



USAID
FROM THE AMERICAN PEOPLE

CENTRAL ASIAN REPUBLICS



URBAN INSTITUTE CENTER ON INTERNATIONAL DEVELOPMENT AND GOVERNANCE

Public Hearings: Experience in the Kyrgyz Republic

Edited by

Nadejda Dodretsova and Hilary Mclellan

with the assistance of **Asel Bektenova, Sabina Gradwal,
Ulara Narusbaeva and Emil Abdykalykov**

2007

Decentralization and Local Government Program in the Kyrgyz Republic

Strategic Objective 2.1: Governing Justly and Democratically

USAID Central Asian Republics

Contract No. DFD-I-00-05-00129-00

Task Order No. DFD-I-05-05-00129-00

UI Project No. 07862-005

This report is made possible by the support of the American people through the United States Agency for International Development (USAID). The contents of this report are the sole responsibility of the Urban Institute and do not necessarily reflect the views of USAID or the United States Government.

UDK _____
BBK _____
O

O PUBLIC HEARINGS: methods and experience in the Kyrgyz Republic: Practical manual. – B.: 2007. – 66 pages.

ISBN

Second edition, revised and supplemented

Edited by

Nadejda Dodretsova and Hilary Mclellan

with the assistance of ***Asel Bektenova, Sabina Gradwal,***

Ulara Narusbaeva and Emil Abdykalykov

This practical manual is developed on the basis of international and Kyrgyz experience of public hearings.

The main purpose of this manual is to assist authorities and citizens, who are aimed at involvement of wide sections of the population in the process of discussion and decision-making on the most important community existence issues through public hearings. But, first, it is addressed to deputies of local keneshes and representatives of LG executive bodies, - city administrations, town councils and ayl okmotus, as well as to their heads.

This manual should assist LSG bodies, NGOs and all citizens interested in broadening democratic dialog between authorities and the population and aimed at joint problem-solving.

O _____

UDK _____
BBK _____

Publication is produced within the framework of the USAID Decentralization and Local Government Program in the Kyrgyz Republic implemented by the Urban Institute

This publication is made possible by the support of the American people through the United States Agency for International Development (USAID). The contents are the sole responsibility of the Urban Institute and do not necessarily reflect the views of USAID or the United States Government.

Настоящая публикация подготовлена одним из множества проектов помощи, реализуемых Агентством Международного Развития (ЮСЭЙД) США от имени Американского народа в Кыргызской Республике. С 1992г. Американский народ через посредство ЮСЭЙД предоставил более 360 млн. долларов США в рамках программ помощи, которые поддерживают экономический рост, демократические институты, системы здравоохранения и образования в Кыргызской Республике.

This publication is made possible by the support of the American people through the United States Agency for International Development (USAID). The contents are the sole responsibility of the Urban Institute and do not necessarily reflect the views of USAID or the United States Government.

This publication is produced by one of the many assistance projects implemented by the United States Agency for International Development (USAID) on behalf of the American people in the Kyrgyz Republic. Since 1992 the American people through USAID have provided more than \$360 million in assistance programs that support economic growth, democratic institutions, health care, and education systems of the Kyrgyz Republic.

ISBN

PUBLIC HEARINGS: Experience in the Kyrgyz Republic

*A practical manual developed on the basis of
international and Kyrgyz experience with public hearings*

CONTENTS

Preface.....	4
What do public hearings mean?.....	5
What are the purposes of public hearings?	5
Rules and procedures	7
Public hearings procedure.....	10
Public hearings agenda (scenario) options.....	10
Role of the moderator in public hearings	11
What shall be done in case of destructive behavior in course of public hearings and meetings?	11
Dissemination of information before, in the process and after public hearings.....	13
Forms of work with mass media	15
How to write the news release?.....	16
Information on hearing results	23
Activity sequence (procedure) before, during and after the public hearings.....	25
Preparation procedure.....	25
Materials, presentations and speakers	26
Types of public hearings.....	28
Public hearings on budget.....	29
Legal basis of the public hearings on budget.....	29
When to conduct the budget hearings?	30
Peculiarities of the budget hearings:.....	31
Hand-out materials at the budget hearings.....	32
Brief budget description of the «N» Ayil-okmotu (sample)	34
The practice to conduct public hearings on the budget in the Kyrgyz Republic	42
Public hearings on the municipal property	43
What can the public hearings on the municipal property give to the local governance bodies?.....	46
What can a subject for discussion at the public hearings on municipal property?	46
Hearings on sale of a significant object	47
Hearings on transfer of publicly significant objects to private management.....	48
The hearing on the land management strategy	48
Hearings on land distribution	49
Public hearings on tariffs and local services	50
What issues can be discussed at public hearings on tariffs and services?.....	51
Preparations to	52
tariff hearings.....	52
Public Hearings on Strategic Planning (kurultais).....	53
Open Sessions of Local Keneshes	54
Regulatory basis for open sessions of a local kenesh	55

Other Types of Citizens' Meetings 57

Preface

Efficient dialog forms between population and LG bodies are developing in the Kyrgyz Republic. This is the dialog, which allows not only exchanging opinions, but adjusting LG policy according to citizens' demands. This dialog is public hearings. Moreover, public hearings serve not only as a mutual information exchange tool, but as an original barometer, - a measuring device to determine "temperature" of relations between LG and community, which has elected it.

If a boring silence presents at public hearings and speakers "mutter" their cut and dried speeches one could say boldly that LG is developing weakly in this community, because its body interacts poorly with the citizens, who, in their turn, are not interested in what is done by LG body.

Vice versa, if discussion, not necessarily a constructive one, is expanding; if questions, let they are not in point of fact, are spouting off and LG representatives are able to answer them, then a dialog between LG and the population is evident. Moreover, this is the dialog, when interlocutors listen to each other understanding that they do the same job. On completion of hearings the parties can see: population – to what extent their LG body works in a qualitative and responsible manner; LG body – how its work is estimated by the population. Then proper conclusions shall be made: the population makes a decision on whether to vote for the old LG staff in course of the new elections and LG reveals its errors and receives a possibility to change its strategy and tactics until it is not late.

Main purpose of this practical manual is to assist to those authorities and citizens, who are aimed at involvement of wide sections of the population in the process of discussion and decision-making on the most important community existence issues through public hearings. But, first, it is addressed to deputies of local keneshes and representatives of LG executive bodies, - city administrations, town councils and ayl okmotus, as well as to their heads.

Also this manual is urged to contribute to solution of the following tasks:

- ◆ broadening a range of questions to be discussed in course of public hearings;
- ◆ introducing public hearings mechanisms;
- ◆ improving public hearing holding efficiency;
- ◆ increasing the number of public hearings participants;
- ◆ introducing procedures of registration of citizens' decisions and opinions having been formulated in course of public hearings.

Public hearings may be dedicated to absolutely different subjects and topics. Any problem of citizens' concern can be a subject of public hearings. Practice of their holding in Kyrgyzstan offers the whole set of successful sample hearings. Using this manual it is possible to organize and hold public hearings on the following topics without specific difficulties.

- ◆ Budget public hearings.
- ◆ Public hearings on public utilities.
- ◆ Municipal property public hearings.
- ◆ Strategic planning public hearings (kurultai).

Authors of this manual hope that it would become an assistant for LG bodies, NGOs and all citizens interested in democratic dialog broadening between authorities and population and aimed at joint problem-solving.

What do public hearings mean?

Public hearings are mechanisms of involving the population in the processes of discussion and decision-making on the most important community existence issues

LG bodies receive power from the population, residents of this or that inhabited locality, - village, community or city. LG bodies realize their powers on behalf and for the welfare of residents of this inhabited locality, who have a right to estimate operating efficiency of LG representative and executive bodies; their ability and willingness to protect community interests.

Public hearings are held to collect citizens' comments on one or another issue important for the community and serve as efficient information and communication channel. Mostly, hearings are held on local budgeting issue for the next year. However, hearings on municipal property management and work of utility enterprises are efficient and useful also.

Public hearings give valuable information on to what extent the public supports decision offered by LG body and what can be done to make it more acceptable for the population. On the other side for politicians and public figures, including kenesh deputies, public hearings provide an excellent possibility to know population's opinion on their work quality, adjust strategy and tactics and, finally, to receive great support and recognition from the side of the population.

There is more widespread, than it was given in the beginning of this section, definition of «public hearings». Public hearings are an organized event in form of an open discussion, which is generally held by LG bodies to survey opinion of the population, receive consultations and find optimum balanced decision of enquiry or problem on the most important community existence issues. According to this definition the key words, where the main sense of hearings is concentrated, can be emphasized: *an organized event, discussion, survey of the population's opinion, receiving of the consultation and search of balanced decision*. Just these words must define the purposes of those, who decided to organize public hearings.

What are the purposes of public hearings?

Main purposes

To discuss a problem publicly and broadly with involvement of all stakeholders.

To find as much as possible balanced decision.

Concomitant purposes

Information – for example, on draft budget or necessity to privatize a utility enterprise.

Training – explanation of the new budget proposals or reasons for privatization.

Exchange of information – receiving additional information, opinions, comments and proposals from the population before decision-making.

Consultation – clarifying the motives of support or denial LG bodies' proposals by society.

«Pro» and «con» public hearings

Hearings give the population an opportunity to respond to any important event, on any important problem and receive answers and clarify some facts straight away. Public hearings give a possibility to explain their position and “let the steam out” for community leaders. Public hearings are inexpensive

(as compared, for example, to case studies) method to collect comments from the population regarding some important issue.

However, public hearings have their disadvantages. For example, public hearings are not much right for making final complicated decisions. Moreover, a great number of people participating in hearings causes trouble with observance of discipline and time-limit – hearings may «come off the rails», deviate from agenda, turn into idle talk and do not produce an expected result.

But these disadvantages can't overbalance advantages of public hearings. To avoid appearance of disadvantages it is necessary to prepare to public hearings thoroughly, elaborate good time-limit and control over its implementation definitely. Moreover, purpose of hearings and potential results of this process for urban or rural residents shall be formulated neatly.

Advantages	Disadvantages
Coverage of a large-scale audience.	Are not efficient for complicated information transfer.
Provide for possibility of public discussion.	Do not give a possibility for detailed and deep discussion of the issue.
Provide a rostrum for the managers to inform the society.	Give an opportunity to capture a rostrum to too expressive persons, demagogues and phrase-mongers.
Allow managers expressing their opinions.	Do not promote consensus and develop conditions for decision-making.
Inexpensive method to survey public opinion.	Process control is complicated enough.
Help to estimate the degree of policy support and trust from community side.	Separate persons or groups may have groundless and false expectations. Sometimes a possibility of manipulation from the side of separate groups is arising.

Possible objections and how to overcome them

*Budget (property, other issues) – this is my job ...
Population has no authorities to make a decision on the budget, as LG bodies only are responsible for it ...*

Society doesn't understand a complex subject of hearings and it doesn't want to understand!

