

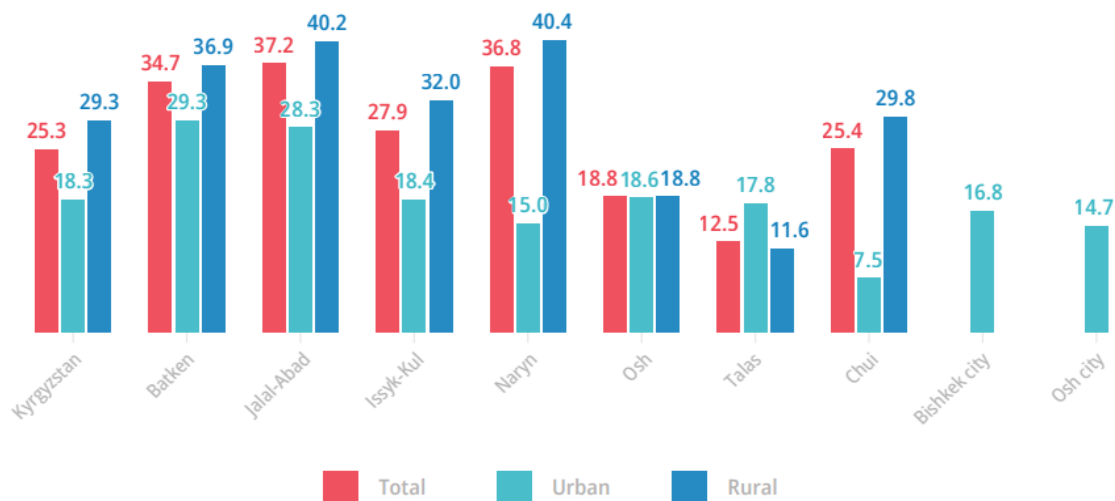
# WFP submission to assist the Special Rapporteur in preparing for the visit to the Kyrgyz Republic

## Poverty: prevalence and distribution

In the Kyrgyz Republic, over the last 15 years prior to the COVID-19 pandemic, poverty rate has significantly declined from 39.9 percent in 2006 to 20.1 percent in 2019, with remittances playing an increasing role in poverty reduction.

**The COVID-19 pandemic led to a profound economic crisis and the resultant negative socio-economic shocks lead to an increase in the numbers of newly poor and unemployed people**, with poverty reaching 25.3 percent (around 1.7 million people), of which 73.7 percent were residents of rural settlements. Poverty levels were the highest in Jalal-Abad region (37.2 percent), Naryn region (36.8 percent) and Batken region (34.7 percent)<sup>1</sup>.

Figure 1: REGIONAL POVERTY LEVEL (%) IN 2020



SOURCE: NSC

Along with the 25.3 percent of the population living in poverty in 2020, about 8 percent of the population was at risk of poverty. This meant that almost 2.2 million lived with around 96 KGS a day.

The extreme poverty rate in 2020 was 0.9 percent (+0.4 percentage points compared to 2019). 59.2 thousand people lived below the extreme poverty line, of which 87.2 percent were residents of rural settlements. Extreme poverty levels were the highest in Naryn region (4.5 percent), Batken region (1.6 percent) and Jalal-Abad region (1.5 percent)<sup>2</sup>.

**The COVID-19 crisis has not only increased the poverty headcount, but also deepened the poverty gap, making the existing poor even more deprived.** The poverty gap among poor population, a ratio showing the average shortfall of the poor population’s consumption from the poverty line, equaled 17.3 percent

<sup>1</sup> NSC. 2021. [Poverty level of the population of the Kyrgyz Republic in 2020](#)

<sup>2</sup> Ibid.

in 2020<sup>3</sup> (+ 1.3 percentage points compared to 2019). This means that, to get out of poverty, on average the poor household would need to increase their monthly per capita consumption by 17.3 percent of the poverty line level or by 508 KGS (6 USD<sup>4</sup>). However, if we consider the average gap between poor household’s consumption and the minimum subsistence level, the difference is much greater amounting to about 36 USD per capita per month.

