

**Political Situation:** In 2007, the political situation in the Kyrgyz Republic remained unstable associated with continuous confrontation among different opposition groups, the President and the Government. The political struggle, as in the past, was connected to Constitutional Reforms and a struggle for division of power among the President, the Government, and the Parliament. The peak of the confrontations took place in April 2007 when the opposition organized protests. Their scale, however, was much smaller than the protests in March 2005 that led to the so-called 'Tulip Revolution' and resulted in overthrow of the previous President Askar Akaev. The April 2007 demonstrations led by the former Prime Minister Felix Kulov, after several days were calmly dispersed by the police, and resulted in the split of the opposition.

In response to the unrests, President Bakiev initiated a new revision of the Constitution that was presented together with the new Election Code in the nationwide Constitutional Referendum held in October 2007. Both referendum proposals were accepted by the voters in a relatively calm atmosphere. However, the referendum was marred by serious irregularities including significant stuffing of ballot boxes. The results of the referendum considerably strengthened the powers of the President. In October, the founding congress of the party "Ak Jol" was held, and President Bakiev was elected its Chairman. During the same month, President Bakiev dissolved the Kyrgyz Parliament, and initiated new parliamentary elections based on the new Election Code. As the result of the parliamentary elections, recognized by Central Election Committee as valid, the "Ak Jol" party formed the majority in the new Parliament (81 seats), while the Social Democrats and Communists received total of 19 seats. Women received 25% of seats which resulted from the introduction of the 30% quotas for women in the new Election Code. The election was severely criticized by the OSCE mission and a number of local and international NGOs for serious irregularities, while the evaluations of the Shanghai Cooperation Organization (SCO) mission were mostly positive. The new Government was established in December 2007 by "Ak Jol" party.

**Economic and Social Situation:** While the main economic indicators in the Kyrgyz Republic show positive growth, the benefits have not reached the poor. The latest data for the poverty level (at the beginning of the 2007) shows 40% poverty and 9% for extreme poverty. Trends over the past several years show slow improvements in the poverty rates. According to the National Statistics Committee, the Kyrgyz economy demonstrated a high GDP growth rate of 8.2 percent during 2007. There is also a considerable additional inflow of funds to the country budget due to the increase of state tariffs on imported products. At the same time the negative trade balance has deteriorated approaching USD 1.2 billion.

In January 2007, following fierce public resistance, largely due to conflicting business interests and a lack of public understanding of the topic, the Government rejected application to the Highly Indebted Poor Country (HIPC) initiative, following many months of negotiations with the IMF and the World Bank. As a result, the Government is now in search of alternative means for reducing the country's debt which exceeds USD 2.2 billion.

**Country Development Strategy (CDS):** The Government of Kyrgyz Republic finalized its new medium term Country Development Strategy (2007 – 2010). The CDS carries forward the reforms initiated within the framework of NPRS-I (2003 - 2005). The UNCT was actively involved in preparations of CDS and provided its expertise to the Government. In particular, the UN system was widely credited with having provided key technical support in areas of gender equality, environmental sustainability and achievement of internationally agreed development goals, including the MDG's. The strategy argues for sustainable economic growth, presents concrete measures required to achieve equitable human development, and identifies the following of focus:

- Diversifying and strengthening the economic base;
- Reducing corruption and improving public sector performance;
- Using public resources transparently and efficiently to achieve sustained poverty reduction;
- Enhancing human and social development.

To achieve significant reductions in poverty, the CDS concentrates on reforms in sectors and industries that can provide the maximum cumulative contributions to GDP growth such as electric power, mining, agriculture and agro-processing, transport and infrastructure. The CDS envisages a target economic growth rate of 7.5 - 9 percent during 2008 - 2010. Human and social development priorities in the CDS include access to affordable education and health services, favorable living conditions with access to water, sanitation and basic social services, and social protection for vulnerable groups in the population.

## Summary on progress towards UNDAF outcomes

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UN Theme Groups – In 2007, the UN provided technical advice and expertise to address gaps in national policies and strategies. This function is traditionally the mandate of UN Theme Groups. The UNCT has five Theme Groups operating under its umbrella - Gender Theme Group, HIV/AIDS Theme Group, Communication Working Group, Operation and Management Working Group, and Youth Theme Group. Each of them is lead by the member of the UNCT. In 2007, all Theme Groups operated on basis of annual work plans developed jointly under the leadership of Chairs of each Theme Group. All Theme Groups report to the Resident Coordinator and the UNCT.