Objections and protests may also arise inside of the body organizing public hearings. In this case they arise inside of LG body, especially, when the matter concerns budget public hearings. Possible objections, as well as arguments helping to overcome them are given below.

First, LG body representatives manage money and property belonging, per se, to community. They are authorized to make decisions in so far as the population delegated this right to them through elections.

Second, your efforts on organization of public hearings demonstrate your wish to hear opinions of the population, but this doesn't mean that residents' remarks and requests are subject to obligatory putting into effect by you. Opinions are information. Hearing it out doesn't mean to depute your obligations or responsibility to someone else. Also hearings do not mean and entail instant making of any decision. However, citizens would necessarily realize and appreciate the fact, that they are given a chance to participate in decision-making and they would support it more. This would make its implementation easy for you.

One of LG body employees is to educate. Remember that people can't support the things beyond their understanding. Generally, misunderstanding is caused by lack of access to information. Remember that LG decisions are realized and supported better, if they are understood correctly by informed citizens.

We – LG employees, but not community and private citizens – are the specialists!

Even authorities have no answers to all questions. In many cases they have no time to be up to the mark on all topics. New ideas and points of view received from the population may help to LG representatives with making of more valid decisions. New ideas offered by private citizens may help to LG representatives with making of more valid decisions.

Public hearings are waste of time and society would not be interested in it!

Decision-making in democratic society based on concord requires time. Achievement of concord is not the most rapid way to find a decision, but it is very efficient one! Democracy is a slow, sometimes unpredictable, but creative process bringing results unavoidably! If you obtain population's consent it'll save a lot of time and help to avoid future problems!

Rules and procedures

TRUE DEMOCRATIC DIALOG IS VIRTUAL ONLY UNDER OBSERVANCE OF FUNDAMENTAL RULES AND MUTUAL RESPECT

What for the rules shall be developed and used?

Rules and procedures must help organizers to hold the event neatly and give a possibility to express their thoughts to all participants, including private citizens. Organizers of public hearings must develop independently the rules, which can be different for each city or village and for each type of public hearings.

But any rules should include:

- ◆ rules of conduct for participants;
- ◆ procedures for those, who wish to speak (time-limit);
- ◆ restrictions regarding expression of approval or disapproval;
- ◆ requirements to observe a time-limit.

Hearings holding according to procedure shall produce an expected result.

There are more chances that decisions made in course of such hearings would be considered in future.

Develop the rules, which comply with your situation most of all

Remember that the rules are required for you, first, to hear out the population's opinions and requests in a constructive form and friendly environment.

In order that the situation wouldn't get out of hand and hearings «come off the rails», consider state of public opinions in community, delicacy and acuteness of the question to be discussed while developing the rules.

It is obligatory to consider local traditions of public discussion of community problems.

It doesn't mean that you should obligatory follow them, but neglect of some significant moments may cause misunderstanding between you and audience and even confrontation.

Enlist the support of all LG bodies

To achieve consent it is necessarily trying to avoid any causes for conflict beforehand.

Thus, enlist the support for you in all LG bodies in order to receive constructive hearings and do not give rise to worsening of any relations.

Make sure that the rules are simple

In order to hold hearings in an organized manner and receive expected result, the rules of their conduct should be understandable and accessible to all

enough	<p>participants.</p> <p>Consider all participants' level of knowledge and perception while developing the rules. Also the rules should be simple for observance; do not require absolute silence and march!</p>
The rules must be flexible for changes	<p>Situation may change in the process of preparation to hearings. Make sure, that the rules developed by you can be adjusted according to modified situation.</p>
Publish and distribute the rules	<p>Rules should be published and distributed between LG representatives, mass media and the population.</p> <p>They may be placed in the newspaper, in the street stand, at school and other public places.</p> <p>To organize and hold hearings in a qualitative manner you should be sure that the rules are known and understood by the majority of future participants and don't raise principal objections from them. Otherwise, unforeseen situations, which are difficult to be resolved, may arise in the process of hearings.</p>
Read out the rules	<p>In the beginning of hearings remind once more of availability of the rules and necessity to observe them to participants.</p>
Have extra copies	<p>You can't be insured against the fact, that some participants of hearings are unaware of the rules. Thus, provide for this situation beforehand.</p>
Observe the rules by themselves undeviatingly!	<p>After approval of the rules observe them undeviatingly! You can't call participants of hearings to order and control the situation in the process of hearings, if you'll ignore the rules developed by you!</p>

Sample rules of conduct in course of public hearings

RULES OF CONDUCT

in course of public hearings

in the village XXX on the topic _____

Dear residents of the village XXX!

The rules are developed so that we can discuss the problem in a constructive manner and find a decision conjointly, so that the hearings wouldn't turn into idle talk.

Read the rules attentively and observe them in course of hearings!

- 1. Registration shall be at 10:00a.m.** Come in time and receive hand-out materials before beginning of hearings. Come into the hall and fill places in the first rows.
- 2. Opening shall be at 10:15a.m.** If you are late, don't make a noise. Come into the hall quietly and fill free seats in the last rows. But the best is to come in time.
- 3. Keep quiet in course of the speech.** Respect your countrymen, who take the floor in course of hearings. The topic is complicated and they are excited.
- 4. Observe the time-limit.** If in the beginning of hearings it was decided to give less than five minutes to the speakers, don't use extra time; those, who wish to speak are a lot of, after all.
- 5. Speak to the point.** Time of hearings is limited and in order to resolve

the problem ones should speak about it only without digressing from other topics. Ask questions and speak strictly following to the topic of hearings.

6. **Give notice of proposals beforehand.** If you have an idea of how to resolve the problem, give notice to the organizers beforehand, so that they would give a floor to you.
7. **Write a proposal.** If you have a concrete proposal, don't be lazy to write it and hand it over to the person keeping minutes.
8. **Take a pen with you.** If proposal arises in course of hearings the pen shall be of use to write it and hand it over to the registering clerk – you help him and make sure that your proposal shall obligatory be included in the minutes.
9. **Control yourself while showing approval or disapproval.**

Supplement the rules according to customs in your city or ayl okmotu.

Time-limit

Time-limit or procedures and restrictions for those, who wish to speak shall be determined depending on:

- ◆ question;
- ◆ planned number of speakers;
- ◆ number of invited persons;
- ◆ other circumstances of holding your hearings.

Describe the plan of distributing the rules

Plan of distribution the rules shall include the following actions:

- ◆ sending the rules with invitations to participate in hearings (they can be printed on the reverse side of invitation);
- ◆ gluing the rules in public places together with announcements on hearings;
- ◆ handing out the rule in the beginning of hearings (during registration) together with main document describing the subject and issue of hearings.

Premises for hearings

While choosing the premises for public hearings it is necessary to consider some moments.

- ◆ First, size of the hall and number of seats shall confirm to expected number of participants.
- ◆ Second, the premises for hearings shall be well known to majority of the population. Don't hold hearings far from the center of the settlement to avoid producing transport problems for participants.
- ◆ Third, if you really want to hear a frank community opinion on the subject of hearings, you should take care of location of the premises at the «neutral» territory. For example, don't hold hearings in the premises of rayon or oblast state administration, because some people, probably, would feel themselves constrained and unwilling to express their points of view openly.
- ◆ Fourth, it is important for the premises to be comfortable: warm – in winter time; not stuffy – in summer and, if it is necessarily it should be equipped with a microphone.

What shall be done if in the city there is no a hall able to seat all persons interested and provide for normal conditions for

Such situation took place in Bishkek in 2005. The City Kenesh decided to hold public budget hearings for the first time and faced a problem, where to gather all those, who wished to participate in hearings. It is impossible to have a discussion in a working environment at the stadium; theatres and other halls have no enough seats for all persons interested. In connection with the fact that over one mln. of people live in Bishkek and mechanisms of hearings provide for full transparency and accessibility to all interested citi-

hearings?

zens it was decided to hold hearings in two stages.

First stage – hearing in rayons of the city in premises of the secondary schools. At the same time rayon schedule didn't mean that rayon budgets had been discussed. City budget for 2006 was a subject of LG dialog with city-dwellers in course of all four forums. **Second stage** – city hearings, which took place in premises of the secondary schools also. Only those, who weren't satisfied with participation in rayon hearing due to some reasons, came there.

Of course, this scheme had shortcomings, but, on the whole, the problem had been resolved. However, it is important to remember that schedule for such stage-by-stage hearings shall be developed and distributed beforehand.

Public hearings procedure

What shall each hearing include?

Each hearing shall include the following moments:

- ◆ fixed time for **BEGINNING** and **COMPLETION** of hearings;
- ◆ opening address of the head of municipality or moderator (duration – up to 15 min.);
- ◆ speech of welcome and explanation of the rules and procedures of holding the hearings;
- ◆ presentation of the issue (duration – 15-20 min.);
- ◆ audience's comments and questions;
- ◆ results of discussion and their registration.

Process of discussion is subject to obligatory recording, otherwise everything pronounced in course of hearings would be just mere words!

Public hearings agenda (scenario) options

Option 1:	Option 2:	Option 3:
Presentation of the budget. <i>Duration – 15-20 min.</i>	Presentation of the budget. <i>Duration – 15-20 min.</i>	Presentation of the topic (depending on the type of hearings). <i>Duration – 15-20 min.</i>
	Speeches of the specialists (on educations, social issues, etc.). <i>Each speech – up to 3 min.</i>	Speeches of 2-3 specialists. <i>Each speech – up to 5 min.</i>
Audience's comments, including Kenesh deputies. <i>Duration – 1 hour. Time for each speaker – up to 3 min.</i>	Audience's comments and questions to the speakers. <i>Speakers should stay on the stage.</i> <i>In case of necessity the moderator may give a floor to representatives of departments to answer the question.</i> <i>Each question/answer – up to 3 min.</i>	Audience's comments and questions to the speakers. <i>Speakers should stay on the stage.</i> <i>Each question – up to 3 min.</i> <i>Duration – up to 15-20 min.</i>
		Speeches of 2-3 other specialists. <i>Each speech – up to 5 min.</i>

	<i>Duration – up to 1 hour.</i>	Audience’s comments/questions to the speakers. <i>Each question/answer – up to 3 min.</i> <i>Duration – up to 20 min.</i>
Discussion generalization by the head or moderator.	Discussion generalization by the head or moderator.	Discussion generalization by the head or moderator.
Proposals and recommendations. <i>Duration – 15 min.</i>	Proposals and recommendations. <i>Duration – 15 min.</i>	Proposals and recommendations. <i>Duration – 15 min.</i>

Role of the moderator in public hearings

Pay attention that personality of the moderator is very important – he shouldn’t only to be the most respected person, but be able to «keep» the audience, observe discipline and time-limit. He should give an opportunity to speak to everyone, who wish. In the process of hearings the moderator should:

- ◆ providing for observance of definite time-limit;
- ◆ providing receiving of answers to the citizens on all questions (if possible);
- ◆ organizing the process of hearings properly;
- ◆ role of the moderator of public hearings.

Often mistake of LG bodies is appointment of the head as a moderator just because he is a head. Don’t choose the moderator happy-go-lucky! What if the mayor of head of ayl okmotu is a good manager, but he absolutely can’t hold the public events!

