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Investing in rural people in **Kyrgyzstan**

Kyrgyzstan is a mountainous, landlocked country in Central Asia with an estimated population of 6 million people (2016). It is a lower-middle-income country with a gross national income per capita of US\$1,100 in 2016. The Kyrgyz economy is based on a gold mining sector accounting for about 10 per cent of GDP, migrant remittances corresponding to about 30 per cent of the country's GDP, and agriculture.

The major source of employment is the agriculture sector, which is largely made up of smallholder farmers. Poverty is high in Kyrgyzstan. Almost two thirds of the population live in rural areas, and rural poverty levels are about 60 per cent. Livestock plays a crucial role in food security for smallholder farmers, and as a safety net. Almost half of the country is pastureland – some 9 million hectares – and herding plays a key role in its economy, society and culture. Rural communities face challenges such as low livestock and agricultural productivity, and limited access to extension services, markets and machinery services. They have few assets and limited economic opportunities in remote mountainous pasture areas. The geography and topography of Kyrgyzstan also make the country particularly vulnerable to climate change. Drought, landslides and mudslides, floods and river erosion are all common,

and are becoming more frequent and intense. Reduced pasture productivity, heat stress and declining access to water could further reduce livestock production, increase the spread of disease, and limit livelihood opportunities of poor rural communities.



Over **60 per cent** of the rural population in Kyrgyzstan are **poor or vulnerable to poverty**

Eradicating rural poverty in Kyrgyzstan

The Government of Kyrgyzstan is committed to poverty reduction through its National Strategy for Sustainable Development 2018-2040, Action Plan 2017-2022 and the National Agriculture Development Programme 2017-2020. Key poverty reduction goals include: (i) growth in agricultural production and processing output, productivity and quality; (ii) meeting local demand for food, increased food security and increased exports; and (iii) the establishment of a sustainable development pathway that is resilient to disaster and climate change, based on sustainable use of natural resources. As a result of post-independence economic reforms, poverty rates have fallen rapidly, from 52 per cent of the population in 2000 to 22 per cent in 2017. However, poverty remains prevalent and most severe in rural and mountainous regions.

IFAD's strategy in Kyrgyzstan

IFAD has invested in rural development in Kyrgyzstan since 1996. Up to 2011, IFAD had provided cofinancing of US\$20.4 million to three World Bank projects. At that time, IFAD's country strategy focused on: improving natural resource management; increasing poor people's access to financial services; fostering the development of rural microenterprises; supporting land privatization; and ensuring land ownership rights. The second generation of IFAD's engagement in Kyrgyzstan started in 2011, with the strategic focus moving towards emphasizing: improved livestock productivity; enhanced climate resilience of pastoral communities; and improved integration of smallholder livestock farmers into remunerative markets. The Government of Kyrgyzstan recognizes IFAD as a key development partner in the livestock subsector, and values IFAD's integrated approach to addressing issues at policy and legislative levels and at grass-roots levels.

IFAD is recognized for consistently providing not only financial support, but also innovations, knowledge and global experience, and for linking academic and knowledge institutions, policymakers and legislators to smallholders. IFAD loans help reduce poverty and enhance economic growth in pastoral communities by enabling poor rural people to earn more and improve their living standards. IFAD has provided US\$97.8 million in financing to a total of six loan-financed projects/programmes with an overall cost of US\$188.6 million. Project activities target vulnerable households, especially women-headed households and livestock-producer households generally. Directly benefiting 595,248 households, the IFAD-funded projects help local communities to increase their production and move further up the value chain into processing, management, marketing and ownership.

