checked="" type="checkbox"/> Human development									
<input checked="" type="checkbox"/> Gender and development	<input checked="" type="checkbox"/> Good governance									
<input type="checkbox"/> Environmental protection	<input checked="" type="checkbox"/> Private sector development									
<input checked="" type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection									
<input type="checkbox"/> Other:										
<p><b>3. Coverage</b></p> <p><input type="checkbox"/> Country                      <input checked="" type="checkbox"/> Subregional                      <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>										
<p><b>4. Responsible division/department:</b> Agriculture, Environment &amp; Natural Resources Division/East and Central Asia Department</p>										
<p><b>5. Responsible ADB officer(s):</b> M. A. Malik</p>										
<p><b>6. Description of assistance(s)</b></p> <p><b>a. Background/linkage to country/regional strategy:</b> Agriculture in many Central Asian countries is heavily dependent on irrigation. Most of the existing irrigation systems were built in the 1960s under the Soviet era. As a result of severe financial crisis followed by the collapse of the Soviet Union, the governments have not been able to meet the increasing operation and maintenance (O&amp;M) budget requirements. As a result, operational status of these massive and energy-intensive irrigation infrastructure systems are rapidly deteriorating. At the same time, rapid privatization of farms within the irrigated command areas also resulted in disruption of on-farm level water management.</p> <p>Concerned with declining efficiency of the irrigation supply systems, many Central Asian governments place high priority to the immediate rehabilitation/restoration of the supply systems, such as high-lift pumps and long feeder (main) canals. However, issues relating to the maintenance of on-farm water courses and</p>										

management of irrigation water distribution (where largest loss of water takes place) do not receive much attention of the policy makers and sector planners.

In many other parts of Asia, however, the importance of on-farm water management through strong beneficiary participation has been recognized as a key to address issues relating to sustained maintenance of irrigation systems and equitable distribution of water. In some Asian countries, participatory management of water management has advanced to a stage where management of the irrigation was transferred to the beneficiaries, resulting in more efficient assessment/collection of irrigation fees, and more cost-effective, transparent, and participatory management of irrigation systems. Initial attempts to develop participatory management of on-farm irrigation distribution (e.g., through development of water user associations) are implemented in a number of Central Asian countries, but their experiences and progress are not shared among themselves.

**b. Goal and purpose:** The goal of the proposed study is to promote awareness among the Central Asian governments of the importance and potential of participatory water resources management.

The Specific purpose of the study is to compile the collective experience and lessons gained in the participatory management of water in the Central Asia, analyze comparative progress/outcome in relation to the relevant policy framework, and study the relevance of the experiences and lessons from other Asian countries where participatory water resources management is in a much advanced stage.

**c. Components and outputs:** The study will involve of specific case study of the selected irrigation systems in Central Asia, secondary data analyses of the experiences in other Asian countries, participatory workshops (including presentation of advanced irrigation management transfer in Indonesia or the Philippines), and preparation of policy recommendations.

**d. Expected results and deliverables:** A set of specific policy recommendations for the Central Asian governments to promote participatory water resources management.

**e. Social or environmental issues or concerns:** To be determined.

**f. Plans for disseminating results/deliverables:** To be determined.

**7. Proposed executing/implementing agencies:** Asian Development Bank

**8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:**  
None so far.

**9. Timetable for assistance design, processing, and implementation**

- a. Year included in CSP, CSP update, SCSP, SCSP update, or interregional work plan: 2002
- b. Expected date of submission for approval
  - Lending:
  - Nonlending (project preparatory):
  - Nonlending (other than project preparatory):
- c. Period and duration of assistance
  - Lending:
  - Nonlending: To be determined.

**10. Financing Plan** (Indicate possible financing sources and amount of assistance, cost estimates, and financing arrangements)

- a. For lending
  - Ordinary capital resources:
  - Asian Development Fund:
  - Other:

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and

government financing):

b. For nonlending

- No resources required, other than ADB staff
- ADB's administrative budget:
- Grant TA funds

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):

ADB = Asian Development Bank, CSP = country strategy and program, SCSP = subregional cooperation strategy and program, TA = technical assistance.

