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EGED programme

Effective Governance for Economic Development (EGED) programme

Inclusive, evidence-based planning leads to economic growth

ӨНҮКТҮРҮҮ САЯСАТ ИНСТИТУТУ
ИНСТИТУТ ПОЛИТИКИ РАЗВИТИЯ
DEVELOPMENT POLICY INSTITUTE

Review / forecast
of the EGED programme impact
on socio-economic development
of At-Bashy district
of Naryn region,
and Nookat district
of Osh region, Kyrgyz Republic

**The Effective Governance
for Economic Development (EGED) programme** is
a five-year UK-funded programme of technical
assistance in Central Asia.
It helps to improve the effectiveness, accountability,
and transparency of economic policy delivery
on selected reform priorities in Kyrgyzstan,
Tajikistan, and Uzbekistan through introducing
evidence-based processes
into the planning and implementation
of government reforms.

The programme also works to strengthen civil
society actors to engage in select economic
and social policies in Kyrgyzstan, Tajikistan,
and Uzbekistan to improve the effectiveness
of those policies through better use of data
and evidence.

The objective of the EGED programme
is to improve the effectiveness,
accountability, and transparency
of economic policy implementation
according to reform priorities
in Kyrgyzstan, Tajikistan,
and Uzbekistan.

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EXECUTIVE SUMMARY

Regional development has been identified as a priority area for EGED programme impact in the Kyrgyz Republic due to the country's challenging natural landscape (95% of the terrain being highlands), with high population concentration in valleys, poor transport connectivity, the persistence of an agrarian economy, inadequate urbanization, and technological lag. The country also faces new challenges including climate change, global geopolitical and economic shifts, and a water crisis, which further exacerbate regional inequality and necessitate more strategic development planning from the government, with a focus on evidence-based planning and forecasting for regional development policy. However, the existing governance system lacks the necessary capacities and tools, as no alternative planning and forecasting system has been established since the country's independence from the USSR.

The EGED programme has concentrated its efforts on facilitating the establishment of an integrated evidence-based governance, planning, and forecasting system for regional development, following a bottom-up approach. This involved assisting in the development of new evidence-based methodologies for socioeconomic development programmes at the lowest levels of governance, including local self-governments and sub-national entities such as local state administrations (districts). These methodologies incorporate citizen participation in prioritizing and monitoring development, utilize forecasting algorithms, and are integrated with each other, laying the groundwork for more effective and sustainable regional development management.

This Review presents an analytical evaluation and forecast of the impact of the EGED programme on the current status and future prospects of socio-economic development in the pilot districts of the Kyrgyz Republic, focusing on the following parameters: 1) Enhanced performance of industries and sectors through more efficient planning and monitoring; 2) Improved utilization of evidence in policy formulation; and 3) Strengthened accountability and enhanced quality of interaction between different levels of government and the citizens of the country.

The Review provides specific examples illustrating the impact or anticipated effects of the EGED programme on the development of the pilot districts in agriculture, local service organization, and inclusive development over three years (2024–2026).

Economic forecasts include a projected doubling of the growth rate of those employed in livestock production, a 1.7-fold acceleration in the growth rate of livestock production, an approximate 1 billion KGS increase in commodity producers' revenue, and proportional growth in budget revenues.

Anticipated improvements in living conditions and inclusive development include a projected doubling in the growth rate of the population with access to drinking water supply services, an almost 5% increase in service coverage, a more than 3.5-fold acceleration in the reduction of vulnerable groups, and a decrease in the share of citizens dependent on benefits.

In the realm of accountability and dialogue, forecasts include an expanded set of dialogue participants through more active engagement of business representatives, the establishment of Coordination Councils at the district level, strengthened accountability through algorithmic monitoring mechanisms for SEDP implementation involving the Coordination Council, as well as strengthened partnerships through the delegated implementation of programme components by businesses and civil society, sharing responsibility.

The Review highlights the challenges, lessons, and recommendations stemming from the EGED programme's implementation in 2021–2024, encompassing factors such as territorial differences and inequalities, limited involvement of major cities, the imperative for greater engagement of sectoral agencies, the effects of administrative-territorial reform, and the risks associated with inadequate capacity and delayed digitalization. This segment of the Review aims to facilitate the development of more targeted plans for the EGED programme to maximize impact during the remaining implementation period.

Figure 1: Contributions and results of the EGED programme
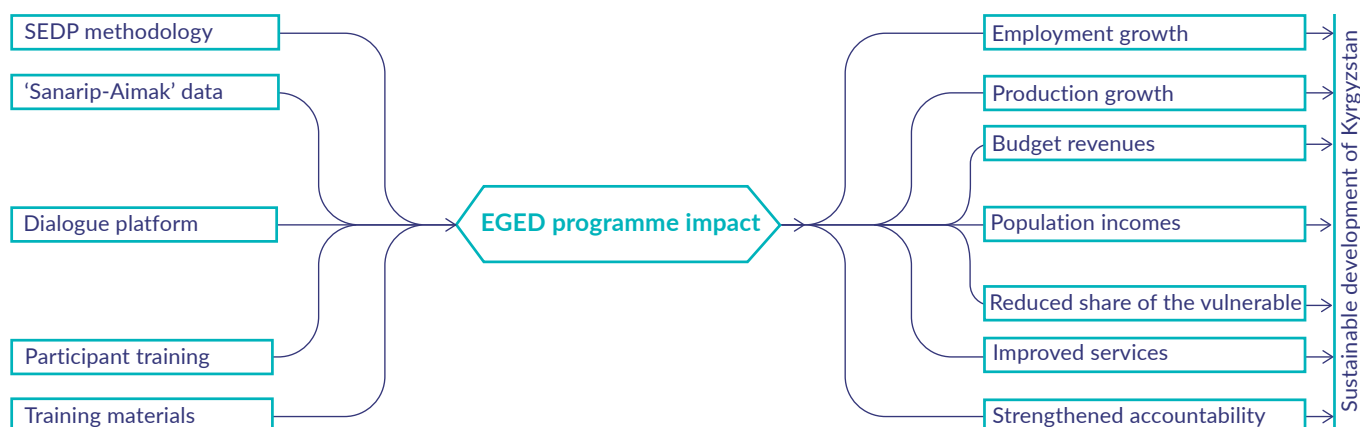
I. WHAT HAS BEEN DONE?
Impact measures of the EGED programme

During 2021–2024, the EGED programme focusing on the regional development in the Kyrgyz Republic provided various types of support to stakeholders (see Table 1).

Table 1. Regional development support measures provided by the EGED programme to stakeholders - national partners

| Partner	Support measures
The KR Cabinet of Ministers (Government) represented by the Ministry of Economy and Commerce and the State Agency for Public Service and Local Self-Governance Issues under the Cabinet of Ministers	Support for the development of fundamentally new unified methodologies for the development and monitoring of medium-term (3–5 years) socio-economic development programmes (SEDPs) for local self-governments and for local state administrations (districts). The methodologies are interrelated and form the foundation for the development of an integrated planning system
	Support for the development of a set of user requirements for a new module of the 'Sanarip Aimak'[1] (digital village) information system that automates the process of using and analyzing data for the development of SEDPs, forecasting and information exchange between different planning levels
KR National Statistical Committee	Regional trainings "Data for Regional Development: Sanarip Aimak" have been conducted, covering 516 representatives of all LSGs of the Kyrgyz Republic (including 66% women). The trainings resulted in the LSGs improving data management in the 'Sanarip Aimak' system: the number of households and citizens registered in the system increased by 5% and almost 10%, respectively; the number of certificates issued through the system increased by 65%; and the number of registered LSG passports increased by almost 80%
Local state administrations and local self-governments	Support for the establishment of Coordination Councils as platforms for dialogue on inclusive economic development of the districts enabled the inclusion of priority development measures for local businesses, including in agriculture and tourism, into the district SEDPs
	Testing of the process of developing district SEDPs according to the new methodologies with the participation of the Coordinating Councils and LSGs' SEDPs according to the new methodologies using data from the AIS 'Sanarip Aimak' helped to refine the methodologies making them applicable in practice
	Development of training materials and training of participants in economic development planning both at the LSG level and at the district level. By the end of 2024, the training will expectedly cover about 1,500 state and municipal employees

[1] The 'Sanarip Aimak' automated information system is designed to automate the processes of LSGs to create LSG passports containing a brief description of LSGs, as well as household books describing the composition and level of well-being of families living in the territory covered by the LSG.

