

QUARTERLY TASK ORDER PROGRESS REPORT

**Kazakhstan Local Government Initiative
TASK ORDER # 801**

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I. Introduction

Local government in Kazakhstan is a nexus for many of the key issues confronting the Republic's development. Thus, advocating for issues related to decentralization requires a thoughtful and comprehensive, democracy-based strategy at the local level. Local government officials are often not properly trained, hamstrung by a lack of budgetary resources, ineffective, and sometimes corrupt. Year three of the Local Government Initiative (LGI) – Kazakhstan builds on the foundation established by the first two and half years by helping to enable “more effective, responsible and accountable local governance” in Kazakhstan. The activities and the strategy undertaken by the International City/ County Management Association (ICMA) and its counterparts in reaching the Strategic Objective of USAID's Local Government Initiative follow this outline:

The strategies for achieving the Strategic Objective are based on the following indicators:

- I) Introduction of democratic practices (IR 2.3.1)
- II) Increased local government capacity (IR 2.3.2)
- III) Increased local government authority (IR 2.3.3)

The pursuit of these objectives will utilize a three-tiered, “osmotic” approach to sustainable, local government institution building:

- a) **local level** focus on pilot municipalities technical assistance and training;
- b) **nationwide** dissemination of proven best practices, and strengthening local institutions and;
- c) **national level** legislative change and policy implementation through sharing successful innovations.

During the Reporting Period of October-December, 2000 the following activities were undertaken by ICMA in Kazakhstan:

II. Major Accomplishments (January-March 2002).

Organizational and Functional Analysis in Pavlodar Oblast (OFA)

- ICMA Economic development specialist Deborah Kimble and STA in finance Larry Seale, overlapped the last week of January to merge their projects with OFA work previously done in Pavlodar by Alan Edmond and Mark Huddleston. Debby Kimble produced a report summarizing all ICMA's activities in the area of organizational functional analysis. The result so far has been an analytical tool that helps to clarify roles and responsibilities of different government levels and encourages lower levels to advocate for budgetary autonomy and for streamlined management functions. This manual, along with the CBED Workbook and the Barents KPMG Medium Term Budget Planning Framework, will be combined into a comprehensive strategic planning management tool for the Pavlodar Oblast and will be rolled out in other Kazakhstan Oblasts
- The existing ICMA OFA materials were handed out at a February 18th roundtable on decentralization. The Kazakhstan Agency for Strategic Planning (ASP) has requested that each oblast fill out ICMA's function analysis matrix, which will further help the nationwide process of decentralization.

Community-Based Economic Development (CBED)

- Oral Sartaev, member of the Bayanaul Coordinating Council (Pavlodar Oblast) and Sergei Novik, ICMA Regional Representative in Pavlodar Oblast, developed a draft version of an NGO Charter that will guide the CBED process in Bayan aul.
- ICMA technical advisor Debbie Kimble, ICMA/Kazakhstan staff Inna Bandurina and Sergei Novik, and Kairat Sarbasov, Secretary of Bayanaul rayon Maslikhat held a public meeting at Maikoin village addressing possibilities to initiate a CBED modeled after Bayan aul's and Ekibastus's experiences.
- A joint meeting of the Bayanaul and Ekibastus Councils was held to discuss the options for a summer camp for youth in Bayanaul. The proactive organizational approach of the Ekibastus Coordinating Council was rewarded by the city Akimat with a building space to be turned into a youth center and 1 million tenge of program grants.
- ***Ekibastus:*** As a result of work of the CBED Coordinating Council, in 2002, small and medium business enterprises signed services and goods delivery contracts totaling 392 million Tenge: five times surpassing the revenue in 2000-2001. This also amounted to an increased number small business sector jobs. The Coordinating Council's initiatives also catalyzed the entrepreneurial movement – local shop, café, and drugstore owners, market sellers, and hairdressers organized in interest groups and would like to join a municipal Association of Entrepreneurs. Entrepreneurs started attending business fora on regional, oblast, and national level. A “day of the small entrepreneur” was introduced on a monthly basis.
- ***Kostanai:*** ICMA staff Inna Bandurina and Olga Kaledenok, ICMA expert on economic development presented ICMA's CBED project in Kostanai. The city has expressed interest in creating a Coordinating Council modeled after those in Ekibastus and Kostanai. ICMA and Counterpart Consortium CSCS will work together on a CBED initiative in Kostanai.
- On March 19, 2002, ICMA and the Pavlodar Oblast Department of Economics held a roundtable called “New Opportunities in Planning for Community-Based Economic Development”. The roundtable stimulated discussion on the work of the Ekibastus and Bayan Aul Coordinating Councils established by ICMA and the experience amassed through a “bottom-up” community development techniques.

