



Swiss Cooperation Strategy Central Asia 2012 – 2015



Schweizerische Eidgenossenschaft
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State Secretariat for Economic Affairs SECO

Introduction

Switzerland has been supporting transition processes in the Central Asian Region since the early 1990s. This fourth formal programme cycle for Central Asia 2012-2015 is in the spirit of the agreements of cooperation between the government of Switzerland and the governments of Kyrgyzstan and Tajikistan in 1993, and that of Uzbekistan in 1994. In consultation with partners in the three countries – both official and from the civil society – the present Swiss Cooperation Strategy for Central Asia 2012-2015 was developed by the Swiss Agency for Development and Cooperation (SDC) and the State Secretariat for Economic Affairs (SECO) as a commitment to continue supporting the economic, social and political transition process in the Central Asian Region.

The Swiss Cooperation Strategy for Central Asia 2012-2015 is in alignment with the Message from the Federal Council on International Cooperation 2013-2016, which is submitted to the Swiss Parliament in 2012. The Strategy outlines six domains of interventions: regional water resource management, water supply and sanitation, health, public sector reform and infrastructure, private sector development and rule of law. The Swiss Cooperation supports the countries to implement their national development strategies in cooperation with other donors, engages in policy dialogue with government authorities, and supports projects at local, national and regional levels.

The Swiss Cooperation Strategy for Central Asia 2012–2015 is based on the positive experiences and lessons learnt from past interventions. This document first provides a short overview of the regional, political and economic context, followed by an out-

line of the Swiss foreign policy objectives in Central Asia. Then this Cooperation Strategy draws on lessons learnt and presents the cornerstones of the cooperation programmes for the next four years. The regional water resource management programme and the three national programmes for Kyrgyzstan, Tajikistan and Uzbekistan are introduced by their respective contexts and through the analysis of the programmes' results.

The last part outlines the implementation and management modalities of the Cooperation Strategy. Risk management remains key for the success of the programme. Governance, conflict sensitive programme management and gender aspects will be given further priority. The programme budget for disbursements amounts to about CHF 44 million in 2012 with a potential increase over the next three years.

SECO and SDC will work together closely to ensure a successful implementation of the Cooperation Strategy with each institution responsible for the financing and execution of its part of the programme and the achievement of the objectives and results defined in this document. Synergies and complementarities among Swiss Cooperation stakeholders are important to ensure coherence, visibility and impact. In 2014 Switzerland will chair the Organization for Security and Cooperation in Europe (OSCE). In this role, Switzerland will further engage in seeking solutions to regional security challenges and will also continue to support OSCE programmes in the region.

We are confident that the strategic goals set out in this strategy are particularly relevant to the sustainable development of the Central Asian Region and the well-being of its people.



Martin Dahinden
Ambassador
SDC Director



Marie-Gabrielle Ineichen-Fleisch
State Secretary
SECO Director

Acronyms

ADB	Asian Development Bank
CA	Central Asia
CAEWDP	Central Asia Energy Water Development Programme (World Bank)
CAREC	Central Asia Regional Economic Cooperation
CAREWIB	Central Asia Regional Water Information Base
DFID	Department for International Development (United Kingdom)
DRR	Disaster Risk Reduction
EBRD	European Bank for Reconstruction and Development
EU	European Union
FDFA	Federal Department of Foreign Affairs
GBAO	Gorno-Badakhshan Autonomous Region in Tajikistan
GDP	Gross Domestic Product
GIZ	Gesellschaft für Internationale Zusammenarbeit (Germany)
HSD	Human Security Division, Directorate of Political Affairs, FDFA
IFAS	International Fund for the Aral Sea
IFC	International Finance Corporation
IFIs	International Financial Institutions
IMF	International Monetary Fund
ILO	International Labour Organisation
IWRM	Integrated Water Resource Management
KfW	Kreditanstalt für Wiederaufbau / KfW Entwicklungsbank (Germany)
MDG	Millennium Development Goals
MoFA	Ministry of Foreign Affairs
NBT	National Bank of Tajikistan
NGO	Non-Governmental Organization
ODA	Official Development Assistance
OSCE	Organization for Security and Cooperation in Europe
PFM	Public Finance Management
RACP	Regional Art and Culture Programme
SCO	Swiss Cooperation Office
SDC	Swiss Agency for Development and Cooperation
SECO	Swiss State Secretariat for Economic Affairs
SME	Small and Medium Enterprises
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
USAID	United States Agency for International Development
VET	Vocational Education Training
WB	World Bank
WSS	Water Supply and Sanitation
WTO	World Trade Organization
WUA	Water User Association

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Executive Summary

Managing the transition from a planned to a market economy and fostering democratic development remains a major challenge for Central Asian countries. The region is heterogeneous in resource endowments and landscapes, which leads to development strategies and priorities varying considerably from country to country. Substantive income inequalities exist among and within the countries.

Swiss Cooperation in Central Asia dates back to the early nineties. Switzerland continues to support Kyrgyzstan, Tajikistan and Uzbekistan in their economic, social and political transitions as part of its **Foreign Policy**. The stability of the broader region – which includes Afghanistan – is a challenge and resources from the region, in particular oil, gas and minerals, are in strong demand. Kyrgyzstan, Tajikistan and Uzbekistan have been members of the Swiss-led constituency in the Bretton Woods institutions since 1992 and these memberships create a strong tie between the region and Switzerland. This strategy sets the foundation for a renewed four-year Swiss Cooperation commitment for one regional and three country programmes.

On a regional level, **water** is a key resource and hence Swiss Cooperation in Central Asia remains engaged with a regional programme. Competition between energy and water usage for irrigation is growing. So far no substitutes have been found for the water-energy arrangements that existed during the Soviet Union time. The past Swiss engagement in the water sector has been successful in addressing water-related issues at the farm level in the Ferghana Valley. The new Regional Water Resource Management Programme capitalizes on existing experience and addresses water issues – including issues of climate change and disaster risks – by applying Integrated Water Resource Management (IWRM) principles at regional, national and local levels. A focus will be given to national policy dialogues on the adoption and application of IWRM principles, as well as the production of reliable water-related data.

After political turmoil in 2010, the Kyrgyz president elected in 2011 promises renewed reform efforts. In **Kyrgyzstan**, poverty, particularly in rural areas, remains high. Over the years, the Swiss programme has achieved considerable results particularly in supporting governance in the public sector as well as health and private sector reforms. This programme has been streamlined and aims to assist public as well as private institutions at all levels in delivering better services in

an equitable and effective way. The programme will build on experiences in the domains of health, public sector and infrastructure, and private sector.

While development indicators are slowly improving, poverty in **Tajikistan** remains high. The Swiss projects have achieved good results and the new programme has been further consolidated and streamlined. The programme will support the transition process in Tajikistan by contributing to economic development and to building institutions and systems, which respond to the needs of the population. The programme will continue in the domains of health, rule of law, drinking water supply and sanitation, and private sector development. There will be a phasing out of support in public finance management (PFM) and energy due to insufficient political support and the need to streamline the broad portfolio.

The Swiss water supply and sanitation programme in **Uzbekistan** has been successful in providing safe drinking water to citizens in the Ferghana Valley, and in piloting new management approaches for rural and urban drinking water facilities. The programme will continue to provide safe drinking water in the Ferghana Valley, expand to Syr Darya province and support institutional and regulatory improvements, as well as sound management in the sector.

Overall the Swiss programme in Central Asia builds on synergies and complementarities between technical and economic assistance provided by the Swiss Agency for Development and Cooperation (SDC) and the State Secretariat for Economic Affairs (SECO). The programme will include transversal themes such as conflict sensitive programme management, governance, and gender equality and, where relevant, will focus on marginalized regions.

The Swiss Cooperation Offices in Tajikistan, Kyrgyzstan and Uzbekistan are responsible for the **implementation** of the Central Asia Strategy 2012–2015. The Cooperation Strategy will be monitored at the regional and country level, at the portfolio and at the office management level, with appropriate instruments. The ownership of the monitoring system lies primarily with the Swiss Cooperation Offices management.

During the period 2012–2015, the overall Swiss Cooperation planned disbursements amount to approximately CHF 195.5 million.

Summary of Central Asia Programmes

Kyrgyzstan	Tajikistan	Uzbekistan
<p>Regional Water Resource Management Programme</p> <p>The overall goal of the water resource management programme is to manage water resources in an integrated, transparent and need-based manner in Central Asia with a focus on the three Ferghana Valley countries – with a view to reducing water-related conflicts and disasters at the regional, canal and community levels.</p>		
<p>Programme in Kyrgyzstan</p> <p>The overall goal is to support the transition process in Kyrgyzstan by assisting public and private institutions at all levels to deliver better services in an equitable, transparent and effective way.</p>	<p>Programme in Tajikistan</p> <p>The overall goal is to support the transition process in Tajikistan by contributing to its economic development and helping to build institutions and systems which respond to the population's needs.</p>	<p>Programme in Uzbekistan</p> <p>The overall goal is to support the transition process in Uzbekistan by supporting improvements in the regulatory framework and sound management in the water sector, in order to enhance social and economic development.</p>
Health	Health	Water Supply and Sanitation
Public Sector Reforms and Infrastructure	Rule of Law	
Private Sector Development	Drinking Water Supply and Sanitation	
	Private Sector Development	

1. Regional Context Central Asia



The region is vulnerable to external shocks. For example, the 1998 financial crisis in Russia had a negative effect on the transition in Central Asia. The more recent commodity boom puts Russia in a stronger position to re-establish tighter economic and political links. Potential negative spill-over effects of the ongoing international financial and economic crisis are still of concern. The economic interests of global powers are related to creating alternative trading routes and access to commodity markets, including energy. Furthermore, Turkey, India, Pakistan, South Korea, Japan and Iran, among others, are also re-establishing trading and investment links with the region. However, the trade, investment and infrastructure links among the Central Asian countries remain underdeveloped. Insufficient regional integration which results in missing economics of scale, high business transaction costs and underdeveloped regional public goods, remains an important hurdle to more sustainable social and economic development.

Central Asia is at the crossroads between East and West. Although the region is rich in natural resources overall, poverty is still widespread. Two broad historical trends have influenced the region's process of transition since the disintegration of the Soviet Union in the early 1990s. The first is the gradual collapse of the rules of the game inherited from the "Socialist Division of Labour" system and the transition to a market economy. Important issues requiring regional solutions, such as water management, might benefit from technological progress, which offers new solu-

tions. Plans to develop hydro-energy add to the complexity of the situation. Cotton production is an important economic pillar of the region, even though productivity and water management remain largely sub-optimal.

The second trend relates to the gradual restoration of trading and investment links with countries that were cut off during the Cold War. At the junction of the geopolitical interests of major powers such as Russia, the United States, China and Europe, the region attracts interest not only for its rich natural resources, but also on account of security issues such as antiterrorism, democratization and the prevention of state failure. China's rapid economic growth gives it a stronger presence in the region, which also drives up economic competition as Central Asian countries aim at economic diversification.

Despite long years of central planning during the Soviet period, Central Asia remains a heterogeneous region with substantial income inequalities among and within countries. Economic growth has been dynamic, exceeding 7% over several years in the resource-rich countries of Kazakhstan, Turkmenistan and Uzbekistan. In Kyrgyzstan and Tajikistan – the two countries lacking fossil fuel endowments – remittances of migrant workers are an important income source. Labour migration in these two countries – targeted especially at the Russian labour market – is high, leading to a significant brain drain. Migration is an important outlet of poverty reduction in the region and many families rely for their livelihood on remittances from migrant workers. Some progress has been made with regard to the UN Millennium Development Goals, but the lack of investments in areas such as modern infrastructure, education and health services and the slow progress in reducing corruption and respecting rule of law and human rights are fueling further migration.

Central Asian countries have diverse resource endowments, so their individual development strategies and priorities vary considerably. Enhancing water and energy security as well as rule of law in the region is crucial to achieving sustainable economic growth, poverty reduction, conflict mitigation and integration of the region into the world economy and reducing the effects of water-related disasters, which affect the safety and livelihoods of the population.

2. Swiss Foreign Policy Objectives

Switzerland's cooperation with Central Asian countries dates back to the mid-1990s. Swiss engagement in the region is based on the 2006 Federal Law on the Cooperation with Eastern Europe, including Central Asia. The thematic and geographic priorities are defined in a new Message on International Cooperation that was presented to the Swiss Parliament in 2012 for the period 2013-2016.¹ This Strategy is aligned with the priorities in the Message.

Switzerland remains committed to support Kyrgyzstan and Tajikistan in their transition to market economies and establishment of rule of law and democratic systems. In Uzbekistan the focus is on access to drinking water. Kazakhstan and Turkmenistan have access to SECO's regional programmes. The aim of the Swiss Cooperation in Central Asia is to contribute to strengthening state service delivery and civil societies, to improve the living conditions of the population, to offer new economic perspectives, to reduce risks related to natural disasters and to prevent conflicts. The transition processes are ongoing and despite progress, the countries need external technical, financial and economic support and humanitarian aid. Switzerland focuses on areas with Swiss added value and expertise, such as private sector development, including trade promotion and state building, and water management and health.

Climate change is affecting Central Asia in particular through glacier melting, irregular water flows (floods) and in the long term, water shortages (drought). Switzerland is committed to mitigating the effect of climate change and its interventions in Central Asia are important contributions to this global goal.

Maintaining security in the region is a global challenge and a priority for Switzerland. The difficult situation prevailing in Afghanistan, a country bordering with Tajikistan, Turkmenistan and Uzbekistan, poses a security challenge with an unpredictable future. Further threats to stability stem from organized criminal groups (e.g. linked to drug trafficking), underlying tensions with minority groups in each country and persistent social disparities. The latter are also potentially fuelling Islamic fundamentalism. The withdrawal of the International Security Assistance Forces from Afghanistan is scheduled for the end of 2014.

