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Quarterly Performance Report

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Decentralization and Local Government Program in the Kyrgyz Republic

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**DECENTRALIZATION / LOCAL GOVERNMENT PROGRAM (DLGP)
IN THE KYRGYZ REPUBLIC**

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THE DECENTRALIZATION/LOCAL GOVERNMENT PROGRAM IN THE KYRGYZ REPUBLIC

QUARTERLY REPORT FOR JANUARY – MARCH 2009

I. Highlights

- **The U.S. Ambassador to the Kyrgyz Republic participated in DLGP's Conference on "Best Practices in Local Government in the Kyrgyz Republic in 2008" on January 16, 2009.** The conference was attended by DLGP's local government partners, the US Ambassador, Kyrgyz Members of Parliament, and hosted representatives from Latvia and Tajikistan. Over 200 people attended the conference, which was widely covered by national and local media, including three television stations and 13 articles published in print and/or online.
- **DLGP conducted mass trainings for newly elected city and rural council deputies.** The trainings included highly relevant topics such as the deputy's role in policy making, municipal property management, the budget process and citizen engagement. Deputies from all 25 Kyrgyz cities as well as 120 rural municipalities attended, with a total of 621 people receiving training, including 157 women.
- **DLGP conducted a multipurpose study tour to the City of Karakol for more than 30 local leaders from five oblasts** allowing participants to see first hand best practices in local government, ask questions of their policymaking peers, and to share their own experiences in dealing with local issues. Participants also had the opportunity to see Karakol hold a municipal land auction, which served the dual purpose of generating revenue for the local budget while stimulating investment and local business.
- **DLGP assisted the Parliamentary Committee on Regional Development and Local Government to conduct an extended meeting on local government initiatives in support of the Country Development Strategy.** As a result, the Committee developed and distributed recommendations addressing the issues raised at the meeting to relevant ministries and institutions. The Ministry of Economic Development and Trade subsequently requested more information from DLGP on guarantee funds.

II. Trends in the Environment

During this quarter, the President made several changes in key staff, probably in preparation for the upcoming Presidential elections, which were decided by the Constitution Court of the Kyrgyz Republic to be held on July 23, 2009. Former Head of the Administration M. Sadyrkulov voluntarily resigned, followed by First Vice-Prime-Minister E. Ibraimova (the former head of ARIS and a Member of Parliament from the ruling party). Not long after, Mr. Sadyrkulov died and former Member of Parliament K. Baibolov asked for political asylum in the USA, according to media sources. This unsettled political situation makes DLGP's work more challenging, due to the loss of experienced counterparts in government with whom the program has invested time and energy in training and developing working relationships.

On March 27, opposition forces conducted a peaceful protest meeting near the White House, with another meeting being scheduled for April 20. This reflects general uncertainty about the direction of government in the Kyrgyz Republic in the future, but does not directly impact DLGP at this point.

New Tax Code became effective starting from January 1, 2009. By the end of the January its implementation generated a huge negative outcry from the population. Therefore, the President proposed to introduce a one-year moratorium for the property tax and Parliament approved it.

Law on “Pastures” became effective on February 6, 2009 after Parliament’s adoption on January 26. This law reflects quite a few DLGP proposals that were given at the end of 2007, such as making pastures a potential revenue source for municipal governments.

Amendments to Land Code became effective on March 21, 2009. The amendments, which are primarily technical in nature, were drafted by the Working Group on Decentralization (with DLGP participation) as long ago as 2007. They will not have a major impact on DLGP’s work.

The Draft Law on Introducing Amendments to Civil Code, which was drafted by DLGP and given for consideration to the Working Group on Decentralization in 2007, is presently in the Committee on Local Government and Regional Development of the Parliament. This will help to increase the breadth and depth of regulations that give actors the right to establish easements on their property, protect their property from forced sale in court, among other things.

On February 2, the government issued a resolution on the model structure and staffing of the mayor’s apparatus and rayon administrations of Bishkek city. This law is a prime example of the narrowing of the rights of urban councils, as it eliminates their right to freely decide their staffing and structure, as was the case under the previous law.

III. Activities

On January 16, 2009, over 200 people, representing all regions of the Kyrgyz Republic, gathered to participate in a conference organized by DLGP recognizing the Best Practices in Local Self-Government in the Kyrgyz Republic in 2008. Opening speeches were made by the U.S. Ambassador to the Kyrgyz Republic, Mrs. Tatiana C. Gfoeller, who remarked on 10 years of USAID's support for local self-government in Kyrgyzstan; a Member of Parliament, the head of the National Agency on Local Self-Government; and Mr. Joroev from the Presidential Administration. Participants included mayors from all regions of the Kyrgyz Republic, a delegation from Tajikistan, and print and television journalists from around the country, including the most popular national and regional media outlets. The conference celebrated the numerous accomplishments of local governments during 2008, awarding a total of 12 prizes to cities and rural municipalities from six of the Kyrgyz Republic’s seven regions for achievements ranging from improving the local school system to establishing a municipal newspaper. Several winners gave presentations on their municipality's innovations. The Chair of the Latvian Association of Municipalities explained in his presentation how the Latvian association conducts serious negotiations with Ministries and Parliament on any issue affecting local government. The day before the Conference, the Kyrgyz and Latvian Associations had signed a cooperation agreement, allowing the two associations to work in partnership with one another by sharing relevant legislation, creating links between rural and urban municipalities in each country, and implementing joint development programs in both countries. The conference was widely covered in national and regional media, with coverage on three television stations, two national news websites, and articles in several print publications, including a feature in the most popular newspaper in the country, *Evening Bishkek*.

Task 1.1. Support Decentralization Process

DLGP assisted in conducting an extended meeting on “Initiatives of Local Governments to Support Implementation of a Country Development Strategy” with the Parliamentary Standing Committee on Regional Development and Local Government. The strategic goals for the meeting were to make sure that projects from local strategies are recognized in the Country Development Strategy (CDS) and oblast strategies. Additional goals were to ensure that these projects have access to funding envisioned for the CDS (including utilization of the stimulating grants scheme) and can adjust their staff structure to create Local Economic Development (LED) offices. The level of participation at the meeting was very good, with 47 total participants. These participants included 6 deputies and 6 Jogorku Kenesh staff, along with four representatives from the Ministry of Economy, including State Secretary Aziz Aaliev. All local government participants had a chance to talk about projects that they are implementing or hope to implement in their districts.

All participants emphasized that the presentations by local governments were very interesting and dynamic, leading to:

- recognition for local strategies and readiness to be included, at least some of them, in CDS (oblast strategies);
- agreement that national funds should be utilized for supporting local strategic projects (including changing the rules of stimulating grants); and
- interpretation that local governments can freely create LED offices.

