

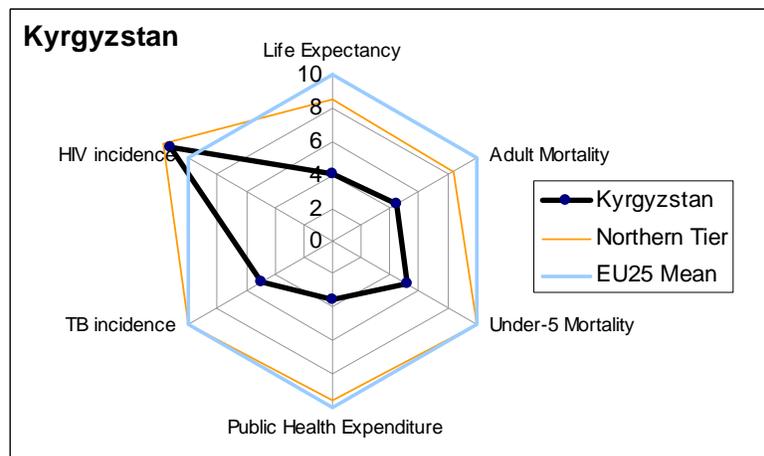
## Annex B 1: Kyrgyzstan: Expectations of Movement Along the Development Continuum over the Next Two Years

With a gross national income estimated at \$490 per capita (\$2100 based on purchasing power parity) and risks of instability, Kyrgyzstan is classified as a low income developing country. In comparison with other developing countries, Kyrgyzstan does better at ensuring its population access to essential drugs. It has achieved population coverage with essential drugs on par with transforming countries. The FY 2008 Millennium Challenge Corporation (MCC) scorecard on the next page shows that Kyrgyzstan exceeds the median for its MCC peer group on both its immunization rate (94% coverage compared with a median of 84%) and public spending on health (2.61% of GNI compared with a median of 2.07%).

Kyrgyzstan ranks 24 of 28 countries in the 2007 Europe and Eurasia Health Vulnerability Analysis. See:

[http://inside.usaid.gov/EE/dgst/h/docs/2007\\_ee\\_health\\_vulnerability\\_analysis\\_report\\_final.pdf](http://inside.usaid.gov/EE/dgst/h/docs/2007_ee_health_vulnerability_analysis_report_final.pdf)

The analysis identifies those countries in the region where health status is the poorest and where the transition to democracy and free-market economies may be most vulnerable because of health factors. The “spider” graph below draws on this data to compare Kyrgyz Republic’s health status to European Union and E&E regional averages. For each indicator, a score of 10 corresponds with the **EU average**, suggesting ideal performance. A score of 1 indicates the poorest performance in that indicator in the **E&E** region. The country’s performance is then plotted against this scale. A score of 10 is ideal performance for all indicators and all countries.