In 2007, the UN Gender Theme Group (GTG) continued its important work of coordinating the activities and approaches of

UN agencies in the area of gender equality, facilitating cooperation with civil society and government partners and supporting public advocacy on gender issues. Since August 2007, a newly recruited Gender Advisor has provided technical assistance to the UN Resident Coordinator, the UNCT, the Government and the civil society partners in the area of gender equality and women human rights issues. The Gender Advisor has also ensured that gender priorities are addressed in the UN-wide strategic planning and management tools in the Kyrgyz Republic. The main advocacy activities of the GTG were in mobilizing UN support for a wide-ranging public information campaign during 'International Day for the Elimination of Violence against Women' (25th November) and the Global Campaign of '16 days of Activism'. In November 2007, the UNCT hosted the visit of Ms. Pramela Patten, a member of the CEDAW Committee. During the meeting with Ms. Patten, the UNCT discussed the report on CEDAW that was later elaborated on and submitted to the Committee on Discrimination against Women by the UNCT. The report is another source of information on the implementation of CEDAW commitments. Together with the country reports prepared by the government of the Kyrgyz Republic, the report will be considered by the Committee at its meeting during February 4th – 8th 2008, in Geneva. The report includes each of the UN agency's inputs related to their work in the gender equality area, as well as an analysis of the gaps in the government's report. In 2007, a group of national experts were recruited to develop the UN Country Gender Assessment to identify gaps in gender statistics and to formulate recommendations on their improvement. This report is being finalized.

The UN working Group on Youth (YTG) was initiated by UN Country Team in 2007 with membership comprised of UNODC, UNICEF, UNFPA, UNDP, UNV and ILO. The Group was established to join the UN efforts to better analyze and understand the challenges facing the youth in the country; review the current range and scope of actual and potential UN interventions; involve and empower the youth in defining and advocating for the best possible youth related policies and strategies, which harness their full potential to contribute to national development. The YTG completed the mapping of the UN system's activities in the area of youth. In 2007, the WG was engaged in analysis of the national youth policies and in identification of areas for greater collaboration among UN agencies that will result in future Joint Programmes that will be developed in 2008.

The UN Theme Group on HIV/AIDS comprised of UNDP, UNICEF, UNHCR, WHO, UNFPA, UNAIDS, UNV, UNODC, UNESCO and the World Bank continued to play the key role in the interagency programme on HIV/AIDS prevention and response. In 2007, the Theme Group effectively coordinated activities of UN agencies in the area of HIV prevention by facilitating cooperation with AIDS service NGOs, government partners and supporting the following HIV prevention campaigns and events: a) Country wide one-month campaign prior to the World AIDS Day (1st December) at the oblast, district and village levels with involvement of youth organizations and local communities; b) Press-conference at the National level on World AIDS Day; c) 3-days National Forum of AIDS service NGOs with demonstration of informational materials and photo gallery devoted to the social consequences of AIDS epidemic. The UN Theme Group supported the Government in elaboration of the Country Proposal to the 7th round of Global Fund to fight AIDS, Tuberculosis and Malaria. The proposal was successfully approved and Kyrgyzstan will receive additional funds amounting to USD 29 mln. for the years 2009-2013 for HIV prevention.

UNGASS (United Nations General Assembly Special Session on HIV/AIDS) country progress report was prepared with the assistance of the UN Theme Group. The country was requested to report on 25 core indicators, and the report is an important marker in assessing progress towards universal access to HIV prevention, treatment, care and support, and the targets set in the Political Declaration of Commitments. The Working Group was formed to prepare the report and worked under the technical guidance of the UN Theme Group and Joint UN Team (financial support for the Working Group was provided by the UN Theme Group). The UN Theme Group also effectively coordinated the UN's response to HIV outbreak in Osh city in the Kyrgyz Republic and facilitated development of the Joint UN Plan of actions in response to the outbreak. Joint Plan of Actions was approved by the Government and is being currently implemented.

The UN has an effective Operations Working Group (OMT) chaired on a rotational basis between UNDP and UNICEF. The common services managed by OMT are subject to regular evaluation by all users to ensure the best quality. Security Management Team (SMT) covers all UN agencies, programmes and funds, Asian Development Bank and the European Bank for Reconstruction and Development.

Civil Society Advisory Board (CSAB) – As part of its efforts to meet the key development challenges faced in Kyrgyzstan, and to become more responsive to local development needs and trends, the UNCT decided to set up a Civil Society Advisory Board (CSAB) in 2007. The decision was in line with the recommendations of the 2004 Report of a United Nations Panel of Eminent Persons on improving consultation with development partners at the country level. The membership of CSAB is comprised of members of civil society in the Kyrgyz Republic representing various sectors. The CSAB functions as a forum to discuss better alignment of UN programmes with national development goals and priorities. It is envisaged that CSAB will not only advise UN agencies in the direction of the respective programmes and projects, but also assist in monitoring and implementation of the CDS.