Resources from the region, such as oil and gas, are in strong global demand and in recent years, Swiss

oil imports such as from Kazakhstan have increased markedly. The distribution of natural resources in the region is uneven. The two poorest countries, Tajikistan and Kyrgyzstan, are rich in water and hydropower potential but lack fossil fuels. Uzbekistan, the region's most populous country, is also resource rich, however is affected by water shortages due to intense usage, which affects relations with the upstream countries.

In 1992 the Central Asian countries of Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan became members of the Swiss-led constituency groups in the Bretton Woods Institutions and the European Bank for Reconstruction and Development (EBRD). Kazakhstan joined the Swiss-led Bretton Woods constituency groups in 2010.² As a constituency group leader, Switzerland assigns an executive director in the World Bank (WB), the International Monetary Fund (IMF) and the EBRD with the support of its members. In this role, Switzerland defends and promotes the interests of its constituency members on the executive boards of each of these financial institutions. In the absence of well-developed financial sectors in the region, the International Financial Institutions (IFIs) remain a main source of concessional lending. Furthermore, IFIs play the crucial role of advocating a well-structured and inclusive policy dialogue; they are also significant sources of know-how transfer and strong supporters of increased regional integration. Facilitating donor coordination for the benefit of Central Asian constituency countries is an important Swiss cooperation priority.

² Uzbekistan left the Swiss-led IMF and EBRD constituency. Kyrgyzstan left the EBRD constituency.



¹ In order to fully align with the message period, this strategy, if appropriate, might be extended by one year until 2016.

3. Regional Water Resource Management Programme

3.1 Context

Water is a key resource for Central Asia. Achieving sustainable regional water resource management is vital for the region's future economic and social development as well as stability. During Soviet times, cotton was already a main industry. Overuse of water in that system substantially drained the Aral Sea basin. During those times, a water and energy management arrangement consisted of providing upstream countries with fossil fuel in winter, in exchange for storing and releasing water for irrigation in summer by downstream countries.

With the collapse of the Soviet Union and fossil fuel becoming a world market commodity, the Central Asian system regulating the exchange of water for energy disappeared. Competition between energy and water for irrigation has grown, as no substitute has been found for the water and energy manage-

ment arrangement that existed during Soviet times – despite years of efforts by regional organizations, countries and development partners.

In addition, water infrastructure is increasingly under strain following years of under-investment, insufficient maintenance, poor governance and recurrent water-related disasters. The lack of financial incentives to conserve and use water efficiently is constraining the region's agricultural potential and has already caused major environmental damage. As one of the world's largest cotton producers and exporters, Uzbekistan is a large consumer of water and is trying to improve water efficiency. Ongoing disputes over water and energy supplies exacerbate tensions between Uzbekistan and its neighbours, in particular Tajikistan, over the construction of dams.



Water sector reforms in Kyrgyzstan have made some progress; thanks to World Bank and Asian Development Bank (ADB) initiatives, reforms started earlier there than in Uzbekistan and Tajikistan. Though not fully implemented, the necessary legal basis is essentially in place.

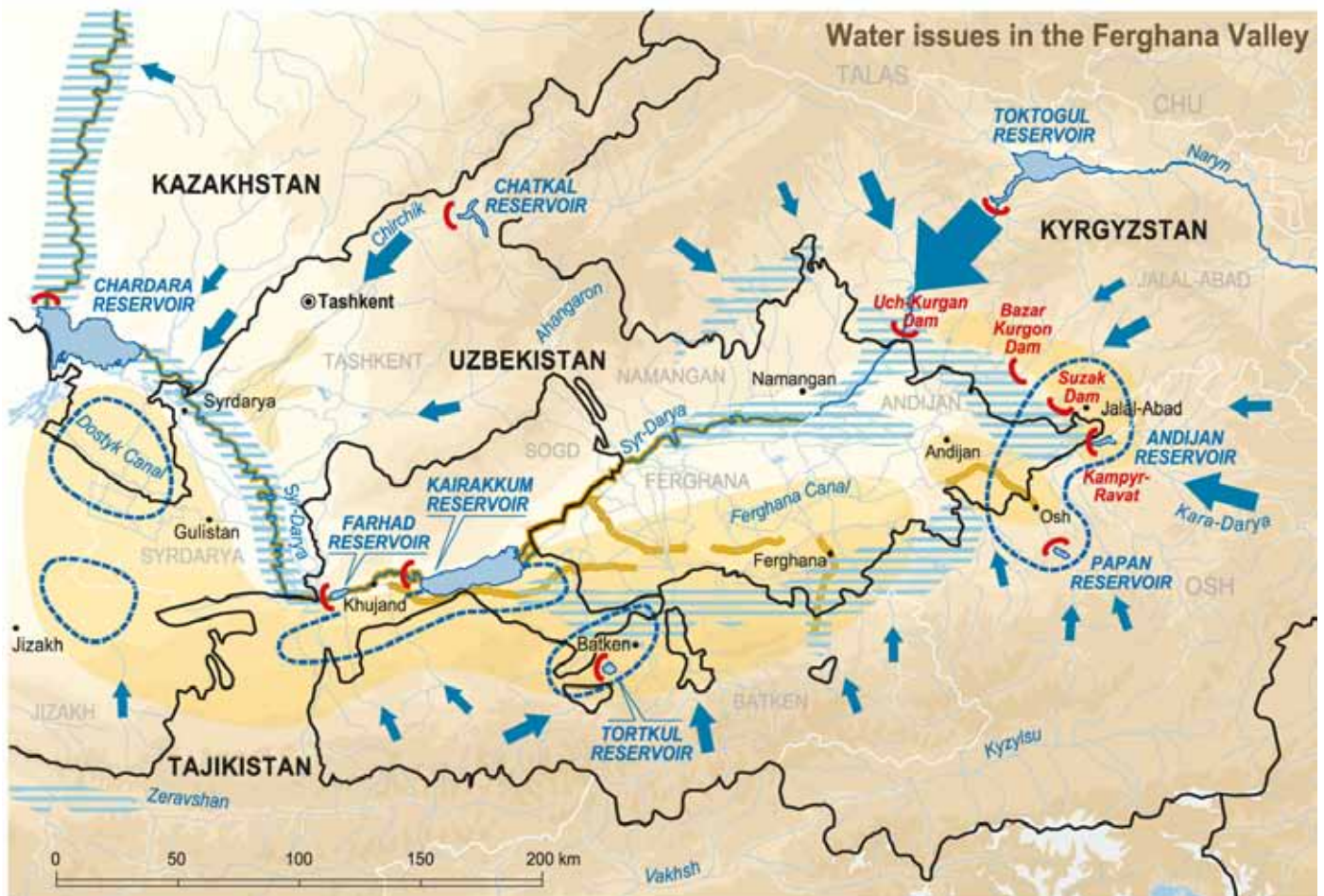
In Tajikistan, attempts to reorganize water management along Integrated Water Resource Management (IWRM)³ principles are still pilot initiatives and reforms are needed⁴. The Tajik government has proactively sought to use the IWRM project's expertise

- 3 Integrated Water Resource Management is the internationally recognized norm that leads to a holistic and sustainable approach to water use across borders, taking into account the needs, as well as social and environmental factors.
- 4 During Soviet times, the Ministry of Water Resources organized water management according to administrative boundaries, i.e. based on district, rayon and oblast borders. This invariably led to complications where a river basin crossed more than one administrative unit. Future water management shall thus be based on clearly defined hydrologic boundaries – the river basin management concept. This will lead to improved effectiveness, reliability and equity of water delivery to farm gates and plots.

and lessons learnt from other projects to develop a strategy to improve water management and land productivity.

In Uzbekistan, the government adopted a new water law incorporating the key IWRM principles in December 2009. The benefits of the approach were demonstrated in the Swiss pilot areas.

Central Asian countries are frequently hit by disasters such as floods, mud flows or landslides. Furthermore, rapidly melting glaciers can cause glacial lake outburst floods. Erosion, landslides and other geo-hazards are omnipresent and coupled with unsustainable use of soil and water, as well as climate change. National capacities for managing such disasters and natural resources are developing slowly, and the coping mechanisms of the local population are stretched to their limits.



The Ferghana Valley

Kyrgyzstan, Tajikistan and Uzbekistan share common borders in the Ferghana Valley. The Ferghana Valley is home to close to 12 million people, approximately one fifth of the population of Central Asia, living on just 1% of its surface area, and it produces about a third of Central Asia's irrigated agricultural output. Its dense population of ethnic Kyrgyz, Tajik and Uzbek – often intermixed and not matching national borders, further increases the risk of conflicts over water and land.

There is fierce competition between energy and agricultural uses. This so-called water-energy nexus is a situation where the needs of upstream Tajikistan and Kyrgyzstan (generating hydropower during winter) and downstream Uzbekistan, Kazakhstan and Turkmenistan (requiring water mainly for irrigation) are seasonally interdependent. Hydro-energy demand peaks in winter and agricultural demand for cotton production in summer. Cotton is a mainstay industry in the Ferghana Valley and along the Amu Darya River. In the Ferghana Valley, the Uzbek government is trying to enhance water productivity, as half of the irrigation water is lost due to evaporation, excessive irrigation, inadequate infrastructure and mismanagement. The experience of the Swiss Cooperation in water management and water governance is appreciated and has been up-scaled in Uzbek programmes financed by IFIs.



3.2 Programme Achievements

Over the past several years, considerable results have been achieved in the region's water management sector and Switzerland has become a credible partner for policy dialogue. In particular, the programme was very successful in identifying and addressing the water-related problems and issues at the plot and farm level and in establishing local water management bodies, also called Water User Associations (WUAs) in the Ferghana Valley countries. The Water Programme has helped establish an institutional water management framework that delivers improved

water services to farmers, with the significant engagement of local stakeholders not only in a country but also along cross-border canals. This has led to reduced water use, enhanced productivity at the plot level and fewer local conflicts.

As a result of the **Integrated Water Resource Management (IWRM)** approach in the programme, the access to water resources and services has improved on 430,000 ha of irrigated land in the Ferghana Valley as well as other areas of Uzbekistan. This has helped to improve agricultural productivity and consequently farmers' incomes, including food security for about three million rural people. WUAs as well as canal management organizations have been established along hydrographical, instead of administrative borders, and these function in a transparent and participatory manner.

The IWRM approach is being successfully replicated beyond the pilot areas. The newly created institutional structures have proven their usefulness but their organizational and financial sustainability is not yet guaranteed.

The support to National Hydro-meteorological Services in Central Asia was completed and the recommendations and best practices have been adopted by the new World Bank-funded Central Asia Hydromet Modernization project at the regional level, in Tajikistan and Kyrgyzstan. In addition, canal automation enables real time water management and therefore enhances water supply transparency, gradually paving the way for full transborder real time water flow information and management on the Syr Darya River. A database for regional water management was established, but is not used to its full extent yet.

As a result of its long term engagement, the Swiss-run programme has also helped to promote water reforms in all three countries. For example, Uzbekistan's government has adopted a new water law that incorporates the key IWRM principles; however, implementation is lagging.

The Swiss contribution to the Central Asia Energy Water Development Programme (CAEWDP) has been recognized as crucial to advance its objectives. Notwithstanding the ongoing challenges regarding the water-energy nexus, the programme has achieved progress in donor coordination and in promoting a vision for regional cooperation.

The **Disaster Risk Reduction Programme (DRR)** in Central Asia has made an important contribution towards preparedness activities and the mitigation and prevention of disaster risks with different stakeholders mainly in Tajikistan and to a smaller extent in Kyrgyzstan. It has built information management and analysis systems, trained urban search and rescue teams, created a seismic monitoring network in Tajikistan, installed early warning systems in

communities at high risk of remote geo-hazards, supported villages in building their capacities in preparedness and mitigation of disaster risks, assessed and monitored risks of glacial lake and other flash floods and built earthquake awareness programmes in schools.

A recent review of the SDC Water Programme for Central Asia 2006-2010 identified several issues which need to be addressed. Perhaps most crucially, one goal is strengthening linkages between the programme's success at the plot and farm level with water sector reforms and policy development at the national level.

Switzerland has also identified the need to consolidate the programme and further improve coordination among donors. Finally, while a regional perspective will be maintained, the programme will focus its intervention in building national capacities as a crucial step towards enhanced collaboration at the regional level.

3.3 Strategic Orientation for 2012–2015

In order to address the challenges highlighted by the programme review, the Swiss Cooperation has engaged in a reorientation of the Regional Water Resource Management programme in Central Asia. It was agreed that notable achievements at the grass-roots level have to be complemented by an enhanced policy dialogue encompassing institutional changes and agricultural policy reform. Its effectiveness will depend to a large extent on donors' ability to coordinate and speak with one voice and to enter into constructive dialogue with national counterparts. ADB and World Bank play a key role and are key partners of the Swiss Cooperation.

An important shift is to maintain the regional character of the programme with the increased participation of each country. The overarching regional approach will be driven by national approaches, priorities and capacities in the three countries, with a strong coordination mechanism among the national components of the Swiss programme. Building capacity at national levels, particularly within the technical national government bodies, and ensuring national ownership in steering the programme, will be new priorities.

Increasing synergies between the Swiss programme components will also lead to the integration of the DRR component into the regional water programme. In addition the DRR component will be introduced (mainstreamed) into the programme to increase its sustainability and reduce vulnerability to natural disasters.

Past years' experience has also shown that it is not possible to promote regional cooperation on water

management without addressing the water-energy nexus. Considering the high political sensitivity of this issue and in the absence of a strong Central Asian coordinating body for these issues, the Swiss Cooperation works through the CAEWDP, led by multilateral financial institutions such as the World Bank and supporting existing regional institutions: for water, the Executive Committee of the International Fund for the Aral Sea (EC-IFAS), and for energy, the Central Asia Regional Economic Cooperation (CAREC). SDC will also strive to continue to work with the Interstate Commission for Water Coordination (ICWC), regional structure for coordinating water allocations and management in the region.



Programme Structure and Areas of Intervention

The general goal of the programme is to manage water resources in an integrated, transparent and need-based manner in Central Asia with a focus on the three Ferghana Valley countries – with a view to reducing water-related conflicts and disasters at the regional, canal and community levels.

