

Sida Country Report 2006

Kyrgyzstan, Kazakhstan and Uzbekistan



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Published by Sida 2007

Department for Europe

Author: Division for Eastern Europe and Central Asia

Printed by Edita Communication, 2007

Art. no.: SIDA37552en

This publication can be downloaded/ordered from www.sida.se/publications

List of Abbreviation

ADB	Asian Development Bank
AIDS	Acquired Immune Deficiency Syndrome
CDS	Country Development Strategy, poverty reduction strategy
DESO	Democracy and Social Development Department, Sida
DCI	Development cooperation instrument
EC	European Commission
EECA	Eastern Europe and Central Asia Department, Sida
ENPI	European Neighbourhood Partnership Instrument
EU	European Union
GPS	Global position system
HDI	Human Development Index
HIV	Human immunodeficiency virus
HIPC	Heavily indebted poor countries
IOM	International organization for migration
JPO	Junior professional officer
JCSS	Joint country support strategy
MDG	Millennium development goal
MDR	Multi Drug Resistance
MoEF	Ministry of economy and finance
MLSP	Ministry of labour and social protection
NGO	Non Governmental Organisation
NSC	National statistical committee
ODA	Official Development Assistance
OSCE	Organization for security and cooperation in Europe
PFM	Public financial management
SDC	Swiss development cooperation
Seco	State secretariat for economic affairs
SCO	Swiss development cooperation office representing both SDC and Seco
SME	Small and Medium Enterprises

SEKA	Department for Cooperation with NGOs, Humanitarian Aid and Conflict resolution, Sida
UNDP	United Nations Development Programme
UNAIDS	United Nations Programme on HIV/AIDS

1. Summary

The goal of the development cooperation with Kyrgyzstan is to support the country's long-term programme for poverty alleviation, the Country Development Strategy, CDS. The strategy was finalized late 2006 and is expected to be approved in March 2007.

Efforts have been made during 2006 to prepare interventions in the prioritized areas health and public financial management, PFM. A decision was taken in December to support the sector wide approach in health with 89 MSEK for five years. Joint donor efforts have been made to achieve a broad understanding of the PFM reform and to secure ownership among Kyrgyz authorities and to harmonize donors' interventions. There has been mixed progress and much work remains to be done to come to a consolidated reform package to the public financial management. For the time being, budget support is not a realistic model.

Donor cooperation is well functioning in Kyrgyzstan with an active donors' council. The difficult political situation has negatively influenced the reform work.

2. Political, Economic and Poverty Development

2.1 Regional Outlook

The booming economies of Russia and Kazakhstan continue to attract large numbers of labour migrants from Kyrgyzstan and Tajikistan and a growing number also from Uzbekistan. Economic diversification is still weak and regional trade remains underdeveloped.

The last year saw a substantially enhanced and expanded cooperation between the Central Asian countries, Russia and China within the Shanghai Cooperation Organization as well as the Collective Security Treaty Organization at the expense of the West and USA. The two organizations also became the springboard for a number of bilateral cooperation and investment agreements between Russia and China and Central Asian States.

EU has prepared a new strategy for Central Asia for 2007–2010 transferring the cooperation to DCI, the Development Cooperation Instrument. The bilateral cooperation will focus on poverty reduction and increase in living standards as well as support for good governance and economic reform. Regional priorities are networks, environment, and border and migration management, the fight against international crime and customs as well as education, scientific and people-to-people activities.

2.2 Kyrgyzstan

2.2.1 Economic development

The Kyrgyz Republic remains one of the poorest countries in the world with a GDP per capita of 473 USD, 2005. In spite of reduction in poverty, about 40 percent are still poor in the whole country and more than 50 percent in rural areas.

Real GDP increased by 3.2 percent, despite the decline of Kumtor's gold production. Non-gold GDP grew by 6.1 percent (January–September). Positive growth was possible due to high growth in trade (15.4 percent) and construction (21.7 percent). Agriculture failed to recover from the depression of output in 2005.

General government revenue increased to 19.0 percent of GDP. The most significant contribution to this increase was made through a continuing growth of customs duties and VAT on imports accounting for almost 80 percent of increase in budget revenues.

Increase in expenditures were recorded for almost all sectors, but social sectors (education, health and social insurance) as well as transport

were among those benefiting the most, e.g. salaries for staff of social protection increased by 20 percent in July.

Kyrgyzstan is eligible for relief under the HIPC Initiative. However, the request signed by former premier minister Kulov was withdrawn upon his resignation. HIPC has been much debated and the debt relief process may not be understood by large groups in the society. The outcome of this process is uncertain.

2.2.2 Political development, good governance and human rights

The political environment has been volatile throughout the year with tensions between the Parliament and President/government.

After demonstrations in November a new constitution was signed which was revised on December 30.

Achieving gender equality remains a serious issue. There has been a drastic decline in women's participation in decision-making processes and politics. Currently, there are no women represented in the Parliament. Women constitute 54% of the unemployed and their wages make up 66% of those of men. The Human Rights Watch, September 2006, focuses fully on domestic abuse and abduction of women in Kyrgyzstan.

Although local rights groups in 2005 reported greater freedom of the media following the change in government, in 2006 these achievements were rolled back. Reporters without borders classify Kyrgyzstan in 123rd place as regards to freedom of the press.

