

# Withdrawal/Redaction Sheet

## Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. reports	bios (8 pages)	c 1997	P1/b(1)

### COLLECTION:

Clinton Presidential Records  
First Lady's Office  
Speechwriting (Noa Meyer Subject Files)  
OA/Box Number: 13007

### FOLDER TITLE:

The Trip of the First Lady to Kazakhstan, Kyrgystan, Uzbekistan, Russia, and Ukraine,  
November 9-18, 1997 (David) [Binder] [3]

2012-0869-S

kc956

### RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

- b(1) National security classified information [(b)(1) of the FOIA]
- b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
- b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]



## EVENT PAPER: WOMEN IN POLITICS CONFERENCE

### Scenesetter

You will deliver ~~either the opening or~~ the keynote address at the Central Asian Conference on Women in Politics at the main auditorium of the Academy of Sciences. Your speech will highlight the theme "Women as a Force for Political and Social Change".

You will enter the site at the main entrance and proceed upstairs to a holding room adjacent to the stage. You will enter stage left, deliver your address, and exit stage left. You will be introduced by Saule Kenesbayeva, the conference coordinator, who understands and speaks some English.

### Background

The conference is organized by the women's association "LIANA" unquote and is sponsored by a small Embassy Almaty democracy grant. The conference will last three days, and is the third annual conference organized by LIANA. The Academy of Sciences is in the same building as the Ministry of Science. The Ministry and the Academy have both worked with the U.S. on a host of programs, most recently on a multinational nuclear nonproliferation conference that opened in Almaty in August.

### Guest list/audience

You will be met by Saule Kenesbayeva, the director of the women's association, LIANA. The conference will be attended by approximately **380** women from all five Central Asian countries and the U.S. The audience will include political figures, media representatives, directors of NGO's and charitable organizations, business leaders, and academicians. There will be very few English speakers in the audience. Your speech will be translated simultaneously from translation cabinets on either side of the upper balcony of the auditorium.

## Central Asian Conference “Women in Politics”

USIS and USAID, together with the Friedrich Ebert Stiftung Foundation and Mobil Oil, are proud to sponsor the Central Asian Conference “Women in Politics”, put on by the local NGO “LIANA.” This is Liana's third annual conference for Women in Central Asia. USAID is sponsoring travel costs for 30 to 33 women from Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan. These participants include elected officials, high government officials, independent journalists and outstanding NGO leaders involved in human rights, businesswomen's associations, media associations, women leaders and women's resource centers. They will join together with many activist women from Kazakhstan to discuss a lively agenda of women's involvement in political issues.

The program includes discussion of the legal status of women in the Central Asian Countries, how to measure growing women's activity in political life, political education of women and their participation in election campaigns. The conference will include roundtables on the role of NGOs in increasing women's political activity and the role of mass media in increasing women's political activity.

LIANA is an NGO devoted to women's issues in Kazakhstan and the other countries of Central Asia. LIANA is active in supporting the introduction of laws which benefit women. It also encourages women to become active in NGOs and has hosted two previous conferences on the topics of Women in NGOs and Women in Business. LIANA has participated in several USAID NGO training programs.

Of the 137 women in attendance, 58% of them have received USAID assistance. They have benefited from USAID trainings in broadcast journalism, NGO & Community, Project Design, NGO Management, Strategic Planning, Public Education Through the Media and Fundraising for Development. Nineteen have traveled to the United States for training in fiscal federalism, pension systems, health insurance management, NGO leadership, developing public understanding of economics, maternal and child health, judicial system reform, human rights and democratic development, management of welfare systems and health facility management.

The women represent 16 NGOs which have received USAID assistance in the form of small grants totalling \$159,000 for projects in sectors of women's issues, poor families, pensioners, civil society, human rights, NGO support, legal and judicial issues, children and youth, arts, crafts & culture, and independent media. USAID welcomes activism on the part of all women and NGOs in Central Asia and hopes this tradition will carry on in all five Central Asian Republics.

**Meet and Greet with  
Prominent Women**

## EVENT PAPER: LUNCHEON WITH LEADING WOMEN OF KAZAKHSTAN

### Scenesetter

We are arranging a lunch in your honor at the Ambassador's residence. The lunch is designed to give you an opportunity to speak in some depth with leading women in the Kazakhstani government, business, media, and NGO communities about the challenges they face unique to Kazakhstan. You will enter the Ambassador's residence through the front door, where you will be met by Ambassador Jones. She will introduce you to the other guests while standing in the living room, and then you will all proceed into the dining room, directly to your right. The lunch will last approximately 45 minutes. Some of the participants may present you with gifts or informational material about their organizations during the lunch.

### Background

The Ambassador's residence is a newly-built two story home at the southern end of Almaty. Construction of the residence was completed in summer 1996, and the Ambassador moved in August. The residence is in a gated compound with two other homes, one of which is the Australian Ambassador's residence. The embassy is completing negotiations for the purchase of the residence.

### Guest list

The lunch will be attended by no more than 20 people. Many of the Kazakhstani invitees speak and understand English. The Kazakhstani invitees include:

Valentina Sivryukova, Deputy Minister of Labor and Social Protection; Zinaida Fedotova, Senator; Raisa Sher, Member of Parliament; Liyazat Ishmukhamedova, President, Association of Single Mothers; Maisiya Kaipozarova, Director, United Nations Gender Center; Irina Katseyeva-Chernolovskaya, independent journalist; Saule Abdigapparova, President, Association for Youth Assistance; Olga Bakhareva, President, Almaty Special Olympics Federation; Raushan Sarsembayeva, President, Association of Businesswomen of Kazakhstan; and Svetlana Sinitskaya, President, Association of Women Journalists of Kazakhstan.

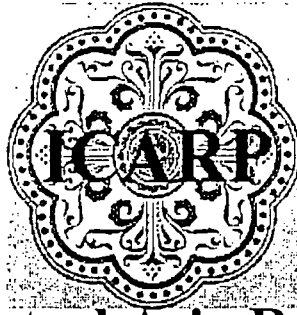
List of Potential Participants  
Visit of the First Lady  
"Meet and Greet" with Prominent Kazakhstani Women

1. Ablova, Natalia (ob-LOW-vuh, Nuh-TALL-yuh)  
Kyrgyz-American Human Rights Bureau Director
2. Babajanova, Rano (Bah-bah-JON-uh-vuh, RAN-no)  
Chief editor, TV Channel-Seven
3. Bakhareva, Olga (bah-KHAH-reh-vuh, OLL-guh)  
President, Special Olympics, Kazakhstan
4. Baliyeva, Zagipa (buh-LEE-yeh-vuh, zuh-GEE-puh)  
Chairwoman, Central Election Commission
5. Chernolovskaya, Irina (chair-nuh-LOW-v-sky-uh, I-REE-nuh)  
Journalist, former director of television station  
"Family Channel"
6. Fedotova, Zinaida (feh-DOH-tuh-vuh, zin-eye-EE-duh)  
Senator of the Republic of Kazakhstan
7. Fokina, Ninel (FOH-ki-nuh, NEE-nuhl)  
Chairwoman, Almaty Chapter, Helsinki Watch Committee
8. Ishmukhamedova, Lyazat (ish-moo-ka-MYED-uh-vuh, lee-vuh-ZAHT)  
President, Association of Single Mothers
9. Kainazarova, Mansiya (k-eye-nuh-ZAH-ruh-vuh, man-SEE-yuh)  
Director-Coordinator, United Nations Gender Center
10. Kenesbayeva, Saule (ke-ness-BUY-yeh-vuh, S-OW-lay)  
President, Women's Association "Liana"
11. Korzhova, Natalya (KOR-zhuh-vuh, nuh-TALL-yuh)  
Minister of Labor
12. Loar, Theresa  
Women's Issues, U.S. Department of State
13. Margolies-Mezvinsky, Marjorie  
Women's Campaign Funds, USA
14. Nazarbayeva, Sarah (na-zar-BUY-eh-vuh, SAIR-uh)  
wife of the President of the Republic of Kazakhstan
15. Petuhova, Ludmila ((peh-TOO-huh-vuh, lood-ME-luh)  
Head of the Women's Club "Ynam" (Faith)
16. Rashidova, Sayura (rah-SHEE-duh-vuh, sah-YOU-ruh)  
MP and Ombudsperson
17. Sarsembayeva, Raushan (sahr-sem-BUY-yeh-vuh, R-OW-shahn)  
President, Business Women's Association of Kazakhstan
18. Savostina, Irena (suh-VOH-stee-nuh, ee-RAY-nuh)  
Chairwoman, Pensioners' Movement "Pokoleniya"
19. Shamcutdinova, Svetlana (chahm-coot-DEEN uh vuh, svet LAN nuh)  
Deputy Director, Consumer Rights Protection Organization
20. Sher, Raisa (SHARE, R-eye-EE-suh)  
Member of Parliament, Republic of Kazakhstan
21. Sinitetskaya, Svetlana (sih-NIT-sky-uh, svet-LAN-nuh)  
Chairwoman, Association of Women Journalists 1
22. Sivryukova, Vaalentina (siv-RYOU-kuh-vuh, vall-uhn-TEE-nuh)  
Deputy Minister of Labor
23. Turmagambetova, Zhemis (toor-mah-gahm-BYET-uh-vuh, ZHEMM-iss)  
Deputy Director, Kazakh-American Human Rights Bureau
24. Yertlesova, Zhannat (yair-TLESS-uh-vuh, ZHA-nat)  
Deputy Minister of Finance

## KAZAKHSTAN: TALKING POINTS: WOMEN MEET AND GREET

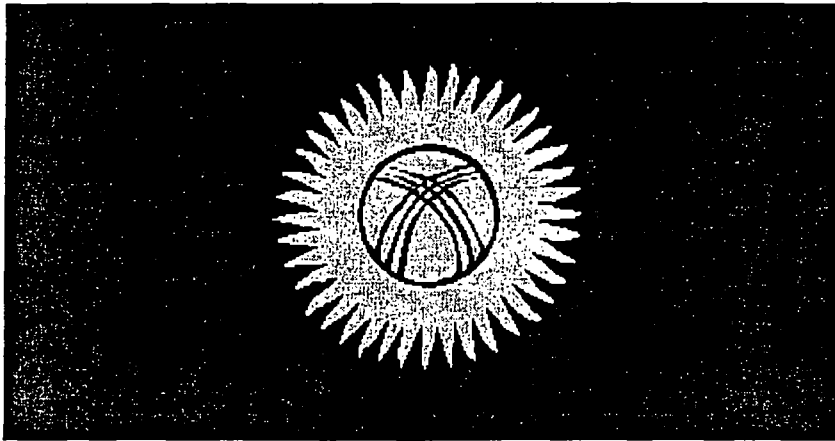
- The women gathered here today represent exactly what women worldwide have sought for many generations. We have all worked hard to gain positions of leadership in industry, politics, business, and society. I am honored to be given this opportunity to meet with so diverse and successful a group.
- Our successes will serve as examples to our daughters, but there is much to achieve before we can rest. Women's needs must be better met in our changing world, particularly on such important issues as gender equity in the workplace and the availability of adequate health and child care.
- We must work to create a world in which women can balance our professional and personal lives in such a way that both are happy and fulfilling.
- Women must work together to achieve equality. Unless we work with and for each other, we have no guarantee that our needs will be met.
- No one can deny the fact that such depends upon the participation of women at the highest levels in both the public and private sectors. Civil society cannot succeed without women like us, for the equal participation of all its members is necessary for the shaping and achieving of common goals.

