

The logo for the Asian Development Bank (ADB), consisting of the letters 'ADB' in a white serif font on a black square background.

# Technical Assistance Report

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## INTERNAL

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## Kyrgyz Republic: Supporting the Building Resilience with Active Countercyclical Expenditures Program

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Asian Development Bank

## CURRENCY EQUIVALENTS

(as of 13 September 2022)

Currency unit	–	som (Som)
Som1.00	=	\$0.01220
\$1.00	=	Som81.98

## ABBREVIATIONS

ADB	–	Asian Development Bank
BRACE	–	Building Resilience with Active Countercyclical Expenditures
MOF	–	Ministry of Finance
TA	–	technical assistance
TASF	–	Technical Assistance Special Fund

## NOTE

In this report, “\$” refers to United States dollars.

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## I. THE PROPOSED PROGRAM

1. The Government of the Kyrgyz Republic has requested countercyclical support of \$25 million from the Asian Development Bank (ADB) concessional ordinary capital resources and \$25 million from ADB's Special Funds resources (Asian Development Fund) to support the implementation of the government's anti-crisis action plan. The government has prepared a \$213.7 million plan to be funded from the budget to mitigate the adverse impact of the Russian invasion of Ukraine on the national economy, especially on the poor and vulnerable population as well as the private sector. The plan includes countercyclical measures on (i) ensuring food security and price stability, (ii) support for social protection and safety net programs, and (iii) support of employment and small businesses.

2. The proposed Building Resilience with Active Countercyclical Expenditures (BRACE) Program will provide critical financing support to enable the government to undertake its anti-crisis action plan. The overarching development objective of the program is inclusive economic growth sustained and income inequality reduced. The outcome of the BRACE Program is impact of the exogenous shocks effectively managed and immediate adverse socioeconomic effects reduced. Consistent with the government's countercyclical expenditure package, the BRACE Program's outputs are (i) measures to support food security and price stability strengthened, (ii) measures to support social protection and safety net programs of the government implemented, and (iii) measures to support employment through small and medium-sized enterprises implemented.

## II. THE TECHNICAL ASSISTANCE

### A. Justification

3. The Kyrgyz Republic is a member of the Eurasian Economic Union, with close trade and investment links with neighboring countries. The disruption caused by the ongoing conflict has social and economic implications for the country. A swift and coordinated response is needed to limit the effects of the conflict on the vulnerable groups of the population. Further, the institutional mechanism for program monitoring and implementation needs to be strengthened and supported. The program also requires the identified countercyclical expenditures to be closely monitored for their implementation, with a focus on delivering support to vulnerable groups, where possible. The technical assistance (TA) will support the effective implementation of the government's crisis response plan, assess and monitor other structural reforms, and identify areas for further reform that can be supported by ADB under subsequent programs. The outcome of the TA will be the government's socioeconomic package delivered to the poor, women, migrant workers and other vulnerable groups, and businesses. For this, the TA will engage experts in monitoring and evaluation, gender issues, and public financial management to assist the government to achieve the outcome efficiently through the activities listed in Table 1.<sup>1</sup>

### B. Outputs and Activities

4. The major outputs and activities are summarized in Table 1.

**Table 1: Summary of Major Outputs and Activities**

Major Outputs	Delivery Dates	Key Activities with Milestones
1. Monitoring and evaluation of	October 2022– July 2023	1.1 Support the government's steering committee and government agencies for better tracking, monitoring, and

<sup>1</sup> The TA first appeared in the business opportunities section of ADB's website on 6 September 2022.

Major Outputs	Delivery Dates	Key Activities with Milestones
government's crisis response strengthened		<p>reporting of benefits accrued from the government's crisis response to the poor, women, migrant workers, older persons, and persons with disabilities.</p> <p>1.2 Develop an internal monitoring mechanism to ensure timely and effective implementation, monitoring, and reporting of gender equality results attributable to the government's crisis response.</p> <p>1.3 Support the government in submitting quarterly progress reports to ADB.</p> <p>1.4 Support the government's submission of a final completion report to ADB in compliance with ADB's requirements.</p> <p>1.5 Assess the beneficiary targeting in the underlying programs in terms of economic status, geographic coverage, age, gender, disability, and other measures of vulnerability. The assessment will include evaluation of communities vulnerable to climate change impacts.</p> <p>1.6 Provide recommendations for (i) related governance reforms to undertake, (ii) improvements in implementation mechanisms, and (iii) proposals for training for implementing agencies.</p>
2. A centralized program monitoring unit established	October 2022–December 2023	<p>2.1 Support MOF and MOEC, in coordination with implementing agencies, in providing timely reporting to Management of progress and results under ADB-supported projects.</p> <p>2.2 Assess the existing M&amp;E system and the method of collection, monitoring, reporting, and analyzing sex-disaggregated information and data; and identify gaps and areas for improvement in M&amp;E. The assessment will consider mapping vulnerable communities to climate risks (flooding, drought, etc.).</p> <p>2.3 Recommend measures and training proposals to improve the performance of the M&amp;E program to ensure timely and effective collection, monitoring, reporting, and analysis.</p> <p>2.4 Advise and support implementing agencies to address bottlenecks.</p> <p>2.5 Assess the needs for any tools or digital platforms that can improve the reach, targeting, and reporting of government programs.</p>
3. Gender, social sector, and climate finance statistics enhanced		<p>3.1 Assess the need for ADB support on issues such as gender-based violence, unpaid care, and domestic work to ensure relevance and avoid duplication.</p> <p>3.2 Review government statistics and suggest improvements to the collection of sex-disaggregated information, climate finance, and data interpretation.</p>
4. Additional public financial management reform areas identified	October 2022–December 2023	<p>4.1 Assess the constraints in the PFM systems across multiple implementing agencies affecting efficient delivery of services to beneficiaries.</p> <p>4.2 Assess the support being considered by other development partners for designing complementary interventions.</p> <p>4.3 Prepare a mid- to long-term road map for improved public service delivery and an improved monitoring mechanism.</p> <p>4.4 Identify ADB's future support to enhance public sector management and debt sustainability.</p>