Although Bakiev announced his support for the abolition of the death penalty in 2005, as of November 2006 no such legislation has been introduced. At least five people were sentenced to death in murder cases in 2006, although the moratorium on executions introduced under Akaev remained in force. Civil society activists continued to report frequent incidents of police abuse, including torture. Uzbek asylum seekers in Kyrgyzstan face harassment and a serious risk of forced return to Uzbekistan.

2.2.3 Risks for conflicts

Tensions and conflicts within Kyrgyzstan are of a multi-faceted nature stemming from a variety of challenges. Corruption, lack of dialogue and trust between the population and the authorities as well as unequal power relations, is leading to increased discontentment on the part of civil society and the population at large. The overall situation is aggravated by south-north differences and divisions that continue to insinuate themselves into different aspects of the social and political life. The Government faces the challenge of finding a balance between its concern for security and the maintenance of order and its obligation to ensure social cohesion and a peaceful environment for development for all of its citizens.

The Ferghana Valley with its high population density, ethnic variety and disastrous border constructions not clearly delineated is a source of repeated tensions and disputes about land. In addition, the rise in religious activity especially in the south and the potential conflict over its place in society is also a cause for concern.

2.2.4 Poverty reduction

A poverty reduction strategy, named Country Development Strategy was finalized late 2006 and is expected to be approved in March 2007.

2.2.5 Millennium development goals, MDGs

Kyrgyzstan has a mixed track record in its progress towards achieving the national millennium development goals, MDGs. Although there has been progress towards reducing poverty, inequality and regional disparities have increased. A negative trend has been observed in literacy among men and women 14–24 years old.

In spite of the ongoing healthcare reform, ensuring universal access to qualified obstetrics and child birth services remain a problem, especially in rural areas. While the country has an integrated national system for combating HIV/aids, TB and other infectious diseases, the country has yet to effectively manage and curb these diseases. Porous borders, increase drug trafficking throughout the country, uncontrolled labour migration increases the susceptibility of the country to HIV/aids, TB and other infectious diseases. A revised progress report on MDGs is in progress. According to UNAIDS, the aids epidemic currently appears to be relative stable with 130–170 HIV-cases having been reported annually since 2001.

3. Swedish Development Cooperation – Overall Assessment of the Country Programme

3.1 Relevance of the Strategy

The slowly developed poverty reduction strategy of Kyrgyzstan, the country development strategy, CDS, was finalized late 2006. It is expected to be approved by the Government in March 2007. It has four main priorities, i) increase of economic capacity, ii) fight against corruption, iii) socially-oriented development and iv) provision of environmental sustainability.

A draft joint country support strategy, JCSS, has been developed by core donors (WB, ADB, UN, DFID and SDC) to support the CDS. As Sida had to deliver a strategy already in 2005, Sida could not take part in this process, but Sida has followed the process carefully and the Swedish strategy has been well known. The focus areas, democratic governance, health and social issues match the priorities set in the CDS. The Swedish strategy is thus still relevant.

Dialogue issues (transparent and democratic governance and gender equality)

The main forum for dialogue with the government is through the Donors' Council through which joint comments have been given to the Country Development Strategy. In addition, dialogue has been carried out during the projects, e.g. the PFM reform, where transparency and democratic governance are the purpose. Gender has been both a specific and a cross-cutting issue.

It has not been possible to come to a conclusion on the Agreement on General Terms and Conditions with Kyrgyzstan.

A decision has been taken to phase-out bilateral support to Kazakhstan by 2009 and Uzbekistan by 2007 and that no decision shall be taken to support bilateral activities in Turkmenistan.

3.2 Volumes and Disbursements

3.2.1 Kyrgyzstan

Disbursement more than doubled from 17.9 MSEK 2005 to 36.7 MSEK 2006, mainly due to successful conclusion of the agreement for the health SWAp. Continued increase is planned for 2007 to 50 MSEK and then to remain at that level for 2008. As resources are limited at present, some activities have to be rejected such as support to anti-trafficking, some have to be down-scaled such as the gender support or postponed such as the support to social safety net.

2006 has to a large extent been used to prepare interventions in line with the strategy. It is early to measure results in the form of output at a national level. The strategy's vision is a long-term perspective covering at least 15 years. Sida has made several extensive preparations with the purpose of moving from small projects to comprehensive joint donors' contribution. The health sector wide approach was brought to a successful signing of agreement with specific safeguards and so was the public health support delegated through the Swiss Development cooperation, SDC. It implicated a screening of the SDC according to the Nordic Plus Group criteria which was the first cooperation with SDC of this kind.

A joint approach has also been taken in the public financial management support. This is Sida's main contribution to democratic governance. The process has been slow due to weak institutions and weak Government leadership. General budget support is not likely to be possible during this strategy period.

The serious work on harmonisation between donors in Bishkek and the overall good joint donors' cooperation has been to the benefit of Sida and has helped in preparations and dialogue with the government.

3.2.2 Regional, Kazakhstan and Uzbekistan

Of the planned 113 MSEK for the whole Central Asia 2006, Sida disbursed 126 MSEK, thus 13 MSEK above target which has been deducted from the 2007 year's budget.

At regional level 14 MSEK was disbursed mainly for human rights (70%) and natural resources (10%). 6.3 MSEK was disbursed for Kazakhstan of which 4.4 MSEK (70%) for human rights and democratic governance and 1 MSEK (16%) on OSCE. Of the 9.9 MSEK to Uzbekistan 6 MSEK (61%) was disbursed to Médecins sans Frontières and 2.9 MSEK (30%) to ICRC Appell.