**BACKGROUND  
ON KYRGYZSTAN**



*Sherry DeTherland  
712-355-2800*

## Interactive Central Asia Resource Project Description of Kyrgyzstan

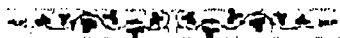


Kyrgyzstan is located in eastern Central Asia bordering China, Kazakstan, Tajikistan and Uzbekistan. It has a total land area of 76,641 square miles with a population of about 4.4 million. Its capital city, Bishkek, has a population of 626,900. The population consists of 52 percent Kyrgyz, 21 percent Russian, 13 percent Uzbek, 2.5 percent Ukrainian, 2.4 percent German, and 1.6 percent Tatar. The country has an annual population growth rate of 2 percent. The official language is Kyrgyz, but here too there have been disputes with the "indigenous" Russian population over linguistic and citizenship claims.

Kyrgyzstan declared its sovereign independence on December 12, 1990, shortly after Askar Akayev was elected president by the Supreme Soviet. On October 13, 1991 Akayev became the country's first freely elected president. He was unopposed in the election. As president Akayev is both head of government and head of state, a feature common to all of the Central Asian republics. He presides over a constitutionally founded government that is comprised of the 313 member Zhogorku Keneshom (legislature) and the Supreme Court. The president appoints a prime minister who forms a government. The current government was formed on December 18, 1993. The current legislature, formerly the Supreme Soviet, was elected during the Soviet period and did not stand for election until March of 1995. Akayev himself faces an election in December of 1996. The major political parties include the Communist Party of Kyrgyzstan and Alta-Mekel and Erkin, both of which are small Kyrgyz nationalist parties. Akayev is the only sitting president of the Central Asian region who was not a former Communist.



**Visit Other ICARP Pages**



# Quick Facts

## ***GEOGRAPHY***

### **Official name:**

Kyrgyz Republic; digraph: KG (KS)

### **Location:**

Kyrgyzstan is situated in Central Asia bordered by Kazakhstan, Uzbekistan, Tajikistan and China

### **Capital:**

Bishkek

### **Area:**

Total area: 199,900 square km (76,641 square miles). It is about the size of Minnesota. 5.2% - forests, 4.4% - water, 53% - agricultural land, 36% - other

### **Land Boundaries:**

Total 3,878 km, China 858 km, Kazakhstan 1,051 km, Tajikistan 870 km, Uzbekistan 1,099 km

### **Climate:**

Dry continental to polar in high Tien Shan; subtropical in southwest (Fergana Valley); temperate in northern foothill zone

### **Terrain:**

Peaks of Tien Shan rise to 7,000 meters, and associated valleys and basins encompass entire nation. Highest point - Peak Pobeda (7,439 meters)

### **Natural Resources:**

Abundant hydroelectric potential

Significant deposits of gold and rare earth metals

Locally exploitable coal, oil and natural gas

Other deposits of nepheline, mercury, bismuth, lead, and zinc

**Irrigated Land:** 10,320 sq. km (1990)

**GDP:** 22,467,800,000 soms (1996)

**Currency:** Som (\$1 = KGS17.10 (as of October, 1997))

## ***PEOPLE***

**Population:** 4.6 million (01.01.97); unofficial sources: 4,769,877

**Age Structure:** 0-14 Years - 37% (female 868,108; male 888,479)

15-64 Years - 57% (female 1,377,221; male 1,345,990)

65 Years and Over - 6% (female 185,807; male 104,272)

**Population Growth Rate:** 1.5%

**Birth Rate:** 25.97-births/1,000 population

**Death Rate:** 7.32 deaths/1,000 population

**Net Migration Rate:** 3.66 migrant(s)/1,000 population

**Infant Mortality Rate:** 45.8 deaths/1,000 live births (1995 est.)

**Life Expectancy at Birth:** Total population: 68.13 years

Male: 63.92 years

Female: 72.56 years

**Total Fertility Rate:** 3.31 children born/woman (1995 est.)

**Nationality:** Noun: Kyrgyz(s)

**Adjective:** Kyrgyz

**Ethnic Divisions:**

Kyrgyz 60.8 %

Russian 15.3 %

Uzbek 14.3 %

Ukrainian 1.5 %

Other 8.1% (includes Dungan, German, Kazakh, Korean, Tajik, Tatar, Uighur and others). Kyrgyzstan has more than 80 ethnic groups

**Religions:**

Islam, Russian Orthodox etc. The freedom of worship is guaranteed under the Constitution. Most major religions are practiced in Kyrgyzstan

**Languages:**

The official state language of Kyrgyzstan is Kyrgyz. Russian is also very widely used, and English is becoming popular among the younger generation

**Literacy:**

*Age 15 and over (1989)*

Total population: 97%; Male: 99%, Female: 96%

**Labor Force:**

1.836 million

**By occupation:**

Agriculture and forestry 38%, Industry and construction 21%, other 41% (1990)

## ***Government***

**Type:** Republic

**Head of State:** President

**Government Power:**

Legislative Branch - Jogorku Kenesh (Parliament) consisting of two chambers, with the Legislative Assembly and People's Representatives Assembly

Executive Branch - Government, Local Akimiats (local state administrations), Ministries and State Establishments

Judicial Branch - Constitutional Court, Supreme Court, Highest Court of Arbitration

**Adm. Divisions:**

Bishkek (capital) and 6 oblasts: Chui Oblast, Jalal-Abad Oblast, Naryn Oblast, Osh Oblast, Talas Oblast, Issyk Kul Oblast

**Independence:** 31 August 1991

**National Holidays:**

New Year's Day (January 1)

Russian Orthodox Christmas (January 7)

Orozo Ait (winter) - Muslim holy day celebrated by the lunar calendar (date is not fixed)

International Women's Day (March 8)

Nooruz (March 21)

Kurman Ait (spring) - Muslim holy day celebrated by the lunar calendar (date is not fixed)

International Worker Day (May 1)

Kyrgyz Constitution Day (May 5)

WW II Victory Day (May 9)

Independence Day (August 31)

**Constitution:** Adopted 5 May 1993

**Suffrage:** 18 years of age; universal

**Member of:** More than 30 international organizations, like AsDB, CIS, EBRD, ECE, ECO, ESCAP, FAO, IBRD, ICAO, IDA, IDB, IFAD, IFC, ILO, IMF, IOC, IOM (observer), ITU, NACC, OIC, OSCE, PCA, PFP, UN, UNCTAD, UNESCO, UNIDO, UPU, WHO, WIPO, WTO etc.

Kyrgyzstan's flag was adopted on March 3, 1992 and shows a combination of esoteric and practical symbols. On a field of red - traditional color of the Kyrgyz - is centered a yellow sun with 40 rays, representing the 40 tribes led by the ancient national hero, *Manas*, who united them to form the Kyrgyz nation. Centered on the sun is a red circle containing two crossed sets of three curved lines, a stylized representation of the opening at the peak of a *boz uy* (yurta, yurt) - the traditional Kyrgyz house. The sun symbolizes light, nobility and eternity to the Kyrgyz.

### **Diplomatic Representation in U.S:**

Ambassador Extraordinary and Plenipotentiary,

His Excellency Mr. Baktybek Abdrisaev

Embassy of the Kyrgyz Republic

1732 Wisconsin Avenue, NW

Washington, D.C. 20007

Tel.: (202) 338-5141

Fax: (202) 338-5139

e-mail: [Embassy@kyrgyzstan.org](mailto:Embassy@kyrgyzstan.org)

Ambassador Ms. Zamira Eshmambetova,

Permanent Representative of the Kyrgyz Republic

to the United Nations

866 UN Plaza, Suite 477, New York, NY, 10017

Tel.: (212) 486-4214; Fax: (212) 486-5259

### **U.S. Diplomatic Representation:**

Ambassador Anne Sigmund. Embassy: Erkindik Ave. #66, Bishkek 720002

Telephone: [7] (3312) 22-29-20, 22-27-77,

22-26-31, 22-24-73

FAX: [7] (3312) 22-35-51

---

## **Additional General Information about Kyrgyzstan**

## KYRGYZ REPUBLIC: MAIN ISSUES IN BILATERAL RELATIONS

**Economic and political reform.** Overall, U.S. relations with Kyrgyzstan are close and cooperative. In a region that has not enjoyed a good reform record, Kyrgyzstan is often described as an example for other Central Asian states in terms of political and economic reforms. However, the reforms remain tenuous. While the Kyrgyz Republic leads the Central Asian states in terms of political and economic reform, the U.S. continues to press for democratic institution building.

**U.S. Assistance.** U.S. assistance to Kyrgyzstan in 1996 totaled approximately \$58.3 million and covers a broad spectrum, including health, education, democratic reforms, agriculture, economic restructuring and law enforcement. The Kyrgyzstanis are seeking additional U.S. assistance in the following areas:

a) **Kyrgyz-American University.** During President Akayev's July 1997 visit to the U.S., he met with George Soros and the Open Society Institute to discuss transforming the Kyrgyz American Faculty (currently a department of the Kyrgyz National University, established in 1993 with USG funds) into an independent American university. Soros promised a donation if the U.S. government would match his commitment. President Akayev also raised the issue with Vice President Gore, who promised to consider it. The U.S. government supports an independent university, building on the Kyrgyz-American Faculty's strengths in business, law, journalism and English language.

b) **Radioactive waste removal.** Radioactive contamination from old Soviet mines, and uranium mining equipment stored in crumbling storage facilities along the Kyrgyz river system, threaten fresh water supplies.

c) **Border guards/Customs training.** Kyrgyzstan has asked for U.S. assistance to remodel its border guard and customs services to function effectively and independently of Russian support.

d) **Mountain rescue.** During his July 15 meeting with Vice President Gore, President Akayev requested U.S. assistance in establishing a mountain rescue specialty unit within the Kyrgyzstani military.

e) **Joint seismic center.** Also during that July meeting, the U.S. offered up to \$250,000 in funding to support the startup and first year's operation of an international geodynamics center in Kyrgyzstan.

*f) Afghanistan.* Like other Central Asian states, Kyrgyzstan sees the continued conflict in Afghanistan as destabilizing to the region. In August, President Akayev wrote to President Clinton requesting support for his initiative to hold a peace conference in Bishkek. Acting Secretary Talbott replied on behalf of the President, noting our commitment to finding a lasting peace within a UN framework. During his October visit to the U.S., Foreign Minister Imanaliyev discussed President Akayev's proposal, emphasizing that Kyrgyzstan's priority is that a peace conference be convened, regardless of venue or auspices.

*More attention at higher levels.* The Kyrgyz government places great value on high level meetings as an endorsement of its political and economic reform efforts. President Akayev was disappointed that President Clinton was unable to meet with him during his mid-July visit to the U.S., and due to a scheduling conflict, Kyrgyzstani Foreign Minister Imanaliyev did not have a chance to meet with the Secretary of State during his October 5-7 visit for the UNGA. We are examining possibilities for a high-level meeting in 1998.

## KYRGYZ REPUBLIC: POLITICAL AND SOCIAL OVERVIEW

**Political freedom.** The Kyrgyzstani people enjoy more political freedom than citizens of the other Central Asian states. President Akayev is the only Central Asian president who has not extended his term by means of referendum and who allows political opponents a relatively active role in Kyrgyzstani politics. Kyrgyzstan has several independent political parties that competed in the 1996 parliamentary elections. However, democratic reform and institution building remain fragile and need continued reinforcement.

