

## Cover page

**Joint SDG Fund**  
 Joint Programme Annual Progress Report  
**SDG FINANCING PORTFOLIO – COMPONENT 1**

## Cover page

**Reporting period: June 30 – December 31, 2020**

**Country: Kyrgyz Republic**

**Joint Programme (JP) title:** Enhanced financing opportunities and alignment with national sustainable development goals through an Integrated National Financing Framework for Kyrgyzstan

**Short title: Kyrgyzstan Integrated National Financing Framework (K-INFF)**

**Start date** (month/year): **June 30, 2020**

**End date** (month/year): **June 30, 2022**

**RC:** Mr. Ozonnia Ojielo

**Government Focal Point** (name and ministry/agency): Mr. Daniar Imanaliev, Head/Department of Strategic Development, Economics and Finance, The Office of the President of the Kyrgyz Republic

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**List of PUNOs: UNDP, UNICEF**

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**Budget** (Joint SDG Fund contribution): **975,471.00**

**Overall budget** (with co-funding): **1,165,471.00**

**Annual Financial Delivery Rate: 0,16%**

**Committed Funding Rate: 0,17%**

	Expenditures January 2020 - December 2020	Committed resources January 2020- December 2020	Transferred Funds January 2020- December 2020	Annual Financial Delivery Rate (%)	Committed Funding Rate(%)
<b>PUNO 1</b>	33280	39908	162548	0,165710884	0,167295471
<b>PUNO 2</b>	6250		76000		
<b>PUNO 3</b>					
<b>PUNO 4</b>					
<b>PUNO 5</b>					

*Note: PUNOs' funds for the reporting period is 50% of the transferred funds. Year 1 of the JP in the KR is from June 30, 2020 to June 30, 2021.*

### **Short description of the Joint Programme** (max 1 paragraph):

The JP aims to build an understanding of and an agreement among policymakers about the opportunities to unlock public and private finance in support of national sustainable development objectives, mechanisms for strengthening SDG budgeting and steps for operationalising an Integrated National Financing Framework (INFF) in the Kyrgyz context. The JP will support the Government of the Kyrgyz Republic to agree and implement a holistic financing strategy. It includes firstly, developing a solid situation/problem analysis and understanding of the existing financing landscape through a number of strategic studies and analyses that serve to develop greater transparency and better overview of the baseline situation (**Outcome 1**); and secondly, supporting the development of a stronger budget planning and fiscal management process by engaging stakeholders from the outset and building capacities so different actors are better informed and can engage with cross-sector issues, complement efforts, and implement the financing strategy in a coordinated way (**Outcome 2**). Thirdly, the establishment of an effective monitoring and oversight mechanism to enable the government and other stakeholders to keep themselves informed on the progress, challenges and gaps for the implementation of the NDS and the SDGs – including tracking the progress of meeting financing goals - as well as contribute to the design of a whole-of-government and whole-of-society institutional coordination mechanism for more effective delivery on the NDS and the SDGs (**Outcome 3**). The JP will contribute to several SDGs, including SDGs 4, 10, 16, 17. The JP contributes to the Programme Outcome on additional financing leveraged to accelerate SDG achievement (Joint SDG Fund Outcome 2) as well as UNDAF outcomes and outputs.

## **Executive summary**

**Main results and achievements.** The JP implementation has been progressing slowly as affected by COVID-19 and political crisis after the Parliamentary elections in October, leading to dismissal of the President and political and governance vacuum. The JP is still undergoing the inception stage, having a progress mainly on the technical level with assessment and diagnostic. DFA exercise is progressing and initial consultations started on the launch of the SDG costing exercise, as well as on setting up the governance and coordination structures for the JP. Other key activities are also progressing on education sector efficiency assessment, analysis of the bottlenecks and gaps preventing alignment between the SDG, national development priorities, sectoral strategies, budgeting and financing processes with focus on education sector, development of a TOT package on effective financing of the Early Childhood Development. The JP has become an important part of the integrated recovery response to COVID-19 and the ongoing DFA and planning assessments are aligned with government programmes and it included in the UN Socio-economic Framework Response to COVID\_19 (SERF) in the KR. To build synergies with peer initiatives, two co-financing opportunities are identified to be the UNDP Covid-19 2.0 Rapid Response Facility-funded project to collaborate on expanding fiscal space (85,000USD) and UNDP TRAC-funded work on E-fiscalisation (108,000USD).

**Strategic change of the context and JP approach.** The Covid-19 crisis has resulted in severe economic contraction, leading to additional challenges to achieve the Sustainable Development Goals (SDGs) in Kyrgyzstan. Making matters worse, financial flows needed to accelerate progress are small relative to SDG investment needs in the country. But the impact of Covid-19 is more than just decline in GDP growth. Hundreds of thousands of people may have experienced job losses in the country. Consequently, thousands of people could be pushed into poverty. To finance the large development needs, the authorities need to increase domestic revenue and expenditure efficiency. As has been confirmed by the Office of the President and key line Ministries, the importance and relevance of the JP remains high in the current development context of the KR. Big shifts are expected in the national reform processes, including a shift in the system of governance from Parliamentary to Presidential, also leading to the revision of the current national strategic framework (long-term national visioning and mid-term national and sectoral plans). The main risks remain to be associated with the prolonged Covid-19 situation and potential unforeseen political developments following the January 10, 2021 Presidential elections and upcoming Parliamentary elections in May 2021. JP will continue applying politically sensitive and risk-informed approaches to match to the development finance needs of the Kyrgyz Republic in the current fragile context. Engagement of new partners will be intensified to educate them on the DFA/INFF agenda advantages and ensure uninterrupted decision-making process, a strong ownership and partnership with the development and private actors.

## A. Annual Progress (MAXIMUM 7 PAGES)

### A.1 The overview of progress and challenges

#### A.1.1. Overall self-assessment

Provide a self-assessment on the overall JP progress in the last year.

