



UNDP Poverty Reduction Programme
UNDP-UNEP Poverty and Environment Initiative



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Poverty Reduction and Environment in Kyrgyzstan: UNDP's Contribution



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UNDP's Contribution

УДК 364
ББК 20.1
С 59

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C 59 Poverty Reduction and Environment in Kyrgyzstan:
 UNDP’s Contribution. - Б.: 2012. - 90 с.
ISBN 978-9967-26-889-0

This publication is based on results of the survey “Impact Assessment of the UNDP Poverty Reduction Programme and identification of input of the ecosystem goods/services in changing of welfare of the households and beneficiaries” during programme cycle 2005-2011, which was conducted in 2011.

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C 1502020000-12
ISBN 978-9967-26-889-0

УДК 364
ББК 20.1

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LIST OF ACCRONYMS

ASSG – Association of self-support groups
SSGs - Self-support groups
AMC – Advisory-marketing center
KR – the Kyrgyz Republic
ILO – International Labor Organization
SC – Small cattle
NGOs – Non-governmental Organizations
LSGs – Local self-governance bodies
AIS – Artificial insemination station
UNDP – United Nations Development Programme
PRP – UNDP Poverty Reduction Programme
FAP – First aid point
EP – UNDP Environmental Programme
UNEP – United Nations Environmental Programme

GLOSSARY

Association of the self-support groups – public institute¹ , uniting people on voluntary base for joint solution of economic and social issues of the community.

Self-support group – informal voluntary unification of the people acting based on the law of the republic and conducting its activity based of principles of democracy. Members being within one structure help to each other and acting collectively, reach certain success².

In-depth interview – informal personal conversation conducted according to preliminary designed plan and based on use of techniques encouraging the respondents to long and detailed consideration regarding range of issues interesting for the researchers³.

Deprivation – hardship or insufficient conditions required for normal life⁴.

Income-generating activity – it is activity, which brings material or non-materials income to the households and individuals.

Intervention – interference, intervention. Within this project, it is supposed to provide a set of planned and implemented measures of poverty alleviation in the communities.

Desk studies – analysis of secondary data, i.e. data, which have been collected and processed by somebody.

¹ Training manual “Concepts of self-support groups” PF “Center of training, consultations and innovations” www.taic.kg/files/Gryppi_vzaimopomoshi.pdf
² Training manual “Concepts of self-support groups” PF “Center of training, consultations and innovations” www.taic.kg/files/Gryppi_vzaimopomoshi.pdf
³ Informational methodological magazine BiZ of the Training-informational Center, theme of the issue is “Monitoring of project activity”
⁴ Sociological vocabulary <http://www.soclexicon.ru/deprivaciya>

Quantitative survey – it is a method of empiric information collection and analysis, which determines mathematical and statistical models.

Computer software SPSS (abbreviation in English «Statistical Package for the Social Sciences») – it is the computer program for statistical processing of the quantitative (numerical) data⁵.

Method of random route sampling – it is one of techniques of respondent selection, under which all representatives of sampling population have equal chances to be selected. This analog of random sampling or systematic sampling allows constructing regional random sampling under conditions of lack of sampling grounds under limited material and time resources⁶.

Non-beneficiary– physical persons or households not included in a circle of the benefits and services recipients. In this report, those household, which have not been included in the UNDP Poverty Reduction Programme’s activity.

Participatory method – method, which anticipates “survey with somebody”. It is based on principle that the ordinary people as well as the researchers are professionals, able to critical thinking and analysis, that their knowledge is informative and valuable to understand social development. This knowledge can be used as means to deliver research opportunities to those who are deprived and do not have rights that they are able to learn and change their life independently, for themselves⁷.

Poverty pyramid – tool of assessment of economic vulnerability of the households and groups of individuals based on comprehensive poverty indicators and used within participatory methods⁸.

Seasonal pole – system of calculation of time intervals in accordance with certain criteria. So, for example, solar, moon, academic calendars can be distinguished.

Seasonal unit – unit of time calculation in line with the calendar.

Community – form of organization of the local population, which represent voluntary unification of people living within territory of street, district or other territorial formation of the village of city/town for joint solution of local matters.

Temporal – associated with key resources of human life - time.

Temporal gender regime – concept explaining inequality of men and women in ways of time use and assessment of time spent by the household members for fulfillment of various types of activity through availability of power relations fixed within historical framework.

Temporal style – describes consequence of events and their relations by time scale.

Transfer (from Latin transfero — transfer) — transfer, movements, in this case – transfer of money⁹ from one subject to another. So, state benefits are transfers like remittances, which are sent by the migrants to their families.

Focus-group discussion – it is method of data collection through group discussion of topic provided by the researcher¹⁰.

Chronologic policy – it is a science on time dimension of political activity and characteristics of political time

⁵ www.learnspss.ru
⁶ <http://slovari-online.ru/word.htm>
⁷ N.R. Malikova “Innovative approaches in training sociology: from experience of teaching in high educational institute”, magazine Economics, Sociology. Management. March 2012.
⁸ «Gender aspects of the poverty”, UN Development Programme, 2004
⁹ btimes.ru/dictionary/transfert
¹⁰ D.V. Petrov. Fous-groups: risk reduction under decision-making. methodological manual / D.V. Petrov – Saratov, 2000.

as component of historical time. In this report, term is used in more applicable meaning as powerful patriarchal relations in time division for labor and leisure, different for men and women determined by the system¹¹.

Chronologic policy of leisure – characteristics of time distribution for rest and self-development between men and women within the household system.

Chronologic policy of labor – characteristics of time distribution for labor between men and women within the household system.

Ecosystem goods – conditions of environment, resources of consumption received, produced by the people from nature.

Ecosystem services – they are flows of values coming to the human societies and they are results of status and size of natural capital. Ecosystem services are direct or indirect contribution of biodiversity in wellbeing of the people¹².

INTRODUCTION

The UNDP Poverty Reduction Programme (PRP) works in Kyrgyzstan for 15 years. During these years it became one of the key partners of the Government in elaboration and implementation of the national pro-poor strategies of the socio-economic development, and measures ensuring access of the vulnerable groups in rural area to employment and financial resources. Last years, activity related to poverty alleviation has been faced a number of serious challenges, one of them is a high dependence on external and internal environmental trends.

Considering link of poverty and environment and related additional challenges for the low-income population, the UNDP Country Office in Kyrgyzstan within commitments of the country on achieving the Millennium Development Goals laid down a foundation of integrated approach in activity of all programs to ensure a comprehensive impact in addressing problems with regard to poverty and interventions on environmental protection and environmental security of the country. Since 2011, the Poverty Reduction Programme and the Environmental

Programme actively collaborate with the UNDP/UNEP “Poverty and Environment” Initiative to enhance a systematic approach in addressing interrelated issues of the poverty and environment.

This activity, successful partnership and results of the UNDP’s social, economic and environmental interventions became a basis for strengthening of inter-program influence, efficient instrument for implementation of a complex approach of the region development, generalization of the best practices, experience to launch new UNDP programs and projects in the Kyrgyz Republic. Definitely, this study is relevant including process of implementation of activity of restructured UNDP programme units and programs on comprehensive development of the Osh, Naryn and Batken oblasts.

Traditionally, the UNDP Poverty Reduction Programme uses impact assessment on living standard of the household as mechanism to define effectiveness of the programme by results of each cycle of activity. Uniqueness of this Assessment is that changes of the living standard of the local communities of

beneficiaries of the Programme were measured first through assessment of input of ecological goods and services in measurement of their well-being. Specificity of this cycle is that assessed activity should make corrections in its performance because of tragic events happened in June 2010 in the south of the country. Important feature of the Assessment is its comparison with data of the previous studies of the Programme (2004, 2007) and attempt of the authors to offer enhancing of poverty alleviation interventions through environmental protection, ecosystem goods and services provision, development of market infrastructure, small and medium size business of rural population, efficient use of donor’s aid for sustainable development and ecological safety of the local communities.

The survey is composed of introduction, three chapters, conclusions and recommendations through which analysis of gender mainstreaming is made regarding time budget and employment of the household members, household structure and income-generating activity in the pilot communities of the Programme.

Goals of this survey are achieved through following objectives:

- Define impact of the Programme cycle activity for 2005-2011 on the beneficiaries’ households and local communities through studying of the structures, employment, incomes and costs of the households, infrastructure development and value-regulatory settings of the local communities.
- Comparative study of the time budget of the pilot households of the Programme.
- Assessment of contribution of the ecological goods and services in increasing of living standard of the local communities: comparative analysis of beneficiaries and non-beneficiaries of the Programme.

This survey found out that the UNDP had substantial positive, statistically significant and

sustainable impact on growth of the social capital and economic status of the programme beneficiaries and, indirectly, on whole local community of the pilot villages, and on reduction of losses of natural capital and increase of effects associated with contribution of the ecosystem goods and products into the household well-being.

The experts of the Working Group addressed objectives of the survey and conducted this survey in all oblasts of the country under supervision of the programme manager of the UNDP Poverty Reduction Programme M. Jangaracheva, the manager of the UNDP-UNEP Initiative “Poverty and Environment” G. Abdykalykova, and the coordinator of the UNDP Environmental Programme V. Grebnev. The experts of the Working Group express a gratitude for consultative support and facilitation of the survey to the manager of the UNDP Environmental Programme A. Temirbekov, the coordinator of the Poverty Reduction Programme N. Atakanov, the senior economist of the Programme G. Dyikanbaeva, the PR specialist A. Bolotova.

Survey sampling

To assess impact of the Programme on the household survival strategy, changing of their well-being level, results of interview of the programme beneficiaries were compared with indexes of the rural households, which have not been covered by the Programme – the non-beneficiaries.

Design of sampling of the Programme beneficiaries

Sampling of the beneficiaries defined jointly with the PRP is 601 people (12 percent from total number of the beneficiaries) and 100 people – non-beneficiaries (0,04 percent from total number of the citizens of the pilot villages of the programme).

Since the aim of interview was to obtain data, which allow disseminating results within whole population, a probabilistic approach was used to select

¹¹ S. Semenov. Chronologic aspects of culture crisis. M., 1993

¹² Millennium Ecosystem Assessment, 2005, <http://www.maweb.org/en/Condition.aspx#download>

the respondents, and the following was considered: “Oblast”, “Sex” and “Education”. After preparation of 72 lists of primary units of the sampling, a method of simple random sampling was used to select the beneficiaries. Individual ID number was given to each element of the lists. Further, random figures were

generated with a help of the software SPSS to identify numbers of elements, which have been included in sampling. It allowed forming a representative sampling, which repeated structure of general population by all studied qualitative characteristics and reference indicators.

METHODOLOGY AND TOOLKIT OF THE SURVEY

Design of sampling of the Programme non-beneficiaries

Selection of the Programme non-beneficiaries was conducted in all oblasts covered by the Programme through a method of multilevel cluster random sampling.

Units of the first level are the settlements covered by the Programme in each of six oblasts (the Batken, Jalal-Abad, Issyk-Kul, Naryn, Talas and Osh oblasts). Number of units of the first level was defined through dividing of sampling scope of the oblast by eight. Then, units of the first level were selected by simple sampling with a help of computer software SPSS.

Units of the second level of sampling – there are households in selected settlements. Number of the households in these villages did not exceed eight. Selection of the respondents was done through method of random route sampling by fixed iteration / step in three houses.

Units of final level are members of selected households. Only one person was interviewed in each household. Selection of the respondents for interview

was made through methods of “recent birthday” (only adult whose birthday was recent to the day of interview could participate in the interview).

Survey methods

Desk survey

During the desk survey, data of current and annual reports of the UNDP Poverty Reduction Programme have being studied. Also, thematic reports on household survey, time budget, guidelines and other methodological materials on implementation of impact assessment of the programmes and projects and economic approaches to assess ecosystems and identify ecosystem services and beneficiaries and costs¹³.

Also, information about target villages of the Programme was collected, passports of villages (98) were designed and filled. It helped to identify social-demographic structure of the population, obtain information (portrait) about head of the household in 2005 and 2011, and define level of development of the rural social infrastructure (FAPs, hospitals, schools and etc.).

Quantitative survey

Quasi-experimental design was used for quantitative assessment of the Programme effectiveness: measurement of results of the Programme impact through interview in two groups: reference – the programme beneficiaries and experimental – non-beneficiaries. Questionnaire was designed for the survey, which included 415 questions grouped in 10 blocks: «Composition of the household», «Sources of income, property and structure of income-generating activity», «Level of access to basic services: financial resources, employment, health, education», «Expenses», «Plant cultivation and livestock breeding», «Housing conditions», «Effectiveness programme assessment», «Time budget», «Contribution of ecosystem goods and services in the wellbeing of the households», «Social-demographic data on the respondent».

The questionnaire contains questions, which allowed comparing quantitative indicators in dynamics since 2005.

Expert in-depth interview

Eight interviews were held in order to:

- Study perception of the beneficiaries concerning those changes which took place in the communities;
- Define subjective assessments of environmental situation, scope of input of ecosystem products in

changing of living standard of the households;

- Analyze opinion regarding required changes in the programme, identify Изучения мнения о необходимых изменениях в программе, выявление проблем в деятельности сотрудников и problems in activity of the staff and activists of the programme;
- Assess gender regimes in the communities and self-support groups.

Focus-group discussions

Three conducted focus-groups were aimed to examine impact of different strategies of the Programme. Regional representatives of the programme and oldest participants, activists, associations of self-support groups took part in the first focus-group (Bishkek city). Two other focus-groups were conducted in the Osh oblast with the beneficiaries of the anti-crisis component of the programme implemented in post-conflict situation in the southern regions of the country. During focus-group discussions, subjective assessments of the beneficiaries have being identified regarding impact of the Programme activity, successful and unsuccessful practices, recommendations were collected and view on future programme development and improvement of interaction of the local communities, households and programme.

¹³ Results of “The sampling survey of the beneficiaries and non-beneficiaries of the UNDP Poverty Reduction Programme in the Naryn, Talas, Osh and Jalal-Abad oblasts, Bishkek, 2004 and “The report on household survey of the beneficiaries of the UNDP Poverty Reduction programme”, Bishkek, 2004, Impact Assessment of the UNDP Poverty Reduction Programme on well-being of its beneficiaries, 2007.

CHAPTER 1. IMPACT ASSESSMENT
OF THE UNDP POVERTY REDUCTION
PROGRAMME (CYCLE 2005-2011)
ON LEVEL OF THE HOUSEHOLD
WELL-BEING AND COMMUNITY
DEVELOPMENT

The UNDP Poverty Reduction Programme experienced several phases in its development starting from local interventions with gender focus to wider approach, which allows for covering issues of access of the vulnerable groups to the employment, financial resources, economic and social infrastructure, income-generating activity development based on previous capacity of social mobilization. At present, the Programme works at local level, in six oblasts¹⁴, building in their activity upon a broad infrastructure network of the programme including the self-support groups (SSGs), Associations of self-support groups (ASSGs), NGOs, oblast Programme units.

The UNDP Poverty Reduction Programme has significant impact on development of the pilot households as well as the local communities. At various phases of the programme cycles of the UNDP Poverty Reduction Programme depending on relevant challenges, number of dwellings, pilot households and beneficiaries was considerably varied. Since 2005, the programme covered the villages where the programme carried out social mobilization in the previous programme cycle. Number of the villages has being decreased during implementation of key programme

interventions. So, in 2009, a decision was made to stop programme activity in the Chui oblast since a poverty level was below the country level. Today, the UNDP Poverty Reduction programme has wide representation of the villages included in the programme: there are 5033 beneficiaries (including 60% of women and 40% of men) from 83 dwellings¹⁵.

Infrastructure developed by the Programme, experience on mobilization of the local communities in all regions of the country became a key instrument of adaptation of whole programme activity for effective implementation of the UNDP anti-crisis measures package on reduction of social tension in areas affected by riots in Bishkek city (April 2010) and interethnic conflict (June 2010) in the southern regions of the country.

In 2011, the Poverty Reduction Programme implemented a number of projects in the Osh and Jalal-Abad oblasts aimed towards reduction of effects of interethnic conflict using funds of the Soros Emergency Foundation; the Government of the Russian Federation, the Government of Poland, UN Piece-Building Fund. Totally, 51 affected villages in above-mentioned oblasts, and Osh and Jalal-Abad cities were covered by the “anti-crisis” projects (See Table 1).

Table 1. Changing of number of the pilot villages of the Programme within a period prior and after 2005

| Oblast | Total pilot vil- lages in 2011 | Including those listed in period prior 2005 | Including number of dwellings in anti-crisis component (2011) |
|-------------------|-----------------------------------|--|--|
| Batken oblast | 21 | 0 | 0 |
| Jalal-Abad oblast | 18 | 14 | Jalal-Abad, 23 villages |
| Issyk-Kul oblast | 8 | 8 | 0 |
| Naryn oblast | 9 | 9 | 0 |
| Osh oblast | 19 | 15 | Osh, 28 villages |
| Talas oblast | 8 | 8 | 0 |
| Total | 83 | 54 | 51 villages and 2 cities |

¹⁴ Except the Chui oblast, data of the PRP for 2011
¹⁵ 200 villages have being covered during whole period of the Programme activity

Working during one and half decade in our country, the UNDP Poverty Reduction programme has developed various instruments and assessment scale for the households and communities in order to provide more targeted and focused programme influence on those citizens who were the most vulnerable from economic point of view, and to ensure inclusion of the poor citizens in the programme activity. Assessment of poverty in the village is conducted based on statistical data, and with participation of the local communities (participatory techniques); the “poverty pyramid” and key needs of the village and household development are identified. Before 2010, selection of the pilot villages of the UNDP Poverty Reduction Programme was made based on remoteness of the dwellings, high poverty levels and limited abilities of development without foreign aid. Within anti-crisis measure package, which was designed in response to effects of crisis of 2010 new criteria have being added in selection criteria, namely: poly-ethnicity of the community, degree of destruction during conflict events, existence of tension sources and degree of indirect crisis impact.



Construction of the bridge in Ladan-Kara village, Jalal-Abad Oblast

Thus, variety of selection criteria for the dwellings determined inclusion of different types of the villages in programme activity – with more or less developed social infrastructure, more remote or located close to the rayon/oblast state administration institutions, mono-ethnic by composition or presenting ethnic diversity, small and big (number of population) dwellings and so on. Below is description of social-demographic profile of the pilot dwellings and households of the beneficiaries of the UNDP Poverty Reduction Programme.

1.1. SOCIAL-DEMOGRAPHIC PROFILES OF THE PILOT DWELLINGS AND HOUSEHOLDS OF THE UNDP POVERTY REDUCTION PROGRAMME

Data analysis showed that the selected dwellings differ by number of households starting from 137 and ending to three or event 7000. The largest gap is observed in the Osh and Jalal-Abad oblasts almost in two times higher rather in the Naryn oblast. It is associated both

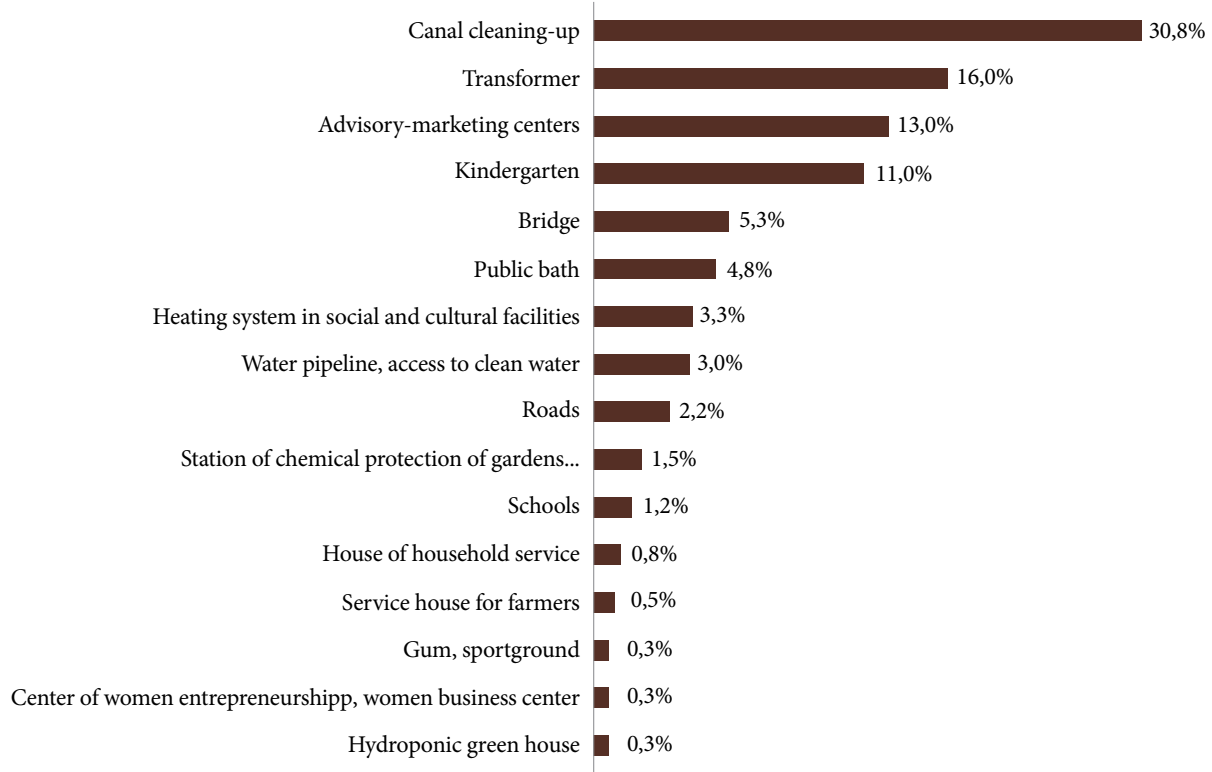
with natural difference of number of the population in different oblasts and forced inclusion of big settlements (by number of the population) in the south oblasts within the anti-crisis measure package. Average remoteness from administrative centers is not significant; however, the gap

between the most and least remote pilot dwellings in some regions is quite big, for example, up to 180 km in the Jalal-Abad oblast and 88 km in the Batken oblast.

Pilot villages have different capacity building efforts including those related to social infrastructure. During last five years, the social infrastructure of the villages coinciding with studied programme cycle of the UNDP’s Poverty Reduction Programme activity, have obtained a broad stimulus for development, although this issue was addressed within the project “Localization of MDGs in the Naryn oblast” (2009-2010), “development of alternative employment in Khaidarkan” (UNEP/UNDP, 2010-2011). Besides, in framework of the anti-crisis measure package (2010-20110) the local citizens were provided funds for reconstruction of destroyed infrastructure. This assistance was mentioned by the local people as

the most significant contribution of the programme in the community development and result of combating against the poverty during last two years (Diagram 1). Following data can be provided as example by results of the Soros Foundation project “Reconstruction of the social infrastructure through temporary jobs provision: the schools (24), kindergartens (19), cultural-educational clubs (2), FAPs (7), hospitals (3), sport grounds (21), other social / educational facilities других (27) were reconstructed. The network of irrigation canals was substantially improved (total length - 63 000 meters), 15 rural roads (over 30 000 meters covered by gravel), 15 water pipe networks (total length - 9 800 meters). More than 5 000 citizens of the Osh and Jalal-Abad oblasts were involved in public works related to these facilities considering poly-ethnic and gender composition.

Diagram 1. Totally represents data on infrastructure changes took place in pilot vilages under support of the Programme over whole country (in % to total number of beneficiaries)



As it is seen from the diagram, the pilot villages not only extended access to social infrastructure including kindergartens and schools, FAPs and roads, canals, transformers and heating systems, but they managed to improve infrastructure of economic development – the consulting-marketing centers (CMCs), women business-centers and service centers for farmers.

Analysis showed that in the past the citizens of the pilot villages were able to improve their access to the FAPs, kindergartens, internet-cafes. For example, technical equipping of some FAPs in the Osh oblast (procurement of the ultrasound machines by the UNDP Poverty Reduction Programme for four villages) extended access to good quality medical service helping to improve diagnosis and prevention of health of the rural citizens. It is extremely important under situation with reduction of the second level health facilities (out-patient facilities and hospitals) due to health system reform.

From K. Mamyrbayev's interview we knew that changes in numbers of the kindergartens, FAPs, bridges and other objects would be impossible without support of the UNDP Poverty Reduction Programme and other donors. Skills and knowledge obtained during activity of the Poverty Reduction Programme and regular consultations of the civic activists from new NGOs held by the programme officers allowed new leaders from the community to achieve ambitious plans.

Demographic situation in selected villages is following: in average 51 percent of men and 49 percent of women live in rural area. It is worth to say that current demographic composition of villages is taken into account in the Programme activity, and special attention will be paid to issues of ensuring equal access of men and women to programme interventions regarding development of income-generating activity (training, consultations, support of business initiatives, micro-crediting, grant aid). So, women always had 50 percent among the beneficiaries of the Programme during this period.



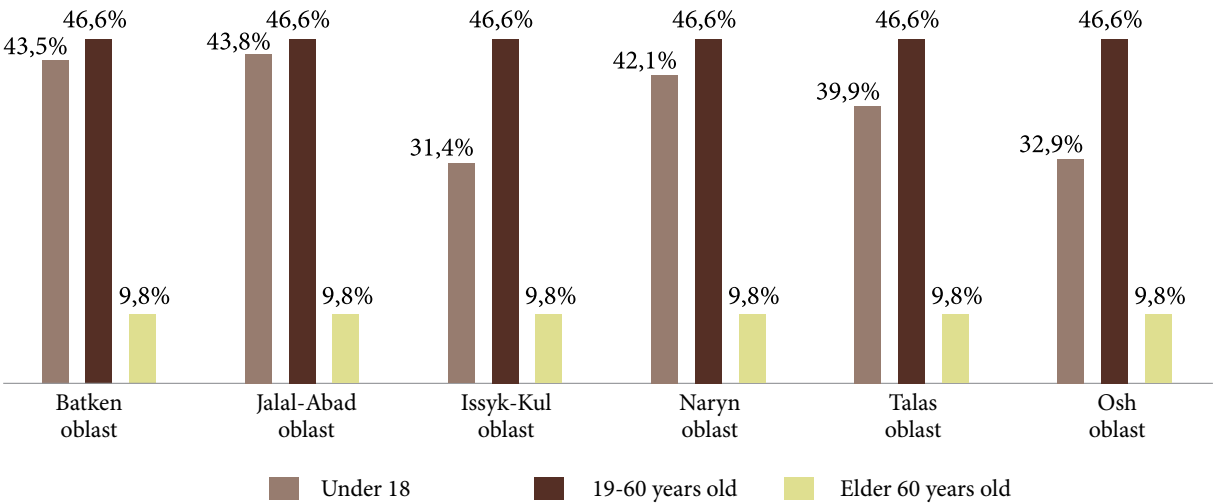
In each household, in average from four to six people live; the most numerous households are in the Talas oblast (in average more than six people) and the Osh oblast (more than five members in average).

Age structure of the population is sensitive to mass migration: as it is seen from the Diagram 2, the population structure in the pilot villages can be described through disproportion. So, proportion of children and youth under 18 among the citizens of the pilot villages is large; in some regions this category of the population is less than half of the citizens (the Batken and Jalal-Abad

"Since 2010, our activists were able not only to write the projects but also implement six projects. So, Talaikul Mamyrbayeva initiated restoration of the kindergarten, which building was not used since the soviet time. We helped her to design a project which was funded by the UNDP, ARIS and Aga Khan Foundation. At present, this kindergarten not only operates – there are four groups of children from 2 to 5 years old. Totally, there are about 100 children. The Aiyl Okmotu allocates budget financing".

Kasmakun Mamyrbayev, activist of the Poverty Reduction Programme, Naryn oblast

Diagramm 2. Age structure of the population of the pilot villages (in % to total number in category)



oblasts). In the Naryn and Talas oblasts, an aggregation of children, adolescents and aged people elder than 60, represents more than half of the population (53,4; 53,1, 51,1 percent correspondingly).

Within the households, category of young people under age of 18 – 35, is 36 percent among the programme beneficiaries and 32 percent – among non-beneficiaries. Only this age category of people is the most mobile – representatives of this category often use strategy of labor migration to address problems of unemployment, income and etc. As it was mentioned in the survey "Labor migration and efficient use of human resources. Kyrgyz Republic"¹⁶, "Majority of labor migrants from Kyrgyzstan are within age group of 20-35". Considering mobility of the young population and larger proportion of children, adolescents and aged people, actual workload of household members of capable age is very high as well as problems with ensuring of social payments to those people who are paid pensions and other social payments.

Observing breakdown of the responders from the

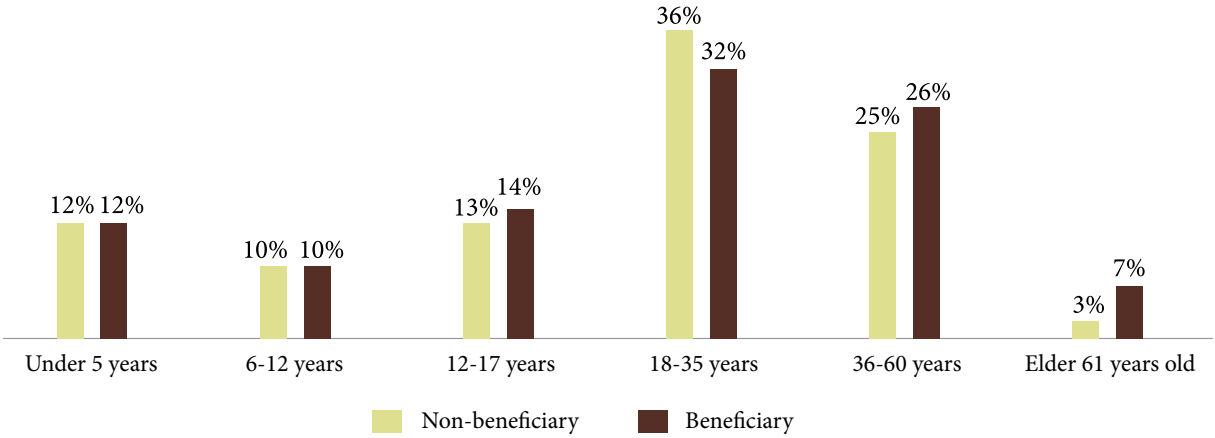
"The youth mainly is looking for earnings". There is no job for young people who finished school and those who have secondary special education. People only work on land in rural area, therefore the youth leaves home ..."