**Table A3.7: Regional Tourism Development  
Concept Paper**

**Date: May 2002**

<p><b>1. Type/modality of assistance</b></p> <p><input type="checkbox"/> Lending</p> <p><input type="checkbox"/> Project loan</p> <p><input type="checkbox"/> Program loan</p> <p><input type="checkbox"/> Sector loan</p> <p><input type="checkbox"/> Sector development program loan</p> <p><input type="checkbox"/> Other:</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p><input type="checkbox"/> Project preparatory</p> <p><input type="checkbox"/> Other than project preparatory</p> <p><input type="checkbox"/> Economic, thematic, and sector work</p> <p><input type="checkbox"/> Institutional development</p> <p><input checked="" type="checkbox"/> Other: RETA</p>										
<p><b>2. Assistance Focus</b></p> <p>a. If assistance focuses on a particular sector or subsector, specify the</p> <p>Sector: Trade</p> <p>Subsector: Customs</p> <p>b. For project preparatory and lending, classification</p> <p><input type="checkbox"/> Core poverty intervention</p> <p><input type="checkbox"/> Poverty intervention</p> <p>c. Key thematic area(s)</p> <table border="0"> <tr> <td><input checked="" type="checkbox"/> Economic growth</td> <td><input type="checkbox"/> Human development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td><input type="checkbox"/> Good governance</td> </tr> <tr> <td><input type="checkbox"/> Environmental protection</td> <td><input checked="" type="checkbox"/> Private sector development</td> </tr> <tr> <td><input checked="" type="checkbox"/> Regional cooperation</td> <td><input type="checkbox"/> Social protection</td> </tr> <tr> <td><input type="checkbox"/> Other:</td> <td></td> </tr> </table>	<input checked="" type="checkbox"/> Economic growth	<input type="checkbox"/> Human development	<input type="checkbox"/> Gender and development	<input type="checkbox"/> Good governance	<input type="checkbox"/> Environmental protection	<input checked="" type="checkbox"/> Private sector development	<input checked="" type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection	<input type="checkbox"/> Other:	
<input checked="" type="checkbox"/> Economic growth	<input type="checkbox"/> Human development									
<input type="checkbox"/> Gender and development	<input type="checkbox"/> Good governance									
<input type="checkbox"/> Environmental protection	<input checked="" type="checkbox"/> Private sector development									
<input checked="" type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection									
<input type="checkbox"/> Other:										
<p><b>3. Coverage</b></p> <p><input type="checkbox"/> Country                      <input checked="" type="checkbox"/> Subregional                      <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>										
<p><b>4. Responsible division/department:</b> Governance, Finance &amp; Trade Division/East and Central Asia Department</p>										
<p><b>5. Responsible ADB officer(s):</b> To be determined.</p>										
<p><b>6. Description of assistance(s)</b></p> <p><b>a. Background/linkage to country/regional strategy:</b> Supporting sustainable economic growth through regional cooperation would greatly enhance the economic transition process in the CARs. One of the sectors that particularly lends itself to regional cooperation is tourism. Regional tourism development can spur economic growth and presents an opportunity for sustainable economic and social development by generating foreign exchange revenues, promoting economic diversification, and strengthening regional cooperation and collaboration.</p> <p>The most suitable countries for a regional approach to tourism development among the CARs are Kazakhstan, the Kyrgyz Republic, and Uzbekistan. In addition to their natural beauty, these countries share a rich historic past and cultural heritage. Both topography and politics have resulted in historical trade patterns in the CARs, such as the legendary "Silk Road," a loose network of trade routes linking the CARs with the People's Republic of China (PRC), Europe, South Asia, and central Siberia. More recently land routes such as the famous Trans-Siberian Railroad were established. Coupled with the region's Tian Shan Mountains attracting both foreign and domestic skiers and trekkers, the three countries provide considerable</p>										

potential for tourism development.

**b. Goal and purpose:** The objectives of the proposed regional TA are to (i) evaluate the feasibility of sustainable development of the tourism potential of Kazakhstan, the Kyrgyz Republic, and Uzbekistan in a way that advocates subregional cooperation; (ii) promote economic growth in the subregion; (iii) facilitate information exchange with the private sector; and (iv) identify a pipeline of subregional tourism development projects.

