



**Asian
Development
Bank**
Kyrgyz Republic
Resident Mission



**Islamic
Development
Bank**
Regional office
Almaty, Kazakhstan



**KfW German
Development Bank**
Regional Office
Almaty, Kazakhstan



The World Bank
Country Office in the
Kyrgyz Republic

The Kyrgyz Republic:

2007 JOINT COUNTRY PORTFOLIO REVIEW

Vol.2 ATTACHMENTS:

1. ADB Portfolio
2. IDB Portfolio
3. KfW Portfolio
4. WB Portfolio

April 2007



2007 JOINT COUNTRY PORTFOLIO REVIEW

ADB Portfolio

BACKGROUND PAPER

April 2007

Asian Development Bank

Kyrgyz Resident Mission

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I. INTRODUCTION

1. The Kyrgyz Republic became a member of the ADB in 1994 and began receiving assistance in the same year. The ADB's first operational strategy was prepared in 1996 focusing on selective support in four strategic areas: (i) *agriculture (including rural finance)*, (ii) *provision of basic public services*, (iii) *human resource development (especially education)*, and (iv) *physical infrastructure (especially energy and roads)*. The scope of this strategy was subsequently widened to (i) give priority to poverty reduction and (ii) include assistance to the financial sector. The latest operational strategy for 2004-2006 was prepared in 2003, based, among other factors, on the Government's development objectives and strategy contained in Comprehensive Development Framework (CDF) (to 2010), NPRS (2003-2005), the Millennium Development Goals (MDGs), and taking into account activities of other IFIs. The major changes included the discontinuation of assistance to energy sector and more emphasis on regional cooperation. The selected areas for assistance included agriculture, finance, regional cooperation (with focus on trade facilitation and transport infrastructure), and human development (focusing on basic education and early childhood development). The list of approved loans by sector for the period 1994-2006 is provided in **Annex 1**.

2. Currently, ADB, WB, Department for International Development of the United Kingdom (DfID), Swiss Agency for Development and Cooperation (SDC) and various United Nations agencies are finalizing a joint results-based Country Support Strategy (JCSS).

3. This is fourth joint country portfolio review (JCPR) conducted by Asian Development Bank (ADB), Islamic Development Bank (IsDB), KfW German Development Bank (KfW), and the World Bank (WB), providing major portion of development assistance to the Kyrgyz Republic. At the request of the participating IFIs, ADB continued to act as coordinating agency for this year JCPR. The last JCPR was conducted by the above international financial institutions (IFIs) during 6-27 March 2006.

II. PORTFOLIO OVERVIEW

A. LOANS AND ADF GRANTS

4. **Size.** As of 31 December 2006, the country received 25 loans¹, one ADF grant, and 5 JFPR grants for a total of \$608 million equivalent. Seven out of the 25 loans are program loans totaling \$199.5 million for providing support to policy reforms to facilitate transition to market economy. The remaining 18 project loans, one ADF grant, and five JFPR grants totaling \$408.5 million were provided to support various investment activities. By the end 2006, 15 loans have been closed, and 10 loans and one ADF grant for total approved amount \$216.3 million are ongoing. No assistance was provided in 2006, as approval of two projects² for total \$30 million originally scheduled for 2006 were rescheduled for early 2007. Of three loans scheduled for closing in 2006, one was closed on time, one was rescheduled for closing in 2008, and rescheduling of the remaining one for closure in 2007 is under consideration³. **Figures 1 and 2** show the volume of annual lending of ADB to the Kyrgyz Republic and the number of loans approved annually for the period 1994 to 2006.

¹ All these loans were provided on concessional terms from the Bank's special fund resources (ADF). This excludes Loan 1786: Skills and Entrepreneurship Development Project approved in 2000 and cancelled in 2002.

² Southern Agriculture Area Development Project, comprising of \$15 million loan and \$5 million ADF grant; and \$10 million ADF grant for Vocational Education and Skills Development Project.

³ Loan 1529: Rural Financial Institutions was closed in December 2006. The loan closing date for the Loan 1742: Community Based Infrastructure Services Sector Project was extended by two years to 31 December 2008, and for the Loan 1175: Almaty-Bishkek Road Rehabilitation is most likely to be extended.

5. ADB's annual lending level began with \$40 million in 1994 and reached the peak level of \$89.2 million in 1997. Thereafter, the lending levels fell slightly and hovered between \$65 million and \$75 million till 2001. ADB's annual investment level sharply declined in 2002 -2003 to about \$15 million per annum as a result of the Government's debt reduction strategy. This strategy aimed for reducing the largely externally funded Public Investment Program (PIP) from about 6% of GDP in 2001 to about 3% of GDP by 2005 and thereafter. While ADB's assistance through loans declined, the grant assistance is increasing. Since 2005, Kyrgyz Republic became eligible for up to 50% grant component in annual assistance program. The country has received five Japan Fund for Poverty Reduction (JFPR)⁴ grants amounting to \$4.0 million, including two regional grants for improving nutrition in Central Asia countries, and three grants for reducing vulnerability of the poor to natural disasters, reducing neonatal mortality, and improving livelihood of poor in rural areas.

Figure 1. ADF Lending and Grants to Kyrgyz Republic
Amount (\$ million), 1994-2006⁵

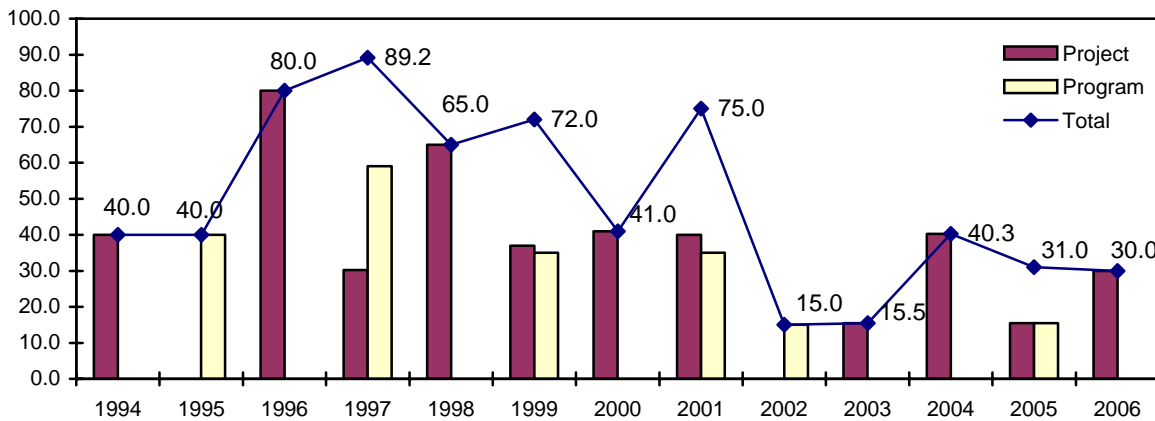
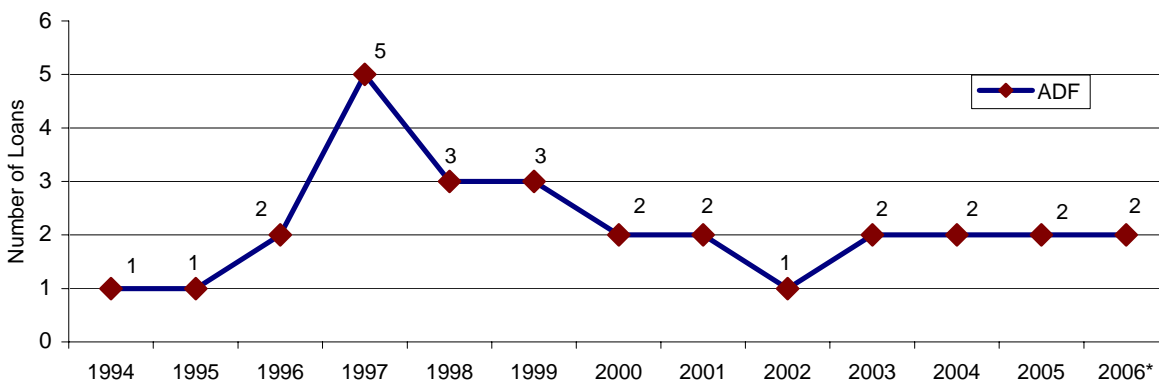


Figure 2. ADF Lending and Grants to Kyrgyz Republic
Number, 1994-2006

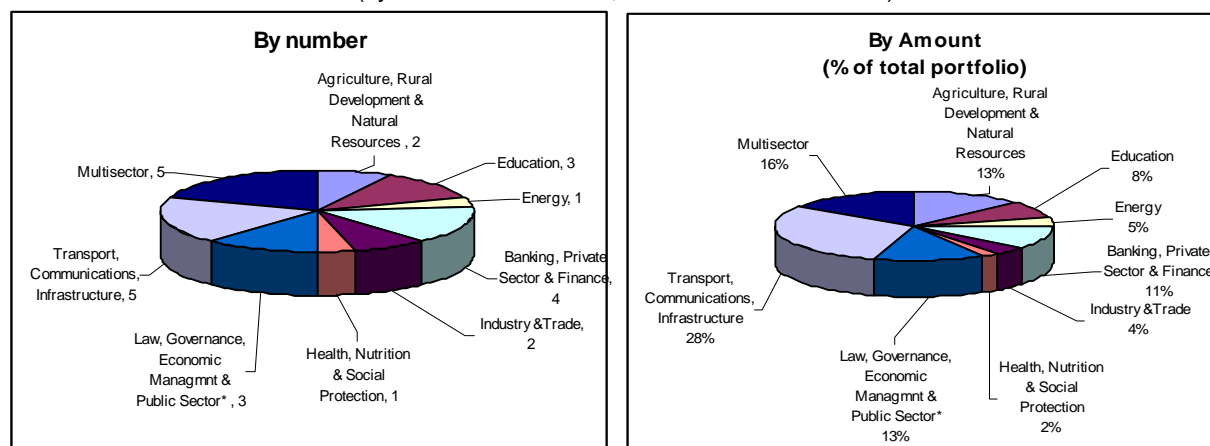


⁴ JFPR is a grant facility financed by the Government of Japan and administered by ADB.

⁵ The diagram includes two projects in 2006 which approval was delayed to January 2007, namely, Southern Agriculture Area Development Project, comprising of \$15 million loan and \$5 million ADF grant; and \$10 million ADF grant for Vocational Education and Skills Development Project. The diagram does not include JFPR grants.

6. **Composition.** The sectoral composition of the ADB portfolio remains mostly unchanged since last 2006 JCPR, as shown in **Figure 3**. *The transport and communications sector* continues receive the largest (28%) share in ADB's assistance amount, which focuses on (i) physical rehabilitation of key sections of national road network, which constitute the segments of regional transport corridors; and (ii) support to strengthening the sector management and finance. ADB provided three loans for a total \$140 million for rehabilitating Bishkek-Osh road, which is the only link between the northern and southern parts of the country. The first two phases of this road are complete, and completion of the third phase is scheduled for 2007. Completion of \$5 million project for rehabilitating the Kyrgyz segment of the regional Almaty-Bishkek road is pending. A \$32.8 million loan for rehabilitating the first phase of another important regional corridor Osh-Sarytash-Irkeshtam road, linking the Fergana Valley with People's Republic of China (PRC) through the Kyrgyz territory, is under implementation.

Figure 3. Sectoral Distribution of Portfolio
(by number and amount, as of 31 December 2006)



7. Operations in the *social sector* comprising education (8%); health, nutrition, and social protection (2%); and multisector (16%) make 26% of ADB's portfolio. This includes projects to improve the social infrastructure with focus on basic education, primary and secondary healthcare, early childhood development through improving primary child healthcare, preschool programs and child care practice at home and community. This also includes projects to support provision/rehabilitation of potable water supply and sanitation facilities predominantly in rural areas. The first ADF grant has been provided to support basic education in rural areas. This assistance was provided mostly within the framework of ADB's operational strategies, which was complemented by two loans of \$5 million each provided in 1998 and 2003 to address the natural calamities under the ADB's emergency assistance policy. A \$1 million JFPR grant was approved in 2004 for reducing vulnerability of the poor to natural disasters.

8. ADB assistance in the area of *law, economic management and public policy* accounts for 13% of portfolio. ADB approved three loans to promote capital markets and corporate governance, improve the legal and regulatory environment for the private sector, and build capacity in corporate governance and insolvency procedures.