The programme will operate at regional, national and local levels, from local communities to senior policy makers. It will focus on the strategically important Ferghana Valley and increase impact by capitalizing on prior achievements and reinforcing synergies between the projects. Accordingly, the programme's five expected outcomes are shown in the table on page 14.

	Levels of Intervention	Regional	National	Local
Expected outcomes		Regional institutions and national governments	National governments (KG, TJ, UZ)	Local government and community organizations
Outcome 1	A dialogue among stakeholders of the region provides a common factual base for future political discussions and negotiations on regional water management issues, to build energy and water security in Central Asia.	Central Asia Energy Water Development Programme Energy development Water-energy linkages & dialogue supporting regional (IFAS and CAREC) and national strategies Water productivity and efficiency		
Outcome 2	The three countries sharing the Ferghana Valley have adopted a consistent vision and national roadmaps towards nation-wide implementation of the IWRM approach.		Fergana Valley Water Efficiency Project National Policy Dialogues in UZ, KG and TJ Mainstreaming and scaling up through IFI-funded government projects (up to 4 WB and 2 ADB) Ferghana Valley Integrated Water Planning Water Efficiency at plot, WUA, and canal levels Support to WUA and Canal Organizations Canal Automation III-IV	
Outcome 3	In the project areas, increased water management efficiency and productivity are resulting from the replication and adoption of IWRM.			
Outcome 4	A transparent mechanism for the exchange of water-related data and a decision support system are introduced at national level and coordinated at regional level, facilitating decision-making processes.	Strategic data management, analysis and decision support systems at regional national and local levels (building upon CAREWIB, Chui-Talas project and linked to CAE-WDP)		
Outcome 5	The safety and security of communities, their livelihoods and assets along rivers and irrigation canals in the selected project areas are increased and the resilience is built through implementation of an integrated watershed approach with involvement of the local communities and authorities.		Policy Dialogue on Disaster Risk Reduction (DRR) and Climate Change Knowledge Management (DRR and Integrated Watershed Management) Khodjabakirgan River Basin Integrated Watershed Management and other project areas in Tajikistan (watershed, DRR, irrigation and participatory river basin management)	

At the regional level, the Swiss programme will strengthen systems of **regional dialogue and co-operation** to build energy and water security. The programme will contribute to easing regional water-energy tensions by strengthening the transparency of data, promoting regional dialogue and reinforcing national and regional institutions. Switzerland will strive to remain a credible partner at the regional level through partnerships with implementing organizations accepted by the national authorities. The programme will work on governance principles such as transparency, participation and non-discrimination. Given the need to consolidate and leverage ongoing regional programmes, Swiss support at the regional level will be delivered mostly through the recently launched CAEWDP, which aims to build regional energy and water security through enhanced regional cooperation and strategic investment. Over the next few years, the programme will establish a knowledge base to better understand options and trade-offs for energy-water integration, strengthen regional institutions to develop platforms for dialogue on energy and water, prepare investments in regionally significant energy and water infrastructure projects, and establish partnerships with donors to consolidate efforts and fund a package of agreed-upon activities.

At the national and policy level, the programme will progress towards nationwide acceptance of IWRM by initiating the necessary legal and institutional reforms and improve **water resources management in the Ferghana Valley**. IWRM principles will

continue to guide the Swiss programme. SDC will complement the grassroots activities with stronger national and regional policy dialogue, will enhance donor coordination and promote the establishment of legal and institutional frameworks to facilitate a nationwide application of the IWRM approach in Kyrgyzstan, Tajikistan and Uzbekistan. The policy dialogue on IWRM at the national level would be carried out through the existing national policy dialogue platforms in Tajikistan and Kyrgyzstan. If asked by the government, Switzerland could assist in establishing such a platform in Uzbekistan. Switzerland will support the development of a regional water resources and watershed plan for the Ferghana Valley, including financial and economic modelling plus the mainstreaming of disaster risk management and climate change adaptation. It will be based on the principle of matching water demand (downstream conditions) with the available water supply (upstream conditions), taking into account environmental and energy needs.

Switzerland will promote increased **water management efficiency and productivity** at national and plot level, with a focus on the Ferghana Valley and activities in other parts of Kyrgyzstan, Tajikistan and Uzbekistan. The successful horizontal up-scaling of the Swiss IWRM-Ferghana Valley approach with the WB and ADB will continue until 2015, after which the responsibility will definitively be handed over to governments and communities. Similar parallel financing with IFIs will be considered in Kyrgyzstan and Tajikistan. SDC will contribute to developing a

realistic water service pricing model to provide incentives for water conservation and increase the financial and economic viability of the WUAs and other water management organizations. This model should imply financial support from governments. Furthermore, the capacities of extension service providers, be it state water management organizations, WUAs or NGOs, will be strengthened.

Through **strategic data management**, the programme aims to establish a transparent mechanism from the national to the regional level to facilitate the exchange of water related data, including data on hazards/risks, water and soil conservation and climate change, so as to inform decision making processes. Once defined, these mechanisms will allow sufficient data sharing while supporting decision-making for better integrated water management and governance at the regional level. SDC will strengthen the capacities of national data providers and information systems in close coordination with other donors, especially the WB. Political circumstances at re-

gional level allowing, there will be a drive to consider strengthening national structures with a long term regional approach in coordination with the energy-water linkages component of CAEWDP.

Under the new strategy, **DRR** will focus on improved watershed management and adaptation to changing climate factors. The safety, livelihoods and infrastructure of communities living along rivers will be improved through an integral view on the watershed and a holistic approach to disaster risk management. Geographically the DRR component concentrates on Tajikistan and crossborder watersheds in the Fergana Valley. With a priority on Tajikistan, Switzerland will jointly with other partners (IFIs, UN and other donors) actively support the inclusion of disaster risk management and the sustainable use of natural resources into national reforms by reinforcing the relevant donor coordination structure and the planned platforms for disaster risk reduction.

Regional

Domain of Intervention

Regional Water Resource Management Programme

Country Priorities

The objective of the Central Asia Energy-Water Development Programme (CAEWDP) is to assist Central Asian countries in establishing modified systems of regional cooperation that build energy and water security, supporting EC-IFAS Third Aral Sea Basin Plan (ASBP-3), CAREC (Regional Energy Strategy and National Strategies).

IWRM principles are gradually incorporated into national policy, legal/regulatory and budgeting systems, with an initial focus on increasing water productivity and making local water organizations sustainable.

Domain Goal

Water resources are managed in an integrated, transparent and needs-based manner in Central Asia (with a focus on the Fergana Valley), taking into account the increased threat of water-related hazards, so as to increase socio-economic development opportunities and to contribute to reducing water-related conflicts at the regional, canal and community level.

Swiss Contribution

1. A dialogue among stakeholders of the region provides a common factual base for future political discussions and negotiations on regional water management issues, to build energy and water security in Central Asia.
2. The three countries sharing the Fergana Valley (KG/TJ/UZ) have adopted a consistent vision and national roadmaps towards nationwide implementation of the IWRM approach.
3. In the project areas, increased water efficiency and productivity are resulting from the replication/adoption of IWRM.
4. A transparent mechanism for the exchange of water-related data and a decision support system are introduced at national level and coordinated at regional level, facilitating decision-making processes.
5. The safety and security of communities, their livelihoods and assets along the rivers and irrigation canals in the selected project areas are increased and the resilience is built through the implementation of an integrated watershed management.

Transversal Themes / Approach

Governance, Gender, Conflict Sensitive Programme Management

Overall Budget CHF 40 Mio.

CHF 40 Mio.

SDC CHF 34 Mio. / SECO CHF 6 Mio.

4. Swiss Programme in Kyrgyzstan



4.1 Context Kyrgyzstan

In 2005, the so-called Tulip Revolution brought down President Akaev and a second “revolution” in April 2010 led to the toppling of the successor government of President Bakiyev. In June 2010, inter-ethnic strife broke out in the South of the country – killing 450, wounding thousands and displacing many more. Like similar events in 1990, it dramatically highlighted the fragmented character of Kyrgyz society. Interethnic relations remain characterized by mutual distrust.

After the ousting of President Bakiev, Roza Otunbayeva – an opposition politician and former foreign minister – served as interim president to allow free elections. In late June 2010, a new constitution establishing a parliamentary regime was overwhelmingly approved. In October 2010, free and fair parliamentary elections were conducted and former Prime Minister Almazbek Atambaev was elected president in November 2011. Despite significant democratic progress, inter-ethnic tensions, as well as the divide between the North and the South, remain important challenges that the new government will have to address to ensure security for all and long-term stability. Kyrgyzstan has a population of 5.4 million people with about 65% living in rural areas. In terms of population Kyrgyzstan and Turkmenistan are the smallest Central Asian countries. As measured by the UN Human Development Index 2011, the country now ranks 126th out of a total of 187 countries. Economically, Kyrgyzstan remains a low income country with a GDP per capita of US\$ 860 in 2010. According to the IMF, real GDP decreased by 1.4% in 2010, which is the

year of political unrest. The percentage of the population living below the poverty line in 2008 stood at 31.7% and hence was lower than in Tajikistan, but also much higher than in neighbouring Kazakhstan, where the equivalent figure stands at 8.2% in 2009. Remittances are a crucial source of income for many families. According to World Bank statistics, workers’ remittances and compensation received by employees amounted to about US\$ 1.3 billion in 2010, which amounts to 27% of GDP. This is an important source of external financing for the country; however, it also reflects suboptimal employment prospects. According to UNCTAD in 2009, Kyrgyzstan ranked 90th out of 141 countries regarding the inward foreign direct investment potential. The investment climate is also important for Kyrgyzstan to improve its energy sector. According to the Corruption Perceptions Index 2010, Kyrgyzstan is ranked 164th out of 178 countries; that is in the last 10%. Rent seeking slows down economic development. The literacy rate is high, but the quality of education is declining. Public expenditure on health represents 13% of the overall budget, which is a major achievement of the Swiss and other donors’ programmes, but still, according to UNDP, only 3.5% of GDP.

According to the Corruption Perceptions Index of 2010, corruption is pervasive and the concentration of political and economic power is in a few hands. Considering that these factors were the main trigger of the April 2010 uprising, the current government pledged to improve PFM, transparency and anti-corruption. Main problems remain in the areas of weak public sector management and institutions, inefficient delivery of public services and a weak justice system. Too little investment has been made in sustainable infrastructure since independence.

In important social sectors such as health and education, many teachers and doctors will either retire or emigrate in the next five years. The situation is particularly critical in rural areas. Weaknesses in governance have hampered the development of an efficient and accountable public sector, and reduced private sector development. Though the legal and regulatory framework has made progress, much is still needed to foster a friendly environment for foreign investors and small and medium enterprises (SMEs) and to ensure long term political stability and security. Although having strong growing neighbours such as China and Kazakhstan might provide a positive spillover, there is also a risk that strong competition will hamper industrial growth.

4.2 Programme Achievements

Four out of five domains of the previous Swiss Cooperation Strategy in Central Asia (2007-2011) have been implemented in Kyrgyzstan. During this period, considerable results were achieved in all sectors and Switzerland enjoys a solid reputation as a partner for policy dialogue – especially in health and PFM reforms – and as an important stakeholder in water supply and sanitation and in legal advice for rural citizens.

Health Care Reform

Switzerland has been a key donor supporting health sector reform in Kyrgyzstan since the mid-1990s, when conditions were deteriorating due to the sector's dramatic under-financing. These reforms saw the strengthening of primary health care with the introduction of the family medicine model and a community health model, and the introduction of a compulsory national health insurance. Starting with the renovation of hospitals, Switzerland has been a critical partner with a focus on medical education and health promotion in rural areas. Major results have been achieved thanks to the technical support and expertise of Swiss partners.

Switzerland supported the implementation of the Kyrgyz health reform strategy in joint funding with Germany, Great Britain and the World Bank. The leverage of this support, linked with an intensive policy dialogue with the Kyrgyz government, was crucial in increasing the state's health sector budget. Through the reform, key health indicators have improved considerably; for example, the infant mortality rate went down from 30.6/1,000 in 2005 to 22.8 in 2010, while maternal mortality saw a reduction from 61/100,000 live births in 2005 to 50.6 in 2010. Access to health services is now more equitable thanks to the reduced financial burden on patients. This is the result of the increase of direct public expenditures on patient care within hospitals and the increase of public expenditures on primary care as a share of the social insurance system, as well as the improved ratio of co-payment by patient to average salary (from 22.3% in 2006 to 8.2% in 2010). Switzerland also financed a large health promotion project where 1,800 village health committees were set up to promote a healthy lifestyle and to empower citizens and communities. Finally, undergraduate medical education is being reformed with support from Swiss Cooperation.

Public Institutions and Services

After initial signs of hope in the first years after independence, enthusiasm for reforms decreased sharply; in spite of donors' effort to coordinate their interventions, policy dialogue had little leverage. To address this issue, Switzerland, together with Sweden, launched a trust fund for capacity building in PFM and attracted other major donors – the European Union and Great Britain's DFID – to streamline the support and make it more effective.

The wide-ranging public finance reforms go much beyond mere capacity development: they cover budget formulation, medium term budget framework, internal auditing, intergovernmental finance and transparency. The activities were launched in mid-2010 and the finance ministry – the programme's main partner – has taken ownership in their implementation. Complementarily, Switzerland is providing technical assistance in macro-economic analysis and forecasting. This led to 2010's creation of a macro-economic council. For the first time, the country can use a tailor-made model to discuss budget forecasts and strategic economic development. In addition, the Swiss National Bank is providing technical assistance to the Kyrgyz National Bank.

Transparency and accountability are key features in public sector reform not only at the national level but also at the local level. Therefore, in 2011 Switzerland launched a new programme which seeks to increase the accountability of local government bodies and to increase citizen participation in local public services and budget management.



Basic Infrastructure

Over the 20 years since independence, basic infrastructure has been continuously deteriorating because of inefficient management, lack of preventive maintenance and reduced capital investments. In urban areas it is under additional strain due to internal migration from rural areas. If not supported and upgraded, this infrastructure – the backbone of the national economy (electricity) and of local communities (water supply) – is at risk of collapsing.

