



UNITED NATIONS
KYRGYZ REPUBLIC



UN COMMON COUNTRY ANALYSIS UPDATE KYRGYZ REPUBLIC



United Nations Country Team
BISHKEK, DECEMBER 2019



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List of Acronyms

CCA	Common Country Analysis
EEU	Eurasian Economic Union
FDI	Foreign Direct Investment
GBV	Gender-Based Violence
GDP	Gross Domestic Product
GFATM	Global Fund to Fight AIDS, Tuberculosis and Malaria
GII	Gender Inequality Index
GNI	Gross National Income
HDI	Human Development Index
HIV	Human Immunodeficiency Virus
ICT	Information and Communication Technologies
IDU	Intravenous Drug User
IHDI	Inequality-adjusted HDI
LGBTI	Lesbian, Gay, Bisexual, Transgender/Transsexual and Intersexed
LNOB	Leaving no one behind
M&E	Monitoring and Evaluation
MAPS	Mainstreaming, Acceleration and Policy Support
MICS	Multiple Indicator Cluster Survey
MSM	Men who have sex with men
NCD	Non-Communicable Disease
NEET	Not in employment, education or training
NSC	National Statistics Committee
NSDS	National Sustainable Development Strategy
ODA	Official Development Assistance
PM	Atmospheric Particulate Matter
PMT	Programme Management Team
SDG	Sustainable Development Goal
SPECA	United Nations Special Programme for the Economies of Central Asia
STI	Science, technology and innovation
TMF	Tailings management facility
UN	United Nations
UNDAF	United Nations Development Assistance Framework
UNECE	United Nations Economic Commission for Europe
UNESCAP	United Nations Economic and Social Commission for Asia and the Pacific
UNSDCF	United Nations Sustainable Development Cooperation Framework
USD	United States Dollar
WTO	World Trade Organization

1. EXECUTIVE SUMMARY

The CCA Update for the Kyrgyz Republic provides an overall assessment of key gaps and trends in implementing the 2030 Agenda for Sustainable Development¹ since the formulation of the 2016 CCA. The intention of the CCA Update is not to reassess those aspects of the 2016 CCA that continue to be valid, including the assessment of the human rights protection framework and mechanisms of the Kyrgyz Republic, but to focus primarily on new data, analyses and issues that have emerged in the last three years and which can inform UN programming for the remaining period of the UNDAF 2018-2022.

It reviews how national development strategies and plans reflect the 2030 Agenda, and examines structural causes for remaining development challenges, patterns of exclusion and vulnerable groups, as well as latest data and data gaps with regards to the principle of “leaving no one behind, and reaching the furthest behind first” (LNOB). Finally, it outlines some perspectives and risks for sustainable development, and provides conclusions on how to consider the CCA Update findings and recent developments at country level for UN programming planning in the remaining period of the current UNDAF.

Using the “5 Ps” (People, Planet, Prosperity, Peace and Partnership) of the 2030 Agenda for Sustainable Development as its underlying structure, chapter 3 of the CCA Update highlights i.a. the following:

People:

- The majority of the population is either poor or only slightly above the poverty line, with about 65 percent of the population vulnerable to falling back into poverty. The combination of persistent high poverty rates over many years, a very large percentage of highly vulnerable populations, substantive seasonal fluctuations – as well as significant inequalities between regions, and between rural and urban populations – in the levels of poverty, and low upward mobility, points to the need for comprehensive structural reforms across all dimensions of sustainable development, and to significant risks this general vulnerability implies for the country’s socio-economic and political stability.
- Over a third of the population of the Kyrgyz Republic is between 15 and 25 years old. The number of youth entering the labor market in the Kyrgyz Republic is very high (more than 350,000 a year) and will grow further in the coming years, putting serious demands on employment services, vocational orientation, etc. At the same time, the high proportion of young people presents great opportunities to benefit from a demographic dividend. This «demographic window» will disappear quickly, with downward trends in the birth rate playing a decisive role. It is therefore urgent to use this window of opportunity for strategic and targeted investments in quality education and health for youth in order to boost human capital development.²
- Ethnic minorities make up nearly 30% of the country, yet remain underrepresented in public life – data from the State Personnel Agency show that 5.1% of personnel in government agencies come from ethnic minorities.³
- Other minority groups face ongoing challenges and exclusion, including people with disabilities, the LGBTI community, Lyuli and others.
- About 10 percent of GDP is invested into a range of social protection programmes, and about 20 percent of the population benefit from these programmes. More efficient and “smart” social

¹ United Nations (2015). Transforming Our World: The 2030 Agenda For Sustainable Development, A/RES/70/1 <https://sustainabledevelopment.un.org/content/documents/21252030%20Agenda%20for%20Sustainable%20Development%20web.pdf>

² UNFPA (2017). Population Situation Analysis, 2017

³ State Personnel Service (2019): Statistical Information on the quantity and structure of state civil and municipal servants of the Kyrgyz Republic as of 1 January 2019: <https://www.mkk.gov.kg/contents/view/id/87/pid/4>

protection programs and subsidies will be essential, especially for rural households, mothers and children, unemployed populations and the elderly. Extension of social insurance to workers in the informal sector and their families has been identified as a priority by both Government and representatives of workers organizations.⁴

- The last decades have seen a transition in people's diets, away from fresh foods and staples to meat products and – largely imported – processed foods. Whereas wasting and stunting among children under 5 years of age have gone down significantly, the dietary changes have led to an increase in the prevalence of overweight children and a rapid rise in NCDs which account for almost 80 percent of morbidity and mortality in the country.
- Whereas GDP ratios of public investment in health, education, social protection and infrastructure are high, the availability and quality of services varies. It is often significantly lower in rural areas, and shows considerable inequalities between regions (incl. MICS 2018 data).
- Gender equality and the empowerment of women and girls is prominently included in the national development strategy, constitutes a cross-cutting issue in the medium term program 2018-2022, and is supported by new gender equality policies and legislation. However, ineffective implementation of these provisions is a fundamental challenge, due to significant institutional weaknesses, and very limited financial and human resources. The wide gap between the strategic vision and reality shows i.a. in the low labor force participation of women (48 percent vs. almost 76 percent of men), a significant wage gap (71 percent of men's wages), unequal representation in the civil service and low representation in political structures, and less than 10 percent women graduates at tertiary level in subjects like natural sciences and engineering. Research widely agrees that the root causes for persistent gender inequalities can be found in deeply entrenched social norms of the expected roles of women and men which permeate all spheres of life in the Kyrgyz Republic, and in patriarchal attitudes, particularly in rural areas.

Planet:

- Political commitment to environmental protection is expressed in national strategies and programmes with a focus on improving environmental data collection and management, and in the "green economy" concept and the National Green Economy Programme which aim to improve economic competitiveness and the quality of life in the Kyrgyz Republic. The ratification of the Paris Agreement on Climate Change in 2019 provides a basis for investments in both mitigation and adaptation to climate change such as clean and renewable energy, reforestation, organic agriculture, climate resilient infrastructure and sustainable tourism.
- At the same time, national strategies and policies show very weak alignment with SDGs 12, 13 and 15, and a strong focus on economic development. It will be important to ensure a balanced approach which fully integrates the economic, social and environmental dimensions of sustainable development.
- Compared to other countries in Europe and Central Asia, the Kyrgyz Republic is particularly vulnerable to climate change, chiefly because of its reliance on hydropower and agriculture, its mountainous terrain and sensitive ecosystems, as well as low adaptive capacity. Disaster preparedness, climate change adaptation, and sustainable use of the country's natural resources – in particular its biodiversity, land, minerals, and water resources – should therefore be prioritized in the medium- and longer-term.
- Other areas requiring priority attention include: Integrated water resources management, investments in sustainable agricultural practices to halt soil degradation and renewable energy

4 Towards a Nationally Defined Social Protection Floor in the Kyrgyz Republic: Assessment-based National Dialogue https://www.ilo.org/wcmsp5/groups/public/---europe/---ro-geneva/---sro-moscow/documents/publication/wcms_623030.pdf

sources (while tackling the current energy subsidies), financing the National Green Economy Programme, promotion of green jobs and green enterprises, solid waste management, as well as a special focus on sustainable urban development and planning (in light of strong rural-urban migration).

- Strengthening environmental governance remains crucial through upscaling expert and technical capacities of the relevant public authorities in modernizing and managing effective publicly accessible environmental information systems, designing inclusive and effective public participation procedures in decision-making relating to the environment and effective access to justice.

Prosperity:

- Since 2014, EEU membership has brought access to a wider market and facilitated economic migration to Russia. At the same time, it has also increased competition, and GDP growth rates have remained modest in the last years.
- The lack of decent jobs, increasing internal and external migration, and withdrawals from the labor force, particularly among women, are growing challenges. Youth unemployment is particularly high, and the labor force participation of young people – who are already predominantly employed in informal jobs – has declined significantly between 2005 and 2015.
- Another negative trend lies in the increase in regional disparities over the past decade, with gaps in GDP per capita between the richest (Bishkek) and the poorest (Osh oblast) regions of almost 6 times, and with more than two thirds of the poor living in rural areas. Regional inequalities can also be seen in social development from substantial differences in the Human Development Index between regions (see section 3.3 for details and sources).
- Recent literature agrees that, despite geographic challenges, comprehensive reforms can lead to accelerated economic growth, while building on the country's notable social achievements. Generally, the Kyrgyz Republic is regarded as the most open economy and society among the former Soviet republics of Central Asia.
- Because the livelihoods of most of the poor in the Kyrgyz Republic are directly and indirectly linked to the agricultural sector, the strong government focus on addressing the structural constraints to agricultural productivity and diversification, and making soil a sink for carbon through organic farming, should go a long way in accelerating poverty reduction and economic prosperity, and addressing climate change.
- In addition to organic agriculture, the mining sector, garment exports, sustainable tourism, an emerging IT sector and hydro-power generation have considerable potential. As one of the western neighbors of the People's Republic of China, the Kyrgyz Republic already has strong ties with the Chinese economy and could become one of the major beneficiaries of the Chinese Belt and Road Initiative.
- Since independence, the Kyrgyz population has grown faster than the housing stock. The state of existing residential buildings continues to deteriorate. The formation of informal settlements has been fueled by internal migration from Southern Kyrgyzstan to big cities. The informal settlements contribute to urban sprawl and inflate public expenses. Some alternative solutions to infrastructural projects have been suggested, including a long-term urban planning mechanism, which would consider the provision of affordable housing supported by funding from international organizations.
- As one of the most open economies in the world, the Kyrgyz Republic is still a net importer of goods and services, including energy, and is running a persistent negative trade balance. To

address this situation, better regional integration with neighboring countries is key to increase exports. In this regard, effective resolution of continuing border disputes – which constitute a major economic risk – will be crucial.

Peace, Justice and Governance:

- Issues around SDG 16, with focus on peace and justice, show a mixed picture. While the Kyrgyz Republic has come a long way in building a democratic system and modern institutions, the path has been marked by political upheavals and fundamental challenges to the political and governance system. Effective functioning of the state and longer-term political stability, including electoral processes, are strongly affected by an informal “behind the scenes” governance system that is deeply rooted in traditional socio-cultural norms.
- While in some areas the legal system and many policies and procedures are becoming more aligned with the prerequisites of a modern democratic state and a market economy, weak institutional capacities and widespread corruption deeply affect the rule of law in the Kyrgyz Republic, the independence of the judiciary, and the provision of public services, such as education, health and water supply. Amendments to the constitution in 2016 had a detrimental effect on the role of international human rights law in the country and a comprehensive legal framework to combat discrimination has not been implemented, placing minority groups at continued great risk in this regard.
- Vulnerability, marginalization and discrimination of communities – in particular minorities – continues to erode attempts to build a shared identity that binds together all segments of Kyrgyzstani society. This contributes to an increasing rural-urban divide, a growing inter-generational gap, and a divided media landscape. In response to these signs of rising polarization, the current government is promoting the vision of the Kyrgyz Jharany (Kyrgyz citizen) and the “man who produces”⁵. While building a shared civic identity is fundamental for achieving long-term sustainable development and peace, some view these current attempts as favoring the ethnic Kyrgyz and ignoring more systemic issues curtailing greater social cohesion.
- In an environment of increasing tensions and radicalization, the low levels of socio-political engagement and high unemployment rates of the large youth population, constitute significant risks to political stability.
- When the internal administrative boundaries between the republics of the Soviet Union became firm international borders in 1991, the Kyrgyz Republic swiftly settled its border disputes with China and Kazakhstan. Conversely, border delineations with Tajikistan and Uzbekistan continue to be contested. In line with a series of fatal incidents over the last decades, several deadly clashes occurred in 2019 between Kyrgyz and Tadjik border communities. In addition to continuing progress in political negotiations to agree on definitive border demarcations, increased attention and resources need to be dedicated to the challenges and needs of border communities in order to end interethnic and cross-border violence.

Partnership and Means of Implementation:

- Assessing “partnership and means of implementation” issues with a focus on SDG17 shows that development financing in the Kyrgyz Republic will continue to rely on ODA flows and domestic public finance for the foreseeable future. That said, the government is committed to increase, in the medium term, the effective and targeted use of the national budget and to attract internal and external investors for specific projects and programmes. In view of the extraordinary scale of remittances from Kyrgyz migrant workers which amount to about 30% of GDP, more strategic use should be made of remittances to improve education, boost savings and allow investments

⁵ National Development Strategy of the Kyrgyz Republic for 2018-2040 (November, 2018)

in income-generating activities. The recent scoping mission on the Development Finance Assessment suggests exploring the availability of domestic and international private finance as part of blended multisource flows.

- In light of the fundamental importance of quality data and statistics to strengthen evidence-based planning, and monitor and report progress on the SDGs, strong investments are required to strengthen national data management and systems. While the Kyrgyz Republic has relatively good data availability, the quality and disaggregation of data, and the regularity of data collection, remain key challenges. To realize the principle of “leaving no one behind” (LNOB) and “reaching the furthest behind first”, monitoring systems need to consider wealth quintiles, household migration and displacement status, ethnicity, location, disability and more granular age-group categories.

Chapter 4 provides some insights on main structural and systemic development challenges, identifies principal patterns of exclusion and key vulnerable groups, and assesses the current country situation against the principle of “leaving no one behind” (LNOB). It highlights, in particular, the substantial influence of a deeply rooted informal governance mechanisms on the formal governance system, and the pervasive impact of corruption on rule of law and the provision of public services. It also points to the predominance of traditional patriarchal cultural norms as root causes for persistent gender discrimination, and other forms of discrimination, such as in relation to LGBTI people, that are even more prevalent in rural areas, and which pose great challenges to poverty reduction and the achievement of other SDGs.

On the topic of LNOB, chapter 4 shares findings of recent UN-supported initiatives to better understand the gaps in opportunities and access to basic services between the “best-off” groups and those that are “furthest behind” (based on the 2018 MICS), and to have disaggregated data on multidimensional poverty, including at regional levels.

Chapter 5 gives a brief general outlook on sustainable development perspectives and on major potential risks which should inform both, national development planning, and UN programming for the coming years. Whereas investments in digitalization, regional development, human capital and other priority areas can boost sustainable development, the deeply rooted structural challenges as well as high youth unemployment and climate change can jeopardize these promising perspectives and initiatives.

Finally, chapter 6 provides overall conclusions on how the CCA Update findings and recent developments at country level, including the newly defined inter-sectorial priorities of the government, should be considered for UN programming planning in the remaining period of the UNDAF 2018-2022. Overall, the CCA Update confirms the continued relevance of the current UNDAF strategic priorities and outcomes, while, at the same time, recommending to make better use of the existing UNDAF Results Groups and to strengthen strategic and technical collaboration with key government counterparts to effectively support the new inter-sectorial approach and priorities.

2. INTRODUCTION

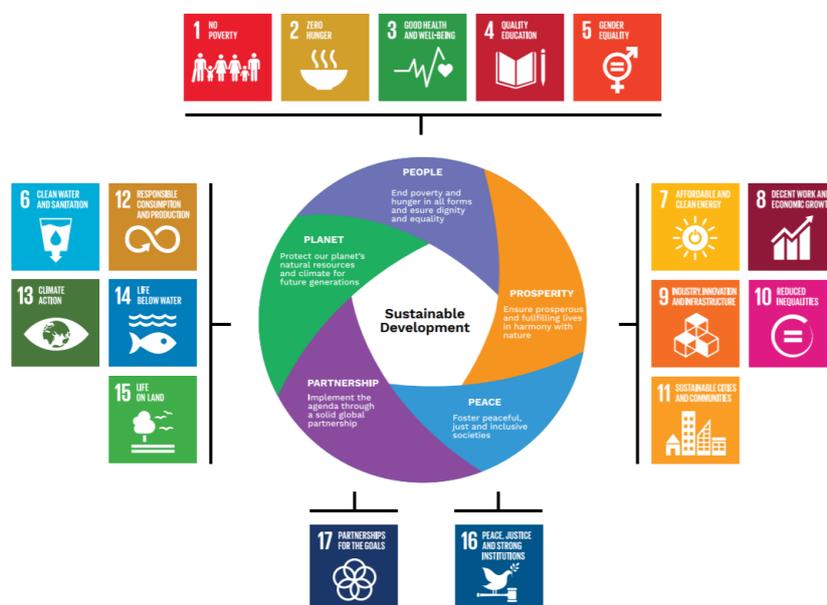
2.1 Objectives and scope

The CCA Update is guided by the UN Secretary General’s reform agenda and vision to reposition the United Nations development system to deliver on the universal, integrated and transformational 2030 Agenda for Sustainable Development, and to align development programming to the SDGs. It applies the latest UN programming guidance which requires UNCTs to update the initial CCA regularly throughout the UN programming cycle.⁶

Taking into account other strategic assessments and processes, such as the 2019 MAPS SDG progress report on Kyrgyzstan, the 2019 High Level Development Forum “Accelerating reforms for sustainable development”, as well as new data from the 2018 MICS and other sources, the CCA Update highlights recent development trends and gaps, as well as their underlying and structural causes, in close linkage to the SDGs and the principle of “leaving no one behind, and reaching the furthest behind first” (LNOB). The intention of the CCA Update is not to reassess those aspects of the 2016 CCA that continue to be valid, including the assessment of the human rights protection framework and mechanisms of the Kyrgyz Republic, but to focus primarily on data, analyses and issues that have emerged in the last three years and which can inform UN programming for the remaining period of the UNDAF 2018-2022.

The report applies the structure of the five pillars (5 Ps) – People, Planet, Prosperity, Peace and Partnerships – of the 2030 Agenda (see figure 1 below) and key themes and issues stated in the global SDG targets, to 1) assess the development situation of the Kyrgyz Republic, 2) analyze, in an inter-sectorial manner, some of the common underlying and root causes of identified key development challenges, as well as key risks to sustainable national development, and 3) identify critical themes and issues which require priority attention and effective programmatic engagement.

Figure 1: 2030 Agenda – 5 Ps and primary linkages to the SDGs



6 United Nations Sustainable Development Group, UNSDCF Guidance. (June 2019). https://undg.org/wp-content/uploads/2019/06/UN-Cooperation-Framework-Internal-Guidance-25_June-2019.pdf

The assessment of the country situation through the multi-dimensional and holistic lens of the 5 Ps brings together the social, environmental and economic dimensions of sustainable development under a commitment to global partnerships, justice, peace and solidarity. It allows the UN system in the Kyrgyz Republic to apply more integrated “whole-of-system” programming in the medium and longer term to effectively address needs and deliver results on the SDGs. With a focus on people-centered development and LNOB, the CCA Update identifies vulnerable population groups, inequalities and regional disparities as a basis for improved targeting of policies and programmes, as well as innovative and integrated programming approaches.