9. ADB provided sizable assistance to the *agriculture sector* totaling to 13% of ADB portfolio. This includes one program loan, which contributed to policy reforms in the sector, and

one, currently ongoing project, which focuses on rehabilitation of irrigation and other farm infrastructure, enterprise development, marketing, and institutional development.

10. In the *financial sector*, totaling to 11% of the portfolio, ADB has provided two loans to improve regulation and management of the banking sector, one loan to facilitate the enforcement of banking legislation and regulation and strengthen securities markets, and one loan for developing rural financial Institutions.

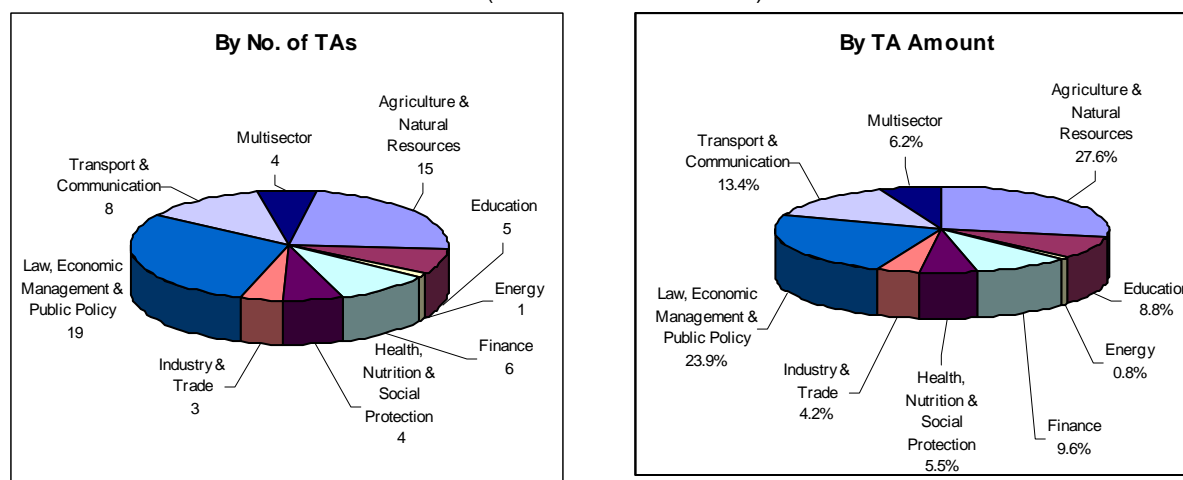
11. The *energy and industry and trade* sectors comprise 9% of ADB assistance and comprise of two loans for customs modernization and development of infrastructure, trade facilitation and customs cooperation, and one loan for rehabilitation of power and district heating system.

B. TECHNICAL ASSISTANCE

12. **Size.** As of 31 December 2006, ADB provided 65 technical assistance (TA) projects for total approved amount \$38 million. Of these 18 are project preparatory TAs amounting to \$11.69 million and the remaining 47 TAs for \$26.4 million are advisory TAs for capacity building, policy advice, institutional strengthening, and training. Of the 65 TAs, 50 were completed by 31 December 2006. The list of the closed and ongoing TAs by sector is provided in **Annex 2**.

13. **Composition.** The sectoral composition of the approved TA portfolio (**Figure 4**) remains mostly unchanged since last 2006 JCPR and generally follows the sectoral distribution of loan assistance. The agriculture sector received the largest share of TA funds, \$10.5 million (27.6%), mainly for capacity building in the Ministry of Agriculture, Water Resources and Processing Industry, institutional development (e.g. water users associations), and sector planning and management. About 23.9% of TA allocation amounting to \$9.1 million was provided for improving law, economic management, and public policy activities. This includes strategically important TAs to strengthen (i) the economic policy making capacity in the Office of the President, (ii) the Government's capacity in project management and public investment prioritization capabilities, (iii) governance in the private sector, (iv) judicial reforms, (v) preparation of the NPRS-II, and (vi) monitoring and evaluation system at oblast level.

**Figure 4. Sectoral Distribution of Approved TAs
by Number and Amount**
(as of 31 December 2006)



III. CURRENT LOAN AND GRANT PORTFOLIO PERFORMANCE

14. Overall portfolio performance is satisfactory, as only one out of total 11 ongoing projects has been assessed as being at risk, namely, Almaty-Bishkek Road Rehabilitation. The remaining nine loan-financed and one ADF grant-financed ongoing projects were rated satisfactory, both in meeting their development objectives and implementation progress. The portfolio performance in procurement was mixed while the disbursement performance was highly satisfactory. Growing delays in project start up and lengthy extensions of loan closing dates require close attention from the Government and ADB.

A. PORTFOLIO PERFORMANCE RATINGS AND RISK RATIO

15. The portfolio performance assessment includes an analysis of (i) portfolio performance ratings and risk ratios; (ii) start-up performance; (iii) financial performance; and (iv) portfolio supervision. A summary of these performance indicators is in **Annex 3**.

16. **Project ratings** derive from Project Performance Report (PPR) system introduced by ADB in 1999 which assesses the project performance against two major parameters: (i) development objective (DO); and (ii) implementation progress (IP). Project performance under each of these parameters is rated into four categories; highly satisfactory (HS), satisfactory (S), partly satisfactory (PS), and unsatisfactory (US). A summary of project ratings is shown in **Table 1** below. Details are given in **Annex 5**.

Table 1: Summary Ratings of Ongoing Projects

No	Loan No./Project Title	2005				2006			
		DO	IP	PP	At Risk	DO	IP	PP	At Risk
1	1529-KGZ(SF) Rural Financial Institutions	S	S	No	No	S	S	No	No
2	1726-KGZ(SF) Agriculture Area Development	S	S	No	No	S	S	No	No
3	1742-KGZ(SF) Community-Based Infrastructure Services Sector	S	S	No	No	S	S	No	No
4	1775-KGZ(SF) Almaty-Bishkek Regional Road Rehabilitation	S	PS	No	Yes	S	PS	No	Yes
5	1853-KGZ(SF) Third Road Rehabilitation	S	S	No	No	S	S	No	No
6	2007-KGZ(SF) Community Based Early Childhood Development	S	S	No	No	S	S	No	No
7	2045-KGZ(SF) Emergency Rehabilitation	S	S	No	No	S	S	No	No
8	2106-KGZ(SF) Southern Transport Corridor Road Rehabilitation	S	S	No	No	S	S	No	No
9	2113-KGZ(SF) Regional Customs Modernization and Infrastructure Development	S	U	No	Yes	S	S	No	No
10	2224-KGZ(SF) Banking Sector and Capital Market Development Program	S	S	No	No	S	S	No	No
11	ADF Grants: 0020-KGZ(SF) Second Education Project	S	S	No	No	S	S	No	No

Notes: DO – Development Objective, IP – Implementation Performance, PP – Potential Problem, S - Satisfactory, and PS - Partially Satisfactory

17. The **overall risk ratio**⁷ of the loan portfolio slightly increased from 7.7% in 2005 to 9.4% in 2006 but remains still low against ADB's average of 12.3% in 2006. Project implementation delays (30%), associated disbursement delays (30%), poor compliance with environmental and social loan covenants (20%), and low supervision intensity under two projects (20%) constitute the largest risk factors for the Kyrgyz portfolio.

19. **Compliance with loan covenants.** Four of ten ongoing projects complied with all covenants. For the remaining six, the status of compliance is satisfactory. Of these, four projects have total five loan covenants not complied with, which aim for ensuring the achievement of project impacts and their sustainability, and effective project implementation monitoring. These includes (i) pending establishment of a comprehensive framework for the credit unions systems under Rural Financial Institutions Project; (ii) non-compliance with environmental monitoring procedures, and timely reporting on operation and management of project facilities under Community Based Infrastructure Services Sector Project; (iii) pending submission a plan for sustaining the work of child and family coordinators upon project completion; (iv) timely submission of progress reports under Southern Transport Corridor Road Project. The details of non-compliance with loan covenants of individual projects are in **Appendix 1**.

B. START- UP COMPLIANCE

20. **The start-up compliance of portfolio** continued to deteriorate in 2006. Three indicators are used to measure start-up performance through the time taken for (i) loan effectiveness, (ii) establishing project implementation office, and (iii) recruiting consultants⁸. **Annex 6** summarizes the start-up indicators for all 10 ongoing loans. No start-up compliance issues were identified for the ADF Grant 0020-KGZ: Second Education Project.

21. **Loan effectiveness.** The delays in making loan effective may cause essential implementation delays. The average time taken from approval to loan effectiveness for the ongoing Kyrgyz portfolio of 10 loans increased from 8.0 months in 2004, and 8.1 months in 2005 to 9.5 months on average in 2006. **Figure 5** below shows the existing trend of gradually increasing the time spent for making the loan effective. Delays encountered at start-up stage most negatively affected three ongoing projects. The Almaty-Bishkek Road Rehabilitation project became effective 19 months after loan approval due to the factors beyond the Government's control.⁹ Its subsequently slow implementation resulted in ranking this project as being at risk. The Third Road Rehabilitation was declared effective 10.4 months after approval.¹⁰ The Regional Customs Modernization and Infrastructure Development project became effective 15 months after approval and now requires a close monitoring to bring the project back on schedule.

22. Timely establishment of project implementation offices and recruitment of consultants are the first steps in smooth implementation of projects. ADB's monitoring system did not identify these factors as an issue in any ongoing project in 2006.

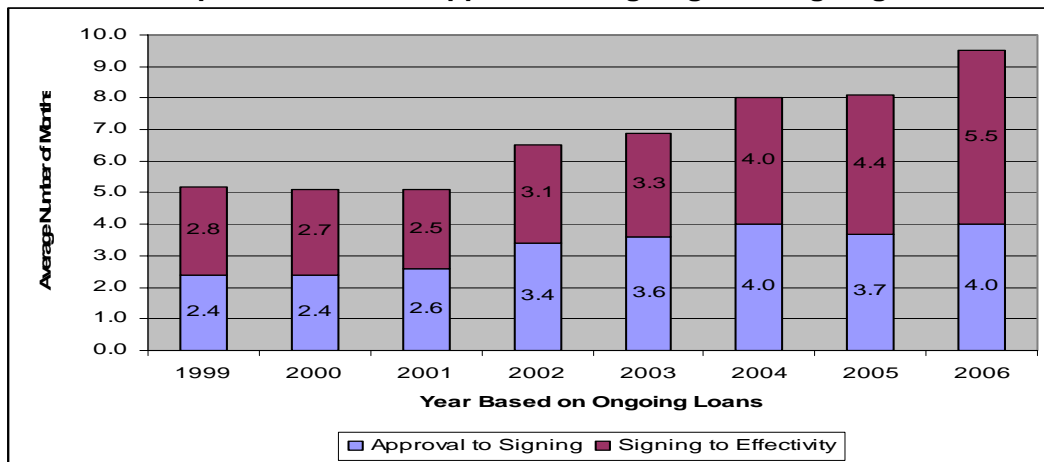
⁷ Overall risk ratio is the weighted average of the 12 risk ratios. The greater is percentage, the higher is the risk that the issues adversely impact overall quality of portfolio.

⁸ The first two are analyzed by comparing actual and projected dates, and the last is measured by the time taken from project approval until the signing of the first consultant contract.

⁹ The project was significantly delayed by delay in ratification of the cross boarder transit agreement by the Kazakhstan Parliament.

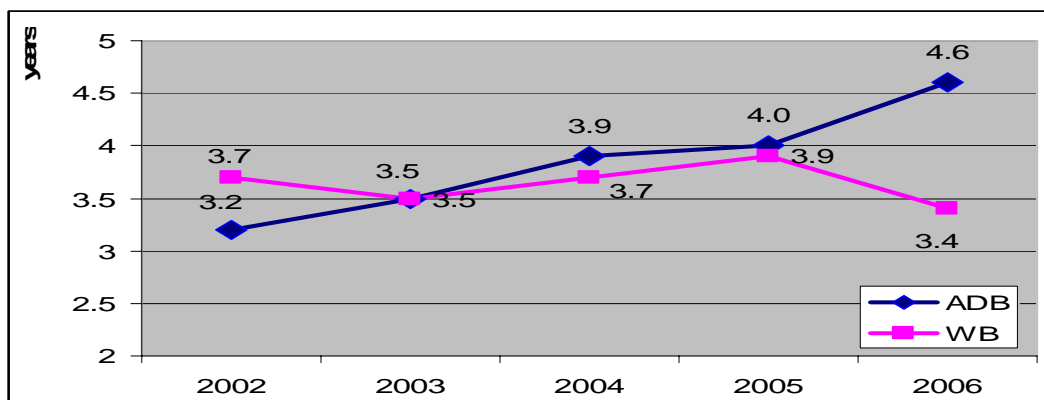
¹⁰ The delay was caused by difficulties in meeting the loan covenant on the establishment of a road fund which was in conflict with the conditions of IMF's Poverty Reduction and Growth Facility (PRGF) program.