Civil society, activists, business NGOs and educational organizations	Involvement of civil society and business representatives in socio-economic development planning through Coordination Councils and SEDP design methodologies. About 60% of key civil society and media activists in target regions have improved their skills in evidence-based monitoring and advocacy; 4 national coalitions have been supported to strengthen their links with regional civil society and represent regional development issues
	Capacity building for knowledge management in inclusive regional development planning (institutionalization of the curriculum, trainings for trainers). By the end of 2024, the training will expectedly cover about 1,000 civil society and business representatives to make their participation in regional development management effective and efficient

In order for new planning methodologies to become pivotal tools for managing regional development, they incorporate a comprehensive set of new principles and solutions (see Figure 2):

- Analysis and application of broad **data sets** for more informed planning and forecasting;
- Focus on territorial/**regional specialization** and regional/country economic integration;
- Assessing **all possible resources** for the implementation of SEDPs;

- Special attention to ensuring opportunities for **inclusive growth** with the involvement of key and vulnerable groups in economic activities;
- Combining socio-economic and **spatial planning**;
- **Capacity building** of economic development planning participants;

- Integration of **environmental** and climate change factors into economic and social infrastructure planning;
- Building a dialog on development forecasting with **a wide range of stakeholders**.

Figure 2: Integrated approach to local and regional development planning as a process
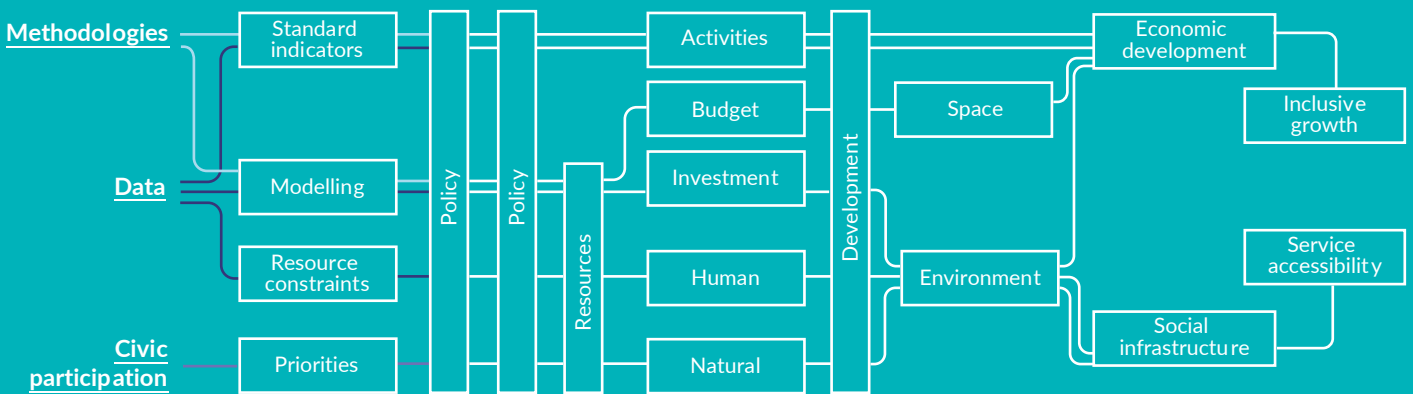
II. Selection and characteristics of pilot territories

Six administrative units were selected for pilot testing of the new methodology: two districts and four local self-government territories (aiyl aimaks) - two from each district. The selection criteria included: (i) availability of a previously prepared SEDP for comparison of results; (ii) belonging to different regions of the Kyrgyz Republic; (iii) representation by mayor's offices (for cities) and village councils (for rural areas); and (iv) ability to develop a SEDP in the new format independently with minimal consultant support. As a result, two pilot districts were selected to develop SEDPs for 2024–2026 (in addition to the four municipalities) – At-Bashy district, Naryn region, and Nookat district, Osh region.

Nookat district, Osh region

Geographical location and landscape

The national highway Osh-Batken-Isfana passes through the territory of the district

16 aiyl aimaks
1 town of district significance
75 villages[2]

Distance to the regional center
├─── **40 km**
to the railroad
├─── **45 km**
to the capital
├──────────────────── **702 km**

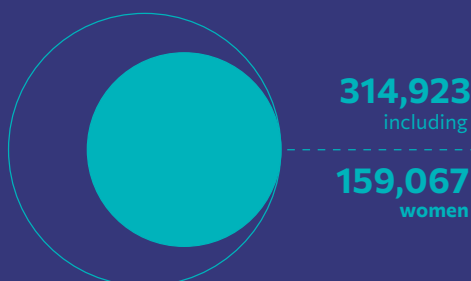The area of the district is 4,000 km²

The average altitude above sea level is

1,350 m

The landscape combines flat and mountainous terrain.

Summers are hot and arid, with moderately warm winters.

The population of the district at the end of 2023 *(people)*

314,923
including

159,067
women

The amount of revenues to the budget in 2023 *(soms)*

588.8 mln ──────── State Budget
447.1 mln ──────── LSG Budgets, icl. Nookat city
81.1 mln ────

At-Bashy district, Naryn region

Geographical location and landscape

Located in the south-eastern part of Kyrgyzstan, bordering China

The largest district in Kyrgyzstan

The area of the district is 18,900 km²

5 rural administrations
19 villages

Distance to the regional center
├─── **45 km**
to the railroad
├──────── **230 km**
to the capital
├────────────── **380 km**

Mountainous terrain at an altitude of

2,200-3,500 m

Winter min t -45°C
Summer t +35°C

Mineral resources: gold, coal, marble, clay, marl, salt, mercury and tin. There are also natural sources of building materials and drinking mineral water.

The climate is continental. It has a significant influence on the development of agriculture. Winter lasts 6-7 months and is characterized by heavy snowfalls.

The population of the district at the end of 2023 *(people)*

67,407
including

33,760
women
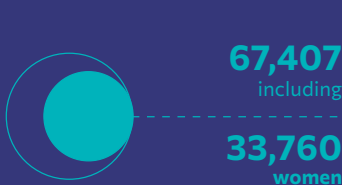
Average population density

3.5x1 km²
people

The amount of revenues to the budget in 2023 *(soms)*

41.1 mln ──
122.8 mln ──

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[2] As of January 1, 2023, the number of ayil aimaks may have decreased due to the administrative-territorial reform.

III. Impact results
(actual and prospective)

**Systematicity.** In the Kyrgyz Republic, a significant part of the EGED programme's efforts is aimed at creating a foundation for building an integrated socio-economic development planning system (see the future system in Figure 3).

The integrated socio-economic development planning system is a multi-level planning mechanism based on the unity and integrity of development and implementation of development plans at all levels of government, as well as on a comprehensive approach that integrates social, economic spatial and environmental requirements.

The basis (foundation) of the system will be the new methodologies developed under the EGED programme for the preparation of SEDPs for LSG territories and districts. For the first time, the methodologies introduce unified standards for local development plans.

The methodologies distribute roles in the integrated planning system (top-down and bottom-up exchange of information on sectoral development directions and needs of the territories through 'interfaces' in plan creation processes at different levels). Thus, the EGED programme contributes to the bottom-up improvement of the regional development management system, starting from the local and regional planning level, considering them as the main engine of local economic and social infrastructure development. At the district level, there is an intersection of sectoral development programmes and territorial programmes, which should become a key tool for management and development.

Figure 3: Scheme of the integrated socio-economic development planning system
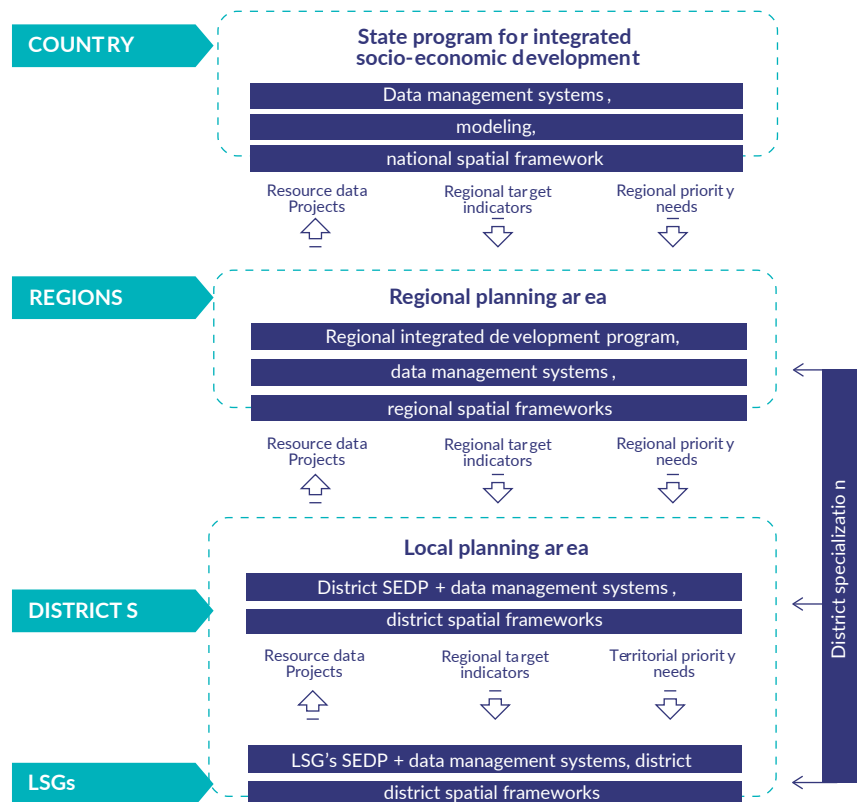
Data. The new methodologies are based on algorithmic thinking, modeling and extensive use of data to identify standard development indicators. They are grouped according to SEPD sections as follows:

- **Local issues** indicators (local infrastructure, sports, culture, education, health);

- **Economic development** indicators (employed population, population income, production assets, production, direct investment);

- Indicators related to **integrated aspects of development** (environment (including energy efficiency), space);

- **Inclusive development** indicators (employment, self-employment of vulnerable groups);

- **Local budget** indicators (revenues, expenditures, targeted transfers);

- **Development budget** indicators (budget investments, revenues from development funds, extra-budgetary sources).