Program Based Budgeting (PBB)

- ICMA program budgeting expert Larry Seale performed a technical assignment in Pavlodar that focused on refining the recently adopted program based budget. Mr. Seale produced a summary report with recommendations on the state of PBB practice in Pavlodar that identifies future TA needs. At the request of Pavlodar Oblast Department of Economics Larry Seale conducted a workshop on performance measurement and cost-benefits analysis. 20 chief specialists and deputy heads of Oblast departments were in attendance. Mr. Seale also liaised with Barents KPMG CoP Larry Daum to identify areas where ICMA and Barents can work more effectively and efficiently in Pavlodar.
- As a result of Mr. Seale's TA ICMA representative Sergei Novik and the Oblast Economics Department have started to utilize new measurement instruments -- Program Passports -- to clarify the goals and objectives of different oblast budget programs.

Resource Cities Partnerships (RCP)

(Almaty-Tucson, AZ)

- A delegation from Almaty visited Tucson January 28 through February 2, 2002. The team included: Marat Akhmetov, Director, Tartyp; Elena Simonova, Head, Department of Housing and Communal Economy, and Larisa Vasilyeva, Director, Department of Economics. The visit concentrated on 1) Solid waste management: residential and commercial collection, fleet maintenance, tariff policies and routing, and 2) Economic Development: micro-credit programs and science and technology parks.

(Helena, MT-Pavlodar)

- February 18-25 three specialists from Helena, MT visited Pavlodar and reviewed its water and waste water treatment plants, as well as its drug and alcohol rehabilitation center; three drug and alcohol workshops were held, two in Pavlodar for NGOs and one in Almaty in conjunction with ZdravPlus – a government contractor in the field of health care.

(Great Falls, MT-Naryn, Kyrgyzstan)

- ICMA DC has prepared a proposal for the COTR in Washington for a continuation of the Naryn - Great Falls partnerships

Training

A. Training Modules Development

- A new Anticorruption module/ workshop for civil servants and community leaders started in late February. A draft-module will be finalized in the first week of April and a test seminar along with a TOT, will be conducted by ICMA STA Alan Edmond. ICMA established a working group on the module refinement consisting of the Almaty RTC, the Association of Civil Servants and Transparency International/Kazakhstan.
- A new module is being developed for RTC directors on Strategic Planning (Boulat Karibzhanov and Serik Ospanov). A test seminar was held in March in Aktau for RTC directors. The module will be ready by the end of April.
- Analysis was made of a training alumni survey in four regions (Almaty, Pavlodar, Atyrau, and Shymkent). The survey is gauging the impact and effectiveness of ICMA training seminars.

B. Regional Training Centers Development and Leave of Trainers Support

- In-kind help in the form of equipment, computers and furniture from previous ICMA projects was presented to the Kazakh League of Trainers.
- A study tour in Poland for RTC directors took place from January 14th through 27th. 8 RTC directors attended. A follow-up meeting with the participants was held in Aktau in March.
- A working group was set up to monitor the RTC networking patterns.

- Continued work with the League of Trainers to develop a grant proposal for 1) institutional capacity building, 2) an annual conference of all trainers nationwide and 3) a framework for standards and ethics for Kazakhstan trainers. To date, 11 affiliates in Kazakhstan have been registered with the LOT and 3 are pending.

