



Kyrgyz Republic: Preparing the Promoting Economic Diversification Program

Project Name	Preparing the Promoting Economic Diversification Program	
Project Number	52225-002	
Country	Kyrgyz Republic	
Project Status	Approved	
Project Type / Modality of Assistance	Technical Assistance	
Source of Funding / Amount	TA: Promoting Economic Diversification Program	
	Technical Assistance Special Fund	US\$ 500,000.00
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth Regional integration	
Drivers of Change	Governance and capacity development Knowledge solutions Private sector development	
Sector / Subsector	Finance - Finance sector development Industry and trade - Small and medium enterprise development Public sector management - Public expenditure and fiscal management	
Gender Equity and Mainstreaming	Effective gender mainstreaming	
Description	<p>The proposed knowledge and support technical assistance (TA) will support the Government of Kyrgyz Republic to implement reforms that help create more diversified economic opportunities and a greater role for the private sector in the country's economic development.</p> <p>The proposed TA will build on previous support provided by the Asian Development Bank (ADB) for improving the investment climate in the Kyrgyz Republic . The TA is closely aligned with the country partnership strategy and is included in the country operations and business plan, 2018 2020 for Kyrgyz Republic. The outputs of the TA will complement the proposed policy based loan/grant.</p>	
Project Rationale and Linkage to Country/Regional Strategy	<p>Growth in 2017 was driven by a high base effect in the first half of the year and reached 4.5 per cent for the year as a whole. Remittances from Russia to the Kyrgyz Republic increased by 27% in US dollar terms. Exports also performed strongly, rising 13.8 per cent in 2017 in total and 27% to the Eurasian Economic Union. Inflation subsided to 2.7% year-on-year in March 2018, well below the target range of 5-7 per cent. Despite significant expenditure growth, stronger revenues allowed narrowing of the fiscal deficit to 3.3% of GDP in 2017 from 4.6% in 2016. The economy is expected to grow at 3.7% in 2018 and at 4% in 2019.</p> <p>Opportunities for economic growth are objectively hindered due to limited economic diversification and private sector contribution. Progress has been made in improving the investment climate under the ADB's previous support programs/projects, but further work is needed to increase the competitiveness and participation of private sectors in global market for the country's economic development. Constraining factors include inadequate access to financial services, deterring infrastructure, dwindling productive skills and skills mismatch with industry requirement, and insufficient national quality infrastructure to trade business.</p>	
Impact		
Project Outcome		
Description of Outcome		
Progress Toward Outcome		
Implementation Progress		
Description of Project Outputs		
Status of Implementation Progress (Outputs, Activities, and Issues)		
Geographical Location	Nation-wide	

Summary of Environmental and Social Aspects

Environmental Aspects

Involuntary Resettlement

Indigenous Peoples

Stakeholder Communication, Participation, and Consultation

During Project Design

During Project Implementation

Business Opportunities

Consulting Services ADB will engage individual consultants to implement the TA. It is estimated that 12 person-months of international and 13 person-months of national consultants' services will be required. The multi-disciplinary team of consultants will have expertise in trade and investment advisory, financial sector development, SME development, public financial management, education and vocational training, economics, law, financial management, infrastructure development including project finance and social and environment safeguards for infrastructure projects. Where necessary, technical resource persons will be recruited as individual consultants. ADB will select and engage consultants following the ADB Procurement Policy and Regulations (2017, as amended from time to time)

Responsible ADB Officer Miyaki, Yuji

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Timetable

Concept Clearance	-
Fact Finding	-
MRM	-
Approval	02 Nov 2018
Last Review Mission	-
Last PDS Update	05 Oct 2018

Project Page <https://www.adb.org/projects/52225-002/main>

Request for Information <http://www.adb.org/forms/request-information-form?subject=52225-002>

Date Generated 06 November 2018

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