Respondents of the survey, Issyk-Kul oblast

households of beneficiaries and non-beneficiaries by age, we can assume that members of the non-beneficiary families of 18-35 and 61-65 often go in labor migration since a gap in 4 percent is indicated in these categories in contrast to other age categories where values are actually matching. If assumptions about larger mobility and migration moods among the non-beneficiaries of specific categories are right, it can be an indirect confirmation that the Programme beneficiaries have good opportunity to develop economic activity on their native land and achieve economic success. Only 18 percent of the beneficiary households consider women as the head of household, while the men - 82

¹⁶ See A. Musabaeva, S. Kuklin, Labor migration and efficient use of human resources. The Kyrgyz Republic. ILO, Bishkek, 2009

Diagram 3. Demographic structure of the households of the beneficiaries and non-beneficiaries of the programme (in % to total number in category)



percent. Less number of women we have among the heads of the pilot villages – only 3 percent, although their representation was slightly increased since 2005 (from 1 percent). However, actually in all regions, number of community based organizations headed by women in pilot villages is increased as well as number of the organizations. Women compose 46,2 percent of the

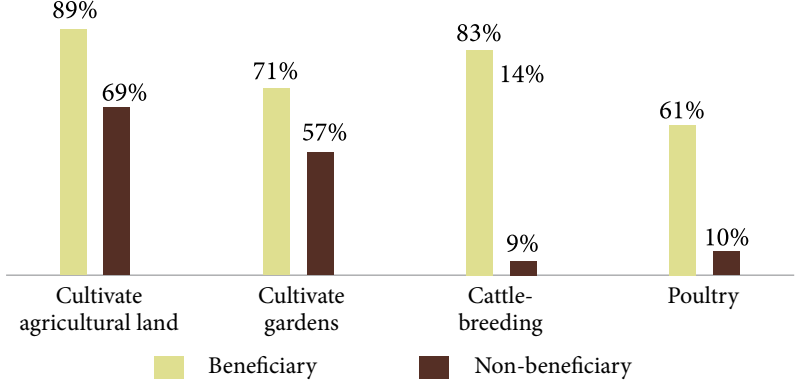
leaders-activists of the community based organizations in the pilot villages. The fact that actually majority of rural activists are women, trend of increased inclusion of women in the programme activity allows assessing both availability of more fair access to resources and increase of effectiveness of the programme as a result of inclusion of the most vulnerable groups.

1.2. EMPLOYMENT OF THE HOUSEHOLD MEMBERS AND INCOME GENERATING ACTIVITY OF THE HOUSEHOLDS-BENEFICIARIES AND NON-BENEFICIARIES OF THE PROGRAMME

Due to agricultural nature of the country’s economy, livestock-breeding and plant cultivation are traditionally main spheres of income-generating activity of the households in the villages. Overwhelming majority of rural citizens is busy in their own household, which is organized as a natural farm producing products for own consumption and covering basic needs. Often, such natural farms are legally formed as the peasant-farming entities.

From 2005-2011, some institutions under support of the programme carried out significant interventions regarding enhancing of diversification of the rural entrepreneurship. Majority of households, particularly the beneficiaries, simultaneously combines several “production profiles” – plant cultivation, livestock-breeding, poultry (See diagram 4). Such structure of production within the households is aimed towards addressing risk of economic instability and

Diagram 4. Structure of farming production of the households of the beneficiaries and non-beneficiaries (in % to total number in category)



satisfaction of numerous basic needs of the rural citizens. Certain production capacity building of the beneficiaries took place during mentioned years. So, if the beneficiaries in average cultivated 5,1 hectares of land, and non-beneficiaries – 5,2 in 2005, in 2011 the indicators were changed for the beneficiaries to 6,2 hectares, and for non-beneficiaries - 5,3 hectares, i.e. during last five years the programme beneficiaries could increase area of cultivated land by 20%, while the non-beneficiaries processed actually same size of land area as in the past. The biggest gap between the beneficiaries and non-beneficiaries is observed in the livestock-breeding (almost in 10 times) and poultry (6 times) ¹⁷. Average area of the vegetable gardens was 11,7 hundred square meters in the households of the beneficiaries and 10,8 hundred square meters among the non-beneficiaries.

For the households reached significant volume of production in the livestock-breeding and plant cultivation, and non-farming business, combination of different profiles, by essence, is not a survival strategy, but already development.

Households involved in the livestock-breeding.

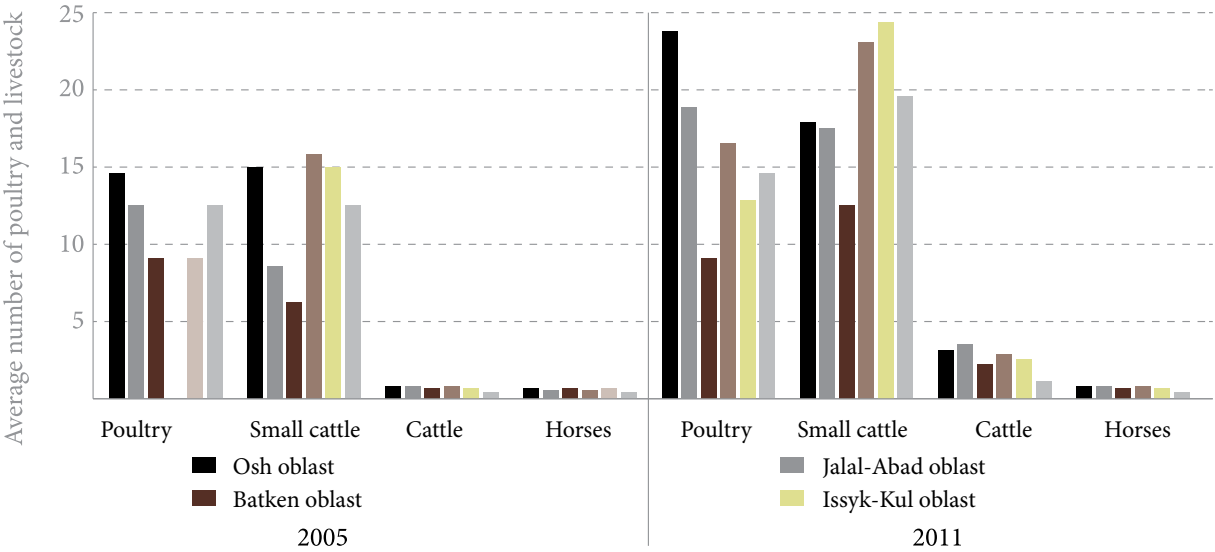
In Kyrgyzstan, some oblasts are traditionally

considered as original land for raw cotton production, some – as tobacco producers, the third ones – have more livestock breeding profile. However, at present, agriculture is becoming more unified: all oblasts are specialized in cattle –breeding in the livestock breeding sector. Production of the poultry and livestock-breeding production in the households of the programme beneficiaries has being increased in all regions during last five years; increase of poultry stock and heads of small cattle was very substantial (in average, by 30-50 percent, and cattle breeding and horses – by 20-40 percents). Significant growth of the poultry production was noticed in the Osh and Jalal-Abad oblasts.

Comparison of the households of the beneficiaries and non-beneficiaries by average number of heads of the livestock and share of farms breeding the livestock and poultry in the region prospective allows indentifying new trends in economic development of rural area. So, the beneficiary households from traditionally livestock regions, for example, the Naryn oblast, are considerably dropped behind by heads of the small and cattle livestock from the regions specialized in plant cultivation in the past. The households of the Batken and Jalal-Abad oblasts

¹⁷ Programme provided support to its beneficiaries in development of the poultry, helping them in the layer breeding “Rodonit” since this breed of the chicken has high egg production

Diagram 5. Comparative data on number of livestock and poultry in the households in 2005 and 2011 (in units)



and Osh oblast are leaders in the livestock breeding. They did not lose priority only in the horse-breeding.

In average, in 2005, 57 percent of the households bred the poultry in all oblasts, and after five years 63 percent of the households bred the poultry in 2011. If maximum number of poultry in the households in 2005 was 50 units, the households, which own up to 500 units of the poultry were included in sampling in 2011. Moreover, within the focus-group discussion in Osh, one of the participants who has already the poultry up to 500 units stated out that now after learning technologies and first experience he would like to double his poultry entity!

Also, heads of the sheep and cattle were increased in the households. If maximum number of sheep and goats in the Osh oblast reached 80 heads in each household before 2005, in 2011 situation was the following: 100 sheep and goats are number of

small cattle in the households in the Naryn and Talas oblasts. There are households having 180 heads in the Jalal-Abad oblast, in the Osh oblast – 120 heads. In 2005, in average 65 percent of the households bred the small cattle, and in 2011 – already more than 77 percent, at the same time the small cattle was increased in five times per one household, the cattle – in three times, poultry – in two times (Table 2). Mentioned progress reveals that the poverty alleviation strategies are successful, and certain categories of the poor rural people in the past are not poor anymore. 34 people were in survey sampling of the households possessing from 80 and more heads of the small cattle, and 8-10 heads of the cattle or horses. These data strongly differ from data received in the survey of the beneficiary households in 2003 and before their incorporation in the programme (See Table 2).

Table 2. Comparative data on number of the livestock and poultry in interviewed households of the beneficiaries¹⁸

| | Prior incorporation in GVP | 2003 | 2005 | 2011 |
|---|----------------------------|------|-------|-------|
| Proportion of the households breeding the livestock and poultry | 77% | 86% | 82,6% | 91,4% |
| Heads of cattle per household in average | 1,31 | 1,92 | 2,15 | 3,16 |
| Heads of small cattle per household in average | 3,97 | 5,96 | 12,95 | 20,02 |
| Heads of horses per household in average | 0,32 | 0,4 | 1,53 | 1,88 |
| Poultry per household in average | 7,97 | 8,48 | 13,11 | 17,89 |

Table 3. Correlation of numbers of the livestock and poultry in the beneficiary and non-beneficiary households of the UNDP Poverty Reduction Programme

| | 2011 | Correlation of numbers of the livestock and poultry in the beneficiary and non-beneficiary households |
|---------------------------------------|-------|---|
| Cattle per household in average | 2,54 | 124% |
| Small cattle per household in average | 13,25 | 151% |
| Horses per household in average | 2,16 | 87% |
| Poultry per household in average | 12,98 | 137% |

Comparison of the beneficiary and non-beneficiary households allows talking about significant contribution of the programme in development of welfare of the beneficiary households.

Loans and credits are main sources of fast and significant development of the livestock-breeding as key agricultural production of the beneficiary households. Only 13 percent of the programme beneficiaries (just to compare: 66 were given loans with clear aim to buy the livestock – the cattle and small cattle. Also, almost 44 percent of the households having savings have intention to spend these savings for purchase of the livestock, increasing of number of the livestock.

Importance of the livestock in the household is steady growing, and trends of efficient use of the livestock are observed in general: only 6,8 percent of all sampling households form their main income source at the

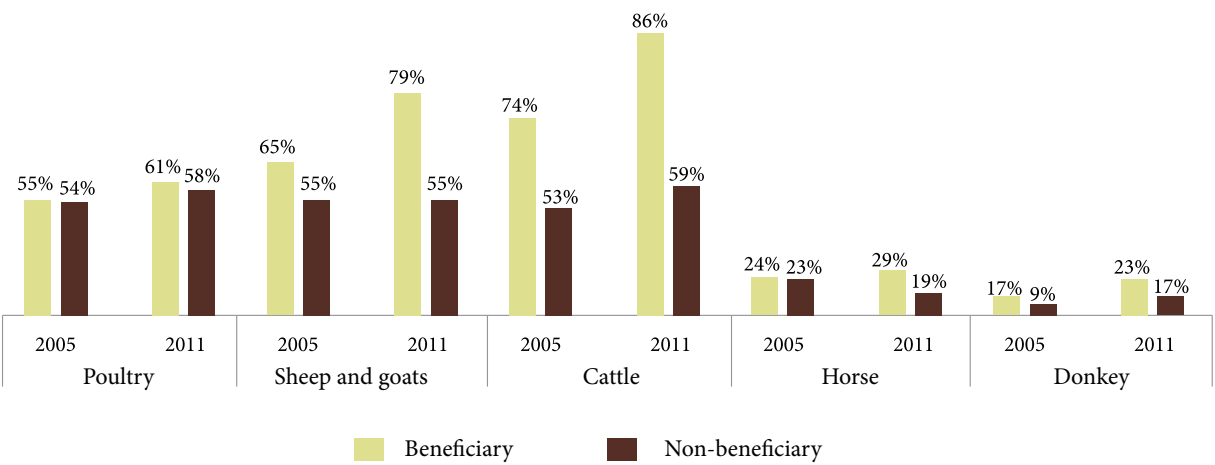
expenses of selling of the bred livestock. Probably, this strategy is connected with inflation rate in the country, and therefore selling of the livestock and savings in cash are less reliable rather savings in-kind – the livestock. High liquidity allows any time if necessary to sell the livestock and get required amount of money.

Analysis of increasing scales of the livestock-breeding and poultry activity in the households allows indicating that considerable gap between the beneficiary and non-beneficiary households is observed with regard to the number of livestock what can give evidence that scales of production among the beneficiaries are progressing higher compare with the families of non-beneficiaries.

Also, trend of gap between number of the households involved in the livestock-breeding and poultry exists depending on sex of the head of the household what is demonstrated in diagram below. In justice, it is important

¹⁸ Report of survey of the beneficiary households of the UNDP Poverty Reduction Programme. Bishkek, UNDP, 2004, page 29

Diagram 6. Dynamics of number of the households with livestock and poultry (in % to total number in category)



to say that number of the households headed by women and running poultry business is intensively growing.

At the same time, comparison of an average number

of the livestock and poultry in the households with different heads by sex gives evidence that households headed by women have even more livestock in average.

Diagram 7. Average number of the livestock and poultry in the households of the beneficiaries and non-beneficiaries in 2005 and 2011 (in units)

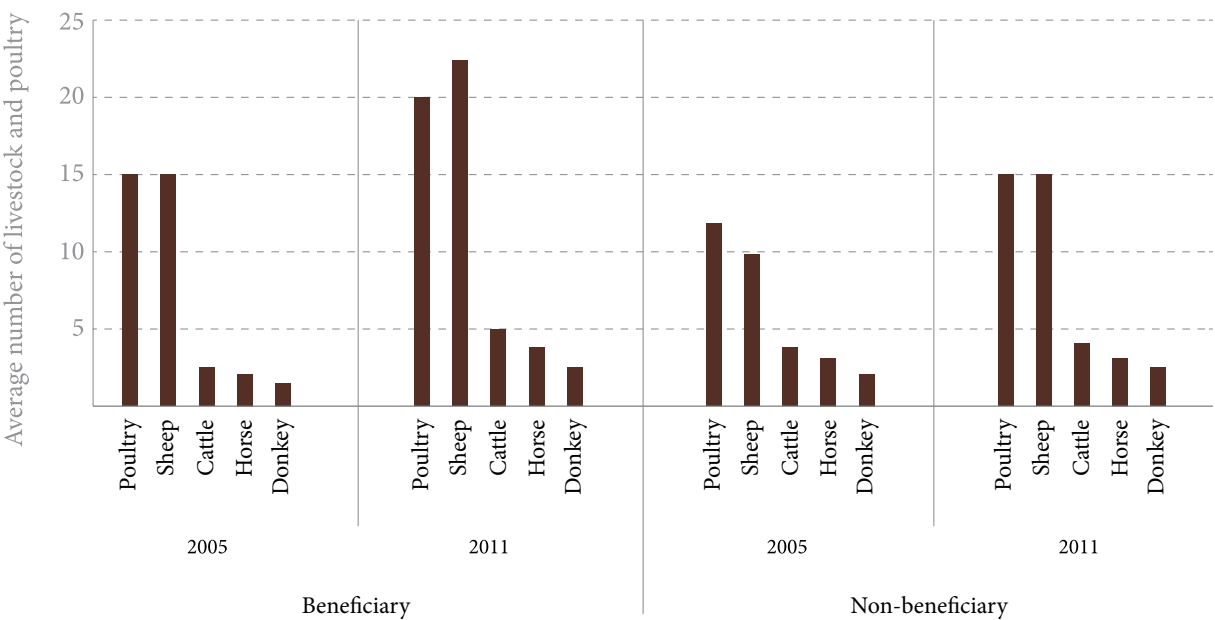
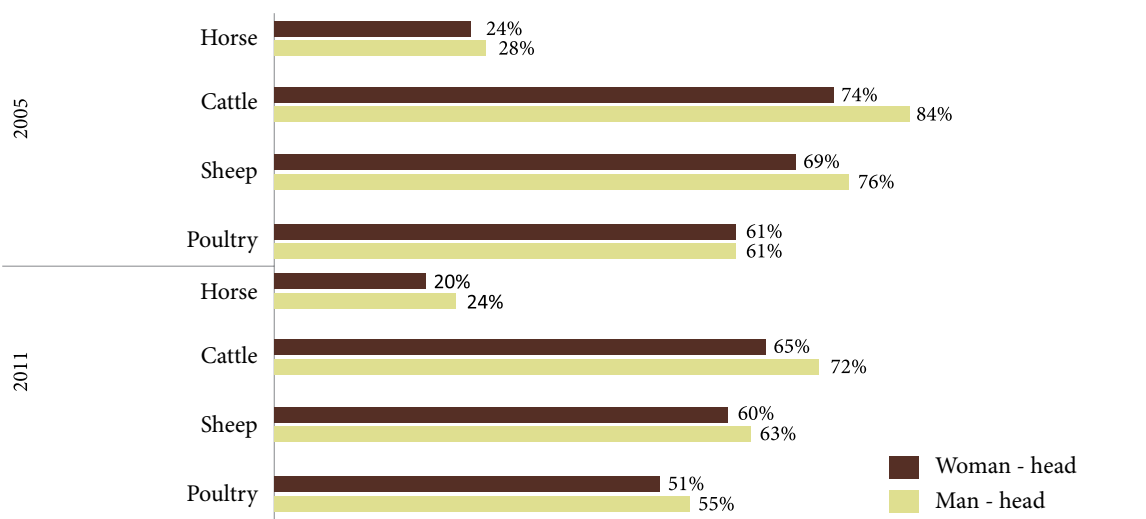


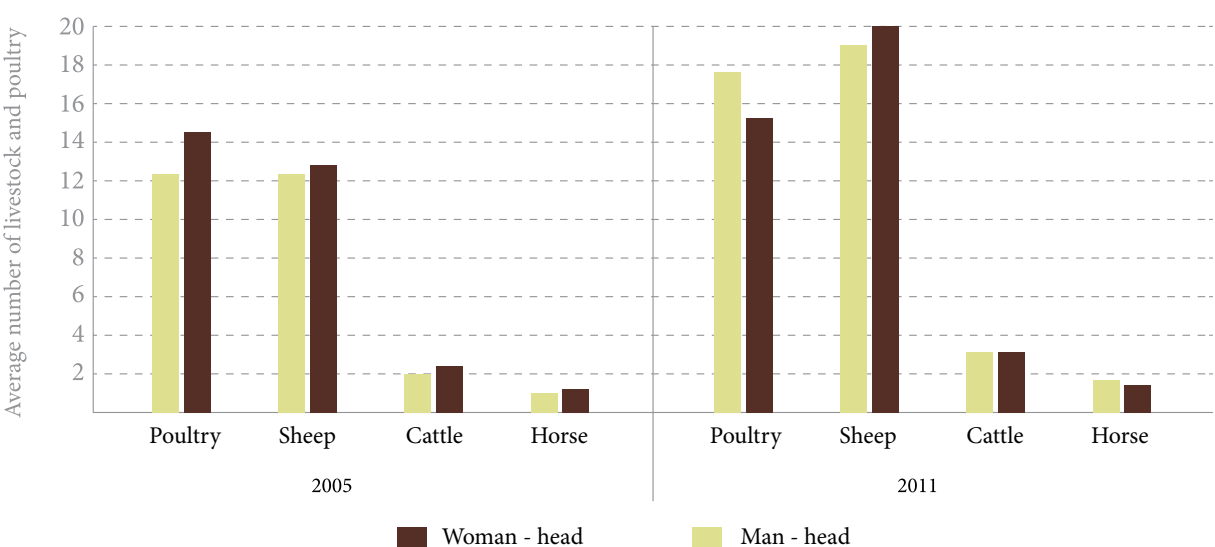
Diagram 8. Dynamics of number of the households working with poultry and livestock by sex of the head of the household (in % to total number in category)



Comparison of minimum and maximum value of the livestock in the households headed by men and women is slightly differs: in the poultry in the households headed by women, maximum number of

poultry is 50 units, in “male” households – 496 units, and maximum number of cattle - over 150 heads were registered in “female” households, while the horses – in “male” households.

Diagram 9. Average number of the livestock and poultry in the households considering sex of the head (in units)



Thus, we can say about new trends in agricultural production of the households in the pilot villages:

- **modern structure of agricultural development in terms of the regions is essentially different compare to traditional one: at present, the households in all regions breed the livestock and have poultry, and sizes of the household territory are quite big in the oblasts traditionally crop cultivating.**
- **Gaps in sizes of the household territory within the same oblast can be very impressive – often over hundred heads of the livestock or even several hundreds of poultry; such gaps correspond with sex of the head of the household, region, status of responders in relation to the UNDP Poverty Reduction Programme.**
- **There are households among the beneficiaries which own 150 and more heads of sheep and dozens of cattle what form serious liquid capital not strongly affected by inflation. Probably, this category of the beneficiaries already overcame a poverty line due to programme interventions.**

Households involved in the plant cultivation

Nature of the plant cultivation has being changed fundamentally during last decade: southern regions traditionally cultivated mainly technical cultures of

tobacco and cotton; however, they more and more reject these cultures at present. In general, size of cultivated land had being increased insignificantly during last five years, in particularly among the beneficiaries of the Osh, Talas, Naryn and Issyk-Kul oblast, although in average territory of agricultural land and vegetable gardens was increased (by 1 hectare of agricultural land and 0,5 hundred square meters) in all regions and for both status categories (beneficiaries and non-beneficiaries).

Since the livestock-breeding is actively developed in majority of the households of the pilot villages and became a key source of income of the rural population, structure of plant cultivation is substantially changed. Such cultures as esparcet (holy clover) or other grass planted as forage for the livestock have bigger share within structure of sown area. For example, crops for livestock forage are the third planted culture after potato (main agricultural product for sale in this oblast) and wheat (for domestic consumption mainly in many regions) in the households of the Naryn oblast.

As it is seen from diagram, main list of produced agricultural plants is similar for all regions; only two cultures are produced exclusively: cotton (Jalal-Abad oblast) and beans (Talas oblast). None of the monocultural agricultural productions exist in any

Diagram 10. Average size of agricultural lands and gardens

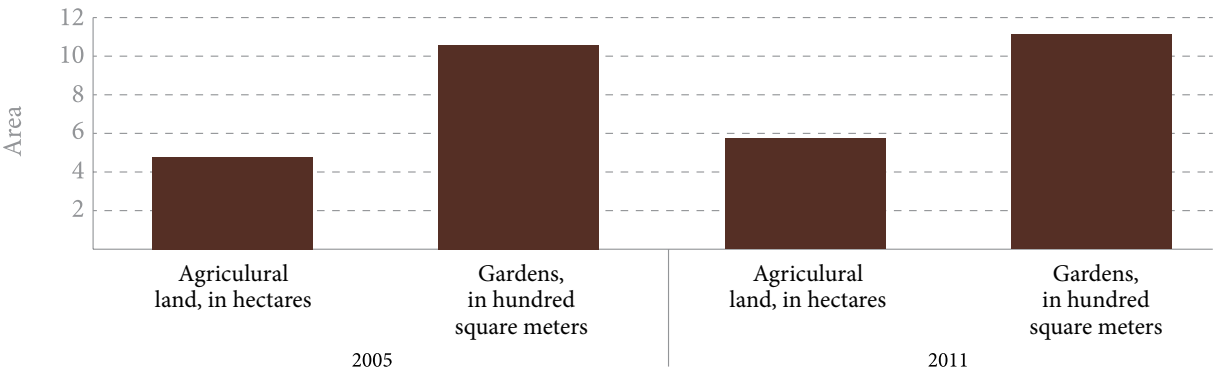
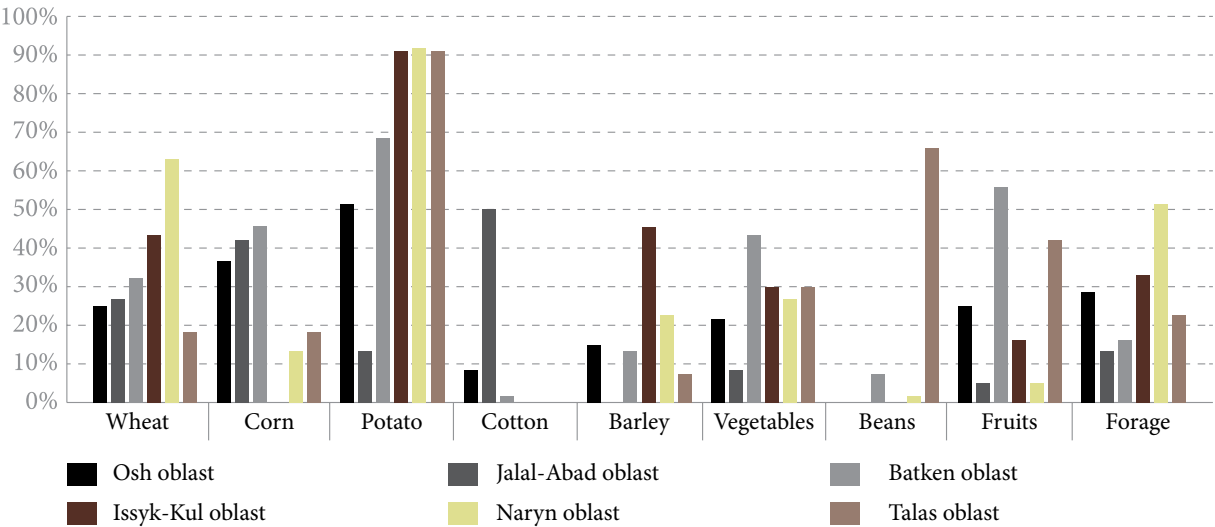


Diagram 11. Structure of plant cultivation production of the households in 2011 (in % to total number in category)



region. Sampled households in the Jalal-Abad oblast almost do not sow barley; the Issyk-Kul households actually do not cultivate corn; the Naryn households do not cultivate fruits.

Production of agricultural plant production has gender aspects. So, the households headed by women rarely cultivate cotton, corn, vegetable and fruits. This difference is difficult to explain in terms of labor-intensiveness of these types of plant cultivation or logics of high financial costs for their ptduction.

Traditional gender regime determines that men are in charge of irrigation while weeding, harvesting and other types of works are carried out mainly by women and children. In other words, it is a common opinion that labor-intensive agricultural products, for example, cotton, is often and more produced by the household members – women and children, but their labor input is not taken into account and hidden from statistics; it mainly happens in the farms, as a rule, registered for men.

“Our women are more active. They plant vegetables, onion, carrot ..., they do not afraid to start something new. Men – more in charge of irrigation, meetings. Certainly, they work also, but women have more heavy burden...».

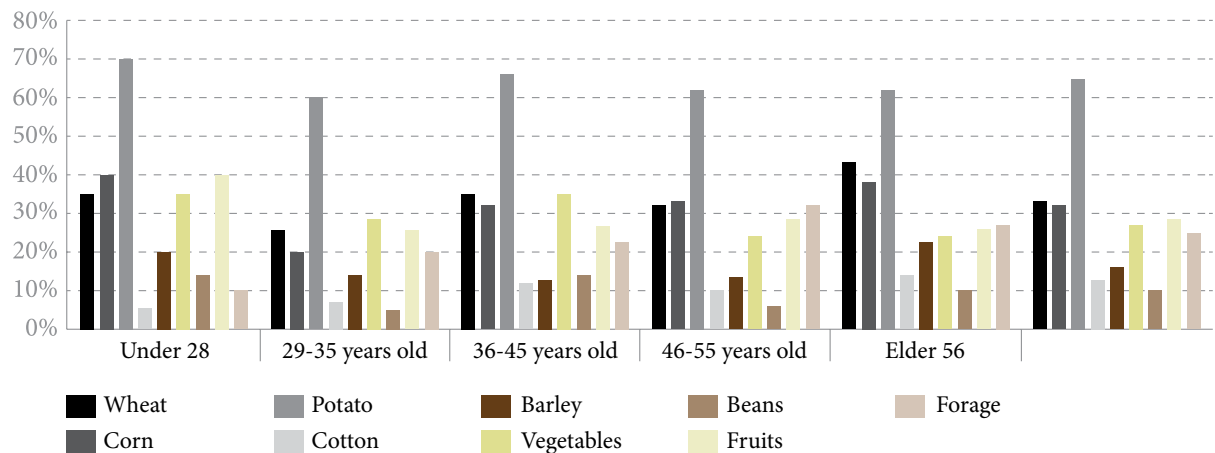
Respondents of the survey, Osh oblast



However, data received in current survey does not allow judging about reasons of differences between the households regardless of sex of the head of the family. Most probably that majority of the households headed by women avoids producing mentioned crops because of problems linked with irrigation and marketing. Irrigation of land plots and selling of agrocultural products still belong to male; women – heads of the households face with various discrimination practices, first of all, based on gender stereotypes.

Age of the household's head also has high meaning

Diagram 12. Structure of plant cultivation production depending on age of the head of household, (in % to total number in category)



The households consume major part of produced crops. Only such cultures as cotton and beans are sold by the households in amount of 80 percent of the harvest (See diagrams 12 and 13).

