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Quarterly Performance Report

Clare Romanik, Chief of Party

Hilary McClellan, Deputy Chief of Party

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Decentralization and Local Government Program in the Kyrgyz Republic

Strategic Objective 2.1: Governing Justly and Democratically

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THE DECENTRALIZATION/LOCAL GOVERNMENT PROGRAM IN THE KYRGYZ REPUBLIC

QUARTERLY PROGRAM PERFORMANCE AND COST REPORT

A. Highlights

- DLGP prepared for mass training to 160 local self-governments (LSGs) (through 29 cohorts) in the areas of financial management, asset management and citizen information and participation by conducting a competitive selection of trainers followed by a rigorous ToT, with testing of the trainers in their relevant competencies (see Success Story in Annex 1).
- DLGP staff participated in the working group of the National Decentralization Strategy to prepare a draft law on changes to the Law on Local Self-Government and Local State Administration to comply with the new Constitution.
- DLGP wrote letters to the Agency for Local Self-Government, the Ministry of Economy and Finance, and several parliamentarians in a proactive effort to ensure that the 2007 budget (not yet approved as of mid-January) would respect the integrity of LSG reforms, namely that local finance departments not be subordinated to the MoEF and that the re-introduction of rayon budgets would not reduce the transparency and predictability of LSG revenues.

B. Trends in the Environment

November brought more political uncertainty as the President and Prime Minister struggled with the Jogorku Kenesh for power. The result has been two-fold: 1) many efforts have been made through amending various laws to again centralize power and 2) policy makers have been too distracted to deal with many pressing issues. The central government's wish to stabilize the political situation has often resulted in attempts to preserve the mechanism of interaction with the local self-government that previously existed, and in some cases to centralize the government system. A vivid example of such attempts is the draft Laws of the KR "On Amending the Law On the Main Principles of the Budget Law in the KR" and "On Amending the Law "On Financial and Economic Basis of Local Self-Government", submitted by the KR Government to the Parliament that proposes subordination of LSG financial and economic departments to the Ministry of Economy and Finance. The second problem is illustrated by the fact that the Republican Budget still has not been approved, and it is unlikely to even be considered before the end of January by Jogorku Kenesh. The absence of an approved republican budget means that it is still uncertain which system will be pursued, a so-called two-level budget (republican and local) or the four-level system (republican, oblast, rayon, and LSG). This leaves the implementation of IGF reform for the 2007 budget questionable.

The Government of the Kyrgyz Republic submitted to Parliament draft amendments to the Basic Principles of Budget Law. The draft amendments introduce rayon keneshes and provide them with the same rights that aiyl and city keneshes have with respect to the local budgets. The goal of the amendments is to introduce rayon budgets. However, this approach will create some ambiguity because it is unclear what the funding source will be. Indeed, the wording in the amendments could potentially create the opportunity for rayons to again deduct shares of tax (general state and local) revenues from local budgets thereby reversing

some of the reforms. Although DLGP is not necessarily against the creation of rayon budgets, we believe the mechanism needs to be transparent in order to protect recent inter-governmental reforms.

The Government of the Kyrgyz Republic submitted amendments to Jogorku Kenesh on the Law on Financial and Economic Basis of Local Self-Governments. The purpose of the amendments is essentially to subordinate the financial and economic departments of local self-governments to the Ministry of Economy and Finance. DLGP believes the proposed amendments stem from the MoEF's concern that it will lose control under the new IG finance system leading to serious financial problems at the local level and that it will have substantial problems obtaining necessary data from LSGs.

The Jogorku Kenesh approved two different constitutions. In November 2006, a political stand-off led to the adoption by the Jogorku Kenesh, after two quick readings, of a new constitution which was immediately signed by President Bakiev. The main change in the new constitution pertained to how Jogorku Kenesh is constituted. Instead of the current system of individual mandates, the new constitution stipulated that half of the deputies are elected from party lists. The number of deputies was also increased from 75 to 90. It was agreed that the constitution would come into force immediately but that current parliamentarians would retain their post until the next scheduled election in 2010 when the new parliamentary election system would come into force. However, there continued to be behind the scenes maneuvering as both sides fought for power. The power struggle culminated in the resignation of Prime Minister Kulov in mid-December. Jogorku Kenesh was then faced with either having to draft a new constitution or dissolve.