Figure 5: Time Elapsed from Loan Approval to Signing, and Signing to Effectiveness



24. **Average age** of active portfolio increased to 4.6 years.¹¹ This compares unfavorably with the average active WB portfolio age of 3.4 years in 2006 calendar year, and 3.9 years in 2005 (Figure 6). The multiple and lengthy loan extensions contribute to the increased project administration costs, erosion of project economic benefits, and deterioration of project financial performance. The negative trend in this area generates growing concerns over quality of project preparation and implementation. *The Government and ADB need to closely monitor project implementation to ensure timely completion of projects.*

Figure 6: Average ADB and WB Portfolio Age (years)



- Of 25 approved loans 14 had extensions of loan closing date. The average extension time for ongoing 10 loans was 26.2 months. Of the 10 ongoing loans, 5 loans have extension of loan closing date by more than one year. Completion of Almaty-Bishkek Road Rehabilitation Project (Loan 1775-KGZ) is delayed by more than two years. The loan closing date of the Third Road Rehabilitation Project (Loan 1853-KGZ) was extended by total 27 months to 31 July 2007. The loan closing date for Loan 1529-KGZ: Rural Financial Institutions was extended by 21 months to 31 December 2006. The implementation problems encountered in Loan 1742: Community Based Infrastructure Services Sector Project resulted in extension of loan closing date by two years. Long delays in making the Regional Customs Modernization and Infrastructure Development Project effective, is likely to cause a similar problem in future.

¹¹ Average ADB active portfolio age was 3.2 years in 2002, 3.5 in 2003, 3.9 years in 2004, and 4.0 years in 2005.

C. FINANCIAL PERFORMANCE

25. Financial performance of ADB's portfolio in 2006 was satisfactory, with significant improvement in disbursements. Four indicators are used to measure financial performance: contract award ratio¹², disbursement ratio¹³, imprest fund turnover, and timely submission of audited accounts.

26. **The contract award ratio.** The higher is the contract award ratio, the more efficient are the procurement activities. The contract award ratio (with program loans) improved from 18.8% in 2005 to 35.4% in 2006, which is higher than ADB-wide performance (29.3%). Excluding the program loans, this ratio also improved from 22.0% in 2005 to 32.8% in 2006, as compared with ADB wide average of 25.0%. Aggregate contract awards (with program loans) were \$36.9 million in 2006, which is 80.2% percent of the target. The shortfall in procurement performance is attributed mostly to a delay in awarding a major civil works contract under the Southern Transport Corridor Road Rehabilitation Project.

27. **The disbursements performance** in 2006 was highly satisfactory with a total of \$42.8 million disbursed (including program loans), or 110.3% of target. The disbursement ratio fluctuated from 15.7% in 2003, 32.8% in 2004, 20.3% in 2005, to 32.6 in 2006 which is substantially higher than ADB-wide average of 23.4%. The disbursement performance could be even better, but the implementation delays under the two large road project¹⁴ prevented the Government from higher achievements. As of 31 December 2006, the cumulative disbursements to the Kyrgyz Republic reached \$495.2 million, or 84.0% of the total net loan amount (\$589.9 million). As of the same date, the cumulative disbursements under the active loans reached \$122.9 million, or 56.5% of total net loan amount (\$217.5 million).

28. **Imprest account performance.** The imprest accounts turnover ratio¹⁵ dropped to about optimal level of 1.9 in 2006, as compared with 1.8 in 2002, 3.5 in 2003, 2.7 in 2004, and 3.4 in 2005 (details in **Annex 10**). The decreased turnover ratio indicates that the low imprest fund limits in some projects were adequately increased.

29. The submission of **audited project accounts** and agency financial statements (APA/AFS) was overall satisfactory in 2006. Six of total seven reports due were submitted on time. Submission of APA for Community Based Early Childhood Development Project is pending.

30. **The net inflow of resources** to the country fluctuated for several reasons: the expiry of grace period of the loans taken before 1995, disbursements of program loans, and increased grant assistance from ADB from 2005. The payment of service charges has, however, been increasing (Table 1). Increased net transfer of resources in 2006 reflects the improved disbursements after resolving various implementation issues under the Third Road

¹² The ratio of contracts awarded/actual commitments during the year to the value available for the contract awards/commitments at the beginning of the year, plus the value of contract awards/commitments accrued during the year under new loans, minus cancellations of uncommitted loan balances during the year.

¹³ The ratio of total disbursements in a given year over the net loan availability at the beginning of the year plus the new loan amounts that became effective during the year.

¹⁴ ADB. 2004. *Southern Transport corridor Road Rehabilitation Project*. Manila and ADB. 2000. *Almaty-Bishkek Road Rehabilitation Project*. Manila

¹⁵ Since the level of imprest fund balance is set to meet six months funding requirements of a project, ideally the imprest fund turnover ratio should be 2.

Rehabilitation Project, Emergency Rehabilitation Project and Community Based Infrastructure Service Sector Project.

Table 2. Disbursements and Net Resource Transfers
1999-2005 (\$ mln)

Fiscal Year	1999	2000	2001	2002	2003	2004	2005	2006
Loan Disbursement	79.6	21.4	58.3	27.2	25.7	54.4	30.3	42.8
Loan Service payment	1.8	2.4	2.5	3.0	3.5	4.1	5.3	7.1
Net Transfer of Resources	77.8	19.0	55.8	24.2	22.2	50.4	25.1	35.8

D. PORTFOLIO SUPERVISION

31. Of seven project administration factors analyzed under project supervision category, the following four had most negative implications for portfolio performance in 2005: (i) supervision intensity, (ii) changes in project scope, (iii) changes in implementation arrangements, and (iv) loan extensions.

32. The average supervision intensity measured in terms of staff days per project increased to 24.8 days in 2006, which is still lower than ADB wide average of 25.6 days (see **Annex 3**). *The particularly low supervision intensity (3 staff-days) under Loan 2113: Regional Customs Modernization and Infrastructure Development Project contributed to delayed implementation of this project.*

33. In 2006, ADB approved a second major change in implementation arrangements under Loan 1853-KGZ: Third Road Rehabilitation Project¹⁶ to allow speedy replacement of the Supervising Engineer through a direct selection procedure. ADB also approved total eight minor changes comprising four minor changes in project scope and four in project implementation arrangements under various projects. This implies a more proactive project administration during the reviewed period.

IV. TA PERFORMANCE

34. As of 31 December 2006, of the total 65 TAs approved, 15 are ongoing totaling to \$7.58 million. Four active TAs are project preparatory and the remaining 11 are advisory. The average age of ongoing TAs has decreased from 25.6 months in 2005 to 22.4 months in 2006. The qualitative assessment of accomplishment of project objectives is complemented by analysis of the following three quantitative indicators: (i) the time taken to sign the TA agreement, (ii) to field TA consultants, and (iii) delay in final report submission. Assessment of ongoing TAs performance in terms of these quantitative indicators is given in Annex 4.

35. The Government took an average of 1.7 months, which is ranging between two weeks to 3.1 months in 2006, to sign TAs after they were approved, much better than ADB average of 3.3 months. As against the norm of 6 months, the time taken to field consultants after TA signing averaged about 6.3 months in 2006, which was much shorter than in 2005 (9.9) (details in

¹⁶ The first major change was associated with termination of a \$13 million contract with poor performing contractor. To allow for successful and with minimum delay project completion, ADB approved the Government's request to change the procurement mode for remaining civil works under the terminated contract from ICB to direct negotiations with a well-performing contractor under the same loan.

Annex 6). There was deterioration in the submission of final reports, which were delayed by 4.5 months on average in 2006 against 3 months in 2005.

36. TA completion reports (TCRs) for 23 out of the 50 completed TAs are available for 1996-2006. TCRs for 4 out of 5 completed TAs with TCRs due in 2006 were circulated showing 80% achievement of program.¹⁷ Out of 50 completed TAs, 15 TAs are rated as successful in accomplishing their objectives. Meanwhile, the TA 3439-KGZ: Capacity Building in the Ministry of Agriculture, Water Resources and Processing Industry, Phase Two is rated as unsuccessful as key outputs were not achieved. The main reason for this was lack of communication and cooperation between the executing agency and consultants. The remaining TAs are partially successful.

37. Four TAs were post-evaluated during 1996-2006, of these two were rated as successful and two partially successful. According to TCRs and Operations Evaluation Department (OED) reports, the factors which impaired the quality of TAs outcomes were the lack of adequate ownership and participation of concerned state agencies in the capacity building process, frequent changes in senior officials in the ministries, reorganization of the agencies, and transfer/turnover of personnel trained under the TAs. In particular, the above factors most adversely impacted on the objectives of four TAs in finance, agriculture and education sector¹⁸ and remained valid in 2006. In many cases the government agencies demonstrated inability to translate the knowledge gained into their operational strategies and planning processes. The JCPR reiterates its 2006 recommendation that the ongoing efforts to reform the civil service should urgently address this issue and reduce the high turnover of staff, as a major impediment to achieving the development impact through TAs. The focus of the advisory technical assistance should be more on introducing the results-based management and building ownership by using participatory processes, and enhancing capacity of state agencies in delivering and monitoring development outcomes.

¹⁷ TCR for PPTA 4166 was dropped from the 2006 program as it resulted in a grant No. 0020-KGZ.

¹⁸ TA 2473: Strengthening the Ministry of Economy; TA 2450: Reorganization and Strengthening of the Ministry of Agriculture, Water Resources and Processing Industry; TA 2879: Strengthening of Education Planning and Administration, and TA 3234: Strengthening Aid Coordination and Management.

ANNEXES

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APPROVED LOANS BY SECTOR

KYRGYZ: List of Ongoing Loans by Sector
(as of 31 December 2006)

Sector/Ministry/EA	Loan No.	Project Name	Sector Division	Loan Classification ^a		Net Amount \$mn	Milestone Dates				Age (years)	
				Project/ Poverty	Operational/ Thematic		Approval	Signing	Effectivity	Revised Closing		
Agriculture and Natural Resources												
1.	Ministry of Agriculture & Water Resources	1726(SF)	Agriculture Area Development	CWAE	PPG	HD	38.3	20 Dec 99	16 May 00	01 Sep 00	30 Jun 09	7.0
Subtotal/Average							38.3					7.0
Finance												
2.	National Bank of the Kyrgyz Republic	1529(SF)	Rural Financial Institutions Projects	KYRM	PPG	HD, GD, GG	9.9	21 Aug 97	07 Nov 97	30 Apr 98	31 Dec 06	9.4
3.	Ministry of Finance	2224(SF)	Banking Sector and Capital Market Development Program	CWGF	GI	ECO, GOV, PSD	16.2	20 Dec 05	23 May 06	31 Aug 06	30 Jun 09	1.0
Subtotal/Average							26.2					5.2
Health, Nutrition and Social Protection												
4.	President's Office	2007(SF)	Community Based Early Childhood Development	CWSS	CPI	HD, GD	11.3	29 Sep 03	14 Jan 04	10 Mar 04	30 Jun 09	3.3
Subtotal/Average							11.3					3.3
Industry and Trade												
5.	Ministry of finance	2113(SF)	Regional Customs Modernization and Infrastructure Development	CWGF	GI	ECO, GOV, RC	7.7	26 Nov 04	24 Feb 05	23 Feb 06	30 Jun 10	2.1
Subtotal/Average							7.7					2.1
Transport and Communications												
6.	Ministry of Transport and Communications	1775(SF)	Almaty-Bishkek Regional Road Rehabilitation Project	CWID	NA	GI	5.6	31 Oct 00	31 May 01	31 May 02	31 Dec 06	6.2
7.	Ministry of Transport and Communications	1853(SF)	Third Road Rehabilitation Project	KYRM	Other	ECO	47.1	31 Oct 01	29 Apr 02	12 Sep 02	30 Jul 07	5.2
8.	Ministry of Transport and Communications	2106(SF)	Southern Transport Corridor Road Rehabilitation Project	CWID	GI	ECO, RC	33.5	23 Nov 04	21 Feb 05	28 Jul 05	31 Mar 09	2.1
Subtotal/Average							86.2					4.5
Multisector												
9.	Ministry of Agriculture & Water Resources	1742(SF)	Community-Based Infrastructure Services Sector Project	CWSS	PPG	HD	39.4	08 Jun 00	01 Sep 00	28 Nov 00	31 Dec 08	6.6
10.	Ministry of Ecology & Emergency Situations	2045(SF)	Emergency Rehabilitation Project	KYRM	Other	ECO	5.2	11 Dec 03	12 Feb 04	24 Jun 04	30 Sep 07	3.1
Subtotal/Average							44.6					4.8
Total/ Average							214.2					4.6

CPI - core poverty intervention, ECO - economic growth, GD - gender and development, GG - good governance, GI - growth intervention, HD - human development, PI - poverty intervention, PPG - pro-poor growth, PSD - private sector development, RC - regional cooperation, TI - targeting intervention.