## Summary on progress in UN Reform

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The UN Country Team (UNCT) achieved a substantial progress in bringing the UN Reform into practice both substantively and operationally. The UNCT benefited from a strong personal commitment by Heads of agencies, funds and programmes to implementation of principles of the UN Reform. The indicators of success are briefly summarized below.

United Nations Development Assistance Framework 2005 – 2010 (UNDAF) and Joint Country Support Strategy 2007 - 2010 (JCSS) – UNDAF came into effect in 2005. The document identifies substantive areas for the UN system including (i) Poverty alleviation and social services; (ii) Democratic governance, and (iii) HIV/AIDS. The UNDAF was formulated and approved under the leadership of a former president Akaev. President Bakiev, 18 month after taking power, launched a new Country Development Strategy (CDS) described above. In a unique and well coordinated drive, the UN system came together with

four other key donors (ADB, World Bank, DFID and Swiss Cooperation Organization) to elaborate the donor support for the new CDS. The resulting joint Country Support Strategy (JCSS) is designed to coordinate donor programmes in support of national priorities as defined in CDS. The strategy is anchored in national and international commitments on aid effectiveness, particularly the Rome Declaration on Aid Harmonization and the Paris Declaration on Aid Effectiveness. The UN system identified the following areas of its contribution to JCSS :

- Mainstreaming human rights in all interventions;
- Increasing community empowerment that allows the poor and marginalized to actively participate in social and economic development, particularly through expanded and "scaled up" social mobilization;
- Improving the capacity in government to formulate and implement pro-poor policies;
- Ensuring that authority, responsibility, human resources, finances and administration in governance are effectively decentralized;
- Assisting young people and other vulnerable groups to adopt safer behaviors with regard to HIV/AIDS;
- Integrating population and development issues in all interventions.

Harmonized Approach to Cash Transfers (HACT) - At the level of programme execution, the UN System is moving forward on the implementation of HACT. The UNCT believes that HACT carries forward two important benefits: 1) strengthening the capacity of government institutions to manage funds according to international standards, and 2) ensuring effective accountability for funding provided by the UN to the Government. As part of HACT, micro assessments of seventeen implementing partners were carried out in 2007. The micro-assessments identified areas for possible assistance and capacity building initiatives.

Joint Programmes: The UN System in the Kyrgyz Republic has an excellent record in formulating and implementation of Joint Programmes. Although total funding in 2007 was small, the UNCT fully implemented two successful Joint Programmes in area of HIV/AIDS and Human Rights - Action 2. In 2007, the participating UN agencies, programmes and funds signed additional two Joint Programmes envisaged to be implemented in 2008 - one supporting the UN coordination functions of the RC unit and another one in area of Disaster Response Coordination . The latter one was signed by eight UN Agencies, Swiss Agency for Development, IOM, National Red Crescent Society and the Prime Minister.

Supported by DFID, the UNCT initiated the preparation of a Joint Programme focusing on the area of good governance. The Joint Programme will potentially be funded with up to US\$ 15 million over three years and will focus on strengthening the responsiveness, transparency and accountability of the Kyrgyz Government. The proposal is expected to be finalized, approved and initiated in early 2008.

Disaster management and disaster response – In 2007, the UNCT was explicitly perceived by the government and donors as one UN System with regard to disaster management and disaster response. The UNCT works together on Inter-Agency Contingency Planning and has the capacity to respond immediately to any natural emergency. In January and December 2007, the UNCT led, together with the Government, the joint needs assessment mission after the earthquakes in the South. Based on the mission's results, the UNCT further facilitated delivery of construction and other emergency materials for the victims of these earthquakes through a joint warehouse in Osh City. In December 2007, the UN Country Team met with Ms. Gabriela Waaijman, UNOCHA Regional Disaster Response Adviser, and discussed issues such as Uranium Mining Tailing in the Kyrgyz Republic, preparedness and response to natural and technological disasters, and the 'Plan of Action' for OCHA's support in 2008. Most members of the UNCT participated at the 2nd Central Asia Disaster Preparedness Planning meeting in Almaty, Kazakhstan in September 2007 that focused on regional humanitarian cooperation.

The following agencies, programmes and funds are located in the UN House: UNICEF, UNDP, UNFPA, UNHCR, UNAIDS, UNOHCHR, UNV and UNDSS. It is anticipated that WHO relocates from its current location into the UN House in early 2008. Co-location of the UN system in a well-equipped and well located UN House strengthened the visibility of individual agencies, programmes and funds and reinforced the perception of a "one UN" in the country.