In addition, the Committee has requested that DLGP conduct similar regional presentations of LED initiatives, most likely as a Committee-supported event. DLGP is currently preparing for these regional presentations. There was also some discussion on the issue of registering municipal property; the Committee will lobby for allowing municipalities to do it free of charge. In March, the Committee officially sent the recommendations of the expanded meeting to relevant ministries and institutions, addressing the issues raised during the meeting. One of the results of the recommendations was that the Ministry of Economic Development and Trade requested information on guarantee funds from DLGP, so that the Ministry could submit to the Government a request to utilize resources provided by the Russian Federation to increase the capital of guarantee funds.

The new Tax Code does not have provisions on providing or delegating rights of the property tax administration and collection to local governments (LGs). Since the tax is local it is implied that LGs will have some responsibility for tax collection. According to the Tax Code, the state registry can provide information on immovable property only to bodies of the Tax Committee, though it is still unclear who will collect the tax. This uncertainty will cause problems with identification and clarification of the tax base for most rural municipalities and cities of rayon significance. In March a moratorium on implementation of the property tax was adopted by the Parliament. This means that LG budgets will lose revenue sources related to the taxation of property. DLGP met with the USAID EREC project to discuss possible ways for leaving the tax and transforming it into a property use tax, rather than a wealth tax, with simpler calculations. Joint recommendations on simplification of the property tax were developed for submission to interested parties.

Task 2.1. Assistance to Implement Intergovernmental Fiscal Reform

Consultation on MS Excel for partner municipalities in Chuy oblast. DLGP launched an Excel consultation program for partner municipalities in Chuy oblast. Up to three financial spe-

cialists from each municipality are eligible to receive up to 10 hours of consultation through the program. DLGP hired seven trainers located in rayon centers (Tokmok, Kant, Bishkek, Sokuluk, Belovodskoe, Kara-Balta, Kaindy) to provide consultation on Excel for specialists of financial departments. Since financial specialists from all rural municipalities come several times a week to the rayon center either to the treasury or the rayon finance department, they will have the opportunity to receive an Excel consultation from the local consultant. After the announcement 17 municipalities confirmed their participation in the program and by the end of March, 14 of them had received consultations, with two of these even exceeding their allotted 10 hours.

The Burkut program has been updated to be a more effective electronic governance tool.

The program's database is in MS Access and contains all the data from Hozkniga, the ledger containing major statistical data on each household in a municipality. The program was developed for the executive secretary and can issue documents verifying all inquiries and references (spravki). This is particularly helpful in large municipalities where there may be more than 100 ledgers, each of which are very time consuming to process manually. The program can be operated in Russian and Kyrgyz in response to demand from many partner municipalities. Additional data fields were added to the program in order to collect information for the calculation and administration of the land tax and vehicle tax. The program also includes data on economic activity such as information on all businesses located in a rural municipality. A separate block is also being developed for the financial department to calculate all kinds of property and land taxes, which will also allow it to keep information on tax payments made and outstanding balances due. The financial department will regularly exchange information with the executive secretary in order to update them on outstanding taxes owed to the municipality.

DLGP provided technical assistance to rural municipalities in improving the effectiveness and transparency of the budget process. During the announcement of the Participatory Budgeting Competition for rural municipalities of the Kyrgyz Republic (based on the draft 2009 budget), DLGP offered to provide interested rural municipalities with assistance in preparing their Budget in Briefs and reproducing them for distribution at public budget hearings (PBHs). The consultations were provided to 12 rural municipalities, of which 10 have conducted PBHs by the end of March. The heads of financial departments of three rural municipalities visited a more experienced rural municipality to exchange experiences and learn more on how to conduct an effective PBH, resulting in many new rural municipalities conducting PBHs for the first time this year.

DLGP published the budget circular on local budgets developed by the Ministry of Finance. DLGP contributed significantly to the chapter in the publication with provisions on PBHs, Budget in Brief templates and guidelines on Participatory Budgeting Competitions for Rural Municipalities (based on the draft 2010 budget). Mr. Kalkanov, Head of the Intergovernmental Finance Policy Department of the Ministry of Finance, asked donor organizations if they could support regional meetings explaining the budget circular and changes in the local budget process related to the adoption of the new Tax Code. DLGP agreed to provide limited assistance in holding three regional meetings for all municipalities in Chuy oblast.

Task 2.2. Assistance in the Implementation of Strategic Plans

Progress in implementing strategic projects in the municipalities of the first cohort is on track except for Kochkorata, due to political setbacks beyond the control of DLGP.

Mombekov

As was described in previous reports, Mombekov has excellent results for all seven Strategic Plan projects that are being implemented. The main success is the institutionalization of land sale through auctions, which was first conducted with assistance from DLGP in July 2008. Despite some setbacks, Mombekov now conducts land auctions every month, and have sold a total of 7 pieces of land for about 725,000 KGS.

Land Parcels Sold in Mombekov with DLGP Assistance

Size, m ²	Sale price, KGS	Sale price, KGS/m ²	Investment type	Est. investment, KGS	Est. new jobs	Status as of 3/31/09
7,000	220,200	31	Metal tile production plant	2,000,000	30	Foundation laid
1,600	250,000	156	Gas station	N/A	6	Foundation laid
800	90,000	113	Café	N/A	5	Foundation laid
600	80,000	133	Dairy store	N/A	2	Foundation laid
300	53,500	178	Extension of petrol station	N/A	5	Foundation laid
300	23,000	77	Auto maintenance station	N/A	5	Foundation laid
30	8,000	267	Drugstore	N/A	1	Foundation laid
10,630	724,700	-	-	-	54	Foundation laid

Karabalta

The city has significantly advanced four out of its nine projects. It has founded, jointly with the Union of Entrepreneurs, the Entrepreneurship Development Public Foundation. The Foundation will implement two projects: a Business Support Center and a Guarantee Fund. The city council envisions a local budget allocation of 1.3 million KGS to capitalize the Guarantee Fund. Another project called the “One Stop Shop” is very promising, and it placed first in DLGP’s 2008 Best Practices Competition. For implementation of this project Karabalta will receive about 245,000 KGS from DLGP and contribute 120,000 KGS from its local budget. The One Stop Shop will improve land procedures and allow citizens and entrepreneurs to buy land more efficiently. Recently, the local government decided to transfer assets of the Water and Sewage Department from the state-owned operating company to municipal property. At this moment, the city is working on the creation of a municipal entity to implement a strategic project to reconstruct the water and sewage network. Under the condition that assets will belong to the municipality, ARIS and the City of Karabalta signed an agreement to rehabilitate the network. Estimated investments account for about 20 million KGS.

Belovodskoie

This municipality has managed to advance the implementation of two out of fifteen projects. As the starting point for its “Asset Management Strategy” project, the local government has created a Working Group to inventory all land and property. This activity will be supported by DLGP and will be completed by June 2009. For implementation of the “Drinking Water Assessment” project, Vodokanal bought 1000 water meters to install on selected multi-family houses. At this moment the local government is conducting meetings with citizens to discuss issues of efficient use of water and the penetration of a differentiated payment system based on water consumption. Implementation of 2 – 3 additional projects was launched as well, but at the organizational level only. The rest are suspended due to lack of budget revenues this year.

