

DEVELOPMENT COORDINATION

A. Major Development Partners: Strategic Foci and Key Activities

1. Kyrgyz Republic is particularly vulnerable to the coronavirus disease (COVID-19) pandemic. The World Health Organization (WHO) has assessed the country's operational readiness for preventing, detecting and responding to the public health emergency as 2 out of 5, among the lowest in the region. The key gaps highlighted in the country's emergency readiness for public health emergencies were in the areas of human resources (shortage of staff and low qualifications due to high turnover and low levels of pay), infrastructure, and lack of equipment and consumables for essential operations. The Kyrgyz Republic is at high risk since it borders a number of countries, including People's Republic of China, and has a significant migrant population, which increases the likelihood of cross-border contamination. The 2020 International Monetary Fund (IMF) staff report estimates an external financing gap of 5.0% of gross domestic product or \$400 million. The Asian Development Bank (ADB) has the largest program among multilateral institutions in the country. As of 31 March 2020, ADB's ongoing portfolio consisted of 13 projects and 11 technical assistance (TA) operations totaling \$759.05 million, primarily in transport, energy, and education.

2. Key development partners support to the Government of the Kyrgyz Republic in COVID-19 response. A synopsis of the main partners' key initiatives is in the table below:

Major Development Partners

Development Partner	Project Name	Duration	Amount (\$ million)
ADB	TA grant to procure emergency supplies through UNICEF (SDCC's TA9550-REG)	2020	0.200
	ADB-UNDP joint socio-economic study on the impact of the COVID-19 (TA 9624: Supporting Knowledge Solutions in Central and West Asian Countries)	2020	0.070
	COVID-19 emergency assistance project (medical supplies)	2020	20.00
	COVID-19 Response CSF (Kyrgyz Republic CPRO)	2020	50.00
	COVID-19 Response PBL	2020	50.00
	TA grant to support the Ministry of Finance to develop a rapid diagnostic assessment of debt management	2020	TBC
IMF	Rapid Financing Instrument	2020	80.60
	Rapid Credit Facility	2020	40.30
	Additional budget support: Rapid Financing Instrument	2020	80.60
	Rapid Credit Facility	2020	40.30
WB	Fast track COVID-19 facility emergency support to Kyrgyz Republic for purchase of medical supplies and equipment	2020	12.15
	Ongoing Enhancing Resilience in the Kyrgyz Republic Project's Contingent Emergency Response Component for social protection measures	2020	9.00
	Financing under on-going projects to the activities for COVID response (WASG activities, communications, food security, etc.)	2020	TBC
EBRD	EUR 1 billion Resilience Framework for existing EBRD private sector and sub-sovereign clients experiencing temporary credit difficulties	2020	TBC
DFID	£544m of UKAid to support the WHO appeal to help vulnerable countries prepare and respond to COVID-19 & fund research for urgently needed vaccines, diagnostics & treatments.	2020	TBC
EU	\$1.0 million grant for urgent medical supplies and equipment	2020	1.0
	Ongoing EU projects to help respond to COVID-19 (Support to SMEs, KyrSeff II, IRD-P in Jalal-Abad) and media projects to train on the principles of risk communication in the outbreak	2020	TBC

Development Partner	Project Name	Duration	Amount (\$ million)
UNDP	Supports a multi-sectoral, equitable, and human rights-focused crisis response and recovery to COVID-19, as part of a global coordinated UN response supporting the WHO Strategic Preparedness Response Plan and the country-level response plans. Assists strengthening of the health system, i.e. procurement of health products and health waste management.	2020	TBC
	Additional support through Global Fund mechanism to vulnerable populations (e.g. tuberculosis patients).	2020	0.05
UNICEF	UNICEF (jointly with Government, WHO, ADB) will procure medical supplies, especially PPEs. Reallocation of \$80,000 from ongoing GAVI for priority COVID-19 related supplies. Adapts and Implement the home visiting program for doctors and nurses in Suzak and Nookat districts. Provides training of teachers on remote teaching and learning methodologies for Ministry of Education and Science. Communication activities	2020	0.6
USAID	Financing of personal protective equipment (PPE) through WHO.	2020	0.91
IFC	\$8 billion fast-track financing to help companies affected by the outbreak. In KGZ IFC will support client banking institutions, enabling them to continue to offer trade financing, working-capital support and medium-term financing to SMEs struggling with disruptions in supply chains	2020	TBC
The Russian Federation	Supply of test systems for the diagnosis of COVID-19 and other humanitarian aid for combating the spread of COVID-19	2020	TBC
People's Republic of China	Supply of test systems for the diagnosis of COVID-19, PPE and other humanitarian aid for combating the spread of COVID-19	2020	TBC
Switzerland	Buying locally PPE for MOH mobile units of Chui Oblast. Financing under ongoing projects to help private sector	2020	TBC

... = not available, ADB = Asian Development Bank, COVID-19 = coronavirus disease, CPRO = COVID-19 Pandemic Response Option, DFID = Department for International Development of the United Kingdom, EBRD = European Bank for Reconstruction and Development, EU = European Union, IFC = International Finance Corporation, IMF = International Monetary Fund, MOH = Ministry of Health, PPE = personal protective equipment, SME = small and medium enterprise, TAS = Transaction Advisory Services, UNDP = United Nations Development Program, UNICEF = United Nations International Children's Emergency Fund, USAID = United States Agency for International Development, WHO = World Health Organization.