**Presidential elections.** In December 1995, Presidential Akayev was reelected in the first multi-candidate presidential elections in Kyrgyzstan. The conduct of the elections was generally free and fair, but in the pre-election period, many candidates had trouble getting needed signatures certified and three candidates were de-registered by court order after being accepted by the Central Election Commission. Two candidates ran against Akayev, although his strongest challenger was prevented from doing so at the last minute. Two opposition campaign workers were arrested just before the elections, held without trial for four months, and eventually convicted of libeling the president.

**Consolidation of presidential power.** A February 1996 referendum (in violation of the Constitution and the law on referendums) amended the Constitution to give President Akayev more power. The changes gave the president the power to dissolve parliament. It also removed the clause that parliamentarians be directly elected by universal suffrage. President Akayev has continued to strengthen the executive by expanding its staffing and purview, and by forming a personal cabinet within the presidential apparatus. For the most part, the parliament and judiciary tend to be subordinate to the executive, and the overwhelming majority of local government officials are appointed by the president.

**Authoritarian tendencies.** Akayev has said publicly that his more authoritarian approach is intended to speed implementation of economic reforms, but his discomfort with domestic criticism appears to have motivated him to take a tougher line toward domestic opposition and to backpedal on democratic reforms and human rights. Although Akayev has denied that he is planning to change the Constitution to allow him to run for a third term, or preparing a referendum to extend his second term, such high-handed action cannot be ruled out.

**Parliament.** Despite Akayev's attempts to strengthen presidential power at the expense of the legislature, the Parliament has demonstrated some independence from the executive branch.

Earlier this year, the legislature overruled a presidential veto and passed legislation to allow it to call for a no-confidence vote on any cabinet appointment.

**Judiciary.** Kyrgyzstan has also undertaken some steps toward the creation of an independent judiciary. In November 1996, the Constitutional Court ruled that the speaker of the parliamentary lower house had been unconstitutionally elected. The legislature accepted the court's decision and elected a new speaker.

**Military.** Kyrgyzstan is facing a formidable task in maintaining its 16,000 man armed forces. Reduced budgets have led to growing shortages in all areas of operation, training, maintenance and basic supplies. Kyrgyzstan has a conscription system with an alternative service option. A treaty with Russia allows Russian servicemen to serve in the Kyrgyzstani military on a contract basis. An estimated 4,000 border guards (virtually all ethnic Kyrgyz) still under Russian command are stationed in Kyrgyzstan to guard the Sino-Kyrgyzstan border. A Kyrgyzstani motorized company participated in the successful mid-September joint CENTRASBAT military exercises with Kazakh, Uzbek and U.S. forces.

## KYRGYZ REPUBLIC: ECONOMIC AND COMMERCIAL OVERVIEW

Kyrgyzstan is the most reformist of the Central Asian states, but also one of the poorest and most vulnerable due to its relative lack of natural resources. Kyrgyzstan's economic decline has bottomed out, however, and it is beginning to reap some rewards from its economic reform program.

**Industrial decline.** During the Soviet period, Kyrgyzstan's industries were heavily subsidized and not internationally competitive. Once Moscow's subsidies stopped and inter-republic trade collapsed, Kyrgyzstan's industry suffered. Between 1990-1996, industrial output fell 64 percent, while GDP fell 48 percent. The steepest declines were in the energy, machine building, construction, and chemicals sectors, where production fell by 80-90 percent. According to official statistics, in 1996, 43 percent of enterprises were losing money. Before industry can fully revive, much of Kyrgyzstan's obsolete industrial base will need to be rebuilt or replaced.

**Economic reform.** In 1993, Kyrgyzstan launched a bold program of economic reform which won the support of international financial institutions. The government introduced favorable laws on privatization, joint ventures, foreign trade and investment, free economic zones, and concessions to foreign investors -- all designed to facilitate the rapid development of a market economy. Also in 1993, Kyrgyzstan became the first republic in the region to introduce its own currency, the som.

**Trade, legal and tax reform.** Since then, the government has liberalized trade, introduced land rights, and launched a program to privatize large companies on a case-by-case basis. A tax code has been put in place and a new body of commercial law introduced. Kyrgyzstan has also applied for WTO membership, and hopes to accede next year, thanks in part to U.S.-funded technical advice.

**Production.** By 1995, the post-independence decline in output appeared to end. According to official statistics, GDP grew by 5 percent in 1996, and industrial and agricultural production rose by 11 percent and 13 percent respectively. These positive trends continued in the first five months of 1997. The operations of a large gold joint venture accounted for most of the increase in industrial production. Wheat production grew by 45 percent, and meat production also rose after several years of decline.

**Monetary policy and inflation.** Tight monetary policies and improved performance in collecting budget revenues has kept average monthly inflation at 5 percent or less since early 1994,

although there was some slippage in 1996 when the som's exchange rate depreciated by 40 percent. However, in 1997, average monthly inflation has totaled just over 2 percent and the som has appreciated slightly.

**Income and wages.** Official statistics indicate that income and wages in 1995 and 1996 have largely kept pace with inflation. Poverty, however, remains endemic. According to the World Bank, almost half of the population lived in poverty in the early 1990's and one-third of the population was considered severely impoverished. Unemployment remains a serious problem.

**Privatization.** The government has steadily advanced its privatization program and restructuring efforts by expanding the use of auction sales, targeting bankrupt enterprises for restructuring, and improving the legal infrastructure for private entrepreneurs and foreign investors. However, the results have been mixed thus far. According to official statistics, much of the construction and retail trade sectors has been privatized. In 1997, according to Western economists, 50 percent of GDP and over 90 percent of retail sales are expected to come through nonstate channels. State regulation has also been almost completely eliminated in agriculture, and the government has transformed most state farms into agricultural collectives; however, the privatization process is hampered by widespread corruption.

**Foreign investment.** According to EBRD statistics, Kyrgyzstan received only \$122 million in foreign direct investment between 1994 and 1996. Most of this went into a joint venture with a Canadian firm to develop the Kumtor gold mine. The signing of several other agreements with foreign mining firms to develop gold fields should fuel further growth in this sector.

**Foreign assistance.** Despite the difficulties of reform, government commitment remains strong, with leaders generally open to foreign advice and technical assistance. Donor assistance will remain crucial to the success of continued reforms.

## KYRGYZ REPUBLIC: HUMAN RIGHTS OVERVIEW

**Democratic progress.** Kyrgyzstan is the most open, progressive, and democratic of any of the Central Asian republics. A tradition of consensus building among the Kyrgyz elite has fostered a modest amount of political pluralism and strengthened many democratic practices, despite President Akayev's domination of the government. Kyrgyzstani citizens have the right to free assembly and generally meet without government interference. Permits are required for public marches and gatherings, but have not been denied arbitrarily. The government also has not prohibited labor strikes.

**Inconsistency in practice.** While the government expresses support for human rights, democracy and the rule of law, in practice respect of these rights is uneven. Local elder's courts responsible for trying petty crimes and local disputes have committed a number of abuses as they have handed out harsher punishments than allowed under law.

**Freedom of the press and speech.** Press freedom and freedom of speech are more secure in Kyrgyzstan than elsewhere in Central Asia. Nevertheless, there have been incidents of repression including the closing of newspapers in 1994 and the conviction of two journalists for criminal libel against the president in July 1995. In 1997, repression against independent newspapers, journalists, and opposition members increased. In January 1997, opposition activist Topchubek Turgunaliyev was convicted of embezzlement, fraud and abuse of position: he remains in prison. Although independent newspapers and magazines continue to be published, almost all electronic media and a significant portion of print media operate under government control. Earlier this year, several journalists from the opposition newspaper Res Publica were arrested and convicted of criminal libel for insulting one of Akayev's advisors. Several of these journalists served jail time; however, most were freed immediately after conviction, probably in response to pressure from human rights groups and the international community.

**USG actions.** The U.S. Embassy has actively monitored the progress of the Res Publica cases, and continues to press for greater press freedoms, including redefinition of libel as a civil, rather than a criminal, offense.

## KYRGYZ REPUBLIC: ETHNIC AND RELIGIOUS ISSUES

***Ethnic and religious make-up.*** Among Kyrgyzstan's estimated 4.5 million people, 59.7 percent are Kyrgyz, 16.2 percent Russians, 14.1 percent Uzbeks. The remainder include a mixture of ethnic Germans, Ulgurs, and other Slavic groups. Non-Kyrgyz are often lumped together in the so-called "Russian speaking" minority. Growing Kyrgyz nationalism is prompting many minorities to emigrate. Kyrgyzstan is predominantly Muslim (reports indicate 80 percent of the population is Islamic), but religious practices are generally relaxed and there are no signs of a growth in Islamic fundamentalism.

***Ethnicity in the government.*** Ethnic Kyrgyz continue to dominate government positions in far greater numbers than their representation in the general population. The appointment of ethnic Kyrgyz to key judicial positions has led to charges by non-Kyrgyz that the system is unfair and that the courts treat ethnic Kyrgyz more leniently.

***Ethnic tolerance and tension.*** President Akayev has urged calm in ethnic relations and supports a policy of guaranteeing rights and freedoms to ethnic minorities. He has blocked laws that would discriminate against non-Kyrgyz ethnic groups and warned all anti-Russian political parties that such policies are not acceptable. Nevertheless, Kyrgyzstan has experienced ethnic friction -- particularly between Kyrgyz and Russians in Bishkek and between Kyrgyz and Uzbeks in the southern part of the country.

***Religious freedom.*** The Kyrgyz constitution guarantees all citizens freedom of religion, and Kyrgyz authorities have respected this law for the most part. However, the formation of a state religious affairs commission in March 1996, which requires religious groups to register with the state, has raised concerns. Since its formation, Muslim leaders have complained that the commission has begun to make decisions about religious events without consultation. In Naryn province, a Baptist congregation was denied registration and there have been reported instances of Naryn police disrupting Baptist services. In addition, ethnic Kyrgyz Christian congregations and some Muslim congregations with foreign ties appear to face special barriers.

***USG activities.*** The U.S. Embassy has been active in urging the GOK to prevent harassment of religious groups.

## KYRGYZ REPUBLIC: EDUCATION ISSUE

**Statistics.** Kryrgyzstan has an estimated 97 percent literacy level. Education is compulsory for the first nine years. Approximately 60 percent of all children aged six to 23 were enrolled in schools in 1995. According to 1994 figures, women over twenty-five years of age had completed an average of 9.4 years of schooling and men over twenty-five, ten years.

**Deteriorating conditions.** Expenditure on public education rose from 4 percent of GDP in 1993 to 6.1 percent in 1995. However, the education system has suffered the same material and financial hardships as other social sectors following the breakup of the Soviet Union, and conditions continue to deteriorate due to an acute shortage of material resources. Teachers are poorly paid and the school system is under stress to maintain standards and quality. Construction of schools lags behind the growth of the school-age population. The number of pre-schools has dropped precipitously. Although there is a network of after-school institutions, only about 10 percent of children participate. In addition to funding shortages, there is a need to address the centralized decision-making process, and to revise and restructure curricula to fit the changed political circumstances.

**Benefits from USAID.** The educational sector benefits indirectly from USAID's market transition programs. It is also expected to benefit from USAID initiatives in the NGO sector, such as development of associations like PTA.