Karakol

During this quarter Karakol has managed to significantly advance the implementation of several projects. First, in January the local government organized a Constituent Assembly of all service

providers in the tourism sector. Then, Karakol also applied to DLGP for a grant to support its “Historical Heritage Preservation Policy” project. For the implementation of this project, Karakol will receive about one million KGS from DLGP and contribute more than 300,000 KGS from its own local budget. In March, Karakol, as part of the “Investment Offer” project, conducted a land auction where 5 of 11 land parcels offered were sold.

Land Sold in Karakol at Land Auction on March 3rd, 2009

Number of applicants	Size, m²	Starting price, thousands of KGS	Step size, thousands of KGS	Final price, KGS	Final price, KGS/ m²
2	3 850,0	123 000,0	20,0	143 000,0	37
2	5 150,0	169 000,0	20,0	189 000,0	37
3	3 600,0	112 320,0	40,0	152 320,0	42
2	3 200,0	128 000,0	50,0	228 000,0	40
2	546,0	61 698,0	10,0	71 698,0	131
11	16 346,0	594 018,0	-	784 018,0	-

Jalalabat

Jalalabat has worked primarily with two projects. With DLGP assistance, the city has developed a local regulation for a Guarantee Fund. To support the implementation of this project, the city council allocated two million KGS from the local budget. Additionally, some local entrepreneurs expressed willingness to use their private capital to support the Guarantee Fund. The city then decided to transfer the management of the Guarantee Fund to the City Union of Entrepreneurs. Another project which has advanced is the Business Support Center, which is already officially registered and has started to deliver services. To date, the center has managed to give consultations to 136 unemployed people and to 15 businesses.

Kochkorata

Kochkorata has launched the implementation of 5 projects out of 12, although they have seen a slowdown. Since December 2008 various state institutions have been inspecting the municipality, which prevented them from working efficiently. The reason for this scrutiny was the change in mayors, which occurred when the city council held a vote of no confidence in the former mayor. Now, the former mayor has filed a suit against the council’s decision, leaving a great deal of political uncertainty to cloud the city’s road forward.

In relation to the second cohort, four municipalities (Balykchy, Nookat, Kuchyngysh, Teploklu-chenka) have finalized the 2nd stage of the process, meaning that their updated strategic plans were submitted and approved by their local councils. Uzgen and Cholponata are still finalizing their strategies.

DLGP continues to develop a cadre of local consultants on strategic planning for local economic development. In February, DLGP brought the nine consultants together who are assisting a new group of six municipalities in the strategic planning process. This was a regular meeting to facilitate exchanges on previous experiences, address emerging issues, and train on issues that needed follow-up. This time the focus was on project descriptions and the final strategy document.

The City of Karakol, with DLGP assistance, conducted a public presentation of the Economic Development Strategic Plan on February 6. The plan, including status of implementation of projects, was presented by the Mayor and LED office staff to over 200 citizens (including

businesses and NGOs) and representatives of neighboring municipalities. Participants also received a leaflet with information on how they can benefit from implementation of the Strategic Plan. The event was the first of its kind among strategic planning partner municipalities.

The Municipality of Kunchygysh also conducted a public presentation of a draft of the Economic Development Strategic Plan (EDSP), which was supported by local community on kurultai. On February 27 Aiyl Kenesh of Kunchygysh Municipality adopted the EDSP, which contained projects that addressed their biggest priorities, including SME development by a project envisioning extension of activities of the existing resource center to provide services to entrepreneurs; access to land by developing transparent procedures to sell or lease the land, tourism development by installing information boards about services for tourists, to name a few.

USAID approved three LED in-kind grants based on recommendations of the DLGP selection committee for the strategic planning grant program. As a result, DLGP decided to support two projects: Historical Heritage Preservation Policy in Karakol and One Stop-Shop in Karabalta. For the 2nd cohort of municipalities (Balykchy, Cholpon-Ata, Uzgen, Nookat, Kunchygysh and Teplokluchenka) the deadline for applications was February 28. However, only Kunchygysh managed to submit their application on time. On March 11, after review of Kunchygysh's application, the evaluation committee decided to support their Tourist Services Map Project. Additionally, upon their request, DLGP extended the deadline for the remaining municipalities of the 2nd cohort until March 31.

DLGP conducted a study tour to Karakol for representatives of 12 municipalities from Chui, Osh, Jalalabat, Naryn and Issyk-Kul oblasts. The main goal of the study tour was to share innovative initiatives among municipalities. Participants became familiar with Karakol's experience in LED and asset management.

A DLGP consultant provided a seminar for Belovodskoie and Karabalta on project management. Project leaders learned how to design projects by setting objectives, tasks, and terms, and by identifying the responsible parties and beneficiaries.

DLGP's Resident Advisor participated in Annual Assembly of Entrepreneurs' Union of Kyrgyzstan. During the event DLGP was mentioned on several occasions. During his introductory presentation, the Union's President said that the Union collaborates with DLGP in creation of business supporting infrastructure, including business support centers and guarantee funds. DLGP was referred to also in presentations by the Mayor of Karabalta and an entrepreneur from Kochkorata. They both referred to DLGP assistance to develop the LED strategic plan and to develop the projects envisioned in the plans to support entrepreneurship. The entire event was attended by the Prime Minister, who at the end of the Assembly expressed his support to the Union's efforts to support businesses.

DLGP organized a working meeting of the LED Network. The Executive Director of Association of Municipalities Bolot Asanakunov, Independent Researcher Murat Suiunbaev, USAID's Economic Growth Officer Irina Krapivina and the DLGP Strategic Planning team participated. DLGP presented the current status in pilot municipalities and some initiatives at the national level. Participants agreed to conduct the following LED Network meeting in a municipality to be chosen later and to discuss the impact of amendments in the new Tax Code on local budgets.

Task 2.3. Asset Management Assistance

Karakol Local Government, represented by the City Mayor's Office, held an auction to sell some land parcels. The auction was held on March 3, 2009, at 2 p.m. in the building of the Mayor's Office of Karakol City. Although 11 lots were offered, the city only received bids for 5 plots, and all five lots were sold at the auction. According to the auction results, the five lots sold amounted to a total area of 16,346 square meters, which will result in an additional 784,018 KGS for the local budget.

