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COUNTRY REVIEW OF KYRGYZSTAN

SUSTAINABLE DEVELOPMENT AND HUMAN SETTLEMENTS -
OVERVIEW AND RECOMMENDED ACTION

CONTENTS

	<u>Paragraph</u>
Introduction	1

Chapter

I. GENERAL INFORMATION	2-21
A. Geography	2-4
B. Population and migration	5-9
C. Economy	10-15
D. Privatization	16-18
E. National Strategy for Sustainable Human Development	19-21
II. SUSTAINABLE HUMAN SETTLEMENTS POLICIES	22-54
A. Framework for sustainable human settlements	22-38
B. Urban development	39-43
C. Rural development	44-54
III. RECOMMENDATIONS ON POLICY IMPLEMENTATION	55-70
A. Coordination of international assistance	55-56
B. Administrative structure	57
C. Spatial planning	58-59
D. Rural development	60
E. Urban development	61-65
F. Land administration	66-67
G. Housing policy	68-70

Annexes

I. Programme of the mission
II. International expert team
III. References

Introduction

1. At its fifty-ninth session in September 1998, the ECE Committee on Human Settlements agreed to provide expert assistance to Kyrgyzstan within the framework of its National Strategy for Sustainable Human Development (ECE/HBP/110, para. 13 (e)). In February 1999, the Committee's Bureau considered the implementation of this decision and agreed to an expert team's visiting Kyrgyzstan to assess the situation in the housing, spatial planning, public administration and land administration sectors. The programme of the visit was prepared by the national authorities of Kyrgyzstan in consultation with the UN/ECE secretariat (see annex I). The mission of the expert team (see annex II) took place from 3 to 10 July 1999.

I. GENERAL INFORMATION

A. Geography

2. Kyrgyzstan is situated in central Asia and bordered by Kazakhstan, Uzbekistan, Tajikistan and China. The total length of its land boundaries is 3,878 km, including a 858-km border with China, 1,051 km with Kazakhstan, 870 km with Tajikistan and 1,099 km with Uzbekistan. The capital city is Bishkek.

3. The total area of Kyrgyzstan is 199,900 sq.km. There are large areas of non-productive land on its territory because of the mountain relief. The proportion of different categories of land is: 45% pasture; 44% lakes, ice fields, mountains; 7% sown fields; 4% forests. Agricultural land occupies 10,620,000 ha, 922,900 of which are irrigated. Peaks in the Tien Shan mountain range rise to 7,000 metres. The highest point is Peak Pobeda (7,439 metres).

4. The country has abundant hydro-electric potential and contains significant deposits of gold and other metals.

B. Population and migration

5. Basic population data:

S Total population: 4.64 million (mid-1997)

S Age structure: 0-14 years - 37%
 15-64 years - 57%
 65 and over - 6%

S Population density and distribution: 22 persons per sq.km
 34.6% - urban population
 13% - in Bishkek.

Migration

6. The collapse of the Soviet Union resulted in the break-down of industry, trade, the collective farm system and rural infrastructure. Over half a million people have emigrated from Kyrgyzstan over the past few years,

causing a brain drain, which has deprived the country of valuable human resources that could have participated in national recovery and development.

7. The first noticeable rural exodus to the larger towns and cities began in 1989. Most of these people are still registered as residents in rural areas. For example, in Bishkek over 22% of residents are unregistered (1996). The absence of formal registration in cities deprives migrants of child benefit, access to health care, grants for communal services, etc. The migrants in the large cities have no right to housing and live in unregulated squatter settlements. Efforts are being made to regulate and provide basic services to such areas.

8. In Kyrgyzstan, this unregulated urban growth poses serious risks for sustainable development. Relatively flat land areas comprise only 7% of the country, the rest is mountainous. Moreover, in some areas seismic activity can be as high as 9 or 10 on the Richter scale. Such limited land resources call for an even population distribution, with the development of small towns and villages and regulated urban growth.

9. It is assumed that rural-urban migration will continue to grow. Encouraging urbanization in small towns and rural settlements could become an important factor for stabilizing migration and facilitating the reintegration of migrants in rural regions.

C. Economy

10. Main economic indicators:

- S GDP growth: 1996 = 7%, 1997 = 10%, 1998 = 2%;
- S Industrial production growth: 1996 = 10.8%, 1997 = 46.8%, 1998 = 4.6%;
- S Inflation rate: 1996 = 34%, 1997 = 15%, 1998 = 18%, Jan-May 1999 = 21%;
- S Average exchange rate (som to US dollar): 10-11 in 1996, 18 in 1997, 21 in 1998;
- S Foreign direct investment: 1996 = \$ 47 million, 1997 = \$ 83 million, 1998 = \$ 81 million;
- S Exports: \$ 609 million in 1997, \$ 540 million (est.) in 1998, approximately 53% to Commonwealth of Independent States (CIS);
- S Imports: \$ 635.7 million in 1997, \$ 760 million in 1998, approximately 62% from CIS;
- S Major natural resources: gold, mercury, uranium, antimony and hydroelectricity;
- S Major industries: mining, machinery and metalworking, tobacco and food processing, textiles and tanning;
- S Main agricultural crops: cotton, tobacco, fruit and berries, grains, meat and wool.