So that the moderator can play his role in a good way it is necessary:

To choose as a moderator a **strong personality**, having authority and respected by majority of participants of hearings; personality able to manage audience’s emotions and control the situation.

Give definite authorities to the moderator for holding hearings. The moderator should have in his arsenal a possibility to use a range of measures to establish order and manage the process of hearings up to the right to remove uncontrollable representatives from the hall.

What exactly the moderator can and must do for observance of time-limit and order in course of hearings?

- ◆ Notifying each speaker before hearings on necessity to follow agenda, rules and time limit strictly.
- ◆ Introducing time-limit in addenda for each speaker.
- ◆ Course of Announcing the rules and time-limit in course of opening speech and explanation of hearings procedure.
- ◆ Having watches to keep track of time-limit for each speaker.

What shall be done in case of destructive behavior in course of public hearings and meetings?

Many issues, including budget, may polarize and split the community. Some individuals or groups of citizens may choose a tactics of provocation, «teasing», using swear-words, dissemination of gossips, etc. Availability of the rules doesn’t always exclude the possibility of uncontrollable and destructive behavior of some separate representatives in course of hearings. In such situation the moderator should take the situation into his own hands.

TO HEAR:

Giving an opportunity to the group or individuals to «let the steam out» - hearing arguments of their party without giving appraisal and refraining from comments.

TO UNDERSTAND:	Trying to understand in full and examining the speakers' points of view. This would require training and patience.
TO HELP:	Helping the speakers to become a part of decision through discussion or offering them to meet with the group (an individual) in other time, outside of public hearings preparing a meeting for them with representatives of LG and other structures. Giving them a chance to express their opinions and hear the other's points of view in course of such meeting.
Conflict prevention	Conscious orientation to constructive dialog may influence the results of your activities significantly. Intolerance and flat refusal to accept other point of view shall destroy the activity. This is very important to remember making a decision on public hearings. You should consider that number of opinions and positions shall be equal to number of participants in the hall. Utopia is to hope to fast and absolute mutual consent. However, you are able not only to avoid troubles connected with lack of coincidence in the hall, but, in case of skilled approach, to make an unexpected profit, sometimes, for yourself and community members on the whole. For this purpose you should simply follow to civil participation rules and be able to persuade the audience.

Destructive behavior sample in source of public hearings

Description of the situation	In course of «round» table between participants there was a person, who wished to speak beyond the topic of event. Taking advantage of participation of officials, those from whom the decision of his problem is depended on, this person began wordy and emotional argumentation. At the same time his statements were so categorical and sharp, that environment has become heated in the hall immediately.
First variant of development of events	I. The chairperson could stop his speech by a strong-willed method having been cut a microphone off or even removed him from the hall. For the first sight, several factors, which couldn't, but had been considered by the chairperson, required to act exactly this way: the speech was far beyond of frameworks of the topic to be discussed, style of the speakers' speech didn't confirm with requirements to etiquette of public performance, it caused bewilderment and indignation of the audience. Probably, many could act in such a way, i.e. asked the speaker to become silent and, in case of insubordination, they asked him to leave the premises.
Second variant of development of events	<p>II. The moderator gave a possibility to the speaker to express his opinion briefly on the essence of the problem considering its urgency and necessity of fast resolution. Then he applied to the speaker and officials attending the meeting with proposal to meet on the problem separately, discuss it and try to find a way out. Then the chairperson returned a discussion to the frameworks of announced topic and time-limit.</p> <p>Questions arise: "Why did this angry speaker listen to the moderator and, moreover, take an active part in "round table" meeting later on?" The secret is simple: instead of rough cry, ordinary appeal to observance of the order or indistinct promise the speaker received:</p> <ul style="list-style-type: none"> ◆ recognition, that this problem is important and it is necessary to resolve it; ◆ concrete proposal on the meeting with real persons in particular time. <p>It can be mentioned that later on this meeting took place in the circle of stakeholders and competent persons and the problem got a chance to be resolved. In case, if the chairperson aggravates the conflict with sharp behavior this</p>

would have a negative impact on the “round table” meeting and an angry speaker receive an excess ground for splash of negative emotions.

Behavior of LG staff in course of public hearings

For some people in auditorium this is, probably, the first contact with LG heads. Thus, it is very important to produce a favorable impression, first.

If the program contains more than one speaker from LG bodies, it is necessary to make sure that all speeches are coordinated and all officials, who had desired to speak or just to participate, are aware of their role. Refrain from repetition!

In no case allow disorganization and disorder «in your own ranks», otherwise, how would you convince the community of own ability to manage efficiently?

In order to be absolutely sure in readiness to hearings you can conduct a brief «rehearsal» of event having gathered all the speakers and “performed” all the speeches quickly.

Pieces of advice on holding efficient presentations

In order to achieve the purpose for the sake of which public hearings are holding all speeches should be reasoned and factual at the most. Remember by yourselves and teach your colleagues how to use some pieces of advice, which would help you to speak successfully.

- ◆ Make sure that participants understand the purpose of public hearings.
- ◆ Don't read your speech.
- ◆ Use humor for better contact with the audience.
- ◆ Use microphone in case of necessity.
- ◆ Use visual aids to explain your position demonstrably.
- ◆ Be brief and punctual (15 min as maximum).
- ◆ Make sure that posters and other visual aids are in range of vision of the whole auditorium.
- ◆ Prepare and distribute the copies of your speech.

In course of public hearings you should be ready answering the questions of all participants, foreseeing their problems and anxiety regarding authority's proposals.

If your proposal entails significant reduction of expenses, for example, on education, you should be aware how many parents and teachers are between the participants and be ready to explain necessity of this step in a reasoned manner! Be ready to describe in details the areas to be covered by reduction and which object of education it would affect.

If you are going to cancel public transport benefits to pensioners, be ready to respond to expression of their anxiety and think over how you may compensate a negative effect of this news.

If you are unable to explain or defend your position, the residents would hardly ever support you and you'll stay face to face with absolutely unprepared, incompetent audience or, which is worse, with the audience having been inclined with hostility.

Dissemination of information before, in the process and after public hearings

Audience in course of public hearings

Planning and organizing presentation of information for community in written and oral forms it is necessary to remember on composition of expected audi-

is the electorate, tax payees

ence and adapt information exactly for this concrete audience. It is important to present information in such a way, that you'll be heard and understood. And for this purpose you should know for sure what do you want to say and to whom!

At the same time you should consider that audience in course of hearings is the electorate, tax payees. They want to know how machinery of government is functioning, how do they spend funds collected as taxes. Thus, you should make your statements with maximum responsibility and seriousness. Each speech for you is not only a good opportunity to communicate, but an original examination.

What is concrete composition of your audience?

- ◆ Citizens
- ◆ Voters
- ◆ School teachers
- ◆ Parents
- ◆ Members of unions and associations
- ◆ Leaders of commercial circles
- ◆ Public leaders
- ◆ Members of the groups having some joint interests
- ◆ Representatives of NGOs
- ◆ Representatives of trade unions
- ◆ Representatives of ethnic groups
- ◆ Members of political parties
- ◆ Potential investors and new owners

Speak an understandable and popular language with the people!

Independently on whether you communicate personally (oral speech) or by means of written materials (brochures, leaflets, publications for community, etc.) it is important to remember of the following moments:

- ◆ You should consider national composition of the audience and speak a language understandable for majority of participants. If representatives of other nationalities are in the hall you should provide translation for them. If there is no opportunity for simultaneous translation, make, as a minimum, written translation of all hand-out materials.
- ◆ You should be aware of your audience's level of education. Do not speak over their level of education they would misunderstand you! Do not speak below the level of their education – they would be offended and lose interest to the subject!

Thus, information should be presented at such a level, which is understandable and assimilated by the audience correctly.

Efficient use of mass media

In order to achieve expected result from public hearings organization and holding, it is necessary to provide the main part of community with minimum of essential information, at least. Mass media give an efficient way to do it.

But it is not enough just to make an announcement in local newspaper. Particularly formal approach to work with mass media shall ensure particularly formal response. Information campaign organized through mass media shall make public hearing interesting and effective only in case if you approach each component deliberately and in a purposeful manner, but if you are clear in your mind on what do you want to achieve by this or that activity.

Mass media - mediators

You should remember that use of mass media information is not the same as direct address to the population. Journalists serve as your mediators while transferring the information. Thus, you should imagine clearly whether they

How dangerous is an ignorant journalists?

should be able to transfer your ideas to community. The journalist would never become your ally or assistant if he has poor conception of the subject and necessity of public hearings. Thus, work with mass media should begin long before the date of public hearings.

It would be nice if all mass media employees have a good conception of LG issues, but, unfortunately, this is not always the fact. Thus, during quite a long period you'll have to make efforts in order to organize a definite circle of mass media representatives, able to participate in preparation of public hearings actively, enlightening their holding and results skillfully. Probably, you'll have not only to provide necessary volume of information to local journalists, but assist them with its correct understanding. Remember, that incompetent journalist audience possesses more destructive power, than just an incompetent audience consisting from community representatives. Information transferred to the journalist possesses property to multiply and develop an opinion in community regarding your activities, on the whole, and public hearings, in particular. In skillful hands mass media become irreplaceable by level of efficiency to mobilize community attention.

Forms of work with mass media

There are several forms of work with mass media, which you may successfully use in course of preparing, holding and analyzing the results of public hearings:

- ◆ press conferences, «round tables», working sessions BEFORE public hearings;
- ◆ news releases;
- ◆ announcements for community;
- ◆ press conferences AFTER public hearings.

Press conferences, «round tables», working meetings with the journalists BEFORE public hearings

If you want holding budget public hearings, a good idea would be to plan a press conference or “round table” discussion with involvement of the press, NGOs, community leaders, LG representatives, etc. These events provide for the following advantages.

- ◆ Open official press conferences, where prepared statements and information on major priorities or expected budget changes are made public, would be very **useful to inform the population on the whole.**
- ◆ At the same time this is a **good occasion to familiarize citizens with LG activity and inform on successes.**
- ◆ Holding special press conference or “round tables”, covering budget proposals, is **a good way to enlist the support of the population.**

Press conference hold by Bishkek City Kenesh BEFORE hearings is on the photo.

Particularly you should think over organization of press conference if you hold public hearing for the first time.

If press conference is unsuitable, just invite two-three journalists for a working meeting to the city hall, town council or ayl okmotu or for hearings!

Press conferences AFTER public hearings

Press conferences AFTER hearing are on the photo

Such event is a good continuation of public hearings and a way to give information to mass media and community on activities undertaken as a result of their holding. This should be done in time! Also this serves as an information exchange tool with community, because machinery of government forgets to inform on results and consequences of any events too often. This is an evidence of the fact, that LG pays attention to voice of the population, appreciates its investment and shows tactfulness to opinion of the population.

News releases

Purpose of news releases is to receive coverage of event in mass media.