4. Specific Country Programme Overview of the Swedish Development Cooperation

Strategy objective: Democratic institutions guaranteeing citizen's effective participation in the fight against poverty, and sustainable development for the individual, the community and the state, via projects/programmes aimed at

- developing sound public financial management systems*
- strengthening administrative competence and capability*
- fighting corruption*

4.1 Kyrgyzstan

4.1.1 Democratic Governance

Sida's contribution 2006: assistance in developing plans and identifying capacity building needs in PFM

In the CDS the authorities recognize that significant problems still remain in public financial management, PFM and the improvements are the key to making progress in poverty reduction and economic growth. In particular, frequent and non-transparent revisions to the budget make budget execution at the sector level unpredictable. Accountability for the use of funds is further weakened by the lack of robust internal controls and a modern and comprehensive accounting framework. The need for effective internal audit has also been enhanced by donors in connection with the Manas Taalimi Health Reform.

Development partners (World Bank, ADB, DFID, USAID, SDC/Seco, Sida) are beginning to move away from fragmented technical assistance in the PFM area in favour of harmonised assistance in support of a Government owned PFM action plan consistent with the Paris Declaration on aid effectiveness.

Some progress has been made in implementing the Action Plan. However, it has during 2006 become clear that many aspects of a modern financial management framework and system are not widely understood. This seems to hamper the implementation of some of the technical assistance supported reform proposals as some important conceptual issues have not been fully resolved. Recognizing that the implementation of technical measures requires enhanced capacity, the authorities have requested the donors to provide complementary technical assistance for capacity building in the reform areas as well as overall reform manage-

ment. The objective of Sida's engagement and support has therefore been to identify the ways of engaging with the Government and donors, strengthening country ownership and assisting the authorities in identifying capacity building needs related to the PFM reform plan.

During 2006 Sida has, in cooperation with other donors, worked together to support the MoEF in developing realistic capacity building plans to give incentives to the staff to remain with the MoEF and provide technical skills to support the PFM reform programme. The capacity building efforts are expected to include designing, and supporting the implementation of a training plan for: management training (including project management, process re-engineering, personnel management); and specialized training in the current reform areas (e.g. accounting, internal audit and control systems, macro-economic modelling and analysis, budget analysis, IFMIS¹ system design, etc).

These efforts will be closely coordinated with the development of a possible program for academic training related to PFM, which could eventually become a pre-service programme for the MoEF staff.

The authorities had included the PFM measures as the trigger areas of the proposed HIPC programme to demonstrate the importance of these two areas to the PFM reform.

The National Statistical Committee has increased its capacity

The main part of the cooperation between SCB and the Kyrgyz National Statistical Committee, NSC, has been completed during 2006. Two pilot surveys on service statistics have been done with the assistance of SCB, however, enterprises have been reluctant to report correct turnover probably due to fear of paying high taxes. NSC has also gained some information on time-use statistics and different management tools have been discussed. A database model was implemented and new hardware and software were purchased. SCB's evaluation mission concludes that NSC's capacity of how to produce statistics of good quality in the fields covered by the project has increased.

Delays in decision, delays assistance to alternatives to prison

The cooperation between the Swedish Prison and Probation Service, KVS, and the Ministry of Justice focuses on alternatives to prison.

Kyrgyz prisons are under-funded, salaries are low and working conditions dangerous which make it hard to attract and retain qualified staff. There have been two missions to Sweden during the year and three visits to Kyrgyzstan. Material assistance to inspections has been postponed waiting for a decision on transfer of the inspections to the Ministry of Justice. In spite of difficult political situation and staff turnover, a positive contact has been maintained and alternatives to imprisonment have been highlighted to the new leadership. The Swedish intervention is well in line with recommendations for reform of the International Crisis Group.

¹ Integrated financial management information system

4.1.2 Health

Strategy objective: The right of women and men to life and health through projects/programmes aimed at

- greater efficiency and equitable access to healthcare*
- improved social security systems that reach those in need*
- fewer children in institutions*

According to the CDS the main goal of the health reform for the period 2006–2010 is “improvement of health conditions of the population by creation of the sympathetic, effective, complex, integrated system of providing individual and public health service, increase of the responsibility of each citizen, family, society, government bodies and administration for health of each person and society as a whole.” The sector wide approach is part of the planned measures.

Health

Support to sector wide approach decided

The main result is the decision to support the joint-financed (Kyrgyz Republic, World Bank, SDC, DFID and KfW) National Health Care reform programme “Manas Taalimi 2006–2010” that was launched in March 2006. The overall objective of the programme is to contribute to the country’s poverty reduction mitigation and hereby reach the development millennium goals. The project preparations resulted in a decision in December, 2006 to support the sector wide approach via the World Bank. A direct support to the Minister of Health was not possible until the Ministry has improved its internal and external audit and arranged for twinning assistance for the Chamber of Account and procurement.

Grass root approach improves public health care

The preparation for a delegated cooperation with SDC started in June 2006 and was concluded in November in accordance with procedures developed within the Nordic Plus group. The implementing agency for the Kyrgyz-Swiss-Swedish project (KYSS) is the Swiss Red Cross. The programme that intends to empower people to take responsibility for their health problems is a vital part of the National Health Care reform programme “Manas Taalimi. The objective is to strengthen the civil society to reach good health and to integrate these activities into the primary health care system. The model that is called “the Jumgal model” has become a national grass root approach that will be implemented in the whole country. The Swedish contribution enables an expansion to three additional regions, Osh, Batken and Chui.