**c. Components and outputs:** The components will include (i) comprehensive analysis of the current status of the tourism sector in the three countries and the subregion, including identification of obstacles to sector growth on a subregional basis; (ii) preparation of a tourism development study identifying subregional projects based, inter alia, on social, economic, legal, financial, and environmental analysis; (iii) identification of ways and management mechanisms needed to increase subregional cooperation in tourism development while preserving and protecting the joint cultural and historical heritage and the environment; and (iv) dissemination of tourism development strategy to key stakeholders including the private sector.

**d. Expected results and deliverables:** The major outputs will include (i) a subregional tourism development study, including a pipeline of subregional tourism development projects; (ii) identification of subregional economic growth potential through tourism development; (iii) cooperative management mechanisms for subregional tourism development; (iv) enhanced visibility of tourism development in the subregion through industry forum and publication on study results; and (v) identification of opportunities for private sector participation.

**e. Social or environmental issues or concerns:** None.

**f. Plans for disseminating results/deliverables:** To be determined.

**Proposed executing/implementing agencies:** ADB will be the executing agency.

#### 8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:

#### 9. Timetable for assistance design, processing, and implementation

- a. Year included in CSP, CSP update, SCSP, SCSP update, or interregional work plan: 2002
- b. Expected date of submission for approval
  - Lending:
  - Nonlending (project preparatory):
  - Nonlending (other than project preparatory): 2004
- c. Period and duration of assistance
  - Lending:
  - Nonlending: To be determined.

#### 10. Financing Plan (Indicate possible financing sources and amount of assistance, cost estimates, and financing arrangements)

- a. For lending
  - Ordinary capital resources:
  - Asian Development Fund:
  - Other:

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):

- b. For nonlending
  - No resources required, other than ADB staff
  - ADB's administrative budget:
  - Grant TA funds: To be determined

If cofinancing is required indicate sources, and amount sought:  
If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):

ADB = Asian Development Bank, CAR = Central Asian republic, CSP = country strategy and program, SCSP = subregional cooperation strategy and program, TA = technical assistance.

**Table A3.8: Regional Trade Facilitation and Customs Cooperation Program, Phase II  
Concept Paper**

**Date: May 2002**

<p><b>1. Type/modality of assistance</b></p> <p><input type="checkbox"/> Lending</p> <p><input type="checkbox"/> Project loan</p> <p><input type="checkbox"/> Program loan</p> <p><input type="checkbox"/> Sector loan</p> <p><input type="checkbox"/> Sector development program loan</p> <p><input type="checkbox"/> Other:</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p><input type="checkbox"/> Project preparatory</p> <p><input type="checkbox"/> Other than project preparatory</p> <p><input type="checkbox"/> Economic, thematic, and sector work</p> <p><input type="checkbox"/> Institutional development</p> <p><input checked="" type="checkbox"/> Other: RETA</p>
<p><b>2. Assistance Focus</b></p> <p>a. If assistance focuses on a particular sector or subsector, specify the</p> <p>Sector: Trade</p> <p>Subsector: Customs</p> <p>b. For project preparatory and lending, classification</p> <p><input type="checkbox"/> Core poverty intervention</p> <p><input type="checkbox"/> Poverty intervention</p> <p>c. Key thematic area(s)</p> <p><input checked="" type="checkbox"/> Economic growth</p> <p><input type="checkbox"/> Gender and development</p> <p><input type="checkbox"/> Environmental protection</p> <p><input checked="" type="checkbox"/> Regional cooperation</p> <p><input type="checkbox"/> Other:</p> <p><input type="checkbox"/> Human development</p> <p><input type="checkbox"/> Good governance</p> <p><input type="checkbox"/> Private sector development</p> <p><input type="checkbox"/> Social protection</p>
<p><b>3. Coverage</b></p> <p><input type="checkbox"/> Country</p> <p><input checked="" type="checkbox"/> Subregional</p> <p><input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>
<p><b>4. Responsible division/department:</b> Governance, Finance &amp; Trade Division/East and Central Asia Department</p>
<p><b>5. Responsible ADB officer(s):</b> To be determined.</p>
<p><b>6. Description of assistance(s)</b></p> <p><b>a. Background/linkage to country/regional strategy:</b> Supporting regional economic cooperation to promote sustainable economic growth and poverty reduction is a key objective of ADB's operations. Facilitating trade, especially cross-border trade, has been a focus of ADB's program in the region since 1997. Since 2000, ADB's trade facilitation has focused on the potential for customs modernization and cooperation. The first phase of the TA for regional trade facilitation and customs cooperation is being processed in 2002, with the following components: (i) harmonization and simplification of documentation, (ii) simplification of border and transit procedures, (iii) establishment of data transfer protocols, (iv) coordinated data gathering and information systems, (v) development of common performance standards, (vi) effective use of technical resources, (vii) possible regional initiatives to promote post-transit/entry compliance audits, (viii) establishing pilot joint processing centers of customs, and (ix) regional capacity building and training initiatives.</p> <p><b>b. Goal and purpose:</b> To establish efficient and effective trade and customs arrangements in the region</p>

