

# ASIAN DEVELOPMENT BANK MEMBER FACT SHEET

## Kyrgyz Republic: 2015 Approved Loans, Grants, and Technical Assistance (\$ million)

Loans		Technical Assistance	Grants	Total
Sovereign	Nonsovereign			
-	10.00	1.50	23.00	34.50

- = nil.

Note: Grants and technical assistance include cofinancing.

## Kyrgyz Republic: Cumulative Lending, Grant, and Technical Assistance Approvals<sup>a, b</sup>

Sector	No.	Total Amount (\$ million) <sup>c</sup>	% <sup>c</sup>
Agriculture, Natural Resources, and Rural Development	20	107.27	7.09
Education	15	105.28	6.96
Energy	11	242.04	15.99
Finance	16	98.44	6.51
Health	7	14.60	0.96
Industry and Trade	6	26.10	1.72
Multisector	13	113.96	7.53
Public Sector Management	40	267.30	17.66
Transport	27	476.74	31.50
Water and Other Urban Infrastructure and Services	5	61.55	4.07
<b>Total</b>	<b>160</b>	<b>1,513.28</b>	<b>100.00</b>

<sup>a</sup> Grants and technical assistance include cofinancing.

<sup>b</sup> Includes sovereign and nonsovereign loans and technical assistance.

<sup>c</sup> Total may not add up because of rounding.

## Kyrgyz Republic: Cumulative Nonsovereign Financing by Product

No. of Transactions	Amount (\$ million)
Loans	20.00
Equity Investments	-
Guarantees	-
B Loans	-
<b>Total</b>	<b>20.00</b>

- = nil.

The Kyrgyz Republic joined ADB in 1994 and has received more than \$1.5 billion in loans, grants, and technical assistance.

## KYRGYZ REPUBLIC

In recent years, the Government of the Kyrgyz Republic has maintained a strong development agenda to reduce poverty through inclusive economic growth.

With the support of the Asian Development Bank (ADB), the government has sought to reform legal and regulatory frameworks, improve the country's business environment, make affordable finance available to all, improve the reliability of electricity services, and allow the people to become more employable.

The ADB country partnership strategy (CPS), 2013–2017 supports the objectives of the Kyrgyz Republic's National Sustainable Development Strategy, 2013–2017, aiming to remove key constraints to growth and expand access to economic opportunities.

The Kyrgyz Republic joined ADB in 1994 and, as of 31 December 2015, the country has received 40 loans (\$981.7 million) and 31 grants (\$479.1 million) from the Asian Development Fund (ADF). ADB has also provided 89 technical assistance projects valued at \$52.5 million.

Cumulative disbursements to the Kyrgyz Republic for lending and grants financed by ordinary capital resources, the ADF, and other special funds amount to \$1.03 billion.

### ADB-SUPPORTED PROJECTS AND PROGRAMS

To enhance regional trade for the Kyrgyz Republic, ADB has helped rehabilitate 831 kilometers of major transport corridors. In 2015, ADB approved financing of \$3 million as a design advance for the Central Asia Regional Economic Cooperation (CAREC) Corridors 1 and 3 Connector Road Project, with a further \$1 million approved for preparatory technical assistance. By rehabilitating around



253 kilometers of roadway, the project will improve international connectivity, reduce the cost of transporting passengers and cargo between southern and northern regions of the country, and shorten the route between Kazakhstan and Tajikistan.

The government has made the country's energy security a top priority, adopting an action plan for reform of the sector. The Power Sector Rehabilitation Project commenced in 2013, and approval for the third phase of the project is anticipated in 2016, with a total investment of more than \$274 million. This will finance full rehabilitation of the Toktogul Hydroelectric Power Plant, greatly improving efficiency in the sector.

ADB has been working with the government to improve the business environment in the Kyrgyz Republic. Areas targeted for improvement include the investment climate and the efficiency of tax payments and customs services. ADB has also provided technical assistance to introduce a public e-procurement system, support strategic assessment of the country's economy, and strengthen government capacity for managing development projects. The Women's Entrepreneurship Development Project, \$1.5 million of finance provided by the Japan Fund for Poverty Reduction, is

helping to scale up businesses operated by women in rural areas and small towns. In 2015, ADB approved \$20 million for the first subprogram of the Second Investment Climate Improvement Program. The program will continue to improve the business environment, promote public-private partnerships, and improve access to finance for small and medium-sized enterprises.

