

**WORLD FOOD PROGRAMME**



# **Update on the Food Security & Nutrition Situation in the Kyrgyzstan Republic**

**Re-analysis of the Kyrgyz Integrated Household  
Survey - 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> quarters of 2008 – National  
Statistics Committee**

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## **EXECUTIVE SUMMARY**

### **Evolution of the food security situation between 1<sup>st</sup> and 3<sup>rd</sup> quarters of 2008**

The re-analysis of Kyrgyz Integrated Household Survey (KIHS) data for the first three quarters of 2008 did not indicate a degradation of the overall food security situation compared to the results of 2006, 2007 and first quarter of 2008. As of the 3rd quarter of 2008, more than 1/3rd of the population continued to be food insecure, including 21% severely food insecure and 13% moderately food insecure.

However, there was a slight increase in the proportion of severely food insecure households in urban areas from 1st to 3rd quarter of 2008, possibly reflecting more economic difficulties for these households who depend on the market for the majority of their food and also face larger expenses for services and transportations than rural households.

The ranking of oblasts with the highest proportions of total food insecure and of severely food insecure households changed slightly in the 3rd quarter of 2008 compared to 1st quarter 2008. Whether the ranking changes reflect seasonal variations in food consumption and food access rather than long-term changes will have to be checked with further monitoring. As of the 3rd quarter of 2008, oblasts with the highest proportions of food insecure households (severe and moderate) were Yssyk-Kul (49%), Batken (42%), Jalal-Abad (41%), Talas (40%), Naryn (37%) and Osh (36%). Oblasts with the highest proportions of severe food insecurity were Yssyk-Kul (33%), Jalal-Abad (27%), Talas (27%), Naryn (25%), Batken (22%) and Osh (22%).

The 2<sup>nd</sup> quarter of the year was apparently the most difficult in terms of food consumption however it also coincided with a marked increase in the amounts of salaries, pensions and allowances received by households. This explains the stability of the overall food security situation, which is evaluated through a combination of food consumption and food access.

### **Anticipated effects of the global financial crisis in Kyrgyzstan**

An International Monetary Fund's review of 78 Low Income Countries (LICs) in March 2009 found that Kyrgyzstan was one of the 26 LICs at 'high' vulnerability<sup>1</sup> to the adverse effects associated with the global recession, considering its GDP growth and financial reserves and at 'medium' vulnerability in the hypothesis of a combined shock of decreased trade, remittances, aid and Foreign Direct Investment. Hence a close watch of the evolution of the economic situation at macro level, as well as poverty and food insecurity at household level is required.

### **Next steps for WFP in Kyrgyzstan**

WFP should support the establishment of a light Food Security Monitoring System (FSMS) to complement the existing KIHS and to better identify and monitor changes in the situation of households in 'pockets of vulnerability' in both rural and urban areas. The FSMS should provide rapid and early information on changes in food access, food consumption, use of negative coping strategies, who is concerned and where. A dialogue should also be engaged with the National Statistics Committee on the possibility to include a few key food security indicators in the KIHS.

In the meantime, a rapid household survey would be useful to estimate the effects of the financial crisis on remittances and employment opportunities, as well as to gauge the relevance of WFP assistance during the winter and geographical targeting.

WFP's most promising entry point for future food assistance support in Kyrgyzstan would seem to be through complementing and supporting the existing social assistance and safety net programme of the Government.

<sup>1</sup> The level of vulnerability was judged on the basis of expected decrease of GDP and financial reserves for imports coverage. 'High' vulnerability corresponded to a reduction in excess of 2.5% GDP and imports reserve coverage of less than 3 months in 2008 and could lose an extra 0.5 months in the shock scenario. 'Medium' vulnerability corresponded to countries which would suffer a reduction of no more than 0.5% GDP and countries that either start with more than 3 months of imports coverage and lose more than 0.5 months in the shock, or start below 3 months of imports coverage and lose less than 0.5 months with the shock.



## **I – EVOLUTION OF HOUSEHOLD FOOD SECURITY DURING THE FIRST THREE QUARTERS OF 2008**

### **1.1 – Household Food Insecurity**

Based on combination of food consumption (kilocalorie intake) and food access (consumption expenditures)<sup>2</sup>:

- Nation-wide, prevalence of household food insecurity remained stable from 1st to 3rd quarters 2008: similar proportions of food insecure households in 1st, 2nd and 3rd quarters 2008

	1 <sup>st</sup> quarter 2008	2 <sup>nd</sup> quarter 2008	3 <sup>rd</sup> quarter 2008
<b>Severely food insecure</b>	20%	21%	21%
<b>Moderately food insecure</b>	14%	15%	13%
<b>Food secure</b>	66%	64%	67%

- Food insecurity continued to be much more prevalent in rural areas than urban areas. However, trends show slight increase in proportion of severe and moderately food insecure households in urban areas, versus slight improvement in rural areas in 3rd quarter

	1 <sup>st</sup> quarter 2008		2 <sup>nd</sup> quarter 2008		3 <sup>rd</sup> quarter 2008	
	Urban	Rural	Urban	Rural	Urban	Rural
<b>Severely food insecure</b>	14%	24%	15%	26%	17%	23%
<b>Moderately food insecure</b>	13%	15%	14%	15%	14%	12%
<b>Food secure</b>	73%	61%	71%	59%	68%	66%

Deterioration in urban areas may reflect the negative effects of the high food and fuel prices on economic access to food, as urban households depend on purchases for the vast majority of their food and also have a greater need for limited cash resources for services and transportation.

- At oblast level, from 1<sup>st</sup> to 3<sup>rd</sup> quarters of 2008:
  - trend towards deterioration of household food security in Yssyk-Kul, Batken, Talas and Bishkek city; proportions of severely food insecure households were already amongst the highest in Yssyk-Kul and Talas oblasts in 1st quarter of 2008;
  - improvement of household food security in Jalal-Abad, Naryn and Chuy; the first 2 oblasts presented high proportions of severe food insecurity in 1<sup>st</sup> quarter of 2008
  - situation stable in Osh.
- As of 3<sup>rd</sup> quarter of 2008:
  - highest proportions of food insecure households (severe and moderate) in: Yssyk-Kul (49%), Batken (42%), Jalal-Abad (41%), Talas (40%), Naryn (37%) and Osh (36%);
  - highest proportions of severe food insecurity in: Yssyk-Kul (33%), Jalal-Abad (27%), Talas (27%), Naryn (25%), Batken (22%) and Osh (22%).

<sup>2</sup> Severely and moderately food insecure households are determined by crossing groups of households according to their levels of food consumption and food access, as follows:

Food consumption indicator: kilocalorie intake per capita per day (2-week food diary); 3 'food consumption' groups:

- poor food consumption: kcal intake < 1800 kcal/cap./day; about 80% standard requirements;
- borderline: kcal intake 1801-2099 kcal/cap./day; 80-99% standard requirements
- acceptable: kcal intake ≥ 2100 kcal/capita/day.

Food access indicator: consumption expenditures per capita (monthly recall of all expenditures and valuation of food coming from own production); 3 'food access' groups:

- poor access: bottom wealth quintile, expenditures < extreme poverty line;
- average access: 2<sup>nd</sup> and 3<sup>rd</sup> wealth quintiles; expenditures between extreme poverty line and poverty line or just above poverty line;
- good access: 4<sup>th</sup> and top wealth quintiles; expenditures well above poverty line.