- Above expectations (expected annual results fully achieved and additional progress made)  
 On track (expected annual results achieved)  
 Satisfactory (majority of expected annual results achieved)  
 Not-satisfactory (majority of expected annual results not yet achieved)

The implementation of the Joint Programme has been severely hampered by the two factors, including:

- (1) Spike of COVID-19 pandemic starting in June 2020 that forced the Government to cope with difficult trade-offs given the health, economic and social challenges it raised. The situation was further challenged by the high spread of COVID-19 infection among the Government partners and, therefore, by unavailability of the key counterparts from the Offices of the President and Prime Minister that had to struggle with disease. The entire UN system in Kyrgyzstan was mobilized to meet the Country's need in massive and urgent support to deliver wide-ranging health measures and other efforts to help the Government to mitigate the crisis.
- (2) Deep political crisis in the aftermath of Parliamentary elections on October 4, 2020 leading to dismissal of the President. This crisis almost put the Kyrgyz Republic on the edge of the governance breakdown. The Central Election Committee (CEC) had annulled the election results. The formation of the new technical Government and prolonging the work of the current Parliament convocation presented certain uncertainties, posed many legal questions and disrupted the routine decision-making process. Considering the upcoming Presidential elections in 2021 and subsequent likely changes of the Government, as well as the existing risk of post-election uncertainty and existing structural challenges and the public's grievances exacerbated by COVID-19, the JP has been adopting flexible programming.

Against this backdrop, the progress in the implementation of the Joint Programme remains slow, however some critical steps have been undertaken by both UNDP and UNICEF to move the diagnostics and assessment stage at the technical level (*please see the progress description in the next section below*).

#### A.1.2. Overall progress and key developments to date

##### **Governance and coordination:**

Although the Office of the President remains committed and reiterated the importance and relevance of the JP, and also stressed on the crucial need for capacity strengthening is the key to dive the national partners deep into the DFA and INFF concepts, there has been no progress in operationalizing the *policy level* and *technical level governance* and coordination mechanisms due two key reasons outlined in section A.1. Both *the Oversight Team* (OT) to be chaired by the Office of the President as a high level group to provide strategic guidance and support to SDG financing initiatives and *the Joint Government-UN Working Group* as a technical advice and input provider body are yet to be established. RCO has been engaged onto the coordination at the strategic level. RC and UNDP RR conducted strategic meeting with the Office of the President alerting on the low JP progress that was also hampered by the absence of the strategic coordination structure. Some steps have been agreed to set up the process further, including in-depth customized training on INFF for the technical staff of the Office of the President and respective line ministries. Under these circumstances UNDP and UNICEF have mainly focused the implementation of JP at the technical level.

##### **Research, assessments and feasibility studies on SDG financing:**

*Despite the influence of the external factor beyond the control of JP team*, DFA core team was hired consisting of Lead International Consultant and two national consultants. UNDP has held the internal technical consultations with the DFA team on the structure of the DFA report, work plan, as well as on the implementation of the specific outputs. The mission of the Lead International Consultant that was originally planned for

November-December had to be postponed due to emerging political crisis in the aftermath of the failed Parliamentary elections on October 4, 2020. Initial data collection and analysis has been underway at the technical level, some chapters of the DFA have been drafted. Tailored to the current needs, review of the PPP regulatory framework has started. It includes drafting a model package for initiation of a project which can be used by both public authorities and private sector. *Critical bottlenecks preventing more integrated approach to deliver development results* were identified in education sector and particularly Early Childhood Education (ECE). Increase of ECE coverage as investment in human capital remains one of the key priorities of the National Development Strategy (NDS) 2018-2040 and Government Mid-term Programme 2018-2022.

### **Capacity building for key stakeholders on SDG financing**

It is an integral part of the JP's implementation to engage with key stakeholders and developing sufficient capacity to support the outcomes achieved as a result of the JP. The consultations are underway to prepare the participation of key counterparts for the upcoming INFF training in the second half of January 2021. As JP is entering active full-scale implementation in 2021 it is highly important to ensure the participation of key stakeholders in all global and regional capacity building activities (mainly online). The Office of the President has also stressed the importance and high need for continued strengthening capacity on the DFA and INFF concepts. More customised training might be needed to create better understanding among the key partners on practical application of the key DFA and INFF concepts to the country context.

### **JP programme management**

UNDP and UNICEF agreed on the detailed annual work plan and the budget for Year 1 with no major modifications. The overall budget is 477,096USD, including 325 096 for UNDP and 152,000 for UNICEF. PUNOs aim to deliver at least 75% of Year 1 by the end of June, 2021. As explained in the Section A 1.2. above, Both *the Oversight Team* (OT) to be chaired by the Office of the President and *the Joint Government-UN Working Group* will be established after the Presidential elections to take place in January 2021. Hiring of full time JP Manager is being finalized by UNDP. As explained above, DFA core team was hired consisting of Lead International Consultant and two national consultants. The national consultants are recruited for the implementation of the following task (pls put the key functions in brief). JP Communication Consultant has been hired by UNDP and the initial exchange is taking place with the Head of Communication of Joint SDG Fund to get the strategic guidance on all aspects of JP Comms, branding guidelines, comms and style guide etc.

### **Mobilization of financial resources (co-funding and co-financing)**

To build programme and financial synergies, and as a co-financing to the JP, UNDP mobilized financial resources from UNDP Covid-19 2.0 Rapid Finance Facility for a project entitled *Effective Governance Through Socioeconomic Recovery Facility in Kyrgyzstan*. 85,000USD is allocated to complement and expand the implementation of the Output 3: *Improve the capacity to expand fiscal space and manage the debt burden through the development of tools for debt restructuring and alternative sources of resource mobilization under Outcome 2*. It aims to support the Government to expand fiscal space through development finance. Another co-financing opportunity is provided by UNDP TRAC-funded initiative on E-fiscalisation (108,000USD). UNDP will be consulting with the Ministry of Finance to design a comprehensive package of support linking INFF JP with ongoing and planned projects.