High-level meetings, conferences and visits: In July 2007, the UN organized High-level Regional MDG Forum in North and Central Asia with the aim to discuss challenges in achieving the MDGs in the region and to prepare concrete action plans to address these challenges. The participants of the Forum included representatives of the Governments, international organizations, NGOs, private sector, media from participating countries. In October 2007, the UNCT organized Poverty Reduction Forum that gathered representatives of the Government, international and civil society organizations to discuss best practices in the area of poverty reduction in the Kyrgyz Republic and the challenges that remain.

In 2007, the UN welcomed two visits of Ms. Kori Udovicki, Assistant Secretary General and UNDP Regional Bureau Director, in Kyrgyzstan. Ms. Udovicki participated in the National Development Forum in May and later at MDG Forum in July. The UN also also received Mr. Lynn Pascoe, UN Under-Secretary General for Political Affairs who participated in the Summit of the Shanghai Cooperation Organization in August. Mr. Pascoe lead the UN delegation during the Summit and participated in bilateral meetings with the Presidents of Kyrgyz Republic, Tajikistan and Turkmenistan and the Prime-Minister of Kyrgyz Republic. The UN also welcomed visits of Ms. Louise Arbour, High Commissioner for Human Rights, in May 2007; Mr. Antonio Guterres, the United Nations High Commissioner for Refugees and Ms. Janet Lim, the UNHCR Regional Bureau Director for Asia and the Pacific, in November 2007.

The UN also supported participation of the Kyrgyz delegation at the 63-rd session of the UN ESCAP and 8-th session of the Special Body on Least Developed and Landlocked Developing Countries held in Almaty, Kazakhstan in May 2007.

## Key aspects of the proposed 2008 workplan

Guided by the JCSS, the UNCT will continue to assist the Kyrgyz Government in the implementation of the Country Development Strategy (CDS) through provision of technical expertise, support to partnership building, and capacity development. The second MDG Progress Report will be finalized and launched in 2008. UN Booklet highlighting the focus and activities of UN agencies, programmes and funds will be also prepared and disseminated among the local partners in 2008.

The UN Resident Coordinator will continue to play an active role in the Donor Coordination Council and in the implementation of the Joint Country Support Strategy. Since the Kyrgyz Republic is one of the pilot countries for the implementation of the Paris Declaration, the focus in 2008 will be on the High Level Forum (HLF) on Aid Effectiveness in Ghana in September 2008. As part of the preparation for the HLF, the UN will participate in completing the Survey on implementation of the Paris Declaration and will provide the support to the Government of Kyrgyzstan in its effective preparation for and participation in Ghana HLF. The HLF provides a useful opportunity for both the government and the donors to address aid effectiveness and to define ways to increase aid impact. There is clear political will (government and donors) to do this.

The JCSS, as the most current donor response to the national development priorities, has effectively replaced the current UNDAF. Therefore, the UNDAF review in 2008 will not be necessary and the UNCT will use JCSS to guide their programmatic efforts. The JCSS, however, will be strengthened by including annexes to the main text detailing how the implementation of JCSS will take into account human rights and gender equality principles.

Both technical and operational support will be provided for implementation of Joint Programmes such as those on 'Mainstreaming Human Rights into UNCT's Analytical, Planning and Programming Processes' (Action 2 Project) and "Enhancing the Disaster Response Coordination in the Kyrgyz Republic". Under the Action 2 Project, the efforts will be placed on mainstreamed human rights standards and principles into the UNCT's analytical, planning and programming processes. The 'Disaster Coordination' Project will focus on enhancing capacities of the Government to respond effectively for evolving natural and technological crises in the Kyrgyz Republic. The UNCT will continue its work with DFID to finalize, approve and implement the Joint Programme aimed at increasing accountability, transparency and responsiveness of the Government.

Continued support will be provided to increase the capacities of the Gender Theme Group, and its activities aiming to promote gender equality in the country. The support will also be provided to the Theme Group on HIV/AIDS to strengthen the response to the spread of HIV/AIDS in the country.

Through Joint Programmes and Theme Groups, the UNCT will increase the impact of the UN system on issues of poverty and development in 2008. The perception as one UN system is important, even while we retain respect for the diversity of mandates represented in the UNCT. The HLF offers a unique opportunity for reflection on how to maximize aid effectiveness to achieve real development results in close collaboration with our national partners.

The UNCT will continue to rely on support of Headquarters in strengthening the RC System and other aspect of the UN System Coordination.

## Recommendations

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N/A