These indicators will be used as data sets in information system and make evidence-based management effective. In the Kyrgyz Republic, the 'Sanarip-Aymak' automated information system is being developed, which in the medium term should turn from a database on population records into a full-fledged multi-level automated development management system. The 'Sanarip Aimak' data will be used to analyze, forecast and monitor processes at various levels of the integrated socio-economic development planning system. For this purpose, a new module will be introduced in the system in 2024 – 'Integrated socio-economic development system: local planning level'. The efficiency of the plans should increase due to the increased availability of local data, when the system will replenish it from various integrated sources: information from the field, national statistics, sectoral statistics. Thus, the EGED Programme also lays the foundation for the creation of digital governance environment (see Figure 3), including new forecasting possibilities using modeling, availability of systematized statistical data and accelerated top-down and bottom-up information exchange between state and regional governments.

Figure 4: Schematic diagram of the automated planning process

Algorithmization and informatization of the planning process
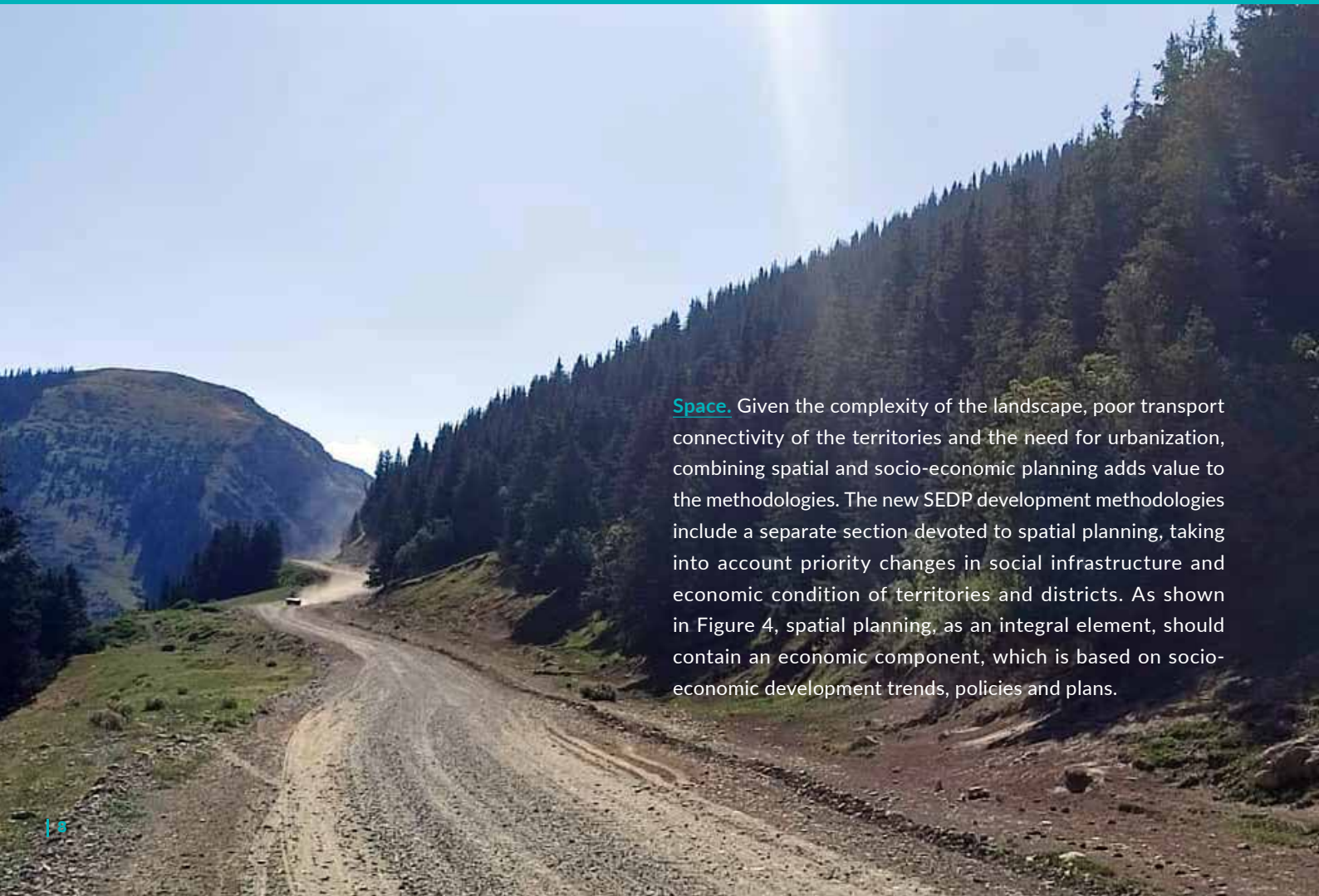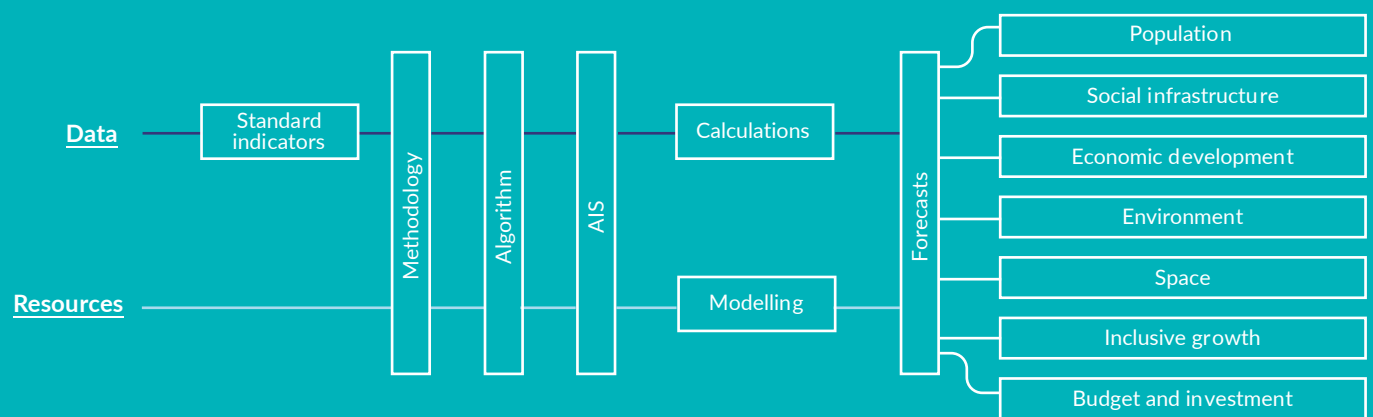
Space. Given the complexity of the landscape, poor transport connectivity of the territories and the need for urbanization, combining spatial and socio-economic planning adds value to the methodologies. The new SEDP development methodologies include a separate section devoted to spatial planning, taking into account priority changes in social infrastructure and economic condition of territories and districts. As shown in Figure 4, spatial planning, as an integral element, should contain an economic component, which is based on socio-economic development trends, policies and plans.

Socio-economic analysis, in turn, takes into account spatial and technical constraints and opportunities to apply tools to manage the transformation of functional legal spatial zones. This will significantly improve the predictability of economic and social policies and the accuracy of forecasts. In the short term, the new goal of the EGED programme is to support methodological and digital merging of the integrated planning system with the national spatial data infrastructure, as well as to introduce Big Data methods into spatial planning.