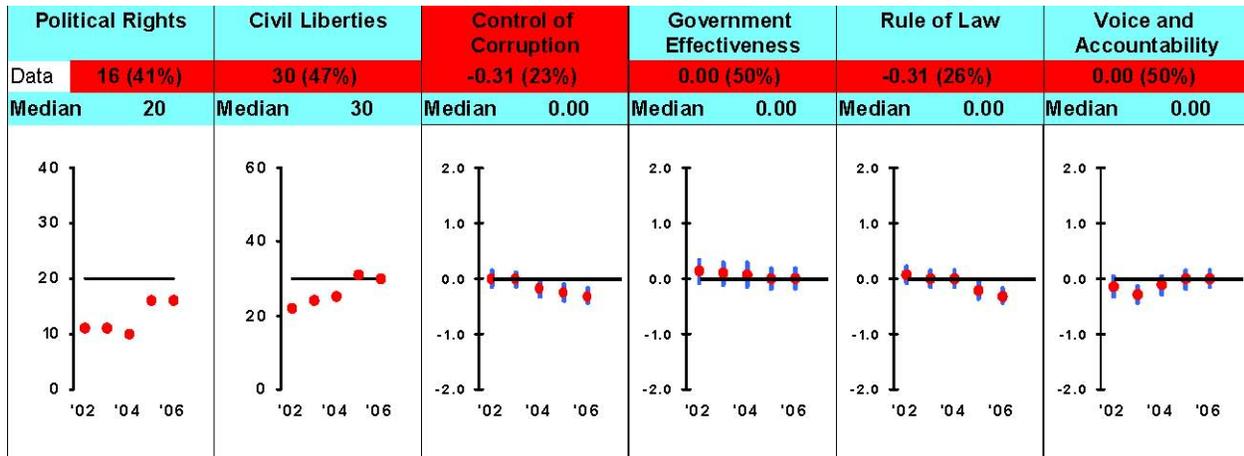


Northern Tier refers to the Czech Republic, Hungary, Poland, Slovakia, and Slovenia.

# Kyrgyz Republic FY08

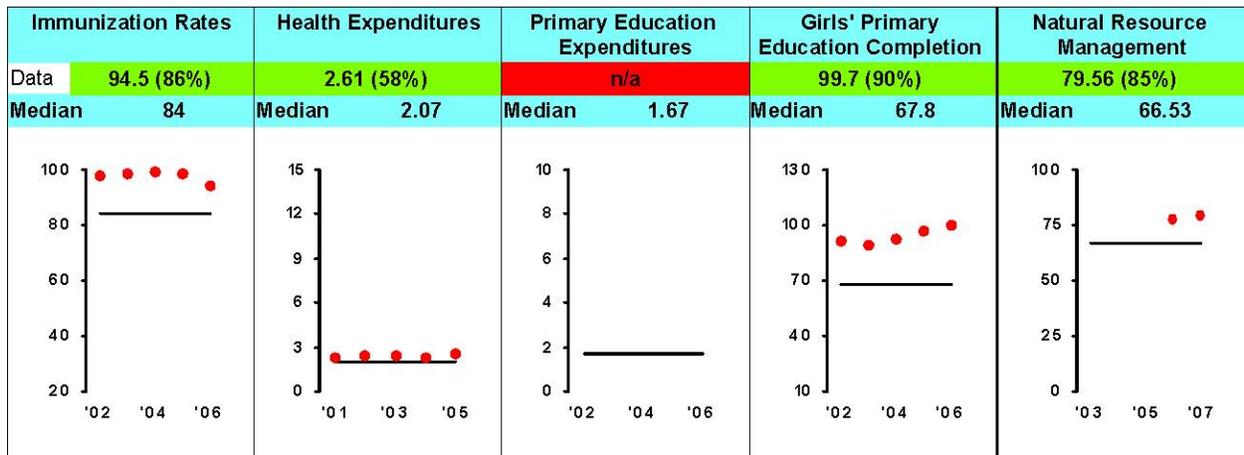
Population: 5,143,500  
GNI/Cap: \$490 LIC

## Ruling Justly



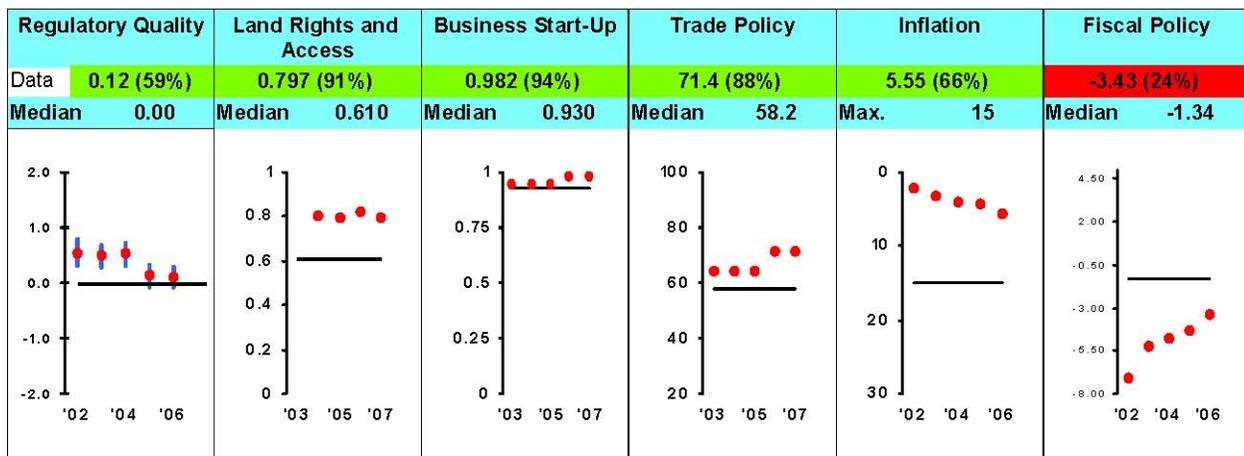
Sources: Freedom House Freedom House World Bank Institute World Bank Institute World Bank Institute World Bank Institute