Maslikhat Institutional Development

- Maslikhat (elective branch) Handbooks prepared by ICMA are being distributed according to requests -- thirty copies of the handbook were sent to Kostanai region Maslikhats.
- Atyrau city Maslikhat secretary has written an article on her Maslikhat activities; starting with this article ICMA is launching a special newsletter column on elected bodies.
- A draft proposal for ICMA/ USAID/ KIMEP Summer Internship Program was prepared and sent to USAID and KIMEP. It is proposed that undergraduate students work with Maslikhats in communities to create Community Action Plans and submit them for ICMA/ USAID funding on a competitive basis.

Monthly Newsletter Production

- The January, February and March issues of the “Municipal Management” newsletter were distributed to over 2000 local officials throughout Kazakhstan in Kazakh and Russian. The circulation will increase by 1000 copies in the next quarter.
- The ICMA/Kazakhstan website is being developed. All ICMA materials are developed in a web format.

Workshops/ Roundtables on Municipal Issues

- A working meeting on Cities Association building was held on January 9th in the ICMA office.

Video Production, Information Dissemination and Website Development

- A film on Maslikhats and Citizen Participation was produced in Semipalatinsk.
- ICMA participated in the TV Program “Cities of the Future” and commented on ICMA/ USAID policy on housing reform; included were segments of existing ICMA housing issues video.
- Gulnara Shakenova and Laula Nugmanova of ICMA filmed public hearings organized by the local anti-monopoly committee in Taraz on electricity tariff issues.
- Mark Hannafin, ICMA COP and Inna Bandurina, ICMA staff met, with the Kazakhstan Agency for Strategic Planning Chairman Beicembetov and Galina Musenova of the Ministry of Economics to discuss small cities issues; both support the formation of a municipal association.

Housing Policy Development

- ICMA has developed a new action plan for housing in the next few months which combines a two-pronged approach – grassroots work and national policy development. Some of the techniques are: 1) working with NDI, Internews and Eurasia on advocacy through public service announcements and petition drives; 2) supporting Parliament requests for legislative analysis and vetting draft concept with the public; 3) publicizing better the democratically controlled housing associations throughout Kazakhstan and featuring them in articles and video productions.

- ICMA Housing expert Chuck Dean provided commentary to the Draft Housing Reform Concept from the Antimonopoly Agency as well as commentary on draft changes to the Law on Housing Relations.

Support Local Government Decentralization Process

- A public forum on decentralization and local self-government was organized by ICMA, Soros and the Research Policy Institute of Almaty and attended by USAID, NGOs, media, regional governmental officials, political party leaders and international organizations such as NDI, Eurasia Foundation, TACIS, Barents and UNDP. The Kyrgyz Minister of Local Self Government made a presentation on the Kyrgyz Local Self-Government. Former deputy chairman of the Agency for Strategic Planning Mr. Kanat Ospanov made a talk on the future of local elections.
- March 26-27, ICMA supported the Kazakhstan research Policy Institute in submitting recommendations to the Agency for Strategic Planning on intergovernmental fiscal relations. The seminar was attended by members of Parliament and ministry officials.
- COP Mark Hannafin and Inna Bandurina met with Beisembetov, Chairman of the Agency for Strategic Planning to discuss possible ICMA participation in the decentralization process of Kazakhstan. A President-appointed Decentralization Commission is analyzing the functions of different government levels and looks to develop recommendations on the elimination of crossovers. ICMA's role as a partner in the de-centralization debate will be further clarified by the Agency in April.
- A study tour to Kyrgyzstan organized in cooperation with Nash Dom Condo Association in Kyrgyzstan and Urban Institute/ USAID for NDI Kazakhstan partners has been successfully completed: fourteen leaders of NGOs from different regions of Kazakhstan have visited Bishkek Tokmok. At this visit the participants learnt about the advantages of the Kyrgyz law on condominiums and visited several condominiums; the participants will disseminate the information in their regions and will distribute specially designed informational flyers explaining the difference between cooperatives and condominium and how to effectively manage private housing. ICMA financed the printing of these materials.