The result was a new constitution approved by Jogorku Kenesh on December 30. Although the details of the December 30 constitution are not fully known, it is clear that there will be several implications for local self-governments.

Key local self-government issues in the November 2006 constitution are:

1. As part of the overall shift in power, the Prime Minister is no longer part of the process of appointing the head of the Local State Administration (LSA). Previously, the KR President appointed LSA heads based on the recommendation of the Prime-Minister, and were approved by the relevant kenesh; LSA heads were dismissed by the President. However, the November 30 constitution states that LSA heads shall be appointed and dismissed in accordance with the procedure stipulated by law (Article 76, Item 2). The current Law "On Local Self-Government and Local State Administration" stipulates that LSA heads shall be appointed by the KR President, as agreed with local keneshes. Although the Local State Administration is not part of Local Self-Government, this will indirectly affect LSGs as the head of the LSA exerts significant influence on LSGs.
2. The phrase "other bodies, formed by the population itself" was deleted from the provisions on LSG bodies and ways of managing local significance affairs that had been contained in the 1993 constitution. The only body indicated as the one that executes local self-governance is local keneshes and executive bodies subordinated to it (Items 1 and 5 of Article 90 of the November 2006 Constitution). The November 2006 Constitution established local kenesh superiority to an executive body in that executive bodies shall be established by a local kenesh, rather than the population, to execute kenesh decisions. The first



implication is that the current procedure of direct popular election of heads of LSG executive-administrative bodies may be replaced by a system in which the directly elected kenesh will appoint the executive head of LSG. This system would be similar to a local council – city manager model in the United States. The second implication is that Territorial Organization Committees (TOCs) would cease to be considered a body of LSG.

3. LSG gain the right to contest actions encroaching on LSG rights in the courts.
4. The November 2006 Constitution also states that local self-government is granted to administrative-territorial units. This implies that rayons and oblasts, in addition to cities and villages, may also be local self-governments.
5. The November 2006 Constitution also states that state functions can be delegated to LSG not only by law, but also by agreement. These delegated functions shall be financed by the State budget (which includes local and republican budgets) rather than the Republican budget. This creates a large obstacle in implementing true financial autonomy of LSGs because it could create unfunded mandates if LSGs are delegated new functions without additional resources.

C. Activities

Task 1.1. Support to Implement the National Strategy for Further Decentralization and Local Self-Government Development

DLGP drafted a letter to the Agency for Local Self-Government, the Ministry of Economy and Finance, and several parliamentarians proposing a different mechanism for creating and funding rayon budgets and opposing the subordination of local finance departments to the MoEF. Since the GoKR seems intent on retaining rayon keneshes and rayon budgets (instead of incorporating oblast and rayon budgets into the republican budget and providing them with spending plans as LGI II proposed), DLGP suggested instead to introduce to the Basic Principles of Budget Law two new articles. The first article would introduce the notion of the rayon budget, as separate from the republican budget and local funds, to fund the rayon state administration and institutions of rayon significance. The rayon budget would be approved by the rayon kenesh. The second proposed article defined the potential sources of finance for a rayon budget as shares of general state taxes assigned separately from shares to local budgets and grants from the republican budget. DLGP also detailed our objection to the proposal to subordinate the local finance departments to the MoEF and proposed that instead improved reporting mechanisms be developed in order to ensure that MoEF receives adequate information from the local level and is able to identify problems before they get too large.