The CCA Update complements the ongoing review process of the UNDAF Joint Work Plans 2018-2019 which measures progress achieved in the first two years of UNDAF implementation, and captures lessons learned, good practices and operational challenges, including on partnerships and resource mobilization. In particular, conclusions and findings from the CCA Update inform the formulation of the updated/new Joint Work Plans for the remaining UNDAF period 2020-2022.

2.2 Process and methodology

The CCA Update is based on an extensive desk review of documents and secondary data from the UN, government, and other national, regional and global sources. In addition, a number of consultations were held with the UN Resident Coordinator and members of the Resident Coordinator’s Office, Chairs of UNDAF Results Groups, and members of the UN Monitoring & Evaluation Group. Close interactions with the Programme Management Team (PMT) Chair and dedicated Resident Coordinator’s Office staff throughout the assignment, and half-day workshops with each of the four UNDAF Results Groups helped to closely link the drafting of the CCA Update with the ongoing review and updating of the UNDAF Joint Work Plans. Meetings with high-level government representatives, including the Head of Strategic Development, Economy and Finance, and the Head of Civil Development, Religious and Ethnic Policy of the Office of the President, and with the Department of Economy and Investments of the Government’s Office, allowed to validate and expand the findings of the CCA Update.

The analysis also considers discussions and outcomes of the recent national High-Level Development Forum and of a Development Finance Assessment scoping mission. A presentation of the final draft CCA Update to the UN Country Team, and a subsequent UN-Government consultative meeting served to discuss the main findings and conclusions.

2.3 National development planning

Since the adoption of a new Constitution in 2010 which effected a shift towards a parliamentary democracy, the Government of the Kyrgyz Republic has enacted numerous legislative and policy reforms to strengthen i.a. the civil service and the judiciary, promote local self-governance, improve public finance and gender equality, and introduce e-governance to modernize public sector management.

Two key strategic planning documents, as well as a crucial action plan, are framing the country’s development vision:

1. **National Development Strategy 2018-2040** “Transparent Society – New Epoch”, endorsed in November 2018, and
2. **National Development Programme 2018-2022** “Unity, Trust, Creation”, which serves as a medium-term implementation plan for the 2018-2040 Strategy.
3. **National Human Rights Action Plan 2019-2021**, a plan for implementation of the majority of all recommendations of UN Human Rights Mechanisms.

The National Development Strategy 2018-2040 sets forth four strategic areas:

1. **Human Development:** Recognizing the importance of access to and engagement in society through equal access to health, education, decent work, culture, science and civil integration.
2. **Economic Well-being and Promoting Business and Finance:** Recognizing the importance of developing a competitive economy, making the most of human capital and formal labor markets, improving investment potential and regional development with quality infrastructure. It also seeks to develop the agro-industrial complex, light industry and sustainable tourism. Environmental sustainability and adaptation to climate change will underpin long-term growth of the economy.
3. **Public Administration:** Ensuring a strong and stable public administration through a balanced system of state power, a fair judicial system and the development of local self-governance, strengthening national and regional security, as well as economic and diplomatic integration, and promoting a digital economy.
4. **Transformation of the Development System:** Reforming the development system through review of all previous development policies prior to the National Sustainable Development Strategy 2018-2040, strengthening the capacity for coordination in development through reorganizing the National Council for Sustainable Development, strengthening capacities, and using technologies, as well as monitoring and evaluation.

In line with these strategic areas, the medium-term National Development Programme 2018-2022, “Unity, Trust, Creation”, seeks to implement the first phase of this long-term vision with a focus on improving the lives and livelihoods of the population through **private sector-led economic development**. To achieve this, it puts **strong emphasis on governance** across the board (from economic management to public services delivery) and underscores the need for better coordination to leverage growth in key sectors of the economy. It strongly encourages **digitalization**,⁷ promotes **geographically balanced economic development**, and aims at strengthening sustainable human development and advancing access to justice, with gender, environment, and technological advancement as cross-cutting approaches. The programme does, however, lack an emphasis on human rights.

Although several factors, including lack of corresponding operational plans at national and subnational levels, insufficient technical expertise in public and municipal institutions, lack of implementation capacities, budgetary constraints, especially at the municipal level, and political instabilities may prevent full realization of this ambitious reform package within the 2018-2022 period, the national long-term strategy 2018-2040 and its medium-term plan show considerable **alignment with the integrated vision of the 2030 Agenda and the SDGs**. In addition, specific planning tools, such as the National Strategy for Gender Equality 2020⁸ and a regional development concept⁹, attest to the commitment of the Government of the Kyrgyz Republic to implement the SDGs.

In this regard, a UN MAPS team was able to assess draft versions of the above medium and long-term development plans with regards to their alignment with the SDGs. This enabled more systematic integration of the SDGs into the final versions of the National Development Strategy 2018-2040 and

⁷ In December 2018, the Security Council of Kyrgyzstan approved the digital transformation strategy “Digital Kyrgyzstan 2019-2023” and a roadmap for its implementation, and in January 2019, the President of the Kyrgyz Republic declared 2019 the “Year of Regional Development and Digitalization of Kyrgyzstan”.

⁸ The National Strategy for Gender Equality 2020 advances women’s political and economic empowerment and development, education for women and girls, and access to justice.

⁹ The Regional Policy Concept of the Kyrgyz Republic for 2018-2022 seeks to promote accelerated socio-economic development across all regions of the country. The document suggests migrating from a sectorial development focus to an integrated model of regional development based on identity, specificity and specialization of each region (see also “Industrial Development of Kyrgyzstan: Recommendations”, Working Paper, International Institute for Applied Systems Analysis, October 2018)

the National Development Plan 2018-2022. Subsequently, the MAPS team engaged in a constructive dialogue with the Office of President which resulted in strengthening the following policy areas: Food security and agriculture, education, health, gender equality and women empowerment, social protection, and governance as a cross-cutting issue.¹⁰

With regards to next steps, both the 2018-2040 strategy and the 2018-2022 medium-term plan will benefit from explicit and systematic inclusion of relevant SDG targets and indicators under each of the identified national development priorities and themes. Further integration of the SDGs into sub-national (regional) development plans should also be considered. Together, these measures will constitute a crucial step to enable continuous progress monitoring and evaluation towards achieving the vision and goals of the 2030 Agenda.¹¹ In this regard, the decision taken by the Government of the Kyrgyz Republic in February 2019 to participate in the 2020 Voluntary National Review of the High-level Political Forum on Sustainable Development to report progress on the SDGs, should provide additional impetus towards effective incorporation of the SDGs in all relevant national frameworks.

¹⁰ Ibid.

¹¹ See also the Report of the UN Interagency MAPS Mission Team, January 2, 2019

3. OVERVIEW OF DEVELOPMENT TRENDS AND GAPS

This chapter of the CCA Update provides an integrated, people-centered overview of the main development challenges and trends of the Kyrgyz Republic – as part of the wider regional and global context – in close relation to relevant SDGs and SDG targets. It is structured in accordance to the five pillars of the 2030 Agenda. In addition to People, Planet and Prosperity which cover the three dimensions of sustainable development (social, environmental and economic), the “Peace and Justice” section serves to highlight relevant national development issues linked to governance and rule of law, as well as social harmony and cohesion as a requirement for sustaining peace. The section “Partnership and Means of Implementation” covers key topics such as “financing for development” and “strengthening national monitoring, data and statistics”. The latter will help to ascertain the extent of localization and systematic tracking of the SDGs at national level.

3.1 People

“We are determined to end poverty and hunger, in all their forms and dimensions, and to ensure that all human beings can fulfil their potential in dignity and equality and in a healthy environment.”¹²

The “People” section assesses central human development challenges and their main causes with a focus on topics and issues related to SDGs 1-5 and their links with other goals including SDGs 8, 10 and 11. As such, it concentrates on key human development themes including poverty, social protection, food security and nutrition, health, education, gender equality and empowerment of women and girls.

Population¹³

Over a third of the population of the Kyrgyz Republic is between 15 and 25 years old. The number of youth entering the labor market in the Kyrgyz Republic is very high (more than 350,000 a year) and will grow further in the coming years, putting serious demands on employment services, vocational orientation, etc. At the same time, the high proportion of young people presents great opportunities to benefit from a demographic dividend. This «demographic window» will disappear quickly, with downward trends in the birth rate playing a decisive role. It is therefore urgent to use this window of opportunity for strategic and targeted investments in quality education and health for youth in order to boost human capital development.¹⁴

In the coming years and decades, the proportion of children and youth will decrease and the proportion of older people will grow. Annual growth in the number of pensioners by more than 20,000, and by 25,000-27,000 from 2020-2028, followed by growth rates of 10,000 pensioners per year will put additional pressure on social protection systems.¹⁵

Human Development Index and related indices

The 2017 Human Development Index (HDI) value for the Kyrgyz Republic is 0.672. This puts the country in the medium human development category, with a ranking of 122 out of 189 countries and territories. This value is above the global average of 0.645 for medium human development countries. A comparison with neighboring countries situates the Kyrgyz Republic above Tajikistan (HDI value 0.650) and below Uzbekistan (HDI value 0.710).¹⁶

¹² General Assembly Resolution 70/1. (25 September, 2015) “Transforming our World: The 2030 Agenda for Sustainable Development”

¹³ UNFPA (2019).

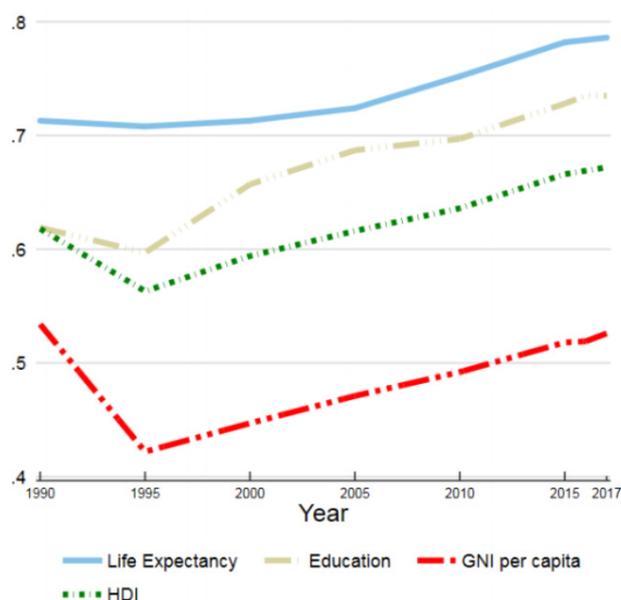
¹⁴ UNFPA (2017) Population Situation Analysis, 2017

¹⁵ Ibid.

¹⁶ UNDP. (2018) Human Development Indices and Indicators: 2018 Statistical Update

Between 1990 and 2017, the HDI value increased by 8.8 percent, from 0.618 to 0.672. This is reflected in an increase of the life expectancy at birth by 4.8 years, and an increase of mean years of schooling by 2.3 years and expected years of schooling by 1.4 years. Over the same 1990-2017 period, the GNI per capita decreased by about 4.8 percent.¹⁷ Figure 2 shows the contribution of each component index to the HDI of the Kyrgyz Republic since 1990:

Figure 2: Kyrgyz Republic HDI component indices 1990-2017



Source:

UNDP 2018 Statistical Update:

Briefing Note for Kyrgyzstan

Whereas the above chart points to gradual overall improvement since 1995 in each HDI component (life expectancy, education and GNI per capita), a look at the quality component of human development in the 2018 HDI Statistical Update shows that the Kyrgyz Republic is lagging behind neighboring countries Uzbekistan and Tajikistan on the “quality of education” indicators.

The Kyrgyz Republic fares comparatively well with regards to the Inequality-adjusted HDI (IHDI). The 2010 Human Development Report introduced the IHDI, which “discounts” the extent of inequality from each of the three HDI dimensions. When the HDI value of 0.672 for the Kyrgyz Republic is discounted for inequality, it falls to 0.606, a loss of 9.8 percent. In comparison, Tajikistan shows overall losses due to inequality of 13.6 percent. The average loss due to inequality for medium human development countries is 25.1 percent and for Europe and Central Asia it is 11.7 percent.¹⁸ This contrasts with the relatively small inequality percentage of 9.8 percent for the Kyrgyz Republic (see also figure 3 below):

Figure 3: 2017 IHDI of the Kyrgyz Republic relative to selected countries and groups

	IHDI value	Overall loss (%)	Human inequality coefficient (%)	Inequality in life expectancy at birth (%)	Inequality in education (%)	Inequality in income (%)
Kyrgyzstan	0.606	9.8	9.8	12.1	5.0	12.2
Tajikistan	0.562	13.6	13.4	20.1	6.5	13.5
Europe and Central Asia	0.681	11.7	11.6	10.9	7.2	16.7
Medium HDI	0.483	25.1	24.9	20.3	33.1	21.2

Source: UNDP 2018 Statistical Update: Briefing Note for Kyrgyzstan

With regards to the global Gender Inequality Index (GII), Kyrgyzstan has a value of 0.392, ranking it 91 out of 160 countries in the 2017 GII. With regards to the global Gender Inequality Index (GII), Kyrgyzstan has a value of 0.392, ranking it 91 out of 160 countries in the 2017 GII. In the Kyrgyz Republic, 19.2

¹⁷ Ibid.

¹⁸ Ibid.

percent of parliamentary seats were held by women following the 2015 election but this figure has now fallen to 15 percent,¹⁹ and 98.6 percent of adult women have reached at least secondary level education compared to 98.3 percent of their male counterparts. Maternal mortality is relatively high, with 60 women dying from pregnancy related causes for every 100,000 live births.²⁰ This compares to a ratio of 17 pregnancy related deaths of women in Tajikistan and 29 in Uzbekistan.

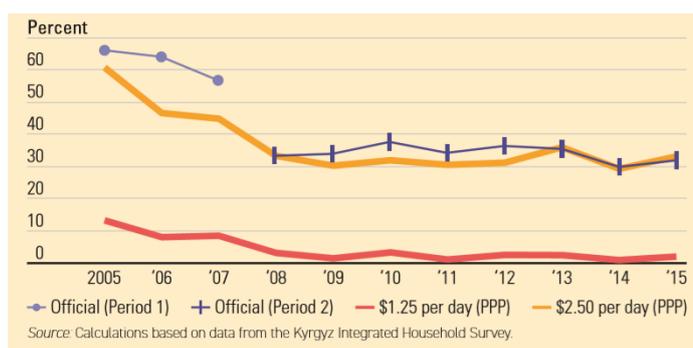
Comparing “women empowerment” indicators with Tajikistan and Uzbekistan, the performance of the Kyrgyz Republic is trailing these countries with regards to “socio-economic empowerment of women” while showing average results in other areas.²¹ In this regard, comprehensive anti-discrimination legislation is still not in place, yet required to ensure equality of opportunity in access to the labor market for women. Such legislation also needs to include a robust and independent enforcement mechanism.²²

3.1.1 Assessment of key human development sectors, themes and issues

Poverty and Vulnerability

The poverty rate in the Kyrgyz Republic, measured at the international USD2.50 per day line, as well as the extreme poverty rate measured at USD1.25 per day, both fell rapidly between 2005 and 2009 (Figure 4). However, progress then stagnated and, over the following six years, the share of the population living in poverty even rose again, to 33.1 percent in 2015. The official national poverty line shows similar levels of poverty, from about 33 percent in 2008 to nearly 38 percent during the political crisis of 2010, before falling to about 32 percent in 2015.²³

Figure 4: International and national poverty lines for the Kyrgyz Republic



Source: The World Bank Group (2018). *Kyrgyz Republic: From Vulnerability to Prosperity. Systematic Country Diagnostic 2018*

According to the integrated sample survey of household budgets in 2018, 25.6 percent of the population were below the national poverty line in 2017, and about 0.8 percent of the population lived in a state of extreme poverty. The same survey found a poverty rate of 28.4 percent amongst rural residents and 20.4 percent amongst urban residents. Child poverty rate is 28.3 percent. These poverty rates are not static but prone to strong seasonal fluctuations. More than 50% of the population are either chronically poor or experience periods of poverty at least once during the year.²⁴ Working poverty, which refers to a situation where families with at least one person in paid work have a household income below the officially recognized poverty line, stands at 15.5 percent.²⁵

¹⁹ OHCHR (2019)

<http://kenesh.kg/ru/article/show/667/zhenshtini-deputati-vi-soziva-zhogorku-kenesha-kirgizskoy-respubliki>
<http://kenesh.kg/ru/deputy/list/35>

²⁰ WHO (2019). *TRENDS IN MATERNAL MORTALITY 2000-2017* (Estimates by WHO, UNICEF, UNFPA, World Bank Group and the United Nations Population Division) https://www.unfpa.org/sites/default/files/pub-pdf/Maternal_mortality_report.pdf

²¹ UNDP (2018) *Statistical Update 2018: Briefing Note for Kyrgyzstan*

²² OHCHR (2019).

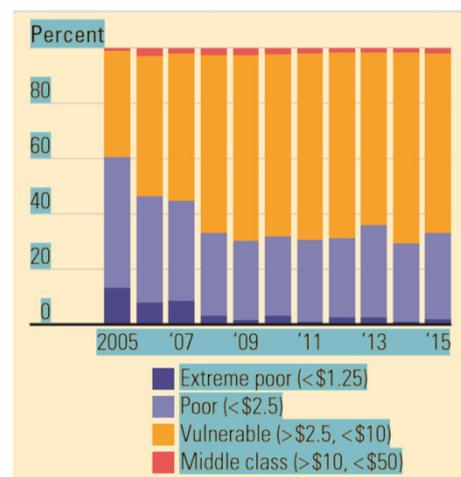
²³ The World Bank Group (2018). *Kyrgyz Republic: From Vulnerability to Prosperity. Systematic Country Diagnostic 2018*

²⁴ Ibid.

²⁵ ILO (2019).

Figure 5: Small middle class and high vulnerability

Source: The World Bank Group (2018). *Kyrgyz Republic: From Vulnerability to Prosperity. Systematic Country Diagnostic 2018*



Although many households today are above the poverty line, the percentage of those who are able to expand their income beyond basic subsistence levels – and become part of the middle class – continues to be very small. Using the international threshold of USD10 a day, only about 2 percent of the population were in the middle class in 2015, nearly unchanged from a decade earlier. This contrasts with about 65 percent of the population who are vulnerable to falling back into poverty.²⁶ Even small declines in consumption, such as those resulting from changes in food prices, can lead to a noticeable rise in poverty levels.

The combination of persistent high poverty rates over many years, a very large percentage of highly vulnerable populations, substantive seasonal fluctuations in the levels of poverty, and low upward mobility, points to the need for comprehensive structural reforms across all dimensions of sustainable development. In pursuing the goal of reducing poverty and economic vulnerability, the 2030 Agenda principle of LNOB requires to boost investments in identifying and targeting those population groups that are left furthest behind or at risk of being left behind (see chapter 4 and section 4.3).

Social Protection

About 10 percent of GDP is invested into a range of social protection programmes, and approximately 20 percent of the population benefit from these programmes. The proportion of vulnerable populations covered by social protection systems and floors includes 17.8 percent children, 23.8 percent mothers with newborns, 75.9 percent persons with severe disabilities, 1.7 percent unemployed, and 100 percent of older persons.²⁷ Social protection reforms are needed for reducing inequality, addressing poverty and productive capacities.