### 1.1.1. Food consumption

- Nation-wide, average level of daily kilocalorie consumption per capita did not change between 1<sup>st</sup> and 3<sup>rd</sup> quarters 2008: between 2,250 and 2,290 kcal/cap./day.
- Per capita kcal consumption remained much lower among food insecure households, especially severely food insecure: between 1,540 and 1,600 kcal/cap./day.
- Average per capita kcal consumption was better among moderately food insecure households in rural areas than moderately food insecure households in urban areas, possibly due to access to own-produced food: respectively 1,860 and 1,960 kcal/cap./day
- In both urban and rural areas: increased proportion of households consuming less than the average kcal requirements during 2nd quarter of 2008 but improvement in 3<sup>rd</sup> quarter:
  - the 2<sup>nd</sup> quarter of the year corresponds to the exhaustion of harvest stocks for rural household, which could explain the lower food consumption;
  - reason for deterioration of the diet of urban households is less clear but may be related to decreased in-kind support from rural relatives.

	1 <sup>st</sup> quarter 2008	2 <sup>nd</sup> quarter 2008	3 <sup>rd</sup> quarter 2008
Poor food consumption	20%	23%	21%
Borderline food consumption	17%	19%	16%
Acceptable food consumption	63%	58%	63%

- Changes in the level of kcal intake from 1<sup>st</sup> to 3<sup>rd</sup> quarters 2008 differed between oblasts:
  - marked deterioration of food consumption during 2<sup>nd</sup> quarter in Jalal-Abad, Talas and somewhat Bishkek town;
  - deterioration of food consumption in 3<sup>rd</sup> quarter in Batken
  - improvement in 2<sup>nd</sup> quarter in Naryn.
- As of 3<sup>rd</sup> quarter 2008: highest proportions of households with poor or borderline food consumption (below requirements) in Yssyk-Kul (31%), Jalal-Abad (28%), Naryn (23%), Batken (22%), Osh (21%) and Talas (21%).

### 1.1.2. Food Access

- Nation-wide: no significant change of the distribution of households' levels of consumption expenditures between 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> quarters of 2008.
- Poverty rates continued to be much higher in rural areas than urban areas. However, in urban areas, trend towards decreased proportion of households with 'good' access:
  - may be explained by continuous loss of purchasing power of urban households during the first 3 quarters of 2008;
  - compared to rural households, urban households depend more on markets and must cover expenses for a larger variety of services and utilities.

	1 <sup>st</sup> quarter 2008		2 <sup>nd</sup> quarter 2008		3 <sup>rd</sup> quarter 2008	
	Urban	Rural	Urban	Rural	Urban	Rural
< extreme poverty line: poor food access	8%	20%	7%	20%	8%	18%
Between extreme and poverty line: average food access	26%	42%	26%	41%	30%	41%
> poverty line: good food access	68%	38%	67%	38%	61%	40%

- Heterogeneous changes across oblasts between 1<sup>st</sup> and 3<sup>rd</sup> quarters 2008:
  - increased proportion of households below extreme poverty line in Yssyk-Kul Talas and Chuy, and between extreme and poverty lines in Batken and Bishkek town;



- decreased proportion of households below the extreme poverty line in Jalal-Abad, Naryn.
- As of 3rd quarter 2008: highest proportions of households below poverty line in Talas (71%), Naryn (68%), Osh (64%), Yssyk-Kul (62%), Batken (58%) and Jalal-Abad (58%).

### 1.1.3. Sources of Food

- As already found in previous analyses, the vast majority of households relies on market purchase for bread, wheat flour and meat. However, rural households have more opportunities to consume their own production, hence decreasing somewhat their dependence on markets.
- In urban areas:
  - market purchases were the source of practically all food consumed, highlighting the vulnerability of these households to changes in their purchasing power;
  - between 9% and 11% also obtained milk from gifts.
- In rural areas, during 3<sup>rd</sup> quarter of 2008:
  - between 42% and 49% of households consumed potatoes coming from their own production, between 24% and 40% accessed milk from their own animals and between 25% and 34% consumed vegetables from their gardens;
  - moderately food insecure households were more likely to obtain food from their own crops and animals, than other households.

### 1.1.4. Food Expenditures

- Share of food expenditures:
  - decreased slightly between 1<sup>st</sup> and 3<sup>rd</sup> quarters 2008, probably reflecting the increased availability of own crop and animal products for consumption;
  - nevertheless, share of food expenditures remained very high at 2/3rd of total expenditures in 3rd quarter of 2008;
  - even food secure households dedicated a large share of expenditures to food (65%);
  - the high share of food expenditures reflects the fact that most of the food consumed needs to be bought; also, persisting high food prices inadequately compensated by rise of income forces an arbitrage of resources in favour of meeting food needs;
  - share of food expenditures particularly high among households in Talas (75%).
- Absolute amount of monthly food expenditures per capita:
  - increased notably during 3rd quarter of 2008;
  - reflect both (i) increased income (see below), probably related to opportunities for sales of agricultural harvest and for seasonal work during that period of the year, and (ii) persisting high food prices requiring larger expenses;
  - levels of food expenditures remain much lower among food insecure households than food secure households;
  - levels of food expenditures are also lower in rural than urban areas, reflecting access to own consumption in the former;
  - average amounts of food expenditure were lower in Osh, Naryn and Yssyk-Kul oblasts and higher in Chuy oblast and Bishkek town, reflecting different levels of poverty and urbanization.

Food expenditures per capita (som)	1 <sup>st</sup> quarter 2008		2 <sup>nd</sup> quarter 2008		3 <sup>rd</sup> quarter 2008	
	Urban	Rural	Urban	Rural	Urban	Rural
Severely food insecure	740	660	810	700	990	910
Moderately food insecure	1060	920	1160	970	1370	1220
Food secure	2130	1500	2080	1620	2220	1920





### 1.1.5. Food Utilization

- A low proportion of households had to forego the use of medical services because they could not afford it (3%); this was similar to early 2008. However:
  - Severely food insecure households were more likely to forego the use of medical care because they could not afford it, especially in urban areas:
    - 6% of the severely food insecure were not able to access medical care;
    - almost 1/3<sup>rd</sup> of all those who had to forego the use of medical services it were severely food insecure.
  - Worse economic access to health care in urban areas may reflect a more difficult arbitrage of limited lack of cash resources of urban households between their various needs (food, health, transportation, services etc.).

### 1.2 - Nutritional Status of under-5 Children

No new data were available for the 2<sup>nd</sup> and 3<sup>rd</sup> quarters of 2008. Results from the previous analysis, showing the trends in the prevalence of underweight and stunting among children under 5 years of age are reproduced below.

