

## KYRGYZSTAN

### ETF COUNTRY PLAN 2009

#### Summary

The overall objective of ETF support to Kyrgyzstan for the period 2009 to 2011 is to (i) assist national stakeholders in their efforts to enhance human capital for economic and social development and (ii) support the delivery of EU assistance through the Development Cooperation Instrument (DCI). In particular, the ETF will provide support to the implementation of the draft VET reform policy and make it operational through:

- pilot and other capacity building activities to develop and test methodologies for describing learning outcomes, developing VET programmes relevant to labour market needs, managing VET schools and training VET teachers and trainers by building on the results of the two ETF multi-year Central Asian policy advice projects implemented in 2005-2008.
- the implementation of thematic reviews for selected building blocks of the national education, training and employment strategies.
- The provision of advice to the EC for DCI actions, including further assistance in the preparation of the Sector Wide Programme (SPSP KG 2010) in Education, based on EC requests.

ETF activities will be implemented in the framework of the European Education Initiative for Central Asia and EC external assistance policies. The ETF's role in the area of education and training policy is complementary to and supportive of EC actions performed either directly by the EC Delegation or EU Member States, or through DCI financed technical assistance coming from other donors and the Kyrgyz Government.

#### 1. Socio-economic background

Since its independence, Kyrgyzstan has faced a period of economic stagnation followed by renewed growth from the mid 90s up to 2002. The political instability of the country has slowed down the positive economic trends and resulted in negative growth in 2005. In 2007 the economy resumed its positive growth, especially driven by the services, construction and manufacturing sectors<sup>1</sup>. Successful land reform and a shift to individual farming practices have also helped to renew growth by boosting the agriculture sector and developing subsistence farming on family plots. The impact of this growth is yet to contribute to the national welfare system. GDP per capita (PPP) is only \$112 more than in 1991 with a net increase achieved in the last few years. 2007, while being a year of positive growth, has seen high inflation and a large increase in food prices, especially bread and cereals.

The population of Kyrgyzstan is currently estimated at 5.1 million, 35.9% of which live in urban areas and 64% in rural areas<sup>2</sup>. Migration is a phenomenon, with a high outflow of people and seasonal labour in Russia and Kazakhstan is a major source of income for the poorest regions. Despite a reduction in poverty during recent years, in 2004, some 40%<sup>3</sup> of the population still

<sup>1</sup> Asian Development Outlook 2008, Asian Development Bank

<sup>2</sup> World Bank Development Indicators, 2007

<sup>3</sup> European Community Draft Regional Strategy Paper for Assistance to Central Asia for the period 2007-2013, <http://delkaz.ec.europa.eu/joomla/images/stories/en%20-%20strategy%20ca%202007-13%20final.pdf>, the World bank estimates in 2005 43.1% of population under the National poverty line, and 50.8% of rural population.

lived under the national poverty line and around 11% in extreme poverty<sup>4</sup>. Poverty is especially pronounced among rural populations (almost three-quarters of the poor live in the rural and mountainous regions) and is aggravated by ineffective governance and corruption. Moreover, access to basic public services such as running water, public sewerage, health and education has deteriorated over the past decade.

In 2006 the labour force amounted to 2.33 million people, with a participation of 68.5%. The female labour force participation rate was 44%. Agriculture is the leading employer, with 48% absorption in 2005, followed by services with 39.5% and industry with 12.5%<sup>5</sup>. Workers with secondary education account for almost 76% of the total labour force, while unemployed secondary education holders represent the 79.5% of the unemployed population. Agriculture is continuing to increase in importance, due to the increase in individual farming of family plots. The government is investing in long term strategies to promote private sector development in service sectors, but the country needs to urgently respond to the needs of the population which cannot be satisfied by the economy in its current state. The official unemployment rate was 11.8% in April 2008<sup>6</sup>, but the real figure is likely to be higher due to unregistered unemployment. The lack of job opportunities leads to mass migration especially of young people and professionals, which indeed has a positive impact on the macroeconomic framework of the country thanks to the inflow of foreign exchange as a result of remittances. The contribution of trade and repair services to employment is particularly significant, as they provide much of the informal employment available.

## 2. Key policy issues and strategies in human capital development

Although the Kyrgyz Republic has a long tradition of public education and training, the system has since become obsolete and infrastructures and facilities have deteriorated during the transition period. The result is a qualifications structure with little relevance to economic and social development. There has been no restructuring of the basic and secondary vocational education delivery network, and, despite a declared commitment to decentralisation, the system retains its rigid and overregulated vertical management structure. The country enjoys high literacy rates (99% of the population is literate) and participation in basic education is as high as 95%. However, there are signs that participation of young people in education has been declining during the last 5 years and it is unevenly distributed among population groups according to their socio-economic background<sup>7</sup>.