DLGP staff participated in the National Decentralization Strategy working group to revise changes to the Law on Local Self-Government and Local State Administration (previous changes were submitted to the Government in August) to comply with the November 2006 Constitution of the Kyrgyz Republic. The Working Group includes E. Mamirov, State Secretary of the KR Ministry of Justice (Working Group Head); M.S. Bakirov, Deputy Director of the KR National Agency for LSG; A.K. Ismailov, Senior Lawyer of the USAID DLGP; K. Diykanbaev, Chairman of the KR Association of Towns and Villages; B. Asanakunov, Executive Director of the Association of Cities; M. Yesenaliev, Chief Specialist of the Organizational and Legal Division of the KR National Agency for Local Self-Government; and M.M. Mambetov, Chief Specialist of the Ministry of Justice Center for Legislation Drafting Activity Coordination of the KR Government. From July 26,

2006 when the working group was established to end August, the working group drafted several laws including draft amendments to the Law On Local Self-Government and Local State Administration; the Law On Motor Roads, On Municipal Property and the Civil Code.

The key changes that DLGP has been trying to include in these amendments is: 1) introducing the term of “municipality;” 2) defining exclusive local government functions and developing a mechanism for delegating functions; 3) implementing a better mechanism for the LSG executive body to report to representative bodies; 4) increasing administrative and political autonomy of LSGs and reducing state interference; 5) eliminating contradictions between LSG authorities and those of local state administration and bringing other important laws into compliance with the LSG/LSA Law.

At the first meeting to revise the proposed changes held in November, the first deputy of the Ministry of Justice, the Deputy Director of LSG Agency, the Executive Director of the Association of Cities, and the senior DLGP legal specialist were present. Prior to the meeting, DLGP had already developed revised amendments to the LSG/LSA Law and to the Law on Capital Status necessitated by changes to the Constitution. The essence of DLGP’s proposed changes to the LSG/LSA Law prescribes the general competence of all local-self government bodies with separate Laws On Capital Status and Status of Osh City stipulating additional functions and powers of the Mayor’s offices and City keneshes in Bishkek and Osh. It was agreed during the working group meeting that each member should prepare his own changes to the amendments to the LSG/LSA Law for discussion at the next meeting.

DLGP prepared comments on the draft law On the Procedure for Addressing Issues of Administrative-Territorial Division. The draft law was developed by Working Group 2 established by decision of the Republican Coordinating Council on Decentralization and Local Self-Government Development as of July 26, 2006. DLGP proposed some changes to the draft law particularly the introduction of the concept of a municipality and that municipalities (urban and rural) be the lowest administrative-territorial unit replacing cities and aiyls.

Task 1.2. Support to the Municipal Associations

DLGP initiated targeted interviews to develop a capacity building needs assessment in rural municipalities. Jointly with the Association of Villages, DLGP developed a questionnaire for rural local government officials on their needs and priorities. Thereafter, interviews of 40 rural municipality heads and rural kenesh deputies were conducted. The surveys of rural kenesh deputies explored kenesh deputies’ perceptions of their ability to serve as a counterbalance to the executive. Based on these interviews, DLGP will hold 2 focus groups in January to develop a capacity building needs assessment in rural municipalities. The Assessment will be developed in January and will analyze the results of the interviews and focus groups. The Assessment will be divided into 6 sections:

- Overview of current de facto functions performed by various employees in rural administrations (aiyl okmotus) and rural keneshes;
- Assessment of skill levels of current staff;
- Review of requests for capacity building made by senior local government officials;
- Matching requests and de facto functions with areas of concentration for DLGP;
- Evaluation of training delivery institutions and possible mechanisms; and



- Recommendations for capacity building measures for rural municipalities and possible delivery mechanisms.

