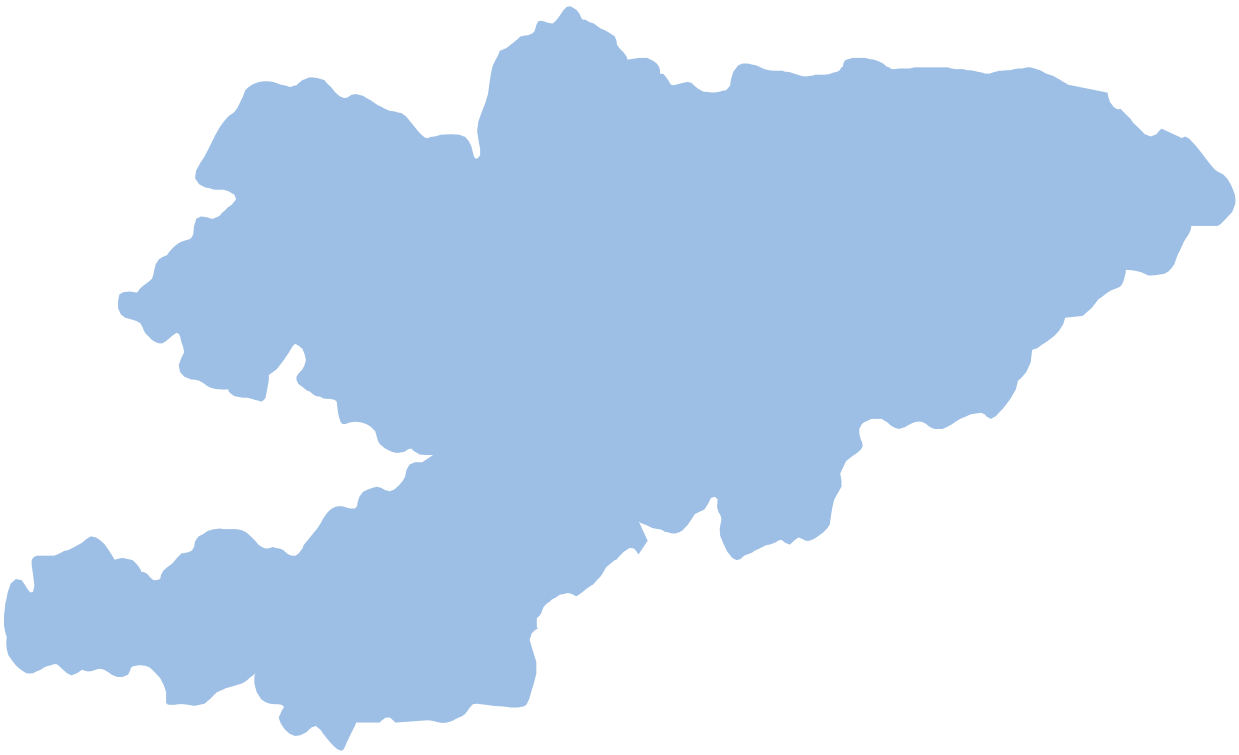
Kyrgyz Republic
Economic Performance Assessment



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Sponsored by the Economic Growth office of USAID's Bureau of Economic Growth, Agriculture and Trade (EGAT), and implemented by Nathan Associates Inc. under Contract No. PCE-I-00-00-00013-00, Task Order 004, the Country Analytical Support (CAS) Project, 2004-2006, has developed a standard methodology for producing analytical reports to provide a clear and concise evaluation of economic growth performance in designated host countries. These reports are tailored to meet the needs of USAID missions and regional bureaus for country-specific analysis. Each report contains

- A synthesis of data drawn from numerous sources, including World Bank publications and other international data sets currently used by USAID for economic growth analysis, as well as accessible host-country data sources;
- International benchmarking to assess country performance in comparison to similar countries and groups of countries;
- An easy-to-read analytic narrative that highlights areas in which a country's performance is particularly strong or weak, thereby assisting in the identification of future programming priorities.

Under the CAS Project, Nathan Associates will also respond to mission requests for in-depth sector studies to examine more thoroughly particular issues identified by the data analysis in these country reports.

The authors of this report are Richard Kohl, Andrei Roudoi, and Julia Zislin.

The CTO for this project is Yoon Lee. USAID missions and bureaus may seek assistance and funding for CAS studies by contacting Rita Aggarwal, USAID/EGAT/EG Activity Manager for the CAS project, at raggarwal@usaid.gov.

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Bruce Bolnick
Chief of Party, CAS Project
Nathan Associates Inc.
Bbolnick@nathaninc.com

Note on Data Sources

In addition to our standard sources, we rely heavily in this report on data from the International Monetary Fund (IMF), the National Statistical Committee of the Kyrgyz Republic, the National Bank of the Kyrgyz Republic, and the Kyrgyz Republic's Poverty Reduction Strategy Paper (PRSP) Progress Report of July 2004.

In general, data for the Kyrgyz Republic is of reasonable quality for a low-income country, though some areas could be improved. The IMF Report on the Observance of Standards and Codes (ROSC) in the Kyrgyz Republic, released in November 2003, stated that the country substantially improved the quality of macroeconomic statistics over the previous several years and generally followed the recommendations of technical assistance missions. The data concepts, definitions, and classifications were mostly in compliance with international standards. In June 2005, the UN Economic and Social Council stated in a report on the role of official statistics in the Kyrgyz Republic that the country had an efficient state statistics system and that the National Statistical Committee was independent of the government. Similarly, Global Insight, which analyzes and forecasts macroeconomic developments in the Kyrgyz Republic for government and private clients on a regular basis, finds Kyrgyz official data adequate and uses them in models and reports.[1]

At the same time, international agencies point out where further improvement is needed. According to the IMF, existing statistical problems include the estimation of underreporting, referring to the quality of national accounts; the coverage of enterprises for the balance of payments; discrepancies in data provided by the Ministry of Finance and the National Bank; and the compilation of wage data, especially in-kind payments.

[1] CAS team member from Global Insight was one of the writers for this report.

Contents

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HIGHLIGHTS OF KYRGYZ REPUBLIC'S PERFORMANCE

Economic Growth	Growth performance in 2000–2004 was mixed, but generally improved toward the end of the period. Growth performance has substantially deteriorated in 2005, apparently because of political turmoil.
Poverty	Poverty rates have declined substantially. There is evidence, however, that the poorest strata of the population are not benefiting from economic progress.
Economic Structure	The Kyrgyz Republic is a predominantly agricultural country with important gold production. Policymakers need to encourage industrial growth and diversification.
Demography and Environment	The Kyrgyz population has been growing over the past several years, and the UN expects that it will continue to do so over the next 25 years, though at a slightly slower pace. The age dependency ratio is quite high but declining.
Gender	Gender indicators reveal relative equity.
Fiscal and Monetary Policy	Some progress has been made in reducing the budget deficit as government revenue has been rising and expenditures have remained at sustainable levels. More needs to be done to increase revenues. Monetary policy has reduced inflation.
Business Environment	Business environment indicators are mixed. While the cost of starting a business fell and the regulatory quality index was on par with wealthier countries, corruption is rampant and contract enforcement is burdensome.
Financial Sector	Despite impressive improvements in recent years—monetization has increased and private sector credit has soared—the financial sector remains inefficient.
External Sector	External sector developments are mixed. Exports posted strong increases, but were concentrated in a few commodities, primarily gold. Imports posted even greater increases. The country relies heavily on foreign aid and loans because it is not an attractive destination for foreign investment.
Economic Infrastructure	Infrastructure development is quite low by absolute standards. Railroad quality is especially poor. At the same time, progress in communications development has been substantial.
Health	Many health indicators are on par or better than the average for the region (life expectancy, access to improved sanitation, and maternal mortality rate), but generally worse than in Russia, Romania, and Bulgaria.
Education	Most education indicators are strong. Government spending on education points to its commitment to further improvement.
Employment and Workforce	The moderate economic expansion was accompanied by an increase in the number of unemployed and the unemployment rate, as job creation was not sufficient to accommodate the growth of the economically active population.
Agriculture	Agriculture is less productive than the rest of the economy, but appears to be in good shape by regional standards.

Note: The methodology used for comparative benchmarking is explained in the Appendix..

KYRGYZ REPUBLIC: NOTABLE STRENGTHS AND WEAKNESSES—SELECTED INDICATORS

Indicators, by topic	Strengths	Weaknesses
Growth Performance		
Gross fixed investment (% of GDP)		x
Real GDP growth (%)		x
Poverty and Inequality		
Population below minimum dietary energy consumption (%)	x	
Population living on less than $1 PPP per day (%)	x	
Demography and Environment		
Age dependency rate (dependents per worker)		x
Population growth rate (%)	x	
Gender		
Ratio of male to female: adult literacy rate and gross enrollment	x	
Fiscal and Monetary Policy		
Inflation rate (%)	x	
Business Environment		
Corruption perception index		x
Cost of starting a business (% GNI per capita)	x	
Procedures and time (days) to enforce contract		x
Regulatory quality index	x	
Time to register property (days)	x	
Time to start a business (days)	x	
Financial Sector		
Domestic credit to private sector (% GDP)		x
Monetization (M2, % GDP)	x	
Cost to create collateral		x
Real interest rate		x
Interest rate spread, lending rate minus deposit rate (%)		x
External Sector		
Aid (% of GNI)		x
Concentration of exports (top three exports, 3-digit SITC, % of exports)		x
Present value of debt (% GNI)		x
Exports growth, goods and services (%)	x	
Gross international reserves (months of imports)	x	

Indicators, by topic	Strengths	Weaknesses
Economic Infrastructure		
Telephone cost, average local call		x
Quality of infrastructure index—railroads		x
Science and Technology		
FDI technology transfer index		x
Patent applications filed by residents		x
Health		
Maternal mortality rate (deaths per 100,000)	x	
Education		
Primary education expenditure (% GDP)	x	
Pupil-teacher ratio in primary schools		x
Employment and Workforce		
Unemployment rate (%)		x
Rigidity of employment index	x	
Agriculture		
Agriculture value added per worker (1995 U.S. dollars)	x	
Cereal yield (kilograms per hectare)		x

Note: The chart identifies selective indicators for which the Kyrgyz Republic's performance is particularly strong or weak relative to benchmark standards; details are discussed in the text. A separate Data Supplement presents a full tabulation of the data examined for this report, including the international benchmark data, along with technical notes on the data sources and definitions.

1. Introduction

This paper is one of a series of Economic Performance Assessments prepared for the EGAT Bureau to provide USAID missions and regional bureaus with a concise evaluation of a broad range of indicators relating to economic growth performance in designated host countries. The report draws on a variety of international data sources[1] and uses international benchmarking against reference group averages and comparator countries (Bulgaria, Romania, and Russia) to identify major constraints, trends, and opportunities for strengthening growth and reducing poverty.

The methodology used here is analogous to examining an automobile dashboard to see which gauges are signaling problems. Sometimes a blinking light has obvious implications—such as the need to fill the fuel tank. In other cases, it may be necessary to have a mechanic probe more deeply to assess the source of the trouble and discern the best course of action.[2] Similarly, the Economic Performance Assessment is based on an examination of key economic and social indicators to see which ones are signaling problems. In some cases a "blinking" indicator has clear implications, while in other cases a detailed study may be needed to investigate problems more fully and identify an appropriate course for programmatic action.

The analysis is organized around two mutually supportive goals: transformational growth and poverty reduction.[3] Rapid and broad-based growth is the most powerful instrument for poverty reduction. At the same time, measures aimed at reducing poverty and lessening inequality can help to underpin rapid and sustainable growth. These interactions create the potential for stimulating a virtuous cycle of economic transformation and human development.

Transformational growth requires a high level of investment and rising productivity. This is achieved by establishing a strong ***enabling environment for private sector development***, involving multiple elements: macroeconomic stability; a sound legal and regulatory system, including secure contract and property rights; effective control of corruption; a sound and efficient financial system; openness to trade and investment; sustainable debt management;

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[1] Sources include USAID's internal Economic and Social Database (ESDB) and readily accessible public information sources. The ESDB is compiled and maintained by the Development Information Service (DIS) under PPC/CDIE. It is accessible to staff through the USAID intranet.

[2] Sometimes, too, the problem is faulty wiring to the indicator—analogous here to faulty data.

[3] In USAID's White Paper on *U.S. Foreign Aid: Meeting the Challenges of the Twenty-first Century* (January 2004), transformational growth is a central strategic objective, both for its innate importance as a development goal, and because growth is the most powerful engine for poverty reduction.

investment in education, health, and workforce skills; infrastructure development; and sustainable use of natural resources.

In turn, the impact of growth on poverty depends on policies and programs that create opportunities and build capabilities for the poor. We call this the ***pro-poor growth environment***.[4] Here, too, many elements are involved, including effective education and health systems; policies facilitating job creation; agricultural development (in countries where the poor depend on farming); dismantling barriers to micro and small enterprise development; and progress in gender equity.

The present evaluation of these conditions must be interpreted with caution, because a concise analysis of this sort cannot provide a definitive diagnosis of economic problems, or simple answers to questions about programmatic priorities. Instead, the aim of the analysis is to spot signs of serious problems for economic growth, based on a review of selected indicators and subject to limits of data availability and quality. The results should provide insight about potential paths for USAID intervention that complement on-the-ground knowledge and further in-depth studies.

The remainder of the report discusses the most important results of the diagnostic analysis in three sections: overview of the economy; private sector enabling environment; and pro-poor growth environment. Table 1-1 summarizes the topic coverage. The appendix presents the criteria used in selecting indicators, explains the benchmarking methodology, and provides a table showing the full set of indicators examined for this report.

Table 1
Topic Coverage

Overview of the Economy	Private Sector Enabling Environment	Pro-Poor Growth Environment
• Growth Performance • Poverty and Inequality • Economic Structure • Demographic and Environmental Conditions • Gender	• Fiscal and Monetary Policy • Business Environment • Financial sector • External sector • Economic Infrastructure • Science and Technology	• Health • Education • Employment and Workforce • Agriculture

[4] A comprehensive poverty reduction strategy also requires programs to reduce the *vulnerability* of the poor to natural and economic shocks. This aspect is not covered in the template since the focus is economic growth programs. In addition, it is difficult to find meaningful and readily available indicators of vulnerability to use in the template.

2. Overview of the Economy

This section reviews basic information on the Kyrgyz Republic's macroeconomic performance, poverty and inequality, economic structure, demographic and environmental conditions, and indicators of gender equity.[1] Some of the indicators cited here are descriptive rather than analytical, and are included to provide context for the performance analysis.

GROWTH PERFORMANCE

Kyrgyz growth performance in 2000–2004 was mixed and unstable. The situation generally improved toward the end of this period after zero growth in 2002. Economic expansion accelerated to 7.0 percent in 2003 and 7.1 percent in 2004. GDP growth in 2004 was exactly the same as in Russia and the low-income former Soviet Republics (hereafter, LI-FSR), higher than in Bulgaria (5.7 percent), but lower than in Romania (8.3 percent) (Figure 2-1). In 2000–2004, GDP increased 5.0 percent per year on average—a moderate rate, below the range predicted by the GDP regression. In the same period, real GDP growth was lower than in any other country of the Commonwealth of Independent States (CIS).

Economic expansion in the Kyrgyz Republic benefited from rising productivity and employment, although productivity growth was only 2.0 percent per year in 1999–2003. Productivity growth accelerated toward the end of this period, climbing 4.3 percent in 2003 but was still slightly less than in LI-FSR countries (4.9 percent), Bulgaria (4.7 percent), and Romania (4.7 percent), and lagged far behind Russia (7.4 percent). Apparently, labor productivity at the end of the period benefited from a surge in fixed investment in 1999–2000. In 2001–2003, investment contracted in absolute terms and relative to GDP; by 2003, it fell to 15.3 percent of GDP, below the range predicted by the regression, the LI-FSR average (16.1 percent), as well as the shares for Bulgaria (19.6 percent), Romania (22.5 percent), and Russia (18.2 percent) (Figure 2-2). According to the IMF's 2004 Article IV consultation, labor productivity growth in the Kyrgyz Republic benefited from improved capacity utilization, a trend observed in many transition countries.[2]

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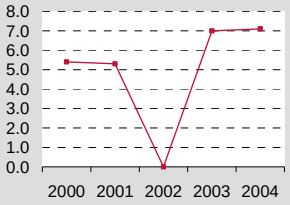
[1] The separate Data Supplement provides a full tabulation of the data for Kyrgyz Republic and the international benchmarks, including indicators not discussed in the text, as well as technical notes for each indicator.

[2] IMF, "Kyrgyz Republic: Article IV Consultation," Country Report No. 05/47, February 2005.

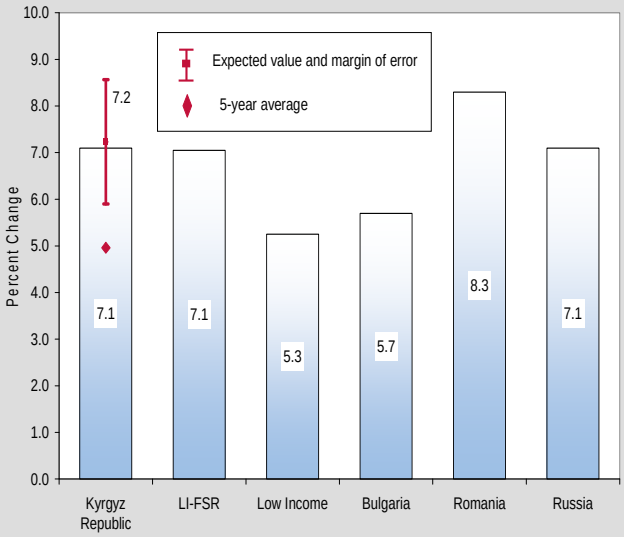
Figure 2-1. Real GDP Growth

Real GDP growth has averaged five percent in the last five years, below the LI-FSR average.

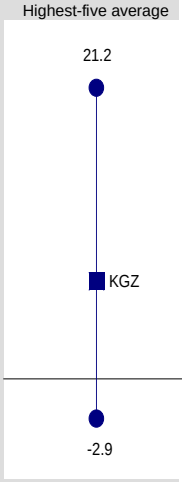
Time Series



Year	Kyrgyz Rep. Data
2000	5.4
2001	5.3
2002	0.0
2003	7.0
2004	7.1
Summary for 2000-2004	
Five year average	5.0
Trend growth rate	N/A



Kyrgyz Republic Global Standing



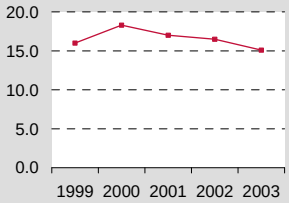
SOURCE: Kyrgyz data from the National Statistical Committee of the Kyrgyz Republic; benchmarking data from the MF World Economic Outlook database.

CAS Code: 11p3

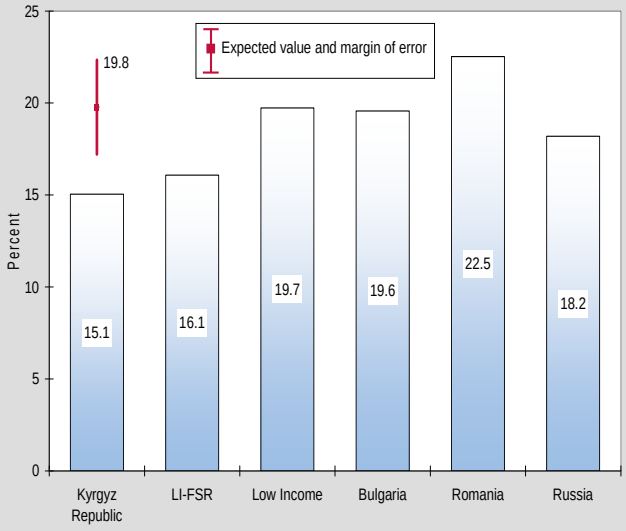
Figure 2-2. Gross Fixed Investment as Percent of GDP

Gross investment is not sufficient for long-term growth and diversifying the economy.

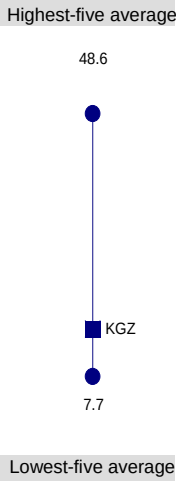
Time Series



Year	Kyrgyz Rep. Data
1999	16.0
2000	18.3
2001	17.0
2002	16.5
2003	15.1
Summary for 2000-2004	
Five year average	16.6
Trend growth rate	-2.2



Kyrgyz Republic Global Standing



SOURCE: World Development Indicators 2005.

CAS Code: 11s3

Gold production dominates Kyrgyz industry and exports; the Kumtor gold field is among the world's largest. Fluctuations in gold production have a major impact on the GDP. For example, GDP remained unchanged in 2002 because of a fall in the gold sector; if Kumtor operations were excluded from national account calculations, GDP would have risen by 3.1 percent. [3]

Measured in current U.S. dollars, per capita GDP increased 55.6 percent from 2000 through 2004, reaching $433, slightly exceeding the averages of low-income (LI) countries ($419) and the LI-FSR countries ($400). At the same time, per capita GDP was much higher in Bulgaria ($3,074), Romania ($3,207), and Russia ($4,903), which are all lower middle-income countries. When measured in terms of PPP, the Kyrgyz Republic's per capita GDP also surpasses the benchmark groups. In 2004, it equaled $1,933, while in LI and LI-FSR it equaled $1,850 and $1,560, respectively. The level of this indicator in the Kyrgyz Republic lagged far behind those in Bulgaria ($8,500), Romania ($7,642), and Russia ($10,180).

Unfortunately the good macroeconomic performance that began emerging in 2003–2004 was not sustained this year, largely because of political turmoil that followed the parliamentary elections of February 2005. According to the National Statistical Committee of the Kyrgyz Republic, GDP contracted 0.4 percent year-over-year in January–September and industrial production plunged 11.7 percent in January–November because gold production was constantly interrupted. Without Kumtor production factored into overall industrial production, industrial output declined 2.9 percent. Agricultural production, freight transportation, and fixed investment also dropped. A marked increase in retail and wholesale trade and, apparently, household consumption, prevented a more substantial decline in GDP.

To advance reform, resume economic growth, and consolidate the gains made in 2003–2004 the Kyrgyz Republic needs political stability. The country should make every effort to diversify away from heavy reliance on gold exports and to promote investment, including foreign direct investment to reduce dependence on foreign aid. Special attention should be paid to job creation in light of rising unemployment.

POVERTY AND INEQUALITY

Poverty indicators have shown signs of improvement in recent years, although the poorest strata of the Kyrgyz population have benefited little. The share of population living below the national poverty line fell by nearly 15 percentage points since 1999, reaching 40.8 percent in 2003, a rate well below the 53.9 percent regression benchmark for a country with the Kyrgyz Republic's characteristics.[4] In 2004, the rate fell to 35 percent.[5] The share of the population living on less

[3] Ibid.

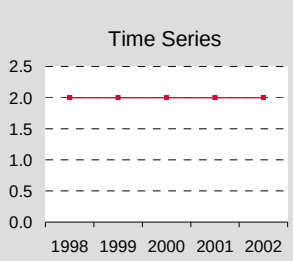
[4] Each country defines its poverty line independently, so rates are not necessarily comparable.

[5] IMF, "Kyrgyz Republic: Sixth Review under the Three-Year Arrangement under the Poverty Reduction and Growth Facility and Request for the New Three-Year PRGF Arrangement," Country Report No. 05/119, March 2005. Estimates are not yet official.

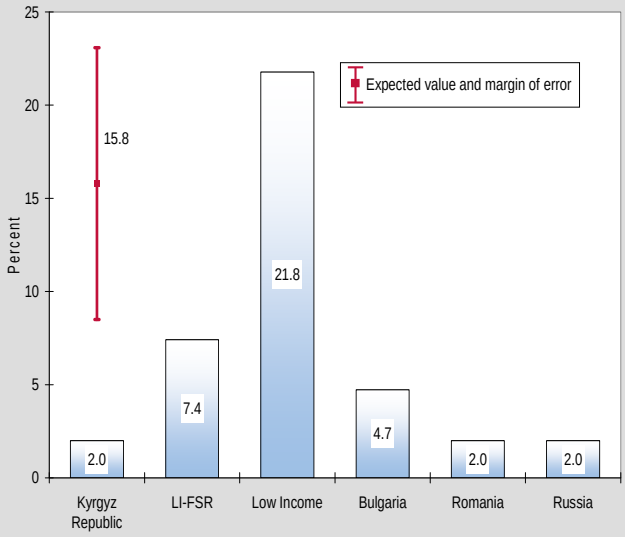
than $1 PPP per day is also low by benchmark comparisons[6] (Figure 2-3). At 2.0 percent, the rate is below the regression benchmark of 15.8 percent and the average rate of 7.4 percent in the LI-FSR region; on par with much richer countries, such as Romania and Russia (both 2.0 percent); and below the rate for Bulgaria (4.7 percent). The share of the population receiving less than the minimum dietary energy consumption is also low—6.0 percent versus the 28.8 percent regression benchmark and the 19.0 percent LI-FSR average.

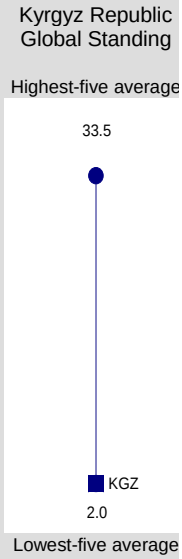
Figure 2-3. Population Living on Less than $1 PPP per Day

Poverty levels in Kyrgyz are below average and comparable to those in much richer countries.



Year	Kyrgyz Rep. Data
1998	2.0
1999	2.0
2000	2.0
2001	2.0
2002	2.0
Summary for 1998-2002	
Five year average	2.0
Trend growth rate	N/A





Note: If the percentage of population living on less than $1 PPP in a country is below 2 percent, the World Bank sets the indicator equal to 2.0.

Source: World Development Indicators 2005. CAS Code: 12p3

According to the 2004 PRSP Progress Report, however, extreme poverty remained unchanged over the same period even as the incidence of poverty declined.[7] In 2002, the poorest 20 percent of the population received 7.7 percent of income; the regression benchmark is 8.4 percent and the average for the LI-FSR region is 7.9 percent. This share is on par with all three comparator countries.

If economic growth is to benefit all population strata, programs aimed at improving the standard of living for the poorest are warranted. Since most Kyrgyz poor live in rural areas,[8] promoting

[6] If the percentage of population living on less than $1 PPP per day is below 2, the World Bank sets the indicator at 2.0.

[7] IMF, "Kyrgyz Republic: Poverty Reduction Strategy Paper Progress Report," Country Report No. 04/200, July 2004.

[8] Ibid.