News releases are published for the following purposes:

- ◆ announcement of the event;
- ◆ official statement;
- ◆ preliminary information report.

By means of correctly written news release it is possible to ensure, that all reporter received detailed and similar information. Also they may serve as materials for the article, as many publishing houses issue them in form of the article.

How to write the news release?

What is news re-lease?

This is the main information on any event or action disseminated between journalists, so that based on it they could write the article for their newspaper or present it in Radio or TV-program. Good written news release might be published completely by mass media without changes and therefore, usually it is written in neutral news style to lighten the work of the journalist, who'll process it.

What is the news release structure?

News release text begins with the headline, which must be written in style close to headline of news article. The most important element of news release follows the headline, - first paragraph, where answers to main questions re this event shall be presented: «**What had happened?** » (or «**Who did and what?**») «**Where?**», «**When?**», «**Why?**» and «**How?**». If it is impossible to answer all these questions in one paragraph, then answers to the last two can be given in second paragraph. First two paragraphs should obligatory contain maximum of information to convince the journalist to cover the event.

Consequent news release paragraphs give details supplementing answers to the questions «**Why?**» and «**How?**». Generally, information in them is placed by level of importance: the most important is information the closer it is to the first paragraph. This is done because the journalists may leave information placed in the end of news release out, if air time or place on the type rage, assigned for this topic, is limited.

First paragraphs of the news release must engage the reader in subject of the talk, as well as the newspaper article should attract readers' attention. News releases consist of brief sentences and paragraphs. Adhere to brevity and simplicity of the statement. Keep details to be covered afterwards. Announcements focused on activities shall produce the greatest effect.

Use of quotations

It is advisable for news release to have at least one quotation, - word for word written statement of direct participant of event or its organizer. Quotes supplement news release with diversity and reliability; assurance, that the journalist hasn't fabricated the article from beginning to end, but has had a talk with the expert or participant of event, should arise with the reader. Lack of quotation may inform the journalist on event impassively; its availability may force him to place this news among the most important and significant. Let's compare:

«Today mayor of the city N announced on completion of draft city budget development for the new year. Public budget hearings shall take place next week».

And

«Today draft budget development of the city N for 2007 fiscal year, where financing for school maintenance costs and repair of city roads is increas-

ing, was completed. Our children deserve good schools and safety streets», - said mayor of the city. In particular, due to this fact we increased budget items related to schools and roads. that city-dwellers support our proposal in course of public budget hearings next week».

What shall the volume of news release be?

It is easy to suspect that second variant would force the journalist and the editor to place the news on the type page, more likely. First of all, the first news release paragraph contains concrete indication on the new budget decisions, directed toward community demands. Second, the city administrations evidently improve its authority right in front of the population.

One page is optimum volume for the news release. Such brief concise news release might be a good ground for the news article presenting facts in a «telegraphic» style. If important information is a lot news release may be broaden up to two pages, but not more.

How and when news release shall be distributed?

The best is to distribute the news release 2-3 days before the event by fax, E-mail or in course of private meetings with the journalists (in process of press conferences or «round tables»). Weekly and monthly editions shall be informed earlier, than daily mass media. Call to make sure, that the news release was received, and clarify whether there are any questions.

In many cities news releases should be sent to:

- ◆ each correspondent responsible for municipal news coverage;
- ◆ editors of local newspapers;
- ◆ directors of news programs at all local radio and TV-stations.

Information exchange officers shall possess and renew the list of all local mass media, their addresses, telephone and fax numbers at a permanent basis.

Examples of news release use by LG bodies:

- ◆ Announcements of public hearings with indication of the subject problem description.
- ◆ Information on repaired streets, improved parks, water supply systems and scavenging.
- ◆ Current information on the city financial status.
- ◆ Announcements on taking up a post in municipality.
- ◆ Announcements on designation of the citizens to deliberative commissions.
- ◆ Announcements on acquisition of the new property or equipment for the city.
- ◆ Announcements on participation in the programs on improvement and cleaning.
- ◆ Announcements on competitions for the journalists and mass media.
- ◆ Current construction information.

How to design the news release?

NEWS RELEASE shall be written on the top in capital letters and indicate the date of its issue. In top right corner contact information (address, telephone, E-mail) on organization issuing news release and the first and last names of responsible person (who can give supplementary information on event or action) shall be placed.

News release margins shall be enough (generally, not less than 2, 5 cm. on the top and bottom and 3, 5 cm. along the edges) for the journalist to make some notes, amendments or write down the questions having been arisen. With the same purpose of editing and updating the news release text is written through 1, 5 or 2 intervals.

If the news release exceeds one page, its pages are numbering and in the

end of the first page it is written «– See page 2 –». Second page shall begin with complete new sentence or paragraph, so that in case of its accidental loss the reader of news release has no a feeling of incomplete thought.

If the first page of the news release is published on organization's letter-head it adds ponderability and authority to it. It also releases from necessity to write contact information, but a contact person shall be indicated obligatory.

Sample brief news release for ayl okmotu
(draft prepared by Urban Institute)

Contact person: _____ Address: 24, Lenin Str., Tel.: 20155, 23557
Date of issue: _____

NEWS RELEASE

Ayl okmotu (village council) «XXXX» is holding
PUBLIC BUDGET HEARINGS
and invites citizens, mass media representatives, NGO leaders
and all stakeholders to participate in ayl okmotu public budget hearings for 2007 fiscal year, which would take place on
____ **June 2007 at 16:00p.m. in the premises of ayl okmotu.**

Budget appears not only as financial plan, law and political document, but as means and a management method for LG bodies, as well as mechanism of their reporting and responsibility in the face of the population. Citizens may improve the level of such reporting and responsibility taking active part in discussion of draft budget.

«Last year a significant number of citizens participated in budget hearings», – says the head of council X. «We hope, that this year participation would be more active. For us such form of work with citizens gives better opportunity to realize their requirements and preferences. Citizens have a possibility to know what LG bodies do, how do the do it and allow estimating efficiency of our work».

On all issues re holding hearing ones shall apply to ayl okmotu (village council) «XXXX».

Announcements for community

Generally, announcements for community contain brief review (not more that two paragraphs) with description of event, purposes, place and time of holding and names of contact persons. Usually, announcement for community is placed in public places, for example, in libraries, sport complexes, administrative buildings, etc. Also it is published in local newspaper. Announcement for community has several types:

- ◆ poster;
- ◆ ordinary announcement;
- ◆ announcement by radio;
- ◆ announcement by TV («creeping» line);
- ◆ broadened and detailed announcement.

Poster

**Town council of the town «N»
24, Lenin Str., Tel.: 21036, 21600**

PUBLIC BUDGET HEARINGS!

TOWNSMEN!

**DO YOU WANT TO KNOW HOW THE TOWN BUDGET IS GENERATED?
WHERE TAX PAYEES' MONEY IS ALLOCATED – YOUR MONEY?**

COME AND PARTICIPATE!

BIG HALL OF THE TOWN COUNCIL

___ JUNE 2007 at 10:00a.m.

**Ordinary an-
nouncement**

TOWN COUNCIL OF THE TOWN N

Invites the citizens, mass media representatives, NGO leaders and all other stakeholders to participate in town budget public hearings for 2001 fiscal year, which would take place on ___ June 2007 at 16:00p.m. in premises of the town council on the following address _____.

If YOU want to know how the town budget is generated and from what items; where the funds paid by YOU as tax payees, are allocated to, come.

Don't miss this opportunity – participate in decision-making, which applies to all of us as the citizens.

**Announcement by
radio (20 seconds)**

Do you want to know how is the town budget generated? What for the funds are allocated? If it is not all the same for you as the citizen and tax payee come to participate in town budget public hearings for the next year. We are waiting for you on ___ June at ___ in the big hall of the town council at the following address _____ .

**«Creeping»
line**

Town budget public hearings for 2007 shall take place in the big hall of the town council on ___ June at ___ .

All persons interested are invited.

**Broadened an-
nouncement**

More broadened announcement for the newspapers, newsletters and leaflets should contain additional information on main priorities of town budget policy and the budget itself, the process of its development and approval and involvement of citizens in this process.

Also, information on where a brief budget description can be received might be available.

Announcement peculiarities, advantages and disadvantages		Peculiarities	Advantages	Disadvantages
	Ordinary announcement	<ul style="list-style-type: none"> ◆ Demy – A4 or ½ A4. ◆ To be placed in front porches of the dwellings, stops and city public bulletin boards. ◆ Print size – 18 and over. ◆ Can be printed on color paper. 	<ul style="list-style-type: none"> ◆ Easy for copying and many copies can be produced. ◆ Low production cost. ◆ Can be placed in public space and overcrowded places. ◆ It provides enough details on event. 	<ul style="list-style-type: none"> ◆ It is small enough and doesn't stand out against background of other such announcements. ◆ It requires efforts of many people for distribution (sticking). ◆ Easy to tear off.
	Big poster	<ul style="list-style-type: none"> ◆ Big size (poster). ◆ Color (2 as minimum; usually, red and dark blue). ◆ Of urging to come and motivating style. ◆ Small circulation (for the very popular places only). 	<ul style="list-style-type: none"> ◆ Visible from a distance. ◆ Big print and color attract attention. ◆ It attracts attention – people can think that an entertaining event (a concert) is advertising. ◆ Very efficient in over crowded places (market). ◆ Impelling to activity causing interest. 	<ul style="list-style-type: none"> ◆ It is expensive enough (color print and big size of paper). ◆ It announces the event, but doesn't provide detailed information. ◆ It destroys illusion due to conformity to entertaining events.
	Announcement by radio	<ul style="list-style-type: none"> ◆ Brief (20-30 sec.). ◆ Colloquial style (simple words, short sentences). ◆ Emotional. ◆ Figures and dates are difficult to be perceived by ear – better to remove totally. 	<ul style="list-style-type: none"> ◆ May be heard at once by many residents of Kyrgyzstan (90% of Kyrgyzstan residents listen radio regularly). ◆ Big geographic coverage for a small price. ◆ May create the illusion of dialog (questions in the text). ◆ Efficient in attraction to activity. 	<ul style="list-style-type: none"> ◆ May cost a lot depending of Radio advertising rates. ◆ Subject to be broadcasted by radio several times through equal time intervals. ◆ Can't provide for a lot of factual information due to time limits.
	Announcement by TV (creeping line)	<ul style="list-style-type: none"> ◆ Too brief (each word is paid in). ◆ Official and boring style. 	<ul style="list-style-type: none"> ◆ Big coverage of the population due to TV popularity. ◆ Cheap as compared to TV advertising. 	<ul style="list-style-type: none"> ◆ Not much efficient – people read a “creeping line” rare. ◆ The same disadvantages as incase with radio – repetition, expensiveness and data limited nature.
	Broadened announcement with details	<ul style="list-style-type: none"> ◆ Too detailed; very many details are given. ◆ It is printed in newsletters and on separate leaflets to be distributed on the whole territory. 	<ul style="list-style-type: none"> ◆ Providing for a lot of in formation. ◆ Cheap for production. ◆ Might be thrown about the city as a leaflet – people may take it home and read there. ◆ May be put into mail boxes or near the doors of accommodations and house. 	<ul style="list-style-type: none"> ◆ It requires much preparation while writing it. ◆ It requires many efforts while distributing them.

