

Projected Outcomes for Economic
Growth and Access to Services
in Seven Pilot Districts of the
Kyrgyz Republic



Forecast review of the EGED
Programme's impact on the
socio-economic development
of the regions



The “Effective Governance for Economic Development” (EGED) Programme is a five-year technical assistance initiative in Central Asia, funded by the Government of the United Kingdom. The programme aims to improve the effectiveness of economic policy in Kazakhstan, the Kyrgyz Republic, Tajikistan, and Uzbekistan by promoting evidence-based approaches in the planning and implementation of public reforms. EGED also supports civil society in the Kyrgyz Republic, Tajikistan, and Uzbekistan to help governments in these countries enhance their use of data – an essential condition for increasing the effectiveness and accountability of governance.

The goal of the EGED Programme is to strengthen the effectiveness, accountability, and transparency of economic policy implementation in line with reform priorities in Kazakhstan, the Kyrgyz Republic, Tajikistan, and Uzbekistan.

In the Kyrgyz Republic, the EGED Programme’s regional development activities have been implemented by the World Bank (working with government agencies) and Development Policy Institute (working with local governments, civil society, and the business sector).

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This review was prepared by the **Development Policy Institute (DPI)**, with consultant **Maksim Semenyak** as lead author and with the participation of **Nadezhda Dobretsova**, Chair of the Board.

Acronyms, Abbreviations and Definitions

AA	Aiyl aimak (Municipality)
CJSC	Closed joint-stock company
EGED Programme	Effective Governance for Economic Development (EGED) is a five-year technical assistance programme in Central Asia funded by the Government of the United Kingdom. This review focuses on the programme's positive positive impact on regional development.
GRP	Gross regional product: the total value added of all goods and services produced by enterprises in a given region; for the purposes of this review – the district as an administrative unit of the Kyrgyz Republic.
KR	Kyrgyz Republic
LSA	Local state administration
LSG	Local self-government
MF	Ministry of Finance of the Kyrgyz Republic
NGO	Non-governmental organization
NLA	Normative legal act
PSI Project	The Public Service Improvement project is funded by the Government of Switzerland through the Swiss Agency for Development and Cooperation (SDC) and implemented by a consortium of organizations represented by the branch office of HELVETAS Swiss Intercooperation in the Kyrgyz Republic and Development Policy Institute. The project's main objective is to help improve the quality of and access to services provided by municipalities to their populations through systemic changes at the local level.
Attraction point	This provisional term refers to natural or man-made sites that enjoy high demand among tourists due to their beauty or unique landscapes.

Summary

The development of the regions of the Kyrgyz Republic presents a complex and pressing challenge. On 18 March 2025, the Cabinet of Ministers of the Kyrgyz Republic adopted Resolution No. 134 approving the State Programme for the Integrated Socio-Economic Development of the Regions of the Kyrgyz Republic for 2025–2030. This document outlines a new integrated system of socio-economic planning. Its foundations were laid by newly developed methodologies for district and local self-government (LSG) social and economic development programmes (SEDPs) as approved by government agencies in 2024 and developed with the support of the EGED Programme. The adopted State Programme not only establishes regional development priorities, but also describes in detail approaches to improving regional development governance systems, as well as mechanisms for spatial planning and development.

The EGED Programme focused its efforts on supporting the formation of an integrated system for regional development management, planning, and forecasting based on data and following a bottom-up approach. Support was provided in developing new data-driven methodologies for drafting socio-economic development programmes at the lowest levels of governance – local self-government bodies and subnational entities, such as local state administrations (districts). These methodologies, grounded in extensive data use, included mechanisms for civic engagement in priority-setting and development monitoring and applied forecasting algorithms which were designed to complement one another – forming a basis for more manageable and sustainable regional development.

This review presents an analytical assessment and forecast of the EGED Programme's impact on the current state and future prospects of socio-economic development in selected pilot districts of the Kyrgyz Republic. The analysis is structured around the following key aspects:

- (1) The extent to which district SEDPs are oriented toward supporting the local economy through the prioritization of their economic specializations;
- (2) The projected outcomes related to improved access to social infrastructure and services, especially in lagging sectors that require greater attention from district authorities and municipalities;
- (3) Enhanced quality of planning and inter-sectoral coherence

achieved through the use of data in development policymaking.

The review includes examples of how the EGED Programme has influenced or is expected to influence, at the outcome level, the development of sectors of economic specialization and social infrastructure in 7 districts from each of the 7 regions of the Kyrgyz Republic. These have been selected for this forecast analysis for the period from 2025 to 2027.

The forecasts and calculations conducted during the analysis led to the following conclusions: the accuracy of forecasts and alignment of district-level plans have significantly improved, thanks to the implementation of the new socio-economic planning methodology developed with support from EGED. A combined approach that considers intersectoral linkages and integrates both economic and spatial factors made it possible to account for both the potential of priority sectors and the infrastructure constraints affecting their development. This enabled more precise identification of investment priorities and the formulation of realistic, evidence-based forecasts – particularly in areas such as agriculture, tourism, mining, and social infrastructure.

The use of sectoral profiles revealed previously underestimated bottlenecks and allowed for a sharper focus on underperforming sectors, thereby improving the effectiveness of investment attraction. Of particular importance were the identification and modeling of interdependencies between economic and spatial measures – for example, employment growth was aligned with the development of spatial infrastructure to support production expansion while taking into account available human capital. A comprehensive focus on areas such as the environment, social infrastructure, and employment contributed to more sustainable planning and helped mitigate sector-specific risks through compensatory growth in other areas. Ultimately, the new methodology has demonstrated its practical viability: forecasts based on it were confirmed by actual data, and the introduction of multifactor analysis enabled the adjustment and strengthening of existing plans, making them more adaptable to changing conditions, including potential emergencies.

The review also includes a set of recommendations. To further improve the effectiveness of socio-economic

development programmes at the district and LSG levels, it is necessary to continue integrating sectoral and spatial planning with an emphasis on analytical tools, regular data updates, and the alignment of SEDPs with the budgetary process. The development of critical economic and social infrastructure will require a comprehensive approach that includes targeted support for entrepreneurship, the creation of a favorable business environment, and institutional

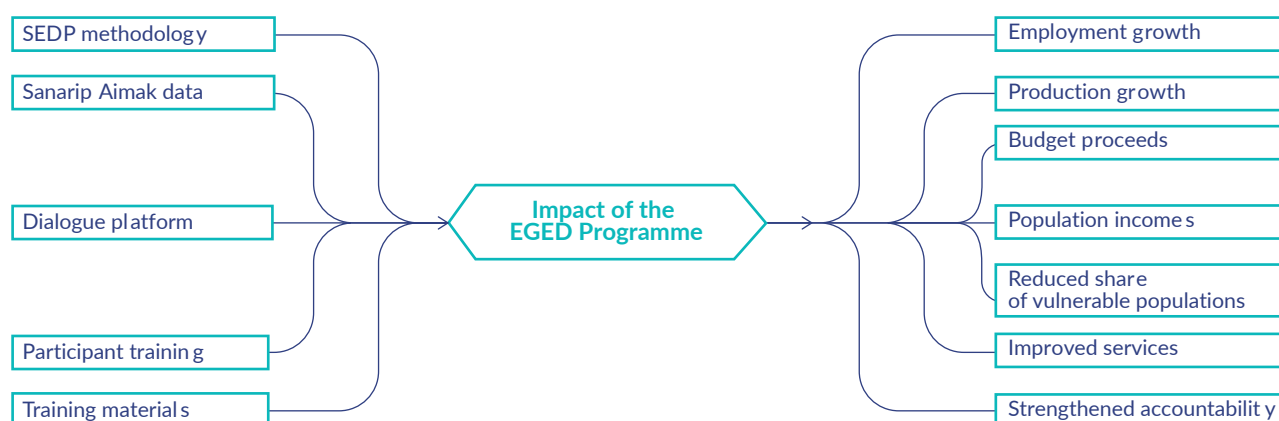
strengthening of coordination mechanisms. Capacity building and the development of local analytical capabilities – particularly in the context of digitalization – are of key importance. Enhancing the resilience of regional development will depend on the clear delineation of functions across levels of government, strong partnerships with business and civil society, and active use of modern tools to stimulate economic growth.

Contribution of the EGED Programme to Regional Development in the Kyrgyz Republic

The contribution of the EGED Programme to regional development consists in the methodological advancements

and practical application of key planning elements, leading to progress across multiple areas (see Figure 1 below):

Figure 1. EGED Programme Contribution and Outcomes



During 2021–2025, the regional development component of the programme in the Kyrgyz Republic provided various forms of stakeholder support (see Table 1).

Table 1. EGED Programme support measures in the area of regional development, by stakeholder group – national partners

Partner	Support measures
Cabinet of Ministers of the Kyrgyz Republic, represented by the Ministry of Economy and Commerce and the State Agency for Civil Service and Local Self-Government under the Cabinet of Ministers	Support in the development of fundamentally new unified methodologies for the design and monitoring of medium-term (3–5 years) Social and Economic Development Programmes (SEDPs) for local self-governments and local state administrations (districts). These interlinked methodologies form the foundation for building an integrated planning system. Support for the development of a new module of the “Sanarip Aimak”¹ (Digital Village) information system, which automates the use and analysis of data for SEDP development, forecasting, and information sharing across planning levels.

¹ The automated information system “Sanarip Aimak” is designed to automate the processes of LSGs in compiling the LSG passport, which includes brief information about the LSG, as well as household registers containing data on the composition and living standards of families residing within its jurisdiction.

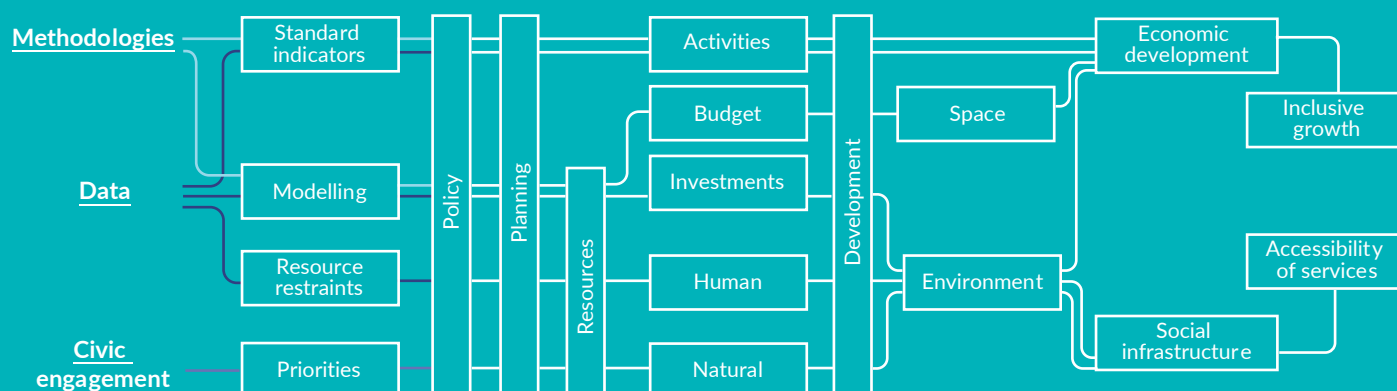
National Statistical Committee of the Kyrgyz Republic	Regional trainings on “Data for Regional Development: Sanarip Aimak”, which reached 516 representatives of all LSGs in the Kyrgyz Republic (including 66% women). As a result of the trainings, LSGs improved data management within the “Sanarip Aimak” system: the number of registered households increased by 5%, individuals by nearly 10%; the number of certificates issued through the system grew by 65%; and the number of registered LSG passports increased by nearly 80%.
Local state administrations and local self-government bodies	Support for the creation of Coordination Councils as platforms for inclusive dialogue on district economic development, which enabled the inclusion of business-prioritized measures in SEDPs, particularly in agriculture and tourism.
	Pilot testing of district SEDP development processes using the new methodologies with the participation of Coordination Councils and SEDPs of LSGs using “Sanarip Aimak” data helped refine the methodologies for practical application.
	Development of training materials and capacity-building for participants in economic development planning at both LSG and district levels. By the end of 2024, approximately 2,059 representatives from 231 LSGs and 40 LSAs were trained (100% territorial coverage).
Civil society, activists, business, NGOs, and educational organizations	Engagement of civil society and business representatives in socio-economic planning through Coordination Councils and the new SEDP methodologies. Coordination Councils were established in all 40 districts of the Kyrgyz Republic.
	Capacity-building for knowledge management in inclusive regional development planning (institutionalization of a training programme and training-of-trainers). In 2024, 878 representatives of civil society and business were trained, enhancing their meaningful participation in regional development governance.