In addition, Karakol Local Government held a competition to select a partner from the private sector for the management of Pushkin Park. The competition was open for individuals and other legal entities, including foreigners, to apply to privately manage and invest in the park for a five year period, starting from March 15, 2009. On March 3, with the bidders in attendance, the three sealed envelopes containing bids were opened. The City Commission, which includes the city council deputies, mayor's office and local community representatives, decided that none of the bids were suitable, and reopened the window for bids for another two months in order to attract better offers. Upon deciding the winner of the competition, further negotiations will be held with the winner to discuss and sign an agreement on Pushkin Park's private management. The information on the competition results, including the winner's name, terms offered by the winner and other data will be made available in public places within ten days of the formal signing of the contract between the city and the winning bidder.

DLGP conducted a press conference on municipal land issues in Karakol city on March 3, 2009. About 10 representatives of the central and south regional mass media participated in the session. The agenda of the session includes the following:

- Presentation of the land strategy
- Kyrgyz cities' existing land management background
- Karakol land management background
- Analysis of municipal land management practice of Kyrgyz cities

The aim of the press session was to disseminate information on municipal land management in the Kyrgyz Republic. Though this press conference DLGP achieved 1) a better understanding and coverage of the municipal land issues by the mass media, and 2) wide mass media coverage of municipal land management issues and problems. Over the rest of March, 12 print or online stories dealt with issues related to DLGP's work with the City of Karakol, as well as two television programs.

An Exchange Program on municipal land strategies was organized in Karakol on March 2 – 3, 2009. More than 30 municipal representatives participated. Heads of city administrations, local keneshes and municipal property departments researched local experience on municipal land inventory and development of the Land Strategy. All participants of the Exchange Program participated in the land auction and had a chance to get their questions answered.

Three partner rural municipalities began an inventory of vacant municipal land. These municipalities' (Belovodskioe, Teplokluchinka and Kunchygysh) inventory involved conducting visits of all the households on the surveyed territory, according to the specific methodology developed, and identifying all the vacant land parcels on this territory, including small "strips" and "corners", which presumably are behind the street red lines. As a result of the inventory municipalities will have maps of the land in two different levels of detail, as well as a table listing its land holdings, including a verbal description of the boundaries of the surveyed

territory. After completion, the land inventory will be included in the Land Management Plan, which helps to provide for the efficient use and provision of municipal land.

The goals of the project are as follows:

1. Pro-active management, including disposition of the municipal land disposition by the local district.
2. Transfer from passive to active municipal land disposition under the plan.
3. Avoid cases of incompliance with the land legislation as has happened in the past. Additionally, gradually bring previous cases that violated the law into compliance.
4. Make the best possible economic use of the land. Support local economic development and attract private investment to the local economy.
5. Balance the land interests of various groups.
6. Improve revenue generation from the sale and lease of land.

The City of Cholponata is planning a municipal land auction. Until recently, the vacant municipal land in Cholponata City was mostly disposed of through direct sale or lease. But, in 2006, the city conducted an inventory of its property and developed a Strategy of Municipal Land Management, which includes a set of actions focused on efficient use and provision of municipal land. This document provides for a plan-based lease and sale of identified land parcels through transparent tender procedures – auctions and competitions.

In May 2009, the city plans to hold an open auction to provide municipal land under its strategy.

The goals of the project are as follows:

1. Transitioning from passive to active methods of municipal land disposal under the developed strategy.
2. Ensuring transparent and equal access to land for entrepreneurs.
3. Supporting the city's economic development and attracting private investment.
4. Gaining as much revenue as possible for providing the right to land.

Task 2.4. Strengthening Locally Elected Councils

DLGP conducted mass trainings from the February 2-19 on the roles of local council deputies for local council chairs, committee chairs, and executive secretaries. Deputies from all 25 Kyrgyz cities as well as 120 rural municipalities attended, with a total of 621 people, including 157 women, receiving training. Five deputies were invited from each council, with first preference given to the Council Chair and Chairs of the Standing Commissions, and newly elected deputies. Besides deputies, the executive secretary of each municipality was invited. Several teams of trainers conducted trainings simultaneously in the North and the South of the country. During trainings participants received information on the role of the deputy as a policy-maker in the budget process, in municipal property management and in public outreach. Besides the training module, participants received a practical manual for local council deputies, which consisted of model legal acts in all of these areas. A majority of them seemed eager to absorb new information to help them in solving local problems, and most participants gave very positive feedback on the usefulness and effectiveness of the training.

A study film was made on the role of local council deputies, which was used at DLGP's mass trainings for new deputies. The film outlined all the relevant issues, like the deputies role as a policy-maker, in the budget process, in municipal property management and in public outreach, and briefly explained the major points of each. The film uses footage from actual council sessions and features several interviews with council chairs, committee chairs and other deputies.

DLGP finally completed a composition table for the 22 city and 135 rural newly elected local councils that are DLGP partners. The table lists the overall number of local council deputies, number of newly elected deputies, and number of female deputies. It demonstrates that in 22 newly elected city councils, 68% are freshmen and in 135 rural councils, the number is even higher at 85%. The average number of female deputies in cities is 12% and in rural councils is 20%.

DLGP conducted the second part of a Training of Trainers (TOT) on the roles of council deputies. This second part gave trainers themselves an opportunity to present training materials.

DLGP conducted seminars on the role of local councils in monitoring and implementation of strategic plans and managing LED in Jalalabat, Kunchygysh and Cholponata. In the case of Jalalabat and Kunchygysh the seminar was conducted as part of a regular council session and thus almost all deputies were part of the seminar. The main subject of the presentation was the need to hold a session to receive an annual report on the status of the local economy and implementation of the strategy at least once a year. Members of the councils were explained their roles and received recommendations (also in a form of handouts) on the format of the report and issues requiring special attention.

A request for additional trainings on the role of local council deputies came from Nookat Rayon in Osh oblast. It was agreed that the Nookat Rayon Council will invite participants and cover lunch expenses, and DLGP will provide trainers and training materials, including two Laws on Local Government and Local State Administration and Law on Status of Local Council Deputies. Preliminary dates for the four trainings are April 9, 10, 14, 15 for 220 planned participants.

A request for additional training for all Talas city council deputies came from Talas City.

Task 3. Citizen Participation and Public Information Techniques

DLGP made presentations of the individual cities citizen survey results in the following municipalities: Kyzyl-Kia, Batken, Sulukta, Kara-Kul, Kerben, Tash-Kumyr, Jalalabad, Uzgen, Tokmok and Naryn. Attendants of the presentations were the main community stakeholders, including staff members of the cities' administrations, and representatives of municipal enterprises like services providers. Data on citizen satisfaction with the administration's performance and the level of corruption were of the greatest interest to the participants. In most cases, cities' representatives agreed with the priorities identified in the survey and provided assurances that they are taking measures to respond citizens' needs in accordance with their priorities. Further survey results will be submitted to the municipalities on an individual basis.

DLGP announced a competition among local NGOs and organizations to bid for performance of field work and initial data entry for the 2009 citizen survey in all 25 cities of the Kyrgyz Republic. Seven organizations and one individual submitted bids, from which four providers were competitively selected to conduct the survey in April.

