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ИНСТИТУТ ПОЛИТИКИ РАЗВИТИЯ
DEVELOPMENT POLICY INSTITUTE

PROJECT

“STRENGTHENING VOICE AND ACCOUNTABILITY OF CITIZENS’ PARTICIPATION AND OVERSIGHT OF BUDGET PROCESSES”

www.vap.kg

funded by the Swiss Government in cooperation with
the Department for International Development, UK

Implemented by Development Policy Institute –
a non-governmental organization in Kyrgyzstan,
its mission is provision of assistance to the
local communities and the governmental bodies
to exercise the rights and capabilities of citizens
to live worthily

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LIST OF ACRONYMS

SALSGIR –	State agency for local self-government and interethnic relations under the Government of the Kyrgyz Republic.
MF –	Ministry of Finance of the Kyrgyz Republic.
VAP Project –	Strengthening Voice and Accountability of Citizens' Participation and Oversight of Budget Processes.
DPI –	Development Policy Institute.
LSG –	local self-government.
LSI –	local significance issues.
PRA –	priority rural assessment.
JM&E –	joint monitoring and evaluation.
AA –	aiyl aimak.
AO –	aiyl okmotu.
LC –	local council or kenesh.

PURPOSE

Quality improvement of services provided by local self-government bodies to population by enhancing participation of citizens in budget process

TIMEFRAME

Phase I – November 2011 – March 2015,
further phases – until 2018.

GEOGRAPHIC COVERAGE

Phase I – Jalal-Abad and Issyk-Kul oblasts of the Kyrgyz Republic.

MAIN DIRECTIONS AND OUTCOMES

ASSISTANCE TO LOCAL COMMUNITIES IN INCREASING THEIR PARTICIPATION IN LOCAL SERVICES MANAGEMENT

Development and introduction of amendments to legislation that increase accountability of LSG bodies to communities, in particular in terms of local budget management

2011-2013 VAP Project developed a new Standard Charter of local community, which was approved by the SALSGIR decree in early 2014. Standard Charter includes advanced mechanisms for interaction between the local community and the bodies of LSG, and forms of direct community participation in local self-governance. Standard Charter passed 29 public hearings in the municipalities of Chui, Issyk-Kul and Jalal-Abad oblasts, where 1288 participants made 217 proposals. The Standard Charter establishes internal rules of livelihood in the local community, taking into account geographic, ethnic, traditional and other unique features of each AA; defines additional issues of local significance that the community can address on its own; defines the rules according to which the community has the right to interact with the bodies of LSG. With the new Standard Charter the local population has the capability to envisage the rules of “comfortable living” on the territory of the municipality that do not contradict the legislation of the country.

2014-2015 All the municipalities must adopt the new charters of the local communities till autumn of 2014 in accordance with the SALSGIR order. The Project is ready to provide consultative support to the municipalities of Issyk-Kul and Jalal-Abad oblasts in terms of the procedures of discussion and adoption of the new charter.

2011-2013 VAP Project developed the Standard Regulations of the local council that was approved by SALSGIR at the end of 2013. The Standard Regulations promote improved procedures to conduct sessions of the council and standing committees. The Standard Regulations were discussed by 176 deputies of the local kenesh and heads of aiyl okmotu from 98 municipalities of Jalal-Abad, Issyk-Kul and Chui oblasts. Printed version of the Standard Regulations was sent to all municipalities of the Kyrgyz Republic.

2014-2015 In 2014 VAP Project will conduct trainings for the deputies



of all local councils in Jalal-Abad and Issyk-Kul oblasts on the most important topics, including introduction of the regulations in the local council activities and management of the budget process.

Introduction of real mechanisms that allow the local communities to participate in the budget process and addressing the issues of local significance

2011-2013 The first real step to genuine partnership between the citizens and LSG bodies was made using a set of activities on joint priority assessment of the rural needs (PRA), which covered more than 11,000 people in 16 municipalities. In accordance with the PRA results the municipalities developed Joint Action Plans to address identified priority issues. The plans are being implemented successfully - for 2 years in 16 pilot LSGs the work is done for about 150 million soms at the expense of local budgets (21%), using the contributions of the population (4%), as well as by raising additional financial sources (75%). High level of additional funding demonstrates success of the model of active cooperation between LSG and the citizens.