To ensure that the new planning methodologies become key tools for regional development managing, they embed a comprehensive set of new principles and solutions:

-  Analysis and use of broad **datasets** for more evidence-based planning and forecasting;
-  Emphasis on creating opportunities for **inclusive growth** by engaging key and vulnerable population groups in economic activity;
-  Integration of **environmental and climate** change factors into the planning of economic and social infrastructure development;
-  Focus on territorial/**regional specialization** and regional/national economic integration;
-  Integration of socio-economic and **spatial planning** approaches;
-  Establishment of participatory forecasting and planning dialogues with **a broad range of stakeholders**.
-  Comprehensive assessment of **all available resources** for SEDP implementation;
-  Strengthening the planning capacity of economic development actors.;

These principles are embedded in the processes defined by the new planning methodologies and are shown on Figure 2 below.

Figure 2. Integrated approach to local and regional development planning as a process



Impact of the EGED Programme on Regional Development in the Kyrgyz Republic

Supporting the Establishment of a Planning and Forecasting System

Regional development in the Kyrgyz Republic presents a complex and pressing challenge. On 18 March 2025, the Cabinet of Ministers of the Kyrgyz Republic (KR), by Decree No. 134, approved the State Programme for the Integrated Socio-Economic Development of Regions of the Kyrgyz Republic for 2025–2030. This programme outlines a new integrated system for socio-economic planning. Its foundation was laid by new SEDPs development methodologies for districts and LSGs as endorsed by government agencies in 2024 and developed with the EGED Programme support. The adopted State Programme not only sets out regional development priorities but also describes in detail the approaches for improving the system of regional development governance, as well as mechanisms for spatial planning and development.

The adoption of this programme by the Cabinet of Ministers of the KR was a logical step in the establishment of an integrated planning system in Kyrgyzstan. The first milestone was the approval of the abovementioned SEDP methodologies. On 19 February 2024, the Ministry of Economy and Commerce of the KR, by Order No. 01, approved the Methodology for the Development of District-level Socio-Economic Development Programmes (SEDPs). On 9 April 2024, a Methodology for the Development of SEDPs for cities and ayyl aimaks was approved by Joint Order No. 32 of the Ministry of Economy and Commerce and No. 01-25/114 of the State Agency for Civil Service and Local Self-Government. A specially trained group of expert trainers implemented a field training programme in all regions of the KR, assisting district administrations and municipalities in preparing SEDPs for using the new methodology. A total of 2,769 representatives from 231 LSGs and 40 LSAs were trained, achieving 100% territorial coverage. The participant group comprised public servants, business sector representatives, and civil society members. The trained LSGs began developing SEDPs based on the new methodologies. The approval process is anticipated to continue throughout 2025, with approximately 20% of programmes having been approved by the end of the previous year. The large-scale campaign was financed primarily by the EGED Programme (through the Development Policy Institute (DPI)) and the World Bank. Additional support

was provided by the Partnership for Local Self-Governance Development, funded by DPI's own resources and the Swiss Agency for Development and Cooperation (SDC) through the PSI Project, which co-financed training in its pilot regions. DPI played a key coordinating role in aligning the efforts of multiple stakeholders. During the training, the trainers collected valuable feedback on the practical application of the new methodology – its advantages and shortcomings. Notably, the identified shortcomings were few; the main challenges were related to the limited availability of necessary data at the local level. The National Statistical Committee and the Ministry of Economy and Commerce are already working on addressing these issues. Participants and trainer feedback will inform future methodology updates.

The next phase of the integrated planning system involves developing and launching the "Integrated Socio-Economic Planning System: Local Planning Area" module within the Sanarip Aimak automated system, a project of the Ministry of Economy and Commerce supported by the EGED Programme. The module will help automate the process of developing and updating SEDPs at the LSG and district levels, offering an online interface with SEDP templates, access to indicator data from multiple sources, and even assistance with medium-term forecasting. As it evolves, "Sanarip Aimak" is expected to grow from a data repository into a fully-fledged multi-level automated development management system, with its data used for analysis, forecasting, and monitoring across all levels of the integrated socio-economic planning system.

By advancing modern, integrated planning methods, the EGED Programme has contributed to several key aspects of regional socio-economic development:

-  **1. Improved governance efficiency:** The development of forecasting and monitoring systems creates a foundation for enhanced governance in the regions. More structured, data-driven planning enables accurate assessments of the current situation and real-time strategy adjustments.
-  **2. Formation of new economic clusters:** Improved coordination across the regions and economic sectors fosters the development of new growth hubs and value chains, particularly in agrotech, ecotourism, and local processing, contributing to both internal economic integration and strengthened international economic ties.
-  **3. Enhanced accountability and citizen engagement:** A major achievement has been the creation of more transparent decision-making mechanisms, allowing residents to access information about government activities and participate in the design and monitoring of development plans. Coordination councils involving government, business, and civil society have now been established in all districts, serving as platforms for dialogue and helping incorporate the needs of communities and vulnerable groups into SEDPs.
-  **4. Long-term forecasting and resilience:** The introduction of analytical tools and forecasting models enables not only timely responses to current challenges but also the formulation of long-term strategies, reducing regional dependence on short-term external factors and strengthening economic resilience.
-  **5. Social inclusion and access to services:** As a result of the Programme, a significant improvement in living standards in the regions is expected. In particular, projected outcomes include growth in the share of the population with access to safe drinking water, a reduction in the share of vulnerable groups, and fewer individuals dependent on social assistance.

Thus, the EGED Programme not only supports regional development in the Kyrgyz Republic but also helps shape a new governance culture, in which data, forecasting, and citizen participation become central to decision-making. This

approach lays the groundwork for sustainable and balanced growth, enabling regions to adapt to changing conditions and make effective use of available resources. Additional potential governance-related outcomes of EGED implementation include:

 **Technological advancement.** The use of digital tools and analytics platforms supports the transition to more advanced management methods and integration of all governance institutions into a unified digital environment of the integrated development management system.

 **Development of sectoral and cross-sectoral linkages.** A common barrier to regional development has been the lack of coordination among sectors. Through SEDP tools, the EGED Programme fosters closer integration across agriculture, transport, infrastructure, and social services, enabling holistic results.

 **Human Capital Development.** The introduction of new planning methods necessitates local capacity building, strengthening governance systems at district and LSG levels.

 **Investment Climate Improvement.** Analysis of district-level sector profiles underscores the importance of attracting both domestic and foreign direct investment. Improved transparency and governance efficiency create an enabling environment for investors. When combined with political will at the national level, this is expected to lead to increased capital flows into priority sectors in the regions in the medium term.

Review Objectives

This document is the **second review** of the impact of the EGED Programme on regional development in the Kyrgyz Republic. The first review, conducted in spring 2024, provided a detailed description of the EGED Programme and its impact on economic development and local infrastructure. It also included an assessment of development forecasts for selected sectors in several districts in order to demonstrate how the new SEDP methodology enables data-driven analysis and how such analysis

creates the foundation for more balanced and forward-looking projections.

This review continues to pursue the same objective: by leveraging accumulated experience, we can compare past forecasts for certain districts against actual outcomes, and use this insight to generate new projections for other districts that have now adopted the new SEDPs methodology.

The analysis presented in this review focuses on several key issues that most clearly reflect the core principles embedded in the new EGED-supported planning methodologies, namely:

the focus of district SEDPs on supporting local economies by prioritizing sectors aligned with each district's **economic specialization**. For the purposes of forecasting, the analysis selected sectors that had the most favorable local development conditions;

expected improvements in access to **social infrastructure and services**, particularly in sectors that are currently underdeveloped and require increased attention from district state administrations and municipalities;

growth through **data-informed policymaking**, drawing on cross-cutting development indicators and spatial data incorporated into the new methodology, as well as other sector-specific indicators included in the sector profiles annexed to the SEDPs.

The review includes an analysis of the expected impact of the measures and investments outlined in the SEDPs on sectoral growth in the medium term.

Moreover, the deeper analysis revealed emerging combined effects that **confirm** the utility of the new SEDP methodology as a **comprehensive management tool**. Some of these effects are

highlighted in the section titles and conclusions for individual districts. The review importantly highlighted not just the direct connections between programme measures and investments, but also the complex interdependencies across sectors, demonstrated through quantifiable examples like the close relationship between tourism development and environmental protection/social infrastructure, or between agricultural entrepreneurship training and spatial planning.

Strengthening the Role of Investment Needs Analysis in District and Territorial Development Planning

Traditionally, socio-economic development planning methodologies in the Kyrgyz Republic have focused on identifying community priorities and addressing urgent infrastructure needs within the constraints of existing budgets. However, this approach often resulted in limited project implementation capacity due to lack of funding. In a context

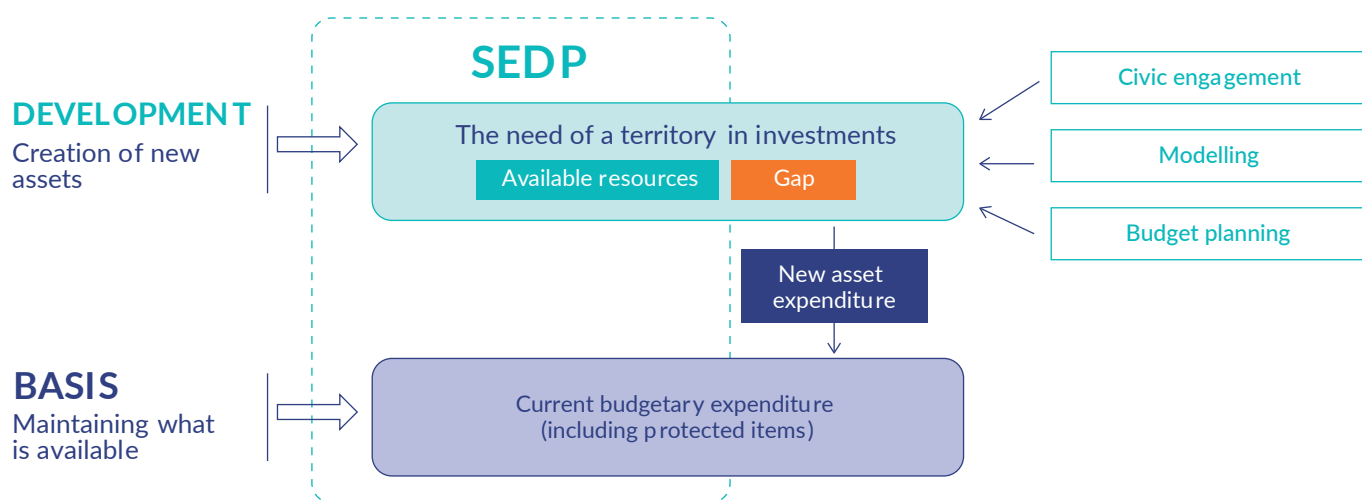
of constrained budgets, local authorities tended to address challenges using only local resources, without engaging private or non-profit organizations that could effectively contribute to service provision.

A modern territorial development planning approach requires an emphasis on the investment component. Before allocating resources, it is necessary to ensure sustainable funding streams, which makes economic development a key priority. At the same time, the limited availability of public resources requires a responsible and strategic approach to planning public investments, both from the national and local budgets.