that will facilitate foreign trade and investment, encourage movement of goods and people, and promote economic growth.

**c. Components and outputs:** The phase II TA will build on and carry forward the activities started in phase I, but expand issues related to the WTO. Phase II will tentatively focus on (i) continued capacity building for customs officials, (ii) information and communication technology applications for trade facilitation and customs and regional information linkages, (iii) continue and expand pilot joint processing centers, (iv) support implementation of simplified border and transit procedures, and (v) assess issues relating to WTO accession for applicant countries and develop action plans to support applicant countries in their preparations for WTO accession. The details will be decided upon completion of the phase I TA.

**d. Expected results and deliverables:** Reports, workshops, and seminars.

**e. Social or environmental issues or concerns:** None.

**f. Plans for disseminating results/deliverables:** To be determined.

**7. Proposed executing/implementing agencies:** The ministries of trade and state customs administrations in the participating countries in the East and Central Asian region will be the implementing agencies. ADB will execute the overall TA.

**8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:**

**9. Timetable for assistance design, processing, and implementation**

a. Year included in CSP, CSP update, SCSP, SCSP update, or interregional work plan: 2002

b. Expected date of submission for approval

Lending:

Nonlending (project preparatory):

Nonlending (other than project preparatory): 2002

c. Period and duration of assistance

Lending:

Nonlending: TBD

**10. Financing Plan** (Indicate possible financing sources and amount of assistance, cost estimates, and financing arrangements)

a. For lending

Ordinary capital resources:

Asian Development Fund:

Other:

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):

b. For nonlending

No resources required, other than ADB staff

ADB's administrative budget:

Grant TA funds

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):

ADB = Asian Development Bank, CSP = country strategy and program, SCSP = subregional cooperation strategy and program, TA = technical assistance, WTO = World Trade Organization.