2014-2015 In 2014-2015 VAP Project will provide assistance to introduce the model of citizens' participation in budget processes in another 12 municipalities of Jalal-Abad and Issyk-Kul oblasts; will publish and distribute training manual on participation of the citizens in local self-governance.

Provision of support to projects that promote local communities' active participation in addressing the issues of local significance (for all interested individuals on a competitive basis)

2011-2013 VAP Project conducts a competition "The Local Initiative" annually among active citizens and the bodies of LSG. The competition winners are awarded for good interaction practice of the LSG bodies with the local communities. In 2012 and 2013 there were 76 applications submitted for the competition, 24 of them were awarded with prizes totaling in 457,000 soms. The winners had variety of initiatives: informing the public about the local taxes and municipal enterprises; maintenance of cleaning and garbage collection; organization of public transport; opening of the kindergarten; regulation of irrigation and others. A common feature of the winning examples is that they are implemented in close partnership between the

community and the bodies of LSG.

2014-2015 Next competition "The Local Initiative" will be held, the winners will be awarded with prizes worth from 15 to 150 thousand soms totaling in 650 thousand soms.

The prizes will serve to improve experience of the winning local initiative or implement new initiative to address the issue of local significance.



Introduction of the system to evaluate level of local services by the citizens

2011-2013 In the Project pilot municipalities 15 groups of joint monitoring and evaluation (JM&E) were created, consisting of 105 persons: deputies of LC, AO employees, village activists, aksakals (elderly) and experts.

JM&E groups conducted assessment of accessibility and quality of service on garbage collection and disposal by interviewing hundreds of municipal residents. Most of the respondents - 64% - believe that in comparison with the previous year the village became cleaner; 73 % are willing to take an active part in discussion of services during the gatherings and in initiative groups; 70% are willing to pay more for quality service provided. In some municipalities JM&E groups evaluate the level of cooperation between the LSG bodies and the citizens, as well as the quality and pace of implementation of the joint action plans to address priority community issues.



2014-2015 VAP Project will continue training of communities on evaluation methods of LSG performance by means of JM&E groups in the pilot municipalities, as well as introduce the calculation method of Municipal index of budget transparency.

STRENGTHENING OF LSG BODIES CAPABILITIES IN ORDER TO MEET NEEDS OF THE POPULATION

Strengthening of information exchange between the bodies of LSG and population; provision of support to the activities on information disclosure

2011-2013 VAP Project provided assistance to the municipalities to conduct 64 public hearings on the local budgets, which were attended by 6000 persons. During the hearings the citizens made 69 proposals, while 44 of them were considered by 6 bodies of LSG. In order to improve efficiency of the hearings the municipalities

use new methods to inform the citizens not only before the hearings, but also about the hearings results informing about the destiny of the proposals suggested.

2014-2015 VAP Project will provide support to the municipalities in conducting public hearings on execution of local budgets, draft budgets, other budget issues including rates for services; will provide equipment to the pilot LSGs for holding better quality hearings.

2011-2013 Within technical assistance VAP Project provided 42 information boards in the amount of about 250 thousand soms to 16 pilot AAs. The information boards contain information about the LSG activities: resolutions of LC and AO, data on execution and formation of budgets, reports on implementation of the Joint Action Plans, long-term plans of LC and AO, bidding applications, acts of inspections and other important documents for citizens. According to the survey of VAP Project, 45 % of the residents rate their awareness about the work of LSG as high, over 50% believe that they are informed at the medium level, and only less than 2% of the villagers informed at low level. The Project provided support to create three Internet resources - two municipal websites and a rayon website portal of local self-government bodies.

2014-2015 VAP Project will continue provision of technical assistance in information disclosure through the information boards and the municipal websites. Possibly, the Project will facilitate the introduction of community radio in some LSGs.