## Investing In People



Sources: World Health Org. World Health Org. UNESCO/National Sources UNESCO CIESIN/YCELP

## Economic Freedom



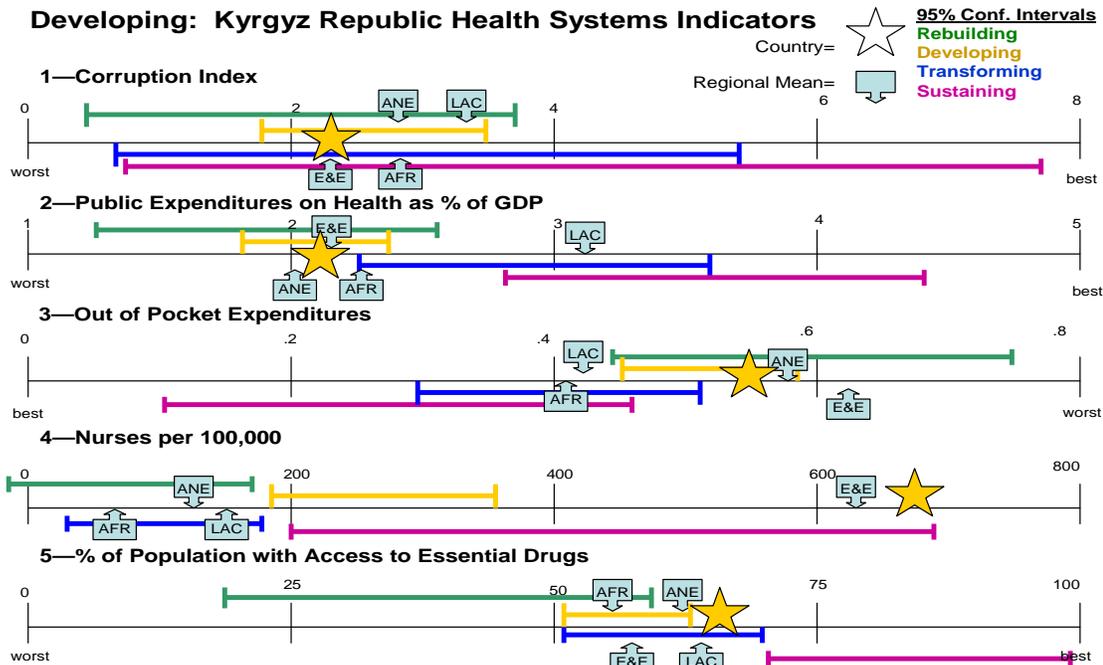
Sources: World Bank Institute IFAD/IFC IFC Heritage Foundation IMF WEO National Sources

How to Read this Scorecard: Each MCC Candidate Country receives an annual scorecard assessing its performance in 3 policy categories: Ruling Justly, Investing in People, and Economic Freedom. Under the name of each indicator is the country's score and percentile ranking in its income peer group (0% is worst; 50% is the median; 100% is best). Under each country's percentile ranking is the peer group median. Country performance is evaluated relative to the peer group median and passing scores, or scores above the median, are represented with green. Failing scores, or scores at or below the median, are represented with red. The black line that runs along the horizontal axis represents the peer group median. Each World Bank Institute indicator is accompanied by a margin of error, which is represented by the vertical blue bar.