The households of the Osh oblast sell substantial amount of barley and potato as surplus of their natural production, for example, 37 percent of households intend to sell up to 60 percent of barley, and one fourth of the households intends to sell same amount of wheat. 44 percent of households do

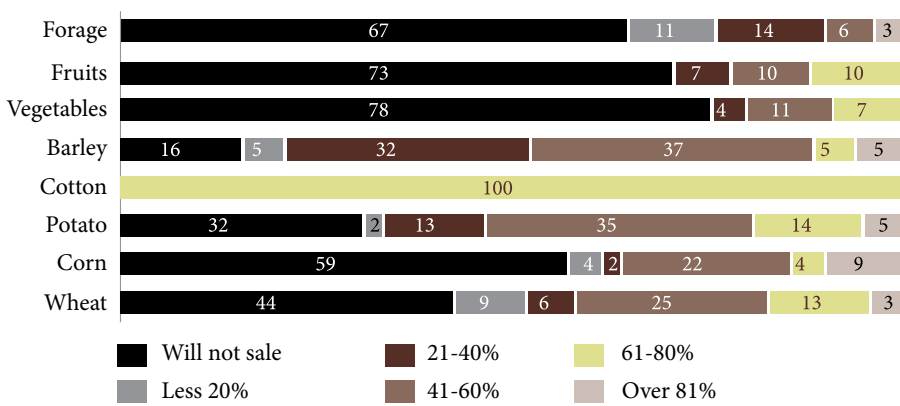
not sell wheat as well as 59 percent of household do not intend to sell harvested corn, about two thirds of households were not going to sell fruits and vegetables as well as 67 percent of households – forage for the livestock. 100 percent of households intend to sell more than 80 percent of cotton.

Obviously, it is possible to know about nutrient budget of the citizens of any region through proportion and types of consumed products by the households. So, citizens of the Osh oblast consume fruits and

fro structure of plant cultivation production. For example, elder age of the head, bigger proportion of the households cultivates cotton, and virce verce, younger age of the head, bigger proportion of the households cultivates beans. Probably, traditions, habits, skills and knowledge of agricultural technologies have primary value in selection of cultures for agricultural production.

Young farmers compare with farmers of other age categories cultivate friuts, potato, corn and beans, and the eledest generation of the farmers compare to other age categories of rural producers cultivate wheat, barley and cotton.

Diagram 13. Intentions of the households in the Osh oblast to sell crops (in % to whole volume of harvested products in each category)



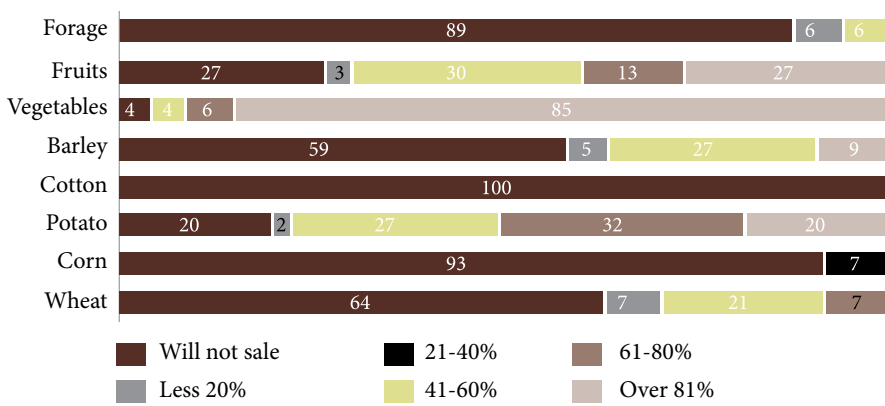
vegetables in very big amount (only 10 percent of households had intention of sell over 80 percent of fruits and 7 percent of households – vegetables), and the citizens of the Talas oblast – consume less fruits, anyway, about one third of sampled households sell about 80 percent of harvested fruits in the oblast).

Completely different situation is in the Talas oblast (See diagram 14), where whole structure of consumption / identification of agricultural products for selling is oriented towards the livestock specificity. So, 89 percent of the households in this oblast use whole harvested

barley for forage as well as 88 percent of harvested grass – forage and some corn. 64 percent of households use harvested wheat for their own consumption, 59 percent of households do not sell their vegetable, and 27 percent of households do not sell fruits. Over 80 percent of beans are sold by 85 percent of households, and over one fifth of the households sell more than 81 percent of potato they planted.

Thus, major proportion of production is still consumed in the households, although in some regions they have secific culture purposed mainly for selling.

Diagram 14. Intentions of the households in the Talas oblast to sell harvested crops (in % to whole volume of harvest in each category)



Composition of non-farming income of the households

Besides the plant cultivation and livestock-breeding – the beneficiaries and those responders not included in the programme activity – actively develop other types of income-generating activity. Due to support of the UNDP Poverty Reduction programme during 2005-2011, 2276 small business entities have being established, where 5346 people have being employed; 60% of them are women. The programme also actively participated in process mitigating consequences of interethnic conflict in south of the country in 2010. Thus, within a framework of the UNDP anti-crisis package of measures, hundreds of beneficiaries suffered during June events in villages and Osh and Jalal-Abad cities, received an opportunity to be trained and restore their own business. In 2011, 209 small business entities were restored; 765 permanent jobs were provided (62% of women) in areas: processing of agricultural products, provision of household services in villages, production of garment and pastry, bakery products, handicrafts, trade and catering, provision of advisory, printing and computer services, furniture, wood, metal products, building materials and construction and building renovation works.

Among those who were able to start own business under support of the UNDP grant programme, it was considerable proportion of young girls and women



Sewing shop “Ainuska”, Osh city

opening their own textile, hairdressing, pastry and other types of business; young boys and men learned and occupied vocational niches of welders and furniture producers, internet-café administrators and handicraft specialists (See diagram 15). Under financial support of the Russian Government, investment was made in business environment of Osh and Jalal-Abad cities in total amount of 11 546 548 som. Totally, within the project, 118 entrepreneurs of Osh and Jalal-Abad cities restored 53 new small business entities in field of household services, catering, textile production, car repairing and other. Among them, 50 percent are Kyrgyz, 43 percent – Uzbeks, 7 percent – other nationalities. Due to these initiatives, 602 jobs were created, which provided employment to workers of different ethnic groups: Kyrgyz (41 percent), Uzbeks (50 percent), other nationalities (9 percent).

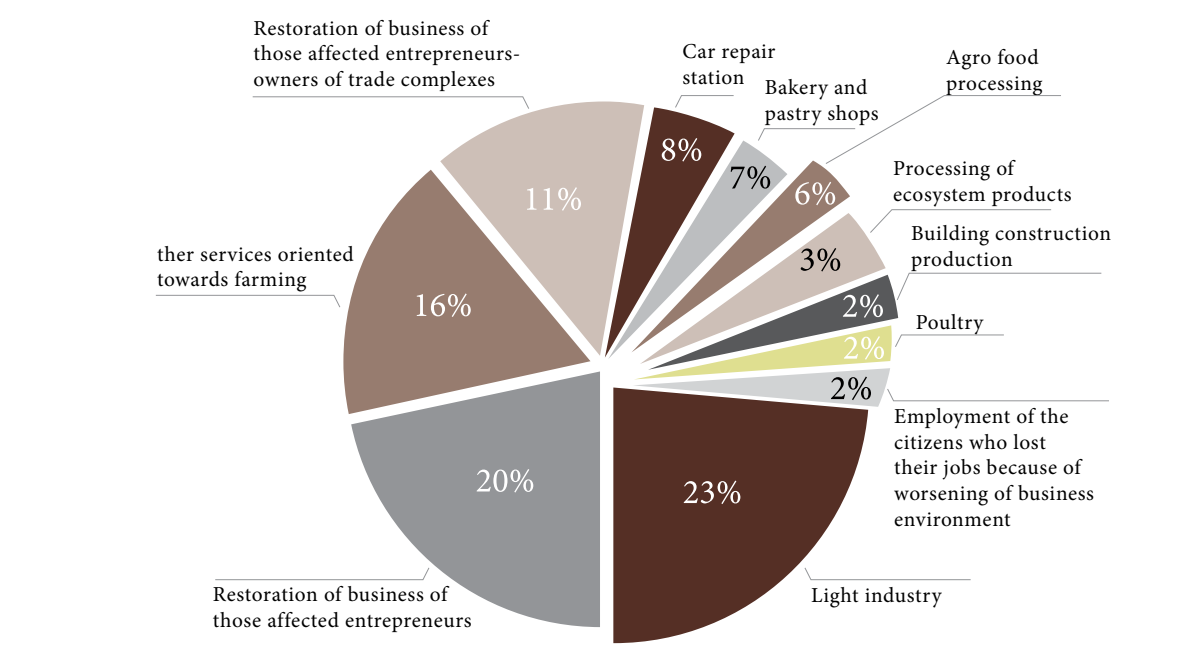
Diagram 15 shows structure of grant support, which was provided by the programme only in a framework of the anti-crisis measure package in the south of the country during 2011-2012

In spite of fact that non-farming activity does not have significant share within income structure (about 8,9 percent of all income of the sampled households), nevertheless, fast development of various types of business diversifies rural entrepreneurship. Development of non-farming rural entrepreneurship

In September 2011, I and my neighbors decided to start our business; we found basement space of house we live, agreed with the administration, repaired this room, installed electricity and bought sewing machines using the UNDP grant. We began to take orders from the customers. Four people work in the sewing shop; we produce everything – outerwear, curtains, receive individual requests.

Ainuska Tabyldyeva, Osh city

Diagram 15. Grant support of business environment in the Osh, Jalal-Abad oblasts (in % to total amount of allocated grant)



“I had dream about my own shop since a collapse of the Soviet Union, since factories and plants stopped their activity. But I managed to open it only now; I looked for space in the city, but it was very expensive, unaffordable. Since the UNDP established transformer, I opened welding shop in my yard. Now the neighbors and friends come and ask me to weld their gates, sharpen instruments. A lot of work, and I am happy.”

Ibrakhim Astanaev, Ladan-Kara village, Jalal-Abad oblast

was active during last five years, and trade was considerably distinguished among the most popular types of non-farming business. As it is shown in diagram below, the rural people sell various goods – from own planted production or re-purchased agricultural products and ecosystem goods to handicraft items. The Osh and Issyk-Kul Programme’s beneficiaries learned new opportunities to generate income due to input of the ecosystem products – medical herbs, walnuts, fruits, berries, mushrooms and capers from the forests. At the same time they use credits.

1.3. REVENUES AND EXPENDITURES OF THE HOUSEHOLDS

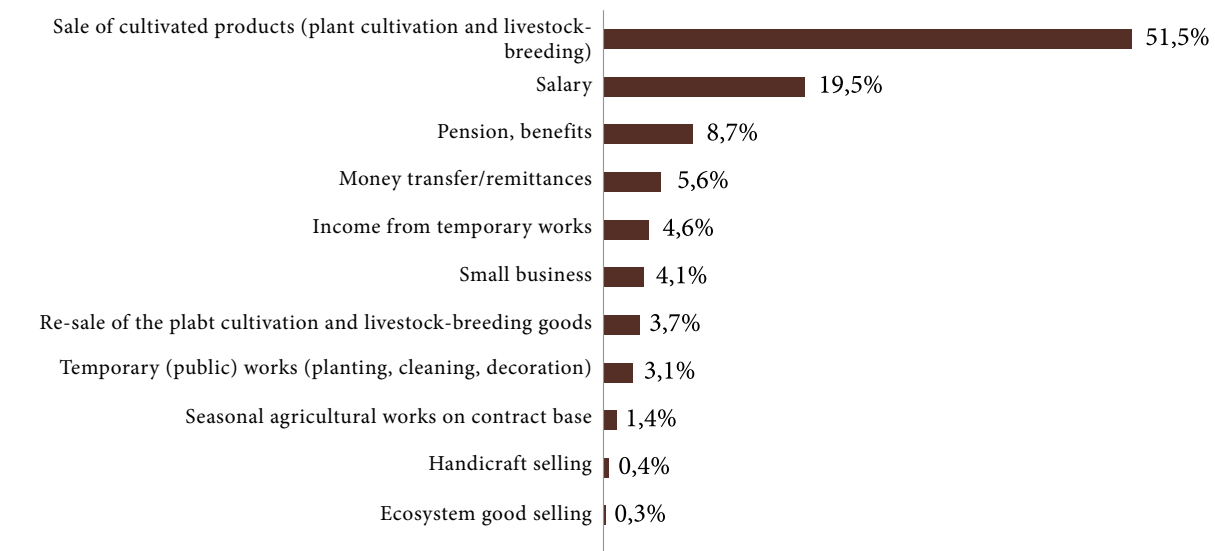
Revenues of the households

Determining of revenues in this survey is based mainly on subjective assessment of responders who were proposed to rank from one to five sources of household income by degree of importance and define volume of each source. Diagram 16 demonstrates ration of different sources of income assessed by the responders as main sources at present.

Determining of revenues in this survey is based mainly on subjective assessment of responders who were proposed to rank from one to five sources of household income by degree of importance and define volume of each source. Diagram 17 demonstrates ration of different sources of income assessed by the responders as main sources at present.

Income structure of the survey responders based on their subjective assessments presents following key sources: income from sold products of their own agricultural production, transfers (pensions, allowances, wages), income generated from re-selling and re-purchase of agricultural goods and remittances. Beneficiaries and non-beneficiaries assessed income sources approximately in the same way; gap in each type of income was in a range from one to four percent of the responders. According to accumulated assessments, the beneficiaries had higher income from sale and re-sale of the plant cultivation and livestock-breeding products, they received more remittances and income generated by temporary works, higher income earned from small business, and also had earnings from sale of national

Diagram 16. Main source of money transfer in 2011 (in % to total number of respondents)



handicrafts produced by them and gathered ecosystem goods. In other words, income structure in the beneficiary and non-beneficiary households has some differences: non-beneficiaries have higher proportion from sold agricultural products. Pensions and other transfers including salaries of budget employees are very important for their families; actually, they did not mention contribution of ecosystem products in welfare of their families.

It is remarkable that in spite of low wages of the households' members or scanty pensions and social benefits, more than one fourth of the households named these earning as main income in their families. In spite of fact that income received from sold livestock or plant cultivation products usually is quite significant, the responders are inclined to appreciate input of social payments and benefits higher due to regularity of such transfers and their precise size, and due to objective difficulties in accounting of seasonal revenues.

Answers of responders on availability of the second and further (up to five) income sources can be indirect evidence of such assumption. Although, in previous sections of the questionnaire, over 80 percent of



Needlewomen, Batken oblast

responders indicated their activity in plant cultivation, livestock-breeding and other income generating activities, proportions of the responders / households pointed out lack of second and third income sources are high. Regarding all data, only the beneficiaries demonstrated high flexibility and combination of various types of economic activity and few strategies of household development in contrast to the non-beneficiaries. Situation is different in assessment of various income sources (See diagram 17).

Diagram 17. Proportion of households having limited number of income sources (in % to total number in category)

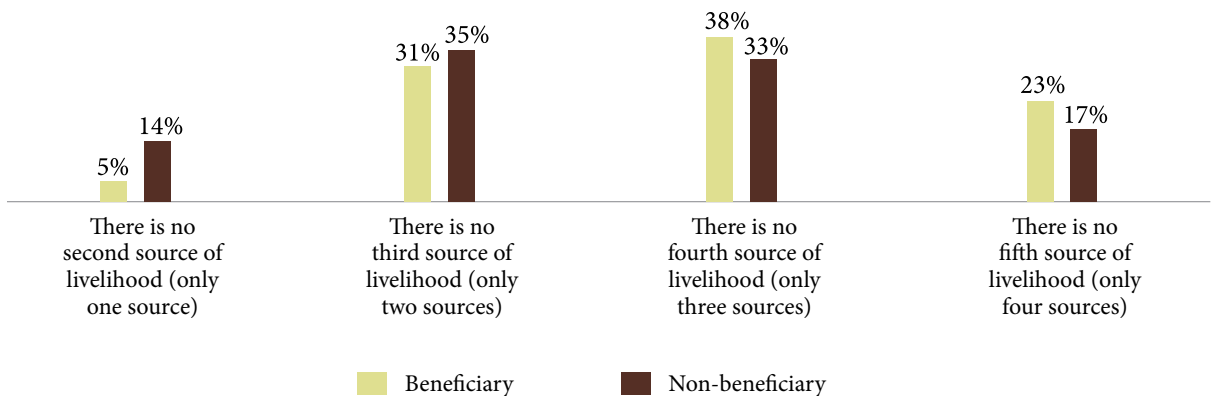
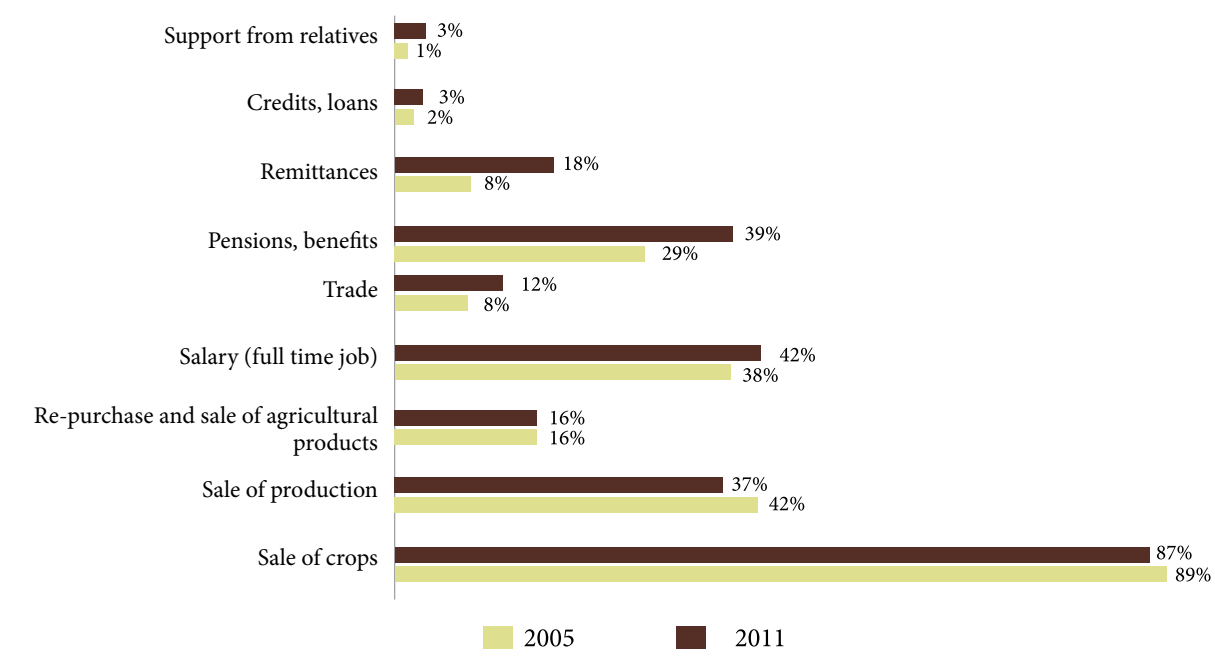


Diagram 18. Main income sources(by all 5 sources) in comparative perspective (in% to total number in category)



Analysis of assessment of all five income sources allows seeing trends of changing: the rural citizens increased their income earned from trade; they receive more loans, volumes of remittances, transfers (pensions, wages, salaries and etc.); also they receive support from relatives although assessment of such support is more than moderate for traditional society based on kinship and tribe relationship.

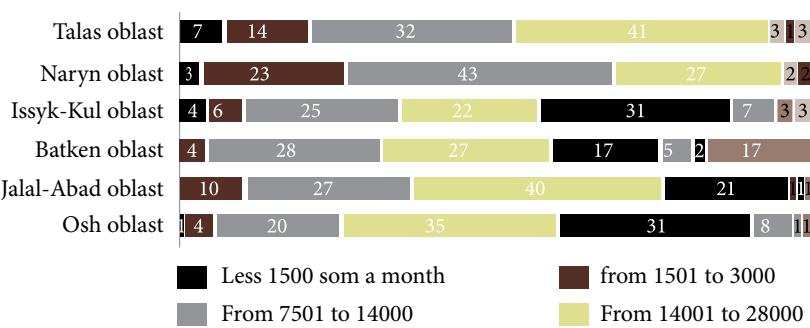
Reduction of proportion of sold products against a background of domination of assessment regarding improvement of household welfare, first of all means improvement of nutrition structure of the households, and trends of accumulation / increasing of the livestock number in the households. Last assumption – trend observed and confirmed earlier in the report since only way of capitalization in rural area is to increase number of the livestock (See diagrams 6, 7). Credits and loans are considered by the responders as significant income sources neither in 2005 nor in 2011,

in spite of increasing of their share within income sources.

Analysis of regional characteristics of structure of income of the responders figures out some important and specific things:

- **The highest proportion of pension is in the Naryn oblast, where 14 percent of the households assess it as key income source,**
- **Over 70 percent of the Talas households believe that sale of plant cultivation products is main income source,**
- **19,4 percent of the Issyk-Kul households consider the livestock and meat for sale as main income item,**
- **Proportion of the families for whom remittances are basis of wellbeing is the highest in the Batken and Osh oblasts (2,9 and 2,2 percent correspondingly),**
- **Budget workers were registered among members of sampled households in Jalal-Abad city; their salary is considered in the households as key income source.**

Diagram 19. Regional difference in households' income in 2011 (in% to total number in category)



If we are talking about average sizes of monthly income, we also observe significant difference depending on residence area of the responders.

As we see from diagram, difference in the households' income in 2011 reached significant values depending on regions. So, maximum households with income in a range from 7,5 to 14 thousand som lives in the Talas, Osh and Jalal-Abad oblasts; the households with income varying from 3 thousand to 7,5 thousand prevail in the Naryn oblast. In the Batken oblast, proportion of the households which income does not exceed 7,5 thousand som and those whose income is in a range from 7,5 to 14 thousand som is approximately the same.

Income level assessments reveal that 9 and 8 percent of households in the Osh and Issyk-Kul oblasts correspondingly have monthly income over 42 thousand som, i.e. 5,8 people (mean value of number of household members within whole sampling). Income of each household member is 7241 som what is relatively high income for the country.

The Batken oblast acknowledged as economic depressive one during last years, demonstrates substantial improvement of life of the citizens. Almost

one fourth (24 percent) of the households has income per capita in each household from 2414 som to more than 7240 som¹⁹ under minimum wage of 2527 som²⁰.

Among the beneficiaries, situation with incomes by the regions varies in following way:

Almost in each region, it can be said about two, and sometimes even three modes – maximum number of the households having certain level of income. In the Osh and Issyk-Kul oblasts – two groups with income in a range from 3500 to 7500 thousand som, in Jalal-Abad – three groups at level – from 3 to 7,5 thousand som; from 7500 to 14000, from 14000 to 28000 som of monthly income of the households; there two modes in the Batken oblast – at level from 3000 to 7500 thousand; from 7500 to 14 000; in the Naryn oblast – three groups – from 1500 to 3000 som, from 3001 to 7500 and from 7500 to 14000 som, in the Talas oblast – also two groups – from 3000 to 7500 som.

Insignificant difference in level of income of the beneficiary and non-beneficiary households, nevertheless, has big importance. Families of the beneficiaries achieved higher income having larger number of members. But they did not have any

¹⁹ Logics of calculation is following: in the Batken oblast in average 5,8 people live in the household, hence, under income in amount of 28000 som each members has at least 4828 som and so on.
²⁰ Data for 2009. In average, 3829 som per month per capita was a living wage in 2010 for the population able to work; in 2011 it was 5183 som. See the report of the National Statistical Committee, press-release from August 16, 2011, KirTAG.

Diagram 20. Regional difference in households’ income of the Programme beneficiaries in 2011 (in % to total number in category)

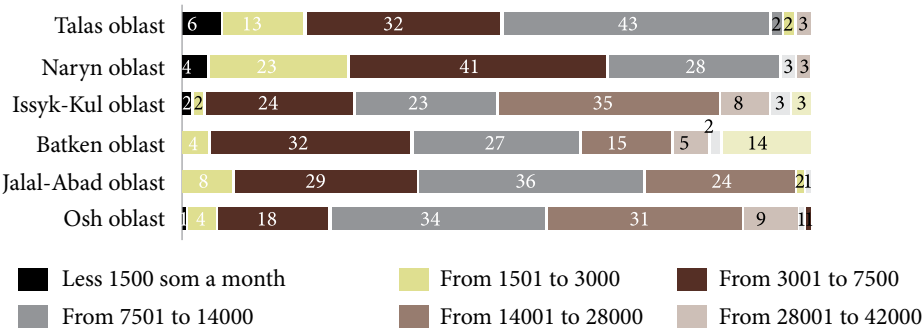


Table 4. Changing of average monthly income of the households of the beneficiaries and non-beneficiaries in 2004 and 2011 including estimation of income share per household member²¹

| | | Average income of the household (som) | Average number of the household members (people) | Income per person in the household (som) | Income per person in the household (USD) |
|-------------------|------|---------------------------------------|--|--|--|
| Beneficiaries | 2004 | 6081 | 5,4 | 1124 | 26,4 |
| | 2011 | 12915 | 5,9 | 2196 | 48,3 |
| Non-beneficiaries | 2004 | 4763 | 5,3 | 892 | 20,9 |
| | 2011 | 10766 | 5,1 | 2099 | 46,1 |

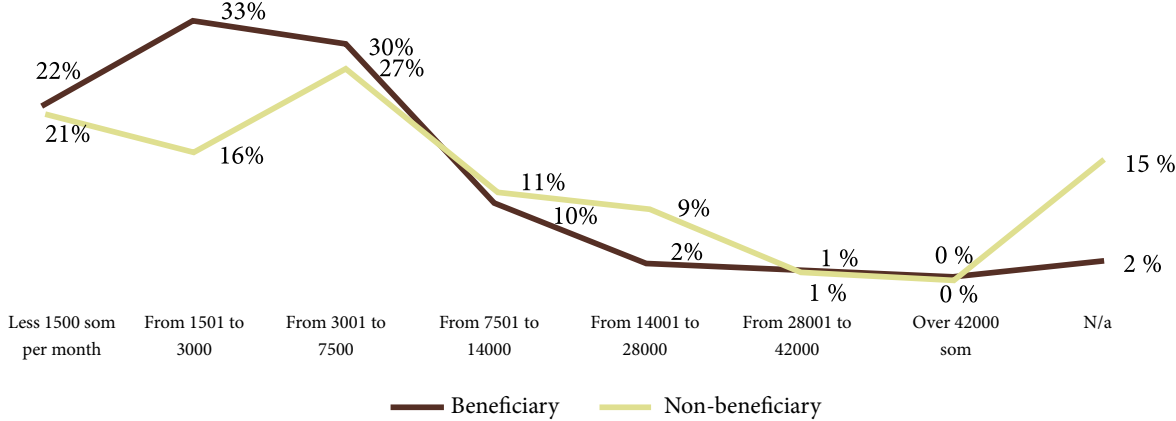
advantages regarding number of the breadwinners; the poorest population was considered as the beneficiaries initially. Besides, it is important to take into account that various responders are in the beneficiary sampling depending on year of joining the UNDP Programme²² and, correspondingly, Impact of the Programme . At the same time, it is worth to indicate that growth rate of income during previous time is higher in the non-beneficiary households.

Spectrum of income distribution among the beneficiaries and non-beneficiaries in comparative time

series (diagrams 22, 23) presents visualized picture of changes in trends and shares of the households reached specific levels of income.

There were no households among the beneficiaries actually who could earn more than 28000 som five years ago according to retrospective assessments of responders; more than fifth part of the population earned income in amount of 1500 som and one third of the beneficiary households – up to 3000 som. 85 percent of the beneficiary households and 64 percent of the non-beneficiary households had monthly income up to 7500 som. Among the non-beneficiaries,

Diagram 21. Size of monthly income of the households in 2005 (in% tototal number in category)



9 percent of the households had income in a range from 14000 to 28000 som, while proportion of such households among the beneficiaries was only 2 percent.

Schedule of income distribution in the beneficiary and non-beneficiary households in 2011 strongly differs from the previous one. Visual pattern of spectrum of the beneficiaries and non-beneficiaries reveals advantages in income among the beneficiaries. So, less number of the beneficiaries has income below 7500 som; number of the households was increased whose income is not only in a range from 14000 to 28000 som, but even from 28000 to 42000 som. Changes in cash income of the households are only one of factors of positive changes. Picture of changes can be complete under consideration of nature of consumption, expenditure strategy and property status of the households.

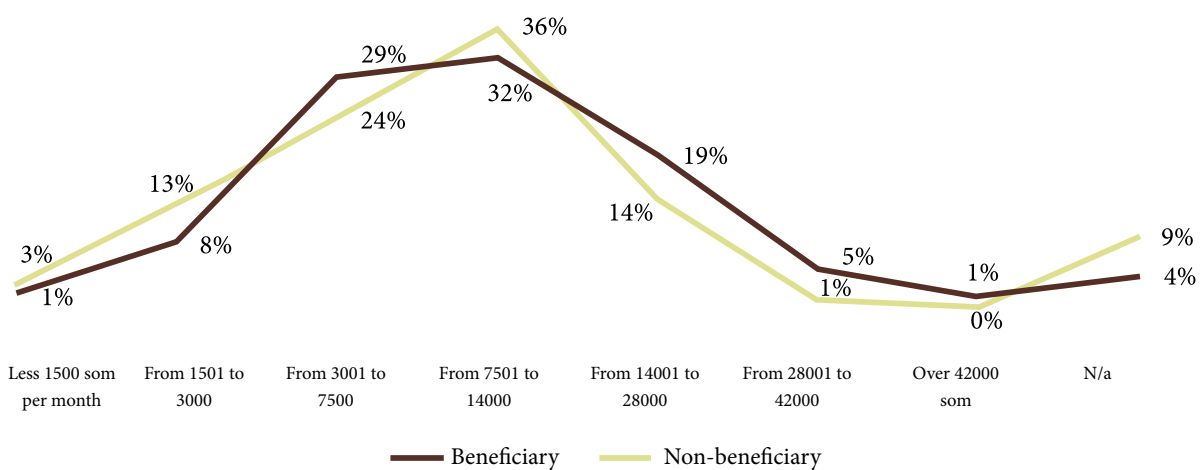
“Definitely, life becomes little bit better. In the past in winter, many people in our village lived in small temporary constructions since it was expensive to heat a big house. Now, almost all citizens heat their big houses in winter; many people purchase furnishings, TV-sets, DVDs, refrigerators, washers. Currently, they buy cars. Their children study in the capital, therefore, many of them try to buy houses in Bishkek for children. There is a big difference between present time and how we lived 5-6 years ago”.

Respondents of the survey, the Issyk-Kul oblast

²¹ Data for 2004 – on results of the household survey within implementation of the UNDP Poverty Reduction Programme: comparison is not fully correct; in 2004, the survey was based on other sampling and interview was conducted using another methodology. 2004 year data are provided for general comparison. This comparison would be more correct under implementation of the longitude panel survey, with tracking wellbeing using same sampling and methodology.