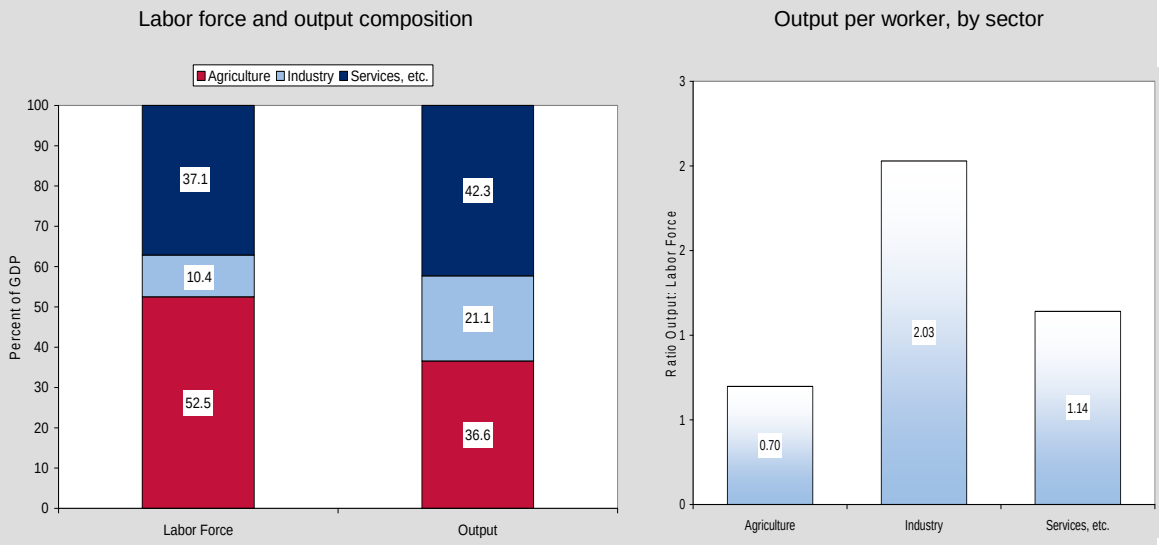
economic development in those areas, including job creation and nonagricultural small and medium enterprises (SMEs), may be helpful.

ECONOMIC STRUCTURE

The Kyrgyz Republic's employment structure is similar to that of other LI-FSR countries. In 1999–2003, Kyrgyz industry on average accounted for 10.6 percent of the employed, a little less than the LI-FSR country average of 13.9 percent, but substantially less than in Bulgaria (27.6 percent), Romania (26.2 percent), and Russia (29.4 percent). At the same time, Kyrgyz agriculture accounted for 52.7 percent of the employed and services 36.6 percent; in LI-FSR countries the shares were 51.0 percent and 35.1 percent, respectively. Comparing the ratio of the share of the labor force and of output in agriculture indicates that agriculture is more productive in the Kyrgyz Republic than, on average, in the LI-FSR countries (Figure 2-4). Nevertheless, agriculture is less productive than the rest of the Kyrgyz economy.

Figure 2-4. Output Structure and Labor Force Structure as a Percent of GDP

Agricultural productivity is much less than in other sectors; the agricultural sector accounts for half of the workforce.



SOURCE: Kyrgyz data from the IMF Statistical Appendix to the Article IV Consultation and the National Statistical Committee of the Kyrgyz Republic; benchmarking data from the World Development Indicators 2005. CAS Codes: 13 p1 and 13p2

Overall, SME production comprised 47.9 percent of GDP in 2003, up from 42.7 percent in 2000. This increase, however, masks a decline in the activity of nonagricultural SMEs, which was more than offset by rising output from agricultural SMEs. According to the USAID/Pragma Enterprise Development Project, from 1999 through 2003 employment at nonagricultural SMEs declined by

24.1 percent[9] and their share of value added dropped from 16.9 percent of GDP in 1999 to 12.6 percent in 2003. Moreover, value-added generated by these nonagricultural enterprises declined in absolute terms. The decline in this share was partially compensated for by an increase in the share of value-added generated by individual entrepreneurs from 10.5 percent to 13.4 percent. At the same time, agricultural SMEs were booming. The contribution of peasant farms and farming enterprises to Kyrgyz GDP rose from 14.6 percent to 21.3 percent.

Gold production is by far the most important industrial sector. According to Interfax, metallurgy, an overwhelming portion of which is gold production, accounted for 50 percent of industrial output in the Kyrgyz Republic in the first eight months of last year.

The large share of employment in Kyrgyz agriculture, while in line with the regional average, is a principal challenge to poverty reduction given the sector's low productivity. Therefore, the Kyrgyz Republic needs to take steps to improve agricultural productivity while shifting employment to nonagricultural sectors.

DEMOGRAPHY AND ENVIRONMENT

The Kyrgyz Republic's population rose 1.0 percent per year on average in 2000–2004, standing out in a region where population is declining or stagnant. According to the United Nations World Population Prospects database, population declined in Bulgaria, Romania, and Russia during the same period.[10] The same source projects that the Kyrgyz population will rise to 6.4 million in 2030, while the populations of Bulgaria, Romania, and Russia will rapidly decline. The Kyrgyz population stood at 5.1 million in 2004.

The age dependency rate in the Kyrgyz Republic dropped from 0.69 dependents per worker in 1999 to 0.61 in 2003 because of a decline in the ratio of children to workers, while the old age dependency rate was stable. The Kyrgyz dependency rate is on par with the LI-FSR average (0.62), but much higher than in Bulgaria (0.44), Romania (0.44), and Russia (0.42) See Figure 2-5. According to UN projections, the age dependency rate will continue to decline in the Kyrgyz Republic, reaching 0.46 in the next 25 years.[11] This contrasts favorably with projected dependency rate increases in Bulgaria, Romania, and Russia. The Kyrgyz population will age, but will remain young in absolute terms and relative to populations in comparator countries. The UN expects that the median age in the Kyrgyz Republic will rise from 23.8 years in 2005 to 33.0 years in 2030. While the trends are favorable, an aging population will place a substantial financial burden on the budget, and authorities need to prepare for increased expenditures to care for the elderly.

The Kyrgyz adult literacy rate stood at 98.7 percent in 2003, above the range predicted by the benchmark regression and the rates in Bulgaria (98.6 percent) and Romania (97.3 percent).

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[9] Pragma used data provided by the National Statistical Committee of the Kyrgyz Republic.

[10] United Nations, World Population Prospects database.

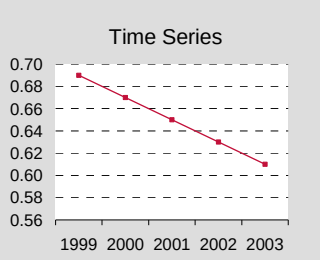
[11] Ibid.

Literacy rates that are close to perfect are common in the former Soviet Union—for Russia and for the LI-FSR countries the latest available figures are 99.6 percent and 99.2 percent, respectively.

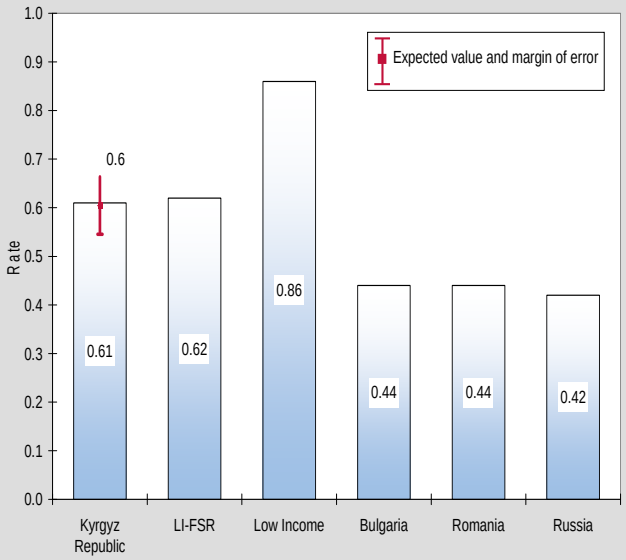
The Kyrgyz Republic's score on the Environmental Sustainability Index is 48.4, a little better than the average score of the LI-FSR group (46.9) and of Romania (46.2).[12] At the same time, the higher scores of Bulgaria (50.0) and Russia (56.1) show that improvement is possible. The analysis of index components indicates that the most troubled areas of environmental sustainability in the Kyrgyz Republic are international collaborative efforts, environmental governance, and private sector responsiveness.

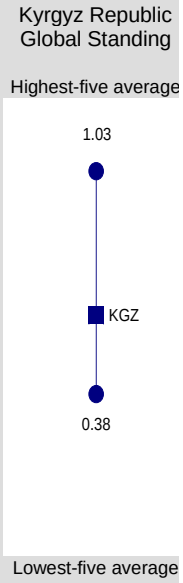
Figure 2-5. Age Dependency Rate (Dependents per Worker)

The age dependency rate has been falling, but remains high absolutely and relative to richer comparator countries.



Year	Kyrgyz Rep. Data
1999	0.69
2000	0.67
2001	0.65
2002	0.63
2003	0.61
Summary for 1999-2003	
Five year average	0.65
Trend growth rate	-3.1





Source: World Development Indicators 2005 database.

CAS Code: 14p2

GENDER

Gender indicators for the Kyrgyz Republic point to equity in Kyrgyz society. The share of literate males is only 1 percent higher than that of females (as evidenced by a 1.01 ratio of male to female adult literacy rates in 2003). This ratio is on par with that of the LI-FSR region (1.01), Bulgaria (1.01), Romania (1.02), and Russia (1.00). Equity can also be observed in gross enrollment rates—with 1.01 males enrolled per each female enrolled at all levels of education. Again,

[12] The Environmental Sustainability Index ranges from 0 (poor performance) to 100 (excellent performance).

performance is on par with the LI-FSR region overall (1.02). In richer countries, such as Bulgaria, Romania, and Russia, more women are enrolled than men as evidenced by ratios below one.

The difference in male and female life expectancy is more of a health than a gender issue. In 2003, the ratio of Kyrgyz male life expectancy to female was just 0.89. Although women are expected to live longer than men in general, Kyrgyz male life expectancy of 64.5 years is unacceptably low by absolute measures.

3. Private Sector Enabling Environment

This section reviews indicators related to the enabling environment for rapid and efficient growth in the private sector. Sound fiscal and monetary policies are essential for macroeconomic stability, which is a necessary (though not sufficient) condition for sustained growth. A dynamic market economy also depends on institutional foundations such as secure property rights, an effective system for enforcing contracts, and an efficient regulatory system that does not impose undue barriers on business. Financial institutions play a major role in mobilizing and allocating saving, facilitating transactions, and creating instruments for risk management. An enabling environment also ensures access to the global economy or external sector, an important source of potential markets, modern inputs, technology, and finance, as well as the competitive pressure necessary for efficiency and productivity. Equally important is development of the physical infrastructure to support production and trade. Finally, developing countries need to adapt and apply science and technology to attract efficient investment, boost competitiveness, and stimulate productivity growth.

FISCAL AND MONETARY POLICY [18]

The Kyrgyz Republic has made good progress in reducing its deficit and should continue to do so to achieve fiscal sustainability. The deficit was reduced to 4.2 percent of GDP in 2004. The gap between this deficit and the one percent deficit predicted by the regression benchmark is unfavorable, as is the difference with budget balance figures for comparison countries (a 1.8 percent surplus in Bulgaria, a 2.3 percent deficit in Romania, and a 2.2 percent surplus in Russia).

IMF Program Status for Kyrgyz Republic

In October 2005, the Kyrgyz Republic completed its first review under the three-year PRGF arrangement; and the IMF approved a US$1.8 million disbursement. The executive board commended Kyrgyz authorities for preserving macroeconomic stability despite the difficult political environment.

Government expenditure has remained largely in check over recent years, standing at 27.3 percent of GDP in 2004. This level of expenditure is substantially above that predicted by the

[18] In 2005, the WDI database adopted a new system for classifying fiscal data, even though most developing countries still use the old classification. The database now has fiscal data for very few developing countries; due to the limited sample size, most of the group averages derived from WDI are not meaningful. In this section, comparisons are based on absolute standards, or benchmarks derived from 2004 WDI data, as well as figures for Bulgaria, Romania, and Russia.

benchmark regression (17.9 percent), indicating government's commitment to providing the social services necessary to reduce poverty and achieve Millennium Development Goals. But the declining share of expenditure on capital, which is essential for long-term growth, is troubling. Expenditure on capital fell from 32 percent in 2000 to 19 percent in 2004, while the share of wages and salaries rose from 20 percent in 2000 to 29 percent in 2004. Another problem is the high public external debt. Even with Paris Club debt relief in 2005 that reduced external debt (discussed in the section on the External Sector), additional fiscal consolidation is needed to reduce debt overhang.[19] To the credit of the government, revenue rose from 17.7 percent of GDP in 2000 to 22.2 percent in 2004, above the regression benchmark of 18.3 percent[20] (Figure 3-1). This improvement is largely due to better tax administration.[21] Nonetheless, revenue is still below that in Romania (29.9 percent) and Russia (27.4 percent).[22] Any scheme to revise the tax system to generate more revenue, however, should be done cautiously because high taxes and problems with tax administration are closely linked to the large shadow economy, a major concern of Kyrgyz authorities.[23] Less intrusive taxation could encourage businesses to formalize operations.

In monetary policy, the Government of the Kyrgyz Republic has been able to control inflation, which fell to less than a quarter of its level five years ago[24] (Figure 3-2). Inflation of 4.1 percent in 2004 is low by absolute standards and is below all benchmark values—the regression result, the LI-FSR average, and rates in the three comparator countries. Low inflation has occurred in the face of high money supply growth, which averaged 24.1 percent over last 5 years, consistent with steady and rapid remonetization. Low inflation, coupled with strong productivity growth, is necessary to contain labor costs and encourage non-gold exports.[25]

Additional donor assistance in tax administration and policy could be useful to support further gains in revenue.

BUSINESS ENVIRONMENT

Institutional barriers to doing business, including corruption in government, are critical determinants of private sector development and prospects for sustainable growth. Kyrgyz business environment indicators are mixed, with some notable strengths and weaknesses.

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[19] IMF, "Kyrgyz Republic: Sixth Review."

[20] IMF preliminary expenditure and revenue figures for Tajikistan indicate little change in 2005, even with the new government taking control. Revenues are estimated at 23.0 percent of GDP, and expenditures at 27.6 percent. IMF, "Kyrgyz Republic: First Review under the Three-Year Arrangement under the Poverty Reduction and Growth Facility," Country Report No. 05/402, November 2005.

[21] Ibid.

[22] Bulgaria's revenue is even higher, 38 percent, but is not used as a benchmark because such high revenue may indicate an intrusive government.

[23] IMF, "Kyrgyz Republic: Sixth Review."

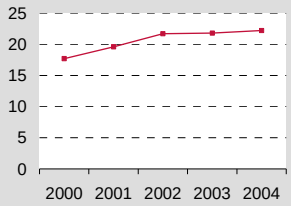
[24] Inflation is a Millennium Challenge Account indicator.

[25] IMF, "Kyrgyz Republic: Sixth Review."

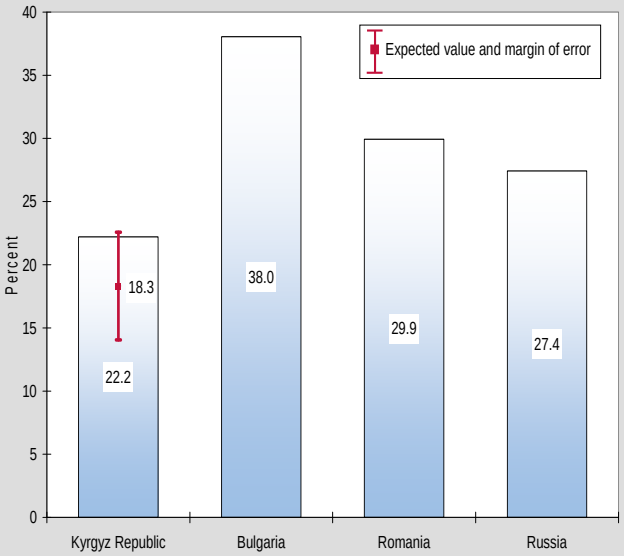
Figure 3-1. Government Revenue as Percent of GDP

Kyrgyz government revenue needs to keep rising to ensure that provision of necessary public services is fiscally sustainable.

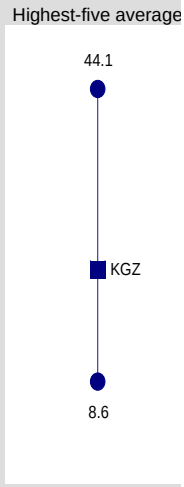
Time Series



Year	Kyrgyz Rep. Data
2000	17.3
2001	23.7
2002	24.0
2003	23.3
2004	22.7
Summary for 2000-2004	
Five year average	20.6
Trend growth rate	5.8



Kyrgyz Republic Global Standing



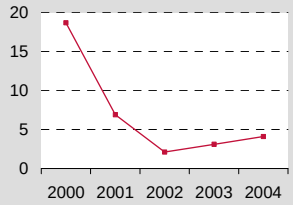
Note: LI and LI-FSR averages are not calculated because the World Development Indicators database adopted a new system for classifying fiscal data in 2005.

SOURCE: Kyrgyz data from the IMF's Sixth Review under the Three-Year Arrangement under the PRGF; benchmarking data from the respective IMF Article IV Consultations for comparator countries. CAS Code: 21p2

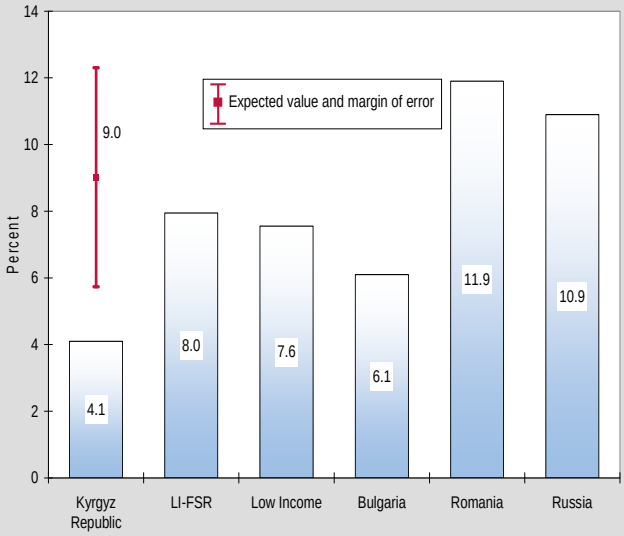
Figure 3-2. Inflation Rate

Inflation has fallen from double-digit levels and is evidence of sound monetary policy.

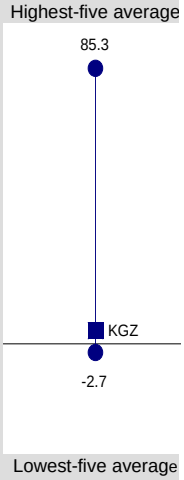
Time Series



Year	Kyrgyz Rep. Data
2000	18.7
2001	6.9
2002	2.1
2003	3.1
2004	4.1
Summary for 2000-2004	
Five year average	7.0
Trend growth rate	N/A



Kyrgyz Republic Global Standing

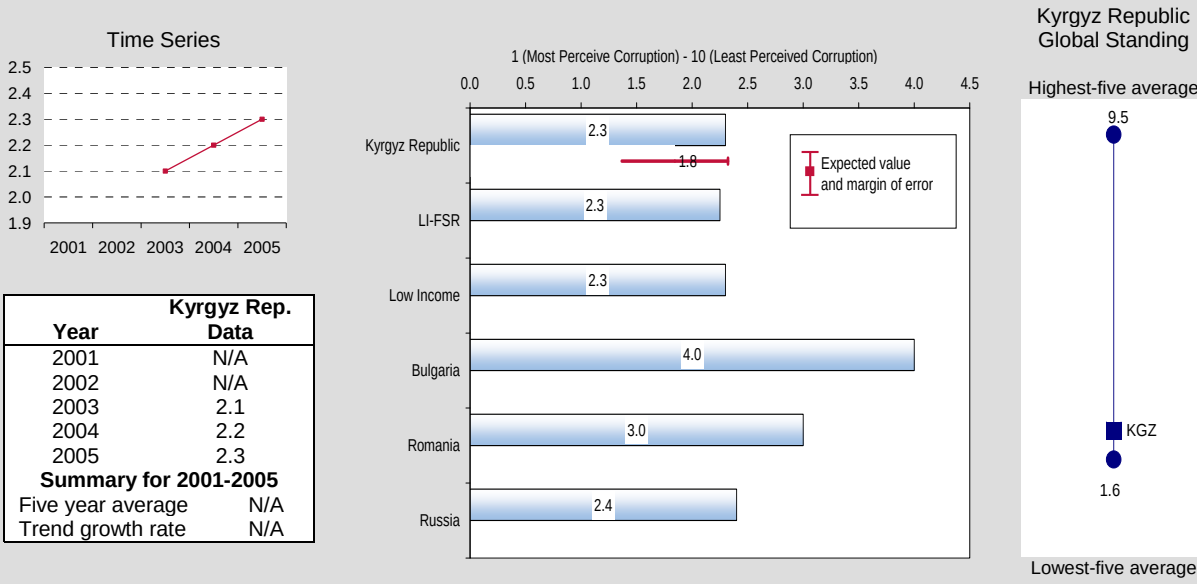


Source: World Economic Outlook database. CAS Code: 21p4

Corruption in the Kyrgyz Republic is widespread and is a major impediment to doing business (Figure 3-3). Although on par with the income-regional group index and the range of values predicted by the regression, the Kyrgyz Republic's score on the Corruption Perception Index of 2.3 is below Bulgaria's score of 4.0, Romania's score of 3.0 and even Russia's score of 2.4.[26] More important, it is high in absolute terms; any value below 3.0 is said to indicate rampant corruption. Improvement may be slight—the index rose from 2.1 over three years—but evidence suggests that most of the government's attempts to counter corruption have been ineffective and need to be reassessed, intensified, or both.[27] Mr. Bakiev, the new president, announced that fighting corruption is among the government's top priorities.[28]

Figure 3-3. Corruption Perception Index

Corruption is widespread; a CPI value below 3.0 is said to indicate rampant corruption.



Year	Kyrgyz Rep. Data
2001	N/A
2002	N/A
2003	2.1
2004	2.2
2005	2.3
Summary for 2001-2005	
Five year average	N/A
Trend growth rate	N/A

SOURCE: Transparency International.

CAS Code: 22p1

The Kyrgyz Republic's ranking in the Ease of Doing Business index (84 out of 155 countries) is better than the average ranking for the region (111), but worse than that of the comparator countries (Bulgaria 62, Romania 78, Russia 75). An examination of index components reveals clear weaknesses and strengths. Starting a business in the Kyrgyz Republic requires relatively few procedures and relatively little time, and the cost of starting a business (10.4 percent of GNI per

[26] Corruption Perception Index values range from 1 (most perceived) to 10 (least perceived).

[27] IMF, "Kyrgyz Republic: Poverty Reduction Strategy Paper Progress Report," Country Report No. 04/200, July 2004.

[28] IMF, "Kyrgyz Republic: First Review under the Three-Year Arrangement under the Poverty Reduction Growth Facility," Country Report No. 05/402, November 2005.

capita) is below the average for LI-FSR (17.0 percent).[29] The cost declined from 11.6 percent just the year before, so the country is beginning to close the gap with the rate in Bulgaria (9.6 percent), and heading toward the cost seen in Romania and Russia, at 5.3 and 5.0 percent, respectively. But enforcing a contract takes 492 days and 46 procedures, which is well above all benchmarks.

The Kyrgyz Republic's score of -0.1 on the Regulatory Quality Index is identical to Romania's and better than the LI-FSR average of -0.8 and Russia's of -0.5.[30] The absolute maximum of 2.5 and Bulgaria's score of 0.6 leave plenty of room for improvement. Similarly, its score on the Rule of Law Index[31] is on par with the LI-FSR score (-1.0 versus -1.1), but needs to rise at least to the levels observed in the three comparator countries (0.1 in Bulgaria, -0.2 in Romania, and -0.7 in Russia).[32]

The EBRD Transitions Indicators identified the Kyrgyz Republic as the most progressive structural reformer of CIS countries in 2004.[33] But the country must continue to improve its business environment, especially to overcome the disadvantage of distance from key markets and of trade restrictions imposed by neighboring countries. Programs that reduce corruption, enhance the regulatory regime, and improve fairness and consistency in enforcing legal rights are top priorities.

FINANCIAL SECTOR

A sound and efficient financial sector mobilizes savings, fosters productive investment, and improves risk management. Although still weak, the Kyrgyz financial sector has experienced notable and substantial improvements in recent years.

Rapid monetization of the Kyrgyz economy indicates rising confidence in the banking sector; money supply as a share of GDP rose from 11.3 percent in 2000 to 20.1 percent in 2004 (see Figure 3-4). Currently, monetization is on par with Romania's rate (22.1 percent) and higher than the average for LI-FSR (15.4 percent).[34] Monetization is expected to continue, although at a slower pace,[35] perhaps reaching the levels of Russia (25.7 percent) and eventually Bulgaria (44.6 percent).

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[29] This is a Millennium Challenge Account indicator.

[30] Regulatory Quality Index values range from -2.5 (poor performance) to 2.5 (excellent performance).

[31] This is a Millennium Challenge Account indicator.

[32] Rule of Law Index values range from -2.5 (poor performance) to 2.5 (excellent performance).

[33] Although the EBRD Transition Index is not a standard indicator for this series of reports, transitional process is an important determinant for growth of any post-Soviet economy.

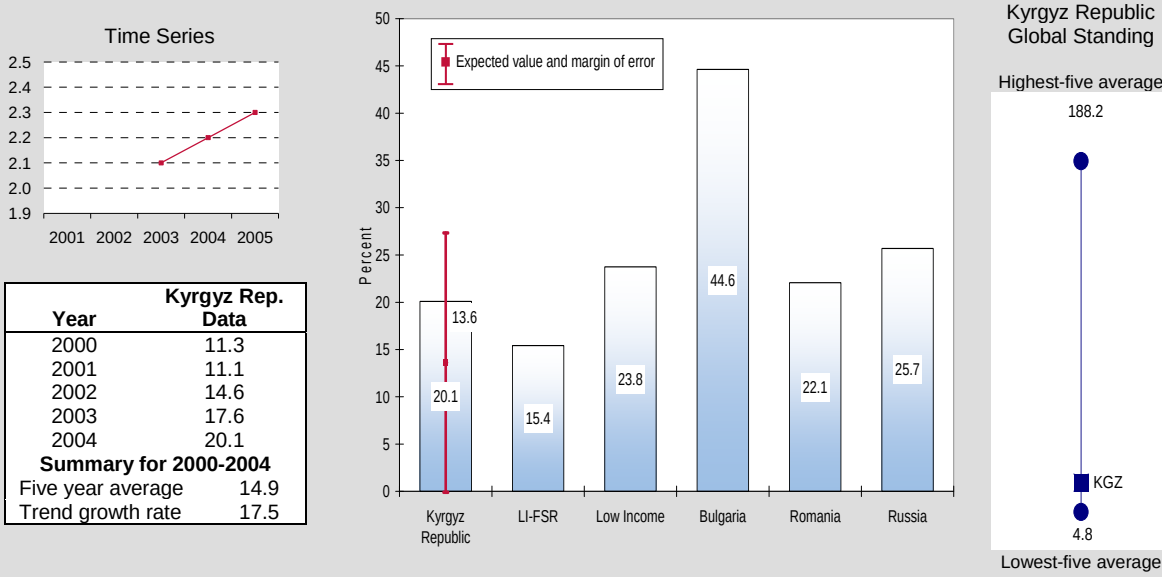
[34] Money supply ratio to GDP is not compared here to the regression benchmark because of high standard errors that render comparisons statistically invalid.