**Table A3.9: Capacity Building in Priority Areas of Regional Cooperation  
Concept Paper**

**Date: 26 July 2002**

<p><b>1. Type/modality of assistance</b></p> <p><input type="checkbox"/> Lending</p> <p>    <input type="checkbox"/> Project loan</p> <p>    <input type="checkbox"/> Program loan</p> <p>    <input type="checkbox"/> Sector loan</p> <p>    <input type="checkbox"/> Sector development program loan</p> <p>    <input type="checkbox"/> Other:</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p>    <input type="checkbox"/> Project preparatory</p> <p>    <input type="checkbox"/> Other than project preparatory</p> <p>        <input type="checkbox"/> Economic, thematic, and sector work</p> <p>        <input checked="" type="checkbox"/> Institutional development</p> <p>    <input type="checkbox"/> Other:</p>										
<p><b>2. Assistance Focus</b></p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Subsector:</p> <p>b. For project preparatory and lending, classification</p> <p>    <input type="checkbox"/> Core poverty intervention</p> <p>    <input type="checkbox"/> Poverty intervention</p> <p>c. Key thematic area(s)</p> <table border="0"> <tr> <td><input type="checkbox"/> Economic growth</td> <td><input checked="" type="checkbox"/> Human development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td><input type="checkbox"/> Good governance</td> </tr> <tr> <td><input type="checkbox"/> Environmental protection</td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input checked="" type="checkbox"/> Regional cooperation</td> <td><input type="checkbox"/> Social protection</td> </tr> <tr> <td><input type="checkbox"/> Other:</td> <td></td> </tr> </table>	<input type="checkbox"/> Economic growth	<input checked="" type="checkbox"/> Human development	<input type="checkbox"/> Gender and development	<input type="checkbox"/> Good governance	<input type="checkbox"/> Environmental protection	<input type="checkbox"/> Private sector development	<input checked="" type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection	<input type="checkbox"/> Other:	
<input type="checkbox"/> Economic growth	<input checked="" type="checkbox"/> Human development									
<input type="checkbox"/> Gender and development	<input type="checkbox"/> Good governance									
<input type="checkbox"/> Environmental protection	<input type="checkbox"/> Private sector development									
<input checked="" type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection									
<input type="checkbox"/> Other:										
<p><b>3. Coverage</b></p> <p><input type="checkbox"/> Country                      <input checked="" type="checkbox"/> Subregional                      <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>										
<p><b>4. Responsible division/department:</b> Operations Coordination Division/East and Central Asia Department</p>										
<p><b>5. Responsible ADB officer(s):</b> L. Wu</p>										
<p><b>6. Description of assistance(s)</b></p> <p><b>a. Background/linkage to country/regional strategy:</b> Supporting regional economic cooperation is one of the three pillars of ADB's poverty reduction strategy and a strategic focus in ADB operations as enunciated in the LTSF. Under the overall objective of promoting sustained economic growth and poverty reduction, ADB has provided support for economic cooperation in Central Asia since 1997. Its operational focus is on three areas: transport- to alleviate the region's locational disadvantage; energy – to encourage rational use of vital resources of energy and water; and trade facilitation – to promote trade within the region and with outside world. To date, modest success has been achieved, as evidenced in (i) increased awareness and understanding of cooperation, with an overall framework established to further cooperation; and (ii) a preliminary set of priority regional projects identified in each of the focused areas, which are now at various stages of implementation.</p>										

With the gradual return of peace to Afghanistan, renewed world focus on Central Asia, and a general climate more conducive to cooperation in the region, ADB faces new challenges: principally, how to advance cooperation to assist the countries in seizing this historical window of opportunity to achieve and maintain peace, stability and prosperity through cooperation? One key to future success on a sustainable basis lies in the strengthening of capacity of the countries participating in the ADB supported Central Asia regional cooperation program. Specifically, the institutional capacity of government agencies involved in regional cooperation, the capacity of the officials in charge of or participating in regional cooperation (policy making and implementation) would be the basis for bringing forward the cause of regional cooperation.

This important role of capacity for regional cooperation has been clearly recognized by the participating governments, and the request for ADB to assist in capacity building for regional cooperation especially in the three priority areas of cooperation was reflected in the Ministerial Statement issued at the Ministerial Conference on Economic Cooperation in Central Asia held 25-26 March 2002.

**b. Goal and purpose:** The overall goal of the TA is to promote economic growth and reduce poverty in Central Asia. The specific purpose of the TA is to promote economic cooperation through strengthening the capacity of the participating governments for regional cooperation, particularly in the area of transport, energy and trade facilitation.

**c. Components and outputs:** The TA will have the following components and corresponding outputs:

- (i) A comprehensive assessment of the capacity building needs – the output will be a comprehensive capacity building plan. The plan will identify and analyze the medium and longer term needs for institutional and technical capacity building, a plan to meet these needs with sequenced steps of implementation, with clear monitorable indicators.
- (ii) Capacity building activities for National Focal Points (NFP) – as NFPs are a central part of the overall framework and key to the coordination of cooperation activities in their respective governments, their capacity both as an institution and as individual officials would be crucial to future success of cooperation. The capacity building needs including training needs would need to be tailored to suit the specific mandate of the NFPs.
- (iii) Sectoral capacity building activities – two sets of activities including training courses will be important: one more skills and capacity in the more general area of administration and management pertinent to economic cooperation; and the other more technical skills and capacity specific to their respective sectors.
- (iv) Supporting activities – based on the assessment, some support for equipment may be necessary in order to ensure the effectiveness of capacity building activities.