^a Loan classification system implemented for loans approved before and after 2001. Prior to 2001, PPR system recorded the Project Classification and Operational Priorities while loan approved thereafter recorded the Poverty and Thematic classifications.

CPI - core poverty intervention, ECO - economic growth, GD - gender and development, GG - good governance, GI - growth intervention, HD - human development, PI - poverty intervention, PPG - pro-poor growth, PSD - private sector development, RC - regional cooperation, TI - targeting intervention.

^a Loan classification system implemented for loans approved before and after 2001. Prior to 2001, PPR system recorded the Project Classification and Operational Priorities while loan approved thereafter recorded the Poverty and Thematic classifications.

KYRGYZ: List of Closed Loans by Sector
(as of 31 December 2006)

Sector/ Loan No.	Project Name	Net Amount (\$mn)	Milestone Dates		Implementat ion Period (years)	Project Completion Report (PCR) ^b		Project Performance Evaluation Report (PPER) ^c	
			Approval	Date Closed		Year	Rating	Year	Rating
Agriculture and Natural Resources									
1. 1407 (SF)	AGRICULTURE SECTOR PROGRAM	37.9	23 Nov 95	30 Jun 98	2.6	1999	PS	2002	S
	Subtotal/Average	37.9			2.6				
Education									
2. 1554 (SF)	EDUCATION SECTOR DEVELOPMENT PROGRAM	19.0	29 Sep 97	21 Dec 99	2.2	2005	S		
3. 1555 (SF)	EDUCATION SECTOR DEVELOPMENT PROJECT	11.9	29 Sep 97	07 Oct 04	7.0				
- 1786 (SF)	SKILLS AND ENTREPRENEURSHIP DEVT. PROJECT ^c	0.0	28 Nov 00	28 Feb 02	-				
	Subtotal/Average	30.9			4.6				
Energy									
4. 1443 (SF)	POWER & DISTRICT HEATING REHABILITATION PROJECT	27.5	06 Jun 96	31 Mar 02	5.8	2004	S		
	Subtotal/Average	27.5			5.8				
Finance									
5. 1723 (SF)	FINANCIAL INTERMEDIATION AND RESOURCE MOBILIZATION PROGRAM	33.4	17 Dec 99	27 Feb 02	2.2	2002	S		
6. 1724 (SF)	COMMERCIAL BANK AUDITS TECHNICAL ASISTANCE	0.4	17 Dec 99	01 Mar 02	2.2				
	Subtotal/Average	33.7			2.2				
Industry and Trade									
7. 1926 (SF)	REGIONAL TRADE FACILITAION AND CUSTOMS COOPERATION PROGRAM	15.9	29 Oct 02	17 Sep 04	1.9				
	Subtotal/Average	15.9			1.9				
Law, Economic Management and Policy									
8. 1546 (SF)	CORPORATE GOVERNANCE & ENTERPRISE REFORM PROGRAM	39.0	25 Sep 97	26 Nov 99	2.2	2000	GS	2003	PS
9. 1547 (SF)	Capacity Bldg in Corporate Governance & Insolvency Procedure	3.3	25 Sep 97	29 Mar 06	8.5				
10. 1860 (SF)	CORPORATE GOVERNANCE & ENTERPRISE REFORM PROGRAM-PHASE II	37.4	22 Nov 01	02 Sep 04	2.8				
	Subtotal/Average	79.7			4.5				
Transport and Communications									
11. 1444 (SF)	ROAD REHABILITATION PROJECT	46.1	13 Jun 96	18 Dec 01	5.5	2002	S		
12. 1630 (SF)	SECOND ROAD REHABILITATION PROJECT	49.4	10 Sep 98	18 Feb 05	6.4	2005	S		
	Subtotal/Average	95.5			6.0				
Multisector									
13. 1342 (SF)	SPECIAL ASSISTANCE PROJECT	39.8	08 Dec 94	09 Nov 98	3.9	1999	GS		
14. 1633 (SF)	FLOOD EMERGENCY REHABILITATION PROJECT	4.9	24 Sep 98	02 Apr 03	4.5	2003	S		
15. 1645 (SF)	SOCIAL SERVICES DELIVERY & FINANCE PROJECT	9.9	27 Nov 98	01 Jul 05	6.6	2005	S		
	Subtotal/Average	54.6			5.0				
Total/Average		375.7			4.3				

GS = generally successful, PS = partly successful, S = successful.

^a PCRs have no rating prior to 1995. Ratings based on the old guidelines were prior to 2001, and ratings based on the new guidelines were 2001 onwards.

^b In 2000, OED revised its rating system from three categories (GS-generally successful; PS-partly successful; and US-unsuccessful) to four (HS-highly successful; S-successful; PS-partly successful; and US-unsuccessful). The new rating system has been retrofitted to PPERs circulated since 1996.

^c Cancelled.

APPROVED TAs BY SECTOR

KYRGYZ: List of Active TAs by Sector
(as of 31 December 2006)

Setor/ Ministry/ EA	TA No.	Project Name	ADTA Type	TASU	Revised TA Amount (\$ million)	Milestone Dates			Months Elapsed from Approval to Signing	
						Approval	Signing	Expected Completion		
Agriculture and Natural Resources										
1.	Ministry of Agriculture, Water Resource & Processing Industry	4405	Study on Pricing Systems & Cost-Recovery Mechanisms for Irrigation	ADTA	CWAE	0.300	11 Oct 04	12 Jan 05	30 Jun 07	3.1
2.	Ministry of Agriculture, Water Resource & Processing Industry	4408	Study of Impact of Land Reform on Agriculture, Poverty Reduction, & Environment	ADTA	CWAE	0.530	12 Oct 04	12 Jan 05	31 May 07	3.0
3.	Ministry of Agriculture, Water Resource & Processing Industry	4409	Agricultural Strategy Formulation	ADTA	CWAE	0.600	12 Oct 04	12 Jan 05	31 Mar 07	3.0
4.	Ministry of Agriculture, Water Resource & Processing Industry	4438	Second Agriculture Area Development	PPTA	CWAE	0.800	19 Nov 04	11 Feb 05	31 Dec 06	2.8
Subtotal/ Average						2.230				3.0
Education										
5.	President's Office	4672	Vocational Education & Skills Training	PPTA	CWSS	0.300	24 Oct 05	04 Nov 05	30 Aug 06	0.4
Subtotal/ Average						0.300				0.4
Finance										
6.	National Bank of the Kyrgyz Republic	4068	Capacity Building in Savings & Credit Unions & Microfinancial Systems	ADTA	KYRM	0.550	19 Dec 02	13 Jan 03	30 Sep 06	0.8
7.	State Agency for Financial Supervision & Reporting	4747	Banking Sector & Capital Market Development Program	ADTA	CWGF	0.600	20 Dec 05	12 Jan 06	31 Dec 07	0.8
Subtotal/ Average						1.150				0.8
Health, Nutrition and Social Protection										
8.	President's Office	4187	Institutional Strengthening for Community Based Early Childhood Development	ADTA	CWSS	0.500	29 Sep 03	14 Oct 03	31 Aug 07	0.5
9.	Ministry of Health	4445	Awareness & Prevention of HIV/Aids, Sex Trans Infections & Human Trfkg	ADTA	CWSS	0.500	23 Nov 04	22 Feb 05	30 Jun 08	3.0
10.	President's Office	4797	Second Community-Based Early Childhood Development	PPTA	CWSS	0.400	07 Jun 06	29 Jun 06	15 Jun 07	0.7
Subtotal/ Average						1.400				1.4
Industry and Trade										
11.	Ministry of Finance	4450	Capacity Building & Institutional Strengthening for Customs Modernization & Infra Dev-KGZ	ADTA	CWGF	0.500	26 Nov 04	09 Feb 05	31 Dec 07	2.5
Subtotal/ Average						0.500				2.5
Law, Economic Management and Public Policy										
12.	State Tax Inspectorate	4685	Reform & Modernization of Revenue Administration	PPTA	CWGF	0.500	03 Nov 05	06 Dec 05	28 Feb 07	1.1
13.	President's Office	4705	Support to the Devt & Implementation National PR Strategy II	ADTA	KYRM	0.400	29 Nov 05	27 Dec 05	11 Jan 08	0.9
14.	President's Office	4801	Development of a Monitoring & Evaluation System at Oblast Level	ADTA	KYRM	0.300	16 Jun 06	18 Jul 06	31 May 08	1.1
Subtotal/ Average						1.200				1.0
Transport and Communications										
15.	Ministry of Transport and Communications	4444	Improving Road Maintenance & Strengthening the Transport Corridor Mgt Dept	ADTA	CWID	0.800	23 Nov 04	01 Feb 05	20 Aug 07	2.3
Subtotal/ Average						0.800				2.3
Total/Average						7.580				1.7
Total						10.311				2.2

KYRGYZ: List of Closed TAs by Sector
(as of 31 December 2006)

Sector/ TA No.	Project Name	Revised TA Amount (\$mn)	Milestone Dates		Implementation Period (years)	TCR ^a		Postevaluation Findings (TPER) ^b	
			Approval	Financial Closing		Year	Rating	Year	Rating
Agriculture and Natural Resources									
1.	2274	Agriculture Sector Program	0.600	29 Dec 94	01 May 98	3.3			
2.	2397	Strng Env'tl Institutions/Improving Proc for Int'l Imp Assessmt	0.556	13 Sep 95	01 Nov 98	3.1	1997	PS	
3.	2450	Reorg'n. and Str'ng of the Ministry of Agr. & Food	1.324	23 Nov 95	01 Nov 00	4.9			
4.	2451	Bldg. Cap. for the Formulation & Mgt. of Water Users	0.861	23 Nov 95	01 Jul 00	4.6			
5.	2453	Agricultural Credit Pilot	0.910	27 Nov 95	01 Sep 98	2.8			
6.	2934	Environmental Monitoring and Management Capacity Building	0.598	11 Dec 97	01 Jun 03	5.5	2001	NR	
7.	3017	Agriculture Area Development	0.900	12 May 98	01 Jan 01	2.6			
8.	3035	Capacity Building in the Ministry of Agriculture and Water Resources	0.470	29 Jun 98	01 Nov 00	2.3	2000	PS	
9.	3347	Institutional Strengthening in Planning Mgmt of Agri Development	0.800	20 Dec 99	26 Apr 06	6.4	2006	GS	
10.	3439	Capacity Building in the Ministry of Agriculture & Water Resources	0.448	11 May 00	30 Apr 05	5.0	2005	US	
11.	3499	Environmental Monitoring & Management Capacity Building II	0.650	11 Sep 00	16 Mar 05	4.5	2004	PS	
		Subtotal/Average	8.117			4.1			
Education									
12.	2290	Education and Training Master Plan	0.900	17 Jan 95	01 Apr 98	3.2	1996	GS	2002 GS
13.	2879	Strengthening of Education Planning and Admin	0.930	29 Sep 97	23 Jan 06	8.3	2005	PS	2002 PS ^c
14.	3084	Skills and Entrepreneurship Development	0.600	05 Oct 98	30 Apr 05	6.6			
	3553	Imprvng the Enblng Env for Skills & Entreprnshp Devt	-	28 Nov 00	06 Jun 03	-			
15.	4166	Education Development	0.600	21 Aug 03	27 Dec 05	2.4			
		Subtotal/Average	3.030			5.1			
Energy									
16.	2542	Revaluation & Tariff Study for Krygyz Nat'l Energy Holding Co.	0.310	13 Mar 96	01 Jul 98	2.3	1998	GS	
		Subtotal/Average	0.310			2.3			
Finance									
17.	2220	Strengthening of the Banking System	0.600	05 Dec 94	01 Jun 98	3.5	1997	GS	
18.	2963	Pension Reform	0.676	23 Dec 97	01 Mar 03	5.2			
19.	3239	Institutional Strengthening of the Financial Sector	0.600	09 Aug 99	01 May 02	2.7	2002	GS	
20.	4069	Financial Sector Reforms	0.600	19 Dec 02	23 May 06	3.4			
		Subtotal/Average	2.476			3.7			
Health, Nutrition and Social Protection									
21.	3420	Community-Based Early Childhood Development	0.700	23 Mar 00	28 Feb 05	4.9			
		Subtotal/Average	0.700			4.9			