Residence	Under-5 children(< -2 Z-scores)					
	Underweight (weight-for-age)			Stunting (height-for-age)		
	2006	2007	2008 - 1 <sup>st</sup> , 2 <sup>nd</sup> & 3 <sup>rd</sup> quarters	2006	2007	2008 - 1 <sup>st</sup> , 2 <sup>nd</sup> and 3 <sup>rd</sup> quarters
<b>Total</b>	<b>2.5%</b>	<b>2.0%</b>	<b>2.4%</b>	<b>24.0%</b>	<b>29.3%</b>	<b>29.8%</b>
Severely food insecure	4.5%	1.5%	4.1%	19.4%	35.1%	38.3%
Moderately food insecure	0.1%	2.4%	1.6%	37.3%	26.0%	23.8%
Food secure	1.3%	2.3%	1.0%	23.2%	24.8%	24.8%
<b>Urban areas</b>	<b>3.9%</b>	<b>2.9%</b>	<b>3.5%</b>	<b>27.9%</b>	<b>23.8%</b>	<b>22.0%</b>
Severely food insecure	7.3%	0.5%	4.9%	23.2%	22.8%	17.9%
Moderately food insecure	0.5%	2.8%	4.5%	37.8%	22.2%	23.9%
Food secure	1.8%	2.7%	2.2%	26.3%	25.2%	24.1%
<b>Rural areas</b>	<b>1.7%</b>	<b>2.0%</b>	<b>1.7%</b>	<b>22.2%</b>	<b>32.2%</b>	<b>34.1%</b>
Severely food insecure	0%	2.1%	3.8%	18.0%	40.3%	46.8%
Moderately food insecure	0.4%	2.0%	0%	37.0%	27.9%	23.9%
Food secure	1.7%	2.0%	0.3%	21.1%	24.6%	25.3%
<b>Yssyk-Kul oblast</b>	<b>2.5%</b>	<b>2.7%</b>	<b>2.5%</b>	<b>19.8%</b>	<b>37.1%</b>	<b>31.6%</b>
<b>Jalal-Abad oblast</b>	<b>5.4%</b>	<b>1.5%</b>	<b>1.9%</b>	<b>24.9%</b>	<b>27.6%</b>	<b>39.8%</b>
<b>Naryn oblast</b>	<b>0.1%</b>	<b>5.1%</b>	<b>1.5%</b>	<b>22.0%</b>	<b>34.2%</b>	<b>37.6%</b>
<b>Batken oblast</b>	<b>1.3%</b>	<b>3.3%</b>	<b>3.9%</b>	<b>21.6%</b>	<b>23.3%</b>	<b>23.0%</b>
<b>Osh oblast</b>	<b>0.9%</b>	<b>0.6%</b>	<b>2.3%</b>	<b>24.3%</b>	<b>35.3%</b>	<b>34.0%</b>
<b>Talas oblast</b>	<b>0.5%</b>	<b>5.8%</b>	<b>1.4%</b>	<b>20.9%</b>	<b>49.8%</b>	<b>28.4%</b>
<b>Chui oblast</b>	<b>1.1%</b>	<b>2.3%</b>	<b>1.1%</b>	<b>15.0%</b>	<b>14. %</b>	<b>19.8%</b>
<b>Bishkek town</b>	<b>5.6%</b>	<b>2.0%</b>	<b>4.2%</b>	<b>33.7%</b>	<b>26.0%</b>	<b>20.8%</b>

### 1.3 - Demographic characteristics of food insecure households

#### 1.3.1. Characteristics of the Head of Household

- The lack of direct relationship between the gender of the head of household and food security status was confirmed. In the 3<sup>rd</sup> quarter of 2008:
  - 18% of women-headed households were severely food insecure and 9% moderately food insecure, compared to 22% and 15% of men-headed households respectively; this reflects the fact that other factors than the sex of the head of household are linked to food security, such as the size of the family and occupation.
  - In Osh oblast, the proportion of severely food insecure actually decreased between 1<sup>st</sup> and 3<sup>rd</sup> quarters of 2008 among women-headed households (from 25% to 15%) while it remained stable among men-headed households (26%- 27%)



- Age of head of household:
  - Lower proportion of food insecure households among elderly-heads of households (above 63 years of age), especially in urban areas: 15% severely food insecure versus 18% among heads of households aged 18-63 years and 26% among those aged less than 18 years;
  - this result is reassuring vis-à-vis the negative trend observed between 2006 and early 2008 of food insecurity among elderly heads of household.
- Education of the head of household:
  - Linkages between level of education of the head of household and food security status were confirmed in urban areas;
  - In urban areas, higher education (university) is a key factor distinguishing food secure from food insecure households
  - In rural areas, the main factor distinguishing food insecure from food secure households is the absence of education and secondary versus primary education, vocational training or higher education.

### 1.3.2. Size of household

- The direct relationship between size of household and food security was confirmed, in both rural and urban areas:
  - average size of severely food insecure households was 5.3 members, moderately food insecure households 4.6 members, and food secure households 3.3 members;
  - about 2/3<sup>rd</sup> of severely food insecure households (65%) and 45% of moderately food insecure households had more than 4 members, compared to 22% of food secure households;
- Urban households are smaller than rural households, explaining in part why prevalence of food insecurity is lower in urban areas

Size of household	Number of members		Proportion of members					
	Urban	Rural	Urban			Rural		
			< 4 members	4-6 members	> 6 members	< 4 members	4-6 members	> 6 members
Severely food insecure	4.6	5.6	47%	44%	9%	29%	49%	21%
Moderately food insecure	4.1	5.1	67%	27%	6%	48%	34%	18%
Food secure	2.8	3.7	87%	12%	1%	70%	26%	5%



## 1.4 - Livelihoods of Food Insecure Households

### 1.4.1. Physical assets / crop production

- Cultivation of land (overall 2008):
  - majority of rural households had land;
  - food insecure households in urban areas were more likely to cultivate than food secure households, possibly because the latter have less need for accessing own food production and for generating additional income from crop sales;
  - even in Bishkek town cultivation was quite widespread: 45% of severely food insecure households cultivated land, and about 25-29% of other households.

	Cultivate land	
	Urban	Rural
Severely food insecure	62%	92%
Moderately food insecure	59%	95%
Food secure	44%	95%

- Land area cultivated was generally small:
  - rural areas: average 0.9 ha/household (0.23 ha/capita); lower acreage tended to be cultivated by the severely food insecure but it varied between oblasts;
  - urban areas: average 0.06 ha/household (0.15 ha/capita); similar across all food security groups.
  - acreage cultivated by households was larger in Naryn (1.9 ha/household – 0.40 ha/capita), Talas (1.4 ha/household – 0.33 ha/capita) and Yssyk-Kul (1.1 ha/household – 0.30 ha/capita).
- As harvest results are not yet available for the whole year 2008, it is not possible to compare with results obtained in 2006 and 2007. However, for potatoes some comparison can be made between locations and groups using harvest data from the 3<sup>rd</sup> quarter of 2008:
  - As expected, the amount of potatoes harvested in the 3<sup>rd</sup> quarter 2008 was higher in rural than urban areas (average 30 kg versus 522 kg);
  - Overall, food insecure households seemed to have harvested a larger amount of potatoes than food secure households;
  - However, in rural areas, the difference of potato harvest between food insecure and food secure households disappeared when per capita amount is considered; in urban areas, per capita potato harvest of severely food insecure households was double the amount harvested by the food insecure, possibly reflecting efforts to increase access to this staple food and generate additional income from potato sales (in both urban and rural areas, the majority of potato harvest is typically sold);
  - Yssyk-Kul and Osh were confirmed as being oblasts where households produce most potatoes, while production is lowest in Chuy and Jalal-Abad.

### 1.4.2. Physical Assets / Animal Ownership

- Between 1<sup>st</sup> and 3<sup>rd</sup> quarters of 2008:
  - In urban areas, proportion of food insecure who did not own animals tended to increase, possibly reflecting the need to sell these animals to generate additional income;
  - in rural areas, the proportion of food secure who did not own animals increased.
- In rural areas, proportion of animal owners increased slightly among all households, including the food insecure, between 1st and 3rd quarters 2008.
  - However, the proportion of animal owners decreased among food insecure households in Naryn and Chuy oblasts.



% animal owners	Urban			Rural		
	1 <sup>st</sup> quarter	2 <sup>nd</sup> quarter	3 <sup>rd</sup> quarter	1 <sup>st</sup> quarter	2 <sup>nd</sup> quarter	3 <sup>rd</sup> quarter
Severely food insecure	11%	12%	14%	55%	55%	61%
Moderately food insecure	12%	10%	9%	61%	62%	66%
Food secure	10%	11%	10%	59%	64%	62%

- It seems that between 1st and 3rd quarters 2008, severely food insecure households had to slightly decrease their number of cattle and small ruminants, while moderately food insecure households were able to increase their herds;
  - this pattern may reflect: (i) more pressing needs of severely food insecure households to mobilise cash resources, through sale of their animals, and (ii) a strategy to increase savings in the form of living animals, for the moderately food insecure.
  - In rural areas, it looks as if moderately food insecure households opted to increase the number of large and small ruminants to the expense of the number of poultry, while food secure households took the opposite road.
  - Ownership of cattle or small ruminants tended to be associated with lower likelihood to be food insecure only in Naryn and Talas oblasts; in other oblasts, no clear relationship between food insecurity and ownership of cattle or small ruminants.
- Cattle:
  - Proportion of cattle owners remained stable between 1<sup>st</sup> and 3<sup>rd</sup> quarters 2008 (about 43% in rural areas and 4% in urban areas);
  - In rural areas, proportion of cattle owners increased among severely food insecure households (from 38% to 45%) and to a lesser extent among moderately food insecure households (from 47% to 49%);
  - However, proportion of cattle owners decreased among food insecure households in Yssyk-Kul and Naryn oblasts.
  - Average number of cattle owned decreased very slightly among both severely food insecure and food secure households in rural areas, while it increased a bit among moderately food insecure households;
  - No significant changes in the number of cattle owned by urban households.