Overall, the system of social benefits does not provide for the effective coverage or adequate benefits in different stages of the life-cycle.²⁸ To address this, the social protection programme budget should be reviewed in order to assess possibilities for more efficient investments. At the same time, analysis of fiscal space for social protection financing could be carried out. The design of a comprehensive costed national social protection strategy linked with labor market programmes, and in line with the UN Social Protection Floor, is needed to meet the rights and needs of the population.²⁹

An assessment-based national dialogue on social protection has identified gaps in access, accessibility and adequacy of social protection programmes. It also found that the unemployed working age population

²⁶ Ibid.

²⁷ ILO (2019). *World Social Protection Report 2017-2019*

²⁸ UN system (2019). *Report of the UN Interagency MAPS Mission Team, January 2019*

²⁹ The Government expressed the willingness to improve its social protection system by joining Flagship Programme on Social Protection <https://www.social-protection.org/gimi/Flagship.action>

and those working in the informal sector, as well as mothers with newborn children and the elderly are facing the greatest barriers in terms of access and adequacy of benefits.³⁰ Based on findings of the 2018 MICS for the Kyrgyz Republic, improving social protection outcomes for mothers and children, and for vulnerable rural households will need special attention.

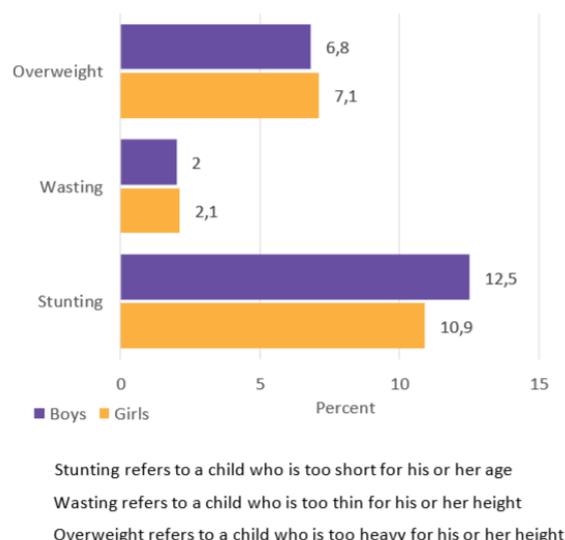
Although available information on the impact of the current social assistance system on poverty reduction is scarce due to lack of reliable data, it seems to be limited given the use of different criteria to calculate benefits amounts and the fact that the minimum consumption basket is not aligned with the minimum wage and does not take into account the real needs of different population groups.

Food Security, Nutrition and Sustainable Agriculture

The National Development Strategy of the Kyrgyz Republic 2018-2040 explicitly orients national agricultural policy towards ensuring food security and nutrition. It seeks to increase national food independence, implying availability and affordability of food for all citizens in accordance with minimum standards for food safety and consumption. Overall, food security is considered “the basis of health of the nation and future generations.”³¹

In the last decades, rapid income growth and urbanization have caused a transition in people’s diets, away from fresh foods and staples to imported and processed foods. Whereas wasting and stunting among children under 5 years of age have gone down significantly, the dietary changes have led to sustained high rates of overweight children.³² Figure 6 shows the average percentages of wasting, stunting and overweight children at national level, disaggregated between boys and girls (0-9 years of age). The prevalence of undernourishment has also gone down from more than 16 percent of the population in 2000 to about 6 percent in 2018.³³

Figure 6: Wasting, Stunting and Overweight Children



Source: NSC and UNICEF. Kyrgyzstan MICS 2018, Snapshots of Key Findings (May, 2019)

Although the share of agriculture in the Kyrgyz Republic as a percentage of GDP has dropped by about 50 percent between 2005 and 2015 (see Figure 7), the agricultural sector still employs about 30 percent of the population and remains an essential part of the economy.³⁴

³⁰ Towards a nationally defined social protection floor in the Kyrgyz Republic https://www.ilo.org/wcmsp5/groups/public/---europe/---ro-geneva/---sro-moscow/documents/publication/wcms_623030.pdf

³¹ National Development Strategy of the Kyrgyz Republic for 2018-2040 (November, 2018), page 51

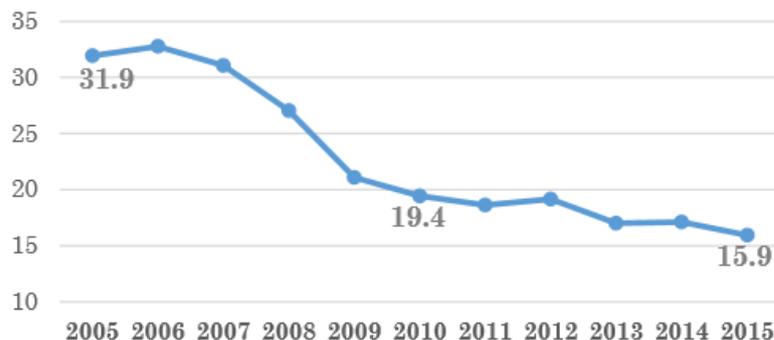
³² Ibid.

³³ World Bank Open Data: <https://data.worldbank.org>

³⁴ FAO (2018). Kyrgyzstan Value Chain Gap Analysis

Figure 7: Agriculture, percentage of GDP

Source: World Bank (2017)



In view of the reduced share of the agricultural sector, ensuring long-term food and nutrition security for the citizens of the country will require strong efforts in nurturing and sustainable management of the country's rich ecosystem, while giving special attention to expanding the production of nutrient-dense foods such as fruits, vegetables, legumes and animal products.³⁵

The structural challenges of the national food production system, characterized by strong reliance on small-scale farms and inadequate technologies, need to be met with increased human and social capital investments, including by giving women greater access to land, productive inputs and financial resources.³⁶

As the third most vulnerable country to the effects of climate change in the Europe and Central Asia region (see also section 3.2) – chiefly due to the Kyrgyz Republic's strong reliance on hydropower and agriculture – major efforts are needed to strengthen the resilience and adaptive capacity of food systems to climate variability.³⁷ Climate change adaptation strategies such as innovations in the areas of climate-smart agriculture and agro-ecology should target the populations and regions most vulnerable to climate variability.

Due to the cross-cutting benefits of nutrition as a basis for health, wellbeing and productivity, it is not only recommended to ensure stable domestic production and supply of affordable nutritious food, but to take measures to decrease the consumption of salt, sugar and trans fats, as well as the influence of advertising unhealthy products. Food and nutrition security are also strongly linked to strengthening livelihoods and social protection programmes which allow people to afford a more balanced and healthy diet.

Health

Overall, the Kyrgyz Republic performs fairly well on many SDG 3 indicators,³⁸ with an investment of 8.2 percent of GDP in the health sector. The new national programme for the period 2019-2030 "A Healthy Person means a Prosperous Nation" uses a cross-sectorial and participatory approach and is aligned to the SDGs.

Very high levels of non-communicable diseases (NCDs) are a primary health challenge. Together, NCDs account for almost 80 percent of morbidity and mortality in the country and constitute the primary cause of premature loss of labor capacity and disability. The economic burden of NCDs stands at 3.9 percent of GDP.³⁹ The change in dietary habits in recent decades – with increased consumption of imported and processed foods – is a central cause for the rise in NCDs, together with low levels of physical activity and

³⁵ UN system (2019). Report of the UN Interagency MAPS Mission Team, January 2019

³⁶ Ibid.

³⁷ The World Bank Group (2018). Kyrgyz Republic: From Vulnerability to Prosperity. Systematic Country Diagnostic

³⁸ World Health Organization European Health Information Gateway

³⁹ WHO (2017). Prevention and control of noncommunicable diseases in Kyrgyzstan. The case for investment

high rates of smoking. Obesity amongst adults has increased from 9 percent to 14 percent (equivalent to about 180.000 people) in the decade from 2005-2014.⁴⁰

The economic costs from air pollution are significant as well. According to the OECD database, the welfare costs of premature mortalities from exposure to ambient PM2.5 were equivalent to 2.96 percent of GDP.⁴¹

The maternal mortality ratio in the Kyrgyz Republic continues to be relatively high (see section 3.1 above), especially in rural areas.⁴² Many maternal deaths could be prevented, but a lack of quality standards on emergency obstetric care and poorly regulated referral practices mean that high-risk pregnancies are often not detected in time, referred to the correct level of care, or adequately treated. In rural areas, primary healthcare specialists do not have sufficient clinical skills in the provision of emergency obstetric care.

The adolescent birth rate decreased from 65⁴³ to 50⁴⁴ per 1000 women yet continues to be twice as high in rural areas.⁴⁵ Measures to reduce adolescent fertility through comprehensive sexuality education and youth friendly health services, and to address the multiple factors underlying it, will need to be prioritized to improve sexual and reproductive health and the social and economic well-being of adolescents. Preventing births very early in a woman's life is an important measure to improve maternal health and reduce infant mortality.⁴⁶

Family planning is a critical element to decreasing maternal mortality and achieving gender equality and empowerment of women. Unmet need for family planning has increased from 12 percent in 1997⁴⁷ to 19 percent in 2018⁴⁸. The high proportion of women with birth spacing of less than one year indicates poor access to and use of contraceptives and cultural attitudes.

Cervical cancer is the most common female cancer in women aged 15 to 44 years in the Kyrgyz Republic and age-standardized incidence rates of cervical cancer are the highest among Central Asian Countries.⁴⁹

With regards to communicable diseases, tuberculosis remains challenging due to the growth of drug-resistant forms of tuberculosis. HIV still has a relatively low prevalence with 0.2 percent in adult population (aged 15-49)⁵⁰, however, it remains a threat for high risk populations (sex workers, MSM, IDUs, prisoners), especially due to a decrease in external assistance from international organizations, such as the GFATM, which negatively affects the provision of health services to these vulnerable groups. Punitive practice of law enforcement bodies in recent years impedes effective prevention interventions among risk populations, especially sex workers.

Despite relative low prevalence, the number of new HIV infections is increasing and the Kyrgyz Republic is among 10 countries in the world with the highest growth rates of the epidemic. As of 1 November

⁴⁰ UN system (2019). Report of the UN Interagency MAPS Mission Team, January 2019

⁴¹ PM2.5 refers to atmospheric particulate matter (PM) that have a diameter of less than 2.5 micrometers <https://stats.oecd.org/index.aspx?r=964936>

⁴² EuroPlus Consulting & Management (2018). Gender Study for Central Asia: Kyrgyzstan final report (January, 2018)

⁴³ MICS 2014

⁴⁴ MICS 2018

⁴⁵ Ibid.

⁴⁶ UNFPA (2019)

⁴⁷ DHS 1997

⁴⁸ MICS 2018

⁴⁹ <http://gco.iarc.fr/today/data-sources-methods>

⁵⁰ <https://www.unaids.org/en/regionscountries/countries/kyrgyzstan>

2019, there are 9,516 registered cases of HIV infection in the country.⁵¹ Monthly updates of the epidemic situation show that more than 60% of new cases are associated with sexual transmission.⁵² As a large share of HIV infections affects people of reproductive age, there is an urgent need to strengthen linkages between Sexual and Reproductive Health and HIV services, and to promote condom programming for triple protection (from unintended pregnancies, HIV and Sexually Transmitted Infections) in the country.⁵³

However, other SDG indicators, such as the under-5 mortality rate and neonatal deaths per 1,000 live births are still among the highest in the WHO European Region, accounting for 21 deaths per 1,000 live births, and 14 deaths per 1,000 births in 2015.⁵⁴

Challenges remain for the Kyrgyz Republic with regards to achieving universal health coverage (SDG 3.8), such as the provision of accessible and affordable quality health services and medicines for all people, communities and regions. Whereas the achievement of the SDG 3.8 target is closely linked to other SDGs in the economic and social sphere, it is particularly affected by critical shortages of professional medical personnel in the national health system. Staffing of primary health care with family doctors stands at 53%, and 79% of physicians are persons of pre-retirement and retirement age. Generally, medical personnel is excessively concentrated in the cities of Bishkek and Osh, while the regions and rural areas experience serious shortages of qualified staff.⁵⁵

In the absence of adequate health insurance schemes, out of pocket payments for essential medicines are the only option for most people, with direct negative effects on poverty, inequality and labor productivity in the Kyrgyz Republic. According to recent studies, medicines in the Kyrgyz Republic are amongst the most expensive in the world, with markups on their cost of as much as 130 percent.⁵⁶ In this regard, ongoing efforts to implement new legislation and strengthen the effectiveness of the National Medicines Regulatory Agency should be commended.⁵⁷ Enforcement of the new laws should have a positive impact on the availability of safe, effective and affordable medicines and medical devices, and make an important contribution to the goal of universal health coverage. The access to medical services is exacerbated by stigma and discrimination in medical personnel towards persons living with HIV.⁵⁸

Education

The National Development Strategy of the Kyrgyz Republic 2018- 2040 reflects several education-specific SDG targets, including achieving of gender equitable early childhood development and eliminating gender disparities in education opportunities. Although there is increasing recognition of the need to adopt a more cross-sectorial approach to education, the current national education system still suffers from weak coordination and collaboration between education, health, child protection and social services at national and local levels.⁵⁹

⁵¹ AIDS epidemic monthly update, National AIDS Center in Kyrgyzstan, <http://aidscenter.kg/ru/situatsiya-po-vich-v-kr/category/9-2019.html>

⁵² Ibid.

⁵³ UNFPA (2019).

⁵⁴ UN system (2019). Report of the UN Interagency MAPS Mission Team, January 2019

⁵⁵ UN system (2019). Report of the UN Interagency MAPS Mission Team, January 2019

⁵⁶ WHO (2019). WHO/Regional Office for Europe (June, 2019) <http://www.euro.who.int/en/countries/kyrgyzstan/news/news/2019/6/improving-access-to-quality-essential-medicines-in-kyrgyzstan>

⁵⁷ Ibid.

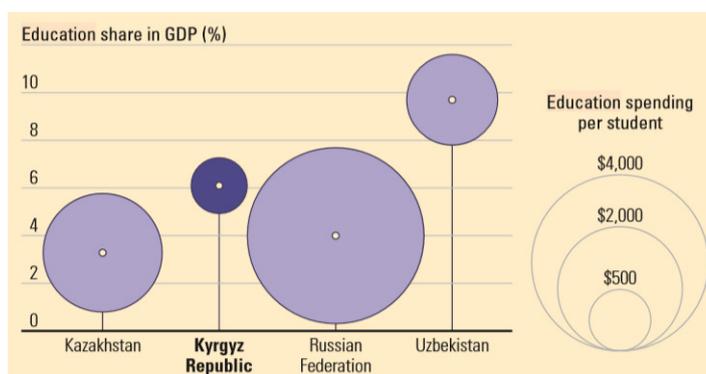
⁵⁸ Central Asian Association of People Living with HIV and Country Network of People living with HIV, Association, Kyrgyz Republic (2015). The People Living with HIV Stigma Index, Kyrgyz Republic, Analytical report, Bishkek

⁵⁹ UN system (2019). Report of the UN Interagency MAPS Mission Team, January 2019

Similar to high GDP ratios of public investment in health, social protection and infrastructure, the ratio of public expenditure on the education sector in the Kyrgyz Republic is high, amounting to 6 percent of GDP in 2015. That said, it is low in absolute terms, due to the low GDP base. For instance, while the Kyrgyz Republic spends almost twice as much as Kazakhstan on education as a share of GDP, this translates into per capita allocations that are 4.5 times lower in dollar terms (Figure 8).⁶⁰

Figure 8: Modest nominal per capita allocations

Source: UNDP (2018) Statistical Update 2018: Briefing Note for Kyrgyzstan



With a “mean years of schooling” value of 10.9, Kyrgyzstan is situated above the average level for Europe and Central Asia.⁶¹ The 2018 MICS enables a more detailed look at school attendance for different education levels and regions of the country (see Figure 7 below). Specifically, MICS results still show a low attendance rate of 39 percent in early childhood education among children aged 36-59 months, although this number has increased from 22.7 percent in 2014. This contrasts with high attendance rates of children in primary (grades 1-4) and lower secondary (grades 5-9) schools, with 99 percent and 97 percent, respectively. A decrease in attendance is shown at upper-secondary school level (grades 10-11) at 87 percent. Figure 9 also shows significant variations in attendance rates between regions.

Figure 9: Net school attendance rates (national and regional)

Region	Early Childhood Education		Participation rate in organized learning		Primary	Lower Secondary	Upper Secondary
	36-59 month	3-6 years	In early childhood education	In primary education			
National	39	47	38	54	99	97	87
Batken	37	44	47	39	92	93	91
Jalal-Abad	37	48	37	55	99	96	89
Issyk-Kul	27	37	55	35	99	98	92
Naryn	63	63	54	44	99	100	95
Osh	42	50	27	70	99	99	79
Talas	21	39	51	43	100	97	84
Chui	24	30	33	58	99	96	79
Bishkek city	52	61	43	36	100	96	96
Osh city	46	53	16	78	99	96	78

Source: NSC and UNICEF. Kyrgyzstan MICS 2018, Snapshots of Key Findings (May, 2019)

The relatively high school participation rate, especially at primary and lower secondary levels, is set against generally weak learning outcomes. International and national sample-based assessments point to very low achievement and performance in all grades tested. The education system also faces serious capacity issues with regards to the quality of teachers and access to ICT. For example, during the period

⁶⁰ The World Bank Group (2018). Kyrgyz Republic: From Vulnerability to Prosperity. Systematic Country Diagnostic

⁶¹ UNDP (2018) Statistical Update 2018: Briefing Note for Kyrgyzstan

2009-2017 only 21 percent of primary school teachers were trained to teach, and during 2008 – 2013 only 6 percent of schools had access to the internet.⁶²

With regards to LNOB and reaching the furthest behind first, children with disabilities and minority ethnic groups are facing challenges in accessing compulsory education. In addition, the lower participation in upper secondary (not compulsory) schooling reveals gender, wealth, and location disparities – as well as by speakers of Uzbek and other minority languages.⁶³ According to the Youth Development Index 2017, only 45 percent of young people are satisfied with the quality of their education.

While the Kyrgyz Republic has improved its policies and legislative framework, more efforts are needed in the areas of data collection and M&E, school governance, management and ICT, teacher training, and inclusive education (such as multilingual and multicultural education), particularly for children with disabilities and ethnic minorities.⁶⁴ A rise in GDP, as well as improvements in the teacher salary structure and professionalization of the teaching profession, should help address the weak performance of the Kyrgyz Republic compared to other countries in the region on the “quality of education” indicators of the global Human Development Report (see also 3.1).

To ensure better linkages with the requirements for inclusive and sustainable economic growth, broad-based education sector reform is needed, both to maintain the historic strengths in the provision of near-universal public education and to ensure that graduates’ knowledge and skills are better aligned with the needs of the labor market, including a greater emphasis on the use of ICT.

Gender Equality and Empowerment of Women and Girls

The National Development Strategy 2018-2040 emphasizes the full and equal participation of women at all levels of decision-making in political, economic and public life, and the medium-term National Development Program 2018-2022 includes gender as a “cross-cutting direction”, ensuring full participation and empowerment of women and girls, as well as gender equality in all dimensions, including equal rights and equal access to social and economic benefits, public infrastructure, security and justice. The country’s ranking in the global UNDP Gender Inequality Index (GII) dropped to 91st in 2017 – a substantial fall from its position at 67th in 2014, underlining the need to substantially accelerate efforts to address the underlying and structural factors contributing to gender inequalities.