Social sector

Sidas support to children at risk and disabled children has continued with Stockholm University as implementing partner in cooperation with the Association of Social Workers of Kyrgyzstan and the Ministry of Labour and Social Protection, MLSP. The project has worked with two pilots for the two target groups.

Few children are placed in institutional care

New and better premises have been arranged for children at risk by the local administration in Sokuluk, centre Rostok. The staff group (15 persons) has been further trained and intensified their skills in practical

social works methods, network, and psychological aspects on social work as well as to carry out home visits. Today, the staffs carry out training to similar staff groups. They have deepened their cooperation with schools, police and other agencies in the neighbourhood with help of network methods around children and their families. The result is that fewer children are placed into institutional care and instead stay in their homes with support from the centre. New attitudes towards children and families at risk can be noted and has impact on how children at risk are received. This is also noticed by the home visits, which today are included in the regular work at the centre. The cooperation with the police has also developed and a special team has been created to make home visits, as well as the contacts with the court for youngsters have been intensified to support the team. The staff have been trained in pedagogical methods to raise their competence in training other staff groups. About 200 hundred families have been treated and about 56 families and their children are in actual care.

Improved attitudes towards disabled children

The staffs working with disabled children have gained more confidence in new working methods and raised their power of initiative and are running training courses for other staff groups. The role of the families in the habilitation process has been enhanced. Maksat centre has also developed networks with relevant institutions in the neighbourhood. The confidence in parents for the centres' abilities to help their children is established and more and more parents are coming to the centre. It has been reported to the Association of Social Workers in Kyrgyzstan that the work at Maksat centre has had an impact in small villages around in the country regarding attitudes towards disabled children.

A computerized case management system has been installed at four centres and is being used to follow up clients. The staff have been trained in using the programme. Today two books are printed and in use, the two others are written, but not yet printed. The cooperation with the Bishkek Humanitarian University has been intensified and Swedish lecturers have regularly lectured at the university.

Support to legislation and tripartite cooperation

The staff of the MLSP have also been trained in social legislation and social services, how to define standards and monitoring system. Support in the process in developing standards concerning children in Kyrgyzstan in cooperation with MLSP is ongoing. The project has been an important part in implementing and focusing on the new Children's code.

Cooperation with their counterpart in Lithuania has been established. The Lithuanian parts have carried out a week-long seminar and the cooperation will continue.

The planned comprehensive support to the social security system expected to be developed by MLSP and the World Bank and linked to the Sida ongoing support has been delayed due to the delayed CDS, where it now is prioritized. It is also linked to the World Bank's preparation of a new Country Assistance Strategy expected to be ready in March 2007.

4.1.3 Other areas

Seed Industry Development

A new regional organisation for seed producers established

The Sida supported “Seed Industry Development Programme” has developed according to plans during 2006. The results are of significant importance for the development of the industry. A new seed law was passed in January 2006. The law includes the regulations of seed production and certification of all types of seed and planting material. The work has also continued successfully in the areas of Plant Quarantine, Plant Breeding, Variety Testing and Seed Quality Control/Certification.

One important achievement during 2006 in the Sida support to Seed Industry Development in Kyrgyzstan was the establishment of the new organisation for the seed producers and companies in Central Asia, Central Asian Seed Association (CASA), with offices in Bishkek. CASA will represent the interests of the member seed companies at the regional level, working hand in hand with the management team of the Sida Seed Project, to harmonize seed regulations, encourage contacts between seed companies and facilitate seed trade. The members are the national seed associations of Central Asian countries. Individual companies can also become member

Land Administration

Institutional cooperation established between GosRegister and Lantmäteriet

Cooperation entered a new phase in 2006, with the agreement on institutional cooperation between GosRegister and Lantmäteriet at a broader perspective than the previous technical assistance. An inception report was developed as well as work plans, working groups for major areas have been established and the steering committee has started working. Twenty seminars, study tours and training courses were held out of which four took place abroad.

Work has started to create conditions for phasing out the manual registration to be replaced by ARS, automatic registration system. The design of a Kyrgyz Land Administration System has started. To support the cadastral field survey, a plan for a geodetic reference system has been developed. The network will be based on GPS.

Recommendations have been elaborated for work on developing modern cadastral databases and to include instructions in the Cadastral Survey Manual. The Manual will include both technical surveying recommendations as well as a summary of relevant legislation. There is still no Parliamentary decision on real estate taxation, however training has been carried out as well as pilot activities. A business plan for 2006–2010 has been formulated and serves as a basis for decisions. A training plan has been developed in collaboration with the World Bank team.

A specific gender mission took place late 2006 and resulted in a proposal for establishing a structure for gender issues in all GosRegister offices and a strategy for dealing with gender issues. An agreement was also reached to arrange a gender leadership programme.

The overall impression is that the project is running according to plan.

Environment

There has been no request for Sida’s cooperation in environmental projects by international financing institutions during the year.