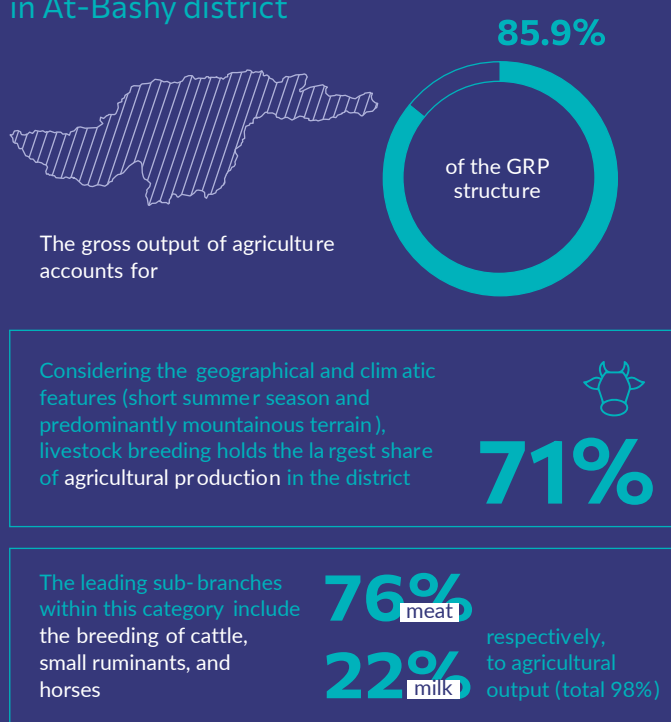**Figure 5:** Combining spatial and economic planning
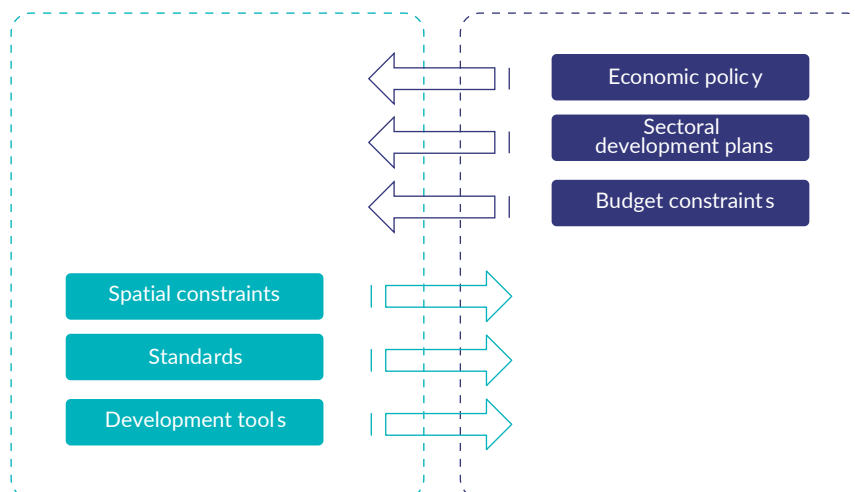
Inclusive economic growth and improved living conditions

Economic growth: Investment planning. The EGED programme presents new opportunities to enhance regional growth prospects by improving the utilization of data on investment and current needs. Leveraging comprehensive datasets and computational modeling enables more precise forecasts of investment efficiency across various sectors. For instance, where previous agricultural investments may have been suboptimally allocated due to limited information on the market

and production capacities, digitalization and the new data-driven planning approach allow for optimized spending, leading to increased productivity and GDP growth at the district level. The experience in At-Bashi district illustrates that enhanced SEDP implementation is expected to double employment growth rates, significantly accelerate livestock production, and generate approximately 1 billion KGS in additional income within three years.

Agriculture:
production and employment growth in livestock breeding in At-Bashy district

85.9%

of the GRP structure

The gross output of agriculture accounts for

Considering the geographical and climatic features (short summer season and predominantly mountainous terrain), livestock breeding holds the largest share of agricultural production in the district

71%

The leading sub-branches within this category include the breeding of cattle, small ruminants, and horses

76% meat
22% milk

respectively, to agricultural output (total 98%)

Forecasting, based on data analysis, enables the assessment of the impact of additional measures outlined in the district's SEDP for 2024–2026, developed according to the new methodology introduced by the EGED programme.

> The growth rate of employment in the livestock sector will double: the number of people employed in the livestock sector will increase by **6%** under the new SEDP measures, compared to only **3%** without these measures.

> The number of officially registered unemployed will start to decline from 2025 **by 3–5%** per year, whereas the baseline projection averaged about **1.5%**.

> The growth rate of livestock production will accelerate by **1.7** times: commercial production will increase by **29.3%** under the new SEDP measures, compared to only **17.1%** without them;

> Commodity producers' revenue will increase by nearly **1 billion soms**, with most producers operating as family businesses and SMEs;

> Receipts to the local budget under special tax regimes will rise by almost **30%**;

> Revenues of local budgets will increase by at least **4.4 million soms** due to a single tax for agricultural producers (*comparable to the total annual revenue from all taxes under special tax regimes*).

Impact results

Figure 6. Forecast of the growth dynamics
of the district population employed
in agriculture (programme measures), *people*

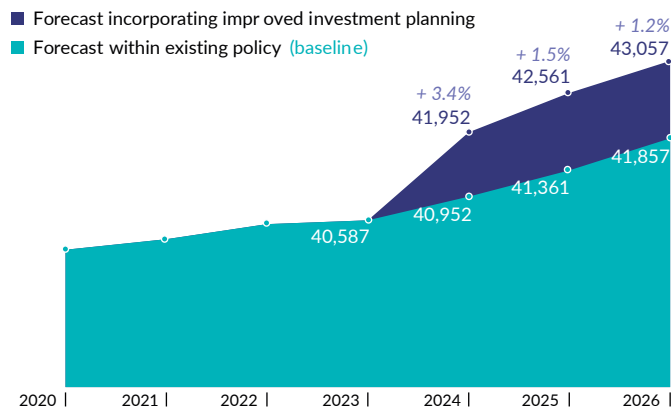■ Forecast incorporating impr oved investment planning
■ Forecast within existing policy (baseline)

+ 1.2%
43,057

+ 1.5%
42,561

+ 3.4%
41,952

41,857

41,361

40,952

40,587

2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 |

Figure 7. Forecast of the growth dynamics of goods
production in the livestock sector, *thousand soms*

■ Forecast incorporating impr oved investment planning
■ Forecast within existing policy (baseline)

+ 11.5%
4,381,028

+ 9.1%
3,930,153

+ 8.7%
3,602,444

3,911,632

3,572,866

3,370,684

3,430,899

3,314,175

2,905,022

2,451,423

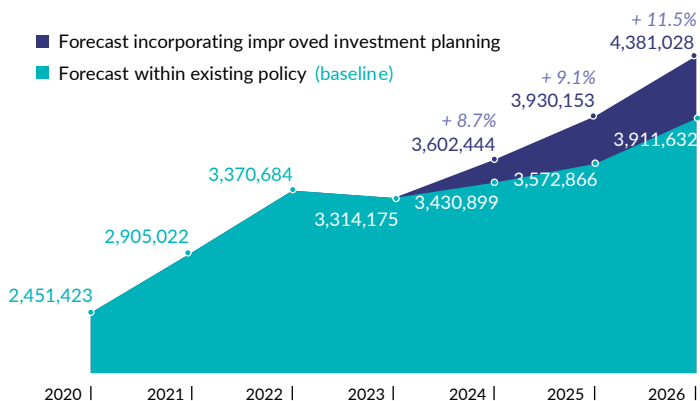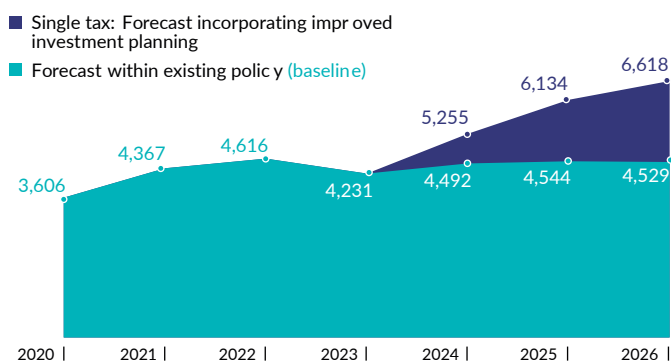2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 |

Figure 8. Forecast of growth dynamics of revenues
to the local budget under special tax regimes due to the
growth of the livestock sector, *thousand soms*

■ Single tax: Forecast incorporating impr oved
investment planning
■ Forecast within existing polic y (baseline)

6,618

6,134

5,255

4,367   4,616

4,529

4,544

4,492

4,231

3,606

2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 |

The following priority measures were incorporated into the forecasting process to boost growth relative to the baseline (which assumed a gradual increase of about 1% per year):

> **Meat and dairy cattle breeding** is prioritized as the district's economic specialization.

