

DEVELOPMENT PROGRAM OF KYRGYZ REPUBLIC
For the period 2018-2022

“UNITY, TRUST, CREATION”

Bishkek 2018

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1. Introduction

1.1 Current situation, results of NSSD 2013-2017

- 1.1.1** This year Kyrgyzstan finished implementation of a five-year development strategy, which provided strategic unity of efforts of all governmental and civilian institutes. The strategy helped the country to overcome circumstances of a 2010 crisis, challenges of a transition period and created conditions for achievement of public agreement around national development priorities.
- 1.1.2** For the past years, healthy balance is established between branches of power and sustainable basis is built for competitive multiparty parliamentarism and accountable government. Transparency and honesty of election process is provided on local and national level. Constitutional reform of 2016 consolidated division of powers and strengthened role and responsibility of executive branch. Reforms of judicial system and law enforcement agencies are launched. Reform of the defense and security sector measurably enhanced country's defense capacity, strengthening level of training, material and technical basis and housing provision. Fight with corruption affected all levels of government. Government actively implements progressive politics, which emphasizes as fundamental – civilian unity, return to moral and value sources and rebirth of cultural and historical heritage of people of Kyrgyzstan. In external politics, Kyrgyzstan activated connections with close strategic partners, systematically promoting its national interests on the most important international platforms.
- 1.1.3** In economic sphere, with attraction of internal resources and reasonable external borrowing, Kyrgyzstan significantly expanded and modernized basic infrastructure of growth – transport routes and air traffic, energy and communication network. Joining EEU enabled the development of integration potential with key two-way partners and brought producers of the country on 180 million market. Government subsequently optimized normative and regulative basis for the development of private initiatives in primary spheres and provided an affordable financing to the most initiative small and medium-sized businesses in agriculture, light industry and service sector. Calibrated monetary and fiscal policy allowed to keep inflation indicators and support national currency stability.

- 1.1.4** As a summary of a five-year cycle results showed, Kyrgyzstan is just starting to consolidate its resources, deviating from a dependent approach and dependence on external sources, which helps to determine national interests and focus on them. The main problem in realization was that the “sense of ownership” regarding development goals did not appear in everyone, meaning that there was no full involvement of not only governmental agencies, but also citizens. Was not able to fully concentrate financial resources and build stable connection with budgetary process. Existing management system was not able to correct goals and objectives of the strategy in a timely manner, as well as the process of implementation considering rapidly changing conditions of external and internal environment.
- 1.1.5** Therefore, a long-term vision on the development of the country is needed, which should be implemented within five-year strategies with annual action plans and rational investment program. Objective of the next national strategy-set real achievable goals, with specifically defined timelines, resources and responsibilities. In the mid-term strategy, it is necessary to pinpoint priorities, without wasting resources, focusing on sectors with significant effect.

1.2 Vision 2040

- 1.1.6** Currently vision of Kyrgyzstan’s future is in reference to significant year of 2040 -it is a free image, being jointly created by public and therefore being constantly corrected. For the purpose of this Program, the vision should include following mandatory elements.
- 1.1.7** Kyrgyzstan is a free country with a strong economy, high quality of life, competitive human capital and recognized new contribution to world’s culture.
- 1.1.8** Based on the achievements of the state and society, joint and successful overcoming of challenges, a tangible and stable civic community of Kyrgyz citizens is formed that share unique values of Kyrgyz people and pride to their country.
- 1.1.9** Human capital of Kyrgyzstan has become the greatest competitive advantage at the global level. Demand for skills and knowledge of Kyrgyz people in a dynamic internal labor market, which attracts the best talents from outside, is ensured by transition to a qualitatively different educational system. **Kyrgyzstan is a regional**

center of attraction for schools, universities and scientific research centers of innovative type.

1.1.10 A new model of economic growth is built, integrating Kyrgyzstan to global digital economy and ensured by a combination of private sector leadership and technological breakthrough with the state support of innovations. **Economy of Kyrgyzstan is well diversified; included to the system of international division of labor, with significant share of tourism with high value added, clean energy and organic agriculture.** Kyrgyz companies are also entrenched in the export of education and health services.

1.1.11 Quality of life is the main indicator of the country's success, including not only material components, but also spiritual, creative and cultural self-realization. Reasonable balance is reached between orderly urbanization and development of regions. Kyrgyz people's high incomes, emergence of a significant middle class and civil culture of mutual responsibility expanded opportunities of the budget, ensuring social state, where no one in need will fall out of society's support network.

1.1.12 Environment of Kyrgyzstan is not only preserved for the next generations, but is also largely restored as a result of a shift in the economy and return of Kyrgyz people to their own values of harmonious coexistence with nature. Recreational and health potential of the allocated natural and ecological resources is carefully, but fully used.

1.1.13 As a result of several cycles of development along the parliamentary path, the country's governance is based on participation and deserved trust of every Kyrgyzstani person and entrusted to the best representatives of Kyrgyzstan, combining professional competencies and high moral qualities. The state is able to protect itself and its interests and ensure safety of its citizens both internally and internationally.

1.1.14 Achievement of the desired picture of development by 2040 depends on management of changes at each stage. The first stage of changes in 2018-2022 is especially important, with a qualitative definition of priorities, a clear and accountable implementation of each goal.

1.3 Key challenges

1.3.1 External challenges. At the world level, next few years will be marked by already occurring trends, important for all humankind. In geopolitical terms, further growth of importance of new influence centers - including BRIC countries, as well as continuing regionalization of the world will deepen existing contradictions. Growing geopolitical confrontation between Russia and Western countries, against the backdrop of a noticeable strengthening of China's position will reduce the predictability of world politics and may increase the conflict potential. Volatility of economic growth, commodity markets and connected cycles of the financial crisis affect all countries, triggering new turns of social tension. Climatic changes and environmental degradation caused by human activities, already being observed in a number of regions can become irreversible and aggravate food security by reducing access to water and land resources. Technological breakthroughs in fields of automation of production, artificial intellect will put employment issues for the middle class and the most vulnerable groups in the near future.

1.3.2. Regionally, Central Asian countries bordering with Kyrgyzstan and China's XUAR region have common challenges related to remoteness from global economic centers, underdevelopment or inadequate transit transport and logistics networks, limited agricultural and industrial resources, with growing demographic pressure. Due to geographical features, the region is subject to the high impact of negative environmental and climate changes. Of particular concern are threats to security - violent extremism, inter-ethnic rifts and cross-border crime.

1.3.3. Internal challenges. Despite the achieved progress in certain areas, insufficiently flexible and mobile system of public administration remains one of the key barriers to development. As a result, impact of realized efforts is reduced in such vital areas as constitutional framework, economic freedom, social justice and civic participation. Although the state's efforts have led to a 5.5-fold decrease in extreme poverty, (year of 2016 compared to 2012) and a more rational distribution of state revenues among citizens, social tension remains a constant factor of instability in the face of unresolved and worrisome everyday problems of Kyrgyzstanis. These are, first of all, issues on employment, public security, access to justice, development of public infrastructure and social support for vulnerable groups of population. Certain negative factors, despite the

generally high level of civic activity, are the low levels of public involvement in the formation of a modern developed state and relatively weak mobilization on the basis of nationwide values and civic landmarks. Particular concern remains to be low legal awareness, legal nihilism and tolerance of citizens and local communities to minor offenses, facts of non-compliance with basic moral and ethical rules. Reforms of security sector began to produce tangible results, but in the face of global scale challenges Kyrgyzstan remains vulnerable to threats of violent movements, organized crime and preserves its potential for conflict on the basis of interethnic, interconfessional and socio-political contradictions.

1.3.4. Opportunities for economic growth are objectively hindered due to resource-energy constraints, geographical location and natural-climatic features, absence of a significant domestic market. Potential of the private sector is still generally limited by the low level of labor productivity, lack of qualified human capital, limited access to the capital and energy resources, as well as normative and regulatory barriers. Fragmented nature of agriculture, processing and production and the shortage of transport and logistics networks do not allow most of the producers to compete in emerging regional markets even in industries with low value added. A high proportion of the informal sector contains risks of corruption and constrains the capacity of the state budget.

1.4 Methodology

1.4.1 The leading guide for the entire Program is a long-term vision until 2040, allowing maintaining clear framework considering global challenges and opportunities and national interests.

1.4.2. The main approach of the Program is a rigid choice of priorities and focus of activities based on analysis of systemic causes, including the results of implementation of NSSD 2013-2017. Applying efforts in all directions without proper prioritization means a sharp decline in returns.

1.4.3. The program is oriented on preserving continuity and consistency on the results of HSSD 2013-2017, which remain important and/or did not achieve the desired result.

1.4.4. The order of Program sections is determined by the practical need to solve the issue of effective development management (public administration) in the first place, which will

allow developing an effective impulse for economic growth. This, in turn, will enhance the capabilities of management system and state budget for solving basic needs of Kyrgyz people.

1.4.5. Each direction is developed on the basis of three steps: 1) precise and realistic reflection of the current situation; 2) designation of the desired vision as a result of Program implementation; and 3) priority measures of the Program for successful achievement of the vision, with determining of indicators for tasks achievement.

1.4.6. The Program contains a number of cross-cutting priorities - gender, environmental and technological dimensions, which should be closely integrated into each Program area.

1.4.7. National programs and projects should contain only those efforts that require significant inter-sectoral coordination, regional development and are aimed at scale and concreteness.

1.4.8. High measurability of tasks, continuous monitoring of progress, careful observation of indicators, as well as a management system on changes that allows to respond in a timely manner and make adjustments as a result of external shifts, act as the main requirement of the Program.

1.4.9. The Program should lay the instrument of individual and institutional responsibility for implementation of assigned tasks.

2. Brief resume of the program

2.1 Reforms of product markets in main sectors are needed to attract private capital. Energy sector, which could derive substantial benefits from investments and further become a driving force of growth, is in a state of stagnation as a result of suspension of reforms. The sector has a rating of 1.7 out of 4 on the EBRD energy index, which is one of the lowest among countries for which this index is compiled. Some measures are required to resolve the whole range of issues related to this sector, in particular, tariff policy and management system. Similar transformations are necessary in transport and telecommunications spheres in order to attract private capital.

2.2. Combined effect of geographical and historical factors led to the fact that Kyrgyz Republic is experiencing significant gaps in infrastructure that still need to be closed, despite the already made large investments. Kyrgyzstan is a remote mountainous country with low population density and relatively small agricultural land. Economic and infrastructural

networks of the Soviet period have disintegrated, and new ones, based on the measures of Eurasian Economic Union (EEU) and the Chinese initiative "One belt, one way", have not yet formed. Quality of trade and transport infrastructure is low: an estimate of 2 out of 5 on the World Bank's World Development Index and 2.85 out of 7 on the scale of the Global Competitiveness Report (GCR). Large investments of the last twenty years, financed by borrowed funds, were barely enough to prevent the deterioration of existing infrastructure. According to conclusions of the Global Competitiveness Report, condition of infrastructure and country's readiness to apply technologies represent major shortcomings which reduce country's competitiveness.

2.3. To stimulate growth of entrepreneurial initiatives, the Government will pursue a liberal fiscal policy in the next five years. Simplified tax and customs regime systems will be introduced. Business activity of entrepreneurs will be encouraged by expanding the number of residents, with the exception of the barrier for IE and PE. Specific rules will be established for the construction of facilities in accordance with the requirements of international standards, which operate in countries of potential export while creating FEZ.

2.4. Existing difference in development of regions requires different approaches to public policy. A number of observations characterize the lack of an effective consolidated and integrated approach to the development of regions, and the tasks of development and improvement of access to resources and social benefits of the population are inefficiently solved. Regional problems are similar to these issues of economic sectors. However, a number of institutional issues regulating the distribution of land resources vary depending on density of the population.

2.5 Private investments do not work so far for industrial facilities, because of small level of savings. Consumption growth together with a salary growth, stimulated growth of the sector. The sharpest growth in real wages occurred initially in the manufacturing industry, most likely gold mining, which could cause either the effect of resources movement or the effect of spending, or both. Also, increased inflow of remittances seriously influenced on rise of disposable income.

2.6. For investments with in-house financing, a well-developed investment protection mechanism is also needed to avoid disorganization and to ensure confidence by imposing a

limited transfer of allocations at line ministries level for future periods and demand to complete ongoing projects prior to approval of new projects of a similar type.

3. Section 1. Public administration - Government at the service of people

3.1 Kyrgyz Republic, as a result of two revolutions, has firmly embarked on the path of a parliamentary form of government. Constitutional reform of 2010 and changes, adopted in December 2017, determined powers of legislative, executive and judicial branches, as well as institution of the President of KR. At the same time, establishment of a parliamentary system has its own threats and challenges. The parliamentary system requires a strong and stable institution of executive power. However, today there is a frequent change of government; the principle of appointment to the civil service is loyalty, not professionalism. All of this blurs effectiveness of the public administration system, and state employees are not responsible for achieving the goals set by the society, its evaluation and consequences of management.

3.2. At the same time, costs of maintaining state apparatus are growing. Blurred implementation deadlines are constantly extended. Inconsistency and uncoordinated activity of state bodies in achieving the goals of the country creates corruption and growth of the shadow economy. As a result, a cumbersome governmental system, facing risks and threats, delaying response to them, is constantly forced to act in a "rugged" mode, instead of consistent and systematic performance of its functions, working "for anticipation." It is important to understand that further development of the country is possible only with the joint and purposeful work of all branches of power on the chosen model of country's development.

3.3. The core of stability and development of the country is a Kyrgyz citizen. The basic principle of democratic power is the principle of serving a citizen, as well as protection of his legitimate interests should become the meaning of existence of state bodies. Activity of any state body should be concentrated on a citizen, protection of his legitimate interests. Compact and open system of state management is oriented on development of the country; it is able to make decisions promptly and qualitatively. System of transparent selection of personnel created an image of a Kyrgyz civil servant, distinguished by high professionalism and moral qualities, ability to work with large data and decent working conditions.

3.4. System of electronic interaction between state bodies allows providing public services to a citizen at any time, from any place and device.