Cattle (for those who own)	Urban			Rural		
	1 <sup>st</sup> quarter	2 <sup>nd</sup> quarter	3 <sup>rd</sup> quarter	1 <sup>st</sup> quarter	2 <sup>nd</sup> quarter	3 <sup>rd</sup> quarter
Severely food insecure	1.7	1.7	1.8	3.1	2.7	2.9
Moderately food insecure	2.0	3.0	2.0	3.2	3.3	3.7
Food secure	2.0	3.0	2.0	3.6	3.4	3.2

- Small ruminants:
  - Between 1<sup>st</sup> and 3<sup>rd</sup> quarters 2008, proportion of small ruminant owners increased among severely food insecure households in rural areas (from 24% to 31%), except in Yssyk-Kul oblast
  - Number of small ruminants owned by severely food insecure households decreased slightly in rural areas, while it increased among moderately food insecure households.

Small ruminants (for those who own)	Urban			Rural		
	1 <sup>st</sup> quarter	2 <sup>nd</sup> quarter	3 <sup>rd</sup> quarter	1 <sup>st</sup> quarter	2 <sup>nd</sup> quarter	3 <sup>rd</sup> quarter
Severely food insecure	9.3	10.3	8.2	16.1	13.7	15.5
Moderately food insecure	7.0	8.0	7.0	22.6	15.2	31.7
Food secure	9.0	9.0	8.0	19.7	25.1	19.2



- Poultry:
  - Proportion of households owning poultry increased between 1st and 3rd quarter 2008 (on average from 25% to 27%) especially among moderately food insecure households in rural areas (from 37% to 47%).
  - In rural areas during the period, number of poultry owned increased among food secure households but decreased slightly among moderately food insecure households.

Poultry (for those who own)	Urban			Rural		
	1 <sup>st</sup> quarter	2 <sup>nd</sup> quarter	3 <sup>rd</sup> quarter	1 <sup>st</sup> quarter	2 <sup>nd</sup> quarter	3 <sup>rd</sup> quarter
Severely food insecure	10.4	9.5	9.7	11.0	12.2	11.1
Moderately food insecure	11.0	10.0	11.0	16.5	13.6	14.1
Food secure	18.0	15.0	15.0	12.8	14.7	19.8

#### 1.4.3. Physical Assets / Living Conditions

- A low proportion of the population had access to central heating (less than 4%).
- Very few households owned an electric stove (less than 1%).
- Access to running water:
  - was much better in urban areas: almost 2/3<sup>rd</sup> of the urban households have access to running water, compared to only 11% of rural households;
  - was much better for food secure households in urban areas than food insecure households.
- Access to central gas supply was also much better in urban areas (56% versus 8% in rural) and among food secure households in urban areas (60% versus 46-48% for the food insecure).

	Running water		Central gas	
	Urban	Rural	Urban	Rural
Severely food insecure	52%	7%	48%	3%
Moderately food insecure	50%	12%	46%	16%
Food secure	70%	13%	60%	8%

- In urban areas, food insecure households were more likely to have been disconnected from electricity every day in the previous year, than food secure households (between 37%-42% disconnected, versus 28% of the food secure).

#### 1.4.4. Physical Assets / Domestic Belongings

- Generally, no signs of depletion of domestic assets between 2007 and 2008.
- Radio:
  - on average 13% households owned a radio: 12% urban and 14% rural;
  - similar proportion of radio owners in 2008 as in 2006 (14%) and 2007 (12%);
  - no significant differences between food insecure and food secure households, but decreased proportion of radio owners among moderately food insecure between 2006-2007 and 2008.
- Television: most of households owned a black-and-white television (98%), similar as in 2006 and 2007.
- Video:
  - about a quarter of households owned a video: 26% urban and 23% rural;
  - proportion of video owners continued to increase compared to 2006 (16%) and 2007 (19%);
  - video owners more frequent in Jalal-Abad, Osh and Chuy oblasts.
- Personal computer (PC):
  - less than 5% owned a PC, mostly in urban areas (8% versus 2% in rural areas);
  - only slight increase compared to 2006-2007 (3%);
  - proportion of PC owners higher in Bishkek town (13%).



- Mobile phone:
  - more than half urban households (52%) and 44% rural households owned a mobile phone, a marked increase compared to 2006 and 2007;
  - severely food insecure households much less likely to own a mobile phone than other households (33% versus 50-56% other households), even though the proportion of owners increased dramatically among severely food insecure households in rural areas between 2007 and 2008.

Mobile phone	Urban			Rural		
	2006	2007	2008	2006	2007	2008
Severely food insecure	16%	25%	27%	6%	8%	30%
Moderately food insecure	23%	37%	58%	5%	22%	54%
Food secure	18%	26%	53%	11%	26%	47%

- Table:
  - about 18% households owned a table, more in urban areas (23% versus 13% rural);
  - slight increase in proportion of table owners from 2006 to 2008.
- Washing machine:
  - on average 45% households owned a washing machine: 49% urban and 42% rural;
  - severely food insecure households less likely to own a washing machine, than other households in both urban and rural areas;
  - similar proportion of washing machine owners in 2008 as in 2007.
- Refrigerator:
  - about half rural households (51%) and 78% urban households owned a refrigerator in 2008;
  - severely food insecure households much less likely to own a refrigerator than other households;
  - furthermore, decrease in the proportion of refrigerator owners among severely food insecure households in rural areas from 2007 to 2008, versus increased proportion of owners among moderately food insecure households.

Refrigerator	Urban			Rural		
	2006	2007	2008	2006	2007	2008
Severely food insecure	50%	59%	62%	29%	43%	37%
Moderately food insecure	71%	71%	74%	38%	34%	58%
Food secure	78%	78%	82%	60%	55%	55%

- Sewing machine:
  - about half of households owned a sewing machine, slightly more in rural areas (55% versus 42% urban);
  - proportion of sewing machine owners increased between 2007 and 2008 among severely food insecure households especially in rural areas, perhaps reflecting a strategy to increase income and/or decrease expenses through domestic clothing work.

Sewing machine	Urban			Rural		
	2006	2007	2008	2006	2007	2008
Severely food insecure	39%	43%	46%	40%	49%	58%
Moderately food insecure	46%	33%	44%	61%	44%	51%
Food secure	40%	39%	41%	54%	57%	55%



- Bicycle:
  - slight increase in the proportion of bicycle owners in 2008 compared to 2006 and 2007, in both rural and urban areas: respectively 17% and 10% owners in 2008;
  - increased proportion of bicycle owners from 2007 to 2008 noticeable among urban food secure households and among all rural households, possibly as a result of the higher cost of fuel and transportation services;
  - proportions of bicycle owners were particularly high in Jalal-Abad (27%) and Chuy (24%) oblasts.

Bicycle	Urban			Rural		
	2006	2007	2008	2006	2007	2008
Severely food insecure	8%	7%	8%	15%	14%	17%
Moderately food insecure	9%	8%	9%	13%	7%	19%
Food secure	6%	5%	10%	16%	14%	16%

- Motor-cycle: Only about 3% households owned a motorcycle (5% urban, 2% rural), with insignificant changes compared to 2006-2007 (1% owners).