> Training farmers, engaging youth in agricultural entrepreneurship, and introducing new facilities are planned to **foster employment growth**.

> Stimulating the creation and development of value chains: for example, the 'At-Bashy Sut' plant, operating **at 53% capacity**, will address its raw material shortage by establishing **a 260-cow** farm. Additionally, to tackle meat procurement and processing issues, a slaughtering and meat processing plant (private investment of **107 million soms**) and a plant for producing stew and dumplings (private investment of **28 million soms**) are nearing completion. These value chains will enhance employment and boost the value-added tax (VAT) growth rate by almost **47%** in 2025 compared to 2024, generating **over 1 million soms** in additional VAT compared to 2023 (excluding VAT on imports).

> **Promoting clusters focused on organic products:** At-Bashy district, given its economic specialization and regional integration, can be seen as a comprehensive cluster for organic products. Animals here are raised on pure natural feed without mineral additives, and during summer, they graze on high mountain pastures. Consequently, the meat produced in the district is in higher demand due to its ecological purity and superior taste compared to other regions in the country.

Economic growth: district specialization and sectoral profiles. New methodologies for designing socio-economic development programmes at the district level contain tools to emphasize economic specialization as a basis for sustainable growth. For example, the pilot districts under consideration have several areas of specialization:

Sector of economy		
Agriculture	**Manufacturing**	**Tourism**
At-Bashy district Cultivation of alfalfa and sainfoin Cultivation of potatoes (seed varieties) Sheep keeping Keeping meat cattle	Formation of a cluster for meat production and processing	28 national and 53 local historical and cultural sites Karatal-Japyryk State Reserve Naryn State Reserve
Nookat district Cultivation of perennial fodder grasses, alfalfa Cultivation of corn for grain Cultivation of late potatoes Cultivation of seed crops: apples Keeping meat cattle Sheep breeding	Marble production Formation of a fruit and berry cluster	Kyrgyz-Ata State Natural Park Kara-Koi Resort Abshir-Ata Gorge Tuya-Muyun Massif

In order to focus on advanced industries, the new methodology for developing district SEDPs includes industry profile forms containing a set of indicators of industry development, needs, problems and prospects. The prospects for growth and employment in the tourism industry are discussed below, using two districts as examples:

Tourism: district specialization and careful planning accelerate tourist inflow, employment, and income growth

At-Bashy district has great natural and recreational potential and is attractive for external tourism, with **28 national and 53 local historical and cultural sites**, including mountain lakes, waterfalls, and the unique historical and cultural monument in Central Asia – Tash Rabat, archeological monument Koshoi Korgon, and protected areas such as Karatal-Japyryk State Reserve and Naryn State Reserve. There are **13 entities registered** and operating in the tourism sector, excluding individual entrepreneurs and unregistered population providing tourism services. In 2023, about **500 people** were employed in the tourism industry, and the flow of tourists reached **13.5 thousand people**, which is **3 times higher** than in 2021. Among the most frequently rendered services to tourists are horseback tours, hiking tours, jeep tours, cultural excursions, catering, hotels, yurt rent in yurt towns. The district's high-mountainous and middle-mountainous reliefs make it ideal for developing active adventure tourism. Meanwhile, **Nookat district**, with fewer attractions for external tourists, sees a higher influx due to its transit roads of regional and national importance, longer tourist season, and features of the mountainous landscape. In 2023, the number of tourists visiting the district amounted to **24.8 thousand people**, with domestic tourism prevailing. In 2023, the At-Bashy region saw a domestic tourist share of **80%**, while in Nookat region, it reached **95%**. In Nookat, the most developed recreation areas cater to the local population, known as 'weekend' zones. The district boasts numerous natural-recreational, historical, and sacral sites that contribute to the development of regional tourism. Notable attractions in Nookat district include the Kyrgyz-Ata State Natural Park, Tuya-Muyun Mountain Massif, Kara-Koi Resort featuring a lake at an altitude of 3,500 meters, and the Abshir-Ata Gorge with a 15-meter waterfall flowing out of a hole in a steep cliff. Around **300 people** were employed in the tourism sector in 2023, including **44 private entrepreneurs**. The most sought-after services by tourists include horse tours, hiking tours, cultural excursions, catering, hotel accommodations, and yurt rent in yurt towns.

Similar problems of industry development in the two pilot districts:

Poor roads and infrastructure on tourist routes, old bridges, lack of signposts and toilets.

Insufficient dissemination of information about tourist attractions in the districts.

Gray economic activities in local tourism services.

Uncontrolled use of natural resources without considering anthropogenic load and increased waste left by tourists.

Lack of modern hotels and poor quality of tourist services.

Pollution of the biosphere by motor vehicles.

Short duration of the tourist season due to climatic conditions.

Dissatisfaction among the local population with Bishkek-based tour companies that exploit the district's recreational resources without benefiting local communities (At-Bashy district).

Figure 9. Forecast of growth dynamics of the number of tourists in At-Bashy district
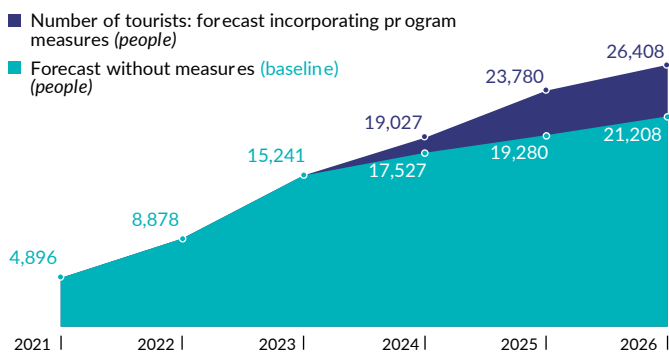
- Number of tourists: forecast incorporating program measures *(people)*
- Forecast without measures (baseline) *(people)*

26,408
23,780
19,027
15,241
8,878
4,896
21,208
19,280
17,527

2021   2022   2023   2024   2025   2026

Figure 10. Forecast of employment growth dynamics in the tourism industry in At-Bashy district

- Population employed in the tourism industry: forecast incorporating program measures *(people)*

1,174
890
700
500
430
340
794
690
600

2021   2022   2023   2024   2025   2026
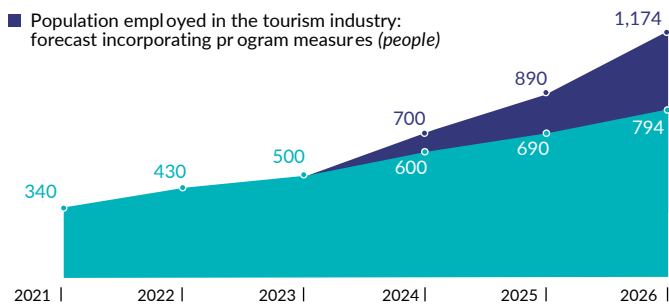
Figure 11. Forecast of dynamics of population income growth from the tourism industry in At-Bashy district

- Income of the population employed in the tourism industry: forecast incorporating program measures *(soms)*
- Forecast without program measures, %

358,455,905
249,665,588
181,947,232
112,406,310
96,069,340
67,054,650
262,838,405
199,340,588
156,784,732

2021   2022   2023   2024   2025   2026
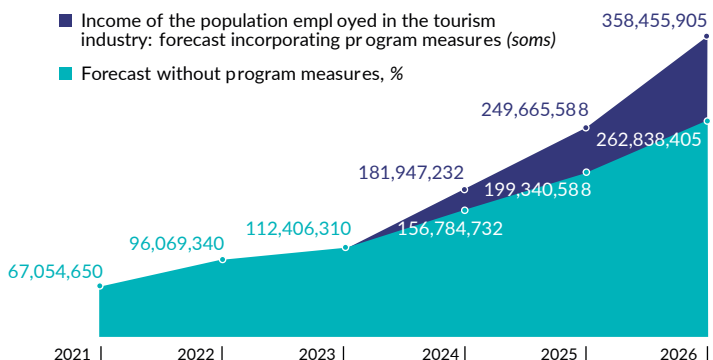
The new SEDP methodologies have identified significant development prospects for the tourism industry in both districts. The sectoral profiles of the At-Bashy and Nookat SEDPs for 2024–2026 include several measures to achieve growth across various indicators:

> Growth in the number of tourists is expected to be nearly **a quarter (24%)** faster in At-Bashy district and **11%** faster in Nookat district. With proper infrastructure organization, anthropogenic impact control, and additional measures specified in the SEDPs, the number of tourists visiting At-Bashy district can **almost double** in the medium term. The baseline forecast predicted only **a one-and-a-half times** increase. In Nookat district, domestic tourist arrivals have nearly peaked, so significant growth is not anticipated in the medium term but is expected from an increase in foreign tourists, potentially rising from an average of **3%** per year to **13%** by 2026.