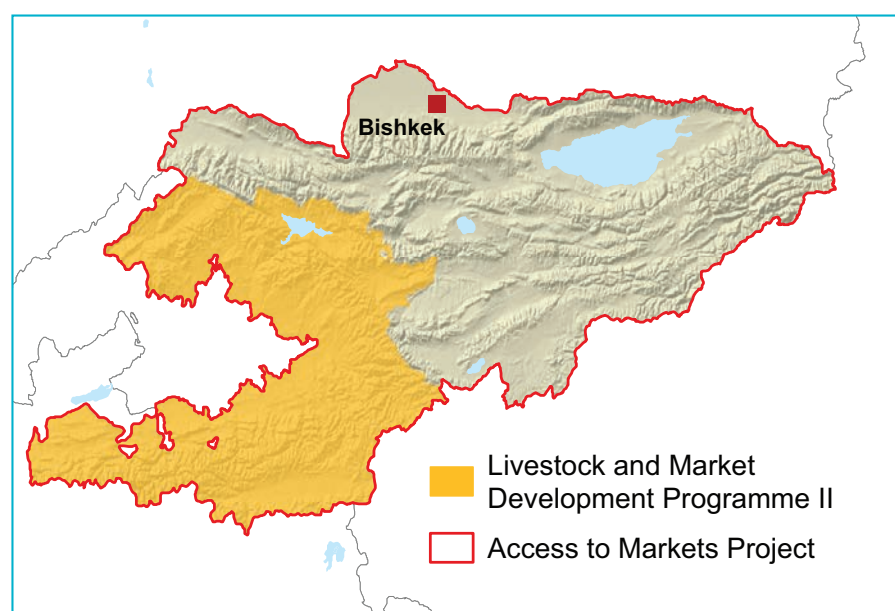
IFAD projects have had successful results in the areas of livestock development and pasture management. The IFAD-supported Livestock and Market Development Programme Phase I (2012-2018) supported pasture user unions and their executive bodies, known as pasture committees, to assist communities in improving pasture land and better access to animal health services. Since 2012, under the Livestock and Market Development Programme projects (LMDP-I and LMDP-II), 454 pasture users unions (PUUs) have been created covering 2,773,000 hectares. Pasture users are full members of the PUUs, and have succeeded in improving the condition of pastures, maintaining livestock driveways and bridges, and improving access to livestock support services.

Ongoing operations

Access to Markets Project

Directly benefiting 28,000 households across the whole country, this project has a total cost of US\$55.5 million and runs from 2018 to 2023. IFAD's contribution to the project consists of a loan for US\$12.7 million and a grant for US\$12.7 million. The project aims to further strengthen the support provided by IFAD to the livestock sector of Kyrgyzstan, and to contribute to increased incomes and enhanced economic growth in pastoralist communities. The project seeks to address sector constraints by: (i) facilitating access to modern production and processing technologies, best practices, and capacity-building through training and on-farm demonstrations; (ii) support to the formulation of bankable investment project proposals for the development of production and processing enterprises; (iii) the provision of sector and user-beneficiary-tailored financing; and (iv) institutional strengthening through targeted support to governmental agencies and applied research institutes tailored to specific needs of the identified value chains, and the establishment of a platform for the development of public-private-producer partnerships.

IFAD projects support communities in **improving livestock productivity** and increasing the **climate resilience of pastoral communities**



Livestock and Market Development Programme II

The programme aims to reduce poverty and enhance economic growth in pasture communities by improving livestock productivity and climate resilience – and thereby promoting equitable returns to livestock farmers. The programme has a total cost of US\$39.5 million, with IFAD's contribution consisting of a loan for US\$11 million, a grant for US\$11 million, and US\$10 million from the Adaptation for Smallholder Agriculture Programme. Running from 2014 to 2019, the programme covers the Batken, Jalal-abad and Osh regions, directly benefiting 304,000 households. The target population consists primarily of small livestock producers, households headed by women, and community veterinarians. Programme activities include:

- community-based pasture management and vulnerability reduction;
- animal health and production services to establish an effective private veterinary system;
- income diversification and market/value-chain initiatives to support rural livelihoods and build socio-economic resilience by reducing the risk of income loss caused by climate change.



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IFAD has invested in rural people for 40 years, empowering them to reduce poverty, increase food security, improve nutrition and strengthen resilience. Since 1978, we have provided US\$20.4 billion in grants and low-interest loans to projects that have reached about 480 million people. IFAD is an international financial institution and a specialized United Nations agency based in Rome – the UN's food and agriculture hub.

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