

## JOGORKU KENESH PLENARY SESSIONS

June 18

**The Jogorku Kenesh (JK) discussed the international agreements arranging for plots of land to be provided to build diplomatic missions of Kyrgyzstan and Saudi Arabia.** Members of Parliament (MPs) discussed the bill “On Ratification of the Agreement between the Kyrgyz Government and the Government of the Kingdom of Saudi Arabia on Providing Land to Build an Embassy of Saudi Arabia in the Kyrgyz Republic and the Agreement between the Kyrgyz Government and the Government of the Kingdom of Saudi Arabia on the Right to Use Land for Construction of a Diplomatic Mission and Ambassador’s Residence, both signed on January 8, 2014, in Bishkek.” The bill was presented by Deputy Minister of Foreign Affairs Askar Beshimov. According to the conditions of the bill, Saudi Arabia would provide for free a piece of land amounting to 6,340 square meters in Riyadh’s Diplomatic Quarter for the construction and use of a Kyrgyzstani Embassy. The land would be made available free of charge for a period of 49 years with further successive prolongations for the same period. In return, the Kyrgyz Republic is to provide Saudi Arabia with 20,000 square meters of land in Bishkek for construction and use of a Saudi Embassy, under the same conditions.. Saudi Arabia is also ready to provide financial assistance up to three million USD for construction of the Kyrgyzstani Embassy in Riyadh. The bill was submitted to a vote.

**The MPs discussed the Agreement on funding the project “Cattle Farming and Cattle Market Development-II.”** The JK discussed the bill “On Ratifying the Agreement between the Kyrgyz Republic, the International Fund for Agricultural Development (IFAD), and the Trust Fund of the Agricultural Program for Adaptation of Small Land-Owners on Funding the Project ‘Cattle Farming and Cattle Market Development-II,’ signed on April 7, 2014, in Bishkek.” The project is meant to assist rural residents in improving the efficiency of cattle production and in developing the market, to reduce farmers’ vulnerability to shifts in the climate and other external factors and to increase their income. The project’s implementation period is five years and its estimated cost is 22 million USD, of which 11 million USD will be provided as a grant and 11 million USD as a low-interest loan. The project addresses top priorities in the further development of agriculture; it would facilitate agricultural development without increasing the burden on the national budget or adversely affecting other sectors of the economy of Kyrgyzstan, and it

would improve the economic situation in the country's rural regions. Upon the discussion, the MPs submitted the bill to a vote in all three readings.

**The JK acknowledged the report of the Chair of the Chamber of Accounts as satisfactory.** MPs acknowledged the report on the Chamber's 2013 activities as satisfactory. Over the course of the discussion, MPs highlighted issues related to auditing the efficiency of budget implementation, as well as the efficiency of how financial resources are utilized in ministries and other state agencies. In addition, the MPs recommended fostering better cooperation with law enforcement agencies to ensure efficient mechanisms for compensating damages and returning funds to the budget. Upon the discussion, the JK adopted a resolution on the report.

## **June 19**

**A bill increasing the eligibility requirements for candidacy to elected positions was submitted to a vote.** The bill "On Amendments and Additions to Certain Legal Acts of the Kyrgyz Republic" was presented to the JK's attention. The bill is sponsored by MPs Kenjebek Bokoev, Ismail Isakov, Dastan Bekeshev, and Erkingul Imankojoeva. As MP Bokoev reported, the bill was designed to increase the eligibility requirements for candidates to the presidency and to membership in the Jogorku Kenesh and local *keneshter* (councils); it also introduces certain restrictions related to membership in the civil and municipal services. "The bill proposes amendments and additions to a range of laws, ensuring that people with past felony convictions, regardless of whether or not the conviction has been expunged, and people holding foreign citizenships will not have the right to be elected as President, as Members of Parliament, as members of local councils, as city mayors, as heads of rural administrations, or as appointed district *akimder*," MP Bokoev explained.

In addition, the bill includes restrictions according to which civil and municipal servants cannot be elected to local councils. "Moreover, if the bill is passed, persons with past felony convictions will be denied access to the financial and material assets by state bodies and local self-governance bodies," MP Bokoev added. Over the course of the bill's discussion, MP Irina Karamushkina expressed her support for the bill. In her opinion, adoption of the bill would increase the responsibility of presidential and parliamentary candidates and candidates to local councils. MP Ainuru Altybaeva commented on the requirement that only able-bodied Kyrgyz citizens with higher education can become candidates to these positions, saying that a higher education diploma is no evidence of a high level of professionalism. "There is no need to include such requirements on additional higher education," MP Altybaeva said. MP Dastan Bekeshev stated that higher education is a necessity for candidates to such important positions. Upon the discussion, MPs submitted the bill to a vote in its first reading.

**The JK acknowledged the report on the National Bank's 2013 activities as satisfactory.** MPs heard the report presented by the Chairman of the National Bank, Tolkunbek Abdygulov, and acknowledged it as satisfactory. It was noted that in 2013 the National Bank continued its joint activities with the Government to achieve and maintain macroeconomic stability. These activities included monetary and credit policy allowing moderate price inflation which facilitated economic growth. In 2013, the Kyrgyz banking system continued to progress and demonstrated its sustainability and growth according to key indicators. In its role conducting oversight and regulation of financial and credit organizations' activities, the Bank reviewed and drafted normative and legal acts on minimization of risk, the protection of consumer rights, and increase of transparency and access to financial services. Reserves in 2013 amounted to 73.1 billion KGS (1.4 billion USD<sup>1</sup>), an increase of 13% over the course of the reported year. The volume of currency in circulation amounted to 67 billion KGS (1.29 billion USD) in 2013 with a growth rate of 14.9% (in 2012, the growth was 16.8%). The deposit base structure has not changed much, Chairman Abdygulov said. Current accounts and call deposits made up 62.4% of the total deposit base as of the end of the year; fixed deposits formed the other 37.6% of the total. In total, the deposit volume in commercial banks amounted to 58.9 billion KGS (1.13 billion USD). Chairman Abdygulov answered the questions posed by the MPs, who discussed measures on the efficient placement of international reserves and means of attracting investment to the Kyrgyz banking sector. They discussed matters related to further improvement of non-bank financial and credit organizations and to oversight mechanisms for microloans. Upon the discussion, the JK adopted a resolution acknowledging the report as satisfactory.

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<sup>1</sup> Official exchange rate as of June 19, 2014 is 1 USD=52.11 KGS, available at the official website of the National Bank of the Kyrgyz Republic at <http://www.nbkr.kg>