

SUMMARY OF ACHIEVEMENTS UNDER THE INVESTMENT CLIMATE IMPROVEMENT PROGRAM (2008-2014)

1. The Kyrgyz Republic has implemented reforms to improve its business and investment climate and increase the share of the formal private sector in the economy,¹ including with support from the Asian Development Bank (ADB) under the first Investment Climate Improvement Program (ICIP), and attached technical assistance (TA).
2. Implemented from 2008 to 2014, reforms under the first ICIP were sequenced across three subprograms, with each subprogram building on the previous one. Reforms have helped to (i) reduce tax compliance costs for businesses through risk-based inspections and electronic tax declarations; (ii) automate pre-customs clearance processes through the single window for foreign trade; (iii) improve access to finance by reducing credit risks and making available new products, and strengthen financial supervision of microfinance organizations; (iii) strengthen the institutional framework for market-driven skills development; and (iv) improve the enabling environment for public private partnerships.
3. A summary of achievements under the first ICIP is presented in the table below.

Subprogram 1 Achievements (completed in 2008)	Subprogram 2 Achievements (completed in 2012)	Subprogram 3 Achievements (completed in 2014)
Output 1: Cost of regulatory compliance reduced		
Framework for one-stop shop for business registration established and capacity building initiated Legal and institutional framework for regulatory impact assessment for businesses established Institutional framework for pre-customs single window adopted	Pilot testing of one-stop shop for business registration completed in all regions; registration requirements reduced Licensing requirements reduced based on regulatory impact assessment results, and risk-based inspections institutionalized Automated pre-customs single window system developed	Options for electronic tax filing and payments and no-contact policy expanded to all regions Further reduction of licensing requirements and simplification of legal framework into a single law Operations of pre-customs single window system initiated
Output 2: Access to finance improved		
Legal reforms to strengthen the secured lending framework initiated Tax-related impediments to leasing removed Legal framework for credit information sharing initiated	Legal reforms on secured lending framework consolidated Availability of financial services further increased, particularly for women Institutional framework for credit information sharing improved	Legal reforms on secured lending framework completed Risk-based supervision of microfinance organizations strengthened Legal framework for consumer protection strengthened

¹ The private sector accounts for 75% of gross domestic product but is dominated by a large number of small entities (mainly farmers, individual entrepreneurs, and small enterprises) in the informal sector.

Subprogram 1 Achievements (completed in 2008)	Subprogram 2 Achievements (completed in 2012)	Subprogram 3 Achievements (completed in 2014)
Output 3: Workers' skills enhanced		
	National Professional Skills Development Council formed, with women represented at near 50% Qualification framework adopted for technical and vocational education for 18 occupations	Sector councils on skills development established Modern competency-based training introduced for more than 6,000 students in 18 occupations
Output 4: Public-private partnerships facilitated		
Legal reform for PPPs initiated PPP risk management unit established	Legal and risk management framework for PPP established Units for risk management and PPP promotion operationalized First steps taken to build PPP project pipelines through screening methods	PPP standard tender documents developed Project development support facility approved Pilot PPP projects further prepared

PPP = public-private partnership.

Source: ADB. 2015. Completion Report. Kyrgyz Republic: Investment Climate Improvement Program (Project Number: 941544-022, 41544-082, 41544-084; Grant Numbers: 0120-KGZ(SF), 0319-KGZ(SF), 0393-KGZ(SF). Manila.

4. The Second ICIP builds on the first ICIP – it both expands coverage of investment and business climate policy reforms and deepens implementation of the reforms started under the first ICIP.