Time Chart

Planned Project Accomplishments	Location	Actual Project Accomplishments
RTC Directors Study Tour	Poland	January 12-26
Seminar on Municipal Budgeting	Semipalatinsk	January 10-12
Seminar on KSK Management	Temirtau Aktau Karaganda	January 7-9 January 7-9 January 21-23
Financial Management for KSK	Temirtau Aktau Karaganda	January 10-11 January 10-11 January 24-25
Debbie Kimble continues work	Pavlodar	January 25 – February 15

on ED	Oblast	
Larry Seale and Debby Kimble work on triangulation of CBED, OFA and PBB	Pavlodar Oblast	January 25-February 2
COP Mark Hannafin' presentation about CEBD and program activities at USAID Conference	Zagreb, Croatia	February
Seminar on General Management	Uralsk Karaganda	February 4-8 February 18-22
Public Forum on Decentralization	Almaty	Feb 18 th
Helena Delegation visits Pavlodar	Pavlodar	February 17-25
Action Plan meeting on Housing issues with NDI partners	Almaty	Feb 25 th
Seminar on How to Conduct Public Hearings	Taraz	February 12-15
Seminar on Citizen Participation	Aturay Taraz Kzhyl-orda Shymkent	February 11-13 February 25-27 February 11-13 February 18-20
Seminar on Financial Management 1,2	Aktau	February 25-March 1
Seminar on Financial Management 3,4	Shymkent	February 4-8
Seminar on Elected Leadership	Rudnyi	February 18-21
Financial Management 3, 4 Training	Shymkent	February 4-8
Seminar on Elected Leadership	Taraz Petropavlovsk Karaganda Kostanai	February 11-15 February 11-15 February 25-29 February 25-29
Seminar on Financial Management 1, 2	Aktobe Uralsk Kyzhul-Orda	February 11-15 February 11-15 February 11-15

General Management Training	Aturay Oskemen Oskemen	March 11-14 March 18-21 March 15-29
Training on Condo Financial Management	Pavlodar	March 19-21
Seminar on Condo Management	Pavlodar	March 12-14
Anti-Corruption Workshops- 2	Shymkent	February 28-March 1 March 4-5

III. Challenges/Remedial Actions Taken

N/A

IV. Detailed Technical Description of the Work Planned for the Next Reporting Period

The following activities are planned for the period April-June 2002:

- Inna Bandurina will attend a USAID meeting in Aturay to present CBED project to the city officials, Maslikhat deputies and entrepreneurs.
- Inna Bandurina and Olga Kaledenok, ICMA expert on CBED, will visit Kostanai to follow up on a recently initiated CBED project.
- STA Alan Edmond will perform a technical assignment in anti-corruption April 14th-21st.
- STA Fred Fisher will be performing a technical assignment in training nodules development and training institutions sustainability April 21st through May 3rd.
- NAC meeting on Best Practices will take place on April 26th
- Public Forum on Local Self Government on April 22nd in Astana
- Inna Bandurina will be follow up on a CBED project in Talghar city.
- Public hearings on economic development opportunities in Atyrau will take place on April 14.
- Anti-Corruption roundtable will be held in Almaty in April.
- Advanced ToT on Anti-Corruption will take place in Almaty on April 17-18
- Trainings and seminars to be held:
 - A. General Management – Petropavlovsk, Rudnyi, Oskemen, Pavlodar
 - B. B. Financial Management 3,4 – Almaty, Aktau, Aktobe, Kzyl-Orda, Uralsk
 - C. Financial Management – Pavlodar
 - D. Elected Leadership – Taraz
 - E. Citizen participation – Pavlodar, Aturay
 - F. Public Hearings -- Almaty, Aturay
 - G. Condo Management – Kostanai, Leninogorsk
 - H. Condo Financial Management – Kostanai, Leninogorsk, Taraz, Karaganda
 - I. Anti-Corruption workshop – Almaty, Shymkent

V. Specific Actions Required of the Government to Assist in Resolution of a Problem or to Assist in Timely Progression of the Task Order. N/A