[35] IMF, "Kyrgyz Republic: 2004 Article IV Consultation and Request to Extend the PRGF Arrangement," Country Report No. 05/47, February 2005.

Increasing credit to the private sector is another recent accomplishment (see Figure 3-5). Domestic credit to the private sector rose from 4.2 percent of GDP in 2000 to 6.9 percent of GDP in 2004. Despite the recent rise, credit is still substantially lower than the LI-FSR average (14.0

Figure 3-4. Money Supply (M2) Perception of GDP

Steady and rapid remonetization is a major macroeconomic achievement and signals confidence.

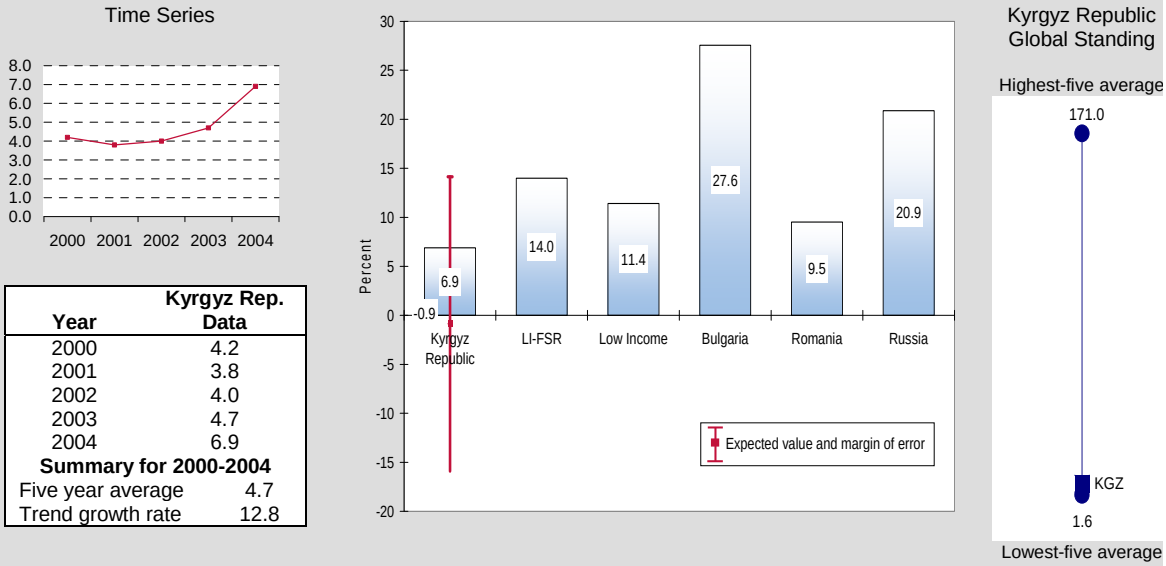


Year	Kyrgyz Rep. Data
2000	11.3
2001	11.1
2002	14.6
2003	17.6
2004	20.1
Summary for 2000-2004	
Five year average	14.9
Trend growth rate	17.5

SOURCE: Kyrgyz data from the IMF Sixth Review under the Three-Year Arrangement under the PRGF; benchmarking data from the World Development Indicators 2005. CAS Code: 23p3

Figure 3-5. Domestic Credit to Private Sector as Percent of

Credit to the private sector has been rising recently, but remains well below all benchmarks.



Year	Kyrgyz Rep. Data
2000	4.2
2001	3.8
2002	4.0
2003	4.7
2004	6.9
Summary for 2000-2004	
Five year average	4.7
Trend growth rate	12.8

Source: Kyrgyz data from IMF Sixth Review under the Three-Year Arrangement under the PRGF; benchmarking data from World Development Indicators 2005. CAS Code: 23p1

percent) and very far from the rates for all three comparator countries (Bulgaria 27.6 percent, Romania 9.5percent, and Russia 20.9 percent).[36] On a positive note, the IMF projects credit to rise to 11.5 percent in 2007.[37] In light of this growth, authorities may need to attend to the quality of bank supervision and regulatory framework for the financial system as a whole to guard against banks expanding loan portfolios without adequate monitoring of risk.

Rising credit has been accompanied by greater efficiency, but substantial additional improvement is still needed. For example, the interest rate spread, a measure of banking sector efficiency, declined but is still high. Falling from 25.3 percent in 1999, it stood at 14.2 percent in 2003, above the regression benchmark for a country with the Kyrgyz Republic's characteristics (11.5 percent), the LI-FSR average (6.9 percent), Bulgaria's spread (5.9 percent), and Russia's spread (8.5 percent).[38] Similarly, the real interest rate declined to 14.8 percent in 2003, but remained high in comparison to the LI-FSR average of 6.1 percent.

A score of 8.0 on the Legal Rights of Borrowers and Lenders Index reflects positively on the Kyrgyz Republic's financial sector.[39] The score is well above the LI-FSR average and Bulgaria's score of 6.0, and even higher than Romania's (4.0) and Russia's (3.0).

Despite these respectable improvements, the Kyrgyz financial sector still has a way to go to be considered adequate, especially given low levels of investment. Furthermore, the March revolution has weakened business expectations and forced investors to take a wait-and-see approach.[40] Close attention to financial market regulation is warranted because of rapid credit growth and dedollarization. Donor programs to assist in bank supervision and to improve efficiency are likely to be helpful.

EXTERNAL SECTOR

Fundamental changes in international commerce and finance, including reduced transport costs, advances in telecommunications technology, and lower policy barriers, have fueled a rapid increase in global integration over the past 25 years. The international flow of goods and services, capital, technology, ideas, and people offers great opportunities for Kyrgyz Republic to boost growth and reduce poverty by stimulating productivity and efficiency, providing access to new markets and ideas, and expanding the range of consumer choice. Globalization also creates new challenges in the need for institutions, policies, and regulations to take full advantage of international markets; develop cost-effective approaches to cope with adjustment costs; and establish systems for monitoring and mitigating the associated risks.

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[36] Domestic credit to the private sector is not compared here to the regression benchmark due to high standard errors, making any comparison statistically invalid.

[37] IMF, "Kyrgyz Republic: Sixth Review."

[38] The interest rate spread for Romania is not readily available.

[39] The Legal Rights of Borrowers and Lenders Index ranges from 0 (poor performance) to 10 (excellent performance).

[40] IMF, "Kyrgyz Republic: First Review under the Three-Year Arrangement under the Poverty Reduction and Growth Facility," Country Report No. 05/402, November 2005.

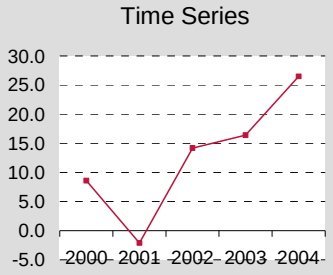
As the following analysis shows, Kyrgyz external sector developments are mixed. Exports posted strong growth, but were too concentrated in a few commodities, primarily gold. The depletion of gold deposits and decline in gold export revenues may threaten the country's financial stability and impede economic growth. The Kyrgyz Republic is not an attractive destination for foreign investment. Therefore, the country relies heavily on foreign aid and has relied on external borrowing. Debt relief and fiscal reforms have improved the external debt situation but more needs to be done.

International Trade and the Current Account

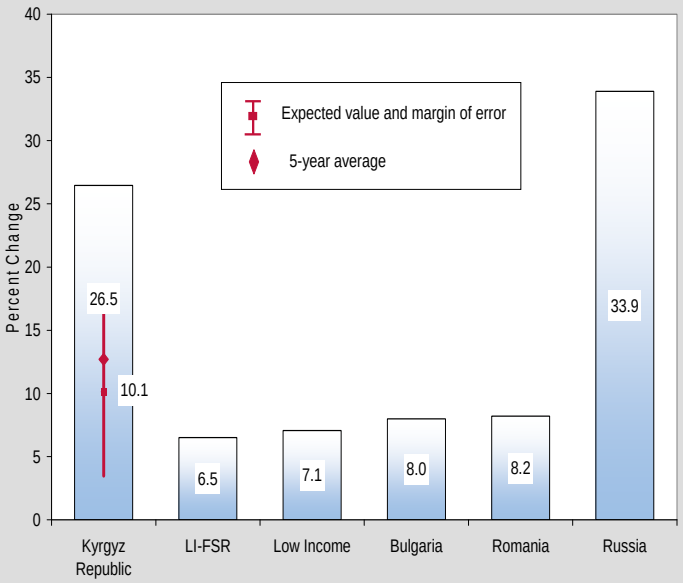
Kyrgyz foreign trade expanded at a robust pace in 2000–2004. In 2004, exports of goods and services were 78.6 percent higher than in 1999. Exports of precious metals (mostly gold) and stones accounted for 40.5 percent of merchandise exports; exports also grew in other categories, such as food, textiles, and textile products[41] (Figure 3-6). Export growth was especially strong in 2004 (26.4 percent), exceeding the range predicted by the benchmark regression as well as the latest available figures for the LI-FSR region (6.5 percent), Bulgaria (8.0 percent), and Romania (8.2 percent). It lagged behind Russia's export growth (33.9 percent), which was boosted by high world oil prices.

Figure 3-6. Growth in Exports of Goods and Services (percent)

Export growth has been strong, rebounding from a 2001 contraction.



Year	Kyrgyz Rep. Data
2000	8.6
2001	-2.1
2002	14.2
2003	16.4
2004	26.5
Summary for 2000 – 2004	
Five Year Average	12.7
Trend Growth Rate	N/A



SOURCE: Kyrgyz data from the National Bank of the Kyrgyz Republic; Russian data from the Central Bank of the Russian Federation; other benchmarking data from World Development Indicators 2005.

CAS Code: 24p4

[41] The National Statistical Committee of the Kyrgyz Republic.

Kyrgyz exports are highly concentrated—the top three export commodities account for 60.5 percent of exports, much more than in Bulgaria (17.4 percent) and Romania (24.0 percent), and even more than in Russia (54.3 percent), which also depends heavily on two commodities.

In 2004, Kyrgyz foreign trade volume (exports plus imports) accounted for 94.0 percent of GDP, up from a low of 74.5 percent in 2001.[42] This high ratio, which is a function of the small size of the economy and large gold exports, is slightly less than the regression benchmark for a country with the Kyrgyz Republic's characteristics (96.1 percent). It is higher than trade-to-GDP ratios in Romania (71.6 percent) and Russia (52.6 percent), but lower than, on average, in the LI-FSR group (109.8 percent) and in Bulgaria (116.2 percent), the smallest of the three comparator countries.

Export diversification, which is clearly necessary, will require investment and a better foreign trade environment. In 2000–2004, the Kyrgyz Republic scored 4.0 on the Trade Policy Index.[43] Although the same as Bulgaria's and Romania's, the score was not as good as Russia's (3.0) or the LI-FSR group's (3.5).

Despite rising exports, the country's foreign trade balance was in deficit over the 2000–2004 period because foreign aid and strong domestic demand stimulated imports. In 2004 the deficit was 8.8 percent of GDP, up from 6.1 percent in 2000. Nevertheless, because of a 140 percent increase in current transfers, the current account deficit shrank from 5.7 percent of GDP to 3.4 percent from 2000 to 2004 (Figure 3-7), below the range predicted by the benchmark regression and less than the deficits in Bulgaria (8.4 percent) and Romania (5.8 percent). At the same time, it exceeded the average deficit in the LI-FSR countries (2.0 percent of GDP). Russia ran an 8.3 percent current account surplus in 2003.

International Financing and External Debt

The Kyrgyz Republic still relies heavily on foreign aid. Although the share of aid in GNI shrank from 24.1 percent in 1999 to 10.7 percent in 2003, it exceeded the average aid-to-GNI ratio in LI-FSR countries (7.5 percent) (Figure 3-8). The ratio is also several times higher than those for Bulgaria (2.1 percent), Romania (1.1 percent), and Russia (0.3 percent).

Current private transfers are another significant source of foreign financing and are becoming increasingly important. According to balance of payments statistics provided by the IMF,[44] net current private transfers increased from $20.4 million in 2000 to $94.6 million in 2003, or from 4.0 percent of merchandise exports to 16.0 percent. It is likely, however, that the actual amount of private transfers was much more substantial than what the balance of payments shows, as has been the case in several other former Soviet countries.

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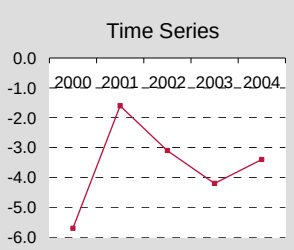
[42] The National Bank of the Kyrgyz Republic.

[43] The Trade Policy Index ranges from 1 (for excellent) to 5 (for poor). The index is a Millennium Challenge Account indicator.

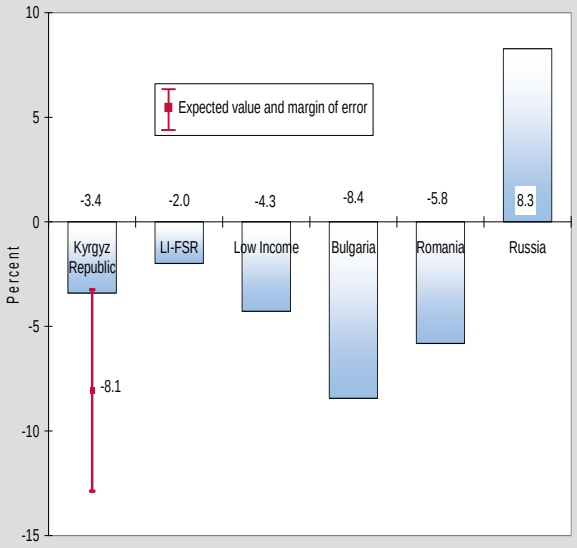
[44] IMF, "Kyrgyz Republic: Statistical Appendix," Country Report No. 05/31, February 2005.

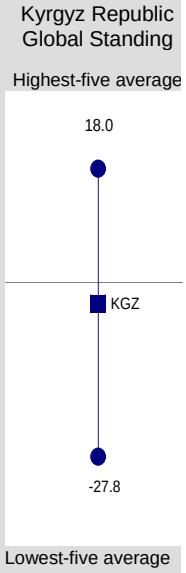
Figure 3-7. Current Account Balance as a Percent of GDP

The current account deficit has been reduced and needs to decline further given high external debt.



Year	Kyrgyz Rep. Data
2000	-5.7
2001	-1.6
2002	-3.1
2003	-4.2
2004	-3.4
Summary for 2000 – 2004	
Four Year Average	-3.6
Trend Growth Rate	0.4



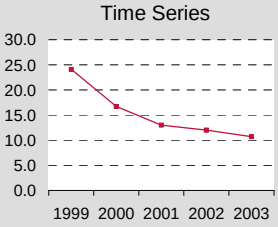


Source: Kyrgyz data from the National Bank of the Kyrgyz Republic; benchmarking data from World Development Indicators 2005.

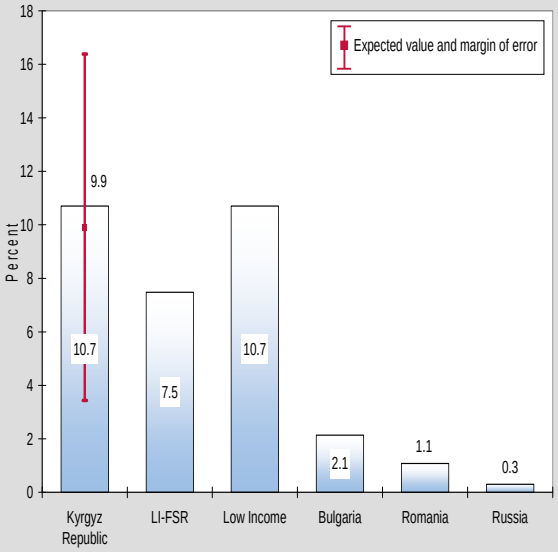
CAS Code: 24p2

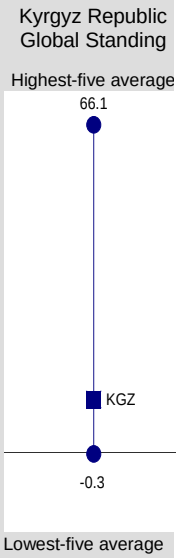
Figure 3-8. Foreign Aid as a Percent of GNI

The foreign aid to GDP ratio has declined but remains above regional averages.



Year	Kyrgyz Rep. Data
1999	24.1
2000	16.7
2001	13.0
2002	12.0
2003	10.7
Summary for 1999 – 2003	
Four Year Average	15.3
Trend Growth Rate	-17.8





Source: World Development Indicators 2005.

CAS Code: 24p1

The foreign aid to GDP ratio has declined but remains above regional averages.

Kyrgyz economic development has also been financed through foreign borrowing. The present value of debt declined from 104.6 percent of GNI in 2000 to a still extremely high 97.9 percent in 2003. This was above the range predicted by the benchmark regression, the average present value of debt in the LI-FSR group (86.1 percent), and the debt present value-to-GNI ratios in Bulgaria (85.5 percent), Romania (46.0 percent), and Russia (52.1 percent). Not surprisingly, the average annual debt service ratio—23.6 percent of exports in 1999-2003—also substantially exceeded the benchmark indicators. On a positive note, in March 2005 the Paris Club of creditor nations granted the Kyrgyz Republic relief equivalent to a 35 percent reduction of the net present value of bilateral official debt.[45] This relief has substantially reduced the country's debt-to-exports ratio.

Foreign direct investment (FDI) in the Kyrgyz Republic in 2000–2004 averaged a mere 1.6 percent of GDP per year. This is in accord with the country's low score (0.12) on the 2002 Inward FDI Potential Index, which measures the attractiveness of an economy to foreign investors.[46] At the same time, this area is experiencing a positive trend: by 2004, FDI rose to 5.9 percent of GDP,[47] exceeding the range predicted by the regression benchmark, the LI-FSR average (2.2 percent), and even the Romanian and Russian FDI-to-GDP ratios (3.2 percent and 1.9 percent, respectively) (Figure 3-9). Nevertheless, it was still less than in Bulgaria (7.2 percent).

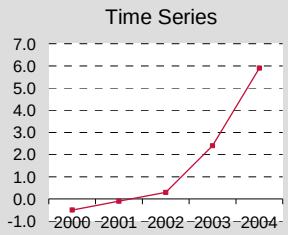
[45] IMF, "Kyrgyz Republic: Letter of Intent, Memorandum of Economic and Financial Policies and Technical Memorandum of Understanding," October 7, 2005.

[46] The Inward FDI Potential Index ranges from 0 (very poor performance) to 1 (excellent performance).

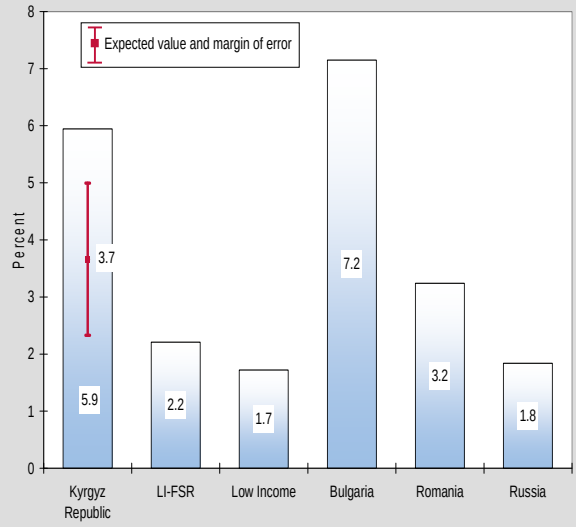
[47] Largely, however, this increase can be attributed to investment in gold production.

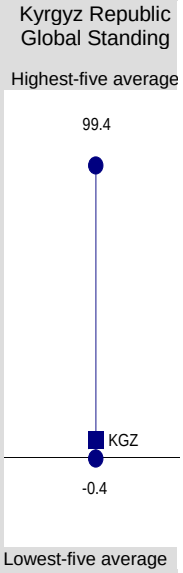
Figure 3-9. Foreign Direct Investment as a Percent of GDP

Foreign investment has soared, but is largely attributed to investment in gold production.



Year	Kyrgyz Rep. Data
2000	-0.5
2001	-0.1
2002	0.3
2003	2.4
2004	5.9
Summary for 2000 – 2004	
Four Year Average	1.6
Trend Growth Rate	N/A





Source: Kyrgyz data from the National Bank of the Kyrgyz Republic; benchmarking data from World Development Indicators 2005.
CAS Code: 24p5

The Kyrgyz central bank's foreign exchange reserves rose from 4.2 months of imports in 2000 to 6.0 months in 2004, a level normally considered sufficient to protect the stability of a country's currency. This level well exceeded the range predicted by the benchmark regression, average reserves in LI-FSR group (2.0 months), as well as reserves in Romania (4.3 months). Kyrgyz reserves, however, fell short of reserves in Bulgaria (6.2 months) and Russia (7.4 months).

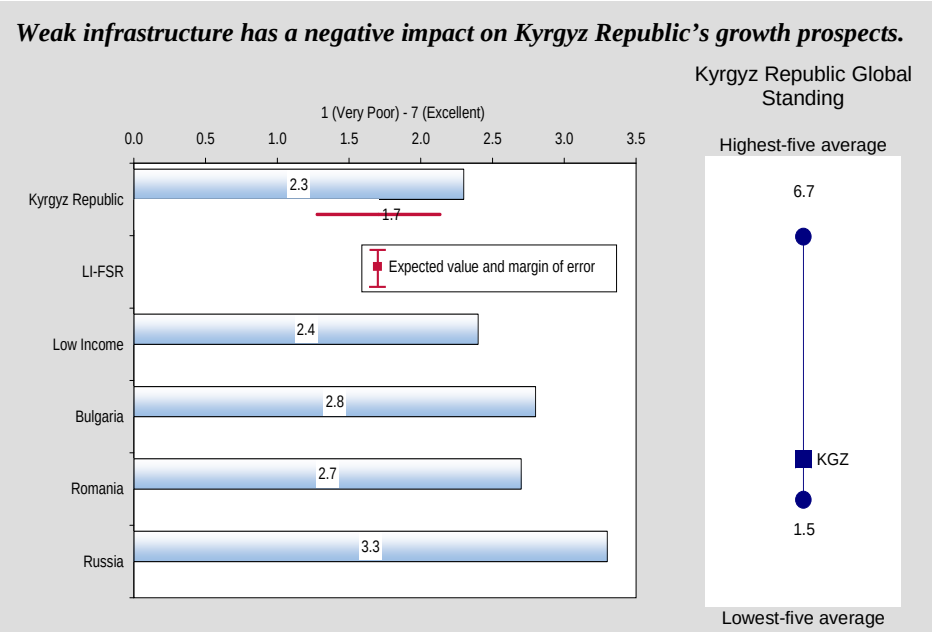
The Kyrgyz Republic needs to diversify the commodity structure of exports, especially given the rapid depletion of the Kumtor gold field. It also needs to build on the debt relief granted by the Paris Club and further improve its external financial position. Making the country more attractive to foreign investors by stabilizing the political situation and improving the business environment will do much to improve the external financial position.

ECONOMIC INFRASTRUCTURE

Physical infrastructure for transportation, communications, power, and information technology is the basis for strengthening competitiveness and expanding productive capacity. The level of infrastructure development in the Kyrgyz Republic is quite low by absolute standards. Its score on the Infrastructure Quality Index for 2005 was 2.3, above that predicted by the benchmark regression, but marginally less than the LI average of 2.4 (Figure 3-10). [48] Bulgaria scored 2.8, Romania 2.7, and Russia 3.3. Judging by the index components, port and railroad development are especially poor.

[48] The Infrastructure Quality Index ranges from 1 (poor) to 7 (excellent).

Figure 3-10. Overall Infrastructure Quality Index



Note: LI-FSR average is not calculated because data are lacking.

SOURCE: Global Competitiveness Report 2005/2006. CAS Code: 25p2

According to selected indicators, the Kyrgyz Republic has made significant progress in developing its communications sector and is doing better than the LI-FSR region. In 2003, telephone density, measured as the number of fixed line and mobile subscribers per 1,000 inhabitants, was 102.7 in the former versus 91.1 in the latter. At the same time, the costs of an average local call were relatively high and Kyrgyz telephone density was well below that of Romania (523.6 subscribers), Russia (362.3), and Bulgaria (846.9). A similar situation is found with the number of Internet users per 1,000 people.

The Kyrgyz Republic may benefit from international donor support in upgrading and extending transportation routes, especially railroads, and in accelerating the growth of communications.

SCIENCE AND TECHNOLOGY

Science and technology are central elements of a dynamic growth process, because technical knowledge is a driving force of rising productivity and competitiveness. Even for low-income countries like the Kyrgyz Republic, transformational development increasingly depends on acquiring and adapting technology from the global economy, and applying it in ways that are appropriate to their level of development. A lack of capacity to access and utilize technology prevents an economy from leveraging the benefits of globalization.

Unfortunately, reliable international indicators for science and technology are not readily available for the Kyrgyz Republic. The data that are available indicate that science and technology in the country are not developed. The average number of patent applications filed in 1998–2002 (91.6) was low compared to the LI-FSR regional average (181.5), to Bulgaria (306),

and to Romania (1,486). In Russia, 20,049 applications were filed. The Kyrgyz government's spending on R&D was insignificant, averaging 0.18 percent of GDP in 1998–2002. Although on par with the LI-FSR regional average of 0.2 percent of GDP, this share was less than in Bulgaria (0.5 percent), Romania (0.4 percent), and Russia (1.3 percent). Foreign investment is not very helpful in the development of technology in the Kyrgyz Republic either. The Kyrgyz Republic scored 3.5 on the FDI Technology Transfer Index in 2005, below the LI average score of 4.4, and the scores of Bulgaria (4.4), Romania (5.1), and Russia (4.0).[49]

[49] The FDI Technology Transfer Index ranges from 1 (FDI brings little new technology) to 7 (FDI brings a lot of new technology). The LI-FSR average is not computed because of a lack of data.