Local self-governments must identify potential areas for development by considering their natural resources, human

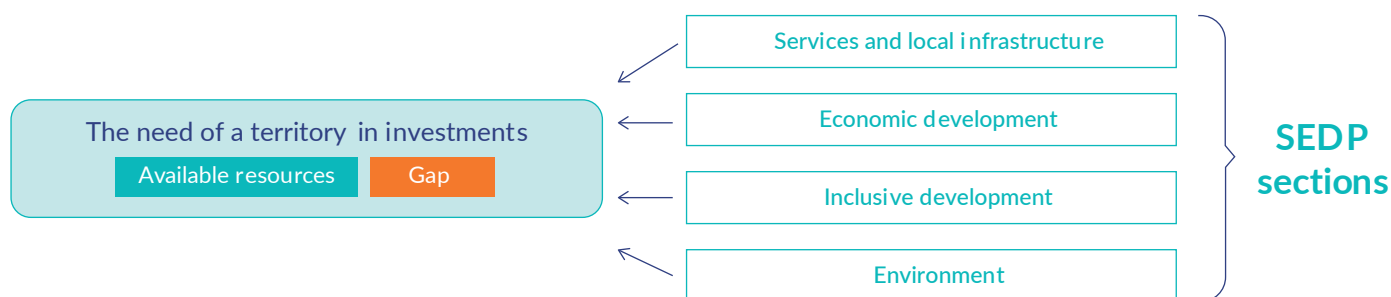
capital, and other strengths, allowing them to create specialized economic strategies for each region. This requires a realistic assessment of available resources within a SEDP, prioritizing investment projects with confirmed funding through a rigorous process involving citizen input, scenario simulations, and budget planning. Figure 3 below illustrates how the investment planning mechanism is integrated into the new SEDP development methodology.

Figure 3. Investment planning mechanism in the new SEDP methodologies

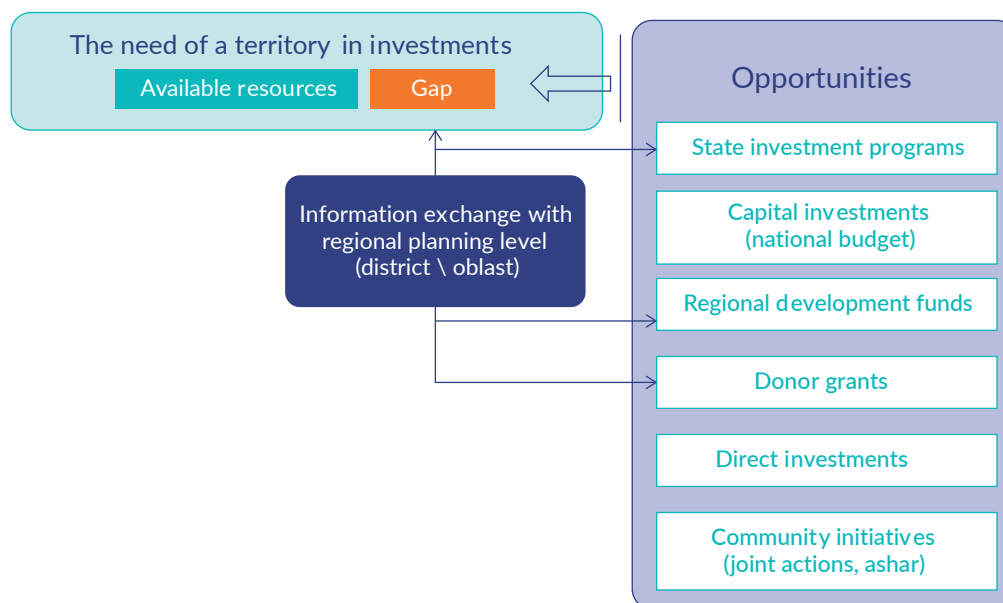


The investment needs of a territory or district, unlike capital investment planning at the national level where budgets are often allocated as a single line item, must be clearly justified and disaggregated across the various sections of the SEDP, as illustrated in Figure 4 below.

Figure 4. Investment needs, by development area



The new SEDP development methodologies also require precise identification not only of investment needs but also of investment financing sources, as shown in Figure 5.

Figure 5. Investment financing sources

SEDPs include an assessment of the feasibility of covering additional investment needs – beyond known and currently available resources – through various funding sources. In this way, an SEDP can serve as a basis for external assistance planning, positioning it as a tool for investment mobilization.

Thus, the integration of investment needs analysis during the territorial socio-economic development planning stage is intended to ensure a sustainable flow of resources, stimulate economic growth, and contribute to the efficient use of resources to maximize socio-economic outcomes.

Selection of Districts and Limitations

This review includes sectoral development forecasts and problem-solving strategies for seven districts, covering all regions of the Kyrgyz Republic. These districts were selected as EGED pilot territories and received enhanced technical support from Development Policy Institute consultants during the development and initial implementation of their SEDPs:

1. Jety-Oguz district, Issyk-Kul region
2. Kadamjai district, Batken region
3. Aitmatov district (formerly Kara-Buura), Talas region
4. Bazar-Korgon district, Jalal-Abad region
5. Kemin district, Chui region
6. At-Bashy district, Naryn region
7. Nookat district, Osh region

This analysis assesses the accuracy of the 2023 pilot SEDP tourism projections for the last two districts, comparing them against their performance since their inclusion in the first EGED impact review.

The review is based on up-to-date data provided by local DPI consultants, staff of the local state administrations, representatives of regional government bodies, and the National Statistical Committee. All forecasts presented are expert estimates and should not be regarded as formal decisions of public authorities.

The following section presents analytical information for each of the seven districts mentioned above.

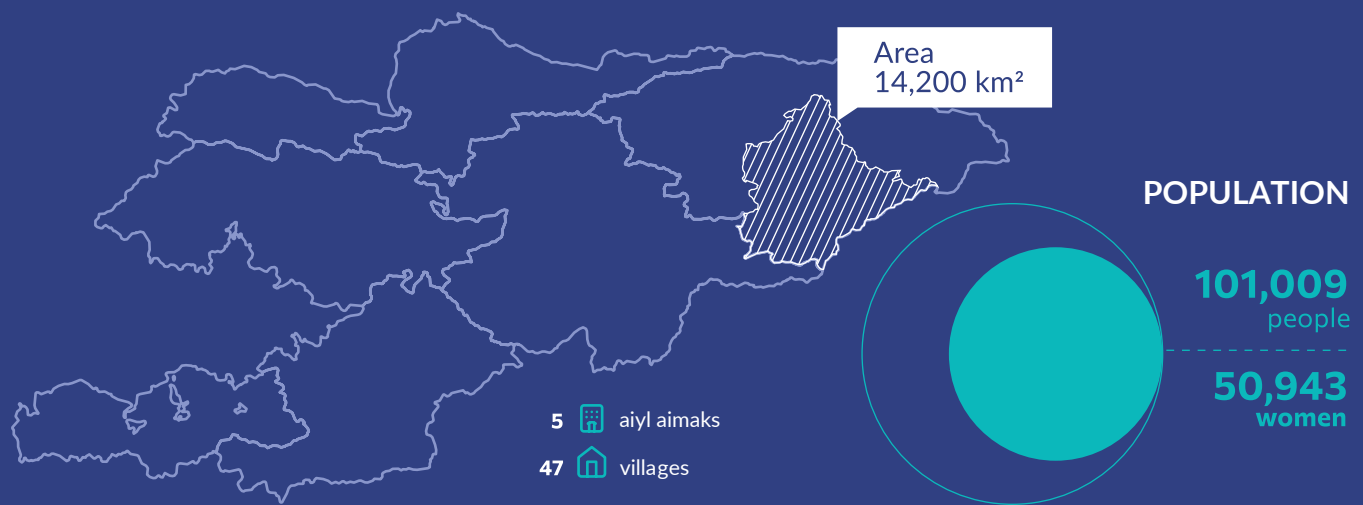
SECTORAL ANALYSIS OF THE IMPACT OF THE NEW METHODOLOGIES IN SELECTED DISTRICTS

1. Jetý-Oguz District, Issyk-Kul Region: Effective Investments in the Tourism Sector

General district information:

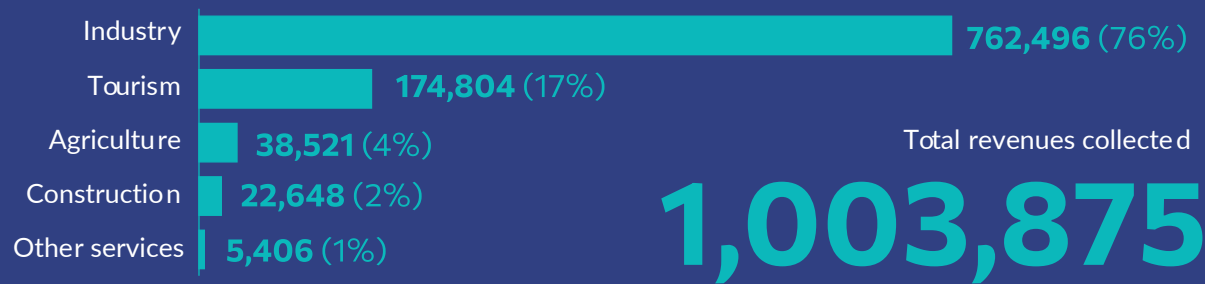
GEOGRAPHIC LOCATION AND LANDSCAPE

Jetý-Oguz district is located in the eastern part of the Issyk-Kul region. It borders Ak-Suu district to the east, Ton district to the west, Naryn region to the southwest, and the People’s Republic of China to the southeast. The administrative centre of the district is the village of Kyzyl-Suu. The distance to the regional centre is 35 km, and to the capital city 365 km. The district was granted its current name and status in 1992. It comprises 5 aiyl aimaks and 47 villages.



KEY ECONOMIC INDICATORS (IN THOUSAND SOMS)

Total output of goods and services,
by main economic sectors (2024)



REVENUE POTENTIAL (IN THOUSAND SOMS)

As of 1 January 2024, there were 9,097 registered taxpayers, including:

7,995 individuals

9,097

1,102 legal entities

Tourism is one of the key economic specialization sectors in Jety-Oguz district, accounting for **17%** of the district's total output of goods and services. If the output of the large dairy processing plant "Ak-Zhalga" CJSC were excluded from the industrial production figures, the share of tourism services in the district's GRP would reach approximately **33%**. The district possesses significant tourism development potential, owing to its favorable natural landscape and natural monuments suitable for tourism, including eco-tourism and mountain tourism. Several major tourism sites are already operational, such as the resort in the famous Jety-Oguz gorge, as well as guesthouses and children's health centres along the shore of Lake Issyk-Kul. Tourism service centres are also developing in the Chong-Kyzyl-Suu and Barskoon gorges. In 2024, more than **58,000** tourists visited the district. Negotiations are currently underway with foreign partners regarding the construction of a ski resort in the Suttuu-Bulak area near Orgochor village.

However, investment is needed not only in expanding the tourism infrastructure itself – increasing the number of facilities and visitors inevitably carries environmental risks. Therefore, investments are also required in waste management and

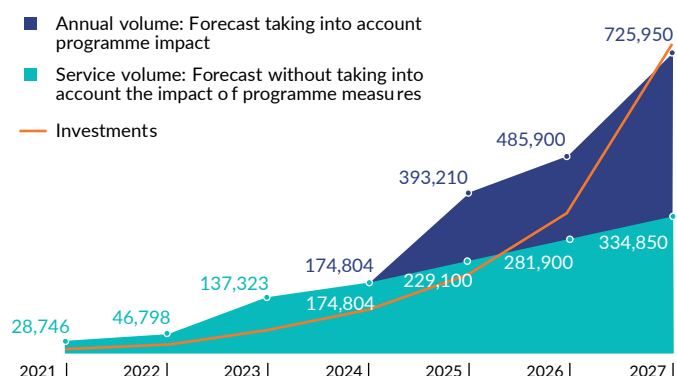
wastewater treatment systems, as villages in the district currently lack sewage treatment facilities.

The 2025–2029 SEDP of Jety-Oguz district includes a number of measures for which investment needs have been calculated and potential funding sources identified. These include: public investments (e.g. infrastructure, including the provision of wastewater treatment systems for tourism facilities), and private investments (e.g. eco-friendly hotels, food service outlets, recreational areas, transport, and rental equipment). In addition, the SEDP provides for the organization of hospitality and tourism training programmes for local residents, which will improve the quality of services and enhance employment opportunities.

The baseline scenario for the sector predicted slow growth. However, the forecast developed using the new SEDP methodology was linked to specific, well-defined investment needs in tourism and potential sources of financing. As a result, it projected a **fourfold** increase in the volume of tourism services by 2027. This is clearly illustrated in Figure 6, where the projected increase in investment is shown as a separate curve for comparison with the projected growth in service output.



Figure 6. Jety-Oguz district: Volume of tourism services and investments (thousand soms)



Figures 7 and 8 below also illustrate changes in key tourism-related indicators: the increase in the number of tourists and the growth in employment in the tourism sector.