Economic development

11. Kyrgyzstan has made impressive progress in its reform process, with the introduction of democracy and a market economy based on private property. It was the first CIS member country to accede to the World Trade Organization

(WTO). Its legal and regulatory environment has been continually strengthened through the adoption of several laws supporting economic activity in a market environment. This includes the Civil Code, the Law on Bankruptcy, the Law on Collateral, the Law on Banking, as well as changes to a number of legal regulations to make them comply with WTO rules. In addition, a new Law on Mortgages and a Tax Code were passed in 1999. A Law on Information aiming to better protect information, copy right, and certification of information resources and systems has also been passed.

12. The issue today is how to move into a second phase of economic reforms. The two interconnected goals at this stage should be to achieve a high, sustained growth rate and to alleviate poverty. The fundamental problems of Kyrgyzstan are that governance is weak and the country has a poor entrepreneurial environment, which hampers economic growth. Apart from political and macroeconomic stability, many other aspects have to be addressed to achieve economic growth. For a mountainous and land-locked country, the development of all kinds of infrastructure is vital. Moreover, property rights need to be clarified and established.

13. The Government adopted an agricultural reform programme in 1999 aimed at achieving 10% growth in agricultural production within a year. The main aims of the programme are: to increase production of sugar, beet and maize, cotton, tobacco, fruit and vegetables by supplying farmers with high-quality seeds, fertilizers and chemicals, fuel and lubricating materials, and providing agricultural machinery servicing; to increase meat marketing and auctions; to open rural credit associations; to work out a legal basis for corporate management for agriculture; and to introduce corporate management for agricultural enterprises.

14. As a result of a 1998 referendum, land can be owned privately in Kyrgyzstan. The Government and legislature plan to modernize the laws to support the creation of a land market, relations between landlords and tenants, and the use of the "Land Reserve Fund", which is the main instrument for the management of State-owned property.

15. Kyrgyzstan's manufacturing plants are concentrated in Bishkek, many working at less than full capacity due to curtailment of traditional heavy industrial exports to the CIS countries and the import costs of raw materials (formerly supplied by other areas of the Soviet Union). Unlike developing countries faced with transferring workers from low-productivity subsistence agriculture to more productive industry, Kyrgyzstan faces industrial restructuring to cut employment in formerly subsidized, inefficient industries and encourage the emergence of new enterprises.

D. Privatization

16. Mass privatization is taking place in stages. The first stage (1992-1993) saw a 97% privatization of all retail trade and food enterprises, housing and services. In June 1997, the Kyrgyz National Bank reported that local and foreign companies had contributed over US\$ 5 million to the national budget through privatization.

17. The final stage, to be accomplished in 2000, involves privatizing the largest Kyrgyz enterprises, greater planning, and making a strong effort to attract foreign investment. These enterprises are in mining, fuel and energy, telecommunications, civil aviation, printing and the non-profit sectors of the economy. The Kyrgyz State Property Fund has developed a demonopolization programme in response to a government resolution of 23 January 1998. According to this programme the following measures will be taken to complete privatization:

- Attracting local and foreign consulting firms to prepare privatization projects;
- Selecting experts on privatization projects through competition;
- Organizing auctions for the sale of State enterprises and other property;
- Selling State enterprises;
- Transferring State enterprises into corporate management; and
- S** Transferring the State's shares of stocks into manager or trust administration.

18. The State Property Fund will privatize more slowly (due to the complexity of the companies to be privatized), taking each case separately, by auction or through the Kyrgyzstan Stock Exchange. The aim is to attract foreign and local investors with good expertise in international management, marketing, finances, and new technologies. Of the 10,000 State companies registered in 1991, 6,536 have been privatized, and 1,200 of these have been incorporated, according to Property Fund records. In addition, 988 corporations have been completely denationalized. Likewise, the State does not hold a controlling interest in 112 of the 354 corporations in which it still holds a share. Land can be owned by individuals, but there is a five-year moratorium on the sale of land.

E. National Strategy for Sustainable Human Development (NSSHD)

19. Kyrgyzstan was one of the first countries of CIS that started to implement the social development objectives adopted at the Copenhagen World Summit in 1995. In September 1996 the National Council on Sustainable Human Development Strategy was established by Mr. Askar Akaev, the country's President.

20. With the support of the United Nations Development Programme (UNDP) and the participation of national experts - economists, sociologists, ecologists, teachers, doctors and other specialists - the Council held a number of working sessions on four components: human security, human and social capacity, economy and ecology, governance.

21. The National Forum on Sustainable Human Development (SHD) took place in May 1997 with the participation of representatives from all levels of State power, political parties and movements, community-based organizations, local authorities, ethnic and religious groups. The Forum approved the National Strategy for Sustainable Human Development (NSSHD) for the period up to 2015. The President signed the Decree on the National Strategy for Sustainable

Human Development, in which he defined the Strategy as a priority for the long-term development of the country.