3.5. All of these form the basis of honest and fair governance in the country.

3.6. A compact, mobile and open model of public administration in the system of executive branch should be formed under adopted and coherent model of the country's development and aimed at sustainable improvement of country's citizens' well-being.

3.7. Law "On state strategic management and planning" initiated by the deputies of Jogorku Kenesh of the Kyrgyz Republic will strengthen accountability regime of the executive branch on strategic goals and tasks.

3.8. A concrete result on the achievement of development goals is provided by a certain state body with a necessary set of functions and financing. For this, functions of both management bodies and officials should be reviewed for compliance with the scheme "expected result (product) - function (authority, right) - responsibility."

3.9 Application of umbrella model to the structure and organization of the executive branch system based on the principles of separation of functions of policy formation (strategic management, planning, development issues, monitoring and evaluation) and implementation, as well as current functioning, will require a review of the functions of the management system, as well as the transition from sectoral principle on spatial-territorial.

3.10. To create a functioning state portal for interdepartmental interaction of state bodies ensuring access of citizens to state and municipal services, businesses to licensing and permissive procedures on the basis of information and communication technologies and transition to paperless work.

3.11. Optimization of state and municipal services using ICT will allow to transfer part of the services to the private sector, improve the efficiency of state and municipal services. Standards and regulations will be finalized considering needs of the population and developing additional criteria of relevance, a system for assessing effectiveness is introduced. Digitization of services.

3.12. A database of large open data will be created on main technical platforms for exchange and openness, with opportunity to connect the private sector.

3.13. State service is based on the principles of technocracy, professionalism, competence and results-oriented. Servant personal responsibility for decisions and performance results is ensured through a clear statement of goals and objectives and financing. Legislation on the state and municipal service has been modernized, which allowed improving institute of the

state secretary, to improve efficiency of competitive selection and career planning procedures in practice. Existing norms on separation of political and administrative posts is strictly applied. Reduction in the number of state employees is carried out only through efficiency criteria and thanks to technology dividends. Salary fund must be made competitive with the private sector.

3.14 Development institute combining the best analytical expertise potential of the state within existing institutions (Institute for Strategic Research and Planning) and the body for implementation of existing programs and strategies is created.

3.15. Improving Local Government Bodies' activities - further deepening of decentralization, but with a focus on ability to manage resources at the local level and additional responsibility for their use. In this case, policy is determined by the central authority. Strengthening vertical of power. Assistance in strengthening the competence.

3.16. Application of technology, ability to work with large data in the activities of state bodies requires a review of competencies of a civil servant.

3.17. Arrival of a new generation of managers to public administration, focused on modern management technologies and able to work in conditions of openness of power and partnership with civil society.

3.18. Monitoring and evaluation system, including public, will help to determine effectiveness of implementation of the adopted program and adjust goals and objectives in a rapidly changing environment and global and regional trends.

4. Section 2. Economic basis of population's well-being

4.1 Introduction and evaluation of a situation

4.1.1. Sustainable development of Kyrgyzstan as a prosperous and stable state is possible only with self-sufficient economy. Construction of a competitive and sustainable national economy is one of the main foundations of the country's sovereignty and national security. Taking into account that politics and economy are two key and inseparable development factors, today, after establishment of socio-political situation's stability, the most favorable conditions for economic development have been achieved.

4.1.2. Improvement of Kyrgyz people's well-being, ensuring sustainable economic growth, achievement of economic and financial independence of Kyrgyzstan should become key milestones for economic policy.

4.1.3. The current economic situation in Kyrgyzstan is largely a consequence of complex socio-political situation for the last 5-10 years, and is also conditioned by external factors and trends of regional and global nature. However, despite all challenges, and limited natural resources, the economy of Kyrgyzstan remains stable and positive dynamics is noted.

4.1.4. At the current stage of development, economy of Kyrgyzstan shows moderate growth rates and is characterized primarily as a service economy. The largest share in the structure of GDP of Kyrgyzstan falls on service industries. Share of services was 48.0%, industry accounted for 18.2%, agriculture 12.3% and construction 8.2% out of total GDP for 2017.

4.1.5 Summarizing last five years, GDP raises annually by 4-5%, there is a planned increase in average wage, which in 2017 was 15391 soms. Monetary and fiscal policy, despite minor seasonal fluctuations, generally maintains a stable national currency rate.

4.1.6. At the same time, high degree of economy vulnerability is maintained, caused by both internal and external factors, remains. Key economic parameters of the country depend on activities of Kumtor. Thus, share of Kumtor in the country's GDP in 2017 was 9.7%, and in the total volume of industrial production 43.8%. The positive growth of GDP is largely due to growth of consumption, rather than the accumulation and reproduction of capital.

4.1.7 Problems of unemployment and lack of jobs force hundreds of thousands of Kyrgyz citizens to work abroad. There is a dynamic internal migration, associated primarily with the search of work. Migration negatively affects the development of rural areas. The working-age population, not deployed in a small homeland, does not develop local community and infrastructure. At the same time, women and older citizens created a whole class of economically active population specializing on development of handicrafts. For the state, activity of the villagers creates an incentive to support the development of creative beginnings of self-employed citizens who solve their own social and economic problems.

4.1.8 Ongoing liberal economic transformations allowed the sector to form, implemented state policies aimed at reviving and supporting development of folk arts and crafts had a positive impact, but the sector has not yet become an effective economic system.

Today, there is actually a practice of using personal stigma, but there is no legal framework for fully using such mechanism.

4.1.9. Growing international tension and instability in the world economy leaves its negative imprint. There is a decrease in business activity in key partner countries, which negatively affects the economic opportunities and results of external economic activity of the country. Many countries strengthen their national competitiveness, often resorting to administrative measures to protect their producers.

4.1.10. At the same time, one of the most topical issues related to creating favorable conditions for development of entrepreneurship is the poor quality of institutional environment and infrastructure. Imbalance of regulatory system removes competitiveness of the economy and limits investment attractiveness.

4.1.11. Re-export potential of Kyrgyzstan has significantly decreased which until recently played an important role in the economy contributing to the growth of jobs, generating surplus value and ensuring inflow of foreign currency into the country.

4.1.12. There is ability to maintain stability of financial sector largely due to money transfers of migrants and attracted investments through state, as well as the adjusted fiscal and monetary policies. Based on this, question of consistency and volume of remittances from migrants is becoming more actual for Kyrgyzstan. In this connection, migration processes (of migrants) have not only a social aspect, but also an important economic component.

4.1.13. At the same time, state takes active measures to ensure economic development of the country. Government of the Kyrgyz Republic has consistently optimized normative and regulatory framework for the development of private initiative in key areas, steps are taken to revive industry and agriculture. State programs are being implemented to provide affordable financing to the most pro-active small and medium-sized businesses in agriculture, light industry and services.

4.1.14. Kyrgyzstan's joining to EEU and receipt of status of (BCII+) open up new prospects for domestic producers to develop integration potential with entrance to 180 million market of EEU and opportunity to supply goods to EU countries. As part of the transition period of Kyrgyz Republic related to entrance of EEU, there is support from partner countries on 800 million USD. In order to facilitate modernization and support of domestic producers in Kyrgyz Republic, the phased familiarization of Russian-Kyrgyz Development Fund's

resources is under way. At the end of 2017 there were in total 261.5 million USD loans approved.

4.1.15. Banking sector will be actively involved in process of integration of financial market within the framework of EEU's common market construction for the next five years. Priority of the banking sector development will be on building capacity of financial infrastructure and harmonizing existing rules for implementation of monetary policy. There will be an active pursued unification of currency banking and insurance operations regulation.

4.1.16 Over the past 5 years, it was possible to significantly reduce the poverty level in the country. At the end of 2016, poverty level amounted to 25.4%, reducing by 12.6% from 2012. The level of extreme poverty in the period from 2012 to 2016 decreased significantly from 4.4% to 0.8%. The World Bank excluded Kyrgyzstan from the list of poor countries and transferred it to the category of developing states with an average income level.

4.1.17. Level of external migration remains at the same level. Training of migrants increases every year. Volume of money transfers grows annually, having a stimulating effect on the economy of the country.

4.1.18. Reforms in product markets in the main sectors are needed to attract private capital. Energy sector, which could derive substantial benefits from investments and subsequently become a driving force of growth, is in a state of stagnation as a result of reforms suspension. The sector has a rating of 1.7 out of 4 on the EBRD's Energy Sustainability Index, which is one of the lowest among the countries for which this index is compiled. Measures are required to resolve the whole range of issues related to this sector, in particular, tariff policy and management system. Similar transformations are necessary in the sphere of transport and telecommunications in order to attract private capital.

4.1.19. Despite significant investments in recent years, current state of economic and social infrastructure is still a serious limiting factor for economic growth and improvement public welfare.

4.1.20. Quality of trade and transport infrastructure is low: scale 2 out of 5 based on World Bank's World Development Indicators and 2.85 out of 7 on the scale of the Global Competitiveness Report (GCR), according to which the state of infrastructure and country's willingness to apply technology are major obstacles, reducing country's competitiveness.

4.1.21 During independence years of the republic, despite the ongoing policy of decentralization of administration and strengthening of regions, low starting conditions in regions led to concentration in the economic and political center of the country of almost all the resources, including financial and human.

4.1.22. Existing difference in the development of regions in the republic is shown by the lack of consolidated and comprehensive state policy on their development, and tasks on development and improvement of access to resources and social benefits of the population are not effectively addressed.

4.1.23. System of housing and communal services forms the quality of life and social climate of the urban environment, determines social and economic potential of the territory and investment attractiveness. By the average per capita consumption of housing and communal services, Kyrgyzstan lags behind developed countries by more than 6-7 times. Decreased living standards and rising prices sharply increased the gap in volume and quality of public services provided to the population. The lack of systematic approach and low management potential lead to inefficient use of investments in existing infrastructures.

4.1.24. The sector of housing and communal services on the one hand, is experiencing influence of developing market relations, and on the other is an important link in the system of population's social protection. In this regard, reform of the housing and communal services system should take place from the point of view of holistic system development for servicing citizens and as an integral element of general socio-economic reforming system.

4.1.25. In general, the state manages to maintain relative macroeconomic stability and ensure stable growth, but external uncertainty and new challenges, as well as high vulnerability of the Kyrgyz economy, especially from external factors, do not allow to confidently guarantee sustainable economic development and welfare growth in the coming years (5 years).

4.1.26. Kyrgyzstan needs and it is important to develop a five-year economic program with precise annual plans, directed to increase competitiveness of a national economy on regional and global markets.

4.2 Vision-environment and branches, infrastructure

4.2.1 Key task of the Government is provision of dynamic economic development and stable income growth of population and as a result, poverty level reduction.

- 4.2.2** An important guiding goal for the development of economy is introduction of effective feedback mechanisms. Reduction of timeframes needed to receive licenses and permissions and ensure accessibility to electricity.
- 4.2.3** Key importance in this regard is on enforcement of law on procurement and activation of efforts against corruption. Implementation of standards on introduction of state effectiveness audit practice by Chamber of Accounts during assessment of annual planning with the purpose of avoidance of contingent liabilities. Completion of standards institutionalization which regulate prevention of conflict of interest and strengthening of ethical norms in work of civil servants.
- 4.2.4** Structural changes of economy are achieved: transition from consumption economic system to investment. Export strategy allowed to enter EEU markets, and expanded alternative EEU markets; stimulated projects in industrial and agricultural production with higher value added. Choices made as priority directions are production of equipment and small mechanical engineering, processing of agricultural products and production of food, clothing industry; support and stimulation of SMEs and self-employment created new work places and reduce unemployment. Guarantees on a fair market and rejection to regulate competitive branches; revision of tariff and price policies in key infrastructure industries of economy (energy, communal, municipal services) enabled to significantly increase inflow of foreign direct investments.
- 4.2.5** Measures applied led to performance growth and development of labor market (application of development model based on performance growth and productivity through technologies; rejection from current system of pension provision, ineffective from both fiscal and social provision points of view; introduction of hourly payment system in all sectors; focus of efforts on regulation of demand on labor force and quality of supply of labor force; professional skills and qualification enhancement; reform of professional unities).
- 4.2.6** Programs principal for development are successfully implemented (expansion of export markets and capital markets, systematic support of industrialization and industrial production in economic priorities; strengthening of vocational education with emphasis on technical specialties; strengthening institution of property and its

guarantees, including reform of the judicial system; transformation of the pension system).

- 4.2.7** National development projects are priority of the Government's policy and complement systemic and structural reform of the economy in order to achieve an optimal solution to the objective of economic development. An assessment of investment projects implementation effectiveness is introduced, which is available to the general public, with definition of personal responsibility of state bodies' heads for implementation. Activity and role of local community, citizens and business community is determined.
- 4.2.8** On the basis of predictable, transparent and sustainable rules, launched public-private partnership projects which led to improvement of public services and infrastructure in the most significant spheres of life, including housing and communal services system. Attraction of private capital for implementation of national objectives has reduced the burden on the state budget.
- 4.2.9** All regions of KR and in particular network of supporting cities have high rates of socio-economic development and are part of an integrated national economy. Each region has an economic-geographic specificity. This allows to cluster during the planning process of the launch of regional development plans. Each region as a common denominator at the expense of an absolute competitive position increases export potential and inflow of currency, respectively. Economic opportunities in the future are likely to become the main source of human development and contain public infrastructure. As a consequence, imbalance effect in the development of regions, labor migration will be less visible.
- 4.2.10** The government does not pay enough attention to migration issues, protection of rights and interests of Kyrgyz citizens abroad requires radical changes.
- 4.2.11.** At the same time, former mass low-skilled labor of migrants was qualitatively superior to the crisis of low remuneration of labor. Labor migrants of KR occupy increasingly complex and highly paid niches not only on traditional markets (Russia and Kazakhstan), but also in far abroad.

4.2.12. The government, in the framework of protecting economic interests, has raised the level of economic diplomacy and actively defends economic interests of the country and business within the framework of the EEU, SCO and other markets.