Figure 7. Jety-Oguz district: Number of tourists (persons)

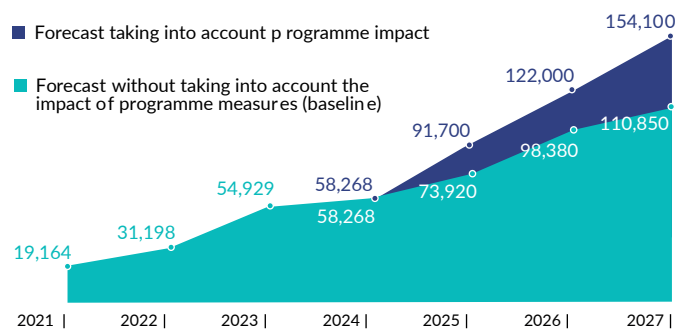
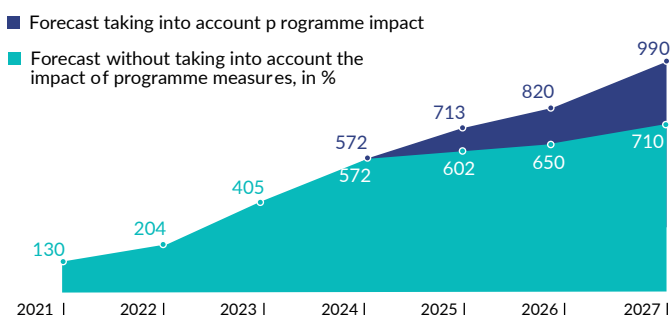


Figure 8. Jety-Oguz district: Number of employed people (persons)

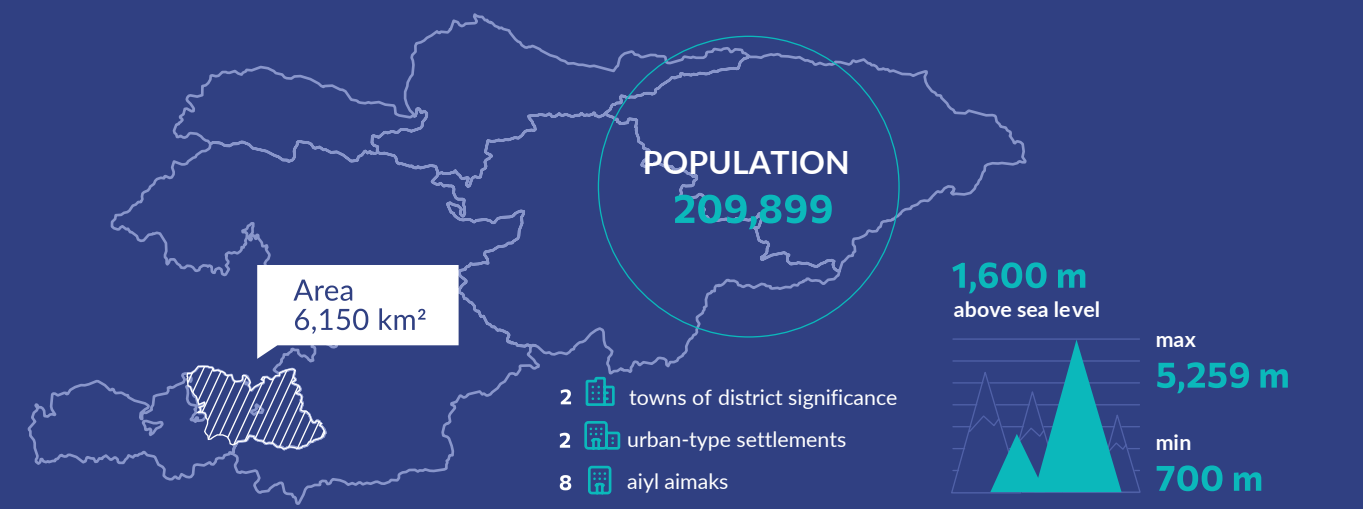


Thus, effective planning and forecasting of investment priorities in the tourism sector will make it possible to double the volume of tourism services over the next three years.

2. Kadamjai District, Batken Region: Spatial Planning as a Driver for Economic Prioritization

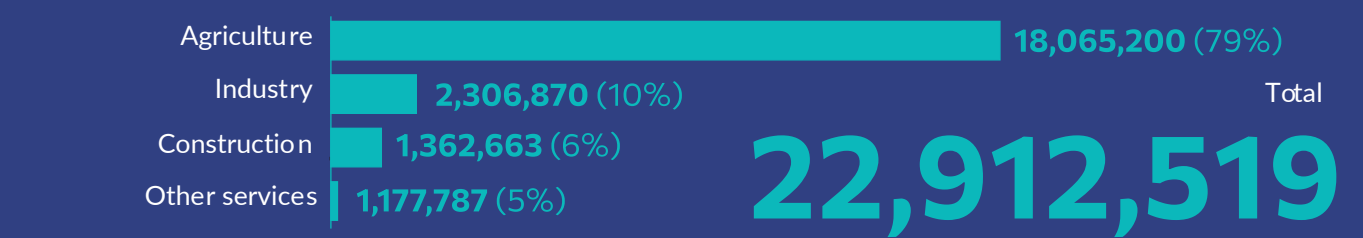
General district information:

GEOGRAPHIC LOCATION AND LANDSCAPE	Kadamjai district is located in the eastern part of Batken region. It borders Batken district to the west, Chon-Alai and Nookat districts of Osh region to the south, and Fergana region of the Republic of Uzbekistan to the north. The length of the district's border with Uzbekistan is 291.88 km. Four Uzbek enclaves – Shakhimardan, Sokh, Chong-Gara, and Tash-Tyube – are located within the district. The Osh–Batken–Razzakov highway passes through the territory. The district covers the southern foothills of the Fergana Valley and the northern slopes of the Alai Range, facing the valley. It is primarily a mountainous area, situated at an average elevation of 1,600 meters above sea level, with altitudes ranging from 700 meters to a maximum of 5,259 meters. The district includes: - 2 towns of district significance (Aidarken and Kadamjai); - 2 urban-type settlements (Sovet and Chabai); - 8 aiyl aimaks. The administrative centre is the town of Kadamjai. The distance to the regional centre (Batken city) is 115 km, and to the capital city 820 km.
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KEY ECONOMIC INDICATORS (IN THOUSAND SOMS)

Total output of goods and services, by main economic sectors (2024)



This profile will examine two promising sub-sectors of crop production in the district: raspberry and rice cultivation.

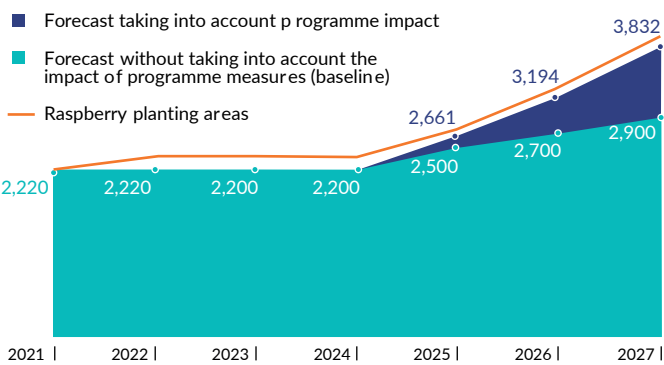
Raspberry production:

During the development of the Kadamjai district SEDP, district representatives themselves requested that raspberry cultivation be analyzed as a separate sectoral profile, as they consider it one of the key areas of economic specialization in the district. Kadamjai raspberries are distinguished by their exceptional quality, thanks to favorable climatic conditions for growing berry crops. Many households cultivate raspberries and strawberries on their household plots. In recent years, “Kadamjai raspberries” have become a distinct brand due to their excellent taste and appealing commercial appearance. The district has berry freezing facilities aimed at exporting to Russia, Kazakhstan, and Uzbekistan. In 2024, the export volume of raspberries reached approximately **85,000 thousand soms**.

Despite their high market value, raspberry production remained stagnant from 2021 to 2024 due to two main factors. The land area under raspberry cultivation did not expand during this period. Yields remained stable at **4 tons** per hectare per harvest. Thus, neither extensive nor intensive measures were taken to develop this promising sector.

The revised production forecast, based on these proposed measures, is shown in Figure 9, alongside the baseline projection and the planned expansion of cultivated areas.

Figure 9. Kadamjai district: raspberry production volume (tons)



The diagram clearly shows how the forecast considering the impact of programme measures differs from the baseline projection. Raspberry production volumes are expected to increase by more than **30%** compared to the baseline forecast by 2027, with the 2027 volume itself increasing by **74%** compared to 2024.

The baseline forecast, which did not factor in significant expansion of planted areas, projected moderate growth in production – from **2,200** tons in 2024 to **2,900** tons in 2027, or about **30%**.

The 2025–2027 SEDP of Kadamjai district addresses the identified constraints by applying the new SEDP methodology, which enables the **integration of economic and spatial development planning**. The programme includes spatial planning measures to allocate additional land for the priority crop, which serves as a focus for the district's agricultural specialization. In addition, training programmes for farmers are planned. According to preliminary estimates, these measures could lead to at least a 5% increase in raspberry yields.



Thus, thanks to the combined approach of the new SEDP methodology, which integrates economic planning factors (the need to develop a leading sector and implement measures to intensify production) with spatial factors (creating a spatial basis for sector development), significant growth in agricultural production volumes can be achieved.

Kadamjai district

Rice production:

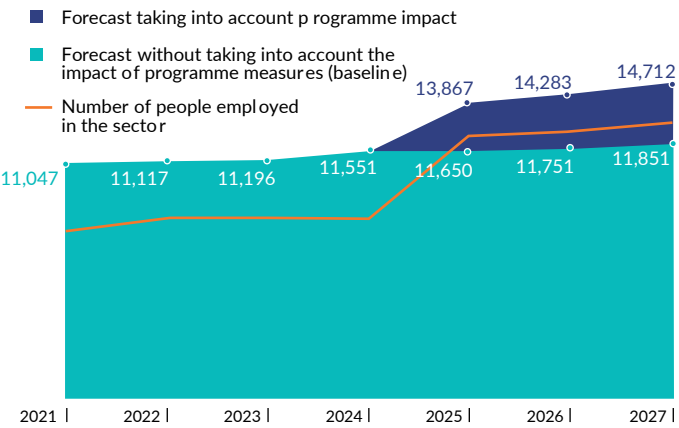
Rice is also a promising crop for the district's economic development due to the favorable natural conditions for its cultivation.

A distinctive feature of the current plans for developing this sector is that the proposed employment growth measures would lead to a substantial increase in the number of people employed in the district's rice sector, but with virtually no change in the spatial forecast. According to the current projection, the number

of employed individuals in rice production is expected to increase from **3,500 people** in 2024 to 4,840 people in 2027, or by **30%**, while the area planted with rice is forecasted to remain the same or even decrease by **2%**. The baseline forecast estimates an annual growth rate in rice production volumes of only **1%**. Using the analytical tools of the new methodology allows for a more comprehensive assessment, suggesting that with the planned increase in the number of farming entities, the area under rice cultivation should increase by at least **20%**.

Based on this assumption, rice production volumes could grow by nearly **25%** by 2027, assuming yield remains constant (see Figure 10 below).

Figure 10. Kadamjai district: rice production volume (tons)



At the same time, the investment needs may increase significantly—while previously planned investments for 2025 amounted to **10 million soms**, the actual required amount could be **2.5 times** higher.



Thus, thanks to the combined approach of the new methodology, it was possible to account for the interdependence between economic development measures (such as employment growth) and spatial development measures (such as creating a spatial base for new farmers), resulting in a new production growth forecast for the sector and more accurate forecasts of the required investments.

