COMPETITIVENESS THROUGH PUBLIC-PRIVATE PARTNERSHIP: SUCCESSES AND LESSONS LEARNED

The Essential Elements of a Successful National Export Strategy

A COUNTRY PAPER CONTRIBUTED BY

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Element 1. Contributing to Implementation of CDF, NRSP, Millennium Development Goals

In 2000 the Government of the Kyrgyz Republic developed the Comprehensive Development Framework (CDF) to the year 2010, a consolidated expression of the nation’s vision for future development. The first phase in the implementation of the CDF was the National Poverty Reduction Strategy, 2003-2005 (NPRS). It was adopted as a medium-term action program for the Government of the Kyrgyz Republic in conducting dynamic economic, social, and political reforms that will ensure human development and the reduction of poverty and avoid food insecurity in the country.

In the course of implementation of CDF number of different sub-strategies are being designed: Comprehensive Strategy of Village Development to the year 2010, Governance Reform Strategy, Tourism Development Strategy and others. Among them is the National Export Strategy to the year 2010, which is seen to be a linear strategy (sub-strategy) in pursuance of the Comprehensive Development Framework (CDF). All main principles of CDF, including PPP, apply to the National Export Strategy.

Main principles of CDF:

- **Partnership and participation** The state, the private sector, civil society, donor-countries and international organizations will agree and coordinate their efforts in attaining CDF goals. Regular hearings on issues of interest for the community must be introduced into the practice of all branches of power and involve participation of the private sector as well as the civil society. In implementing the strategy, the partnership must be built on a voluntary and egalitarian basis.

- **Transparent governance** Regular, open hearings on matters affecting community interests must become the practice at all levels of government, and involve the private sector and civil society.

- **Separation of powers** Before any law or regulation is considered for enactment or enforced, it must be scrutinized to ensure that it conforms to the principles of the separation of powers as set forth in the Constitution of the Kyrgyz Republic.

- **Rule of law** The legitimate private interests of citizens must be protected by the law and respected by public officials and others. A competitive environment must be created and maintained in the economy, and equal rules for the legitimate economic activities of all participants established.

- **Larger participation of the private sector** All development activities that are within the competence of the private sector should be left to it for implementation. Government bodies may intervene in the solution of problems only when there are no appropriate market means available for doing so.

- **Realism** The Strategy includes only those activities that can be implemented within the means available.

- **Complementarily** Components of the strategy should be designed and implemented so as to complement and support each other.

- **Innovation** Quality improvements in all aspects of development should be achieved through the application of appropriate new knowledge and technologies.

- **Focus on results** Activities to achieve the objectives of CDF will be monitored and their effectiveness will be assessed through delivered results.

- **Preventive development** Components of the strategy should include measures to overcome anticipated potential impediments to the attainment of CDF objectives.

- **Openness to the global community** Components of the strategy should work towards the integration of the Kyrgyz Republic into the global community on the basis of an unequivocal commitment to universal human values.
Element 2. Following Country Development Priorities

- **Foreign political shield**

  A strong foreign policy is our general national property. At present, Kyrgyzstan has been able to build a unique multi-level system of foreign security. Thanks to this, little Kyrgyzstan has its place in international policy.

  As the past experience shows, at present, the geopolitical protection of the country is not only connected with its own ability to protect itself but also the ability to conduct a reasonable balanced foreign policy. The **Silk Road Diplomacy doctrine** offered by President Askar Akaev clearly recalls these events. Our foreign policy is based on multi-vector principles.

- **Land to the people**

  Kyrgyzstan was the first country in the CIS to conduct land reform. Reforms achieve their goals where they meet people’s expectations and in 1998, almost everybody supported introducing private property in the nationwide referendum.

  The first years of agrarian reform were not easy. Those branches of agriculture started developing that put the national economy on a stable base. At present, the share of the private sector in is over 90 per cent. It is obvious that the more active people’s initiative is, the richer the country.