When not only monetary poverty, but also health, food security, housing, and education are taken in consideration (multidimensional approach), 42.2 percent of the population was considered in a state of deprivation in 2020<sup>5</sup>. Disaggregation provided in table 1 below:

Table 1 Multidimensional Poverty (%)

Multidimensional Poverty (%)	2016	2017	2018	2019	2020
<b>By sex</b>					
Man	50.3	50.3	45.8	42.7	42.5
Woman	50.1	50.6	45.9	41.9	42.0
<b>Urbanization</b>					
Urban	36.9	38.7	33.8	31.1	30.7
Rural	57.4	56.8	52.4	48.5	48.8
<b>By territory</b>					
Batken oblast	64.9	66.0	64.8	63.5	61.1
Jalal-Abad oblast	59.6	61.5	53.8	50.4	56.7
Yssyk-Kul oblast	45.2	47.0	42.7	46.3	41.6
Naryn oblast	58.3	50.0	48.5	47.8	49.0
Osh oblast	57.5	52.1	58.5	45.8	43.5
Talas oblast	49.8	39.8	43.0	40.2	33.9
Chui oblast	45.4	48.7	28.0	31.7	34.6
Bishkek city	26.8	29.9	25.4	22.2	23.6
Osh city	47.3	58.6	51.3	45.9	35.9

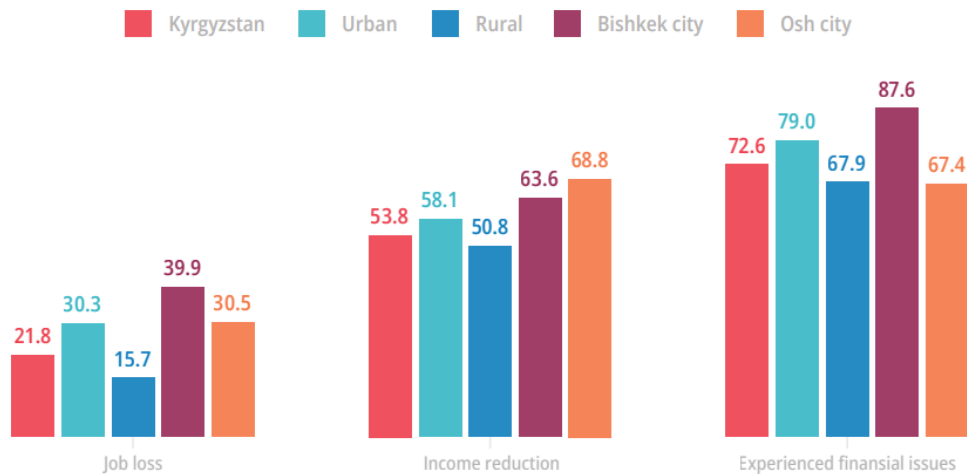
Over the last 15 years, the gap between rural and urban poverty rates has shrunk from 21 percentage points in 2006 to 11 percentage points in 2020, meaning that more consideration should be given to the urban poor as well. This is also true in regard to food security and nutrition as undernutrition is more severe in urban areas (51 percent) compared to rural areas (44 percent). Although poverty remains higher in rural areas, and in particular in southern region in the country, there have been **growing numbers of urban poor**, due to the COVID-19 pandemic resulting in lost jobs in cities and having no agricultural assets to rely on – leading to a “clusterisation” of poor populations. Due to the pandemic, one-third of urban households reported loss of a job (30.3 percent), while in rural area this share was half (15.7 percent). Two-thirds of urban households reported a reduction in income (58.1 percent) (See figure 2 below).

<sup>3</sup> WFP’s and NSC’s calculations based on KIHS 2019 and KIHS 2020

<sup>4</sup> Based on the exchange rate in the period of time considered.