II. SUSTAINABLE HUMAN SETTLEMENTS POLICIES

A. Framework for sustainable human settlements

Administrative structure

22. At present, Kyrgyzstan has a four-tier administrative structure:

- Central Government;
- Oblasts (containing groups of regions);
- Regions and towns; and
- Aiyl settlements (rural communities).

23. The capital city of Bishkek is a special case, being directly governed by the State. In the four-tier structure, the second and third layers are directly governed by decentralized State administrations. Only at the aiyl-settlement level has local self-government been introduced. However, even at this level, self-government is not effective, since public funding continues to be provided from the State budget.

Spatial planning

24. The system for spatial planning reflects the present state of transition between command and market-oriented systems. It also reflects the strong State involvement in three of the four levels of administration, as well as the weak position of local government.

25. The main responsibility for spatial planning rests with the National Planning Inspection (the Ministry) employing about 30 staff. Practical planning work is carried out by the State Urban Institute employing about 120 people (70 in Bishkek and 50 in Osh). The Institute prepares specific plans and projects at the request of the Planning Inspectorate.

26. The type of spatial planning taking place reflects the old-type, highly detailed master plans covering entire administrative units/areas. The present system for spatial planning is characterized by:

- The State monopoly on planning at all administrative levels;
- The priority given to long-term, detailed master plans; and
- The limited human and financial resources allocated to spatial planning.

27. It is expected that, at least in the large urban centres, the end of the moratorium on private ownership of land will release a backlog of development proposals from private owners.

Land administration

28. Land as a natural resource and its administration are of the utmost importance for a functioning market economy and sustainable development. This

applies in particular to Kyrgyzstan, where strategies for sustainable land use face many constraints because of the largely mountainous landscape.

29. Kyrgyzstan's human settlement policies, as outlined in NSSHD, including the privatization of land, require a recording system for landownership, land use and land valuation that supports both urban and rural development.

30. The benefits of a good land administration system, such as the guarantee of ownership and security of tenure, the possibility of acquisition of capital for investments by mortgaging, and increased possibilities for improvements in infrastructure, will form the basis for the establishment of a competitive economy in Kyrgyzstan as described in "Direction 6" of the National Strategy. Measures for the improvement of land administration should consequently be given high priority.

31. The basic legal framework for land administration has already been enacted or drafted. The Land Code has been approved by the President, the Law on Mortgages has been signed, the Law on Cooperatives is in place. These three, together with the Law on State Registration of Rights to Real Property, as well as the current moratorium on the privatization of land for the next four years (only use rights are being registered at present), offer a good opportunity for Kyrgyzstan to focus on land registration and tackle State land cadastre issues.

32. The registration of landownership and rights for land use has now been assigned to the Land Registration Office (Gosregistr), a government agency consisting of a central office for monitoring the registration process. Local registration offices are then involved in the registration of ownership and rights to land. The Institute for Cadastre is responsible for the establishment and maintenance of the State Land Cadastre and is affiliated to Gosregistr.

33. According to Kyrgyz legislation, the documents for registration include registration index maps (graphic part), registration cards (textual records), registration files and registration journals. Besides these documents, the Land Code requires the establishment of the State Land Cadastre, consisting of cadastral maps and plans.

Emerging trends in human settlements development

34. The need to restructure the national economy presents Kyrgyzstan with a unique opportunity to develop and implement a new set of sustainable human settlement policies. As a newly independent State, it has an opportunity to set fresh policy directions in both urban and rural areas. Human settlement policies which contribute to the overarching objectives of Kyrgyzstan's NSSHD need to be identified.

35. With over 90% of its area classified as mountainous (40% over 3,000 m), land resources are particularly important to Kyrgyzstan. In a country that is densely populated compared to others in the region, there is a need for a balanced use of all the land, reflecting sustainable development principles

and supporting social cohesion at the national level. This argument also applies to the current stock of buildings and infrastructure. Even with a considerably degree of new urbanization expected, the majority of the buildings and infrastructure that will exist in 20 years' time is already in place. To make the best use of these national and local resources, it is necessary to maintain the existing stock in good condition and to optimize its use.

36. Two major and closely interlinked human settlement issues can be identified in Kyrgyzstan. The first is for rural policies that maintain and develop the use of the major part of the country. The second is for urban policies that maintain, improve and redevelop existing cities and towns. These policies also need to ensure that the new development required by both rural-to-urban migration (not forgetting international migration) and population growth generated by existing urban areas are accommodated in the most sustainable manner.

37. This implies:

- Minimizing the amount of new, particularly agricultural, land taken for urban development;
- Reducing as far as possible the need to commute;
- Putting the emphasis on public transport to meet travel needs;
- Making the best use of the existing building stock and infrastructure; and
- Ensuring that new urban development is of a scale and in locations that are most easily served by new and upgraded infrastructure.