As a result of Swiss engagement in the **energy sector**: (i) the town of Naryn has an upgraded local network providing a more reliable electricity supply; (ii) jointly with the World Bank, the issue of commercial losses was addressed; in particular four electricity distribution companies have improved their billing system in pilot areas and look forward to doing so nationwide. Despite good results at the project level, Switzerland, along with other donors, decided to suspend its support to the energy sector a few years ago due to corruption, mismanagement and a lack of sector reforms. However, considering the government's pledge to enhance transparency and accountability, Switzerland envisages financing the rehabilitation of a small hydro power plant near Naryn to complete the work that began under the previous Cooperation Strategy.

Private Sector Development

Swiss engagement in private sector development targets the investment climate and attempts to close the gap between the relatively good regulatory framework and its enforcement. The key issues that currently limit private sector growth are tax policy and enforcement, as well as inspection. This is particularly true for SMEs and has a negative impact on employment both in urban and rural areas. Major progress has been achieved in introducing risk-based audits in tax administration and in significantly reducing the number of inspections.

Another area where the Swiss Cooperation is currently engaged is access to finance. In partnership with the IFC (International Finance Corporation, a member of the World Bank Group), the information sharing system among financial institutions and credit information bureaus has been improved and made more secure. Moreover, risk certification training programmes are conducted in line with international standards to build a critical mass of specialists.

As a member of the World Trade Organization (WTO), the Kyrgyz Republic is working on its trade competitiveness. Switzerland assists by strengthening the regulatory structures and advising private sector businesses on how to increase quality and access new markets. Major results included the country's first International Organization for Standardization (ISO) certifications as well as increased export volume of textiles and clothing plus new jobs in that sector. In parallel, Switzerland is supporting the development of the consultancy market, a critical element for the future of SMEs.

With Switzerland's support, the Kyrgyz Republic introduced the Business Development and Investment Council in 2007. This institution offers a transparent platform for coordination and dialogue among the government, the domestic private sector, foreign investors and donors, and for tackling issues of concern for private sector development.

4.3 Strategic Orientation for 2012–2015

The Swiss Cooperation Programme 2007-2011 has been implemented in the framework of the Kyrgyz Government Country Development Strategy covering exactly the same period. The government has recently presented a Medium Term Development Programme 2012-2014, characterized by a market-based approach (further deregulation of the economy, improvement of the investment climate) and a strong focus on public reforms, while underlining the need for social protection. This programme is subject to parliamentary approval and linked to the annual budgeting and mid-term budgetary forecasting. These factors hint at strong national ownership, but more discussions with and among development



The programme **improved access to clean water** in the town of Karakol and the surrounding villages, giving more than 70,000 people access to better drinking water. Together with the EBRD, the recently launched projects in the three largest cities of the country (Bishkek, Osh and Jalal-Abad with total population of at least 1.5 million people) will bring results during the new strategic framework period. The project implementation is directly mandated to municipalities to strengthen their capacities to manage the renovated infrastructure and to increase ownership. Though Switzerland is a small player in infrastructure, it has obviously earned a comparative advantage in this area and the added value of Swiss intervention is highly appreciated by partners (including co-financing partner EBRD) because of its experience in transparent and participatory management systems.

partners are needed to jointly agree on how donors can support this process.

Switzerland will further concentrate and continue its support to priority areas of Kyrgyzstan's development plans, in domains where the Swiss Cooperation has already proved its value. Coordination and cooperation with multilateral and bilateral development partners will be further maintained and there will be continued engagement with the civil society. This is particularly crucial when it comes to policy reforms, considering the enhanced leverage of a joint dialogue.

In the aftermath of the revolution and of the inter-ethnic violence that affected the South of the country in 2010, it will be imperative for the Swiss Cooperation to manage the projects and portfolio in a conflict-sensitive manner, and according to a "do-no-harm" approach (see chapter 7.5).

The overall objective for the Swiss Strategy in Kyrgyzstan for 2012-2015 is to support the transition process by assisting public and private institutions at all levels to deliver better services in an equitable, transparent and effective way.

Health

Kyrgyzstan suffers from a double epidemiological burden, with high maternal mortality, communicable as well as non-communicable diseases. The two national health reform programmes (1996-2006 and 2006-2011) have significantly bettered the situation. Health indicators have improved and health financing has become fairer with the introduction of national health insurance and the increase of the government funding allocated to the sector.

The third national health strategy – Den Sooluk 2012-2016 ('Health' in Kyrgyz) – is based on the reform's unfinished agenda, focusing on improving the quality and efficiency of health services at all levels and following the same path as the former set of reforms which aims at universal coverage, with greater attention to core services related to cardiovascular diseases, maternal and child health care, control of tuberculosis and HIV/AIDS, and the removal of health system barriers.

Switzerland remains committed to helping to ensure equitable access and improve the quality of health services delivered nationwide, with a focus on rural areas. Given the continued capacity of the government to manage the reform agenda and funds, Switzerland will further support the elaboration and implementation of the National Health Strategy using a sector-wide approach and pool funding⁵. Financial support may be increased, should the fiduciary risks remain acceptable and the government's allocation to

the health sector be expanded⁶. Switzerland will support the mitigation of the fiduciary risks through its engagement in public finance reforms.

Switzerland will provide technical assistance to the reform of medical education (undergraduate, graduate and continuous medical education) and support the introduction of innovative learning methods so that training is also better connected to the rural health system's needs. This will contribute to improving the quality of services in the short and long-term. The autonomy of service providers, in particular family medicine centres, will be piloted in Naryn Oblast, subject to government approval. Concrete areas of support may include human resources, quality and financial management.

The introduction of "Community Action for Health" in rural village health committees was a major milestone for Kyrgyzstan. Individuals and communities have taken more responsibility for their health, changed behaviour and lifestyles. These committees have also provided an important platform for women's empowerment in rural areas. Together with Liechtenstein, Switzerland will focus on ensuring further health promotion activities and institutionalization for sustainability beyond the donors' exit phase.



Public Sector Reforms and Infrastructure

Kyrgyzstan's government places major emphasis on public sector reforms and infrastructure. The Swiss interventions in this domain will be fully in line with these priorities. Switzerland will continue to contribute to a lasting improvement of public service delivery through promoting a transparent and efficient use of public resources and targeted infrastructure investments.

⁶ Within 2005-2011 the health sector budget support an increase of 0.6% per year was conditioned and achieved. In 2011 at least 13% of the state budget flowed into the health sector. A further increase of 0.5% per year of the state budget shall be targeted, but this still needs to be negotiated with the Kyrgyz parliament.

⁵ Other future contributors to health budget support include Germany (KfW), the World Bank and the ADB.

At the central government level, Switzerland will help strengthen the government's capacity to manage and allocate the state budget in an effective, accountable and transparent way and to improve its capacity for economic analysis, forecasting and policy making. Budget formulation and execution processes have to become more transparent, traceable and streamlined, and capacities for "following the money" need to be strengthened by improving internal and external audit functions. These efforts will concentrate on the finance ministry, but will also benefit other ministries, especially the health ministry. General budget support in partnership with donors like the World Bank, the IMF, the EU and the ADB might be considered in the medium term, provided that significant progress in PFM reforms is made.

Swiss engagement will include all levels of decentralization and – based on past experience – continue to work with municipalities to improve communal service delivery to all citizens through targeted infrastructure investments and improved management of public/private utilities. With a focus on the urban water supply, the key element is strengthening municipal management capacities to ensure the improved quality of basic infrastructure and service delivery.

To enable rural citizens to be more involved in decisions about public services, the Swiss Cooperation wants to ensure that local self-governments in selected oblasts base their decision-making on the concerns of the population and that the quality of services will be monitored by the population. Depending on the mid-term results, a further scaling up may be supported with co-funding by other donors.

Private Sector Development

In 2011, Kyrgyzstan ranked 70th out of 183 countries in the World Bank's "Doing Business" survey – with a significant gap between a relatively good regulatory framework and its poor enforcement. The key issues limiting private sector growth are – in a context of rent seeking – tax policy and enforcement as well as inspections. This is particularly true for SMEs and has a negative impact on employment opportunities both in

urban and rural areas. Setting up a level playing field, where enforcement discrimination is minimized, is key for further development.

The Swiss programme intends to contribute to a strengthened private sector – leading to job creation, economic growth and, ultimately, poverty reduction. Switzerland will work on improving the investment climate by supporting the Kyrgyz government in decreasing the regulatory burden and compliance costs for businesses, especially for SMEs. This will include simplification and proper enforcement of laws, regulations and administrative procedures in areas such as permit issuance, inspection and taxation in line with the announced priorities in the medium-term programme. Outreach campaigns to the private sector will aim to increase awareness of procedures and empower businesses to voice their demands.

Linked to the enabling environment, Switzerland will work on improving access to finance, including a broadening of the spectrum of financial products offered in the market. The Swiss interventions will include work with credit bureaus and collateral registries and introduce affordable mortgages for energy efficient housing rehabilitations for low-income private households in cooperation with microfinance institutions.

Notwithstanding its WTO membership, Kyrgyzstan is considering joining the Customs Union, composed currently of Belarus, Russia and Kazakhstan. Accessing the union may significantly impact international agreements, manufacturing companies and trade in both positive and negative ways. In partnership with the International Trade Centre (ITC), Switzerland will monitor and assist Kyrgyzstan's government and companies in this process. Switzerland will continue to help SMEs in the textile and clothing sector to access export markets, improve quality and create jobs. Special attention will be given with respect to International Labour Organization (ILO) standards. Improving the trade competitiveness of specific sectors is important in order to strengthen the country's trade balance.

Furthermore, Switzerland plans to intensify its support in the private sector, targeting young people in remote areas in the South of Kyrgyzstan and will facilitate the creation of new business, job opportunities for youth, including the respective training. Swiss interventions will focus on selected high-potential sectors, such as agro-processing, where Switzerland can provide added value thanks to its experience in the country and in skills development, with the intention to contribute to create new perspectives for youth and thus address a root cause of potential conflicts.



Peace Building, Non-core Programme

Following inter-ethnic clashes in the South of Kyrgyzstan, several peace building activities were initiated to mitigate the spreading of such conflict. Results have been encouraging but will require a longer period to be sustainable and therefore will need to continue in areas with potential inter-ethnic tensions. The medium term intention is to improve respect for hu-

man rights, increase public security and trust in public institutions and reduce social and ethnic tensions in the affected areas. Switzerland will seek partnerships with experienced international and local organizations, such as the OSCE, in order to build on current experiences of support to community policing and the rehabilitation of social institutions in the South of Kyrgyzstan.

Kyrgyzstan		
The overall goal is to support the transition process in Kyrgyzstan by assisting public and private institutions at all levels to deliver better services in an equitable and effective way.		
Domains of Intervention		
Health	Public Sector Reforms and Infrastructure	Private Sector Development
Country Priorities		
The Health Care Reform is implemented, with a focus on health gain, core services and removal of health system barriers. (Den Sooluk 2012-2016)	Substantial improvement of budgetary process and introduction of new techniques in budget management. Adequate framework conditions for the improvement of water and energy infrastructures, including the participation of citizens in the local budgeting process.	Improvement of business environment, aiming at setting up favourable conditions for broadbased growth, increased export potential and improved access to employment.
Domain Goal		
To ensure equitable access and to improve quality of health services delivered countrywide, with a focus on rural areas.	To increase equitable access for citizens to services through transparent and efficient use of public resources.	A strengthened private sector leads to job creation, economic growth and ultimately poverty reduction.
Swiss Contribution		
<ol style="list-style-type: none"> Switzerland co-finances the Health Care Reforms 2012-2016 through a sector-wide approach (SWAP) mitigating fiduciary risks and ensuring proper financial management by the MoH. The quality of medical education/training is improved and better connected to the rural health system's needs and practice. The autonomy of service providers with focus on Family Medicine Centres is piloted in Naryn Oblast. Communities in rural areas are supported by a functioning health promotion system, and take more responsibility for their own health. 	<ol style="list-style-type: none"> Reforms are implemented to strengthen the public finance management and the financial market supervision. Upgraded infrastructure and related management improves access to communal services (water and energy) in target municipalities. Accountability and transparency in public service delivery is increased through citizens' participation. 	<ol style="list-style-type: none"> Reduce administrative burdens in tax and inspections area and strengthen financial market infrastructure. Enhance trade competitiveness of SMEs, with focus on selected industries (agro-processing and textiles). Micro-business and employment opportunities for youth are expanded and diversified in selected industries in the Southern Region.
Transversal Themes / Approach		
Governance, Gender, Conflict Sensitive Programme Management		
Overall Budget CHF 61 Mio.		
SDC CHF 14 Mio.	CHF 29.5 Mio. SDC CHF 6 Mio. / SECO CHF 23.5 Mio.	CHF 17.5 Mio. SDC CHF 6 Mio. / SECO CHF 11.5 Mio.

5. Swiss Programme in Tajikistan



Tajikistan has a population of 7.0 million inhabitants, with almost 75% living in rural areas. As measured by the UN Human Development Index 2011, the country now ranks 127th out of a total of 187 countries. Economically, Tajikistan remains a low income country with a GDP per capita of US\$ 820 in 2010 and with living standards still below pre-independence level. The percentage of the population living below the poverty line in 2009 was high at 46.7%. Remittances are a crucial source of income for many families. Migration related transfers represent about 40% of the GDP, in 2010. In 2009 UNCTAD ranked Tajikistan 109th out of 141 countries regarding the inward foreign direct investment potential. According to the Corruption Perceptions Index, Tajikistan – although better ranked than its neighbours – is still in the last quintile at 154th out of 178 countries. The literacy rate is high. Health indicators are showing some positive trends, though Millennium Development Goals are unlikely to be reached.