4. Pro-Poor Growth Environment

Rapid growth is the most powerful and dependable instrument for poverty reduction, yet the link between growth and poverty reduction is not mechanical. In some cases, income growth in poor households exceeds the overall rise in per capita income; in others growth benefits the non-poor far more. A pro-poor growth environment stems from policies and institutions that improve opportunities and capabilities for the poor, while reducing their vulnerabilities. Pro-poor growth is associated with improvements in primary health and education, the creation of jobs and income opportunities, skill development, micro-finance, agricultural development (for countries like Kyrgyz Republic with large populations of rural poor), and gender equity.[50] This section focuses on health, education, employment and the workforce, and agricultural development.

HEALTH

The provision of basic health service is a major form of human capital investment, and a significant determinant of growth and poverty reduction. Although the EGAT bureau does not provide health programs, an understanding of health conditions can influence the design of economic growth programs.

By regional norms, the health of the Kyrgyz population is good but could stand improvement, especially when compared to richer countries such as Bulgaria, Romania, and Russia (see Figure 4-1). Life expectancy, the broadest indicator of health status, was 68.2 years in the Kyrgyz Republic in 2003. Although above the regression benchmark for a country with the Kyrgyz Republic's characteristics (64.7 years) and the average for the LI-FSR region (66.5 years), life expectancy has stagnated in recent years. It is lower than in Bulgaria (72.1 years) and Romania (70.1 years), and higher than in Russia (65.7 years)—not necessarily an exemplar performer. The maternal mortality rate is low by regional standards: 51 deaths per 100,000 births in the Kyrgyz Republic versus 68 on average for LI-FSR and 67 for Russia. As with life expectancy, it is worse than the rates of Romania (49) and Bulgaria (32), indicating the potential for progress.

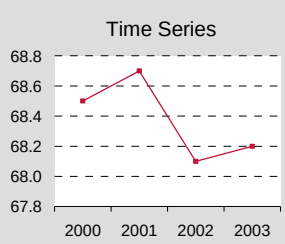
Secondary indicators help explain why health performance is adequate by regional norms, but inferior when compared to countries the Kyrgyz Republic aspires to catch up with. For example, access to improved sanitation (60.0 percent in 2002) is on par with the LI-FSR average (58.5) and

[50] Since this report focuses on economic growth performance, it does not cover emergency relief.

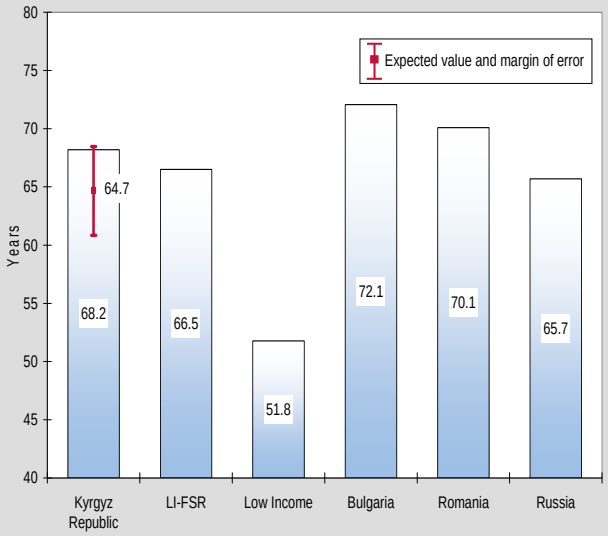
higher than in Romania (51.0 percent), but has ample room to grow to reach the rates of Bulgaria (100.0 percent) and Russia (87.0) percent. Access to improved water sources is low even by regional norms (76.0 percent versus 82.5 percent on average for LI-FSR), and lower in comparison to Bulgaria (100.0 percent) and Russia (98.0 percent), albeit higher than the rate of Romania (57.0 percent). At 2.1 percent of GDP, the government's spending on health is too low to have a substantial positive impact, and is below the LI-FSR regional average of 2.4 percent and well below rates in Bulgaria (4.5), Romania (4.2), and Russia (3.5).

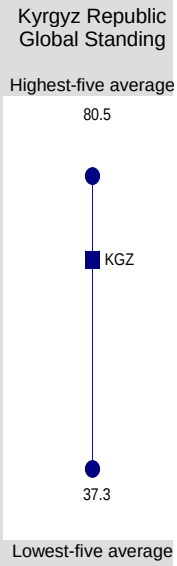
Figure 4-1. Life Expectancy

Although comparable to levels of other countries in the region, life expectancy remains low.



Year	Kyrgyz Rep. Data
2000	68.5
2001	68.7
2002	68.1
2003	68.2
Summary for 2000-2003	
Four year average	68.4
Trend growth rate	12.8





SOURCE: Kyrgyz data from Kyrgyz National Statistical Committee, benchmarking data from World Development Indicators 2005.

CAS Code: 31p2

The HIV/AIDS rate is only 0.1 percent, but warrants attention. According to the World Bank, the rates of growth in the number of HIV infections across Central Asia are among the highest in the world; without concerted action, an epidemic is likely, as has been observed in Russia, Ukraine, and Moldova. In addition to the human costs, the economic costs of an epidemic could be significant. The spread of HIV/AIDS, absent intervention, could reduce the Kyrgyz Republic's GDP by 1.4–2.4 percent by 2010 and 2.3–8.4 percent by 2020.[51] Recognizing the danger, the government is open to reform and is the leader in Central Asia in taking early action.[52]

[51] Godinho, Joana, *et al.*, "Reversing the Tide: Priorities for HIV/AIDS Prevention in Central Asia," World Bank study ECSHD/ECCU8, March 2005.

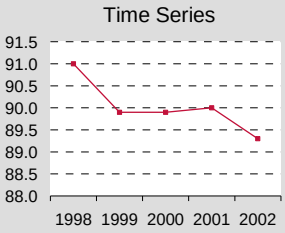
[52] Ibid.

EDUCATION

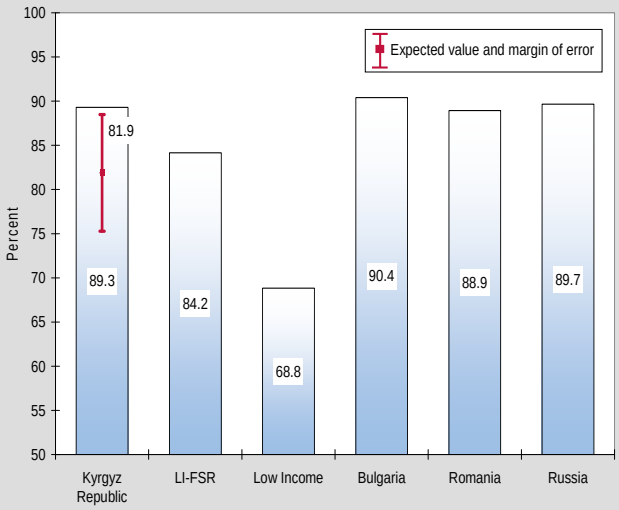
Kyrgyz education indicators are generally steady and encouraging. The Kyrgyz net primary enrollment rate was 89.3 percent in 2002 (Figure 4-2). Although slightly lower than in previous years, the level is above the regression benchmark for a country with the Kyrgyz Republic's characteristics (81.9 percent) and the LI-FSR average (84.2 percent). In fact, the rate is closer to those in countries with higher incomes: Bulgaria, 90.4; Romania, 88.9; and Russia, 89.7.

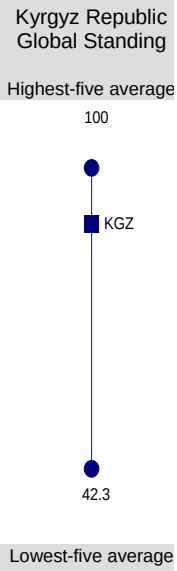
Figure 4-2. Net Primary Enrollment Rate

The Kyrgyz net primary enrollment rate is close to those of richer countries in the region.



Year	Kyrgyz Rep. Data
1998	91.0
1999	89.9
2000	89.9
2001	90.0
2002	89.3
Summary for 1998- 2002	
Five year average	90.0
Trend growth rate	-0.4





SOURCE: UNESCO Institute for Statistics.

CAS Code: 32p1a

The Kyrgyz government seems to be committed to improving education. At 3.8 percent of GDP in FY2005, government expenditure on primary education is well above averages in the LI-FSR region (2.8 percent) and in LI countries overall (1.8 percent).[53] The pupil-to-teacher ratio in primary schools, a proxy indicator for the quality of education, is also high: 24.5 pupils per teacher in 2002. Although close to the average ratio in the LI-FSR region (22.3), the ratio is higher than that of all three comparator countries: 16.8 in Bulgaria, 17.4 in Romania, and 16.9 in Russia.

EMPLOYMENT AND WORKFORCE

Productive employment provides livelihoods and reinforces social cohesion. The moderate economic expansion in the Kyrgyz Republic was accompanied by rises in the number of unemployed[54] and the unemployment rate, as job creation was not sufficient to accommodate the

[53] Expenditure on primary education is a Millennium Challenge Account indicator.

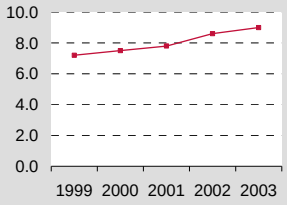
[54] IMF, "Kyrgyz Republic: Statistical Appendix," Country Report No. 05/31, February 2005.

growth of the economically active population. The unemployment rate increased from 7.2 percent in 1999 to 9.0 percent in 2003, exceeding the unemployment rate in the LI-FSR countries, Romania, and Russia (Figure 4-3). It was still less than one half of Bulgaria's unemployment rate. Programs supporting economic growth in labor-intensive sectors, especially in the face of declining gold production, will be an important remedy to the Kyrgyz Republic's unemployment woes.

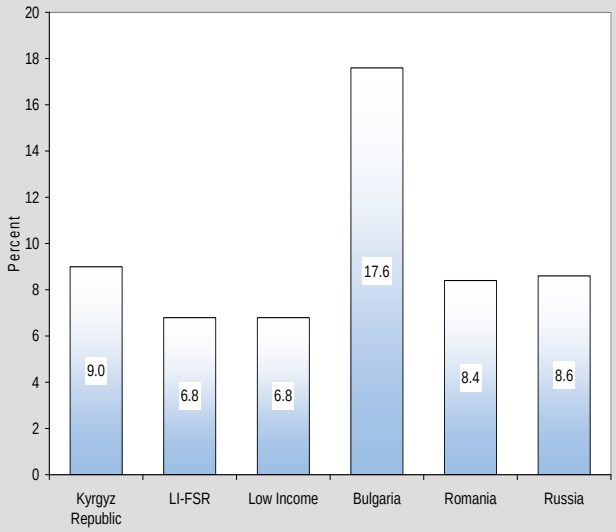
Figure 4-3. Unemployment Rate

The unemployment rate is approaching 10 percent, making job creation a priority.

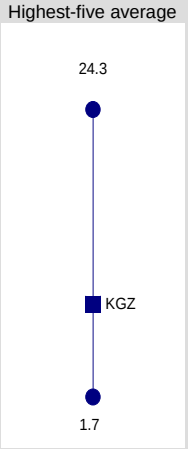
Time Series



Year	Kyrgyz Rep. Data
1999	7.2
2000	7.5
2001	7.8
2002	8.6
2003	9.0
Summary for 1999-2003	
Five year average	8.0
Trend growth rate	6.0



Kyrgyz Republic Global Standing



SOURCE: Kyrgyz data from the IMF Statistical Appendix to the Article IV Consultation; benchmarking data from World Development Indicators 2005.

CAS Code: 33p4

The Kyrgyz labor force participation rate was stable at 73.5 percent from 2000 through 2003, marginally less than the average in the LI-FSR region (73.9 percent) and in Bulgaria (73.6 percent). It was also lower than in Russia (77.5 percent), but noticeably higher than in Romania (67.9 percent). This rate is sufficient to sustain economic activity, and it appears that the practice of early retirement common in many transition countries may not be widespread in the Kyrgyz Republic.[55]

The Kyrgyz Republic scores 38 on the Rigidity of Employment Index, which gauges the liquidity of the labor market by determining the ease of hiring and firing workers. This score is significantly better than the scores for the LI-FSR group (54), Bulgaria (44), and Romania (59).[56]

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[55] IMF data ("Kyrgyz Republic: Statistical Appendix," Country Report No. 05/31, February 2005) show a steady decline in the labor force participation rate from 72.7 percent in 1999 to 68.7 percent in 2003, a worrisome trend and different from the picture presented by the WDI data, which we normally use in Economic Performance Assessment reports.

[56] The Rigidity of Employment Index ranges from 0 (minimum rigidity) to 100 (high rigidity).

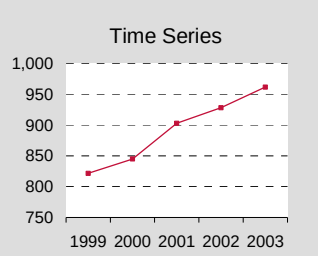
It is also marginally better than the range predicted by the regression. Russia's labor market is more liquid, scoring 30 on the index.

AGRICULTURE

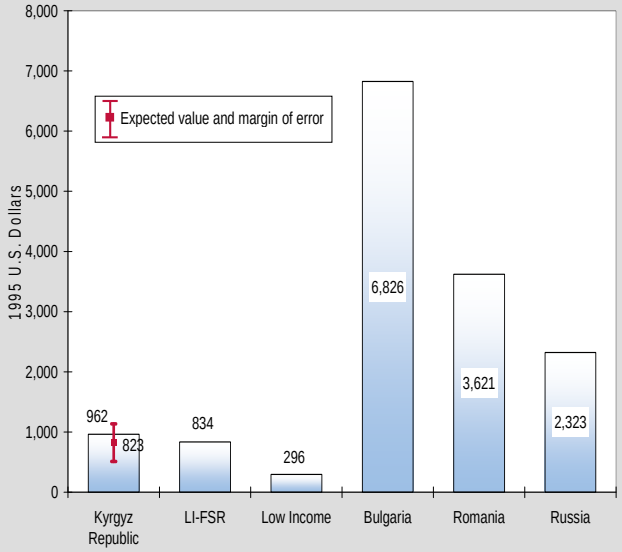
The agriculture sector is less productive than the rest of the Kyrgyz economy, but judging by value added per worker, it seems to be in a better shape than agriculture in the LI-FSR region overall. In 2003, a Kyrgyz agricultural worker generated about $962 in value-added (constant 1995 prices), while the LI-FSR average was $834. But the country lagged far behind Bulgaria ($6,826), Romania ($3,621), and Russia ($2,323) (Figure 4-4). At the same time, despite an improvement in 2000–2003, Kyrgyz cereal yield remained less than in the LI-FSR countries, on average, and in Bulgaria and Romania. It was higher than in Russia (see Figure 4-5).

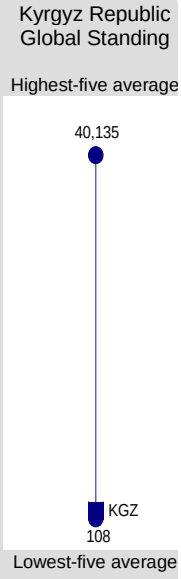
Figure 4-4. Agriculture Value Added per Worker in Constant 1995 U.S. Dollars

Agricultural value added is on par with the region, but below that for richer comparator countries.



Year	Kyrgyz Rep. Data
1999	822
2000	845
2001	903
2002	928
2003	962
Summary for 1999-2003	
Five year average	892
Trend growth rate	4.2





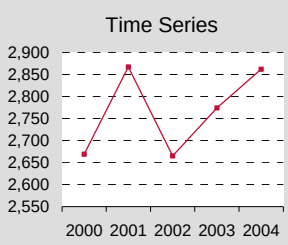
SOURCE: World Development Indicators 2005.

CAS Code: 34p1

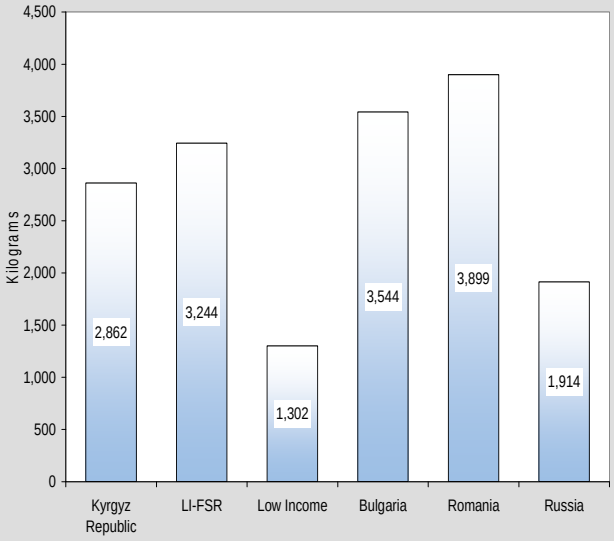
The World Development Indicators' crop and livestock production indices for the Kyrgyz Republic show declines in 2004 (figures are in the Data Supplement). These figures do not appear realistic because agricultural production, according to the National Statistical Committee of the Kyrgyz Republic, increased by 4.1 percent in 2004. Agricultural production fell by 4.1 percent year-over-year in the first three months of this year, apparently because of the political instability that has harmed many other sectors.

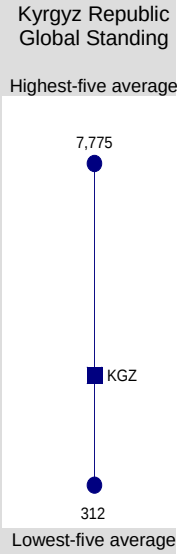
Figure 4-5. Cereal Yield in Kilograms per Hectare

Cereal yield has been unstable and below that for the LI-FSR region, Bulgaria, and Romania.



Year	Kyrgyz Rep. Data
2000	2,669
2001	2,867
2002	2,665
2003	2,774
2004	2,862
Summary for 2000-2004	
Five year average	2,757
Trend growth rate	1.1





SOURCE: World Development Indicators 2005.

CAS Code: 34p2

The Kyrgyz Republic may benefit from policies aimed at shifting agricultural workers to more productive sectors, supporting nonfarm employment, and moving production and employment to more productive agricultural subsectors.

Appendix

CRITERIA FOR SELECTING INDICATORS

The economic performance evaluation balances the need for broad coverage and diagnostic value, on the one hand, and the requirement of brevity and clarity, on the other. The analysis covers 15 EG-related topics, and just over 100 variables. For the sake of brevity, the text highlights issues for which the "dashboard lights" appear to be signaling problems and which suggest priorities for USAID intervention. The table at the end of this appendix lists all indicators examined for this report. The separate Data Supplement contains the complete data set for Kyrgyz Republic, including data for benchmark comparisons, and technical notes for every indicator.

For each topic, we begin the analysis by screening *primary performance indicators*. These "level I" indicators are selected to answer the question: Is the country performing well or not in this area? The set of primary indicators also includes descriptive variables such as per capita income, the poverty head count, and the age dependency rate.

Where level I indicators suggest weak performance, we then review a limited set of *diagnostic supporting indicators*. These "level II" indicators provide additional details, or shed light on *why* the primary indicators may be weak. For example, if economic growth is poor, one can examine data on investment and productivity as diagnostic indicators. If a country performs poorly on educational achievement, as measured by the youth literacy rate, one can examine determinants such as expenditure on primary education and the pupil-teacher ratio.[1]

The indicators have been selected on the basis of the following criteria. Each one must be accessible through USAID's Economic and Social Database or convenient public sources, particularly on the Internet. They should be available for a large number of countries, including most USAID client states, to support the benchmarking analysis. The data should be sufficiently timely to support an assessment of country performance that is suitable for strategic planning purposes. Data quality is another consideration. For example, we use subjective survey responses only when actual measurements are not available. Aside from a few descriptive variables, the indicators must also be useful for diagnostic purposes. Preference is given to measures that are widely used, such as Millennium Development Goal indicators, or evaluation data used by the Millennium Challenge Corporation. Finally, we have attempted to minimize redundancy. If two indicators provide similar information, preference is given to the one that is simplest to

[1] Deeper analysis of the topic using more detailed data (level III) is beyond the scope of papers in this series.

understand or is most widely used. For example, both the Gini coefficient and the share of income accruing to the poorest 20 percent of households can be used to gauge income inequality. We use the income share because it is simpler and more sensitive to changes.

BENCHMARKING METHODOLOGY

Comparative benchmarking is the main tool for evaluating each indicator. The analysis draws on several criteria, rather than a single mechanical rule. The starting point is a comparison of performance in the Kyrgyz Republic relative to the average for countries in the same income group and region—in this case, former Soviet republics with low income.[2] For added perspective, three other comparisons are examined: (1) the global average for this income group; (2) respective values for three comparator countries selected by the Kyrgyz Republic mission (in this case Bulgaria, Romania, and Russia); and (3) the average for the five best and five worst performing countries globally. Most comparisons are framed in terms of values for the latest year of data from available sources. Five-year trends are also taken into account where this information sheds light on the performance assessment.[3]

For selected variables, a second source of benchmark values uses statistical regression analysis to establish an expected value for the indicator, controlling for income and regional effects.[4] This approach has three advantages. First, the benchmark is customized to the Kyrgyz Republic's specific level of income. Second, the comparison does not depend on the exact choice of reference group. Third, the methodology allows one to quantify the margin of error and establish a "normal band" for a country with the Kyrgyz Republic's characteristics. An observed value falling outside this band on the side of poor performance signals a serious problem.[5]

Finally, where relevant, the Kyrgyz Republic's performance is weighed against absolute standards. For example, if the Corruption Perception Index for a given country is below 3.0, this is a sign of serious economic governance problems, regardless of the regional comparisons or regression result.

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[2] Income groups as defined by the World Bank for 2005. For this study, the average is defined in terms of the mean; future studies will use the median instead because the values are not distorted by outliers.

[3] The five-year trends are computed by fitting a log-linear regression line through the data points. The alternative of computing average growth from the end points produces aberrant results when one or both of those points diverges from the underlying trend.

[4] This is a cross-sectional OLS regression using data for all developing countries. For any indicator, Y, the regression equation takes the form: Y (or ln Y, as relevant) = a + b * ln PCI + c * Region + error – where PCI is per capita income in PPP$, and Region is a set of 0-1 dummy variables indicating the region in which each country is located. Once estimates are obtained for the parameters a, b and c, the predicted value for Kyrgyz Republic is computed by plugging in Kyrgyz Republic-specific values for PCI and Region. Where applicable, the regression also controls for population size and petroleum exports (as a percentage of GDP).

[5] This report uses a margin of error of 0.66 times the standard error of estimate (adjusted for heteroskedasticity, where appropriate). With this value, 25% of the observations should fall outside the normal range on the side of poor performance (and 25% on the side of good performance). Some regressions produce a very large standard error, giving a "normal band" that is too wide to provide a discerning test of good or bad performance.

LIST OF INDICATORS

	Level	MDG/MCA/EcGov[a]	CAS Indicator Code
OVERVIEW OF THE ECONOMY			
Growth Performance			
Per capita GDP, $PPP	I		11P1
Per capita GDP, current US$	I		11P2
Real GDP growth	I		11P3
Growth of labor productivity	II		11S1
Investment Productivity - Incremental Capital-Output Ratio (ICOR)	II		11S2
Gross fixed investment, % GDP	II		11S3
Gross fixed private investment, % GDP	II		11S4
Poverty and Inequality			
Human poverty index	I		12P1
Income-share, poorest 20%	I		12P2
Population living on less than $1 PPP per day	I	MDG	12P3
Poverty headcount, by national poverty line	I	MDG	12P4
PRSP Status	I	EcGov	12P5
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Govt. revenue, % GDP	I	EcGov	21P2
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Composition of govt. revenue	II		21S2
Composition of money supply growth	II		21S3

	Level	MDG/MCA/EcGov[a]	CAS Indicator Code
Business Environment			
Corruption perception index	I	EcGov	22P1
Doing business composite index	I	EcGov	22P2
Rule of law index	I	MCA / EcGov	22P3
Cost of starting a business, % GNI per capita	II	MCA / EcGov	22S1
Procedures to enforce contract	II	EcGov	22S2
Procedures to register property	II	EcGov	22S3
Procedures to start a business	II	EcGov	22S4
Time to enforce a contract	II	EcGov	22S5
Time to register property	II	EcGov	22S6
Time to start a business	II	EcGov	22S7
Financial Sector			
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Interest rate spread	I		23P2
Money supply, % GDP	I		23P3
Stock market capitalization rate, % of GDP	I		23P4
Cost to create collateral	II		23S1
Country credit rating	II		23S2
Legal rights of borrowers and lenders index	II		23S3
Real Interest rate	I		23S4
External Sector			
Aid , % GNI	I		24P1
Current account balance, % GDP	I		24P2
Debt service ratio, % exports	I	MDG	24P3
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Foreign direct investment, % GDP	I		24P5
Gross international reserves, months of imports	I	EcGov	24P6
Gross Private capital inflows, % GDP	I		24P7
Present value of debt, % GNI	I		24P8
Remittance receipts, % exports	I		24P9
Trade, % GDP	I		24P10
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Inward FDI Potential Index	II		24S2
Net barter terms of trade	II		24S3
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Structure of merchandise exports	II		24S5
Trade policy index	II	MCA / EcGov	24S6
Economic Infrastructure			
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Overall infrastructure quality	I	EcGov	25P2
Telephone density, fixed line and mobile	I	MDG	25P3
Quality of infrastructure – railroads, ports, air Transport, and electricity	II		25S1
Telephone cost, average local call	II		25S2

	Level	MDG/MCA/EcGov[a]	CAS Indicator Code
Science and Technology			
Expenditure for R&D, % GNI	I		26P1
FDI and technology transfer index	I		26P2
Patent applications filed by residents	I		26P3
PRO-POOR GROWTH ENVIRONMENT			
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Life expectancy at birth	I		31P2
Maternal mortality rate	I	MDG	31P3
Access to improved sanitation	II	MDG	31S1
Access to improved water source	II	MDG	31S2
Births attended by skilled health personnel	II	MDG	31S3
Child immunization rate	II		31S4
Prevalence of child malnutrition (weight for age)	II		31S5
Public health expenditure, % GDP	II	EcGov	31S6
Education			
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Persistence in school to grade 5	I	MDG	32P2
Youth literacy rate	I		32P3
Education expenditure, primary, % GDP	II	MCA/ EcGov	32S1
Expenditure per student, % GDP per capita – primary, secondary, and tertiary	II	EcGov	32S2
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Employment & Workforce			
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Growth in agricultural value-added	I		34P3
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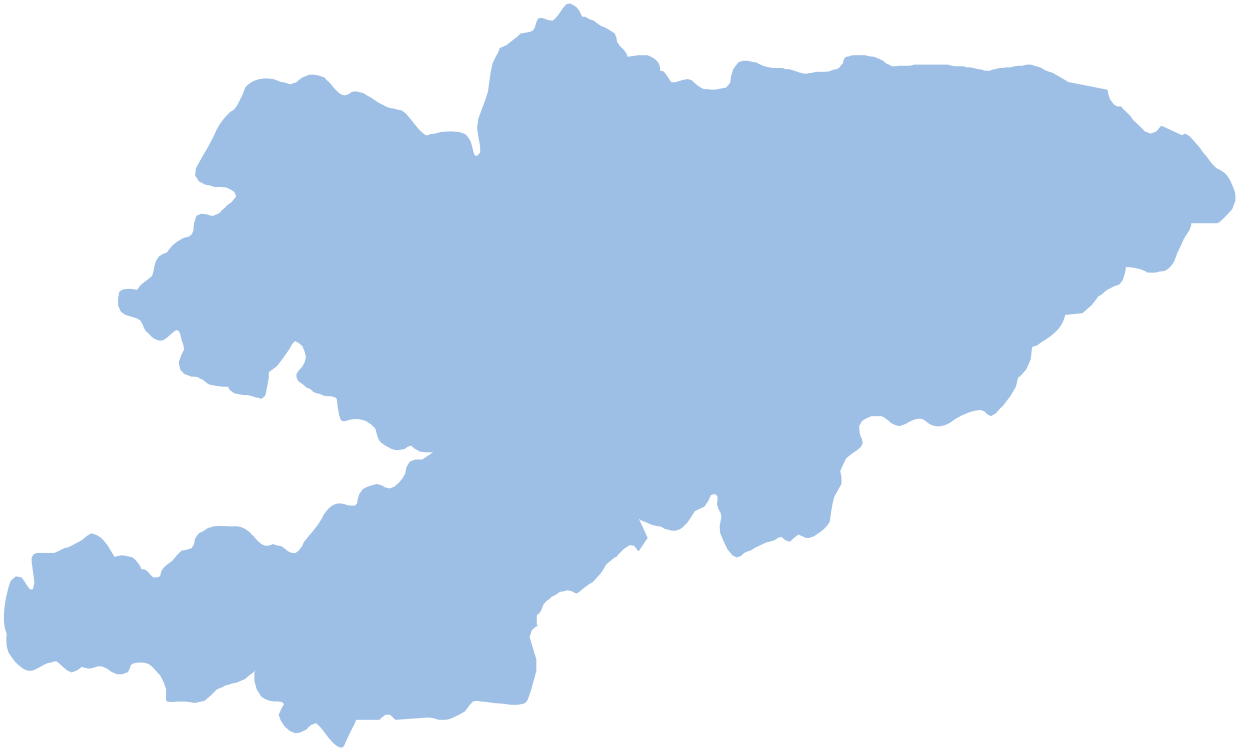
Crop production index	II		34S2
Livestock production index	II		34S3

[a] Level I = primary performance indicators, Level II = supporting diagnostic indicators
MDG = Millennium Development Goal indicator
MCA = Millennium Challenge Account indicator

EcGov = Major indicators of *economic governance*, which is defined in USAID's *Strategic Management Interim Guidance* to include "microeconomic and macroeconomic policy and institutional frameworks and operations for economic stability, efficiency, and growth." The term therefore encompasses indicators of fiscal and monetary management, trade and exchange rate policy, legal and regulatory systems affecting the business environment, infrastructure quality, and budget allocations.