4.2.13 As a result, real qualitative changes are achieved in the country: - average annual real growth of GDP consistently exceeds average indicator for EEU countries, determined according to EEU's methodology and recommendations (up to 5%); - average annual inflation rate remains in the range of 5-7%; and the budget deficit to GDP is no more than 5%. KR's improved indicators in the system of international ratings, such as Doing Business (50 countries), World Economic Forum Global Competitiveness Index (70 countries), Transparency International (50 countries), Global Index of Happiness (30 countries).

4.3 Pleasant environment

4.3.1 Macroeconomic stability and monetary policy

4.3.1.1. According to results of 2017 in the Kyrgyz Republic, one of the highest indicators of economic growth among the member countries of EEU is achieved and reached 4.6%. The government will preserve and strengthen economic growth trends in order to ensure macroeconomic stability. The role of the National Bank of KR will significantly increase in promotion of economic growth.

4.3.1.2. It is important to maintain a free financial market and expand investment tools. Conducting a balanced monetary policy aimed at supporting export of domestic producers' products and ensuring a sufficiently stable level of domestic demand. The government will promote this policy through fiscal instruments (tax incentives, export subsidies, lending, etc.).

4.3.1.3. The inflation policy should be guided by the basic principle - measures to constrain prices should not impede economic growth and simultaneously consider interests of the population. The government will take measures to keep inflation within unambiguous indicators - no more than 5-7 percent in average annual terms.

4.3.1.4. In the med-term, the Government needs to achieve the following targets:

- ensuring dynamic development of the economy (within 5 percent) and stable growth of incomes of population and, as a consequence, reducing the level of poverty to 20 percent;
- ensuring the balance of public finances and maintaining a controlled level of the deficit of the state budget - within 3-5% to GDP.

4.3.1.5. Effective public financial management will help to ensure that the Government's financing needs are met through borrowing with the least possible cost and reasonable risk level and sustainability of public debt.

4.3.1.6. The government will implement program budgeting, which will provide a dynamic transition from social to investment orientation of the budget for the development of the real sector of the economy, improvement of efficiency and achievement of strategic and operational goals.

4.3.1.7. The reform of the public financial management system, which meets the requirements of effectiveness and efficiency, will be continued. It is necessary to improve the planning and execution of the state budget, to ensure timeliness of accounting and financial reporting, to improve the procedures of external and internal audit.

4.3.1.8. The government will ensure the balance of state finances and keep the deficit of the state budget at a controlled level through improving the efficiency of budget expenditures.

4.3.1.9. As part of public procurement, it is necessary to ensure efficiency and rational use of public funds, transparency and reduction of corruption risks.

4.3.1.10. New external borrowings should be used only for the most priority programs and projects which will promote economic growth and reduce poverty. Attraction of external borrowings for infrastructure projects will be carried out in compliance with the sustainability of public debt.

4.3.1.11. Transparency of the state budget will remain an important priority. KR indicators will be improved according to the international Budget Transparency Index (at least 10 indicators).

4.3.1.12. Within the framework of the "Open Government" initiative, the list, scope and timing of the provision of budget information and opportunities of civil participation in budget planning, evaluation using tools of digital participation will expand.

4.3.2 External economic policy

4.3.2.1 The Government of Kyrgyzstan will ensure active promotion of its national interests in the multilateral and regional integration associations of EEU, CIS, SCO, WTO and also in the context of Economic belt of the Silk Road project.

4.3.2.2. Target markets for export of goods and services of the national economy are the member countries of EEU, China, India, countries of Middle East. The Government's efforts will be aimed at making effective use of BCII + opportunities for export growth of products to EU countries, and further expansion of export markets.

4.3.2.3. The government will continue its work on creation of a quality infrastructure that meets international requirements.

4.3.2.4. The government will complete its work on modernization and updating of checkpoints on the state borders, creation of a unified information database for participants in foreign economic activities with the purpose of promotion of their goods and services.

4.3.2.5 In order to assist SMEs in preparing business plans and promoting products to external markets, a Project Preparation Fund will be established.

4.3.2.6. The Government of KR together with the National Bank of the Kyrgyz Republic will develop a set of measures for medium- and long-term financing of export-oriented enterprises and priority sectors with high export potential. Activities of the Russian-Kyrgyz Development Fund will continue to support the most promising projects in the priority areas and adaptation of the economy for functioning within the framework of EEU.

4.3.2.7. The government will expand markets for attracting capital, intensify its work with international financial organizations to implement infrastructure projects in the key export-oriented sectors of the economy, such as agriculture, light industry, tourism, etc.

4.3.2.8. Instruments of economic diplomacy will be activated to promote trade and economic interests of the Kyrgyz Republic, as well as implementation of export, transit, energy, production and tourism potential. Institutes of the "Trade Mission" at the embassies will be revived.

4.3.3 State policy on investment

4.3.3.1. Investment policy within the framework of this five-year plan is a part of the general economic state policy designed to ensure the solution of strategic and tactical tasks of the country's social and economic development.

4.3.3.2. Key principles of the investment policy for the future are defined as follows:

- strengthening of state and municipal control over targeted budget funds spending allocated for investment;

- consistent decentralization of investment processes on the basis of diverse forms of ownership development;
- placement of limited centralized capital investments exclusively on a competitive basis;
- priority use of increasing part of investments for implementation of efficient and rapidly recoverable investment projects and small business objects, as well as attracting green investments and promoting innovative and high-tech investments;
- expansion of equity financing practice of investment projects by state and commercial structures of the region.

4.3.3.3. Investment policy will be based on formation of an acceptable legislation for the investor, minimizing investment risks and identifying priority sectors of state support.

4.3.3.4. Investment potential will be increased due to development of securities market, innovative enterprises, state order.

4.3.3.5. Investments will be attracted to the territory of regions of the country, considering specifics of the territories and their socio-economic situation

4.3.3.6. Distribution of investments by regions will be regulated for subsequent stimulation of equal development. The volume of annual invested funds for each region in the next five years should reach at least 300 million USA dollars.

4.3.3.7. For the purpose of increasing the volume of production in the state investment policy, preference will be given to attracting direct and portfolio foreign investments.

4.3.3.8. Through formation of effective accounting policies, market participants will be provided with equal competition conditions and access to infrastructure goods.

4.3.3.9. As a matter of priority, investments will contribute to rehabilitation of idle industrial enterprises.

4.3.3.10. The government will provide access to economic information, and will introduce principle of investment package/lot for the investor, which will include a basic infrastructure (transformation and allocation of land, connection to water, electricity, etc.).

4.3.3.11. Measures will be taken for Kyrgyzstan to be included into the top 50 countries in the international Doing Business ranking by 2022. In particular, the Government's efforts will be focused on improvement of the following components of this rating: connection to

electricity networks, improvement of taxation processes, fulfillment of contracts and resolution of non-payment.

4.3.3.12. The government will ensure introduction of new instruments for fiscal and administrative stimulation of the economy, receipts of new investments, through the introduction of tax preferences, changes in inspections system, and simplification of reporting formats in priority areas.

4.3.3.13. The government will introduce a new institution for registering self-employed, with the provision of a preferential tax treatment regime and access to light credit resources.

4.3.3.14. The procedures for initiating PPP projects will be reviewed and simplified. Terms of preparation, consideration and approval of PPP projects will be reduced twice-fold.

4.3.3.15. Mechanism of the Single Window will be introduced for investors on the basis of the State Agency for Investment Promotion and Protection.

4.3.3.16. The government will propose a mechanism for creation of new investment funds (venture, green climate, sovereign funds and development funds)

4.3.4 Tax and customs policy

4.3.4.1. Joining of the Kyrgyz Republic to EEU, the economic situation, as well as inefficiency of existing fiscal system require to define major vectors and revision of main approaches of the tax system and administration.

4.3.4.2. A new Concept of fiscal policy will be adopted by 2040 to ensure a fair tax obligation, effective tax administration, and harmonization of tax administration in accordance with EEU requirements, considering the maximum possible preservation of our country's advantages.

4.3.4.3. It is necessary to maintain structural adjustments, development of priority directions of the economy, which provide growth of the revenue base for taxation, through effective use of regulatory function of taxes. The government will ensure application of mechanisms to strengthen export-oriented capacity through the introduction of a program that will provide financial support to enterprises creating new production and new services.

4.3.4.4. Reforms will be carried out on the electronic fiscalization of trade procedures through introduction of an electronic patent, an electronic invoice, a virtual taxpayer's warehouse.

4.3.4.5. The government will introduce electronic VAT invoices and a system of mutual responsibility when calculating VAT as offset, as well as change the existing practice of paying VAT when importing goods and further offsetting and refunding (return) VAT to exclude certain barriers for entrepreneurs importing goods from the territories of states, which are not member states of EEU. The norms of legal tax relations on trade operations between member states of EEU will be harmoniously implemented.

4.3.4.6. The use of KKM with online data transfer function to tax authorities (KKM) will become a key tool for tax administration. The adopted Program of a step-by-step transition to widespread application of KKM with an electronic online accounting system will ensure the full coverage of KKM of all types of activities and business entities providing services, performing jobs that selling goods for cash.

4.3.4.7. The government will introduce modern methods of tax administration to collect excise tax on excisable products based on new technologies (bar codes, Q-coding, RFID technologies, NFC tags, etc.). A National Information System will be established for traceability of goods and remote tax control.

4.3.4.8. In order to reduce corruption, an automated system of VAT refunds will be implemented and some of the functions for planned tax audits will be outsourced to professional associations.

4.3.4.9. The government will take measures aimed at equalizing the tax burden between large, medium and small businesses. And will strive to ensure that the share of government revenues from small and medium-sized businesses is at least 50% of the budget's tax revenues. New taxation system of small and medium-sized businesses should be based on the principle "1 entrepreneur - 1 accounting, 1 tax, 1 budget, 1 fiscal body and 1 check", which will allow make steps on phased output of individual segments of the economy of small and medium-sized businesses from the shadow to legal field.

4.3.4.10. A set of tax measures and incentives for switching to non-cash payments is provided.

4.3.4.11. The system of profit taxation should stimulate small and medium-sized businesses to expand their activities, increase their balance sheet profits and reinvest in production. Reinvested part of the profit will be exempt from income tax.

4.3.4.12. The government, in order to ensure fair taxation, eliminate opportunities for tax evasion and increase revenue potential of the tax system, will carry out a phased optimization of the existing system of tax preferences and benefits, will introduce a ban on unfounded benefits and exemptions.

4.3.4.13. Based on the analysis of the effectiveness of established special tax regimes, it is necessary to exclude inefficient regimes from the tax system.

4.3.4.14. Universal declaration of income and a phased transition to declaring expenditures in order to identify groups of taxpayers with a high risk of non-compliance with tax legislation of the Kyrgyz Republic require starting from January 1, 2020 to held a second campaign on legalization of revenues in 2017-2018, considering experience of the first campaign.

4.3.4.15. Within the framework of “Taza Coom” program, the Government will create a step-by-step integrated Information Data Center for data exchange between the State Registration Service, the State Tax Service, the State Customs Service, the Social Fund, the Treasury, the Ministry of Finance, the National Statistics Committee, the Ministry of Internal Affairs, etc., with possibility of secure remote access to it by the Tax Service.

4.3.4.16. It is necessary to restore the scientific base in the field of fiscal research, and it is necessary to explore the possibility of creating a scientific institution specializing on conducting applied research in the field of fiscal policy at the request of the Government of the Kyrgyz Republic on an ongoing basis.

4.3.4.17. Fiscal system should be oriented towards conscientiousness and initiative of the payers and provide for a special system for the development of business in the country

- "to pay taxes is profitable and prestigious." It is necessary to exempt from tax inspections taxpayers participating in the "Conscientious Taxpayer" program. Therefore, it is necessary to create an effective tax system for the state and a tax system fair for taxpayers.

4.4 Development of small and medium-sized enterprises

4.4.1. In many developed countries of the world, small and medium-sized businesses play an important role in the development of the economy as a whole, since SME is one of the most mobile market players able to respond quickly to changes in development conditions.

4.4.2. The main problems in small and medium business are insufficient preparation of potential entrepreneurs themselves, lack of real long-term financial support from the state, excessive regulation and interference of state bodies, poor information support, and often changing rules of the game.

4.4.3. In order to ensure systemic development of SMEs, the Government will develop and implement a comprehensive state program for the development of small and medium-sized enterprises in Kyrgyz Republic. Particular attention will be paid to development and support of small and medium-sized enterprises in the regions and remote settlements.

4.4.4 The government should create a single platform and effective mechanisms for supporting entrepreneurship. In particular, in agreement with international development partners, it is necessary to establish Business Service Centers (BSCs) in order to use the best international practice for SME support on the principle of a "single window" in all regions of the country. It is necessary to ensure unified coordination of the policy in the sphere of rendering financial and non-financial support to entrepreneurship.

4.4.5. Established business service centers will assist entrepreneurs in search of partners, new innovative technologies and investments. On the basis of these centers, reference information on the structures and organizations working with small and medium-sized enterprises, consulting of small and medium-sized business projects, and training activities will be conducted to improve the skills of SME representatives will be provided. For the formation of quality management skills, training and advisory programs will be implemented on the introduction of ISO standards. The government will take measures to implement the standards (XaaS, ISO, IFS, etc.) and raise business awareness of the standards.

4.4.6. In addition, the Government and regional authorities should also provide infrastructure facilities for supporting small and medium-sized businesses, including the provision of premises on preferential terms.

4.4.7. In order to increase the effectiveness of interaction between government and business, work on cooperation of business and state assistance in overcoming bureaucratic

barriers will be strengthened. A unified information and educational web portal for SMEs will be created.

4.4.8. Systematic work will be carried out to implement the requests of private sector for the provision of land plots, and connection to public utilities.

4.4.9. The government will continue work on implementation of financial support mechanisms for small and medium-sized entrepreneurs. Within the framework of this activity, conditions for the development of long-term crediting of small and medium-sized businesses, development of new types of bank lending to SMEs will be created. Particular attention will be paid to availability to representatives of SMEs of preferential funds allocated for various types of state programs.