5.1 Context Tajikistan

Shortly after the collapse of the Soviet Union, a civil war broke out in Tajikistan and lasted until 1997, when the current President Rakhmon was elected. He is still the country's undisputed leader; opposition forces are weak. While governance, rule of law and human rights continue to pose challenges and corruption is perceived as endemic according to the Corruption Perceptions Index, the country has been relatively stable and development indicators have shown some positive signs in recent years. The memory of the civil war and the fear of resurging violent conflict and insecurity highly affect the population and have so far prevented the kind of protests which have occurred in other post-Soviet countries or, more recently, in the Middle East.

Infrastructure has suffered severely since the collapse of the Soviet Union and the civil war; public services are deficient because of insufficient maintenance funding. Access to resources is limited and the economy is marked by monopolistic structures. The private sector is underdeveloped. The country's main sources of income are remittances and commodity exports, in particular aluminium and cotton.

The country has a high potential for tourism development, as well as solar and hydro energy. The government is notably exploring options for developing the latter. This is however a sensitive issue in the region due to different needs and interests of upstream and downstream countries.



The last 20 years have witnessed a massive brain drain, 1–1.5 million Tajik people work as labour migrants abroad, mostly in Russia and Kazakhstan. Their remittances are the major factor for the decline in poverty; transfers from abroad remain critical for the survival of many Tajik families. This makes Tajikistan highly dependent on the Russian economy, which itself is highly susceptible to global economic fluctuations due to its commodities-based nature. Another impediment to development lies in environmental degradation caused by overgrazing and deforestation, which may trigger even more frequent natural disasters.

Since its independence, a process of desecularization has been taking place in Tajikistan – resulting in an increased return to traditional values and gender roles, in particular in rural areas. The downsides of migration, and in particular the increasing divorce rate, could negatively impact women, whose social

role is undermined. The country is facing several challenges that could affect its long-term stability: lack of employment opportunities within the country, the large labour migration with its ensuing dependence on the Russian economy and the demography with youth representing 50% of the population; governance issues; weak state institutions and civil society and limited space for political opposition; the proximity to Afghanistan and its likely spill-over effects of narcotics trafficking; potentially increased instability after the withdrawal of NATO forces in 2014; climate change and its impact on water resources, agriculture and energy.

5.2 Programme Achievements

Four domains of the current Swiss Cooperation Strategy in Central Asia (2007-2011) have been implemented in Tajikistan. Many of the Swiss-supported projects have developed good results within the boundaries of the project framework; slowly but surely, progress is being achieved at the national level. However, the high number of sub-sectors was challenging the overall performance of the Swiss programme.

Health Care Reform

Along with other donors, namely the World Bank and USAID, Switzerland has helped to develop a family medicine-based primary health care system in selected pilot districts. Such a system is more cost-efficient and the health services are more affordable for the general population. The family medicine system has been introduced in close collaboration with the local health authorities in 11 out of 58 districts; 1.2 million people now benefit from improved health services in these areas. The project has trained 331 family doctors and 693 family nurses. Within the programme, SDC supported a community-based approach that is starting to play an important role in health and hygiene promotion. Switzerland has further supported the reform of medical education, revising curricula and promoting the retraining and continuous education of health professionals at different levels, thus fostering quality of services and adequate human resources for primary health care. Switzerland has moreover supported the health ministry in its establishment of the Comprehensive Health Sector Strategy (2010-2020) and its action plan by providing technical expertise. Evidence observed through the Swiss interventions on the ground were feeding the policy dialogue and influenced the new health sector strategy. Even if the efforts to replicate and institutionalize the pilots are facing considerable challenges, health care is an essential survival good and strong basic services are extremely important in restoring confidence and mutual trust between the state and the population.

Public Institutions and Services

Financial Sector Support and Public Finance Management (PFM): Swiss Cooperation has been active in this domain for several years. Switzerland has provided technical assistance to the National Bank of Tajikistan (NBT) and helped strengthen the institution's capacity. After the interruption of the IMF cooperation due to the NBT misreporting substantial credit provisions to the cotton sector, Switzerland financed an external audit of NBT financial statements. The audit was one of the preconditions that allowed the IMF to resume its support to Tajikistan. Due to the low capacity and the country's difficult political and economic situation, progress in the PFM sector has been slow yet effective. Nevertheless, because of the insufficient political support for improving transparency in the use of public funds and because of the necessity to streamline the overall programme in Tajikistan, it was decided to phase out Swiss bilateral cooperation in this area. During the phase-out, Switzerland will ensure sustainability of previous investments and still continue to support the public accounting reforms through well targeted technical assistance, thus helping with the transition from Soviet-era principles to international accrual-based methods.

Rule of Law: Together with other donors, the Swiss programme was a key actor responsible for several important results. These include the reform of the judiciary, leading notably to the creation of the Council of Justice, which ensures a transparent mechanism for the appointment of judges and a centralized system of court monitoring – as well as the Judicial Training Centre, which provides professional education for judges. Switzerland has facilitated human rights treaty reporting by the government of Tajikistan; the capacities of human rights NGOs have been strengthened to draft shadow reports. Besides successful attempts at policy and system changes, the Swiss programme has also been working directly with poor and vulnerable segments of the population by fostering the provision of free legal aid. In 2010, some 5,400 people (73% of them women), received legal assistance through the legal aid centres supported by Switzerland; 2,350 clients received counselling at crisis centres within the framework of





preventing domestic violence. The biggest challenges for the Swiss-funded rule of law programme are the slow progress of judiciary reform, the lack of legal enforcement processes as well as the difficulty of achieving greater sustainability of the legal services provision and advocacy work. The empowerment of civil society organizations is key. The development of the rule of law / human rights sector is very relevant with regards to power sharing, access to resources, stability; it is an important milestone for restoring confidence between the state and the citizens.

A human rights programme was launched in 2010 by the Political Directorate of the Swiss Ministry of Foreign Affairs, Human Security Division, supported logistically by the Cooperation Office and complementing the rule of law programme of SDC. Among other interventions, important support has been provided to the authorities and the civil society in preparing the Universal Periodic Review of Tajikistan (held in October 2011) for the Human Rights Council in Geneva. A dialogue held with the government of Tajikistan on the abolition of the death penalty is also showing encouraging results thanks to rising awareness that abolishing the death penalty would not result in higher crime rates.

Basic Infrastructure

Tajikistan suffers from regular **energy** shortages; hence major investments and a restructuring of the energy sector are needed. Switzerland has mostly been acting in cooperation with IFIs (WB/IFC and

ADB) in this area. While significant achievements have been reached with the Pamir Private Power Project, other interventions did not meet expectations. Tariff reform towards full cost recovery and capital investment components has been implemented quite satisfactorily. However, there has been only limited progress with the structural reforms and improvement of the management of Barki Tojik, the main electricity provider, and limited reform efforts in the energy sector in general. Tensions with Uzbekistan and the resulting problems with gas imports have further undermined the programme's success. In assessing the overall results over the past years as well as the actors' degree of influence at the national level, Switzerland has found that outside the Pamir region, it has had insufficient leverage in relation to both the government and other donors. As a result, it has not been possible to trigger and sustain the desired reform. For this reason, this will no longer be a priority sector under the new Cooperation Strategy. Switzerland will, nonetheless, remain engaged in the sector in a limited way, securing the sustainability of past investments, but with no engagement in new projects.

The Swiss **drinking water supply and sanitation** programme has proven highly effective. The Khujand drinking water supply project, jointly implemented with EBRD, is Tajikistan's model for a safe and decentralized urban drinking water supply; it has since been replicated in seven other cities around the country.

Through this project, safe urban drinking water for 40,000 people, (30% of the Khujand population, at a price per capita which is far below the prices of former systems), is guaranteed, with a reduction of water loss from 90% to 60% at the city level. By the end of 2011 the safe drinking water supply was extended to the whole city of Khujand with its total population exceeding 150,000. In rural areas, five decentralized drinking water systems managed by water associations have been created. This has brought safe drinking water to almost 30,000 people; water-borne diseases have drastically declined (more than 50%).

Private Sector Development

In 2011, Tajikistan ranked 147th out of 183 countries in the World Bank's "Doing Business" survey. Swiss funded projects have yielded some positive results. In particular, trade promotion projects working in the fruits/vegetables and textiles/clothing sectors have proven successful, allowing an increase in production and trade. Good results have also been achieved in revising regulations at the national and regional levels. Among them are laws on credit histories, inspections and permits. In addition, an Investment Council Agency has been established to provide a platform for the private sector to have a voice in the government reforms. According to the World Bank's "Doing Business" survey, Tajikistan has been among the top reforming countries in recent years. The number of permits required to start a business, for example, was reduced from 607 to 85. Yet enforcement of these reforms is challenged by vested interests. Regarding support of the WTO accession process, which continues to be a priority for the government of Tajikistan, substantial progress has been made recently thanks to concrete commitments taken by the Tajik delegation and through continued assistance from Switzerland in the area of policy advice and capacity building. As a result, bilateral negotiations on access to goods and services have advanced considerably. The development of the private sector is crucial as the country urgently needs jobs for its young population. Hence, private sector development remains a priority in the new Cooperation Strategy.

5.3 Strategic Orientation for 2012–2015

Switzerland has the following overall goal: supporting the transition process in Tajikistan by contributing to its economic development and helping to build institutions and systems which respond to the population's needs.

The government of Tajikistan has established a National Development Strategy 2005-2015 and a Poverty Reduction Strategy 2010-2012. Together with the international community, these two documents have recently been translated into concrete intervention plans. The government, together with development partners, is currently in the process of preparing the next Poverty Reduction Strategy for the period 2013-2015. The priorities for the Tajik government are agrarian reform, energy and economic development, with less focus on social reforms. Sector strategies have also been developed with donor support. However, not all of these strategies enjoy the same level of ownership by the Tajik government and the degree of implementation remains a concern.

The main international organizations and development agencies in the country are the WB, ADB, IMF, EBRD, IFC, UN, OSCE, EU, USAID, GIZ, DFID and Swiss Cooperation. Swiss interventions are generally well coordinated and harmonized with other donors in the framework of the Development Coordination Council (DCC). Regular meetings between the Tajik government and the DCC allow assessing the progress of reforms as outlined in the action plans. Non-traditional donors such as Russia, China, India and Iran are increasingly active and Switzerland will support the Development Coordination Council for potential inclusion of these countries in the donor coordination's structure.

An important threat to the long-term stability of the country is the accountability divide between the government and citizens. Through dialogue and partnership, both sides shall work together to achieve sustainable progress under the new strategy. As country level disparities could exacerbate social and political tensions, the Swiss Cooperation will pay attention and address regional imbalances. It will continue to build the state's capacities and strengthen the civil society, which has the potential to play a more important role. A special emphasis will be given to contribute to an efficient policy dialogue and to support national reforms. At the same time, Switzerland will continue to work at the decentralized level to address the urgent needs of the population and to ensure that basic services are accessible to population members living in remote and vulnerable regions. The collaboration with the local authorities in service delivery is considered an opportunity to improve accountability and transparency. Special attention is given to the specific needs of women due to their vulnerable status. Emphasis will also be placed on



working with youth, as more than 50% of the country's population is under 18 and thus has the potential to become a positive driver of change.

Given the frequent occurrence of natural disasters in Tajikistan, DRR and climate change adaptation will be mainstreamed in programmes with a spatial component.



Health

Health care in Tajikistan is of poor quality and under-resourced with just 2% GDP allocation – the 2nd lowest worldwide. Management is inefficient, professional training is outdated and people are often forced to contribute through informal payments. The programme thus focuses on providing primary health care services and community health at the local level in two oblasts (Gorno-Badakhshan Autonomous Oblast and Khatlon). If possible, the Rasht Valley (under the Direct Republican Jurisdiction) will be included in line with the Conflict-Sensitive Programme Management approach. Accordingly, the domain vision is: men and women benefit from better health thanks to improved primary care services and health promotion in rural areas.

The current family medicine models will be extended from 11 to 22 districts (out of Tajikistan's 58 districts), benefiting some one million people. The programme will continue to reinforce health staff capacities through family medicine retraining and to rehabilitate primary health care facilities. It will contribute to the reform of medical education at all levels as a further means of improving quality and coverage of family medicine. Among donors in the health sector, Switzerland is fostering an efficient coordination in service delivery. At the same time, the capacities of the district health managers are being strengthened. The Swiss programme will continue documenting the implementation of the health financing strategy and Switzerland, together with other donors, is involved in a policy dialogue with the health ministry

that focuses on the execution of the national health strategy and on the Tajik government's commitment to increase state health spending. Community health activities will be continued to increase local participation in disease prevention and health promotion. Several activities will target the civil society to support its organizational development and empowerment in advocating for health care needs; dialogue mechanisms between civil society and local health authorities will be set up. Switzerland is engaged with other donors in developing an expanded vision of community health activities.

These interventions are expected to lead to increased access to quality family medicine services for the rural population; primary health care services are re-sourced and managed in an efficient and transparent way at the district level in order to increase their sustainability. Finally, the population, including the youth, plays an active role in health promotion by addressing the public health needs of men and women, of all ages, in a participatory manner and demanding better health services from the local health authorities.

Rule of Law

Respect for the rule of law and human rights is an important factor for ensuring economic initiatives and political participation, for peaceful management of conflicts and for building a legitimate state able to respond to the needs of everyone. In Tajikistan, the legal and judiciary machinery is in place, but the system requires profound reforms. The ineffective implementation of a clear division of powers weakens the administrative and judicial system and creates concerns about legal security and protection of rights. A second package of legal and judicial reforms was adopted in 2011, creating a window of opportunity for meaningful dialogue between the civil society and the government of Tajikistan. The aim of the Swiss programme is to contribute to better access to justice for everyone and to enhance the capacities of the judicial and legal system to respect and protect human rights.



The Swiss interventions shall support the development of a legal system more responsive to the demands of citizens. Legal awareness raising and legal aid allow for providing better access to legal protection for vulnerable groups in selected regions as well as for identifying key legislative gaps and procedural blockages preventing effective legal protection. In addition to concrete changes in court procedures, a more substantial policy dialogue is to be expected between state authorities and civil society, feeding practical experience into the reform processes.