4.2 Regional

Anti-trafficking

Countries are gaining ownership but much remains to be done

The anti-trafficking projects in cooperation with IOM in Kyrgyzstan and Kazakhstan were evaluated during 2006. Cooperative frameworks have been established in the two countries through which state actors can fulfil their obligations to protect and promote the human rights of trafficked persons. There are structures for coordinating efforts in a strategic partnership with civil society. Inter-ministerial groups and counter-trafficking focal point (Kyrgyzstan) or coordinator (Kazakhstan) at a national level are in function, legislations are improved, a second national action plan is being implemented in Kazakhstan and is to be implemented in Kyrgyzstan, awareness has been raised among the population and nation-wide networks of NGOs are trained for assistance of victims of trafficking. The two countries are gaining ownership of the counter trafficking and are now also contributing financially to the combat. IOM has successfully contributed to these achievements. However, trafficking is predicted to increase in the two countries. Sida was recommended to continue its support, at least in Kyrgyzstan, but this will not be possible due to budget constraints.

Training of Journalists

Harsh climate for Central Asian journalists

Fojo has completed a three years project on training of journalists in Central Asia with the purpose of strengthening media training and resource centres in the region so that they become capable of providing training and retraining for professional journalists on issues of central importance for the development of media and democracy in the region. Fojo's self assessment states that the objectives have been reached, mainly in Tajikistan as the partners in Kyrgyzstan and Kazakhstan were already rather advanced. The Uzbek centre has had limited possibilities to develop due to a harsh regime. However, Turkmen participants have also been able to develop journalism related to health and environment.

Human Rights Training

Net work for human rights established in Central Asia

During 2006, RWI organised, in cooperation with the OSCE Academy in Bishkek, Kyrgyzstan, the second year of human rights training courses under the human rights training and capacity building programme in Central Asia. The courses were regional and participants from all the five Central Asian countries were invited. The duration of the courses – Human Rights in the Administration of Justice and Equal Status and Human Rights of Women – was two weeks and the language of lectures and literature was Russian. Each training programme targeted officials working within the administration of justice (e.g. police, prosecutors, judges, public defenders, and prison authorities) as well as academics and representatives from non-governmental organisations and national human rights institutions.

Demonstrated results, attributed to the training courses, are several human rights seminars organised by the participants in four of the five Central Asian countries. A network (of informal character) has been established including previous participants and some of the local and international lecturers, where human rights questions are asked and debated. In addition, a substantial amount of human rights literature in Russian has been disseminated throughout the region, and is being read

and otherwise used by trainers and other human rights workers, including civil society organisations as well as public officials.

Plant genetic resources

A planned regional support to plant genetic resources has been postponed due to budget constraints.

Legal assistance to migrants

Free legal assistance to migrants in four countries

During the reporting period, January–July 2006, IOM expanded its legal assistance activity from 9 to 12 locations in Kazakhstan, and to three other countries in Central Asia – Kyrgyzstan, Tajikistan and Uzbekistan. NGO-partners in all project countries provided free legal assistance and consultations on migration issues to 4,468 people, including assistance to 17 hardship cases. To share the experience and develop a network, two internal workshops were held for lawyers working on the project. IOM and NGOs informed migrants about their rights through development and dissemination of 207,000 brochures and 1,500 posters in Kazakh, Uzbek, Kyrgyz, Russian and English. In addition, IOM and Bureau for Human Rights conducted five trainings for governmental officials in Kazakhstan on the rights of migrants and migration legislation. The experience gained during the project realization was reflected in the comments for draft law on changes to migration legislation, provided to the Parliament. The project also provided a research activity. The joint research activity with Transparency Kazakhstan on corruption in migration sphere has also strengthened the project.

4.3 Kazakhstan

Gender

Kazakh strategy and action plan for gender equality

The three years project supporting equal opportunities in Kazakhstan will be concluded in March 2007 by a final conference. In 2006, capacity building was carried out for enhanced strategies for more women in politics, men and gender, training of journalists and evaluation of the “Women Can” fair Kanaty Ayel which resulted in increased business. A study tour for politicians and journalist was organised for the Swedish elections which i. a. resulted in three 30 minutes long programmes in a national TV channel on women in the Swedish Election.

Main results are a new National Strategy for Gender Equality signed by the President and a National Action Plan for Implementation of the Strategy which was approved by the Government in June 2006.

An important achievement has been raise in gender awareness among the men who have participated in activities. A few influential local men have clearly stated that they are prepared to support women in politics. Networks have been established to strengthen women in politics. Men’s health has been included in the National Action Plan. Four men’s centres have been opened as a result of the project.

Preparations for a phasing out support have been carried out during 2006, planning for a completion 2009.

Statistics

A capacity development project has been carried out between Statistics of Sweden, SCB, and the Agency on Statistics of Kazakhstan, AoS. It has focused on methodology for national accounts and productivity

changes, population register, labour cost index and living conditions for disabled people. The support was well received with most interest in the population register. Sida had to cancel a planned continuation due to budget constraints which may influence sustainability in a negative way.

Prison

Focus on practical applications of alternatives to prison

The cooperation between the Swedish Prison and Probation Service and the Criminal-Executive System Committee of Kazakhstan will be completed early 2007. The project has focused on alternative measures to imprisonment and to introduce modern working methods and standards on social work concerning alternatives to imprisonment.