4.4.10. The government will activate work of the "Guarantee Fund" through the use of the existing system of regional guarantee funds, with the subsequent capitalization of the fund to 3 billion soms until 2020. The fund will promote the development of venture business, participate in consolidated lending, and provide support in collateral for lending.

4.4.11. Established full-scale educational and information system on financial literacy provides for the growth of small and medium-sized businesses by raising the level of financial literacy and culture of financial behavior of the population.

4.4.12. In order to stimulate growth of entrepreneurial initiatives, the Government will pursue a liberal fiscal policy in the next five years.

4.4.13. The government will continue reforms on creation of favorable regulatory environment and reduction of administrative barriers.

4.4.14. Business activity of entrepreneurs will be encouraged by expanding the number of residents in free economic zones.

4.4.15. By 2022 the share of SMEs in the country's economy should reach at least 50%.

4.5 Management of state assets and public-private partnerships

4.5.1. In order to introduce systematic and efficient management of state assets, the Government will complete a full inventory of all state assets, establish open and transparent procedures and new mechanisms of pricing while renting state property, and will also strengthen regulatory framework on the transfer of state property to operational management and economic management.

4.5.2. Creation in the shortest possible time of the Unified state register of state property will help to increase effectiveness of the state body for managing state property, interaction with state and private entities that register property rights for movable and immovable property.

4.5.3. The government will change approaches in sphere of strategic management and personnel policy of state corporations in order to increase effectiveness of their activities and revenues from state property.

4.5.4. Increase efficiency of public funds use in state enterprises by changing the management model at state enterprises.

4.5.5. Activities of the state property management body will also be reviewed in terms of increasing its effectiveness and openness. It is necessary to introduce the principles of publicity in the processes and procedures of the body managing state property. Any person should be able to quickly obtain information on the share of the state in the capital of a joint-stock company or find out how the state uses some other movable or immovable property or land.

4.5.6. In addition, it is necessary to effectively use state assets within the framework of public-private partnership. PPP is one of the significant mechanisms for ensuring economic growth through the consolidation of public and private resources for the implementation of joint investment projects.

4.5.7. The main barriers in the application of PPPs are inconsistency of the legislation with modern requirements, poor quality of preparation of PPP projects, inadequate degree of readiness of the government and business to implement PPP projects in practice, lack of relevant personnel and poor public awareness.

4.5.8. It is necessary to find a balance among three parties: the state, business and the consumer. The state through PPP solves social problems with limited resources of budget, entrepreneurs expand their business, the consumer should be ready to receive public services for appropriate payment, and there should always be a free alternative.

4.5.9. The government should ensure formation of a common policy for the development of PPP and its effective implementation. For this, it is necessary to consider the creation of a single institutional body for the development of PPP, which will focus all functions of the state in all sectors of the economy. In addition, it is necessary to create a PPP

development fund with attraction of financial resources from international development partners, whose funds can be primarily used to develop feasibility studies for projects. In 2012, the Law of the Kyrgyz Republic "On public-private partnership in the Kyrgyz Republic" was adopted, authorized state bodies were established, the Fund for financing preparation of PPP projects was established, and the Law was amended. However, up to now none of the PPP projects has been launched.

4.5.10. It is necessary to build practice of foreign training and internships, for both representatives of state bodies and businessmen, to mock the world experience in the development of PPPs, in particular through cooperation with specialized institutions and associations, and provide with local teaching staff and training and methodological programs.

4.5.11. Participants of PPP processes need to establish a dialogue between stakeholders on the development of PPP projects.

4.5.12. The practical launch of public-private partnership should begin with small projects using outsourcing. It is necessary to allow the state to transfer some of its rights and responsibilities to third-party legal entities when preparing and implementing PPP projects.

4.5.13. As PPP pilot projects, it is possible to consider construction of a small hydropower plants, outsourcing of certain municipal services in the cities of Bishkek and Osh, projects in healthcare, education, and social assistance.

4.6 Financial system

4.6.1. Banking system

4.6.1.1. Existing financial system does not adequately meet the requirements for accumulation and rational redistribution of resources within the sectors of economy. The main task is to further strengthen the banking system, based on the principle of maximum liberalization. It is necessary to form a stable and reliable system of financial and credit institutions capable of effectively mobilizing domestic financial resources of the country and meeting the needs of population and entrepreneurs in loans and quality banking services.

4.6.1.2. It is necessary to revise banking sector policy in conditions of low banking penetration and inadequate financial resources, as well as their high cost. To expand participation of banks in lending to a real economy, conditions for their activities must be reviewed. Monetary policy of the National Bank should be coordinated with the Government

in order to achieve the goals of ensuring price stability, employment and economic growth. To maintain long-term crediting and liquidity of the banking system, it is necessary to create mechanisms to maintain up-to-date and operational liquidity in the banking sector. Banking policy should stimulate lending to the national economy in the national currency.

4.6.1.3. It is necessary to develop financial mechanisms to attract and manage the population's savings. An insignificant part of these savings is used in the banking system in the form of deposits. Most of the deposits have status "on demand", respectively, these funds are not used by banks for long-term reinvestment in other projects. In this connection, the Government and the National Bank need to take measures to capitalize banks and increase the level of public confidence in banking system and expand network of financial and credit institutions. The National Bank, together with the non-banking sphere, needs to expand its powers to ensure the greatest availability of funds for the population. Work is needed to reduce the level of rates on borrowed funds.

4.6.1.4. Work on creation of sovereign wealth funds will begin for the rehabilitation of strategic sectors of the economy. The main financial policy will be directed to the market principles of work. Activity of the country's monopolists will be supported by investment funds outside the budget policy.

4.6.2. Insurance activities

4.6.2.1. Government policy on insurance market will be continued. Compulsory and voluntary insurance is planned to be developed and differentiated at the legislative level to create new niches for the market.

4.6.2.2. Work on the program lines of compulsory insurance on housing and cars will be brought to logical end. It is supposed that the insurance will be linked with security provision from natural emergencies.

4.6.2.3. Work will be carried out on budgetary support of the insurance market.

4.6.2.4. To ensure equal competition in the market the government will introduce new regulatory instruments.

4.6.3. Stocks and bonds market

4.6.3.1 It is necessary to activate the stock market and create an effective mechanism for accumulating investments, turning them into a source of additional income for the population.

4.6.3.2 The government for the expansion of the mortgage program initiates the issue of mortgage bonds and their sale in the stock market, with due regard to macroeconomic risks.

4.6.3.3 The Government's policy regarding securities should be reviewed with a goal to attract more people to operations on the stock market. An important element is a healthy and economically built state and private pension systems. The government in the future will place STB and T-bills on stock exchange (and not NBKR), thereby ensuring free access to trading for all, including population. A number of joint-stock companies, where there is a controlling stake in the state, will make an IPO. Listing tools will be simplified.

5 Section 3. Development of strategic branches of economy.

5.1. Agro industrial sector

5.1.1. In the face of new opportunities arising from capacious market of EEU, using geographical and climatic conditions, country's agro-industrial complex will occupy its own individual niche on the union's market. Important measures for the development of the agro-industrial complex will be overcoming small-scale production, creation of medium and large processing complexes, and development of logistics and reduction of intermediaries' role in commodity markets.

5.1.2. The priority direction of the Government's policy will be state support for production and processing of agricultural products, which create high value added and are labor-intensive. Target orients for the development of the industry will be growth in production volumes and its efficiency, improvement of the quality of agricultural products, provision of country's food security, building the capacity of the processing industry.

5.1.3. The government, regional and local authorities together with the business community will determine the specialization of regions based on a limited range of agricultural products. Specialization of regions will create conditions for the formation of large farms. In order to enlarge the farms and increase the domestic farmers, FRD lands will be actively used, systems of guaranteed state purchases of agricultural products for institutions with a large number of

consumers, both inside and outside the country, will be introduced. Mechanisms of futures deals and lending for the future harvest will be introduced.

5.1.4. The government will implement the program on development of large commodity and logistics centers for agricultural products. Centers of international level will be located: one - in the south of the country ("South"), the other – on north of the country ("North"). Also, 7 regional logistics centers with specific target products will be launched.

5.1.5 Intensive construction of new warehouse procurement complexes will ensure a centralized purchase of agricultural products with subsequent export to foreign markets, taking into account the requirements for volumes and quality standards. To ensure the full output of agricultural products for export, an appropriate infrastructure will be built, including laboratories, logistic centers, slaughterhouses, processing enterprises and transport companies.

5.1.6. The government will continue the state policy on providing agricultural producers with accessible financial resources. Along with developed instruments of agricultural lending, the Government will introduce additional financial instruments to support the export of agricultural products and processing products.

5.1.7. Also, state measures will be focused on addressing issues of ensuring quality seed. They will support the breeding and seed farms, as well as producers of organic fertilizers.

5.1.8. The government will continue to improve the operation of irrigation and drainage systems. Special attention will be paid to border areas. Technologies of effective use of water resources will be introduced. Therefore, capacities of reservoirs, day and monthly water basins will be more actively used.

5.1.9. The government will support the development of cooperatives in the areas of improving the regulatory framework governing the registration, operation and taxation of cooperatives, supporting creation of secondary cooperatives and the development of cooperative lending.

5.1.10. Along with traditional directions of agricultural production development aimed at increasing export volumes, domestic agrarian sector should form an effective system for the production of ecologically clean and organic products.

5.1.11. Priority areas of crop production should be industries that provide a unique market niche of the country through such products as apples, cherries, some types of vegetables, and some dried fruit, beans, nuts and rise.

5.1.12. Livestock sectors will also focus on products with high value added - honey, organic meat, wool and dairy products. Special attention will be paid to the development of fisheries and related feed production.

5.1.13. The main criterion of success will be not the yield or production volumes, but the compliance with high standards of ecological compatibility of products. A lot of preliminary work should be done to find the final consumer of exclusive domestic products.

5.1.14. The government of KR will ensure realization of the goal of forming such brands of ecological and organic products as "Kyrgyz meat", "Kyrgyz milk", "Kyrgyz apple", etc. Ecological cleanliness and quality of the grown vegetables and fruits should become a brand of domestic agricultural products, as well as national drinks, fruit juices, mineral water and medicinal herbs. Therefore, it is necessary to expand the range of services of laboratories for certification of domestic ecologically clean products intended for export, as well as introduction of international standards in business processes of such farms.

5.1.15. To solve the problem of technological provision of agriculture, it is necessary to create, with use of PPP mechanisms, regional centers for agro technical maintenance and service of agricultural machinery. The government will provide broader support to the development of leasing of agricultural machinery. To this end, state banks will expand their leasing operations. Specialized agrochemical and veterinary services will also be established.

5.1.16. The government will provide conditions for restoring inter-industry cooperation between individual livestock, crop and light industry.

5.2. Tourism and service industry

5.2.1. In order to strengthen and improve the effectiveness of the state policy in the field of tourism, the work of the authorized body will be strengthened and work will continue to improve the legislative base.

5.2.2. The government will continue to work to ensure openness and accessibility of the country for tourists from far and near abroad. Thanks to the implementation of the "Taza Koom" project and online registration of visitors and departing tourists, the system of data collection and monitoring for the development of the industry will be improved. For international tourists, bureaucratic procedures will be minimally reduced and optimized when entering and leaving the country.

5.2.3. The government will direct its efforts to advertising and promoting the country as a tourist destination. With a view to recognizing the Kyrgyz Republic in the world, the brand of the country will be improved, which will correspond to the current trends in the development of the world tourism industry.

5.2.4. The government will conduct systematic work to ensure the safety of tourists by enhancing the capacity of law enforcement agencies and working with tourists. The government will conduct active information work among the local population on the high importance of tourism and the role of tourists in ensuring the country's socio-economic development.

5.2.5. The government will create several geoparks - special recreational and tourist zones, created and operating under the auspices of UNESCO.

5.2.6. The government together with all interested parties will continue work on creation of competitive tourist branch and realization of the Program of the Government of the Kyrgyz Republic on development of sphere of tourism till 2020. Special attention will be paid to the development of the territories of the regions of the country and the involvement of local residents in the tourism industry. The government will strengthen its work with the business community, including the search for new strategic approaches to the development of the tourism industry.

5.2.7. The government will ensure equal rules for all participants in the tourism sector, monitor compliance with environmental and building codes when building tourism infrastructure, and set minimum standards for the quality of tourist services. It is also necessary to promote the development of tourist clusters, the opening of new directions and the diversification of tourist flows and to assist the private sector in creating high-quality tourism products and improving the quality of services. An equally important priority is to promote the expansion and sustainability of participants in the tourism market, as well as support for proposals and initiatives for the development of the industry.

5.2.8. The government together with the business community and other interested parties will work to improve the country's image and country position in international tourism ratings. The implementation of the project of the World Nomadic Games, which has made a significant contribution to the expansion of the country's tourism

potential, will continue. Also, various international and world initiatives will be actively supported (the World Forum on Preservation of the Snow Leopard Population, the International Forum "Altai Civilization", etc.), including projects implemented within the global integration project "New Silk Road".

5.2.9. The government together with the participants of the tourism industry will pay special attention to the system of training the staff of management and service personnel for the tourism industry.

5.2.10. Regional and local authorities will be actively involved in the development of tourism in the regions. Within the framework of regional development programs, plans for the development of the tourism sector will be developed in each region, taking into account local specifics and the available local tourist potential.

5.2.11. The national competitiveness of the tourism sector will be ensured by the mobilization of the business community of the tourism industry and assistance in the growth of organizational and institutional capacity. Participants in the tourism market need to expand the range of tourism services provided bring their quality to higher international standards and make them more accessible, and the Government will assist through a flexible and effective public policy, regulation and joint initiatives of the private sector and the state.

5.2.12. An indispensable condition for the development of the tourism industry will be ensuring the sustainability of ecosystems and minimizing the negative impact on nature, as well as preserving the historical and cultural heritage. The government will monitor the provision of proper sanitary and ecological conditions of tourist facilities, routes, preservation of monuments and other historical and cultural sites.

5.2.13. Additional mechanisms of financial support will be developed. As part of the government's financial programs to support the export of tourism services, affordable and preferential loans will be provided, including loans to support regional tourist clusters.