The programme will provide technical and financial assistance to legal aid centres to supply services to vulnerable groups. Programme partners will be supported to identify, document and analyse critical issues to be addressed at the systemic level and to develop concepts for reform. The governmental partners will be supported in the implementation of the selected reform responses. Measures will be taken to reinforce the institutional development of local NGOs and their ability to network and build strategic alliances. The Swiss programme will facilitate the creation of space and opportunities for open and non-conflictive discussions and consultations between state authorities and civil society involved in the justice reform. Complementarities between the SDC programme and the human rights programme of the Political Directorates of the Swiss Ministry of Foreign Affairs, Division Human Security, will be strengthened.

Drinking Water Supply and Sanitation

In Tajikistan, 48% of the rural and 7% of the urban population still do not have access to safe drinking water, resulting in severe health consequences – particularly for the poorest people. The inability of the government to deliver such a basic service adds to the already difficult socio-economic situation in Tajikistan and results in a growing discontent among the people. Accordingly, the domain vision is: access to affordable, reliable and sustainable drinking water supply and sanitation to improve living and health conditions of the population.

Financial and technical assistance shall be given to water authorities and communities at the local level to build quality drinking water and sanitation infrastructure and to conduct hygiene awareness campaigns. New and targeted funds by other donors complement and cooperate with the Swiss programme and allow extending the water trust funds for sustainable water supply and sanitation models in other geographical areas in at least 10 new districts. As a result, access to safe drinking water and sanitation for 300,000 urban and 70,000 rural residents in selected districts, cities and villages is provided through a decentralized service.

The successful operation of public infrastructure requires capacity-building, particularly in corporate development, combined with active citizen par-



ticipation and the sensitization and mobilization of the media on drinking water and sanitation issues. Meeting these requirements helps foster the efficient, transparent and accountable management and delivery of public services at the local level. In the Swiss-targeted areas where a decentralized approach and a participatory budgeting and monitoring process are effective, it is expected that financial resources for drinking water and sanitation systems will be allocated in a more transparent and needs-based manner. Through coordination and teamwork with other donors, Switzerland will contribute to the reform agenda by strengthening the policy dialogue with the Tajik government. These interventions are expected to result in the relevant water sector providers (utilities and water user associations) operating in a financially and operationally sustainable manner.

Private Sector Development

Tajikistan's private sector is significantly underdeveloped. It accounts for only half of the GDP and for 31% of employment – much less than in other Eastern European and Central Asian countries. Furthermore, private investment, at 5% of GDP in 2010⁷, is among the lowest in the world. The private sector is characterized by monopolistic structures and heavy regulatory burden. Nevertheless, noteworthy progress has recently been achieved in improving the legal framework for the private sector: for the past two years, Tajikistan has been ranked as a worldwide top 10 reformer in the "Doing Business" survey of the World Bank.

The vision of Swiss interventions in this domain is to contribute to the development of the private sector, leading to job creation (in particular for youth),

⁷ World Bank – Tajikistan Partnership Programme Snapshot, September 2011

economic growth and ultimately poverty reduction. On the one hand, support to the regulatory reform process (e.g. in the fiscal area) and awareness raising within the private sector, through outreach and promotion of a public-private dialogue, is expected to result in reduced compliance costs for private businesses. On the other hand, technical assistance will focus on improving access to finance for the private sector and further strengthening the financial market infrastructure. This includes improving risk management in financial institutions, introducing new types of credit facilities, and improving credit information sharing. Within trade promotion, the programme also endeavours to enhance access to foreign markets by assisting private companies in implementing international standards and increasing their knowledge of foreign markets. Switzerland will also continue to provide assistance and capacity building to Tajikistan in its WTO accession process.



Tajikistan			
The overall goal is to support the transition process in Tajikistan by contributing to its economic development and helping to build institutions and systems which respond to the population's needs.			
Domains of Intervention			
Health	Rule of Law	Urban and Rural Drinking Water Supply and Sanitation	Private Sector Development
Country Priorities			
Comprehensive Health Sector-Strategy (2010-2020)	Legal and Judicial Reform Programme (2010-2015)	Programme on the Improvement of Safe Drinking Water Supply to the Population of the Republic of Tajikistan (2008-2020)	
Domain Goal			
Men and women benefit from better health thanks to improved primary care services and health promotion in rural areas.	Contribute to better access to justice for everyone and to enhance the capacities of the judicial and legal system to respect and protect human rights.	Access to safe, affordable, reliable and sustainable drinking water supply and sanitation to improve living and health conditions of the population.	A strengthened private sector leads to job creation, economic growth and ultimately poverty reduction.
Swiss Contribution			
<ol style="list-style-type: none"> The rural population has increased access to quality family medicine services in GBAO and Khatlon. Primary health care services are resourced and managed in an efficient and transparent way at rayon level (of GBAO and Khatlon) in order to increase their sustainability. The population plays an active role in health promotion, addressing in a participatory manner public health needs of men and women, and is empowered to demand better health services in dialogue with local health authorities. 	<ol style="list-style-type: none"> Legal awareness raising and legal aid allow for providing better access to legal protection for vulnerable groups in selected regions as well as for identifying key legislative gaps and procedural blockages preventing effective legal protection. Key challenges identified in the practice are taken up by civil society in a policy dialogue with the relevant authorities and other stakeholders, leading to adequate responses. Selected judicial and legal institutions and procedures are reformed to provide a better response to the identified key challenges. 	<ol style="list-style-type: none"> Access is provided to decentralized service provision of safe drinking water and sanitation in selected districts, cities and villages. The relevant water sector providers (utilities and water user associations) are operating in a financially and operationally sustainable manner. 	<ol style="list-style-type: none"> Regulatory burden on businesses is reduced and effective/efficient procedures are implemented. Improved access to finance for the private sector and strengthened financial market infrastructure. Enhanced trade competitiveness of SMEs, with a focus on selected industries (agro-processing and textiles). Enhanced access to foreign markets for domains with high potential.
Transversal Themes / Approach			
Governance, Gender, Conflict Sensitive Programme Management			
Overall Budget CHF 59 Mio.			
SDC CHF 12 Mio.	SDC CHF 8 Mio.	CHF 27.5 Mio. SDC CHF 8 Mio. / SECO CHF 19.5 Mio.	SECO CHF 11.5 Mio.

6. Swiss Programme in Uzbekistan



6.1 Context Uzbekistan

Uzbekistan became an independent republic in 1991. It has held regular presidential and parliamentary elections since 1994, but opposition candidates have not managed to participate. President Islam Karimov, the nation's first president, has been in office since 1991. Several international organizations have expressed their concern about the state of human rights in Uzbekistan.

The government showed restraint during the June 2010 inter-ethnic violence in South Kyrgyzstan, when several hundred ethnic Uzbeks were killed and thousands crossed the border into Uzbekistan. Social tension in Uzbekistan is subdued, but resentment is increasing as the government struggles to provide basic services for large sections of the population.

With 27.7 million people, of which about 63% live in rural areas, Uzbekistan has the largest population in the Central Asian region. As measured by the UN Human Development Index 2011, the country ranks 115th out of a total of 187 countries. Economically, Uzbekistan is ranked as a lower middle income country with a GDP per capita of about US\$ 1,384 in 2010. According to the UNCTAD, Uzbekistan ranked 106th out of 141 countries in 2009 regarding the inward foreign direct investment potential. The literacy rate is high. Public sector corruption is pervasive, as according to the Corruption Perceptions Index of 2011, Uzbekistan ranks 172nd out of 178 countries. The government controls a sizable part of the economy. Driven by high commodity prices, economic growth

was dynamic in 2010 (8.5% according to the IMF). On a microeconomic level, the large emigration of workers, such as well-educated specialists, is hampering further qualitative growth. Gas and electricity are being exported despite shortages and rationing, which particularly affects vulnerable groups.

In rural areas, wages are below the poverty line, even in sectors where the export prices have risen considerably, such as cotton and wheat. Inflation has eroded the population's purchasing power. While achievements have been made in maintaining economic stability, declining living standards, a growing gap between rich and poor and high unemployment are the reality. Some 39% of the population is under 16 years old, and many youth are unemployed; this challenges the government to improve education and access to the job market. From 2008-2010 the annual population growth rate was 2.2%.

Since only a limited liberalization of the market has happened, the state continues to tightly control trade, foreign currency and financial transactions; operational conditions for the international development and private sector actors thus remain difficult. The government is prudently and slowly embracing water sector reforms, but due to inadequate maintenance and capital investment, infrastructure in all sectors – in particular the water supply and sanitation infrastructure stemming from Soviet times – has deteriorated and needs a major overhaul. Significant segments of the population, especially in rural areas, do not have access to safe water.



6.2 Water Supply and Sanitation Programme Achievements

Officially, 62% of the rural population has access to safe drinking water and less than 30% to sewerage systems; yet the needs are still significant.

The Swiss Water Supply and Sanitation (WSS) programme has rehabilitated urban and rural infrastructure and developed solutions for the management of a sustainable drinking water supply based on broad participation of the civil society and public and private sector providers. The rehabilitated water supplies in rural settlements have provided safe drinking water at full cost recovery to at least 70,000 citizens. The Uzbek government has recently shown an interest in the approaches developed by the Swiss projects and is ready to invest in nationwide expansion. If these plans materialize, the impact of the programme will be considerable. Furthermore, the Swiss rural water supply model is being considered during the preparation of the Government Strategy for 2020. The Bukhara and Samarkand Water Supply Project, launched in 2003, successfully rehabilitated key elements of the water supply systems in both cities (e.g. pumping stations, water quality, metering, network rehabilitation) and helped to develop the institutional and financial management capacities of the two water utilities.

Large institutional donors in the water supply and sanitation sector in Uzbekistan appreciate the results of the Swiss WSS programme and are ready to support the dissemination of its approaches. They have clearly expressed an interest in strengthening donors' coordination under Swiss leadership. Uzbekistan has requested Swiss assistance for the institutional and legal reforms in the WSS sector.

The Swiss programme focused on developing the **Vocational Education Training (VET)** curricula of two professions: 'Mechanic of Automated Systems' and 'Specialist of Automated Systems'. It developed the capacity of managerial staff at the Centre for Secondary Special Vocational Education, the leading institution in VET sector reform, in all aspects of private-public partnerships, skills testing, modern didactics and development of educational materials. Internship programmes have been established in 20 vocational centres and more than 150 companies. However, efforts have to be continued to fully assure institutional sustainability. The increasing demand for skilled personnel in both the Swiss WSS and the water management sectors are the bases for continuing the skills development project and orienting the project towards professions in water management.

Over the past 15 years, the main focus of the government and most donors in the WSS sector was on the physical rehabilitation of infrastructure. Efficient management of such infrastructure, quality assurance and accountability, and legal and operational framework improvements were not sufficiently

addressed. Currently, the government is eager to ensure sound operations and quality maintenance based on effective public management, and it recognizes the need for legal and institutional reforms in the sector. WSS sector reform and educational developments are expected to remain a priority for the government – which is in the process of endorsing the ADB-drafted Water Supply and Sanitation Sector Development Strategy, covering the period until 2020. The National Programme for Professionals' Training (Educational Reform) was finalized in 2011.



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6.3 Strategic Orientation for 2012–2015

The Swiss Water Supply and Sanitation programme WSS in Uzbekistan has gained considerable momentum and will continue to focus on infrastructure development for centralized and rural water supply systems and to expand the community-based management approach in different conditions. In addition, the programme will focus on legal reform and institutional development within the WSS sector and vocational education in order to scale-up successful models at the national level, thus achieving sustainability. The Swiss programme will also build on its vocational training experience by linking the training of water-related trades to the market requirements in this sector and thus consolidating the programme and preparing for the completion of SDC projects.

Considering the current vertical management culture, the introduction of good governance aspects is crucial. The Swiss programme will continue to strengthen the civil society to become a credible partner of the government to ensure access to quality water services for the poorer sections of the population. It is also important to continue to work with the government and to build technical capacities in domains where there is political commitment for reforms. It is essential to adapt the legal and regulatory framework to enable the mobilization of national resources for the replication of the Swiss pilots nationwide.

To this end, the Swiss programme will continue strengthening its collaboration with donors, primarily the multilateral development banks. The Swiss programme will build on synergies between the SDC, SECO and major Uzbek stakeholders, such as technical bodies and IFIs, in order to ensure the scaling-up and sustainability of the achieved results. The programme will capitalize and expand upon past WSS experiences and support Uzbekistan's transition with improvements in the institutional and regulatory framework and sound management in the water sector in order to enhance social and economic development.

The programme will continue to provide safe drinking water to all population groups in selected urban and rural settlements of the Ferghana Valley and Syr Darya province. This will be developed in a financially and operationally sustainable way by municipal and decentralized service providers. WSS systems will be rehabilitated in order to directly benefit over 300,000 urban and rural residents and community structures will be established and developed to manage water resources.

Provided that the government continues supporting the reform agenda promoted by the Asian Development Bank and the cooperation with the World Bank on the Syr Darya Water Supply Project comes to fruition, the programme's outreach could cover

the whole rural and urban population of the Syr Darya region. In the Ferghana Valley, the SDC will expand its rural approach, assuming that government funding materializes. The SDC is planning to exit this sector at the end of this strategy period.

To promote policy dialogue and institutional development, the Swiss programme will work closely with key stakeholders and decision makers. It will focus on legal reform in the WSS sector, as well as institutional strengthening and capacity development of water management structures. Technical assistance and capacity development will be provided to regional, national, municipal and district authorities, as well as public utilities, in the areas of technical and financial management, sales and accounting and human resources management.