> The number of locals employed in the tourism industry is projected to **double** in At-Bashy district and increase by **87%** in Nookat district by 2026 compared to 2023.

> Under the influence of the SEDP measures and district management (with a baseline forecast of 100% growth), tourism revenues are expected **to triple**. The district can provide significant support for the industry, including prioritizing areas for expenditure from the development fund. This will involve allocating funds to private entrepreneurs for enhancing tourism infrastructure.

Figure 12. Forecast of dynamics of income growth per capita of the population employed in the tourism industry in Nookat district

■ Income (average) per capita of employed population *(soms)*

- 221,941 (2021)
- 260,945 (2022)
- 257,531 (2023)
- 330,269 (2024)
- 367,747 (2025)
- 377,905 (2026)
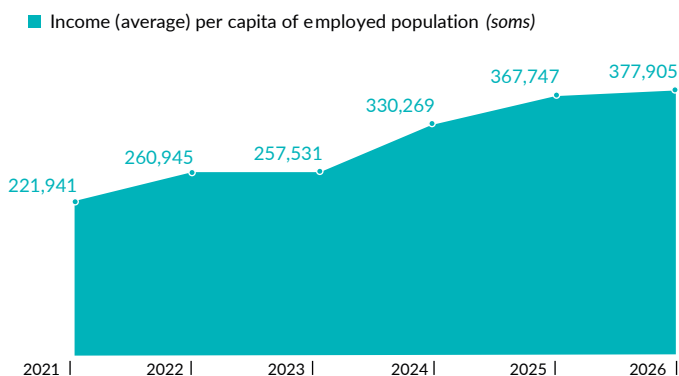
Realizing these targets will require implementing comprehensive medium-term measures that are largely similar in both districts:

Conduct an inventory of natural, cultural, historical, and archaeological tourist sites, and create two district destinations while sharing experiences with destinations already established in the country.

Establish special e**thno-villages** to introduce tourists to Kyrgyz customs, traditions, and national cuisine.

Organize training to enhance the capabilities of entrepreneurs in the tourism sector, developing the skills of local entrepreneurs to create new and unique tour products at different locations. This includes different types of activities *(agro-tourism – e.g. harvesting applies and make different products during the apple season, cultural tours – e.g. opening thematic workshops where tourists can get acquainted with Kyrgyz culture, organization of extreme activities – e.g. rafting)*.

Promote the culture of respect for nature and **sustainable tourism principles** in the districts.

Organize separate collection and disposal of solid domestic waste.

Repair and construct road infrastructure, including bridges and parking lots. Prioritized Programme spending from the district development fund, including state investments **in basic infrastructure** *(e.g., roads, electricity supply to remote yurt camps)* and funding for private entrepreneurs to develop tourist infrastructure.

Conduct research on the permissible tourist **load on the biosphere** to prevent degradation and pollution.

Gradually **systematize the accommodation system** *(hotels, motels, guest houses)* to meet modern requirements.

Establish campsites, glamping sites, and visitor centers.

Train and certify owners and staff of guesthouses and yurt camps, and regularly monitor service quality.

Train individuals working in the tourism sector **to utilize internet resources** such as Maps Me, TripAdvisor, Hostelworld, View Ringer, Outdooractiv, and Booking.com.

Create favorable conditions for local **tourism businesses** and the production of traditional handicraft and souvenir products, including access to affordable loans, land allocation, and low rental rates.

Develop **regional brands** to offer a unique experience for tourists in each district.

Conduct **special training for guides** conducting hiking and horseback riding tours *(covering ethics, safety, and first aid)*.

Produce tourist manuals for guides containing information about nature, history, historical monuments, and traditions.

Install information plaques and signs at popular tourist routes *(including via QR codes)*.

Host ethno-festivals.

Establish contacts and share information with major foreign tourist companies.

Utilizing sectoral profiles in district SEDPs, developed in accordance with the new methodology of the EGED programme, enables a focus not only on the overall economy but also on specific promising or struggling sectors that require special attention. This approach allows for a deeper analysis and the development of more detailed measures, ultimately leading to a positive impact on the growth of those industries.

Economic growth: linking spatial and economic planning and expanding data sets.

In the medium term, the country aims to establish digital agricultural schemes integrated with GIS platforms. These schemes will categorize types of crops sown, soil characteristics, irrigation maps and systems (water availability and irrigation schemes), as well as markets and logistics. This will facilitate optimal land planning, usage, transformation and utilization of unused land. Spatial development plans should align with the priorities set forth in local socio-economic development programmes. Alongside creating spatial schemes, measures are also planned to implement systems for data collection, analysis, and dissemination in the agricultural sector. This includes the establishment of data sharing and reporting platforms for farmers. Access to accurate and timely data will support evidence-based agricultural practices and effective agricultural policies.

The role of the district, in line with the philosophy of the comprehensive socio-economic planning system, involves the district, as the central jurisdiction, considering the needs of its constituent LSG territories and linking them to sectoral policies. It can be challenging for LSGs to keep track of all government sector programmes and incorporate them into their SEDPs, as well as large budget investment projects impacting their territories. The new methodology for developing SEDPs enables the district to analyze information about such projects and use them optimally as resources for development.

Improving living conditions.

The new methodology for developing SEDPs at the level of LSGs for the first time encompasses local services as a comprehensive section of the programme. This signifies a shift from functional planning of the governing body's work to a goal-oriented format focused on achieving tangible improvements in living conditions. The methodology has moved away from the outdated budget classification of expenditures and established 'entry points' for the implementation of a programmematic local budget centered on results. The example of Nookat district demonstrates how the data-driven planning methodology enables an almost threefold increase in the forecasted growth rates of drinking water supply service coverage.

The expansion of drinking water supply service coverage in the Nookat district will be accelerated threefold

In 2023, 75% of the population in Nookat district had access to drinking water, leaving 25% in need of clean drinking water. Traditionally, the problem was addressed on an ad-hoc basis due to funding constraints and planning deficiencies. Development programmes primarily considered the requests of individual settlements within the district, along with small projects from charitable foundations and development partners. There was no systematic spatial understanding of which water supply networks required priority attention and which territories and population groups they served.

The SEDP of Nookat District for 2024–2026 was prepared based on the new methodology introduced by the EGED programme. Investment needs were assessed using data from the SEDPs of the district's member municipalities, two of which were also developing their own SEDPs. The forecast, based on data analysis, enables estimating the impact of additional measures outlined in the district's SEDP for 2024–2026, developed according to the new methodology introduced by the EGED programme:

> Over 14,000 people, including almost **7,200 women**, will gain access to drinking water service; service coverage will increase by almost **5%**.

> The growth rate of the population covered by drinking water supply service will double, leading to an **11.5%** increase over 3 years under the impact of programme measures, compared to a potential increase of only **5.8%** without these measures.

Inclusive growth. Regional development authorities must ensure the active participation of underdeveloped and vulnerable groups in the economy for successful development. The new socio-economic planning methodologies introduced by the EGED programme prioritize inclusive development as a separate section. It involves a thorough examination of data on underdeveloped and vulnerable groups, crucially at the LSG

Measures for inclusive growth (At-Bashy aiyl aimak)

The inclusive development measures outlined in the SEDP of At-Bashy aiyl aimak, following the EGED programme methodology, aim to not just support vulnerable populations but transition them to active economic agents. By incorporating standard indicators and systematized data in the new methodology, changes within specific groups can be accurately tracked. This ensures that these indicators are not overlooked amidst indicators of economic growth and social services. These data helped track the need and work with NGOs and businesses to increase employment of vulnerable groups. The forecast based on data analysis allows to assess the impact of additional measures envisaged in the SEDP of the municipality for 2024–2026, developed according to the new methodology introduced by the EGED Programme:

> A more than **3.5**-fold acceleration in reducing the share of vulnerable groups resulting from projected measures promoting self-employment (an **18.7%** decrease with SEDP measures versus a **5.3%** decrease without measures over three years).

> A decrease in the share of benefit-dependent citizens in the total population of aiyl aimak (over **2,500 people** from nearly **26,000 people** in 2023 (**10.4%**) versus **8.6%** by 2026, a decrease of almost 400 people).

Figure 13. Forecast of the growth dynamics of population coverage by drinking water supply services

■ Forecast incorporating program measures, *% population*
■ Forecast without program measures, *% population* (baseline)
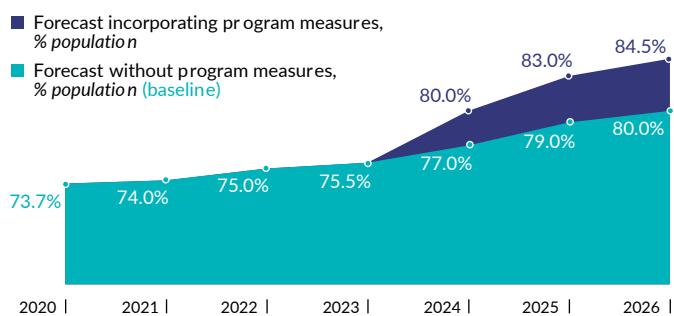
> The implementation of a public investment project on the rehabilitation of drinking water supply and wastewater disposal systems for the town of Nookat and neighboring rural areas is forecasted to accelerate the growth of the indicator of access to clean drinking water **by 3–4% per year** (exceeding the baseline forecast).