Industry and Trade									
22.	2297	Industry and Trade Sector Study	0.600	03 Feb 95	01 Sep 00	5.6	1997	GS	
23.	3950	Customs Modernization and Infrastructure Development	0.500	29 Oct 02	24 Oct 05	3.0			
Subtotal/Average			1.100			4.3			
Law, Economic Management and Public Policy									
24.	2175	Sem. of Bank Opr'l. Policies and Procedures in 1995 & 1996	0.080	28 Sep 94	01 Aug 98	3.8			
25.	2473	Strengthening the Ministry of Economy	0.850	14 Dec 95	01 Dec 00	5.0	1999	PS	
26.	2688	Social Services Delivery and Finance	1.100	19 Nov 96	01 Aug 00	3.7			
27.	2712	Prep. and Imp. of Guidelines on Best Practice in Corporate Governance	0.100	13 Dec 96	01 Jun 98	1.5			
28.	2876	Strength. the Eco. Pol. Making & Mon. Cap. of the PMO	0.792	25 Sep 97	01 Apr 02	4.5			
29.	2982	Seminars on Bank Operational Policies & Procedures-Phase II in 98/99	0.114	23 Jan 98	01 Jun 01	3.4			
30.	3204	Strengthening Aid Coordination and Management	0.124	09 Jun 99	01 May 03	3.9			
31.	3249	Strengthening Capacity in the Office of the President	0.335	30 Aug 99	01 Apr 03	3.6	2001	GS	
32.	3382	Strg Cap in the Min of Fin for Fin Mgmt and Plnng of Public Invst	0.464	28 Dec 99	01 Apr 03	3.3	2001	GS	
33.	3458	Support to the National Strategy for Poverty Reduction	0.600	14 Jun 00	01 Apr 03	2.8			
34.	3505	2nd Phase of the Corp Governance and Enterp Reform Program	0.700	28 Sep 00	01 Sep 03	2.9			
35.	3658	Governance Assessment Study for Sound Devt Mgmt and Poverty Reduction	0.100	28 May 01	31 Oct 03	2.4			
36.	3767	Str Cap of the MOF for Fin Mgmt and Plnng of Public Invstmnt Prgrm II	0.600	13 Nov 01	12 Dec 05	4.1	2004	GS	
37.	3779	Strengthening Corporate Governance and Judicial Reforms	0.770	22 Nov 01	10 Feb 05	3.2	2005	PS	
38.	3859	Strengthening Capacity in the Office of the President Phase II	0.500	24 Apr 02	21 Jun 05	3.2	2005	GS	
39.	3996	Strengthening the Capacity to Manage & Monitor Externally Assistd Proj	0.581	21 Nov 02	31 Aug 06	3.8	2006	GS	
Subtotal/Average			7.809			3.4			
Transport and Communications									
40.	2256	Road Rehabilitation	0.600	21 Dec 94	01 Apr 00	5.3			
41.	2587	Inst'l Strengthening of the Road Sector	0.800	13 Jun 96	01 Apr 00	3.8			2002 GS
42.	2760	Second Road Rehabilitation	0.600	11 Feb 97	01 Apr 00	3.1			
43.	3065	Policy Support in the Transport Sector	0.600	10 Sep 98	01 Aug 02	3.9	2002	PS	2002 PS
44.	3335	Third Road Rehabilitation	0.600	10 Dec 99	01 Apr 03	3.3			
45.	3531	Improvement of the Road Sector Efficiency	0.440	31 Oct 00	30 Sep 05	4.9	2005	GS	
46.	3757	Institutional Support in the Transport Sector	0.650	31 Oct 01	14 Mar 06	4.4	2006	GS	
Subtotal/Average			4.290			4.1			
Multisector									
47.	2226	Institutional Support for Procurement and Disbursement	0.476	08 Dec 94	01 Jun 98	3.5			
48.	3048	Community-Based Infrastructure Services Sector	0.600	20 Jul 98	23 Feb 04	5.6			
49.	3106	Instl Strengthening for Social Services Del & Fin	0.580	27 Nov 98	01 Oct 03	4.8	2002	GS	
50.	3452	Institutional Strengthening for Community Based Infra Services	0.650	08 Jun 00	31 Jan 05	4.7	2003	GS	
Subtotal/Average			2.306			4.6			
Total/Average			30.139			4.0			

GS= generally successful, NR= TCR no rating, PS= partly successful, S=successful, US=unsuccessful.

^a TCRs were required for TAs approved starting January 1992. TCR is generally not required for small scale TAs. All TCR ratings are based on the old guidelines.

^b TA ratings are based on the old guidelines prior to 2001 and based on the new guidelines from 2001 onwards.

^c TA Evaluation Report was circulated while TA was still active.

^d Cancelled.

Sources: Loan, TA & Equity Approvals (LTA), TAIS, and OED

LOAN PORTFOLIO MANAGEMENT INDICATORS

Indicators	Unit	2001	2002	2003	2004	2005	2006
I. Public Sector Loans							
A. Country Portfolio							
1. Active Loan Portfolio	No. \$mn	16 370.3	12 262.6	13 288.6	12 267.0	11 211.5	10 214.2
(a) Project Loans	No. \$mn	14 302.4	10 211.5	11 234.9	12 267.0	10 196.0	9 198.0
(b) Program Loans	No. \$mn	2 67.9	2 51.1	2 53.7	- -	1 15.6	1 16.2
(c) DFI/Credit Loans	No. \$mn	- -	- -	- -	- -	- -	- -
(d) Combined Projects and DFI Loans	No. \$mn	- -	- -	- -	- -	- -	- -
2. Average Age of Active Loan Portfolio	Years	2.7	3.2	3.5	3.9	4.0	4.6
3. Inactive Loan Portfolio	No. \$mn	- -	- -	- -	- -	- -	- -
B. Start-Up Compliance							
1. Loans Approved During the Year	No. \$mn	2 75.0	1 15.0	2 15.5	2 40.3	1 15.5	0 0.0
2. Loans Not Yet Signed	No.	2	-	2	2	1	0
3. Loans Awaiting Effectiveness	No.	1	-	-	-	1	0
4. Average Time from Approval to Signing	Months	2.6	3.4	3.6	4.0	3.7	4.0
5. Average Time from Signing to Effectivity	Months	2.5	3.1	3.3	4.0	4.4	5.5
6. Loans that Became Effective more than 90 Days after Signing	No. %	3 23.1	4 33.3	4 36.4	5 50.0	6 66.7	8 80.0
C. Financial Performance							
1. Contract/Commitment Achievement	\$mn	41.1	21.0	51.0	48.2	20.1	36.9
2. Contract/Commitment Ratio ^a	%	21.3	13.3	31.4	32.3	18.8	35.4
3. Disbursement Achievement	\$mn	58.3	27.2	25.7	54.4	30.3	42.8
4. Disbursement Ratio ^b	%	30.3	15.2	15.7	32.8	20.3	32.6
5. Imprest Fund Turnover Ratio ^c	%	2.0	1.8	3.5	2.7	3.4	1.9
6. Submission of APA and AFS							
(a) =< 6 months	No. %	3 30.0	1 12.5	- -	1 12.5	- -	1 14.3
(b) > 6 =< 12 months	No. %	- -	- -	- -	- -	- -	- -
(c) > 12 months	No. %	- -	- -	- -	- -	- -	- -
7. Loan Service Payments	\$mn	2.5	3.0	3.5	4.1	5.3	7.1
8. Net Resource Transfer	\$mn	55.8	24.2	22.2	50.4	25.1	35.8
D. Portfolio Performance							
1. Project Ratings							
(a) Highly Satisfactory (HS)	No. %	- -	- -	- -	- -	- -	- -
(b) Satisfactory (S)	No. %	12 75.0	12 100.0	13 100.0	10 83.3	9 81.8	9 90.0
(c) Partly Satisfactory (PS)	No. %	2 12.5	- -	- -	2 16.7	1 9.1	1 10.0
(d) Unsatisfactory (U)	No. %	2 12.5	- -	- -	- -	1 9.1	- -
2. Projects At Risk (no. of loans)	No. %	6 37.5	- -	- -	2 16.7	2 18.2	1 10.0
(a) Problem Projects (combined IP & DO) (PS & U)	No. %	4 25.0	- -	- -	2 16.7	2 18.2	1 10.0
(b) Potential Problem Projects	No. %	2 12.5	- -	- -	- -	- -	- -
(c) Problem Projects							
(i) Implementation Progress (PS & U)	No. %	2 12.5	- -	- -	2 16.7	2 18.2	1 10.0
(ii) Development Objectives (PS & U)	No. %	2 12.5	- -	- -	- -	- -	- -
3. Risk Ratios ^d							
(a) Project Implementation Delays	No. %	4 25.0	4 33.3	3 23.1	3 25.0	3 27.3	3 30.0
(b) Loan Utilization Delays	No. %	0 0.0	0 0.0	0 0.0	0 0.0	0 0.0	0 0.0
(c) Established, Staffed, and/or Operation of PMU/PIU	No. %	2 14.3	1 10.0	1 9.1	0 0.0	0 0.0	0 0.0
(d) Fielding of Consultants	No. %	1 6.3	0 0.0	1 7.7	0 0.0	0 0.0	0 0.0
(e) Environmental or Social Problems	No. %	1 7.1	1 10.0	1 9.1	1 8.3	1 10.0	2 22.2
(f) Poor Compliance with APA and AFS	No. %	3 21.4	0 0.0	0 0.0	1 8.3	0 0.0	0 0.0
(g) Poor Compliance with other Covenants	No. %	5 31.3	2 16.7	1 7.7	3 25.0	0 0.0	0 0.0
(h) Shortage of Counterpart Funds/Cofinancing	No. %	1 6.3	1 8.3	2 15.4	1 8.3	1 9.1	0 0.0
(i) Unsettled Cost Overrun	No. %	0 0.0	0 0.0	0 0.0	0 0.0	0 0.0	0 0.0
(j) Significant Disbursement Delays	No. %	5 31.3	4 33.3	2 15.4	4 33.3	1 9.1	3 30.0
(k) In Risk Sector or Country with History of Past Problems	No. %	3 18.8	2 16.7	2 15.4	0 0.0	0 0.0	0 0.0
(l) Project Fielded Missions	No. %	5 31.3	2 16.7	1 7.7	4 33.3	3 27.3	2 20.0
4. Overall Risk Ratio of the Portfolio ^e	%	17.9	13.7	10.4	12.9	7.7	9.4
E. Portfolio Supervision							
1. Proactivity Index ^f	No. %	1 100.0	6 100.0	- -	- -	1 50.0	1 50.0
2. Average Supervision Intensity (staffdays/project)	Days	26.0	30.6	17.8	24.7	19.4	24.8
3. Loans with Settled Cost Overruns	No.	-	-	-	-	-	-
4. Loans with Changes in Project Scope	No.	1	2	2	2	2	5
5. Loans with Changes in Implementation Arrangements	No.	1	2	1	1	2	4
6. Loans with Extensions	No.	6	3	4	5	4	5
7. Loan Cancellations	\$mn	-	3.6	0.02	2.8	0.5	0.1

NA = not available; na = not applicable.

^a Contract/Commitment Award Ratio is defined as the ratio of Contract Awarded/Actual Commitment during the year over the value available for contract/commitment awards at the beginning of the year. The value of the contracts/commitments to be awarded/committed under newly approved loans during the period is/will be added to the opening balance of the value available for contract/commitment awards.