**Kyrgyz American Faculty.** In 1993, following a request from President Akayev to Vice President Gore, USIA provided \$635,000 to help establish the Kyrgyz American Faculty (KAF), a department of the Kyrgyz National University. USIA funding supported faculty and curriculum development, student exchanges, library and Internet access. KAF has been a notable success, offering bachelor degrees in business management, economics, journalism, and English as a second language. Recently, law courses were also added to the curriculum. The students of the first graduating class this past June found jobs in business and the public sector. USIA and the State Department are exploring ways for KAF to become a fully independent university. George Soros' Open Society Institute, has indicated an interest in assisting this endeavor.

## KYRGYZ REPUBLIC: WOMEN'S ISSUES

Kyrgyzstani law gives equal status to women, but the dramatic drop in family incomes due to the economic transition has put tremendous pressures on the traditional family structure. Alcohol, drug abuse, unemployment, malnutrition, and the breakdown of support systems have all contributed to spousal abuse of women. Although media reports and hospital records tend to document these changes, law enforcement and government programs have not adequately met the increased need for intervention and services.

**Women in the work force.** Women represent 45 percent of industrial employees, 42 percent of small businesses employees and 36 percent of executives. However, according to the 1996 UNDP report, women appear to face higher layoff and unemployment rates. Every second unemployed person is a woman, and 18 percent of these are mothers with several children. In addition, women appear to have been disproportionately affected by non-payment of pensions. Women receive lower wages, have less access to employment and fewer years of schooling than men. On the other hand, women exceed men in absolute numbers in the population (2.4 million out of 4.6 total), life expectancy, and in secondary education enrollment.

**Women in the household.** Women generally spend many hours in unpaid household work, including child care. This situation has been exacerbated with the cut-back in government programs, such as free pre-school and after-school programs for working mothers. The Kyrgyz National Statistics Committee has determined that most working mothers cannot afford the fees charged by pre- and after school programs. In rural areas, women often fulfill the roles of homemaker, mother, and wife, not worker. Forced marriage of underage girls is becoming more common.

**Legal and social status.** In public life, one deputy prime minister, Mira Jangaracheva, (out of three) is a woman. Two ministers (Larisa Gutnichenko, Justice and Asylgul Abdurekhmenova, Labor and Social Welfare) out of eighteen are women, as is the head of the Constitutional Court, Cholpon Baekova. Women's rights are anchored in the Constitution and the legal codes. The Criminal Code provides for "freedom and dignity" of women, and protection against forced marriage or forced abortion. However, judicial enforcement of many of these protections has been weak. Also, social traditions sometimes mitigate against legal action as a redress of grievances.

**Kyrgyz government programs.** At the UN's Beijing Conference on Women, Kyrgyzstan committed itself to develop a women's program

and to create a comprehensive legal basis to achieve gender equality. With the support of UNDP, the Women's Bureau has set up women's resource centers in each of the regions. Among other things, the centers provide training in establishing NGOs and in grant-writing.

**USAID assistance.** USAID programs that have benefited women include FINCA (micro-lending, mostly to women traders, farmers, and entrepreneurs), CARANA (training in international accounting standards -- some 75 percent of accountants are women), IBTCI (bank and accounting training -- over half of bank executives are women), Aid to Artisans, and programs to create housing cooperatives, provide NGO training and improve health programs.

## KYRGYZ REPUBLIC: POPULATION AND FAMILY PLANNING ISSUES

**Future population trends.** Like several other former Soviet states, Kyrgyzstan saw its population fall in the mid-1990s due to ethnic Russian emigration and a rise in mortality rates. However, with 37% of Kyrgyz under the age of fifteen and high fertility rates, Kyrgyzstan's population--now at 4.5 million--is expected to almost double over the next fifty years.

**Demographic statistics.** Post-independence turmoil strongly affected the reproductive situation in Kyrgyzstan. Fertility was 4.1 births per woman as recently as 1985 but dropped to 3.3 by 1995. At the same time, contraceptives from Russia dwindled for several years, which may have exacerbated heavy reliance on abortion. A Bishkek clinic study of its abortion patients in 1995 showed that over 30% had had at least three prior abortions and 80% one or more. Repeated abortions, sexually transmitted diseases, and poor nutrition due to falling incomes all weakened women's reproductive health, causing infant mortality to rise.

**Contraception and infant mortality.** Kyrgyzstan's performance relative to some of the targets set by the 1994 International Conference on Population and Development (ICPD) held in Cairo falls short in several respects. At just 30% in 1990, contraceptive usage sank to 21% at present, according to First Lady Mairam Akayeva. Most sources put Kyrgyz infant mortality at 30-40 per 1,000 live births, but the U.S. Census Bureau estimates it at 78 (the ICPD target is 50 or fewer). UN Population Fund (UNFPA) data show above-target maternal mortality as well.

**Reproductive health.** Reproductive health problems highlighted by First Lady Akayeva include retarded physical development among teenage girls, high mortality among mothers of large families, abnormally high births to women age 40-49, low body-weight infants (over 50%), prenatal disease and anemia, inadequate birth spacing, and unwed teenage mothers.

**USAID assistance.** Kyrgyzstan is one of the Central Asian republics included in USAID's regional Reproductive Health Services Expansion Program started in 1993. To strengthen and focus public policy planning, USAID personnel analyzed the policies and practices that impede modern contraceptive usage, ran strategic planning exercises with the Health Ministry and conducted service provider surveys. They assisted Health Ministry officials to update and distribute medical guidelines for reproductive health services and set up three sites to train several hundred clinicians, pharmacists and other service providers in contraceptive technology. Two demonstration family planning centers have been equipped and opened, and a

reproductive health communication campaign was developed and launched. Because of concerns about the viability of the commercial pharmaceutical sector, USAID trained pharmacists and physicians in customer focus before finally beginning the contraceptive social marketing campaign in Kyrgyzstan as an extension of the Kazakhstan program.

***Kyrgyz government and international programs.*** The Kyrgyz government has mounted an active training and education program in family planning, focused in the south where infant mortality is particularly high. It is also redirecting efforts from the old health system to the nascent private sector and to NGOs for family health and reproductive services. Our embassy reports that Government and donor activities contributed to a decline in abortion rates to 330 per 1,000 by 1996 (from 610 in 1990). The Kyrgyz Ministry of Health is also working with UNDP, UNFPA and UNICEF on basic and reproductive health programs. The Japanese Government is funding a new children's hospital in Bishkek, and the Islamic Bank for Reconstruction and Development is assisting the state maternity hospital. American and other foreign NGOs are helping with clinical staff training and reproductive health campaigns for teenagers.

## KYRGYZ REPUBLIC: CHILDREN'S ISSUES

***Bleak prospects.*** Six years after independence, the situation for children remains grim. Despite government efforts, the current socio-economic situation does not effectively guarantee decent living conditions for children. Too often, basic needs for shelter, food and clothing are not met. The rising cost of sending a child to school has raised drop-out rates.

***Infant mortality, vaccination and nutrition.*** In 1996, the U.S. Census bureau estimated Kyrgyzstani infant mortality at 78 per 1,000 live births. Among the serious problems affecting children, respiratory infections accounted for 48 percent of infant mortality, prenatal conditions 22 percent, and diarrheal diseases 13 percent. Immunization rates are quite high by world standards. However, after independence, vaccine-preventable diseases such as diphtheria, polio, and measles re-emerged. In 1994, the Ministry of Health cooperated with UNICEF, UNDP, DANIDA, USAID/BASICS and the International Red Cross in opening a children's immunization center. A range of serious nutrition-related problems affect a large number of children, especially in rural areas, due to large families, low incomes, and poor supplies of major food products.

***USAID assistance.*** USAID has undertaken initiatives in immunization and prevention of child deaths from acute respiratory infections and acute diarrhea which cause 60 percent of infant mortality. The introduction of new training and treatment protocols are expected eventually to reduce infant mortality by half.

***Inadequate social safety measures.*** Traditional social safety measures are unable to cope with the social pressures affecting families. In Bishkek, Osh and Jalalabad, children are regularly observed begging or selling cigarettes and other sundries in the streets, where they are often exposed to exploitation, abuse, and crime. Arrested children are frequently denied lawyers and are reportedly intimidated into confessions by being put in holding cells with adults. The law prohibits the use of child labor under age sixteen, but families frequently call upon their children to work to help support the family.

***Orphans.*** The number of children in full-time institutional care is increasing. "Orphans" (over 15,000) do not necessarily lack parents, but often come from dysfunctional families, often with alcoholic parents. The number of handicapped children (nearly 7,000) is also rising. There are increasing reports of abandonment due to parents' lack of resources to care for children. In many cases, institutions have had to meet increased

needs with no additional funding. Although there is a law allowing international adoptions, Kyrgyzstan has not determined which children can be adopted by foreigners. In 1997, there were no adoptions by U.S. citizens.

**NGO assistance.** In 1996, the Danish organization "Save the Children" undertook to improve conditions for orphans and handicapped children. Also the "Meerim Children's Fund" (headed by First Lady Akayeva), and "SOS Kinderhof" organized village orphanages for abandoned children. Immediate needs are now being partially addressed, partly due to work by UNICEF, UNESCO, UNHCR, Mercy Corps, Counterpart Consortium, Adventist Relief and France Liberte.

**Child abduction.** Kyrgyzstan is not a party to the Hague Convention on Child Abduction. Cases of children abducted to or from the Kyrgyz Republic must be handled in the family courts of the country to which they have been taken by local legal counsel. The Department of State is not aware of any pending cases in Kyrgyzstan.

## KYRGYZ REPUBLIC: HEALTH ISSUES

**Demographic indicators.** The economic downturn in the six years since independence has had a large impact on the health sector. The death rate rose from a record low of 6.9 deaths per 1,000 in 1991 to 9 deaths per 1,000 in 1995. Major causes of mortality are cardiovascular diseases, respiratory diseases, accidents, and tumors. Tuberculosis and sexually-transmitted diseases have increased significantly. The country's mortality rate from tuberculosis has doubled in the past five years. Other demographic indicators show an increase in maternal mortality to 80 per 100,000 live births. Nearly half of these deaths are preventable. Approximately 85 percent of Kyrgyzstani women suffer from anemia.

**Services and facilities.** Like all former Soviet systems, Kyrgyzstan's health system relies heavily on inpatient and tertiary (rehabilitative) hospital-based care. Although an infrastructure exists to provide primary health care, most health resources are directed at tertiary facilities. With a declining health budget, the government is attempting radical changes in its financing of health care services.

**USAID assistance.** As one of the major donors in the health sector, USAID has provided approximately \$6 million during the past two years to improve the efficiency and quality of health care services. USAID works closely with other donors, especially the World Bank and United Nations Fund for Children, on policy-related issues in health reform and service delivery. In addition, under USAID's hospital partnership program the Kyrgyz government has developed medical partnerships with U.S. hospitals to exchange and transfer technology. USAID has also initiated a new program to improve diagnosis and treatment of tuberculosis.

**Reform efforts.** The government, with USAID assistance, developed an experimental model of health reform in the Issyk-Kul region to address the problem of health sector financing. The pilot model developed mechanisms to generate revenues through an insurance system, introduced new provider payment systems, and established family group practices to improve primary health care facilities. To date, 90 percent of Issyk-Kul residents have enrolled in a family group practice. With additional assistance from the World Bank and the Asia Development Bank, the government is seeking to expand the Issyk-Kul model nationwide.