38. Sustainable urban and rural development policies are closely interrelated. To the degree that certain rural development policies are successful, the demand for new urban development can be reduced. The policies for urban and rural areas are therefore two sides of the same coin. For this reason priorities are difficult to identify. Rather than giving policy priority to one or the other, there is a need, within the resources available, to make parallel advances on both the urban and rural fronts.

B. Urban development

39. There are two major aspects to future urban development policies in Kyrgyzstan. Firstly, the management of existing towns and cities, which already house one third of the population, and, secondly, policies to cater for the growth of these settlements.

39. Urbanization is generally regarded as an essential driving force for progressive social and economic change in CIS. This is certainly so in Kyrgyzstan, where the majority of urban migrants are young people. While this is mainly an issue in the two largest cities - Bishkek and Osh - new spontaneous settlement development needs to be handled pragmatically.

40. Thereafter, the need is to slowly upgrade development standards. A stronger lead needs to be given by national and local government in making

new urban infrastructure and services available in areas designated for development, rather than letting development happen haphazardly. The allocated areas need to be suitable for efficient and effective public transport and other infrastructure, away from areas at risk from natural disasters, and on less productive agricultural land. This approach will also serve to avoid some of the social instability and environmental degradation of unplanned urban development.

41. Another major issue for human settlement policies in Kyrgyzstan is the growth of the capital Bishkek. What the city lacks in terms of history, it makes up for in verdant appearance and the cultural and other facilities of a capital city. However, with an "official" population of 650,000 and a real population of over 1 million (if unauthorized development on the outskirts is taken into account), there is the risk of the urban population structure of the country being unbalanced. Kyrgyzstan's NSSHD recognizes this and emphasizes the importance to the national economy of stimulating the development of smaller towns and restricting the growth of the larger cities.

42. This is also partly a question of rural development to reduce migration to urban areas, (see section C below). As stated above, urban development is closely interlinked with rural policies. It is essential to focus on a more balanced urban structure, with growth being encouraged in the smaller towns and cities by investment in hard and soft infrastructure. Based on the skilled, low-cost labour force in Kyrgyzstan, any major incentives for economic development should be targeted outside the two large cities. Stimulating the development of small towns already features in NSSHD. The continued excessive growth of Bishkek could lead to an increase in congestion and property prices, which would be economically detrimental for the country as a whole.

C. Rural development

44. With the pressure for new human settlements coming at present mainly from the rural exodus, rural development and diversification will play a crucial role in both the volume and direction of such migration. The creation of employment opportunities in rural areas is a major feature of the economic section of NSSHD.

45. However, rural development is a priority in its own right in a country where 55% of the land is agricultural. Although only 13% of the country is in arable use, improvements to agriculture, linked to the further development of food-processing industries, have a major part to play in the economic development of Kyrgyzstan. This will come mainly in the form of mechanisation and improvements to livestock and crop strains. Also, Kyrgyzstan is fortunate in having abundant supplies of water for irrigation, which should strongly underpin agricultural development.

46. These developments in agricultural productivity are, however, likely to lead to the employment of fewer people, particularly in the Chui and Ferghan Valleys, which contain most of the good arable land. The same is less true in the high and remote areas, where forestry and agriculture could be

extended. There is more scope here for increasing rural employment, particularly to replace recent population losses. International experience does, however, indicate strongly that increased efficiency and productivity in agriculture require less labour per produced unit.

47. Improvements to agriculture are dependent on (and therefore have to be linked to) a coordinated programme of upgrading social, health and education facilities in rural areas and better communications. In particular, the proposed extension of national television coverage to the whole country by 2003, as proposed in NSSHD, would be a significant step in helping to retain the rural population throughout the length and breadth of the national territory. Improving telecommunications and transport, particularly the large-scale schemes to link the north and south of Kyrgyzstan more closely, would also help considerably. These include the upgrading of the Bishkek-Osh railway and road link, the implementation of the Kyrgyzstan part of the Asia/Europe transport corridor and the further development of the "Silk Road" as a tourist attraction.

48. The privatization of farm land, which has already been carried out, has, in a number of cases, created unsustainable farming units due to the inappropriate size of the holding, its lack of production capacity, the owners' lack of farming skills, etc. The re-establishment of sustainable farms is a challenge.

49. The availability of water for irrigation is an important element for sustainable farm development in Kyrgyzstan. The regulation and clarification of long-term water rights are urgently required.

50. Kyrgyzstan has considerable potential for sustainable rural development outside, or in parallel with, agriculture. The development of the tourist industry would be the second important aspect of rural development policies. There is a need for a national approach which would not only aim to make entry into and exit from the country easier for tourists but, linked to capacity studies, would identify the appropriate type of tourist development in the various parts of Kyrgyzstan. In particular, the Issyk-Kul area and other mountain areas have great tourist potential. Lake Issyk-Kul already attracts 600,000 visitors a year. In addition, smaller lakes in the north east could form a focus of tourist development. There are already 90 sanatoriums in the area in towns such as Karakal, Ak-su-Koysara and Cholpon Arta. The development of health-based tourism should be no problem there. The Asian market needs to be particularly targeted, but there should be attractions for Europeans and Americans too, despite the long travel distances involved.