Invitation

How to inform the population on the forthcoming hearings in a better way? It is better to distribute invitations for participation in hearings between households (similarly to invitation for election).

The following can be attached to invitation:

- ◆ problem or issue description;
- ◆ hearing procedures;
- ◆ form for proposal or issue.

For big cities distribution of invitations between households is less acceptable.

Information on the subject BEFORE hearings

In no case community should be informed on essence of the problem to which the hearings are dedicated to! It is necessary to prepare special information on the topic, for example:

- ◆ brief budget description;
- ◆ description of the bargain on sale of municipal object;
- ◆ description of municipal object assignation;
- ◆ substantiation for change of tariff on public utilities.

This information might be disseminated through:

- ◆ publication in newspaper;
- ◆ publication in special issue of newspaper;
- ◆ leaflets to be glued;
- ◆ dissemination of leaflets in households.

Sample news release distributed BEFORE hearings (Bishkek)

(draft developed by the Urban Institute)

November 15, 2005

NEWS RELEASE

Bishkek LG

Active preparatory phase for Bishkek budget hearings for 2006 fiscal year has started. Brief budget description is available for all interested parties in Internet on [/www.ui.kg/citybud_rus](http://www.ui.kg/citybud_rus). Questions and proposals might be sent to bishkek_budget@mail.ru. Overall activity on preparing and holding the hearings is implemented under technical and financial support of the Urban Institute – USAID contractor on “Central Asian Republic Local Government Initiative Project”.

In connection with the fact that over one mln. of people live in Bishkek and mechanisms of hearings provide for full transparency and accessibility to all interested citizens it was decided to hold hearings in two stages.

First stage – hearings in city rayons - to start in Lenin rayon on November 29th and finish in Sverdlov rayon on December 2nd. However, rayon schedule doesn't mean that rayon budgets only are subject to discussion.

City budget for 2006 shall be a subject of dialog between citizens and city LG in course of all four forums.

Schedule of hearings:

Rayon	Lenin	Pervomai	Oktayabr	Sverdlov
Date	29.11.05	30.11.05	1.12.05	2.02.05
Location	SC №2	SC №48	SC №	SC №67
Time	15:00	15:00	15:00	15:00

Second stage – city hearings – to be hold on December 8th, tentatively. The citizens would be informed separately on location and time of these hearings. Nurjamal Baibolova, Chairperson of Bishkek City Kenesh, kenesh deputies, employees of the city administration, including financial department staff shall participate in hearings. They would answer the citizens' questions regarding Bishkek LG income and expenses. Moreover, residents of the capital shall be given a possibility to make own budget proposals. It can be done before hearings by means of sending a message by E-mail to: bishkek_budget@mail.ru



FINANCIAL REVOLUTION AT THE UNIVERSITY: first in history the Kyrgyz National University named after J. Balasagyn decided holding public hearings on its budget for 2006. Discussion shall take place on April 19th in the Big Assembly Hall of the main university premises at 14:00p.m.

Purpose of public hearings of the university budget is to demonstrate management transparency, prove adherence to democratic principle in practice and attract various community strata, including students and lectures, colleagues from other higher educational institutions, employees of the ministries, representatives of the government and diplomatic corps to discussion and decision-making on main university life issues.

University budget is not the matter of just this university. Finally, it is related to each citizen of the country due to two reasons. First, despite availability of a definite share of contract money, a significant budget part of the university is financed from state budget. Therefore, many students are studied at the expense of tax payees, who have a right to know how their funds are spent not only at state budget items level, but at the level of final users or concrete educational institution, in this case. Before there was no such reporting practice of the higher educational institutions in the face of society in the Kyrgyz Republic.

Second, Kyrgyz National University (KNU) is not a simple higher educational institution. KNU is the kernel of the system of higher education in the country, a guiding line for other higher educational institutions on many issues. Therefore, successful budget hearings in KNU allow hoping, that other higher educational institutions could adopt this experience and system of education would become more open and transparent in the country on the whole. This is especially important in the situation, when breach of spending the funds by the higher educational institutions had become a poor tradition.

Of no small importance is that proving their adherence to democracy and transparency in practice, the university administration contributes to formation of students' ideology, which is in close agreement with purposes and values of democratic and open society.

Utilitarian practical sense of hearings consists in the fact, that they would allow improving university management quality through funds (which aren't enough all the time) spending efficiency increase. University administration shall not only inform on income planned for the year and on which principles and priorities expenses have been calculated, but listen to students' and lectures' opinions on this issue. According to ***Ishengul Boldjurova, Rector*** «*only being aware and considering contingent's priorities and problems, it is possible to formulate a competent and efficient management policy, including management of such a complicated constitution, as a university. Participants of hearings shall be given brief university budget description for 2006, including income and expense structure. Along with the students and lectures university administration would participate in the process of hearings and make a decision after on how to dispose of limited university funds, so that achieve the best result, improve quality of education and protect rights and interests of all those, who revolve in its orbit*».

On behalf of the university administration invites all mass media representatives not only to participate in public hearings on KNU budget, but to

Information on the subject AFTER hearings

inform the community broadly on their holding and results.

KSU administration

Tel.:

Information event after hearings are the good continuation of public hearings and a possibility to inform mass media and community on activity having been undertaken by results of their holding.

This should be done in time!

This also serves as a tool of communication with community, because authorities often forget to inform on results and consequences of any event.

This is evidence that LG always listen to population's voice, appreciate its investment and show sensitiveness to opinion of the population.

Information on hearing results

People should be informed on:

- ◆ number of questions and proposals offered in course of hearings;
- ◆ essence of questions and proposals;
- ◆ whether they have been accepted to implementation;
- ◆ if they aren't subject to implementation, then "why"?
- ◆ what are prospects of problem solving having been risen in course of hearings.

If you do not inform people on hearing results, next time you'll be deprived of their support!

Sample news release distributed AFTER hearings (Bishkek)

(draft developed by the Urban Institute)

December 15, 2005

Bishkek LG **NEWS RELEASE**

PUBLIC BUDGET HEARINGS RESULTS

Over one mln. of people live in Bishkek and mechanisms of hearings provide for full transparency and accessibility to all interested citizens, therefore hearings were hold in two stages. First stage – hearings in city rayons - began on November 29th in Lenin rayon and finished on December 2nd in Sverdlov rayon. However, rayon schedule doesn't mean that rayon budgets only were subject to discussion. City budget for 2006 was a subject of dialog between citizens and city LG in course of all four forums. Second stage – city hearings – took place on December 9th in the Assembly Hall of SC № 13.

The main moment mentioned by deputies and other participants was the fact of budget funds insufficiency to satisfy all city demands. According to draft under consideration the budget should make up about 1, 5 bln. KGS in 2006; however real requirements calculated on the basis of applications from city services are increasing the amount of 3 bln. i.e. by two times more, as a minimum.

Starting from funds shortage, 2006 budget priorities were determined in social area. Economic function expenses are mainly focused on areas of education - 513 506,9 thou. KGS (33,1 %), health - 325 646,3 thou. KGS (21 %), general state services - 53 852,9 thou. KGS (3,5 %), housing and communal services - 234 374,9 thou. KGS (15,1 %), culture and sport - 34 288,7 thou. KGS (2,2 %) and social protection - 100 178,6 thou. KGS (6,5 %).

Participants of hearing showed concern that funds for capital construction were not allocated for the next year, including new building projects. Also, there

are no enough funds for transport problem solution in many cities. Deputies underlined that 6 bln. 54 KGS of tax funds are collected in Bishkek, but 1/5 part only is kept for the city.

It is remarkable and positive that participants of hearings tried to find additional sources for city income increase jointly. In particular, A. Horoev, Mayor and I. Klimenko, Vice-mayor mentioned the following ones as “reserve” sources: land tax collection, tax improvement on retail services and advertising tax. A. Nishanov, Head of State Financial Department added that city income can be increased at the expense of changing the mechanism of state dues collection, while making transactions with immovable property (dues shall be returned to the city discretion); at the expense of efficient fight with arrears.

Despite plenty of sharp moments and complicated topics the whole range of proposals were made in course of hearings and deputies decided to consider them at kenesh session.

Generally, in course of hearings the citizens asked several tens of questions and received competent and irrefragable answers to them. Moreover, keeping track of some repeated questions, as well as their urgency and social importance kenesh deputies at the head of Nurjamal Baibolova formulated a rang of modifications to draft budget for 2006. They are as follows:

- ◆ Funds envisaged for payment for public utilities shall редства, shall be allocated in full volume and not by 60-70 %, as it was before.
- ◆ Deductions to nutrition at pre-school institutions of the city shall be increased.
- ◆ Quarterly payments to participants of SWW will be increased up to 750 KGS, although more significant increase is required, but there are no budget funds for it.
- ◆ Number of families receiving nutrition from children's dairy-kitchens would be revised.
- ◆ 8 mln. KGS is allocated for grants to TOSs.
- ◆ Expenses for determination the borders of the plots of land attached to tenement-houses shall be covered at the expense o city budget amounting to 250 thou. KGS for each four rayons.
- ◆ The city should envisage budget funds, which are of urgent demand for exploration on 300 hectares of land in Alamedin rayon provided for the new city cemetery.

List of proposals can be continued long and, for sure, many of them shall be reflected in the budget. Here we give those, which were pronounced quite often and those, on which there a principle deputies' opinion. Its complete form the budget would receive only after passing through approval procedures at kenesh session and higher budget organs.

Sample news release distributed AFTER hearings (University)
(draft developed by the Urban Institute)



**Kyrgyz National University
Named After J. Balasagyn**

**NEWS RELEASE
April 27, 2006.**

Kyrgyz National University named after J. Balasagyn has hold open budget hearings for the first time having invited university staff and broad community for discussion. Completed hearings became an attempt to overcome financial area closure with the purpose to prevent corruption. Brief University description is available in UI site in Section “City budgets”.

Representatives of the Ministry of Finance, Ministry of Education, Science and Youth Policy and diplomatic corps responded to the call to participate in hearings. They not only supported the idea of public hearings at the university, but expressed some constructive remarks and introduced valuable proposals. Денүрат ЖК КР **B. Maripov**, JK KR Deputy offered holding budget hearings stage-by-stage, – establishment of the organizational committee, placement of information in Internet-site, more detailed and precise expense items analysis. Addressing the students, **M. Karimov**, Representative of USAID has urged them to be more active while defending their rights. Also he raised the issue on establishment of independent Trustee Council.

Discussion revealed many university problems, which have not been resolved for years under former administration. For example, the matter concerned to training premises and dormitories, which have been withdrawn, or even expropriated from the university illegally without any compensation for the last years. Also material and technical provision of the higher educational institution has become worse significantly.

Current situation requires urgent decision and the Government of the country should contribute to it; the university administration applies to the Government with request to make a decision on separate KSU status, which allows financing KSU as a separate state budget item.