DLGP organized a training for the new rural partner municipalities in Nookat, Kara-Suu, Nookan and Suzak rayons. This additional training was needed as a result of changes in the list of partner rural municipalities, primarily ones located in the South. 75 representatives of municipalities, including 48 rural officials, 19 deputies of local keneshes, and local leaders were trained

on ensuring that their LGs are transparent in Finance and Asset Management (this is the IV Training Module on Public Information and Citizen Participation).

DLGP announced the 2009 Best Practices Competition for cities and rural municipalities, and received 16 applications from 8 cities and 11 applications from 3 rural municipalities. With such low competition among rural municipalities, it was decided to extend the deadline for rural municipalities to submit applications until April 15, 2009. All applications from cities are in the process of being distributed to the Selection Committee.

DLGP completed procurement of office and other equipment for the 2008 Best Practices Competition winners. The last payments were made to the providers selected by the Tender commissions of the winning municipalities: Uzgen City and Kotormo rural municipality.

IV. Significant Meetings/Special Events

Bahtiyar Fattahov, Secretary of State of the Kyrgyz Republic National Agency for Local Self Government Affairs, January 13. Krzysztof Chmura and Azamat Orozbekov met Mr. Fattahov to discuss the results of LED office training conducted in December by Serbian expert Jelena Bojovic. Mr. Fattahov was informed about the content of the training and received a set of training materials. He expressed his support to LED initiatives.

Mamasadyk Bakirov, director of the National Agency on Local Government, January 12, 14, 15. Ulara Narusbaeva met with Mr. Bakirov to discuss preparation of the Best Practices Conference.

NALSG Staff, January 14. Ulara Narusbaeva discussed results of 18 regional meetings on “Inventory and State Registration of Municipal Property.”

Askar Salymbekov and Kubanychbek Joldoshev, Chairman and Deputy Chairman of the Parliament Committee on Local Government, January 15. Clare Romanik and Anarbek Ismailov met Mr. Salymbekov and Mr. Joldoshev to discuss the Best Practices Conference. During the meeting further cooperation between DLGP and the committee was discussed, in particular conducting a joint meeting on local economic development in March.

Bolot Japarovich Asanakunov, Director of the Kyrgyz Association of Municipalities, January 15. Ulara Narusbaeva met with Mr. Asanakunov to discuss the Best Practices Conference and MoU with the Latvian Association of Municipalities.

Kadyrbek Kalkanov, Head of the Intergovernmental Finance Department of the Ministry of Finance, January 20. Clare Romanik, Emil Abydkalykov and Azamat Mamytoev attended the meeting organized by Mr. Kalkanov for donor organizations. During the meeting Mr. Kalkanov fully supported the Budget-in-Brief templates (one simple one for citizens and a more sophisticated one for NGOs) developed by DLGP and agreed to include them in the Budget Circular. DLGP also helped the Ministry of Finance to draft the chapter with on public budget hearings in the Budget Circular. As was agreed during previous meetings, DLGP confirmed its readiness to provide assistance in publishing the Budget Circular. Mr. Kalkanov also asked donor organizations if they could support regional meetings to explain the budget circular and changes in the local budget process with respect to adoption of the new Tax Code. DLGP agreed to provide limited assistance in holding three regional meetings for all municipalities in Chuy oblast.

Bahtiyar Fattahov, Secretary of State of the Kyrgyz Republic National Agency for Local Self Government Affairs, January 23. Ulara Narusbaeva and Asel Mambetova met with Mr. Fattahov to discuss up-coming mass trainings for local council deputies as well as the Annual LG's National Conference.

Aidar Mokenov, Deputy Ministry of Economic Development and Trade, February 13. Clare Romanik, Krzysztof Chmura and Azamat Orozbekov met with Mr. Mokenov to present DLGP and local governments' initiatives to address LED. In addition to the deputy minister, the ministry was represented by 8 participants from various departments. DLGP presented how local strategies address Country Development Plan and Program to Support Entrepreneurship. The presentation was supported by the Mayor of City of Karabalta (to illustrate the initiatives this city was undertaking) and Executive Director of the Entrepreneurs Union of Kyrgyzstan. The Deputy Minister expressed interest in collaborating with DLGP, Union and local governments on implementation of infrastructure to support SMEs.

Askar Salymbekov, Chairman of the Parliament Committee on local-self government, February 17. Anarbek Ismailov met Mr. Salymbekov to discuss meeting on local economic development.

Kubanychbek Joldoshev, Deputy Chairman of the Parliament Committee on local-self government, February 25. Anarbek Ismailov met Mr. Joldoshev to finalize organization issues about Committee meeting on local economic development.

Union of Entrepreneurs, February and March. Krzysztof Chmura and Azamat Orozbekov met several times with the Union of Entrepreneurs on projects supporting small and medium enterprises: guarantee funds and business support centers. The meetings were devoted to details of implementation of projects in partner municipalities; discussion of the impact of the property tax and possibility of submitting of joint applications to support business support infrastructure.

Parliamentary Standing Committee on Local Government (all 7 member deputies) and Mamasadyk Bakirov, Director of the National Agency on Local Government, March 18. Anarbek Ismailov participated in a meeting where the committee discussed a draft plan on control of implementation of the laws on local government and local state administration, on administrative-territorial organization and on municipal services. The committee asked for DLGP's help in paying for the organization of check-ups in pilot municipalities.

V. Deliverables and Reports

Publications

Best Practices Book (in Russian and Kyrgyz).

Brochure on Guidelines for the 2009 DLGP Competitions

Budget Circular on Local Budgets

Leaflet on the Economic Development Strategic Plan (EDSP) of the City of Karakol: "How can the Strategic Plan Help You?"

Leaflet on the Economic Development Strategic Plan of Kunchygysh

Leaflet on Karakol Land Auction.

Leaflet on the competition to grant trust management of the “Pushkin Park” property complex in Karakol City.

Information Package for park public-private partnership project in Karakol City

Information Package for the land auction in Karakol City

Reports

Summary report on citizen survey results in 25 cities of the Kyrgyz Republic (for 2008).

Full results of the citizen survey with data for 2007 and 2008 in hard and electronic copies for the following cities: Kyzyl-Kia, Batken, Sulukta, Kara-Kul, Kerben, Tash-Kumyr, Naryn, Shopkov, Tokmok, Cholpon-Ata, Kant and Bishkek.

Strategic Plans for Economic Development in Kunchygysh, Balykchy, Nookat, Teplokluhenka

Study film on local councils

Composition table for the 22 city and 135 rural newly elected local councils that are DLGP partners.

Inquiry sheets for municipalities that were joined to cities (13 of them), in two versions for both staff and citizens of formerly independent municipalities.

Inquiry sheets for partner municipalities for creating initial information database about citizen and staff expectations and preferences about possible administrative-territorial reform.