The national vision and commitment to gender equality is also reflected in progressive legislation and policies, including the Law on State Guarantees of Equal Rights and Equal Opportunities for Men and Women adopted in 2008, and the National Strategy for Achieving Gender Equality until 2020, which was adopted in 2012 and sets national gender policy priorities. The strategy is operationalized through the fifth National Action Plan for Achieving Gender Equality in the Kyrgyz Republic for 2018-2020. Several important laws and regulations promoting gender equality in various areas were also adopted in 2014-2019.⁶⁵

Despite strong policies and legal guarantees promoting gender equality and the empowerment of women and girls, effective implementation is severely constrained by inadequate implementation mechanisms as well as insufficient human and financial resources. The country’s gender machinery as represented by the Department of Gender Affairs under the Ministry of Labour and Social Protection, is nominal, largely ineffectual and significantly under-funded.⁶⁶

⁶² UN system (2019). Report of the UN Interagency MAPS Mission Team, January 2019

⁶³ Ibid.

⁶⁴ Ibid.

⁶⁵ MLSLSD (2019). Beijing+25: National-level review of the Kyrgyz Republic on the implementation of the Beijing declaration and Beijing platform for action. Progress and Challenges (June, 2019)

⁶⁶ UN system (2019). Report of the UN Interagency MAPS Mission Team, January 2019

The gap between the strategic aspirations to achieve gender equality in all dimensions and the current realities in the civil service and political structures continues to be extremely wide. Female participation in representative bodies at local kenesh level in 2017 was estimated at 10 percent. Across all regions of the country, there are currently no female Governors, no female akims, and no female city mayors.⁶⁷ The 30 percent quota for either sex on electoral lists, stipulated in a 2011 amendment to the Electoral Law, has not yet been met.⁶⁸ The share of seats in parliament held by women stood at 15.8% as of January 1, 2019.⁶⁹

Despite relatively high levels of education of women (ages 15 and older), in 2017 only 48.2 percent of women were in the labor force, compared to 75.7 percent of men.⁷⁰ Although women are engaged in agriculture in all sub-sectors, studies conclude that women's contributions along agricultural value chains are constrained by a lack of protection of their rights to ownership of land and other resources, in addition to limited access to financial capital, lower levels of technical knowledge, and cultural expectations that reinforce women's role as farm workers rather than as leaders of agribusiness.⁷¹

From 2007 – 2017 the female share of graduates in science, mathematics, engineering, manufacturing and construction at tertiary level has only been 9.6 percent. Only 38.9 percent of the female population from the age of 15 and older had an account at a financial institution or with a mobile-service provider.⁷² In 2017, women's wages across all sectors of the economy were only equivalent to 72.5 percent of men's wages, increasing income poverty levels amongst working women.⁷³

Laws covering sexual orientation and gender identity are lacking, including non-discrimination legislation with sexual orientation and gender identity as protected grounds, and adequate measures to protect their fundamental rights as guaranteed by the Constitution and the International Covenant on Civil and Political Rights do not exist. Abductions for forced marriage continues despite being a serious crime with recently increased penalties, and perpetrators are rarely convicted.

Ala kachuu (the act of abduction of women and girls for forced marriage) occurs throughout the Kyrgyz Republic. 60 percent of all married people in Talas Province were reportedly perceived to be married through *ala kachuu*.⁷⁴ In Issyk-Kul province this number was 45 percent, in Jalal-Abad and Naryn provinces it ranged from 28 to 31 percent. These figures include perceptions on both consensual and non-consensual *ala kachuu*. Non-consensual *ala kachuu* reportedly constituted about 20 percent of all marriages. The highest rates of explicitly non-consensual *ala kachuu* were found to be in Naryn and Osh provinces. The rate of *ala kachuu* in rural areas was found to be 1.7-1.8 times higher than in urban contexts. The study also found that out of 11 cases of child marriage included in the research, four involved *ala kachuu*. There is likely a link between child marriage and fear of abduction, with adolescents agreeing to an arranged marriage to avoid the risk of kidnapping.⁷⁵

Child marriage is another common form of gender-based violence in the Kyrgyz Republic and occurs in all regions of the country and among all ethnic groups.⁷⁶ Child/early marriage occurs in all regions of the

⁶⁷ EuroPlus Consulting & Management (2018). Gender Study for Central Asia: Kyrgyzstan final report (January, 2018)

⁶⁸ UNDP. (2018) Human Development Indices and Indicators: 2018 Statistical Update http://hdr.undp.org/sites/all/themes/hdr_theme/country-notes/KGZ.pdf

⁶⁹ National Statistics Committee (2019). Women and Men of the Kyrgyz Republic 2019

⁷⁰ UNDP. (2018) Human Development Indices and Indicators: 2018 Statistical Update

⁷¹ FAO (2018). Kyrgyzstan Value Chain Gap Analysis

⁷² UN system (2019). Report of the UN Interagency MAPS Mission Team, January 2019

⁷³ National Statistics Committee (2019). Women and Men of the Kyrgyz Republic 2019

⁷⁴ Gender in Society Perception Study (2016)

⁷⁵ Ibid.

⁷⁶ EuroPlus Consulting & Management (2018). Gender Study for Central Asia: Kyrgyzstan final report (January, 2018)

country and among all ethnic groups Uzbeks in Osh and Kurds in Talas. About 13 percent of young women aged 20 to 24 years entered into an official or civil marriage for the first time before the age of 18.⁷⁷

Domestic violence is widespread, affecting nearly one third of women and girls aged 15 to 49 years. The number of registered domestic violence cases has increased in recent years. In 2013, there were 2,327 registered cases of domestic violence while in 2017 the number had increased to 7,053.⁷⁸ Regarding out-migration, currently, 40 percent of Kyrgyz migrants in the Russian Federation are women. With rising migratory flows, the number of children left behind in Kyrgyzstan has increased.⁷⁹

The gender pay gap remains substantial at 30 percent. Current legislation and policies are not in compliance with the ratified Convention on Equal Remuneration, and Government has been asked to take steps to give full legislative expression to the principle of the Convention and to indicate how the principle of equal remuneration for men and women for work of equal value is applied in practice, both in the public and private sector.⁸⁰

The fundamental root causes for the above illustrations of wide-spread discrimination against women and girls lie in deeply entrenched social norms of the expected roles of women and men, which cut across all spheres of life in the Kyrgyz Republic. Women's agency is restricted by their families and society regarding reproductive health, education, employment, and civil and political rights. Patriarchal attitudes, particularly in rural areas, confine women to the private sphere and their role is still mainly perceived as being that of a home-based care-giver.⁸¹

3.2 Planet

"We are determined to protect the planet from degradation, including through sustainable consumption and production, sustainably managing its natural resources and taking urgent action on climate change, so that it can support the needs of the present and future generations."⁸²

This section focuses on key environmental themes and issues related to SDGs 6, 7, 12, 13 and 15, including climate change and sustainable energy, water and sanitation, waste management, sustainable agricultural and industrial production, as well as air and soil pollution.

Environmental vision and international commitments

The National Development Strategy 2018-2040 envisages the development of the Kyrgyz Republic as a country in which people develop in harmony with their natural environment, ecosystems are preserved, and natural resources are used wisely. The National Development Programme "Unity. Trust. Creation" 2018-2022 identifies the ecological aspect of development as a cross-cutting priority which should be closely integrated into all development activities.

Specifically, the 2018-2022 medium-term plan promotes the "green economy" concept, using the vision of «green growth» for structural economic transformation which minimizes harmful effects on the natural environment. This transformation includes a focus on environmental data collection and management for evidence-based planning and decision-making, specifically with regards to climate change and preliminary environmental and economic assessments of natural resources.

⁷⁷ MICS (2018)

⁷⁸ Joint UNCT submission to the CEDAW on the occasion of review of Kyrgyzstan's progress towards implementation of the UN CEDAW

⁷⁹ Ibid.

⁸⁰ ILO (2019). ILO Committee of Experts on the Application on Conventions and Recommendations

⁸¹ Ibid.

⁸² General Assembly Resolution 70/1. (25 September, 2015) "Transforming our World: The 2030 Agenda for Sustainable Development"

To strengthen environmental protection, the Government has put 3.1 percent of the country's land area under state protection and has ratified international environmental agreements pertaining to biodiversity, desertification, and hazardous wastes.⁸³ The Kyrgyz Republic is supporting international efforts to address climate change and has recently ratified the Paris Agreement on the United Nations Framework Convention on Climate Change.

Although the National Development Strategy 2018-2040 aims at environmental conservation and sustainable management of natural resources, its alignment with SDGs 12, 13 and 15 has been assessed as very weak.⁸⁴ To achieve long-term environmental sustainability, it will be crucial to ensure that the national development agenda is not driven by short-term economic priorities but considers the long-term interests of future generations through economically, environmentally and socially viable reforms.

To step up environmental protection and build community resilience, especially of the most vulnerable groups, governance, rule of law and transparency in environmental matters should be further strengthened. The Kyrgyz Republic actively participates in the work under the UNECE Convention on Access to Information, Public Participation in Decision-making and Access to Justice in Environmental Matters (Aarhus Convention) acceded on 1 May 2001 and its Protocol on Pollutant Release and Transfer Registers not yet acceded. Both instruments can be used as cross-cutting tools to support the implementation, follow up and review of relevant SDGs, in particular Goal 16 as well as Goals 3, 6, 7, 8, 9, 11, 12, 13, 14, 15, in conjunction with Goal 17. To support their implementation, the Aarhus Centres were established in Bishkek, Osh and Naryn with the support of OSCE to serve as a platform between public authorities, members of the public and business operators in addressing environmental matters and facilitating effective access to information and public participation. Efforts in the Kyrgyz Republic should be scaled up in (a) promoting effective access to environmental information online, including as open data and pollutant release and transfer register, (b) strengthening capacities of public authorities to carry out effective and inclusive public participation procedures with regard to projects, plans, programmes, policies and legislation related to environment, especially with regard the extractive industries, and ratify the Convention's amendment related to genetically modified organisms; and (c) raising awareness among judiciary, review bodies and law enforcement about the Convention's obligations, including on article 3, paragraph 8, and promoting support to the members of the public seeking justice.⁸⁵

The National Development Strategy 2018-2040 envisages furthermore to provide the population with clean drinking water and to reform the water sector to create an economically sustainable, affordable service for safe and high-quality water supply, water disposal and sanitation in every settlement. Water supply management systems shall be converted to a market format with a reliable subsidy system for vulnerable groups.⁸⁶ Government policy aims to focus on the principle of resource conservation and rational use of water resources, including wastewater reuse. To achieve equitable access to water supply and sanitation and long-term sustainable water resources management, it will be crucial to accelerate progress for SDG6 through viable reforms in the water sector.⁸⁷

Environmental challenges and opportunities

Since the 1950s, average temperatures in the Kyrgyz Republic have increased up to three times more than the global average. The most visible effects of rising temperatures are increased permafrost and glacier melting which started in the 1970s. Increased melting results in higher levels of glacier lakes

⁸³ Norwegian Society for the Conservation of Nature (2019). <https://naturvernforbundet.no/international/environmental-issues-in-kyrgyzstan/category937.html>

⁸⁴ UN system (2019). Report of the UN Interagency MAPS Mission Team, January 2019

⁸⁵ UNECE (2019). 2017 Aarhus Convention national implementation report <https://aarhusclearinghouse.unece.org/national-reports-and-study-on-access-to-justice-in-environmental-matters>: http://www.unece.org/fileadmin/DAM/env/pp/a.to.j/AnalyticalStudies/EECCA_study_AJ/EECCA_study_EN_Final.pdf

⁸⁶ UNECE (2019)

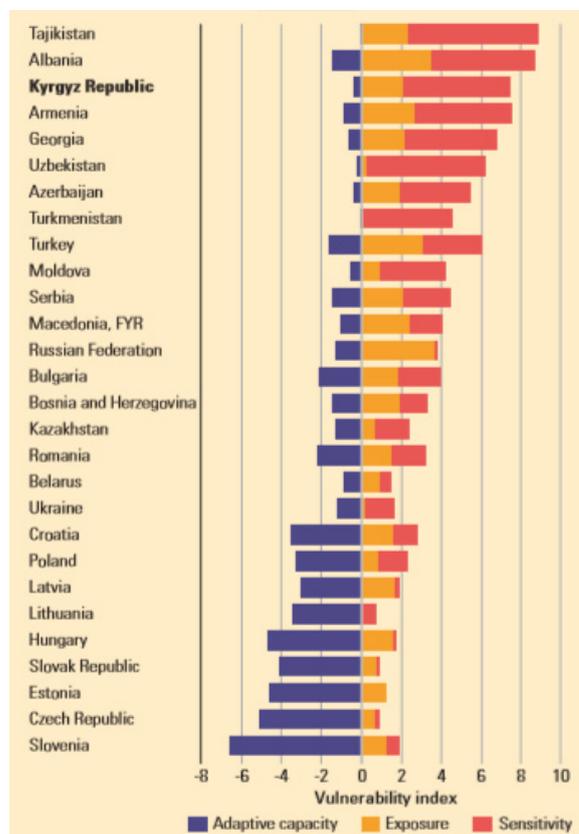
⁸⁷ Ibid.

which increase the frequency and severity of floods and landslides. In addition, higher climate variability is causing droughts and drinking-water shortages in some parts of the country.⁸⁸

Compared to other countries in Europe and Central Asia, the Kyrgyz Republic is particularly vulnerable to climate change, chiefly because of its reliance on hydropower and agriculture, its mountainous terrain and sensitive ecosystems,⁸⁹ as well as low adaptive capacity (Figure 10).⁹⁰

Figure 10: Substantial Vulnerability to Climate Change

Source: The World Bank Group (2018). *Kyrgyz Republic: From Vulnerability to Prosperity. Systematic Country Diagnostic*



In the coming years and decades, climate change will likely have an adverse impact on agricultural productivity, reduce water supply, and increase the frequency, magnitude, and intensity of extreme weather events. It will also damage ecosystems and affect the health of local populations. Mountainous regions, lowlands, glacier areas, and the country's limited arable lands are all going to be impacted significantly.⁹¹ Disaster preparedness, climate change adaptation, and sustainable use of the country's natural resources—in particular its biodiversity, land, minerals, and water resources—should therefore be prioritized in medium- and long-term national development planning and implementation. Evidence-based decision-making related to disaster risk reduction and adaptation to climate change with the aim of enhancing food security in the country and achieving the SDGs is becoming increasingly important.

Apart from the substantial vulnerability to climate change, the Kyrgyz Republic is facing several other environmental challenges. Despite abundant water resources, the Kyrgyz Republic periodically faces water shortages which affect the agricultural and energy sectors, as well as the availability of drinking water. Irrational use and pollution of water resources also causes the degradation of river ecosystems

⁸⁸ Norwegian Society for the Conservation of Nature (2019). <https://naturvernforbundet.no/international/environmental-issues-in-kyrgyzstan/category937.html>

⁸⁹ UN system (2019). Report of the UN Interagency MAPS Mission Team, January 2019

⁹⁰ The World Bank Group (2018). *Kyrgyz Republic: From Vulnerability to Prosperity. Systematic Country Diagnostic*

⁹¹ *Ibid.*

and reduces biological diversity of water bodies.⁹² The south of the country is especially affected by water pollution which increases the prevalence of water-borne diseases.⁹³ Over 70 percent of the nation's aging water supply network is in need of repair or replacement, which affects the quality of drinking water and contributes to morbidity and mortality from unsafe water, sanitation and lack of hygiene.⁹⁴ The water sources of the Kyrgyz Republic – including glaciers, lakes, rivers and underground reservoirs – are of special interest to other countries in the Central Asian region who largely depend on them.⁹⁵

In the agricultural sector, excessive irrigation and unrestrained use of chemicals have severely degraded soil quality. Livestock overgrazing has contributed to soil degradation, and a significant portion of the country's grassland has disappeared.⁹⁶ Overall, unsustainable farming practices have led to land degradation of almost 26 percent. Whereas sustainable agricultural practices hardly received financial support, a much larger share of public funding was provided for pesticide use and ineffective irrigation.⁹⁷

In the industrial sector, it will be important to use resource-efficient technologies and to rationalize subsidies, tax exemptions, tariffs, and other fiscal measures. Efficient models of production will facilitate integration into regional and global value chains.⁹⁸ Improving environmental standards of the numerous uranium and gold mines, which release toxic substances into the soil, requires close attention.⁹⁹ Although heavy industry has been in decline in recent decades, air pollution still represents a major problem in the urban areas of the Kyrgyz Republic, due to rapid increase of traffic and continued use of coal plants for heating.¹⁰⁰

Linked to its extractive industry, the Kyrgyz Republic is producing, processing and using hazardous substances in considerable quantities. Numerous tailings management facilities (TMFs) store large amounts of mining waste that are generated as a by-product when extracting minerals and metals. Their failure may lead to major environmental catastrophes. Water pollution resulting from TMF leakages or failures poses risks to water security in the Kyrgyz Republic and the availability of water for drinking and household use, potentially affecting the country's many rural areas and the poor and vulnerable populations living there. Due to its climatic and geographic conditions, the Kyrgyz Republic is prone to the occurrence of natural disasters that could trigger industrial accidents, in particular floods and landslides, which aggravates these risks. Due to several transboundary rivers pollution from the mining industry in the Kyrgyz Republic could also affect neighbouring countries. The UNECE Convention on the Transboundary Effects of Industrial Accidents is designed to protect people and the environment against industrial accidents, especially those with transboundary effects. The Kyrgyz Republic should become a Party to the Convention in order to make full use of all its benefits for enhanced prevention of, preparedness and response to industrial accidents.¹⁰¹

⁹² FAO (2019). Integrated Water Resources Management (IWRM) in the Kyrgyz Republic. Policy Paper (September, 2019)

⁹³ Norwegian Society for the Conservation of Nature (2019). <https://naturvernforbundet.no/international/environmental-issues-in-kyrgyzstan/category937.html>

⁹⁴ UN system (2019). Report of the UN Interagency MAPS Mission Team, January 2019

⁹⁵ International Union of Forest Research Organizations (2019). [file:///C:/Users/haasw/Downloads/Kyrgyzstan%20\(1\).pdf](file:///C:/Users/haasw/Downloads/Kyrgyzstan%20(1).pdf)

⁹⁶ Norwegian Society for the Conservation of Nature (2019). <https://naturvernforbundet.no/international/environmental-issues-in-kyrgyzstan/category937.html>

⁹⁷ UN system (2019). Report of the UN Interagency MAPS Mission Team, January 2019

⁹⁸ Ibid.

⁹⁹ Norwegian Society for the Conservation of Nature (2019). <https://naturvernforbundet.no/international/environmental-issues-in-kyrgyzstan/category937.html>

¹⁰⁰ Ibid.