#### A.1.3. Changes

Was the JP document modified in the past year?

- Yes  
 No

#### A.1.4. Challenges

Did the JP face any major challenges in the past year?

- Yes  
 No

JP faced major challenges due to the impact of Covid-19 pandemic and deep political crisis in the aftermath of the Parliamentary elections on October 4, 2020. These are two key reasons for a very slow progress by the end of 2020. These factors impacted on JP's implementation as a whole by delaying key activities with the participation of key stakeholders. JP has been applying politically sensitive and do not harm approaches in the crisis context to ensure the ownership of the legitimate government, partnership with the development and private actors. In case these challenges will remain in 2021, JP plans to address their impact by monitoring Covid-19 pandemic situation and the political developments to be able to adapt relevant and timely responses.

#### [A.1.5. COVID-19 and other strategic alignment](#)

The DFA Terms of Reference was revised to adapt to the COVID-19 context. The UN socio-economic response framework to COVID-19 (SERF) and UNDP-ADB COVID-19 Socio-Economic Impact Assessment (SEIA) is serving as an anchor for and the formulation of all chapters of DFA report, including financing needs, financing trends, risk analysis, policy and institutional binding constraints, financing context and financing landscape, governance and co-ordination, including the description of budgetary outcomes, assessment of financing systems monitoring and review systems including accounting, recording and reporting; and the financing strategy. The DFA will also benefit from, and synthesize relevant country level findings by other COVID\_19 assessments and adjust the analytical framework accordingly to be in line with the evolving context in the KR. UNDP is already working under the UNDP COVID-19 Response Policy and Programme Offer in the country to provide an integrated and multi-sectoral response to the COVID-19 crisis to strengthen the health system, enhance inclusive crisis management and respond to the socio-economic impacts of COVID-19 through support provided by the Japanese Government.

The JP is an important part of the integrated recovery response to COVID-19 and the ongoing DFA and planning assessments will be aligned with the new government programmes and it was also included in the UN SERP in the KR. UNDP and UNICEF watched carefully and consulted with national partners on the numerous Anti-Crisis Plans developed by the Government to address the socio-economic and health impacts of COVID-19. SERF was presented to the national partners and received positive endorsement. However due to political events this engagement will need to be re-initiated with the new governance context in the first quarter of 2021.

## **A.2 Update on priority issues**

### [A.2.1. Progress on Integrated National Financing Framework/SDG financing building blocks](#)

<b>Implementation stages</b>	<b>Planned (0%)</b>	<b>Emerging (1-49% progress)</b>	<b>Advancing (50-99% progress)</b>	<b>Complete (100% progress)</b>	<b>Previously completed</b>	<b>Not applicable</b>	<b>Comments/ Notes</b>
<b>1. Inception phase</b>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<b>2. Assessment &amp; diagnostics</b>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<b>3. Financing strategy</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<b>4. Monitoring &amp; review</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<b>5. Governance &amp; coordination</b>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

The JP implementation has been progressing slowly in the context of COVID-19 and political crisis. The JP is still undergoing the inception and assessment and diagnostic stages at the technical level. DFA exercise is progressing and initial consultations started on the launch of the SDG costing first steps, as well as on setting up the governance and coordination structures for the JP. Other key activities are also progressing on education sector efficiency assessment, analysis of the bottlenecks and gaps preventing alignment between the SDG, national development priorities, sectoral strategies, budgeting and financing processes with focus on education sector, development of a TOT package on effective financing of the Early Childhood Development.

A.2.2. Thematic focus

- |  |  |                                       |  |
|--|--|---------------------------------------|--|
| <input checked="" type="checkbox"/> Cross-cutting    | <input type="checkbox"/> Social protection       | <input type="checkbox"/> Agriculture  | <input checked="" type="checkbox"/> Other: Education |
| <input checked="" type="checkbox"/> Gender           | <input type="checkbox"/> Health & nutrition      | <input type="checkbox"/> Biodiversity | <input type="checkbox"/> Other.....                  |
| <input checked="" type="checkbox"/> Children & youth | <input type="checkbox"/> Climate change & nature | <input type="checkbox"/> Blue economy | <input type="checkbox"/> Other.....                  |

A.2.3. Gender marker

Did your Joint Programme feature Gender Results in the past year at the outcome or output level?

- Yes  
 No

Achieving Gender equality has been mainstreamed at relevant Outcome and Outputs levels. Specifically, Outcome indicator 1 and most of Outputs mainstream gender through referencing to gender and social inclusion. Gender aspects are part of the Development Finance Assessment (DFA) covering gender gaps, but no specific gender results can be highlighted for this reporting period. DFA is in process and gender results can be featured in the final DFA report. JP’s gender marker meets minimum standards: 2, although JP budget is very gender-sensitive at almost 75% of the total budget.

Gender aspects are part of the Development Finance Assessment (DFA) covering gender gaps, but no specific gender results can be highlighted for this reporting period. DFA is in process and gender results can be featured in the final DFA report.

A.2.4. Vulnerable groups

Will the JP directly impact marginalized and/or vulnerable groups through a dedicated outcome or output?