²² Unfortunately, this survey did not consider year of joining into the Programme as one of traced variables, no possibility to see correlation of income level and continuity of the Programme impact.

Diagram 22. Size of monthly income of the households in 2011 (in% to total number in category)



Expenditures of the households

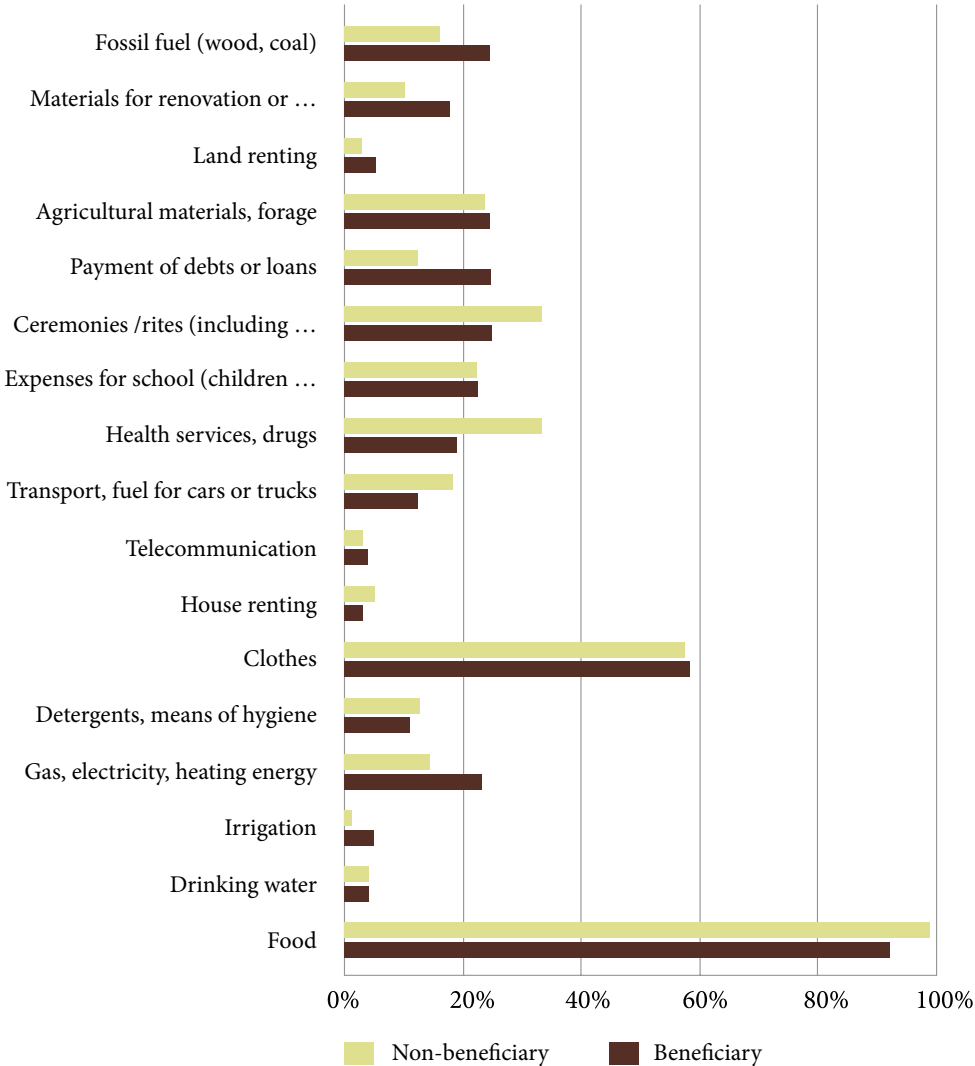
General structure of basic expenditures of the households in 2005 and 2011 is presented in the diagrams 23a and 23b.

As it is seen from diagrams, following strategic items of expenses were decreased among the non-beneficiaries – indicators of basic types of employment and revenues – like land renting, agricultural materials, forage for the livestock and irrigation. The beneficiary households demonstrate trend of reduction of such important item of expenses as house renting because less number of the households does not possess own house. In contrast to the non-beneficiaries, the beneficiaries spent money for land renting and irrigation in 2011, and they defined the non-beneficiaries by expenses for non-food products (by 8 percent more – to purchase clothes; by 11 percent more – to purchase forage and agricultural materials, and by 3 percent more – materials for housing reconstruction and renovation). Compare with the past, the beneficiaries increased expenditures for maintenance of the vehicles and reduced volume of credit and loan repayment.

At the same time, negative trends are observed in the beneficiary households in a form of slight reduction of expenses for education and health services²³ compare to relatively growing expenditures for various rituals and ceremonies²⁴. From one hand, ceremonies and rituals reflect status characteristics of the rural citizens and their families. Therefore, increasing of such expenditures among the beneficiaries can serve as indirect indicator to improve welfare. Obviously, irrational investment of income in celebration of various events considerably reduces opportunities of the households towards stable economic growth. However, changes take place in this area too: the responders shared their opinions expressed during interview and focus-groups, today, compare with recent past, just few people take credits actually for celebration of various events. As the responders stated out “people understood that the credit should not be taken for these purposes. Family events should be celebrated without taking credits under high interest rates”. In our sampling we identified 9 people from 701 responders.

²³ See details below.
²⁴ It is important to mention that even under increasing of expenditures for celebration of events the beneficiaries spend less on this item expenditure from a source like credits. Details are provided below in the chapter on access to loans. It is important to specify that even under increasing of expenses for celebrations, the beneficiaries spend in general less on this item of expenses from a source like credits.

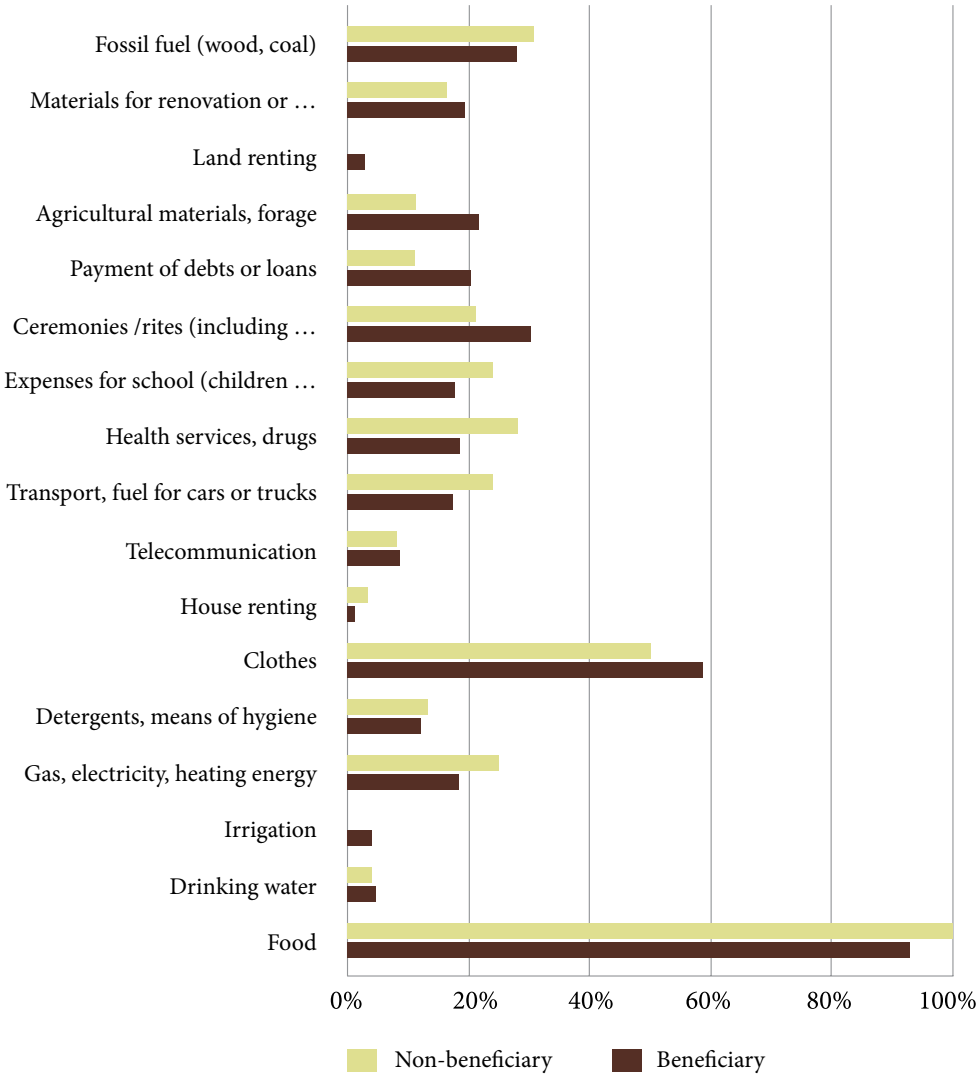
Diagram 23a. Structure of main expenses in 2005 (in % to total number in category)



Comparison of main item of expenses of the beneficiary and non-beneficiary households in our survey allows saying about existence of opposite tendencies: the beneficiaries reduced expenses for food products as main item of expenses during five years and increased consumption of non-food products, while the non-beneficiaries spend expenses mainly for food,

and if we compare data of 2005 with data of 2011 it is obvious that they reduced other items of expenditures. Considering four main items of expenses of the beneficiary and non-beneficiary households, following characteristics can be noticed: the beneficiaries invest more in development of the capital (stock) and business; majority of the households within this category

Diagram 23b. Structure of main expenses in 2011 (in % to total number in category)



considers such investment as the first and main item of expenditures. There are more responders in this category and those who include consumer goods and services in structure of the first basic expenses.

Thus, expenditure strategies of the households demonstrate existence of difference between the beneficiaries and non-beneficiaries. Often, differences have strategic nature and relate to investment in the

income-generating activity, access to basic services, consumption of food and consumer goods.

Property profile of the households

Analysis of property profile of the households allows judging not only about nature of consumption in the households, but also assessing level of availability of modern equipment in the households what helps

to mechanize and make easy, efficient and less labor-intensive house-keeping. Last circumstance is extremely important due to traditions of gender labor division in our society and allows judging about status of women and gender aspects of time budget.

Since analyzed period corresponds to programme cycle, 2005 was defined as a baseline (starting point) in available property of the households included in the programme activity.

As it is seen from diagram 24, crucial changes took place regarding majority of technical equipment in the beneficiary households during the project life. They are not very significant in some categories, for example, only few households could buy / purchase new house; some people were able to buy land plots, few of them bought personal computers for their houses, and small group of people managed to buy agricultural machinery (machines and equipment). Nevertheless, the households

Diagram 24. Changing property status of the programme beneficiaries before and after 2005 (in % to total number in category)

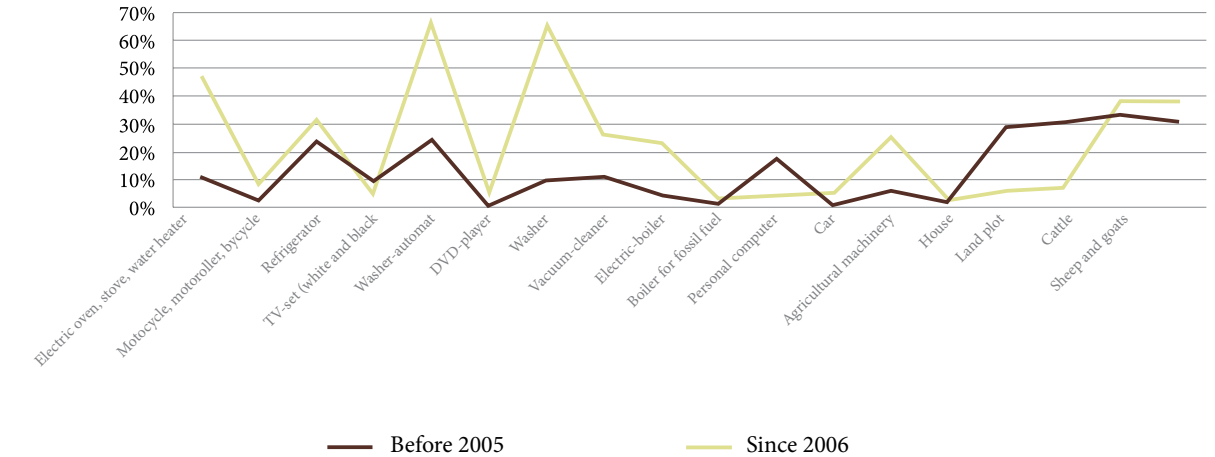
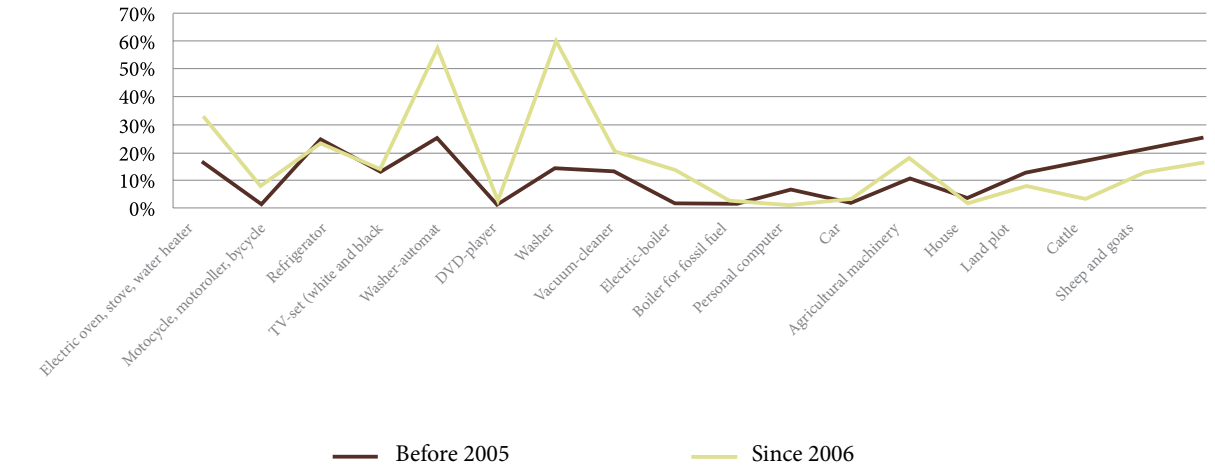


Diagram 25. Changing property status of the programme non-beneficiaries before and after 2005 (in % to total number in category)



invested their income in replacement (installation) of new electric oven, purchase of refrigerator, TV-set (color), DVD-player, washer or vacuum-cleaner; some households even bought vehicles. But purchase of the sheep and cattle is main item of expenditures.

Although the non-beneficiaries also managed to improve their welfare, there are at least two strategic differences: the non-beneficiaries could invest in land and purchase of the cattle to less extent (so, 38 percent of the beneficiary households increased proportion of their expenses to buy the cattle; it is 5 percent of growth compare to 2005), purchase of the sheep (growth by 7 percent). Except the cattle and sheep, expenses of the beneficiaries and non-beneficiaries are the same.

For many households, especially in the Issyk-Kul, Batken and Naryn oblasts, a purchase of refrigerator is specific challenge; due to obsolescence of the refrigerators, substantial part of the population does not have refrigerators and freezers at home (maximum number of the households who do not have the refrigerators among the programme beneficiaries - 65 percent in the Naryn oblast, 57 percent in the Batken oblast, and among the non-beneficiaries – 100 percent in the Issyk-Kul oblast and 73 percent in the Talas oblast). Similar situation is observed in relation to purchase of the washers. Mobile phones and DVD-players are expenditure items, which became absolute leaders among bought goods and equipment what is interesting for analysis.

Such things as installation of alternative sources of energy, air conditioners and personal computers are still beyond sphere of wishes of the rural citizens. Probably, one exception exists, namely, 15 percent of the beneficiaries of the Issyk-Kul oblast have bought the computers.

The beneficiaries had slightly higher progress in dynamics of existing status rather the programme non-beneficiaries. During last few years, they had big “coefficient of labor input”, i.e. they cultivated more

agricultural land, more worked in their vegetable gardens. Improvement of the households’ welfare definitely should influence on access of the members to key social benefits: health and educational services. 2,4 and 3,4 percent of expenses of the beneficiary households are spent for these needs within expenditure policy covering only small part of revenues of the households. Expenses for health services (together with costs spend on drugs) even together with expenses of the households for educational services are not comparable with expenses for celebration of festive ceremonies and rituals.

Access to health service

After several phases of the health system reform, some first-aid stations (FAPs) have being left in rural area, which were able to provide limited number of medical services. The survey revealed that lower morbidity rate among the beneficiary households was identified in the current year (2011) compare to members of the non-beneficiary households. In some regions, gap between the beneficiary and non-beneficiary families is quite high. So, for example, the non-beneficiaries had twice more diseases than the beneficiaries in the Naryn oblast, and more than in 2,5 times in the Talas oblast. Only in the Osh oblast, number of the sick beneficiaries was higher rather among the non-beneficiaries.

The beneficiaries actively visit the health workers, especially their FAPs, family group physicians and rayon hospitals. The non-beneficiaries apply to the health workers depending on the regions: representatives of the Osh and Jalal-Abad oblasts get less medical services. Therefore, the Programme interventions regarding renovation and equipping of FAPs are extremely important and timely.

Consideration of treatment strategies for the sick members of the households by the regions north-south allows talking about peculiarities of regional

Diagram 26. Beneficiaries applied to health services (in% to number of the sick people)

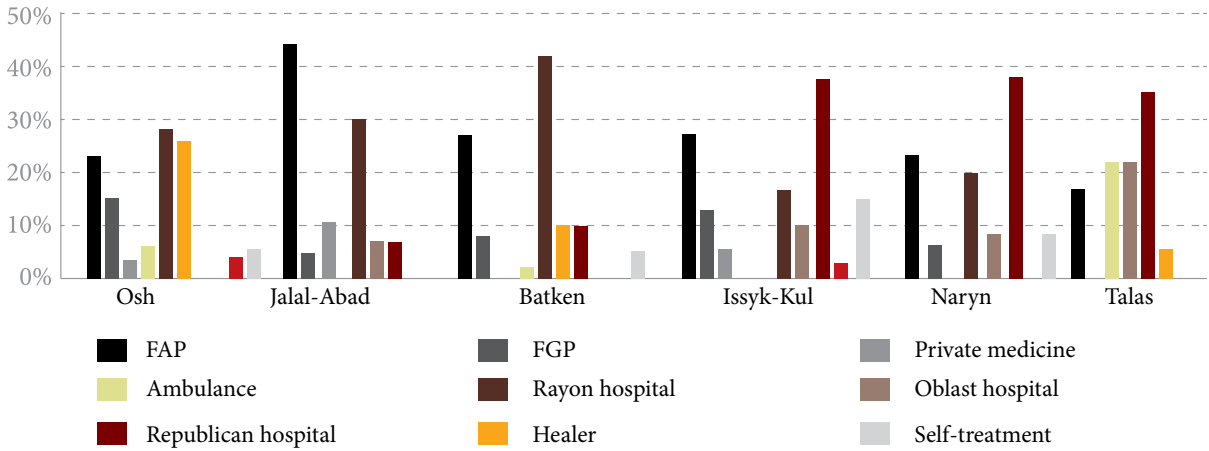
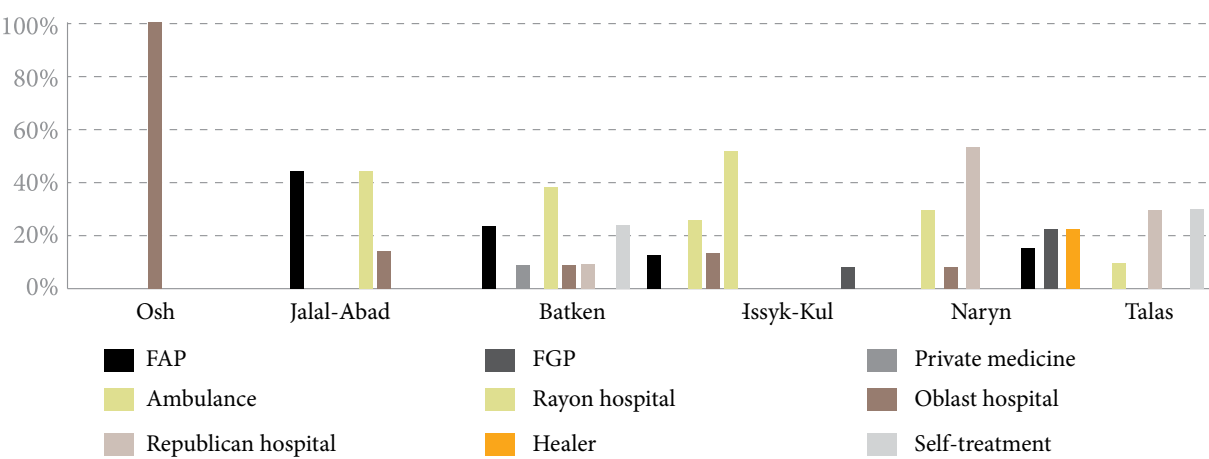


Diagram 27. Non-Beneficiaries applied to health services (in% to number of the sick people)



models of behavior: the southern responders were used to apply to local health facilities – FAPs, while the northern citizens preferred to be treated in the republican specialized medical institutions, and the northern responders liked to apply to healers and to do self-treatment.

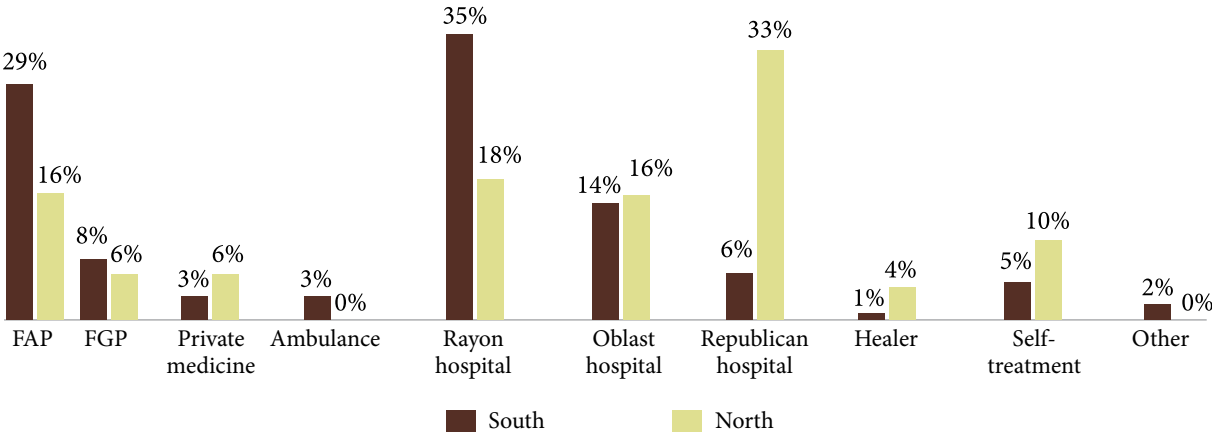
Similar realities are discovered in studying gender

characteristics of the treatment strategies selection: men prefer to apply more to the republican medical institutions, women – to the local, mostly – FAPs, both with their own health problems and problems of children health. Therefore, equipping of FAPs with new medical equipment means benefits and social effects, first of all, for women and children.

Differences in regional and gender models of behavior, certainly, have rational, often economic grounds. Access to health services becomes difficult for the household members under increasing of economic costs caused by such apply. Therefore, trip to the republican medical institutions, apply to private medicine are more complex. Below is a diagram presenting number of the households named the health and educational facilities as main expenditure item. In spite of total reduction of costs of the beneficiary households on health, proportion of those households, which identify educational / health services and purchase of drugs as priority, main expenses, was slightly increased.

Summarizing assessments of the responders who indicated health / education services as one of key expenditure items, we can assume “picture” of access to health / education services, where the beneficiaries spent less for health in 2005 and 2011 in spite of reduction of expenditures for health among the non-beneficiaries; actually level of expenditure of the beneficiaries is still behind.

Diagram 28. Difference in treatment strategy for sick members of the households (in% to number of sick people)



FAP renovation, Kara-Suu rayon, Osh oblast

Diagram 29. Proportion of households listed health and education services as main cost item (in% to total number in category)

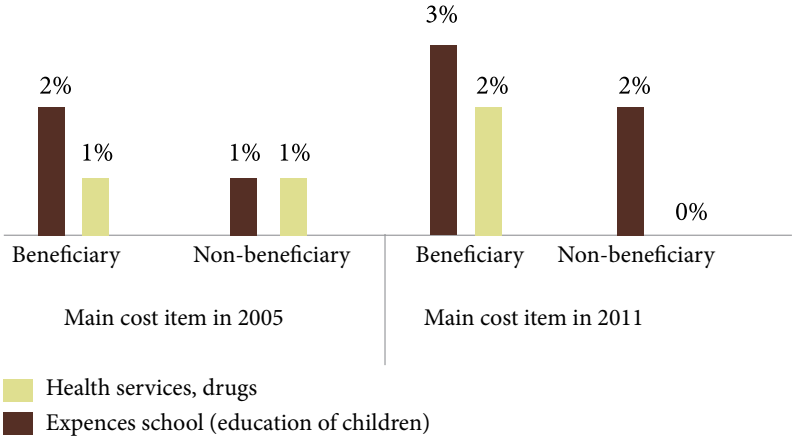


Diagram 30. Proportion of households listed health and education services as 4 main cost item (in % to total number in category)

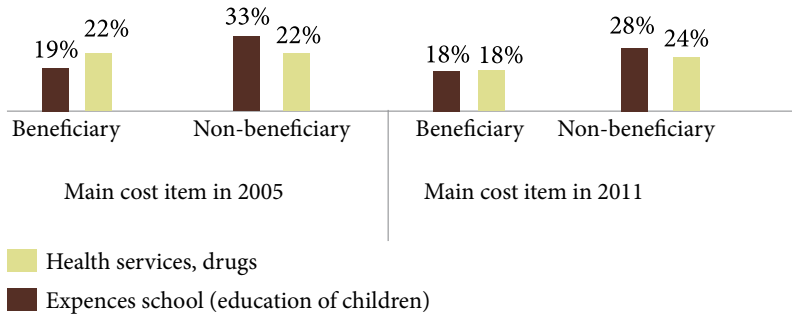
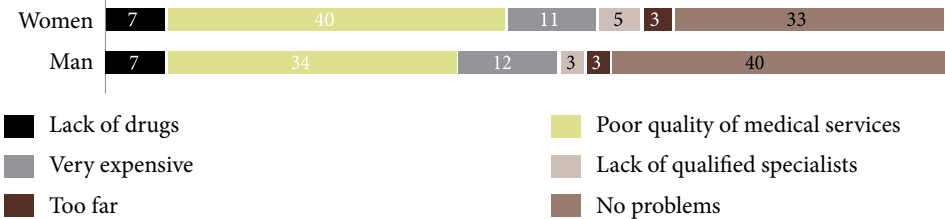


Diagram 31. Distribution of answers on questions: «What are problems occurred during illness?» (in % to total number in category)



Access to education

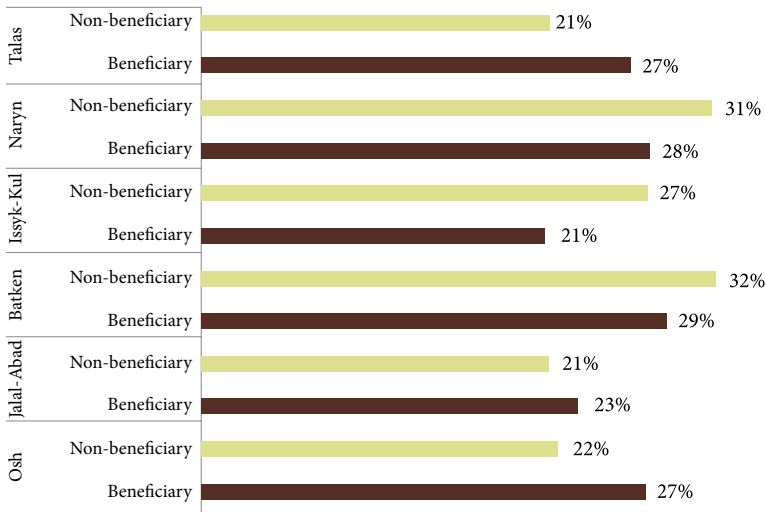
Expenditure for education is another key factor of human capacity development, and only poverty becomes a condition of deprivation; children and youth do not have access to education.

In the Osh, Jalal-Abad and Talas oblasts, the non-beneficiaries have large number of the members who study. In the Batken, Naryn and Issyk-Kul oblasts, the youth studies mostly from the beneficiary households. Totally, proportion of the students among the household members was in a range from 21 to 32 percent during the survey. 1123 people or in average 22,4 percent of whole population had status

of the students. At the same time, the poll showed that 27 children of school age do not go to school including 18 boys and 9 girls.

In spite of fact that analysis of expenses structure reveals trends linked with reduction of expenditure for education in the beneficiary households during last five years, aggregate estimate of purposes of personal savings of the beneficiary households and non-beneficiaries proves that the responders used to distinguish education specifically, and some oblasts are ready to allocate funds for education intentionally. It is remarkable that in majority of the oblasts (except the Batken and Talas oblasts) the beneficiary families

Diagram 32. Proportion of the students in the beneficiay and non-beneficiary households by oblasts (in% to total number in category)



are ready to spend their savings for educational purposes.

Educational level of the parents, their social-economic welfare and labor market situation play important role in selection of strategy of access to education of the children and youth. Only situation at the market with labor demand undermined a strong purpose inherited from the soviet time – preference

to get high education. For example, the programme beneficiaries, especially in the Talas and Jalal-Abad oblasts, demonstrate a weak trend – support the youth to enter not traditional high educational institutes and universities, but demanded specialties in technical-vocational schools and colleges.