## KYRGYZ REPUBLIC: ASSISTANCE PROGRAM OVERVIEW

The U.S. government has provided Kyrgyzstan approximately \$340 million in humanitarian, technical, and investment promotion assistance since 1992. This is the highest per capita figure for any of the five Central Asian countries, and reflects the government of Kyrgyzstan's strong commitment to market economic and democratic reform.

**Privatization and trade programs.** USAID supported the Kyrgyzstan's voucher-based mass privatization program from September 1993 until that program's completion in September 1996. USAID is now focusing on privatizing "blue chip" state enterprises and developing Kyrgyzstan's capital markets. In addition, USAID advisors are assisting Kyrgyzstan develop a legal framework for trade and investment that will facilitate its accession to the World Trade Organization.

**Treasury assistance.** The Treasury Department funds a resident government debt advisor in Bishkek who counsels Kyrgyzstan's Ministry of Finance and National Bank on the fundamental principles of a government-run securities market.

**Small business assistance.** The U.S. has budgeted \$12.5 million for the Central Asian-American Enterprise Fund's efforts to develop small and medium-sized businesses in Kyrgyzstan through equity investments and micro-lending. The Fund has committed \$3.7 million for four investments in food processing, light manufacturing, and real estate ventures.

**Democratic reform.** The United States has budgeted approximately \$8.7 million for democracy building programs in Kyrgyzstan since 1992. USAID focuses much of this effort on supporting the development of non-governmental organizations (NGOs). USAID funds programs run by the International Foundation for Election Systems, the National Democratic Institute, and the American Bar Association. These programs provide NGOs training on how to influence government policy and help build the legal foundation for NGO operations. Another major USAID project seeks to increase the autonomy and effectiveness of regional government structures.

**Health and family planning.** USAID funds a hospital partnership between Kansas University Medical Center and the Institutes of Obstetrics/Pediatrics and of Oncology/Radiology in Bishkek which focuses on nursing reform, neonatology, family medicine, management training and oncology. Since 1993, USAID has also provided funding for the Central Asia Reproductive Health Services Expansion Program, designed to reduce maternal mortality and decrease reliance on abortion through the use of modern

contraceptives. The program also helped the Kyrgyzstan State Medical Institute develop its family planning curriculum. Other USAID funded programs aim to develop consumer-oriented and cost-effective family group practices in rural areas, and to assist with the implementation of the GOKG's national health care insurance law.

**Infectious disease.** USAID and the U.S. Center for Disease Control are also operating training programs aimed at battling infectious diseases such as polio, diphtheria, and Kyrgyzstan's two major causes of child mortality -- pneumonia and diarrhea.

**Environment and energy.** The U.S. has provided over \$7.4 million since 1992 for projects based in Kyrgyzstan to reduce regional economic and political tensions generated by transboundary environmental and energy issues. USAID is encouraging regional cooperation through water sharing and use agreements among all five Central Asian republics which share the Aral Sea Basin. USAID is also working with the government of Kyrgyzstan to establish a legal and regulatory framework for its oil and gas industries. These projects aim to attract investment to the oil and gas sector and to promote the use of cleaner burning domestic energy systems such as natural gas and hydroelectricity.

**Humanitarian assistance.** Although humanitarian assistance is no longer a major focus of U.S. assistance programs in Kyrgyzstan, the U.S. Department of Agriculture (USDA) did deliver \$13.65 million in food aid under its Food for Progress program in FY 97. The USDA also provided \$22.4 million in food and other commodities to private voluntary organizations operating in Kyrgyzstan in FY 96.

**Training and exchanges.** USIA runs a full range of programs in Kyrgyzstan including the Fulbright Academic Exchange, the Bradley High School Exchange, the Muskie Graduate Program, and the International Visitors Program for future leaders.

**Agriculture exchanges.** USAID has provided \$2.5 million to fund farmer-to-farmer programs that provide technical assistance in the agribusiness sector. These programs have brought 151 U.S. farmers and agricultural professionals to Kyrgyzstan as volunteers since FY 92 in an effort to increase Kyrgyzstani access to credit and to provide technical assistance on enterprise start-up, business planning, and product distribution and marketing.

**Scientific and business exchanges.** Kyrgyzstani managers and scientists also participate in the U.S. Department of Commerce's Special American Business Internship Training Program, which places business and scientific leaders with private U.S. companies for three-to-six month internships.

## KYRGYZ REPUBLIC: ENVIRONMENTAL ISSUES

Kyrgyzstan's environmental concerns are centered on pollution reduction and resource protection.

**Pollution.** Kyrgyzstan's pollution problems are not as severe as those of most of the former Soviet republics due to its comparative lack of industry. However, the areas of Kyrgyzstan where industrialization has occurred have experienced significant environmental damage, including contaminated water supplies, toxic air pollution and hazardous solid waste pollution.

**Soviet nuclear waste.** Kyrgyzstan is burdened with radioactive waste deposits left by the former Soviet authorities and has been unsuccessful in its attempts to have Russia take responsibility for these deposits.

**Commitment to environmental protection.** Despite a lack of financial resources, Kyrgyzstan is trying to adopt environmentally sound domestic policies and seems committed to protection of the environment. It has, for example, joined the Globe program initiated by Vice President Gore with two schools in Bishkek now full participants in the program.

**Economic pressures.** Kyrgyzstan's desire for environmental conservation is at odds with its need for economic development. The country's lack of industrial development makes the exploitation of natural resources Kyrgyzstan's best source for sustaining economic growth.

**USG activities.** The Department of State has established a regional Environmental Hub in neighboring Uzbekistan to monitor environmental issues in Central Asia as part of the its Environmental Initiative.

## KYRGYZ REPUBLIC: OVERVIEW OF U.S. MISSION

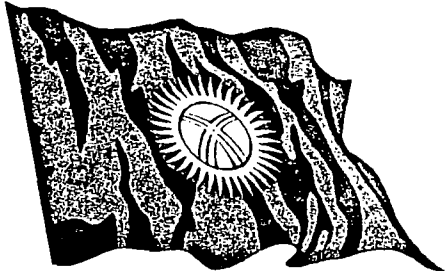
**Embassy facilities and staff.** The U.S. Embassy in Bishkek is located in a crowded interim facility in downtown Bishkek that formerly served as a kindergarten. A new U.S. Embassy Chancery is being built on an 11-acre site in the suburbs of Bishkek. Construction is well under way, with completion estimated for next August and occupancy in September.

**Staff.** The post has a small staff, with a total of 19 U.S. direct-hire employees, three personal services contractors, and 75 Kyrgyz nationals. Five U.S. government agencies are represented - State, USIA, DOD, AID and Peace Corps. There are approximately 80 Peace Corps volunteers in country.

---

**BIOS**

---



# Kyrgyzstan

**President**  
**Askar Akayev**  
(since 1990)



*Year of Independence: 1991*  
*Population: approximately 4.5 million*

## Cabinet of Ministers

Prime Minister  
First Deputy Prime Minister (Economics)  
Deputy Prime Minister (Agriculture)  
Deputy Prime Minister (Social Issues)  
Minister of Agriculture & Water Resources  
Minister of Architecture & Construction  
Minister of Cooperation with CIS Countries  
Minister of Culture  
Minister of Defense  
Minister of Education & Science  
Minister of Emergency Situations & Civil Defense  
Minister of Environmental Protection  
Minister of Finance & Economy  
Minister of Foreign Affairs  
Minister of Health  
Minister of Industry & Trade  
Minister of Internal Affairs  
Minister of Justice  
Minister of Labor & Social Welfare  
Minister of National Security (KNB)  
Minister of Transportation & Communications

**Apas Jumagulov**  
**Kemelbek Nanayev**  
**Karimshev Abdimomunov**  
**Mira Jangaracheva**  
**Jumkadyr Akineyev**  
**Aleksandr Moiseyev**  
**Yan Fisher**  
**Cholponbek Bazarbayev**  
**Col. Gen. Myrzakan Subanov**  
**Askar Kakeyev**  
**Mumbetjunus Abylov**  
**Kulubek Bokonbayev**  
**Talaybek Koychumanov**  
**Muratbek Imanaliyev**  
**Naken Kasiyev**  
**Andrey Jordan**  
**Maj. Gen. Omurbek Kutuyev**  
**Larisa Gutnichenko**  
**Asylgul Abdurekhmenov**  
**Feliks Kulov**  
**Jantoro Satybaldiyev**

## Key Kyrgyzstani Officials

State Secretary  
Chairman, State Property Fund  
Chairman, Kyrgyzaltyn State  
Gold Mining Company  
Chairman, National Bank  
Chief Justice, Constitutional Court  
Commander, National Guard  
Ambassador to the United States  
UN Permanent Representative

**Ishenbay Abdurazakov**  
**Askar Sarygulov**  
**Dastan Sarygulov**  
**Marat Sultanov**  
**Cholpon Bayekova**  
**Abdygul Chotbayev**  
**Bakyt Abdrisayev**  
**Zamira Eshmambetova**

## Zhogorku Kenesh (bicameral parliament)

Chairman, Legislative Assembly  
(lower house)  
Chairman, Assembly of People's  
Representatives (upper house)

**Usup Mukhambayev**  
**Almanbet Matubraimov**

**Population:** 4.8 million

**Ethnic Divisions:**

- Kyrgyz (52%)
- Russian (21%)
- Uzbek (12%)

**Date of Independence:** 31 August 1991

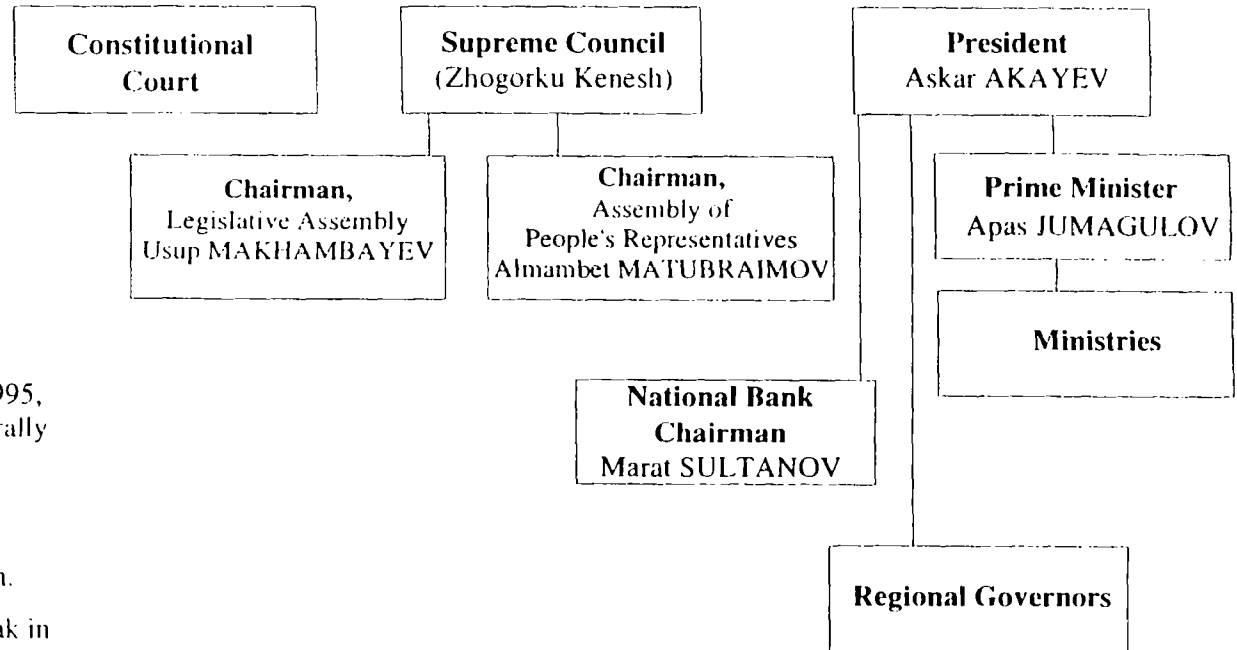
**Status of Political Reform:**

- The President is popularly elected and has appointment powers to cabinet posts, local officials, and the National Bank, but he need parliamentary confirmation for appointments to the post of Prime Minister, Prosecutor General, and judges on the Constitutional and Supreme Courts.
- President Akayev was reelected to a second term in late 1995, receiving over 70 percent of the vote in a flawed, but generally open election.
- President Akayev's powers significantly expanded at the expense of the legislature because of a 1996 amendment to the constitution that was passed in a national referendum.
- The Parliament and the Constitutional Court are fairly weak in practice and have squabbled among themselves, leaving the executive branch to dominate Kyrgyzstan's politics.