¹⁰¹ UNECE (2019). For more information, see <http://www.unece.org/env/teia>

Although the Kyrgyz Republic has been a Party to the UNECE Convention on Long-range Transboundary Air Pollution since 2000, it should ratify and implement the Convention and its protocols in order to reduce air pollution from various sources and improve air quality in urban areas, thus contributing to the achievement of SDG 11.¹⁰²

Ineffective and hazardous management of solid waste in the Kyrgyz Republic also needs to be addressed. Currently, there is no environmentally safe disposal of solid household waste. Existing landfill sites do not meet the required standards of environmental and sanitary safety and have exceeded their envisaged lifespan several times. Many of them have turned into sources of secondary pollution of air, soil and underground aquifers, including drinking water sources.¹⁰³

Increasing rural-urban migration and resulting rapid urbanization require a strong focus on urban planning and sustainable urban development. The urban population in the Kyrgyz Republic currently stands at 34 percent, including 31 cities at different levels. About 60 percent of the urban population lives in Bishkek (the capital) and Osh. With substantial investments in renewable energy, waste management and sustainable/green infrastructure, urbanization constitutes a critical challenge. At the same time, well managed urbanization provides opportunities for boosting sustainable development of the entire country.¹⁰⁴

About 80 percent of energy is received from hydro power. While this renewable energy source helps to keep per capita CO₂ emissions at relatively low levels, the Kyrgyz Republic also imports 67 billion cubic feet of natural gas per year which accounts for close to 30 percent of total energy consumption. In addition, an obsolete electricity distribution grid causes losses of electric power of up to 25 percent due to ineffective transmission.¹⁰⁵ As of 2017, accumulated debt in the energy sector amounts to roughly 20% of GDP which comes at the expense of other spending priorities, such as health, education and social protection.¹⁰⁶ Despite its great potential for expanding and diversifying the use of renewable energy sources, fossil fuel energy consumption in the Kyrgyz Republic constituted 69.3 percent of total energy consumption between 2010-2015, increasing the urgency to reform prevailing energy subsidies and boost investments in hydropower, solar, wind, and geothermal energy.¹⁰⁷

The recent ratification of the Paris Agreement on the United Nations Framework Convention on Climate Change provides a unique opportunity to increase investments in renewable energy, low carbon and climate resilient infrastructure, reforestation, as well as climate change adaptation activities in relation to water resources, agriculture, health care and extreme climatic events.¹⁰⁸

3.3 Prosperity

“We are determined to ensure that all human beings can enjoy prosperous and fulfilling lives and that economic, social and technological progress occurs in harmony with nature.”¹⁰⁹

This chapter assesses key economic themes and issues linked to SDGs 7-11, with a focus on the macro-economic performance and specific economic and related sustainable development challenges of the

¹⁰² UNECE (2019).

¹⁰³ UN system (2019). Report of the UN Interagency MAPS Mission Team, January 2019

¹⁰⁴ Norwegian Society for the Conservation of Nature (2019). <https://naturvernforbundet.no/international/environmental-issues-in-kyrgyzstan/category937.html>

¹⁰⁵ Ibid.

¹⁰⁶ UN system (2019). Report of the UN Interagency MAPS Mission Team, January 2019

¹⁰⁷ Ibid.

¹⁰⁸ The World Bank Group (2018). Kyrgyz Republic: From Vulnerability to Prosperity. Systematic Country Diagnostic

¹⁰⁹ General Assembly Resolution 70/1. (25 September, 2015) “Transforming our World: The 2030 Agenda for Sustainable Development”

Kyrgyz Republic, including efficient production, sustainable and inclusive industrialization, affordable housing and urbanization. Special attention is given to regional economic integration.

Economic background and key features

The Kyrgyz Republic is a “double landlocked” country bordering three countries that are also landlocked. In addition to its remoteness from international economic hubs and sea ports, the country’s extensive mountainous terrain – covering almost 90 percent of the land area – increases the costs of transport and logistics, thus posing challenges to domestic economic integration. In some respects, the Kyrgyz Republic has two economies—the prosperous north centered on Bishkek and linked more closely with Kazakhstan and the Russian Federation, and the south, bordering but not necessarily open to its other three neighbors.¹¹⁰ With about 6.3 million people and a GDP of about \$8 billion,¹¹¹ the Kyrgyz Republic has the smallest economy in Central Asia.

In addition to transport connectivity, the Kyrgyz economy faces other structural constraints related to low agricultural productivity, a weak business environment and inefficiencies in the energy sector.¹¹² Its economy is heavily dependent on gold exports and remittances from Kyrgyz migrants working in Russia and Kazakhstan. Cotton, wool, and meat are the main agricultural products, but only cotton is exported in substantial quantity.¹¹³ New opportunities associated with the accession to the Eurasian Economic Union (EEU) in 2015 are not yet fully exploited (see also section further below on Regional Economic Integration and Interconnectivity).

Since the dissolution of the former Soviet Union in 1991, and a subsequent steep decline of living standards in the first half of the 1990s, the Kyrgyz Republic has made significant progress on a challenging and complex path of economic transition and nation building. In recent years, living standards have returned approximately to levels in the late Soviet period. Many social indicators compare very favorably to those of countries with similar per capita incomes (see also chapter 3.1). The country is regarded as having the most open economy and society among the former Soviet republics of Central Asia.¹¹⁴ Since 2014, the Kyrgyz Republic has been classified as a lower-middle-income country.¹¹⁵ Information and communication technology (ICT) services have been improving rapidly, with commensurate extensions in service coverage and quality. Although the Kyrgyz Republic still ranks low on ICT-related international indicators, the explicit government focus on promoting digital technology can help overcome the country’s geographic challenges and internal barriers to the movement of people and goods.¹¹⁶

In light of this positive trajectory, it is now essential to build on these achievements and strengthen economic performance and employment growth to overcome persistent poverty rates and high unemployment which have led almost one-sixth of the country’s population to migrate abroad.¹¹⁷ In aiming for economic transformation and higher growth rates, the challenge for reaching the vision of the 2030 Agenda is to ensure inclusive and pro-poor economic growth, as well as long-term environmental sustainability, including through implementation of international commitments such as the recently ratified UN Framework Convention on Climate Change.

¹¹⁰ Asian Development Bank (2019). Kyrgyz Republic: Improving Growth Potential (September, 2019)

¹¹¹ The World Bank (2019). <https://data.worldbank.org/country/kyrgyz-republic>

¹¹² World Bank Group (2018). Kyrgyz Republic. Economic Update. Fall/Winter 2018

¹¹³ The Heritage Foundation (2019). Index of Economic Freedom 2019. <https://www.heritage.org/index/pdf/2019/countries/kyrgyzrepublic.pdf>

¹¹⁴ Asian Development Bank (2019). Kyrgyz Republic: Improving Growth Potential (September, 2019)

¹¹⁵ UNDP (2019). About Kyrgyz Republic: <https://www.kg.undp.org/content/kyrgyzstan/en/home/about-us.html>

¹¹⁶ Asian Development Bank (2019). Kyrgyz Republic: Improving Growth Potential (September, 2019)

¹¹⁷ Ibid.

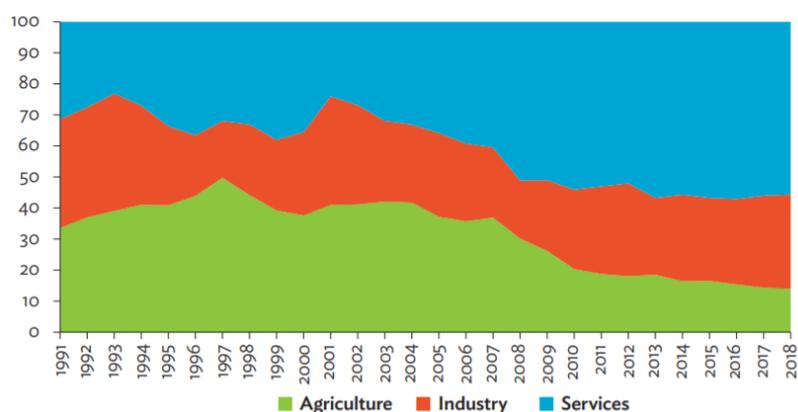
The National Development Strategy 2018-2040 and the accompanying medium-term plan for 2018-2022 show a strong focus on private sector-led and export-oriented growth. At the center of this strategy is the promotion of economically productive and entrepreneurial citizens, including through the creation of sustainable jobs with stable incomes, growing exports, regional development and social welfare. Governance is a cross-cutting priority, with emphasis on inter-sectorial coordination, digitalization and promotion of spatially balanced economic development.

Economic challenges and opportunities

At first glance, economic growth in recent years appears to have been pro-poor. In actuality, however, welfare improvements for the bottom 40 percent have been very modest, coupled with falling incomes for the upper 60 percent. Upward economic mobility has virtually stalled for most Kyrgyz households. This can be attributed to an unfavorable business environment and weak public institutions, policies and services which have prevented significant private investment and job-creation.¹¹⁸

Whereas the agricultural sector's share of GDP in the Kyrgyz Republic has shrunk by more than half since the mid-1990s and was less than 15 percent in 2018, the service sector share has almost doubled, and contributed 55 percent of GDP in 2018 (Figure 11).¹¹⁹ The main factor explaining the **unusually high service sector share** – which is normally seen in upper middle income countries – is the remittance fueled economy of the Kyrgyz Republic which boosts construction, real estate, and internal wholesale and retail trade. Moreover, with the exception of niche products for the home market and for export to the Russian Federation, the manufacturing sector remains weak.¹²⁰

Figure 11: GDP shares of economic sectors



Source: ADB (2019).

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In line with its corresponding share of GDP, the labor force is mostly engaged in services and agriculture, with a smaller share in industry.¹²¹ In 2009–13, job growth was only able to absorb about two-thirds of the increase in the labor force. This resulted in **increasing out-migration and withdrawals from the labor force**, particularly among women, whose participation declined from 62 percent to 44 percent in 2000–17.¹²² Whereas the poverty rate remained unchanged in 2017 at 25.6 percent, the employment rate (for men and women combined) declined by 1.8 percentage points over two years to 55.9 percent in 2017.¹²³

The **lack of job opportunities** has expanded the informal sector which accounts for about two-thirds of total employment in the Kyrgyz Republic (Figure 12). Informal employment/economic activity is mainly

¹¹⁸ The World Bank Group (2018). Country Partnership Framework for the Kyrgyz Republic 2019-2022 (October 10, 2018)

¹¹⁹ Asian Development Bank (2019). Kyrgyz Republic: Improving Growth Potential (September, 2019)

¹²⁰ Ibid.

¹²¹ Ibid.

¹²² The World Bank Group (2018). Kyrgyz Republic: From Vulnerability to Prosperity. Systematic Country Diagnostic

¹²³ UN system (2019). Report of the UN Interagency MAPS Mission Team, January 2019

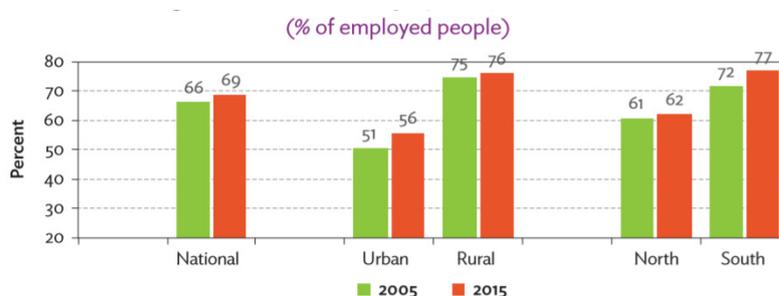
concentrated in agriculture (39 percent), trade (20 percent), and construction (15 percent). It constitutes the majority of jobs in both urban and rural areas, but is more prevalent in rural areas, as well as in the south of the country. Under such conditions, ensuring **decent jobs** remains difficult.

The growth of the informal sector is also explained by the weakness of labor market institutions that should guarantee the enforcement of labor laws, protect workers' rights and allow the latter to advance their interests. The weakest is the State Labor Inspection which has seen its mandate, functions, and human and financial resources significantly cut over the last years. This and other shortcomings bring Kyrgyzstan into severe contradiction with its international obligations as a signatory of the ILO's Convention #81 on Labor Inspection.¹²⁴ National, sectoral and enterprise-level social dialogue between Employers and Workers' Organizations is not developed enough to ensure decent (safe and fair) working conditions and a gradual increase of living standards. The National Tripartite social dialogue body has not been convened for discussions of a new draft law on trade unions during 2019. Collective bargaining on workplaces is not supported and promoted which goes against the corresponding ILO Convention ratified by the Kyrgyz Republic.¹²⁵

The resulting weakness of trade unions deprives Kyrgyz workers of official options to resist informal employment and of their labor rights. It also severely constrains their access to social protection, healthcare and education.¹²⁶ A highly controversial draft law on Trade Unions issued in October 2019 is in clear contradiction to the ratified ILO Convention #87 on Freedom of Association and threatens the country's chances to retain a preferential trade regime with the European Union.¹²⁷

Widespread use of child labor and forced labor further aggravate the problems of the labor market and contribute to the expansion of the informal sector. Trade unions have been actively bringing the issues of child labor, predominantly in agriculture, to the attention of the Government in the last several years regarding violations of Fundamental Conventions 138 and 182.¹²⁸ Forced labor has been traditionally existing in the form of Saturday community work to clean streets, parks and other public areas. These activities are taking place regularly as public sector employees are forced against their will to perform such work under threat of dismissal or to be disadvantaged otherwise.

Figure 12: Informal Employment, 2005 and 2015



Source:

ADB (2019). *Kyrgyz Republic: Improving Growth Potential*

¹²⁴ Observation (CEACR) – adopted 2018, published 108th ILC session (2019) *Labour Inspection Convention, 1947 (No. 81) – Kyrgyzstan (Ratification: 2000)* https://www.ilo.org/dyn/normlex/en/f?p=1000:13100:0::NO:13100:P13100_COMMENT_ID:3960944

¹²⁵ ILO (2019).

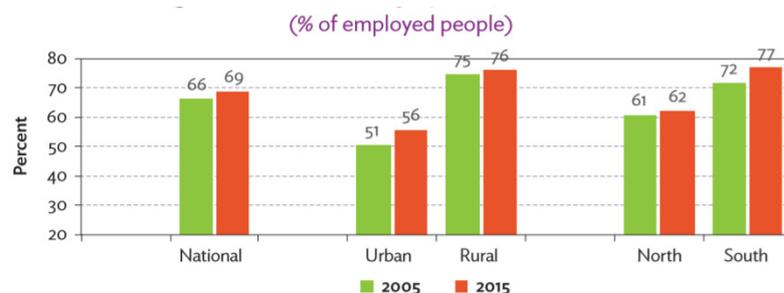
¹²⁶ The Federation of Trade Unions of Kyrgyzstan has submitted on 28 August 2019 to the ILO Committee of Experts critical Observations towards the new Law on Trade Unions in light of its obvious contradictions with the ratified C81. The ILO NORMLEX indicates that FTUKG Observations have been communicated to the GoK: https://www.ilo.org/dyn/normlex/en/f?p=1000:14101::NO:14101:P14101_COUNTRY_ID,P14101_ARTICLE_NO:103529,22

¹²⁷ ILO (2019).

¹²⁸ ILO CEACR Observations in 2019 on C138 on Minimum Age and C182 on Worst Forms of Child Labour based on the Observations submitted by the Kyrgyz Federation of Trade Unions - https://www.ilo.org/dyn/normlex/en/f?p=1000:13100:0::NO:13100:P13100_COMMENT_ID:3963326 https://www.ilo.org/dyn/normlex/en/f?p=1000:13100:0::NO:13100:P13100_COMMENT_ID:3963464

Youth unemployment is particularly high, doubling the average unemployment rate of 7.2 percent in 2016. With the continued reliance on child labor (see preceding paragraph), the twin challenges of child labor and youth unemployment require special attention and additional efforts. The **labor force participation** rate of young people aged 20–29, who are predominantly employed in informal jobs, has declined from 73 percent in 2005 to 67 percent in 2015 (Figure 13). This decline has been more pronounced in female workers who already started from a much lower base.¹²⁹ Despite persistent rates of unemployment, only 1.7 percent of those unemployed are covered effectively by contributory and non-contributory unemployment schemes.¹³⁰

Figure 13: Youth labor market participation (% of people aged 20-29)



Source:

ADB (2019). *Kyrgyz Republic: Improving Growth Potential*

Another key feature of the country's economic performance in the last decade was the **loss of productivity growth** which fell to 0.7 percent annually in 2009–12 and turned negative in both agriculture and industry. During 1993–2015, agricultural productivity per capita lagged behind the other sectors, despite the outflow of labor from agriculture.¹³¹

The Kyrgyz Republic has experienced an **increase in regional disparities** over the past decade as measured by the average gross regional product per head. Apart from affecting economic efficiency, regional disparities can also pose a threat to social and political cohesion.¹³² The gap in GDP per capita between the richest (Bishkek) and the poorest (Osh oblast) regions is almost 6 times. 68 percent of the poor were living in rural areas in 2014. Inequality in social development can also be seen from the differences in the HDI which varies from 0.634 (Naryn oblast) to 0.825 (Bishkek).¹³³

Recent literature agrees that, despite geographic challenges, comprehensive reforms can lead to accelerated economic growth, while building on the country's notable social achievements. The economic openness of the country should be used to diversify production and expand to new export markets. It can also be used to import critical knowledge and technology from abroad and to adapt it to local conditions and needs in order to revive and accelerate productivity growth.¹³⁴ There is wide agreement that agricultural production has the greatest potential, and this will require significant investments. Having underperformed for many years, the Kyrgyz Republic's agricultural sector has shrunk to just over 10 percent of GDP in 2017, compared to about 46 percent in 1996 and 27 percent in 2007. The underperformance of agriculture has been largely attributed to uncoordinated and inefficient public policies and external shocks.¹³⁵

¹²⁹ Asian Development Bank (2019). *Kyrgyz Republic: Improving Growth Potential* (September, 2019)

¹³⁰ UN system (2019). Report of the UN Interagency MAPS Mission Team, January 2019

¹³¹ Asian Development Bank (2019). *Kyrgyz Republic: Improving Growth Potential* (September, 2019)

¹³² The World Bank Group (2018). *Country Partnership Framework for the Kyrgyz Republic 2019-2022* (October 10, 2018)

¹³³ Ibid.

¹³⁴ United Nations Economic Commission for Europe (2019). *Innovation for Sustainable Development Review of Kyrgyzstan*. New York and Geneva. <http://www.unece.org/index.php?id=51968>

¹³⁵ The World Bank Group (2018). *Country Partnership Framework for the Kyrgyz Republic 2019-2022* (October 10, 2018)

The road to unleashing the potential of the agricultural sector remains long. It is still driven by herding activities, which offer a source of livelihood for two thirds of the population in rural areas.¹³⁶ The predominance of herding activities has to be measured against the weaknesses in the farming sub-sector, which is dominated by small, typically one-family owned farms that lack modern equipment, necessary inputs and access to credit.¹³⁷ The farms tend to focus on semi-subsistence activities, which evolve around the production of cow's milk, along with the cultivation of cash and food crops, especially wheat, barley, maize, potatoes, vegetables and fruits, sugar beet, cotton and tobacco.¹³⁸

To stimulate agricultural growth, the government is treating agro-food production and organic agriculture as top priorities, with a focus on products that can generate high value-added and, as such, enjoy a competitive position in export markets.¹³⁹ This will require significant investments in rural infrastructure and elevating food safety standards, especially with a view towards diversifying exports.¹⁴⁰ Because the livelihoods of most of the poor in the Kyrgyz Republic are directly and indirectly linked to the agricultural sector, addressing the constraints to agricultural productivity and diversification should go a long way in accelerating the pace of poverty reduction as well as reducing food insecurity.

In addition to organic agriculture, the mining sector, garment exports, sustainable tourism, and the creation of new jobs through digital industries, renewable energy production and green technologies, have considerable potential.¹⁴¹

Access to affordable and decent housing and urban infrastructure¹⁴²

Since independence, the Kyrgyz population has grown faster than the increase in housing stock. With 85 percent of existing housing stock built in the Soviet era, the state of many buildings continues to deteriorate.

Internal migration has fuelled the construction of informal settlements, many of which are built with waste construction material and inadequate infrastructure. Informal settlements contribute to urban sprawl and alternative solutions to infrastructural projects have been suggested, including a long-term urban planning mechanism, which would consider the provision of affordable housing supported by funding from international organizations. Upgrading of dwellings represents another option.

Besides the problems with overcrowding and internal migration, housing demand is driven by the increase in the total population. Whereas increasing incomes and remittances are to some extent stimulating housing construction, the provision of housing has been limited due to lack of affordable accommodation, low average incomes, underdeveloped mortgage financing, and lack of interest from property developers to build cheap homes. Annually, only 5,200 housing units have been completed against an estimated need of 26,500. The lack of affordable housing constitutes a particular challenge for vulnerable population groups.