Comments to World Bank Aid Memo on Land Registration Project (Phases 1 and 2)

Comments to Freedom House Report on Local Democratic Governance.

Recommendations for the LARC’s analytical report on the land state registration problems in the country.

Training Modules

Training program “Role of Local Councilors” for local councils

- Basics of local government in the Kyrgyz Republic
- Local government own functions and delegated state authorities
- Local councilor roles and authorities
- Local council role as policy-maker
- Effective work of the local council
- Role of the council in municipal property management
- Role of the local council in the budget process
- Constituent engagement

Presentations

Presentations during Best Practice Conference

Presentations during mass trainings for local councils

Presentations of the individual city results of the Citizen Survey to city government officials in Kyzyl-Kia, Batken, Sulukta, Kara-Kul, Kerben, Tash-Kumyr and Naryn.

Laws

Memorandum of Understanding between the Kyrgyz and Latvian Associations of Municipalities.

Draft Agreement on trust management of the “Pushkin Park” property complex in Karakol City

Comments on the draft regulation defining boundaries of land plots around multi-unit buildings.

VI. Donor Coordination

DLGP met with Damira Sulpieva of UNDP's local government project and Director of Public Fund "Alibet" on January 20 to discuss cooperation in local kenesh trainings.

DLGP participated in the meeting with WB Mission on Land Registration Project, February 24, 26 on the implementation of second project on the state registration process in the Kyrgyz Republic.

DLGP met with other donor-funded projects to discuss partnerships and other ongoing activities. DLGP met with:

- senior experts from the Netherlands on the possibility to support implementation of strategic projects, with a team from GTZ to discuss potential cooperation in implementing a strategic planning process for Naryn City;
- an ADB team that has started to implement the project "Development of Issyk-Kul Region" in DLGP's partner cities of Karakol, Balykchy and Cholpon-Ata;
- USAID's BEI Project to discuss issues related to the creation of a "One Stop Shop" for improving municipal land procedures; and
- USAID's Economic Reform for Enhancing Competitiveness (EREC) project to discuss recommended changes to the property tax as well as design of a PR campaign to educate the public about the new tax.

DLGP met with Temirbekov Aleksandr, deputy director of the KYRFOR Project, to discuss implementation of environmental protection projects in Kunchygysh and Teplokluchenka. KYRFOR will assist Kunchygysh in developing a plan for improving greenery in the city, especially along the central street. In Teplokluchenka, the KYRFOR Project will assist in developing a program on joint management of natural resources through the creation of an Environment Council.

In February DLGP also met with representatives of the Eurasia Foundation to discuss results of a survey the foundation conducted among migrants. DLGP has informed about initiative of LED and recommended which of those initiatives can be helpful for returning migrants. This is the case of business support center and guarantee funds, which can assist migrants to launch their own business (as the survey results show that some of them are coming with some capital and need support to get additional capital and get through administrative procedures to launch a business).

VII. Programmatic and Operational Update

DLGP updated its Branding and Marking plans for USAID. DLGP strengthened its internal controls for compliance with USAID's Branding and Marking regulations after receiving updated regulations from USAID. In order to fully comply with the updated USAID regulations DLGP submitted extended Marking and Branding Implementation plans to USAID's Regional Development Outreach and Communications Specialist for approval. DLGP also discussed the rules at internal program staff meetings to raise awareness of the new regulations and help ensure compliance.

DLGP is planning its final program conference, scheduled for June 4-5. The conference will take place in two parts, with the first day designed to celebrate international and Kyrgyz best practices and the second day primarily focused on local economic development and the stakeholders involved in its successful realization. Conference speakers will be a mixture of central and local government in Kyrgyzstan, DLGP staff and short-term advisors, and international guests, including a speaker from Serbia, with the aim of transmitting successful USAID programming happening in that country. DLGP will announce the winners of the 2009 Best Practices competition, as well.

VIII. Performance Monitoring and Gender Reporting

PERFORMANCE				
Events	Number of Participants	Number of Local Council Deputies	Number of Female Participants	Female Participants as % of Total
<i>Strategic Planning</i>				
Parliament Committee meeting on LED	40	8	14	35%
Training on SP for Kynchigysh AO	20	5	15	75%
Subtotal:	60	13	29	48%
<i>Strengthening of Local Councils</i>				
Mass training for local council deputies	621	542	157	25%
Subtotal:	621	542	157	25%
<i>Asset Management</i>				
Study tour to Karakol	33	5	10	30%
Subtotal:	33	5	10	30%
<i>Public Information & Citizen Participation</i>				
Mass media on SP and AM	16	0	9	56%
Subtotal:	16	0	9	56%
<i>Financial Management</i>				
Consultations on Excel	14	0	12	85%
Subtotal:	14	0	12	85%
<i>Cross-cutting</i>				
Best practice conference	217	3	33	15%
Subtotal:	217	3	33	15%
Total:	961	563	250	26%

IX. Staff Travel Chart

Employee	Travel in Past Quarter
Romanik (COP)	Karakol (2/05-06), 02/25 Ivanovka AO, Tokmok (3/06)
Krzysztof Chmura (RA)	02/04-06 Karakol; 02/16 Cholponata; 03/01-03 Karakol; 03/15-17 Jalalabat; 03/19 Kunchygysh
Abdykalykov (Municipal Finance Specialist)	01/26 Osh.
Narusbaeva (Asset Management)	02/12 Karabalta, 02/05-06 Karakol, 03/01-03 Karakol
Orozobekov (Strategic Planning)	02/12 Karabalta
Gradwal (Citizen Participation Specialist)	03/04 Luxemburg AO, 03/06 Tokmok
Ismailov (Legal specialist)	02/12 Karabalta
Jamankulova Nurgul (Training and Dissemination Assistant)	03/01-03 Karakol, 02/27 Suntash AO; 03/17 - Tokmok
Mambetova (Legal Specialist)	02/04-5 Naryn
Mamytov (Municipal Finance Specialist)	01/14 Sailyk, Shamshu, Suntash AOs; 01/15 Sailyk AO with Tajik delegation; 01/26 Osh; 02/02 Sokuluk, Belovodskoe, Karabalta, Kaindu; 02/03 Lebedinovka, Kant, Tokmok; 02/19 Kyzyl-Tyy AO; 02/21 Sailyk AO; 02/24 Tash-Moinok AO; 02/25 Ivanovka AO; 02/27 Suntash AO; 02/18 Sokuluk, Belovodskoe, Karabalta, Kaindu; 02/19 Lebedinovka, Kant, Tokmok
Mairambekov (Osh Coordinator)	01/14-17 Bishkek, 01/21-23 Kyzylkia, Batken, Isfana, Sulukta 01/28-30 Karakul, Tashkomur, Kerben 02/02-06 Kerben, Jalalabat, Nooken 02/16-17 Jalalabat 02/19-21 Bishkek 03/11-12 Nookat, Karasuu 03/16-18 Nooken, Jalalabat
Kamchiev (Land Specialist/Osh Representative)	01/12-13 Kochkorata; 01/14-17 Bishkek; 01/21–23 Jalalabat, Kochkorata, Uzgen; 02/02 - 06 Kadamjay, Uchkorgon, Nookat, Karasuu; 02/12 Joosh AO; 02/19-21 Bishkek; 02/26 Kadamjay, Khalmion, Uchkorgon, Masaliev AO, Kyzylkia 03/1- 4 Karakol and Bishkek; 03/16 - 17 Jalalabat