**Composition of Legislature:**

- The Zhogorku Kenesh is a bicameral legislature composed of 105 deputies.
- The Legislative Assembly--which is more powerful and controls most of the parliamentary powers--has 35 deputies and the Assembly of People's Representatives--which meets several times annually to discuss budget and tax issues--has seventy legislators.
- Akayev's insistence on a bicameral legislature may reflect his desire to reduce the influence of legislators that hail from Kyrgyzstan's Osh region, which generally feels neglected by the current administration

**GOVERNMENTAL STRUCTURE**



# Withdrawal/Redaction Marker

## Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. reports	bios (8 pages)	c 1997	P1/b(1)

### COLLECTION:

Clinton Presidential Records  
First Lady's Office  
Speechwriting (Noa Meyer Subject Files)  
OA/Box Number: 13007

### FOLDER TITLE:

The Trip of the First Lady to Kazakhstan, Kyrgystan, Uzbekistan, Russia, and Ukraine,  
November 9-18, 1997 (David) [Binder] [3]

2012-0869-S  
kc956

### RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

- b(1) National security classified information [(b)(1) of the FOIA]
- b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
- b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

## MAPS

**EVENTS IN BISHKEK**

Arrival Statement on  
U.S. Humanitarian Aid

November 12 - Bishkek, Kyrgyzstan

Event: USG Humanitarian Flight (IL-76) to Bishkek and Osh  
(AN-26)

Discussion: A USG contracted IL-76 carrying pharmaceuticals for 10 medical institutes in Bishkek, clothing for Bishkek and Osh, and pharmaceuticals for Osh will land the evening of November 11 in Bishkek. This aircraft and a second cargo aircraft (An-26) will be on the ramp in Bishkek and should be downloading cargo while the First Lady is in Bishkek on Nov 12.

Suggested talking points that might be included in the First Lady's remarks concerning the Bishkek humanitarian mission are:

o This humanitarian mission is carrying pharmaceuticals and clothing for both Bishkek and Osh donated through three U.S. private volunteer organizations.

o I want to personally acknowledge the hard work and dedication of CitiHOPE and the Reverend Paul Moore and his staff, who I understand are here today, Heart-to-Heart/The American Academy of Family Physicians, and Americorps/RSVP of Indiana. Their cooperative efforts go well beyond global politics and humanitarian assistance programs and are a shining example that the people of the U.S. care for and support the people of Kyrgyzstan during a period of critical change.

o I encourage you to continue your humanitarian efforts in Kyrgyzstan and the rest of the Newly Independent States during this critical time of transition.

o The aircraft that you see unloading cargo here today is the 30th humanitarian airlift to Kyrgyzstan funded through a USG funded transportation program called Operation Provide Hope which has delivered over \$70 million in humanitarian assistance from the American people to the the people of Kyrgyzstan since 1992.

o By the end of this year, it is estimated that this program will have delivered over \$2 billion in humanitarian assistance to the twelve countries of the Newly Independent State (NIS).

approx.  
2 5-11  
shipment

## KYRGYZSTAN: ARRIVAL/U.S. ASSISTANCE

### SCENESETTER

As you deplane, you will be greeted by First Lady Akayeva, Foreign Minister Imanaliyev, Chief of Staff Jumanliyev and U.S. Ambassador Anne Sigmund.

An IL-76 transport plane, carrying humanitarian assistance for hospitals and orphanages in Bishkek and Osh will be unloading medical supplies on the tarmac. You will observe the unloading and make a arrival statement highlighting this assistance. The event is scheduled to last 15 minutes.

### BACKGROUND

The humanitarian assistance cargo is in two parts. The Bishkek donation consists of medical supplies and medicines from CitiHope International and Project Hope, and clothing donated by the Retired and Senior Volunteer Program for Allen County Indiana (RSVP). CitiHope and Project Hope's donations will be distributed to three hospitals, four health centers, a research center and an orphanage. The estimated value is more than \$2 million.

The RSVP donation consists of clothing and goodwill items valued at \$5,000. Bishkek Peace Corps volunteer Katie Joley's mother, who is the Director of RSVP, coordinated this assistance. The Peace Corps will deliver the items to those most in need.

The Osh mission consists of pharmaceuticals donated by Heart-to-Heart International, valued at over \$700,000, to be given to the Osh Free Medical Clinic. RSVP has also provided \$5,000 worth of children's clothing which Osh-based Peace Corps volunteers will distribute.

### PARTICIPANTS

#### **Government of the Kyrgyz Republic**

First Lady Mayran Akayeva  
Foreign Minister Muratbek Imanaliyev  
Chief of Staff, President's Office, Kubanychbek Jumanliyev  
(TBD) Kyrgyz Ambassador to the U.S., Bakytbek Abdrisaev

#### **American Embassy**

Ambassador, Anne Sigmund  
Deputy Chief of Mission, Angus Simmons

#### **NGO Representatives**

Citihope, Reverend Paul Moore and his staff

KYRGYZ REPUBLIC: ARRIVAL STATEMENT/U.S. ASSISTANCE PACKAGE

- I am delighted to be here in the Kyrgyz Republic.
- Under President Akayev, the Kyrgyz Republic has been a leader in Central Asia in building a democratic nation with a market economy, in a multi-ethnic society.
- The Kyrgyz government also recognizes the importance of education and women's rights, and, while modernizing its economy, the need to protect its environment.
- The United States has been a committed partner in these endeavors, providing assistance in democratic institution-building, economic reform and education.
- Many of our efforts have been in partnerships with non-governmental organizations. I am particularly pleased to highlight such an effort today.
- The aircraft unloading cargo here today is the 30<sup>th</sup> humanitarian airlift to the Kyrgyz Republic from Operation Provide Hope, a U.S. government-funded transport program.
- This humanitarian mission is carrying more than two million dollars worth of pharmaceuticals and clothing for hospitals Bishkek and Osh (pronounced like "ocean") donated through three U.S. private volunteer organizations; CitiHope International, Project HOPE, The Peace Corps, Heart-to-Heart International, and RSVP.
- I wish to acknowledge the hard work and dedication of Madame Akayeva, without whose assistance this humanitarian mission could not have been coordinated.
- I would like to praise the dedication and hard work of the Reverend Paul Moore and his staff at CitiHope, who I understand are here today, as well as Heart-to-Heart/The American Academy of Family Physicians, and Americorps/RSVP of Indiana.
- The United States recognizes that the Kyrgyz Republic has undertaken a difficult journey towards a freer and more inclusive society.

- I commend President Akayev for his leadership in that endeavor, and look forward to meeting with him later today.
- I am confident that our discussions will strengthen the diverse and close ties between the United States and the Kyrgyz Republic.
- I thank you for your very warm reception this morning and look forward to my visit here. God bless you all.

Tour Market / FINCA  
Roundtable Discussion

## FINCA FACTSHEET

### FINCA Worldwide

Founded in 1984, The Foundation for International Community Assistance (FINCA) is a nonprofit, private voluntary organization. In 13 developing countries (Mexico, Guatemala, Honduras, El Salvador, Costa Rica, Ecuador, Peru, Haiti, Dominican Republic, Uganda, Malawi and Kyrgyzstan) as well as the U.S. (Washington, D.C. and Minnesota), FINCA Village Banking programs provide small loans, a savings program and technical support for the self-employed poor, helping them to work their own way out of poverty. Since 1989, USAID has provided \$23 million to FINCA International affiliates including El Salvador (\$10 million), Nicaragua (\$1.5 million), Malawi -- through World Learning (\$1.47 million), Kyrgyzstan (\$6.2 million), Uganda (\$1.77 million), Honduras (\$1 million), Tanzania (\$1 million) and Ecuador (\$250,000).

A Village Banking group consists of 20 to 50 neighbors-usually 80% or more are women-who come together to guarantee one another's loans, to administer group lending and saving activities and to provide mutual support. By offering credit, not charity, to these women, FINCA enables them to start or improve their own small businesses, which provide a steady source of employment and income for themselves and their families. Throughout most of the world, working capital-the money needed to start or expand a business-is simply not available to the poor. During 1996, FINCA provided \$16,911,051 in working capital for 69,888 small businesses in 14 countries.

### FINCA Kyrgyzstan

In 1994 FINCA received a \$6.2 million grant from USAID to establish a microenterprise credit project in Kyrgyzstan. In two and one-half years of operations, FINCA Kyrgyzstan (F/K) has successfully refined and implemented its international proprietary business technologies to help meet the needs and improve the lives of the economically disadvantaged of Kyrgyzstan. To date, F/K has disbursed over US \$1.4 MM to approximately 15,000 individuals with a bad debt expense of less than US \$500. The project is operating in three Oblasts and has 100 national employees. During the period ending June 30, 1997, F/K reported an increase in the number of active Village Banks from 349 to 421 representing a net gain of 21%.

Over 85% of loan recipients have been women. With the collapse of the Soviet system many men lost their jobs and families lost a comfortable life style as food became expensive and scarce and schools and medicine were no longer free. Self-employment became the only hope for some. With the help of FINCA, many women were able to obtain small working capital loans to buy rice, eggs and other products which they could sell in the local bazaars. Through FINCA's Village Banking savings system these women have increased their working capital and income which allows them to purchase butter, sugar, and meat-luxuries they previously could not afford.

## **FINCA Briefing Paper**

### **FINCA Worldwide**

#### What is FINCA

Founded in 1984, The Foundation for International Community Assistance (FINCA), is a nonprofit, private voluntary organization. In 13 developing countries (Mexico, Guatemala, Honduras, El Salvador, Costa Rica, Ecuador, Peru, Haiti, Dominican Republic, Uganda, Malawi and Kyrgyzstan) as well as the U.S. (Washington, D.C. and Minnesota), FINCA Village Banking programs provide small loans, a savings program and technical support for the self-employed poor, helping them to work their own way out of poverty. FINCA's first major partnership with USAID was in El Salvador in 1989 when USAID provided \$10 million to FINCA to establish and build the CAM (Centro de Apoyo a la Microempresa).