In education, ADB is supporting the development and introduction of a skills-oriented school curriculum, and is helping to reform vocational education and general education to improve youth employability and student learning. The Strengthening the Education System Sector Development Program, for \$22 million, which included a project grant and a policy-based grant, was initiated in July 2015.

### NONSOVEREIGN OPERATIONS

As a catalyst for private investments, ADB provides direct financial assistance to nonsovereign public sector and private sector transactions in the form of direct loans, equity investments, guarantees, B loans, and trade finance. Since its inception, ADB has approved \$20 million in financing for two private sector transactions in the Kyrgyz Republic. Total outstanding balances and commitments of these transactions, as of 31 December 2015, amount to

\$17.14 million, representing 0.21% of ADB's total nonsovereign portfolio.

ADB's Trade Finance Program (TFP) fills market gaps by providing guarantees and loans through partner banks in support of trade. The TFP has completed over 12,000 transactions supporting over \$23 billion in trade and over 7,700 small and medium-sized enterprises since 2004. In 2015, the TFP supported \$2.5 billion in trade through over 1,900 transactions. In the Kyrgyz Republic, the TFP has supported one transaction for \$250,000. In addition to filling market gaps, the TFP's objective is to mobilize private sector capital and involvement in developing Asia.

### COFINANCING

Cofinancing operations enable ADB's financing partners, governments or their agencies, multilateral financing institutions, and commercial organizations, to participate in financing ADB projects. The additional funds are provided in the form of official loans and grants, technical assistance, other concessional financing, and commercial financing such as B loans, risk transfer arrangements, parallel loans and equity, guarantee cofinancing, and cofinancing for transactions under ADB's TFP.

From 1970 to the end of 2015, cumulative direct value-added official cofinancing for the Kyrgyz Republic amounted

#### Kyrgyz Republic: Project Success Rates

Year	Success Rate (%)	No. of Independently Evaluated Projects and Programs
2007	100.0	1
2008	100.0	2
2010	50.0	2
2011	100.0	1
2013	-	2
2014	50.0	2
2015	100.0	2
<b>Total</b>	<b>66.7</b>	<b>12</b>

- = nil.

Note: "Year" refers to the circulation year of the project completion report (PCR). The success rates reported here are based on the ratings from validated PCRs and independently evaluated performance evaluation reports only and do not include self-evaluations. With small sample size, the success rate does not necessarily represent country operations performance.

Source: PCR validation reports and project/program performance evaluation reports ratings database as of 31 December 2015.

#### Kyrgyz Republic: Portfolio Performance Quality Indicators for Sovereign Lending and Grants, 2014–2015

No. of Ongoing Loans (as of 31 Dec 2015)	10	
	2014 (\$ million)	2015 (\$ million)
Contract Awards/Commitments <sup>a,b</sup>	35.66	21.31
Disbursements <sup>a</sup>	33.91	36.76
No. of Ongoing Grants (as of 31 Dec 2015) <sup>c</sup>	11	
	2014 (\$ million)	2015 (\$ million)
Contract Awards/Commitments <sup>a,b</sup>	7.80	43.21
Disbursements <sup>a</sup>	29.29	34.70
Actual Problem Projects (%)	-	-

- = nil.

Note: Totals may not add up because of rounding.

<sup>a</sup> Includes closed loans/grants that had contract awards or disbursements during the year.

<sup>b</sup> Excludes policy-based lending/grants.

<sup>c</sup> Includes only Asian Development Fund and other ADB special funds.

#### Kyrgyz Republic: Projects Cofinanced, 1 January 2011–31 December 2015

Cofinancing	No. of Projects	Amount (\$ million)
Projects <sup>a</sup>	3	161.50
Grants	1	1.50
Official loans	2	160.00
Technical Assistance Grants	2	1.15

<sup>a</sup> A project with more than one source of cofinancing is counted once.