X. Project Challenges and Constraints

Passage of the moratorium on the property tax will limit potential revenues of local budgets for 2009. Counter measures should be taken by the Ministry of Finance in order to compensate for these losses. This may require an amendment to the 2009 National Budget Law, which fixed the sharing arrangement on general state taxes and equalization grants amounts. DLGP's focus will shift from technical assistance on implementing the property tax to implementing an information campaign about the property tax. As the President has characterized the property tax as a tax that only wealthy people should pay, it will be challenging to re-formulate people's understanding of it to being a broad-based tax to fund local services.

DLGP moved up the date for its Best Practices Conference to the beginning of June because local government partners said that it would be unlikely that they would receive permission to travel after mid-June due to the Presidential election scheduled for July 23, 2009.

XI. Task Chart

ACTIVITY	RESULTS IN JANUARY -MARCH 2009	UPCOMING ACTIVITIES (next 2 months)
<p><i>Support to Implement the National Strategy for Further Decentralization and Local Self-Government Development (Task 1.1)</i></p>	<ul style="list-style-type: none"> • Information was collected and analyzed on implementation of the Government Action Plan for 2008-2010 concerning implementation of the National Decentralization Strategy • Survey was conducted on expectations and preferences of the population and local-self governments' personnel, with regard to possible administrative-territorial reform in partner municipalities to create an initial database. 	<ul style="list-style-type: none"> • Participation in NALSGA on drafting recommendations on increasing the efficiency of the local-self government bodies' activities and the relationship with state bodies at the rayon level, optimization of structure and staffing schedule of local-self government executive bodies • Participation in developing draft laws related to local-self government in various spheres <ul style="list-style-type: none"> • Conducting a survey of local self-government personnel and population of 13 rural municipalities that were merged to cities
<p><i>Assistance to Implement Intergovernmental Fiscal Reform (Task 2.1)</i></p>	<ul style="list-style-type: none"> • Massive training on Excel for partner municipalities • Intensive technical assistance on financial management to 3 pilot municipalities • Updating of Burkut program • Preparation of materials for kenesh training on the role of kenesh in the budget process 	<ul style="list-style-type: none"> • Analysis of the vertical balance of the budget system and analysis of the results of IGF reform in 2007 • Intensive technical assistance on financial management to 4 pilot municipalities • Assistance to hold budget hearings in partner municipalities, if applicable <ul style="list-style-type: none"> • Launching consultation program on Excel for partner municipalities • Implementation of Burkut program
<p><i>Assistance in Implementation of Strategic Plans (Task 2.2)</i></p>	<ul style="list-style-type: none"> • Finalization of the process (2nd and 3rd stages) in Kunchygysh, Balykchy, Teplokluchenka, Nookat. • Conducted Project Management workshop in Karabalta, Belovodskoie, Uzgen and Nookat • Continued direct assistance to implement projects in municipalities with adopted LED strategic plans (information system, guarantee fund, business support center and asset management projects). • Launched grant program among 12 municipalities to support implementation of projects (applications from 7, granted to 3). • Assistance to Karakol to present the Strategic Plan and LED office to the general public, business 	<ul style="list-style-type: none"> • Continuation of direct assistance to implement projects in municipalities with adopted LED strategic plans (information system, guarantee fund, business support center and asset management projects). • Finalization of process (2nd and 3rd stages) in Uzgen and Cholponata. • Developing publications for Belovodskoie and municipalities of 2nd cohort. • Assisting in Public Presentations of EDSP in remaining municipalities. • Preparation of LED conference • Conducting of regional meetings on LED with JK Committee • Completion of 3rd tranche of the grant program for 2nd cohort of

	<p>community and donors</p> <ul style="list-style-type: none"> • Conducted exchange visit on LED to municipalities using Karakol as an example • Conducted 3 seminars for kenesh on LED (Jalalabat, Cholponata, Kunchygysh) • Continued LED network facilitation • Promoted LED initiative on a national level (Committee, NALSG, MEDT, other donor programs) 	<p>municipalities.</p> <ul style="list-style-type: none"> • Continuation of LED network facilitation <ul style="list-style-type: none"> • Conducting seminars for kenesh on LED to others than Jalalabat, Cholponata, Kunchygysh • Finalization of Manual on LED. •
<i>Asset Management Assistance (Task 2.3)</i>	<ul style="list-style-type: none"> • Karakol Local Government held an auction to sell some land parcels • Karakol Local Government held a competition to select a partner from among the private sector • DLGP conducted press-session on municipal land issues in Karakol city • Exchange Program on municipal lands strategy in Karakol • Three partner rural municipalities began an inventory of municipal vacant lands: Belovodsky, Teplokluchinka and Kunchygysh • Cholponata city is planning to auction of municipal lands. 	<ul style="list-style-type: none"> • Intensive TA on AM to municipalities • Intensive TA to Karakol city on implementation of public-private partnerships and investment map <ul style="list-style-type: none"> • Intensive TA to Balykchy city and Kunchygysh AO on municipal land strategy
<i>Strengthening Locally Elected Councils (Task 2.4)</i>	<ul style="list-style-type: none"> • Composition table for 22 city and 135 rural councils completed • Second part of TOT for trainers on Role of council deputy conducted • Mass trainings on Role of council deputy for all DLGP partner city and rural council deputies conducted • Suggestions on possible candidates for ACCELS Study tour on Role of local councils in community development 	<ul style="list-style-type: none"> • Trainings on Role of council deputy for Nookat rayon rural council deputies in April for 220 participants • Pilot trainings on Budget issues for Budget Standing Commission deputies <ul style="list-style-type: none"> • Pilot trainings on Asset management issues for Municipal property Standing Commission deputies
<i>Citizen Participation and Public Information Techniques (Task 3)</i>	<ul style="list-style-type: none"> • The Best Practice Conference for 2008 conducted • Year 3 DLGP Competitions announced • Procurement of computers and other office equipment – in-kind grants is completed for the winners of the BPC for 2008 	<ul style="list-style-type: none"> • Select winners of the Year 3 DLGP Competitions • Conduct Procurement training for the winners of the DLGP Competitions • Start procurements • Complete presentations of survey results to cities (working meet-