#### 1.4.5. Financial Assets / Income Sources and Allowances

- Monthly salaries:
  - About 83% households received salaries, with no significant changes between 1<sup>st</sup> and 3<sup>rd</sup> quarters 2008;
  - Between 1st and 3rd quarters 2008, increased average amount of per capita monthly salaries estimated in cash; most of the increase of salaries received actually occurred between 1st and 2nd quarters, possibly related to more opportunities for agricultural and other seasonal labour;
  - Average amount of per capita monthly salaries was much lower for severely food insecure households than other households;
  - Per capita monthly salaries lower in rural than urban areas (respectively 1520 and 2180 som per capita in 3rd quarter);
  - Per capita monthly salaries lower in Talas, Naryn and Yssyk-Kul oblasts, and higher in Bishkek town, Batken and Jalal-Abad oblasts.

Per capita monthly salaries(som)	Urban			Rural		
	1 <sup>st</sup> quarter	2 <sup>nd</sup> quarter	3 <sup>rd</sup> quarter	1 <sup>st</sup> quarter	2 <sup>nd</sup> quarter	3 <sup>rd</sup> quarter
Severely food insecure	790	1190	1270	500	960	990
Moderately food insecure	1140	1710	2130	640	1320	1710
Food secure	1540	2210	2430	830	1360	1660

- Monthly pensions:
  - Proportion of households receiving pensions increased slightly between 1<sup>st</sup> and 3<sup>rd</sup> quarters 2008 among food secure households (from 34% to 38%), but decreased among moderately food insecure households (from 38% to 28%), particularly in rural areas; reasons for these changes are unclear;
  - Similarly as for salaries, increased amount of monthly pensions between 1<sup>st</sup> and 3<sup>rd</sup> quarter 2008, with most of the increase occurring between 1<sup>st</sup> and 2<sup>nd</sup> quarter; perhaps linked with special winter provisions (?).
  - Pensions were almost 5 times lower than total amount of salaries at household level;
  - Pensions lower for severely food insecure households in urban areas;



- Pensions lower in rural than urban areas (respectively 1410 and 1800 som per household in 3<sup>rd</sup> quarter).
- Pensions lower in Osh, Yssyk-Kul and Talas oblasts, and higher in Bishkek, Naryn and Chuy oblasts.
- Monthly allowances:
  - Amount of monthly allowances also increased between 1<sup>st</sup> and 3<sup>rd</sup> quarter of 2008, but to a much less extent than salaries and pensions;
  - Average amount of allowances was low, but higher in rural than urban areas (respectively 480 and 360 som per household in 3<sup>rd</sup> quarter);
  - Lower amount of allowances in Jalal-Abad and Talas oblasts, and highest in Chuy oblast.
- Monthly total income:
  - When all salaries, pensions and allowances are considered, estimated monthly per capita cash increased significantly between 1st and 3rd quarters 2008, with most of the increase occurring between 1st and 2nd quarters;
  - Total income per capita was lower for food insecure households;
  - Total income per capita was lower in rural than urban households.

Total monthly income per capita (som)	Urban			Rural		
	1 <sup>st</sup> quarter	2 <sup>nd</sup> quarter	3 <sup>rd</sup> quarter	1 <sup>st</sup> quarter	2 <sup>nd</sup> quarter	3 <sup>rd</sup> quarter
Severely food insecure	960	1480	1520	650	1210	1190
Moderately food insecure	1300	2080	2380	800	1490	1860
Food secure	1970	2860	3180	1120	1760	2120

#### 1.4.6. Financial Assets / Compensations and Benefits

- Monthly compensations:
  - were received by a very low proportion of households (less than 1%), only in urban areas;
  - average amount of compensations was low and remained stable between 1<sup>st</sup> and 3<sup>rd</sup> quarters 2008 at about 115 som per household per month.
- Benefits for utilities (central heating, gas and hot water):
  - generally received mostly by urban households (concentrated in Bishkek town, as well as Osh and Jalal-Abad towns);
  - food insecure households less likely to benefit than food secure households;
- Benefits for central heating and hot water:
  - received almost only by urban households (32% benefited versus 1% rural), essentially in Bishkek town (52% households benefited from central heating benefits and 67% from hot water benefits);
  - slight decrease of urban beneficiaries of central heating between 1<sup>st</sup> and 3<sup>rd</sup> quarters 2008 (from 38% to 32%), probably reflecting lower need for heating.
- Benefits for gas: similarly as for heating, gas benefits were received mostly by urban households (57% beneficiaries versus 8% in rural areas), with no significant change between 1<sup>st</sup> and 3<sup>rd</sup> quarters 2008;

#### 1.4.7. Financial Assets / Savings

- Proportion of households able to save was very low but tended to increase slightly between 1<sup>st</sup> and 3<sup>rd</sup> quarters 2008 (from less than 1% to 2%), especially among food insecure households;
- This trend may reflect efforts to put aside resources to face continuing difficult times, as well as improvement of their financial situation during 3<sup>rd</sup> quarter, as noted by the increase of salaries, pensions and allowances.



#### **1.4.8. Financial Assets / Debts and Credit**

- Only about 2% households reported to have credit or loans, in both urban and rural areas; no significant differences according to food security status of households;
- Average size of credit or loan seemed to increase in both rural and urban areas between 1<sup>st</sup> and 3<sup>rd</sup> quarters 2008, with most of the increase occurring between 1<sup>st</sup> and 2<sup>nd</sup> quarter; in rural areas in particular, this increase may indicate the need for additional cash to purchase inputs during that period;
- Between 1<sup>st</sup> and 3<sup>rd</sup> quarters 2008, trend towards higher proportion of loans obtained from private individuals rather than banks or other financial institutions.
- Main reasons for requesting loan were to purchase food or for business.

#### **1.4.9. Financial Assets / Non-food Expenditures**

- Expenditures on services:
  - represent the largest share of non-food expenditures;
  - share of expenditures for services remained stable between 1st and 3rd quarters 2008, at about 16% of total expenditures nation-wide;
  - share of expenditures for services was lower among severely food insecure households (13%) than other households (16%-17%), and in rural areas compared to urban areas (14% versus 18%).
- Share of expenditures on utilities:
  - represented about 3%-4% of total expenditures during the first ¾ of 2008;
  - was higher in urban than rural areas (4% versus 2%).
- Share of transportation expenditures increased slightly between 1<sup>st</sup> and 3<sup>rd</sup> quarters of 2008, from 3% to 4%, reflecting the persistence of high fuel prices.
- Share of health expenditures:
  - continued to be surprisingly low (about 1% total expenditures);
  - possibly explained by the coverage of virtually all households by the Mandatory Health Insurance Fund
- Share of education expenditures:
  - was also low throughout the first ¾ of 2008 (about 1%);
  - possibly because the bulk of school-related expenditures occurred before (?).
- In both urban and rural areas, share of expenditures for clothes:
  - increased slightly between 1<sup>st</sup> and 3<sup>rd</sup> quarters of 2008 (4.6% to 6.4%);
  - this may reflect increased levels of cash income during the period, as well as possibly higher needs for clothes and shoes during the winter.
- Expenditures for agricultural and animal productions:
  - concerned essentially rural households;
  - share of crop production expenditures in rural households increased during 2<sup>nd</sup> quarter of 2008 (8% compared to 2% in 1<sup>st</sup> and 3<sup>rd</sup> quarters), reflecting the seasonal calendar for these activities;
  - share of expenditures for maintenance of animals varied between 4%-6% for rural households, and about 1% for urban households;
  - trends between 1<sup>st</sup> and 3<sup>rd</sup> quarters of 2008 were reassuring vis-à-vis the decision of households to continue allocating resources for agricultural production.
- Shares of expenditures for equipment and for construction material: remained low at about 1% each of total expenditures.