Budget hearings took place owing to informational, organizational and financial support of the Urban Institute implementing USAID “Central Asian Local Government Initiative” Project. UI took upon itself preparation of hand-out materials, methodological training and holding preparatory trainings for the university staff.

Asel Isaeva, PR Coordinator.

Activity sequence (procedure) before, during and after the public hearings

Preparation procedure

3-4 weeks before the hearings

After the decision has been made to hold public hearings on a certain issue it is required to fulfill the below listed actions according to their sequence.

- ◆ Indicate the date
- ◆ Indicate the time
- ◆ Indicate the place

2 weeks before the hearings

- ◆ Develop the suggested proposals and draft document which shall be the subject of discussion (for example: brief description of the budget or a list of municipal property objects suggested for sale and justification of such proposal).

1-2 weeks before the hearings

- ◆ Disseminate copies of the draft document among the community, organizations, civic groups and NGOs.
- ◆ Issue a press-release and inform mass media about the planned hearings, including the information on where to obtain the draft document.
- ◆ Provide training of the municipal officers on «Preparation to public hearings».
- ◆ Place the announcements in the city indicating the goals of hearings, date of hearings, time and place.
- ◆ Inform individually each key representative of the community, Kenesh deputies and municipality’s divisions about the planned hearings.
- ◆ Select the moderator of hearings out of the Kenesh deputies who

1 week before the hearings

work with the issue of coming hearings.

- ◆ Make the necessary arrangements at the place of coming hearings (seats/places for the participants, table for the moderator, light, microphones, extension cords and so forth).
- ◆ Prepare the descriptive materials: posters, slides etc.
- ◆ Appoint the speakers.
- ◆ Prepare the agenda.
- ◆ Prepare the additional copies of hand-out materials for hearings.
- ◆ Prepare and disseminate the rules/procedure of hearings.
- ◆ Develop the registration list of speakers/presenters and give it to those persons who are responsible for the registration process.
- ◆ Prepare the premises.

1 day before the hearings

Materials, presentations and speakers

Which materials may be required?

- ◆ Wall posters (placards), graphs, diagrams, maps (if land is a topic of hearings).
- ◆ Hand-out materials – description of the budget, tariff calculation, list of the objects of municipal property, list of land plots.
- ◆ Rules for conducting hearings.
- ◆ Agenda of hearings.
- ◆ Invitation for hearings.
- ◆ List for registration of participants.
- ◆ Form of the minutes of hearings.
- ◆ Form of the suggestion / request / question.
- ◆ Other.

Form of suggestion / request / question

In order to better record the announced questions and suggestions, and in order to make easier the work of a person responsible for minutes, please prepare the special forms which shall include the following:

- ◆ date;
- ◆ substance of the issue or suggestion;
- ◆ full name of the presenter of suggestion or question (if applicable, because the person may wish to remain anonymous).

Check list and why do you need it?

If you are convinced that the local self-government which you represent has been working for the community and together with the community, and that the public hearings are necessary;

if you are ready for constructive and beneficial discussions;

if you have carefully read the previous parts of the manual and have a clear idea how you will organize and hold the public hearings;

if you have an issue to discuss it with the community, and your colleagues are ready to help you and carry out all the necessary work -

IT IS THE HIGH TIME TO FILL OUT THE CHECK LIST!

Never a one event can be conducted spontaneously, and it can never be organized by one single person. A team shall be working, each member of which shall clearly know his/her responsibilities and time deadlines. CHECK LIST concentrates such information and provides the organizational clearness of preparation works.

It is purposeful to make it in a form of a table, and fill it out during the preparation works, and not the day before hearings. It can look as the following:

Action	Person responsible	Deadline	Remarks / resources	Completion mark
Identify the topic and subject of discussions and identify the result				
Determine the date of hearings				
Determine the place of hearings				
Determine the time of hearings				
Train the employees of Ayil-okmotu on preparation of hearings				
Develop a package of suggestions and draft document which are the subjects of discussions (for example, brief description of the budget or a list of objects of municipal property for sale and justification of such proposal)				
Develop and prepare the invitations for hearings				
Prepare a list of speakers – specialists of Ayil-okmotu and other organizations				
Control the preparation of presentations during the preparation works				
Develop Rules for Conducting Hearings				
Disseminate the invitations, documents and Rules among the community, organizations, civic groups and NGOs				
Agree on proper premises				
Prepare a press-release and inform mass media representatives				
Inform individually each key representatives of the community, Kenesh deputies, relevant divisions and organizations about the coming hearings				
Inform the relevant state authorities and powers				
Select the moderator of hearings				
Prepare the descriptive materials				
Conduct a press-conference («round-table») on subject of hearings				
Control the readiness of the premises and equipment				
Specify the list of speakers and agenda				
Prepare the additional materials to be distributed at the site				
Organize the minutes of hearings and registration of participants				
Conduct the press-conference based on the results of hearings				
Consolidate and document the results of hearings				
Disseminate the information on results among the community				

Types of public hearings

What can be the subject of discussions at public hearings?

Subject of public hearings can be any issue/topic, a problem which concerns the major part of community. Types of hearings already applied in Kyrgyz Republic:

- ◆ budget hearings;
- ◆ hearings on municipal property;
- ◆ tariff hearings;
- ◆ strategy hearings;
- ◆ hearings on the quality and volume of municipal services.

Other gatherings of citizens can be in some extent referred to public hearings, for example:

- ◆ open sessions of local keneshes;
- ◆ national “kurultai”;
- ◆ sessions;
- ◆ political meetings.

Public hearings on budget

Why public hearings on budget are held?

Budget is presumably the most important political document produced by local self-government. Process of preparation and approval of the budget requires the citizens and officials of local self-government authorities to understand how the budget is approved and implemented. The matter is that the problem of limited resources always rises in the process of budget preparation. This means the necessity to choose the priorities for financing. That is why the budget is not simply a financial plan, but the plan which reflects the priorities based on the principle of limited resources with unlimited needs.

How to achieve the maximum appropriateness of expense planning with the needs of urban community? It is necessary to establish the informational exchange with the citizens. One of the most efficient ways for the local self-government authorities to receive information regarding the thoughts of citizens about the budget, to which extent the public supports the budget policy implemented by local powers, and what shall be changed to make it more appropriate for the community are the ***public hearings on budget***.

Legal basis of the public hearings on budget

Modern Kyrgyz laws provide sufficient legal possibilities for the organization and conduct of public hearings on budget. Hearings are regulated by several laws and legal acts.

- ◆ Law of KR «On financial-economical bases of LSG», Article 13, para7 requires to «obtain approval of budgets and reports at open sessions of councils and public hearings».
- ◆ Law of KR «On main principles of budget law», Article 12 requires to review «the budgets (both local and republican) in open way with the involvement of public».
- ◆ National Strategy of Decentralization and Decree of the Government on Strategy Implementation #257 (as of April 30, 2003) appeal for transparency of finances.
- ◆ Typical Budget Procedures approved by the Minister of LSG as recommendations to LSG authorities (November 27, 2003) include detailed provisions for budget hearings on budgeting.
- ◆ Typical Regulation «On budget hearings» approved by the Minister of LSG as recommendation to LSG authorities (September 30, 2003) appeal for conducting the hearings.

Types of public hearings on budget

Public hearings on budget can be conducted to review:

- ◆ draft budget for the next year;
- ◆ implementation of the budget of past or current year;
- ◆ simultaneously the draft budget for the next year and implementation of current year budget as of the time of hearings.

In past the cities of Kyrgyzstan conducted the hearings in spring, mainly to review the draft budget for the next year.

It is possible to conduct several budget hearings within a year, which can review different issues (hearings can be held on separate parts of the local budget, for example: only the part on education).

When to conduct the budget hearings?

Public hearings on budget shall be «tied» to the relevant stage of budgeting process. In fact, there is no sense to conduct budget hearings on draft budget for the next year, when it was already approved by the local kenesh and ready for implementation. That is why it is important to know and have a good understanding of the stages of budgeting process, and to know the budget calendar.

Stages of the budget process

- ◆ Collection of information.
- ◆ Preparation of the budget.
- ◆ Review of the budget.
- ◆ Approval of the budget.
- ◆ Implementation of the budget.
- ◆ Approval of the report on budget implementation.

Budget calendar

Budget calendar is presented in details in Article 47 of the Law of KR «On main principles of the budget law», which stipulates the following:

- ◆ **before May 30** the Ministry of Finance shall present to the LSG the instructions for budgeting, assumed normatives of allocations from state taxes and assumed sizes of category and leveling grants to be provided to the local budgets;
- ◆ draft income local budgets shall be presented to the Ministry of Finance **before July 1;**
- ◆ draft expense local budgets shall be presented to the Ministry of Finance **before August 1;**
- ◆ Ministry of Finance includes the territorial breakdown at rayon and oblast levels.

However, according to the requirements of the budgeting instructions of the Ministry of Finance, the whole budget shall be presented to the Ministry of Finance by 1st of July.

Moreover, the rayons and oblasts shall define their own deadline/time frames and give them to the subordinate levels, while requiring from them the submission of the budget within the earlier time frames, so that the oblast could prepare a consolidated budget by 1st of July.

What the financial division of the Local Self-government is responsible for?

Financial division shall implement the following functions:

- ◆ collect the required data;
- ◆ develop draft budget;
- ◆ present draft budget to Kenesh for approval;
- ◆ present the approved draft budget to the relevant territorial divisions of the Ministry of Finance;
- ◆ specify the initial draft budget after receiving the determined normatives of allocations from state taxes and sizes of category and leveling grants;
- ◆ present the determined draft budget to Kenesh for approval;
- ◆ timely present to Kenesh the suggested amendments to the budget;
- ◆ implement the approved budget and prepare reports on budget implementation to the local Kenesh and Ministry of Finance.

What the city kenesh and its budget commission are responsible for?

The role of city kenesh and budget commission includes the following:

- ◆ budget commission of the kenesh provides the preliminary review of the draft budget and reports of LSG, including the heads of units, divisions and municipal enterprises (for example: water supply companies);
- ◆ budget commission shall present its evaluation of the draft budget at the session of kenesh;

Peculiarities of the budget hearings:

- ◆ session of kenesh reviews and approves or rejects the initial and adjusted draft budgets;
- ◆ budget commission first reviews the reports on budget implementation, and after that submits its evaluation for review at the kenesh session;
- ◆ session of the kenesh reviews the reports on budget implementation and approves or rejects them.

In the beginning of the budget hearings it is necessary to make a brief introduction, which shall present the essence of the budget reforms and two-level (two-tier) budget.

At the hearings you shall expect difficult questions, for example, such as the following:

- ◆ About the use of funds collected as a share for co-financing of the local community for implementation of any project.
- ◆ About the municipal property management, sizes of collections and accounting of such income (especially, if the objects are given for rent without a tender and the sum of payment is not transparent).
- ◆ About the rent/leasing procedures of municipal land and land of ФПС, sums of collections and accounting of such income (especially, if the land is given for leasing without a tender and the sum of payment is not transparent).
- ◆ About the use of other types of special funds.