Kyrgyz Republic
Economic Performance Assessment

Data Supplement



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Kyrgyz Republic
Economic Performance Assessment

Data Supplement

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Sponsored by the Economic Growth office of USAID's Bureau of Economic Growth, Agriculture and Trade (EGAT), and implemented by Nathan Associates Inc. under Contract No. PCE-I-00-00-00013-00, Task Order 004, the Country Analytical Support (CAS) Project, 2004-2006, has developed a standard methodology for producing analytical reports to provide a clear and concise evaluation of economic growth performance in designated host countries. These reports are tailored to meet the needs of USAID missions and regional bureaus for country-specific analysis. Each report contains

- A synthesis of data drawn from numerous sources, including World Bank publications and other international data sets currently used by USAID for economic growth analysis, as well as accessible host-country data sources;
- International benchmarking to assess country performance in comparison to similar countries and groups of countries;
- An easy-to-read analytic narrative that highlights areas in which a country's performance is particularly strong or weak, thereby assisting in the identification of future programming priorities.

Under the CAS Project, Nathan Associates will also respond to mission requests for in-depth sector studies to examine more thoroughly particular issues identified by the data analysis in these country reports.

The authors of this report are Richard Kohl, Andrei Roudoi, and Julia Zislin.

The CTO for this project is Yoon Lee. USAID missions and bureaus may seek assistance and funding for CAS studies by contacting Rita Aggarwal, USAID/EGAT/EG Activity Manager for the CAS project, at raggarwal@usaid.gov.

Electronic copies of reports and materials relating to the CAS project are available at www.nathaninc.com. For further information or hard copies of CAS publications, please contact

Bruce Bolnick
Chief of Party, CAS Project
Nathan Associates Inc.
Bbolnick@nathaninc.com

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	Growth Performance						
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Indicator Number	11P1	11P2	11P3	11S1	11S2	11S3	11S4
Kyrgyz Republic Data							
Latest Year (T)	*2004*	*2004*	*2004*	*2003*	*2003*	*2003*	*2002*
Value Year T	1,934	433	7.1	4.3	3.9	15.1	13.9
Value Year T-1	1,808	380	7.0	-2.3	4.9	16.5	16.8
Value Year T-2	1,681	321	0.0	3.0	2.9	17.0	16.0
Value Year T-3	1,670	308	5.3	3.2	2.9	18.3	14.3
Value Year T-4	1,561	278	5.4	1.5	4.9	16.0	11.8
Average Value, 5 year	1,731	344	5.0	2.0	3.9	16.6	14.6
Growth Trend	5.2	11.6	.	.	0.7	-2.2	.
Benchmark Data							
Regression Benchmark	.	.	7.2	.	.	19.8	.
Lower Bound	.	.	5.9	.	.	17.2	.
Upper Bound	.	.	8.6	.	.	22.3	.
Latest Year Bulgaria	*2004*	*2004*	*2004*	*2003*	*2003*	*2003*	.
Bulgaria Value Latest Year	8,500	3,074	5.7	4.7	4.1	19.6	.
Latest Year Romania	*2004*	*2004*	*2004*	*2003*	*2003*	*2003*	.
Romania Value Latest Year	7,641	3,207	8.3	4.7	7.3	22.5	.
Latest Year Russia	*2004*	*2004*	*2004*	*2003*	*2003*	*2003*	.
Russia Value Latest Year	10,179	4,093	7.1	7.4	2.6	18.2	.
LI-FSR Avg.	1,850	400	7.1	4.9	4.1	16.1	.
Low Income Avg.	1,560	419	5.3	2.0	4.5	19.7	.
High Five Avg.	42,809	52,715	21.2	14.1	70.2	48.6	.
Low Five Avg.	664	121	-2.9	-13.3	-302.9	7.7	.

	Poverty and Inequality						
	Human poverty index (0 for excellent to 100 for poor)	Income share accruing to poorest 20%	Population (%) living on less than $1 PPP per day	Poverty headcount (%), by national poverty line	PRSP Status	Population (%) below minimum dietary energy consumption	Poverty gap at $1 PPP a day
Indicator Number	12P1	12P2	12P3	12P4	12P5	12S1	12S2
Kyrgyz Republic Data							
Latest Year (T)	.	*2002*	*2002*	*2003*	*2004*	*2000-2002*	*2002*
Value Year T	.	7.7	2.0	40.8	yes	6.0	0.5
Value Year T-1	.	.	2.0	44.4	.	.	0.5
Value Year T-2	.	.	2.0	47.6	.	.	0.5
Value Year T-3	.	.	2.0	52.0	.	.	0.5
Value Year T-4	.	.	2.0	55.3	.	.	0.5
Average Value, 5 year	.	.	2.0	48.0	.	.	0.5
Growth Trend	.	.	.	-7.4	.	.	.
Benchmark Data							
Regression Benchmark	24.2	8.4	15.8	53.9	.	28.8	.
Lower Bound	18.6	7.5	8.5	45.7	.	20.2	.
Upper Bound	29.9	9.3	23.1	62.1	.	37.4	.
Latest Year Bulgaria	.	*2001*	*2001*	*2001*	*2004*	*2000-2002*	*2001*
Bulgaria Value Latest Year	.	6.7	4.7	12.8	no	11.0	1.4
Latest Year Romania	.	*2002*	*2002*	*2001*	*2004*	*2000-2002*	*2002*
Romania Value Latest Year	.	7.9	2.0	29.6	no	1.0	0.5
Latest Year Russia	.	*2002*	*2002*	*2002*	*2004*	*2000-2002*	*2002*
Russia Value Latest Year	.	8.2	2.0	17.8	no	4.0	0.5
LI-FSR Avg.	.	7.9	7.4	.	.	19.0	1.3
Low Income Avg.	41.9	7.2	21.8	.	.	28.0	5.7
High Five Avg.	58.7	.	33.5	.	N/A	66.0	11.8
Low Five Avg.	3.9	.	2.0	.	N/A	3.0	0.5

	Economic Structure					
	Labor force in agriculture, % total employment	Labor force in industry, % total employment	Labor force in services, % total employment	Output structure (agriculture, value added, % GDP)	Output structure (industry, value added, % GDP)	Output structure (services, etc., value added, % GDP)
Indicator Number	13P1a	13P1b	13P1c	13P2a	13P2b	13P2c
Kyrgyz Republic Data						
Latest Year (T)	*2003*	*2003*	*2003*	*2004*	*2004*	*2004*
Value Year T	52.5	10.4	37.1	36.6	21.1	42.3
Value Year T-1	52.7	10.3	37.0	37.1	22.3	40.6
Value Year T-2	52.9	10.4	36.7	37.7	23.3	39.0
Value Year T-3	53.1	10.5	36.4	37.2	28.9	33.8
Value Year T-4	52.4	11.6	36.0	36.7	31.4	31.9
Average Value, 5 year	52.7	10.6	36.6	37.1	25.4	37.5
Growth Trend	0.0	-2.3	0.8	-0.1	-10.0	7.8
Benchmark Data						
Regression Benchmark	.	.	.	27.9	24.4	.
Lower Bound	.	.	.	21.8	18.4	.
Upper Bound	.	.	.	34.0	30.3	.
Latest Year Bulgaria	*2004*	*2004*	*2004*	*2004*	*2004*	*2004*
Bulgaria Value Latest Year	26.3	27.6	46.0	11.7	30.7	57.5
Latest Year Romania	*2001*	*2001*	*2001*	*2003*	*2003*	*2003*
Romania Value Latest Year	42.3	26.2	31.5	11.9	36.1	52.1
Latest Year Russia	*1999*	*1999*	*1999*	*2003*	*2003*	*2003*
Russia Value Latest Year	11.8	29.4	58.8	5.2	34.2	60.7
LI-FSR Avg.	51.0	13.9	35.1	29.3	22.3	48.0
Low Income Avg.	48.7	14.4	33.5	29.7	23.2	43.0
High Five Avg.	41.5	37.1	72.8	56.0	66.2	77.7
Low Five Avg.	0.3	12.9	36.0	0.8	12.3	15.4

	Demography and Environment						Gender		
	Adult literacy rate	Age dependency rate	Environmental sustainability index (0 for poor to 100 for excellent)	Population size (millions)	Population growth rate	Urbanization rate	Ratio of male to female - adult literacy rate	Ratio of male to female - gross enrollment rate, all levels	Ratio of male to female - life expectancy at birth
Indicator Number	14P1	14P2	14P3	14P4a	14P4b	14P5	15P1	15P2	15P3
Kyrgyz Republic Data									
Latest Year (T)	*2003*	*2003*	*2005*	*2004*	*2004*	*2003*	*2003*	*2003*	*2003*
Value Year T	98.7	0.61	48.4	5.1	1.1	34.4	1.01	1.01	0.89
Value Year T-1	.	0.63	.	5.0	1.1	34.4	.	0.99	0.89
Value Year T-2	.	0.65	.	5.0	0.8	34.4	.	.	0.90
Value Year T-3	.	0.67	.	4.9	0.8	34.4	.	.	0.90
Value Year T-4	.	0.69	.	4.9	1.5	34.7	.	.	.
Average Value, 5 year	.	0.65	.	5.0	1.0	34.5	.	.	0.89
Growth Trend	.	-3.08	.	0.9	.	-0.2	.	.	-0.13
Benchmark Data									
Regression Benchmark	88.4	0.6	47.1	.	0.4	43.6	.	.	.
Lower Bound	79.6	0.5	43.4	.	0.0	34.4	.	.	.
Upper Bound	97.2	0.7	50.8	.	0.8	52.9	.	.	.
Latest Year Bulgaria	*2002*	*2003*	*2005*	*2003*	*2003*	*2003*	*2002*	*2002*	*2002*
Bulgaria Value Latest Year	98.6	0.44	50.0	7.8	-0.6	67.5	1.01	0.97	0.90
Latest Year Romania	*2002*	*2003*	*2005*	*2003*	*2003*	*2003*	*2002*	*2002*	*2002*
Romania Value Latest Year	97.3	0.44	46.2	21.7	-0.3	55.7	1.02	0.96	0.90
Latest Year Russia	*2002*	*2003*	*2005*	*2003*	*2003*	*2003*	*2002*	*2002*	*2002*
Russia Value Latest Year	99.6	0.42	56.1	143.4	-0.5	72.9	1.00	0.92	0.83
LI-FSR Avg.	99.2	0.62	46.9	5.7	0.8	35.6	1.01	1.01	0.91
Low Income Avg.	59.9	0.86	45.5	9.9	2.2	34.1	1.36	1.19	0.95
High Five Avg.	99.7	1.03	71.3	607.0	4.6	100.0	2.40	1.69	1.01
Low Five Avg.	35.7	0.38	29.9	0.0	-0.8	9.0	0.92	0.84	0.85

	Fiscal and Monetary Policy									
	Government expenditure, % GDP	Government revenue, % GDP	Growth in the broad money supply	Inflation rate	Overall government budget balance, including grants, % GDP	Composition of government expenditure (wages and salaries)	Composition of government expenditure (interest payments)	Composition of government expenditure (goods and services)	Composition of government expenditure (subsidies and other current transfers)	Composition of government expenditure (capital expenditure)
Indicator Number	21P1	21P2	21P3	21P4	21P5	21S1a	21S1b	21S1c	21S1d	21S1e
Kyrgyz Republic Data										
Latest Year (T)	*2004*	*2004*	*2004*	*2004*	*2004*	*2004*	*2004*	*2004*	*2004*	*2004*
Value Year T	27.3	22.2	28.7	4.1	-4.2	29.0	7.3	26.6	17.6	19.4
Value Year T-1	27.3	21.8	34.5	3.1	-5.0	27.8	6.3	27.5	18.7	19.7
Value Year T-2	28.0	21.7	34.1	2.1	-5.3	26.1	6.6	25.3	18.2	23.9
Value Year T-3	25.9	19.6	11.3	6.9	-5.5	25.5	7.3	28.5	15.5	23.2
Value Year T-4	28.4	17.7	12.1	18.7	-5.5	20.2	9.1	26.6	12.1	32.0
Average Value, 5 year	27.4	20.6	24.1	7.0	-5.1	25.7	7.3	26.9	16.4	23.7
Growth Trend	-0.3	5.8	.	.	6.1	.	.	.	.	.
Benchmark Data										
Regression Benchmark	17.9	18.3	31.5	9.0	-0.1	.	.	.	.	.
Lower Bound	13.8	14.0	23.0	5.7	-1.8	.	.	.	.	.
Upper Bound	22.0	22.6	40.1	12.3	1.5	.	.	.	.	.
Latest Year Bulgaria	*2004*	*2004*	*2003*	*2004*	*2004*	*2003*	*2003*	*2003*	*2003*	.
Bulgaria Value Latest Year	37.5	38.0	20.2	6.1	1.8	11.6	6.2	23.4	56.5	.
Latest Year Romania	*2003*	*2003*	*2003*	*2004*	*2003*	*2001*	*2001*	*2001*	*2001*	.
Romania Value Latest Year	32.3	29.9	23.3	11.9	-2.3	15.4	10.8	19.8	48.5	.
Latest Year Russia	*2003*	*2003*	*2003*	*2004*	*2003*	*2003*	*2003*	*2003*	*2003*	.
Russia Value Latest Year	22.9	27.4	38.5	10.9	2.2	18.0	7.2	19.1	55.0	.
LI-FSR Avg.	.	.	33.4	8.0	.	.	.	.	.	.
Low Income Avg.	.	.	15.8	7.6	.	.	.	.	.	.
High Five Avg.	43.7	44.1	134.4	85.3	3.9	.	.	.	.	.
Low Five Avg.	12.1	8.6	-8.5	-2.7	-8.1	.	.	.	.	.

	Fiscal and Monetary Policy (cont'd)										
	Composition of government revenue (Taxes on goods and services)	Composition of government revenue (Taxes of income, profits and capital gains)	Composition of government revenue (Social security taxes)	Composition of government revenue (Taxes on international trade)	Composition of government revenue (Other tax revenue)	Composition of government revenue (Other revenue net)	Composition of government revenue (Grants)	Composition of money supply growth (Net credit to government)	Composition of money supply growth (Credit to the economy)	Composition of money supply growth (Net foreign assets)	Composition of money supply growth (Other items, net)
Indicator Number	21S2a	21S2b	21S2c	21S2d	21S2e	21S2f	21S2g	21S3a	21S3b	21S3c	21S3d
Kyrgyz Republic Data											
Latest Year (T)	*2004*	*2004*	*2004*	*2004*	*2004*	*2004*	*2004*	*2004*	*2004*	*2004*	*2004*
Value Year T	40.8	14.0	0.0	2.4	19.7	19.1	4.0	-115.8	60.8	185.5	-30.5
Value Year T-1	38.3	15.2	0.0	2.7	19.9	21.3	2.7	-1.1	19.4	74.8	6.9
Value Year T-2	36.1	15.3	0.0	2.9	18.4	21.5	5.8	81.5	11.3	44.5	-37.4
Value Year T-3	36.1	16.0	0.0	2.4	18.8	21.8	5.0	-78.7	12.2	239.7	-73.1
Value Year T-4	32.4	13.9	0.0	2.8	28.4	16.3	6.1	2.4	29.4	129.6	-61.5
Average Value, 5 year	36.7	14.9	0.0	2.6	21.0	20.0	4.7	-22.3	26.6	134.8	-39.1
Growth Trend	.	.	.	.	.	.	.	.	.	.	
Benchmark Data											
Regression Benchmark	.	.	.	.	.	.	.	.	.	.	
Lower Bound	.	.	.	.	.	.	.	.	.	.	
Upper Bound	.	.	.	.	.	.	.	.	.	.	
Latest Year Bulgaria	*2003*	*2003*	.	*2003*	.	.	.	.	.	.	
Bulgaria Value Latest Year	38.6	11.8	.	1.9	.	.	.	.	.	.	
Latest Year Romania	*2001*	*2001*	.	*2001*	.	.	.	.	.	.	
Romania Value Latest Year	30.0	10.3	.	3.1	.	.	.	.	.	.	
Latest Year Russia	*2003*	*2003*	.	*2003*	.	.	.	.	.	.	
Russia Value Latest Year	31.2	4.6	.	12.4	.	.	.	.	.	.	
LI-FSR Avg.	.	.	.	.	.	.	.	.	.	.	
Low Income Avg.	.	.	.	.	.	.	.	.	.	.	
High Five Avg.	.	.	.	.	.	.	.	.	.	.	
Low Five Avg.	.	.	.	.	.	.	.	.	.	.	

	Business Environment										
	Corruption Perception Index (1 for poor to 10 for excellent)	Ease of doing business ranking (from 1 to 155)	Rule of law index (-2.5 for poor to 2.5 for excellent)	Regulatory quality index (-2.5 for poor to 2.5 for excellent)	Cost of starting a business, % GNI per capita	Procedures to enforce a contract	Procedures to register property	Procedures to start a business	Time to enforce a contract	Time to register property	Time to start a business
Indicator Number	22P1	22P2	22P3	22P4	22S1	22S2	22S3	22S4	22S5	22S6	22S7
Kyrgyz Republic Data											
Latest Year (T)	*2005*	*2005*	*2004*	*2004*	*2005*	*2005*	*2005*	*2005*	*2005*	*2005*	*2005*
Value Year T	2.3	84.0	-1.04	-0.06	10	46.0	7.0	8.0	492	10	21
Value Year T-1	2.2	.	.	.	12	46.0	7.0	8.0	492	15	21
Value Year T-2	2.1	.	-0.77	-0.42	.	.	.	.	.	.	.
Value Year T-3	.	.	.	.	.	.	.	.	.	.	.
Value Year T-4	.	.	-0.90	-0.36	.	.	.	.	.	.	.
Average Value, 5 year	.	.	-0.9	-0.3	.	.	.	.	.	.	.
Growth Trend	.	.	.	.	.	.	.	.	.	.	.
Benchmark Data											
Regression Benchmark	1.8	.	-1.3	.	.	.	.	.	.	.	.
Lower Bound	1.4	.	-1.5	.	.	.	.	.	.	.	.
Upper Bound	2.3	.	-1.0	.	.	.	.	.	.	.	.
Latest Year Bulgaria	*2005*	*2005*	*2004*	*2004*	*2005*	*2005*	*2005*	*2005*	*2005*	*2005*	*2005*
Bulgaria Value Latest Year	4.0	62.0	0.05	0.60	10	34.0	9.0	11.0	440	19	32
Latest Year Romania	*2005*	*2005*	*2004*	*2004*	*2005*	*2005*	*2005*	*2005*	*2005*	*2005*	*2005*
Romania Value Latest Year	3.0	78.0	-0.18	-0.06	5	43.0	8.0	5.0	335	170	11
Latest Year Russia	*2005*	*2005*	*2004*	*2004*	*2005*	*2005*	*2005*	*2005*	*2005*	*2005*	*2005*
Russia Value Latest Year	2.4	79.0	-0.70	-0.51	5	29.0	6.0	8.0	330	52	33
LI-FSR Avg.	2.3	111.0	-1.11	-0.82	17	37.0	7.0	9.0	368	81	30
Low Income Avg.	2.3	112.0	-0.98	-0.77	134	35.0	6.0	11.0	395	70	45
High Five Avg.	9.5	153.0	1.98	1.88	726	55.4	15.6	17.2	1,178	485	172
Low Five Avg.	1.6	3.0	-1.92	-2.29	0	13.4	1.6	2.4	51	2	4

	Financial Sector								External Sector			
	Domestic credit to private sector, % GDP	Interest rate spread, lending rate minus deposit rate	Money supply (M2), % GDP	Stock market capitalization rate, % GDP	Cost to create collateral	Country credit rating	Legal rights of borrowers and lenders index (0 for poor to 10 for excellent)	Real interest rate	Aid, % GNI	Current account balance, % GDP	Debt service ratio, % exports	Exports growth, goods and services
Indicator Number	23P1	23P2	23P3	23P4	23S1	23S2	23S3	23S4	24P1	24P2	24P3	24P4
Kyrgyz Republic Data												
Latest Year (T)	*2004*	*2003*	*2004*	*2003*	*2004*	*2005*	*2005*	*2003*	*2003*	*2004*	*2003*	*2004*
Value Year T	6.9	14.2	20.1	1.6	12.4	18.7	8.0	14.8	10.7	-3.4	16.0	26.5
Value Year T-1	4.7	18.9	17.6	.	.	.	8.0	22.3	12.0	-4.2	24.5	16.4
Value Year T-2	4.0	24.8	14.6	.	.	.	.	28.0	13.0	-3.1	29.8	14.2
Value Year T-3	3.8	33.5	11.1	.	.	.	.	19.5	16.7	-1.6	27.4	-2.1
Value Year T-4	4.2	25.3	11.3	.	.	.	.	16.9	24.1	-5.7	20.4	8.6
Average Value, 5 year	4.7	23.3	14.9	.	.	.	.	20.3	15.3	-3.6	23.6	12.7
Growth Trend	12.8	-15.9	17.5	.	.	.	.	-1.3	-17.8	0.4	-5.8	.
Benchmark Data												
Regression Benchmark	-0.9	11.4	13.6	-7.2	.	.	.	.	9.9	-8.1	12.4	10.1
Lower Bound	-15.9	8.7	-0.1	-30.4	.	.	.	.	3.4	-12.9	7.2	3.5
Upper Bound	14.1	14.2	27.3	16.1	.	.	.	.	16.4	-3.2	17.6	16.8
Latest Year Bulgaria	*2003*	*2003*	*2003*	*2003*	*2004*	.	*2005*	*2003*	*2003*	*2003*	*2003*	*2003*
Bulgaria Value Latest Year	27.6	5.9	44.6	8.8	1.0	.	6.0	6.6	2.1	-8.4	10.5	8.0
Latest Year Romania	*2003*	.	*2003*	*2003*	*2004*	.	*2005*	.	*2003*	*2003*	*2003*	*2003*
Romania Value Latest Year	9.5	.	22.1	9.8	1.1	.	4.0	.	1.1	-5.8	17.3	8.2
Latest Year Russia	*2003*	*2003*	*2003*	*2003*	*2004*	.	*2005*	*2003*	*2003*	*2003*	*2003*	*2004*
Russia Value Latest Year	20.9	8.5	25.7	53.3	11.6	.	3.0	-1.3	0.3	8.3	11.8	33.9
LI-FSR Avg.	14.0	6.9	15.4	1.6	1.5	19.7	6.0	6.1	7.5	-2.0	13.2	6.5
Low Income Avg.	11.4	12.4	23.8	16.3	13.7	19.7	4.0	10.7	10.7	-4.3	10.4	7.1
High Five Avg.	171.0	46.9	188.2	238.9	121.6	51.5	9.6	36.2	66.1	18.0	61.5	21.6
Low Five Avg.	1.6	1.0	4.8	1.0	0.0	9.4	1.2	-4.6	-0.3	-27.8	0.9	-19.8

	External Sector					
	Foreign direct investment, % GDP	Gross international reserves, months of imports	Private capital inflows, %GDP	Present value of debt, % GNI	Remittance receipts, % exports	Trade, % GDP
Indicator Number	24P5	24P6	24P7	24P8	24P9	24P10
Kyrgyz Republic Data						
Latest Year (T)	*2004*	*2004*	*2003*	*2003*	.	*2004*
Value Year T	5.9	6.0	2.6	97.9	.	94.0
Value Year T-1	2.4	5.3	-0.3	92.7	.	84.9
Value Year T-2	0.3	5.3	0.3	101.5	.	84.6
Value Year T-3	-0.1	5.3	-0.1	104.6	.	74.5
Value Year T-4	-0.5	4.2	3.6	.	.	89.8
Average Value, 5 year	1.6	5.2	1.2	.	.	85.5
Growth Trend	.	7.4	.	-2.9	.	2.2
Benchmark Data						
Regression Benchmark	3.7	2.8	.	61.1	.	96.1
Lower Bound	1.7	1.3	.	37.4	.	77.3
Upper Bound	5.6	4.2	.	84.8	.	114.9
Latest Year Bulgaria	*2003*	*2003*	*2003*	*2003*	.	*2003*
Bulgaria Value Latest Year	7.2	6.2	6.5	85.5	.	116.2
Latest Year Romania	*2003*	*2003*	*2003*	*2003*	*2003*	*2003*
Romania Value Latest Year	3.2	4.3	4.2	46.0	0.07	71.6
Latest Year Russia	*2003*	*2003*	*2003*	*2003*	*2003*	*2003*
Russia Value Latest Year	1.8	7.4	1.3	52.1	0.20	52.6
LI-FSR Avg.	2.2	2.0	.	86.1	13.9	109.8
Low Income Avg.	1.7	3.7	.	59.1	15.0	66.7
High Five Avg.	99.4	18.6	875.4	380.0	86.5	228.0
Low Five Avg.	-0.4	0.3	1.8	9.1	0.0	27.1