SEDP level. When planning economic development, districts should also consider factors promoting inclusive growth. For instance, the experience of At-Bashy aiyl aimak, part of the At-Bashy district, illustrates how measures proposed in the SEPD, developed according to the new methodology, reduce the projected share of vulnerable groups in the total population.

Figure 14. Forecast of reduction dynamics of the share of vulnerable groups in At-Bashy aiyl aimak

■ Forecast without program measures, %
■ Forecast incorporating program measures, %
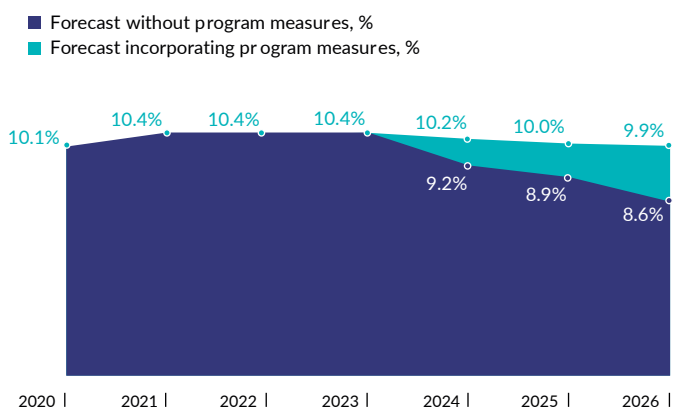
These changes are to be achieved through the following SEDP measures:

Establishing contacts with numerous NGOs providing social services in the district to enhance **targeted self-employment support for families** facing challenging circumstances, migrant families, and the elderly (*equipment purchases, etc.*).

Encouraging the establishment **of new employment** opportunities via the launch of small businesses to alleviate poverty and curb internal and external migration.

Enhancing **the financial well-being** of vulnerable citizens by improving the financial literacy of the population.

Encouraging private enterprises within the aimak **to generate job opportunities for vulnerable groups** (*people with disabilities, single women, family members of migrants, and families facing challenging circumstances*).

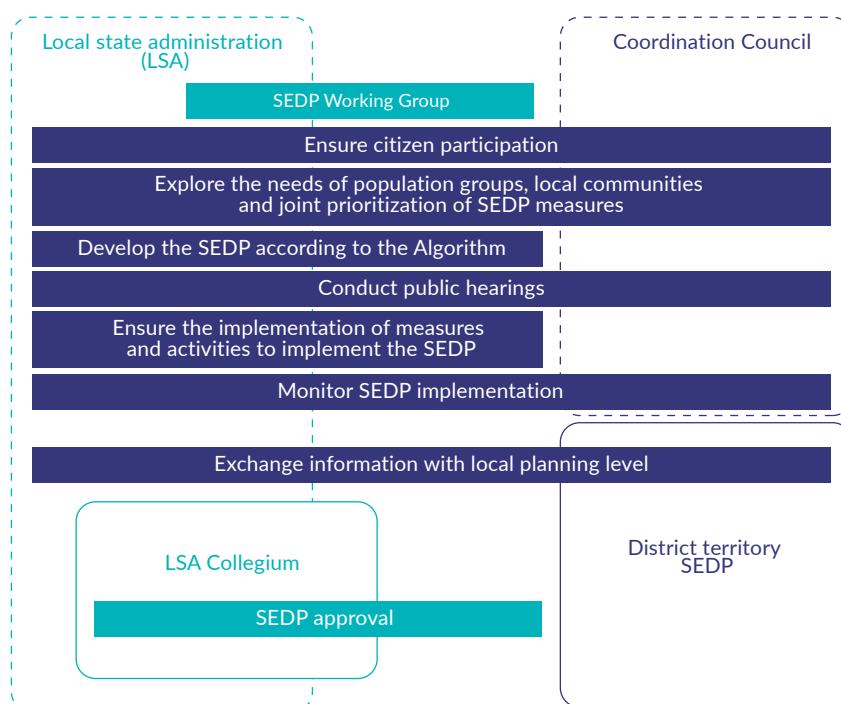## Strengthening accountability and dialogue between authorities and civil society

The new methodologies being introduced not only streamline the planning and monitoring process but also aim to engage citizens, interest groups, active community representatives, civil society organizations, and businesses. They provide various opportunities or 'entry points', including:

- Involving all stakeholders in identifying and analyzing issues, gathering and considering their suggestions.
- Broadening the participant categories in planning processes by actively engaging business representatives, potentially forming Coordination Councils at the district level.
- Enhancing accountability through systematic mechanisms for monitoring SEDP implementation, with mandatory involvement of the district-level Coordinating Council.
- Building public consensus around the SEDP during its development phase (involving the Coordinating Council) and approval phase (through public discussions).
- Delegating programme implementation responsibilities to businesses and civil society to delineate responsibilities effectively.

At the district level, the EGED programme, through new methodologies, institutionalizes citizen participation by establishing Coordinating Councils for socio-economic development of the region (district) in each district. The methodologies even include a model regulation on the Coordinating Council, which defines the composition and roles of the Council participants (see Figure 15).

Coordination Council for socio-economic development of the region (district) is an advisory and consultative body established to coordinate the interaction of state executive authorities, local self-government bodies, commercial and non-commercial, international and other organizations, as well as citizens in the process of socio-economic development of the district.

Figure 15. Roles of the local state administration and the Coordinating Council in SEDP development and monitoring

Local state administration (LSA)

Coordination Council

SEDP Working Group

Ensure citizen participation

Explore the needs of population groups, local communities and joint prioritization of SEDP measures

Develop the SEDP according to the Algorithm

Conduct public hearings

Ensure the implementation of measures and activities to implement the SEDP

Monitor SEDP implementation

Exchange information with local planning level

LSA Collegium

SEDP approval

District territory SEDP

Within the framework of the comprehensive socio-economic planning system being established, automated systems will relay information about territorial needs to the district level for analysis. Consequently, civic engagement in the development of the district's SEDP extends beyond the activities of the Coordinating Council, manifesting itself in the form of local priorities derived from these needs, which are discussed using various forms of citizen participation that have been tested and tailored to local conditions.

A significant form of citizen participation is the material contribution to development, as well as sharing responsibility with authorities by entrusting the implementation of parts of the programme to business and civil society. These tools are envisioned in the new methodologies, but their application is currently fragmented and requires further methodological and practical development in the medium term.

The uniqueness of joint monitoring of SEDP implementation lies in the fact that decision-making based on monitoring results is an integral part of the process, documented using new reporting forms. Moreover, a monitoring report will be considered incomplete if it lacks information on decisions made or prepared. This enhances accountability and increases the role of civic participation in district development management processes.

IV.   Challenges, lessons and recommendations

Territorial differences. The piloting of new methodologies and the linkages of the comprehensive socio-economic planning system has revealed varied outcomes for different districts and territories. Achieving effective implementation of the system in the future will necessitate analyzing various factors. These include disparities in the level of service financing across territories and variations in information availability (evidenced by differing data accessibility between district statistical departments of the National Statistical Committee of the Kyrgyz Republic). Additionally, factors like general sentiments, perceptions, and governance traditions play significant roles – with some embracing the task of developing SEDPs enthusiastically while others perceive it as an added burden. Differences in adherence to central authority positions and autonomy levels across districts also highlight distinct approaches. Looking ahead, territorial disparities may impact the ability to execute SEDPs with the necessary resources, potentially accentuating disparities between affluent and less wealthy territories. While these differences are not deemed risks, automated processes and improved resource allocation forecasting are expected to progressively mitigate regional development disparities and narrow gaps.

Non-involvement of cities. The testing of new methodologies predominantly focused on districts with agricultural specialization, with only one city, Nookat, participating in SEDP testing. It is recognized that methodologies may yield varying results in regional cities hosting larger populations, diverse interest groups, greater infrastructure costs, and specific challenges (e.g., urban heat waves or urban development needs). These methodologies offer advanced analytical tools tailored for municipalities with intricate governance systems. To enhance the adaptability of the methodology for application in urban centers and key development hubs, early testing of the methodology in one of the country's major cities is advisable.