#### Kyrgyz Republic: Share of Procurement Contracts for Loan, Grant, and Technical Assistance Projects

Item	2014		2015		Cumulative (as of 31 Dec 2015)	
	Amount (\$ million)	% of Total	Amount (\$ million)	% of Total	Amount (\$ million)	% of Total
Goods, Works, and Related Services	28.19	0.34	24.48	0.22	328.84	0.23
Consulting Services	5.82	1.05	1.25	0.20	28.48	0.27
<b>Total Procurement</b>	<b>34.01</b>	<b>0.38</b>	<b>25.74</b>	<b>0.22</b>	<b>357.32</b>	<b>0.23</b>

### Top 5 Contractors/Suppliers from the Kyrgyz Republic Involved in Goods, Works, and Related Services Contracts under ADB Loan and Grant Projects, 1 January 2011–31 December 2015

Contractor/Supplier	Sector	Contract Amount (\$ million)
Minur Limited Liability Co.	WUS	2.54
Impuls-Osh LLC	WUS	2.08
Continent Trade LLC	IND	1.24
Hitech Stroi & Avtotransstroy	WUS	0.99
Asiamotors LLC	WUS	0.88
Others		119.15
<b>Total</b>		<b>126.88</b>

IND = Industry and Trade, WUS = Water and Other Urban Infrastructure and Services.

### Top 5 Consultants from the Kyrgyz Republic Involved in Consulting Services Contracts under ADB Loan, Grant, and Technical Assistance Projects, 1 January 2011–31 December 2015

Consultant	Sector	Contract Amount (\$ million)
Centre for Development	PSM	2.16
Crown Agents for Oversea Governments & Admin	FIN	1.98
Temelsu International Engineering Services	ENE	1.53
Helvetas Swiss Intercooperation	EDU	1.32
FNT Consultants	WUS	0.64
Individual Consultants		4.07
Others		2.52
<b>Total</b>		<b>14.23</b>

EDU = Education, ENE = Energy, FIN = Finance, PSM = Public Sector Management, WUS = Water and Other Urban Infrastructure and Services.

to \$216.6 million for 11 investment projects and \$4.1 million for 8 technical assistance projects.

A summary of projects with cofinancing from 1 January 2011 to 31 December 2015 is available at [www.adb.org/countries/kyrgyz-republic/cofinancing](http://www.adb.org/countries/kyrgyz-republic/cofinancing)

## PARTNERSHIPS

Development coordination in the Kyrgyz Republic is exemplary. The Development Partners' Coordination Council regularly discusses pertinent issues and coordinates sector support. In 2012, the government established its own coordination council, chaired by the Prime Minister, to interact with development partners. The Prime Minister also chairs an investment council in which development partners participate.

The Kyrgyz Republic is an active partner in the CAREC Program. As a landlocked country, the Kyrgyz Republic needs to strengthen regional cooperation with neighboring countries to improve its investment climate, create productive employment, and reduce poverty.

ADB actively cooperates with the private sector and civil society organizations within the Kyrgyz Republic to strengthen the effectiveness, quality, and sustainability of the assistance it provides.

## PROCUREMENT

### Share of ADB's Procurement Contracts

Each year, ADB provides loans, grants, and technical assistance to fund projects and activities in its developing

member countries, and several billion dollars in contracts to procure goods, works, and consulting services. Most contracts were awarded on the basis of international competition, which is open to firms and individuals from any ADB member, regional or nonregional.

Procurement contracts for goods, works, and related services under loan and grant operations totaled \$8.4 billion in 2014 and \$11.12 billion in 2015. Cumulative procurement, as of 31 December 2015, was \$145.92 billion.

Procurement contracts for consulting services under loan, grant, and technical assistance operations totaled \$556.05 million in 2014 and \$637.4 million in 2015. Cumulative procurement, as of 31 December 2015, was \$10.64 billion.

### Goods, Works, and Related Services

From 1 January 1966 to 31 December 2015, contractors and suppliers were involved in 199,625 contracts for goods, works, and related services under ADB loan and grant projects worth \$145.92 billion. During the same period, 1,365 contracts were awarded to contractors and suppliers from the Kyrgyz Republic worth \$328.84 million.

### Consulting Services

From 1 January 1966 to 31 December 2015, consultants were involved in 48,767 contracts for consulting services under ADB loan, grant, and technical assistance projects worth \$10.64 billion. During the same period, 1,020 contracts were awarded to consultants from the Kyrgyz Republic worth \$28.48 million.

## OPERATIONAL CHALLENGES

Government decision making and private sector investment in the Kyrgyz Republic are impeded by political instability, regional disparities, and corruption. Weaknesses in public financial management, and in the rule of law, pose risks for public expenditure.