Task 2.1. Assistance to Implement Intergovernmental Fiscal Reform

DLGP and ARIS reached preliminary agreement in early October to cooperate on financial training. ARIS is implementing a World Bank financed project on Local Budget Transparency and Accountability which is tasked to provide financial management training to all local self-governments in Kyrgyzstan before the start of the 2008 budget preparation efforts in May 2007. The two projects initially agreed that UI would be responsible for Chui Oblast, all cities, and our rural partners in the South. DLGP agreed with ARIS that we would essentially use the same materials. Both projects will target the same participants including heads of local governments, heads of LSG financial departments and local kenesh budget commission chairmen

ARIS formed a working group in November 2006 that included the Ministry of Economy and Finance, the Association of Cities, and several other Kyrgyz organizations involved in local government issues (no international organizations were included in the working group) to draft the materials. In mid-December, the working group presented for comment to several organizations, including DLGP, the trainer manuals on four topics:

- Local budget revenue formation;
- Local budget expenditure formation;
- Intergovernmental finance within the context of a two-level budget system. Transfers: Allocation Mechanism and Procedure; and
- The treasury system.

The materials only included trainer manuals, without slides; and the training was anticipated to last 4 days.

Meanwhile, in mid-December DLGP met with the Head of ARIS, Elmira Ibraimova, and the WB project head to review our preliminary agreement to divide up financial training as both DLGP and ARIS had further clarified their training plans since October. During the meeting ARIS expressed its concern with DLGP's intention to spread the trainings out over quarters, completing the training in Fall 2007 (long after the draft 2008 budgets are submitted). Moreover, it became apparent that MoEF was planning to pass a resolution stating that all training on financial management issues had to follow the ARIS/MoEF developed materials. It was clear during the meeting that DLGP could choose to proceed in three ways: 1) continue with our initial training plan with trainings to be held quarterly and risk the possibility that ARIS would decide to provide their 4 day training in our partner municipalities thereby making our later quarterly trainings redundant or if ARIS did not hold trainings in our rural municipalities potentially harming them vis-à-vis their relationship with MoEF; 2) conducting the ARIS/MoEF 4 day training in Chui Oblast (excluding Kemin), two Talas rayons, and all cities, but excluding our southern rural partners; or 3) not doing financial management training, and limiting our work to financial management consultations and technical assistance.

DLGP submitted a memo to CTO Karimov requesting his approval for Option 2 in early January. Option 2 is recommended because it ensures that DLGP's training is relevant and does not become redundant in the event that ARIS/MOEF proceeded to training our partner municipalities on the 3.5 day training while we pursued the quarterly training approach, is

most advantageous to our partner municipalities because it they will have them same training as all other municipalities and therefore cannot be singled out for not having the specific MoEF training, and further improves our cooperation and relationships with MoEF and ARIS.

Because of the uncertainty of our cooperation with ARIS and division of work, DLGP tentatively defined our three one-day quarterly trainings in financial management including:

- The budget process, model municipal budget procedures, and local budget revenues.
- Public budget hearings and local budget expenditures.
- Execution of local budgets

Based on the training manual materials provided by ARIS/MoEF, DLGP developed the training materials, including the course design, slides, agenda, exercises, and handouts, for topic 1. The topic consisted of the following three sessions: the budget process, model municipal budget procedures and revenues of local budgets. Each session contained practical exercises such as how to write a budget message (statement), roleplaying local tax rate decision making, and several revenue forecasting exercises. The homework assignment to be completed between the first and second quarterly financial management trainings will be adopting the model municipal budget procedures and developing a tax base inventory for the taxes where data is missing.

A train the trainers on financial management topic 1 (as well as the basics of local self-government and overviews of citizen participation and asset management) was delivered on December 19-22, 2006 for 9 potential trainers chosen on a competitive basis. All potential trainer-consultants were required to take entry and exit tests designed to test their knowledge of financial management issues. Although all the potential trainer-consultants did reasonably well on the entry exam, there was clear improvement on the exit exams following the training on Topic 1. DLGP was quite pleased with the trainer-consultants and will likely use all of them for our financial management training component. At the conclusion of the ToT, DLGP discussed not only our anticipated quarterly training program, but also the possibility that this plan might change in order to align our efforts with the ARIS/MoEF training program. All participants indicated their willingness to work with DLGP regardless of the training format.

