



MINISTRY OF FINANCE OF THE KYRGYZ REPUBLIC

720040, Кыргыз Республикасы
Бишкек ш., Эркиндик бульвары, 58
ОКПО 00036529 ИНН 00802199610179
Биринчи Май район МСИ 004
э/с 1230040005725389
ө/с 202201131 БИК 123004
Телефон: +996 (312) 66-05-04
Факс: +996 (312) 66-16-45
Телекс: 245-156 NUR KG

58 Erkindik Boulevard, Bishkek
Kyrgyz Republic, 720040
Telephone: +996 (312) 66-05-04
Fax: +996 (312) 66-16-45
Telex: 245-156 NUR KG

720040, Кыргызская Республика
г. Бишкек, бульвар Эркиндик, 58
ОКПО 00036529 ИНН 00802199610179
ГНИ Перв.р-на 004р/с 1230040005725389
л/с 202201131 БИК 123004
Телефон: +996 (312) 66-05-04
Факс: +996 (312) 66-16-45
Телекс: 245-156 NUR KG

300312 № 16-2-2/3064

на № _____

**Mr. Christopher Delgado,
Head of the GAFSP Coordination Unit,
The World Bank
Mailstop MC5-510
1818 H Street, Washington DC,
20433 USA**

Dear Mr. Delgado,

With reference to the letter from Mr. Dan Peters, Chair of the GAFSP Steering Committee, calling for new proposals, we wish to submit our proposal on Agriculture Productivity and Nutrition Improvement for consideration for funding.

As you are no doubt aware we submitted a proposal in 2010 for the Rehabilitation of Irrigation and Drainage Systems Managed by Water Users Associations. At that time we were not successful in securing funding and we received advise on the proposal from the GAFSP Steering Committee. The Committee commented on several key strengths of the proposal including its cost effectiveness, well specified and realistic indicators, and a strong M&E framework. The weakness identified was that the long-term viability of irrigated agriculture depends on raising productivity so that water users associations can finance off-farm capital maintenance. Moreover, full financial sustainability would require a gradual increase in water user fees. We believe we have addressed these comments in the attached proposal.

To formulate the proposal, an extensive consultation process was conducted from 8 February to 28 March in two phases involving over 500 participants. The Department of Water Resources and Land Improvement coordinated the process and directly conducted workshops with the development partners and non-government organizations (NGOs), and contracted an NGO to undertake consultations with beneficiaries and stakeholders in all regions of the Kyrgyz Republic. A detailed consultation report is included in Attachment 4 to the proposal. Consultations were done with the same representatives who participated in the workshops in both phases. The consultation process, particularly in the regions, was influential in revising the original proposal. In essence, as a result of the phase 1 findings, the new proposal has retained the rehabilitation of irrigation and drainage infrastructure and capacity building in water management but added two new components: agricultural advisory services and up-scaling nutrition interventions. The component on nutrition intervention has been included to specifically target the food security of

the vulnerable groups of women and children. The phase 2 consultations comprehensively supported the proposal.

Following the revolution of spring 2009, the events in the south of Kyrgyzstan in spring 2010, changes to the Constitution, and the election of a new government in November 2011, the Government is embarking on consolidating and improving the effectiveness of our development program. The Food Security Concept 2009-2019, the Medium Term Development Program 2012-2014, and the Medium Term Budget Framework 2012-2014 articulate our current strategies, programs and investment plans. We are aware of some gaps, such as the absence of a current sector strategy for the agriculture sector and the lack of a coherent nutrition strategy, but we assure you that work is in progress and we expect approved strategies during 2012.

The proposal appropriately reflects the Government's concerns in recognizing that food insecurity, nutrition insecurity, and poverty reduction are interlinked and that multi-sectoral responses are required to address these fundamental problems in a more efficient and effective manner. Equally important is that the proposed investment appropriately consolidates and builds on the successful activities of previous and ongoing projects and clearly proposes to avoid duplication by having strong coordination and cooperation amongst our development partners.

The project development objective is to increase agricultural productivity and food security of rural households in selected areas nationwide. This is to be achieved through an improvement in irrigation service delivery by rehabilitating irrigation and drainage infrastructure at on-farm level; improved water management by expanding the capacity of water users associations and support units; increasing advisory services and training; and up-scaling of key nutrition interventions and social protection.

Our needs are substantial but our resources within government and from our development partners are limited. For example, we have had a program of support over 12 years by the international financial institutions and still 56% of the off-farm command area and 69% of the on-farm command area remain to be rehabilitated. The proposal will rehabilitate around 80,000 ha managed by around 44 water users associations and benefit some 100,000 small farmers, 20% of whom are women. In addition, women will benefit substantially through the agricultural advisory services which will not only provide advice, demonstration and training for water users associations member but also household plot owners who are women. Women and their children will benefit substantially from the up-scaling of nutrition interventions and social protection.

If approved, the provision of GASFP funding would certainly come at a time of great need. So on behalf of the Government of the Kyrgyz Republic, I would like to express my appreciation in advance to the GAFSP for consideration of our proposal. I would like to reassure you that the proposed investment will have a very tangible impact on the lives of the Kyrgyz people and contribute significantly to our long term vision for increasing agricultural growth, strengthening national food security, and achieving the Millennium Development Goals.

Please find attached the following:

- (i) Main GAFSP Proposal
- (ii) Attachment 1: Agriculture and Food Security Strategy- Concept of Food Security of the Kyrgyz Republic for 2009-2019
- (iii) Attachment 2: Agriculture and Food Security Strategy – Medium Term Development Programme of the Kyrgyz Republic 2012-2014
- (iv) Attachment 3: Investment Plan – Medium Term Budget Forecast for 2012-2014
- (v) Attachment 4: Consolidated Report of the Consultation Process

- (vi) Attachment 5: Evidence of an independent peer review: Peer Review of Government Strategy and Programs by Professor Ken Thomson
- (vii) Attachment 6: Evidence of an independent peer review: Peer Review of proposal for GAFSP funding by Professor Zvi Lerman
- (vi) Declaration by the working group on agriculture and food security
- (vii) Statement of the Non-Government Organizations and Public Supervisory Boards
- (viii) Statement of the Development Partners

The Government of the Kyrgyz Republic will be glad to work with the GAFSP team to clarify any outstanding issues and hopes we will have the opportunity to cooperate with you on this proposal.

With best regards,




Akylbek Japarov
Minister of Finance

Countersigned by:




Nurlan Duisheev
Acting Minister of Agriculture
and Land Improvement




Dinara Saginbaeva
Minister of Health