#### What is a Village Banking group

A Village Banking group consists of 20 to 50 neighbors-usually 80% or more are women-who come together to guarantee one another's loans, to administer group lending and saving activities and to provide mutual support. By offering credit, not charity, to these women, FINCA enables them to start or improve their own small businesses, which provide a steady source of employment and income for themselves and their families. FINCA's average loan per borrower is only \$144, yet the accumulated savings of members exceed \$3.2 million.

#### Why credit

Throughout most of the world, working capital-the money needed to start or expand a business-is simply not available to the poor. In its twelve years, FINCA has proven that, given access to credit, poor people can create their own business, repay their debts and set aside savings for the future. During 1996, FINCA provided \$16,911,051 in working capital for 69,888 small businesses in 14 countries. These businesses provided critical income for families, and in some cases, employment for additional family members or members of the community. While income and profits are hard to measure, FINCA-supported small business generated \$3,746,783 in family savings worldwide-an average of \$54 per family. While \$54 may not seem like a lot of money, it represents three weeks pay in Uganda and over three weeks salary in Malawi and Kyrgyzstan.

#### Who benefits

The typical FINCA borrower is a woman between 25 and 44 years old, supporting, or helping to support, three children. She has little hope of being hired by a business outside of the home. She wants to start her own small business that would allow her to

earn the income needed to feed, clothe and educate her children. She has a plan to improve her life and that of her family, yet she is too poor to qualify for a loan from a commercial bank. A FINCA loan is clearly the best-and perhaps the only-hope she has for improving her prospects.

## FINCA in Kyrgyzstan

### FINCA's performance in Kyrgyzstan

In 1994 FINCA received a \$6.2 million grant from USAID to establish a microenterprise credit project in Kyrgyzstan. In two and one-half years of operations, FINCA Kyrgyzstan (F/K) has successfully refined and implemented its international business technologies to help meet the needs and improve the lives of the economically disadvantaged of Kyrgyzstan. To date, F/K has disbursed over US \$1.4 MM to approximately 15,000 individuals with a bad debt expense of less than US \$500. During the period ending June 30, 1997, F/K reported an increase in the number of active Village Banks from 349 to 421 representing a net gain of 21%. The project is operating in three Oblasts (Chui in the north and Osh and Jalal-Abad in the southwest) and has 100 national employees. FINCA's activities in Kyrgyzstan directly address USAID's Strategic Objective 1.3 "Accelerated development and growth of private enterprises" and is highly regarded by the Ambassador and USAID Country Representative there.

F/K has established and maintained the highest level of financial performance among microfinance practitioners in Kyrgyzstan. F/K charges a positive interest rate through the effective design and implementation of an appropriate pricing structure. By charging interest rates that sufficiently cover administrative costs, expanding the scope of operations, and creating an efficient institutional structure, F/K has consistently posted gains towards self-sufficiency. In May 1997, F/K achieved its first month of financial self-sufficiency, or break-even, after two years of lending. FINCA Malawi, Honduras and Nicaragua have also achieved financial self-sufficiency. In addition, F/K has maintained repayment rates in excess of 98%, the highest return in both the informal and formal sectors.

Through August 1997, F/K has expended \$3.0 MM of USAID funds in grant management, on-site technical assistance, local operations, overhead and loan capital. F/K has utilized this funding to develop the institution as a financial intermediary, capitalize the loan portfolio, subsidize operating losses and purchase fixed assets. Therefore, USAID's funding has been used as a catalyst to build efficient operations and scale.

### Who receives the loans

Over 85% of loan recipients are women. With the collapse of the Soviet system many men lost their jobs and families lost a

comfortable life style as food became expensive and scarce and schools and medicine were no longer free. Self-employment became the only hope for some. With the help of FINCA, many women were able to obtain small working capital loans to buy rice, eggs and other products which they could sell in the local bazaars. Through FINCA's Village Banking savings system these women have increased their working capital and income which allows them to purchase butter, sugar, and meat-luxuries they previously could not afford.

#### Future performance projections

In the coming years, FINCA will accelerate the rate of microfinance activities. To date, F/K has leveraged USAID funding by directly lending \$1.4 MM in funds originating from USAID. F/K clients have lent approximately \$2.0 MM of their personal savings, a direct result of USAID's funding. Combined lending-USAID and client savings-through August 1997 totaled \$3.4 MM, 113% of grant funds expended. This ratio will increase over the successive periods. The remaining grant funds, \$3.2 MM, will yield nearly \$13 MM in loans originating from USAID grant funds during the period from September 1998 to August 2000. Moreover, clients are projected to lend \$17 MM for the same period extrapolating from historical data. Thus the expected ratio of total combined lending-USAID and client savings-for the remaining grant funds through the year 2000 will equal nearly 800%.

#### USAID funding to FINCA

Since 1989, USAID has obligated \$23 million to FINCA International affiliates including El Salvador (\$10 million), Nicaragua (\$1.5 million), Malawi -- through World Learning (\$1.47 million), Kyrgyzstan (\$6.2 million), Uganda (\$1.77 million), Honduras (\$1 million), Tanzania (\$1 million) and Ecuador (\$250,000). Of the \$23 million, \$16.9 million has been spent on projects that continue to benefit tens of thousands of poor families. FINCA programs disbursed \$20 million in loans last year. The funding for the Honduras and Tanzania projects was just obligated and has not yet been disbursed. USAID recently approved a grant to Shorebank for operations in the Caucasus new projects that will include a \$6.94 million subagreement for FINCA to start three affiliates (Armenia, Georgia and Azerbaijan) and a technical assistance Hub in Georgia.

FINCA has also received two Matching Grants from USAID. The first Matching Grant for \$1 million began in September 1992. The second Matching Grant is for \$4,997,706 for the five year period ending September 1999. In addition, FINCA has received start-up funding for its Village Bank Capital Fund and for implementation of a FINCA Affiliate Financial System through USAID's Implementation Grant Program (\$1.1 million grant and \$1 million MSED loan).

4TH STORY of Level 1 printed in FULL format.

Copyright 1997 Information Access Company,  
a Thomson Corporation Company;  
ASAP

Copyright 1997 UNESCO (France)  
UNESCO Courier

January, 1997

SECTION: Pg. 32; ISSN: 0041-5278

CAC-ACC-NC: 19208924

LENGTH: 2751 words

HEADLINE: Village banking: a report from 5 countries.

BYLINE: Scofield, Rupert

BODY:

In Latin America, Africa and Asia, an international nonprofit foundation has created a 3,000-strong network of autonomous village banks

#### HONDURAS

For as long as anyone can remember, the women of Siguatepeque, a rural pueblo in central Honduras, have produced ceramics. You can see them for sale on the side of the highway that runs between the capital city of Tegucigalpa and the northern city of San Pedro Sula: great stacks of flower pots, urns, plates and ornamental pieces in the shapes of roosters, parrots, dogs, cats and caimans.

Six years ago, most of the women worked for a man - let's call him Don Alejandro - who purchased the pottery the women made, and resold them to a wholesaler who trucked them to retail markets in Tegucigalpa. The women of Siguatepeque were poor, and disorganized. Most of them sold the pieces as fast as they made them, for a fraction of what Don Alejandro and the retailers earned on them. They had no choice: they needed the money to buy their daily food.

In 1990, when I was looking for a suitable place for the first village bank to be organized by the Foundation for International Community Assistance (FINCA) in Honduras, a friend of mine suggested I go to Siguatepeque. The organizational meeting took place with about thirty women, in Don Alejandro's house. Our host was quite chagrined when, halfway through the meeting, I explained that the bank was for women only. Still, Don Alejandro was a good sport, and supported the idea that FINCA would make \$ 50 loans to the assembled women to invest however they felt best, and that, four months later, they would repay the loan with interest of 3 per cent per month. Another condition of the loan, I explained, was that they would save at least 20 per cent of it, or \$ 10.

I kept waiting for some of the women to drift away, or to be scared off by the interest or the savings requirement, but they all remained, nodding solemnly, as if they understood and were in complete agreement. I didn't tell them it was only the second time I had organized a village bank. But as I was to learn from this and subsequent organizing meetings, they all go this way. It was as if the women already knew how the system worked. It was that simple.

told me she intended to borrow 100,000.

The men in the village, who had initially viewed the village bank with suspicion, now welcomed it. As the Kimantu village chief told me: "When the women first started to hold their meetings, we men were concerned. We thought they were talking about divorcing us. But then, when we saw them earning money, and they no longer came to us for money to buy salt, and pay school fees, we saw that the village bank was a good thing. But Mr. Scofield, I have one question." "And what is that?" I asked. The chief grinned. "Can you create a village bank for us men?"

In many communities of Uganda, Aids has left its brutal imprint, sweeping away husbands, wives, and sometimes entire families. In most cases, however, the children survive, to be raised by the village as a whole. Many Ugandan village bankers are supporting not only their own children, but those orphaned by deceased relatives and neighbours. It is an intensely sad, but at the same time inspiring experience to meet these selfless, struggling mothers. "Women who are in village banks are seen as the most responsible members of the community," was the way one observer put it. "It is natural that people look to them, when they want a secure future for the children they leave behind."

#### KYRGYZSTAN

Can microenterprise succeed in a country where, until recently, private enterprise was officially discouraged, considered immoral, and, in some cases, even outlawed? In 1994, FINCA established the first village banks in the newly independent state of Kyrgyzstan, Central Asia, in the capital city of Bishkek.

With the snow-capped Himalayas as a backdrop, Bishkek is a city just coming to life, economically, after years of surviving on subsidies from mother Russia. Today, an estimated 15 per cent of the population is unemployed, and more expected as state-run enterprises are privatized or closed altogether. Increasingly, the population is moving to self-employment as an alternative to the meagre wages of the public sector.

Today, the village bank Bereke ("Blessing") is receiving its first loan. Village banks are smaller in Kyrgyzstan than in other countries in the FINCA network, reflecting an added cautiousness on the part of the members towards their neighbours, the vast majority of whom have never operated a business. FINCA has learned to respect the members' appreciation of local conditions as being far superior to its own, and seldom intervenes in decisions regarding the selection of the bank's members, or in the loan approval process. In this case, most of the fifteen borrowers will be investing their loans in consumer goods, to be sold in the local market. A great feast for the visitors was laid out on a gorgeous, hand-woven rug in the village bank president's living room. Other rugs, of equally dazzling patterns, adorned the walls. These rugs, which sell domestically for less than \$ 10, can command over \$ 100 in export markets. Though it was only mid morning, glasses of brandy were offered and accepted.

The meeting began, presided over by a democratically elected President, Treasurer and Secretary. The President followed the standard village bank agenda: financial report, approval and disbursement of loans, and collection of obligatory and voluntary savings. Besides the small size of the village banks, the methodology has suffered little modification in its adaptation to the Kyrgyz context. Contrary to initial warnings that no one would be interested in small

loans in Kyrgyzstan, FINCA has found the demand to be strong. To date, FINCA Kyrgyzstan has reached 2,300 borrowers, and, in a country of five million, the word is just beginning to spread.

GRAPHIC: Illustration; Photograph

LANGUAGE: ENGLISH

IAC-CREATE-DATE: March 24, 1997

LOAD-DATE: March 25, 1997

## KYRGYZSTAN EVENT PAPER: FINCA ROUNDTABLE AND MARKET TOUR

### SCENESETTER

In Novo Povloka village you will meet a total of 24 FINCA bank members, divided into two roundtables of 12 members, each roundtable representing a village bank. The roundtable participants are microentrepreneurs, primarily women, who have businesses in the local market.