- Yes  
 No

List of marginalized and vulnerable groups	Dedicated Outcome	Dedicated Output	Status (planned/in progress/complete)
Women and girls	1,2,3	All outputs	In progress
Children	1,2,3	1.1.2.1,2.2,3.2,3.3	In progress
Youth	1,2,3	All outputs	Planned
Persons with disabilities	1,2,3	All outputs	Planned
Older persons	1,2,3	All outputs	Planned
Minorities (incl. ethnic, religious, linguistic...)	1,2,3	All outputs	Planned
Indigenous peoples			
Persons of African Descent (when understood as separate from minorities)			
Migrants	1,2,3	All outputs	Planned
Refugees & asylum seekers			
Internally displaced persons	1,2,3	All outputs	Planned
Stateless persons			
Persons deprived of their liberty			
Peasants and rural workers	1,2,3	All outputs	Planned
Human rights defenders (incl. NGOs, journalists, union leaders, whistleblowers...)			
LGBTI persons (sexual orientation and gender identity)			

Persons affected by (HIV/AIDS, leprosy...)			
Persons with albinism			
Victims or relatives of victims of enforced disappearances			
Victims of (slavery, torture, trafficking, sexual exploitation and abuse...)			

#### A.2.5. Learning and sharing

No major highlights during the reporting period.

### **A.3 Update on events and partnerships**

#### A.3.1. Events

Type of event	Yes	No	Comments
JP launch event	<input type="checkbox"/>	<input checked="" type="checkbox"/>	This event is planned for the first quarter of 2021.
Annual donors' event*	<input type="checkbox"/>	<input checked="" type="checkbox"/>	This event will be held jointly with the Partners' event or at the end of Year 1 during June 2021, depending on the consultations with the high level with the Office of the President.
Partners' event **	<input type="checkbox"/>	<input checked="" type="checkbox"/>	This event will be held following the JP launch event.

\*the Fund donor countries are Denmark, European Union, Germany, Ireland, Luxembourg, Monaco, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland. Please note that this event can be held together with a launch event or partners' event.

\*\* Key advocacy outreach events with high level JP partners.

#### A.3.2. Partnerships

Did your Joint Programme facilitate engagement with with diverse stakeholders (e.g. parliamentarians, civil society, IFIs, bilateral/multilateral actor, private sector)?

- Yes  
 No

- Targeted consultations with the Office of the President, Office of the Government and Ministry of Economy reiterated the importance and relevance of the JP, and also stressed on the crucial need for capacity strengthening which is the key to dive the national partners deep into the DFA and INFF concepts.
- Public-Private Partnership (PPP) is considered a critical complementary modality to improve pre-school coverage and thus, the agreement has been reached with the PPP Center under the Ministry of Economy for closer engagement into the feasibility study and improvement of the related normative framework. Memorandum of Understanding between the PPP Center under Ministry of Economy and UNICEF was signed on 17 December 2020.
- Technical dialogue with the Chamber of Accounts has resulted in a firm commitment to work together to enhance performance audits on the example of the education sector and develop strategic audit tools.
- Consultations with the International Monetary Fund resulted in information exchange about the planned work of the JP to explore potential coordination and complementarity of the relevant and specific activities.
- Participation at the Development Partners' Coordination Council (DPCC) thematic group on Macroeconomic issues enabled the DFA team to ensure stronger synergies with relevant initiatives of the development partners.
- UNDP's bi-lateral consultations with the Ministry of Finance resulted in a shared understanding and strong intention for the need to build synergies with the *WB second capacity building in Public Finance Management funded by Multi-Donor Trust Fund (MDTF) grant* provided by the Government of the Switzerland and by the European Commission. The JP can potentially build synergies with the project on the following areas: strengthening MTEF, performance based budgeting, managing public debt, public investment program and implementation of financial management information system to better design the INFF activities in a way to strengthen the SDG budgeting in the Kyrgyz Republic. Additionally, the INFF can utilize the findings of Public Expenditure and Financial Accountability, which is being finalized by the project, The JP is planning to consult with the WB to agree the specific areas for synergies which both partners are still exploring.

#### A.3.3. Additional financing

- Yes  
 No

Source of funding	Yes	No	Co-funding or Co-financing?	Name of organization	Amount (USD)	Comments
COVID-19 2.0 Rapid Finance Facility	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Co-financing	UNDP	85,000USD	UNDP mobilized co-funding from Covid-19 2.0 Rapid Finance Facility for a project entitled Effective Governance Through Socioeconomic Recovery Facility in Kyrgyzstan. 85,000 USD are allocated to complement and expand the implementation of the Output 3: Improve the capacity to expand fiscal space and manage the debt burden through the development of tools for debt restructuring and alternative sources of resource mobilization under Outcome 2. It aims to support the Government to expand fiscal space through development finance.
UNDP TRAC	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Co-financing	UNDP	108,000USD	The aim is to support E-fiscalisation.

#### A.4 Strategic communications

Did the JP develop a strategic communications plan?

- Yes  
 No

JP Communication Consultant has been hired by UNDP and the initial exchange is taking place with the Head of Communication of Joint SDG Fund to get the strategic guidance on all aspects of JP Comms, branding guidelines, comms and style guide etc. The JP Comms Consultant is to closely collaborate with the Comms colleagues at the Office of the President, Ministry of Economy, Ministry of Finance, UNDP, UNICEF and other key partners to develop and implement JP Communication Strategy.

## B. Annual Results (MAXIMUM 3 PAGES)

### B.1. SDG acceleration

List up to 3 main SDG targets that your Joint Programme primarily focused in 2020.

- SDG 4.2: By 2030, ensure that all girls and boys have access to quality early childhood development, care and pre-primary education so that they are ready for primary education.
- SDG 17.14 Enhance policy coherence for sustainable development;
- SDG 17.17: Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships.