5.3. *Light industry*

5.3.1. It is necessary to develop sewing clusters based on a full value chain and innovative approaches. In the clusters, adjacent industries should be integrated and

include all stages from the supply of raw materials and ending with the delivery of finished products to the final consumer. To strengthen the competitiveness of products in the country, it is necessary to restore mainly the domestic production of cotton and wool, which constitute the primary and important part of a single chain of added value for the garment industry.

5.3.2. It is necessary to form several large leading companies and technopoles that meet international standards, which will be located in different regions of the country. Smaller and medium-sized enterprises will be able to develop thanks to cooperation and cooperation with large players or in the framework of the activity of technopoles.

5.3.3. To increase the competitiveness of light industry enterprises, the Government will provide support to domestic enterprises to ensure production standards adopted by the EAEU and the EU, as well as proper certification of the quality of domestic products.

5.3.4. The government will continue to support domestic companies aimed at forming a national brand of Kyrgyz textile products on world markets. Joint efforts with the business community will continue work on the promotion of the brand "Made in Kyrgyzstan", already recognized in the CIS countries.

5.3.5. Additional mechanisms of financial support will be developed. As part of the government's financial programs to support export-oriented enterprises, affordable and preferential loans will be allocated to upgrade the material and technical base and equipment of light industry participants.

5.3.6. The government together with all interested parties will organize a complex work on the training of qualified employees in the light industry, as well as the upgrading of the middle and top level of light industry enterprises.

5.3.7. In order to further promote domestic products in world markets, it is also necessary to develop and approve a program for the creation of a national school of designers and designers, in which the best domestic specialists will be trained in the world schools of design and fashion.

5.4. Building construction

5.4.1. The construction complex is a key fund- and backbone industry. The state economic policy will consistently support the construction sector so that every citizen

can improve his housing conditions, and to upgrade fixed assets. The state's efforts will focus on:

- provision of social housing for low-income citizens;
- provision of partial support in the form of grants and certificates to those categories of citizens to whom the state has obligations (for example, families of servicemen);
- Creation of conditions for the acquisition of housing, including low-rise, working citizens at the expense of their own and borrowed funds.

5.4.2. For the purpose of realizing the industrial restructuring, first of all, the executive body of power will facilitate the unhindered allocation of land and the necessary communication networks.

5.4.3. Depending on the purpose of the facilities under construction, work plans will be developed for interagency mobile groups. Priority current state policy recognizes the following areas:

- industrial construction (factories, factories);
- transport construction (roads, bridges, tunnels);
- housing and civil construction (residential buildings, public buildings, commercial real estate);
- hydro technical construction (dams, dams, canals, bank protection structures and devices, reservoirs);
- irrigation and drainage construction (irrigation, drainage systems).

5.4.4. In order to achieve a multiplier effect in construction work, it is important to encourage the widespread use of local building materials and raw materials by local companies.

5.4.5. In the construction of buildings and structures, the principles of energy-efficient construction will be introduced.

5.4.6. With a view to developing the construction sector and attracting investments in this sector, the Government should eliminate excessive bureaucratization in the urban development sphere, ensure the possibility of applying international building codes and rules.

5.5. Industry

5.5.1. The main tasks of the industrial development of Kyrgyzstan are diversification of the export-oriented structure of industrial production, modernization and expansion of the capacities of existing industries, creation of sustainable jobs and stimulation of investments. In priority sectors, support measures should take into account all the integration opportunities of the Eurasian Economic Union, including industrial cooperation and involvement in common production chains, within the Eurasian network of industrial cooperation and subcontracting. An additional aspect of the policy to support industrial development should be the expansion of cooperation with large international industrial companies to launch new industries.

5.5.2. It is necessary to work out in the shortest possible time the Program for the Industrialization of the Economy, which should be based on an integrated framework that unites all branches with high potential into a single, mutually complementary production structure, taking into account regional specialization.

5.5.3. In the manufacturing industry, existing industries will be supported with the possibility of increasing production - the production of building materials (stone processing, glass, and other raw materials processing), metallurgical production (metal products), wood processing (wood products), leather and footwear), petrochemical industry (oil refining).

5.5.4. The government will support the development of industries through the following measures: 1) assistance in studying prospective market niches, promoting export supplies and attracting investments to producers with the greatest export and cooperation potential; 2) within the framework of current rights and obligations in the sphere of foreign trade, encouraging import substitution and prioritizing local suppliers for the needs of other sectors of the economy; 3) attraction of technical and consultative support for large producers of harmonization of the industry with EAEU requirements and strengthening of the technical knowledge base of local producers for production with higher technological complexity.

5.5.5. The necessary resources will also be mobilized to launch new industries that complement and strengthen the structure of industrial production, including machine building (production of vehicles), metallurgical production (ferroalloy and tin-tungsten

plants, the resumption of antimony production), the chemical industry (metallurgical silicon production) production (production of organic medicines).

5.6. Energy

5.6.1. In the energy sector, the Government aims to provide the country's economy with electricity, access of citizens to reliable and modern energy supply and development of export potential based on energy efficient and low-carbon production and energy consumption.

5.6.2. During the reconstruction and modernization of existing generating facilities, the planned increase in capacity by 2027 will be 702.68 MW. The modernization of the Bishkek CHP, the reconstruction of the At-Bashinskaya, Uch-Kurgan, Kurpsai, Tash-Kumyr and Shamaldy-Say hydroelectric stations will be completed, and the Toktogul HPP will be fully rehabilitated. Also new capacities will be put into operation - Kambar-Ata, Verkhne-Narynsky cascade and the construction of the Suusamyr-Kokomerensky and Alabuginsky cascades has been started. At least 14 small hydropower plants will be launched.

5.6.3. An early modernization of the main substations, construction of new substations and power lines is needed. The CASA-1000 interregional project will provide a practical transition to the construction phase of 500 kV transmission lines, 477 km long from Datka substation to Sughd-500 (Tajikistan), starting in 2018. By 2019, complete independence of individual sites in the Batken region will be achieved.

5.6.4. The government will continue work on the comprehensive development of coal deposits and an increase in the share of domestic coal consumption. When planning new projects in this area, it is mandatory to take into account their environmental impact.

5.6.5. Along with this, in order to strengthen energy self-sufficiency, the Government will encourage the development of alternative and renewable energy sources, their use by the population, as well as energy-saving and energy-efficient technologies. This will also allow the release of additional resources for production purposes.

5.6.6. It is necessary to ensure transparency and efficiency of the sector for sustainable development of energy companies and increase public confidence.

5.6.7. It is necessary to revise the tariff policy for building a stable base for long-term growth of the industry, while simultaneously developing measures of targeted support for socially vulnerable segments of the population.

5.6.8. Within the framework of the Taza Koom project, the opportunities of new technologies, "smart grid" will be used to improve the efficiency and expand the transparency of the industry and reduce technical and non-technical energy losses.

5.7. Transport and road sector

5.7.1. The government will focus on developing the country's transport potential, where the measures will be focused on the construction and expansion of the internal network of highways and international transport corridors.

5.7.2. In the field of transport communications, priority will be given to the construction of an alternative North-South road and the reconstruction of the Bishkek-Osh, Tup-Kegen, Bishkek-Naryn-Torugart, Kochkor-Aral, Osh-Batken-Isfana-Khujand roadways will provide end-to-end international transit of goods and passengers. It will continue construction of the Balykchy-Karakol international road and Tyop-Kegen highway.

5.7.3. In coordination with the Concept of Regional Development, the quality of the road infrastructure in the supporting cities should improve. The public transport system will be transformed, and will facilitate everyday life of people. The strategic goal in the railway industry is the creation of a unified railway network. Special control should be the promotion of the project related to the construction of a section of the transnational railway in Kyrgyzstan.

5.7.4. The modernization and renovation of the airports "Manas", "Osh", "Tamchi" will be completed. The number of international and domestic flights will increase substantially, including the routes of small aircraft and the role of international transit will increase.

5.7.5. The government will introduce the fifth degree of "freedom of air" and ensure the exit of Kyrgyz airlines from the "black list".

5.8. Mining

5.8.1. In the field of subsoil use, the main goal is to improve the efficiency of the mining industry, labor productivity and reduce the impact on the environment.

5.8.2. It is necessary to increase local content and abandoned value in mining projects, with a measurable increase in allocations to local and state budgets, the number of jobs and influence on other sectors of the economy. One of the important tasks is to stimulate the development of processing capacities on the territory of the country, such as through the introduction of export duties acceptable under the obligations of EAEU.

5.8.3. Additional attention will be paid to supporting rural tourism through legalization, strengthening ties with the tourism industry, and improving the situation with the standards of labor protection and environmental safety.

5.8.4. It is required to deepen work towards harmonization and improving the effectiveness of legal regulation, through such measures as the inventory of normative legal acts and the assessment of their effectiveness, the development of the Mining Code, the introduction of an international system for accounting for solid mineral resources, the development of national equivalents of ISO standards.

5.8.5. In order to support and stimulate business in the subsoil use, the Government will pay special attention to reducing the excessive control functions of the state, excluding raider seizures, providing wide and free access to geological funds.

6. Section 4. The Human Dimension - the Basis for Development

6.1. Human development

6.1.1. Within the next five-year period, Kyrgyzstan must confirm and strengthen the unconditional priority of human development as the basis for all development goals of the country and the state. A person and citizen of the Kyrgyz Republic must constantly be at the very center of planning, implementing and evaluating development efforts. This means that the development of the individual and human capital must become the final outcome and an indicator of successful development. In such a setting of priorities, the tasks of economic development and growth of well-being, improvement of public administration are based primarily on the interests and needs of the Kyrgyz people.

6.1.2. Thus, the guiding principles of the Government will be the creation and improvement of the necessary conditions for every citizen of the republic to receive a decent, competitive education, quality health care, and the necessary social support. Equally important is the provision of a valuable foundation for man and society, which allows the realization of the spiritual, cultural and creative potential of the individual.

Such an environment for a productive, full-blooded life of a person will also be ensured by the rule of law for universal security and justice, and developed public infrastructure. As these conditions of human development are in an inseparable, mutually determining bundle, the Government will make every effort to balance the needs, and allocate available resources.

6.1.3. All this will improve the quality of Kyrgyzstan's human capital as an important resource and demand for development, and consolidate the guarantees of long-term sustainability for the next generations, as well as the reproduction and preservation of unique values, the heritage of our society.

6.2. Education - dividends for all

6.2.1. Despite the progress made, the educational system in the Kyrgyz Republic as a whole still does not provide a significant part of the Kyrgyz citizens with access to it, skills and knowledge necessary for professional and personal self-realization, and competitive participation in the global and regional labor markets. Citizens' access to quality education and the realization of related opportunities are becoming increasingly dependent on such factors as income level and family structure, place of residence, and even the level of proficiency in Russian or English. At the same time, the state does not receive adequate support from the institution of education to build an effective process of forming and transferring vital knowledge and values to the next generations, which undermines the country's basic livelihoods and its future sustainability.

6.2.2. Despite the high coverage of the pre-school program, most young children continue to drop out of the full-fledged system of preschool education in the most important period of life, when the foundation of the personality is taking shape. The levels of free education guaranteed by the Constitution have not yet made the transition from traditional teaching methods to approaches and standards that attach greater importance to the competencies and critical thinking of students. Vocational education remains remote from the needs of a changing market and development priorities. Higher education does not generally have recognition outside the country, does not provide tangible benefits to graduates, and is not a catalyst for socio-economic growth, innovation or the vanguard of society. A working generation and an aged generation

do not have the access created by the education system, to opportunities for self-improvement and creative self-realization, advanced training and retraining.

6.2.3. The quality of the education infrastructure, and therefore of the related educational services, is largely at an extremely low level, posing a real threat to the safety and health of students. The potential of key stakeholders with the greatest involvement energy - parents, local communities, the private sector and the students themselves - is not fully involved in the education reform process.

6.2.4. The root causes of slow transformations in the educational sector are multiple, on the one hand, these are other systemic determinants of governance, market and economic conditions, health and social protection indicators. On the other hand, this is a low level of funding (although the country has a record in the world ratio of budget spending on education to GDP), not comparable to growing needs, a low level of teacher training, a rapidly aging infrastructure and inefficient use of available resources.

6.2.5. The goal - the education system starts productively and competently to prepare a new generation of the country, in accordance with the demands of society, the state and the market.

6.2.6. The content of the value, practical and theoretical content in the interests of the state has been updated in educational institutions and is regularly improved in accordance with current priorities and future benchmarks of the country level, and is attractive to students, parents and the society as a whole.

6.2.7. Most children are covered by a full preschool education, and receive the necessary early impetus for success in life. Improved coverage of school and vocational education among high school students and the most vulnerable groups of the population. The system of guaranteed education is guided by the principle "even one child without access is too much," and does everything possible for each graduate so that the quality or experience of education does not become a limiting barrier in life. The differences between the capital, large cities, villages and remote areas, the quality and results of the educational process are smoothed out.

6.2.8. Graduates of educational institutions of the Kyrgyz Republic, entering the labor market here or abroad, are armed with skills reflecting the realities and requirements of

the high-tech world and are able to formulate these requirements themselves. With full state assistance, the private sector plays a leading role at all levels of the education system and becomes the flagship of both quality and accessibility (through scholarship programs) for profitable segments of the educational market.

6.2.9. Priority measures until 2022 are based on ensuring continuity, and developing a new policy, taking into account the changing environment and external conditions. First of all, it is necessary to further implement the current priorities for the reform of the education system until 2020 and develop a new strategy. Positive features of the efforts of the 2018-2022 Program in the direction of education should be the full development of the "digital dividend" in education, in coordination with the objectives of the "Taza Koom" Program; mobilization of all levels of education and the sphere of science in order to update, expand and introduce national content on value guidelines; the role, contribution and participation of local communities and the private sector in the development of the system of preschool and school education. These items should also be included in the new strategy for the development of education.

6.2.10. Revision of the principles and mechanisms of financing for individual elements, with the introduction of a voucher system.