3. Aitmatov District, Talas Region: The Importance of Investment in Social Infrastructure

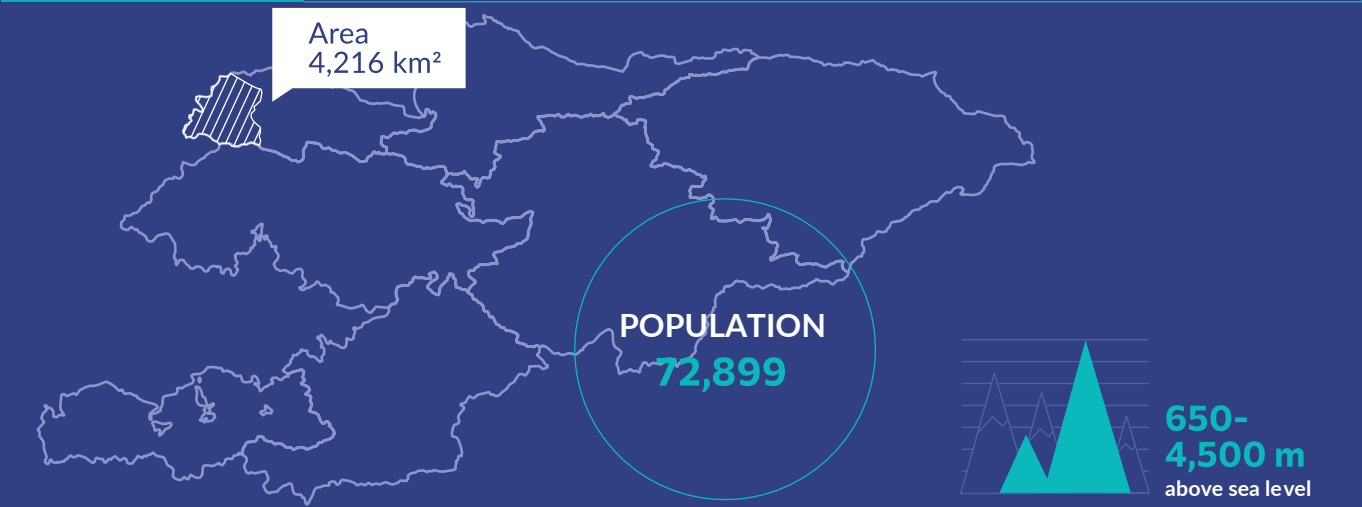
General district information:

**GEOGRAPHIC
LOCATION AND
LANDSCAPE**

Aitmatov District is located in the western part of Talas region. It borders Kazakhstan to the northwest, Bakai-Ata district to the southeast, Manas district to the north, and Chatkal district to the south.

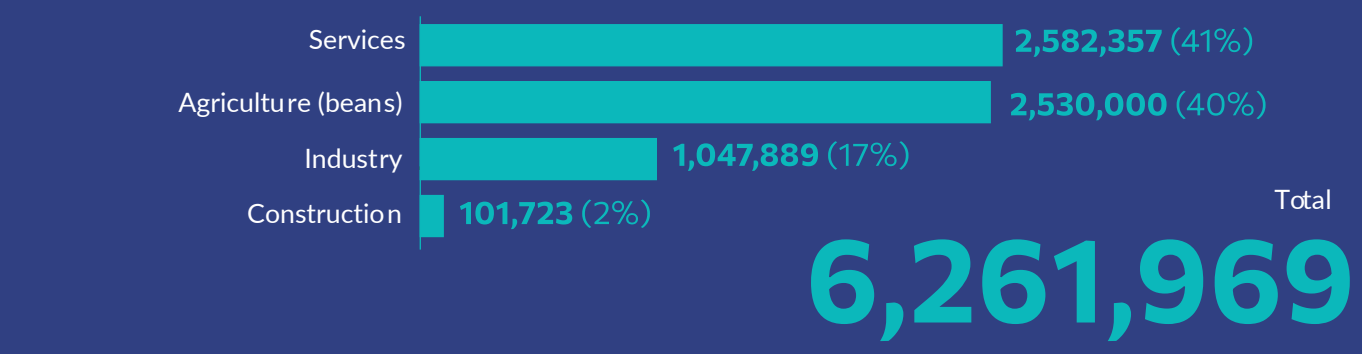
The administrative centre of the district is Kyzyl-Adyr village. The distance to the regional centre is 63 km, and to the capital city is 360 km.

The terrain is mountainous, with elevations ranging from 650 m to 4,500 m above sea level. High mountain meadows are found above 2,500 m. In the floodplain of the Talas River, dense forests of poplar, willow, and other deciduous trees grow. The climate is continental and dry. On the plains, summers are hot and dry, while winters are cold.



KEY ECONOMIC INDICATORS (IN THOUSAND SOMS)

Production volume of goods and services by main economic sectors (2024)

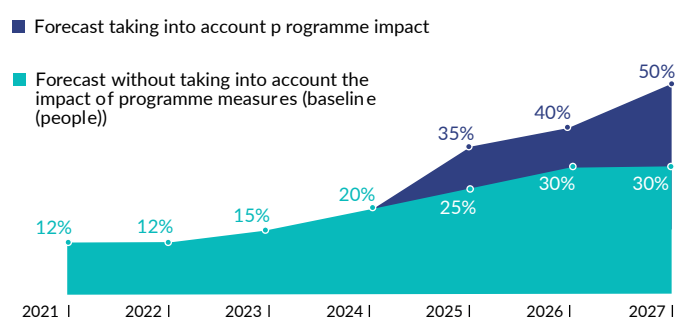


The new SEDP methodology uses a set of relative indicators to enable monitoring of the state of social infrastructure in districts, including indicators of the population coverage by various services or the quality of infrastructure. One indicator of the latter category is the quality of internal roads (excluding transport corridors of national significance) in the district – the share of internal roads with hard surfaces in satisfactory condition as a percentage of the total length of internal roads (%). Analysis of this indicator in comparison with other relative indicators

revealed a significant lag in the district's road sector (only **20%** of roads are in satisfactory condition relative to the total length) – even compared to another problematic area for some districts, such as solid waste removal (which had **85%** population coverage of the service in 2024). The initial Action Plan for implementing the SEDP for 2025–2027 did not include measures or investment calculations for rehabilitating the district's internal roads.

This forecast, linked to the investment needs of the road sector, is intended to supplement the Action Plan with a set of necessary measures aimed at increasing service coverage by the end of the medium-term period (see Figure 11 below).

Figure 11. Aitmatov District: share of paved roads (%)



The development of the district's road sector significantly lags behind other infrastructure sectors, hindering economic growth and service improvements. Focusing on investment planning in the road sector, with budget investments calculated based on the average cost of rehabilitating one kilometer of internal road, will help bring half of the district's roads into good condition by 2027 – rather than merely increasing the share from **20%** to **30%** as previously planned.



Thus, the new SEDP methodology allows sectoral profiles to focus attention on lagging sectors by more accurately assessing their investment needs and making efforts to attract investments. This is especially relevant for social infrastructure sectors.

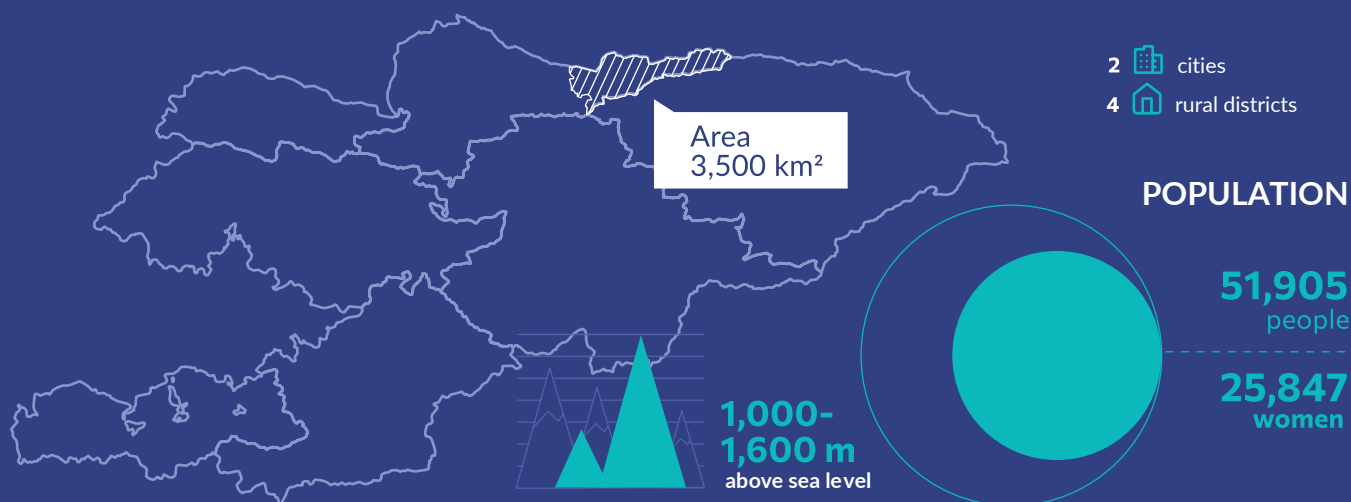
4. Kemin District, Chui Region: Return to Industrial Development Priorities and Increased Budget Revenues

General district information:

GEOGRAPHIC LOCATION AND LANDSCAPE

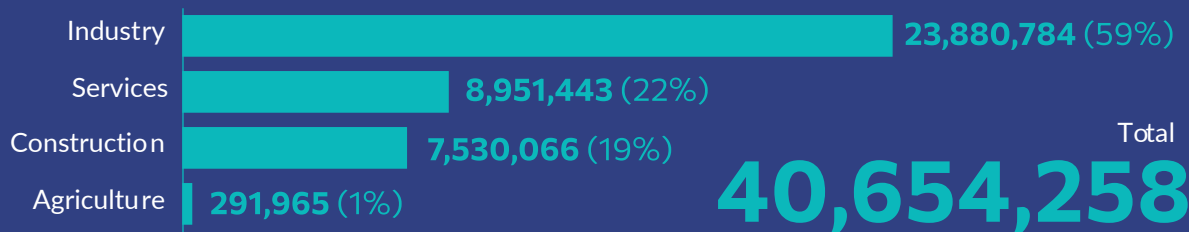
Kemin district is located in the eastern part of the Chui region. It covers the territories of the Chon-Kemin and Kichi-Kemin valleys, as well as the eastern part of the Chui valley. To the north, the district borders the Taraz and Almaty regions of Kazakhstan; to the west, it borders the rural districts of Birimdik and Onbirzhylga of Chui district; to the south, it borders Kochkor district of Naryn region and Ton district in Issyk-Kul region. The district stretches from west to east for 170 km, and from north to south from 13 to 48 km. The district comprises 4 rural districts and 2 cities, totaling 37 settlements. The administrative centre is the city of Kemin. The district is located 106 km from the national capital, 125 km from the nearest airport in Bishkek, and 83 km from Tamchy Airport. Both highways and railways pass through the district.

The eastern part of the district is flat, situated at an altitude of 1,000 to 1,600 meters above sea level. The climate is sharply continental. The district's landscapes are diverse, including mountainous and flat areas characterized by constant winds. The winter period is long, harsh, and snowy. Summer conditions vary across the district. The western part has a hot, dry climate with a long summer season.



KEY ECONOMIC INDICATORS (IN THOUSAND SOMS)

Production volume of goods and services by main economic sectors (2024)



REVENUE POTENTIAL (THOUSAND SOMS)

Tax revenues from the mining sector to the republican and local budgets (2024)

7,084,953
To national budget

7,273,889

188,936
To local budget

Kemin district

Economic specialization in most districts of the Kyrgyz Republic is focused, one way or another, on agriculture. Therefore, it is important to prioritize industrial development where there are favorable conditions and a raw material base. Kemin district has chosen mining as the main sector of economic specialization. The district possesses the necessary natural resources and basic infrastructure for this purpose, as several mining facilities are already operating in its territory. Currently, the share of mining production approaches **50%** of the district's total GRP. The district is developing deposits of gold, rare earth metals, antimony, coal, lead, zinc, and construction materials (sand, gravel, clay).

The development plans for the sector were insufficiently clear in previous versions of the district's SEDP. The new methodology allowed not only to designate this sector as an economic specialization but also to outline priorities linked to the calculation of investment needs, which over the next three

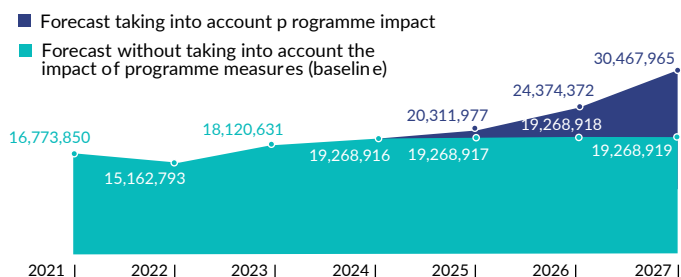
years may exceed **3.3 billion soms**. The development priorities for mining in Kemin district include:

- renovation and expansion of capacities at existing enterprises;
- exploration of new deposits and assessment of opportunities for further extraction of rare earth metals from tailings and waste dumps of previously processed ores;
- support for the creation of new enterprises: Chinese investors have shown interest in developing gold deposits, while Russian companies focus on lead-zinc projects.