**d. Expected results and deliverables:** The TA is expected to generate (i) enhanced institutional capacity of the governments in furthering regional cooperation in general; and (ii) strengthened technical and institutional capacity of the priority sectors of economic cooperation.

**e. Social or environmental issues or concerns:** none foreseen.

**f. Plans for disseminating results/deliverables:** Dissemination will be through workshops, meetings, publications and other means including ADB websites, in addition to wide circulation of materials (including consultant reports) within each government and among donors and other stakeholders.

**7. Proposed executing/implementing agencies:** Operations Coordination Division/East and Central Asia Department

**8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:** ADB has committed to developing capacity building at the request of the governments as explicitly stated in the Ministerial Statement of the Ministerial Conference on Economic Cooperation in Central Asia during 25-26 March 2002.

**9. Timetable for assistance design, processing, and implementation**

- a. Year included in CSP, CSP update, SCSP, SCSP update, or interregional work plan: 2002
- b. Expected date of submission for approval
  - Lending:
  - Nonlending (project preparatory):
  - Nonlending (other than project preparatory): 1<sup>st</sup> half 2003
- c. Period and duration of assistance
  - Lending:
  - Nonlending: 2003-2005

**10. Financing Plan** (Indicate possible financing sources and amount of assistance, cost estimates, and financing arrangements)

- a. For lending
  - Ordinary capital resources:
  - Asian Development Fund:
  - Other:

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):

- b. For nonlending
  - No resources required, other than ADB staff
  - ADB's administrative budget:
  - Grant TA funds

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):

ADB = Asian Development Bank, CSP = country strategy and program, SCSP = subregional cooperation strategy and program, TA = technical assistance.

**Table A3.10: Regional Financial Sector Development, Phase II  
Concept Paper**

**Date: May 2002**

<p><b>1. Type/modality of assistance</b></p> <p><input type="checkbox"/> Lending</p> <p><input type="checkbox"/> Project loan</p> <p><input type="checkbox"/> Program loan</p> <p><input type="checkbox"/> Sector loan</p> <p><input type="checkbox"/> Sector development program loan</p> <p><input type="checkbox"/> Other:</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p><input type="checkbox"/> Project preparatory</p> <p><input type="checkbox"/> Other than project preparatory</p> <p><input type="checkbox"/> Economic, thematic, and sector work</p> <p><input type="checkbox"/> Institutional development</p> <p><input checked="" type="checkbox"/> Other: RETA</p>
<p><b>2. Assistance Focus</b></p> <p>a. If assistance focuses on a particular sector or subsector, specify the</p> <p>Sector: Trade</p> <p>Subsector: Customs</p> <p>b. For project preparatory and lending, classification</p> <p><input type="checkbox"/> Core poverty intervention</p> <p><input type="checkbox"/> Poverty intervention</p> <p>c. Key thematic area(s)</p> <p><input checked="" type="checkbox"/> Economic growth</p> <p><input type="checkbox"/> Gender and development</p> <p><input type="checkbox"/> Environmental protection</p> <p><input checked="" type="checkbox"/> Regional cooperation</p> <p><input type="checkbox"/> Other:</p> <p><input type="checkbox"/> Human development</p> <p><input type="checkbox"/> Good governance</p> <p><input checked="" type="checkbox"/> Private sector development</p> <p><input type="checkbox"/> Social protection</p>
<p><b>3. Coverage</b></p> <p><input type="checkbox"/> Country                      <input checked="" type="checkbox"/> Subregional                      <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>
<p><b>4. Responsible division/department:</b> Governance, Finance &amp; Trade Division/East and Central Asia Department</p>
<p><b>5. Responsible ADB officer(s):</b> To be determined.</p>
<p><b>6. Description of assistance(s)</b></p> <p><b>a. Background/linkage to country/regional strategy:</b> The financial sectors in the CARs are dominated by banks that provide basic financial services, but the financial sectors are shallow as indicated by low ratios of deposits and credit to GDP, and ineffective in financial intermediation due to inadequate experience in credit risk and management. Thus, they are ineffective in providing credit and trade finance to the private sector. While efforts have been made to upgrade regulation and supervision of financial institutions, enforcement is still lacking. The financial institutions are not effective in providing financing and catalyzing private sector development in the region, and capital markets have yet to develop to broaden and deepen the financial sectors. Effective financial sectors and institutions will catalyze private sector development and facilitate regional trade and growth.</p> <p><b>b. Goal and purpose:</b> The goal is to promote in the region effective financial sectors that can catalyze private sector development, regional trade and growth.</p>