Need for greater involvement of government agencies. The comprehensive planning system will soon compel sectoral government agencies to consider territorial disparities and the requirements of local development programmes within their sectoral policies. However, top-down communication remains more convenient for line ministries and agencies, potentially leading to institutional resistance as the system evolves. Incorporating cross-cutting development indicators from the SEDPs of territories and districts should become a regulatory requirement for the formulation of sectoral state development programmes. To ensure this integration, the new methodology of the district's SEDP includes sectoral profiles for sectoral policy analysis and involves representatives of regional subdivisions from authorized bodies in the SEDP working group. Strengthening these aspects will be crucial for the finalization of the country's integrated planning system. Additionally, the KR Ministry of Finance will need to pay greater attention to budget forecasting and execution, utilizing the SEDPs of territories as the foundation for local budgeting processes, even in cases where a district lacks its own budget. Separate efforts will be essential to make strides in this direction.

Administrative-territorial reform. The introduction and pilot testing of new methodologies coincided with the active phase of the consolidation of aiyl aimaks within the ongoing administrative-territorial reform in the country. Immediate challenges such as personnel changes during the SEDP development period and the potential loss of historical data necessary for indicator analysis in some areas may be compounded by long-term risks associated with staffing reductions in municipalities and possibly district state administrations. This reduction in capacity could impact planning quality, and the absence of planning stands as one of the most significant contributors to development stagnation.

Capacity risks. An essential factor in preparing quality development plans is the analytical capacity, which is currently lacking in the field. Methodology testing has reaffirmed the need to enhance the skills of planning and management officials. Additionally, risks associated with staff turnover eroding institutional memory exist. A comprehensive set of measures is required to enhance the capabilities of both the coordinating unit and those responsible for gathering and analyzing information. The transition to the new methodology will necessitate a 2–3 budget cycle adaptation period during which continuous technical and consulting support, regular training, including proficiency in utilizing the implemented information systems, is essential. To ensure the quality assurance of SEDPs, creating 'champions' and then disseminating their expertise is crucial. In the medium term, institutionalizing analytical capacity through dedicated planning and monitoring departments for regional development is imperative at the district level.

Risks of lagging behind digitalization. Without digital modules, the full potential of new methodologies cannot be realized. Any delays in their development and implementation pose the risk of discrediting numerous data-driven governance approaches. It is imperative to seek funds and promptly introduce new tools for informatization.

Appendices

Baseline forecast data for the examples

Table 1. At-Bashy district: agriculture *(thousand soms)*

Category	Actual			Expected		Forecast	
	2020	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**
Population of the district employed in agriculture (people)	40,131	40,295	40,527	40,587	41,952	42,561	43,057
growth rate (%)		*0.4%*	*0.6%*	*0.1%*	*3.4%*	*1.5%*	*1.2%*
Population of the district employed in agriculture (people) **Baseline**	**40,131**	**40,295**	**40,527**	**40,587**	**40,952**	**41,361**	**41,857**
growth rate (%)		*0.4%*	*0.6%*	*0.1%*	*0.9%*	*1.0%*	*1.2%*
Population of the district employed in agriculture (people) **Programme measures**					**1,000**	**1,200**	**1,200**
Production of goods: Agriculture	3,555,355	4,556,658	4,786,941	4,940,354	5,114,351	5,325,978	5,830,968
Crop production	1,103,932	1,651,636	1,416,257	1,626,179	1,683,452	1,395,826	1,449,940
Livestock breeding	2,451,423	2,905,022	3,370,684	3,314,175	3,602,444	3,930,153	4,381,028
growth rate (livestock)		*18.5%*	*16.0%*	*-1.7%*	*8.7%*	*9.1%*	*11.5%*
Production of goods: Livestock **Baseline**	**2,451,423**	**2,905,022**	**3,370,684**	**3,314,175**	**3,430,899**	**3,572,866**	**3,911,632**
growth rate (%)		*18.5%*	*16.0%*	*-1.7%*	*3.5%*	*4.1%*	*9.5%*
Production of goods: Livestock **Programme measures**					**171,545.0**	**357,286.6**	**469,395.9**

Figure 16. Nookat district: agriculture

Access to drinking water (%)

Access to drinking water (%) Baseline

◇ Access to drinking water (%) Program measures

ACTUAL | EXPECTED | FORECAST

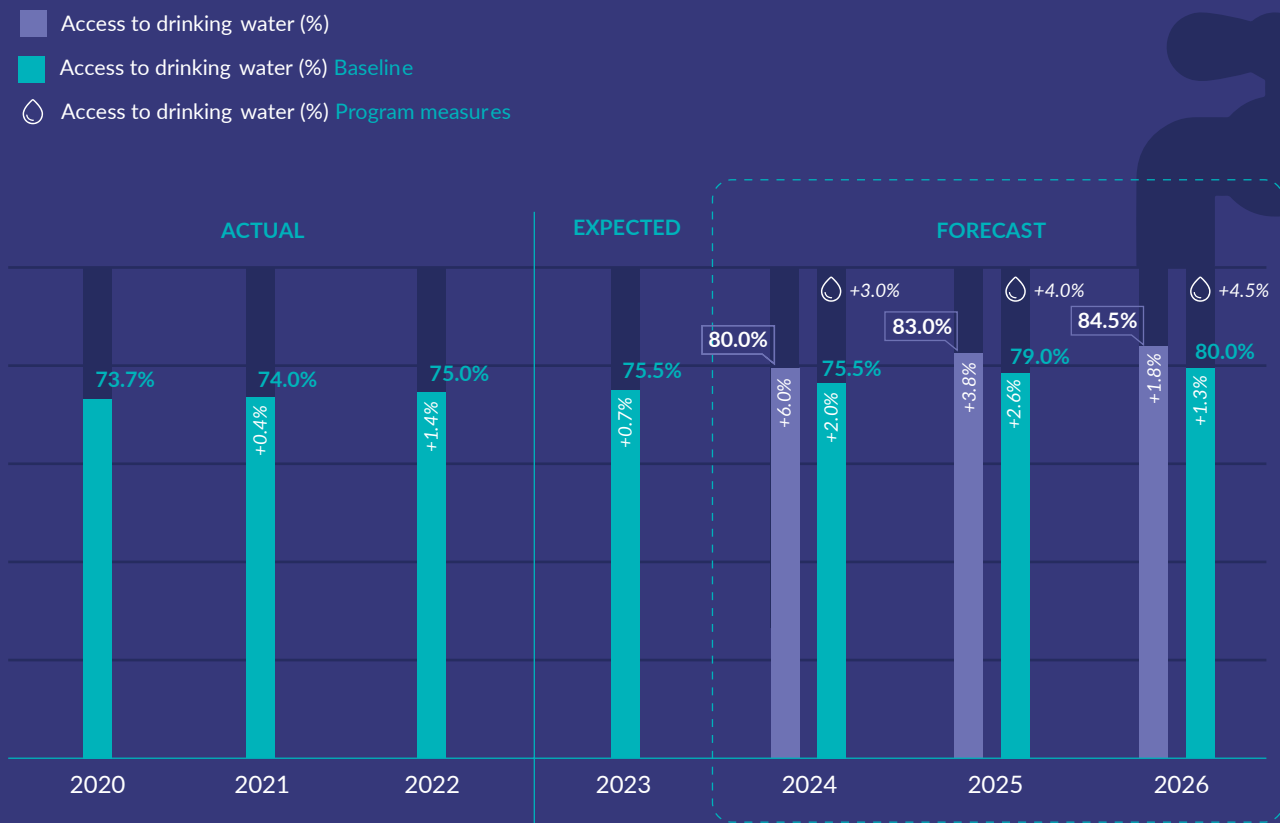|	2020	2021	2022	2023	2024	2025	2026
Baseline	73.7%	74.0% (+0.4%)	75.0% (+1.4%)	75.5% (+0.7%)	75.5% (+2.0%)	79.0% (+2.6%)	80.0% (+1.3%)
Measures					80.0% (+6.0%) ◇ +3.0%	83.0% (+3.8%) ◇ +4.0%	84.5% (+1.8%) ◇ +4.5%

Figure 17. At-Bashy aiyl aimak: inclusive growth

Share of all categories of vulnerable groups (except women) in the total population (%)

Share of all categories of vulnerable groups (except women) in the total population (%) Baseline

0.0% Share of all categories of vulnerable groups (except women) in the total population (%) Program measures

ACTUAL | EXPECTED | FORECAST

	2020	2021	2022	2023	2024	2025	2026
Baseline	10.1%	10.4% (+3.2%)	10.4% (0.0%)	10.4% (-0.2%)	10.2% (-1.8%)	10,0% (-1.6%)	9.9% (-1.9%)
Measures					9.2% (-11.5%) (-1.0%)	8.9% (-2.8%) (-1.0%)	8.6% (-4.4%) (-1.3%)