These priorities are also linked to the district's spatial planning, as well as priorities for the development of renewable energy sources – supporting the construction of small hydropower plants and solar power stations.

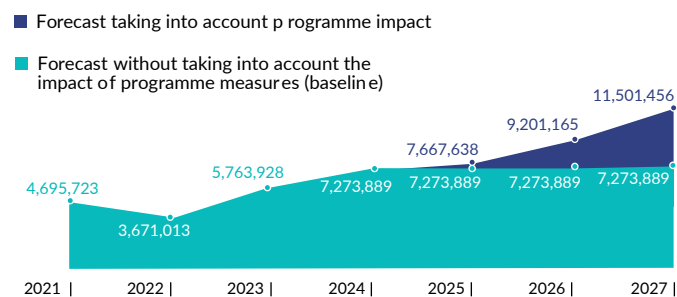
This integrated approach to sector development will help increase production volumes by **58%** in 2027 compared to 2024 (see Figure 12 below).

Figure 12. Kemin district: mining industry production volumes (thousand soms)



The revenues of both the republican and local budgets will increase proportionally – from **7.2 billion soms** in 2024 (total for both republican and local budgets) to **11.5 billion soms** in 2027 (see Figure 13 below):

Figure 13. Kemin district: total revenues to national and local budgets from the mining industry (thousand soms)



The growth of local budget revenues from the development of the sector will amount to about **118 million soms**, which will indirectly contribute to reducing the dependency of the district's territories on subsidies, and accordingly, reduce the burden on the republican budget. This aligns with the forecasts of MF, according to which the total amount of equalization transfers allocated to the Kemin district will decrease from **17.5 million soms** in 2024 to **1.7 million soms** in 2027 – a tenfold reduction.



Thus, the new methodology for socio-economic development planning helps to overcome the issue of uncoordinated sectoral plans. Despite having a high potential for the development of the mining industry, the district had previously focused its plans primarily on the development of the energy sector, although the two sectors could have been effectively linked.

5. **Bazar-Korgon District, Jalal-Abad Region:**
Minimizing Environmental Risks from Tourism Growth

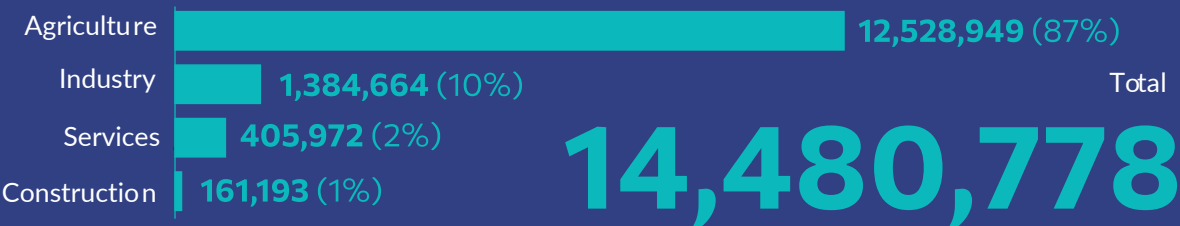
General district information:

GEOGRAPHIC LOCATION AND LANDSCAPE	Bazar-Korgon district is located in the southern part of Jalal-Abad region of the Kyrgyz Republic, in the western part of the region. It borders Suzak district to the east and Nookan district to the west. The distance to the regional centre is 35 km, and to the capital – 545 km. The district includes 4 ayil aimaks and 62 villages. The administrative centre is the town of Bazar-Korgon. Since the district is situated in the southern part of Kyrgyzstan, winters here are relatively mild, though the mountainous areas receive heavy snowfall, leading to avalanches. Summers are dry. The foothills are covered with forests that include walnut trees, red pines, and junipers.
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KEY ECONOMIC INDICATORS (IN THOUSAND SOMS)

Production volume of goods and services by main economic sectors (2024)



REVENUE POTENTIAL
(THOUSAND SOMS)

Tax revenues from the tourism sector to local budgets (2024)

Revenue collected: **5,578**

As seen from the district's general data above, the services sector lags significantly behind agriculture and industry, even though the district has a unique asset for tourism development – the Arstanbap walnut forest reserve, home to the largest natural walnut forest in the world. Thanks to this, the village of Arstanbap has become a major tourist centre. In addition to the walnut forests, other attractions include nearby waterfalls and cultural-historical sites. In 2024, Arstanbap was visited by **24,386** local tourists, **4,618** tourists from CIS countries, and **118** tourists from other foreign countries.

Other frequently visited tourist sites in the district include historical monuments such as Cheke-Mazar in Charbak, Ak-Korgon in Kyzyl-Unkur, as well as Shami-Sheyit, Daut-Pirim, and Bala-Mazar. There are **67** guesthouses with more than **700** beds operating in the district, along with numerous food service outlets.

Thus, the region's tourism potential continues to develop along several lines: hiking tourism, mountain tourism, ethno-tourism, and eco-tourism.

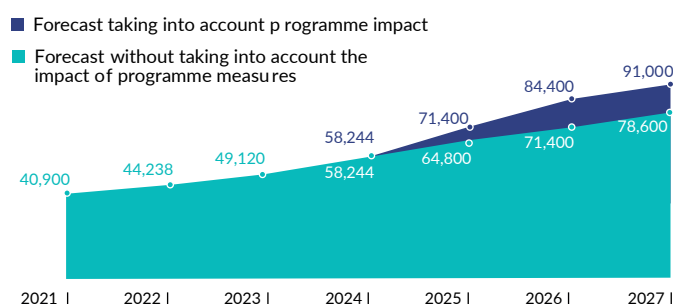
At the same time, indicators from the district's SEDP for 2026–2029 show significant lag in the provision of solid waste removal services. Waste management is considered one of the district's most pressing issues. Currently, the problem is exacerbated by a lack of legal landfills, shortage of specialized equipment, and inadequate waste management processes. As a result, illegal dumpsites have appeared, causing significant harm to the ecosystem. When examined comprehensively, it becomes clear that tourism development is not possible without effective solid waste management. Otherwise, it poses a serious threat to the district's environment and its unique natural heritage. The result of a combined analysis of economic development factors, social infrastructure, and the environment shows that investment in the tourism sector is not feasible without investment in solid waste management.



Figure 14 shows the dynamics of tourism sector growth by volume of services — comparing the baseline scenario with that influenced by the implementation of programme measures, which include:

- Creating an enabling environment for business development and attracting investments into the tourism sector, including through public-private partnerships. This will be supported by a specially established Investment Council that will address development issues, including support for new infrastructure and business projects in tourism, as well as improvements in tourism governance.
- Developing and implementing sustainable tourism development activities, including training courses for local residents on hosting tourists, road repairs, installing road and directional signs, installing waste bins, and attracting direct investment for the construction of modern hotels.
- Designing and implementing plans to develop key tourist attractions — distinctive and unique sites in the region, including roadside markets; creating new routes to promote ethno- and eco-tourism.
- Promoting the “Arstanbap Walnut” brand in international markets and organizing activities along the “Walnut Route” tourist trail.
- Organizing promotional activities for tourist destinations and scenic locations in the district, including active social media promotion.
- Expanding the use of solar and wind energy at tourist sites and ensuring energy efficiency.
- Organizing forums, seminars, and festivals dedicated to tourism development.

Figure 14. Bazar-Korgon district: volume of tourism services (thousand soms)

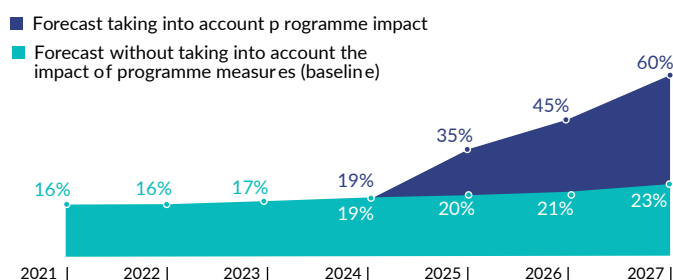


At the same time, a number of measures are planned to improve waste management, including:

- monitoring compliance with sanitary-epidemiological and environmental regulations at summer tourism sites;
- adoption and implementation of special programmes for the management and modernization of solid waste landfills;
- efforts to improve the material and technical capacity of municipal enterprises;
- organizational efforts to install waste bins in areas with high concentrations of tourists, the establishment of legal landfills at tourist sites and recreational areas, the procurement of special equipment for timely waste removal, and the organization of waste sorting and recycling.

As a result, the coverage of the population with solid waste removal services is expected to increase significantly over the next three years: from **23%** under the baseline scenario in 2027 to **60%** in the same year (see Figure 15 below).

Figure 15. Bazar-Korgon district: coverage of households by solid waste removal (%)

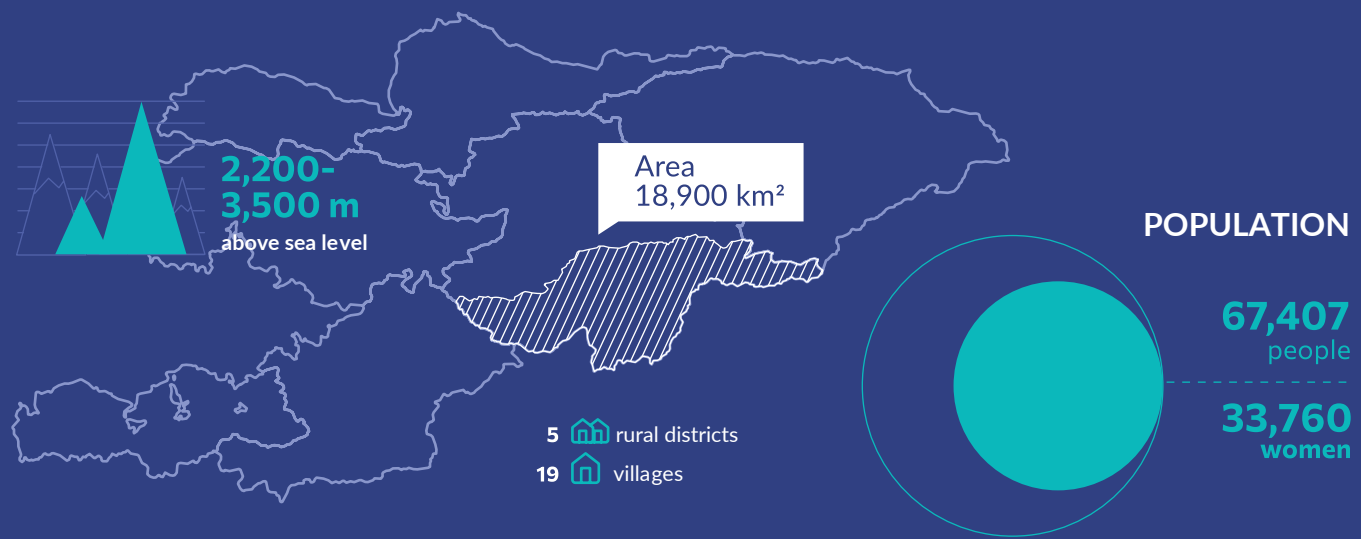


Thus, a comprehensive approach to development planning simultaneously incorporates three key factors into the analysis: economic development, social infrastructure, and the environment. As a result, risks and threats in one sector are minimized through growth in another.