Task 2.2. Assistance in Implementation of Strategic Plans

On October 30, DLGP met with ARIS staff involved in preparing “Vision of Development” (investment plans subsequently funded by ARIS) to obtain information on the investment strategies developed with ARIS assistance and to discuss possible means of cooperation in the area of strategic planning. ARIS initially intended to use the methodology developed by LGI I, although subsequently modified the approach substantially resulting in the Visions of Development. DLGP intends to sign a partnership agreement with ARIS which will leverage DLGP impact as ARIS has facilitated “Visions of Development” in 225 municipalities and has plans to work in 250 more municipalities—basically covering the entire country—and has the grant funds to support implementation of these plans.

On October 31 and November 1 DLGP visited Uzgen City and Kurshab, Bagysh, and Belovodsk rural municipalities to discuss their experience with the development and



implementation of strategic plans. All developed strategic plans with the assistance of LGI I and II except Bagysh, which received assistance from the CDI project. The municipalities' willingness to monitor implementation of existing development strategies was also discussed. Several key issues were highlighted during the visits. First, all four municipalities expressed their satisfaction with the process of developing the strategic plans. Second, in spite of the fact that responsibility for implementation of projects identified in the strategic plans was mainly assigned to deputy heads, more than 50% of the projects are implemented as a result of ARIS funding and/or other donor financing. Many of the implemented projects address social issues, like public building roofs, schools, culture houses, etc. and only a limited number of projects address pure economic issues, such as development of business premises, agricultural related projects, etc. In addition, an important lesson learned is that DLGP should better focus on developing organizational capacity within local governments to strengthen their ability to focus on strategic issues and to implement strategic plans.

A team consisting of Sharon Cooley from UI Washington, Ivan Apanasevich from USAID Almaty, Myrza Karimov from USAID Bishkek, and Krzysztof Chmura, DLGP's new resident advisor, visited Voznesenovka, Poltavka and Sosnovka Ayil Okmotu on November 8 to introduce DLGP program objectives and future activities.

Task 2.3. Asset Management Assistance

A 1-day training course on the Basics of Asset Management for rural kenesh deputies was designed by DLGP for use by ARIS within the framework of its WB financed Local Budget Transparency and Accountability project. DLGP intends to use these materials in Years 2 and 3 of the project. The course focuses on: 1) why municipal property management issues are important for the rural kenesh; 2) municipal property legislation in the Kyrgyz Republic; 3) the main principles of municipal property management; 4) the role of the rural kenesh regarding municipal property management; and 5) a review of the current municipal property management situation in rural municipalities and possible tactics and strategies for rural councils regarding municipal property management. The course materials were supplemented by appropriate legal information of the Kyrgyz Republic and detailed instructions for the trainers who will conduct these trainings. The first pilot trainings will be conducted by ARIS in January 2007 for Chui Oblast rural municipalities.

The first quarterly asset management training course, the Legal Basis of Asset Management, for rural cohorts was designed. The training focuses on municipal property legislation in the Kyrgyz Republic and municipal property inventory issues, such as:

1. Legal basis of municipal property
2. Definition of municipal property, its structure and management
3. Authorities of rural local self-governments in asset management
4. Inventory of municipal property



Asset Management Train the Trainers

15 independent trainers on asset management issues were selected on a competitive basis to participate in a ToT. From December 20–22, 2006 DLGP conducted a 2-day Training of Trainers (ToT) for the selected candidates during which the first of the three Year 1 quarterly asset management trainings was presented (in addition to 1 day of interactive training techniques, the Basics of LSG, and overviews of financial management and citizen participation/information). 10 out of 15 of the participants were chosen as trainer-consultants with an additional two back-ups. The distribution of the trainer-consultants is as follows:

- 4 trainers in the south of the country
- 7 trainers are in the Chui region
- 1 trainer in the Talas region

Task 2.4. Strengthening Locally Elected Councils

UI conducted a training of trainers from December 19-22 for trainer-consultants for rural and urban municipalities for our mass training component. The mass training component envisions quarterly training in three topics: asset management, financial management, and citizen participation. Before these trainings, each partner municipality will receive training on the basics of local self-government if they have not already under LGI II or the CDI project in the South of Kyrgyzstan. Kenesh deputies will be included in each training.