In 2007, the government adopted a new Poverty Reduction Strategy Paper (PRSP) titled Country Development Strategy (CDS) 2007-2010<sup>8</sup>, in which it has targeted and is aiming to support specific sectors for economic development (agriculture, energy, infrastructure, mining and tourism in particular). The government has also recognised the need for human capital development through education and training. The CDS emphasises the importance of an efficient and effective education system as a precondition for sustainable economic growth and for ensuring competitiveness within the global economy. This entails among other things reforming the vocational education system, enhancing the skills of schools and college management and teaching staff, and rehabilitating school premises and facilities.

In October 2006 the Government adopted the Education Development Strategy (EDS) of the Kyrgyz Republic for 2007-2010. The EDS further elaborates the principle goals identified in the CDS and targets improvements in the quality of education, enhanced access to education for

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<sup>4</sup> Joint assistance country strategy paper -2007-2010, IBRD, IDA, IFC, MIGA, [http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2007/05/30/000020439\\_20070530104914/Rendered/PDF/39719.pdf](http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2007/05/30/000020439_20070530104914/Rendered/PDF/39719.pdf)

<sup>5</sup> World Bank Development Indicators, 2007

<sup>6</sup> National Statistic Office

<sup>7</sup> Joint assistance country strategy paper -2007-2010, IBRD, IDA, IFC, MIGA, [http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2007/05/30/000020439\\_20070530104914/Rendered/PDF/39719.pdf](http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2007/05/30/000020439_20070530104914/Rendered/PDF/39719.pdf)

<sup>8</sup> <http://www.imf.org/external/pubs/cat/longres.cfm?sk=21038.0>

poor and vulnerable groups and a more professional management of the sector at national, regional, local and school levels.

The National Action Plan of the National Employment Programme, adopted by the Government in August 2006, aims to ensure correspondence between education and the labour market by increasing the qualifications of the unemployed through continuing training and by enhancing cooperation between education and training institutions and partner organisations.

The reform of the education and training system is still in a preliminary phase. The governance of vocational education and training (VET) is split between the Ministry of Education and the Agency for Vocational Education. Although some contacts between basic and secondary VET schools exist at local level, there is little interaction between the two complementary subsystems at policy level. These governing bodies are now aware of the need both to align their VET policies and strategies within an overall national policy framework and to establish dialogue with employers and the donor community.

The emerging education and training policies cover most of the critical issues, but extensive work needs to be done in order to identify priorities, work out realistic action plans and support implementation. A real commitment to reform and a capacity to plan and implement changes are still largely absent in public authorities. This is principally due to the high turnover amongst policy-makers, poor cooperation between government bodies, the lack of partnership and participatory approaches, and a severe shortage of funds to implement HRD reforms.

The initial focus of development in higher education, its subsequent growth and declining quality, has typically been accompanied by an absence of attention to mid-level qualifications, especially those to be potentially awarded by secondary technical schools. Together with the deteriorating status and quality of basic VET, this has resulted in a growing gap between the supply of lower and mid-level skilled workers and the demand from emerging businesses.

The labour market itself is still under-developed and key market players, such as employers' organizations, are not actively involved in VET. Communication platforms between VET and employers are only now emerging and no mechanisms are yet in place to ensure that the VET system leads to qualifications required by the labour market.

Qualifications are not defined in a way that would enable VET to respond and provide new knowledge, skills and competences. The different levels of VET are not related to the levels of qualifications and pathways are not defined in such a way as to avoid dead ends in education and careers. Quality assurance is absent and other than formal learning cannot be recognised in the awarding of qualifications.

A new education strategy for 2008-2010 has been drafted by the Ministry of Education and Science, and work is also underway on a long term strategy until 2020. The Kyrgyz VET Policy Task Force, established by the Administration of the President in May 2008 has, together with the ETF, prepared a draft VET policy and strategy until 2020 which is expected to inform the overall education strategies under development.

### 3. EU and other donor interventions

The Country Development Strategy 2007-2010 replaced the National Poverty Reduction Strategy for 2003-2005. The government's commitment to implementing this new strategy - including employment and education reform programmes - provides a solid foundation for the donor community to build its actions in a harmonised way in the period 2007-2010. Both areas would benefit from external support in order to achieve systemic and lasting outcomes. The World Bank (WB), together with the Asian Development Bank (ADB), the Swiss Agency for Development and Cooperation, the UK Department for International Development, the United States Agency for International Development and UN agencies have prepared a Joint Country Support Strategy for this period<sup>9</sup>.