The reform of the prison system in Kazakhstan is said to have high priority and the probation service, the inspections, have been established in the whole country. The committee has worked out a concept of development and improvement of the penal system. The prison population has been significantly reduced, including juveniles. The inspections are understaffed but additional decrease in the number of inmates is expected. The Swedish cooperation has contributed to highlighting the alternatives to imprisonment and has focused on practical applications of alternatives. The Kazakh prison system has become more open and transparent.

4.4 Uzbekistan

Anti-TB programme shows encouraging results

Since 2003, MSF, Médecins sans Frontières, runs a Dots Plus Pilot Project in Karakalpakstan (Uzbekistan) in close cooperation with the Ministry of Health. The project provides a comprehensive package of activities aimed at the prevention, early detection, treatment and psychosocial support of patients with MDR TB². In 2006, the capacity of the TB#2 Hospital has been increased to 75 beds in order to increase the number of patients enrolled in the programme. Inpatients, treatment capability for intensive care and palliation treatment for terminally ill patients exists in the hospital. To ensure outpatients phase of treatment under direct supervision, DOTS-Plus Center has been established in Nukus City and Chimbay Rayon. MSF also supervises a Mycobacteriology laboratory in Nukus city. This laboratory has the capability of doing cultures and drug sensitivity tests on Mycobacterium tuberculosis samples from our patients. A new additional ward (30 beds) has been rehabilitated and opened to treat Poly Drug Resistant patient. In order to improve treatment adherence and reducing psychosocial morbidity of the patients, the psychosocial component is being further strengthened. Some new paediatric cases have been also enrolled in the project. By the end of 2006, the outcomes of the first cohort of patients show encouraging results.

² MDR, Multi Drug Resistance

5. Office and Administrative Issues

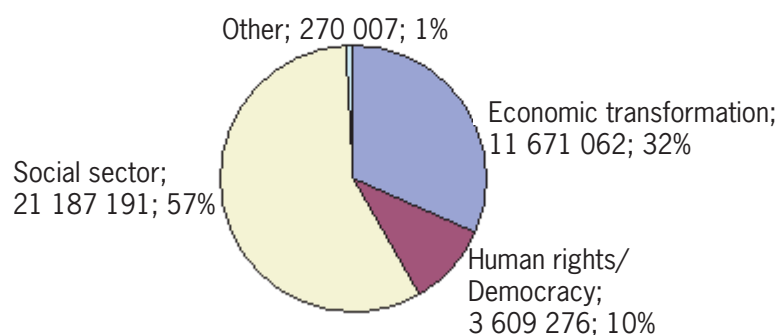
An agreement has been signed on July 25, 2006 with the Swiss Cooperation Office, SCO, in Bishkek. SCO assists Sida's missions with administrative and practical support. SCO is also active in Sidas's focus areas PFM and health and is thereby able to assist Sida more substantially by participating in meetings, donor coordination, reporting etc. Also, dialogue issues may be handled by SCO. The cooperation is fully in line with the intentions of the Paris Declaration.

JPO at the UNDP office

There is one JPO in UNDP. The JPO recruited for work at the World Bank has postponed the start until spring of 2007.

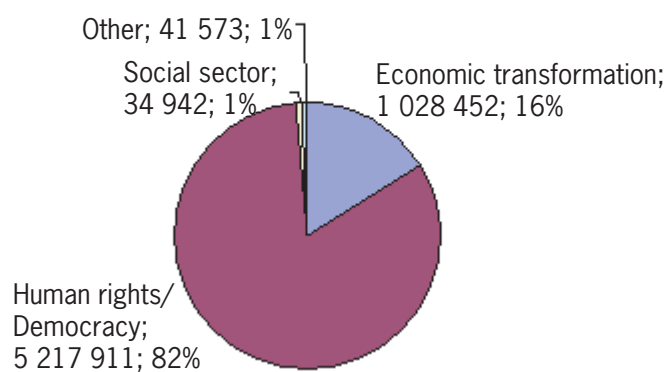
Main Sector	Outcome 2006
Economic transformation	11 671 062
Human rights/Democracy	3 609 276
Social sector	21 187 191
Other	270 007
Grand Total	36 737 536

Kyrgyzstan Outcome 2006



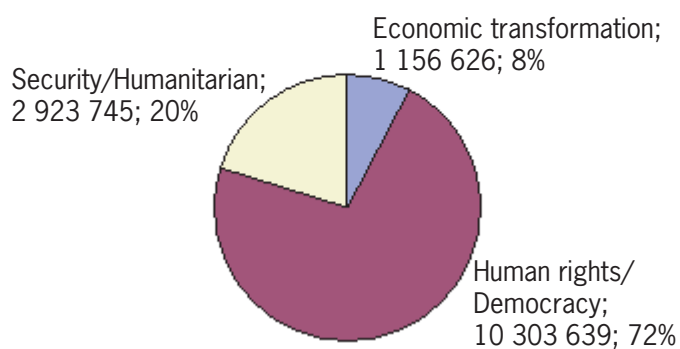
Main Sector	Outcome 2006
Economic transformation	1 028 452
Human rights/Democracy	5 217 911
Social sector	34 942
Other	41 573
Grand Total	6 322 879

Kazakhstan Outcome 2006



Main Sector	Outcome 2006
Economic transformation	1 156 626
Human rights/Democracy	10 303 639
Social sector	-73 242
Security/Humanitarian	2 923 745
Other	-257 700
Grand Total	14 053 067

Region Central Asia Outcome 2006



Annex 1: Current Planning Overview

Country report - Kyrgyzstan

Outcome and forecast in TSEK

Delimitation:

Status: I, P, A and C (agr end > 200600 or Outcome < 0)

Region/Country: Kyrgyzstan

Other:

Responsible Unit (All)

			Data			
Allocation Frame	Allocation Account	Main Sector	Outcome 2006	Outcome 2007	Forecast 2007	Forecast 2008
Outside country allocation	15561 Non-governmental organisations	01 Health	129		0	
		02 Education	399		0	
		04 HR & Democratic governance	232		0	
		07 Infrastructure	1		0	
		08 Trade, business & fin. syst	21		0	
		09 Natural resources&environm.	91		0	
		11 Other	156		0	
	15561 Non-governmental organisations Total		1 028		0	
	15683 Central Asia	01 Health	0		0	
		04 HR & Democratic governance	0		0	
		05 Conflict, peace & security	0	184	1 000	
		09 Natural resources&environm.	784		0	
		11 Other	0		0	
	15683 Central Asia Total		784	184	1 000	
	156832 Kyrgystan	01 Health	21 057	1 360	31 152	21 500
		04 HR & Democratic governance	3 637	952	5 937	10 033
		09 Natural resources&environm.	9 914	640	13 346	14 813
11 Other		114		123	120	
(blank)		0		2 700	5 850	
156832 Kyrgystan Total		34 723	2 952	53 258	52 315	
15689 Regional Southern OSS	02 Education	203		131		
15689 Regional Southern OSS Total		203		131		
Outside country allocation Total			36 738	3 136	54 388	52 315
Grand Total			36 738	3 136	54 388	52 315

Country report - Kazakhstan

Outcome and forecast in TSEK

Delimitation:

Status: I, P, A and C (agr end > 200600 or Outcome < 0)

Region/Country: Kazakhstan

Other:

Responsible Unit	(All)
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Allocation Frame	Allocation Account	Main Sector	Data			
			Outcome 2006	Outcome 2007	Forecast 2007	Forecast 2008
Outside country allocation	155341 Global Dev. Programs, PEO	04 HR & Democratic governance	0		0	
	155341 Global Dev. Programs, PEO	Total	0		0	
	15561 Non-governmental organisations					
		01 Health	35		0	
		02 Education	108		0	
		04 HR & Democratic governance	261	72	188	190
		07 Infrastructure	0		0	
		08 Trade, business & fin. syst	6		0	
		09 Natural resources&environm.	24		0	
		11 Other	42		0	
	15561 Non-governmental organisations	Total	475	72	188	190
	15571 Humanitarian assistance					
		06 Humanitarian assistance	0		0	
	15571 Humanitarian assistance	Total	0		0	
	15680 Joint ODA Europe					
		05 Conflict, peace & security	1 011	268	600	
	15680 Joint ODA Europe	Total	1 011	268	600	
	15683 Central Asia					
		04 HR & Democratic governance	214		0	
	15683 Central Asia	Total	214		0	
	156839 Regional Central Asia					
		04 HR & Democratic governance	4 420	146	2 312	1 857
	156839 Regional Central Asia	Total	4 420	146	2 312	1 857
	15689 Regional Southern OSS					
		02 Education	203		131	
	15689 Regional Southern OSS	Total	203		131	
Outside country allocation Total			6 323	486	3 230	2 047
Grand Total			6 323	486	3 230	2 047

Country report - Uzbekistan

Outcome and forecast in TSEK

Delimitation:

Status: I, P, A and C (agr end > 200600 or Outcome < 0)

Region/Country: Uzbekistan

Other:

Responsible Unit	(All)
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Allocation Frame	Allocation Account	Main Sector	Data			
			Outcome 2006	Outcome 2007	Forecast 2007	Forecast 2008
Outside country allocation	155341 Global Dev. Programs, PEO	04 HR & Democratic governance	0		0	
	155341 Global Dev. Programs, PEO	Total	0		0	
	15561 Non-governmental organisations					
		01 Health	59		0	
		02 Education	151		0	
		04 HR & Democratic governance	456		0	
		05 Conflict, peace & security	8		0	
		07 Infrastructure	0		0	
		08 Trade, business & fin. syst	8		0	
		09 Natural resources&environm.	38		0	
		11 Other	64		0	
	15561 Non-governmental organisations	Total	785		0	
	15571 Humanitarian assistance					
		06 Humanitarian assistance	2 970		0	
	15571 Humanitarian assistance	Total	2 970		0	
	15683 Central Asia					
		04 HR & Democratic governance	0		0	
		05 Conflict, peace & security	0		0	
	15683 Central Asia	Total	0		0	
	156839 Regional Central Asia					
		01 Health	6 000		5 300	
	156839 Regional Central Asia	Total	6 000		5 300	
	15689 Regional Southern OSS					
		02 Education	135		87	
	15689 Regional Southern OSS	Total	135		87	
Outside country allocation Total			9 890		5 387	
Grand Total			9 890		5 387	

Country report - Reg Central Asia

Outcome and forecast in TSEK

Delimitation:

Status: I, P, A and C (agr end > 200600 or Outcome < 0)

Region/Country: Reg Central Asia

Other:

Responsible Unit (All)