<sup>5</sup> <https://sustainabledevelopment-kyrgyzstan.github.io/1-2-2/>

Figure 2: COVID-19 impact (% of households)



SOURCE: NSC

**Disaggregation by ethnicity is missing.** Although a wealth of data is available in the Kyrgyz Republic, it is worth mentioning that unfortunately vulnerability data (on poverty, food security, access to services, etc.) are not disaggregated by ethnicity. Ethnic minorities are subjected to discrimination including stereotyping, stigmatization, ethnic profiling by law enforcement officers and the judiciary, and hate speech against them. Therefore, in order to be able to access whether ethnic discrimination intersects with a more deprived socio-economic status, it would be important to start collecting data disaggregated by ethnicity.

### *The impact of poverty on the right to food*

Over the period from 2016 to 2019, food has made up over 60 percent of poor households' total expenditures. A high share of food expenditures leaves households little room for other expenses, hindering their ability to graduate out of poverty. In 2019, almost half of the population consumed less than 2,100 kcal per day and could not afford a healthy diet<sup>6</sup>.

The economic crisis resulted by the pandemic, have left the most vulnerable exposed to shocks affecting their income and/or food prices. The exposure to market price fluctuations poses a risk to food security, which not only means reduction in food consumption, but also compromised diet diversity and quality. In order to cope with their reduced economic capacity and purchasing power, households reported applying different negative coping strategies which have direct negative consequences to their nutritional, health and productivity status and are difficult to reverse in the future, perpetuating the cycle of poverty and vulnerability.<sup>7</sup>

The rising of food prices due to the prolonged effects of the pandemic and now the economic sanctions on the Russian Federation is impairing access to basic food – overall staple food prices increased by 15 percent in April 2022 (compared to the same period last year) and inflation is currently at 13 percent and is expected to reach 15 percent by the end of the year, the highest in the region. Both phenomena are affecting the purchasing power and economic access to food of already vulnerable households.

<sup>6</sup> SOFI, 2021

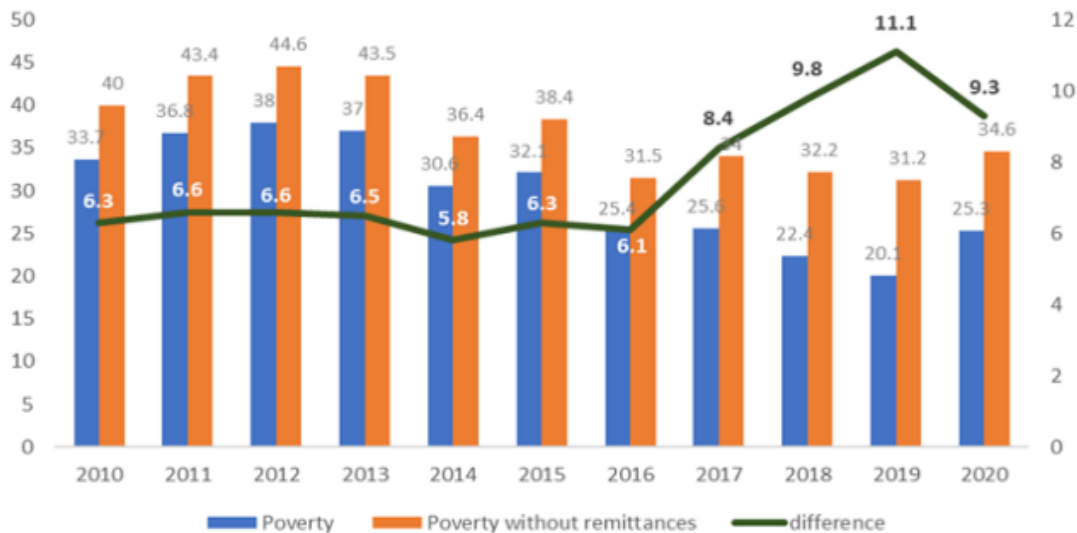
<sup>7</sup> For more information on the negative coping strategies adopted please refer to: WFP, NSC. 2021. [Poverty, Food Security and Nutrition Analysis in the context of COVID-19 and the role of Social Protection in the Kyrgyz Republic](#)

*The importance of remittance in poverty reduction and in the fulfillment of the right to food*

Particularly important to fully comprehend the socio-economic impacts of the economic sanctions on the Russian Federation and their spillover effects onto poverty and the right to food, is **the significance of remittances in poverty reduction** (Figure 3). In 2020, the income sent by labour migrants contributed to reduce poverty by 9.3 percentage point and to extreme poverty by 9.1 percentage point. This means that 613,800 people relied on remittances to remain out of poverty and that extreme poverty would have been as high as 10 percent.<sup>8</sup>

Remittances are a vital safety net for families left behind, enabling them to remain out of poverty. Indeed, many households rely on remittances to meet their immediate needs, including food. Remittances allow households on the receiving end to increase their overall household income, as well as diversify their income sources, constituting an important buffer against economic shocks such as the COVID-19 pandemic.