	External Sector (cont'd)									
	Concentration of exports (top three exports, 3-digit SITC)	Inward FDI potential index (0 for poor to 1 for excellent)	Net barter terms of trade (1995=100)	Real effective exchange rate index (1995=100)	Structure of merchandise exports (agricultural raw materials)	Structure of merchandise exports (fuel)	Structure of merchandise exports (manufactured goods)	Structure of merchandise exports (ores and metals)	Structure of merchandise exports (food)	Trade policy index (1 for excellent to 5 for poor)
Indicator Number	24S1	24S2	24S3	24S4	24S5a	24S5b	24S5c	24S5d	24S5e	24S6
Kyrgyz Republic Data										
Latest Year (T)	*2003*	*2002*	.	.	*2003*	*2003*	*2003*	*2003*	*2003*	*2004*
Value Year T	60.5	0.12	.	.	17.4	20.9	39.0	5.6	15.9	4
Value Year T-1	53.1	0.12	.	.	23.2	19.6	33.4	6.2	17.6	4
Value Year T-2	.	0.10	.	.	.	.	.	.	.	4
Value Year T-3	.	0.10	.	.	.	.	.	.	.	4
Value Year T-4	61.3	0.10	.	.	6.1	11.8	20.1	5.8	15.8	4
Average Value, 5 year	58.3	0.11	.	.	15.5	17.4	30.8	5.9	16.5	4.0
Growth Trend	.	5.8	.	.	.	.	.	.	.	.
Benchmark Data										
Regression Benchmark	.	0.1	.	.	8.8	.	.	.	.	.
Lower Bound	.	0.1	.	.	2.5	.	.	.	.	.
Upper Bound	.	0.1	.	.	15.2	.	.	.	.	.
Latest Year Bulgaria	*2003*	*2002*	.	.	*2003*	*2003*	*2003*	*2003*	*2003*	*2004*
Bulgaria Value Latest Year	17.4	0.20	.	.	2.3	5.8	65.8	10.3	10.2	4
Latest Year Romania	*2003*	*2002*	.	.	*2003*	*2003*	*2003*	*2003*	*2003*	*2004*
Romania Value Latest Year	24.0	0.16	.	.	3.1	6.5	82.5	4.2	3.2	4
Latest Year Russia	.	*2002*	.	.	*2003*	*2003*	*2003*	*2003*	*2003*	*2004*
Russia Value Latest Year	54.3	0.29	.	.	3.2	53.0	21.1	6.9	2.0	3
LI-FSR Avg.	.	0.13	.	.	11.2	10.8	35.6	4.2	37.6	4
Low Income Avg.	.	0.12	100.0	.	7.3	1.8	20.0	3.4	37.2	4
High Five Avg.	.	0.50	149.8	.	30.8	92.8	94.2	51.5	91.0	5.0
Low Five Avg.	.	0.06	71.8	.	0.0	0.0	2.6	0.0	0.5	1.4

	Economic Infrastructure							
	Internet users per 1000 people	Overall infrastructure quality index (1 for poor to 7 for excellent)	Telephone density, fixed line and mobile, per 1000 people	Quality of infrastructure index - air transport (1 for poor to 7 for excellent)	Quality of infrastructure index - ports (1 for poor to 7 for excellent)	Quality of infrastructure index - railroads (1 for poor to 7 for excellent)	Quality of infrastructure index - electricity (1 for poor to 7 for excellent)	Telephone cost, average local call
Indicator Number	25P1	25P2	25P3	25S1a	25S1b	25S1c	25S1d	25S2
Kyrgyz Republic Data								
Latest Year (T)	*2003*	*2005*	*2003*	*2005*	*2005*	*2005*	*2005*	*2002*
Value Year T	30	2.3	103	3.5	1.2	1.9	3.40	0.09
Value Year T-1	30	.	88	.	.	.	.	.
Value Year T-2	30	.	83	.	.	.	.	.
Value Year T-3	11	.	79	.	.	.	.	.
Value Year T-4	.	.	77	.	.	.	.	.
Average Value, 5 year	25	.	86	.	.	.	.	.
Growth Trend	36.3	.	7.1	.	.	.	.	.
Benchmark Data								
Regression Benchmark	40	1.7	83	.	.	.	.	.
Lower Bound	1	1.3	48	.	.	.	.	.
Upper Bound	79	2.1	118	.	.	.	.	.
Latest Year Bulgaria	*2003*	*2004*	*2003*	*2004*	*2004*	*2004*	*2004*	*2003*
Bulgaria Value Latest Year	81	2.8	847	2.7	3.7	3.7	4.30	0.03
Latest Year Romania	*2003*	*2004*	*2003*	*2004*	*2004*	*2004*	*2004*	*2003*
Romania Value Latest Year	191	2.7	524	4.1	4.0	3.4	3.80	0.12
Latest Year Russia	*2003*	*2004*	*2002*	*2004*	*2004*	*2004*	*2004*	*1999*
Russia Value Latest Year	41	3.3	362	4.3	4.3	4.9	3.90	0.02
LI-FSR Avg.	25	.	91	.	.	.	.	0.02
Low Income Avg.	5	2.4	44	3.4	2.1	1.7	2.60	0.06
High Five Avg.	585.8	6.7	1,686	6.7	6.6	6.5	6.90	0.41
Low Five Avg.	0.9	1.5	10	2.4	1.3	1.1	1.40	0.00

	Science and Technology			Health				
	Expenditure for R&D, % GDP	FDI technology transfer index (1 for FDI bringing little new technology to 7 for FDI bringing a lot of new technology)	Patent applications filed by residents	HIV prevalence	Life expectancy at birth	Maternal mortality rate (deaths per 100,000 births)	Access to improved sanitation	Access to improved water source
Indicator Number	26P1	26P2	26P3	31P1	31P2	31P3	31S1	31S2
Kyrgyz Republic Data								
Latest Year (T)	*2002*	*2005*	*2002*	*2003*	*2003*	*2004*	*2002*	*2002*
Value Year T	0.2	3.5	123.0	0.1	68	50.9	60.0	76.0
Value Year T-1	0.2	.	84.0	.	68	49.3	.	.
Value Year T-2	0.2	.	80.0	0.1	68.7	53.5	.	.
Value Year T-3	0.2	.	60.0	.	68.5	43.8	.	.
Value Year T-4	0.2	.	111.0	.	.	45.5	.	.
Average Value, 5 year	0.2	.	91.6	.	68.4	48.6	.	.
Growth Trend	-1.7	.	5.6	.	-0.2	3.5	.	.
Benchmark Data								
Regression Benchmark	.	.	.	.	65	252.8	.	.
Lower Bound	.	.	.	.	61	108.5	.	.
Upper Bound	.	.	.	.	68	397.1	.	.
Latest Year Bulgaria	*2002*	*2004*	*2002*	*2003*	*2003*	*2000*	*2002*	*2002*
Bulgaria Value Latest Year	0.5	4.4	306.0	0.1	72.1	32.0	100.0	100.0
Latest Year Romania	*2002*	*2004*	*2002*	*2003*	*2003*	*2000*	*2002*	*2002*
Romania Value Latest Year	0.4	5.1	1,486.0	0.1	70	49.0	51.0	57.0
Latest Year Russia	*2002*	*2004*	*2002*	*2003*	*2003*	*2000*	*2002*	*2002*
Russia Value Latest Year	1.3	4.0	24,049.0	1.1	66	67.0	87.0	96.0
LI-FSR Avg.	0.2	.	181.5	0.1	67	68.0	58.5	82.5
Low Income Avg.	0.3	4.4	0.0	3.1	52	685.0	37.0	62.0
High Five Avg.	3.5	5.9	153,540.2	30.2	80	1,720.0	100.0	100.0
Low Five Avg.	0.1	3.3	0.0	0.1	37	1.8	8.0	26.4

	Health (cont'd)				Education						
	Births attended by skilled health personnel	Child immunization rate	Prevalence of child malnutrition (weight for age)	Public health expenditure, % GDP	Net primary enrollment rate (total)	Net primary enrollment rate (female)	Net primary enrollment rate (male)	Persistence in school to grade 5 (total)	Persistence in school to grade 5 (female)	Persistence in school to grade 5 (male)	Youth literacy rate
Indicator Number	31S3	31S4	31S5	31S6	32P1a	32P1b	32P1c	32P2a	32P2b	32P2c	32P3
Kyrgyz Republic Data											
Latest Year (T)	.	*2003*	*2001*	*2004*	*2002*	*2002*	*2002*	.	.	.	.
Value Year T	.	98.5	5.8	2.1	89.3	87.6	90.9	.	.	.	.
Value Year T-1	.	98.0	.	2.0	90.0	88.4	91.7	.	.	.	.
Value Year T-2	.	99.0	.	2.0	89.9	88.2	91.4	.	.	.	.
Value Year T-3	.	98.5	.	1.8	89.9	88.7	91.1	.	.	.	.
Value Year T-4	.	98.0	11.0	2.1	91.0	90.0	92.0	.	.	.	.
Average Value, 5 year	.	98.4	.	2.0	90.0	88.6	91.4	.	.	.	.
Growth Trend	.	0.1	.	1.1	-0.4	-0.6	-0.2	.	.	.	.
Benchmark Data											
Regression Benchmark	79.9	.	.	.	81.9	.	.	71.9	.	.	90.9
Lower Bound	69.2	.	.	.	75.3	.	.	64.9	.	.	82.4
Upper Bound	90.7	.	.	.	88.5	.	.	78.8	.	.	99.3
Latest Year Bulgaria	.	*2003*	.	*2002*	*2002*	*2002*	*2002*	.	.	.	*2002*
Bulgaria Value Latest Year	.	96.0	.	4.5	90.4	89.9	90.9	.	.	.	99.69
Latest Year Romania	*1999*	*2003*	*2002*	*2002*	*2002*	*2002*	*2002*	.	.	.	*2002*
Romania Value Latest Year	97.9	97.0	3.2	4.2	88.9	88.5	89.4	.	.	.	97.76
Latest Year Russia	*2001*	*2003*	*2000*	*2002*	*2002*	.	*2002*	.	.	.	*2002*
Russia Value Latest Year	99.3	97.0	5.5	3.5	89.7	.	88.9	.	.	.	99.80
LI-FSR Avg.	83.4	97.8	7.9	2.4	84.2	83.1	85.2	.	.	.	99.73
Low Income Avg.	40.6	71.5	31.0	2.2	68.8	67.7	74.9	64.8	65.2	63.65	77.44
High Five Avg.	.	99.0	36.3	8.7	100.0	100.0	100.0	99.2	99.8	99.30	99.82
Low Five Avg.	20.8	39.0	7.3	0.6	42.3	36.9	47.6	52.3	51.5	51.78	46.44

	Education (cont'd)					Employment and Workforce			
	Education expenditure, primary, %GDP	Expenditure per student, % GDP per capita, primary	Expenditure per student, % GDP per capita, secondary	Expenditure per student, % GDP per capita, tertiary	Pupil-teacher ratio, primary school	Labor force participation rate (total)	Labor force participation rate (male)	Labor force participation rate (female)	Rigidity of employment index (0 for minimum rigidity to 100 for maximum rigidity)
Indicator Number	32S1	32S2a	32S2b	32S2c	32S3	33P1a	33P1b	33P1c	33P2
Kyrgyz Republic Data									
Latest Year (T)	*FY2005*	*2002*	*2002*	*2002*	*2002*	*2003*	*2003*	*2003*	*2005*
Value Year T	3.76	6.1	10.2	14.0	24.5	73.5	78.8	68.3	38
Value Year T-1	.	6.0	10.8	13.3	24.0	73.5	78.8	68.3	38
Value Year T-2	.	5.4	9.6	14.1	24.4	73.5	78.7	68.4	.
Value Year T-3	.	6.3	11.4	22.5	24.1	73.5	78.8	68.5	.
Value Year T-4	.	9.1	17.0	34.3	24.4	73.7	79.1	68.5	.
Average Value, 5 year	.	6.6	11.8	19.6	24.3	.	78.8	68.4	.
Growth Trend	.	-8.1	-10.3	-20.7	0.0	-0.1	-0.1	-0.1	.
Benchmark Data									
Regression Benchmark	.	.	.	.	.	78.0	.	.	49.9
Lower Bound	.	.	.	.	.	72.8	.	.	38.5
Upper Bound	.	.	.	.	.	83.2	.	.	61.2
Latest Year Bulgaria	.	*2001*	*2001*	*2001*	*2001*	*2003*	*2003*	*2003*	*2005*
Bulgaria Value Latest Year	.	16.9	19	19.7	16.8	73.6	77.5	69.8	44
Latest Year Romania	.	.	.	*2001*	*2001*	*2003*	*2003*	*2003*	*2005*
Romania Value Latest Year	.	.	.	30.3	17.4	67.9	75.4	60.6	59
Latest Year Russia	.	.	.	.	*2001*	*2003*	*2003*	*2003*	*2005*
Russia Value Latest Year	.	.	.	.	16.9	77.5	81.5	73.7	30
LI-FSR Avg.	2.81	6.8	10	19.7	22.3	73.9	79.2	68.7	54
Low Income Avg.	1.81	9.7	17	62.4	42.6	85.2	97.1	73.0	50
High Five Avg.	5.54	31.3	47	344.3	65.5	102.4	112.6	97.0	85
Low Five Avg.	0.17	6.2	6	9.8	11.7	50.4	70.9	21.5	1

	Employment and Workforce (cont'd)			Agriculture					
	Size of labor force	Labor force growth rate	Unemployment rate	Agriculture value added per worker	Cereal yield	Growth in agricultural value-added	Agricultural policy costs index (1 for poor to 7 for excellent)	Crop production index (1999-2001=100)	Livestock production index (1999-2001=100)
Indicator Number	33P3a	33P3b	33P4	34P1	34P2	34P3	34S1	34S2	34S3
Kyrgyz Republic Data									
Latest Year (T)	*2003*	*2003*	*2003*	*2003*	*2004*	*2003*	*2005*	*2004*	*2004*
Value Year T	2,309,685	2.3	9	962	2,862	3.8	2.8	94.9	69.4
Value Year T-1	2,258,356	2.3	9	928	2,774	3.0	.	104.6	102.4
Value Year T-2	2,207,254	2.2	8	903	2,665	7.3	.	96.1	104.4
Value Year T-3	2,160,634	1.9	8	845	2,867	2.7	.	108.3	102.2
Value Year T-4	2,119,701	2.3	7	822	2,669	8.2	.	99.5	100.0
Average Value, 5 year	2,211,126	2.2	8	892	2,767	5.0	.	100.7	95.7
Growth Trend	2.2	1.5	6.0	4.2	1.1	-13.3	.	-1.3	-7.0
Benchmark Data									
Regression Benchmark	.	1.6	.	822.9	.	5.0	.	.	.
Lower Bound	.	1.1	.	511.2	.	0.7	.	.	.
Upper Bound	.	2.1	.	1,134.6	.	9.3	.	.	.
Latest Year Bulgaria	*2003*	*2003*	*2002*	*2003*	*2004*	*2003*	*2004*	*2004*	*2004*
Bulgaria Value Latest Year	4,061,858	-0.4	18	6,826	3,544	-1.3	2.7	106.0	95.9
Latest Year Romania	*2003*	*2003*	*2002*	*2003*	*2004*	*2004*	*2004*	*2004*	*2004*
Romania Value Latest Year	10,481,043	0.0	8	3,621	3,899	3.0	3.0	132.6	119.1
Latest Year Russia	*2003*	*2003*	*2002*	*2003*	*2004*	*2002*	*2004*	*2004*	*2004*
Russia Value Latest Year	78,374,600	0.2	9	2,323	1,914	2.9	3.1	116.9	107.7
LI-FSR Avg.	2,479,955	2.5	7	834	3,244	0.5	.	108.1	107.6
Low Income Avg.	4,566,358	2.4	7	296	1,302	4.0	3.6	105.0	107.6
High Five Avg.	316,912,650	5.7	24	40,135	7,775	22.0	5.3	134.9	145.5
Low Five Avg.	125,147	-0.3	2	108	312	-13.4	2.4	69.5	78.3

Technical Notes

The following technical notes (updated as of August, 2005) identify the source for each indicator, provide a concise definition, indicate the coverage of USAID countries, and comment on data quality where pertinent. For reference purposes, a CAS code is also given for each indicator. In many cases, the descriptive information is taken directly from the original sources, as cited.

GROWTH PERFORMANCE

Per capita GDP, current US dollars

Source: IMF World Economic Outlook database, updated every 6 months, at:

http://www.imf.org/external/ns/cs.aspx?id=28

Definition: GDP per capita is gross domestic product divided by midyear population. GDP is the sum of gross value added by all resident producers plus any product taxes, less any subsidies not included in the value of the products. It is calculated without making deductions for depreciation of fabricated assets or for depletion and degradation of natural resources.

Coverage: Data are available for about 85 USAID countries.

CAS Code #11P2

Per capita GDP, purchasing power parity dollars

Source: IMF World Economic Outlook database, updated every 6 months, at:

http://www.imf.org/external/ns/cs.aspx?id=28

Definition: This indicator adjusts per capita GDP measured in current U.S. dollars for differences in purchasing power, using an estimated exchange rate reflecting the purchasing power of the various local currencies.

Coverage: Data are available for about 85 USAID countries.

CAS Code #11P1

Real GDP growth

Source: IMF World Economic Outlook database, updated every 6 months; latest country data from IMF Article IV Review Reports available at:

www.imf.org/external/np/sec/aiv/index.htm

Definition: Annual percentage growth rate of GDP at constant local currency prices.

Coverage: Data are available for about 85 USAID countries.

CAS Code #11P3

Growth of labor productivity

Source: World Development Indicators 2005. Estimated by calculating the annual percentage change of the ratio of GDP (constant 1995 US$) (NY.GDP.MKTP.KD) to the population age 15-64, which in turn is the product of the total population (SP.POP.TOTL) times the percentage of total population that is in this age group (SP.POP.1564.IN.ZS).

Definition: Labor productivity is defined here as the ratio of GDP (in constant prices) to the size of the working age population (ages 15 to 64 years). The more familiar calculation, based on employment, labor force, or work hours, is not used here because low participation or employment rates are themselves structural productivity problems; also, many low-income countries do not report data needed to compute these alternative measures of labor productivity.

Coverage: Data are available for about 85 USAID countries.

CAS Code # 11S1

Investment productivity --incremental capital-output ratio (ICOR)

Source: International benchmark data computed from World Development Indicators 2005, based on the five-year average of the share of fixed investment (NE.GDI.FTOT.ZS) and the five-year average GDP growth (NY.GDP.MKTP.KD.ZG). Updated figures for the target country are computed from IMF article IV Consultation Reports.

Definition: The ICOR shows the amount of capital investment incurred per extra unit of output. A high value represents low investment productivity. The ICOR is calculated here as the ratio of (a) the investment share of GDP to (b) the growth rate of GDP, using five-year averages for both the numerator and denominator.

Coverage: Data are available for about 81 USAID countries.

CAS Code #11S2

Gross fixed investment, percentage of GDP

Source: IMF Article IV Consultation Reports for latest country data; international benchmark from the World Development Indicators 2005 series NE.GDI.FTOT.ZS.

Definition: Gross fixed investment is spending on replacing or adding to fixed assets (buildings, machinery, equipment and similar goods).

Coverage: Data are available for about 84 USAID countries.

CAS Code # 11S3

Gross fixed private investment, percentage of GDP

Source: IMF Article IV Consultation Reports, for latest country data; World Development Indicators 2004, for international comparison data (explanation below). The estimation of this indicator involves taking the difference between gross fixed capital formation (% of GDP) (NE.GDI.FTOT.ZS) and government capital expenditure (% of GDP). The latter term is the product of government capital expenditure (% of total expenditure) (GB.XPK.TOTL.ZS) and total government expenditure (% of GDP) (GB.XPD.TOTL.GD.ZS).

Definition: This indicator measures gross fixed capital formation by non-government investors, including spending for replacement or net addition to fixed assets (buildings, machinery, equipment and similar goods).

Coverage: Available from World Development Indicators 2004 for about 38 USAID countries. Starting in 2005, WDI no longer reports government capital expenditure, which is needed to compute this variable. The reason is that the World Bank has adopted a new system for Government Finance Statistics, which switches from reporting budget performance

based on cash outlays and receipts, to a modified accrual accounting system in which government capital formation is a balance sheet entry, and only the consumption of fixed capital (that is, a depreciation allowance) is treated as an expense. The template will include this variable when the required data can be obtained from IMF Article IV Consultation Reports or national data sources. Group and regression benchmarks will be computed from WDI 2004 (since group averages tend to be relatively stable).

Data Quality: National statistics offices may have different methodologies for breaking down total government expenditure into current and capital components. In particular, the data on "development expenditure" in many countries includes elements of current expenditure.

CAS Code #11S4

POVERTY AND INEQUALITY

Human poverty index

Source: UNDP, Human Development Report.

http://hdr.undp.org/statistics/data/indicators.cfm?x=18&y=1&z=1 for 2005 edition; updates may be found at http://hdr.undp.org/reports/view_reports.cfm?type=1

Definition: The index measures deprivation in terms of not meeting target levels for specified economic and quality of life indicators. Values are based on (1) percentage of people not expected to survive to age 40, (2) percentage of adults who are illiterate, and (3) percentage of people who fail to attain a 'decent living standard,' which is subdivided into three (equally weighted) separate items: (a) percentage of people without access to safe water, (b) percentage of people without access to health services, and (c) percentage of underweight children. The HPI ranges in value from 0 (for zero deprivation incidence) to 100 (for high deprivation incidence).

Coverage: Data are available for about 60 USAID countries.

CAS Code #12P1

Income share held by lowest 20%

Source: World Development Indicators 2005 series SI.DST.FRST.20. These are World Bank staff estimates based on primary household survey data obtained from government statistical agencies and World Bank country departments. Alternate source for target countries: Country Poverty Reduction Strategy Paper:

http://www.imf.org/external/np/prsp/prsp.asp

Definition: Share of total income or consumption accruing to the poorest quintile of the population.

Coverage: Data are available for about 59 USAID countries, if one goes back to 1997; for the period since 2000, data are available for about 35 USAID countries.

CAS Code # 12P2

Percentage of population living on less than $1 PPP per day

Source: World Development Indicators 2005 series SI.POV.DDAY, original data from National Surveys. Alternate source for target countries: the country's Poverty Reduction Strategy Paper:

http://www.imf.org/external/np/prsp/prsp.asp

Definition: The indicator captures the percentage of the population living on less than $1.08 a day at 1993 international prices.

Coverage: Data are available for about 59 USAID countries going back to 1997; data for 2000 or later are available for about 35 USAID countries.

Data Quality: Poverty data originate from household survey questionnaires which can differ widely; even similar surveys may not be strictly comparable because of difference in quality.

CAS Code #12P3

Population below minimum dietary energy consumption

Source: UN Millennium Indicators Database at http://millenniumindicators.un.org/unsd/mi/mi_series_results.asp?rowId=566, based on FAO estimates.

Definition: Proportion of the population in a condition of undernourishment. The FAO defines undernourishment as the condition of people whose dietary energy consumption is continuously below a minimum dietary energy requirement for maintaining a healthy life and carrying out a light physical activity.

Coverage: Data are available for about 82 USAID countries.

CAS Code # 12S1

Poverty headcount, national poverty line

Source: World Development Indicators 2005 series SI.POV.NAHC. Alternate source: Country Poverty Reduction Strategy Paper (PRSP):

http://www.imf.org/external/np/prsp/prsp.asp

Definition: The percentage of the population living below the national poverty line. National estimates are based on population-weighted estimates from household surveys

Coverage: Data available for only 19 countries for 2000 or later; data are available for about 49 countries going back to 1997. For most target countries, data can be obtained from the PRSP.

Data Quality: Measuring the percentage of people below the "national poverty line" has the disadvantage of limiting international comparisons due to differences in the definition of the poverty line. Most lower income countries, however, determine the national poverty line by the level of consumption required to have a minimally sufficient food intake plus other basic necessities.

CAS Code #12P4

PRSP Status

Source: World Bank/IMF. A list of countries with a Poverty Reduction Strategy Paper (PRSP) can be found at http://www.imf.org/external/np/prsp/prsp.asp

Definition: Yes or no variable showing whether a country has (or not) completed a PRSP (introduced by the WB and IMF to ensure host country ownership of poverty reduction programs).

Coverage: All countries having PRSPs are so indicated.

CAS Code #12P5

Poverty gap at $1 PPP a day

Source: World Development Indicators 2005 series SI.POV.GAPS, original data from national surveys. Alternate source: the country's Poverty Reduction Strategy Paper: http://www.imf.org/external/np/prsp/prsp.asp

Definition: The poverty gap is the mean shortfall from the poverty line (counting the non-poor as having zero shortfall), expressed as a percentage of the poverty line. This measure reflects the depth of poverty as well as its incidence.

Coverage: Data are available for about 58 USAID countries going back to 1997; data for 2000 or later are available for about 32 USAID countries.

CAS Code #12S2

ECONOMIC STRUCTURE

Labor force or employment structure

Source: World Development Indicators 2005 series SL.AGR.EMPL.ZS for agriculture, series SL.IND.EMPL.ZS for industry, and series SL.SRV.EMPL.ZS for services. Alternate source: CIA World Fact Book . http://www.cia.gov/cia/publications/factbook/.

Definition: Employment in each sector is the proportion of total employment recorded as working in that sector. Employees are people who work for a public or private employer and receive remuneration in wages, salary, commission, tips, piece rates, or pay in kind. Agriculture includes hunting, forestry, and fishing. Industry includes mining and quarrying (including oil production), manufacturing, electricity, gas and water, and construction. Services include wholesale and retail trade and restaurants and hotels; transport, storage, and communications; financing, insurance, real estate, and business services; and community, social, and personal services.

Coverage: Data are available for about 37 USAID countries. For most target countries, data can be obtained from PRSP.

Data Quality: Employment figures originate from International Labor Organization. Some countries report labor force structure instead of employment, thus the data must be checked carefully prior to making comparisons.

CAS Code #13P1

Output structure

Source: World Development Indicators 2005 series NV.AGR.TOTL.ZS for value added in agriculture as a percentage of GDP; series NV.IND.TOTL.ZS for the share of industry; and NV.SRV.TETC.ZS for the share of services.