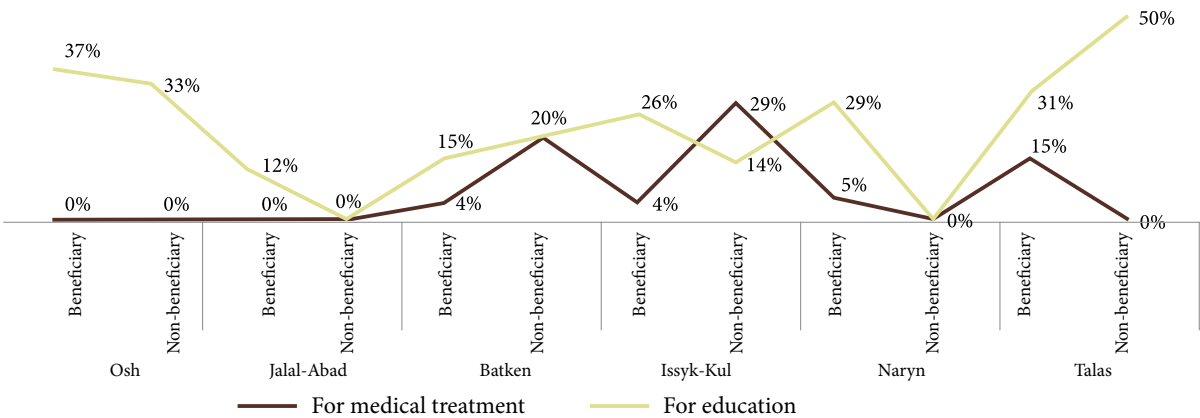
The Programme’s activity implemented during 2010-2011 was very important to obtain vocational

knowledge and skills and get diploma. About 2000 young girls and boys were given excellent opportunity choosing the most demanded specialties in the society such as the welder, IT and office equipment specialist, hairdresser, sewer, etc.; getting actually informative and qualified training within short period of time, receiving simultaneously scholarship for housing.



Renovated school, Kara-Suu rayon, Osh oblast

Diagram 33. Purposes of savings spendings by the respondents (in% to total number in category)



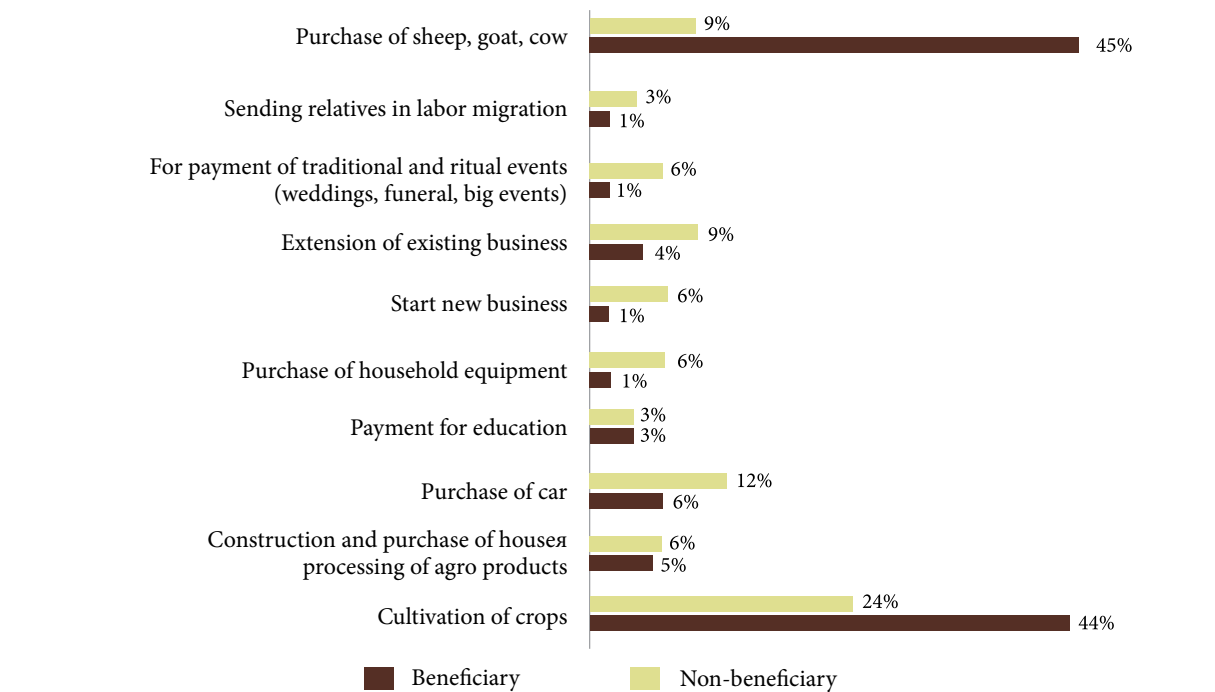
Access to credits and loans

Last years, the mass media and social networks provide much data on negative impact of micro credits on the poor rural population and disloyalty of micro crediting to main forms of income-generating activity of the rural citizens. It is based on critical discussions concerning the micro crediting strategy aimed to support the poor. In a framework of this survey, several interviews have being held with the beneficiaries of the UNDP Programme, and micro crediting issues have being discussed during focus-group discussions in Bishkek and Osh cities. Key conclusions are following:

“All citizens were afraid to take credits. Honestly, I also thought whether I need it or not? But circumstances forced me to take credit. My salary and salary of my wife were small, and something needed to be done. It was a choice to go to Russia for earnings or to take a loan. We decided, took credit and we do not regret”.

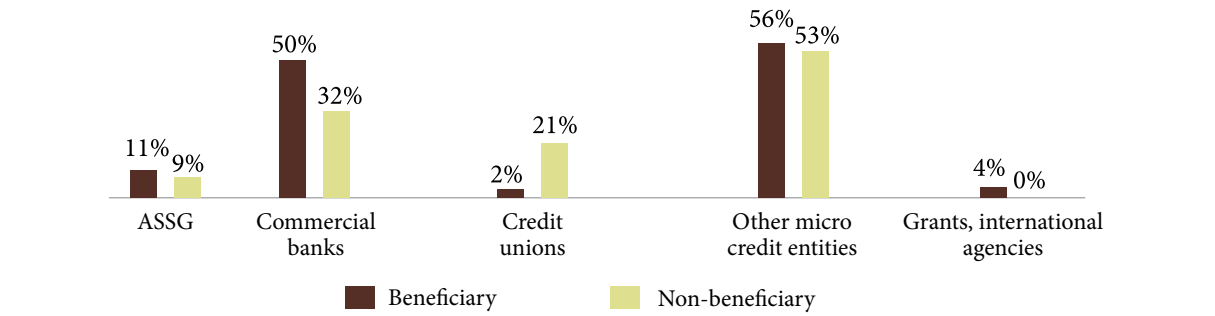
**Respondents of the survey,
Batken oblast**

Diagram 34. Purposes of borrowing among the beneficiaries and non-beneficiaries (in% to total number in categories)



- Only 13 percent of the programme beneficiaries did not have any experience with micro loans in contrast to 66 percent of the non-beneficiaries.
- Overwhelming number of success stories of the rural farmers and entrepreneurs includes practices of micro credits after special UNDP training on business planning and business technologies. Micro crediting became a common practice, and success of poor families mainly facilitated replication of micro crediting practices in rural area. In case of shortage of funds, the micro credits are given to not only poor people.
- In retrospective perspective in 10-15 years, the participants of the survey noticed big number of stories about bankruptcy and high economic and social price of getting micro credits among the rural citizens including – the programme beneficiaries, linking these stories with low culture of the borrowers and untargeted funds use.
- Most of participants of the programme having experience of micro credits, indicated forced nature of their business development as well as practices of micro crediting.
- Women were and are initiators and key activists in the micro crediting strategies. Involvement in the programme, enhancing of their leadership capacity and gaining specific knowledge and skills including business-planning and micro crediting are success factors for majority of women.
- The respondents talked about new life style of some rural citizens – “borrowing” style, when the individual starts to take credits and appears in specific closed cycle: to pay back credit he/she takes new credits. There were cases when the members of economically better households became “hostages” of unsuccessful credits and loans. By opinion of the programme activists, the beneficiaries do not have such cases. They think that

Diagram 35. Strategies of the beneficiaries and non-beneficiaries in borrowing (in% to total number in category)



functional illiteracy of the rural citizens is key failure factor – lack of culture to pay back loans precisely in time, to use credits intentionally and do not take credits to pay products of direct consumption.

At present, the respondents take credits mainly for following purposes:

As it is seen from diagram, the beneficiary households take credits mainly to cultivate crops, buy sheep and cattle. In percentage relation, the beneficiaries rarely receive the credits to pay traditional events such as weddings, anniversaries and funerals²⁵ and consumer credits for construction of houses and purchase of household equipment and machinery. The non-beneficiaries actively use the consumer

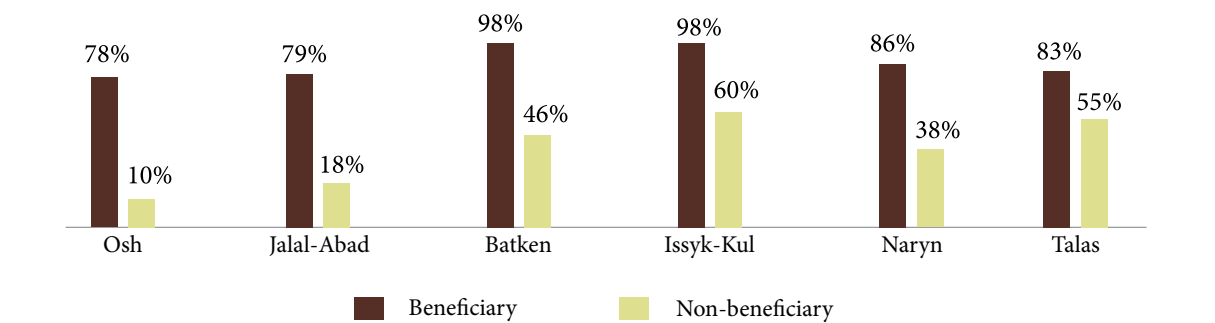
credits including not only purchase of houses and household equipment, payment for weddings and other ceremonies, but payment for education.

Following structures are main sources of receiving the micro credits: Association of help-support groups (11 percent) within the programme activity, which already accumulated substantial funds, commercial banks (50 percent), micro crediting institutions (56 percent).

The Aiyl Bank, Bai Tushum, Finca, Companion are the most mentioned sources of getting credits – they are banks and micro crediting institutions.²⁶

As it is seen from diagram, the non-beneficiaries are more active in terms of use of such sources as

Diagram 36. Proportion of households received credits since 2005 (in% to total number in categories)



²⁵ Detailed comments and figures are provided in previous chapter on expenditure policy. In particularly, 9 cases were registered of getting credits for ceremonial celebrations in sampling of the beneficiaries (601 people).
²⁶ Many respondents have different attitudes to activity of the last two structures since negative experience of the rural citizens was associated with them, the respondents consider.

“I took credit three times. I paid back a principal and interest of the third credit in time. I think that I succeed – the first loan I took to buy one caw, now I have more than ten caws. Our family lives with a help of this income”.

*Respondents of the survey,
the Osh oblast*



Rehabilitation of irrigation system in Osh city

the credit unions; the programme beneficiaries are dominating in other sources.

Regional features of the strategy of the beneficiaries and non-beneficiaries to receive micro credits and other types of loans are shown in diagram below.

Maximum number of requests regarding loans is among the Programme beneficiaries in the Batken and Issk-Kul oblasts. Practice of receiving credits among the households, which are not the Programme beneficiaries is much seldom; large gap is noticed in the Osh and Jalal-Abad oblasts.

It is not a surprise that the programme beneficiaries positively assess practice of micro credits receiving. Only some of them state out that received credits have made worse their financial status (2 percent), or have not changed their material status (4 percent). Other respondents pointed out significant improvement of wellbeing of their households.

Access of the households to utilities

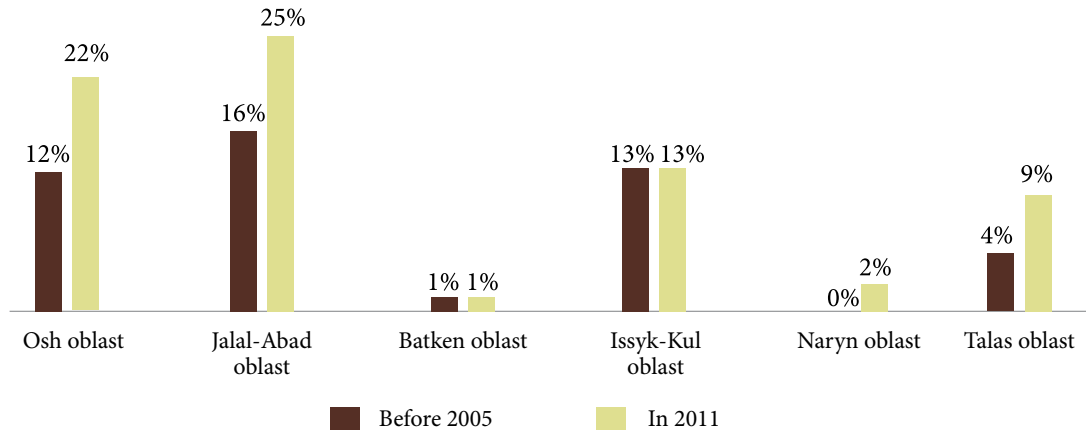
Number of characteristics of housing and communal conditions of the households, namely access to fresh water, sanitation including sewage networks, and existence of efficient heating system – gas, alternative

sources of energy – are key civilized and modernization indicators. Also, these indicators are criteria of social-economic status of the households – they allow some household to attribute to the poor population, other households – to more economic favorable categories.

All surveyed households of both the beneficiaries and non-beneficiaries, and respondents of the households, which are not included in activity of the poverty reduction programme, found out weak opportunities of access to all above mentioned benefits. So, for example, the respondents have unclear perception on possibility to install renewable sources of energy in the households such as photoelectric panels, biogas installations, micro hydropower plants, nothing could be said about access to these benefits.

There is no actually access to sewage networks. Serious problems take place in terms of waste removal / utilization: as a rule, system of waste removal does not exist, and refuse bins are not installed. Among the respondents, only some of the citizens of the Issyk-Kul oblast specified trend to positive change in this aspect; the rest traditionally dispose waste on territory of their households. However, many respondents said that they learned “to utilize” their household (solid) waste: food residues are sorted and use as forage for the livestock, paper and plastic are burned in ovens. Medical waste is not utilized.

Diagram 37. Dynamics of access to clean drinking water (water pipeline) in regions (in% to total number in categories)



Garbage becomes a big problem for some villages. So, the head of one of villages situated near the south capital in the Osh oblast mentioned in his interview that their village actually borders with Osh city what causes problems. Citizens of the city transport their household and medical waste and dispose on territory of the village. The village authorities do not have money in their budget to remove waste, and every time they look for any “hidden opportunities” to remove and transport waste to municipal landfill.

During last five years, progress in access to clean drinking water was insignificant.

Need in clean drinling water is perceived by the respondents as the most urgent problem, and only rehabilitation of water supply network is verbalized by the citizen as priority when they identify objectives at their meetings. In villages, where the water supply system is fonctionning but does not cover whole area, they try to address issues through small grants of the international organizations. So, few examples are provided in some villages in sampling of this survey – the rural communities applied to the devlopment projects and programmes to get grant-based support. In particularly,

the UNDP Poverty Reduction Programme was one of these development agencies, which helped to extend existing rural water supply systems for some new streets.

There was a small group among sampling households, which used to buy clean drinking water. Although percentage of such responders was rather samll, and share



Water pipeline, Uchkun village, Naryn oblast

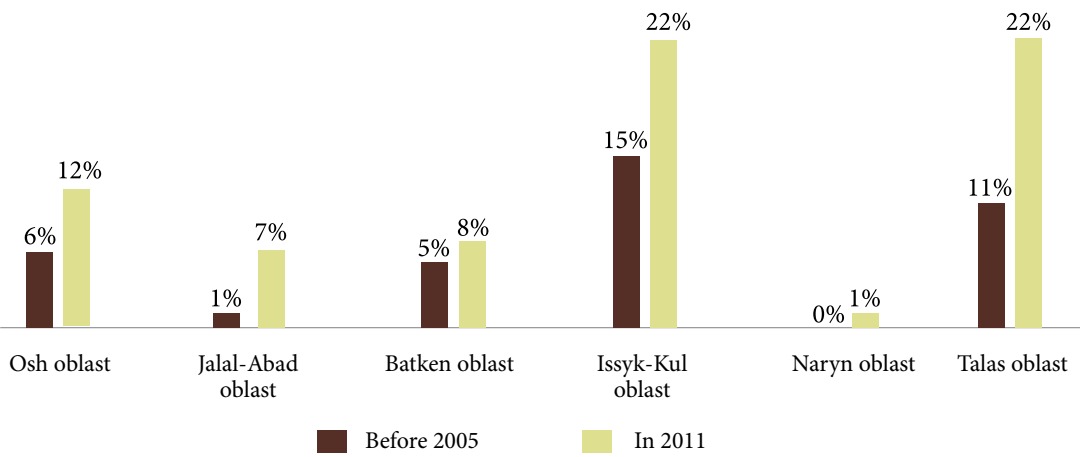
of expenses within total cost estimate of the households is insignificant (0,2 percent), nevertheless, some citizens are ready to pay for water in spite of their not rich status. This practice is unusual because majority of the citizens perceive payment for access to clean drinking water not a a norm – they believe that the country possesses unlimited and free water resources²⁷.

As the survey showed, sex of the head of the household was very significant regarding extension of access to clean drinking water: in the households with “female management”, access (in percentage) was slightly higher till 2005 than in the household with

“male management”. This difference is not accidental: women are very sensitive to this indicator. As it was mentioned above, lack of access to drinking water, remoteness of sources of (drinking) water impose more working burden on women and children who provide the households with water in the countries with traditional patriarchal culture.

Regional aspect demonstrates considerable gap in changing of sanitary level of the households. So, progress in this issue in the Issyk-Kul and Talas oblasts is in contrast with situation in the Naryn oblast, insufficient number of the public bathes there.

Diagram 38. Dynamics of sanitary level of life -availability of the bath or shower in the households by regions (in% to total number in categories)



Common in the soviet time and very costly centralized heating actually does not exist anymore – only 6 percent in the Issyk-Kul oblast and 1 percent each in the southern regions. Rural citizens do not use nature services in house heating. Only few respondents in the Batken oblast (1 percent) and Osh oblast (3 percent) heat their houses with natural gas. Natural heating using thermal water has practical meaning only for the citizens of Jalal-Abad: 12 percent of respondents

from 154 people have access to such “nature” service. At the same, in spite of relatively considerable growth of private housing, rural citizens hardly think that it is possible to use natural resources as renewable sources of energy in the households²⁸.

Experts consider that increased and inadequate pressure on electric networks, technological dilapidation and huge amount of losses of networks(including unreported energy consumed by the population), and

ineffective network management are key problems of power supply. It is closed circle with mutual blaming of the state structure providing power supply services and the consumers: due to illegal and unrecorded over-consumption of electric power by the poor households, the suppliers do not receive in addition millions of soms. At the same time they are not able to invest in reconstruction of the networks and improve quality of provided services. Therefore, besides energy consumption, the poor households consume other natural resources, first of all, they cut trees around their dwellings²⁹.

Interview of respondents revealed that peak of power

cut was “every day” in the past, especially for the northern regions, now – actually for all oblasts – “never” or “several times a year”. Data on expenditure of the households – purchase of solid fuel – match with these responses; more households allocate this item of expenditures what was not affordable for poor people earlier³⁰.

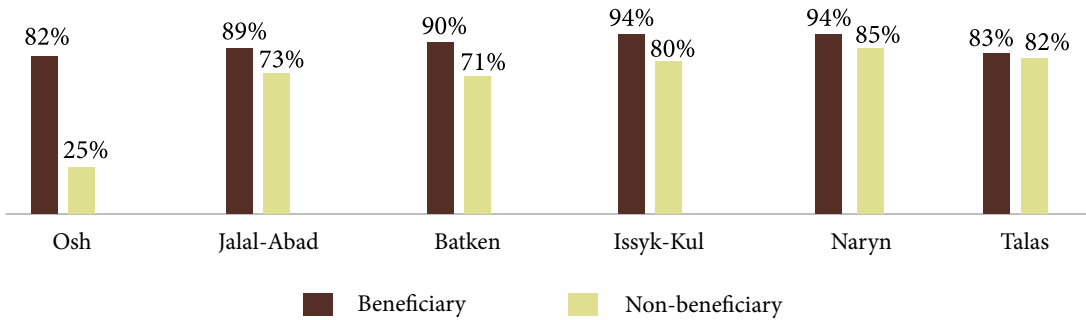
Thus, reduction of frequency of power cut in the regions is indirect indicator, which demonstrates, from one side, increasing of paying capacity of the households, from other side, increasing of understanding of the citizens regarding costs of nature resources use since consumption of natural resources for heating purposes is reduced according to subjective assessments.

1.4. ASSESSMENT OF EFFECTIVENESS OF PROGRAMME ACTIVITY IMPACT IN THE BENEFICIARIES EYES.

In spite of serious challenges of social-economic and political-cultural development, major part of respondents quite positively assessed social-economic situation of their households indicating improved welfare during last five years.

As it is seen from diagram, maximum gap in assessment is typical for the Osh oblast, where 82 percent of the beneficiaries noticed improvement, while positively thinking beneficiaries were in three times less. It is obvious that intensive support of the UNDP Programme became

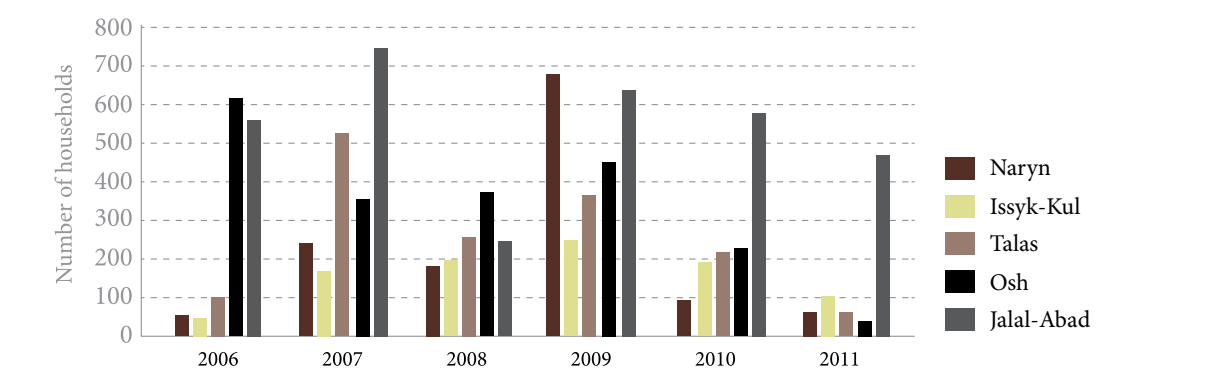
Diagram 39. Proportion of the households indicated improvement of material wellbeing compare to 2005, (in% to total number in category)



²⁷ See the section on ecosystem goods and services
²⁸ On energy saving technologies; see details in the Chapter 3.

²⁹ See details in the Chapter 3
³⁰ More details in the section on expenditure of the households and in the chapter 3.

Diagram 40. Households received micro-credits under support of the UNDP PRP



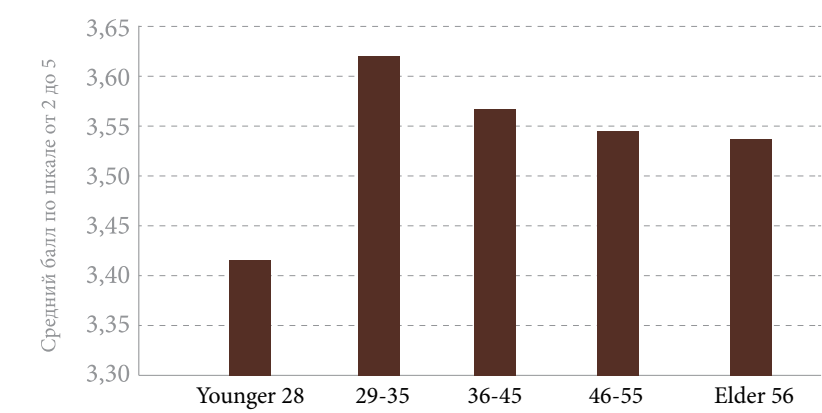
one of factors of such gap under conditions of general decline and destructive development of the region during revolution, inter-ethnic clash and economic crisis. Other reason is that interest of the donors and amount of funds purposed to restore south of the country were increased in post-crisis time.

Maximum number of beneficiaries anticipating trend of improved welfare of the households is located in the Naryn and Issyk-Kul oblasts. In his interview and focus-group discussion, an activist from Naryn told about high effectiveness of grant-based investment in development of eight villages of the region, how local population got

new impulse of development and enhanced own capacity after implementation of several projects on rehabilitation / establishing of the social and market infrastructures in rural area. The Programme was able to attract good funds in the region in a framework of the pilot project on MDGs localization together with the Kyrgyz-New Zealand Agricultural Fund (KNZAF) and other agencies.

As it was indicated earlier, overwhelming majority of the beneficiaries of the programme for development of income-generating activity used micro credits from various financial structures. By assessment of the beneficiaries, it was positive influence on their status,

Diagram 41. Ranking of the households by their opinion regarding growth of expenditures on consumer goods as a result of the programme activity (in points)



since credits gave an opportunity to the programme beneficiaries to buy and breed the livestock, develop plant cultivation, create new jobs. Since 2006, according to data of the programme, 1443 beneficiaries received credits under support of the programme.

April crisis of 2010 did not affect on trend of increasing welfare of two thirds of the households, and the households did not change their social-economic status. Probably, these assessments are explainable as majority of the households are small farms, and market shocks do not affect directly on situation in the households. They are more stress resistant rather developed farms. Among mentioned

two thirds of the households, most of them are headed by women.

Assessment of effectiveness by various criteria is sensitive to age characteristics of respondents, see diagrams 42-45.

Respondents positively assessing development of the households noticed such criteria of improvement as increasing of yield, increasing of size of cultivated land, growth of consumption including non-food products, reduction of consumption of natural resources for nutrition and heating, improving structure of nutrition, development of new businesses and new jobs.

Gender differences of the respondents were also

Diagram 42. Distribution of assessment of respondents regarding impact of the Programme on increase of land (in points)

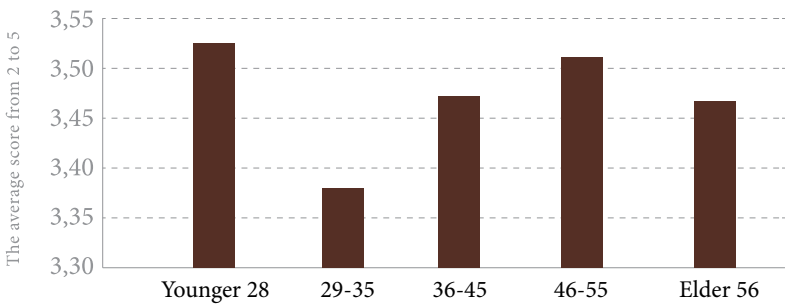


Diagram 43. Distribution of assessment of respondents considering that there are new working places (in points)

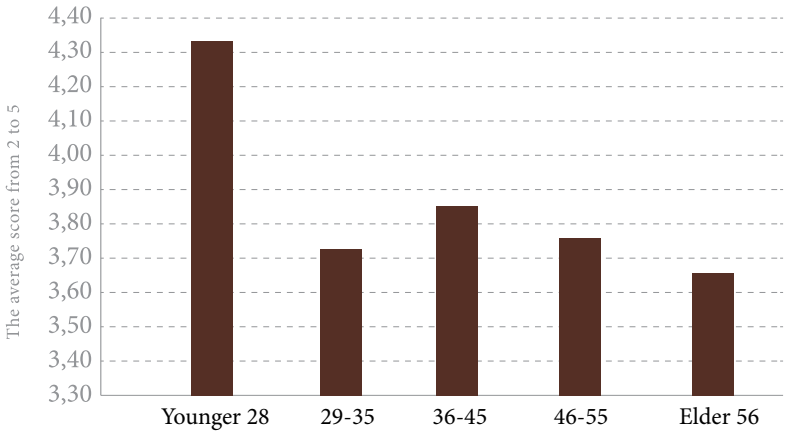
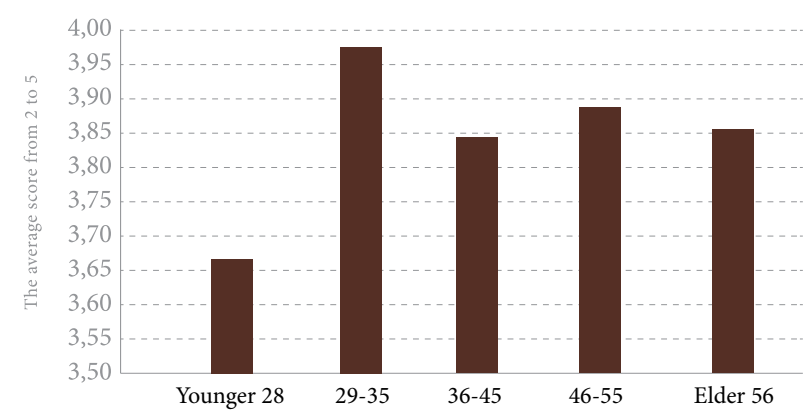


Diagram 44. Distribution of assessment of respondents regarding impact of the Programme on the food patterns (in points)



sensitive to assessment of programme effectiveness, assessment of quality of life and criteria of such assessments.

As it is seen from diagram below, men had more positive effects from the programme activity through such aspects as improving of welfare of the family, increasing of number of the livestock, yield, size of cultivated land, increasing of expenses for consumer goods. Advantages from new jobs and capacity building for development of economic initiatives are really success of the households headed by men compare with the households headed by women.