51. In Kyrgyzstan, horse-riding, walking, climbing and other lower-intensity tourism in the attractive mountain areas, including the south, also have considerable potential. However, because of the delicate ecology, care needs to be taken to ensure sustainable development so that the natural beauty of the mountains, in particular the Pamir and Alay range and the Kyrgyz Alatan range, is not lost for future generations of Kyrgyz and visitors to the country. This also applies in certain areas where the terrain and extent of

snow cover could form the basis for the development of winter tourism (skiing and other winter sports).

52. In other rural areas, the romantic imagery surrounding the Silk Road, the Manus story and the walnut forest of Alexander the Great, could offer a similar potential for high-quality tourism. This would be based on the history and culture of the area, as well as the access to remote and attractive mountain areas.

53. There is also a potential for urban tourism in the large centres, based on the strong local culture and rich history of Kyrgyzstan and the upgrading of facilities such as the recently privatized "Kyrgyzstan" Hotel in Bishkek. Further training of local people in skills required for the tourism industry, plus the hospitable nature of the Kyrgyz people, would provide a firm basis for the expansion of tourism.

54. There are important mineral deposits in the upland areas, most notably gold reserves at Kumtor and Jerooy. Power supplies to the mining areas are already being upgraded and a selective development of these and other mineral resources would provide a further focus for development in certain rural areas. Together with the development of agriculture and the encouragement of tourism, these activities should strengthen the existing structure of small and medium-sized towns and villages. This would provide for a more sustainable development of the whole of Kyrgyzstan.

III. RECOMMENDATIONS ON POLICY IMPLEMENTATION

A. Coordination of international assistance

55. The UN/ECE expert team is charged with putting forward specific recommendations to support and accelerate the implementation of the National Strategy for Sustainable Human Development in human settlements. It is, however, necessary to underline the fact that considerable work has been done to support such implementation, both by the Kyrgyz Government and by other countries and international organizations.

56. However, there is a lack of coordination of this impressive national and international work. This concerns coordination in the selection of projects in order to channel available resources to national priorities, and coordination between selected projects in order to provide maximum efficiency and avoid overlap and conflict. There is also a need to coordinate and disseminate the results of project work so as to maximize its usefulness and improve implementation.

It is recommended that:

S The Kyrgyz Government should consider appointing an aid/assistance coordinator (for example, on the basis of the SHD Presidential Council Secretariat);

S This function would have overall responsibility for assessing all aid/assistance programmes in the context of the National Strategy for Sustainable Human Development;

S The coordinator should also ensure that all relevant aid/assistance projects include practical proposals for programme implementation and national priorities.

B. Administrative structure

57. The reorganization of the system of regional government is a priority in Kyrgyzstan. Whilst maintaining necessary State and central Government powers and controls, there is an obvious need to simplify the administrative structure. Such simplification would contribute significantly to the efficient identification of priority issues, effective decision-making, and the implementation of policy decisions at regional and local levels. The participation of local communities in the decision-making process is a vital precondition to ensuring sustainable human development.

It is recommended that:

The Government should evaluate the following principles as a basis for a law on self-government:

- Only one level of regional government should exist - the oblast. The oblast boundaries should be set by balancing the criterion of size (population, area) with the concept of geographic homogeneity;
- Decentralized State powers should be established at oblast level, for example through the appointment of a regional governor with clearly defined powers;
- The oblasts should become democratic, self-governed political/administrative units, with the division of powers and obligations between the State and towns or aiyl settlements clearly defined in the law;
- Local, democratic self-government should be established at the town and ayil-settlement level. Self-government power should be clearly defined with regard to the State/regional governor and the oblast self-government.

C. Spatial planning

58. Reorganization of the spatial planning system is a fundamental issue. Without legally valid plans in force when the moratorium on the private land ownership is lifted, development proposals cannot be carried out in accordance with national strategies and local priorities. Indeed, development without approved plans will certainly lead to non-sustainable urban and rural development. Legally valid and practically attainable land-use plans should be in force before the end of the moratorium. Focus should be on both the administrative structure and content of spatial planning.

It is recommended that:

- The Government should establish a list of priority geographic areas where development plans should be worked out and adopted before the end of the moratorium on private ownership of land;
- Such a list should be based on at least two main criteria: (a) areas where a significant number of development proposals are expected; and

- (b) areas where national/regional/local authorities give priority to new, private and/or public-sector development;
- Spatial plans should aim at accommodating and channelling private development proposals into desirable projects; concentrating on dynamic planning needs; and encouraging development proposals in priority areas and sectors;
 - Administrative responsibility for spatial planning should ideally be decentralized to regional (oblast) and self-government (city/town/aiyl) levels (it is recognized that this cannot be fully implemented in a short period);
 - As an interim solution, the following steps should be considered: (a) the Urban Institute should be decentralized to the level of region or groups of regions; (b) these regional planning offices should be charged with producing land-use plans according to the priority list (mentioned above) before the end of the moratorium;
 - The regional planning offices should be obliged to work in close cooperation with the oblast and local administration; plans are to be forwarded through the Planning Inspectorate;
 - Spatial planning in the capital Bishkek should be the sole responsibility of the city's Planning Department;
 - Finalized plans should be forwarded directly for parliamentary approval through the relevant expert committees.