Definition: The output structure is comprised of value added by major sectors of the economy (agriculture, industry, and services) as percentages of GDP, where value added is the net output of a sector after adding up all outputs and subtracting intermediate inputs. Value added is calculated without making deductions for depreciation of fabricated assets or depletion and degradation of natural resources. Agriculture includes forestry, hunting, and fishing, as well as cultivation of crops and livestock production. Industry includes manufacturing, mining, construction, electricity, water, and gas. Services include wholesale and retail trade (including hotels and restaurants), transport, and government, financial, professional, and personal services such as education, health care, and real estate services.

Coverage: Data are available for about 86 USAID countries.

Data Quality: A major difficulty in compiling national accounts is the extent of unreported activity in the informal economy. In developing countries a large share of agricultural output is either not exchanged (because it is consumed within the household) or not exchanged for money. This production is estimated indirectly using estimates of inputs, yields, and area under cultivation. This approach can differ from the true values over time and across crops. Ideally, informal activity in industry and services should be measured through regular enterprise censuses and surveys. In most developing countries such surveys are infrequent, so prior survey results are extrapolated.

CAS Code #13P2

DEMOGRAPHY AND ENVIRONMENT

Adult literacy rate

Source: World Development Indicators 2005 series SE.ADT.LITR.ZS, based on UNESCO calculations.

Definition: Percentage of people ages 15 and over who can read and write a short-simple statement about their daily life.

Coverage: Data are available for about 66 USAID countries.

Data Quality: In practice, literacy is difficult to measure. A proper estimate requires census or survey measurements under controlled conditions. Many countries estimate the number of illiterate people from self-reported data, or by taking people with no schooling as illiterate.

CAS Code # 14P1

Age dependency rate

Source: World Development Indicators 2005 series SP.POP.DPND.

Definition: The ratio of dependents (those younger than 15 and older than 64) to the working-age population (those ages 15-64).

Coverage: Data are available for about 89 USAID countries.

CAS Code #14P2

Environmental Sustainability Index

Source: Center for International Earth Science Information Network (CIESIN) at Columbia University, and Yale Center for Environmental Law and Policy at Yale University. The 2005 index is at http://www.yale.edu/esi/ESI2005.pdf. For updates: http://www.yale.edu/esi/ .

Definition: The index measures the likelihood that a country will be able to preserve valuable environmental resources effectively. It is a composite index integrating 76 data sets tracking natural resource endowments, pollution levels, environmental management efforts, and the capacity of a society to improve its environmental performance. The index values range from a low of 0 (for countries that are positioned poorly to maintain favorable environmental conditions into the future) to a high of 100 (for countries that are positioned very well to maintain favorable environmental conditions into the future); most scores cluster between 40 and 60.

Coverage: Data are available for about 83 USAID countries.

CAS Code #14P3

Population size (in millions) and growth

Source: World Development Indicators 2005 series SP.POP.TOTL for total population, and series SP.POP.GROW for the population growth rate.

Definition: Total population counts all residents regardless of legal status or citizenship--except refugees not permanently settled in the country of asylum. Annual population growth rate is based on the de facto definition of population.

Coverage: Data are available for about 88 USAID countries.

CAS Code # 14P4

Urbanization rate

Source: World Development Indicators 2005 series SP.URB.TOTL.IN.ZS.

Definition: Urban population is the share of the total population living in areas defined as urban in each country. The calculation considers all residents regardless of legal status or citizenship, except refugees.

Coverage: Data are available for about 86 USAID countries.

Data Quality: The estimates are based on national definitions of what constitutes an urban area; since these definitions vary greatly, cross-country comparisons should be made with caution.

CAS Code #14P5

GENDER

Adult literacy rate, ratio of male to female

Source: Computed from UNDP Human Development Indicators: http://hdr.undp.org/statistics/data/

Definition: The ratio of adult male literacy rate to adult female literacy rate.

Coverage: Data are available for about 74 USAID countries.

CAS Code #15P1

Gross enrollment rate, all levels of education, ratio of male to female

Source: Computed from UNDP Human Development Indicators: http://hdr.undp.org/statistics/data/.

Definition: The ratio of the gross enrollment rate for males to that of females. The gross enrollment rate is the ratio of students enrolled in primary, secondary, and tertiary levels of education, regardless of age, to the total school age population for all three levels, assuming normal age of entry into the system and uninterrupted continuation to completion.

Coverage: Data are available for about 83 USAID countries.

CAS Code # 15P2

Life expectancy, ratio of male to female

Source: Estimated from UNDP Human Development Indicators: http://hdr.undp.org/statistics/data/.

*Definition:T*he ratio of life expectancy at birth (years) for males, divided by the life expectancy at birth (years) for females. Life expectancy at birth indicates the number of years a newborn infant would live if current age-specific mortality were to stay the same throughout its life. The ratio shows the disparity in life expectancies between males and females.

Coverage: Data are available for about 85 USAID countries.

CAS Code #15P3

FISCAL AND MONETARY POLICY

In the World Development Indicators for 2005, the World Bank has adopted a new system for government budget statistics, switching from data based on cash outlays and receipts, to a system with revenues booked on receipt and expenses booked on accrual, in accordance with the IMF's *Government Financial Statistics Manual, 2001*. On the revenue side, the changes are minor, and comparisons to the old system may still be valid. There is a major change, however, in the reporting of capital outlays, which are now treated as balance sheet entries; only the annual capital consumption allowance (depreciation) is reported as an expense. Hence, the data on total *expense* is not comparable to the former data on total *expenditure*. In addition, WDI 2005 now provides data on the government's *cash surplus/deficit*; this differs from the previous concept of the *overall budget balance* by excluding net lending minus repayments (which are now a financing item under net acquisition of financial assets). Many countries do not use the new GFS system, so country coverage of fiscal data in WDI 2005 is quite limited. For these reasons, the template will continue to use some data from WDI 2004, along with new data from WDI 2005 data, as appropriate.

Overall budget balance (including grants), or Cash surplus/deficit, as percentages of GDP

Source: For countries using the new GFS system (see explanation at the beginning of this section), benchmarking data on the government's cash surplus/deficit are obtained from World Development Indicators 2005 series GC.BAL.CASH.GD.ZS. For countries that are not yet using the new system, benchmarking data on the overall budget balance are obtained from WDI 2004, series GB.BAL.OVRL.GD.ZS. Latest country data is obtained from national data sources or from IMF Article IV Reviews:

www.imf.org/external/np/sec/aiv/index.htm.

Definition: The cash surplus/deficit is revenue (including grants) minus expenses, minus net acquisition of non-financial assets. This is close to the previous concept *overall budget balance*, differing only in that it excludes net lending (which is now treated as a financing item, under net acquisition of financial assets).

For countries that are not using the new GFS system, the template will continue to focus on the ***overall budget balance***, using data from the alternative sources indicated above. The overall budget deficit is defined as the difference between total revenue (including grants) and total expenditure.

Both concepts measure the central government's financing requirement, which must be met by domestic or foreign borrowing. As noted above, they differ in that the new cash surplus/deficit variable excludes net lending (which is usually a minor item).

Coverage: Data are available in WDI 2005 for 41 USAID countries.

CAS Code # 21P5

Composition of government expenditure (for countries not using GFS 2001 system)

Source: Benchmarking data are from World Development Indicators 2004. Country data constructed from national data sources or from IMF Article IV Consultative Reports: www.imf.org/external/np/sec/aiv/index.htm.

Definition: Central government expenditure, broken down using categories from WDI 2004: (1) subsidies and other current transfers, (2) wages and salaries, (3) interest payments, (4) goods and services expenditure, and (5) capital expenditure, all as a percent of total expenditure.

Coverage: Data are available for about 37 USAID countries from World Development Indicators 2004. As explained at the beginning of this section, WDI no longer reports government *expenditures* starting in 2005. The template will include this variable when the required data can be obtained from IMF Article IV Consultation Reports or national data sources for the target country and the comparison countries. Group. The group benchmarks will still be computed from WDI 2004 (since group averages tend to be relatively stable).

Data Quality: Many countries report their revenue in non-comparable categories. Budget data are compiled on a fiscal year basis. If the fiscal year differs from the calendar year, then ratios to GDP may be calculated by interpolating budget data from two adjacent fiscal years.

CAS Code # 21S1

Composition of government expenses (for countries using GFS 2001 system)

Source: Group benchmarking data are from the World Development Indicators 2005. Latest country data are constructed from national sources or from IMF Article IV Reports: www.imf.org/external/np/sec/aiv/index.htm.

Definition: WDI 2005 disaggregates central government expenses into five categories: compensation of employees, goods and services, interest payments, subsidies and other transfers, and other expenses. The expense in each category is expressed as a percentage of total expenses.

Coverage: Data are available for about 42 USAID countries from the World Development Indicators 2005.

CAS Code # 21S1

Composition of government revenue

Source: The latest country and comparison country data is taken from national data sources or from IMF Article IV Reviews: www.imf.org/external/np/sec/aiv/index.htm. Benchmarking data are taken directly from WDI 2005 database: (1) taxes on goods and services (% of revenue), series GC.TAX.GSRV.RV.ZS; (2) taxes on income, profits and capital gains (% of revenue), series GC.TAX.YPKG.RV.ZS; (3) taxes on international trade (% of revenue), series GC.TAX.INTT.RV.ZS; (4) other taxes (% of revenue), series GC.TAX.OTHR.RV.ZS; (5) social contributions (% of revenue), series GC.REV.SOCL.ZS; and (6) grants and other revenue (% of revenue), series GC.REV.GOTR.ZS.

Definition: Breakdown of central government revenue sources by categories outlined above. Each source of revenue is expressed as a percentage of total revenue.

Coverage: Data are available from WDI 2005 for about 46 USAID countries.

Data Quality: Many countries report their revenue in non-comparable categories. If the fiscal year differs from the calendar year, then the ratios to GDP may be calculated by interpolating budget data from two adjacent fiscal years.

CAS Code # 21S2

Composition of money supply growth

Source: Constructed using or national data sources or IMF Article IV Reviews from:

www.imf.org/external/np/sec/aiv/index.htm.

Definition: Identifies the sources of the year to year change in the broad money supply (M2), disaggregated into five categories: (1) net credit to government, (2) credit to the private sector, (3) net credit to public enterprises, (4) net foreign assets (reserves), and (5) other items net. Each component is expressed as a percentage of the annual change (December to December) in M2.

Coverage: Data are available for about 86 USAID countries.

CAS Code # 21S3

Government expense, percentage of GDP (for countries using GFS 2001 system)

Source: Benchmarking data obtained from World Development Indicators 2005 series GC.XPN.TOTL.GD.ZS. Original source of WDI data is the International Monetary Fund, International Financial Statistics Yearbook, World Bank and OECD estimates. Latest country data obtained from national sources or from IMF Article IV Reviews: www.imf.org/external/np/sec/aiv/index.htm;

Definition: Expense is an accrued obligation to pay for operating activities of the government in providing goods and services. It includes compensation of employees (such as wages and salaries), interest and subsidies, grants, social benefits, and other expenses such as rent and dividends.[1]

Coverage: Data are available for about 42 USAID countries.

CAS Code # 21P1

Government expenditure, percentage of GDP (for countries not using GFS 2001 system)

Source: Benchmarking data obtained from World Development Indicators 2004, series GB.XPD.TOTL.GD.ZS.[2] Original source of WDI data is the International Monetary Fund, Government Finance Statistics Yearbook, and World Bank estimates. Latest country data are obtained from national sources or IMF Article IV Reports: www.imf.org/external/np/sec/aiv/index.htm.

Definition: Total expenditure of the central government, as a percent of GDP.

Coverage: Data are available for about 41 USAID countries.

CAS Code # 21S2

Government revenue, excluding grants, percentage of GDP

Source: Latest country data obtained from national data sources or IMF Article IV Reviews: www.imf.org/external/np/sec/aiv/index.htm. Benchmarking data from World Development Indicators 2005 series GC.REV.XGRT.GD.ZS. Original source of WDI data is the International Monetary Fund, Government Finance Statistics Yearbook and data file, and World Bank estimates.

Definition: Revenue consists of cash receipts from taxes, social contributions, and other revenues such as fines, fees, rent, and income from property or sales. Grants are also a form of revenue but are excluded here to focus on domestic revenue mobilization.

Coverage: Data are available for about 47 USAID countries.

CAS Code # 21P2

Inflation rate

Source: IMF World Economic Outlook database, updated every 6 months, at:

http://www.imf.org/external/ns/cs.aspx?id=28

Definition: Inflation as measured by the consumer price index reflects the annual percentage change in the cost to the average consumer of acquiring a basket of goods and services that may be fixed or changed at specified intervals.

Coverage: Data are available for about 85 USAID countries.

Data Quality: For many developing countries, figures for recent years are IMF staff estimates. Additionally, data for some countries are for fiscal years.

CAS Code #21P4

Money supply growth

Source: Latest country data are from national data sources or from IMF Article IV Reviews: www.imf.org/external/np/sec/aiv/index.htm. Benchmarking data are from World Development Indicators 2005, series FM.LBL.MQMY.ZG. Original source of WDI data is

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[1] In the technical notes to WDI 2005, expense is defined as "cash payments." This is inconsistent with the original source, GFS, which defines expense on an accrual basis as indicated here.

[2] This variable is no longer available in WDI 2005.

International Monetary Fund, International Financial Statistics, and World Bank estimates.

Definition: Average annual growth rate in the broad money supply, M2 (money plus quasi-money) measured as the change in end-of-year totals relative to the preceding year. M2 comprises the sum of currency outside banks, checking account deposits other than those of the central government, and the time, savings, and foreign currency deposits of resident sectors other than the central government. M2 corresponds to the sum of lines 34 and 35 in the International Monetary Fund's (IMF) International Financial Statistics (IFS).

Coverage: Data are available for about 81 USAID countries.

CAS Code #21P3

BUSINESS ENVIRONMENT

Corruption perception index

Source: Transparency International:

http://ww1.transparency.org/cpi/2005/dnld/media_pack_en.pdf .

Definition: Corruption Perceptions Index (CPI) is a composite index that ranks countries in terms of the degree to which corruption is perceived to exist among public officials and politicians. The index ranges from 1 (for most corruption) to 10 (for least corruption). Values below 3.0 are considered to indicate rampant corruption. This threshold is used in the template as an absolute benchmark standard.

Coverage: Data are available for about 79 USAID countries.

Data Quality: This indicator uses perception and opinions gathered from local businessmen as well as third-party experts and not hard empirical data; thus, the indicator is largely subjective. Also standard errors are large. For both reasons, international comparisons are problematic, though widely used.

CAS Code # 22P1

Ease of doing business ranking

Source: World Bank, Doing Business Indictors http://rru.worldbank.org/DoingBusiness/

Definition: The ease of doing business index ranks economies from 1 to 155. The index is calculated as the ranking on the simple average of country percentile rankings on each of the 10 topics covered in Doing Business in 2006 – starting a business, dealing with licenses, hiring and firing, registering property, getting credit, protecting investors, paying taxes, trading across borders, enforcing contracts, and closing a business.

Coverage: Data are available for about 74 USAID countries.

CAS Code # 22P2

Rule of law index

Source: World Bank Institute,

http://www.worldbank.org/wbi/governance/govdata2002/index.html. This indicator is based on the perceptions of the legal system, drawn from 12 separate data sources.

Definition: The Rule of Law Index is an aggregation of various indicators which measure the extent to which agents have confidence in and abide by the rules of society. Index ranges from -2.5 (for very poor performance) to +2.5 (for excellent performance).

Coverage: Data are available for nearly all USAID countries.

Data Quality: This index is best used with caution for relative comparisons between countries in a single year, because the standard errors are large. It is also difficult to use the index to track a country's progress over time because the index does not compensate for changes in the world average. For instance, if the world average decreases in a given year, a country whose score appears to increase may not actually have tangible improvements in their legal environment.

CAS Code #22P3

Regulatory Quality Index

Source: World Bank Institute;

http://www.worldbank.org/wbi/governance/govdata2002/index.html.

Definition: The regulatory quality index measures the incidence of market-unfriendly policies such as price controls or inadequate bank supervision, as well as perceptions of the burdens imposed by excessive regulation in areas such as foreign trade and business development. It is computed from survey data from multiple sources. The index values range from -2.5 (for very poor performance) to +2.5 (for excellent performance).

This is also an MCC indicator, under the criterion of encouraging economic freedom. The MCC rescales the values as percentile rankings relative to the set of MCA eligible countries, ranging from a value from 0 (for very poor performance) to 100 (for excellent performance). Some country reports use the MCC scaling.

Gaps: Data are available for nearly all USAID countries.

Data Quality: This index is best used with caution for relative comparisons between countries in a single year, because the standard errors are large. It is also difficult to use the index to track a country's progress over time because the index does not compensate for changes in the world average. For instance, if the world average decreases in a given year, a country whose score appears to increase may not actually have tangible improvements in their legal environment.

CAS Code #22P4

Cost to start a business, % of GNI per capita

Source: World Bank, Doing Business; Starting a Business category:

http://rru.worldbank.org/DoingBusiness/ExploreTopics/StartingBusiness/CompareAll.aspx

Definition: Legally required cost to starting a simple limited liability company, expressed as percentage of GNI per capita.

Coverage: Data are available for about 74 USAID countries.

CAS Code #22S1

Procedures to enforce a contract

Source: World Bank, Doing Business; Enforcing Contracts category:

http://rru.worldbank.org/DoingBusiness/ExploreTopics/EnforcingContracts/CompareAll.aspx

Definition: Number of procedures required to enforce recovery of a valid debt contract through the court system. Where a procedure is defined as any interactive step the company must undertake with the government agencies, lawyers, notaries, etc. to proceed with the enforcement action.

Coverage: Data are available for about 74 USAID countries.

CAS Code # 22S2

Procedures to register property

Source: World Bank, Doing Business; Registering Property category:

http://rru.worldbank.org/DoingBusiness/ExploreTopics/RegisteringProperty/CompareAll.aspx

Definition: Number of procedures required to register the transfer of title for business property. A procedure is defined as any step involving interaction between a company/individual and a third party that is necessary to complete the property registration process.

Coverage: Data are available for about 74 USAID countries.

CAS Code #22S3

Procedures to start a business

Source: World Bank, Doing Business; Starting a Business category:

http://rru.worldbank.org/DoingBusiness/ExploreTopics/StartingBusiness/CompareAll.aspx

Definition: Number of procedural steps required to legalize a simple limited liability company. Procedures are interactions of a company with the government agencies, lawyers, auditors, notaries, and the like, including interactions required to obtain necessary permits and licenses and to complete all inscriptions, verifications, and notifications to start operations.

Coverage: Data are available for about 74 USAID countries.

CAS Code # 22S4

Time to enforce a contract

Source: World Bank, Doing Business; Enforcing Contracts category:

http://rru.worldbank.org/DoingBusiness/ExploreTopics/EnforcingContracts/CompareAll.aspx

Definition: Minimum number of days required to enforce a contract through the court system.

Coverage: Data are available for about 74 USAID countries.

CAS Code # 22S5

Time to register property

Source: World Bank, Doing Business; Registering Property category:

http://rru.worldbank.org/DoingBusiness/ExploreTopics/RegisteringProperty/CompareAll.aspx

Definition: The time required to accomplish the full sequence of procedures to transfer the property title from the seller to the buyer when a business purchases land and a building in a peri-urban area of the country's most populous city. Every required procedure is included whether it is the responsibility of the seller, the buyer, or where it is required to be completed by a third party on their behalf.

Coverage: Data are available for about 74 USAID countries.

CAS Code #22S6

Time to start a business

Source: World Bank, Doing Business; Starting a Business category:

http://rru.worldbank.org/DoingBusiness/ExploreTopics/StartingBusiness/CompareAll.aspx

Definition: Calendar days needed to complete the required procedures for legally operating a business. If a procedure can be speeded up at additional cost, the fastest procedure, independent of cost, is chosen.

Coverage: Data are available for about 74 USAID countries.

CAS Code #22S7

FINANCIAL SECTOR

Cost to Create Collateral

Source: World Bank Doing Business; Getting Credit category:

http://rru.worldbank.org/DoingBusiness/ExploreTopics/GettingCredit/CompareAll.aspx

Definition: The indicator assesses the cost of creating and registering collateral as a percentage of income per capita.

Coverage: Data are available for about 74 USAID countries.

Data Quality: Countries without a collateral registry usually have lower costs, although the secured creditor is disadvantaged elsewhere because they are unable to notify other creditors of their right to the collateral through a registry.

CAS Code #23S1

Country credit rating

Source: Millennium Challenge Corporation. Original data comes from the Institutional Investor Magazine. http://www.mca.gov/countries/rankings/index.shtml.

Definition: Bankers' and fund managers' perception of the country's risk of default based on a semi-annual survey. Index ranges in value from 0 (for very poor performance) to 100 (for excellent performance).

Coverage: Data are available for about 58 USAID countries.

Data Quality: The indicator is subjective, as it is based on an opinion poll.

CAS Code # 23S2

Domestic credit to private sector, percent of GDP

Source: IMF Article IV Reviews or national data sources for latest country data; World Development Indicators 2005 series FS.AST.PRVT.GD.ZS for benchmarking data. The WDI data originate from the International Monetary Fund, International Financial Statistics and data files, and World Bank estimates.

Definition: Domestic credit to private sector refers to financial resources provided to the private sector, such as through loans, purchases of non-equity securities, and trade credits and other accounts receivable, that establish a claim for repayment. For some countries, these claims include credit to public enterprises.

Coverage: Data are available for about 82 USAID countries.

CAS Code # 23P1

Interest rate spread

Source: World Development Indicators 2005 series FR.INR.LNDP. Original data from International Monetary Fund, International Financial Statistics and data files.

Definition: The difference between the average lending and borrowing interest rates charged by commercial or similar banks on domestic currency deposits.

Coverage: Data are available for about 66 USAID countries.

CAS Code # 23P2

Legal rights of borrowers and lenders

Source: World Bank Doing Business; Getting Credit category:

http://rru.worldbank.org/DoingBusiness/ExploreTopics/GettingCredit/CompareAll.aspx. The index is based on data collected through research of collateral and insolvency laws supported by survey data on secured transactions laws.

Definition: The index measures the degree to which collateral and bankruptcy laws facilitate lending. Index ranges in value from 0 (for very poor performance) to 10 (for excellent performance). It includes three aspects related to legal rights in bankruptcy, and seven aspects found in collateral law.

Coverage: Data are available for about 74 USAID countries.

CAS Code # 23S3

Money supply, percent of GDP

Source: Latest country data obtained from national data sources or IMF Article IV Reviews:

www.imf.org/external/np/sec/aiv/index.htm. Benchmarking data from World Development Indicators 2005 series FM.LBL.MQMY.GD.ZS. WDI data originate from International Monetary Fund, International Financial Statistics and data files, and World Bank and OECD GDP estimates.

Definition: Money supply (M2), also called broad money, and is defined as non-bank private sector's holdings of notes, coins and demand deposits plus savings deposits and foreign currency deposits. Ratio of M2 to GDP is calculated to assess the degree of monetization of an economy.

Coverage: Data are available for about 81 USAID countries.

Data Quality: In some countries M2 includes Certificates of Deposits (CDs), money market instruments, and/or treasury bills.

CAS Code # 23P3

Real interest rate

Source: World Development Indicators 2005 series FR.INR.RINR.

Definition: Real interest rate is the lending interest rate adjusted for inflation, as measured by the GDP deflator.

Coverage: Data are available for about 68 USAID countries.

CAS Code # 23S4

Stock Market Capitalization Rate, % of GDP

Source: World Development Indicators 2005, series CM.MKT.LCAP.GD.ZS.

Definition: The variable is defined as the market capitalization, also known as market value (the share price times the number of shares outstanding), of all the domestic shares listed on the country's stock exchange as a percentage of GDP.

Coverage: Data are available for about 54 USAID countries.

CAS Code # 23P4

EXTERNAL SECTOR

Aid, % of GNI

Source: Latest country data obtained from national data sources or IMF Article IV Reviews:

www.imf.org/external/np/sec/aiv/index.htm. Benchmarking data from World Development Indicators 2005 series DT.ODA.ALLD.GN.ZS.

Definition: The indicator measures Official Development Assistance from OECD countries and official aid from non-OECD countries, as a percentage of the recipient's gross national income.

Coverage: Data are available for about 84 USAID countries.

Data Quality: Data does not include aid given by recipient countries to other recipient countries, and may not be consistent with the country's balance sheets, because data are collected from donors.

CAS Code #24P1

Concentration of exports

Source: Constructed with ITC COMTRADE data by aggregating the value for the top 3 export product groups (SITC Rev.3), and dividing by total exports. Raw data: http://www.intracen.org/tradstat/sitc3-3d/indexre.htm,

Definition: The percentage of a country's total merchandise exports consisting of the top three products, disaggregated at the SITC (Rev. 3) 3-digit-level.

Coverage: Available for about 74 USAID countries.

Data Quality: Smuggling represents a serious problem in a number of countries. For countries that do not report trade data to the United Nations, ITC uses partner country data. There are a number of shortcomings with this approach: ITC does not cover trade with other non-reporting countries; trans-shipments may hide the actual source of supply; and reporting standards include transport cost and insurance in measuring exports but exclude these items when measuring imports.

CAS Code # 24S1

Current Account Balance, percent of GDP

Source: Latest country data from national data sources or IMF Article IV Reviews:

www.imf.org/external/np/sec/aiv/index.htm. Benchmarking data from World Development Indicators 2005 series BN.CAB.XOKA.GD.ZS, based on International Monetary Fund, Balance of Payments Statistics Yearbook and data files, and World Bank staff estimates, and World Bank and OECD GDP estimates.

Definition: Current account balance is the sum of net exports of goods, services, net income, and net current transfers. It is presented here as a percentage of a country's gross domestic product.

Coverage: Data are available for about 79 USAID countries.

CAS Code # 24P2

Debt service ratio

Source: Latest country data obtained from national data sources or IMF Article IV Reviews:

www.imf.org/external/np/sec/aiv/index.htm. Benchmarking data from World Development Indicators 2005, series DT.TDS.DECT.EX.ZS, based on World Bank, Global Development Finance data.

Definition: Total debt service is the sum of principal repayments and interest actually paid in foreign currency, goods, or services on long-term debt, interest paid on short-term debt and repayments (repurchases and charges) to the IMF. Debt is considered as a percent of exports of goods and services, which includes income and workers' remittances.

Coverage: Data are available for about 77 USAID countries.

Data Quality: See data quality comments to the Present value of debt, percent of GNI regarding quality of debt data reported.

CAS Code # 24P3

Foreign Direct Investment, percent of GDP

Source: Latest country data obtained from national data sources or IMF Article IV Reviews:

www.imf.org/external/np/sec/aiv/index.htm. Benchmarking data from World Development Indicators 2005, series

BX.KLT.DINV.DT.GD.ZS, based on International Monetary Fund, International Financial Statistics and Balance of Payments databases, World Bank, Global Development Finance, and World Bank and OECD GDP estimates.