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<sup>9</sup> [http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2007/05/30/000020439\\_20070530104914/Rendered/PDF/39719.pdf](http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2007/05/30/000020439_20070530104914/Rendered/PDF/39719.pdf)

As regards EU assistance, interventions from the final phase of the Tacis programme continue in the region and a new Development Cooperation Instrument (DCI) was introduced in Central Asia in 2007.

A two-year TACIS employment project (Support to the Development of an Employment Policy) was implemented between 2005 and 2007, as were TACIS programmes funding poverty alleviation projects in the Ferghana valley (on Kyrgyz territory in the Batken region). In 2007 the European Commission started two projects for disadvantaged groups: *Non-formal skills training in rural areas of Kyrgyzstan* (implemented by the Institute for International Cooperation of the German Adult Education Association IZZ/DVV in consortia with the Kyrgyz Adult Education Association KAEA) and *Strengthening the role and socio-economic condition of vulnerable women in Kyrgyz society* (implemented by the National Red Crescent Society of Kyrgyzstan). In higher education, the EU has provided support through the Tempus programme and will continue to do so within the new Development Cooperation Instrument (DCI) and also through the Erasmus Mundus programme and its External Cooperation Window.

The overall DCI priorities for Central Asia are to promote stability, strengthen governance and transparency, reduce poverty, and promote closer cooperation both within Central Asia and with the EU. In May 2007, the EU Council adopted a Strategy for a New Partnership with Central Asia, which defines a strengthened EU approach in strategic cooperation areas, including a planned new European Education Initiative covering all levels of education and training.

Education and training reform in Kyrgyzstan will receive a major boost in 2010 from the Sector Wide Programme planned by the European Commission and, possibly, other large donors,. This implies three key stages of development to be led by the Government and assisted by the donors in the sector between now and 2010:

- Sector policy;
- Sector programme based on the policy together with an expenditure framework and donor coordination process in the sector;
- Sector Policy Support Programme to provide EC funds, preferably in the Sector Budget Support operating modality.

Throughout the three stages it will be necessary to develop the capacities of stakeholders in education and training.

Other donors that have been active in the field of vocational education, training and labour market policies include the International Labour Organisation (development of the National Employment Programme) and UNESCO (supporting the establishment of community learning centres). The Swiss also provide bilateral support through NGOs providing training in new agriculture, forestry and small tourism business methods. The German Technical Cooperation Agency (GTZ) has provided funding for VET teacher training, labour market skill needs assessment and the design of an adult training strategy.

Significant investments are planned for the coming years by international financial institutions. The Asian Development Bank (ADB) provides a grant of 10 million USD for the development of basic VET in the Kyrgyz Republic during the period 2007-2010. The ADB approach to improving and rationalising the basic VET system is system-wide, with the project to be implemented on the basis of selective investment in key components such as physical infrastructure, management, curricula, teacher training, etc<sup>10</sup>.

The WB has started a 15.5 million USD education project for Kyrgyzstan that prioritises rural areas. To be completed in the next four years, it aims to improve learning and learning conditions in primary and secondary general schools<sup>11</sup>.

Overall Kyrgyzstan, a relatively small, poor and politically open (although somewhat turbulent) country, has enjoyed substantial international donor support in the last decade. The current scenario is the coexistence of many useful players, each implementing, however, more or less

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<sup>10</sup> <http://adb.org/Projects/project.asp?id=38298>

<sup>11</sup> <http://web.worldbank.org/external/projects/main?pagePK=64283627&piPK=73230&theSitePK=305761&menuPK=305793&Projectid=P078976>

isolated initiatives that, so far, have failed to be converted into national policies. For this reason, VET donors active in Kyrgyzstan have set up a round table for discussions on how to better coordinate efforts.

### **European Training Foundation**

The European Training Foundation in collaboration with national partners has implemented three projects in Kyrgyzstan over the last four years: National Qualifications Frameworks (NQF) in Central Asia, Skills Development for Poverty Reduction (SDPR), and Policy Learning in Partner Countries (PLPC). The ETF succeeded in embedding its assistance to the country's stakeholders in the area of VET policy in the framework of preparation for the SPSP 2010.

The NQF project resulted in a complete set of occupational profiles in tourism and in the draft NQF policy paper. A link was created between these policy discussions and the overall VET policy design was started in the policy learning project. The NQF approach has become one of the strategic directions for developing Kyrgyz education and training. The final event and publication from this multi-country project are part of the ETF Work Programme 2009.

The SDPR project promoted policy thinking on how to enable VET schools to provide skills development opportunities for poor people and become partners in poverty reduction activities. The pilot VET school achieved very good results in 'opening up' to the needs of the community and taking initiatives in skills development partnerships.

Both NQF and SDPR approaches proved to be very relevant for the country's needs and yielded good results that will become a basis for a new combined strategic pillar for ETF in 2009-2011.