	<ul style="list-style-type: none"> • Results of Citizen Survey presented to 10 cities • Report on summary of survey results for all 25 cities published in DLGP's Newsletter • DLGP competitively selected entities to perform 2009 survey in 25 cities • The 2008 Best Practice book published 	<p>ings with cities officials and local councils members)</p> <ul style="list-style-type: none"> • Publish PICP manual • Design a new Training PICP Module • Conduct TOT on the new training module • Complete field works, initial data entry and check accuracy of the 2009 survey data <ul style="list-style-type: none"> • Design an Action plan for the Property Tax Information Campaign
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USAID
FROM THE AMERICAN PEOPLE

KYRGYZ REPUBLIC

SUCCESS STORY

Karakol is Open for Business

(A Kyrgyz city demonstrates its commitment to realizing its potential through development of its business sector)

USAID's Decentralization and Local Government Program is helping the City of Karakol create an image of an investor-friendly city



"We have come to understand that committing to and having a land auction shows investors that we are serious about being a city that is investor friendly." – Nurbek Aaliev, Mayor of Karakol

Challenge

Many cities in the Kyrgyz Republic have the potential for development, but they need investors in order to realize this potential. However, attracting investment and stimulating business development has long posed a significant challenge in the Kyrgyz Republic. With a legacy of restrictive Soviet rules and regulations to go along with Soviet-era infrastructure, entrepreneurs have had to look hard to find reasons to justify investment. Improved infrastructure and a commitment to open and transparent regulations can go a long way toward stimulating growth in the city's business sector, and with it, quality of life.

Initiative

USAID's Decentralization and Local Government Program (DLGP) has been working with Karakol to improve the city's business environment in a number of ways, and the city has been making significant progress. To highlight that progress to other municipal governments, the USAID DLGP conducted an experience exchange tour for 30 local leaders from five regions of Kyrgyzstan. The tour showed how Karakol has set up a service center to help residents with matters involving the municipal government and made substantial progress in improving municipal services like clean drinking water. The city has also set up a transparent sealed-bid auction for proposals to administer the city's Pushkin Park, which is one example of how the city administration is actively working to enter public-private partnerships to stimulate private investment in the city.

Results

Karakol's recent municipal land auction was a turning point for the city. The city council came to understand that the first objective of holding such an auction is to promote business development, with raising revenues being the second objective. Karakol's understanding of this was strongly displayed at its auction in March, which went on despite initial plans to cancel it, and which drew interested businessmen from as far away as Bishkek. By passing this test, the city has helped to cement its recognition as one of the top destinations for business in the Kyrgyz Republic.

March 2009



USAID
FROM THE AMERICAN PEOPLE

KYRGYZ REPUBLIC

SUCCESS STORY

Selling Land = Building Success

(A rural municipality conducts monthly land auctions to improve and grow the local economy)

USAID’s Decentralization and Local Government Program’s assistance to the rural municipality of Mombekov has institutionalized the practice of competitive and transparent land auctions



“We have received a lot of thanks from entrepreneurs for institutionalizing land auctions, which has helped them to start new businesses and expand existing ones.” – Batma Jakybalieva, Coordinator of the Mombekov Development Center

Challenge

Across the Kyrgyz Republic, generating economic growth is a challenge, especially when it comes to stimulating business development. However, business development is critical to creating new and better jobs for citizens, which helps to lower the unemployment rate and raise standards of living. Finding ways to stimulate local business is one of local governments most difficult and pressing challenges.

Initiative

USAID’s Decentralization and Local Government Program (DLGP) has worked with the Municipality of Mombekov, a rural, agrarian municipality in the south of the country, to assist it in learning how to take advantage of one of its most abundant resources, land, to both develop its local economy while also generating funds for its local budget. The USAID DLGP focused on building the local government’s capacity to use land auctions to turn municipal land into new businesses as well a revenue for the local budget by providing technical assistance in inventorying and registering the land. With this help, the local government was then able to hold their first land auction in July 2008.

Results

In the months following their first municipal land auction, Mombekov’s municipal government has taken the lessons they learned from the USAID DLGP and, on their own initiative and with their own resources, held monthly land auctions. These land auctions have resulted in the sale of seven plots of municipal land, earning the local government almost \$20,000 in budget revenues. Not only did the land auctions help the municipal government’s bottom line, but it also helped to develop the municipality economically. Those seven plots of land have attracted a total of about \$50,000 in outside investment, and are now all under construction to become a variety of small businesses, including a dairy store, which shows how the municipality is working to achieve its goal of not only producing agricultural products, but also developing local value-adding enterprises. When open, the business will create jobs for 54 people.

March 2009



USAID
FROM THE AMERICAN PEOPLE

KYRGYZ REPUBLIC

SUCCESS STORY

Cleaning up their Act

(Two city governments forge partnerships with their citizens to clean their streets and restore their civic pride)

USAID's Decentralization and Local Government Program helped Naryn and Talas' city administrations, waste removal utilities and local NGOs work together to raise awareness and clean up their streets



"Improved waste removal situation in Naryn led to reduced number of infectious diseases." –, Kubanychbek Nurmanbetov Vice-Mayor of Naryn

U.S. Agency for International Development
www.usaid.gov

Challenge

In Naryn and Talas, two mountainous cities located in remote regions of Kyrgyzstan, the streets were littered with trash. With the responsibility for collecting garbage removal fees distributed among different district administrations as well as the city's waste removal utility, there was no single body able to take responsibility for ensuring the process worked efficiently. This led to a lack in funding for waste removal due to a poor understanding among citizens of the need to pay their fees.

Initiative

After learning from USAID's Decentralization and Local Government Program (DLGP) and the OSCE about a joint approach to attack these kinds of problems, city administrations, waste removal utilities and NGOs worked together on behalf of their communities to develop Service Improvement Action Plans (SIAPs) to improve waste management in Naryn and Talas. Developing SIAPs let all parties come together to discuss the problem, propose the best ways to improve the situation, and then agree upon and write down specific steps to take and indicators to measure progress. Some of the indicators used to monitor progress in Naryn and Talas were increasing payment collection, decreasing complaints about service quality, and increasing the quantity of garbage removed. This was brought about through information campaigns that explained to citizens that waste removal is not free but must be paid for, while emphasizing the importance of clean streets and the damage caused by burning garbage, and through upgraded equipment provided by the USAID DLGP to improve the cities' waste management infrastructure.

Results

In Talas, DLGP's Citizen Survey shows that the percentage of residents who are satisfied or somewhat satisfied with garbage collection jumped from 33% in 2007 to 50% in 2008, with a similar increase of 40% to 67% in Naryn. Furthermore, improving the cleanliness of the cities has already had a direct effect on public health. In Naryn, for example, the number of infectious diseases has fallen 9% in the last year, according to its Sanitary Epidemiological Station.

March 2009