¹³⁶ For a brief analysis of these problems and their root causes see FAO (2012) Eastern Europe and Central Asia Agro-Industrial Development-Country Brief: Kyrgyz Republic, Policy Brief, Regional Office for Europe and Central Asia

¹³⁷ Ibid.

¹³⁸ Food and Agricultural Organisation (FAO) FAOSTAT

¹³⁹ World Bank Group (2018). Kyrgyz Republic. Economic Update. Fall/Winter 2018

¹⁴⁰ Ibid.

¹⁴¹ Asian Development Bank (2019). Kyrgyz Republic: Improving Growth Potential (September, 2019)

¹⁴² UNECE (2019).

Regional economic integration

The Kyrgyz Republic is one of the most open economies in the world.¹⁴³ At the same time, it continues to be a **net importer of goods and services**, including energy, and is running a persistent negative trade balance.¹⁴⁴ To address this situation, national development strategies and plans seek to increase exports through better regional integration with neighboring countries.¹⁴⁵ In this regard, effective resolution of continuing border disputes – which constitute a major economic risk – will be crucial (see also section 3.4.2).¹⁴⁶

The **accession to the EEU** in August 2015 has further increased migrant labor opportunities in EEU member states and boosted financing through the Kyrgyz-Russian Development Fund.¹⁴⁷ At the same time, some of the expected economic benefits of EEU membership, such as increased Foreign Direct Investment, higher GDP growth rates and export growth to EEU countries, have not yet materialized. Overall, EEU membership has not only brought access to a wider market but also increased competition in some sectors due to the removal of customs borders.¹⁴⁸

The **lack of quality standards** and incomplete quality assurance systems, including gaps in both legislation and infrastructure, remain a fundamental challenge for increasing market access under the WTO and the EEU.¹⁴⁹ For example, many Kyrgyz agricultural produce exporters fail to meet the EEU's technical and quality standards resulting in limited growth of agricultural and food exports.¹⁵⁰

In addition, trading across borders remains subject to **high formalities and slow border clearance** processes. The 2018 Doing Business survey indicates that the cost and time to export from or import to the Kyrgyz Republic is double or triple the average cost and time for exports and imports in the Europe and Central Asia region.¹⁵¹ Despite these challenges, the opening up of the border with Uzbekistan since 2017 has been a positive development, leading to increased trade between the two countries, with a trade surplus of the Kyrgyz Republic.¹⁵²

As one of the western neighbors of the People's Republic of China, the Kyrgyz Republic already has strong ties with the Chinese economy and could become a major beneficiary of the **Chinese Belt and Road Initiative**¹⁵³ which aims to boost regional trade with a planned investment of over a trillion US dollars in construction, trade, transportation and energy in over 100 countries.¹⁵⁴ Whereas the prospect of greater economic cooperation through the Belt and Road Initiative is generally embraced with optimism, including by Kyrgyz authorities, there is growing resistance against rising Chinese influence, based on concerns that Chinese investments will increase the number of Chinese laborers while taking away jobs from the Kyrgyzstani population, benefit only the Kyrgyzstani elite instead of the general population, cause environmental damage and lead to rising public debt.¹⁵⁵ Some security experts also see rising

¹⁴³ UN system (2019). Report of the UN Interagency MAPS Mission Team, January 2019

¹⁴⁴ Ibid.

¹⁴⁵ Ibid.

¹⁴⁶ Asian Development Bank (2019). Kyrgyz Republic: Improving Growth Potential (September, 2019)

¹⁴⁷ United Nations (2019). Conflict and Peace Analysis (April, 2019)

¹⁴⁸ Asian Development Bank (2019). Kyrgyz Republic: Improving Growth Potential (September, 2019)

¹⁴⁹ The World Bank Group (2018). Kyrgyz Republic: From Vulnerability to Prosperity. Systematic Country Diagnostic 2018

¹⁵⁰ The World Bank Group (2018). Kyrgyz Republic. Economic Update. Fall/Winter 2018

¹⁵¹ The World Bank Group (2018). Kyrgyz Republic: From Vulnerability to Prosperity. Systematic Country Diagnostic 2018

¹⁵² United Nations (2019). Conflict and Peace Analysis (April, 2019)

¹⁵³ Asian Development Bank (2019). Kyrgyz Republic: Improving Growth Potential (September, 2019)

¹⁵⁴ United Nations (2019). Conflict and Peace Analysis (April, 2019)

¹⁵⁵ Ibid.

Chinese economic and political influence – to the detriment of historically strong Russian influence – as a potential problem and geopolitical risk.¹⁵⁶

Although it is not yet clear when and how the Belt and Road Initiative is going to be implemented in the Kyrgyz Republic, a planned railroad project between China, the Kyrgyz Republic and Uzbekistan is already under intense discussion. Decisions on the eventual route of this railroad are going to have major implications on the economy of the Kyrgyz Republic, and on the social and economic connections between the citizens of the north and the south of the country.¹⁵⁷

With its rich reserves of water resources, **hydropower generation** could provide the Kyrgyz Republic with substantial revenues from electricity exports to neighboring countries. So far, investment in the sector has been discouraged by artificially low energy prices and heavy subsidies. Almost doubling all social assistance expenditures in 2016, energy subsidies are severely constraining essential government expenditures in economic and social sectors.¹⁵⁸ Although the Kyrgyz Republic currently remains a net importer of energy, investments in the hydro sector and in regional electricity infrastructure could help achieve the long-term goal of 50% renewable energy production (small hydropower plants, solar and wind power plants, use of biogas) and increase the share of energy exports, thus altering the negative trade balance.¹⁵⁹

National and international **internet connectivity** has been a great challenge for the Kyrgyz Republic. Due to its mountainous terrain and disadvantaged status as a “double landlocked” country, it depends on neighboring countries for access to submarine fiber optic cables. Abundant connectivity and cross-border connections are important for the Kyrgyz Republic to become the regional hub of the digital Silk Road. Initiatives such as the World Bank’s Digital Central Asia and South Asia (CASA) Kyrgyz Republic Project provide crucial technical assistance in this regard and aim to attract investments in expanding domestic networks and establishing new cross-border connections.¹⁶⁰

3.4 Peace, Justice and Governance

“We are determined to foster peaceful, just and inclusive societies which are free from fear and violence. There can be no sustainable development without peace and no peace without sustainable development.”¹⁶¹

This section assesses key themes and issues linked to SDG 16 and its targets, including achieving peaceful/non-violent and inclusive societies for sustainable development, effective rule of law, reduction of corruption, participatory and representative decision-making, and the building of an effective state with accountable, inclusive institutions on the basis of a shared national identity and long-term vision.

3.4.1 Governance, rule of law and corruption

Human rights, identity and a modern democratic system

While the State is making strides towards promotion and protection of human rights, evidenced by the ratification of the International Convention on Persons with Disabilities and adoption of the National Human Rights Action Plan 2019 – 2020, great challenges remain to ensure human rights for all in society. Continued incoherence of the country’s National Human Rights Institution with the Paris Principles, an amended constitution that has reduced the role of international human rights law

¹⁵⁶ Ibid.

¹⁵⁷ Ibid.

¹⁵⁸ Asian Development Bank (2019). Kyrgyz Republic: Improving Growth Potential (September, 2019)

¹⁵⁹ UN system (2019). Report of the UN Interagency MAPS Mission Team, January 2019

¹⁶⁰ World Bank (2018). <https://www.worldbank.org/en/news/loans-credits/2018/03/20/digital-casa-kyrgyz-republic-project>

¹⁶¹ General Assembly Resolution 70/1. (25 September, 2015) “Transforming our World: The 2030 Agenda for Sustainable Development”

in the country, substantial gaps in national legislation and practice on a large array of human rights issues (e.g. discrimination, human rights and counter-terrorism, continued lack of accountability for past atrocities, etc.) are all elements that are likely to have detrimental effects on the country's development trajectory.¹⁶²

Since gaining independence from the Soviet Union in 1991, the path for the Kyrgyz Republic of building a democratic state with a market economy has been marked by political upheavals and fundamental challenges to the political and governance system. Subsequent constitutional amendments further concentrated power in the presidency and weakened the legislative branch, as well as the independence of the judiciary. Over the years, this contributed to increased usurpation of power, nepotism, persecution of opposition, restrictions of the media, and endemic corruption, fostering wide-spread public discontent.¹⁶³ Eventually, this negative trajectory culminated in violent conflict in 2010, followed by a new constitution which delegated much of the presidential powers to the parliament and thus paved the way for the Kyrgyz Republic to become the first parliamentary republic in Central Asia.¹⁶⁴

Whereas some areas of the legal system and many policies and procedures are becoming more aligned with the prerequisites of a modern democratic system, effective functioning of the state and longer-term political stability, including electoral processes, are strongly affected by an informal "behind the scenes" governance system that is deeply rooted in a clan-based culture and patronage regionalism, especially among ethnic Kyrgyz.¹⁶⁵ Although these informal governance structures play an important role in maintaining social cohesion and contribute to sustaining some balance of power, their contribution to more patronage and instability in the political system needs to be considered in any governance reform efforts.^{166 167}

The tension between the requirements of a modern democracy and the deeply rooted traditional structures and values of Kyrgyzstani society is also reflected in increasing political, religious and societal polarization. Although plurality is still seen as positive, the search for a new identity in the post-Soviet era, as well as the multiple ideological influences in a globalized world, have created a growing gap between traditionalists and religious groups on the one hand, and others who hold up secular and more liberal values.¹⁶⁸

This increasing fragmentation of Kyrgyzstani society makes it more challenging to establish a common national identity and social contract, thus contributing to lingering instability in the country. Vulnerability, marginalization and discrimination of communities – in particular minorities – continues to erode attempts to build a shared identity that binds together all segments of Kyrgyzstani society.¹⁶⁹ This contributes to a growing rural-urban divide, the widening of an inter-generational gap, and a divided media landscape. In response to these signs of rising polarization, the current government is promoting the vision of the Kyrgyz Jharany (Kyrgyz citizen) and the "man who produces"¹⁷⁰. While building a shared civic identity is fundamental for achieving long-term sustainable development and peace, some view these current attempts as favoring the ethnic Kyrgyz and ignoring more systemic issues curtailing greater social cohesion.¹⁷¹

¹⁶² OHCHR (2019)

¹⁶³ United Nations (2019). Conflict and Peace Analysis (April, 2019)

¹⁶⁴ Ibid.

¹⁶⁵ The Diplomat (2019) <https://thediplomat.com/2019/08/aksana-ismailbekova-on-patronage-politics-in-kyrgyzstan/>

¹⁶⁶ Ibid.

¹⁶⁷ United Nations (2019). Conflict and Peace Analysis (April, 2019)

¹⁶⁸ Ibid.

¹⁶⁹ Ibid.

¹⁷⁰ National Development Strategy of the Kyrgyz Republic for 2018-2040 (November, 2018)

¹⁷¹ Ibid.

Limited political representation of vulnerable groups

Despite constitutionally established quotas for political representation of women, youth, ethnic minorities and persons with disabilities, these quotas are not yet met. The number of female politicians stands at 26 percent and is currently decreasing. While the representation of women in the civil service is relatively high at 40 percent, most of their positions are at a low level and in less powerful institutions.¹⁷²

The level of youth engagement in socio-political activities is low (18.4 percent), with very limited representation of youth in political parties (1.8 percent) and government bodies (0.2 percent).¹⁷³ The percentages of ethnic minorities in the civil service (as of 2018 under 6 percent¹⁷⁴) have been decreasing in recent years.

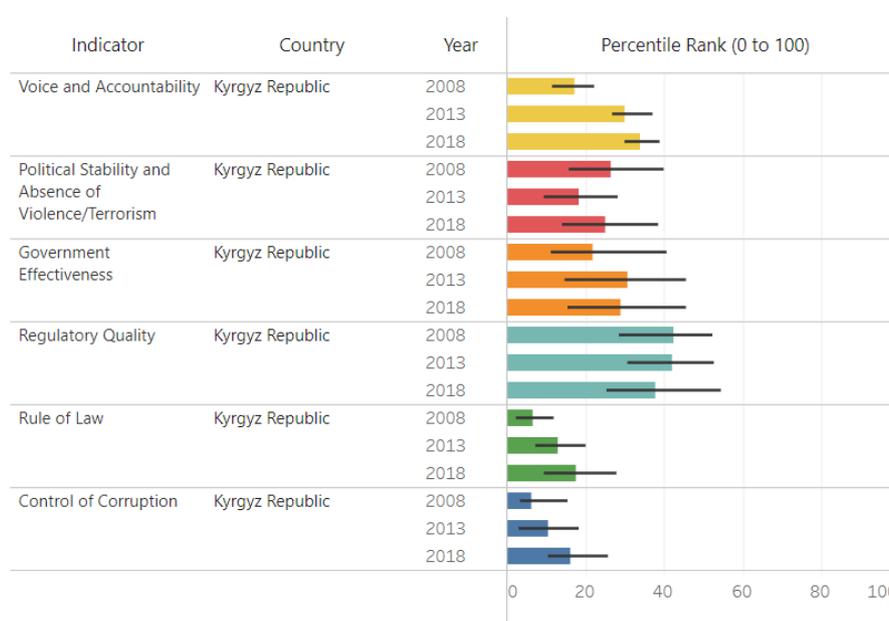
Mixed performance on SDG 16

Overall performance on SDG 16 remains mixed. Although many SDG 16 target indicators received a good or fair rating in the global 2017 SDG 16 Progress Report, corruption-related indicators show a poor performance and some indicators cannot yet be measured.¹⁷⁵ The 2018 Worldwide Governance Indicators (Figure 14) show low and medium percentile ranks between the six key dimensions.¹⁷⁶ Although some improvements can be noted on rule of law and control of corruption, these two dimensions are still the lowest compared to the other four. Government effectiveness and regulatory quality have worsened **compared to their 2013 percentiles whilst voice and accountability have improved.**

Figure 14: 2018

Worldwide Governance Indicators for the Kyrgyz Republic

Source: World Bank (2019)



¹⁷² Ibid.

¹⁷³ Global Youth Development Index (2017)

¹⁷⁴ State Personnel Agency, Statistical information. <https://www.mkk.gov.kg/contents/view/id/87/pid/4>Информация по административным государственным служащим

¹⁷⁵ Institute for Economics and Peace (2017). SDG16 Progress Report: A comprehensive global audit of progress on SDG16

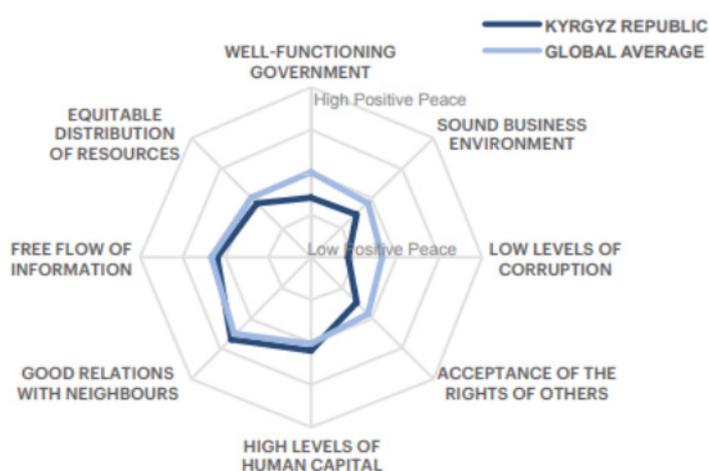
¹⁷⁶ World Bank (2019). Worldwide Governance Indicators. These indicators capture six key dimensions of governance (Voice and Accountability, Political Stability and Lack of Violence, Government Effectiveness, Regulatory Quality, Rule of Law, and Control of Corruption) between 1996 and present. <https://info.worldbank.org/governance/wgi/Home/Reports>

The political under-representation of vulnerable groups highlighted above points to potential challenges to the SDG target indicators of inclusive access to information as well as representative decision-making. On the positive side, Kyrgyzstan is increasingly rated as a more peaceful country, rising 13 positions to 95th place in the 2019 Global Peace Index, ahead of neighboring countries Uzbekistan (102nd), Tajikistan (105th) and Turkmenistan (115th).¹⁷⁷

The Positive Peace Index (Figure 15) measures eight domains considered essential for peaceful societies in comparison to the global average.¹⁷⁸ Whereas the performance of the Kyrgyz Republic is fairly in line with global averages on four domains (high levels of human capital, good relations with neighbors, free flow of information and equitable distribution of resources), it shows deficiencies on the remaining four (low levels of corruption, well-functioning government, sound business environment and acceptance of the rights of others). Recent analyses from UN entities and international development partners, as well as key informants for the CCA Update, coincide with this assessment by highlighting weak public institutions, an unfavorable business environment, widespread corruption and economic inequalities as key development challenges.

Figure 15: *Kyrgyz Republic performance on the Positive Peace Index*

Source: *Institute for Economics and Peace (2017). SDG16 Progress Report*



Despite substantial legal reforms and a renewed emphasis on e-governance and digitization, widespread corruption deeply affects the rule of law in the Kyrgyz Republic, the independence of the judiciary, and the provision of public services, such as education, health and water supply.¹⁷⁹ Persistent legal weaknesses and institutional ineffectiveness in fighting corruption constitute a constant risk to the political stability and economic prospects of the country, with 95 percent of the population considering corruption to be a very big or big problem.¹⁸⁰

The Kyrgyz Republic ranks relatively high at 80th place (out of 190 countries) in the 2020 World Bank Ease of Doing Business Index, with good performance on “starting a business” (43rd) and an excellent rating on “registering property” (7th). However, corruption puts a major dent on the “paying taxes” (117th) and the “getting electricity” (143rd) indicators. The electricity sector is almost entirely state-owned and infamous for corruption. The pervasiveness of corruption and weakness of the judiciary also show in the very low (137th) ranking on the “enforcing contracts” indicator.¹⁸¹

¹⁷⁷ Institute for Economics and Peace (2019). https://24.kg/english/120753_Kyrgyzstan_improves_its_rank_in_Global_Peace_Index_2019/

¹⁷⁸ Institute for Economics and Peace (2017). SDG16 Progress Report: A comprehensive global audit of progress on available SDG16 indicators

¹⁷⁹ Transparency International (2019). Kyrgyzstan: Overview of corruption and anti-corruption (July, 2019)

¹⁸⁰ Ibid.

¹⁸¹ The World Bank (2019). Ease of Doing Business Rankings 2020 (May, 2019)

3.4.2 Cross-border disputes

The collapse of the Soviet Union set off numerous disputes between newly independent Central Asian countries over their respective borders. Since 1991, high stakes negotiations and, in many instances, violent conflict, have marked political and socio-economic relations between the former Soviet republics.¹⁸² In Soviet times, member states were only separated through vaguely drawn internal administrative boundaries. In addition, common property rights across different states enabled access and use of shared natural resources, and cross-border economic and transportation links served to allow the free movement of goods and people. These internal boundaries were first drawn in the 1920s and subsequently altered on numerous occasions. In addition, republics were permitted to secure long-term leases of territory from other republics. In a number of cases, enclaves – isolated islands of territory within another republic – were created.¹⁸³

When these internal boundaries became firm international borders in 1991, the Kyrgyz Republic swiftly settled its border disputes with China and Kazakhstan. Conversely, border delineations with Tajikistan and Uzbekistan continued to be contested. That said, the transition of power in Uzbekistan in 2016 has enabled significant progress in resolving the long-standing disputes along the Kyrgyz-Uzbek border. As of 2017, about 85 percent of the 1,400-kilometer-long Kyrgyz-Uzbek border has been delineated.¹⁸⁴ The remaining border problems with Uzbekistan are much more complex, including five ethnic exclaves shared by the two countries (Figure 16), and various options are currently discussed to resolve them.¹⁸⁵

Figure 16: Kyrgyz and Uzbek exclaves

Source: *Insamer* (2019)



Out of a total length of 971 kilometers of the border between the Kyrgyz Republic and Tajikistan, 471 kilometers remain contested,¹⁸⁶ including disputed sections in Batken region where

¹⁸² International Crisis Group (2002). Central Asia: Border Disputes and Conflict Potential <https://www.crisisgroup.org/europe-central-asia/central-asia/tajikistan/central-asia-border-disputes-and-conflict-potential>

¹⁸³ Ibid.