Figure 3: Poverty Rates including and excluding remittances (%)



In 2021, 80 percent of remittances (2.7 billion USD) originated from the Russian Federation.<sup>9</sup> Remittances from the Russian Federation are likely to decline, due to the decline of the Russian economy, by an estimated 33 percent in 2022 instead of the original projected growth of 3 percent.<sup>10</sup> As remittances are almost entirely used for immediate consumption by recipient households' income and a reduction will undermine households' capacities to meet food, health, and education needs.<sup>11</sup>

**According to the preliminary estimates of the World Bank, poverty might reach 35-38 percent at the end of 2022.** This is a cautious estimate assuming a 2-digit inflation (already at 13.2 percent), the above-mentioned decline in remittances by 33 percent and a contraction in GDP by 5 percent.<sup>12</sup>

<sup>8</sup> NSC. 2021. [Poverty level of the population of the Kyrgyz Republic in 2020](#)

<sup>9</sup> WFP, FAO. 2022. Food Security Implications of the Ukraine-Russia Conflict: Globally and in the Kyrgyz Republic

<sup>10</sup> <https://blogs.worldbank.org/peoplemove/russia-ukraine-conflict-implications-remittance-flows-ukraine-and-central-asia>

<sup>11</sup> WFP, IOM. 2021. [Migration, Food Security and Nutrition in the Kyrgyz Republic](#)

<sup>12</sup> WFP, FAO. 2022. Food Security Implications of the Ukraine-Russia Conflict: Globally and in the Kyrgyz Republic

### *Existing social protection system challenges to address poverty, inequality, and social exclusion*

The overall social assistance budget amounted to 1.7 percent of GDP (10.9 billion KGS) in 2021. Social protection in the Kyrgyz Republic covers a broad range of risks throughout the lifecycle and includes pensions, social benefits, social services, labour market programmes, and school meals programme. Universal pension system dominates in overall social protection budget and plays a major role in poverty reduction and in ensuring access to healthy diets. However, more than a third of pensioners receive pensions below the minimum subsistence level (MSL). Even though social assistance payments are less effective in reducing poverty headcount, they are essential in reducing poverty gap, thus partially decreasing vulnerability and consumption shortage of poor households. However, the design of these benefits in most cases is not necessarily nutrition sensitive with low adequacy in most cases not covering the minimum food basket. The overall long-term government direction is to increase all social protection payments to the level of MSL. Starting from 2022, the monthly social benefits for disabled children were increased by 100-200 percent.

Among vulnerable households (bottom 40 percent of population by income distribution), 43.2 percent were not covered by social assistance and social insurance schemes at a national level in 2019. More severe is the exclusion at urban level with 57.2 percent of vulnerable households not receiving any social support. It should be noted that among the urban poor and vulnerable only 2.3 percent receive the monthly allowance UBK – the only poverty targeted programme. The overall coverage of the only poverty targeted benefit UBK was 5.5 percent out of total population in 2021, much below the needs.

As part of the strengthening of the shock responsive activities government is currently digitalising the national social registry system – social passport. This will allow to have the full list of vulnerable families and improve effectiveness and coverage of targeting.

In addition, it is important to mention that the Ministry of Labour, Social Security and Migration is currently leading the CODI assessment – a core diagnostic assessment of social protection sector in the Kyrgyz Republic. For this purpose, an inter-ministerial technical working group was created that includes representatives of different line ministries and international organisations (WB, UNICEF, WFP, ILO). The findings of this assessment will serve as the basis for development of the next social protection strategy.