6. At-Bashy District, Naryn Region: Optimistic Projections Confirmed

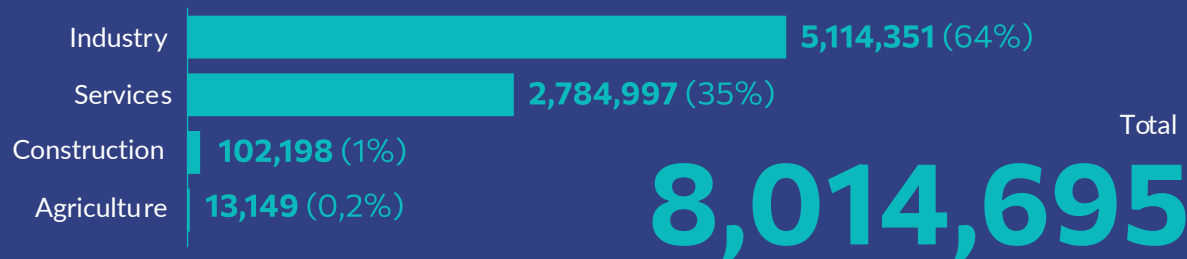
General district information:

GEOGRAPHIC LOCATION AND LANDSCAPE	At-Bashy district of Naryn region is located in the southeastern part of Kyrgyzstan, bordering China. It consists of 5 rural municipalities and 19 villages (data to be verified after the ATR). The distance to the regional centre is 45 km, to the capital – 380 km, and to the nearest railway – 230 km. The district is predominantly mountainous, with altitudes ranging from 2,200 to 3,500 meters above sea level. The climate is continental, which significantly affects the development of agriculture. Winter lasts 6–7 months and is accompanied by heavy snowfall. The district is rich in mineral resources including gold, coal, marble, clay, marl, salt, mercury, and tin. There are also natural deposits of construction materials and drinking mineral water. It is the largest district in Kyrgyzstan by area.
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KEY ECONOMIC INDICATORS (IN THOUSAND SOMS)

Production volume of goods and services by main economic sectors (2024)



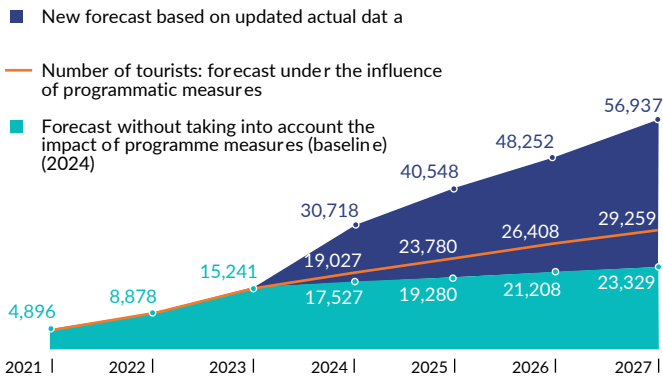
The development of the tourism sector in At-Bashy district was the subject of a detailed review in the previous EGED Programme impact assessment. The review examined various aspects of tourism growth, including the number of tourists, employment in the sector, and residents' incomes, including per capita income. The optimistic forecast, developed through the evaluation of measures planned under the new SEDP methodology, differed significantly from the baseline projection. The district possesses strong potential for tourism development. It is home to 28 national and 53 local historical and cultural sites, including Mount Chech-Dobo, lakes Kel-Suu, Chatyr-Kul, and Kol-Tor, the Bosogo

and Bogoshtu meadows, Shar waterfall, the largest and unique historical and cultural monument of Central Asia – Tash-Rabat, the archaeological site Koshoy Korgon, as well as protected areas such as the Karatal-Zhapyryk State Nature Reserve and the Naryn State Nature Reserve.

The previous review was prepared in spring 2024. In this review, conducted in spring 2025, it is now possible to compare actual changes that have occurred in the sector over this period.

Figure 16 below presents the dynamics of tourist numbers in the district across three dimensions: the baseline scenario from previous plans (covered in the earlier review); the forecast considering the SEDP measures developed under the new methodology last year (also discussed in the previous review); the new forecast from the latest updated SEDP, based on implemented and planned measures, actual tourist numbers in 2024, and trends observed over the past year.

Figure 16. At-Bashy district: number of tourists (persons)



As shown in the chart, the measures implemented have yielded results exceeding even the optimistic forecast. In 2024, the number of tourists nearly doubled compared to 2023. The upward trend is expected to continue, though at a slower pace due to the recreational pressure on the district's ecosystems.

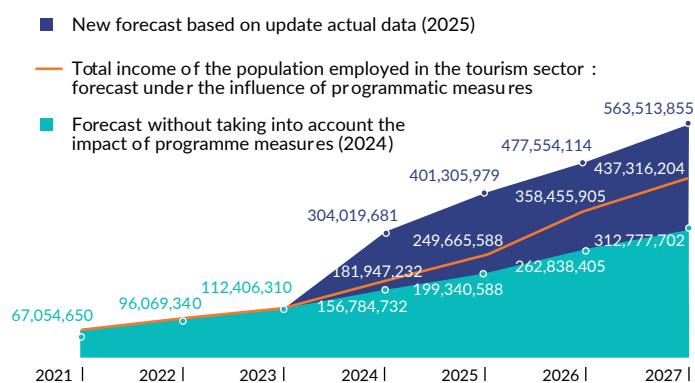


At-Bashy district



Correspondingly, the forecasted dynamics of income for those employed in the tourism sector have also changed. For the analysis, the total income amount was used, since per capita income is less suitable for comparative analysis in this context (see Figure 17 below).

Figure 17. At-Bashy district: income of the population employed in the tourism sector (soms)



Thus, the forecasts made using the new methodology for SEDP development are confirmed by actual data.

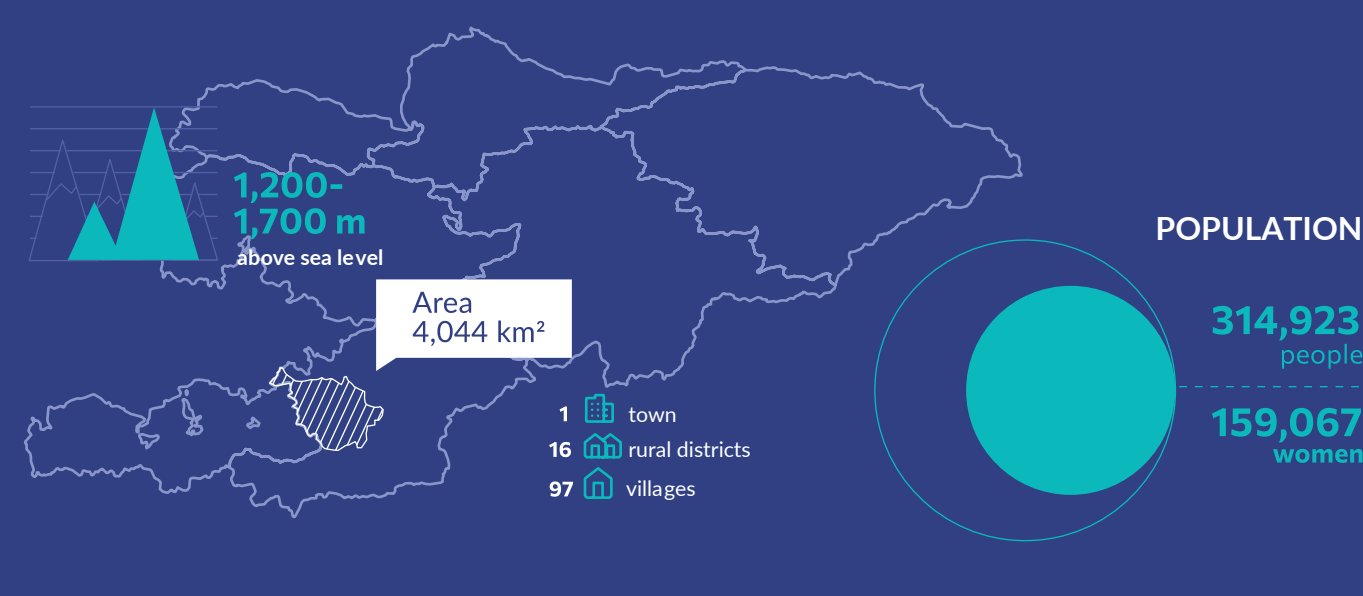
7. Nookat District, Osh Region: Steady Growth in Tourism Despite the Impact of Natural Disasters

General district information:

GEOGRAPHIC LOCATION AND LANDSCAPE

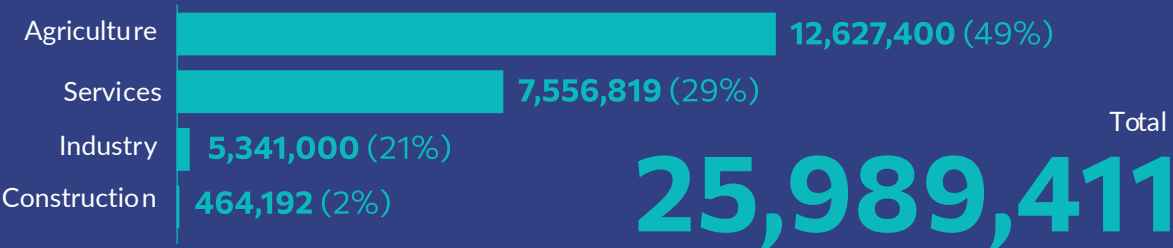
Nookat district is located in the southern part of Osh region. It borders the Fergana Valley, Aravan district, and the town of Kyzyl-Kiya in Batken region to the southwest, and Kara-Suu and Chong-Alai districts of Osh region to the northeast. The district centre is the town of Nookat. The distance from the district centre to the city of Osh is 40 km, to the nearest railway station – 45 km, and to the nearest airport – 62 km. The district includes 16 rural municipalities, 1 town of district significance, and 97 villages.

Most of the district is situated at an elevation of 1,200–1,700 meters above sea level. The climate is continental and temperate: summers are hot, and winters are relatively mild. Several rivers flow through the district, including the Kyrgyz-Ata, Koshchan, Shankol, Abshir-Ata, and Chili-Sai.



KEY ECONOMIC INDICATORS (IN THOUSAND SOMS)

Production volume of goods and services by main economic sectors (2024)



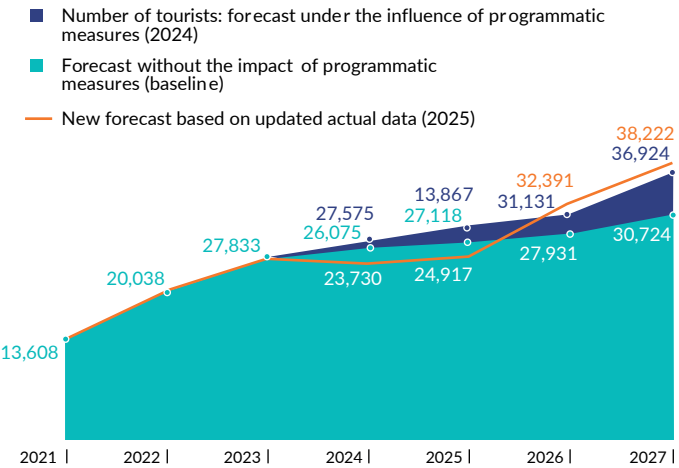
Nookat district of Osh region is a popular destination for domestic tourists, primarily due to its transit roads of regional and national importance, a longer tourism season, and the unique mountainous landscape of the area. The most developed tourism infrastructure in Nookat district consists of recreational areas designed for weekend and short-stay leisure activities for the local population.

At the same time, the district is home to a number of natural, recreational, historical, and even sacred sites that offer strong

potential for the development of regional and international tourism. Key attractions in Nookat district include: Kyrgyz-Ata State Nature Park; the Tuya-Muyun mountain range; the Kara-Koi resort featuring a lake at **3,500** meters above sea level; and the Abshir-Ata gorge with its **15**-meter waterfall emerging from a cavity in a vertical cliff face. The most in-demand services among tourists include horseback riding tours, hiking tours, cultural excursions, local food and catering, hotel accommodations, and yurt rentals in seasonal yurt camps.

Tourism development in the district was also covered in detail in the previous impact review. A comparison between the previous projections – based on tourist arrivals and income generated by the sector – and the updated forecasts reflecting actual 2024 data and current trends is presented in Figures 18 and 19 below:

Figure 18. Nookat district: number of tourists (persons)



As shown in the chart, the actual number of tourists in 2024 fell below the projected figure due to force majeure circumstances: in June 2024, a mudslide resulted in the deaths of several tourists. As a consequence, tourist numbers to certain key

destinations declined, and this downward trend is expected to persist into 2025, until damaged infrastructure is restored and public confidence in the safety of these sites is regained.