For more information regarding the Millennium Challenge Account Selection Process and these indicators, please consult MCC's website: [www.mcc.gov](http://www.mcc.gov)

The spider graph shows that Kyrgyzstan has a way to go before approaching the health status of Northern Tier and Western European countries. Life expectancy is 68, among the lowest in the region. Under-five mortality is high; 67 out of every 1,000 children born in Kyrgyzstan die before the age of five. TB incidence is among the highest in the E&E region and the TB control program is completely dependent on donor support for the supply of TB drugs. In November 2007, Kyrgyzstan reported 1385 HIV positive cases, but the true figure is estimated to be as much as 10 times higher. Underestimates result from the lack of proper diagnostic systems and the absence of an effective surveillance system.

The indicators below reflecting the extent of corruption, public expenditures for health, and out of pocket expenditures demonstrate that Kyrgyzstan clearly falls in the Developing Country category. Nurses per 100,000 are high, putting Kyrgyzstan in the Sustaining Country category. However, this is misleading as nurses receive low salaries and most require training to upgrade their skills. Access to essential drugs is high, reaching levels of the Transforming Country category.



The potential for instability in Kyrgyzstan is great and stems from political, economic and demographic factors. On the political front, popular demonstrations in 2005 led to the election of a new president. Further demonstrations in 2006 led to the adoption of a new constitution. These changes have affected the balance of power between the legislative and executive branches, and called into question the country's vision for its future. This political instability and uncertainty could also impact the future of what has been to date an impressive process of health reform. With an economic growth rate of 2.7% compared with Kazakhstan's of 10.6% and Uzbekistan's of 7.3%, Kyrgyzstan will fall further behind its neighbors over time. The unemployment rate of 18% in Kyrgyzstan

is six times as high as in Uzbekistan and about two and a half times as high as in Kazakhstan. This is particularly worrisome when coupled with the fact that 30% of Kyrgyzstan's population is under 15. Many youth will soon join a labor force already plagued by high unemployment. Kyrgyzstan's poverty rate of 40% compares unfavorably with Uzbekistan's 33% and Kazakhstan's 19%.

In this context of risk, Kyrgyzstan needs help to avoid declines associated with instability and to make progress toward achieving the health advances of transforming states. To be in line with other transforming countries, Kyrgyzstan needs to increase public spending on health while decreasing out-of-pocket spending, and improve health governance. From 1996 to 2005, Kyrgyz total spending on health has hovered at 6% of GDP, while the contributions from public funds have declined from 53% to 43%. Government spending on health has declined as a share of government spending from 12% in 1996 to 9% in 2005. The MCC's FY08 scorecard for Kyrgyzstan shows it performing below the median for its peer group on all dimensions of governing justly—including political rights, civil liberties, control of corruption, government effectiveness, the rule of law, and voice and accountability. It could also scale back the number of health professionals per population. While the high number of health professionals is partly a legacy of former Soviet management, Kyrgyzstan's ratio of nurses per 100,000 population is high even by regional standards.

With ZdravPlus II and other support, Kyrgyzstan has made impressive achievements in putting health insurance mechanisms and basic health services in place. It has worked to ensure equitable access to basic health services. It has worked to improve the quality of service delivery for the poor and other vulnerable groups. Kyrgyzstan is working to strengthen institutional capacity in health, particularly in the public sector. It has taken important steps to improve government policy-making, regulation, accreditation, and oversight. It has both the vision and the infrastructure to provide universal coverage with basic health services. Kyrgyzstan needs to further strengthen this infrastructure to protect it from instability, particularly in the areas of governance, finance and human resource planning. Continuing to build and strengthen this infrastructure should be the focus of the next two years.

Over the next two years, ZdravPlus II can contribute substantially to move Kyrgyzstan toward the transforming country category in health by focusing on a core set of interventions to strengthen the health reform and protect it from the threats of instability. However, the changes expected in the health sector over the next two years will not enable Kyrgyzstan to shift from the “developing” to the “transforming” country category.