<p><b>c. Components and outputs:</b> The second phase of assistance for the region's financial sectors will aim to implement reforms identified during phase I in the areas of (i) harmonization of banking sector policies, (ii) capacity building for regulators, and (iii) development and integration of capital markets. The details will be decided upon completion of the first phase TA in 2003.</p> <p><b>d. Expected results and deliverables:</b> To be determined.</p> <p><b>e. Social or environmental issues or concerns:</b> None.</p> <p><b>f. Plans for disseminating results/deliverables:</b> To be determined.</p>
<p><b>7. Proposed executing/implementing agencies:</b> The ADB will execute the overall TA. The ministries of finance, central banks, and other regulatory agencies in the respective countries in the East and Central Asian region will be the implementing agencies.</p>
<p><b>8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:</b></p>
<p><b>9. Timetable for assistance design, processing, and implementation</b></p> <p>a. Year included in CSP, CSP update, SCSP, SCSP update, or interregional work plan: 2002</p> <p>b. Expected date of submission for approval  Lending:  Nonlending (project preparatory):  Nonlending (other than project preparatory): 2005</p> <p>c. Period and duration of assistance  Lending:  Nonlending: To be determined.</p>
<p><b>10. Financing Plan</b> (Indicate possible financing sources and amount of assistance, cost estimates, and financing arrangements)</p> <p>a. For lending  <input type="checkbox"/> Ordinary capital resources:  <input type="checkbox"/> Asian Development Fund:  <input type="checkbox"/> Other:</p> <p>If cofinancing is required indicate sources, and amount sought:  If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):</p> <p>b. For nonlending  <input type="checkbox"/> No resources required, other than ADB staff  <input type="checkbox"/> ADB's administrative budget:  <input checked="" type="checkbox"/> Grant TA funds</p> <p>If cofinancing is required indicate sources, and amount sought:  If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):</p>

ADB = Asian Development Bank, CSP = country strategy and program, SCSP = subregional cooperation strategy and program, TA = technical assistance.