6.2.11. Consolidation of state resources for the development of a limited group of universities, according to the principle of further regional specialization in demanded areas (such as medicine, scientific and technical disciplines), with the obligatory withdrawal for international recognition. It is necessary to create conditions for the development of an educational center of regional and global importance in Kyrgyzstan.

6.2.12. In school education, a full-fledged transition to a new generation of educational standards, the expansion of content that provides students with life skills (financial, legal, technological and information literacy, the ability to use public and municipal services).

6.2.13. The evaluation of the sector's efficiency will be improved, including through participation in the international school education rating PISA (improvement of not less than 15 positions).

6.2.14. In vocational education, accelerated implementation of measures aimed at strengthening communication with the local, international market and employers, an in-depth study of needs and mandatory internship is envisaged.

6.2.15. In the state regulation of the education sector, it is necessary to assess and remove regulatory barriers to private sector development, as well as the existing imbalance in licensing between public and private institutions.

6.2.16. In the field of science, a reorientation to applied research, an improved measurement of the contribution of research activities, an assessment of cost effectiveness and confirmation of achievements using internationally recognized methods is required.

6.3. Health as the basis of Kyrgyzstan's country advantage

6.3.1. Kyrgyzstan allocates a significant share of the state budget for health care and purposefully improves the quality, accessibility of health services, with a focus on the basic health indicators of the population. Since 2012, the comprehensive national health reform program "DenSoluk" has been implemented, already contributing to improving the indicators of assistance in selected areas, and reducing mortality from cardiovascular diseases, maternal, infant and child mortality, as well as the incidence of HIV and tuberculosis.

6.3.2. Since 2014, the Strategy for the Protection and Promotion of Health of the Population of the Kyrgyz Republic until 2020 (Health 2020) is being implemented. The Strategy aims to strengthen and support the key priority areas identified in the Densoluk Program, as well as to strengthen intersectoral cooperation. Also, the Strategy implements actions aimed at ensuring universal access of the population to health care services, meeting the needs of socially vulnerable groups (minors, elderly people, people with disabilities, etc.), and involving other sectors in protecting and promoting public health.

6.3.3. The main mechanism for planning and allocating state financial resources for the provision of medical care, in accordance with the necessary volumes, is the Program of State Guarantees for Providing Citizens of the Kyrgyz Republic with Health Care Assistance. Work will continue to improve the State Guarantees Program in terms of increasing the availability of basic medical services and laboratory research, as well as

optimizing the number of population categories receiving medical care on a free and concessional basis.

6.3.4. Despite these and other efforts in the health sector, the health and well-being of the Kyrgyz people remains exposed to unacceptably high risks, including due to the uneven quality and geographical distribution of the primary care network, limited access to quality medicines, the overall low level of medical infrastructure, specialized and high-tech services due to insufficient human and resource support. Patients and their relatives continue to face everywhere difficult access conditions, inefficient and cumbersome procedures that do not take into account basic human needs. Its role is played by the poor participation of citizens and patients in the promotion of health and public health, and the widespread practice of informal payments for medical services.

6.3.5. The main barriers to health care remain the disparity in the burden of health care expenditure on the real possibilities of budgetary financing, the weak development of the health insurance system, the low involvement of the private sector in health care, the unacceptably low level of remuneration of medical personnel, the gap between the state program for training medical professionals and the current conditions of the sector, as well as significant obsolete infrastructure.

6.3.6. The goal is to make health care a country's competitive advantage, having a tangible and measurable impact on the duration and quality of life for all Kyrgyz people. The society in the person of citizens and patients will actively participate in the formation of priorities for protection and promotion of health, and clearly determine its share of responsibility for the health of the nation. Other sectors are attached to health protection issues and the inter-sectoral approach is strengthened, which regards safety and security from the threats to the health of the entire human environment as a top priority. Prevention and prevention of diseases is becoming an important principle, allowing to reduce costs and improve basic indicators. The private sector will compete with state service providers, and the government will ensure the long-term functioning of public-private projects.

6.3.7. Within the health system itself, through the reform of the principles and mechanisms of financing, it is necessary to achieve sustainable resource support so that doctors and medical staff receive decent wages, and informal payments are a thing of

the past as a motivating or survival factor. Along with the development of public health, the health sector needs to effectively eradicate corruption at all levels (patient care, procurement) and achieve improved accountability for achieving its objectives. An equitable distribution of primary health care, its universal quality and accessibility for the most vulnerable groups should be ensured.

6.3.8. Through rigorous optimization, measurement of results, accountability and increased efficiency, limited funds are channeled to critical and protected areas as a matter of priority. A full-fledged development of the technological dividend in the sector (improving the efficiency of costs and quality, reducing queues, time for administrative clearance, etc.) should be achieved.

6.3.9. In the next few years, on the basis of the achievements and lessons of the "DenSoolak" program, the development of a new program (2018-2024) to deepen current reforms, maintaining continuity and focusing on overcoming the systemic barriers to development. It is necessary to further improve the system of planning, management, and financing of health care. This includes the creation of a national system of norms and standards for the provision of medical care to the population on the basis of international requirements; improvement of extrabudgetary activity and legal regulation of paid services; revision of the system of remuneration of medical workers, taking into account the quality of their activities and workload; development of a quality management system for medical care.

6.3.10. At the system level, it is also necessary to improve and modernize the health care system through the introduction of cost-effective modern technologies (improving the system of providing medical services at all levels of medical care, the priority development of primary health care, with emphasis on the development of the institute of general practitioners, further restructuring of inpatient care and development resource-saving organizational technologies in outpatient settings (day hospitals, centers of outpatient surgery, and others), the development of a sanitary and epidemiological service). Develop and implement the principles of modular construction and equipment in the healthcare sector, in particular, medical assistant points in the regions of the country.

6.3.11. In coordination with the objectives of the Taza Koom program, accelerated digitization and automation of processes, services and information exchange within the existing eHealth Program until 2020, including distance medicine. Based on the available data and the collection of new data, preparation and launch of applied analytical tools to identify opportunities to optimize resources and human capital, improve service quality and load balancing.

6.3.12. Particular emphasis should be placed on preventive approaches to public health, increasing the participation, awareness and practical skills of the population in protecting and promoting health, promoting the cult of a healthy lifestyle. It is necessary to develop effective measures aimed at combating the risk factors of various diseases. Carrying out a phased and consistent policy of effective taxation of alcohol and tobacco products. The active dissemination of methods for fortifying flour products with useful vitamins and trace elements is an effective tool for combating iron and iodine deficiency diseases.

6.3.13. A separate priority should be the provision of high-quality and safe medicines, and medical products. A package of measures should be developed to ensure the availability and quality of the guaranteed package of services (primary level of medical care, medicines) throughout the country.

6.3.14. Develop and implement a system for assessing client-oriented, responsive and "humane" medical care and developing measures to improve the level of satisfaction of patients and other users, including suppliers and partners. Priority development of a wide range of services in the regions, namely in the supporting cities (points of growth) within the framework of the Concept of Regional Development.

6.3.15. Optimization of the activities of health organizations of the republican level, aimed at improving access to high-tech medical care. The priority definition and planned launch of the most popular, inaccessible or inaccessible in the country types of medical care, for which citizens are forced to travel abroad, through building up a supportive regulatory infrastructure, public investment and PPP programs. Support for private sector participation in health care, with a program of tax concessions, co-financing and the transition from an infrastructure approach in licensing to quality and safety of services. It is necessary to realize the competitive advantages of the climatic

and geographical conditions of the country, to create a network of rehabilitation centers, the development of medical tourism.

6.4. Sustainable social protection, changing the lives of recipients

6.4.1. In the field of social development in recent years, there have been successive changes that have made it possible to improve the state of social protection of vulnerable groups of the population, raise the level of social payments, expand the state social order, and introduce standards for the provision of services. However, a number of problems related to the targeting of assistance and social benefits (for example, the existing benefits for all residents of the highlands, without taking into account income) remain unresolved, the real needs of the recipients are determined in the context of a high share of the informal sector, labor migration and income accounting, satisfaction of payments to the subsistence level and quality of services provided. Children from low-income families, the person with disabilities and the elderly are identified as priority categories, but for the most part they continue to receive assistance below adequate levels, with inadequate coverage, and unacceptable quality at the international level.

6.4.2. In the field of social development, in recent years, there have been successive changes that have made it possible to improve the state of social protection of vulnerable groups of the population, raise the level of social payments, expand the state social order, and introduce standards for the provision of services. However, a number of problems are related to the targeting of assistance and social benefits (for example, the existing benefits for all residents of the highlands, without taking into account income) remain unresolved, the real needs of the recipients are determined in the context of a high share of the informal sector, labor migration and income accounting, satisfaction of payments to the subsistence level. Children from low-income families, the person with disabilities and the elderly are identified as priority categories, but for the most part, they continue to receive assistance in adequate levels, with inadequate coverage, and unacceptable quality at the international level.

6.4.3. Social assistance is allocated to the most vulnerable categories of citizens, at the level necessary not only for minimum needs, but also for a decent life. Social services are subject to high standards of quality and "humanity". In general, assistance

from the state does not create dependence and, through a focus on skills, counseling and support, is aimed at achieving the recipient's independence, a return to productive life and participation in economic activities. At the same time, conditions that cover whole categories of the population without allowance for real need and which create opportunities for corruption are eliminated. The equity of the distribution of social benefits has been achieved. Monetization of benefits has been carried out.

6.4.4. The system of social insurance is reviewed and ensures high protection of a person from risks, allowing to preserve quality and standards of life. The savings system facilitates a clear understanding of all stakeholders, as the contribution to pension funds and the social budget now affects accessibility in the future. There is a choice for pension deposits of the population, through a system of private pension funds.

6.4.5. A significant part of the aid is provided by the state through partnerships with civil society and the private sector. A care economy has been created, or the social services market, where the social order is executed by the best providers of the sphere.

6.4.6. Over the next five years, in the funded system, the Program should actively implement the reforms of the state pension system, which allow to strengthen long-term financial stability, increase real pensions, and increase confidence in the pension system. Development of voluntary pension provision within the mandatory state pension system. Reducing the coverage of preferential pensions, preferential age of retirement, taking into account the real financial situation of the recipients of this category. Expanding the coverage of the system of pension insurance for labor migrants, workers in the informal sphere. Accelerated implementation of the pension reform to remove barriers (tax base, legal mechanisms) development of private pension insurance.

6.4.7. It is necessary to speed up measures to ensure transparency and understandability of the system of social allocations for the citizens of the country, and to greatly simplify the administration of insurance premiums, reporting, and the process of payment of contributions. An indicator of the success of efforts in this direction will be an increase in participation in general and among certain categories of citizens (labor migrants, small businesses).

6.4.8. It is planned to develop and implement steps aimed at a reasonable and justified reduction in the burden of social payments, based on data analysis and focusing on the growth of total allocations as a result of changes.

6.4.9. It is required to implement a system of regular evaluation of the effectiveness, effectiveness, quality, responsibility and equality of access of the population to social services. The assessment will be based on monitoring the quality of services provided on the basis of surveys of target population categories.

6.4.10. Revision of the approach to social assistance as a narrow sector of responsibility, and further transition to an integrated approach to the needs of a socially vulnerable target category. This means covering the whole range of needs - social services, material assistance and benefits, access to education, health care, public transport, housing, justice and economic opportunities.

6.5. Public infrastructure for the realization of human potential

6.5.1. Public infrastructure in the Kyrgyz Republic was formed on the basis of traditional approaches in another historical context, which divided the infrastructure for the human life activity on production, non-productive (social), and household infrastructure. Within the framework of this Program, it is important to define the central role of the approach, which is at the forefront, and the proper quality and accessibility of the social infrastructure is recognized as a requirement for productivity and production growth, and inseparable from the infrastructure supporting purely economic activity.

6.5.2. Despite the accelerated investments from the state, public infrastructure for the bulk of the population as a whole does not meet generally accepted standards. Only one third of villages in the country have round the clock access to clean drinking water, and 21% of villages and 15% of cities still do not have access. Coverage by sustainable access to sewerage does not exceed 28%, decreasing to 0.5% in the most populous Osh region. The introduction of new water and wastewater facilities is accompanied by rapid degradation of the available ones. The pace of entry and restoration of social and municipal infrastructure - such as kindergartens and schools, parks, libraries, public baths, leisure zones - do not correspond to the trends of population distribution and demographic changes. Where such infrastructure exists, the fixed assets are worn out,

and the parameters of livability, quality, service level, and accessibility vary greatly. The provision of housing per person is only 13 square meters.

6.5.3. Improvements in the energy network have yielded results in terms of coverage and continued access to electricity, but the percentage of technical failures remains high, and there is no guaranteed access during possible forced restrictions in the winter. Gasification and central heating systems remain available only for a small number of cities, creating a dependence on solid fuel. The existing social and municipal infrastructure is energy-consuming and inefficient.

6.5.4. As a result of previous investments in the transport network, road connectivity has been significantly increased, but of all available roads so far only 38% have a hard surface. Passenger transport is not developed in most cities, and is completely absent in most rural settlements. The railway network is extremely limited, and practically has no passenger orientation at the internal level, and the only Bishkek-Balykchy route does not meet the comfort standards. Domestic flights connect only a few routes, and the potential of small aircraft is not in demand. Despite the expansion of mobile access, the penetration of high-speed fixed access to the Internet remains extremely low. Internal postal services and delivery of parcels have not yet become an important convenience of life for the vast majority of Kyrgyz citizens.

6.5.5. Based on the results of the implementation of this Program, most residents of the country should feel a measurable and tangible improvement in life, due to improvements in the field of public infrastructure. National and regional infrastructure projects give impetus to local development, and local self-government bodies assume a greater share of responsibility for the development of public infrastructure, involving the private sector and the local community. As a result of the Program, the level of internal migration has decreased.