- Completion of the assessment of the bottlenecks and gaps in the alignment between the SDG, national development priorities, sectoral strategies, budgeting and financing processes with focus on education sector and particularly, Early Childhood Education (ECE). The assessment's findings and recommendations informed elaboration of the new Education sector strategy 2021-2040 and MTF for 2021-2023 integrating the ECE strategic objectives with the three-year budget planning.
- Support is provided to the Chamber of Accounts (CoA) in developing related performance audit tools for the ECE sub-sector. In 2021 UNICEF will continue equipping the supreme audit institution with performance tools to assess the budget execution and the CoA submissions to the Parliament for better oversight and accountability. These efforts will contribute to *SDG 17,14*.
- The Government is keen to create an enabling environment for innovative and NDS-aligned private finance to improve ECE coverage and contribute to the achievement of the *SDG 4, Target 4.2*. With UNICEF support, the Public-Private Partnerships (PPP) Center at the Ministry of Economy has started a dedicated feasibility study aimed to improve the regulatory and governance frameworks to contribute to *SDG 17, Target 17.17*. Memorandum of Understanding between the PPP Center under Ministry of Economy and UNICEF was signed on 17 December 2020.

## B.2. Contribution to Fund's global results

The JP is expected to contribute to the following global Outcomes and Outputs. Overall, the targets for 2020 remain the same as in the JP prodoc, with no changes.

1. *Joint SDG Fund Global Outcome 2: Additional financing leveraged to accelerate SDG achievement.*  
Indicator: 2.1: Ratio of financing for integrated multi-sectoral solutions leveraged in terms of scope (for other/ additional sector/s or through new sources/means).  
 During the reporting period, the set target for 2020 remains with no changes. The set target for 2021 is 1:20 (at least 5% by relevant line ministries and Local Self Governance)
2. *Joint SDG Fund Global Output 4: Integrated financing strategies for accelerating SDG progress implemented.*  
Indicator 4.1: #of integrated financing strategies that were tested (disaggregated by % successful / unsuccessful). 2020 target remain the same as it was set in the JP prodoc.  
Indicator 4.2: #of integrated financing strategies that have been implemented with partners in lead disaggregated by (1) government/public partners (2) civil society partners and (3) private sector partners. No changes for 2020, it is planned to have at least one such strategy in 2021.  
Indicator 4.3: # of functioning partnership frameworks for integrated financing strategies to accelerate progress on SDGs made operational. There has been a progress towards this indicator. Specifically, with UNICEF support, the Public-Private Partnerships (PPP) Center at the Ministry of Economy has started a dedicated feasibility study aimed to improve the regulatory and governance frameworks to contribute to *SDG 17, Target 17.17*. Memorandum of Understanding between the PPP Center under Ministry of Economy and UNICEF was signed on 17 December 2020. It is planned to have at least one such strategy in 2021.

## B.3. JP Outputs and outcomes

### Achievement of outputs

There has been a progress in the implementation of the following JP-specific outputs:

#### **Output 1.1. State institutions have evidence on financing needs and trends for NDS/SDGs impacting gender equality in country**

Targeted consultations with the Office of the President reiterated the importance and relevance of the JP, and also stressed on the crucial need for capacity strengthening which is the key to dive the national partners deep into the DFA and INFF concepts. Initial data collection and analysis is underway, some chapters of the DFA have been drafted. The DFA process will be also informed by the findings of the UNDP-ADB Socio-Economic Impact Assessment of COVID-19 that was conducted in close partnership with the Ministry of Economy, as well

as by the other assessments, including by collecting the evidence through the studies on the public expenditures on climate change at the national level, on budget formulation and execution of protected areas at the local level, and analysis of the alignment of the strategic planning and budgeting in education sector on the example on pre-schooling. Initial consultations are ongoing on SDG costing exercise. KR team is getting prepared for the upcoming sub-regional INFF training in January 2021 that will be organized by ESCAP, UNDESA and UNITAR. SDG costing methodology is to be developed at least for one of the sectors by mid-2021. Study on efficiency of public sector spending in education is in progress disaggregated by gender and disability.

**Output 2.1 State institutions have the capacity to align their sectoral budgets with MFF/MTEF and NDS/SDGs through integrated gender sensitive budgeting**

The assessment is completed on the *bottlenecks and gaps preventing alignment between the SDG, national development priorities, sectoral strategies, budgeting and financing processes with focus on education sector*. Recommendations for improved integration to deliver development results were shared with the partners from the Ministry of Education and Science (MOES), Ministry of Finance (MF), Chamber of Accounts (CoA), experts working on review and monitoring of the National Development Strategy 2040(NDS) and think tank on public administration including local self-governance (LSG). There is a progress in advancing the analytical agenda planned for the first year of implementation. *Assessment and diagnosis are initiated on education sector efficiency spending* which accounts for 6 % of GDP in average, financing of the Early Childhood Education (ECE) including amplifying the potential of the Public-Private Partnership (PPP) to increase the coverage, and on the ways to improve the state budget oversight by the Chamber of Accounts (CoA). Based on the assessment findings, *a package for training of trainers (TOT) on effective financing of the Early Childhood Education (ECE) towards achievement of SDG 4, Target 4.2* was developed. First introductory session hosted by the Ministry of Education and Science took place at the end of 2020 with TOT scheduled in January 2021.

**Output 3.2. The parliamentary oversight and transparent outreach based on NDS/SDGs are designed.**

- Guidelines on the performance monitoring tools for audit oversight for Early Childhood Education (ECE) is available.

There has been no achievements of outcomes yet.

**B.4. Strategic Documents**

Did the JP produce strategic documents in the last year (policy, strategies, analyses/assessments, methodological documents, and other relevant documents)?

- Yes
- No

Completion of a detailed assessment of the alignment of the SDG 4, target 4.2., the NDS' priority on human capital development, the Government's Medium-Term Programme "Unity, Trust, Creation" 2018-22, education and ECE sub-sector goals and objectives with budget programmes and budget performance audit. The assessment report [in the format of the Budget Brief] reviewed the processes of the goal-setting in line with the strategic planning hierarchy and administrative set up as well as programme budgeting including the local budget expenditure on ECE.