Capacity building of LSG employees on municipal governance (trainings)

2011-2013 With the knowledge gained during the training workshops conducted by VAP Project, the managers and employees of LSG bodies, as well as members of local councils started involving citizens in addressing the issues of local significance, include priorities of the population in the municipality development plans, improve skills of planning and preparation of project proposals, while contributing LSG to successfully raise additional funds, to prevent conflicts and solve problems. For example, in Tort- Kul AA the LSG body has improved cooperation with the citizens, which resulted in increase of rate for garbage collection from 25 to 70 soms; so the amount of fees has increased from 14 to 50 thousand soms; within one year raised

additional investments worth 11 million soms. VAP Project conducted 201 trainings on 18 topics for the municipalities of Issyk-Kul and Jalal- Abad oblasts, by covering about 4.5 thousand people. Increase of knowledge of the training participants was 36%.

2014-2015 VAP Project will conduct trainings for the employees of new 12 pilot LSGs on legal fundamentals of LSG, transparent management of municipal finances, citizens engagement in budget process.

Experience sharing between LSG bodies and communities by means of visits across the country, distribution of "The Municipality" magazine and holding events dedicated to best practice of local self-governance

2011-2013 In 2012-2013 there were 9 exchange visits held, where 232 people from 76 municipalities of Jalal-Abad and Issyk-Kul oblasts took part. By adopting experience of Leninskiy AA during the exchange visit some of the municipalities applied successful governance methods: identified rates of service for garbage collection and disposal during the public hearings; developed schedule for garbage disposal and made it available to the population; placed garbage bins in the streets; purchased tractors for cleaning aimak territory.

2014-2015 VAP Project will continue organizing study tours within the country; will conduct an international conference on best practice, will support publication and distribution of "The Municipality" magazine in Kyrgyz and Russian languages.

Capacity building of employees of LSG bodies to manage local budgets including new tools of budget planning

2011-2013 In 2013 in collaboration with the specialists from the Ministry of Finance trainings on the budget processes were conducted for the employees of the LSG bodies in Issyk-Kul and Jalal-Abad oblasts. The trainings used the manual that was approved by the Ministry of Finance. About 400 people gained new knowledge and skills.

2014-2015 There is a training course on medium-term budgeting envisaged, which is organized jointly with the Ministry of Finance. Thematic seminars on incomes from minerals, incentive grants, LSG relations with the region development funds and other relevant issues of interbudgetary relations will be conducted for LSGs.

Grant program that supports projects on community priority issues



(grants are provided only to LSG bodies on a competitive basis)

2011-2013 In the framework of the Small Grant Program trainings on project design for representatives of LSG bodies and local communities of two pilot oblasts were conducted (219 people from 17 AO participated). Procedures of the grant competition were presented to all municipalities of Jalal-Abad and Issyk-Kul oblasts. Initiative groups have developed 42 project proposals, whereof 20 projects were financed totaling about 20 million soms. It is important that training on basics of state procurement was conducted for the winners, and 7 specialists were trained on state procurement in the Training Center of the MOF KR and received certificates accordingly. Grant funds are transferred to the local budgets.

2014-2015 Grant program will continue, for the whole period it is planned to distribute at least 38 grants totaling in \$38 million soms to the municipalities directly and on a competitive basis..

IMPROVEMENT OF LEGISLATION TO FURTHER DEVELOPMENT OF LOCAL SELF-GOVERNMENT (POLITICAL, ADMINISTRATIVE AND FISCAL DECENTRALIZATION)

Support of efforts of the Parliament of KR in reforming of legislation on LSG issues; assistance to the Government of KR in implementation of administrative reform including introduction of evaluation of LSG performance.

2011-2013 The Project collaborated with the Parliament of KR in order to improve the system of municipal governance and development of financial decentralization. Analytical materials on various aspects of the budget sphere were prepared. The Project presented its opinion during the parliamentary hearings on the draft laws «On the status of the capital», «On republican budget for 2014», on the draft Budget Code. Significant number of the recommendations was taken into account when adopting these legal acts. VAP Project experts actively worked on LSG issues in the process of development of strategic documents: LSG Development Program for 2013-2017, National Sustainable Development Strategy of the Kyrgyz Republic for 2013-2017, Program for transition to sustainable development of the Kyrgyz Republic for 2013-2017, and Concept notes of administrative-territorial reform in KR, the Budget Code.

2014-2015 Based on identified issues on the local level VAP Project will continue forming objectives that need to be solved at the national level. The Project will provide assistance to SALSGIR in implementation of the LSG Development Program till 2017.