Necessary conditions for securing successful budget hearings

- ◆ Leader of local self-government (chairperson of the local kenesh, mayor or a head) shall make a speech before the budget hearings with the statement on city priorities and budget priorities.
- ◆ A person presenting the budget shall have a good knowledge of the numbers in order to answer the possible questions.
- ◆ Time of the budget hearings shall be relevant to the budget calendar stipulated by laws.
- ◆ Hearings shall involve as many people as possible, who participate in the budget decision-making process.
- ◆ Presentation of the budget shall include as many descriptive materials as possible.
- ◆ It is mandatory to prepare a Brief Budget Description (BBD) and disseminate it in advance.

Hand-out materials at the budget hearings

Without special preparation the budget is quite difficult for understanding. The majority of citizens are not aware with the system of inter-budget relationships of the country. The majority does not understand the complicated financial graphs and diagrams, as well as the budget terminology contained in the budget documentation. Many of the citizens have never seen a budget document. Many of them do not understand how the numbers and formulas of the budget influence the public policy and public services.

Due to the fact that the majority of citizens are unwilling to spend time to read and understand the budget details, there is a practice to prepare a shortened version of the budget, which is usually called «*Brief budget description*» (*hereinafter referred as BBD*). This brief description of the budget summarizes the information which is the most important for the public and which could be addressed to different auditoriums, including mass media, citizens, deputies and so forth.

Brief budget description (prepared by the financial division, and shall be given to interested persons, placed at available places – such as stands, and disseminated to participants of hearings).

If the BBD seems to be too complicated and you wish to simplify further the presentation of the main budget indices, you can use another type of the document – the so-called «budget message».

Budget message (prepared by the head of LSG, includes the budget priorities, main indices of the expense and income budgets, and disseminated to participants of the hearings). Due to the fact that it is easier to prepare the budget message than the BBD, you can start with the budget message.

Budget message – One page version (A4 paper form)

First page: name of the document, message/application of the head of LSG, contact information.

Second page: brief description of the budget income, graphical reflection of the expense budget.

Photo of a budget document of one of cities of Poland

Budget message – version for 8 pages, half of normal A4 page

First page: name of the document, emblem.

Second page: message/speech of the head of LSG with the justification of the draft budget and priorities.

Third page: income budget in a form of tables and graphs.

Forth and fifth pages: expense budget in graphical presentation.

Sixth and seventh pages: description of the largest projects (for example: capital rehabilitation of a school) and grants.

Eighth page: contact information, including the address for mailing questions, and terminology.

Photo: a form of the budget document (pages 3-4 and 6-7) of one of the cities of Poland

What shall include the brief budget description (BBD)?

- ◆ Priorities of the budget policy
- ◆ Key problems and their resolution during the budget period
- ◆ Main changes of the tax rates
- ◆ Review of the tax or financial policy
- ◆ Assumed level of services rendered by government authorities

Steps for preparation of the brief budget description

- ◆ Important economic factors which influence the budget policy
- ◆ Significant changes of funds from the republican budget and local sources.

1. Collect all the necessary reports.
2. Define the structure of BBD.
3. Determine which tables and graphs will be used in presentation.
4. Determine the sequence of presentation.
5. Write the text and comments to tables/graphs.

Advantages of BBD

◆ **Presentation of large volume information.**

Specific information about the budget which cannot be available in other cases for the majority of community.

◆ **Detailed financial information in one document for citizens.**

Brief budget description allows citizens in available and concentrated form receive almost all the financial and budget information.

◆ **Possibility of subject/essence discussions.**

BBD gives a unique possibility to citizens and local self-government authorities in constructive and, most important, competent environment to discuss the issues which concern all strata of the society. This allows avoiding the situation when the budget and local self-government authorities are per se, and the community is also by itself.

◆ **Improvement of the budget transparency.**

On the one hand, budget is a complicated and abstract financial document. On the other hand this document in many senses defines the daily life of community members, who have the right to know the details of how the public funds are spent. BBD allows providing the maximum budget transparency.

Disadvantages of BBD

- ◆ **Certain expenditures**
- ◆ **Requires preliminary preparation**

Advantages and disadvantages of BBD

Advantages of BBD significantly prevail over disadvantages, and allow resolving complicated task of coordination and harmonization of actions and interests of the community and local self-government authorities.

Structure of the brief budget description

1. Introduction.

This section shall indicate the principles – bases for budget preparation, specific goals which the local community wishes to achieve; brief general description of the budget; general information about local self-government; self-government priorities.

2. Budgeting process and budget calendar.

This section can determine and describe the budgeting process and budget presentation, roles of city kenesh, city municipality and mayor's office in this process, and budget calendar.

3. Organizational structure.

4. Comparative analysis of the implemented and earlier approved budgets.

5. Income part.

Income sources shall be clearly defined, which of them are the most important for the city, what are the reasons of any significant changes. In order to make it more illustrative it is better to use more graphs and tables.

6. Expense part.

This section shall clearly specify and define the goals, which require the collected financial means and their proportions. The development priorities of inhabited area shall be clearly stated. Similar to the previous section it is recommended to use more graphic illustration of information – graphs and tables.

Example of brief budget description

Below is an example of a brief budget description of the real ayil-okmotu of the Kyrgyz Republic. Such form of brief budget description is suitable for cities and villages of the country. Similar brief budget description can be used for preparation of public hearings of other objects and organizations, for example: educational institutions - and this is confirmed by practical work – according to this sample there was prepared a brief budget description for public hearings on the budget of the Kyrgyz National University.

Brief budget description of the «N» Ayil-okmotu (sample)

“N” AYIL-OKMOTU

Draft budget for the 2005 financial year made up 8951,5 thousand Som

Principles and process of budget preparation. Ayil kenesh, budget organizations and village citizens play an important role in the process of budgeting and implementation of the village budget. Process of budget preparation is based on coordination of the activities of the financial division of “N” Ayil-okmotu and budget organizations, as well as through public hearings on budget with the participation of rural community.

Budget preparation – is an annual event which determines tasks for the heads of local powers and citizens in order to determine the priorities of future expenses and village investments. Under the conditions of insufficient resources the budget shall serve not only as a financial plan. It must be the plan which reflects the priorities based on realities of limited resources.

This process shall allow the rural self-government powers and citizens to plan their expenses openly and democratically. Result of the budget planning process shall be a document which can be reviewed as the:

- financial plan,
- legal basis for decision-making process,
- report for citizens.

Each year in spring and summer the Ayil-okmotu together with the budget institutions shall prepare draft budget based on forecasted income and expenses for the next year. This budget shall take into consideration the priorities approved by ayil-kenesh. The suggested budget shall be presented to citizens for discussions at open budget hearings. After the hearings and proper amendments, the adjusted budget shall be presented to ayil-kenesh for review, consideration/discussion and approval. After that the draft budget shall be submitted to the rayon financial department. The rayon and oblast departments shall consolidate the budgets of subordinate levels, in order to include them into republican consolidated budget.

After preparation by the Ministry of Finance of draft consolidated budget with the consideration of interest in general, the draft budget with suggested amendments of the Ministry of Finance shall be sent back to the oblast. Representatives of Ayil-kenesh and financial division of the village council defend the village draft budget. After the discussions with the rayon and adoption of agreed decision the village shall again adjust its budget.

Budget of the “N” village shall meet the needs of the community and rural organizations within the frames of limited budget means. The village community consists of about 15154 people.

Goal of budget hearings. Today at budget hearings we will discuss the draft budget for the 2005 financial year. After the formation of republican, oblast and rayon budgets, the village budget for the year of 2005 shall be properly amended, taking into consideration the limited resources in Kyrgyz Republic in general.

Planned budget for the 2005 financial year

INCOME. According to laws the income budget of local self-government powers consist of the following:

- regulated taxes, a part of them are paid to the republican budget;
- local taxes and collections;

- non-tax payments;
- special means;
- republican grants (category and leveling).

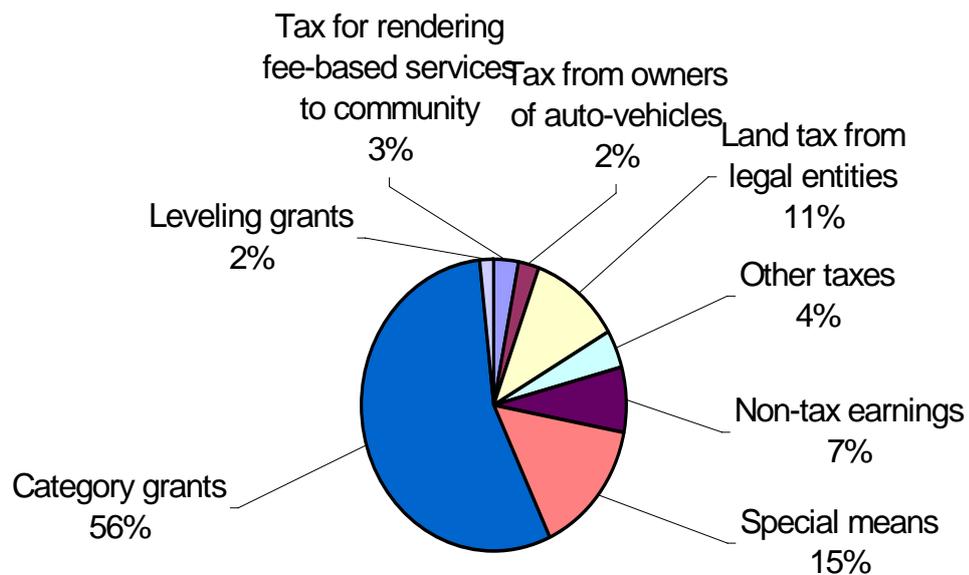
Draft income budget of the "N" village for the 2005 financial year was calculated based on data of forecasted indices of indicative plan of social-economical development of the village, rayon tax inspection and rayon statistical committee. Forecast was developed by all budget institutions of the village.

Also, during the project development, there were reviewed the dynamics of tax collections and non-tax payments for 2002-2003 years and expected income for 2004.

According to the conducted calculations the forecast of tax and non-tax earnings for 2005 of the **Ivanovka** village made up 3854,1 thousand Som, including: income from local taxes 1874,1 thousand Som, non-tax income for 645 thousand Som, special means for 1335 thousand Som, category grants for 4937,1 thousand Som and leveling grants for 160,3 thousand Som.

The budget for 2005 year forecasts a category grant for the salary fund and allocations to the Social Fund of the employees of secondary schools. The sum of category grants made up 4937,1 thousand Som (it made up 55.2% of total income of the village budget).

Income of "N" village council (in '000 Som) of draft budget/plan for 2005



The most important taxes are the land tax from legal entities – 1000 thousand Som (11.2% of total sum of earnings), tax for rendering fee-based services to community – 285 thousand Som (3.2% of total sum of earnings) and tax from the owners of auto-vehicles – 200.0 thousand Som (2.2% of total earnings). Remaining tax earnings made up insignificant share of total income.