59. The Land Registration Office (Gosregistr), which was formed in early 1999, has arguably been given or has taken the right to assign and approve land for specific land use or construction purposes.

It is recommended that:

- Formal approval of proposed land use and/or construction should rest clearly with the spatial planning authorities (this recommendation is valid irrespective of the type of planning authorities chosen);
- The methods used for spatial planning in Kyrgyzstan at the present period of transition should take into account the urgency of producing priority land-use plans and the limited resources available in the spatial planning system;
- The approach to land-use planning should be changed away from highly detailed, rigid, long-term master plans into:
 - (i) Main zoning for land use without showing detailed construction or architectural details;
 - (ii) Written, accompanying regulations necessary to assist developers to produce plans for specific developments;
 - (iii) Indication of the main future infrastructure investment;
- Approval procedures for development proposals should also be streamlined as far as possible;
- The regional/city planning and construction department should be formally responsible for all aspects of development proposals ("one-door approval");

- Small and/or uncontroversial development proposals that are in full accordance with approved plans should be approved rapidly ("approval over the counter").

D. Rural development

60. To reduce the rural exodus in Kyrgyzstan, it is important to create new employment opportunities and re-establish public and physical infrastructure to provide social, cultural, health, housing and recreational services acceptable to the rural population. Rural development cannot be sustained in the absence of an accepted minimum standard of public services and infrastructure. It is also a long-term national objective to ensure the productive use of agricultural land. The importance of available water for Kyrgyz agriculture cannot be overestimated: this vital commodity should be secured on a long-term basis. Such long-term security needs long-term use planning, maintenance and investment in the water-supply and irrigation systems. The development of the private, small and medium-size agro-business sector is urgently needed. Kyrgyzstan's considerable potential for a wide range of sustainable tourism awaits development. Exploitation of this potential requires a number of political decisions and activities.

It is recommended that:

- A five-year plan should be prepared to introduce public services and necessary facilities in those rural areas where sustainable development is a national priority;
- Long-term activities should be encouraged to secure rights to ownership of land in order to ensure human and financial resources in agriculture;
- The existing moratorium on private landownership should be phased out as quickly as administrative and procedural systems for land registration are put in place;
- After a three-year period following the moratorium, de-privatization of agricultural land should be reconsidered if it is not used according to its designation;
- Consideration should be given to the introduction of a system of differentiated property taxation (where land is not used according to the designated purpose, high tax rates will in most cases force the sale of the property).

To support and gradually strengthen rural development, it is further recommended that:

- Existing instruments for rural development such as the Rural Advisory and Development Service and the ongoing cooperation between the Agricultural University in Osh and international assistance programmes (such as the German Technical Assistance) should be extended and strengthened in the direction of a comprehensive rural development scheme.
- A State programme should be initiated to repurchase economically unsustainable private farms;

- Such land should immediately be sold either as additional land to existing farms or, by amalgamation, as larger, sustainable farming units (such a programme should in the medium term be self-financing);
- The system of water rights should be adapted to the present and future needs of agriculture;
- A low-cost State programme, supported by international assistance, should be established to support small and medium-sized enterprises;
- The State should remove obvious bottlenecks hindering tourist formalities at the border (facilities and services for visitors at Bishkek's international airport): facilities and formalities should be speedily improved;
- The establishment of a professional national tourist agency jointly by the State and the private tourism industry should be considered with its main task to market Kyrgyzstan as a tourist destination abroad;
- Within the very attractive tourist area of lake Issy-Kul the privatization of the hotel and sanatorium facilities should be accelerated;
- Foreign ownership and management should be allowed and encouraged;
- Participation in and co-financing of a regional tourist agency should be a condition for privatization;
- The agency should be jointly owned by the regional authority and the private sector to develop and market the region as a tourist destination;
- The development of spatial development plans with special emphasis on tourist facilities should be given high priority in tourist regions similar to Issy-Kul;
- Such plans should be based on the principle of sustainable tourism in a vulnerable physical and ecological environment.

E. Urban development

61. As massive rural-to-urban migration is taking place irrespective of the permit system, the existing system of registration of residents produces problems for public-sector statistics and planning, and denies migrants access to public-sector services. It is an important issue to provide the illegal housing sites with infrastructure for people willing and able to build and improve their own shelter. In the next phase urban development needs to be led by proactive public-sector policies rather than driven by squatter development. Education facilities will be particularly important in helping young migrants find employment in new industries in urban areas.