## **1.5 - Coping Mechanisms**

### ***1.5.1. Solidarity***

Compared to 1<sup>st</sup> quarter of 2008, in the 3<sup>rd</sup> quarter of 2008:

- No change in the proportion of severely food insecure households able to support others (6%), but increased proportion of food secure households helping others (from 6% in 1<sup>st</sup> quarter to 12% in 3<sup>rd</sup> quarter), in both urban and rural areas.
- In urban and rural areas, about ¾ of households who assisted others were food secure.
- Exception was noted in Naryn oblast where more than 2/3rd of the food insecure households assisted others in the 3rd quarter of 2008 (about 40% did so in 1st quarter).

### ***1.5.2. Collection of wild food***

- The proportion of households engaged in wild food collection remained very low between 1<sup>st</sup> and 3<sup>rd</sup> quarters 2008 (less than 1%).
- Between 1<sup>st</sup> and 3<sup>rd</sup> quarters of 2008, it seems that there was a shift in the level of food insecurity of households that collected wild food: in the 1<sup>st</sup> quarter of 2008 more than 3/4<sup>th</sup> of households who collected wild food were severely food insecure, while in the 3<sup>rd</sup> quarter of 2008 only 8% were severely food insecure but 84% were moderately food insecure; reasons for this shift are unclear (new strategy for the moderately food insecure?).

## **II – ANTICIPATED EFFECTS OF THE GLOBAL FINANCIAL CRISIS IN KYRGYZSTAN**

### **2.1 - General Effects of the Global Financial Crisis on Low Income Countries**

As indicated in a recent report<sup>3</sup> by the International Monetary Fund (IMF), the global economy is in the midst of a deep downturn that is taking its toll both in advanced and in emerging and developing countries. All major advanced economies are in recession, while activity in the latter countries is slowing abruptly. Dramatic declines in consumer and business confidence have triggered a sharp deceleration in domestic demand across the globe. World trade and industrial activity are falling sharply, while labour markets are weakening at a rapid pace, particularly in the United States,

The decline in commodity prices is providing some support to commodity importers, but is weighing heavily on growth in commodity exporters. The latter will be hard hit by the sharp decline in demand for commodities and in their prices. Demand from the developed countries is decreasing and financial conditions have tightened. Many Low Income Countries (LICs) are also hit by lower remittances and Foreign Direct Investment (FDI), while aid flows are also under threat.

The balance of payments of many LICs had already been severely weakened by the 2007-08 spike in global fuel and food prices. In the case of Nicaragua, current accounts in percent of GDP were projected to worsen significantly in 2008 (-23.6%), with only a slight improvement in 2009 (-17.7%). The global financial crisis will worsen the budgetary position of many governments, with decreased revenues as economic activity slows and commodity prices fall, potential declines in donor support and tighter financial conditions. At the same time, there will be a need to increase spending to protect the poor. Indeed, transfer programmes that effectively target the poorest often result in a larger stimulus to aggregate demand, given their higher propensity to consume.

In LICs, financial market linkages are generally weak, but second-round effects of the economic slowdown on the financial system could be severe. LICs are also more exposed than in the past to a downturn in global demand for services, such as transportation and tourism.

<sup>3</sup> The Implications of the Global Financial Crisis for Low-Income Countries. International Monetary Fund, March 2009

Estimates suggest that the food crisis has already caused the number of people suffering from malnutrition to rise by 44 million. The economic crisis is projected to increase poverty by around 46 million people in 2009. The principal transmission channels will be via employment and wage effects as well as declining remittance flows. So far, the most affected sectors appear to be those that had been the most dynamic, typically urban-based exporters, construction, mining and manufacturing, such as the garment industry<sup>4</sup>.

## **2.2 - Expected Effects of the Global Financial Crisis on the Kyrgyzstan Economy and Poverty<sup>5</sup>**

### **2.2.1. Expected Effects on Inflation**

According to the IMF, inflation is expected to drop sharply in 2009 from the peaks seen in 2008 due to the food and fuel price shocks. With the decline of these prices, initial pressures would be receding. Falling demand in the wake of the global crisis will help lower inflation further.

### **2.2.2. Vulnerability of Kyrgyzstan to Possible Additional Economic Shocks**

The review and simulations of economic shocks done by the IMF in March 2009 on 78 Low Income Countries (LICs) found that Kyrgyzstan was among the 26 LICs at 'high' vulnerability<sup>6</sup> to the adverse effects associated with the global recession, considering its GDP growth and financial reserves and at 'medium' vulnerability in the hypothesis of a combined shock of decreased trade, remittances, aid and FDI. Among 11 LICs in the Middle East and Europe region, Kyrgyzstan was one of the 2 countries at 'high' vulnerability, while 7 were at 'medium' vulnerability and 2 at 'low' vulnerability.

More specifically, Kyrgyzstan was considered to be at 'low' vulnerability in the event of a trade shock<sup>7</sup>, FDI shock or aid shock, but at 'high' vulnerability in the event of a remittances shock.

The slowdown in economic activity and trade will affect fiscal revenues directly, given the reliance on trade taxes. In addition, falling remittances from abroad can be expected to hit domestic consumption, and hence revenues from consumption taxes.

The IMF estimates indicate that such a combined shock would require US\$153 million of financing needs to offset the changes in balance of payments flows and reserves compared to the 2008 projections.

### **2.2.3. Expected Effects of the Global Financial Crisis on GDP Growth and Financial Reserves**

Before the financial crisis, taking into account the effects of the high food and fuel prices and other economic conditions for the country, GDP growth for Kyrgyzstan was projected at 7% for 2008 and 6.5% for 2009. National financial reserves were estimated at 3.3 months of imports in both 2008 and 2009.

With the onset of the global financial crisis, GDP growth is projected to remain at 7.5% for 2008 but suffer a sharp decrease to only 1.9% for 2009, representing a reduction of -4.6% for 2009. Financial reserves would not be significantly affected (3.6 months in 2008 and 3.4 months in 2009) thanks to the reduced import bill resulting from lower commodity prices and consumer demand.

### **2.2.4. Expected Effects of a 'Trade Shock' on Current Accounts**

Projections of trade balance and current account changes due to the global financial crisis are shaped by the collapse of commodity prices, and the anticipated adverse effects of the crisis on the country exports and remittance inflows. While the net effect can be benign for some net food and fuel importers, the impact is negative for commodity exporters.

<sup>4</sup> Swimming Against the Tide: How Developing Countries Are Coping with the Global Crisis. Background Paper, World Bank, 13-14 March 2009

<sup>5</sup> The Implications of the Global Financial Crisis for Low-Income Countries. International Monetary Fund, March 2009

<sup>6</sup> The level of vulnerability was judged on the basis of expected decrease of GDP and financial reserves for imports coverage. 'High' vulnerability corresponded to a reduction in excess of 2.5% GDP and imports reserve coverage of less than 3 months in 2008 and could lose an extra 0.5 months in the shock scenario. 'Medium' vulnerability corresponded to countries which would suffer a reduction of no more than 0.5% GDP and countries that either start with more than 3 months of imports coverage and lose more than 0.5 months in the shock, or start below 3 months of imports coverage and lose less than 0.5 months with the shock.

<sup>7</sup> The trade shock simulation for 2009 envisaged a return of commodity prices from their end-2008 levels to their 1995-2007 average, and a 10% decline in the 2008 value of other exports and services.



In Kyrgyzstan, current accounts in percent of GDP were already projected to worsen in 2008 (-6%) and 2009 (-6.5%), mainly as a result of increased import costs due to the high food and fuel prices.

The country would be at 'low' vulnerability in the event of an additional trade shock from the global financial crisis consisting of a return of commodities prices from their end-2008 levels to their 1995-2007 averages and a 10% decline in the 2008 value of other exports and services, would not change much the negative 2009 projection (-7%), as both phenomena would practically compensate themselves (decreased import costs as well as exports earnings).