Following ADB assistance to automate taxation and customs systems, the government's capacity for managing development projects is being strengthened by a technical assistance project approved in 2014.

With ADB support, the government developed and launched an e-procurement portal and, since May 2015, all public procurements have been conducted online. This has increased transparency in the use of public funds, and improved the efficiency of government procurement.

ADB is working on initiatives to overcome systemic challenges in various sectors, support the government's ongoing reforms in public financial management, and enhance good governance in the public sector.

ADB has approved technical assistance to enhance the government's policy-making capacity, to seize the opportunities and address the risks related to the Kyrgyz Republic entering the Eurasian Economic Union (EEU). This technical assistance is vital given the challenges identified since the Kyrgyz Republic entered the EEU in August 2015.

## FUTURE DIRECTIONS

The Kyrgyz Republic [country operations business plan](#) (COBP), 2016–2018, approved in September 2015, is consistent with the CPS, 2013–2017 and supports the overarching goal of poverty reduction through inclusive economic growth.

The COBP supports public sector management for private sector

development. It aims to rehabilitate regional transport corridors and maintain the existing logistics network, as well as revitalizing and upgrading the energy network by implementing institutional and technological reforms to improve efficiency. ADB anticipates contributing about \$10 million to knowledge products and services for the Kyrgyz Republic in 2016–2018.

This support will be disbursed through technical assistance, grant and loan projects, and staff consultancies. Reforms in education and training focus on improving the availability of a skilled workforce as well as on enhancing the employability of the population, especially of the poor and vulnerable.



## ABOUT THE KYRGYZ REPUBLIC AND ADB

### ADB Membership

Joined 1994

### Shareholding and Voting Power

Number of shares held:	31,746 (0.299% of total shares)
Votes:	71,310 (0.538% of total membership, 0.825% of total regional membership)
Overall capital subscription:	\$440.27 million
Paid-in capital subscription:	\$22.02 million

**Bhimantara Widyajala** is the Director and **Mario Di Maio** is the Alternate Director representing the Kyrgyz Republic on the ADB Board of Directors.

**Rie Hiraoka** is the ADB Country Director for the Kyrgyz Republic. The Kyrgyz Republic Resident Mission was opened in 2000 and provides the primary operational link for activities between ADB and the government, the private sector, civil society stakeholders, and development partners. The resident mission engages in policy dialogue, country partnership strategy development and programming, and portfolio management, while also acting as a knowledge base on development issues in the Kyrgyz Republic.

The Kyrgyz Republic government agency handling ADB affairs is the Ministry of Finance of the Kyrgyz Republic.

## ABOUT THE ASIAN DEVELOPMENT BANK

ADB is a multilateral development bank owned by 67 members, 48 from the region and 19 from other parts of the world. ADB's main instruments for helping its developing member countries are policy dialogue, loans, equity investments, guarantees, grants, and technical assistance (TA). In 2015, lending volume was \$15.45 billion (107 projects), with TA at \$141.30 million (199 projects) and grant-financed projects at \$365.15 million (17 projects). In addition, \$10.74 billion was generated in direct value-added cofinancing in the form of official loans and grants, other concessional cofinancing, and commercial cofinancing such as B loans, risk transfer arrangements, guarantee cofinancing, parallel loans, parallel equity, and cofinancing for transactions under ADB's Trade Finance Program. From 1 January 2011 to 31 December 2015, ADB's annual lending volume averaged \$12.93 billion. In addition, investment grants and TA funded by ADB and Special Funds resources averaged \$580.66 million and \$150.23 million in TA over the same period. As of 31 December 2015, the cumulative totals excluding cofinancing were \$231.53 billion in loans for 2,822 projects in 44 countries, \$7.23 billion in 274 grants, and \$3.90 billion in TA grants, including regional TA grants.

## CONTACTS

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### Useful ADB websites

Asian Development Bank  
[www.adb.org](http://www.adb.org)

Asian Development Outlook

[www.adb.org/publications/series/asian-development-outlook](http://www.adb.org/publications/series/asian-development-outlook)

Annual Report

[www.adb.org/documents/series/adb-annual-reports](http://www.adb.org/documents/series/adb-annual-reports)

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