^b Disbursement ratio is the ratio of total disbursement in a given year/period over the net loan amount available at the beginning of the year/period plus the loan amounts of newly approved loans which have become effective during the year/period. Where: (i) "Total disbursement in a given year/period" refers to the confirmed disbursement for a particular year/period covered. (ii) "Net loan amount available at the beginning of the year/period" refers to all loans that were effective at the beginning of the year. (iii) "Loan amounts of newly approved loans which have become effective during the year/period" refers to all loans approved before and after the beginning of the year that have become effective after the beginning of the year.

^c The annualized turnover rate is computed as the ratio of total liquidation over the time-weighted average fund balance for 12 months.

^d % of problem-flagged projects (loans) to the total no. of loans in the various loan portfolio categories.

^e The weighted average of the 12 risk ratios.

^f % of problem projects changed through upgrading, restructuring, closure, or cancellation during the last 12 months.

TA PORTFOLIO MANAGEMENT INDICATORS

Indicators	Unit	2003	2004	2005	2006
A. Country Portfolio					
1. Active TA Portfolio	no. \$mn	19 11.9	25 15.2	18 10.3	15 7.6
(a) Advisory & Operational Technical Assistance (ADTA)	no. \$mn	14 8.9	20 12.0	15 8.7	11 5.6
(b) Project Preparatory Technical Assistance (PPTA)	no. \$mn	5 3.0	5 3.2	3 1.6	4 2.0
2. Average Age of Active TA Portfolio	months	32.5	31.3	25.6	22.4
3. Physically Completed but not Financially Closed	no. \$mn	6 3.8	7 4.5	0 0.0	1 0.6
B. Start-Up Compliance					
1. Average Time from Approval to Signing of TA Letter/Agreement	months	1.7	1.8	2.2	1.7
2. Average Time from Signing to Fielding of Consultants	months	7.8	8.8	9.9	6.3
C. Financial Performance					
1. Total Disbursement	\$mn	6.2	8.3	4.1	2.9
2. Total Undisbursed Balance	\$mn	5.6	6.9	6.2	4.7
3. Undisbursed of Completed but not Financially Closed TAs	\$mn	0.7	0.7	0.0	0.03
4. Cancellations of TA Funds ^a	\$mn	1.2	0.02	0.5	0.4
D. Portfolio Supervision					
1. Supervision Intensity (staff-days/project)	days	7.5	7.7	4.6	8.4
E. TA Completion Reports (TCR)					
1. TCR Programmed	no.	2	2	6	5
2. TCR Circulated	no.	1	2	5	4
3. % Achieved	%	50.0	100.0	83.3	80.0

NA = not available; na = not applicable.

^b Undisbursed amount of financially closed TAs.

PROJECT PERFORMANCE RATING OF ONGOING LOANS
(as of 31 December 2006)

Sector/ Loan No.	Project Name	Project Ratings				At Risk (U+PS in IP or DO)+PP	Implemen- tation Delays	Tranche Delays	Utilization Delays	Compliance with Loan Covenants	PMU & Staffing	Consultant's Fielding	Counterpart Funds	Cost Overrun	Submission of APA/AFS	Environmental/ Social	Disbursement Achievement	History of In Risk Sector	Mission Days Fielded	Total Flags
		Impact Outcome (IO)	Impl. Progress (IP)	Potential Problem (PP)																
Agriculture and Natural Resources																				
1.	1726	Agriculture Area Development	S	S	No	No	Proj	S	-----	-----	S	S	S	HS	HS	HS	S	126.7	60	0
Finance																				
2.	1529	Rural Financial Institutions																		
3.	2224	Banking Sector and Capital Market Devel	S	S	No	No	Proj	HS	-----	-----	S	S	Not Applicable	NA	HS	HS	No Covenant	113	20	0
			S	S	No	No	Prog	-----	S	-----	HS	-----	Not Applicable	HS	-----	-----	-----	102.6	Flag(2)	1
Health, Nutrition, and Social Protection																				
4.	2007	Community Based Early Childhood Devel	S	S	No	No	Proj	HS	-----	-----	S	S	S	HS	HS	S	Flag(PS)	Flag(57.3)	18	2
Industry and Trade																				
5.	2113	Regional Customs Modernization and Infr	S	S	No	No	Proj	Flag(PS)	-----	-----	S	S	Not Yet Due	NA	HS	S	No Covenant	500	Flag(0)	2
Transport and Communications																				
6.	1775	Almaty-Bishkek Regional Road Rehabilitt	S	PS	No	Yes	Proj	Flag(U)	-----	-----	S	S	S	HS	HS	HS	S	97.7	10	1
7.	1853	Third Road Rehabilitation	S	S	No	No	Proj	Flag(PS)	-----	-----	S	S	S	HS	HS	HS	S	183.6	13	1
8.	2106	Southern Transport Corridor Road Rehat	S	S	No	No	Proj	S	-----	-----	S	S	S	HS	HS	S	Not Yet Due	Flag(9.9)	5	1
Multisector																				
9.	1742	Community-Based Infrastructure Service	S	S	No	No	Proj	S	-----	-----	S	S	S	HS	HS	HS	Flag(PS)	Flag(37.2)	24	2
10.	2045	Emergency Rehabilitation	S	S	No	No	Proj	S	-----	-----	S	HS	S	HS	HS	HS	S	102.3	12	0
Total Project Rating At Risk Analysis:																				
	IP	IO	Problem Projects (U+PS)		1(10.0%)															
	HS	0	0	Potential Problem (4 flags)		-	3	0	0	0	0	0	0	0	0	2	3	0	2	10
	S	9	10	At Risk (U+PS+PP)		1(10.0%)														
	PS	1	0	At Categories (no. of loans)			10	0	0	10	9	10	10	9	9	9	10	10	10	106
	U	0	0	% of Flags			30.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	22.2	30.0	0.0	20.0	
				Risk Ratios			2.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.9	2.8	0.0	1.9	9.4
	Total No. of Loans		10	Overall Risk Ratio of the Portfolio		9.4%														

HS = Highly Satisfactory; PS = Partly Satisfactory; S = Satisfactory; U = Unsatisfactory.

NA = Not available; NYE = not yet effective.

Definitions: Problem Projects are those PS and U projects in either IP or IO; Potential Problem project (PP) are those projects with four or more flags in IP; Projects At Risk is the total of Problem projects (PS+U) and Potential Problem (PP). Risk Ratio is the percentage of risky or problem-flagged projects (loans) to total no. of loans in applicable categories of project, program, DFI, and combined loans. The greater the percentage is, the higher the riskiness of the issues to adversely impact overall quality of portfolio.

Overall Risk Ratio of the Portfolio is the weighted average of the riskiness ratios of the individual issues that are weighted by the number of the loans applicable categories to sum of all applicable loans in all major issues.

Note: If overall rating for IP or IO is PS or U, project is automatically "at risk" and flags are not counted in determining PP but will be flagged to indicate the IP rating was override to upgrade the project rating to HS or S, project will not also be classified as a potential problem project.

Source: PPR

Flag-in criteria:

- | | |
|--|---|
| 1 Project Implementation Delays | Flag-in when rated PS or U for project implementation in current rating |
| 2 Program Implementation Delays | Flag-in when rated PS or U for tranche delays in current rating |
| 3 Delay in Loan Utilization | Flag-in when rated PS or U for loan utilization in current rating |
| 4 Poor Compliance with Covenants | Flag-in when rated PS or U for covenants in current rating |
| 5 Established, Staffed, and Operating PMU/PIU | Flag-in when rated PS or U |
| 6 Fielding of Consultants | Flag-in when rated PS or U |
| 7 Shortage of Counterpart Funds/Cofinancing | Flag-in when rated PS or U for counterpart funds/cofinancing in current rating |
| 8 Cost Overrun | Flag-in when rated PS or U for project cost in current rating |
| 9 Poor Compliance with APA/AFS | Flag-in when rated PS or U for APA/AFS compliance in current rating |
| 10 Environmental and/or Social Problems | Flag-in when rated PS or U in current rating |
| 11 Significant Disbursement Delays | Flag-in when the actual disbursement is <70% of the projection as of the cut-off date. If the cut-off date is within the quarter, the projected amount of the quarter will be prorated. |
| 12 In Risk Sector in a Country with History of Past Problems | Flag-in when 50% of sector portfolio in a country was previously rated as PS or U in IP or DO. Loans closed in the last 2 years will assume rating at the time of closing. |
| 13 Project Field Missions | Flag-in when number of mission days is less than 10 person-days in the last 12 months for projects with PS or U in overall rating of IP or DO, or less than 5 person-days for projects with HS or S ratings. Projects completed (with 100% project progress) require PCR missions within 2 years after completion, hence, no flag. projects with PS or U in overall rating of IP or DO, or less than 5 person-days for projects with HS or S ratings. Projects completed (with 100% project progress) require PCR missions within 2 years after completion, hence, no flag. |

Annex 6: Non-Compliance with Loan Covenants under Specific Loans

Loan 1529: Rural Financial Institutions Project - Overall compliance is satisfactory except the following three loan covenants, which are partly complied with and one not complied with:

- *FCSCU shall be responsible for determining whether a CU is eligible for participation in the Project on the basis of the criteria specified below [in (b)] and for monitoring performance of participating CUs with respect to such criteria and the use of Project funds. LA, Schedule 5, para. 5 (a).* FCSCU's laxity in supervising credit unions led to some fraudulent activities in at least 27 CUs in 2002. NBKR investigated those fraud cases and prepared periodic reports on this issue submitted to ADB since November 2002. FCSCU is following up actively on all of these cases. The number of CUs shrunk from 367 to 312 by 30 June 2005. Sector supervision had been weak. In July 2004, an NBKR on-site inspection found that FCSCU had not complied with regulations limiting single borrower exposure for a long time, and had not monitored credit performance adequately. CUs supervision function was transferred to NBKR in July 2005 and NBKR is currently strengthening its newly established non-banking supervision department. The department conducted on-site inspection in November-December 2005. Strengthening the credit requirements by FCSCU in March and October 2005 has improved the general portfolio administration. The NBKR's supervision department was helped develop a supervision strategy under TA4068. Relevant institutional changes have been made to integrate the supervision function into the NBKR's. **Partly complied with.**
- *Each CU shall be required to comply with the prudential, reporting, and financial accounting requirements and other rules and regulations pertaining to the operations of CUs specified by NBKR. These requirements shall include: (i) the classification of the loan assets on the basis of quality and making loan loss provisions on the basis of asset quality; (ii) maintenance of an adequate liquidity ratio; (iii) a capital adequacy ratio larger than for banks or a debt/equity ratio of 5:1; and (iv) a return on total assets of not less than 1 percent. The accounting requirements specified by NBKR shall be consistent with international standards for financial institutions. LA, Schedule 5, para. 9(b).* Until 2002, CUs operated without regard to prudential norms which were lax and not enforced. Loan amendments have strengthened prudential requirements substantially, in line with these provisions. However reported information is not always consistent and of high quality. Loan classification requires more training, which is scheduled to be implemented this year. Regulatory framework requires minimum 5% of liquidity to liability for CUs not taking deposits and not less than 15% for CU's taking deposits. **Partly complied with.**
- *The CUs shall be required to report monthly to FCSCU, including financial statements, sub-loan classification, size and number, and size of member contributions. FCSCU staff shall regularly visit CUs to advise on managerial, procedural and financial matters, with the frequency of visits declining as CUs mature. LA, Schedule 5, para. 9 (c).* The reporting is improving but accounting and management skills remain weak, so reports are not reliable. FCSCU is not capable to advise CU's. Given the weak capacity for supervision at FCSCU, supervision has been transferred to NBKR from July 2005. **Partly complied with.**
- *The draft Law on Credit Unions shall, among others, provides for a comprehensive framework for a credit union system, including an apex union [Loan Agreement, Schedule 5, para. 13(b)].* The current version of the law does not clearly describe the comprehensive framework for the credit union system, including an apex union. A law on central credit union has been discussed, but has been tabled. Special committee has been established comprising of CUs and NBKR to develop amendments to the Credit Unions Law. NBKR began in 2003 to allow deposit taking by 10 pilot CUs. The pilot phase ended in December 2004. Only one CU has been licensed for deposit taking. **Not complied with.**

Loan 1726: Agriculture Area Development Project – Overall compliance is satisfactory except the following one loan covenant, which is partly complied with:

- *Legal Matters. The Borrower shall (i) within six (6) months from the effective date, provide to ADB copies of all existing laws, decrees, and resolutions relating to WUAs; (ii) twelve (12) months from the effective date and in consultation with ADB, review all laws, decrees and resolutions relating to WUA formation and registration; and (iii) prepare amendments or new legislation, as appropriate, for the effective formation and registration of WUAs. A copy of the draft amendment or new legislation, along with their English translations, shall be provided to ADB for review and comments. LA, Schedule 6, para. 14.* A copy of the draft amendment or new legislation, along with their English translations, shall be provided to ADB for review and comments. The Government submitted a list of relevant legislation on 25 January 2002. **Partly complied with.**

Loan 1742: Community Based Infrastructure Services Sector Project - Overall compliance is satisfactory except the following two loan covenants, which are partly complied with and two not complied with:

- *The Borrower shall establish the NWSSC at the central level to provide policy guidance and assistance in monitoring and supervision of the overall Project implementation activities. The NWSSC shall be chaired by a senior official and composed of officials from the concerned ministries, offices and agencies of the Borrower, including Goskominvest, MAWRPI, MOEF, Ministry of Health, Ministry of Environmental Protection, State Agency for Geology and Mineral Resources, KJKS and the Association of Local Governments. (LA, Schedule 5, para. 4). The NWSSC does not meet regularly. **Partly complied with.***
- *Operation and maintenance of subproject facilities in strict conformity with national environmental-impact standards: IEE, EIA (Loan Agreement, Schedule 5, para. 18a). The Borrower shall ensure that the environmental examination and monitoring procedures established under a previous ADB-financed TA project (TA 2934: Environmental Monitoring and Management Capacity Building) shall be fully utilized. IEEs are not being prepared for subprojects. The monitoring procedures of TA 2934 are not being followed. **Not complied with.***
- *The Borrower shall furnish ADB quarterly reports on the carrying out of the Project and on the operation and management of the Project facilities. (LA, Schedule 5, para. 20). The progress report for the period ending December 2005 has not been submitted yet. **Not complied with.***
- *The Borrower shall ensure that the implementation of the Project, the benefits resulting from the Project, and the overall operations of the Project facilities are monitored and evaluated on an annual basis. Within six months after the effective date, the Borrower shall further refine the project performance monitoring system (PPMS), in a manner satisfactory to ADB, including the use of relevant financial and technical monitoring indicators and information. (LA, Schedule 5, para.19). PPMS has been developed but is not yet implemented. A section on project benefits monitoring needs to be incorporated in the project progress reports. **Partly complied with.***

Loan 1775: Almaty-Bishkek Road Rehabilitation - Overall compliance is satisfactory except the following three loan covenants, which are partly complied:

- *The Borrower shall, taking into account the recommendations of the ADTA, prepare and submit to its Parliament the amendments to the Borrower's Road Safety Act to promote safe driving, safety audit of road design, safety education, road safety publicity, vehicle safety standards, road safety research and emergency assistance to accident victims. (LA, Sch. 6, para. 6b). The draft of Guidelines on the road safety was re-agreed with concerned ministries and it is now Prime Minister's office for approval. The draft law on Alterations and the draft of amendments to the code on managerial responsibility are under discussion by the Parliament. **Partly complied with.***
- *Maintaining the Project Steering Committee (PSC) for the duration of the Project implementation period. (LA, Sch. 6, para. 2). PSC is not functioning due to change of members including the chairman. New PSC was reappointed on 30 December 2005, and it is functioning. **Partly complied with.***
- *The Borrower shall ensure that MOTC and representatives of the Borrower's customs authorities meet with the Project Executing Agency for Kazakh Component and the external financial institutions concerned (ADB, EBRD and TRACECA) twice a year, alternately in Almaty and Bishkek, to discuss the Project implementation status, resolve common problems and, in particular, ensure full implementation of the Cross Border Agreement. (LA, Sch. 6, para. 9). Two stakeholders meetings were held in Sep 2003 during the implementation of the ADTA but since then, no meetings have been held. **Partly complied with.***

Loan 1853: Third Road Rehabilitation— Overall compliance is satisfactory. Complied with all loan covenants that are due.

Loan 2045: Emergency Rehabilitation— Overall compliance is satisfactory. Complied with all loan covenants that are due

Loan 2007: Community Based Early Childhood Development - Overall compliance is satisfactory except the following two loan covenants, which are partly complied with:

- *The Borrower shall ensure that within 18 months of the CFCs' recruitment, MLSP and the AO with which the CFCs are associated jointly develop a plan with respect to how the work of the CFCs will be sustained without the financial support under the Project, and submit it for the Bank's consideration (LA, Schedule 6, para. 5d). **Not complied with.***

- *An independent monitoring and evaluation shall be conducted for the subprojects funded by the VIF. At the end of the second, third and fourth year of the Project implementation period, a review of at least 10 percent of the subprojects shall be carried out on a random sampling basis (LA, Schedule 6, para. 13c). **Partly complied with.***

Loan 2224: Banking Sector and Capital Market Development Program – Overall compliance is satisfactory. Complied with all loan covenants that are due.

Loan 2106: Southern Transport Corridor Road Rehabilitation – Overall compliance is satisfactory except the following one loan covenant, which is not complied:

- *Quarterly Reports. The Borrower shall furnish, or caused to be furnished, to ADB quarterly reports on the carrying out of the Project and on the operation and management of the Project facilities. (LA, Section 4.03). No reports were received. **Not complied with.***

Loan 2113: Regional Customs Modernization and Infrastructure Development – Overall compliance is satisfactory. Complied with all loan covenants that are due.

START-UP COMPLIANCE (LOANS)

(as of 31 December 2006)

Loan No.	Project Name	Milestone Dates			Months Elapsed From Approval to Signing ^{b,c}	Months Elapsed From Signing to Effectivity ^{b,c}	Months Elapsed From Approval to Effectivity ^{b,c}	Delays in Establishment of PMU or PIU ^a					Delays in Recruitment of Consultants ^a					
		Approval	Signing	Effectivity				Due Date	Date Complied	Difference in Months	Status	Rating	Due Date	Date Complied	Difference in Months	Status	Rating	
Agriculture and Natural Resources																		
1.	1726(SF) Agriculture Area Development	20 Dec 99	16 May 00	01 Sep 00	4.9	3.5	8.4	-	-	-	CL	S	-	-	-	Ongoing	S	
	Subtotal/Average				4.9	3.5	8.4											
Finance																		
2.	1529(SF) Rural Financial Institutions Projects	21 Aug 97	07 Nov 97	30 Apr 98	2.6	5.7	8.3	-	-	-	C	S	-	-	-	NA	-	
3.	2224(SF) Banking Sector and Capital Market Development Program	20 Dec 05	23 May 06	31 Aug 06	5.1	3.3	8.4	-	-	-	C	HS	-	-	-	NA	-	
	Subtotal/Average				3.8	4.5	8.3											
Health, Nutrition and Social Protection																		
4.	2007(SF) Community Based Early Childhood Development	29 Sep 03	14 Jan 04	10 Mar 04	3.5	1.8	5.4	-	-	-	C	S	-	-	-	Ongoing	S	
	Subtotal/Average				3.5	1.8	5.4											
Industry and Trade																		
5.	2113(SF) Regional Customs Modernization and Infrastructure Development	26 Nov 04	24 Feb 05	23 Feb 06	3.0	12.0	14.9	30 Jun 05	12 Jun 06	11.4	C	S	30 Jun 05	-	-	Not yet due	-	
	Subtotal/Average				3.0	12.0	14.9			11.4								
Transport and Communications																		
6.	1775(SF) Almaty-Bishkek Regional Road Rehabilitation Project	31 Oct 00	31 May 01	31 May 02	7.0	12.0	19.0	-	-	-	Ongoing	S	01 Jun 02	07 Jun 02	0.2	C	S	
7.	1853(SF) Third Road Rehabilitation Project	31 Oct 01	29 Apr 02	12 Sep 02	5.9	4.5	10.4	-	21 Apr 03	-	C	S	-	-	-	C	S	
8.	2106(SF) Southern Transport Corridor Road Rehabilitation Project	23 Nov 04	21 Feb 05	28 Jul 05	3.0	5.2	8.1	-	-	-	Ongoing	S	-	-	-	Ongoing	S	
	Subtotal/Average				5.3	7.2	12.5								0.2			
Multisector																		
9.	1742(SF) Community-Based Infrastructure Services Sector Project	08 Jun 00	01 Sep 00	28 Nov 00	2.8	2.9	5.7	-	-	-	C	S	-	-	-	C	S	
10.	2045(SF) Emergency Rehabilitation Project	11 Dec 03	12 Feb 04	24 Jun 04	2.1	4.4	6.4	-	-	-	C	HS	-	-	-	C	S	
	Subtotal/Average				2.4	3.6	6.1											
Total/Average					4.0	5.5	9.5			11.4					0.2			

^a Start-up compliance in Establishment of PMU/PIU and Consultant Recruitment will be extracted from PPR System's Project Specific Covenants which will be made mandatory input for the purposes of this monitoring.

Compliance Status are: C - Complied, PC - Partly Complied, , NC - Not Complied, Not Yet Due and Not Required. Covenant ratings are: HS - highly satisfactory, S - satisfactory, PS - partly satisfactory, and U - unsatisfactory.

^b Months elapsed or delays of unsigned loans were computed from approval date to cut-off. In case of signed loans but not yet effective, months elapse were computed from signing date to cut-off. Use the PPR conversion factor of 30.416 days per month.

^c Sector and country averages excludes months elapsed of unsigned loans or non-effective loans in case of delays in loan effectiveness.

^a Start-up compliance in Establishment of PMU/PIU and Consultant Recruitment will be extracted from PPR System's Project Specific Covenants which will be made mandatory input for the purposes of this monitoring.

Compliance Status are: Complied, Partly Complied, Not Complied, Not Yet Due and Not Required. Covenant ratings are: HS - highly satisfactory, S - satisfactory, PS - partly satisfactory, and U - unsatisfactory.

^b Months elapsed or delays of unsigned loans were computed from approval date to cut-off. In case of signed loans but not yet effective, months elapse were computed from signing date to cut-off. Use the PPR conversion factor of 30.416 days per month.

^c Sector and country averages excludes months elapsed of unsigned loans or non-effective loans in case of delays in loan effectiveness.

START-UP COMPLIANCE (ACTIVE TAs)

(as of 31 December 2006)

TA No.	TA Name	TA Amount	Type	Approval	Signing	Fielding of Consultants ^a		Submission of Final Report ^a			Difference in Months
						Months Elapsed from Approval to Signing	First Consultancy Fielding Actual	Months Elapsed from Signing to Fielding	Original Projected Submission Date	Actual	
Agriculture and Natural Resources											
1.	4405 Study on Pricing Systems & Cost-Recovery Mechanisms for Irrigation	0.300	ADTA	11 Oct 04	12 Jan 05	3.1	02 Nov 05	9.7	-	-	-
2.	4408 Study of Impact of Land Reform on Agriculture, Poverty Reduction, & Environment	0.530	ADTA	12 Oct 04	12 Jan 05	3.0	-	-	-	-	-
3.	4409 Agricultural Strategy Formulation	0.600	ADTA	12 Oct 04	12 Jan 05	3.0	26 Apr 06	15.4	18 Aug 05	17 May 06	8.9
4.	4438 Second Agriculture Area Development	0.800	PPTA	19 Nov 04	11 Feb 05	2.8	15 Aug 05	6.1			-
	Subtotal/ Average	2.230				3.0		10.4			8.9
Education											
5.	4672 Vocational Education & Skills Training	0.300	PPTA	24 Oct 05	04 Nov 05	0.4	20 Mar 06	4.5	-	-	-
	Subtotal/ Average	0.300				0.4		4.5			-
Finance											
6.	4068 Capacity Building in Savings & Credit Unions & Microfinancial Systems	0.550	ADTA	19 Dec 02	13 Jan 03	0.8	16 Feb 03	1.1	08 Mar 03 31 Jul 03 03 Nov 04 30 Sep 04 29 Aug 03	13 Mar 03 31 Jul 03 15 Nov 04 06 Oct 04 29 Aug 03	0.2
7.	4747 Banking Sector & Capital Market Development Program	0.600	ADTA	20 Dec 05	12 Jan 06	0.8	01 Mar 06	1.6	-	-	-
	Subtotal/ Average	1.150				0.8		1.3			0.2
Health, Nutrition and Social Protection											
8.	4187 Institutional Strengthening for Community Based Early Childhood Development	0.500	ADTA	29 Sep 03	14 Oct 03	0.5	16 Feb 04	4.1	-	-	-
9.	4445 Awareness & Prevention of HIV/Aids, Sex Trans Infections & Human Trfkg	0.500	ADTA	23 Nov 04	22 Feb 05	3.0	-	-	-	-	-
10.	4797 Second Community-Based Early Childhood Development	0.400	PPTA	07 Jun 06	29 Jun 06	0.7	-	-	-	-	-
	Subtotal/ Average	1.400				1.4		4.1			-
Industry and Trade											
11.	4450 Capacity Building & Institutional Strengthening for Customs Modernization & Infra Dev-KGZ	0.500	ADTA	26 Nov 04	09 Feb 05	2.5	03 Oct 05	7.8	15 Aug 06	-	-
	Subtotal/ Average	0.500				2.5		7.8			-
Law, Economic Management and Public Policy											
12.	4685 Reform & Modernization of Revenue Administration	0.500	PPTA	03 Nov 05	06 Dec 05	1.1	27 Mar 06	-	-	-	-
13.	4705 Support to the Devt & Implementation National PR Strategy II	0.400	ADTA	29 Nov 05	27 Dec 05	0.9	-	-	-	-	-
14.	4801 Development of a Monitoring & Evaluation System at Oblast Level	0.300	ADTA	16 Jun 06	18 Jul 06	1.1	-	-	-	-	-
	Subtotal/ Average	1.200				1.0		-			-
Transport and Communications											
15.	4444 Improving Road Maintenance & Strengthening the Transport Corridor Mgt Dept	0.800	ADTA	23 Nov 04	01 Feb 05	2.3	-	-	-	-	-
	Subtotal/ Average	0.800				2.3		-			-
TOTAL/AVERAGE		7.580				1.7		6.3			4.5
TOTAL/AVERAGE		8.110					38,589.0	37862.0			