**Table A3.11: Regional Trade Facilitation and Customs Cooperation Program, Phase III  
Concept Paper**

**Date: May 2002**

<p><b>1. Type/modality of assistance</b></p> <p><input type="checkbox"/> Lending</p> <p><input type="checkbox"/> Project loan</p> <p><input type="checkbox"/> Program loan</p> <p><input type="checkbox"/> Sector loan</p> <p><input type="checkbox"/> Sector development program loan</p> <p><input type="checkbox"/> Other:</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p><input type="checkbox"/> Project preparatory</p> <p><input type="checkbox"/> Other than project preparatory</p> <p><input type="checkbox"/> Economic, thematic, and sector work</p> <p><input type="checkbox"/> Institutional development</p> <p><input checked="" type="checkbox"/> Other: RETA</p>										
<p><b>2. Assistance Focus</b></p> <p>a. If assistance focuses on a particular sector or subsector, specify the</p> <p>Sector: Trade</p> <p>Subsector: Customs</p> <p>b. For project preparatory and lending, classification</p> <p><input type="checkbox"/> Core poverty intervention</p> <p><input type="checkbox"/> Poverty intervention</p> <p>c. Key thematic area(s)</p> <table border="0"> <tr> <td><input checked="" type="checkbox"/> Economic growth</td> <td><input type="checkbox"/> Human development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td><input checked="" type="checkbox"/> Good governance</td> </tr> <tr> <td><input type="checkbox"/> Environmental protection</td> <td><input checked="" type="checkbox"/> Private sector development</td> </tr> <tr> <td><input checked="" type="checkbox"/> Regional cooperation</td> <td><input type="checkbox"/> Social protection</td> </tr> <tr> <td><input type="checkbox"/> Other:</td> <td></td> </tr> </table>	<input checked="" type="checkbox"/> Economic growth	<input type="checkbox"/> Human development	<input type="checkbox"/> Gender and development	<input checked="" type="checkbox"/> Good governance	<input type="checkbox"/> Environmental protection	<input checked="" type="checkbox"/> Private sector development	<input checked="" type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection	<input type="checkbox"/> Other:	
<input checked="" type="checkbox"/> Economic growth	<input type="checkbox"/> Human development									
<input type="checkbox"/> Gender and development	<input checked="" type="checkbox"/> Good governance									
<input type="checkbox"/> Environmental protection	<input checked="" type="checkbox"/> Private sector development									
<input checked="" type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection									
<input type="checkbox"/> Other:										
<p><b>3. Coverage</b></p> <p><input type="checkbox"/> Country                      <input checked="" type="checkbox"/> Subregional                      <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>										
<p><b>4. Responsible division/department:</b> Governance, Finance &amp; Trade Division/East and Central Asia Department</p>										
<p><b>5. Responsible ADB officer(s):</b> To be determined.</p>										
<p><b>6. Description of assistance(s)</b></p> <p><b>a. Background/linkage to country/regional strategy:</b> Supporting regional economic cooperation to promote sustainable economic growth and poverty reduction is a key objective of ADB's operations. Facilitating trade, especially cross-border trade, has been a focus of ADB's program in the region since 1997. Since 2000, ADB's trade facilitation has focused on the potential for customs modernization and cooperation. The first phase of the TA for regional trade facilitation and customs cooperation is being processed in 2002, with the following components: (i) harmonization and simplification of documentation; (ii) simplification of border and transit procedures; (iii) establishment of data transfer protocols; (iv) coordinated data gathering and information systems; (v) development of common performance standards; (vi) effective use of technical resources; (vii) possible regional initiatives to promote post-transit/entry compliance audits; (viii) establishing pilot joint processing centers of customs; and (ix) regional capacity building and training initiatives. The phase II TA in 2004 aims to carry forward these initiatives to ensure continuity and expand on WTO-related issues, and the proposed phase III will further expand and carry forward these initiatives and strengthen regional cooperation.</p>										

**b. Goal and purpose:** The goal is to establish efficient and effective trade and customs arrangements in the region that will facilitate foreign trade and investment, encourage movement of goods and people, and promote economic growth.

**c. Components and outputs:** Phase III will carry forward the components initiated in phases I and II to ensure continuity in capacity building, harmonization of procedures, data sharing. Phase III will have a stronger focus on WTO accession matters for applicant countries, by providing more capacity-building for the applicant countries to facilitate necessary adjustments in policies, regulations, and standards to comply with WTO requirements. The details will be decided upon completion of phase II TA in 2004.

**d. Expected results and deliverables:** Reports, workshops, and seminars.

**e. Social or environmental issues or concerns:** None.

**f. Plans for disseminating results/deliverables:** To be determined.

**7. Proposed executing/implementing agencies:** The State Customs Administrations in the participating countries in the East and Central Asian Region will be the implementing agencies. ADB will execute the overall TA.

**8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:**

**9. Timetable for assistance design, processing, and implementation**

a. Year included in CSP, CSP update, SCSP, SCSP update, or interregional work plan: 2002

b. Expected date of submission for approval

Lending:

Nonlending (project preparatory):

Nonlending (other than project preparatory): 2005

c. Period and duration of assistance

Lending:

Nonlending: To be determined.

**10. Financing Plan** (Indicate possible financing sources and amount of assistance, cost estimates, and financing arrangements)

a. For lending

Ordinary capital resources:

Asian Development Fund:

Other:

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):

b. For nonlending

No resources required, other than ADB staff

ADB's administrative budget:

Grant TA funds

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):

ADB = Asian Development Bank, CSP = country strategy and program, SCSP = subregional cooperation strategy and program, TA = technical assistance, WTO = World Trade Organization.