- **Service and communication center**

  Kyrgyzstan has a strategic location in the Central Asia and the country’s leadership decided to make Kyrgyzstan the most important transport-communication and service centre of the region to become the gateway between China and Europe. In this aspect, building the Kyrgyz-Chinese railway is of crucial significance today.

  Another ambitious goal is to become a regional IT centre. Thus, an IT programme for the development of Kyrgyzstan has already been worked out that will become the base for the country’s integration into the world community. At present, the first IT centre has been established with assistance from the Japanese government.

- **Private and public partnership**

  A strategic partnership model of the business-community and state institutions has been successfully implemented in recent years and it is aimed at developing and conducting deep economic reforms. It was possible through introducing deregulation and limiting state interference in business activities.

  A competitive private sector is the main source for economic growth and increased standard of living. At present, over 60 per cent of the working population are involved in business. In Kyrgyzstan, the number of procedures and costs of opening a business have been reduced and as a result, it is much easier in our country to start your own business in comparison with other neighbouring countries.

- **We need self-government!**

  At present, the Kyrgyz Republic is a regional leader in developing local self-government and this has had a marked effect on improving the population’s life in general. Our republic has been conducting decentralisation of the state governing system since 1995, the first to do so in Central Asia. Management at town and village level was given to local self-governments where modern democratic requirements of local management structures are combined with the established public traditions in our country. Mayor’s offices and city councils were established in Kyrgyz cities and Aiyl Okmotus (village administrations) were established in rural areas. In 2001, direct elections of local self-government heads in area villages and towns were introduced.

  The local self-governing system of Kyrgyzstan is of special significance this year, Social Mobilisation and Conscientious Management Year.
• **Anticipatory policy**

In spite of all the difficulties the Republic permanently invests funds into the country’s intellectual potential. Education is the most important strategic development resource and the anticipatory policy for Kyrgyzstan. A wide network of universities has been created in the country and they are innovative growth centres. At present, Kyrgyzstan is successfully building its own development model.

New calls for globalisation, enormous competition because of the natural resources, inequality of the states’ development, all this makes it necessary to further develop the country and make it as an institute for progressive development.

**Element 3. Identifying Strategic Export Priorities**

The National Export Strategy is to create a favourable environment for export of all product and service sectors but it identifies priority strategic sectors. They are:

a) Tourism  
b) Processing industry  
c) Hydropower industry  
d) Information technologies  
e) Services

The next step will be the design of Sector Strategies for these industries.

The National Export Strategy will also specify the geography of main target markets. For the Kyrgyz Republic they are:

a) WTO countries  
b) CIS countries  
c) ECO countries

**Element 4. Coordinating and monitoring of the Export Strategy development and implementation**

In the Kyrgyz Republic there is no need to establish a new special institution for insuring that the effective partnership is enduring and the objectives of the Strategy are attained. It would be done by the National Council on CDF Implementation, which was set in 2001 by a decree of the President of the Kyrgyz Republic No. 259 “On the National Council on Implementation of the Comprehensive Development Framework of the Kyrgyz Republic to year 2010”. It is chaired by the President and consists of 40 people (representatives of the Government, Parliament, Constitutional and Supreme Courts, Local Governments, Oblast State Administrations, NGOs, Associations, Chamber of Commerce, Academia, Universities, Enterprises).

**Element 5. Reaching National Consensus**

The following are recognized as the fundamental principles in selection of targets, identification of priorities, approaches and methods for development and implementation of the National Export Strategy:

- maximum involvement of representatives of all branches of the state power and civil society;  
- harmonized joint actions, sharing authority and responsibility;  
- transparency and accessibility of information on undertaken measures, comprehensive monitoring and evaluation of the progress of implementation and achievements.

The national consensus will continue to be fostered during the actual implementation of the National Export Strategy through a system of direct communication and feedback among implementers of specific programs with civil society representatives, as well as broad public awareness programs within the partnership and participation framework.