62. The renewal and modernization of the existing urban fabric of both buildings and infrastructure is a priority. New development should also be located within the existing urban structures, for a more intensive use of already urbanized land. Secondly, obsolete residential and industrial neighbourhoods need to be redeveloped, possibly linked to higher densities.

63. Improved energy efficiency is related to district heating facilities, where a better balance should be struck between nationally available and imported fuel sources. Better energy efficiency in the existing housing stock is a priority.

64. Existing urban areas, particularly the larger cities, are generally well suited to the upgrading of existing transport infrastructure. The street patterns and widths lend themselves to a modern transport system, with ample road space available for parking, cycle tracks and dedicated lanes for buses and trams. This could lead to a more sustainable pattern of transport in terms of reducing energy consumption, particularly by reducing the dependence on private cars.

65. The end of the five-year moratorium on the sale of land will accelerate the development of a land market in the urban settlements. In urban areas, where land-use plans formally regulate high-density commercial and industrial development private landowners stand to make large financial gains. At the same time the municipalities will have to bear the costs of servicing such areas with all forms of public infrastructure. This potentially difficult problem should be addressed before the end of the moratorium.

It is recommended that:

- The present permit system should be abolished;
 - Citizens changing their place of residence should be required to register in the new place of residence;
 - To encourage such registration they should be given the right to receive public services at the new place of residence;
 - Such rights should be introduced gradually, starting with the right to basic education and health-care services;
 - The right to public housing, for example, should be withheld possibly for a period of at least five years;
 - A national decision should be made on a balanced, realistic and sustainable urban growth rate between the capital Bishkek and other cities and towns;
 - Differentiated incentives (tax-free zones and differentiated property tax systems) for new commercial development in Bishkek and other cities and towns should be considered;
 - Approval of new developments plans for towns and cities should be based on the principle of making the maximum use of existing urbanized land, existing infrastructure and existing building stock;
 - International assistance should be sought for urban and regional planning, financing and implementation of pilot projects on energy efficiency of the housing stock;
 - Such projects should concentrate on district heating, including delivery systems, improving insulation of buildings and measures to increase the user's awareness of energy efficiency;
 - Present squatter areas whose land use is not in conflict with long-term planning goals should be formally regulated and provided with minimum infrastructure to secure health and safety;
 - In the medium and longer term, new migrants should be motivated to carry out new housing development in areas where land-use plans and minimum infrastructure are in place;
- § Such housing areas should be planned in a way to accommodate and encourage "self-help" construction of new housing;

- For this new housing, landownership rights may not be given to residents. Instead, long-term lease contracts with clauses securing public interest in case of future property transfer should be substituted;
- A differentiated system of property taxation should be introduced effective from the end of the moratorium;
- Such a system should ensure that part of the profits accruing from selling and/or developing land goes to the local authority as a partner in investments and in the maintenance of infrastructure;
- International assistance should be sought for the development of public urban transport as well as other types of sustainable transport schemes. The national "Bicycle" programme should get full support.

F. Land administration

66. The present registration process for ownership or use rights involves a number of authorities and institutions. The Bureau of Technical Inventory (BTI) needs to be consulted prior to any land transaction. Then, the Chief Architect's Office has to ensure the compatibility of the planned land use with master plans. The State Inspectorate, local administrations, the evaluation commission and a notary have to do their work before the conveyance or first registration of private properties or use rights can be carried out.

67. With the relevant legislation for land registration and cadastre already in place, the simplification of the current registration process, the assignment of clear responsibilities for all authorities and agencies involved and the reduction of redundant work should be regarded as short-term priorities for the Government. Proper registration of private ownership and land-use rights will very soon allow Kyrgyzstan to establish a healthy land market for the benefit of the market economy and society as a whole.

It is recommended that:

- The landownership registration process should be simplified before the moratorium on land privatization ends;
- The registration process should include only one institution, Gosregistr, as a registration body for all Kyrgyz citizens as well as for foreign investors;
- The scrutiny of planning and technical issues within the registration process should be performed by the other institutions, while close cooperation with Gosregistr should be established and maintained.

It is further recommended that:

- The period before the end of the moratorium on the privatization of land should be used to establish an operational registration system for real property and to define clear responsibilities for all the institutions involved in land registration issues; thus, related decisions should be reached on an inter-departmental basis;
- The moratorium should be lifted gradually. The moratorium on land sales should be removed first from one or two pilot project areas to obtain

experience of the workload involved in the mass registration of land parcels and on how the registration process could be streamlined and improved;

- Gosregistr should have a sufficient number of land registry offices and staff at regional and municipal levels to ensure easy registration for customers and public access to registered information;

- The responsibilities of Gosregistr, the Chief Architect's office and BTI should be defined precisely to avoid duplication and institutional conflicts;

- Gosregistr should focus only on the registration process itself and on the maintenance of land administration records (registration documents and State Land Cadastre) throughout the country;

- Spatial and town planning issues should be dealt with only by the relevant authorities, in the town Chief Architect's Office or the responsible regional authorities for rural areas;

- Close cooperation and the exchange of relevant documents and data should be effected efficiently and economically;

- Large-scale (cadastral) mapping as well as outdoor field surveys (cadastre) should be carried out by only one institution or agency, which should provide these data for further use to all parties concerned.