**C. Plan for the Next Year of implementation (MAXIMUM 2 PAGES)**

**C.1 Upcoming activities**

The implementation of activities till the end of the 2021 will depend on the political situation in the aftermath of the Presidential elections and Referendum in January 10, 2021, Parliamentary elections, planned for May 2021 and changes in the Government structure. Informed by the current political context, the Country is expecting big shifts in the national reforms processes, including changes in the system of governance from Parliamentary to Presidential, also leading to the revision of the current national strategic framework (long-term national visioning and mid-term national and sectoral plans).

With an assumption that the situation will be stabilizing, following actions are planned for the first quarter:

- Under the leadership of RC and in close coordination with EU to re-new strategic consultations with the Office of the President on the establishing the INFF Oversight Committee and UN-Government Working Group to kick off the implementation of the specific outputs and activities;
- Complete the DFA report to include the situation analysis, including on the existing financing landscape in the context of COVID-19 and political turbulences;
- Conduct technical consultations with the Office of the President to review and agree the implementation plan, considering all possible scenarios and potential implications in the fragile environment. Risk-informed and politically sensitive, do no harm approaches, aiming at expected results of the JP;
- Organize official launch of the JP in close coordination and collaboration with the INFF Oversight Committee, followed by the orientation session to present the DFA and INFF concepts, the Joint Programme and push for the discussions on the specific elements of the implementation, including the engagement of the relevant stakeholders;
- Establishment of core expert teams under the Ministry of Economy and Ministry of Finance to support three thematic outputs of the JP; Detail TORs for the scope of work under three Outputs to be conducted by the end of 2021 with expected deliverables, hire the experts.
- Completion of the analysis on public spending efficiency in education including validation and dissemination events;
- Establishment of the technical working group led by Ministry of Finance and Ministry of Education and Science tasked to elaborate evidence-based measures to align SDG 4.2, national and sectoral priorities with budget programs, monitoring and oversight;
- Support to the Public-Private Partnership Center under the Ministry of Economy to complete their work on improving the regulatory framework on the ECE/pre-school education aimed to increase coverage, and provide capacity enhancement help;
- Formalizing partnership with Chamber of Accounts to equip them with modern tools for sound budget performance oversight and capacity enhancement;
- Developing a Communication Strategy for the JP and it's implementation in collaboration with the key stakeholders;
- Deliver annual donor meeting to highlight the results, lessons learned and share best practices;

UNDP and UNICEF are expecting full scale implementation of the JP in line with the approved work plan during 2021 assuming that the political situation will be stable. UNDP and UNICEF agreed a consolidated work plan per the approved JP document and will work towards the following specific results in line with the set Outputs to contribute to the expected Outcome of the JP:

Planned annual results under **Output 1** include (a) submission of the DFA report, covering gender gaps, to the government; (b) development of SDG costing methodology for one of the sectors, applying gender tagging; (c) completion of the study on efficiency of public sector spending in education disaggregated by gender and disability; (d) implementation of fiscal space analysis for at least one sector (considering gender inequalities and gender gaps and disability issues); (e) submission of tax incentives effectiveness report to the government, taking into account gender and social inclusion issues and (f) submission of the VAT E-fiscalization implementation plan to the relevant fiscal authorities.

Planned annual results under **Output 2** include (a) submission of Revenue and Expenditure Analysis through NDS/SDG lenses report to the relevant fiscal authorities, taking into account gender, social inclusion (G&SI) and climate issues; (b) submissions of recommendations to the relevant authorities to integrate NDS/SDG targets and sector strategies, taking into account gender sensitive budget, social inclusion and climate, into MTEF and budget processes and documents; (c) identification of bottlenecks which prevent alignment between NDS/SDGs, the Medium-term Forecast of Socio-Economic Development and MTEF; (d) capacitating of relevant government officials on financing development strategy methodology, taking into account gender aspects; (e) research and recommendations on enabling environment for innovative finance; (f) recommendations agreed with the Government for adapting systems for monitoring and managing tax incentives and (e) preparation of a scalable model of PPP with implementation package, taking into account gender and social inclusion.

Planned annual results under **Output 3** include (a) development of recommendations to integrate target indicators, including gender and social inclusion specific ones, of the financing strategy in the monitoring system

of the NDS; (b) Delivery of capacity and methodology to improve parliamentary, COA and public PFM oversight process based on NDS/SDG agenda; (c) preparation of a draft decision on the creation of the Platform and development of proposals and an action plan and (d) development of a report with recommendations, taking into account gender and social inclusion and climate aspects, to align national strategic planning and SDGs.

### **C.2. Expected changes**

No new modifications are expected as of now. The potential modifications of the work plan may be required only based on the political developments in the country. UNICEF plans certain changes in the work plan and budget of the second year of JP implementation, i.e. July 2021-June 2022 within allowed ratio. That includes re-programming Output 1.2., Activity 1.2.1 Conduct fiscal space analysis with re-allocation of planned funds, and a higher allocation for staff and operations costs.

### **C.3. Risks and mitigation measures**

Are there any changes made/expected to be made to the Risk Matrix?

- Yes  
 No

The main risks remain to be associated with the prolonged Covid-19 situation and potential unforeseen political developments following the January 10, 2021 Presidential elections and upcoming Parliamentary elections in May 2021. To ensure the successful implementation, the JP will be applying politically sensitive, risk-informed and do no harm approaches in the crisis situation and take all necessary efforts to ensure the ownership of the new governance structures, aiming at achieving the expected results of the JP. The political landscape will be constantly monitored. Engagement of new partners will be intensified to educate them on the DFA/INFF agenda advantages and ensure uninterrupted decision-making process, a strong ownership and partnership with the development and private actors.