An open competition for trainer-consultants was announced in mass media. DLGP received 70 applications from which 48 were selected. The 4 day ToT involved 1 day of training on interactive adult training methodologies, two days of training in a trainer-consultant's substantive area, and 1 day of training which included overviews of the other substantive areas of DLGP. For example, a financial management trainer received two days of training on financial management plus overviews of asset management and citizen participation. All ToT participants undertook an entry exam in their specific area and the same test at the end of the training. Based on the results of the test and participants performance during the training, DLGP selected trainers who will then work on a part-time basis with the project to deliver trainings and provide consultations to the cohorts.

The training schedule for each topic and each cohort has been designed for Year 1 of the project. The Basics of Local Self-Government will begin on January 15 and followed immediately by the three primary training areas of asset management, financial management,



and citizen participation. In total, there are anticipated to be 217 trainings in Year 1 of the project under the mass training component.

Task 3. Citizen Participation and Citizen Information Techniques

DLGP designed a 1-day training course on Public Information. The course is focused on the importance of public information for local governments and mechanisms and tools for developing and disseminating public information. The course includes various types of training techniques including presentations, general discussions and small group discussions. The training will be the first of the quarterly trainings on citizen information and participation under DLGP’s mass training component. Participants of the course will be given the homework assignment to design their own Information Plan (IP) and start implementing it. Following the training, DLGP staff and recently trained trainers will provide technical assistance directly to LSGs in designing and implementing their IPs.

DLGP conducted a ToT from December 19 to 22 for new trainer-consultants to deliver trainings on Public Information and Citizen Participation issues to DLGP partners. A group of 23 people were trained as trainer-consultants on citizen information and participation issues and particularly the new public information course. All ToT participants were tested, both with a written entry/exit exam and through actual training demonstrations (participants were asked to delivery specific portions of the public information training course). Out of the 23 participants, 8 trainers were competitively selected to further deliver trainings and technical assistance to DLGP partners and an additional two participants were selected as back-up candidates.

A detailed training schedule was developed that details which trainers will provide training to each of the 29 cohorts and the date of each training.

The questionnaire for the citizen satisfaction survey used in February 2006 is being revised taking into account questions and problems that arose during the last survey. In addition, the survey is being modified for use in rural municipalities. DLGP intends to conduct the survey in all 25 cities and one rural municipality in each rural cohort in February/March 2007.

D. Staff Travel Chart

Kyrgyzstan

Employee	Travel in Past Quarter
Undeland (CoP)	Osh 10/25-10/26; On leave 12/18-1/10
McLellan (DCoP)	On leave 10/9-11/3
Chmura (RA)	In-country 10/27-11/10; Uzgen, Kurshab, Bagysh 10/31; Belovodsk 11/01; Voznesenovka, Poltavka, Sosnovka 11/08
Kaganova (TDY)	In-country 11/29-12/13; Jalal-Abad 12/4; Osh 12/5
Cooley (PM)	In-country 11/6-11/11; Voznesenovka, Poltavka, Sosnovka 11/08
Abdykalykov (Municipal Finance)	Petrovka, Pervomai, Sary-Bulak 10/26
Akmatov (Land Specialist/Osh Representative)	Bishkek 10/1-10/22, 10/28-11/8, 11/11-11/23, 12/5-12/25; Jalal-Abad 12/4
Asibaliev (Strategic Planning)	Novopokrovka, Nurmambetovo, Krasnaya Rechka 10/26; Uzgen, Kurshab, Bagysh 10/31; Belovodsk 11/01;

	Voznesenovka, Poltavka, Sosnovka 11/08
Bektenova (Executive Officer)	Kara-Balta 10/6; Novopavlovka 10/26
Dobretsova (Publications and Information Dissemination Specialist)	Kara-Balta 10/6; Borolday, Orlovka 10/26; Keminisky Rayon 10/27
Gradwal (Citizen Participation Specialist)	Novopokrovka Nurmambetovo and Krasnaya Rechka 10/26
Ismailov (Legal Specialist)	Borolday, Orlovka 10/26; Keminisky Rayon 10/27
Mairambekov (Osh Coordinator)	Bishkek 12/11-12/23
Mambetova (Legal Specialist)	Novopavlovka 10/26;
Narusbaeva (Asset Management)	Petrovka, Pervomai, Sary-Bulak 10/26

Note: Travel included in the table may include travel funded through a different contract (e.g. The CDI Project), however, it reflects a UI/DLGP presence and in most cases DLGP issues are discussed with counterparts in the field.