¹⁸⁴ Radio Free Europe (2017). Tug-Of-War: Uzbekistan, Kyrgyzstan Look To Finally Settle Decades-Old Border Dispute (December, 2019) <https://www.rferl.org/a/uzbekistan-kyrgyzstan-resolving-decades-old-border-dispute/28918059.html>

¹⁸⁵ Insamer (2019). Complex Border Problems between Uzbekistan and Kyrgyzstan: Is There a Possible Solution? (January, 2019) https://insamer.com/en/complex-border-problems-between-uzbekistan-and-kyrgyzstan-is-there-a-possible-solution_1941.html

¹⁸⁶ The Diplomat (2019). The Enduring Difficulty of Settling the Kyrgyzstan-Tajikistan Border (August, 2019) <https://thediplomat.com/2019/08/the-enduring-difficulty-of-settling-the-kyrgyzstan-tajikistan-border/>

incidents of violent conflict continue to take place.¹⁸⁷ More than 70 violent incidents between Kyrgyz and Tajik border communities have been recorded by local media in the years 2004, 2005, 2008, 2011, 2014 and 2015.¹⁸⁸ In 2019 several fatal incidents, including deadly shoot-outs at border posts, took place in the Fergana Valley on the Kyrgyz-Tajik border.¹⁸⁹

Underlying and structural causes for continuing cross-border disputes can be found in the increasing scarcity of natural resources in border areas, in particular water and pasture. This is compounded by the ethnic diversity and continuing population growth in the Fergana Valley, which is already Central Asia's most densely populated region.¹⁹⁰ Another reason is poor infrastructure. The current water infrastructure in many sections of the border has fallen into decay. As a result, water is increasingly unavailable for agricultural use.¹⁹¹ Finally, a lack of effective institutional arrangements leads to unequal access to water and pasture in border areas.¹⁹²

As the governments of the Kyrgyz Republic, Uzbekistan and Tajikistan continue to make progress in resolving long-standing disputes along their borders, agreements on border demarcations need to be accompanied by sustained attention and increased dedication of resources to the communities living in the Fergana Valley in order to end interethnic and cross-border violence.¹⁹³

3.4.3 Civil society and the media

The Kyrgyz Republic is often described as an “island of democracy” in the region and praised for its strong and active civil society. The Government has called for greater participation of civil society organizations, especially in the fight against corruption.¹⁹⁴ Concrete measures, such as the recent introduction of e-governance portals,¹⁹⁵ should help in strengthening oversight of civil society in public procurement.

At the same time, human rights organizations have become concerned in recent years about hostile rhetoric of senior politicians against NGOs and civic activism. Whereas the rights of association and freedom of assembly are enshrined in the constitution, the run-up to the 2017 elections saw restrictions on public demonstrations, and intimidation and harassment of political and human rights activists.¹⁹⁶ Law suits on defamation and overzealous usage of hate speech provisions in the criminal code continue to stifle expression in the country.¹⁹⁷

Also, many stakeholders feel that the relative openness of the Government to engage with civil society does not translate into more inclusive and evidenced-based policy making. In addition,

¹⁸⁷ EUCACIS (2019). Kyrgyzstan and Tajikistan: Endless Border Conflicts (February, 2019)

¹⁸⁸ Ibid.

¹⁸⁹ The Economist (2019). Convolutioned borders are hampering Central Asian integration (November 2, 2019)

¹⁹⁰ Ibid.

¹⁹¹ EUCACIS (2019). Kyrgyzstan and Tajikistan: Endless Border Conflicts (February, 2019)

¹⁹² Ibid.

¹⁹³ The Diplomat (2019). The Enduring Difficulty of Settling the Kyrgyzstan-Tajikistan Border (August, 2019) <https://thediplomat.com/2019/08/the-enduring-difficulty-of-settling-the-kyrgyzstan-tajikistan-border/>

¹⁹⁴ Transparency International (2019). Kyrgyzstan: Overview of corruption and anti-corruption (July, 2019)

¹⁹⁵ Ibid.

¹⁹⁶ United Nations (2019). Conflict and Peace Analysis (April, 2019)

¹⁹⁷ OHCHR (2019).

there is a general sense that the more established civil society is too project-focused and donor-driven instead of representing the people and their needs and issues, especially those of the rural populations.¹⁹⁸

The distinct position of the Kyrgyz Republic as a beacon of democracy is mirrored in the pluralism and relative freedom of its media in comparison to neighboring countries. Out of 180 countries, the Kyrgyz Republic ranks 83rd in the 2019 World Press Freedom Index, up from 98th in 2018.¹⁹⁹ While television remains the most popular medium, the number of internet users stood at 2.5 million at the end of 2018, and Instagram has become the most popular social media platform with around 1.6 million users.²⁰⁰

The large space guaranteed by the constitution to express one's views freely in public has enabled the wide use of social media. While this can be seen as a positive development, it has also led to the creation of some online information bubbles with low information quality and fake news. The increasing polarization of Kyrgyz society (see 3.4.1 above) is reflected in a divided media landscape and increased use of sharp language which can reinforce alienation.²⁰¹ Self-censorship of the media on subjects, such as inter-ethnic relations and transitional justice, is common.²⁰²

Together with limited unbiased news coverage during the 2017 election campaign, defamation and hate speech cases against prominent journalists, this points to some deficiencies in media freedom.

3.5 Partnership and Means of Implementation

“We are determined to mobilize the means required to implement this Agenda through a revitalized Global Partnership for Sustainable Development, based on a spirit of strengthened global solidarity, focused in particular on the needs of the poorest and most vulnerable and with the participation of all countries, all stakeholders and all people.”²⁰³

The “Partnership” component of the 2030 Agenda and the targets of SDG 17 emphasize several global commitments that are relevant for the inclusive and sustainable development of the Kyrgyz Republic. Accordingly, this section assesses issues such as financing for development, trends and prospects for multi-stakeholder partnerships, and the fundamental theme of ensuring strong and effective national statistics systems which can provide decision-makers and the public with timely and disaggregated quality data.

Financing for Development

In assessing the status of development financing in the Kyrgyz Republic, it is useful to look at the country's recent performance in mobilizing domestic resources and managing public debt, trends in Official Development Assistance (ODA) and other potential and innovative financing sources, mechanisms and initiatives.

¹⁹⁸ Ibid.

¹⁹⁹ Reporters Without Borders (RSF) (2019). <https://rsf.org/en/kyrgyzstan>

²⁰⁰ InternetWorldStats.com (2019).

²⁰¹ United Nations (2019). Conflict and Peace Analysis (April, 2019)

²⁰² Ibid.

²⁰³ General Assembly Resolution 70/1. (25 September, 2015) “Transforming our World: The 2030 Agenda for Sustainable Development”

From a macroeconomic and fiscal policy perspective, the deficits and debts are currently manageable, not least due to a considerable volume of grant aid and highly concessional borrowings with long maturities.²⁰⁴ That said, the government's fiscal space is highly constrained due to a high degree of spending on recurrent expenditures rather than investment, and a large percentage of the workforce dependent on government jobs. Deficits are gradually rising, especially during election years and periods of political uncertainty. With an already high tax burden, and up to 40 percent of the economy operating in the – very lightly taxed -informal sector, further increases in domestic revenue collection will be hard to achieve²⁰⁵, despite the introduction of innovative measures such as e-VAT invoicing and a Fiscal Data Operator. Whereas increasing revenues further seems difficult, a reduction of the very high energy subsidies which amount to about 17 percent of GDP, putting the Kyrgyz Republic in second place in the Europe/Central Asia region, right behind Uzbekistan, could free up significant fiscal space.²⁰⁶ The Kyrgyz Republic is also highly dependent on foreign capital, with a very large savings-investment gap. Investment is basically financed by foreign capital, with the current account deficit averaging 13 percent of GDP in 2016-2018.²⁰⁷

With regards to ODA, total development assistance per year to the Kyrgyz Republic averaged around USD 400 million for the period 2010-2014. With the accession to the EEU and the creation of the Russian-Kyrgyz development fund, aid inflow jumped to USD 823 million in 2015. In 2016, disbursements decreased to USD 612 million, but were still higher than the pre-2015 levels. Of the USD 3.4 billion in development aid received by the Kyrgyz Republic from 2010-2016, 78.8 percent came in the form of grants, while preferential loans represented 21.2 percent of the total value (Figure 17).²⁰⁸ Russia, the United States and Germany were the Kyrgyz Republic's largest bilateral donors, while the Asian Development Bank, the World Bank and European Union institutions were the largest multilateral donors.²⁰⁹ The total contribution of the UN system through its programmes and projects for the period 2010-2016 is assessed at USD 95.38 million.²¹⁰

Figure 17: Total development assistance (grants and loans in million USD) from 2010-2016

Source: OECD (2018)



²⁰⁴ Asian Development Bank (2019). Kyrgyz Republic: Improving Growth Potential (September, 2019)

²⁰⁵ Ibid.

²⁰⁶ DFA Scoping Mission (2019). UNCT presentation (November 25, 2019)

²⁰⁷ UNECE (2019).

²⁰⁸ DEVAID LIMITED (2018). Donor activity in the Kyrgyz Republic. Special Report 2018

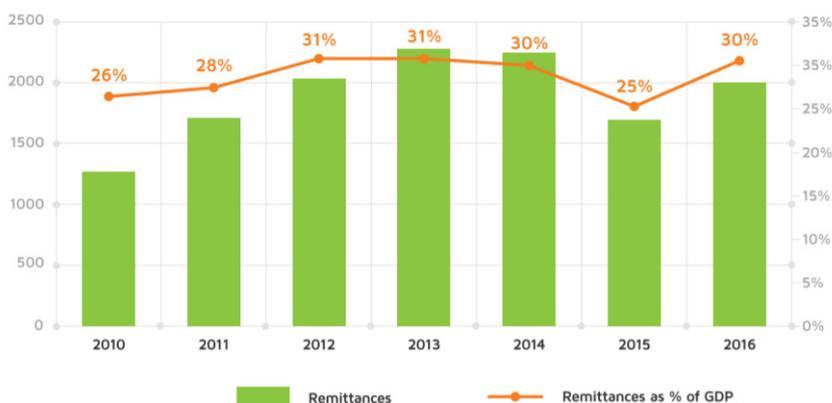
²⁰⁹ Ibid.

²¹⁰ Ibid.

Although the National Development Strategy 2018-2040 envisages a “gradual departure from dependence on donor financing” and increasing reliance on domestic resource mobilization,²¹¹ it is expected that the Kyrgyz Republic will continue to receive significant volumes of ODA in the coming years. Accordingly, the medium-term Development Programme of the Kyrgyz Republic 2018-2022²¹² still considers raising funds from international development partners as an essential pillar for implementing its objectives, together with “effective and targeted use of the national budget” and the “attraction of internal and external investors for specific projects and programmes” (see section 8.3.1 of the medium-term national development program 2018-2022).

Remittances from Kyrgyz migrant workers peaked at USD 2.3 billion in 2013, then fell somewhat as the Russian economy contracted during 2014-2015, only to pick up again in 2016, reaching USD 2.0 billion (Figure 18).²¹³ This amount equals about 30 percent of GDP and puts the Kyrgyz Republic in 2nd place globally, after Liberia, for remittances as a percentage of GDP.²¹⁴ Whereas a great part of remittances is used to cover immediate needs such as food, shelter and healthcare,²¹⁵ the huge volume of remittances flowing into the Kyrgyz Republic has great potential to contribute to better education, boost savings and allow investments in income-generating activities.²¹⁶

Figure 18: Remittance net inflow 2010-2016 (in million USD)



Source: World Bank (2017)

Considering the above and other parameters, such as unstable and reduced FDI inflows,²¹⁷ a UNDP Development Financing Assessment scoping mission to the Kyrgyz Republic has identified the following potential focus areas for strengthening development financing:²¹⁸

- Budget – National Development Strategy integration
- Digitalization and e-fiscalization

²¹¹ Government of the Kyrgyz Republic (2018). National Development Strategy 2018-2040: Transparent Society – New Epoch (November, 2018)

²¹² Government of the Kyrgyz Republic (2018). National Development Programme 2018-2022: Unity, Trust, Creation (April, 2018)

²¹³ World Bank (2017). Economic Update: Fall/Winter 2017

²¹⁴ DEVAID LIMITED (2018). Donor activity in the Kyrgyz Republic. Special Report 2018

²¹⁵ World Bank (2017). Economic Update: Fall/Winter 2017

²¹⁶ See also: UNDESA (2018). Remittances – an untapped engine for sustainable development (May, 2018) <https://www.un.org/development/desa/en/news/population/remittances-engine-for-sustdev.html>

²¹⁷ Asian Development Bank (2019). Kyrgyz Republic: Improving Growth Potential (September, 2019)

²¹⁸ DFA Scoping Mission (2019). UNCT presentation (November 25, 2019)

- Parliamentary scrutiny over financing
- Energy reform
- Leveraging remittances for development

The introduction of innovative approaches to attract private investment and enhancement of tax incentives may boost private sector flows to development.

Technology²¹⁹

The 2030 Agenda in general and SDG 17 in particular stresses the role of science, technology and innovation (STI) as drivers of sustainable development. SDG 17 calls for enhanced North-South, South-South and triangular cooperation on and access to STI and for enhanced development and diffusion of environmentally sound technologies. A recent review of the national innovation system and performance shows that the Kyrgyz business sector's capacity to absorb and adapt knowledge and technology from abroad is currently weak. It lacks managerial capabilities, invests very little in adaptive research and development, attracts little foreign knowledge through FDI outside the mining sector, and has difficulty in meeting international standards.

There are, however, a few notable successes already which may offer opportunities for scaling up. A few technology-based start-ups have succeeded in catering to foreign clients, attracted by falling communications costs and the low capital investment needed. In 2016, 18.5 percent of Kyrgyz goods exports came from high-technology sectors, mostly pharmaceuticals, electronics, and optical equipment – though as a percentage of total manufacturing output, export figures remain modest. As these sectors involve productive capabilities that easily lend themselves to related or higher-value added activities, they may make up a modest platform that could lead ventures into further tradeable sectors.

Overall, more policy support is needed to build productive capabilities through foreign transfer not only of technology but of knowledge more generally, including new business models and better managerial practices. Policy instruments can include technology extension services, awareness raising and training programs on international quality standards and managerial practices, certification laboratories, demonstration and pilot projects, tax advantages for importing technology, and incentives for foreign investors to cooperate with local suppliers.

Data, monitoring and accountability

The 2030 Agenda and, specifically, SDG 17, emphasize the fundamental importance of producing strong and reliable official data and statistics for national development planning, progress reporting and public accountability of government institutions. In order to ensure proper monitoring and reporting on the SDGs, SDG target 17.18 emphasizes that, by 2020, capacity building in all developing countries should be enhanced “to increase significantly the availability of high-quality, timely and reliable data disaggregated by income, gender, age, race, ethnicity, migratory status, disability, geographic location and other characteristics relevant in national contexts.” Such multi-dimensional disaggregation of data will be an essential requirement for targeting the most vulnerable groups and achieving LNOB across all regions of the Kyrgyz Republic.

A recent MAPS mission confirmed that the Government of the Kyrgyz Republic has taken significant steps in setting up its national SDG monitoring system. Apart from playing an

²¹⁹ UNECE (2019).

active role in the development of the global SDG indicator framework, the Kyrgyz Republic has undertaken an assessment of its statistical capacity and system's readiness for reporting on the SDGs. The assessment concluded that the Kyrgyz Republic had an immediate readiness to report on 96 indicators or 48 percent of the global applicable SDG indicators, with strongest capacities to report on SDGs 3, 9 and 17, and weakest capacities on SDGs 6, 8, and 12. Lastly, important progress has been achieved in developing a tailored, national SDG indicator framework which needs to become an integral part of the national development planning processes.²²⁰

While the Kyrgyz Republic has relatively good data availability, data disaggregation remains a fundamental challenge.²²¹ To realize LNOB, monitoring systems need to consider wealth quintiles, household migration and displacement status, ethnicity, and more granular age-group categories. In addition, all sector-wide data need to be disaggregated by sex and age. Overall, the national statistical system needs to identify and monitor all vulnerable groups, including, ethnic minorities, people living with disabilities, out of school children, migrants and other groups. Also, for some indicators, the regularity of data collection needs to be improved.²²² Taking these measures will ensure better targeting of government policies and programmes to address multidimensional disparities affecting vulnerable groups, as well as comprehensive and accurate reporting on progress against the SDGs. Efforts need to be made to install a gender-responsive monitoring and evaluation system across all SDGs, and to fully integrate human rights and gender equality in all monitoring and evaluation exercises.

With the National Statistics Committee in charge of monitoring and reporting on the SDGs, further capacity building will be required to strengthen and harmonize internal data flows between sectors and to aggregate statistics from the census, surveys and administrative record, in particular for the most vulnerable groups.²²³ Given that, currently, most data exchange is still paper-based, strong efforts need to be made to develop national online data sharing and reporting platforms which will lead to significant efficiency gains and better access for policy-makers and other users.²²⁴

It will be important to promote the interoperability between statistical, environmental, health, geospatial, hydrometeorological and other systems within e-governance and the Open Data framework.

Cross-boundary, regional and subregional perspective

The Kyrgyz Republic participates in the United Nations Special Programme for the Economies of Central Asia (SPECA) aimed at strengthening subregional cooperation in Central Asia and its integration into the world economy. It addresses subregional co-operation in such areas as water, energy, environment, sustainable transport, transit and connectivity, trade, statistics, knowledge-based development and gender.²²⁵

²²⁰ UN system (2019). Report of the UN Interagency MAPS Mission Team, January 2019

²²¹ Ibid.

²²² Ibid.

²²³ Ibid.

²²⁴ Ibid.

²²⁵ UNECE (2019). <https://www.unece.org/speca/welcome.html>

4. STRUCTURAL CHALLENGES, PATTERNS OF EXCLUSION AND LNOB

Chapter 4 provides some insights on main structural and systemic development challenges, identifies principal patterns of exclusion and key vulnerable groups, and assesses the current country situation against the principle of “leaving no one behind” (LNOB).

4.1 Structural challenges

Since the fall of the Soviet Union, the Kyrgyz Republic has gone through a major transition of its political and economic system, in search of a new national identity and shared vision. While the country has made great strides since its independence in overcoming the institutional ruptures and deep economic recession, long-term success of shifting to a pluralistic democratic system and an open market economy will depend on overcoming some of the underlying and structural challenges the country is facing.

As shown in chapter 3.4, **weak governance and institutional ineffectiveness** are principal causes for the country’s principal development challenges including persistent poverty, low agricultural productivity, environmental degradation as well as lack of quality education, limited human rights protections, livelihoods and social protection. While freedom of the media and regulatory quality exceed average performance in the region, public governance is hampered by a lack of institutional capacity, weak regulatory frameworks and frequent changes in administration.²²⁶

Weak rule of law is deeply interconnected with problems in the economy and the environment. Although legal and policy frameworks are in place across many sectors, effective implementation lags far behind.²²⁷ Corruption is a major challenge which effects all areas of public life and economic development, ranking the Kyrgyz Republic 135th among 180 countries in the 2017 Corruption Perceptions Index. The resulting unfavorable business environment and lack of jobs, especially for the youth, not only adds further to extensive labor migration, low trust and weak contract compliance, but also explains the pull towards extremist movements and ideologies.