Sources: Inputs from development partners.

B. Institutional Arrangements and Processes for Development Coordination

3. The Development Partner Coordination Council is responsible for facilitating dialogue with the government. The council has 10 sectors, each chaired by an international financial institutions (IFI). Key issues are discussed with the Prime Minister on a quarterly basis, while the development partners prepare sector priorities, policy dialogue, and project activities, in close collaboration. The government has reached out to all IFIs to mobilize resources to support its medical and subsistence relief to the public, support affected families, labor and business, as well as economic activities.

4. The Executive Board of the International Monetary Fund (IMF) approved a purchase of the Kyrgyz Republic under the Rapid Financing Instrument (RFI) equivalent to SDR 59.2 million (\$80.6 million, 33% of quota) and a disbursement under the Rapid Credit Facility (RCF) equivalent to SDR 29.6 million (\$40.3 million, 17% of quota) in March 2020 to meet the urgent balance of payment needs stemming from the outbreak of the COVID-19 pandemic. This is the first IMF emergency loan under the RFI/RCF worldwide since the outbreak of the pandemic. In April, the IMF's Board approved an additional \$120.9 million under the RFI/RCF bringing the total amount of budget support to \$241.8 million. The Fund expects the emergency support to provide a

backstop, increase buffers, catalyze donor support and preserve fiscal space for essential COVID-19-related health expenditure.

5. The World Bank has approved a loan of \$12.15 million (emergency support to Kyrgyz Republic for purchase of medical supplies and equipment) as a part of the World Bank COVID-19 response under the fast track COVID-19 Facility, and will allocate \$9 million from its ongoing Enhancing Resilience in the Kyrgyz Republic (ERIK) project's Contingent Emergency Response Component for social protection measures.

6. European Bank for Reconstruction and Development (EBRD) approved EUR 1 billion Resilience Framework for existing EBRD private sector and sub-sovereign clients experiencing temporary credit difficulties. The assistance package for the Kyrgyz Republic is to be defined.

7. Department for International Development of the United Kingdom approved £544m of UKAid to support the WHO appeal to help vulnerable countries prepare and respond to COVID-19 and fund research for urgently needed vaccines, diagnostics & treatments. The assistance package for the Kyrgyz Republic is to be defined.

8. The European Union's (EU) \$1 million grant is committed to help government with urgent medical supplies and equipment procurement. In addition, under ongoing EU projects financing to be allocated to help respond to COVID-19, such as support to small and medium enterprises, KyrSeff II, IRD-P in Jalal-Abad. Media projects to train media outlets on the principles of risk communication and their role in the outbreak.

9. In response to the government's request other bilateral and multilateral development partners and international nongovernment organizations are also providing assistance to COVID-19 response. The assistance package for the Kyrgyz Republic is being defined.

C. Achievements and Issues

10. In January 2020, the government established a special COVID-19 task force under the Prime Minister's Office supported by the Ministry of Health. A Disaster Response Coordination Unit (DRCU) was established under the leadership of UN coordinator as a consultative-deliberative mechanism. The WHO and other development partners have worked with Ministry of Health to develop the National Contingency Action Plan for the Kyrgyz Republic to (i) limit human to human transmission, including reducing secondary infections among close contacts and health care workers; and (ii) mitigate the impact in-country should there be sustained community transmission. On 31 March 2020, the government has signed COVID-19 anti-crisis fiscal measures. These measures include cash transfers for low-income groups and increased access to credit resources to maintain liquidity in the private sector.

D. Summary and Recommendations

11. The Government of the Kyrgyz Republic welcomes the assistance of IFIs to respond to the short- and medium- term needs resulting from the adverse economic and fiscal impact of COVID-19 on the population. The government is expected to demonstrate strong ownership in donor coordination, with sector ministries and/or state companies to lead donor coordination. Through the established and institutional arrangements and processes for development coordination, ADB's proposed intervention will be good coordinated with other development partners, including IMF, ensuring synergy and complementarities, while avoiding overlaps and filling gaps in the Kyrgyz Republic's needs.