6.5.6. The catalyst for the improvement of public infrastructure was the successfully implemented Concept for the Development of the Regions, which emphasized the points of growth of regions where accelerated economic development is accompanied by justified infusions into the basic infrastructure. The round-the-clock coverage of clean water for 80% of the population, access to sanitation for 50% of the population is provided. The percentage of international, state and local roads with hard surface will

be brought to 60%, with the commissioning of 5,000 kilometers of new roads. With the introduction of new toll roads, revenues from international transit will sharply increase. Taking into account the construction of social housing and support of the construction industry, the provision of housing per person should reach 18 square meters. 100% coverage is provided for high-speed access to the Internet, in all localities and 100% coverage for digital broadcasting. Significantly increased the number of international and domestic flights, including small-scale aviation routes and the role of international transit. The system of public transport has undergone important structural changes in large cities, facilitating everyday life of people.

6.5.7. Urban development should be orderly, and take into account the basic needs of citizens, including not only critical areas but also leisure, physical culture and socialization. The urban space is not developed for cars, but for people and public transport. The result should be a comfortable and non-discriminating space for pedestrians, with a developed bicycle network. Clean air, clean transport are an integral part of the urban environment. Along with the preservation and expansion of access to nature in the urban environment - forest park areas, lakes and reservoirs, rivers and coastal zones - the development of nearby natural and recreational resources.

6.5.8. Under the current conditions, the priorities of urbanization, consolidation and control of the use of resources and focus on the economic sustainability of infrastructure projects should become the main objectives of the Program. Existing sectoral and national projects containing infrastructure elements that continue beyond 2017 should be revised, taking into account the reorientation to human needs, opportunities for optimization and synergies, and linkage to national development goals.

6.5.9. It is important to implement the pilot stage of the Concept for the Development of Regions and its subsequent expansion to 20 supporting cities and adjacent support territories, closely linking the economic base for keeping the population with the development of public infrastructure. The principles of development of small towns should be careful preparation of development plans for the best international standards, strict zoning and vertical construction, which reduces the transformation of arable land for housing construction. It is assumed that the idle resources (land plots, buildings in

state property) are effectively used for the needs of the public infrastructure. The current program to support social housing should be expanded and aimed at supporting cities to attract young professionals in those economic areas where specialization of the region will take place.

6.5.10. A separate priority is the development of the infrastructure of rural settlements. Long-term planning of the development of each rural settlement, in connection with national goals, mobilizing the opportunities of local self-governments and local communities, creating a supportive environment for investment in public infrastructure will be the basis for improving the life of the villagers and reduce the existing development gap between the city and the village.

6.6. Culture and values that unite around development

6.6.1. In recent years, Kyrgyzstan has taken a course towards national and cultural revival, promotion of national culture. The World Nomadic Games held in 2014 and 2016 aroused interest at the world level to the heritage of countries with nomadic culture. Initiatives of an international level have been launched, such as the Forum "Altai Civilization", which creates the basis for regional consolidation on the basis of a cultural and linguistic community. At the state level, history research is supported. In 2014, the National Program for the Development of the State Language and Improvement of Language Policy, the Kyrgyz People and Writing was adopted and implemented, aimed at developing the state language as a consolidating factor for the entire people of Kyrgyzstan and the formation of the multilingualism of the Kyrgyz people.

6.6.2. Along with this, the country is experiencing an upsurge in national identity and an active process of strengthening civil unity is under way, based on the common citizenship "Kyrgyz zharana", first formulated in the framework of the Concept of Strengthening People's Unity and Interethnic Relations (2013). With the approval and implementation of the Concept of the state policy of the Kyrgyz Republic in the religious sphere (2014), effective work is carried out to strengthen interfaith consent and the secular foundations of the state.

6.6.3. Despite the efforts made, the problem of the formation of national values and meanings and their effective translation, a measurable impact on the behavioral

attitudes of the inhabitants of the country remains a serious challenge. At the structural level, this is due to the history of the existence of divided linguistic and cultural spaces, weak information self-sufficiency and insufficiently developed function of state communications. An important role is played by the world trend of strengthening the technological capabilities of citizens, the development of a diverse but controversial global pop culture and the loss of exclusive mandate by states to form a public agenda and values.

6.6.4. At the same time, the existing institutions of education, cultural development, science, and the media cannot cope with the task of jointly developing and disseminating general civil values based on the existing rich cultural and value heritage of the people and ethnic groups of Kyrgyzstan. Particularly noticeable is the lack of messages and meanings stemming from centuries-old traditions of the people, traditional moral attitudes and historical heritage, affecting the behavior of the population of the country. In the current activities in this area there are no basic principles for ensuring the quality of the final material, testing the messages generated, segmenting for different target groups, selecting effective channels and tools.

6.6.5. At the level of vision, following the results of the implementation of the Program, conditions have been created for in-depth study, accessible disclosure and continuous promotion of the existing cultural layer, progressive values that allow strengthening the basic norms of behavior such as citizenship and civic activity, the family institution, the traditions of good-neighborliness, mutual assistance and volunteerism at local and national level, lean and reasonable management of resources, respect for the environment, aspiration for education.

6.6.6. Public messages with value content in various formats, in all major languages of Kyrgyzstan and for all age groups have been developed and are being updated. On the information and cultural field there is a wide choice of platforms, channels and variations, which jointly develop national meanings. The society itself is an active participant, generating and transmitting for the next generation educational institutions that strengthen the community of the country, emphasizing unique cultural features. The managerial, business, creative and intellectual elite shows an example of high respect for values and observance of related installations.

6.6.7. Values are supported at the national level, implemented as a cross-cutting content of all public policies, and are not only the prerogative of the education sector or the cultural department. The necessary dialogue of the stakeholders of society and the state is maintained with the aim of constantly improving the value content. As a result, there is a measurable impact on the behavior of a person, a close environment, the country community - expressed through increasing public participation in creating an agenda, active citizenship, facilitating the transfer and promotion of values.

6.6.8. In general, citizenship becomes an effective instrument of development through the promotion of a culture of civic responsibility and the fulfillment of the legislatively defined and moral and ethical obligations of citizens. This means strict observance of the Kyrgyz legislation, including the intolerance to bribery, favoritism, and respect for the rules and traditions of the local community. A special degree of importance must be given to the compulsory, proportionate financial and feasible contribution from every earning and able-bodied Kyrgyz citizen, to ensure high collection of taxes, social payments and the inevitability of punishment for non-payment. In addition, it is an active, informed will (participation in the electoral process), promotion and promotion of public participation, volunteerism, donations and philanthropy among all ages, and the promotion of citizens in maintaining public order.

6.6.9. Within the next five-year cycle, it is required to inventory, evaluate and allocate the value bases of society as soon as possible, involving the vanguard of the creative and scientific intellectual elite and a broad consultative process. The results of such work should be laid in the practical channel, informing the content, methods of work and tools in the areas of state communications, media space, the institution of education and development policy.

6.6.10. State order for the formation of value content should be expanded, with the participation of universities and the Academy of Sciences, and implementation is entrusted on a competitive basis to creative groups with the greatest potential.

6.6.11. It is necessary to expand the role of the Assembly of the people of Kyrgyzstan in ensuring inter-ethnic harmony and the formation of common civil values.

6.6.12. It is necessary to speed up the development of the Concept of the development of cultural infrastructure for each region of the country. The next step is to ensure that

the key historical, archaeological and natural sights of the country are provided with value support.

6.6.13. In the youth sphere, a full-fledged youth development policy should be approved and provided with resources, taking into account the priorities of the value orientation, and involving the most active part of the youth in the joint counteraction to threats of alien propaganda and destructive ideologies, including through promotion of information and media literacy.

6.7. Guarantee of justice for every Kyrgyz

6.7.1. In recent years, the country has begun reforms in the sphere, establishing the rule of law, ensuring the legality and priority of civil rights and freedoms, strengthening national and public security. The efforts made by all branches of power to reform the judicial system, law enforcement agencies, national and military security systems have already led to tangible results in various areas.

6.7.2. However, due to the fact that these reform processes affect systemic changes with a long-term perspective, and often overcome serious internal resistance and institutional inertia, for the majority of key goals, Kyrgyzstanis have not yet felt measurable impact on their daily lives.

6.7.3. Many citizens continue to perceive certain law enforcement bodies as closed, inefficient and corrupt structures that do not ensure the confidence of society as a whole and a proper level of protection against threats to public order and crime. The ability of the government to precisely and uniformly establish the rule of law in response to manifestations of crime and violations of the rule of law continues to be questioned.

6.7.4. A significant number of citizens continue to experience difficulties with access to justice related to weak mechanisms of protection and restoration of violated rights in legal proceedings, low quality of legal aid, slow execution of judgments. As a consequence, against the backdrop of a low legal culture of citizens, which includes both the justification of lawlessness and not always functioning mechanisms for ensuring justice, the threats of organized crime, violent extremism and terrorism, growing social tensions and conflict potential are growing noticeably.

6.7.5. Following the results of the next five-year development cycle, taking into account the lessons learned, the most important priority is to ensure security and justice

guarantees for all Kyrgyz people. The result of the Government's efforts in this area should be the effective application of the concept of protection of a person and citizen, which should prevail over the concept of protecting the system of power.

6.7.6. In Kyrgyzstan, new-generation law enforcement agencies should be created to ensure the country's advantage and the prerequisites for the sustainability and security of society, through the high professionalism of the staff, the effectiveness and responsiveness of law enforcement response to the needs of all citizens, and incorruptibility.

6.7.7. Impeccable appearance, high professional and moral qualities, exemplary ethics of behavior should become the hallmarks of a new modern image of a law enforcement officer.

6.7.8. The system of national and military security will provide a safe environment for the person, including protection from terrorist, extremist threats, and will provide effective protection of citizens and borders.

6.7.9. Kyrgyzstan must also achieve genuine independence of the courts, which is confirmed by the high level of trust and support of citizens and recognition at the international level. In turn, the transition of the judicial system to a qualitatively different level, characterized by independence, transparency and efficiency, should give impetus to all spheres of human development, competitiveness of the economy, and strengthening the foundation of statehood.

6.7.10. In the next five-year development cycle, to protect the individual and ensure public order, we will continue to restructure the law enforcement system, despite possible internal resistance.

6.7.11. Within the authority of the Government of the Kyrgyz Republic, law enforcement bodies will be reformed, including the implementation of structural and functional modernization, strengthening the system of checks and balances, delineating powers, and strengthening accountability. Reform measures will also cover the building of a new image of law enforcement agencies, starting as a matter of priority from those areas where citizens face violations of the rule of law on an everyday basis and experience a "lack of equity". The key place will be occupied by the road patrol and district militia, the general focus on improved interaction with citizens and

provision of law enforcement services, and preventive work at the level of local communities.

6.7.12. The root causes of corruption, low motivation and weak capacity will also be eliminated, including a review of the selection system for training staff, the introduction of new methods of evaluation, and the strengthening of the incentive and logistics system.

6.7.13. High processability is a requirement of time, and allows to achieve efficiency and accountability of law enforcement bodies. Therefore, a special place should be taken by the projects "Electronic record of crimes", "Safe City" and the system of interaction and feedback with citizens on issues of public security, the implementation of which will be carried out within the framework of the "Taza Koom" program.

6.7.14. The new national justice system must ensure justice and the rule of law, and be completely free of corruption. The initiated reforms of the judicial system aimed at protecting the interests of man, citizen and business will be continued. It is envisaged to introduce the institution of the business ombudsman for the timely and purposeful protection of the interests of entrepreneurs and businesses.

6.7.15. It is necessary to ensure unhindered access to justice for citizens, with the strengthening of uniform judicial practice, clearly define effective and transparent mechanisms for addressing issues of judicial responsibility, and develop mediation and arbitration institutions. The human right to a fair trial must be guaranteed in a rigorous manner. The court must become the main guarantor of the inviolability of private property and the rule of law.

6.7.16. As a vital area, strengthening the country's defense capability and enhancing the effectiveness of national security bodies will remain a key priority. Systematic work will continue to improve the level of professionalism, training and re-equipment of the Armed Forces, and eliminate the primary obstacles to the development of an integrated national security system.

7. Cross-cutting directions of development

7.1. Gender aspect of development

7.1.1. Achievement of the goals and objectives set in the framework of this Concept is impossible without ensuring the full participation of women and girls, and expanding

their rights and opportunities. Therefore, an evaluation of the gender measurement program is a mandatory step.

7.1.2. Criteria should be defined for gender-sensitive policies that are cross-cutting, inclusive. These criteria should inform all priority development directions and measures taken, through gender mainstreaming, gender analysis of the issues and expected impact of the measures taken, and the identification of gender-sensitive indicators.

7.1.3. The end result is to ensure gender parity both in decision-making and participation in the implementation of given directions, reducing the prerequisites for gender discrimination, and expanding opportunities in all areas of human development.

7.1.4. The government will make the necessary efforts to measurably improve the situation of equality in all dimensions of the human dimension, including equal rights to work and the value of labor, equal access to social and economic benefits, public infrastructure, and the security and justice infrastructure.

7.2. Ecological aspect of development

7.2.1. In the field of environmental protection, an important feature of the next five-year plan should be the implementation of the principles and requirements of the green economy at all stages of planning, decision-making, execution and monitoring. It is necessary to take into account the principles of "green" growth for the revision of the structure of the economy and the transition to development with minimal impact on the natural environment.

7.2.2. In particular, the environmental impact assessment system should become a permanent component of the national policy, ensuring strategic environmental assessment of plans, programs, legislative acts, economic and investment projects. The economic and social feasibility of projects should not be considered without an exhaustive definition of the cost of development projects, including a cost assessment of damage to the environment and the applicable costs for a full reclamation.

7.2.3. This system should also contain measures to proactively respond to existing and potential risks in the form of man-made disasters and climate change, and identify steps for mitigation and adaptation.

7.2.4. Another aspect of the cross-cutting principles of environmental protection is the alignment of a single intersectoral policy for the introduction and promotion of resource-saving, low-waste and non-waste technologies for the rational use of natural resources. First of all, this should affect the practice of using and protecting water resources (use of new technologies for effective water resources management, irrigation and irrigation system), energy resources (energy saving and energy efficiency, creation of conditions for using alternative, renewable energy sources), and basic natural assets forest and land fund, minerals, natural biological resources and recreational assets).