			Data			
Allocation Frame	Allocation Account	Main Sector	Outcome 2006	Outcome 2007	Forecast 2007	Forecast 2008
Outside country allocation	15561 Non-governmental organisations	01 Health	-120		0	
		02 Education	-342		0	
		04 HR & Democratic governance	530		0	
		05 Conflict, peace & security	6		0	
		07 Infrastructure	-1		0	
		08 Trade, business & fin. syst	-23		0	
		09 Natural resources&environm.	-260		0	
		11 Other	-258		0	
	15561 Non-governmental organisations Total		-468		0	
	15571 Humanitarian assistance	06 Humanitarian assistance	2 924	68	68	
	15571 Humanitarian assistance Total		2 924	68	68	
	15683 Central Asia	01 Health	21		0	
04 HR & Democratic governance		79		0		
09 Natural resources&environm.		0		0		
11 Other		0		0		
15683 Central Asia Total		100		0		
156839 Regional Central Asia	01 Health	28		0		
	02 Education	359		0		
	03 Research	0		3 000	4 000	
	04 HR & Democratic governance	9 688		44	5 000	
	09 Natural resources&environm.	1 423		162		
156839 Regional Central Asia Total		11 498		3 206	9 000	
Outside country allocation Total			14 053	68	3 274	9 000
Grand Total			14 053	68	3 274	9 000

Annex 2: The World Bank Group

THE WORLD BANK GROUP

A World Free of Poverty



HOME

Kyrgyz Republic Data Profile

Click on the indicator to view a definition	2000	2004	2005
People			
Population, total	4.9 million	5.1 million	5.2 million
Population growth (annual %)	1.0	1.1	1.2
Poverty headcount ratio at national poverty line (% of population)	52.0	..	..
Life expectancy at birth, total (years)	68.6	68.2	..
Fertility rate, total (births per woman)	2.4	2.5	..
Mortality rate, infant (per 1,000 live births)	60.0	58.4	..
Mortality rate, under-5 (per 1,000)	70.0	67.6	..
Births attended by skilled health staff (% of total)	99.0	..	..
Malnutrition prevalence, weight for age (% of children under 5)	6.6	6.7	..
Immunization, measles (% of children ages 12-23 months)	98.0	99.0	..
Prevalence of HIV, total (% of population ages 15-49)	..	..	0.1
Primary completion rate, total (% of relevant age group)	94.6	93.1	..
School enrollment, primary (% gross)	96.8	98.0	..
School enrollment, secondary (% gross)	84.5	88.0	..
School enrollment, tertiary (% gross)	34.8	39.7	..
Ratio of girls to boys in primary and secondary education (%)	101.0	100.6	..
Literacy rate, adult total (% of people ages 15 and above)	..	98.7	..
Environment			
Surface area (sq. km)	199.9 thousand	199.9 thousand	199.9 thousand
Forest area (sq. km)	8,580.0	..	8,690.0
Agricultural land (% of land area)	55.7	..	..
CO2 emissions (metric tons per capita)	0.9	..	..
Improved water source (% of population with access)	..	77.0	..
Improved sanitation facilities, urban (% of urban population with access)	..	75.0	..
Energy use (kg of oil equivalent per capita)	497.4	..	..
Energy imports, net (% of energy use)	41.0	..	..
Electric power consumption (kWh per capita)	1,687.4	..	..
Economy			
GNI, Atlas method (current US\$)	1.4 billion	2.1 billion	2.3 billion
GNI per capita, Atlas method (current US\$)	280.0	400.0	440.0
GDP (current US\$)	1.4 billion	2.2 billion	2.4 billion
GDP growth (annual %)	5.4	7.0	-0.6
Inflation, GDP deflator (annual %)	27.2	5.1	6.8
Agriculture, value added (% of GDP)	36.8	33.3	34.1
Industry, value added (% of GDP)	31.0	24.1	20.9
Services, etc., value added (% of GDP)	32.2	42.6	45.0
Exports of goods and services (% of GDP)	41.8	42.7	38.1
Imports of goods and services (% of GDP)	47.6	52.4	58.2
Gross capital formation (% of GDP)	20.0	13.8	20.4
Revenue, excluding grants (% of GDP)	16.0	..	..
Cash surplus/deficit (% of GDP)	-2.9	..	..
States and markets			
Time required to start a business (days)	..	21.0	21.0
Market capitalization of listed companies (% of GDP)	0.3	1.5	1.7
Military expenditure (% of GDP)	2.9	2.8	..
Fixed line and mobile phone subscribers (per 1,000 people)	78.3	..	..
Internet users (per 1,000 people)	10.5	51.6	..
Roads, paved (% of total roads)	..	90.0	..
High-technology exports (% of manufactured exports)	..	..	..

Global links

Merchandise trade (% of GDP)	77.3	75.1	72.9
Foreign direct investment, net inflows (BoP, current US\$)	-2,400,000.0	76.9 million	..
Long-term debt (DOD, current US\$)	1.5 billion	1.9 billion	..
Present value of debt (% of GNI)	..	82.4	..
Total debt service (% of exports of goods, services and income)	29.3	14.2	..
Official development assistance and official aid (current US\$)	214.8 million	258.2 million	..
Workers' remittances and compensation of employees, received (US\$)	9.0 million	189.0 million	..

Source: *World Development Indicators database, April 2006*

Halving poverty by 2015 is one of the greatest challenges of our time, requiring cooperation and sustainability. The partner countries are responsible for their own development. Sida provides resources and develops knowledge and expertise, making the world a richer place.



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