Facilitation of the effective formation of the local budget revenues in order to reduce the number of subsidized municipalities, improve mechanisms of tax collection and administration

2011-2013 In order to protect interests of the LSG bodies VAP Project initiated to transfer educational organizations that are currently financed by the local budgets of ayil aimaks and cities to be financed by the republican budget through the territorial subdivisions of the Ministry of Education and Science of KR. This allowed LSG bodies to save about 400 million soms and target them at development of the respective regions. Activities on prevention of violations in legal and budgetary issues were conducted at the rayon level in collaboration with the Prosecutor's Office and the Accounts Chamber.

In collaboration with the Ministry of Economy and the Ministry of Finance of KR draft legal acts on transfer of the right to administer taxes submitted to the local budgets; on the activities of the regional development foundations; distribution of incentive grants were developed. Adoption of these documents would greatly improve the efficiency of the budget process at the local level and provide an opportunity for LSG bodies to finance the development programs at a greater level.

2013-2014 Training module on self-maintained administration of taxes will be developed and LSG bodies will be trained accordingly. The pilot AAs will be provided with consultations; the manual on administration of taxes will be distributed among all AAs of Jalal-Abad and Issyk-Kul oblasts.

Assistance to the Ministry of Finance to automatize management of the local budgets

2011-2013 VAP Project developed computer database of the local budgets, which allows to see real-time all the incomes and expenditures of all LSGs of Kyrgyz Republic. Most importantly, the database will allow to analyze own revenues of the local budgets, which will improve budget planning and enhance transparency of spending.



2014-2015 The database is tested in some rayons of the Kyrgyz Republic. In 2015, it is planned to launch all possibilities of the database that will ensure maximum independence of LSGs in forecasting and planning of the local budget, increase efficiency of budget spending. Risks of corruption will be significantly reduced; transparency and accessibility of the database will increase the level of public confidence in government.

Promotion of the governmental efforts to establish clear mechanism of transfer and financing of the delegated powers

2011-2013 VAP Project participated in the development, examination and made proposals for the Law «On the order of delegation of specific state powers to LSG», Standard Contract on delegation of certain state powers to LSG.

2014-2015 Public and expert discussions on the implementation of the Standard Contract on delegation of state powers to LSG will be conducted, mechanisms for financing the delegated powers will be developed. The Project will organize testing of the contract on delegations the specific state powers to LSG and disseminate experience in other LSGs.

Introduction of the new system to building capacity of the municipality employees including LSG finance staff working permanently and paid according to the compensation plan

2011-2013 VAP Project provided consultancy to the State Personnel Service of the Kyrgyz Republic on municipal services, participated in development of the Program of the training system development of the state and municipal employees for 2013-2017 and the draft legal acts associated with its implementation (provision of training and state order); as well as in drafting of the Law of KR «On state and municipal service of the Kyrgyz Republic».

2014-2015 In Jalal-Abad and Issyk-Kul regions pilot trainings for few target groups of the municipal employees will be conducted on the basis of local educational institutions in accordance with training programs and modules developed within the testing of the model of capacity building.

- Local councils and executive bodies of LSG.
- Local communities including formal and informal organizations and groups of citizens.
- State bodies: the Parliament of KR, the Government Apparatus of KR, the President Apparatus of KR, State Agency in Local Self-Government and Interethnic Relations under the Government of KR, Ministry of Finance of KR, State Personnel Service of KR, Ministry of Economy of KR, Accounts Chamber of KR, and other state agencies including local state administrations.
- Civil society organizations, international donor organizations, mass media.

CONTACTS

- Detailed information about project activities, changes to legislation and other useful for communities and bodies of LSG information is updated regularly on VAP Project website www.vap.kg
- Outcomes of VAP Project activities, the municipality success stories, analytical materials and other information about local self-government are published in the monthly magazine "The Municipality" (please visit www.municipalitet.kg)
- Requests for additional information and consultations please send to the following email: office@dpi.kg
- For inquiries and consultations please contact the Project specialists via telephone numbers: (0770) 771130, 771156.
- For detailed information about other projects and results of the Development Policy Institute activities please visit the website: www.dpi.kg





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KYRGYZSTAN - SWITZERLAND
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20 лет сотрудничества
20 years of cooperation

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