

**PROJECT INFORMATION DOCUMENT (PID)
APPRAISAL STAGE**

Report No.: PIDA1463

Project Name	AGRICULTURE PRODUCTIVITY AND NUTRITION IMPROVEMENT PROJECT (P132754)
Region	EUROPE AND CENTRAL ASIA
Country	Kyrgyz Republic
Sector(s)	Irrigation and drainage (60%), Agricultural extension and research (20%), Health (20%)
Theme(s)	Rural services and infrastructure (40%), Nutrition and food security (30%), Water resource management (30%)
Lending Instrument	Investment Project Financing
Project ID	P132754
Borrower(s)	KYRGYZ REPUBLIC
Implementing Agency	Department of Water Resources and Land Improvement
Environmental Category	B-Partial Assessment
Date PID Prepared/Updated	25-Jun-2015
Date PID Approved/Disclosed	29-Jun-2015
Estimated Date of Appraisal Completion	22-Jun-2015
Estimated Date of First Grant Approval	08-Jan-2016
Appraisal Review Decision (from Decision Note)	

I. Project Context

Country Context

1. With an estimated per capita Gross National Income (GNI) of US\$ 1,210 in 2013, the Kyrgyz Republic is one of the poorest economies in the Europe and Central Asia region. Real GDP growth has fluctuated substantially in recent years and is projected to average 7.4 percent in 2013-2015. In 2013, about 37 percent of the population lived below the poverty line, while 2.8 percent lived in extreme poverty. The incidence of poverty in rural areas (41.4 percent) was higher than in urban areas (28.5 percent). Poverty varies significantly amongst the regions. The Kyrgyz Republic is geographically and culturally divided into the north and south. The three southern Oblasts (regions) in the Fergana Valley (Batken, Jalalabad and Osh) have a distinct regional identity vis-?-vis the north (Chui, Issyk Kul, Naryn and Talas). The southern region is characterized by smaller land holdings, lower per capita income, higher unemployment, lower human development indices and more limited access to services. Over the last 5 years the country has seen some dramatic developments. In April 2010, the government was overthrown. This was followed by an outbreak of violence in June 2010 in the southern region. Following parliamentary elections

in October 2010 and presidential elections in the fall of 2012, the government is working towards a more politically stable and improved governance environment.

Sectoral and institutional Context

The agricultural sector is driven by small-scale irrigated agriculture (1.3 million ha) and pasture-based livestock production (9 million ha). The agricultural sector generates about a quarter of the country's GDP and about one-third of employment. About two-thirds of the rural population are employed in agriculture. Kyrgyzstan was an early reformer in Central Asia in terms of land reform, irrigation reform, development of the rural finance markets, and liberalization of input markets, output markets and trade. Nevertheless, major production and marketing constraints remain, including insufficient access to irrigation where rehabilitation has not been undertaken, low usage of inputs, and high levels of animal disease and degradation of pastures. Crop yields, which are strongly influenced by access to irrigation, have remained stagnant or declined on average. Food insecurity is chronic, affecting over 30 percent of the population, with poverty and low agricultural productivity as the basic cause of poor food consumption. Undernutrition is an important public health problem with stunting, wasting, low birth weight, and vitamin and mineral deficiencies causing estimated annual losses of \$32 million. The associated rates of infant, child and maternal mortality are amongst the highest in Central Asia.

II. Proposed Development Objectives

The proposed project development objective is to increase agricultural productivity and food and nutrition security of rural households in selected areas nationwide.

III. Project Description

Component Name

Rehabilitation and Modernization of Irrigation and Drainage Infrastructure

Comments (optional)

Component Name

Agricultural Advisory Services

Comments (optional)

Component Name

Nutrition Improvements

Comments (optional)

Component Name

Project management

Comments (optional)

IV. Financing (in USD Million)

Total Project Cost:	38.00	Total Bank Financing:	0.00
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Financing Gap:	0.00	
For Loans/Credits/Others		Amount
Borrower		0.00
Global Agriculture and Food Security Program		38.00
Total		38.00

V. Implementation

The project will be implemented by the Department of Water Resources and Land Improvement (DWRLI), currently under the Ministry of Agriculture and Land Improvement, through the Project Implementation Unit (PIU). The PIU will also report to a Steering Committee consisting of Ministry of Finance, Ministry of Health and the Ministry of Agriculture and Land Improvement and chaired by a representative of the DWRLI. This Committee supervised project preparation and will provide regular guidance and oversight during project implementation.

VI. Safeguard Policies (including public consultation)

Safeguard Policies Triggered by the Project	Yes	No
Environmental Assessment OP/BP 4.01	x	
Natural Habitats OP/BP 4.04		x
Forests OP/BP 4.36		x
Pest Management OP 4.09	x	
Physical Cultural Resources OP/BP 4.11		x
Indigenous Peoples OP/BP 4.10		x
Involuntary Resettlement OP/BP 4.12	x	
Safety of Dams OP/BP 4.37	x	
Projects on International Waterways OP/BP 7.50	x	
Projects in Disputed Areas OP/BP 7.60		x

Comments (optional)

VII. Contact point

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Borrower/Client/Recipient

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