7.2.5. All this will allow ensuring long-term sustainability of growth and avoiding nature-intensive development that comes into conflict with the goals of preserving and restoring natural resources for the next generations.

7.3. Technological measurement

7.3.1. The technological aspect of national development priorities has a cross-cutting nature that permeates all aspects of the life of institutions and citizens of the country and is an integral part of both the long-term vision for development until 2040 and practical steps in the next five-year cycle.

7.3.2. For example, the development of digital communication and communications infrastructure, including the public broadband Internet access network, will provide a long-term impulse for all sectors of the economy, public administration institutions and public activism. In the same way, the transfer to the "digital government" of public administration and public and municipal services will increase the effectiveness of the implemented development measures, expand the government's accessibility to citizens and business, and will have a measurable positive impact on creating an enabling, comfortable, protected environment for human The Kyrgyz Republic.

7.3.3. The use of information, communication and digital technologies in order to increase the productivity of public administration, improve the quality of services, enhance transparency and accountability and build human capacity is an indispensable condition for achieving the set objectives in the economic, social and public spheres. Every effort in strategic planning at the national, local, and sectoral level - from health, education and social services, to the protection of public order - should take full account

of the technological aspects of planned changes, in terms of innovation opportunities, existing constraints and required steps for full realization of the advantages of new technologies.

7.3.4. The National Program of Digital Transformation "Taza Koom" (details of which are given in the section National Programs and Projects) is the main reference point for recording the technological measurement as a cross-cutting parameter.

8. National development programs / projects

8.1. *The National program "Taza Koom"*

8.1.1. The national program of digital transformation "Taza Koom" sets the following main tasks within the five-year perspective.

8.1.2. (1) To provide all government / municipal services in digital format, an end-to-end electronic document management system and a single platform for providing electronic services to citizens will be formed. This includes measures to launch the Tunduk system of interdepartmental electronic interaction, the state portal of electronic services and the preparation of regulations and standards for services, electronic payment systems in favor of the budget, identification and authentication of users, electronic messages and citizens' applications.

8.1.3. (2) In order to ensure the fulfillment of all state / municipal functions in a digital format, a state electronic management infrastructure will be established. This includes the state data processing centers and the connecting communication channels, the basic state information resources (registers of information systems, population, real estate and transport rights, legal entities), the open data infrastructure, and the spatial data and address register infrastructure.

8.1.4. (3) In order to ensure the security of the digital transformation of the state, the creation of a national cybersecurity system, with components such as, the institutional and regulatory framework for cybersecurity and information protection, the enhancement of human resources and human resources, the security of critical information infrastructure and the formation of and the development of a national system for the prevention, response and management of computer incidents.

8.1.5. (4) Additional related priorities for building the foundations of the digital economy are: 1) the creation of a digital regional hub - data processing in the territory

of the Kyrgyz Republic, the formation and expansion of the national market segment in the niches of data hosting, peering and traffic exchange, cloud services, etc.; 2) development of the infrastructure for access to digital communications, including broadband access to the Internet and expansion of the coverage of the territory of the Kyrgyz Republic by wireless access services; 3) the formation and development of national clusters for the development and promotion of software and digital services; 4) Development of infrastructure for smart and safe urban space, with the introduction of appropriate services based on inter-machine communication technology.

8.1.6. (5) For the effective implementation of the program, all tasks will be targeted to support the efforts of training, retraining and improving the skills required human resources involved, as well as to increase the level of digital and technological literacy of users and services.

8.2. Public administration

8.2.1. The government will continue the policy on the development of public service aimed at improving the effectiveness of public administration, the qualifications of state and municipal employees, preventing corruption offenses in the public service system, enhancing its authority and prestige.

8.2.2. The structure of state bodies will be optimized to subordinate it to the strategic goals of the country, state apparatus will be reduced. With the exception of basic state functions, the structure of the Government will be formed on the basis of well-defined development priorities. Decision-making will be aimed at citizens, will become more rational and effective.

8.2.3. The main principles will be compact and mobile management, a clear functional division, a professional public service based on successful career growth and an impeccable reputation.

8.3. Personal development

Development of the individual and human capital as the final outcome and indicator of successful development. Provision of the value basis of man and society, which allows to realize the spiritual, cultural and creative potential of the individual. The environment for the productive, full-blooded life of a healthy, educated and spiritually developed Kyrgyz citizen, as a guarantee of long-term sustainability for

the next generations, as well as the reproduction and preservation of unique values and the heritage of society.

8.4. *Development of regions*

8.4.1. In recent years, state policy has given priority to the development of the regions. The Decree of the President of January 10, 2018 "On the Announcement of 2018 as the Year of Regional Development" was adopted, Government Resolution No. 194 of March 31, 2017 approved the Concept of the Regional Policy of the Kyrgyz Republic. Within the framework of these program documents, the vector of development of regions for the medium and long term has been determined. In order to achieve common goals of the development of the region, settlements will ensure the partnership of government, business, civil society. The quality of life of residents of the regions will correspond to their requests, the requirements of service standards and not depend on geographical location, climatic conditions and remoteness from the center of the country.

8.4.2. Priority in the implementation of regional policy will be the development of the economy on the basis of the optimal allocation of productive forces. The measures taken will ensure the development of production facilities for the storage and processing of agricultural products, the creation of slaughter shops, the revival of industry. Clusters of development will be formed on the ground agricultural cooperatives, light industry, create conditions for the development of tourism, including eco and ethno orientation. The regional economy will be based on the specialization of the territory, taking into account the specifics of resources, climate, geographic location, and the availability of infrastructure.

8.4.3. The beginning of reforms in the development of the economy will be the development and implementation of development programs selected 20 supporting cities - growth points, which will become the locomotive of regional development. Acceleration will receive the process of reviving the infrastructure of settlements: water supply systems, sewerage, energy supply, heat supply, sports, culture, leisure facilities.

8.4.4. Residents of the regions will receive high-quality, affordable services at the place of residence. The service system will be based on the development of modern communication technologies. A citizen will have the right to choose a service provider

with the best conditions. Significant efforts will be directed to rehabilitation and construction of roads, housing. All measures taken will allow citizens to have a high quality of life in their "small homeland", which will reduce migration processes, reduce the risk of social conflicts.

8.4.5. In the development of local self-government, the priority will be the formation of the local community on the basis of awareness of national and cultural identity. At the level of the region, city, village, the authorities, resources for the implementation of their own development programs will be maximally transferred. The transfer of authority will be accompanied by an increase in the responsibility of territorial state bodies and local self-government bodies to achieve results in development.

8.4.6. Local governments will receive a real motivation to increase local budget revenues, primarily due to the growth of the local economy and improved administration of incomes.

8.4.7. Particular attention will be paid to the development of border areas. Conditions will be created in terms of infrastructure, services to meet the needs of citizens living in these territories.

8.5. Social protection. Pension reform.

8.5.1. As part of the pension reform, further improvement of the state pension system is expected. The issues of raising the level of pensions, ensuring the medium-term and long-term financial sustainability of the pension system by improving the system of state pension insurance and the funded pension system are among the important tasks facing the country's pension system.

8.5.2. Regarding the modernization of the pension system, an analysis will be conducted and proposals will be prepared to revise the legislation in order to gradually introduce minimum insurance experience to obtain the right to a pension of 5 to 20 years, integrate the basic part of pensions and social benefits to older citizens, revise the conditions for the appointment of certain premiums to pensions and conditions for early retirement.

8.5.3. These measures will make it possible to optimize the share of social transfers from the republican budget, since the benefits and allowances in the pension system are non-insurance and are guarantees of the state for a certain category of persons.

8.5.4. In terms of strengthening social insurance, it is expected to improve the tariff policy of state social insurance.

8.5.5. So, in order to achieve the adequacy of the tariff policy, the possibility of revising the benefits at the rates of insurance premiums for entrepreneurs engaged in individual labor (IE) activities and peasant farms will be considered. The phased introduction for them of a commensurate tariff of insurance premiums, will ensure their rights to pension provision through full participation in the formation of their pensions.

8.5.6. To further develop the funded pension system in the medium term, it is necessary to improve the investment policy, in order to prevent possible dependence on one instrument by introducing alternative investment instruments in the structure of the investment portfolio, and to improve mechanisms for paying pension savings.

8.5.7. Much attention will be paid to issues related to the system of support and protection of older citizens, as well as to improving the efficiency of social services for older citizens, which will include an analysis of the needs for social services and development of mechanisms for their provision at the local level. Conditions will be created for involving various organizations in the sphere of rendering social services, regardless of the form of ownership, which will increase the coverage and quality of the services provided. An important element in ensuring the safe and dignified life of older people will be the implementation of measures aimed at increasing legal literacy and ensuring protection of the rights and legitimate interests of older citizens.

8.6. Public Security: Reform of law enforcement agencies. Safe city. A new image of law enforcement agencies.

8.6.1. Reform of the law enforcement system will focus on reducing the level of punitive practices, humanizing legislation, ensuring unhindered access to justice for citizens, developing the institution of mediation, prevention and prevention. A unified approach will be developed that determines the state policy in the field of crime prevention and prevention.

8.6.2. The restructuring of the national system of law enforcement agencies is carried out through the definition of the role and place of each law enforcement agency, the formation of a system of management and coordination, the introduction of effective and permanent mechanisms for their self-purification, as well as a review of the

principles of activities, forms and methods of accomplishing tasks. The steps taken must ensure the safety of every citizen of the country and its territorial integrity, reduce the likelihood of terrorist threats, and timely respond to technological, international and other challenges in the interests of the nation.

8.6.3. The government will promote the automation of law enforcement. Within the framework of the "Smart City" project, it is planned to introduce 24-hour video surveillance aimed at reducing road accidents and ensuring public safety. The introduction of the electronic system will provide open access for citizens to the process of considering their applications and making decisions.

8.7. Altai civilization. Consolidation of peoples for peace and development in the Eurasian region

8.7.1. Modern geopolitical realities, globalization with its numerous dimensions require increasing attention to strengthening cooperation within the humanitarian component of the Eurasian integration process, which requires revision of existing methodological approaches to educational, scientific and cultural projects implemented in the region. In particular, it is proposed to carry out activities aimed at compiling common dictionaries in different areas as a basis for the formation of a unified database of educational literature for independent study of the languages of the peoples of the Altai language group.

8.7.2. Formation of a base for generalizing the achievements of science, education and culture of the peoples of the Altai civilization, implementing complex international humanitarian and other projects

8.7.3. Realization of the ideas for the creation of the Altaic historical and cultural center "Altai Civilization", the establishment of the international research center "Institute for the Study of the Altai Civilization" in the Kyrgyz Republic will form the basis for generalizing the achievements of science, education and culture of the peoples of the Altai civilization, implementing complex international humanitarian and other projects. The Institute for the Study of the Altai Civilization proposes a step-by-step activity, starting with the exchange of scientists in all areas of research of the Altai world and beyond.

8.7.4. Creation of a platform for the exchange of scientists in all areas of research of the Altai world.

8.7.5. Cooperation at the personal level must be raised to the institutional republican and international levels. Close cooperation with neighboring and Eurasian peoples of Altai origin suggests a wide range of socio-economic and historical-cultural ties.

9. *Expected results*

9.1. *Benchmarks*

9.1.1. The central achievement of the Program should be a measurable improvement in the quality of life for all Kyrgyz people.

9.1.2. Changes in the system of public administration will lead the country to the top 25% of the countries of the world, according to the main international ratings - managerial capacity and effectiveness, regulatory climate indicators, accountability and transparency, perceptions of corruption and the rule of law, independence of the judiciary. For an integrated assessment of the nature and dynamics of development, the International Index of Happiness will also be used.

9.1.3. The index of public confidence in the executive branch is consistently in excess of 75%. Economic transformations will allow to ensure an annual growth rate of GDP of at least 5%, bringing GDP to 820 billion soms in nominal terms, this will affect the increase in GNP per capita, with mandatory entry into the category of "income level above the average." The budget deficit to GDP will be no more than 5%. 500 thousand new jobs will be created. The poverty level will be reduced from 25% to 20%.

9.1.4. In the human dimension, the leading indicators are expected to improve:

9.1.5. An increase in the average life expectancy by 3 years, and a 50% reduction in mortality from major causes (cardiovascular disease).

9.1.6. Bringing pre-school education to 80%, and improving the place of the KR in the PISA school education rating by at least 15 positions.

9.1.7. The round-the-clock coverage of clean water for 80% of the population is provided.

9.1.8. The percentage of international, state and local roads with hard surface will be brought to 60%, with the commissioning of 5,000 kilometers of new roads.

9.1.9. 100% coverage is provided for high-speed access to the Internet, in all localities and 100% coverage for digital broadcasting.

9.1.10. The provision of housing per person should reach 18 square meters, based on an annual input of 6-7 million square meters.

9.1.11. As a result of fully completed justice and security sector reforms, according to the People's Confidence Index, the level of Kyrgyz confidence in the relevant institutions is consistently in excess of 75%.

9.1.12. Entry into the top 50 of the best countries in the world according to the Doing Business rating.

9.1.13. Growth in the share of SMEs in the GDP structure to 50% until 2023.

9.2. Monitoring and evaluation

9.2.1. To ensure full monitoring of the implementation of the program, the following activities will be institutionalized:

- An evaluation and monitoring department has been set up from among experts who have the right to participate and systematically report on monitoring at government meetings.
- The list of target indicators and evaluation indicators will be approved by the normative act.
- A planned work will be carried out to implement the program in the framework of departmental planning documents.

9.3. Resource provision

9.3.1. To realize the goals and tasks it is planned to achieve through the targeted use of the budget resources of the Kyrgyz Republic.

9.3.2. Involvement of internal and external investors to projects.

9.3.3. Attracting funds from international development partners.

9.3.4. Achieving mutually acceptable results of bilateral international negotiations, which involves reciprocal or unilateral write-off of debt funds, as well as attracting new public investments.

9.3.5. Issue of securities within the assets held by the Government.

9.3.6. Initiation within the framework of the UN GA of the rehabilitation of the "Mountain Countries Initiative" program, in order to attract subsequent portfolio investments.