Diagram shows that the families and households headed by women have received some advantages in such aspects as improvement of nutrition structure in the family, introduction of rational methods of use / conservation of natural resources, and development of new businesses in local community. This “layout” confirms data obtained during study of gender aspects of the development strategies. So, it is traditionally considered that women prefer to invest in quality of nutrition of children and family if financial possibility occurs, that women have more careful and rational attitude to nature, and more creative and smart in their activity. Men, if they have such possibility, prefer

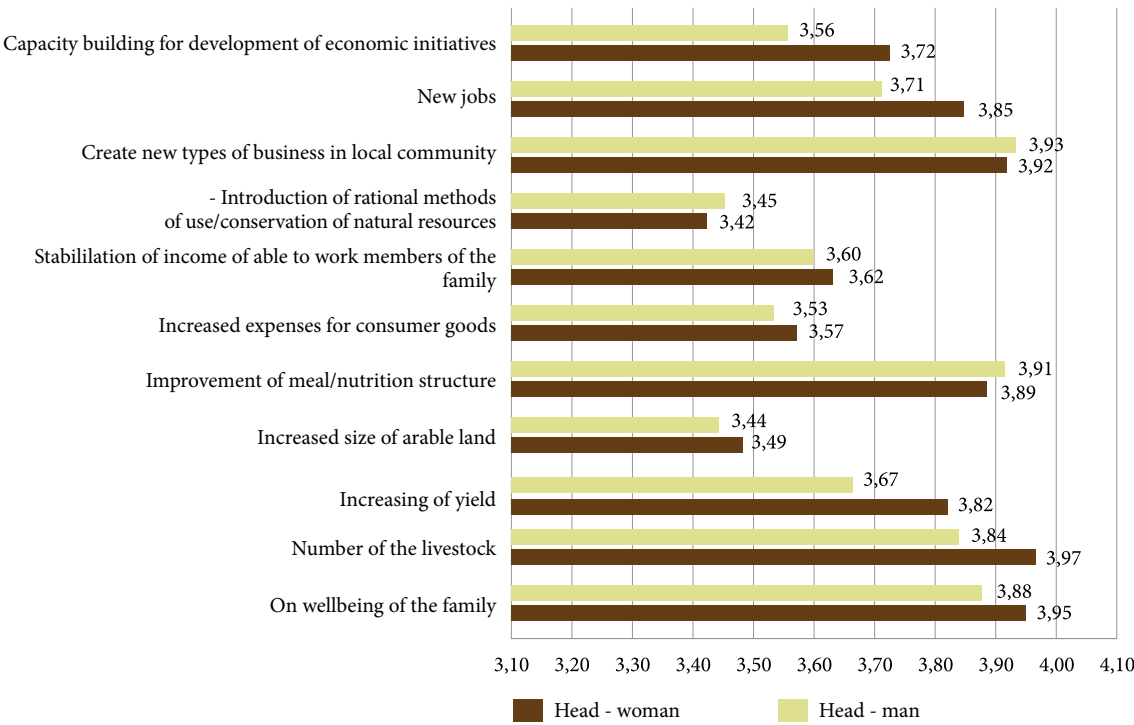
to invest in consumption of non-food products, often strategic things – means to get new income and other things, and success of men is measures to large extend by quantity and volume.

Our respondents-women in focus-group discussions and interview acknowledged that changing of a diet, its nutritional value, caloric value and variety are the first feature of improved quality of life. Men are used to talk about progress in terms of bought equipment, agricultural machinery and increased livestock.

Assessment of programme effectiveness by respondents of different ages is quite interesting. Actually, all respondents regardless of age are more loyal to the programme and they believe that only programme activity was a source of their personal development and improvement of situation in the society.

In group of the households headed by young people (as a rule, young men as a leadership of young women under conditions of patriarchal south is really taboo and stigmatized) share of those who consider that the programme provides them more jobs, facilitates business diversification in communities, enhances capacity building for development of economic initiatives, is much higher rather representatives of

Diagram 45. Assessment of the Programme’s efficiency by gender of the household’s head (in points)



other age categories. At the same time, the heads of households – representatives of age category in a range from 29 to 35 – shared opinion about improved diet in the family.

Almost all respondents with pride and satisfaction outlined all types of small business, which have being restored under the Programme’s support during 2005-2011, and only listing of completed projects in various

villages was very impressive, or as one respondent, activist of the programme from Naryn mentioned “**these projects gave people believe in possibility of better changes**”. Huge spectrum of businesses is unevenly distributed by the regions and reflects nature specificity. In all regions, the programme supported development of such services as stations of artificial insemination of the small cattle and cattle, seed funds, advisory-marketing

“Advisory-marketing center gives us a lot. Private entrepreneurs, farmers, peasants regularly get consultations on issues like veterinary, plant cultivation, agricultural services, etc. It helps our daily activity”

**Respondents of the survey,
Naryn oblast**



centers including centers providing assistance in chemical plant protection and veterinary service centers. These services, by assessment of representatives of the local authorities and respondents, became an important foundation of market institutions in rural area; they laid down grounds of sustainable business activity in the livestock-breeding and plant cultivation sectors. These interventions of the programme and support are important factor of struggle against poverty and for development allowing minimizing costs of rural citizens and maximizing their benefits.

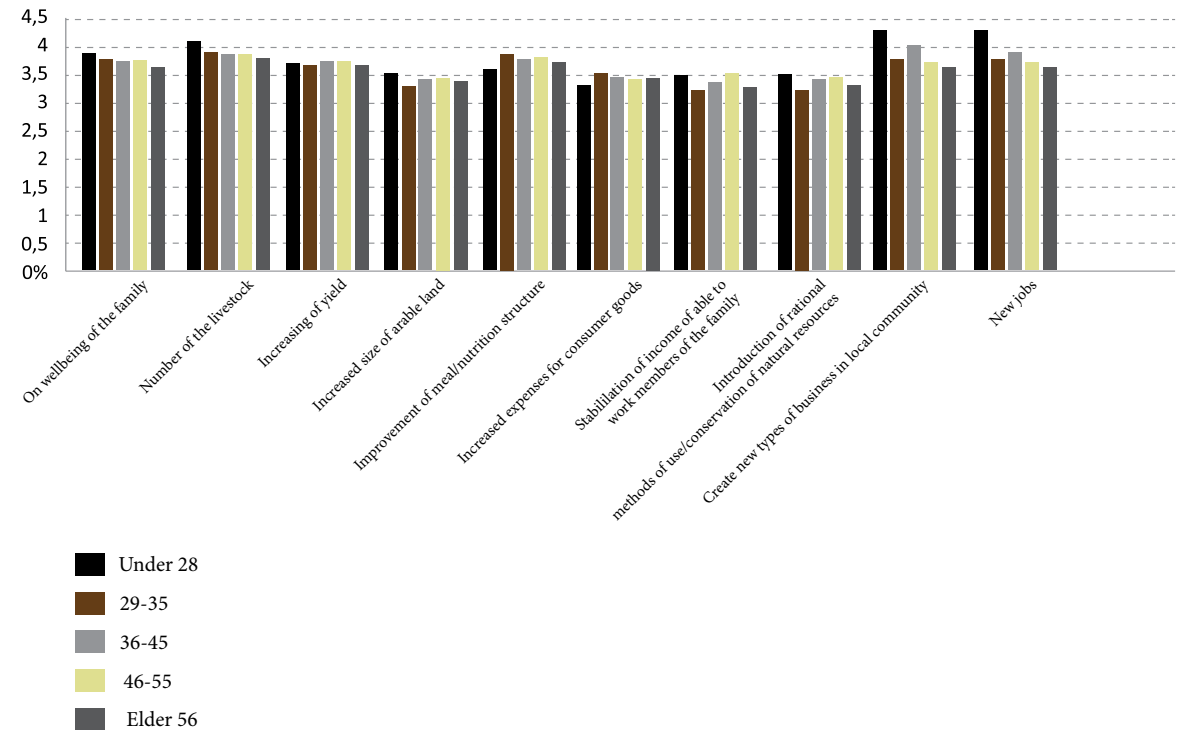
In different regions, the programme organized training on skill development in business project design, provided technological training and supported business initiatives of the young boys and girls. Only within anti-crisis measures in 2011 in the Osh and Jalal-Abad oblasts, the programme trained about 2000 young people

It was difficult time I experienced since June 2010; first time I recognized that I was demanded, I had new opportunities, I gained new specialty “gas and electric welder”, together with my friends we try to work, help our relatives. I plan to go to Russia for earnings. Without this specialty I could not get well paid job”.

Bilimbek Jumabaev, Osh city

of different ethnic groups in field of vocational training, and entrepreneurship skills based on methodology of the International Labor Organization “Start and Improve Your Business”. Those who successfully learned this training course have received grant support to start their own small business. The projects received financial and technical assistance of the programme are welding shops, metal processing shops, internet-café, sewing workshops.

Diagram 46. Assessment of the Programme’s efficiency by age of the household’s head (in points)



By opinion of the respondents, the UNDP programme played also peace-keeping role in post-conflict situation in the Osh and Jalal-Abad oblasts.

In post-conflict phase, the Programme focused its activity on support of business initiatives of the most vulnerable groups as high priority. Issues of gender development, activation and equalizing of opportunities of the handicapped individuals, conflict reduction and peace-building activity were successfully integrated in the programme activity. As a result of short period of post-conflict activity of the programme in the pilot settlements, the respondents noticed reduction of conflict level in the young families. There is very remarkable experience of several families with handicapped persons, and the programme gave change to integrate them in community as full-fledged citizens, and not socially excluded dependents. Inclusion of such people in project training, support of their income-generation activity helped their civic activation and rehabilitation.

Evaluating the post-crisis period, when the programme gave an opportunity to get income from public works, the respondents mentioned in one focus-group discussion in Osh city that during first days after devastation they fulfilled very important work: they cleaned-up territory of burned houses and public areas. The respondents said that these works had not only economic effect, but huge symbolic meaning: cleaning-up of territories meant for local citizens transition from war to peace, helped after interethnic clashes again to unite young Kyrgyz and Uzbeks for creative work. As some participants of the focus-group discussion in Osh stated out that number groups, which have been formed spontaneously, consolidated themselves in a process of joint activity and continued other initiatives and within one year they were formalized in public organizations, which continued to provide social services to the society.

“Six years ago I was in terrible car accident. My life was completely changed. First, I thought why I was punished by the God? Then, I understood that should help to people like me - helpless and excluded from the society. We established our organization. Today, we work to get earnings for the invalids that they would have better independent life. We found entrepreneurs who were ready to create working conditions for handicapped people. We had joint meeting of the members of the public association “Jany-Turmush Umut”, private enterprise “Rakhmanberdiev” and milk factory “Oshnan” and decision was made to open new entities producing ketchup, mayonnaise using brand “Vkus Solntsa”, and yogurt, ryazhenka and ice-cream. We managed to provide appropriate conditions; next question – how can the handicapped persons reach their working place? It was decided to provide a vehicle for transportation of the project members; four-hour working day was fixed. People were involved in activity, which did not required special physical stress, for example, they packed ready products, put labels and so on.”

Muradyl Rakhmanberdiev – the head of public association of invalids “Jany-Turmush Umut”



Milk product packing workshop, where jobs were created for handicapped persons in Osh city

CHAPTER 2. TIME BUDGET OF THE PILOT HOUSEHOLDS OF THE POVERTY REDUCTION PROGRAMME: LIFE STYLE AND OPPORTUNITIES

Distribution of time within public production or private household according modern social theories is issue of the power and policy. Therefore, talking on traditions of work load sharing, types of recreation of different members of the society and households, we have to understand that we are talking about chronologic policy of labor and leisure, within which leisure is time of human production, and labor is reflection of his/her power capitals.

Methodology of time budget survey

“Time budget of the population is time stock distribution (often 24 hours a day) of whole population or specific social-demographic groups by areas of its use. Time budget allows identifying how time is spent to fulfill various types of human activity (family / household)”³¹. According to commonly accepted methodology following elements are distinguished in 24 hour period: working time and time allocated for work, house-keeping activities, garden and other land plot; time for children, leisure time, time to meet physiological needs (including sleep), other costs of time³². All time measurements are conducted in certain



typical day (week) based on subjective and most of all retrospective assessments of the respondents on pastime and their perception of time capacity of any types of labor and leisure.

We have to rely on memory and perception of the respondent in methodology of time budget studying – it is a key challenge:

- First, perception of time and time capacity of any event depends on set of factors including gender and age characteristics of the respondent;
- Second, even if time gap is not big, it is difficult and sometimes impossible to restore routine procedures in memory.
- Third, agricultural nature of production and life is in conflict with methodology of time budget studying: people used to measure time with a help of seasonal milestones or units sensitive to agricultural reproduction. By-the-minute planning and account in such type cultural communities are complicated by lack of relevant measuring approach in perception of the respondents.
- Fourth, in communicative traditions some types of being busy, especially those associated with care (mostly self-care) are not verbalized. Therefore, distortions can be significant.
- And, finally, the respondents often do not indicate types of activity which happened during measured day in parallel and simultaneously, although such “combination” takes place often in practice. In spite of whole mentioned list of methodological problems, measurements of spent 24 hours stock of time allow judging about important elements of reproduction of the household’s members, goods and services during this period of time (24 hours), and understanding of social interaction of the respondents and key models of their work and leisure.

³¹ I. Eliseeva, Social statistics. M., 2001\\ <http://www.sbiblio.com>

³² Paid work is defined as main paid work and types of activity associated with paid work (movement to working place and back, breaks in work, delays, etc.). Physiological needs are taking care of oneself, work in garden, pets care, cooking, house-keeping, laundering, ironing, repair / sewing / knitting for the family members, and shopping. Leisure types of activity are education, public activity, communication with other people, sport, active rest, TV watching, radio listening, passive rest and internet.

Real measurement of 24 hours period of time in the households of the UNDP Poverty Reduction Programme's beneficiaries and non-beneficiaries had aim to figure out how time budget is used by the beneficiaries and non-beneficiaries, define time spent by the household members to carry out various types of activity including correlation of working and non working time and identify gender aspects of "temporal (describing consequence of events and their interlinks on time scale) style" of different groups of respondents.

Chronologic policy of labor

Daily time budget of the respondents in general covers all types of work for each of sex, however, proportions are traditionally differ reflecting roles of men and women in the household. Comparative perspective allows revealing trends of changing of

temporal gender regime from 2004 to 2011.

As we see from diagram, according to results of the survey, at present, the programme beneficiaries of both sexes are less busy with paid jobs compare to 2004. This change is very visible among men since reduction was made more than for one hour (69 minutes), while paid jobs of women were reduced by 4 minutes. If the typical rural man worked for payment in average 4 hours 54 minutes in 2005, in 2011 he works only 3 hours 45 minutes. As a result, gap between male and female paid work is 1 hour 16 minutes in 2011, what is less by 85,5 percent than similar gap in 2004 (it was 2 hours 21 minutes).

Men use saved time, first of all, for works in the garden and livestock breeding. At present, time is increased by one hour for this type of activity for men compare to 2004. Also, time spent by men to take care and educate

children is increased (from 10 minutes to half an hour) and leisure time (by 53 minutes).

It is worse to say that majority of the beneficiaries being busy with farming, have quite unstable and artificial boundaries between "paid work" and unpaid "work with the livestock and in the garden", and "house-keeping"³³. Understanding inseparable connection of labor load of men and women in categories of "paid work", we can judge about labor load of rural women and men as about sum of mentioned time costs.

There are interesting things: in the aggregate, all three types of works were 7 hours 55 minutes for men in 2004 and 8 hours 14 minutes in 2011, and for women 8 hours 14 minutes in 2004 and 8 hours 54 minutes in 2011. It means that women working in the family farming entity or other rural type economic entity in the family or household, actually they have longer working day. Being non-formalized, such work is often hidden from economic records and represents a part of reproductive load of women. Working time of men in agricultural farming, as a rule, is multiplied due to invisible input of other underestimated workers of the household and expressed in payment during sale of produced agricultural goods. Registration of men as the

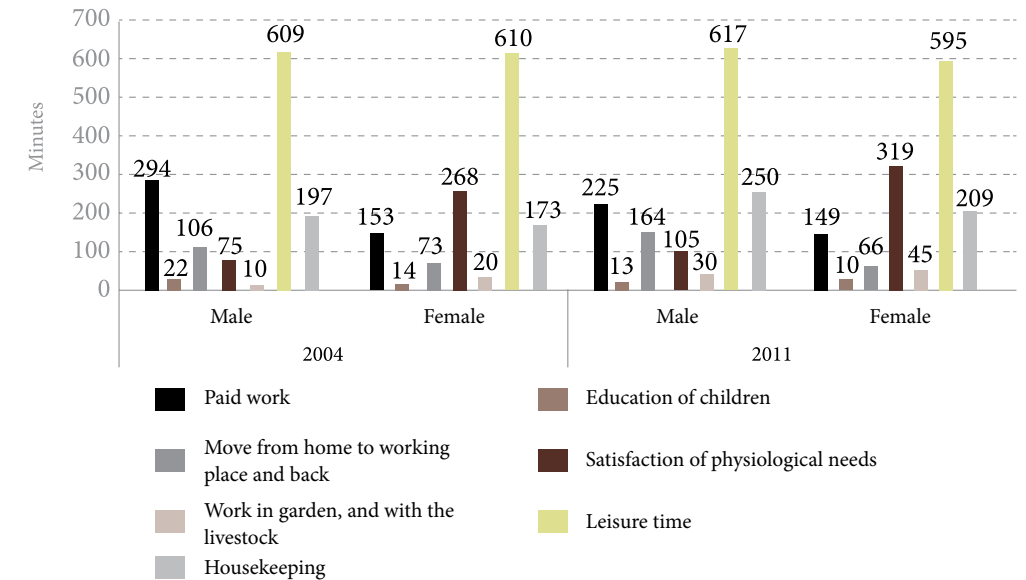
heads of the households and owners of whole existing property automatically makes them as "breadwinners" of all earning.

Under such approach to assessment of work load of men and women in the households of the programme beneficiaries, several key aspects are not clear:

- How and why women and men construct difference in category of "paid / unpaid labor", if actual work load combines reproductive labor in the household and income-generating activity for both sexes?
- Why labor in agricultural production being mainly natural, which does not bring stable and predicted payment for work for both sexes, is still an obvious source of economic inequality of men and women in spite of actual labor input of every sex?
- Is specific perception of time of men and women reflected on assessment of their labor input inside the households?
- How the livestock-breeding and plant cultivation life style and qualitative changes of life of men and women in the farming households are shaped in temporal characteristics compared with time costs of the urban citizens engaged in the formal economy?

Unfortunately, existing methodology studying time budget is not able neither to answer questions nor explain dynamics of time budget in terms of subjective assessments of the respondents. By our opinion, methodologies of time budget measurement in rural

Diagram 47. Trends of changing of temporal gender regime from 2004 to 2011 (in minutes)



Potato planting, Issyk-Kul oblast

"In the past, we planted potato only on 10 hundred square meters, half hectare of barley and half hectare of wheat; this year, we planted potato – 1 hectare, barley and wheat – 2 hectares we have rented."

Respondents of the survey, Osh oblast

³³ According to interview on income of the programme beneficiaries and non-beneficiaries, it was figured out that not more than 19,5% of respondents are involved in paid works, i.e. less the fifth part of the respondents in sampling. Even if we assume that they are men, it is impossible to imagine how this part could considerably influence on category of "paid job" in assessment of time budget.

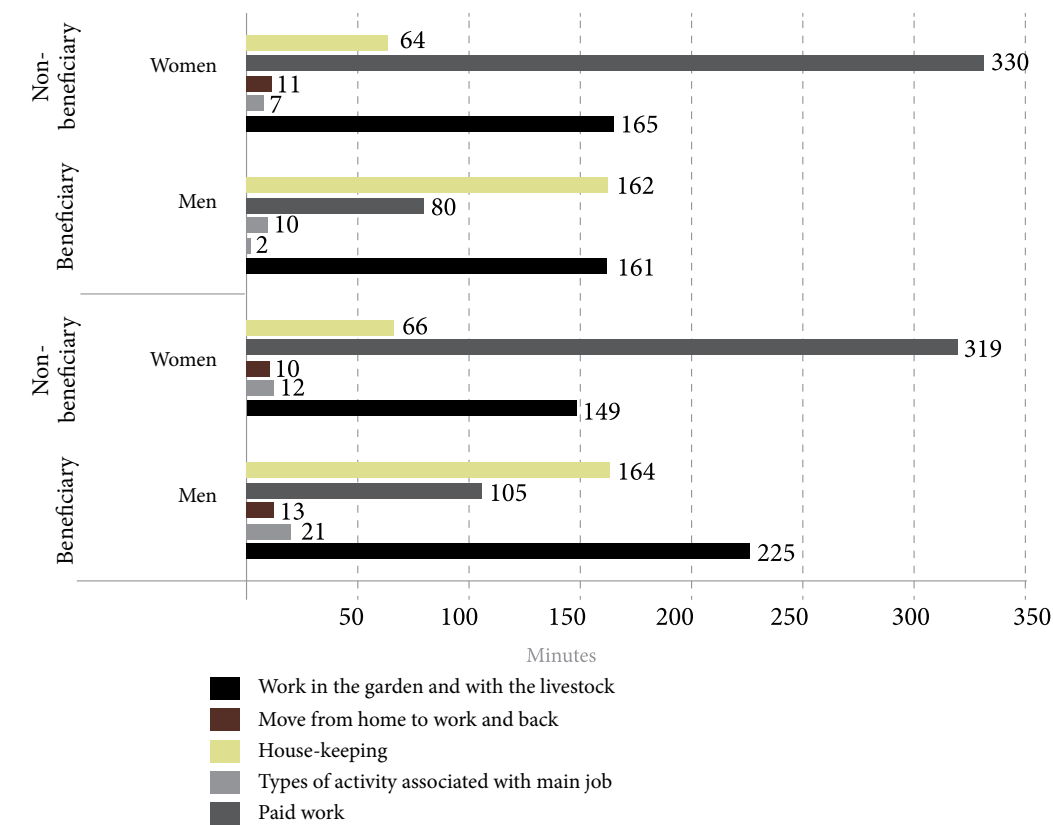
area must be sensitive to regime and life style of men and women organized in farming communities based on family production. Priority objective is to develop time budget of the rural citizens, which is more sensitive to realities of gender aspects.

In interview and focus-groups, the respondents-beneficiaries said not only about increasing of work load but about different involvement of different sexes in labor activity.

Comparison of labor load of the programme beneficiaries and non-beneficiaries helps to see time difference resulting and explaining big economic and social progress of the beneficiary households³⁴.

According to obtained data presented in diagram, summarized labor load of the men-beneficiaries³⁵ is 8 hours 48 minutes, women-beneficiaries – 9 hours 16 minutes, while similar load of the non-beneficiaries is distributed like 6 hours 55 minutes for men and 9 hours 37 minutes for women. Thus, gap in labor load between the men-beneficiaries and non-beneficiaries is 1 hour 53 minutes, and women-beneficiaries work less compare to women-non-beneficiaries by 21 minutes. Moreover, gap between male and female employment among the non-beneficiaries is much bigger. So, women-beneficiaries have larger labor load rather men-beneficiaries by 28 minutes, and women-beneficiaries work longer by 2

Diagram 48. Working load of the Programme beneficiaries and non-beneficiaries (in minutes)



³⁴ See details in the section on income in the Chapter 1. In particularly, it was figured out that the non-beneficiaries cultivate less vegetable gardens and fields, have less the livestock, and correspondingly – less income and income sources. Also, they are less involved in public activity.

³⁵ Difference in labor load in previous diagram is obvious because this diagram includes time spent for movement from home to working place and back and types of activity associate with main job – lunch, delays, etc.

hours 42 minutes than men-non-beneficiaries.

According to diagram 50, the women-non-beneficiaries spent more time for all types of household work than women-beneficiary excluding “education and care of children” (45 and 38 minutes correspondingly), “sewing/repair of clothes for the family» (28 and 13 minute correspondingly). Cooking takes major part of time of women belonging to both categories; women-non-beneficiaries spend for cooking 1 hour 59 minutes (it is by 17 minutes more than women-beneficiaries).

It means that changes in labor load and structure of time budget provide grounds to notice following trends in life and activity of the beneficiaries and non-beneficiaries of the programme:

- Labor load of men and women beneficiaries is characterized as more gender equal with typical increasing of involvement of men in sphere of

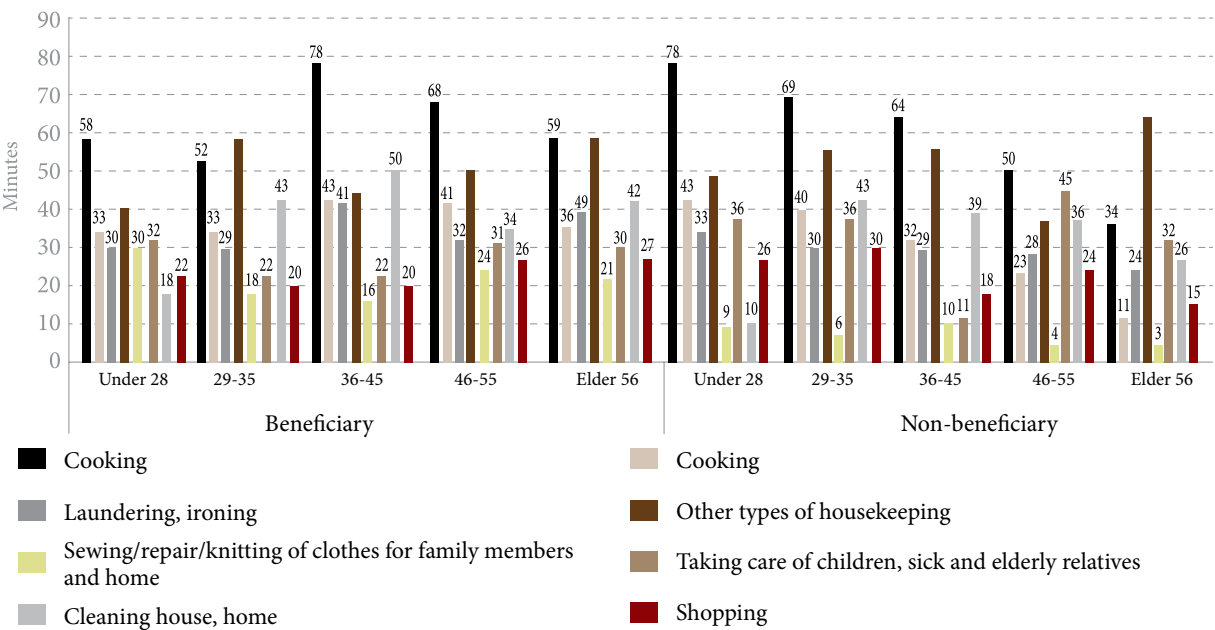
labor traditionally recognized as women’s one (in particularly, education of children)

- Labor load of women-non-beneficiaries differs more from men’s load in this category reflecting key foundation of gender inequality - inequality in labor, which being multiplied by assessment of labor input of sexes, determines reproduction of system of patriarchal relations.

Thus, we can say about availability of meaningful correlation between involvement of the respondents in the programme activity and promotion of standards of egalitarian relations in the family, joint inclusion in implementation of the poverty alleviation strategies.

Regional differences are important correlator – in some regions, traditional way of life determines reproduction of patriarchal distribution of time

Diagram 49. Age and status aspects of economy of care (in minutes)



budget and structure of time spending. Although, traditional gender-based labor division is maintained everywhere: “public” labor of men and hidden household labor of women prevail in the Osh, Jalal-Abad, Naryn and Talas oblasts, but trend of reduction of such gap in labor distribution is noticed in three first oblasts. O, gender gap was reduced significantly in the Jalal-Abad oblast (from 3 hours 29 minutes in 2004 to 1 hour 22 minutes in 2011). Also, gap was reduced in the Naryn (from 5 hours 8 minutes to 3 hours 48 minutes) and Osh oblasts (from 3 hours 37 minutes to 2 hours 58 minutes). In the Talas oblast, gap was increased crucially (in the past, women were busy with house-keeping activity by 167 minutes more than men, and now – by 238 minutes, while men had productive paid labor and reproductive types of labor in garden, field and livestock-breeding by 147 minutes more than women in the Talas oblast in 2004. In 2011, this difference reached 174 minutes.

Similar trend is observed in household management. In the Jalal-Abad, Osh and Naryn oblasts, gender gap in this item of time budget is decreased, and in the Talas oblast it was increased by 1 hour 11 minutes.

Age of the respondent is very important in distribution of time budget. If problems with fixing categories of paid and unpaid types of labor would not be taken into account, and follow logics of questionnaire and answers of the respondents, we can identify dependence of continuity of paid labor on age: it has form of reverse U-form curve with maximum point in age of 29-35. Continuation of domestic labor is also increased with age.

Except temporal aspects, gender and age differences in labor also have significant difference in types of performed works.

Children are involved in the market, income-generating activity of the households mainly from 12 years old, rarely – from 6 years old. Contrary

to common stereotypes regarding weak labor engagement of the boys in the households compare with the girls, data of the survey state opposite: the boys more actively participate in labor activity rather the girls. Exception is cotton harvesting, where the girls are involved more often than the boys. 19 - 60 years old men are responsible for harvesting of whole agricultural products, except vegetables and medical herbs. Men are also responsible for the livestock, while women take care of poultry.

According to presented data in diagram, the girls in early age – from 6 to 11 years old are involved insignificantly in such types of work as gathering fruits and vegetables including beans in the Talas oblast, and cotton harvesting. Boys of similar age category are engaged in harvesting of various crops – wheat, corn, potato, and they gather fruits and vegetables more than the girls.