E. Programmatic and Operational Issues

In mid-October COP Charles Undeland announced his departure from the project effective mid-January. UI proposed Clare Romanik, a UI staff member since 1994 to replace him. At the same time, it was proposed to officially recognize Hilary Mclellan as the Deputy COP. USAID provided its approval in early December. Ms. Romanik will overlap with Mr. Undeland for several days before his departure.

Krzysztof Chmura, the new resident advisor under DLGP, was in-country 10/27-11/10 for a TDY.

DLGP's Asset Management Specialist Olga Kaganova was in-country 11/29-12/13.

DLGP's new Project Manager from UI Washington, Sharon Cooley, was in-country 11/6-11/11.

A new project office will be opened in Osh. During the reporting period DLGP identified space in the oblast Administration Building in Osh. Abdirasul Akmatov will serve as our Osh representative as well as continuing to work on land management issues. In addition, we welcome Sultan Mairambekov to our staff who is the Osh Office Coordinator and will also work on citizen participation issues. The Osh office will be operational in January.

F. Gender Reporting

GENDER REPORTING			
Events	Number of Participants	Number of Female Participants	Number of Female Participants as a % of the Total
Mass Training ToT	46	29	63%
Total	46	29	63%



G. Task Chart

ACTIVITY	RESULTS IN OCTOBER-DECEMBER 2006	UPCOMING ACTIVITIES (next 2 months)
<i>Support to Implement the National Strategy for Further Decentralization and Local-Self Government Development (Task 1.1)</i>	<ul style="list-style-type: none"> • Comments on the proposed amendments to the Basic Principles of Budget Law and the Law on Financial and Economic Basis of LSGs provided to MoEF, LSG Agency, and several parliamentarians • Amendments to the LSG/LSA law returned to the working group for additional changes • Comments to the draft law On Preparing the Procedure for Addressing Issues of Administrative-Territorial Division developed 	<ul style="list-style-type: none"> • Focus group with parliamentarians on IG Finance reform (January) • Amendments to laws pertaining to LSGs developed based on the December constitution (January-February)
<i>Support to the Municipal Associations (Task 1.2)</i>	<ul style="list-style-type: none"> • 40 interviews conducted of rural LSG officials on their needs and priorities 	<ul style="list-style-type: none"> • Capacity building assessment for rural municipalities developed
<i>Assistance to Implement Intergovernmental Fiscal Reform (Task 2.1)</i>	<ul style="list-style-type: none"> • Meeting with ARIS to coordinate training activities. Different approaches is a potential problem. • Materials for first quarterly training developed on the Budget Process, model municipal budget procedures, and local budget revenues developed • ToT on the first quarterly financial management topic conducted 	<ul style="list-style-type: none"> • Training and further TA on financial management launched • Comments on ARIS's financial management training modules developed • Partnership Agreement signed with ARIS on financial management training • Additional materials for financial management training developed
<i>Assistance in Implementation of Strategic Plans (Task 2.2)</i>	<ul style="list-style-type: none"> • Informal survey of municipalities' experience with strategic plan development and implementation conducted • Several rural municipalities introduced to DLGP objectives and future activities 	<ul style="list-style-type: none"> • Two regional information seminars conducted to present the revised approach for strategic planning to urban municipalities • Roundtable to discuss the current experience with developing strategies, the role for local governments' and commitment of resources, and mechanisms for adjusting the strategy within the context of ARIS's program for rural municipalities
<i>Asset Management Assistance (Task 2.3)</i>	<ul style="list-style-type: none"> • 1-day training course on Basics of Asset Management for villages' kenesh deputies designed • 1-day training course on the Legal Basis of Asset Management for rural municipalities designed • 10 independent trainers for DLGP selected on a competitive basis 	<ul style="list-style-type: none"> • Trainings and further TA on AM launched • 1-day training on Asset Management tools designed • TOT on AM delivered
<i>Strengthening Locally Elected Keneshes (Task 2.4)</i>	<ul style="list-style-type: none"> • An open competition in mass media for trainer-consultants in four substantive areas held • Four day ToT for mass training component on Basics of LSG, financial management, asset management, and citizen participation/information conducted 	<ul style="list-style-type: none"> • Training on Basics of LSG conducted • Large-scale training on asset management, citizen participation and financial management started