Definition: Foreign direct investment is the net inflow of investment to acquire a lasting management interest (10 percent or more of voting stock) in an enterprise operating in an economy other than that of the investor. It is the sum of equity capital, reinvestment of earnings, other long-term capital, and short-term capital as shown in the balance of payments. This series shows net inflows in the reporting economy.

Coverage: Data are available for about 82 USAID countries.

CAS Code #24P5

Gross international reserves, months of imports

Source: Latest country data obtained from national data sources or IMF Article IV Reviews:

www.imf.org/external/np/sec/aiv/index.htm. Benchmarking data from World Development Indicators 2005, series FI.RES.TOTL.MO.

Definition: Gross international reserves comprise holdings of monetary gold, special drawing rights (SDRs), the reserve position of members in the International Monetary Fund (IMF), and holdings of foreign exchange under the control of monetary authorities expressed in terms of the number of months of imports of goods and services.

Coverage: Data are available for about 77 USAID countries.

CAS Code # 24P6

Private capital inflows, percent of GDP

Source: Latest country data obtained from national data sources or IMF Article IV Reviews:

www.imf.org/external/np/sec/aiv/index.htm. Benchmarking data derived from the International Financial Statistics (sum of lines 78BED and 78BGD, divided by GDP).

Definition: Private capital inflows flows are the sum of the absolute values of direct and portfolio investment inflows recorded in the balance of payments financial account. The indicator is calculated as a ratio to GDP in U.S. dollars.

Coverage: Information on coverage is not easily accessible.

Data Quality: Capital flows are converted to U.S. dollars at the International Monetary Fund's average official exchange rate for the year shown.

CAS Code #24P7

Exports growth, goods and services

Source: Latest country data obtained from national data sources or IMF Article IV Reviews:

www.imf.org/external/np/sec/aiv/index.htm. Benchmarking data from World Development Indicators 2005, series NE.EXP.GNFS.KD.ZG, based on World Bank national accounts data, and OECD National Accounts data files.

Definitions: Annual growth rate of exports of goods and services based on constant local currency units. Exports include the value of merchandise, freight, insurance, transport, travel, royalties, license fees, and other services, such as communication, construction, financial, information, business, personal, and government services. They exclude labor and property income (formerly called factor services), as well as transfer payments.

Coverage: Data are available for about 81 USAID countries.

CAS Code # 24P4

Inward FDI Potential Index

Source: UNCTAD. Indicator is available online at http://www.unctad.org/Templates/WebFlyer.asp?intItemID=2471&lang=1.

Definition: Inward FDI Potential Index measures an economy's attractiveness to foreign investors, capturing factors (apart from market size) that are expected to have an impact. The Index ranges in value from 0 (for very poor performance) to 1 (for excellent performance). It is an un-weighted average of the scores of 12 normalized economic and social variables.

Coverage: Data are available for about 77 USAID countries.

CAS Code # 24S2

Net barter terms of trade

Source: World Development Indicators 2005, series TT.PRI.MRCH.XD.WD

Definition: Net barter terms of trade are calculated as the ratio of the export price index to the corresponding import price index measured relative to the base year 1995.

Coverage: Data are available for about 51 USAID countries.

CAS Code # 24S3

Present value of debt, percent of GNI

Source: World Development Indicators 2005 series DT.DOD.PVLX.GN.ZS, based on Global Development Finance data.

Definition: Present value of debt is the sum of short-term external debt plus the discounted sum of total debt service payments due on public, publicly guaranteed, and private non-guaranteed long-term external debt over the life of existing loans. Indicator measures the value of debt relative to the GNI.

Coverage: Data are available for about 80 USAID countries.

Data Quality: The coverage, and quality of debt data vary widely across countries due to the wide spectrum of debt instruments, the unwillingness on the part of the government to provide information, and lack of capacity in reporting. Discrepancies are significant when the exchange rate fluctuations, debt cancellations and re-scheduling occur.

CAS Code # 24P8

Real effective exchange rate (REER)

Source: IMF Article IV Reviews:

www.imf.org/external/np/sec/aiv/index.htm;

Definition: The REER is an index number with base 1995=100, which measures the value of a currency against a weighted average of foreign currencies. It is calculated as the nominal effective exchange rate divided by a price deflator or index of costs. The IMF defines the REER so that an increase in the value represents a real appreciation of the home currency, and a decrease represents a real depreciation.

Coverage: Information on coverage is not easily accessible.

Data Quality: Changes in real effective exchange rates should be interpreted with caution. For many countries the weights from 1990 onward take into account trade in 1988-90, and an index of relative changes in consumer prices is used as the deflator.

CAS Code # 24S4

Remittances receipts, percent of exports

Source: Latest country data obtained from national data sources or IMF Article IV Reviews:

www.imf.org/external/np/sec/aiv/index.htm. Benchmarking data is obtained from World Development Indicators 2005, It is constructed by dividing Worker's Remittances (receipts), series BX.TRF.PWKR.CD, by Exports of Goods and Services, series BX.GSR.GNFS.CD.

Definition: Workers' remittances are current transfers by migrants who are employed or intend to remain employed for more than a year in another economy in which they are considered residents. The indicator is the ratio of remittances to exports.

Coverage: Data are available for about 74 USAID countries.

CAS Code # 24P9

Structure of merchandise exports

Source: World Development Indicators 2005. Exports from five categories are used: Food exports series TX.VAL.FOOD.ZS.UN; Agricultural raw materials exports series TX.VAL.AGRI.ZS.UN; Manufactures exports series TX.VAL.MANF.ZS.UN; Ores and metals exports series TX.VAL.MMTL.ZS.UN; and Fuel exports series TX.VAL.FUEL.ZS.UN.

Definition: This indicator reflects the composition of merchandise exports by major commodity groups – food, agricultural raw materials, fuels, ores and metals, and manufactures.

Coverage: Data are available for about 78 USAID countries.

Data Quality: The classification of commodity groups follows the Standard International Trade Classification (SITC) revision 1, but most countries report using later revisions of the SITC. Tables are used to convert data reported in one system to another and this may introduce errors of classification. Shares may not sum to 100 percent because of unclassified trade.

CAS Code # 24S5

Trade in goods and services, as a percentage of GDP

Source: Latest country data obtained from national data sources or IMF Article IV Reviews:

www.imf.org/external/np/sec/aiv/index.htm. Benchmarking data from World Development Indicators 2005, series NE.TRD.GNFS.ZS.

Definition: The sum of exports and imports of goods and services divided by the value of GDP, all expressed in current U.S. dollars.

Coverage: Data available for about 84 USAID countries.

CAS Code # 24P10

Trade Policy Index

Source: Index of Economic Freedom, Heritage Foundation. The Trade Policy Score (Index) is one of the components of the Index of Economic Freedom. The indices can be found at http://www.heritage.org/research/features/index/downloads.cfm.

Definition: The index measures the degree to which government hinders the free flow of foreign commerce based on a country's weighted average tariff rate (weighted by imports from the country's trading partners), with adjustments for non-tariff barriers and corruption in the custom service. The index ranges in value from 1 (for low levels of barriers to trade) to 5 (for high levels of barriers to trade).

Coverage: Data are available for about 83 USAID countries.

Data Quality: The index is subjective and at times inconsistent in its treatment of tariffs.

CAS Code # 24S6

ECONOMIC INFRASTRUCTURE

Internet users per 1,000 people

Source: World Development Indicators 2005 series IT.NET.USER.P3, derived from the International Telecommunication Union database.

Definition: Indicator quantifies the number of internet users, defined as those with access to the world-wide network, per 1,000 people.

Coverage: Data are available for about 88 USAID countries.

CAS Code # 25P1

Overall Infrastructure Quality

Source: Global Competitiveness Report 2005-2006, World Economic Forum. The indicator can be found in the Data Tables, Section V. General Infrastructure; 5.01.

Definition: The index measures executives' perceptions of general infrastructure in their respective country. Executives grade, on a scale from 1 to 7, whether general infrastructure in their country is (1) poorly developed, or (7) among the best in the world.

Coverage: Data are available for about 52 USAID countries.

Data Quality: Comparisons between countries are difficult, since the data are based on executives' perceptions.

CAS Code # 25P2

Telephone density, fixed line and mobile

Source: World Development Indicators 2005 series IT.TEL.TOTL.P3, derived from the International Telecommunication Union database..

Definition: The indicator is the sum of subscribers to telephone mainlines and mobile phones per 1,000 people. Fixed lines represent telephone mainlines connected to the public switched telephone network. Mobile phone subscribers refer to users of cellular based technology with access to the public switched telephone network.

Coverage: Data are available for about 88 USAID countries.

CAS Code #25P3

Quality of infrastructure - railroads, ports, air transport and electricity

Source: Global Competitiveness Report 2005-2006, World Economic Forum. The indicators can be found in the Data Tables, Section V. General Infrastructure; 5.02, 5.03, 5.04, and 5.05 for Railroad, Port; Air Transport, and Electricity, respectively.

Definitions: The index measures executives' perceptions of general infrastructure in their respective country. Executives grade, on a scale from 1 to 7, whether railroads, ports, air transport, and electricity are (1) poorly developed, or (7) among the best in the world.

Coverage: Data are available for about 52 USAID countries.

Data Quality: Comparisons between countries are difficult, since the data are based on executive perceptions.

CAS Code #25S1

Telephone cost, average local call

Source: World Development Indicators 2005 series IT.MLT.CLCL.CD, , derived from the International Telecommunication Union database.

Definition: Cost of local call is measured by the cost of a three-minute, peak rate, fixed line call within the same

exchange area using the subscriber's equipment (i.e., not from a public phone).

Coverage: Data are available for about 82 USAID countries.

CAS Code #25S2

SCIENCE AND TECHNOLOGY

Expenditure in Research and Development, percent of GDP

Source: World Development Indicators 2005, series GB.XPD.RSDV.GD.ZS, based on data from the UNESCO Institute of Statistics.

Definition: Expenditures for research and development are current and capital expenditures (both public and private) on creative, systematic activity that increases the stock of knowledge. Included are fundamental and applied research and experimental development work leading to new devices, products, or processes.

Coverage: Data are available for about 26 USAID countries.

CAS Code #26P1

FDI technology transfer index

Source: Global Competitiveness Report 2005-2006, World Economic Forum. The indicator can be found in the Data Tables, Section III. Technology: Innovation and Diffusion; 3.04.

Definition: The index measures executives' perceptions of FDI as a source of new technology for the country. Executives grade, on a scale from 1 to 7, whether foreign direct investment in their country (1) brings little new technology, or (7) is an important source of new technology.

Coverage: Data are available for about 52 USAID countries.

Data Quality: Comparisons between countries are difficult, since the data are based on executive perceptions.

CAS Code # 26P2

Patent applications filed, by residents

Source: World Development Indicators 2005 series IP.PAT.RESD, based on WIPO data.

Definition: The indicator is the number of applications filed by host-country residents with the national patent office for exclusive rights for an invention – a product or process that provides a new way of doing something or offers a new technical solution to a problem.

Coverage: Data are available for about 63 USAID countries.

CAS Code #26P3

HEALTH

HIV prevalence rate

Source: UNAIDS for most recent country data:

http://www.unaids.org/Unaids/EN/Resources/epidemiology.asp. World Development Indicators 2005 for benchmark data, series SH.DYN.AIDS.ZS.

Definition: Percentage of people ages 15-49 who are infected with HIV.

Coverage: Data are available for about 79 USAID countries.

Data Quality: UNAIDS/WHO estimates are based on all available data, including surveys of pregnant women, population-based surveys, household surveys conducted by Kenya, Mali, Zambia and Zimbabwe, as well as other surveillance information.

CAS Code # 31P1

Life expectancy at birth

Source: World Development Indicators 2005, (SP.DYN.LE00.IN)

Definition: Life expectancy at birth indicates the number of years a newborn infant would live on average if prevailing patterns of mortality at the time of its birth were to stay the same throughout its life.

Coverage: Data are available for about 88 USAID countries.

Data Quality: Life expectancy at birth is estimated based on vital registration or the most recent census/survey. Extrapolations may not be reliable for monitoring changes in health status or for comparative analytical work.

CAS Code # 31P2

Maternal mortality rate

Source: UN Millennium Indicators Database, http://millenniumindicators.un.org/unsd/mi/mi_series_results.asp?rowId=553 based on WHO, UNICEF and UNFPA data.

Definition: The indicator is the number of women who die during pregnancy and childbirth, per 100,000 live births.

Coverage: Data are available for about 87 USAID countries.

Data Quality: Household surveys attempt to measure maternal mortality by asking respondents about survivorships of sisters. The estimates pertain to 12 years or so before the survey, making them unsuitable for monitoring recent changes.

CAS Code # 31P3

Access to improved sanitation

Source: World Development Indicators 2005, series SH.STA.ACSN.

Definition: The indicator is the percentage of population with at least adequate excreta disposal facilities (private or shared, but not public) that can effectively prevent human, animal, and insect contact with excreta.

Coverage: Data are available for about 82 USAID countries.

Data Quality: The coverage rates are based on service users on the facilities their households use, rather than on information service providers who may include nonfunctioning systems—therefore somewhat reliable.

CAS Code #31S1

Access to improved water source

Source: World Development Indicators 2005 series SH.H2O.SAFE.ZS

Definition: The indicator is percentage of population with reasonable access to an adequate amount of water from an improved source, such as a household connection, public standpipe, borehole, protected well or spring, or rain water collection.

Coverage: Data are available for about 83 USAID countries.

Data Quality: Access to drinking water from an improved source does not ensure that the water is adequate or safe.

CAS Code # 31S2

Births attended by skilled health personnel

Source: World Development Indicators 2005, series SH.STA.BRTC.ZS.

Definition: The indicator is percentage of deliveries attended by personnel trained to give the necessary supervision, care, and advice to women during pregnancy, labor, and the postpartum period, to conduct interviews on their own, and to care for newborns.

Coverage: Data are available for about 62 USAID countries.

Data Quality: Data may not reflect improvements in maternal health, maternal deaths are underreported and rates of maternal mortality are difficult to measure.

CAS Code # 31S3

Child immunization rate

Source: World Development Indicators 2005, estimated by averaging two series: Immunization, DPT (% of children ages 12-23 months) (SH.IMM.IDPT) and Immunization, measles (% of children ages 12-23 months) (SH.IMM.MEAS)

Definition: Percentage of children under one year receiving vaccination coverage for four diseases-measles and diphtheria, pertussis (whopping cough), and tetanus (DDPT).

Coverage: Data are available for about 88 USAID countries.

CAS Code #31S4

Prevalence of child malnutrition, weight for age

Source: World Development Indicators 2005, series SH.STA.MALN.ZS.

Definition: The indicator is based on percentage of children under five whose weight for age is more than minus two standard deviations below the median for the international reference population ages 0-59 months.

Coverage: Data are available for about 55 USAID countries.

CAS Code # 31S5

Public health expenditure, percent of GDP

Source: Latest data for host country is obtained from the MCC http://www.mca.gov/countries/rankings/index.shtml.

International benchmarking data from World Development Indicators 2005, (SH.XPD.PUBL.ZS), based on World Health Organization, World Health Report and updates and from the OECD, supplemented by World Bank poverty assessments and country and sector studies.

Definition: Public health expenditure consists of recurrent and capital spending from government (central and local) budgets, external borrowings and grants (including donations from international agencies and nongovernmental organizations), and social (or compulsory) health insurance funds.

Coverage: Data are available for about 88 USAID countries.

CAS Code #31S6

EDUCATION

Net primary enrollment rate - female, male and total

Source: UNESCO Institute for Statistics, http://stats.uis.unesco.org/ReportFolders/reportfolders.aspx

Definition: The indicator measures the proportion of the population of the official age for primary, secondary or tertiary education according to national regulations who are enrolled in primary schools. Primary education provides children with basic reading, writing, and mathematics skills along with an elementary understanding of such subjects as history, geography, natural science, social science, art, and music.

Coverage: Data are available for about 80 USAID countries.

Data Quality: Enrollment rates are based on data collected during annual school surveys, which are typically conducted at the beginning of the school year, and do not reflect actual rates of attendance during the school year. In addition, school administrators may report exaggerated enrollments as often teachers are paid proportional to the number of pupils enrolled. The indicator does not measure the quality of the education provided.

CAS Code # 32P1

Persistence to grade 5 – female, male, and total

Source: World Development Indicators 2005 series SE.PRM.PRS5.FE.ZS (female); SE.PRM.PRS5.MA.ZS (male); and SE.PRM.PRS5.ZS (total).

Definition: The indicator is an estimate of the proportion of the population entering primary school who reach grade 5, for female, male, and total students.

Coverage: Data are available for about 48 USAID countries.

CAS Code # 32P2

Youth literacy rate

Source: World Development Indicators 2005, series SE.ADT.1524.LT.ZS.

Definition: The indicator is an estimate of the percent of people ages 15-24 who can, with understanding, read and write a short, simple statement on their everyday life.

Coverage: Data are available for about 67 USAID countries.

Data Quality: Statistics are out of date by 2-3 years.

CAS Code #32P3

Expenditure on primary education, percent GDP

Source: Millennium Challenge Corporation http://www.mca.gov/countries/rankings/index.shtml

Definition: The indicator is the total expenditures on education by all levels of government, as a percent of GDP.

Coverage: Data are available for about 58 USAID countries.

Data Quality: The MCC obtains the data from national sources via US embassies.

CAS Code #32S1

Educational expenditure per student, percentage GDP per capita – Primary, Secondary and Tertiary

Source: World Development Indicators 2005 series SE.XPD.PRIM.PC.ZS (primary); SE.XPD.SECO.PC.ZS (secondary); and SE.XPD.TERT.PC.ZS (tertiary).

Definition: Public expenditure per student (primary, secondary or tertiary) is defined as the public current expenditure on education divided by the total number of students, by level, as a percentage of GDP per capita.

Coverage: Data are available for about 50, 47, and 45 USAID countries (for primary, secondary, and tertiary expenditure, respectively).

Data Quality: Education statistics should be interpreted with caution because the data are out of date by 2 or 3 years; also, the statistics reflects solely public spending, generally excluding spending by religious schools, which play a significant role in many developing countries. Data for some countries and for some years refer to spending by the ministry of education only.

CAS Code # 32S2

Pupil-teacher ratio, primary school

Source: World Development Indicators 2005 series SE.PRM.ENRL.TC.ZS.

Definition: Primary school pupil-teacher ratio is the number of pupils enrolled in primary school divided by the number of primary school teachers (regardless of their teaching assignment).

Coverage: Data are available for about 76 USAID countries.

Data Quality: The indicator does not take into account differences in teachers' academic qualifications, pedagogical training, professional experience and status, teaching methods, teaching materials and variations in classroom conditions – all factors that could also affect the quality of teaching/learning and pupil performance.

CAS Code # 32S3

EMPLOYMENT AND WORKFORCE

Labor force participation rate – total, male, female

Source: Derived from World Development Indicators, but the precise computation differs depending on whether a particular country study uses the 2004 or 2005 WDI.

To calculate the *total* labor force participation rate using WDI 2004: the numerator is Labor force, total (SL.TLF.TOTL.IN), and the denominator is Population ages 15-64, total (SP.POP.1564.TO). Using WDI 2005, the denominator is calculated as the total population (SP.POP.TOTL) times the percentage of the population in the age group 15-64 (SP.POP.1564.IN.ZS).

To calculate the *female* labor force participation rate using WDI 2004: the numerator is the Labor force, female (% of total labor force) (SL.TLF.TOTL.FE.ZS) times Labor force, total (SL.TLF.TOTL.IN); the denominator is simply Population ages 15-64, female (SP.POP.1564.FE.IN). Using WDI 2005, the denominator (female population, ages 15-64), can only be estimated by multiplying the total population (SP.POP.TOTL) times the percentage of the population ages 15-64 (SP.POP.1564.IN.ZS) times the percentage of females in the total population (SP.POP.TOTL.FE.ZS).

To calculate the *male* labor force participation rate using WDI 2004: the numerator is calculated by subtracting the female labor force, derived above, from the total labor force (SL.TLF.TOTL.IN). The denominator is Population ages 15-64, male (SP.POP.1564.MA.IN). Using WDI 2005, the denominator is an estimated of the male population, ages 15-64, calculated as the total population (SP.POP.TOTL) times the percentage ages 15-64 (SP.POP.1564.IN.ZS) times the percentage of males in the total population, where the final factor is computed as 100 minus the percentage of females in the total population (SP.POP.TOTL.FE.ZS)..

Definition: The percentage of the working age population that is in the labor force. The labor force comprises people who meet the International Labour Organization definition of the economically active population: all people who supply labor for the production of goods and services during a specified period. It includes both the employed and the unemployed.

Coverage: Data are available for about 88 USAID countries.

CAS Code #33P1

Rigidity of employment index

Source: World Bank, Doing Business in 2005, Hiring and Firing Workers Category: http://rru.worldbank.org/DoingBusiness/ExploreTopics/HiringFiringWorkers/CompareAll.aspx

Definition: Rigidity of employment index is a measure of labor market rigidity constructed as the average of the Difficulty of Hiring Index, Rigidity of Hours Index and a Difficulty of firing Index. Index ranges in value from 0 (minimum rigidity) to 100 (maximum rigidity).

Coverage: Data are available for about 74 USAID countries.

Data Quality: Sub-indices are compiled by the World Bank from survey responses by in-country specialists.

CAS Code # 33P2

Size and growth of the labor force

Source: Size of labor force from World Bank Development Indicators (SL.TLF.TOTL.IN); annual percentage change calculated from size data.

Definition: The indicator measures the size of the labor supply, and its annual percent change. Labor force comprises of people who meet the International Labour Organization definition of the economically active population: all people who are able to supply labor for the production of goods and services during a specified period, including both employed and the unemployed. While national practices vary in the treatment of such groups as the armed forces and seasonal or part-time workers; in general, the labor force includes the armed forces, the unemployed, and first-time job-seekers, but excludes homemakers and other unpaid caregivers and workers in the informal sector.

Coverage: Data are available for about 88 USAID countries.

CAS Code #33P3

Unemployment rate

Source: World Development Indicators 2005 series SL.UEM.TOTL.ZS.

Definition: The unemployment rate refers to the share of the labor force that is without work but available for and seeking employment. For this purpose, informal sector workers and own-account workers (including subsistence farmers) are counted as being employed.

Coverage: Data are available for about 50 USAID countries.

Data Quality: Definitions of labor force and unemployment differ by country, making international comparisons inaccurate.

CAS Code # 33P4

AGRICULTURE

Agriculture value added per worker

Source: World Development Indicators 2005 series EA.PRD.AGRI.KD, derived from World Bank national accounts files and Food and Agriculture Organization, Production Yearbook and data files.

Definition: Agriculture value added per worker is a basic measure of labor productivity in agriculture. Value added in agriculture measures the output of the agricultural sector (ISIC divisions 1-5) – forestry, hunting, fishing, cultivation of crops, and livestock production – less the value of intermediate inputs. Data are in constant 1995 U.S. dollars.

Coverage: Data are available for about 80 USAID countries.

CAS Code # 34P1

Cereal yield

Source: World Development Indicators 2005 series AG.YLD.CREL.KG based on Food and Agriculture Organization (FAO), Production Yearbook and data files.

Definition: Cereal yield is measured as kilograms per hectare of harvested land, includes wheat, rice, maize, barley, oats, rye, millet, sorghum, buckwheat, and mixed grains. Production data on cereals relate to crops harvested for dry grain only.

Coverage: Data are available for about 84 USAID countries.

Data Quality: Data on cereal yield may be affected by a variety of reporting and timing differences. The FAO allocates production data to the calendar year in which the bulk of the harvest took place. But most of a crop harvested near the end of a year will be used in the following year. Cereal crops harvested for hay or harvested green for food, feed, or silage, and those used for grazing, are generally excluded. But millet and sorghum, which are grown as feed for livestock and poultry in Europe and North America, are used as food in Africa, Asia, and countries of the former Soviet Union. So some cereal crops are excluded from the data for some countries and included elsewhere, depending on their use.

CAS Code # 34P2

Growth in agricultural value added

Source: The latest country data are taken from national data sources or from IMF Article IV Reviews: www.imf.org/external/np/sec/aiv/index.htm. The benchmarking data are from World Development Indicators 2005 series NV.AGR.TOTL.KD.ZG

Definition: The indicator measures the annual growth rate for agricultural value added, in constant local currency. Regional group aggregates are based on constant 2000 U.S. dollars. Agriculture corresponds to ISIC divisions 1-5 and includes forestry, hunting, and fishing, as well as cultivation of crops and livestock production. Value added is the net output of a sector after adding up all outputs and subtracting intermediate inputs. It is calculated without making deductions for depreciation of fabricated assets or depletion and degradation of natural resources.

Coverage: Data are available for about 84 USAID countries.

CAS Code # 34P3

Agricultural policy costs index

Source: Global Competitiveness Report 2005-2006, World Economic Forum. The indicator can be found in the Data Tables, Section II. Macroeconomic Environment; 2.20.

Definition: The index measures executives' perceptions of agricultural policy costs in their respective country. Executives grade, on a scale from 1 to 7, whether the cost of agricultural policy in a given country is (1) excessively burdensome, or (7) balances all economic agents' interests.

Coverage: Data are available for about 52 USAID countries.

Data Quality: Comparisons between countries are difficult, since the data are based on executives' perceptions.

CAS Code # 34S1

Crop production index

Source: World Development Indicators 2005 series AG.PRD.CROP.XD, based on FAO statistics.

Definition: Crop production index shows agricultural production for each year relative to the period 1999-2001 = 100. The index includes production of all crops except fodder crops. Regional and income group aggregates for the FAO's production indices are calculated from the underlying values in international dollars, normalized to the base period.

Coverage: Data are available for about 85 USAID countries.

Data Quality: Regional and income group aggregates for the FAO's production indices are calculated from the underlying values in international dollars, normalized to the base period 1999-2001. The FAO obtains data from official and semiofficial reports of crop yields, area under production, and livestock numbers. If data are not available, the FAO makes estimates. To ease cross-country comparisons, the FAO uses international commodity prices to value production expressed in international dollars (equivalent in purchasing power to the U.S. dollar). This method assigns a single price to each commodity so that, for example, one metric ton of wheat has the same price regardless of where it was produced. The use of international prices eliminates fluctuations in the value of output due to transitory movements of nominal exchange rates unrelated to the purchasing power of the domestic currency.

Coverage: Data are available for about 85 USAID countries.

CAS Code # 34S2

Livestock Production index

Source: World Development Indicators 2005 series AG.PRD.LVSK.XD, based on FAO.

Definition: Livestock production index shows livestock production for each year relative to the base period 1999-2001 = 100. The index includes meat and milk from all sources, dairy products such as cheese, and eggs, honey, raw silk, wool, and hides and skins.

Coverage: Data are available for about 85 USAID countries.

Data Quality: See comments on the Crop Production Index.

CAS Code # 34S3