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## **Comments of the Independent Office of Evaluation of IFAD on the country strategic opportunities programme for the Kyrgyz Republic**

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**Action:** The Executive Board is invited to review the comments of the Independent Office of Evaluation of IFAD on the country strategic opportunities programme for the Kyrgyz Republic.

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# Comments of the Independent Office of Evaluation of IFAD on the country strategic opportunities programme for the Kyrgyz Republic

## I. General comments

1. In 2022, the Independent Office of Evaluation of IFAD (IOE) conducted a country strategy and programme evaluation (CSPE) in the Kyrgyz Republic covering the period 2009 to mid-2022. The scope of the CSPE included a country strategy note (2016), a country strategic opportunities programme (COSOP) 2018–2022, five loan projects, four country-specific grants as well as 14 regional and global grants that included Kyrgyzstan as a recipient country.
2. The country has made significant progress in reducing poverty, though COVID-19 and the war in Ukraine reversed some of the gains due to the return of many economic migrants from the Russian Federation (and consequent reduction in remittances). There is a persistent poverty gap between rural and urban areas, as well as significant gender inequality, and Kyrgyzstan is highly vulnerable to climate-related hazards. Since privatization at the end of the Soviet period, rural livelihoods have relied on smallholder livestock producers and farmers. However, producers face degradation of pasture resources due to overgrazing and poor management. IFAD has played a key role in providing support to rural households, via interventions to support pasture management, livestock and related infrastructure improvements and provision of veterinary services. By developing a long-term and focused programme in the livestock sector, working at community and policy levels, and fostering partnerships with other development partners, IFAD has taken a successful leadership role.
3. The agreement at completion point, signed by IFAD and the Government in May 2023 (appendix VI of the new COSOP) indicated their agreement on the CSPE recommendations as follows: (1) revisit the strategic thrusts, based on a more granular analysis of rural poverty and livelihoods (agreed); (2) adopt a pro-poor value chain and cluster development approach, and explore opportunities to facilitate improved use of remittance inflows (agreed); (3) consolidate achievements in pasture management and veterinary services, and steps to achieve sustainability (agreed); and (4) strengthen support to gender equality and women’s empowerment (agreed).
4. The new COSOP (2025–2030) for Kyrgyzstan proposes three strategic objectives: (i) increase smallholder productivity and incomes from agriculture with a focus on livestock; (ii) support sustainable natural resource management and enhance smallholders’ resilience to climate change; and (iii) improve rural livelihoods through value addition, training and access to finance.
5. The new COSOP takes into account the CSPE findings, in particular with regard to: (i) continuing the long-term and successful programmatic approach on livestock and pasture management; (ii) expanding veterinary activities to reduce morbidity and encourage young veterinarians; (iii) continuing work to empower and build the capacities of pasture committees and livestock farmer groups, with a particular focus on social, economic and environmental sustainability (including strengthened inclusion of women and youth, and improved markets). The COSOP also notes the need to emphasize environmental and climate actions; and to allocate specific budgets for gender equality and women’s empowerment initiatives.
6. These are all logical and pertinent proposals. Some specific comments are made below regarding further alignment with the CSPE recommendations.

## II. Specific comments

7. **Pro-poor targeting.** As noted in the CSPE recommendation 1, a pro-poor focus should be ensured. The earlier project interventions were not accompanied by adequately targeted measures for poor people and vulnerable groups. Section III.C of the COSOP describes the different targeting strategies, and while it notes the importance of targeting women and youth, it is mainly focused on livestock owners (who are not generally the poorest in the community). The CSPE proposed a mixed approach, with further efforts to identify ways to benefit poorer community members, such as via jobs or off-farm opportunities within value chains.
8. **Access to markets.** The theory of change (section III.A and results framework, appendix I) and the COSOP objective 3 (section III.B) refer to smallholder farmers (including women and youth) being facilitated to strengthen their business capacity to access markets. The COSOP plans to leverage past successes, such as the Access to Markets Project (ATMP) experience (section III.B, paragraph 27). However, while some aspects of the ATMP were successful, there were significant delays and difficulties with disbursements; and establishment of the producer-public-private partnership platform under the ATMP and value chain financing was weak. The CSPE emphasized adopting a strategic approach to pro-poor value chains in recommendation 2. Therefore, while value chain work and linking to markets are vital elements for sustainability, considerable efforts will be needed to genuinely link smallholders to the private sector and leverage new activities, rather than subsidizing operations that would have occurred anyway. A sound operational approach will be needed in project designs in line with the COSOP objective 3.
9. **Sustainability of the veterinary sector.** IFAD's support to education, as well as to the public and private veterinary sectors, has been significant, and IFAD rightly plans to continue this support in order to control animal diseases. However, there are difficulties with supply and demand. Livestock owners are being moved to a privatized system and are expected to pay for veterinary services, artificial insemination and vaccines. However, following decades of state delivery, their willingness (and available resources) to pay is limited. The CSPE recommendation 3 noted the importance of securing continuous funding for vaccination and treatment programmes for key animal diseases, to limit the risk of animal (and human) disease outbreaks, and maintain the good results achieved to date. The COSOP states an intention to encourage livestock owners to pay for veterinary services (section III.B, paragraph 29); however, further elaboration is needed regarding how this will be achieved.
10. In addition, in Kyrgyzstan as in many other countries, the veterinary cadre is ageing. Young people have decreasing interest to work as private veterinarians in rural areas, with long hours, hard work and limited incomes. IFAD-financed projects have in the past supported scholarships for rural youth and provided grants for equipment for vets in general. These were good initiatives that the COSOP plans to continue (section III.B, paragraph 31). The CSPE also noted that it may be necessary to find even more incentives for livestock veterinarians to guarantee that the service is available to producers in the future.
11. The CSPE noted serious concerns regarding the financial sustainability of the Veterinary Chamber. Without enforcement of registration of veterinarians by the Government, it is unlikely that it will have adequate financing to continue its regulatory and educational role. The COSOP mentions (section III.B, paragraph 28) that it is a key institution for sustainability of the country programme but does not reflect on any means to sustain it.
12. **Improving community-managed pasture use.** Both the CSPE and the COSOP note the serious constraints on sustainable pasture management. While livestock owners and pasture committees recognize the importance of good pasture management, the CSPE found that they still focus on quantity rather than quality of livestock. Remittances are typically used to purchase additional livestock, leading to