## **4. ETF intervention strategy 2009-11**

The ETF's mid-term perspective focuses on the provision of information, analysis, and policy advice on human capital development and stakeholder capacity building as well as support to the delivery and effectiveness of Community assistance programmes.

The expected key outcomes of ETF activities are greater relevance of HCD components in EU-funded interventions, informed policy debates on education, training and employment and an education and training system that assists in the poverty reduction drive. Stakeholder capacity building for both the definition and the implementation of reform will be key elements of all ETF interventions.

In more detail, the mid-term objective for ETF support is to contribute to the programming and evaluation of HCD aspects of DCI support in Kyrgyzstan and to assist with VET reform. Drawing on an enhanced network of key stakeholders, the ETF activities will provide inputs - in the form of policy analysis and information support - to HCD aims linked with economic and social development objectives (i.e. raising the competitiveness of enterprises and improving employability).

In the planning period 2009-2011, the ETF, building on the good results achieved in recent cooperation with Kyrgyzstan, will base its mid-term strategy, within the overall framework of the European Education Initiative for Central Asia, on the following three pillars:

- Assisting education and training reform through developing and testing methodologies for describing learning outcomes, developing VET programmes, managing VET schools and training VET teachers and trainers by building on the results of the two ETF multi-year Central Asian policy advice projects implemented in 2005-2008.
- Developing thematic reviews for selected building blocks of national education and training strategies. In view of the foreseen Sector Wide Programme, the ETF will pilot a new form of Human Capital Development review, developed through one of its Innovation and Learning Projects.
- Supporting the delivery of EU assistance through the DCI, including further assistance in the preparation of the Sector Wide Programme (SPSP KG 2010 in Education) based on EC requests.

The ETF's role in the area of education and training policy is complementary to and supportive of EC actions either directly by EC Delegation or EU Member States, or through DCI financed technical assistance, and by other donors and the Kyrgyz Government.

### **Assistance to education and training reform and qualifications development**

This will be achieved through a strategic connection in the Central Asia region (possibly in 3-4 partner countries) between the two previously implemented ETF approaches of addressing the issues of qualifications and skills development in pilot schools, the tourism sector and national education and training policies.

Learning outcomes based qualifications in the sector, available from the NQF project, will be the basis for developing and pilot testing a new generation of education and training programmes combining national framework curricula and school based curricula, including short courses at the community level. The latter would also facilitate schools' commitment to local skills development partnerships. School leadership development and training of teachers and trainers at the pilot schools will logically follow as a second phase.

Both phases would bring an important methodological contribution which would inform the key reform policy areas in the participating countries. For countries that may opt for an NQF development, such as Kyrgyzstan, this would provide a continued platform for practical implementation experience and capacity development. Sharing the knowledge, experience and know-how would benefit participating countries and potentially enable an efficient division of implementation tasks between them.

The ETF's facilitation support, as well as its internal and external expertise, assumes real commitment and active engagement from national stakeholders.

### **Development of thematic reviews**

The research activities of the type described above will be complemented by analytical reviews on selected priority themes for the country's education, training and employment reform efforts with the aim of identifying gaps and exploring policy options. Themes will be selected in agreement with national stakeholders for every year of the planning period. The following themes, which have already been identified by the national strategic task force for VET among the building blocks for education and training reform, will be proposed as a possible wider choice for the thematic reviews:

- Equity and access to education and training
- lifelong guidance for learning and employment
- social partnership in education and training (at national, regional, sector and school levels)
- school organisation and leadership
- curriculum development and teacher training
- recognition of qualifications.

This strategic pillar will also offer an opportunity to review a theme in more than one country of the region, which would enable comparison and peer learning.

### **Support to the delivery of EU assistance through the DCI**

As a third strategic pillar the ETF will continue supporting the design and delivery of EU assistance in the Kyrgyz Republic through the DCI, including further assistance to the preparation of the Sector Wide Programme (SPSP KG 2010 in Education), based on EC requests.

The ETF is committed to act as an education and training policy resource for the EC Delegation and for technical assistance.

The ETF will also coordinate activities in all areas of the mid-term strategy with other donors operating in the same area and assist in the use of donor project experience.

### **Expected outcomes**

At the end of 2011, ETF activities in Kyrgyzstan will have produced the following outcomes:

- Draft education and training programmes for selected qualifications in tourism at country and regional levels,
- Curriculum development and staff training methodologies,
- School leaders, teachers and trainers trained in respective new approaches and methodologies,
- NQF approach continued,
- Thematic reviews on selected education and training reform building blocks,
- Support provided to the delivery of EU assistance through the DCI as requested,
- ETF consultation and advice provided to the EC Delegation on the design and implementation of technical assistance in the education sector,
- Contribution to a more effective use of EU and other donor interventions in support of human capital development.