However, Kyrgyzstan would be 'highly' vulnerable to an hypothetical trade shock consists of a return of commodity prices from their end-2008 levels to their 1995-2007 averages, a 10% decline in the 2008 of other exports and services, and a 25% increase in oil prices. In that case, the 2009 accounts projection would worsen significantly (-23.4%), reflecting the country's high dependence on imported oil for its energy.

#### **2.2.5. Expected Effects of Reduced Foreign Direct Investment (FDI) and Aid on GDP, Financial Reserves and Debt**

FDI was projected to amount to 6.1% of GDP in 2008 and to decrease to 4.2% in 2009. Kyrgyzstan would be at 'low' vulnerability in the event of a reduction of FDI by 30% of its 2008 value due to the global financial crisis. In that case, FDI would amount to only 5% of GDP but financial reserves would not be significantly affected (2.3 months of imports).

Aid was estimated to represent 3.6% of GDP in 2008 and projected to increase at 4.7% in 2009. In the hypothesis of a reduction of aid by 30%, aid would further decrease to 2.6% of GDP but financial reserves would not be significantly affected (3.1 months of imports). Kyrgyzstan is thus considered at 'low' vulnerability to an 'aid shock' due to the global financial crisis.

Pre-crisis, national debt represented 52% of GDP in 2008 and was projected at 49% in 2009. In the hypothesis of reduced Foreign Direct Investment and Official Development Assistance by 30% of their 2008 value and their replacement by external debt, total debt would increase slightly at 55% of GDP in 2009.

#### **2.2.6. Expected Effects of Decreased Remittances on GDP and Financial Reserves**

Given the importance of remittances for the economy, Kyrgyzstan is 'highly' vulnerable to a reduction of remittances.

While in the past remittances have remained stable, or even counter-cyclical, during an economic downturn in the recipient economy, this time the crisis has affected remittance source as well as recipient countries. For Kyrgyzstan, as for other CIS countries for which Russia is the main source of remittances (e.g. Tajikistan, Armenia, Moldova), the situation is problematic. Many of the workers are employed in the oil and gas industry, sectors which are suffering from the precipitous decline in prices. Compounding this is the sharp depreciation in Russia's currency in the 2<sup>nd</sup> half of 2008 and into early 2009 (falling about 35% against the US\$), significantly reducing the local currency value of ruble-denominated remittances<sup>8</sup>.

In 2008, remittances were estimated to represent almost 28% of GDP and projected to decrease slightly to 21% of GDP in 2009. In the hypothesis of decrease of about 1/3<sup>rd</sup> of the remittances as a result of the global financial crisis, remittances would still about 22% of GDP in 2009 but reserves would decrease to 2.3 months of imports coverage, versus 3.8 months in the absence of reduction.

#### **2.2.7. Expected effects of the global financial crisis on poverty**

Poverty may increase with the slowdown in growth and falling commodity prices. If output declines in capital-intensive industries, the impact on employment would be limited, at least in the short-run. However, in countries that export agricultural commodities, falling commodity prices would cut into rural employment and incomes, thereby increasing rural poverty. The urban poor, however, may benefit as food and energy prices decrease.

<sup>8</sup> Swimming Against the Tide: How Developing Countries Are Coping with the Global Crisis. Background Paper, World Bank, 13-14 March 2009



### **III – CONCLUSIONS AND SUGGESTIONS FOR NEXT STEPS FOR WFP**

#### **3.1 – Monitoring of the Food Security and Nutrition Situation**

With no clear sense of the length and depth of the global financial crisis, contingency planning and enhanced monitoring of evolving economic, fiscal and household food security and nutrition situation are critical.

##### **3.1.1. Rationale for Setting up a Light Food Security Monitoring System in Kyrgyzstan**

The Kyrgyz Integrated Household Survey (KIHS) which has been used to re-analyse the food security situation of households in the country is an excellent source of statistically representative data on the food security situation at oblast, rural, urban and national levels, and it enables to monitor changes on a trimester basis at these levels. However, the KIHS presents important limitations for swift decision-making on needs and priorities areas for food security assistance:

- because of the wealth of information that is collected, data is processed with delay and results are not available until at least 6 months after the data collection;
- the sampling does not allow to produce representative results below the oblast level, i.e. district (*rayon*) and municipality (*ail okmot*), thus constraining geographical targeting for operational purposes (municipalities and villages within municipalities);
- peripheries of towns, which typically include the poorest and most likely food insecure urban households, are not included in the current KIHS sampling frame;
- data are not collected on coping strategies, which are a key indicator of changes in food security condition of households; sources of income are also not disaggregated in an easy way to capture changes in response to difficulties and to inform programming decisions.

Furthermore, some doubts have been expressed in some circles on the quality of the data collected in the KIHS, allegedly because of the need to comply with political demands to demonstrate improvements of the socio-economic situation of the population. An independent audit of the KIHS would be worthwhile to ascertain the validity of these claims and improve procedures if necessary. Donors funding this survey (e.g. World Bank) and agencies using KIHS data for their programming decisions should be approached to discuss the feasibility and seek their support for such an audit.

##### **3.1.2. Objectives of a Light FSMS**

A light FSMS should complement – not duplicate – the existing KIHS and enable fine-tuning of the food security information below the oblast level. In particular, it should enable to identify and monitor changes in the situation of households in ‘pockets of vulnerability’ in both rural and urban areas.

The FSMS should provide rapid and early information on changes in food access (income and food sources), food consumption, use of negative coping strategies, who is concerned and where. Most of the “causes” of these changes may be captured by existing systems (e.g. rainfall and other climatic factors, planting area and harvest, animal diseases, remittances, food and other prices, etc.). However, some of these factors may also need to be collected directly in order to ensure timely availability of this information and enable to relate them to the changes observed at local level (especially local market prices).

At the same time, a dialogue should be engaged with the National Statistics Committee on the possibility to include a few key indicators in the KIHS which will also be collected in the light FSMS. These additions would enable direct linkages with the FSMS, given that the FSMS will not be able to collect the same degree of detailed information as the KIHS:

- *food consumption score*: as an indirect way to approximate kilocalorie intake, which is measured directly in the KIHS through a 2-week household food diary;
- *coping strategies* used by households in response to lack of resources for meeting food and other non-food essential needs: a common list of strategies that will be used to calculate a Coping Strategy Index could be used in both the FSMS and KIHS;
- *sources of income*: need to define a reasonable number of income sources, so that KIHS current detailed information can be re-grouped in a similar way as an FSMS simpler grouping.





It would also be excellent if the NSC could continue to carry out the specific food security analyses that were done with the KIHS data of 2006, 2007 and first 3 quarters of 2008. A renewable agreement with NSC to process a set of priority tables (the ones requested for the present update would seem quite appropriate) after each KIHS round would be convenient.

### **3.1.3. Steps to Set up a Light FSMS**

A progressive approach can be envisaged:

- 1) Mapping of the country to identify priority areas on the basis of in-depth review of food insecurity, poverty, malnutrition and other pertinent socio-economic indicators (e.g. access to water, sanitation and health services, morbidity, education etc.) as well as agro-ecological criteria (isolation, altitude, susceptibility to drought or other climatic event and to natural disasters). An approach akin to the Integrated Phase Classification (IPC) of food security, which uses a combination of indicators and convergence of evidence, could be used.
- 2) Establishment of a list of 'most vulnerable' districts (ail okmot) within the priority areas. This should be done through a consultative and transparent process involving representatives from local authorities, civil society and agencies knowledgeable of the area. Selection criteria to consider would include those used in the country mapping as well as any additional factors relevant to food security and nutrition. These criteria should also be discussed and agreed upon collectively.
- 3) Within each vulnerable ail okmot, two options can be considered: either all villages can be listed, or a further selection of 'most vulnerable' villages may be made (it does seem that all villages are not homogeneous within the same ail okmot).
- 4) From the list of villages, random selection of 5-8 villages in each priority ail okmot (the number of villages would depend on the total number of villages in each area);
- 5) Within each selected villages, random selection of 7-10 households.
- 6) Collection of information each 3 or 4 months, with frequency depending on expected seasonal variations. The same households may be interviewed for various rounds if this is acceptable and if bias in answers due to repeated interviews can be controlled.