Starting from 12 years old age, from 6 to 30 percent boys begin their labor activity. Boys are responsible for gathering of walnuts (30 percent of boys in category of 12-18 years old), gathering of medical herbs (25 percent in category), gathering fruits (17 percent in category) and gathering cotton (14 percent in category). Girls in age category from 12 to 18 years also enhance their contribution in development, especially through involving in cotton (16 percent) and walnuts (10 percent) harvesting. Difference in types of activity of the adult men and women under age of 19-60 is extremely striking:

- Each phase in the plant cultivation and livestock-breeding cycle changes labor sharing between men and women. So, seeding and planting of the crops is more male job, especially, if machinery is used; phase of cultivation is distributed in following way: women and children – key workers for weeding, and men are in charge of field irrigation; harvesting, especially, if mechanized, is traditional prerogative of men rather women. For example, men are responsible for wheat and barley harvest carried out by (hired) combine

Diagram 50. Gender and regional features of time budget of the Programme’s beneficiaries in 2004 (in minutes)

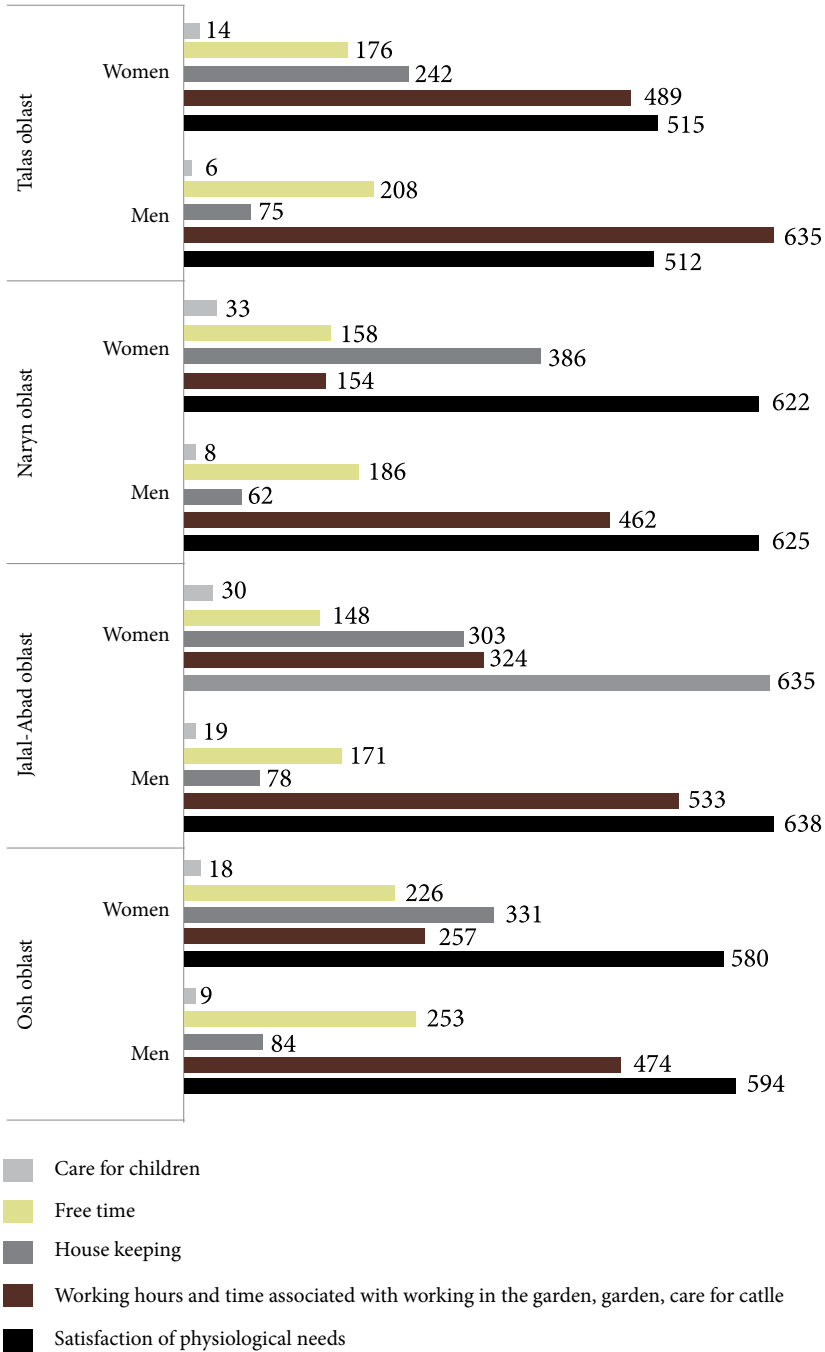
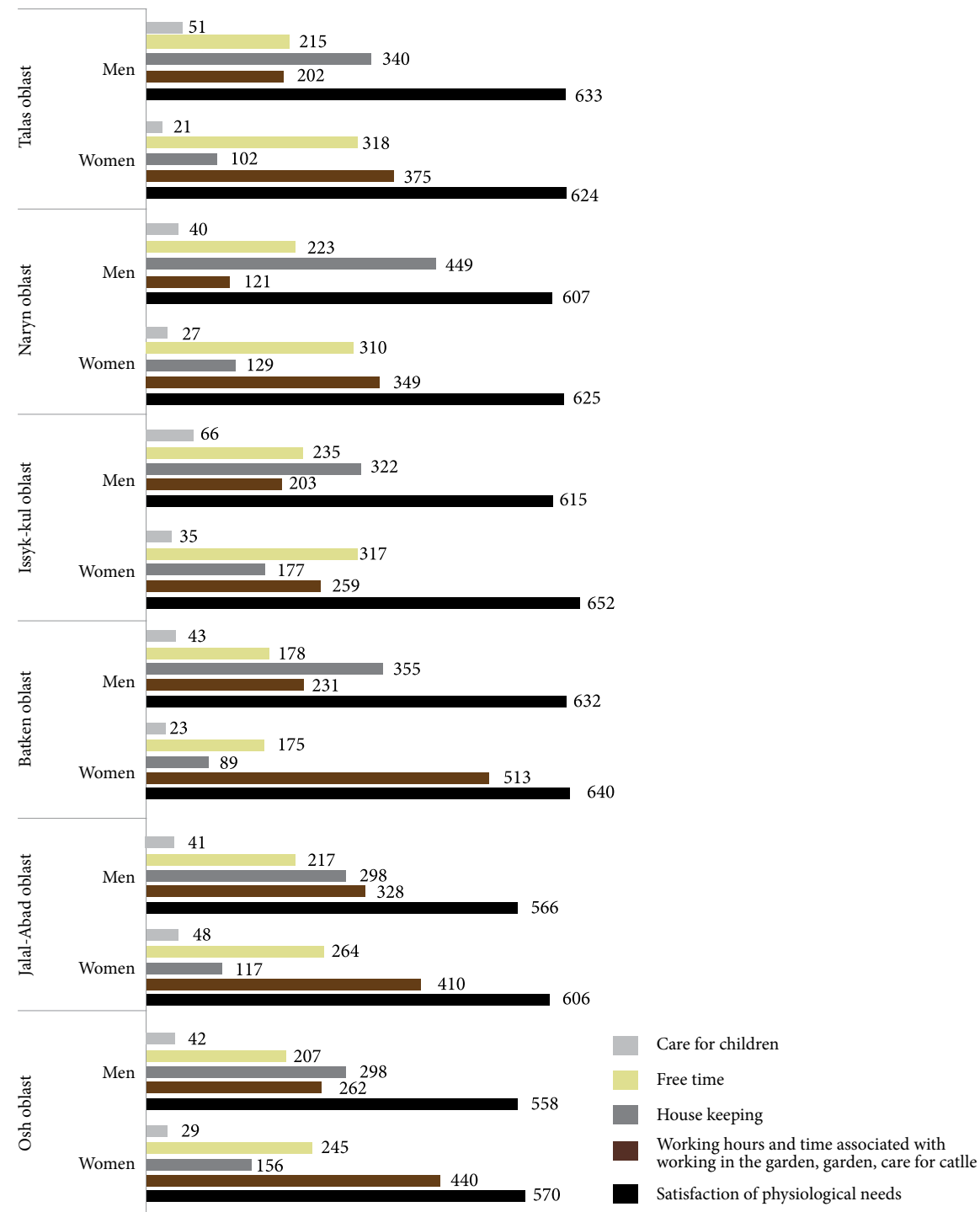


Diagram 51. Gender and regional features of time budget of the Programme’s beneficiaries in 2011 (in minutes)



operators. Only from 31 to 35 percent of women are engaged in this work, while men are busy with this type of activity – from 88 to 89 percent. As to non-mechanized agricultural production – sowing, harvesting, loading and transportation – the heaviest types of work are obligation of men.

- Attribution of “final” phases of the livestock-breeding and plant cultivation cycle to man symbolically makes him as the producer and owner visualizing his input in

income-generating activity of the household.

- Women are key holders and bearers of traditional knowledge.

Within the livestock activity, labor division is also sensitive to sex and age. Following conclusions can be done on policy of labor division in the livestock-breeding production comparing age and sex categories. :

- Poultry if it is not a form of entrepreneurship activity

Diagram 52. Labor load of the respondents by age (in minutes)

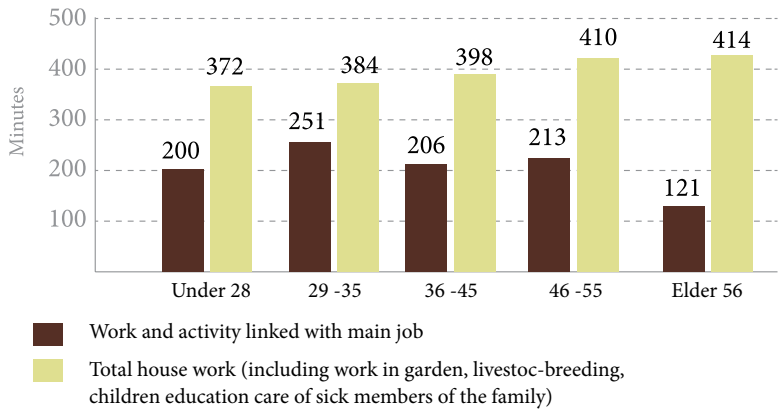
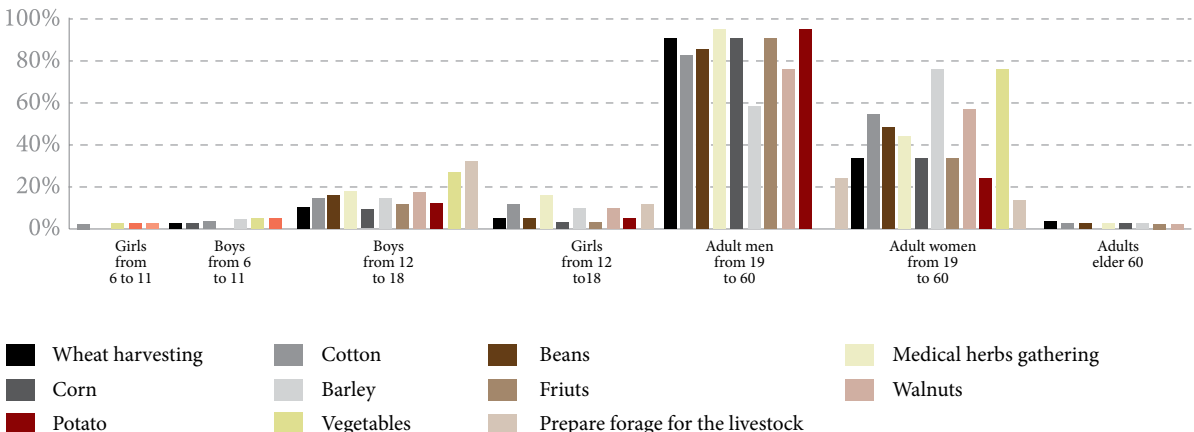
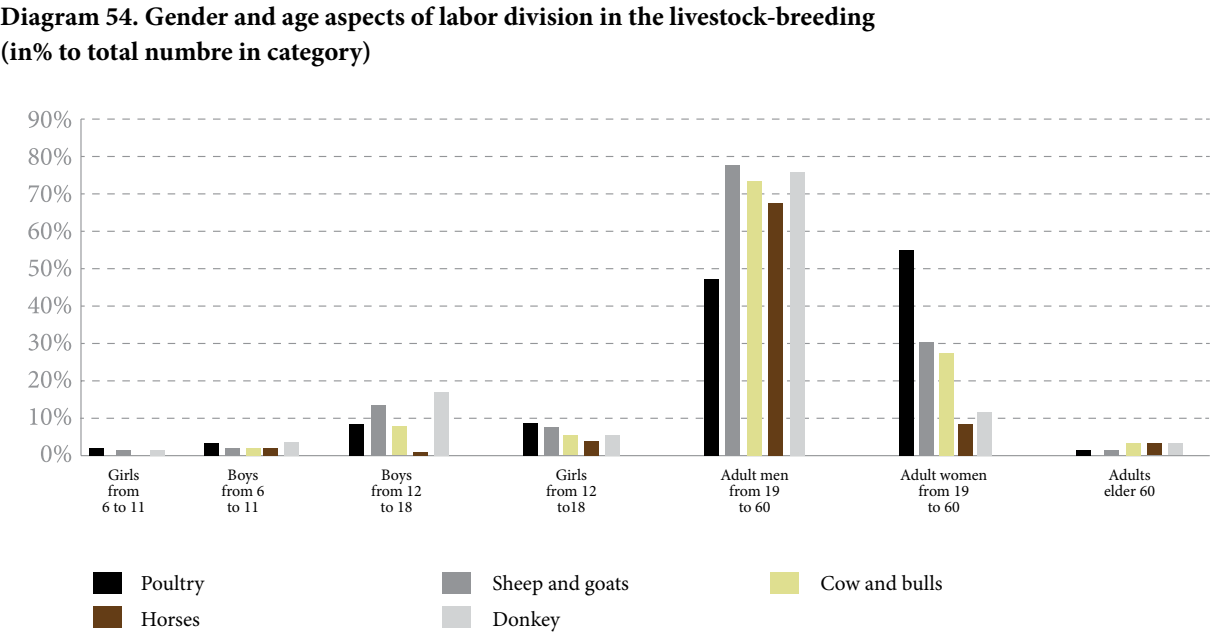


Diagram 53. Gender and age aspects of labor division in the plant cultivation(in% to total number in category)



- of the men-beneficiaries, and part of natural household is a sphere of responsibility of women and children (mainly the girls), part of invisible reproductive load.
- Men are mostly busy with hard and risky types of work such as the cattle-breeding. Total work load of men in the livestock-breeding is higher than women one.
- The same as in the plant cultivation, initial and final phases of the livestock-breeding are attributed as male labor (buy / sale and slaughter of cattle), what symbolically makes men the owners of income generated in a course of cattle-breeding activity hiding input of women and men.



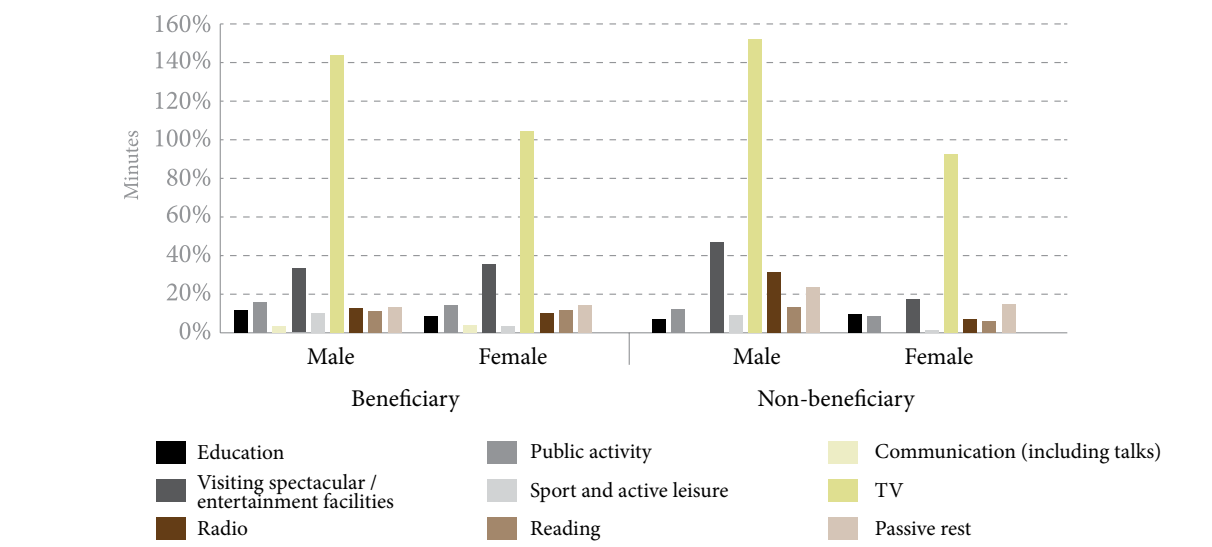
Chronologic policy of leisure

There are various types of activity in life cycle of the rural citizens – from care and education of children to sleep and meal or other types of satisfaction of physiological needs, and temporary needs, and time interval called by the respondents as leisure time (See diagram 69). Traditional analytical methodology of relation of time budget to leisure types of activity is: education obtained by the respondents, visiting entertainment institutions, communication with other people, sport and active leisure, TV-watching, radio listening, reading, passive rest, use of Internet.

Table 5. Leisure time of the beneficiaries and non-beneficiaries by sex (2011)

| | Beneficiary | | Non-beneficiary | |
|---------------------------|-------------|----------|-----------------|----------|
| | Men | Women | Men | Women |
| Total leisure time | 4,2 часа | 3,5 часа | 4,8 часа | 2,5 часа |

Diagram 55. Gender and status aspects of leisure time(the programme beneficiaries and non-beneficiaries(in minutes)



Analysis of types of leisure of men and women is presented in Diagram 56 – the programme beneficiaries and non-beneficiaries.

As it is seen from the diagram, leisure time spending is more egalitarian among the programme beneficiaries. Difference in time during TV-watching among the beneficiaries is 37 minutes (men watch TV longer), while the non-beneficiary households' difference is up to 1 hour. Men-non-beneficiaries prefer more to listen to radio and communicate not only compare to women-non-beneficiaries, but compare to men-beneficiaries. The non-beneficiaries have more passive rest and time for reading. Woman-non-beneficiary is deprived of many forms of leisure: she almost does not listen to radio; she does not have time for education, public activity, sport, entertainment, etc. But the most important – she does not have any communication in her leisure. With available 18 minutes (in comparison with 47 minutes of men-non-beneficiaries), fulfillment of such important functions is under risk, and the respondents of the households are under risk to be in area of social exclusion.

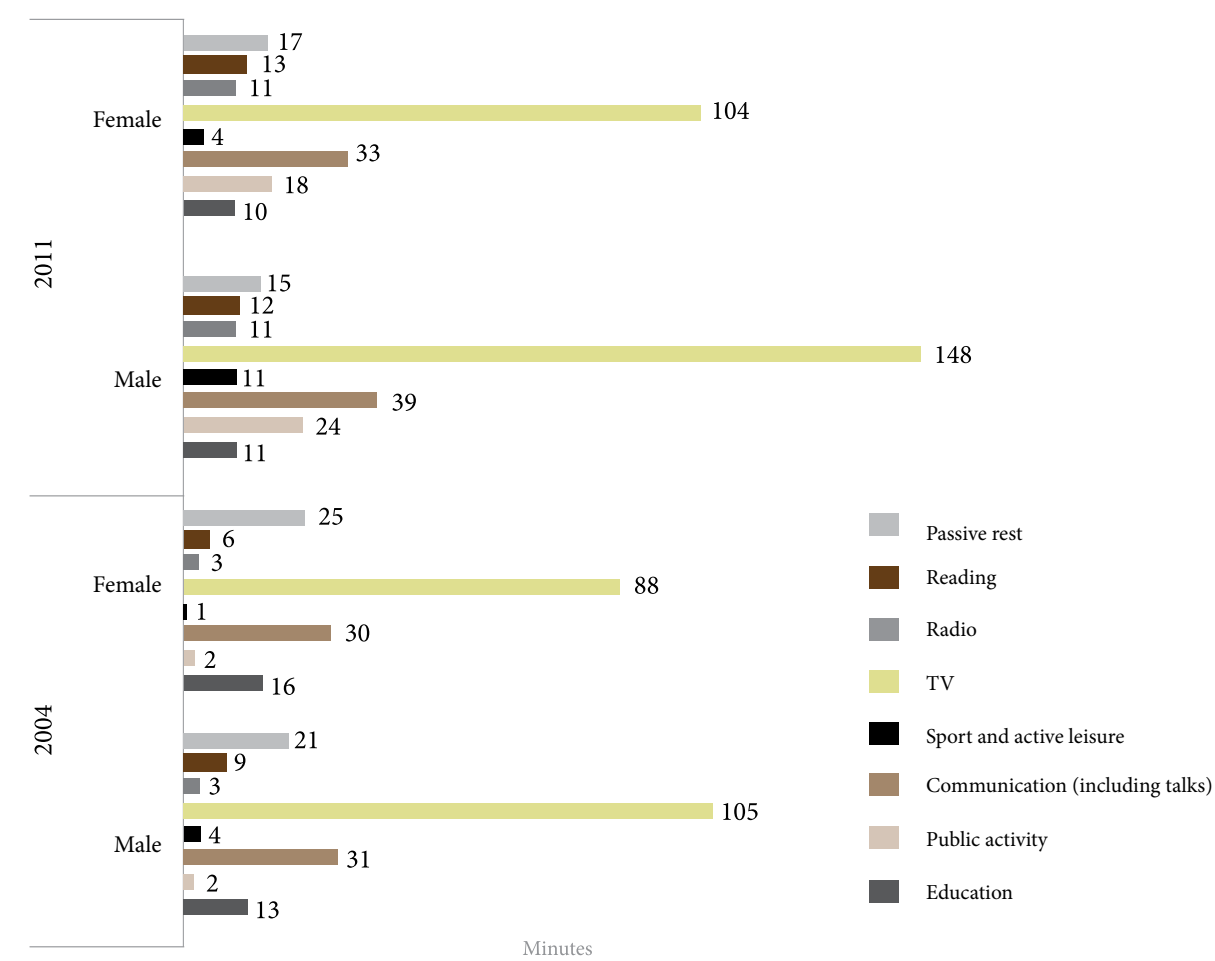
The respondents from category of the respondents are involved in public activity to large extent; they devote more time to education, go in for sport and visit spectacular events in contrast to the non-beneficiaries. The men-non-beneficiaries have maximum leisure time – daily in average they have 4 hours 50 minutes, 52 percent of which they devote to TV-watching. Men-beneficiaries have the shortest time for passive rest (12 minutes), even women-non-beneficiaries; total leisure time is 148 minutes (by 102 minutes less rather men-beneficiaries) spend only 15 minutes for passive rest.

In studies of 2004, for category of the women-beneficiaries³⁶, TV-watching and communication were 9,8 percent, and these forms of leisure reached 65,2 percent of total time under general increasing of leisure time from 169 to 210 minutes in 2011.

Often, the respondents attribute time spent for satisfaction of basic physiological needs such as sleep, meal, hygiene to category of leisure. Women in both status

³⁶ It is important to notice that the programme beneficiaries of four oblasts were interviewed in the survey of 2004. All age categories of the respondents starting from 12 years have being taken into account. This survey provides data of 2004 based on sampling of the respondents above 18 years.

Diagram 56. Change trends of gender-leisure aspects among Programme’s beneficiaries from 2004 to 2011 in Osh, Jalal-Abad, Naryn and Talas oblasts (in minutes)



categories spend in average 7 hours 35 minutes for sleep; men-beneficiaries sleep 12 minutes more, and the men-non-beneficiaries – 50 minutes more than women and 38 minutes more than men-beneficiaries.

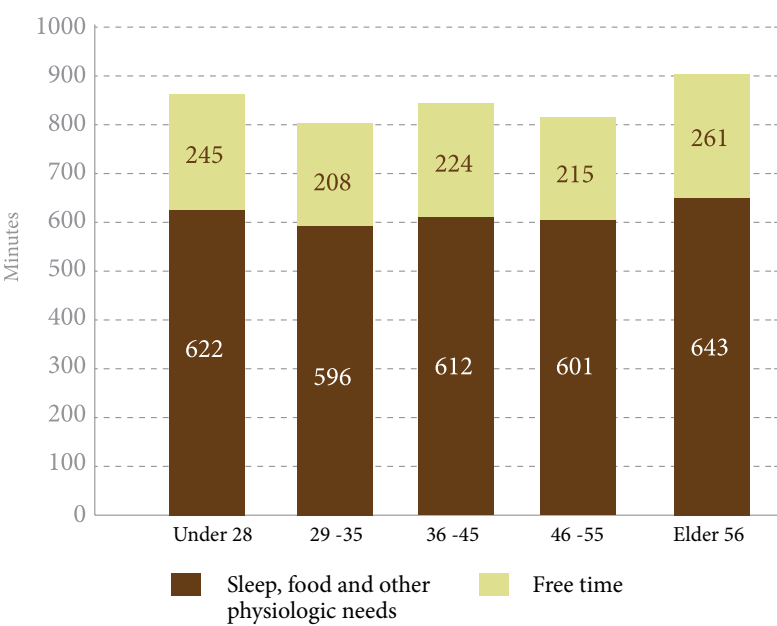
Age has slight influence on volume and structure of leisure activity forms distinguishing only group from 29 to 35 years, which has minimum time reserved for sleep and other physiological needs, and free time in general.

Thus, chronologic policy of labor and leisure allows

seeing grounds of gender equality rooting in uneven distribution of time for rest and leisure and uneven distribution of labor both by volume and content of labor and its assessment.

Inclusion in the programme and getting numerous forms of training by the programme beneficiaries obviously improved status of woman in the household, enhancing of egalitarian principles of interaction of men and women in the household regime.

Diagram 57. Age aspects of leisure time and sleep (in minutes)



CHAPTER 3. ASSESSMENT OF CONTRIBUTION OF ECOLOGICAL GOODS AND SERVICES IN IMPROVING OF LIVING STANDARDS OF THE LOCAL COMMUNITIES: COMPARATIVE ANALYSIS OF THE HOUSEHOLDS OF THE BENEFICIARIES AND NON-BENEFICIARIES OF THE UNDP POVERTY REDUCTION PROGRAMME

Two decades passed since the concept on sustainable development achievement was announced in Brundtland's report³⁷ – through integration of interventions on protection and rational use of environment into processes of economic planning and decision-making, but comprehensive consideration of the poverty and environmental issues was not a key approach under elaboration of strategic development documents and national planning to achieve the development goals. Moreover, majority of strategic country development documents are originate from perception on degradation of environment because of impact of the poor population, but they do not examine unfavorable natural conditions as a reason of poverty development and inequality.

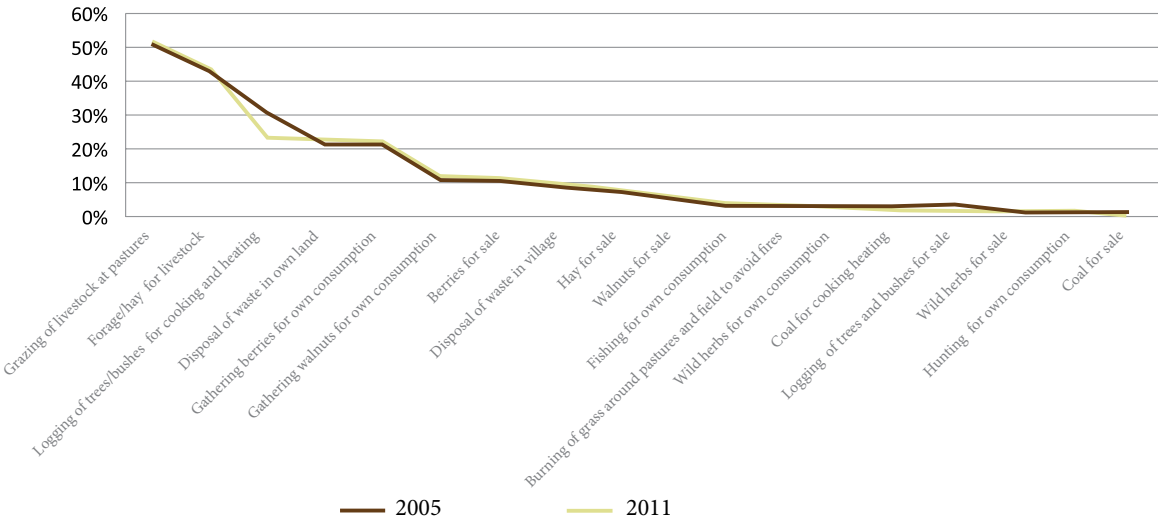
It was found out that “over 60 percent of the population of the Kyrgyz Republic living in rural area directly depend

on natural resources use as source of livelihoods and have strong impact.” Main nature resource – the mountain pastures, which are 40 percent of the country's territory and 85 percent of the agricultural land.”³⁸.

Respondents of this study strongly depend on ecosystem goods and services: they get food and sources of income-generating activity, fuel and water including for irrigation. Some of them develop their tourist business exclusively due to recreation characteristics of the natural capital.

As it is seen from the diagram, nature use practice and use of ecosystem goods and services have being slightly changed during last five years for the programme beneficiaries and non-beneficiaries. So, compare to 2005, the respondents gathered wild plants, berries and walnuts for domestic use and sale in 2011.

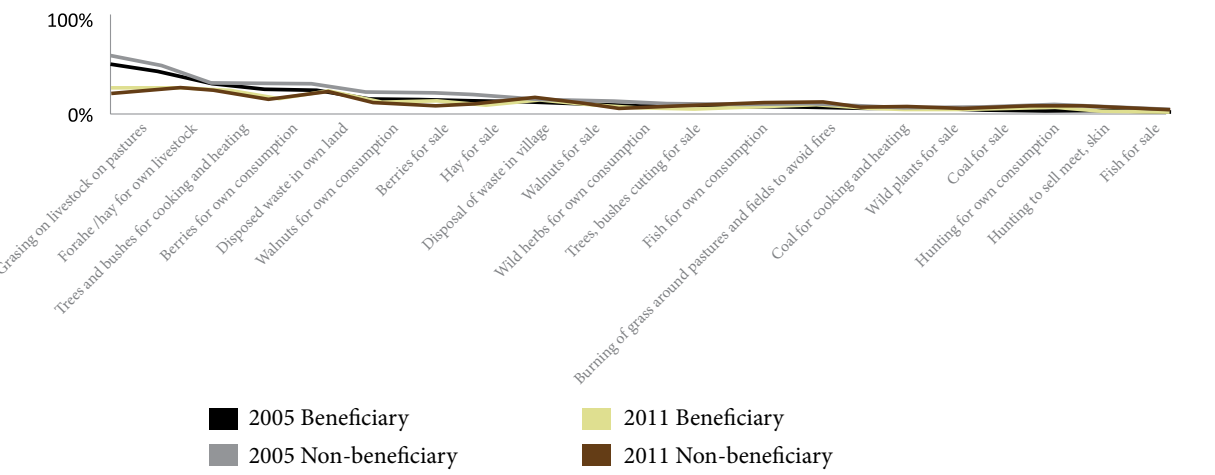
Diagram 58. Active nature use by respondents in2005 and2011 (in% o total number in category)



³⁷ <http://www.who.int/dg/brundtland/en/>

³⁸ National Report on state of environment in the Kyrgyz Republic. 2012. Bishkek

Diagram 59. Nature use strategies of the beneficiaries and non-beneficiaries in 2005 and 2011 (in% to total number in categories)



They fished for their own consumption, and often they disposed household waste on territory of their land plot or dwelling.

Comparison of strategies regarding use of natural capital among the beneficiaries and non-beneficiaries is presented in Diagram 60.