Deeply rooted cultural norms manifest themselves also in strong **clan loyalty** which infuses the democratic political system with **patronage and identity politics** instead of promoting rational and merit-based decision-making.²²⁸ Another root cause for poverty and related development challenges lies in the **patriarchal cultural norms** and established predominance of men over women,²²⁹ resulting in widespread gender discrimination and other forms of discrimination which impacts all aspects of private and public life and constitutes a primary obstacle to the achievement of the SDGs and the overarching principle of LNOB in the Kyrgyz Republic.

4.2 Patterns of exclusion and vulnerable groups

The lack of a comprehensive law on equality and accompanying implementation mechanism means that there is currently no effective avenue in the Kyrgyz Republic to address cases of

²²⁶ EBRD (2019). Kyrgyz Republic Country Strategy 2019-2024 (July, 2019)

²²⁷ United Nations (2019). Conflict and Peace Analysis (April, 2019)

²²⁸ Ibid.

²²⁹ United Nations (2016). Common Country Assessment for the Kyrgyz Republic (September 2016)

discrimination. The assessment, in chapter 3 above, of the social, economic and environmental development situation of the Kyrgyz Republic points to the following characteristic patterns of exclusion and specific marginalized populations and vulnerable groups:

1. Gender – Women and girls in the Kyrgyz Republic are lagging behind in social and economic terms. The widespread phenomenon of GBV is exemplary in this regard, as well as women’s low participation in the labor force, political decision-making and in public life (see also 3.1).

2. Area of residence – Opportunities for leading a healthy and productive life in the Kyrgyz Republic and exposure to environmental and other risks depend significantly on the location of one’s residence. Access to social services and economic opportunities differs between rural and urban areas, contributing to strong rural-urban migration and posing challenges to effective urban planning.

3. Regional disparities – The Kyrgyz Republic shows considerable regional disparities in economic and social development, with great differences in per capita GDP and poverty rates, as well as overall health and education outcomes.

4. Age – Children and youth are more at risk of being excluded in the Kyrgyz Republic. Children are particularly vulnerable to poverty and exploitation, especially “children left behind” by parents going abroad as migrant workers.²³⁰ The large youth population is increasingly affected by unemployment and lack of economic opportunities, especially women between 20-29 years. Lack of quality education and vocational training deprives many children and youth of opportunities to attain sustainable livelihoods, contributing to inequality and increasing the risk of social and political instability, and religious extremism.

5. Internal and external migration – Economic migrants and their families typically face multiple vulnerabilities and deprivations, including poverty, and have a high risk of experiencing violence, exploitation and abuse. An estimated one million people have moved from rural to urban areas in the Kyrgyz Republic. Many of them live on the outskirts of Osh, Bishkek and Jalal-Abad, in hazardous dwellings with limited water, gas, electricity, sanitation and communications, and have restricted health care, education and social benefits. Over 700,000 Kyrgyz citizens are working abroad, mainly in the Russian Federation. The accession of the Kyrgyz Republic to the Eurasian Economic Union in 2015 further increased the number of external migrants to Russia from 526,000 people in 2014 to about 665,000 people in 2017.²³¹

6. Ethnicity – About 27 percent of the population are members of minority ethnic groups. Uzbeks – who primarily live in the southern regions of Osh and Jalalabad – make up the largest group with about 14.6 percent of the population.²³² Development challenges associated with ethnic minorities include high poverty rates; higher numbers of migrant workers amongst minority groups – especially from the southern regions; underrepresentation in political bodies and law enforcement; and a reduction of bilingual education in ethnic minority languages other than Russian.²³³

²³⁰ IOM (2016). Environment, climate change and migration in the Kyrgyz Republic. https://environmentalmigration.iom.int/sites/default/files/publications/IOM_env_mig_web_en.pdf

²³¹ Ibid.

²³² Minority Rights Group International (2019). <https://minorityrights.org/country/kyrgyzstan/>

²³³ United Nations (2019). Conflict and Peace Analysis (April, 2019)

7. Disability – About 3 percent of the population or 178.000 people are people with disabilities, of which about 30.000 are children. Although the Kyrgyz Republic has ratified the UN Convention on the Rights of Persons with Disabilities in May 2019, and specific national policies and legislation are in place, effective implementation is lacking. Persons with disabilities still have very limited access to early identification and early intervention, educational services and healthcare, especially in rural areas. Apart from inadequate access to social services and welfare, physical access constraints exist with regards to public and commercial buildings, cultural centers and recreational facilities. Women and girls with disabilities are facing higher levels of discrimination and access constraints than men and boys with disabilities.²³⁴

8. Sexual orientation and gender identity – LGBTI people and communities in the Kyrgyz Republic face harassment from law enforcement authorities, including threats of blackmail and extortion, and discrimination in all spheres of life. Patriarchal cultural norms, as well as a long history of criminalization of homosexuality before independence, leads to an overall negative attitude towards LGBTI people.

9. Informal employment – With 70% of jobs in the informal sector, the majority of the working population is excluded from social protection, minimum wage legislation and trade union organization, and affected by a lack of job security and low incomes.

4.3 Leaving no one behind

The global commitment of the 2030 Agenda to “leave no one behind and reach the furthest behind first” (LNOB) is grounded in the UN’s foundational principles and its normative standards of equality and non-discrimination, as well as international human rights law and national legal systems across the world. LNOB requires moving beyond measuring average and aggregate progress, towards ensuring progress for all population groups, based on a solid evidence base of disaggregated quality data.

The SDG progress report of the recent MAPS mission to the Kyrgyz Republic attests to the relatively good data availability, yet also points to a fundamental lack of disaggregated data.²³⁵ To realize LNOB, the national statistical system needs to identify and monitor all vulnerable groups, including ethnic minorities, people living with disabilities, people living with HIV and at higher risk to HIV, out of school children and migrants. It also needs to strengthen the regularity of data collection for some indicators (see also section 3.5 above on Data, Monitoring and Accountability). In addition, UN human rights monitoring mechanisms have recommended that the Kyrgyz Republic adopts comprehensive anti-discrimination legislation in line with international standards.²³⁶

Although national development strategies and programmes, as well as the 2016 CCA and UNDAF 2018-2022, make numerous references to vulnerable groups, and recent assessments such as the 2018 MICS provide new and more granular data, a comprehensive in-depth analysis and disaggregated understanding of who is left behind in the Kyrgyz Republic is still work in progress. Based on the 2018 MICS, the UNCT has reached out to UNESCAP who conducted a

²³⁴ UNDESA (2018). Kyrgyzstan’s Social Protection Measures and Programmes (June, 2018) <https://www.un.org/development/desa/dspd/wp-content/uploads/sites/22/2018/06/3-1.pdf>

²³⁵ UN system (2019). Report of the UN Interagency MAPS Mission Team (January 2019)

²³⁶ OHCHR (2019)

study identifying groups with the lowest and highest access to 13 essential opportunities and services for meeting people’s basic needs and aspirations. The study confirms that the average gap between the “best off” group and the one “furthest behind” in the Kyrgyz Republic is similar to other countries in the Central Asia region, and considerably smaller than in the majority of countries in the wider Asia and Pacific region. Amongst the 13 opportunities and services in the Kyrgyz Republic, access to full-time employment, higher education and bank accounts show the widest gaps, whereas opportunities for not being overweight or stunted, and for accessing secondary education have the smallest gaps.

Another recent UNCT initiative to strengthen the evidence-base on LNOB is a nation-wide assessment using a methodology to provide the Kyrgyz Republic with reliable and transparent yearly data on multidimensional poverty.²³⁷ Based on the annual Kyrgyz Integrated Household Survey, it captures five crucial aspects of wellbeing for the Kyrgyz Republic – education, health, monetary poverty, food security, and living conditions. It concludes that, overall, 50.3 percent of the Kyrgyz population are multidimensionally deprived.

The report identifies the lack – or low standards – of public services and utilities including sewerage, potable water, reliable electric connections, and gas, especially in rural areas, as a main characteristic of poverty in the Kyrgyz Republic. Furthermore, it reveals high levels of income and food poverty with a quarter of the population living below the national poverty line and almost half of the population consuming less than the recommended 2100 kcal per day. On the aspect of education, the report draws attention to high levels of deprivation and great challenges in early childhood education.

The report highlights that rural populations are generally more deprived, and more frequently affected by multiple deprivations, resulting in increased prevalence and intensity of multidimensional poverty in rural areas. It shows that – apart from issues of overcrowding and low caloric intake – individuals living in Bishkek are much less affected by multidimensional poverty than populations in other parts of the country (Figure 19).

Figure 19: Incidence of multidimensional

Poverty (select population groups and regions)

Source: MPI assessment based on the 2016 Kyrgyz Integrated Household Survey

	Incidence of multidimensional poverty
Total Population	50.3%
Urban	36.9%
Rural	57.5%
Men	50.4%
Women	50.1%
Children (below 18 years old)	59.7%
Adults (18 to 64 years old)	43.7%
Elderly (65 years old and above)	49.2%
Issykul	45.7%
Jalal-Abad	59.6%
Naryn	58.3%
Batken	64.9%
Osh	57.5%
Talas	49.8%
Chui	45.4%
Bishkek	26.7%
Osh city	47.3%

²³⁷ UNU-MERIT/MGSOG (2019). Multidimensional Poverty Assessment for the Kyrgyz Republic (commissioned by UNICEF, September 2019)

The report also finds that both, multidimensional and income poverty, are more prevalent among large households. Lastly, the report identifies a clear pattern of deeper and more widespread multiple deprivations among children, thus highlighting the issue of child poverty as a crucial challenge for achieving sustainable development for all people in the Kyrgyz Republic.

In addition to these initiatives, the new global guidance for UNCTs recommends using the “five factors” of LNOB to gain a comprehensive and more in-depth understanding of who is left behind, with a focus on multiple, simultaneous vulnerabilities to identify the “furthest behind” populations as a basis for effective targeting of vulnerable populations and achievement of the SDGs (see Annex).

Together with more comprehensive analyses on the “five factors” of LNOB, the new findings described above should help strengthen joint programmatic planning for the remaining UNDAF period 2020-2022. In particular, they should inform implementing the recommendations of the recent MAPS SDG progress report, to ensure that the identified SDG accelerators target specifically those who are “furthest behind” and respond to their priorities and needs.

5. PERSPECTIVES FOR SUSTAINABLE DEVELOPMENT AND POTENTIAL RISKS

The sudden shift from the Soviet system to a modern, pluralistic market economy, as well as prevailing “clan-based” and “patriarchal” cultural norms as well as “discriminatory attitudes” that are permeating most aspects of public and private life, have been identified as fundamental root causes of persisting development challenges in the Kyrgyz Republic. Added to this is the global climate crisis which contributes to extreme weather patterns and rising temperatures, thus affecting agriculture and food security, safety of human settlements, biodiversity and the availability of water for human consumption and for hydropower generation.

While these root causes will continue to persist for some time, many underlying and immediate causes, especially at the institutional level, can be addressed in the short- and medium term to reduce poverty and improve access and quality of social services. This is in line with a human rights-based approach to development which focuses on building the capacities of duty-bearers (typically government institutions) to fulfill the rights of the people, in particular the most vulnerable groups, as rights-holders.

Specifically, the strong government push towards **digitalization and e-governance**, and the emphasis on **regional development**, based the recently adopted Regional Policy Concept 2018-2022 (see also section 2.3), should achieve important efficiency gains in public administration, including at local level, increase economic productivity based on the competitive advantages of each region, strengthen accountability, quality public services, public participation in decision-making, and help reduce the substantial economic and social inequalities between regions. This should have a positive effect on migration flows and contribute to stabilizing the population structure of the Kyrgyz Republic.

The realization of the «**demographic dividend**» in the Kyrgyz Republic requires strong efforts within and beyond the period of the current UNDAF 2018-2022 to ensure a healthy, well-educated and empowered youth with opportunities for socio-political engagement and decent work. Unleashing the full potential of the youth population needs to focus on empowering girls and women, supported by critical investments in sexual and reproductive health and family planning.

In view of the limited diversity and volumes of non-renewable natural resources, the strong focus of the government on **human capital development** seems appropriate. The IT sector has seen rapid development in the last years, with an increase in tech oriented start-ups and strong youth engagement in programming. Further **economic diversification** beyond the IT sector will be crucial to overcome the strong dependence on economic migration and remittances and to address a number of important risks that are linked to poverty and economic and social vulnerabilities of large segments of the population (see 3.1). The green economy concept and opportunities to attract additional investments towards mitigating and adapting to global climate change and boosting renewable energy production should be prioritized in this regard.

In pursuing the above and other development priorities, important risk factors, such as the following, need to be taken into account:

- The **high rates of youth unemployment** and youth who fall in the “not in employment, education, or training” (NEET) category constitute a significant risk to the political stability and economic future of the Kyrgyz Republic. Youth (14 – 28 years old) make up 25.7 percent of the total population, and their employability and market readiness will be an ongoing issue as the population of Kyrgyzstan is expected to grow further, and become younger, until 2035.²³⁸ While the large share of working-age population can still become a demographic dividend for the Kyrgyz Republic, this window of opportunity for accelerated economic growth is not yet harnessed. Instead, children and youth in the Kyrgyz Republic are often left behind. Unless youth socioeconomic and political engagement is addressed rapidly, many of the SDGs and national SDG targets will not be achieved.
- The continued strength of **patriarchal values** that are detrimental to women’s rights²³⁹ can undermine women’s capacities and opportunities to make independent life choices, to freely access education and the labor market, to engage in politics, and to participate in the social, economic development of the country. Furthermore, the juxtaposition of certain values and beliefs with so-called western values can further polarize public discourse, threaten freedom of expression and lead to targeting of vulnerable groups.
- Persistent high levels of **corruption and strong patronage systems** contribute to weak rule of law. In turn, **weak rule of law** and lack of justice, paired with socio-economic discontent, can lead to ethno-nationalist, criminal or religious radicalization.
- Increased **risks to human health and the environment** can be a significant factor to contribute to discontent and lead to the social tensions.
- The **underrepresentation of ethnic minorities** in elected bodies and institutional bodies, emphasis on the **Kyrgyz Jarany as the model** for the country’s development, continued discrimination in the judiciary/law enforcement, and lack of accountability for past crimes can foster tensions between ethnic Kyrgyz and minority populations, and stand in the way of strengthening greater national unity and a shared identity that is based on cultural diversity.
- The global climate crisis presents a number of risks to sustainable development of the Kyrgyz Republic. Rising temperatures and extreme weather patterns will affect water availability for drinking, irrigation and hydro-power generation. It will also further increase the risks of floods and mudslides which already cause economic losses and affect thousands of Kyrgyz citizens each year. The effects of climate change on hydro-energy generation can have a significant negative impact on economic growth. The effects of climate change will also make it more challenging to expand agricultural production and ensure food security for a growing population.

²³⁸ UCA (2019). Labour Market for Youth in Kyrgyzstan (June 2019)

²³⁹ United Nations (2019). Conflict and Peace Analysis (April, 2019)

6. CONCLUSIONS

Overall, the assessment shows that the country situation – in its political, social, economic and environmental dimensions – has not fundamentally changed since the formulation of the 2016 CCA and the UNDAF 2018-2022. Some important developments already took place in the years before these documents were finalized, including the EEU accession in 2014 and the adoption of the 2030 Agenda. While the latter has been reflected to some extent in the 2016 CCA and the UNDAF, the SDGs had not yet been measured and contextualized at the time, and the use of the LNOB principle was mainly limited to listing relevant vulnerable groups under each UNDAF outcome instead of conducting in-depth analyses on who, where and why these groups are left behind, what their needs are, and which institutions and capacities need to be strengthened to address these needs.

Although the country situation has not profoundly changed since 2016, the following important developments have taken place in the last three years which have a direct bearing on UN strategic positioning and programming in the Kyrgyz Republic:

- UN Secretary General’s reform package
- National process of localizing the SDGs (incl. UN MAPS mission)
- National Development Strategy 2018-2040 and National Development Programme 2018-2022 “Unity, Trust, Creation”
- Year of Regional Development 2018, Year of Regional Development and Digitalization 2019, and Programme Digital Transformation Kyrgyzstan 2019-23
- Accession to the community of Open Government Partnership (first CA country)
- Ratification of International Conventions (Paris Agreement, Convention on the Rights of PWD)
- Sectoral Policies and Programmes, e.g. State Program 2019-2030: Healthy Person – Prosperous Country, Food Security and Nutrition Program 2019-2023, Green Economy Program 2019-2030, Inclusive Education National Concept 2019-2023...

Whereas the CCA Update confirms the continued relevance and pertinence of the agreed UNDAF priority areas and outcomes, the above developments, as well as the potential development opportunities and risks listed under section 5, should be closely considered in the upcoming formulation of updated UNDAF Joint Work Plans for the period 2020 – 2022.

The National Development Strategy 2018-2040 shows a strong shift towards inter-sectorial priorities and initiatives which can boost economic and social performance, as well as environmental sustainability, across many areas. This approach has been further confirmed at the 2019 High Level Development Forum which establishes a focus on six priority areas: 1) digitalization, 2) regional development, 3) investment climate, 4) human capital, 5) integrated water resources management, and 6) climate change and disaster risk management.

This agreement between Government and development partners, including the UN system, to comprehensive and strategic inter-sectorial collaboration will require UN agencies and the UNDAF Results Groups to work closely with technical counterparts, and with each other, across the four UNDAF Outcome areas, to ensure effective integration of the new and cross-cutting national development priorities. The mandates and comparative advantages of each UN entity,

and of the UN system, as well as the ability to develop sound and attractive programmatic proposals, will determine the extent to which these cross-cutting priorities should be adopted as programmatic themes in the updated UNDAF Joint Work Plans.

The National Human Rights Action Plan 2019 – 2021, if used and implemented diligently, can serve as guidance for the country's development trajectory for years to come. The Plan defines key areas of intervention needed in order to ensure no one is left behind.

In the short and medium term, the UN system should focus specifically on supporting strong and effective national data management and systems, as a fundamental prerequisite for achieving the SDGs and reaching the populations that are left furthest behind. A focus on disaggregated quality data and statistics across all SDGs will also be crucial to ensure that the strong emphasis in the new national strategies and plans on economic development is supported by a strong evidence-base which pays equal attention to the social and the environmental dimensions of sustainable development. In the end, long-term economic prosperity depends on a peaceful and inclusive society, and both, the economy and social wellbeing, depend on a healthy and sustainable natural environment.

ANNEX

The “Five Factors” of LNOB: Who is left behind and to what degree?

Source: UNSDG (2019). LNOB Operational Guide for UNCTs

FIGURE 1 FIVE FACTORS OF LNOB: ASSESSING THE EVIDENCE OF WHO IS LEFT BEHIND AND TO WHAT DEGREE?



Regularly updated disaggregated data on each of the “five factors” of LNOB are considered fundamental to identify who is being excluded or discriminated against, how and why, including multiple and intersecting forms of discrimination and inequalities. This entails identifying inequalities in opportunities and outcome, patterns of discrimination in law, policies and practices, as well as deeply rooted structural and cultural patterns of exclusion, and moving towards both formal and substantive equality for all groups in society. This requires supporting legal, policy, institutional and other measures to promote equality and free, active and meaningful participation of all stakeholders, particularly the most marginalized, in the political and public sphere.