Nevertheless, the measures outlined in the district's SEPD are expected to help reverse the trend. By 2026 and 2027, results may even exceed the previously optimistic projections.

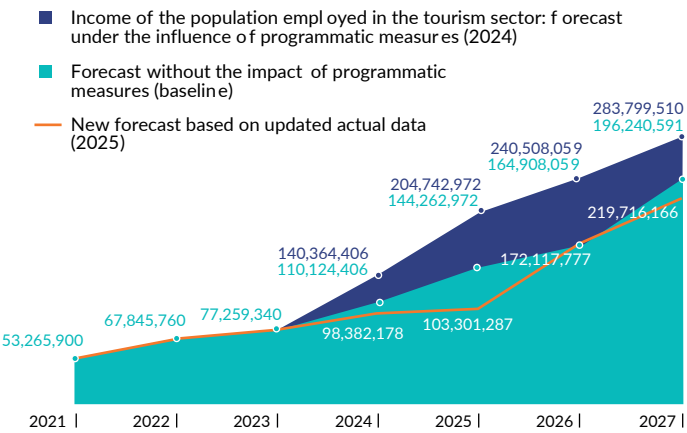
These measures include:

- strategic prioritization of development fund allocations, including public investment in core infrastructure (roads, electricity supply to remote yurt camps);
- improving facilities in tourist areas to ensure better service provision and stimulating the establishment of new retail outlets;
- road repairs and construction of parking areas at recreation zones;
- construction of paved roads, including access roads to the Kara-Koi National Nature Park and the Abshir-Ata recreation area, along with new commercial facilities;
- conducting carrying capacity assessments of the biosphere to prevent environmental degradation and promoting responsible tourism practices;
- organizing training programmes to build the capacity of tourism entrepreneurs;
- establishing systems for the separate collection and disposal of solid household waste, among other related actions.



A similar pattern is forecast in the growth of total income earned by those employed in the tourism sector (see Figure 19 below):

Figure 19. Nookat district: income of the population employed in the tourism sector (soms)



As illustrated in the chart, the previous forecast turned out to be overly pessimistic; however, income growth in the tourism sector remains above the baseline scenario in both 2026 and 2027, despite the impact of natural disasters.



Thus, the systematic development of infrastructure, grounded in well-calibrated forecasts and targeted interventions, enables sustained growth, even when unforeseen events disrupt the realization of the most optimistic projections.



CONCLUSIONS, LESSONS LEARNED AND RECOMMENDATIONS

Findings regarding the impact of the new methodology for socio-economic development planning



Integrated, cross-sectoral approach and alignment between economy and spatial planning: The methodology enabled the simultaneous assessment of sectoral potential and infrastructure constraints, facilitating the alignment of strategic goals with local development conditions.



Refined investment priorities and realistic forecasting: The new approach has improved the identification of investment priorities and enabled the formulation of more realistic projections across key sectors such as agriculture, tourism, mining, and social infrastructure.



Identification of bottlenecks and support for lagging sectors through sectoral profiling: The use of sectoral profiles has revealed previously underappreciated areas of underperformance and helped focus planning efforts and investments on sectors with untapped potential.



Modelling of interdependencies between interventions: The methodology made it possible to link job creation with spatial development (e.g., through expansion of production facilities), thereby promoting a more holistic and systemic planning framework.



Resilience and risk mitigation: The integration of social infrastructure, environmental sustainability, and employment considerations has contributed to the development of balanced growth strategies, where risks in one sector can be offset by progress in others.



Validation of practical applicability: Projections generated using the new methodology have been confirmed by actual results. Elements of multifactor analysis not only helped refine current plans but also enhanced their adaptability to changes in the external environment, including emergency situations.



Improved accuracy and consistency of planning:

The introduction of the new planning methodology, developed with support from the EGED Programme, has significantly enhanced the robustness and internal consistency of district-level socio-economic development plans.

Findings related to the pilot districts:



Presence of development disparities:

Some districts experience population growth and urbanization, while others face population decline and outward migration. These trends affect service accessibility and development planning, as well as the overall sustainability of local development.



Economic specialization is predominantly agriculture-based:

While agriculture remains the main economic driver in most districts, it often suffers from low diversification, weak infrastructure, and limited market access. However, several districts demonstrate strong potential for industrial development (particularly in processing), tourism, and crafts.



Social services – particularly education and healthcare – are present in most districts: However, the quality and sustainability of these services often depend on the remoteness of settlements, population size, and availability of qualified personnel.



LSGs bodies operate under constrained resources:

These limitations affect their capacity for effective problem-solving and strategic development planning. In several cases, a shortage of qualified staff and weak inter-agency coordination were observed. Training and the current analysis reconfirmed the pressing need to strengthen the skills of public officials responsible for local planning and governance. Staff turnover continues to pose risks by eroding institutional memory.



Natural and climatic conditions serve both as resources and constraints:

Land and water remain key assets, yet geography and climate present significant challenges for economic activity and transport connectivity in several districts.



Infrastructure remains a bottleneck in many districts:

The existence of basic infrastructure does not guarantee its quality, sustainability, or accessibility. This is particularly evident in road networks and solid waste management systems.



Civic engagement levels vary: While there are examples of strong community involvement, in many cases civic participation remains limited. The potential for meaningful community engagement remains underutilized.



Stronger involvement of central government institutions is required:

Integrating local plans into a comprehensive national planning system will soon compel sectoral government agencies to take regional disparities and the needs of local development programmes into account. For now, many ministries and agencies still prefer top-down approaches, and the development of an integrated planning system may face institutional resistance. The use of cross-cutting development indicators derived from local and district development plans should become a formal requirement in the design of national sectoral programmes.

Based on the analysis of lessons learned and findings, the following recommendations are proposed:

Recommendations for further improvement of socio-economic development planning methodologies:

The following recommendations are based on the analysis of findings and lessons learned, and are supplemented by inputs from trainers who provided capacity-building and expert support to all municipalities and districts of the Kyrgyz Republic in 2023 and 2024:



Integrated spatial and sectoral planning:

The new SEDP methodology has demonstrated its effectiveness in combining economic and spatial aspects within a unified analytical framework. To further enhance the evidence base for local development planning, it is necessary to use improved tools that integrate spatial zoning, agglomeration potential, and sectoral value chains – particularly in agriculture-based and mountainous districts with high resource dependency.



Systematic use of data and analytical tools:

The implementation of the new “Sanarip-Aimak” AIS module alone does not ensure an immediate improvement in the quality and reliability of analytical data. To address this, regular cycles of analysis, performance evaluation, and plan updates should be institutionalized – leveraging available tools for data visualization, modeling, and monitoring. This will enable timely strategic adjustments in response to evolving conditions.



Stronger linkage between SEDPs and local budgets, and the creation of territorial development budgets:

This requires a coordinated approach involving: assessment of the current situation and functional interlinkages; formal and institutional anchoring of the connection between SEDPs and budget planning; capacity-building of LSG personnel; development of digital solutions and integration of information systems; incentives for quality planning; monitoring and evaluation of the SEDP–budget alignment; and ensuring transparency and openness of the budgeting process.



Optimization of the new methodology and indicators:

Certain components of the new methodology require adjustments to improve usability at the local level, as demonstrated during training and practical implementation. This includes refining some statistical indicators and analytical questions that have been interpreted inconsistently, and supplementing methodological guidance with practical examples and case studies.



Continued training and expert support: Both LSGs and LSAs will require ongoing technical assistance to effectively apply the new methodology in socio-economic development planning and monitoring. Targeted expert support – such as in the area of environmental profiling – should be mobilized to help develop sectoral profiles in the most critical or high-priority areas.



Motivation and oversight mechanisms: Mechanisms to incentivize improved SEDP quality – such as performance-based grants or linking SEDPs to the budgeting process – should be introduced. At the same time, enhanced coordination and oversight from local government heads and district administrations is needed to ensure quality and timeliness in the preparation of SEDPs and monitoring reports.

Recommendations for district state administrations, LSGs, and sectoral government agencies:



Implementation of the State Programme:

At the district and sectoral levels, coordinated efforts are required to implement the measures and directions outlined in the State Programme for the Integrated Socio-Economic Development of Regions of the Kyrgyz Republic for 2025–2030.



Development of critical infrastructure: Addressing spatial development challenges requires the consistent improvement of transport and utility infrastructure, particularly in remote and mountainous areas. This includes not only roads and electricity networks, but also modern communication systems, including reliable internet access.



Enhancement of social infrastructure and services:

The uneven quality of social services (education, healthcare, culture) even within the same district necessitates a targeted approach to planning. Special attention should be given to areas with high demographic potential and low levels of access to social infrastructure.



Localization of economic growth and support for entrepreneurship:

In the context of limited access to large markets and investors, it is essential to promote local value chains, agro-industrial and handicraft clusters, and support small and medium enterprises through municipal programmes and cooperative models (especially in agriculture).



Aligning human capital development with the local economy:

To reduce the mismatch between the potential of territories and actual employment levels, the development of vocational education and skills training systems must be aligned with the economic structure of each region. Workforce development programmes should be based on the specific needs of existing and emerging industries and clusters.



Strengthening local analytical capacity for improved planning:

A comprehensive set of measures is required to enhance the qualifications of both the coordinating structures (district state administrations and local self-government bodies) and the technical personnel responsible for data collection and analysis. The transition period to the new planning methodology is expected to span two to three budget cycles, during which continuous technical assistance, regular training (including capacity-building in the use of digital tools), and advisory support must be provided. The forthcoming launch of the integrated socio-economic planning module within the “Sanarip-Aimak” information system will necessitate extensive training for all district administrations and local self-government entities. At the district level, it is essential to institutionalize analytical capacity in the medium term by establishing dedicated units for regional development planning and monitoring.



Enhancing institutional coordination and role delineation:

Achieving high-impact results requires a clear distribution of responsibilities among various institutions and improved vertical and horizontal coordination among state agencies, district administrations, local governments, businesses, civil society organizations, and NGOs. This is particularly important in the context of limited human and financial resources. The State Programme for the Integrated Socio-Economic Development of Regions of the Kyrgyz Republic includes strategic directions for improving regional development coordination, including the establishment of an Analytical Centre under the authorized state body for economic forecasting.

SPECIFICS OF ECONOMIC POLICY IMPLEMENTATION AT THE DISTRICT LEVEL

A separate set of recommendations relates to the proposed tools for implementing economic policy in district-level governance. In socio-economic development programmes, it is important not only to present a well-balanced analysis of available resources and investment needs, but also to clarify the role of local authorities in facilitating such investment. Investments in economic growth are primarily made by the private sector. Public and municipal budgetary investments generally cannot directly contribute to the capital of private enterprises, which constitute the backbone of the economy, with the exception of government shares in large joint-stock companies of strategic importance. Therefore, when planning socio-economic development using the new methodology, it is crucial to clearly identify the tools available to promote economic growth at the district level. These include:



Improving the business climate:

reducing administrative barriers by simplifying business registration procedures, issuing building permits, and connecting to infrastructure; creating one-stop support centres for entrepreneurs to assist with documentation and provide tax and legal advice.



Attracting investment:

fostering public-private partnerships (PPP) to develop infrastructure through concessions and preferential leasing of land or municipal property; promoting territories as investment destinations through place branding, investment forums, and exhibitions; establishing preferential tax zones for priority sectors.



Infrastructure development:

creating industrial and technology parks offering well-equipped sites for businesses; expanding transport networks and logistics hubs to improve the connectivity and attractiveness of cities and rural municipalities for business; ensuring a high-quality urban environment to raise living standards and attract skilled labour.



Supporting small and medium-sized enterprises:

improving access to affordable credit for entrepreneurs; offering training programmes and accelerators to build entrepreneurial skills; providing preferential lease conditions for municipal property to lower startup costs.



Tourism and the experience economy:

investing in tourism infrastructure to enhance service quality; organizing training and certification for hospitality staff (e.g. hotels, restaurants, transport providers); building partnerships with universities and colleges for training in tourism and service sectors; promoting territories as tourist destinations through events such as festivals, conferences, and sports competitions that attract visitors and create demand for local services.



Digitalization and innovation:

supporting startups through technology parks and grant programmes.



Labour market development:

partnering with universities to offer internship opportunities and vocational training; supporting job placement through municipal employment centres and workforce reskilling programmes.

Similar approaches were applied in the formulation of SEDP implementation plans in the districts selected for this analysis.