Diagram demonstrates insignificant reduction by some activity of the beneficiaries: in 2011, the livestock was grazing less in the pastures (55,2 percent in 2005 and 54,9 percent in 2011), they produced less coal for sale (in the past - 3,2 percent, now - 2,3 percent), less logging of trees and shrubberies for cooking and heating (31,1 percent in the past and 23.3 percent now), gathered berries for own consumption (23,3 percent instead of previous 23,6 percent).

At the same time, the beneficiaries disposed waste on their land plot (21,1 percent five years ago and 22,8 percent now) and on territory of the village (8,3 percent in the past and 9,2 percent in 2011). Due to increase of heads of the livestock in the households, they prepared forage for them (45,3 percent in the past

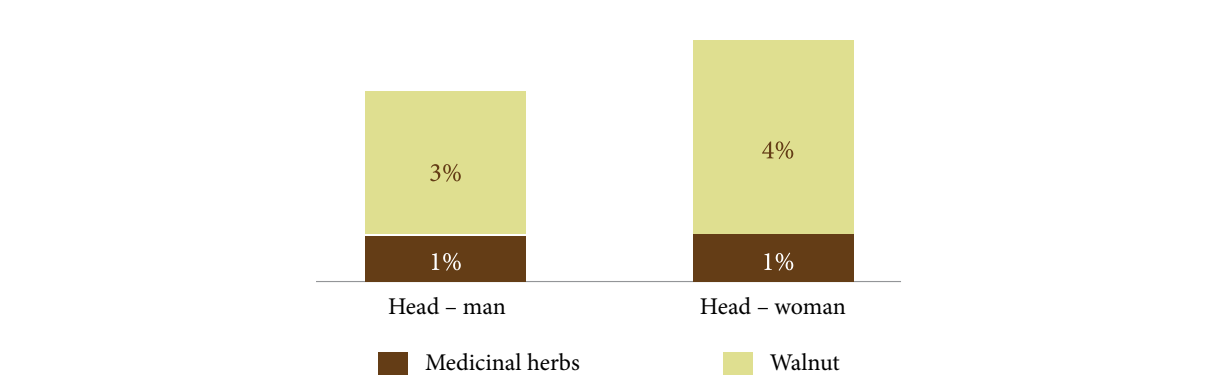
and 45,6 percent now). The beneficiaries gather more berries for sale and less consume berries compare to 2004. At the same time, consumption of walnuts and fish was slightly increased in the households. Trends of changing of natural capital use in the households of the non-beneficiaries are mainly similar, only the non-beneficiaries burned more grass around pastures and field in order to avoid big fires; actually, they did not gather medical herbs and other wild grass and did not produce coal for sale.

Collective effect of the natural capital use is very solid for the households. In spite of scattered “revenues” of the nature, the respondents positively assessed input of the ecosystem’s goods and services.

One of the respondents, participant of the focus-group discussion from Jalal-Abad city told how the local people created new source of income, and it was quite profitable. New forms of use of natural resources are not supported by special ecological education besides food and fuel supply. Thus, rural citizens learn how to apply unknown before techniques of natural resources use³⁹

³⁹ Often, the foreigners are initiators of such new type of employment. So, one of the respondents told that there was a potential to generate income from mushrooms gathering in the region. From interview: “This year one Turkish company supposed to gather mushroom. But weather was dry, no mushrooms, nothing to gather. They said that they would pay 100 som per kilo of mushrooms. They showed pictures of mushrooms to gather only.”

Diagram 60. Contribution of ecosystem products in household income, by gender of household head (in % to total number in categories)



– production of environmental friendly soaps, braiding of willow branches, mushrooms gathering, drying and processing, etc.

In spite of fact that income and livelihood of the poor families much depend on natural resources and environment⁴⁰, assessment of aggregate income from ecosystem goods and services demonstrates significant differences by the regions. So, the respondents from the Btaken oblast half of their income gained due to input of the ecosystem goods; share of environment within welfare of the poor population of the input of ecosystem goods varies around one third of total amount of income. Only the Osh oblast is exemption where the respondents assessed input of the ecosystem products not more than 22 percent.

From financial point of view, the respondents assessed this input in following way: two households gather medical herbs, dry them and sell; in average they earn about 4500 som per month as main source of income. Other 28 households earn in average about 3758 som as additional sources of income. Tourism development where few households are specialized (tours, accommodation of tourist in guest houses and so on) brings in come in amount of 3797 - 8000 som.

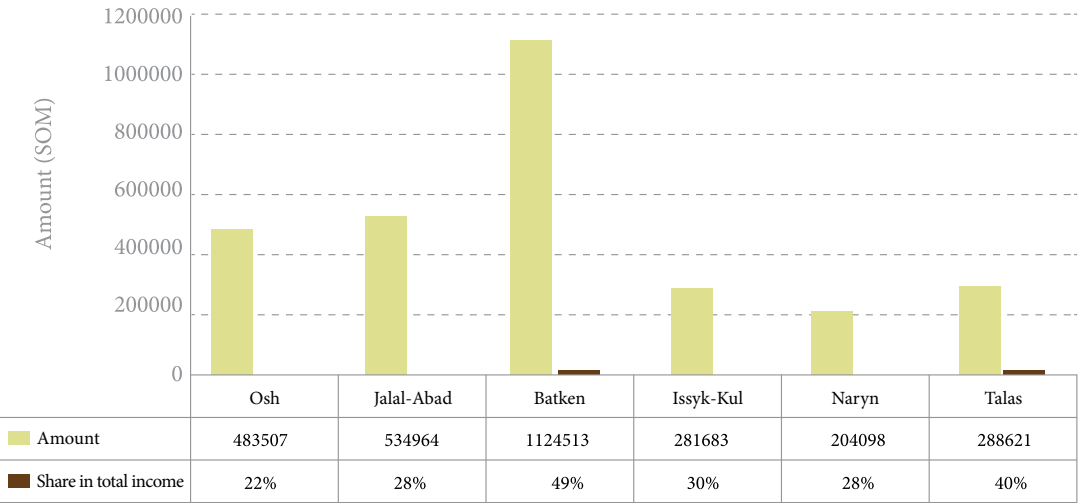
However, even such impressive assessments do not correspond to realities. Just assume growth of the livestock and try to assess volume of ecosystem services related to grazing, feeding stuff, etc. According to data received from the respondents, at present, the households of beneficiaries and non-beneficiaries have following number of the livestock and poultry:

By expert assessment, stated out number of the livestock in spite of doubled growth during last five years, nevertheless, differs much from actual number. Household based account of the livestock within the UNDP pilot project “Demonstration of sustainable management of the mountain pastures in the Suusamyr valley” revealed serious discrepancy of statistics on the livestock ownership and actual herds of the cattle. It is obvious that study of this question and rising of ecological consciousness of the citizens are key areas of activity, especially in work with the poor.

Unfortunately, there are no reliable studies on actual status of grass at the pastures, expert assessments on pressure on pastures in each region and indexes of ecological risks in general, and in sectors in particular. During interview and focus-group discussions, the respondents expressed their opinions on natural capital

⁴⁰ Comprehensive study of interlink of the poverty and environment in planning to achieve Development Goals: Manual for users. UNDP-UNEP, 2009 www.unpei.org

Diagram 61. Amount of income from use of ecosystem goods and services (assessment of respondents by five main sources of income)



as inexhaustible and free one in spite of numerous facts about those and other degrading processes in nature. However, mainstreaming of the concept anticipating compensation environmental-economic mechanism in the local development strategies is very urgent issue. This mechanism will help to account values of ecosystem and its input at national level.

It requires serious work with the population regarding energy saving technologies. The respondents in most cases said that energy saving technologies (houses made from adobe bricks) have been used in construction of their houses. Small number of the south respondents used thermal water in their households since soviet time. However, the rural citizens did not have any idea about alternative sources of energy. When they heard about these technologies, they thought that they were very expensive and complex equipment. Therefore, they complained that used to cut forests and shrubberies.

Nevertheless, some aspects of daily activity of the households allow supposing that work with the population may bring benefits – explain them links

between poverty and environment: there is a trend to pay for good quality drinking water not only among the urban population, but to pay for water use according to consumed volume even among our respondents.

Within the survey, facts were discovered when the rural citizens, who did not have access to water supply system had to pay taxes for consumption of drinking

Since my childhood, I remember that these plants grow aground our village. Only the cattle ate them. Then, the Turks came, and this plant is very valuable for them. I forgot their name, small green plants (wild capers). Once, I tasted them, and I did not like. We do not eat them, we just gather them. They pay 50-60 som per kilo. Our kids learned how to gather these plants. We would like to know how to cook them; may be, we could supply and sell them more expensive. You know, it is hard to gather them. Only kids are used to gather them...»

Respondents of the survey, the Jalal-Abad oblast

water to the local self-governance bodies. They take water from other rural citizens who have access to water pipeline. Therefore, statistics on payment of the respondents for access to drinking water is really strange. It is logical that all local self-governance bodies of the country charge taxes for drinking water supply regardless of connection of water pipeline to the

household. In this case, payment figures for ecosystem services must be higher. From one hand, obtained data can demonstrate tariffs for water access are not very high compare to other items of expenditures of the household; therefore, these expenses are not included in number of basic expenditures of the households. From other hand, probably, legal collisions are reflected here.

Diagram 62. Number of the livestock and poultry in the households in 2005 (retrospective assessment of respondents) (in units)

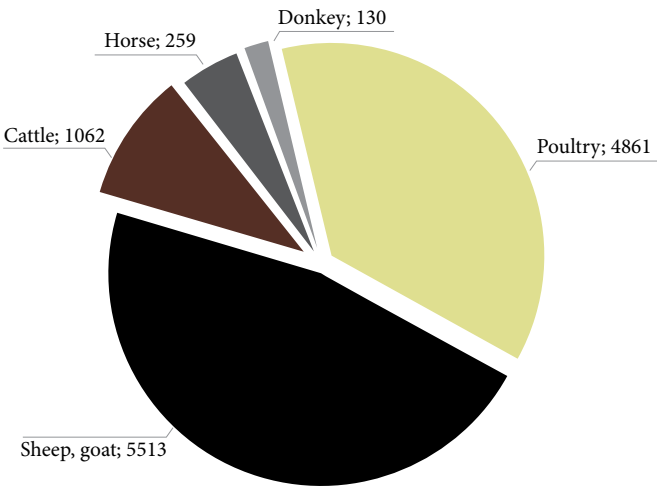
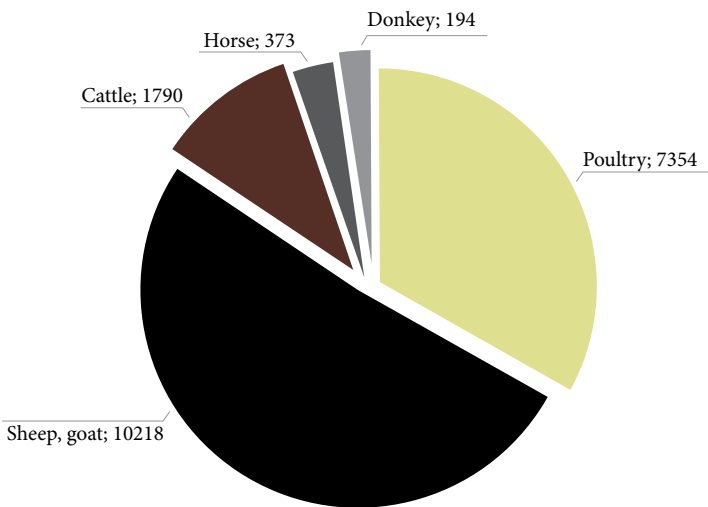


Diagram 63. Number of the livestock and poultry in the households in 2011 (retrospective assessment of respondents) (in units)



They lead to “loss” of payments for ecosystem services since payment for water is a part of local taxes, and the local self-governments administrate them.

Supply of drinking and irrigation water is very urgent problem in majority of the regions. In interview and discussions, people mentioned links of quality of drinking water and human health; they talked about need to conserve natural water sources. Contribution of the UNDP Poverty Reduction Programme in rehabilitation of irrigation canals last year was highly appreciated. Everywhere, the respondents regretted that local citizens and themselves took detached observers’ position, having loses and putting maximum efforts to ensure irrigation without drainage of local canals, i.e. they did not take care about riverbed. Some young respondents expressed their intention to organize volunteer movement of the local citizens to clean-up canals and restore irrigation system in future.

Environmental issues are very sensitive for the programme beneficiaries and non-beneficiaries. It seems that the rural citizens recognized their link with environment and ready to invest in nature for sake of their future and future of their children. However, local citizens do not know where to apply.

Low level of trust to majority of the government institutions is crucial aspect related to willingness of the respondents to pay for ecosystem goods and services. Actually, during focus-group discussion and interview, the respondents said negatively with high distrust about the state as key factor of development process. In case of formation of payment funds for ecosystem services, all transactions can and must be implemented under total control of the public institutions, and the system of funds accumulation should be transparent and close to local communities – probably, at the LSG level. Majority of rural citizens still trust in functional demand of the LSGs.

At the same time, position of dependency is observed among the respondents. They are not



New water pipeline network in Kyzylmekhnat village, the Osh oblast

“Our village is big – over 3000 people. There are many problems in the village, and we were united in the Association of self-support groups to address these problems. At the meeting of the local community, we decided with the help of the UNDP to restore our water pipeline network as limited access to water increase pressure on family members, mainly children, who were looking for water sources and bringing water. I am farmer and I know value of water, especially drinking water. I have big family. My wife is invalid after stroke, partly paralyzed. Much money is spent to restore her health. I have three sons, one daughter and five grandchildren. We live in one house. It is difficult without water. Besides, 37 households of the village could improve their material status due to the Project”.

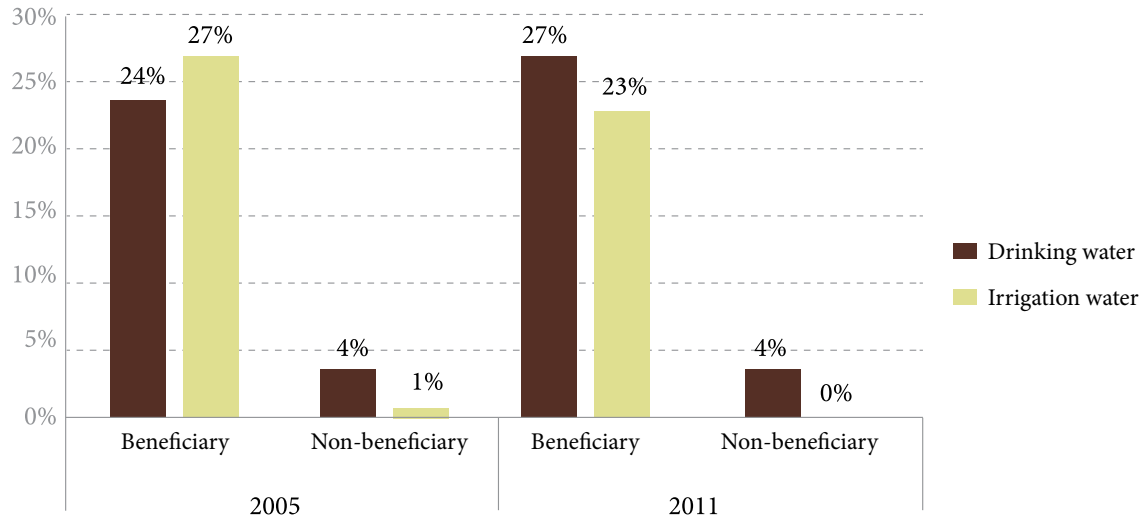
Leader of the Association “Taza-Suu” Abdukakhar Khusanov, Kyzylmekhnat village, Osh oblast

able to see link between their own welfare and state of environment, and assess ecological situation objectively.

Availability of such positions requires urgently

specialized training among the poor people, rural activists and other actors to stop process of loss of natural resources and ensure rounds for sustainable development of the local communities and households.

Diagram 64. Payments of respondents for ecosystem services in dynamics from 2005 to 2011 (in % to total number in category)



Public works (cleaning of irrigation canals) in 2010, Osh oblast

“In the past we had trees – mulberry trees, and now they disappeared, because the silk factory was closed in Osh city. There are no people working here, no collective farms. No one took care of the mulberry trees; people used them instead of coal. Certainly, it has impact on environment because all plants clean air. The mulberry trees occupied several hectares in the past; now nothing exists. No one plants seedlings. It is unknown who will do what.”

Respondents of the survey, Osh city

CONCLUSIONS AND RECOMMENDATIONS

This survey attests that the UNDP Poverty Reduction Programme provided significant positive, statistically important and sustainable impact on growth of social capital and economic status of the programme beneficiaries and, indirectly, on whole local community of the pilot villages, and reduction of losses of natural resources and increasing if input of ecosystem goods and services in wellbeing of the households.

Key results of the survey:

- Long-term involvement in the programme activity based of experience of rural people mobilization, piloting of instruments and mechanisms of impact on income-generating activity contributed to establishing of **egalitarian (equal) relations** in the households and rural communities.
- “Aging” of composition of the activists in the pilot dwellings working since the beginning of the programme is observed; it is associated with migration trends. Aged structure of the household population is presented with prevalence of the youth, which is below 18 years and aged group – elder 60 years old.
- Men are prevailing among the heads of the beneficiary households – 82 percent. But women are 46,2 percent of the activists among the community based organizations in the pilot villages. By results of the survey, clear trend of increased involvement of women in the programme activity is notices.
- **Production structure of the household** includes the plant cultivation and livestock-breeding. Certain diversification of activity is observed. The beneficiaries combine all these types of income-generating activity in much bigger volume than the non-beneficiaries.
- **Number of the poultry and small cattle was increased in average by 30-50 percent, and the Cattle and horses – by 20-40 percent.** The cattle have been indicated by the respondents as more

reliable investment rather keeping cash. The leaders of the livestock breeding are the households of the Batken, Jalal-Abad and Osh oblasts (the Programme beneficiaries). The Naryn oblast does not lose priority only in the horse-breeding. The households headed by women sometimes have more livestock than the households headed by men. During five years (from 2005 to 2011), number o the households having the poultry was increased by 6 percent. Substantial growth of the poultry was indicated in the Osh and Jalal-Abad oblasts.

- **Size of processed land was crucially increased during last five years in some oblasts: in 10 times in the Osh oblast, in 5 times – in the Naryn oblast, in 9 times in the Talas oblasts.** Average size of the gardens was 11,7 hundred square meters in the households of the beneficiaries and 10,8 hundred square meters – the non-beneficiaries. Size of processed land was increased from 5,1 hectares in 2005 to 6,2 hectares in 2011 in the households of the beneficiaries.
- Within structure of the plant production, sainfoin and motley grass appeared necessary for the livestock feeding. At the same time, cotton cultivation was decreased in general in the southern regions.
- Gender differences are noticed in the plant cultivation sector: farms headed by women rarely cultivate cotton, corn, vegetables and fruits. In the field, men are more often responsible for irrigation, and women and children deal with weeding and harvesting.
- 2182 small business enterprises were established within business initiative and under support of the Programme. These enterprises provided 5346 jobs in sphere of agro food processing, household services, production sewing goods, handicrafts, trade, etc.
- Since 2006, 1443 beneficiaries received access to loans through existing micro financial institutions under the programme support. 87 percent of the programme beneficiaries got credits, and the non-

- beneficiaries – only 34 percent of number of the respondents.
- The respondents indicated activity of the programme related to establishing of various services (artificial insemination stations of the cattle and small cattle, seed funds, advisory-marketing centers including centers offering support on chemical protection of the plants and veterinary service, welding workshop, metal processing and production workshops, internet café, sewing entities), which became an important basis of market institutions in rural area, laid down foundation of sustainable business activity in field of the livestock and plant cultivation.
 - **Programme activity achieved significant results in promotion of policy of equality ensuring access of vulnerable groups to training, resources and technologies:** dozens of youth business initiatives are results of short seminars organized by the programme within the anti-crisis measure package in the southern regions. 570 girls and boys learned knowledge and skills demanded in the communities in the vocational schools, received start-up grant capital in form of funds for equipment and main accessories. The programme facilitated changing of migration settings and values of the young generation of different ethnic groups. Groups of young people with limited abilities also get access to training and resources within the project and they were able to start their business what stipulated changing of life settings and values of these groups.
 - **Within the programme activity, social rural infrastructure was drastically changed** – kindergarten, schools, FAPs, internet-café, NGOs centers were renovated; roads and water supply networks were rehabilitated. in 2011, the following objects were renovated - 24 schools, 19 kindergartens, 2 cultural and educational clubs, 7 FAPs, 3 hospitals, 21 sport grounds, 27 other social / educational facilities; 15 irrigation canals (total length is 63 000

- meters), over 30 000 meters of rural roads are paved (gravel), 15 water supply networks (total length is 9 800 meters).
- **By assessment of the respondents, the programme played crucial role in peace-building in conditions of post-conflict situation in the south of the republic.**
 - **Assessment of income in monetary expression in the households of the beneficiaries attests significant improvement of living standard.** In 2005, there were no the beneficiary households, which earned income higher than 28000 som, more than fifth part of the population received income in amount less than 1500 som and more than one third of the households received up to 3000 som. At present, the beneficiaries have more then those who live in categories from 7500 som to 28000 som.
 - As main sources of income, 25 percent of the respondents indicated wages, pensions and other types of social benefits in spite of fact that indicated amounts were less significant rather revenues from the cattle and harvest sale. The programme beneficiaries combine various types of economic activity and mentioned few strategies of household development, while the non-beneficiaries named only one type of activity.
 - In terms of *expenditure items* during last five years, the beneficiaries reduced share of expenses for food as main item and increased consumption of non-food products, while the non-beneficiaries considered food as only main item of expenses. Compare with 2005, reduction of other expenditure items was obvious in 2011.
 - **In property structure** of the beneficiary households changes took place in direction of increasing. Majority of respondents indicated purchase of small household equipment and small cattle and cattle. But installation of operation of the alternative sources of energy, conditioners and personal computers are still

outside sphere of wishes of the rural residents. There is only one exception, probably – 15 percent of the beneficiaries of the Issyk-Kul oblast already bought the computers.

- **Access to health services.** Results of the survey showed that less diseases were detected among the beneficiaries and members of their families in 2011 compare to the non-beneficiary families; maximum gap is in the Naryn oblast – the non-beneficiaries had twice higher morbidity rate than the beneficiaries, and in the Talas oblast – in 2,5 times higher.
- **Access to education. Those who received education among the programme beneficiaries live in all oblasts except the Batken and Issyk-Kul oblasts.** 22,4 percent of the respondents of the households had status of educated. The programme concerns about reduction of expenses for education in the beneficiary households during last five years.
- Within *time budget*, it was identified that the programme beneficiaries (especially men) are less employed in paid jobs compare to 2004. In 2005, man, the programme beneficiary worked for payment in average 4 hours 54 minutes, and in 2011 – 3 hours 45 minutes. Time saved due to paid work, men used for work in the garden or with the livestock.
- In general, gap between men and women paid work was 1 hour 16 minutes in 2011, what is less by 85,5 percent than similar gap in 2004 (it was 2 hours 21 minutes). Thus, women has longer working day than men. Working load was increased compare to 2004 what can be determined by increased volume of works because of growth of processed / cultivated agricultural land, gardens and increased number of the livestock.
- Difference of time for leisure is 50 minutes between women and men beneficiaries, and the non-beneficiaries – 2 hours 30 minutes.
- In social development of Kyrgyzstan, strategy of use of *ecosystem products* as economically profitable is

lacking; while 60 percent of population living in rural area directly depends on use of natural resources as important source of survival means.

- **Results of the survey reveals dependence of the households on ecosystem goods and services, which have being increased during last five years.** The households graze the livestock, mow grass for own livestock and sale. They gather wild berries, plants and walnuts for own consumption as well as for sale; they cut trees and shrubberies for sale. The respondents are involved in fishery for own consumption and sale, dispose waste on territory of their own households, land plots and surroundings.
- **Aggregated income from use of ecosystem goods is the highest in the Batken oblast – its share is 49 percent of total income in the households.** In Talas and Issyk-Kul, this proportion is 40 and 30 percent correspondingly. In Naryn, Jalal-Abad and Osh, share of use of natural resources is from 28 to 22 percent among general income.
- The respondents pointed out practices of natural resources use – it is production of environmentally friendly herbal soaps, plaiting, mushroom gathering and processing.
- The respondents mentioned development of services of the tourism business, in particular, organization of tours, provision of services on accommodation of tourists in the guest houses, which brings income from 3797 to 8000 som, but only few households practice such type of services.
- The respondents are not informed and do not practice use of energy saving technologies except traditional types of construction of houses from adobe bricks.

Conclusions:

- Comprehensive and diverse impact of the programme activity can be divided in following areas:
- Establishing of new subjects of infrastructure supporting small and medium size entrepreneurship

in rural area (advisory-marketing centers, veterinary shops, artificial insemination stations, etc.), probably creates job, increases income, improves favorable environment for business development and quality life of the rural citizens.

- Business diversification (compare to 2004). At present, the programme beneficiaries actively learned new types of activity such as hydroponic green houses, bee-keeping, vegetables and fruits drying, jam and preserves and juice production, tourism and handicrafts. Often, such activity is linked with contribution of ecosystem goods and services in welfare of the households.
- Easier access of the small business entities to credits and loans. The Associations of self-support groups possess relatively big loan portfolio today; they support not only their own members, but provide loans to the non-beneficiaries.
- Enhancing of enabling environment for income-generating activity of the rural citizens under conditions of post-conflict development. Implementation and experience of the anti-crisis measure package in south of the country can serve as a basis for new areas of activity of the programme work in post-conflict conditions.
- Functional strengthening of the LSGs, activation of civil participation in matters of the communities and further development of decentralization. A number of successful practices of interaction of the municipalities and local councils and civil society in pilot villages within the projects on rehabilitation / establishing / reconstruction of infrastructure objects are clear evidence.

Recommendations:

Recommendations on survey conducting and methodology development:

- Deep analysis of programme activity related to post-conflict development in south of the country

in order to develop methodological materials on summarization of success practice and recommendation how to increase cost-effectiveness and manage under complex post-conflict conditions.

- Inclusion assessment of informational support of the programme activity in measurement of the programme effectiveness.
- Novelty of complex approach in partnership with UNEP/UNDP initiative “Poverty and Environment” enhances inter-programme influence. Due to pioneer nature of this activity, it is necessary to develop methodology helping to track complex effects of the programme activity in social-economic and ecological fields and systems of indicators.
- Statistic methodologies of data collection on expenses and revenues are used at present, and time budget of the households is studied, which function as natural farms and inadequate to understanding and realities of life of the rural citizens. It is important to develop more adequate methods and optimize account of dynamics of technologies, strategies and relations.
- Access of the poor rural citizens to social services and other benefits should be considered through lens of new developed indicators of social exclusion and social inclusion what allows realistically assessing life situation of the poor rural people.

Recommendation on training and public awareness:

- Adequacy of strategy on micro crediting provided to the poor population and success factors in development based of business support are unclear and require further research in light of recent discussions on activity of micro-financial organizations.
- Programme is recommended to disseminate and advocate existing experience of business diversification, especially women within the community, region and country. It is important to provide follow-up support including thorough

analysis and assessment of opportunities to establish a marketing chain in each specific production prior launching and reaching actual cost recovery of the project. It is important to ensure clear and transparent dimension to set up efficient activity at each phase.

- Programme must continue disseminating successful business models both inside the region and between regions using effective strategy of training by doing and experience sharing; it will enhance informational interaction of the beneficiaries implementing their own business initiatives or social projects.
- Since various types of activity on use of natural capital are performed by different groups of people – the adults and children, men and women, it is necessary to organize targeted training devoted to basic sustainable use of natural resources and environmental security.
- Lack of knowledge, low awareness on modern environmental friendly technologies – key characteristics of modern rural way of life. Collection of successful practices and active dissemination, broad awareness on green technologies can help to address these challenges.

Recommendations on development of market infrastructures to support small and medium size business:

- The programme should develop activity related to dissemination of advanced technologies and anticipate financial support to introduce innovative technologies by the entrepreneurs.
- Since previous specialization of agricultural production of regions was lost, it is worth to orient the market institutions established under support of the programme (advisory-marketing centers, chemical protection of plants, artificial insemination centers and so on) towards dissemination of information and technologies concerning specificity of agricultural

production in each region and provision of results of analysis by different types of agricultural business.

- In order to increase effectiveness of programme activity components related to development of market institutions supporting agro business it is necessary to enhance interregional links of these institutions, experience and technology sharing what can be a basis for marketing chains over whole country.
- Experience and successful practices in this direction of the programme to be integrated in the national strategies.

Recommendations on democracy strengthening and enhancing of powerful opportunities of vulnerable groups:

- Possibility to accumulate funds to pay for ecosystem services at local level and promote transparent and participatory democracy at local level could be a prospective area of work in forming markets of ecosystem services. The UNDP/UNEP Project “Poverty and Environment Initiative” could become a coordinator of such activity, creating grounds for communication of representatives of the state, business and civil society.
- Successful practices of small and medium size development among the poor beneficiaries of the programme confirm that investment in women education including leadership and women employment through entrepreneurship development, create “entry points” for women-leaders and empower their voice in the local communities and their own households.

Recommendations on improvement of the regulatory-legal base for regulation of use of ecosystem goods and products:

- Corrective measures are required, which encourage provision of public benefits in a form of valuable

ecosystem services and environmental protection. The UNDP/UNEP Project “Poverty and environment initiative” will be used to lobby improvement of the legislation in sphere of use of the ecosystem goods and products.

- Due to existence of collisions in the legislative base on taxation in sphere of use of the ecosystem goods and services, it is advisable to develop and facilitate introduction of mechanisms of public control on collection and targeted use of ecosystem payments (in particular, for water and waste).

Recommendations on enhancing of inter-programme/inter-project synergy and donor cooperation:

- Analysis of the most important participants in this area (the stakeholders) and key approaches and results of their activity is extremely important when you are launching new type of activity within the programme. It is required to conduct mapping. It is necessary to select strategy of activity based on achievements and developments of those stakeholders who preceded the programme activity at all phases of activity from 2005 to 2011.
- To work more actively and intensively in partnership with other development agencies and donor organizations aimed towards strategic goal of poverty reduction, forming basis for “green economy” (GEF), “Industrial village” (UNIDA) and other integrated conceptual approaches.