Steps 1 to 3 will require a heavy involvement from WFP and close follow-up in order to make sure that the mapping and selection process is done properly and that the most vulnerable districts and villages are identified. These locations might be reviewed along time according to changes in the local situation (e.g. unexpected drought, epidemics etc.).

Steps 4 to 6 may be delegated to a private institute (e.g. El Pikir Company which satisfactorily carried out the analysis of the household food security situation in Bishkek periphery for WFP in November 2008). Considering the similarities between Tajikistan and Kyrgyzstan, the data collection tools developed for the FSMS in Tajikistan could be used as a basis to develop similar tools for the FSMS in Kyrgyzstan at household, village and market levels. Staff trained in Tajikistan could also assist with training of staff in Kyrgyzstan and quality control.

## **3.2 – WFP's Future to Support Household Food and Nutrition Security in Kyrgyzstan**

Once up and running, the proposed FSMS will be instrumental to inform decision-making on requirements for food assistance (food, cash, vouchers), including what type (general distributions, distributions against work or training, nutrition-related, school feeding etc.), for whom and how many, and for how long. Until the FSMS is set up, it is difficult to define what WFP's future involvement with food assistance in the country should be, due to the fact that food insecurity in Kyrgyzstan is essentially a chronic phenomenon related to poverty and structural issues (institutional, political, financial, economic, agro-ecological) that cannot be addressed by short-term interventions.

WFP (and other agencies) assistance provided during the winter 2008/09 was justified by the sudden raise of awareness of the magnitude of household food insecurity and urgency to take action to alleviate the problem in a context of increased economic difficulties for households (high food and fuel prices) and anticipation of





shortages of electricity and water during the winter. WFP food assistance interventions in 2009 and beyond will need to take into account the longer-term requirements for a durable improvement of food security.

### **3.2.1. Update of the food security situation at household level**

Because KIHS results are available too late to be useful for decision-making on assistance programmes to design for the next months, and in the absence of functional 'light' FSMS, a rapid household survey in selected rural and urban areas would be useful.

The survey would, inter alia, aim to capture the anticipated effects of the global financial crisis on remittances and employment opportunities in activities geared towards exports, in particular to Russia and other CIS and importing countries affected by the economic downturn. The survey would enable to check the extent to which these events are materializing and their effects on households' food access and consumption.

A qualitative approach using purposively selected areas, Key Informants and household groups (families of migrants, formal and informal workers in sectors likely to be negatively impacted by the financial crisis) in poor urban neighbourhoods and specific rural areas (such as areas of high out-migration, and areas of production of export commodities and industries) could be envisaged. Tools have already been developed by WFP for this kind of survey and can be adapted for Kyrgyzstan (and Tajikistan).

Depending on resources and practical considerations (e.g. geographic overlap, timing), this survey could be combined with a post-distribution survey to gauge the effects of WFP assistance as well as pertinence of its geographical targeting.

### **3.2.2. Support to Social Safety Nets**

Given the chronic nature of food insecurity and its association with poverty, support to safety net programmes targeted to the poorest would seem to be an appropriate point of entry for WFP. The Government's quite comprehensive social assistance programme has some weaknesses, which have been reviewed by the World Bank<sup>9</sup>. WFP might be able to contribute to address them, particularly with regard to targeting and to support, temporarily, groups that fall out of the net (e.g. poor urban migrants with no official documentation).

Safety net interventions would be consistent with World Bank's recommendation that besides policy measures in the fiscal, monetary and exchange rate, and financial sector, measures to protect social support programmes and infrastructure spending are needed. A summary of the rationale for this is provided in the box below.

#### **World Bank's recommendations to alleviate the effects of the global financial crisis**

With the expectation of falling revenues and a scarcity of affordably-priced capital, protecting core social and infrastructure spending will become more difficult. At the same time, the likely increase in demand for social safety nets, particularly as unemployment rises, will increase the cost of existing social support programmes. However, as shown by the Asian financial crisis, neglecting core development spending during a major crisis can have large long-run costs. To mitigate the effects of the financial crisis on households' food and nutrition security, it is thus important that countries protect or increase spending in the health, education, water and sanitation, and social protection sectors.

In this regard, strengthening safety net programmes is essential. Transfer programmes that effectively target the poorest often result in a larger stimulus to aggregate demand, given their higher propensity to consume. Initiatives already taken in response to the fuel and food price crisis have improved the situation in some countries. There may be scope to scale up existing spending programmes in targeted ways:

- Implementation of public work programmes and/or provision of income supplements to existing programmes. Labour-intensive infrastructure projects can be effective in providing income support to the poor. Setting the wage rate relatively low ensures that the schemes are self-targeted to the poor<sup>10</sup>.
- Channeling additional resources to targeted programmes, such as targeted food distribution or school meal programmes. Expanding conditional cash transfer programmes that link cash transfers or subsidies to the receipt of health care or education can be an effective method of addressing potential losses in human capital.

Infrastructure projects could also help put people back to work while building a foundation for future growth and productivity.

<sup>9</sup> Draft Social Protection Strategy paper. World Bank Report, May 2008

<sup>10</sup> The going wage for unskilled agricultural labour is often a good benchmark.



On the donors' side, with needs mounting and progress to the Millennium Development Goals under increasing threat, now is not the time to decrease the quantity and quality of ODA. Indeed, under current circumstances, donors should make a concerted effort to enhance the share of assistance that is untied and provided in the form of budget support

*The Implications of the Global Financial Crisis for Low-Income Countries. International Monetary Fund, March 2009*

*Swimming Against the Tide: How Developing Countries Are Coping with the Global Crisis. Background Paper, World Bank, 13-14 March 2009*

### **3.2.3. Targeting Criteria for WFP Food Assistance Interventions**

The targeting criteria used for selecting beneficiaries of the government social assistance programmes lead to a high degree of inclusion and exclusion errors and thus are not fully satisfactory. As food insecurity is essentially a result of poverty, the use of the poverty line and comparison with income to select beneficiaries would seem logical. However, income levels are complex to ascertain due to the multiplicity of income sources and to difficulties to attach a cash value to in-kind resources (e.g. crops, animals) and to capture seasonal incomes and remittances.

A combination of income-based criteria such as the one used by the government to identify the 'poor' and the 'extremely poor', with social-based criteria defined through open and transparent consultations with knowledgeable persons (e.g. local authorities, community-based organisations, NGOs etc.) would be best. A series of discussions to refine a list of beneficiaries would be required to identify household cases whose income level did not qualify them as 'poor' according to the official criteria, or who have not been screened for government assistance. This process would take a bit of time initially (perhaps 7-10 days) but would be worth the effort if it leads to a reliable and adequate list of target beneficiaries.

Some tentative criteria can be used to guide the discussions, based on the typical profile of food insecure households, such as:

- Large families (more than 4 members);
- Large families with no members having more than primary education;
- Lonely elderly, handicapped or chronically sick individuals/couples who do not receive regular support from relatives;
- Families in rural areas unable to cultivate or raise animals and relying essentially on seasonal agricultural work opportunities;
- Families in poor urban neighbourhoods without official documentation enabling them to get enrolled into government social assistance programmes, and relying essentially on casual, irregular, work opportunities.

Clearly, verifications of the living conditions of families selected through such a consultative process will be required to ascertain the validity of the claims made on their food access and consumption problems.