<i>Citizen Participation and Public Information Techniques</i> <i>(Task 3)</i>	<ul style="list-style-type: none"> • Trainers for large-scale training selected • 1-day training course on public information designed • ToT on public information conducted for potential trainer-consultants • Trainers for citizen participation/information selected 	<ul style="list-style-type: none"> • Trainings and further TA on PI launched • 1-day training on citizen participation tools designed • ToT on CP delivered
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Annex 1: DLGP Success Story

The USAID Decentralization/Local Government Program Launches Mass Training Component for 160 Local Self-Governments

The new Decentralization/Local Government Program in the Kyrgyz Republic (DLGP) kicked off a new training program for 160 local self-governments. The new training program envisions extensive training throughout the life of the three year project in the areas of financial management, asset management, and citizen information and participation for 25 cities and 135 rural municipalities. An important role in the municipal mass training program will be played by a new cadre of trainer-consultants. DLGP did a thorough job creating this group of specialists. In November 2006 DLGP announced a competition based selection via mass media. The competitive selection included two stages: initial selection was based on applications; out of 70 applications, 48 candidates were selected for participation in a rigorous 4 day ToT from December 18 to December 22. Each participant received broad training in the basics of local self-government, financial management, asset management, and citizen participation and information. Thereafter each participant received more thorough training in their area of specialty. The ToT included initial testing, working in small groups and exit testing, proceeding from which the Urban Institute specialists made their final choice and determined the trainers best qualified and eager to work with municipalities.



Participants Complete Entry and Exit Exams

The seminar started with a session about the new DLGP Project and continued separately for the three trainer groups – municipal financial management trainers, municipal property management trainers and trainers on exchange of information between citizens and LSGs and citizen participation in managing local significance issues. On the whole, the participants demonstrated a high level of both trainer skills and assimilating the training materials developed by UI specialists. Each group consisted of highly qualified specialists in their respective area – financial management, asset management and community mobilization. The high quality of participants will ensure that a high quality of training and consulting services will be provided to DLGP’s municipal partners.

Furthermore, some of the trainers are professors at the Presidential Academy of Management of the Kyrgyz Republic or other higher education establishments in Kyrgyzstan, who will be able to incorporate the training into their lectures and further disseminate the training materials to their students.



Janibek Duishekeyev, a training participant with significant experience as a trainer and working with local self-government bodies, stated “This is the first seminar of this type for trainers who work with local self-government bodies. In addition to my area of experience – working with communities and legislation – I’ve had the chance to get a full picture, including useful information on finance and municipal property. I am certain that I will be able to apply my knowledge in future.

This four-day work was very intensive and fruitful.”

The seminar concluded with a review of administrative issues related to the future trainer-consultants’ activity. The trainer-consultants that are selected will have the following responsibilities:

1. deliver training based on the materials developed by DLGP related to their main areas of experience (finance management, asset management, and information exchange and citizen participation) under the guidance of Project specialists;
2. based on partner municipality requests, deliver consultations on applying the training material and implementing homework assignments;
3. provide feedback for to DLGP on the results of conducted mass trainings and participate in further training of trainer events.