Novo Povloka is approximately 20 minutes from Bishkek. The motorcade will proceed to the single family home where the village "Bolsun" bank group meets. There will be three-four people outside the home to greet you and the press may also be present. As you enter the home, you should remove your shoes.

You will hold the roundtable sitting in traditional fashion on the carpeted floor of the meeting room. The estimated time of the roundtable is 10 minutes. You will then tour the Novo Povloka market, viewing stalls owned and operated by FINCA members.

The second roundtable will meet in a traditional Kyrgyz yurt, and you should remove your shoes before entering. You will observe a typical "Saykal" bank meeting and have a brief discussion with bank members.

### BACKGROUND

FINCA is operating under a four-year, \$6.2 million USAID grant. It is a microfinance program which targets the poor, providing lending and savings services. To date, FINCA has made approximately 20,000 loans. Repayment rates are in excess of 98 percent.

In Novo Povloka, FINCA has established eight village banks with 100 active members. Over 90 percent of bank members are women. The average loan size is \$250. Members have used their loans to expand their businesses and excess profits to improve their families' standard of living. It is estimated that each FINCA client partially or fully supports eleven others from their small businesses.

PARTICIPANTS:

USAID

John Bayer

C.J. Rushin-Bell

FINCA/Kyrgyzstan Management Staff

Mark Rostal, Chief of Entourage

Kim Kuznia, Osh Regional Manager

Steve MacLeod, Osh Manager

Reuben Summerlin, Financial Services Advisor

Kirsten Weiss, Business Training Manager

Indira Ruzieva, Bishkek Finance Manager

Galena Griniova, Osh Senior Accountant

Ainura Turdalieva, Bishkek Financial Services Manager

Nurjan Miasheva, Osh Financial Services Manager

Vladimir Kovaliov, Bishkek Internal Audit Manager

Ainura Turgunbaeva, Osh Office Manager

## TALKING POINTS

- To the poorest women microentrepreneurs, \$80 is a fortune. They can invest this money to make their labor more productive.
- Village banks can break the vicious cycle of poverty. Without credit, poor people may work hard, but stay poor because of lack of opportunity and capital.
- FINCA borrowers receive working capital so that their efforts become more productive.
- As village bankers become more productive, they increase their income and are able to accumulate savings for other investments and for family emergencies.
- 70 percent of the world's poor are women. Worldwide there is an increase of women-headed households, in which a mother is the sole support for her children.
- Women invest more of their income in their families. Extra cash in the hands of mothers lifts a family out of poverty faster than increased income in the hands of men.
- Having a steady income and a savings account raises a woman's self-esteem and status.
- Village banks are grassroots democracy in action: members elect their leaders, design their by-laws, keep their books, manage their funds and are responsible for loan supervision.

Courtesy Call  
on President Akayev

## KYRGYZSTAN: MEETING WITH PRESIDENT AKAYEV

### SCENESETTER

You will pay a courtesy call on President Akayev at the "Beli Dom" (White House). In the meeting, Akayev will probably be accompanied by Foreign Minister Imanaliyev and his Chief of Staff Jumaliev. Akayev speaks a few words of English, but will probably speak Russian for the meeting.

In this meeting you should praise President Akayev for the political and economic reforms the Kyrgyz Republic has taken thus far, and reaffirm the warm and friendly relations between the U.S. and Kyrgyzstan. You should encourage President Akayev to continue the reform process, in particular in the areas of human rights, press freedoms (making libel a civil, rather than criminal offense), and democratic institution-building. You should remind President Akayev that foreign investors need a legal and commercial framework which upholds negotiated contracts, and is fair and transparent.

President Akayev may bring up his idea of holding a regional peace conference on Afghanistan. This, and other bilateral issues were discussed on October 29 with the Secretary of State's Special Advisor to the Newly-Independent States, Ambassador Sestanovich. Ambassador Sestanovich spelled out the U.S. position on these issues during this meeting. President Akayev may also ask why he could not meet with President Clinton during his private visit to the U.S. in July (President Clinton's schedule did not permit such a meeting).

President Akayev is friendly and engaging, and will probably present you with a gift, as well as offer presents for the President and Chelsea. At the conclusion of the meeting, you and President Akayev will proceed to lunch in Beli Dom.

## KYRGYZ REPUBLIC

### TALKING POINTS FOR MEETING WITH PRESIDENT AKAYEV

#### General

- Pleased at this opportunity to strengthen our relations and bring Kyrgyzstan to attention of all Americans.
- Kyrgyzstan is taking brave stand on political and economic reform in difficult circumstances.
- Appreciate Kyrgyzstan's political & economic reform efforts under your leadership. Realize this is not easy - regional and domestic pressures against reform exist. Respect your determination to "stay the course".

#### Human Rights/Democracy-Building

- Pleased with Kyrgyz progress on human rights and reform, you are showing way forward in Central Asia in this important area.
- Pleased at your commitment to hold free, fair and truly democratic local elections in 1998-99 and presidential elections in 2000 - this is visionary leadership.
- Pleased at release of journalists held on criminal libel charges, and your efforts to promote legislation for protection of the rights of journalists and freedom of the press.
- The ability of non-governmental organizations, such as the Soros foundation, to operate freely is a hallmark of civil society and democracy. Such organizations are critical avenues of support for your reform efforts.

#### Economic Reform

- Praise economic reforms accomplished thus far - realize next step is to attract greater investment.
- Continue institution-building efforts as way to promote right climate for investors.

- Renegotiation of contracts hinders Kyrgyzstan's ability to attract foreign investment, which needs a level playing field.
- Pleased at your progress thus far towards WTO accession.

**(If Asked)** President Akayev's Afghan Peace initiative.

- Common interest in ending the conflict with emergence of broad-based, multi-ethnic government, capable of addressing reconstruction, narcotics problem, terrorism, refugees, and human rights.
- U.S. committed to finding a lasting peace achieved within a UN framework.
- U.S. seeking ways through UN for countries with influence in or concern over Afghanistan to join in an effort to find a settlement. Support UN Secretary General's appointment of Ambassador Brahimi.

**(if asked)** Mrs. Akayeva: assistance with one of her humanitarian projects

- Aware of her commitment to better the lives of the Kyrgyz people. The U.S. has provided support to the Kyrgyz Republic in a number of humanitarian areas. I cannot promise anything, but please convey the details of this initiative to Amb. Sigmund so that it can be considered in our overall dialogue.

Lunch Hosted  
by President Akayev

## KYRGYZSTAN PAPER: LUNCH WITH PRESIDENT AKAYEV

Lunch will be served in the dining room of the presidential residence Beli Dom. You will be seated at the head table with President Akayev, First Lady Mayram Akayeva, U.S. Ambassador Anne Sigmund, and Foreign Minister Imanaliyev.

Toasts are the most important part of a Kyrgyz formal meal, and President Akayev will make a long toast in your honor. A long and flowery toast indicates the toast-giver highly values the honored guest. Once the President has made his toast, it is permissible to eat while other guests give toasts throughout the meal. You should respond to President Akayev's toast with a toast to him and the Kyrgyz Republic. Mention of the First Family would be well received, as the Kyrgyz place great value on close family ties.

President Akayev has visited the U.S. a number of times, most recently in July when he met with Vice President Gore. (He did not meet with President Clinton due to conflicts in the President's schedule). Madame Akayeva believes that she and the First Lady have much in common - professional women balancing the demands of First Lady and mother. This includes children far away at college (Their oldest daughter has just married and lives in Kazakhstan, the oldest son is studying at the University of Maryland, their second daughter is in Boston and their youngest son is in Bishkek). Conversation about coping with common family experiences would not be out of place.

### KYRGYZ PARTICIPANTS

President Askar Akayev  
First Lady Mayran Akayeva  
Prime Minister Apas Djumagulov  
Deputy Prime Minister Kemelbek Nanayev  
Deputy Prime Minister Ms. Mira Jangaracheva  
Foreign Minister Muratbek Imanaliyev  
State Secretary Ishenbay Abdurazakov  
Kyrgyz Ambassador to the U.S., Bakytbek Abdrisaev  
Minister of Agriculture Karimsher Abdimomunov  
Minister of Labor Ms. Asylgul Abdurekhmenova  
Minister of Education Askar Kakeyev  
Chairperson, Constitutional Court, Ms. Cholpon Beyekova

## TOAST POINTS

- Thank you Mr. President. I am very glad to be here today.
- As I look around me, at the different groups represented here today, I am reminded of values which I hold dear.
- It is the coming together of diverse groups, in harmony and commitment, which is the greatest catalyst in creating a civil society.
- There may be differences, but all are committed to working towards a common goal of a better life for our children.
- This is how a strong family functions, and from this point, a strong community grows, dedicated to democracy and civil society.
- The "leaders" within a family are those who are open to other opinions. They are also those who dedicate themselves to improving the family via their compassion and charity work.
- As we share this wonderful meal Mr. President and Madam Akayeva, I would like to think of myself as a guest of your Kyrgyz "family".
- I raise my glass to you Mr. President, and to your remarkable efforts to place Kyrgyzstan on the path of democratization and economic reform.
- May the warm relations between our two countries grow even stronger.



---

American  
Community Event

---

KYRGYZSTAN: AMERICAN COMMUNITY EVENT/DEPARTURE

SCENESETTER

At least 100 members of the American community in Bishkek will be at the airport. They will include American Embassy employees, AID workers and contractors, Peace Corps volunteers, NGO representatives, and their families. Press and Kyrgyz government officials may also be present.

You will greet members of the American community and make brief departing remarks before being seen off by First Lady Akayeva, Foreign Minister Imanaliyev and Chief of Staff Jumanliyev and U.S. Ambassador Sigmund. The event is projected to last 30 minutes.

PARTICIPANTS

**Government of the Kyrgyz Republic**

First Lady Mayran Akayeva  
Foreign Minister Muratbek Imanaliyev  
Chief of Staff, President's Office, Kubanychbek Jumanliyev  
(TBD) Kyrgyz Ambassador to the U.S., Bakytbek Abdrisaev

**American Embassy**

Ambassador Anne Sigmund  
Deputy Chief of Mission Angus Simmons

## KYRGYZ REPUBLIC: DEPARTURE STATEMENT

- I am deeply touched by the generous and kind hospitality shown to me by President Akayev, Madame Akayeva and all those I have met today.
- My discussions with President Akayev were marked by the spirit of cooperation that has long been a part of our relations with the Kyrgyz Republic.
- I have spoken with women entrepreneurs, who, via financing for microenterprises, are empowering themselves and their families.
- They are not only the foundation of a modern market economy, they represent grassroots democracy in action.
- I encourage the Kyrgyz Republic to continue the brave course it has chartered, to work towards promotion of democracy human rights, press freedoms, and the free functioning of non-governmental organizations.
- These are key elements as the Kyrgyz Republic begins its next stage of nation-building.
- President Akayev, the warmth of your and your wife's welcome will remain with me. I thank you for your hospitality.
- I thank Ambassador Sigmund and her staff at the American Embassy for their hard work and superb efforts in coordinating this visit.
- I am also grateful to Ambassador Abdrisaev ("Ab-dri-sigh-ev") at the Kyrgyz Embassy in Washington for his assistance in preparing for this visit.
- Lastly, I thank the people of Kyrgyzstan for their warm smiles of welcome and their courage in striving for a better world. May God bless and protect you all!