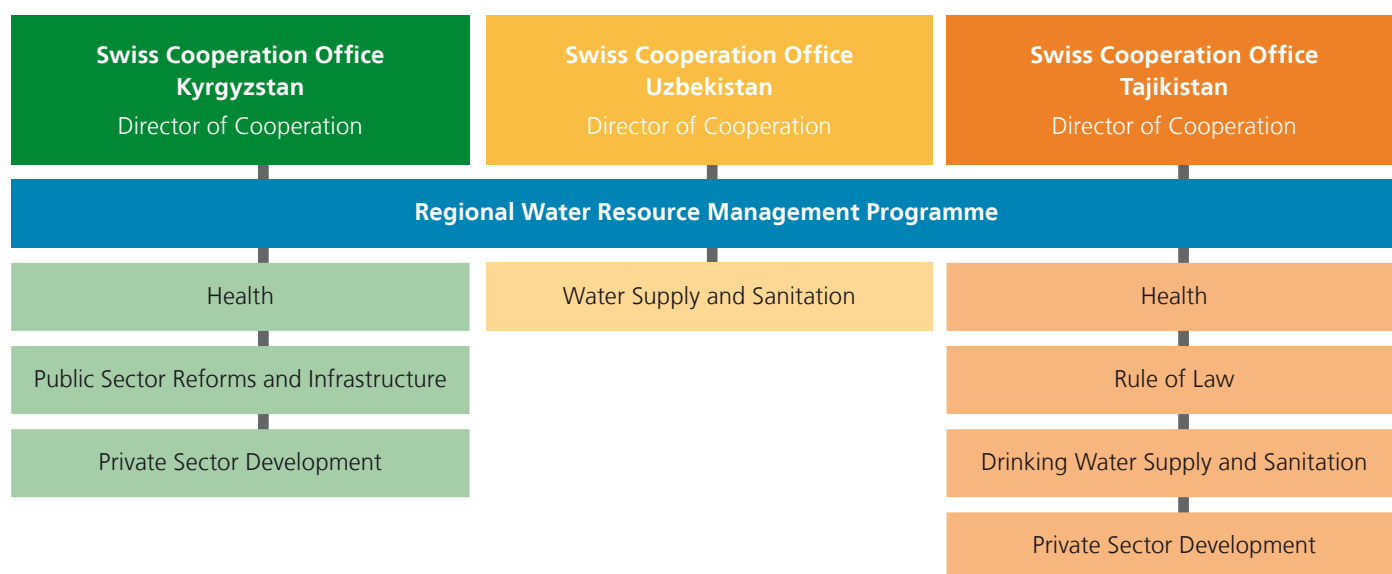
Developed with Swiss support, the new curricula in Water Management Trades will provide the market with a qualified work force to maintain the necessary infrastructure. Switzerland will focus on further aligning the VET policy with the needs of the labour market, bringing together colleges and potential employers, building direct links with the water management and water supply programme. Switzerland will also develop capacity within the respective ministry of education departments so that the approach can be replicated nationwide.

Uzbekistan
Domains of Intervention
Water Supply and Sanitation
Country Priorities
85% of the rural and 100% of the urban population is provided with safe drinking water (Water Supply and Sanitation Sector Development Strategy 2020). VET Strategy of Department of Education is adapted to improve employability of trainees.
Domain Goal
Sound management in the Water Supply and Sanitation sector contributes to social and economic development.
Swiss Contribution
In selected villages of the Ferghana Valley and selected towns and villages of the Syr Darya province, the entire population benefits from safe drinking water, provided in an economically sustainable way, by decentralized services, either public or private. The new models of decentralized Water Supply and Sanitation (rural and urban) are integrated into the national Water Supply and Sanitation and implemented in targeted areas. The new models of Vocational Training in Water Management professions are adopted in the national VET Strategy and implemented in targeted areas.
Transversal Themes / Approach
Governance, Gender, Conflict Sensitive Programme Management
Overall Budget CHF 22 Mio.
SDC CHF 10 Mio. / SECO CHF 12 Mio.

7. Implementation Modalities and Management of the Cooperation Strategy

The Cooperation Strategy for Central Asia will be implemented by the Swiss Cooperation offices in Tajikistan, Kyrgyzstan and Uzbekistan. Each office will be responsible for its national programme. The coordination for the Regional Water Resource Management Programme, and in particular for the regional policy dialogue, will be attached to the Uzbekistan

office, but the national components will be supervised by the respective offices. Pursuing a regional vision for water resource management remains a key objective of Swiss Cooperation in the medium term framework of this strategy.



7.1 Synergies between the Swiss actors and the cooperation offices

The Swiss programmes in Central Asia build and strengthen synergies and complementarities between the technical and economic assistance provided by SDC and SECO. Synergies and complementarities between Swiss Cooperation instruments will be enhanced at the programme and sector levels. The intervention of the human rights programme of the Political Directorate of the Swiss Ministry of Foreign Affairs, human security division, is part of the programme in Tajikistan.

Communication with the executive director's office in the IFIs will also be enhanced to improve access to key decision makers and policy dialogue but also to strengthen institutional relations and the alliance with the World Bank. The cooperation with the SDC's Global Water Programme will continue, especially in terms of technical support and involvement in regional policy dialogue.

The implementation of similar thematic activities in Kyrgyzstan, Tajikistan and Uzbekistan allows mutual learning and cross-fertilization among the Cooperation Offices. It also serves as a basis for increased capitalization of experiences that lead to more effective policy dialogue at the national and regional levels. The interactions between the Cooperation Offices are gaining in dynamism, particularly in the Regional Programme and at various occasions like educational events, peer reviews, virtual exchanges or workshops organized by the thematic networks and seminars for the Directors of Cooperation, Ambassadors and Headquarter.

7.2 Alignment and harmonization

Acknowledging that a political reform agenda is key for enduring systemic change, the Swiss programmes in Central Asia align their work with the priorities defined by the governments of Kyrgyzstan, Tajikistan and Uzbekistan in poverty reduction, development policies and sector strategies.

Linking project implementation with institutional and policy development will ensure an informed and credible policy dialogue and create leverage for the scale-up of successful activities. The programmes will build and expand on experiences made in pilot and small-scale projects. Switzerland will foster the adoption and replication of innovations and best practices made by other development agencies and international finance institutions and will endeavour to anchor successful models into state laws and strategies. There will be a strong focus on policy dialogue at all necessary levels.

The Swiss Cooperation will promote effective donor coordination to improve the coherence and impact of aid and also to improve the effect of policy dialogue in the pace of reforms. The Swiss Cooperation will lobby for joint donor positions and play a facilitation role whenever possible. It will also promote the participation of civil society in policy dialogue and coordination mechanisms to ensure the connection between field reality and national reform agenda.

7.3 Aid modalities and partners

A mix of aid modalities (mandate agreements, direct implementation, contributions to large programmes, budget support, pooling mechanisms and parallel funding of specific components of large programmes) will be applied to ensure impact at all levels, being at the community level with quality service delivery or at the national level with effective policy dialogue.

The Swiss Cooperation will enhance its collaboration and strategic alliances with multilateral and regional organizations, in particular with the World Bank Group, IMF, ADB and EBRD but also with UN agencies and the OSCE.

The Swiss Cooperation will continue to develop its own projects implemented by international NGOs; it will enhance its collaboration with national civil society organizations. The selection of implementing partners for new projects will be done through open tender procedures.

Budget support – when the necessary conditions are in place, fiduciary risks are limited and other donors are mobilized – will also be used.

In the areas where the Swiss Cooperation has gained lots of experience and knowledge, vertical scaling-up will be promoted. In new areas, such as employment, health management or public sector reform at the local level, pilots will be implemented as a first step but with a long-term vision of scaling up.

Switzerland's comparative advantage lays in its knowledge transfer, capacity building, transparent and participatory processes and facilitation of dialogue among local and national stakeholders. This is complemented with infrastructure financing.

7.4 Governance and gender equality

Governance is a cross-cutting theme in all Swiss interventions in Central Asia. Therefore, a major strategic orientation of all programmes is to strengthen the linkages between states, civil society and the private sector at the national but also decentralized level. Governance includes improving transparency and accountability at the national and local levels. Furthermore, governance-related capacity building and institutional development of organizations, being public or private, will be implemented with the aim not only to strengthen technical capacities of institutions but also to clarify their roles and competences. Finally, participation of communities, civil society and the private sector in policy reforms and delivery of public services is also a governance principle that will be ensured through the programmes.

Non-discrimination and gender equity will be ensured through gender-specific analysis where applicable, the collection of gender disaggregated data, addressing gender specific needs and focusing on marginalized regions and groups of focus. Special attention is dedicated to the specific needs of women, youth and ethnic minorities.



7.5 Conflict sensitive programme and risk management

The Do-No-Harm and Conflict Sensitive Programme Management (CSPM) methodologies will be applied to the Swiss portfolio in order to minimize the risk of fuelling existing tensions or creating new ones, aiming at the same time to de-escalate conflict potential and reduce fragility.

The Swiss Cooperation focuses on state building, i.e. strengthening the institutional capacities and cooperation between the civil society, the private sector and state institutions. Furthermore, the right mix of approaches focusing on national reforms and the strengthening of capacities of institutions at the central level on the one side, and on the other side on service delivery at the local level by strengthening the capacities of local authorities and service providers to address the urgent needs of the population.

The Swiss Cooperation will ensure that its programme is also implemented in vulnerable and/or remote regions to reduce disparities among regions and/or groups of the population. It will also involve more youth as important drivers of change.

Identifying and addressing risks and resistance to change are major aspects in managing for results and CSPM. From the outset, the Swiss Cooperation identifies and assesses the developmental, environmental, fiduciary, political and social risks for each project and programme.

7.6 Flexibility and regional approach

The programmes of the Central Asia Strategy 2012-2015 have defined clear priorities and foci to avoid dispersion and to increase impact and visibility. Some 85-90% of the financial resources of the strategy will be allocated to the priority domains.

However, to continue regional cooperation and to be able to adapt to context changes and opportunities, some flexibility is required. For example, some regional programmes will also have activities in Kazakhstan or Turkmenistan.

Non core projects in the area of peace building and regional art and culture will be continued.

7.7 Regional programme leverage

The provision of technical assistance and capacity building can generate economies of scale and network effects. Providing a targeted assistance on a regional or global level helps to increase lessons learnt and also helps countries to benchmark progress in specific areas against each other. Furthermore working together with different donors fosters donor coordination. SECO provides targeted support via thematic funding.

In private sector development, the following initiatives are active in the region: EBRD Multi Donor Fund for Early Transition Countries (ETCF), incl. a Local Currency Risk Sharing Special Fund, the Swiss Investment Fund for Emerging Markets (SIFEM), the SECO Startup Fund (SSF) and the World Bank-managed and SECO-funded Global Tax Simplification Programme.

In public sector reforms and infrastructure, the following SECO co-funded facilities are active in the region: the Financial Sector Reform and Strengthening (FIRST) initiative, the Public Expenditure and Financial Accountability (PEFA) programme, the Public Expenditure Management Peer Assisted Learning (PEM-PAL) programme and the Strengthen Accountability and Fiduciary Environment (SAFE) initiative. Furthermore, there is the World Bank-administrated Public-Private Infrastructure Advisory Facility (PPIAF).

In governance, SECO is co-funding the OECD-assisted Istanbul Action Plan (IAP), which is an Anti-Corruption Action Plan supporting the region and also the IMF-led Anti-Money Laundering and Combating the Financing of Terrorism Topical Trust Fund (AML/CFT TTF), which aims at enhancing national financial sector integrity and stability and facilitating the integration of national financial systems into the global financial system.

7.8 Geographical coverage

A geographical focus applies to the Regional Water Resource Management programme, where projects are essentially implemented in the Ferghana Valley and for the DRR component in Tajikistan. For the other thematic domains of intervention, the geographical scope of SDC projects is determined according to the following criteria:

- › Marginal regions and populations
- › Vulnerability and marginality
- › Possibilities of scaling up with other donors
- › Commitment of local actors

Whenever possible, a broader national impact is to be sought through a targeted policy dialogue, as well as through innovative and replicable approaches.





7.9 Sustainability and scaling-up

Capacity and institutional building at local, national and regional levels is a priority to ensure the long-term effect of the programme and sustainable change. Institutionalization of models and vertical scaling of successful experience is necessary to mobilize national resources and ensure impact beyond the Swiss Cooperation projects.

Financial sustainability in some domains such as Rule of Law in Tajikistan and Water Resource Management will continue to be a challenge and external support will be necessary in the long term. PFM support provided by the Swiss Cooperation in Kyrgyzstan will contribute to improve budget allocation.

7.10 Financial and human resources

During the period 2012-2015, the Swiss Cooperation in Central Asia amounts to approximately CHF 49.0 million per year.

Overview per Country/Programme

Programme	Planned Disbursements during 2012–2015			Planned new commitments during 2012–2015 (in CHF million; incl. new commitments that entail disbursement beyond 2015)	
	SDC	SECO	Total	SDC	SECO
Regional Water	34	6	40	36	6
Kyrgyzstan	30.5	37	67.5	32.5	52
Tajikistan	30.5	32	62.5	32	46
Uzbekistan	12.5	13	25.5	12.5	13
TOTAL	107.5	88	195.5	113	117

Overview per Domain of Intervention

Domain of Intervention	Planned Disbursements during 2012–2015 in CHF million; incl. disbursements committed before 2012			in percentage of total planned disbursement	Planned new commitments during 2012–2015 (in CHF million; incl. new commitments that entail disbursement beyond 2015)	
	SDC	SECO	Total		SDC	SECO
Regional Water Programme incl. DRR	34	6	40	20%	36	6
Health	26	-	26	14%	28.5	-
Private Sector Development	6	23	29	15%	6	30
Public Sector Reforms and Infrastructure	6	23.5	29.5	15%	5	35
Water Supply	18	31.5	49.5	25%	18	42
Rule of Law	8	-	8	4%	10	-
Management Costs and Non-core Programme	9.5	4	13.5	7%	9.5	4
Total	107.5	88	195.5	100%	113	117

The tables in Annex 1 show the planned disbursement per country/programme and per domain of intervention from January 2012 until December 2015, in absolute numbers and in terms of percentages. It indicates as well the new financial commitments that the Swiss Cooperation plans to make in Central Asia during this four-year period. Based on the assumption of a Swiss ODA increase by parliament, additional funding will be invested in the same sectors, following the principle of good performance. Increased investments would affect all sectors, except the Uzbek Programme, which remains constant.