## Annex 1: Consolidated Annual Results

### 1. JP contribution to global programmatic results (annual)

Joint SDG Fund Global Outcome 2: Additional financing leveraged to accelerate SDG achievement (Update table below )

Indicators	Target 2020	Result 2020	Target 2021
2.1: Ratio of financing for integrated multi-sectoral solutions leveraged in terms of scope(for other/ additional sector/s or through new sources/means)	0	0(no updates can be done as there has been no progress)	1:20  (at least 5% by relevant line ministries and Local Self Governance)
2.2: Ratio of financing for integrated multi-sectoral solutions leveraged in terms of scale(for the same multi-sectoral solution.)	0	0(no update is available as there has been no progress yet)	1:50 (at least 2% by private sector)

Joint SDG Fund Global Output 4: Integrated financing strategies for accelerating SDG progress implemented (Update table below and provide details as requested)

Indicators	Target 2020	Result 2020	Target 2021	List of strategies/ frameworks developed
4.1: #of integrated financing strategies that were tested (disaggregated by % successful / unsuccessful)	0	0	1	n/a
4.2: #of integrated financing strategies that have been implemented with partners in lead disaggregated by (1) government/public partners (2) civil society partners and (3) private sector partners	0	0	1	n/a

4.3: # of functioning partnership frameworks for integrated financing strategies to accelerate progress on SDGs made operational	1	0	1	<ul style="list-style-type: none"> <li>With UNICEF support, the Public-Private Partnerships (PPP) Center at the Ministry of Economy has started a dedicated feasibility study aimed to improve the regulatory and governance frameworks to contribute to <i>SDG 17, Target 17.17</i>. Memorandum of Understanding between the PPP Center under Ministry of Economy and UNICEF was signed on 17 December 2020.</li> </ul>
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## 2. Selected global performance indicators (annual)

- Provide data for aggregation at the global level of the Joint SDG Fund.

2.1. Did your Joint Programme contribute to the improvement of the overall UNCT coherence in 2020?

- Yes, considerably contributed  
 Yes, contributed  
 No

Explain briefly: Although the JP has been in slow progress, it anyway contributed to the overall coherence of UNCT in 2020. While UNDP and UNICEF are the key agencies that lead the implementation of the JP, the efforts have been made to ensure its catalytic effect be engaging NRAs, such as ESCAP and UN-DESA to provide methodological support on INFF, UNCTAD on debt management, UNECE on strengthening PPP models. More active engagement is anticipated in 2021 when the JP will be rolling out at full scale.

2.2. Did your Joint Programme contribute to reduced transaction costs for the participating UN agencies in interaction with national/regional and local authorities and/or public entities compared to other Joint Programmes?

- Yes,  
 No  
 N/A (if there are no other joint programmes in the country)

Explain briefly: There has been no transaction costs for the PUNOs during the reporting period. UNDP and UNICEF are handling their costs directly.

2.3. Was your Joint Programme aligned with the UNCT Results Groups in 2020?

- Yes  
 No

Explain briefly: The JP is a part of the UNDAF JP for 2019. The joint work planning for 2020 was hampered by COVID-19 and political situation. Therefore, UNCT has informed the Government about the extension of JWP for 2019 to 2020. Full alignment of the JP will be ensured during the revision of JWPs for 2021-22 which is planned for the first quarter of 2021.

### 3. Results as per JP Results Framework (annual)

Result / Indicators	Baseline	Expected 2020 Target	2020 Result	Reasons for variance from planned target (if any)	Expected 2021 target	Expected final target (if different from 2021)
<b>Outcome 1: Kyrgyzstan has stronger evidence for an improved policy framework for public and private finance to deliver on NDS/SDGs.</b>						
Outcome 1 indicator: Percentage of officials of government authorities that demonstrates understanding of financing needs, trends and priorities among the relevant policymakers disaggregated by gender	0	Percentage of officials received by survey	Not achieved yet		Increase by [x] % to previous year score	
<b>Output 1.1. State institutions have evidence on financing needs and trends for NDS/SDGs impacting gender equality in country</b>						
Output 1.1 indicator	No	DFA reports covering gender gaps submitted to the government	DFA report is not completed by the end of 2020, it is in process.	Implementation delays due to Covid-19 and deep political crisis in the KR.	Results of DFA report was discussed at appropriate government meeting	
Output 1.1.2 indicator	IMF made preliminary estimates of NDS/SDG costing in 2017 in 5 sectors. Methodology is not available.	Methodology of SDG costing developed for one of the sectors, applying Gender tagging	To be launched in early 2021. Consultations are ongoing on SDG costing exercise.	Implementation delays due to Covid-19 and deep political crisis in the KR.	Government publishes cost estimates for the SDG-aligned NDS.	
Output 1.1.3 indicator	Budget planning documents of the Ministry of Education and Science do not consider identified efficiency gains to achieve SDG 4 and NDS Priority I	By June 2021 Study on efficiency of public sector spending in education disaggregated by gender and disability conducted	In process. Draft TOR for the study is available	No variance but a moderate delay with TOR finalization due to the need for specific expertise in designing and conducting the analysis of the efficiency in education spending.	By the end of June 2021, the study is completed and report is available	NA
<b>OUTCOME 2. Kyrgyzstan has an improved strategic planning and financing system to support NDS/SDGs implementation</b>						

<p><b>Outcome 2.1. indicator</b></p> <p>Ratio of financing for integrated multi-sectoral solutions leveraged in terms of scope<sup>1</sup></p>	No					
<p><b>Outcome 2.2. indicator</b></p> <p>Ratio of financing for integrated multi-sectoral solutions leveraged in terms of scale<sup>2</sup></p>	No					
<p><b>Output 2.1 State institutions have the capacity to align their sectoral budgets with MFF/MTEF and NDS/SDGs through integrated gender sensitive budgeting</b></p>						
<p><b>Activity 2.1.2. indicator</b></p>	<p>There is no sufficient alignment between NDS/SDGs, the Medium-term Forecast of Socio-Economic Development and MTEF in the regulatory normative acts</p>	<p>Recommendation to integrate NDS/SDG targets and sector strategies, taking into account gender sensitive budget, social inclusion and climate, into MTEF and budget processes and documents submitted to the relevant authorities</p> <p>Bottlenecks which prevent alignment between NDS/SDGs, the Medium-term Forecast of</p>	<p>Bottlenecks which prevent alignment between NDS/SDGs, the Medium-term Forecast of Socio-Economic Development and MTEF are identified</p>	No variance	<p>Recommendation to integrate NDS/SDG targets and sector strategies, taking into account gender sensitive budget, social inclusion and climate, into MTEF and budget processes and documents submitted to the relevant authorities</p>	NA