On technical matters, it is recommended that:

- Both for the preparation of registration index maps depicting the parcel boundaries (with an accuracy appropriate to the value of the registered land) and for the establishment of the graphic part of the State Land Cadastre only one mapping basis should be used (at different scales for urban and rural areas);

- In the initial phase, the existing large-scale maps from the State Service of Cartography and Geodesy (Goscartografia) should be used;

S At the beginning, only the most important information for land registration and cadastre should be captured to save time and money and to reduce backlogs with regard to landownership registration;

- A field survey for the determination of parcel boundaries should be carried out prior to land registration only if there is a land dispute, with priority given to urban areas;

- If the value of land is to be determined for the registration process, the results should be stored for further use;

- The cadastral map could be improved, completed and updated digitally in the future, combined with data from other departments as a multi-purpose database for administrative needs. All information relevant for planning processes (e.g. master plans) will then be based on one spatial reference system;

- All thematic cadastres (e.g. forest cadastres) should use these basic data sets and add only their specific data. Specific land-related information can then easily be linked by using the unique parcel identifiers assigned to each parcel.

G. Housing policy

68. In Kyrgyzstan, as in most countries in transition, housing problems are mainly an urban issue. The main problem areas are:

- The lack of adequate political and administrative structures to address housing issues;
- Weak legal structures;
- Low economic and financial support for housing;
- The non-existent housing market as a result of the housing shortage, the drop in new construction and insecure ownership rights;
- Low income;
- The massive privatization of the housing stock, which resulted in a one-type housing tenure (owner-occupier);
- The lack of organizational structures supporting private ownership; and
- The lack of public-sector rental housing for social purposes.

69. All these challenges exist in the housing sector of Kyrgyzstan. The scale of the problem is illustrated by the fact that Bishkek's present need for social housing is estimated at 200,000 m², which, with an average 65 m² per flat, comes to approximately 3,000 flats (the housing needs of the unregistered residents are not included in this assessment).

70. The Government should recognize that housing issues are important to the implementation of NSSHD. Housing is also an important instrument to promote economic growth and employment in hard times.

It is recommended that:

- Both national and city levels should recognize that addressing housing issues will have considerable positive social and economic effects on the country's development;
 - To address these issues, political and administrative bodies with specific responsibility for housing should be established at both national and city levels;
 - The legal framework necessary to support the housing market should be in place with a law on owners and tenants, a law on common ownership of housing (condominiums) and a law on mortgage financing, all are of primary importance (for all these legal acts there are a number of practical examples from other countries in transition which could easily be adapted to local conditions and national traditions);
 - A pause should be made in the privatization of the housing stock, and the practical needs for a differentiated housing market in general, and the specific need to secure adequate public and social rental housing should be addressed before starting a further privatization phase;
 - A major effort should be made to ensure that the privatized, multi-flat housing stock is administered and operated efficiently;
- S** Housing modernization and renovation programmes should be developed and implemented;
- A State programme of information, practical advice and support for owners' associations should be initiated (international experience of such

programmes that could easily be adapted to the Kyrgyz housing sector is available);

- The present policy of encouraging migrants to build housing through self-help activities should be strengthened and assisted;
- Specific housing areas for low-rise, self-help housing should be included in land-use plans and be made available to the urban population, especially young families and migrants;
- Public programmes to support, advise and regulate such development should be started.

Annex I

PROGRAMME OF THE MISSION

Saturday, 3 July

- ! Arrival of the international expert team in Bishkek.
- ! Organizational meeting with the SHD secretariat

Sunday, 4 July

- ! Meeting of the international expert team

Monday, 5 July

- ! Meeting with UNDP Bishkek office
- ! Meeting with the International Organization for Migration (IOM)
- ! Meeting with the Main Architectural and Planning Inspectorate of Kyrgyzstan
- ! Meeting with the Main Architectural and Planning Office of Bishkek

Tuesday, 6 July

- ! Meeting with the Land Registration Office
- ! Meeting with the Minister of Agriculture
- ! Meeting with the Parliamentary Committee on Building, Architecture, Industry and Municipal Economy
- ! Meeting with a representative of the International City Management Association (ICMA)

Wednesday, 7 July

- ! Departure to Cholpon-Ata in the Issy-Kul region
- ! Meeting of the international experts with the SHD secretariat

Thursday, 8 July

- ! Meeting with Issyk-Kul regional authorities
- ! Meeting with the Main Architectural and Planning Office of the Issyk-Kul region
- ! Meeting with city authorities of Cholpon-Ata
- ! Departure for Bishkek

Friday, 9 July

- ! Meeting in the City Hall of Bishkek
- ! Meeting with the State Secretary of Kyrgyzstan
- ! Concluding session with the SHD secretariat

Saturday, 10 July

- ! Departure of the international expert team

Annex II

INTERNATIONAL EXPERT TEAM

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Annex III

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