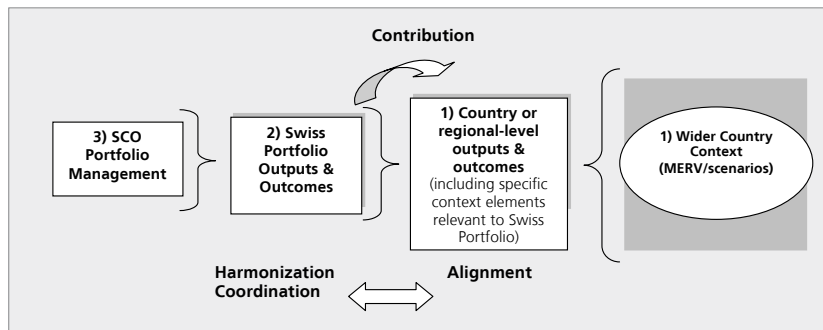
The overall office management costs of the three offices in the region amount to approximately 8%-10% of the programme cost, including Swiss and national staff, involved in the monitoring of projects and programmes but also in policy dialogue and donor coordination. The offices in the region are managed by three Swiss Directors of Cooperation who are supported by a Deputy Director of Cooperation, an Assistant Director of Cooperation in Tajikistan,

one Swiss Regional Advisor of Finance and Administration and three national Chiefs of Finances and Administration. The office in Tashkent is supported by a Swiss Water/DRR specialist covering the whole region. All offices are working with National Programme Officers, administration and finance persons plus support staff. The role of the Cooperation Office is not only to manage the projects but also to engage in constructive and effective policy dialogue at the highest level.

Cost of expatriate and national staff is shared between SDC and SECO and, for Tajikistan, the Political Directorate of the Swiss Ministry of Foreign Affairs, Human Security Division. Human resources will be adapted according to operational requirements, in particular to cope with the implementation of the programmes in the event of an increase of the budget for Central Asia related to the 0.5% of GDP in 2013. An increased decentralization of decision making to Cooperation Offices implies a strengthening of management resources in Cooperation Offices.



8. Strategic Steering of the Cooperation Strategy



Monitoring the cooperation strategy is a main tool of strategic steering and serves a threefold objective:

- Steering the programme implementation to ensure the relevance, effectiveness and efficiency of the Cooperation Strategy;
- Accounting for results through direct reporting from the Swiss Cooperation Offices in Central Asia to SDC and SECO headquarters;
- Fostering the learning process at different levels, i.e. between SCO and its partners in the country, within the SCO team, and among SCOs in Central Asia and in other regions as well as between SCO and headquarters (SDC and SECO).

Ownership of the monitoring system is with the Swiss Cooperation Offices in the Central Asian region, and in particular its management. As stakeholders of the monitoring system, the project partners will contribute to context monitoring and results measurement through their project reporting and selective participation to annual report workshops or sector reviews. The Cooperation Strategy is monitored at the following three levels of observation:

1. At the country or regional level to capture general and domain-specific context changes relevant to the Swiss programmes and to assess progress made in delivering the expected results as stipulated in the reference development policies and sector strategies.
2. At the Swiss portfolio level to keep track of the achievements in the programme as set in the results frameworks and to assess the contribution of the Swiss programmes to the development results in the regional water resource management programme and in Kyrgyzstan, Tajikistan and Uzbekistan.

3. At the SCO portfolio management level to verify the effectiveness and efficiency of the SCOs in supporting the programmes to reach the stipulated cooperation strategy objectives and in terms of application of implementation modalities.

The Monitoring of Development-Relevant Changes (MERV) is the standard tool to monitor the country and regional context. It will be adapted to the specific needs of each country and domains of intervention. External resource persons, the Swiss Embassies in the region and the complete SCO operational staff shall be involved in the context analysis, at the country or regional level, overall and domain specific.

A detailed results framework has been developed for each domain; the reference documents for the monitoring at the country/regional and Swiss portfolio levels are the results frameworks. Reporting at the level of outputs and outcomes will be done regularly through the annual reports. After two years of implementation of the strategy, a more detailed analysis of achievements and relevance of the strategy will be conducted at the occasion of the annual report. The last year of the strategy, reviews for most of the domains of intervention will be conducted with the support of external resources.

At the management level, annual reports on internal control systems, including risk assessments and office management, will be prepared by the SCOs and submitted to headquarters for approval.

The role being played by Switzerland in donor coordination and policy dialogue and its influence will be assessed within the frame of the annual reports, with a special focus on ensuring linkages between field reality and policy changes or implementation. Monitoring of progress on transversal themes through disaggregated data, promoting of synergies between Swiss Cooperation instruments and promotion of cross-learning among programmes will also be conducted at least once a year. Security plans for each office are available and a regular monitoring of the security situation will be assured by the SCOs.

A lean monitoring system summarizing the above, based on the results frameworks and baselines, will be developed by the end of 2012 for each of the four programmes of the Cooperation Strategy.

Annex 1: Financial Planning

Regional Water Resource Management Programme (RWRM)

Domain of Intervention	Planned Disbursements during 2012–2015				Planned new commitments during 2012–2015	
	in CHF million; incl. disbursements committed before 2012			in percentage of total planned disbursement	(in CHF million; incl. new commitments that entail disbursement beyond 2015)	
	SDC	SECO	Total		SDC	SECO
Regional Water Programme incl. DRR	34	6	40	100%	36	6
Total	34	6	40	100%	36	6

Kyrgyzstan

Domain of Intervention	Planned Disbursements during 2012–2015				Planned new commitments during 2012–2015	
	in CHF million; incl. disbursements committed before 2012			in percentage of total planned disbursement	(in CHF million; incl. new commitments that entail disbursement beyond 2015)	
	SDC	SECO	Total		SDC	SECO
Health	14	-	14	20%	17	-
Public Sector Reforms and Infrastructure	6	23.5	29.5	44%	5	35
Private Sector Development	6	11.5	17.5	26%	6	15
Management Costs and non-core Programme	4.5	2	6.5	10%	4.5	2
Total	30.5	37	67.5	100%	32.5	52

Tajikistan

Domain of Intervention	Planned Disbursements during 2012–2015				Planned new commitments during 2012–2015	
	in CHF million; incl. disbursements committed before 2012			in percentage of total planned disbursement	(in CHF million; incl. new commitments that entail disbursement beyond 2015)	
	SDC	SECO	Total		SDC	SECO
Health	12	-	12	19%	11.5	-
Rule of Law	8	-	8	13%	10	-
Drinking Water Supply and Sanitation	8	19.5	27.5	44%	8	30
Private Sector Development	-	11.5	11.5	18%	-	15
Management Costs and Non-core Programme	2.5	1	3.5	6%	2.5	1
Total	30.5	32	62.5	100%	32	46

Uzbekistan

Domain of Intervention	Planned Disbursements during 2012–2015				Planned new commitments during 2012–2015	
	in CHF million; incl. disbursements committed before 2012			in percentage of total planned disbursement	(in CHF million; incl. new commitments that entail disbursement beyond 2015)	
	SDC	SECO	Total		SDC	SECO
Water Supply and Sanitation	10	12	22	87%	10	12
Management Costs, incl. RWRM Programme	2.5	1	3.5	13%	2.5	1
Total	12.5	13	25.5	100%	12.5	13

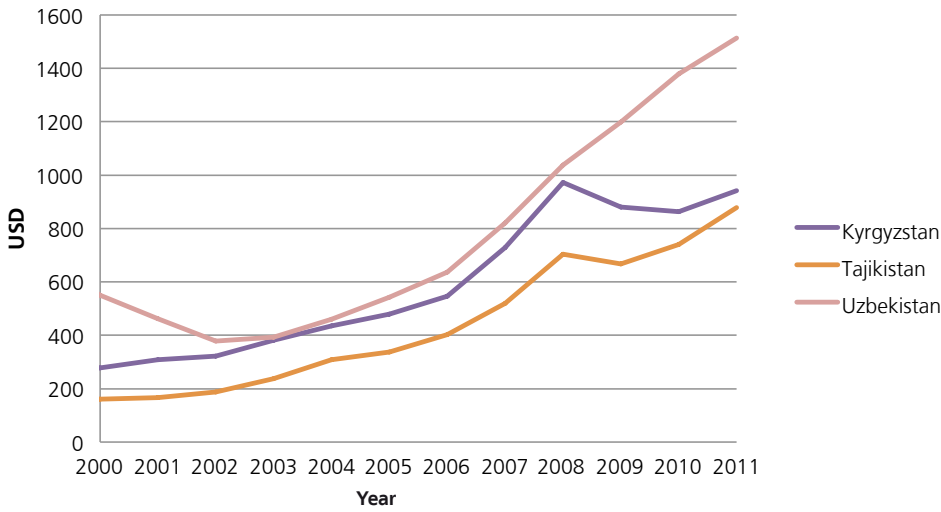
Annex 2: Statistical Profiles

Indicators	Kyrgyzstan	Tajikistan	Uzbekistan	Turkmeni- stan	Kazakhstan
Land area ⁷	199,900 km ²	143,100 km ²	447,400 km ²	488,100 km ²	2,724,900 km ²
Population total (2010) ⁴	5,393 mio	6,977 mio	27,760 mio	5,105 mio	16,207 mio
Urban (2011) ⁴	35.3%	26.5%	36.2%	48.7%	53.6%
Population growth rate ¹ (annual average 2008-2010)	1.1%	2.3%	2.2%	1.4%	1.3%
GDP current US\$ (2010) ⁵	US\$ 4.6 billion	US\$ 5.6 billion	US\$ 38.9 billion	US\$ 20.0 billion	US\$ 149.1 billion
GDP per capita current US\$ (2010) ⁵	US\$ 860	US\$ 820	US\$ 1,384	US\$ 3,967	US\$ 9,136
Population living below the poverty line ¹	31.7% (2008)	46.7% (2009)	25.8% (2005)	29.9% (1998)	8.2% (2009)
WB Country Classification (November 2011)	Low Income	Low Income	Lower Middle Income	Lower Middle Income	Upper Middle Income
Life expectancy at birth (2011) ⁴	67.7	67.5	68.3	65.0	67.0
Mortality rate under 5 (per thousand live births) ⁷	41	68	43	51	29
Literacy rate of 15-24-year-olds (% both sexes) ⁷	99.6%	99.9%	99.3%	99.8%	99.8%
Human Development Index Ranking (2011) ³	126	127	115	102	68
Corruption Perceptions Index Ranking (2010; out of 178 countries) ⁵	164	154	172	172	105
Doing Business Survey (June 2011) ⁵	70	147	166	n/a	47
Ratio of remittances inflows to GDP (2010) ³	27%	41%	11%	n/a	n/a

1. ADB; 2. IMF; 3. UNDP; 4. UNDESA; 5. WB; 6. Transparency International; 7. UN MDG Monitor; n/a = not available

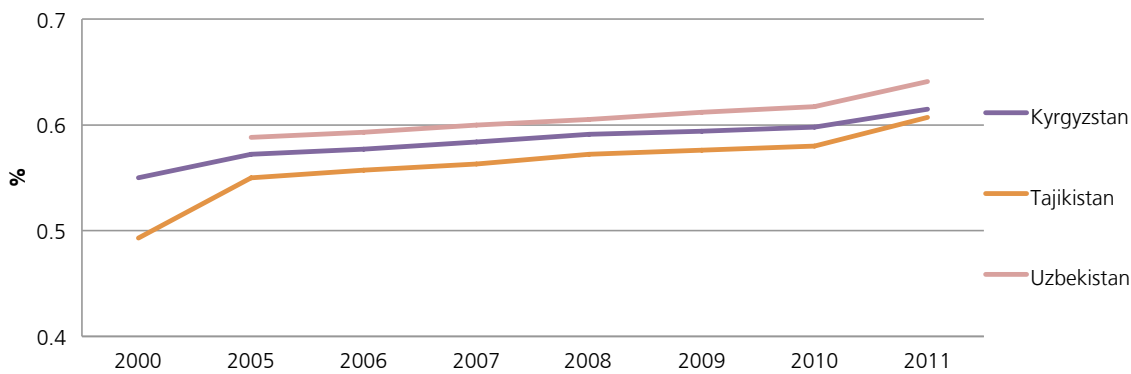
Annex 3: Charts

GDP per capita (USD)



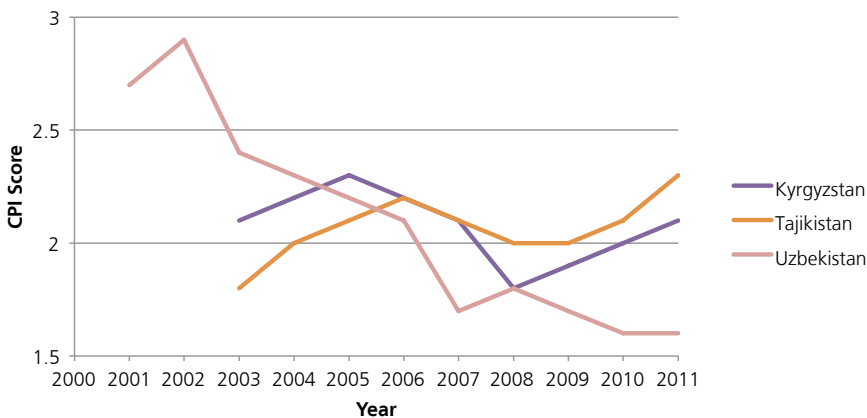
Source: IMF

Human Development Index



Source: UNDP

Corruption Perception Index (2001-2011)



Source: Transparency International

The Corruption Perceptions Index Score is an aggregate indicator that ranks countries in terms of the degree to which corruption is perceived to exist among public officials and politicians. It is a composite index drawing on corruption-related data from a variety of reputable institutions. The scale goes from 10 (highly clean) to 0 (highly corrupt).

Annex 4: Detailed Maps of Countries



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