overgrazing. Insufficient instruments are applied to limit herd sizes. Pasture restoration activities have been successful but only on a small scale. There is insufficient investment in livestock quality improvement, such as artificial insemination services in conjunction with improved market access. The COSOP (section III.B and appendix I) correctly notes the importance of institutional and financial strengthening and capacity development of pasture user unions (PUUs) and pasture committees (PCs) to enable them to better manage pasture production and management of herds. Technical suggestions of activities regarding pasture rotation, reseeding, etc. are good; however, it is necessary to strengthen the mandate of the PUUs and PCs to enforce pasture management and animal health measures. This is mentioned as a policy objective in the COSOP (section IV.B., paragraph 42) but will need to be operationalized in terms of approaches to empower PCs to achieve sustainable pasture management and consider disincentives for large herd ownership. Recommendation 3 emphasized the need for implementation, compliance and enforcement of the existing policies and legislation.

13. The suggestion of identifying opportunities for carbon credit payments has merit, particularly as it could provide a more stable financial flow to the PCs, enabling improved monitoring and pasture quality improvements. The COSOP does refer to potentially using IFAD's Financing Facility for Remittances and the European Union-funded Platform for Remittances, Investments and Migrants' Entrepreneurship (PRIME) Central Asia initiative to transfer remittances safely and support income-generating activities. As recommended in the CSPE (recommendation 2), it would be important for IFAD to outline clear activities to help redirect the use of remittances, in an effort to avoid overgrazing.
14. **Gender equality and women's empowerment.** While the work with the Gender Action Learning System (GALS) and Business Action Learning for Innovation (BALI) was commended in the CSPE, it has been quite small in scale thus far. The COSOP (section III.B) outlines the plan to expand the use of these tools in the projects. Household methodologies do have the disadvantage of requiring intensive support, and it will take time to expand these to a large scale. Therefore, as noted in the CSPE gender section (and, for instance, paragraph 23 of the CSPE executive summary), it is important to mainstream gender considerations in all activities as well as work with social norms. Given the relatively limited roles for women in livestock production at present, it will require consideration of ways to change attitudes, increase their voice and genuine participation in PCs or diversify to new activities. This will require facilitation and more staff support, as well as linkages with other organizations. It is commendable that the COSOP is recommending gender targets and budgets for all activities.
15. **Theory of change.** The strategic outcomes identified in the theory of change (ToC) are logical in light of IFAD's previous work in the country and the CSPE results. However, there is currently insufficient emphasis on interlinkages between results and impact pathways, and the barriers, risks and assumptions are simply listed with no explanation of how they will be overcome or mitigated. For example, interventions aiming at promoting sustainable livestock production and sustainable fodder production are inherently interconnected, while in the ToC, they are presented along different pathways with no linkage. Similarly, improving business skills and access to finance can lead to greater employment opportunities, but they are within two distinct unlinked pathways. This lack of consideration of interconnectedness in the ToC weakens the logic underpinning critical expected changes. As a potential source of operational gaps, this should be corrected.

### III. Final comments

16. IOE appreciates the preparation of the new COSOP, which continues the valuable work done by IFAD in Kyrgyzstan. Some of the points mentioned above, stemming from the CSPE, will assist with the design of new operations to address the issues of Kyrgyzstan. IOE remains available for any clarification and support required.