<sup>1</sup> Targets for 2020 and 2021 will be determined once the project is initiated

<sup>2</sup> Targets for 2020 and 2021 will be determined once the project is initiated

		Socio-Economic Development and MTFF are identified				
<b>Output 2.2. State institutions have the capacity to formulate a financing strategy based on new financing modalities and aligned with NDS/SDGs.</b>						
<b>Activity 2.2.4. indicator</b>	There is no model to scale PPP in the area of education	Feasibility study with a scalable model of PPP, taking into account gender and social inclusion in education with implementation package is prepared	Tailored to the current needs review of the PPP regulatory framework has started. It includes drafting a model package for initiation of a project which can be used by both public authorities and private sector.	Slight variance of the expected result due to necessity for more practical response to the current needs, i.e. subject specific and helping a private partner to initiate the PPP project in ECE/pre-school	A scalable model of PPP	NA
<b>Outcome 3: Kyrgyzstan has improved monitoring and oversight for NDS/SDG implementation.</b>						
<b>Outcome 3 indicator</b>						
Public Participation Index of Open Budget Index	31 (2017)	Increase by [X] %	Increase by [X] %			
<b>Output 3.2. The parliamentary oversight and transparent outreach based on NDS/SDGs are designed.</b>						
<b>Activity 3.2.1. indicator</b>	There are several types parliamentary oversight in the country however none of them has links to the SDG agenda	Delivery of capacity and methodology to improve parliamentary, COA and public PFM oversight process based on NDS/SDG agenda	Guidelines on the performance monitoring tools for audit oversight for ECE is available	NA	NA	NA

## Annex 2: List of strategic documents

1. Strategic documents that were produced by the JP

Title of the document	Date (month; year) when finalized	Brief description of the document and the role of the JP in finalizing it
Early Childhood Education Budget Brief	September- November, 2020	UNICEF completed detailed assessment of the alignment of the SDG 4, target 4.2., the NDS' priority on human capital development, the Government's Medium-Term Programme "Unity, Trust, Creation" 2018-22, education and ECE sub-sector goals and objectives with budget programmes and budget performance audit. The assessment report [in the format of the Budget Brief] reviewed the processes of the goal-setting in line with the strategic planning hierarchy and administrative set up as well as programme budgeting including the local budget expenditure on ECE.
None		

2. Strategic documents for which JP provided contribution

Title of the document	Date (month; year) when finalized	Brief description of the document and the role of the JP in finalizing it
None		
None		

### Annex 3: List of strategic communication documents

1. Have you created a strategic communication plan for the Joint Programme?

- Yes  
 No

Explain briefly: JP Communication Consultant joined the UNDP recently and is starting the collaboration with all key stakeholders to develop the JP Communication, Media and Advocacy strategy. There is a Communication Plan for the JP, as part of the UNDP annual work plan package.

2. What percentage of the annual budget towards communications was utilized from the total budget? (Note that the entire JP comms budget must be min 5% of the total JP budget)

Explain briefly:

3. Have visibility outcomes increased due to the provided funding for JP strategic communications?

- Yes  
 No

Explain briefly: The launch event and partners’ meeting are yet to take place in early 2021. No visibility outcomes were achieved in 2020, mainly due to slow implementation progress in the light of the Covid-19 and political turbulence in the country.

4. Does the Country Profile Page on the Joint SDG Fund website contribute to your JP outreach?

- Yes  
 No

Explain briefly: The newly hired JP Comms Consultant has just recently started working on the JP Comms strategy. The country page will be enriched and widely used for outreach and knowledge sharing purposes.

5. How many articles (interviews, human interest stories, press releases, expert insights, etc) about your JP were published by an external media outlet (Non-UN published)?

Total number: NA

Explain briefly: There has been no articles about the JP by external media outlet

6. How many articles (interviews, human interest stories, press releases, expert insights, etc) about the Joint Programme were published by the UNCT and JP PUNOs?

Total number: NA

Explain briefly:

7. Have you received an increase of social media followers?

- Yes  
 No

Total number: NA

Explain briefly: There has been no social media postings in 2020.

#### Multi-Media Faucets

Title of the document	Date	Brief description and hyperlink (if it exists)
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	<b>when finalized (MM/YY)</b>	
NA		

*Social Media Campaigns*

<b>Title of the document</b>	<b>Type (FB/Twitter/LinkedIn/Etc.)</b>	<b>Brief description and hyperlink (if it exists)</b>
NA		

## Annex 4: Updated JP Risk Management Matrix

- Update the table from your JP document with the most recent analysis of risks and identification of mitigation measures. This should support the narrative update on the risks from the part C of the main report.

Risks	Risk Level: (Likelihood x Impact)	Likelihood: Certain - 5 Likely - 4 Possible - 3 Unlikely - 2 Rare - 1	Impact: Essential - 5 Major - 4 Moderate - 3 Minor - 2 Insignificant - 1	Mitigating measures	Responsible Org./Person
Contextual risks					
Political crisis		3	4	Monitor the political landscape constantly; apply risk-informed, politically sensitive and do not harm approaches, keep close contacts with key gov't partners and continue educating them about DFA/INFF processes in the KR context.	RCO, UNDP
Programmatic risks					
Delays in implementation due to deepened political crisis		3	4	Continue working at the technical level	UNDP, UNICEF