ADB = Asian Development Bank, M&E = monitoring and evaluation, MOEC = Ministry of Economy and Commerce, MOF = Ministry of Finance, PFM = public financial management.

Source: Asian Development Bank.

### C. Cost and Financing

5. The TA financing amount is \$400,000, which will be financed on a grant basis by ADB's Technical Assistance Special Fund (TASF 7). The key expenditure items are listed in Appendix 1. The government will provide counterpart support in the form of counterpart staff, office space, office supplies, secretarial assistance, domestic transportation, workshop venues, and other in-kind contributions.

### D. Implementation Arrangements

6. ADB will administer the TA. The executing agency of the TA is the MOF. The Ministry of Labor, Social Protection and Migration; Ministry of Economy and Commerce; and Ministry of Finance will be the primary implementing agencies for the TA. The Public Management, Financial Sector, and Trade Division of ADB's Central and West Asia Department will select, supervise, and evaluate the consultants.

7. Implementation arrangements are summarized in Table 2.

**Table 2: Implementation Arrangements**

Aspects	Arrangements		
Indicative implementation period	October 2022–September 2025		
Executing agency	Ministry of Finance		
Implementing agencies	Ministry of Labor, Social Protection and Migration; Ministry of Economy and Commerce; and Ministry of Finance		
Consultants	To be selected and engaged by ADB		
	Individuals (ICS) or a firm (QCBS 90:10)	Program monitoring and evaluation specialists (6 person-months, international; 3 x 12 person-months, national)	\$243,000
		Gender specialist (6 person-months, national)	\$25,000
		Communication specialist (5 person-months, national)	\$21,000
		Public financial management specialists (4 person-months, international and 5 person-months, national)	\$89,000
Disbursement	Disbursement of TA resources will follow ADB's <i>Technical Assistance Disbursement Handbook</i> (2020, as amended from time to time).		

ADB = Asian Development Bank, ICS = individual consultant selection, QCBS: quality- and cost-based selection, TA = technical assistance.

Source: Asian Development Bank.

8. **Consulting services.** ADB will engage either individual consultants using individual consultant selection or a consulting firm. In the case of a consulting firm, it will be selected using the quality- and cost-based selection method with a technical–financial ratio of 90:10. ADB will engage (i) a program monitoring and evaluation specialist (international, 6 person-months); (ii) three program monitoring and evaluation specialists (national, total 36 person-months); (iii) a gender specialist (national, 6 person-months); (iv) a communication specialist (national, 5 person-months); (v) a public financial management specialist (international, 4 person-months); and (vi) a public financial management specialist (5 person-months, national). ADB will also engage

international and national experts, who may include ADB staff, as resource persons to make presentations and/or facilitate discussions at workshops, trainings, and other events. ADB will engage consultants following the ADB Procurement Policy (2017, as amended from time to time) and its associated staff instructions.<sup>2</sup>

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<sup>2</sup> Terms of Reference for Consultants (accessible from the list of linked documents in Appendix 2).



**COST ESTIMATES AND FINANCING PLAN**  
(\$'000)

Item	Amount
<b>Asian Development Bank<sup>a</sup></b>	
1. Consultants	
a. Remuneration and per diem	
i. International consultants	138.2
ii. National consultants	206.4
b. Out-of-pocket expenditures	
i. International and local travel	21.9
ii. Reports and communications	3.5
2. Training, seminars, and conferences <sup>b</sup>	5.0
3. Miscellaneous technical assistance administration costs <sup>c</sup>	5.0
4. Contingencies	20.0
<b>Total</b>	<b>400.0</b>

Note: The technical assistance (TA) is estimated to cost \$420,000, of which contributions from the Asian Development Bank (ADB) are presented in the table. The government will provide counterpart support in the form of counterpart staff, office space, office supplies, secretarial assistance, domestic transportation, and other in-kind contributions. The value of the government contribution is estimated to account for 5% of the total TA cost.

<sup>a</sup> Financed by the ADB's Technical Assistance Special Fund (TASF 7).

<sup>b</sup> Includes in-country, travel to other countries, as well as if ADB staff will act as resource persons for this TA.

<sup>c</sup> Includes translation and/or interpretation costs, printing costs of TA documents, Office 365 licenses, and other operational expenses.

Source: Asian Development Bank estimates.

**LIST OF LINKED DOCUMENTS**

<http://www.adb.org/Documents/LinkedDocs/?id=56150-001-TARreport>

1. Terms of Reference for Consultants