







# Integrated National Financing Framework: Progress in the Kyrgyz Republic

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## General information

Objective: Create a holistic, comprehensive and integrated financing strategy, with the ambition to improve the efficiency, effectiveness and transparency in the use of public funds and governance of private finance to support the implementation of Kyrgyzstan's National Development Strategy (NDS) and the SDGs

Duration: June 2020-June 2023

Budget: ~ USD 1.17 million (inc. co-

funding)

**UN agencies: UNDP and UNICEF** 

Outcome 1: Kyrgyzstan has stronger evidence for an improved policy framework for public and private finance to deliver NDS/SDGs.

Outcome 2: Kyrgyzstan has an improved strategic planning and financing system to support NDS/SDGs implementation.

Outcome 2: Integrate the NDS/SDG agenda/objectives into parliamentary and public oversight



# **Products and Results**



### Joint Programme with UNICEF led by UNDP

# Development Finance Assessment:

identifies the current financing landscape and different types of financing available – public and private, domestic and international for financing the country's sustainable development priorities.

Fiscal space methodology and analysis

has revealed over 40 billion KGS of potential fiscal space

Public expenditure review methodology

Strengthening Tax Incentives Framework

will allow to enhance effectiveness of 33.3 billion KGS of tax expenditures.

Debt restructuring analysis

Aligning public budget and NDPs/SDGs

SDG costing – Agriculture, Green Economy, Education

Improve normative and governance framework for PPPs

SDG-related capacity building



Financing Strategy:

enhance the efficiency of public fund utilization and governance of private finance.

# Improve normative and governance framework for PPPs



#### Legal framework:

- Model PPP project proposal for projects on the organization of preschool educational institutions.
- PPP project initiation package for Early Childhood Education Facilities is endorsed.

### Piloting:

 Pilot project was launched in January 2023 in Chui province.



## Context and Lessons Learned

#### Context

#### **Lessons Learned**



#### 2020

- COVID 2020
- Political crisis in late 2020

#### 2021

- New Constitution
- Presidential Election
- 3 times reshuffle of the Cabinet
- New Parliament

- Political changes affect governance of financial flows, impacting cooperation within and between government and private sector.
- The Joint Programme prioritizes collaboration among stakeholders, particularly focusing on linear ministries for progress.
- PPP mechanisms are most viable locally due to limited access to concessional finance by Local Self-Governments (LSGs).
- PPP framework should prioritize core regulations and complementary ones like the Budget Code and Public Procurement.
- PPP development is of particular with upcoming graduation LIC to LMIC.