^a Based on TPR inputs as of 31 December 2006 by concerned divisions.

^a Based on TPR inputs as of 31 December 2005 by concerned divisions.

PROCUREMENT PERFORMANCE (LOANS)

(as of 31 December 2006)

Sector/ Loan No.	Project Name	Approval Date	Net Loan Amount	Cumulative Contract and Commitment		Annual Contract and Commitment		% Achieved	Remaining to be Awarded/ Committed as of 1 Jan 2006 ^a	Contract/ Commit. Ratio	Date of First Contract	Diff. Bet. First Contract and Approval Date (Mos)
				Amount	% to Net Loan Amt.	Projected	Actual			%		
		(1)	(2)	(3)	(3/2)	(4)	(5)	(5/4)	(6)	(7)	(8)	(8-1)
Agriculture and Natural Resources												
1.	1726(SF) Agriculture Area Development	20 Dec 99	38.3	24.5	63.9	6.0	5.5	91.8	17.7	31.1	18 May 01	16.9
	Subtotal/Average		38.3	24.5	63.9	6.0	5.5	91.8				16.9
Finance												
2.	1529(SF) Rural Financial Institutions Projects	21 Aug 97	9.9	9.5	95.8	0.5	0.4	74.1	0.4	85.0	01 May 98	8.3
3.	2224(SF) Banking Sector and Capital Market Development Program	20 Dec 05	16.2	8.0	49.4	7.8	8.0	102.6	16.2	49.4	01 Sep 06	-
	Subtotal/Average		26.2	17.5	67.0	8.3	8.4	100.9				8.3
Health, Nutrition and Social Protection												
4.	2007(SF) Community Based Early Childhood Development	29 Sep 03	11.3	3.9	34.9	1.2	0.4	36.4	5.9	7.1	25 Mar 04	5.9
	Subtotal/Average		11.3	3.9	34.9	1.2	0.4	36.4				5.9
Industry and Trade												
5.	2113(SF) Regional Customs Modernization and Infrastructure Development	26 Nov 04	7.7	0.0	0.0	0.0	0.0	0.0	7.3	0.0	no contract yet	-
	Subtotal/Average		7.7	0.0	0.0	0.0	0.0	0.0				-
Law, Economic Management and Public Policy												
-	1547(S ^b) Capacity Bldg in Corporate Governance & Insolvency Procedure	25 Sep 97	3.3	3.3	98.7	0.0	0.0	0.0	0.0	100.0	10 Jul 98	9.5
	Subtotal/Average		3.3	3.3	98.7	0.0	0.0	0.0				9.5
Transport and Communications												
6.	1775(SF) Almaty-Bishkek Regional Road Rehabilitation Project	31 Oct 00	5.6	4.8	84.7	0.0	0.0	0.0	0.6	0.0	07 Jun 02	19.2
7.	1853(SF) Third Road Rehabilitation Project	31 Oct 01	47.1	39.4	83.7	0.0	15.8	0.0	22.4	70.2	23 May 03	18.7
8.	2106(SF) Southern Transport Corridor Road Rehabilitation Project	23 Nov 04	33.5	2.1	6.4	27.0	2.1	7.9	28.0	7.7	25 Oct 06	-
	Subtotal/Average		86.2	46.3	53.7	27.0	17.9	66.3				19.0
Multisector												
9.	1742(SF) Community-Based Infrastructure Services Sector Project	08 Jun 00	39.4	36.5	92.6	2.6	3.7	140.6	4.4	83.4	03 Oct 00	3.8
10.	2045(SF) Emergency Rehabilitation Project	11 Dec 03	5.2	4.4	86.0	0.9	1.0	106.4	1.2	81.2	12 Sep 03	(3.0)
	Subtotal/Average		44.6	40.9	91.8	3.5	4.6	131.6				0.4
Total/Average			217.5	136.5	62.7	46.0	36.9	80.2	104.2	35.4		9.9

^a The value available for contract awards excludes amount of interest during construction, unallocated amount and contingencies
Negative ratios which are excluded in the totals were due to the following: (a) the overall cumulative contract/commitment at the end of the period is higher than the total value of contracts/commitment to be awarded / committed thus resulting to negative balance at the beginning of the year; and (b) such excess in contract/commitment values indicates the need for reallocation from the "Unallocated" category portion of the loan or cancellation.

^b Closed on 29 March 2006.

DISBURSEMENT PERFORMANCE (LOANS)
(as of 31 December 2006, amounts in \$ million)

Sector/ Loan No.	Project Name	Approval Date (1)	Net Loan Amount (2)	Cumulative Disbursement		Annual Disbursement			Disburse- ment Ratio ^a %	Imprest Account Disbursement ^b					Cumulative Disb. under Imprest	
				Amount (3)	% to Net Loan Amt. (3/2)	Projected (4)	Actual (5)	% Achieved (5/4)		Advance/ Replenish- ment (7)	Liquidation (8)	Balance (TWAFFB) (9)	Turnover Ratio ^c (8/9)	Amount (10)	% Utilized (10/3)	
Agriculture and Natural Resources																
1.	1726(SF) Agriculture Area Development	20 Dec 99	38.3	22.5	17.8	6.2	7.9	126.7	34.7	6.9	5.8	2.1	2.7	18.6	82.8	
	Subtotal/Average		38.3	22.5	58.6	6.2	7.9	126.7		6.9	5.8	2.1	2.7	18.6	82.8	
Finance																
2.	1529(SF) Rural Financial Institutions Projects	21 Aug 97	9.9	9.9	30.4	0.4	0.5	113.0	99.8	0.4	0.8	0.4	1.9	9.6	96.4	
3.	2224(SF) Banking Sector and Capital Market Development Program	20 Dec 05	16.2	8.0	15.0	7.8	8.0	102.6	51.4	-	-	-	-	--	--	
	Subtotal/Average		26.2	17.9	68.6	8.2	8.5	103.2		0.4	0.8	0.4	1.9	9.6	53.4	
Health, Nutrition and Social Protection																
4.	2007(SF) Community Based Early Childhood Development	29 Sep 03	11.3	3.4	9.2	2.0	1.1	57.3	13.3	0.4	0.5	0.5	0.9	2.0	59.5	
	Subtotal/Average		11.3	3.4	30.3	2.0	1.1	57.3		0.4	0.5	0.5	0.9	2.0	59.5	
Industry and Trade																
5.	2113(SF) Regional Customs Modernization and Infrastructure Development	26 Nov 04	7.7	0.5	2.0	0.1	0.5	500.0	6.9	0.5	0.0	0.0	0.0	0.5	100.0	
	Subtotal/Average		7.7	0.5	6.5	0.1	0.5	500.0		0.5	0.0	0.0	0.0	0.5	100.0	
Law, Economic Management and Public Policy																
-	1547(SF) Capacity Bldg in Corporate Governance & Insolvency Procedure	25 Sep 97	3.3	3.3	30.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4.0	1.6	47.8	
	Subtotal/Average		3.3	3.3	100.0	0.0	0.0	0.0		0.0	0.03	0.01	4.0	1.6	47.8	
Transport and Communications																
6.	1775(SF) Almaty-Bishkek Regional Road Rehabilitation Project	31 Oct 00	5.6	4.5	24.4	0.7	0.6	97.5	38.2	0.2	0.6	0.4	1.6	1.0	22.2	
7.	1853(SF) Third Road Rehabilitation Project	31 Oct 01	47.1	35.9	23.2	10.9	20.1	183.6	66.8	0.9	0.2	0.1	1.5	0.9	2.5	
8.	2106(SF) Southern Transport Corridor Road Rehabilitation Project	23 Nov 04	33.5	0.3	0.3	3.0	0.3	9.9	0.9	-	-	-	-	--	--	
	Subtotal/Average		86.2	40.7	47.2	14.6	21.0	144.0		1.1	0.8	0.5	1.6	1.9	4.7	
Multisector																
9.	1742(SF) Community-Based Infrastructure Services Sector Project	08 Jun 00	39.4	30.5	23.5	6.3	2.3	37.2	21.6	2.0	2.0	2.0	1.0	26.3	86.4	
10.	2045(SF) Emergency Rehabilitation Project	11 Dec 03	5.2	4.1	24.0	1.5	1.5	102.3	61.0	1.5	1.5	0.5	3.0	3.9	96.1	
	Subtotal/Average		44.6	34.6	77.5	7.8	3.9	49.8		3.5	3.5	2.5	1.4	30.3	87.6	
Total/Average			217.5	122.9	56.5	38.8	42.8	110.3	32.6	12.8	11.3	6.1	1.9	64.5	52.5	

^a Ratio of disbursement in a given year/period over the net loan amount available at the beginning of the year/period plus the loan amounts of newly approved loans which have become effective during the year/period. Where: i) "Total disbursement in a given year/period" refers to the confirmed disbursement for particular year/period covered indicated, ii) "Net loan amount available at the beginning of the year/period" refers to all loans that were effective at the beginning of the year, iii) "Loan amounts of newly approved loans which have become effective during the year/period" refers to all loans approved before and after the beginning of the year that have become effective after the beginning of the year.

^b Includes active and closed loans in previous years with fund balances/transactions during the past 12-month period.

^c The annualized imprest turnover rate is computed as the ratio of total liquidation over the time-weighted average fund balance (TWAFFB) for 12 months.

^d Closed on 29 March 2006.

^e The annualized imprest turnover rate is computed as the ratio of total liquidation over the time-weighted average fund balance (TWAFFB) for 12 months.

^f Loan closed during the year.

IMPREST ACCOUNT PERFORMANCE

	2004	2005	2006
Utilization of IAs			
1. Cumulative Disbursement (\$mn) ^a	174.1	139.4	122.9
2. Cumulative Disbursement under IAs (\$mn) ^b	38.8	57.3	64.5
3. IA Utilization Rate (A2/A1, %)	22.3	41.1	52.5
Turnover Ratios ^c			
1. Kyrgyz (%)	2.7	3.4	1.9
2. ADB-wide (%)	1.5	1.6	1.6

Aggregated loan disbursement of the ongoing loans of the country since loan approval.

Includes closed loans with IA transactions.

Aggregated loan disbursement under the IAs since loan approval of the ongoing loans of the country.

May exclude closed loans not included in source report (Details of Imprest Advances).

The annualized imprest turnover rate is computed as the ratio of total liquidation over the time-weighted average fund balance for 12 months; ADB-wide annual target for the turnover ratio is 2.0 or more.

Includes active and closed loans in previous years with fund balances/transactions during the past 12-month period.