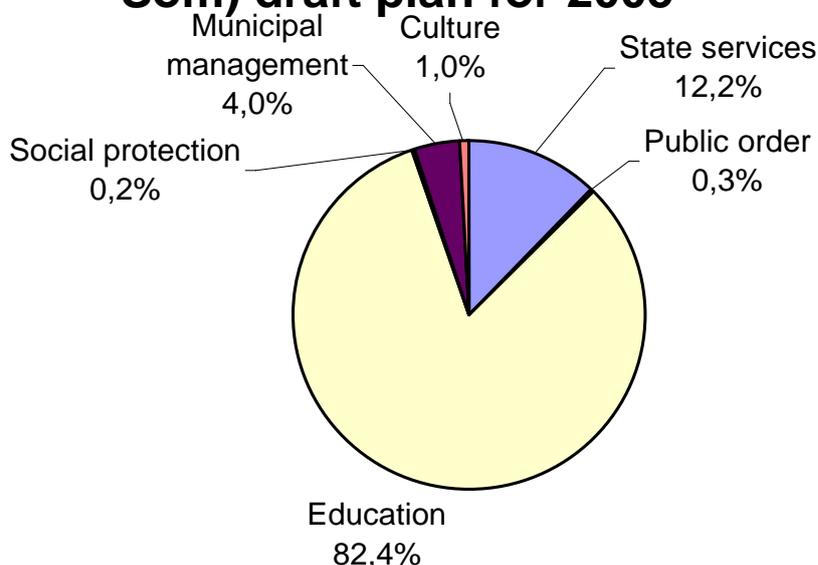
The decrease of the planned sum of special means in 2005 in comparison with 2004 was initiated by the decrease of leasing income, which is related to decrease of land plots.

EXPENSES. The expense budget was determined based on the expenses for past years, corrected with the consideration of economic situation of inflation processes and accounts payable as of 1.01.2004.

Draft budget is aimed to provide the implementation of programs on state services, public order, education, municipal management, culture and social protection. Draft expense budget for 2005 made up 8951,5 thousand Som.

Expenses related to economical functions are mainly concentrated on education component 7377,1 thousand Som (82,4% of total expenses), common state services: 1090,6 thousand Som (12,2% of total expenses), as well as the Housing maintenance and utilities board (municipal management): 356,3 thousand Som (4% of total expenses).

Expenses of "N" village council (in '000 Som) draft plan for 2005



More detailed disclosure of separate articles by economical functions is presented below.

STATE SERVICES OF GENERAL PURPOSE (STATE PUBLIC SERVICES)

Draft budget for 2005 envisaged expenses for governance authorities for 1090,6 thousand Som, including the Salary Fund and allocations to the Social Fund for 789,8 thousand Som, calculated in accordance with the Decree of President of KR «On payment conditions of the work of local self-government officers». The self-government authorities consist of 29 persons, including servicing staff - 2 persons. Average salary made up 2178 Som.

PUBLIC ORDER

Draft budget for 2005 envisaged expenses for district police officer for 22,4 thousand Som.

EDUCATION

Educational institutions of the "N" village include 7 budget institutions, including 2 secondary schools, 4 primary schools and 1 kindergarten.

Pedagogical staff made up 170 persons, the number of administrative and management staff made up 51 persons, the number of employees of children pre-school institutions made up 17 persons. Average salary made up 1154 Som.

Total expenses to maintain these institutions in 2005 made up 7377,1 thousand Som, including special funds for 603,9 thousand Som.

Salary Fund and allocations to Social Fund made up 5115.3 thousand Som and were calculated according to the number of staff of the administrative-servicing and teaching-auxiliary personnel of the educational institutions, defined according to the Resolution of Government of KR #404 as of 30.09.1995 and teaching plan approved by the Ministry of Education for 2002-2003 study years.

Housing maintenance and utilities board (municipal management)

Draft budget for 2005 envisaged expenses for the housing maintenance and utilities board (municipal management) of the "N" village for 356,3 thousand Som, out of them 48,9 thousand Som for salaries and allocations to the Social Fund (payment to quarter committees, security guards of the objects of municipal property) and 307,4 thousand Som for other purchases and services, required for sanitary cleaning of the village council's territory.

CULTURE

Draft budget for 2005 envisaged expenses for the maintenance of cultural objects of the village for 86,2 thousand Som, including special funds for 60 thousand Som. These institutions include the cultural club and 2 libraries.

The number of personnel of cultural objects made up only 3 persons, out of them 1 person works at club and 2 persons work at the library.

Salary expenses of the culture personnel made up 20,9 thousand Som, and allocations to the Social Fund made up 5,3 thousand Som and 60 thousand Som for other purchases and services.

SOCIAL PROTECTION

Draft budget for 2005 envisaged expenses for maintenance of the social protection of the village community for 18,8 thousand Som, including the salary fund of the employees of social protection department and social officers/workers (who work on-site), made up 7 thousand Som.

Table 1: Income of “N” Ayil-okmotu (in ‘000 Som)

Index	2004		2005		
	Approved plan	% of total	Plan	% of total	% of change to 2004
Local taxes					
Tax for rendering fee-based services to community	280	3,69%	285,0	3,18%	101,79%
Tax for certain types of services		0,00%	35,0	0,39%	
Tax from the owners of auto-vehicles	200	2,63%	200,0	2,23%	100,00%
Land tax from individuals	98,3	1,29%	104,1	1,16%	105,90%
Land tax from legal entities	945	12,45%	1000,0	11,17%	105,82%
Income from collection of arrears of land tax	97	1,28%	100,0	1,12%	103,09%
Land tax from legal entities for the non-agricultural land	119,7	1,58%	150,0	1,68%	125,31%
Property tax	119,7	1,58%		0,00%	0,00%
Total – local taxes	1859,7	24,50%	1874,1	20,94%	100,77%
Non-tax earnings					
State fee	582	7,67%	585	6,54%	100,52%
Other non-tax earnings	32,1	0,42%	60	0,67%	186,92%
Leasing/rent fee	378,4	4,98%		0,00%	
Total – non-tax earnings	992,5	8,09%	645	7,21%	64,99%
Total tax and non-tax earnings	2852,2	37,57%	2519,1	28,14%	88,32%
Special funds	2053,1	27,04%	1335	14,91%	65,02%
Total income with special funds	4905,3	64,61%	3854,1	43,06%	78,57%
Allocations to oblast FMMI	-455,2	-6,00%	0,0	0,00%	0,00%
Allocations to rayon budget	-1150,5	-15,15%	0,0	0,00%	0,00%
Grants					
Category grants	4292,5	56,54%	4937,1	55,15%	115,02%
Leveling grants	0	0,00%	160,3	1,79%	0,00%
Total income with grants and allocations to oblast FMMI	7592,1	100,00%	8951,5	100%	117,91%

Table 2: Expenses of “N” Ayil-okmotu (in ‘000 Som)

Index	code	2004		2005		% of deviat. of 2005 to 2004
		Approved plan	% of total	Plan	% of total	
Expenses by sections						
State services	1	1010,2	13,31%	1090,6	12,18%	108,0%
Public order	3	24	0,32%	22,4	0,25%	93,3%
Education	4	6173,6	81,32%	7377,1	82,41%	119,5%
Social protection	6	24,6	0,32%	18,8	0,21%	76,4%
Municipal management	7	294,5	3,88%	356,3	3,98%	121,0%
Culture	8	65,2	0,86%	86,2	0,96%	132,3%
Total expenses by economical sections		7592,1	100,00%	8951,5	100,00%	117,9%
Expenses by items						
Salary	1101	4308,1	56,74%	4805,3	53,7%	111,5%
Allocations to Social Fund	1211	1067,2	14,06%	1198,1	13,4%	112,3%
Per diems	1311	32	0,42%	39,0	0,4%	121,9%
Purchase of equipment and materials	1321	10	0,13%	1,0	0,0%	10,0%
Food	1323	214	2,82%	198,0	2,2%	92,5%
Rent and maintenance of vehicles	1333	43,4	0,57%	78,6	0,9%	181,1%
Payment for water	1334	285,9	3,77%	146,5	1,6%	51,2%
Payment for electricity	1335	445,5	5,87%	1165,5	13,0%	261,6%
Payment for heating (coal)	1336	146,3	1,93%	309,6	3,5%	211,6%
Payment for telephone services	1338	15,5	0,20%	11,0	0,1%	71,0%
Other purchases and services	1341	597,5	7,87%	575,4	6,4%	96,3%
Capital rehabilitation	4004	426,7	5,62%	423,4	4,7%	99,2%
Total		7592,1	100,00%	8951,5	100,00%	117,9%

Table 3. Planned expenses by economical items and sections without special funds for 2004

	State services	Public order	Education	Soc.protection	MM	Culture	Total
Salary	337,6		3545,2			20,2	3903,0
Allocations to Social Fund	84,4		886,3			5,0	975,7
Per diems							0,0
Purchase of equipment and materials							
Food			100,0				100,0
Rent and maintenance of vehicles							0,0
Payment for electricity							0,0
Payment for telephone services							0,0
Payment for heating (coal)			100,7				100,7
Other purchases and services	1,2		10,0		70,0		81,2
Capital rehabilitation/renovation							0,0
TOTAL	423,2	0,0	4642,2	0,0	70,0	25,2	5160,6

Table 4. Planned expenses by economic items and sections, including the special funds for 2004

	State services	Public order	Education	Soc.protection	MM	Culture	Total
Salary	631,5	18,0	3557,5	15,1	65,8	20,2	4308,1
Allocations to Social Fund	156,1		889,4	3,9	12,8	5,0	1067,2
Per diems	20,0		12,0				32,0
Purchase of equipment and materials	10,0						10,0
Food			214,0				214,0
Rent and maintenance of vehicles	42,4				1,0		43,4
Payment for water			285,9				285,9
Payment for electricity	40,0		400,0		5,5		445,5
Payment for telephone services	15,5						15,5
Payment for heating (coal)			146,3				146,3
Other purchases and services	89,2	6,0	267,3	5,6	189,4	40,0	597,5
Capital rehabilitation/renovation	5,5		401,2		20,0		426,7
TOTAL	1010,2	24,0	6173,6	24,6	294,5	65,2	7592,1

Table 5. Planned expenses by economical items and sections without special funds for 2005

	State ser- vices	Public order	Education	Soc.protection	MM	Culture	Total
Salary	442,8		4078,1			20,9	4541,8
Allocations to Social Fund	110,7		1019,6			5,3	1135,6
Per diems							0,0
Purchase of equipment and materials	1,0						1,0
Food			99,0				99,0
Rent and maintenance of vehicles	24,3						24,3
Payment for water			146,5				146,5
Payment for electricity	138,2		1027,3				1165,5
Payment for heating (coal)			309,6				309,6
Payment for telephone services							0,0
Other purchases and services					100,0		100,0
Capital rehabilitation/renovation			93,1				93,1
TOTAL	717,0	0,0	6773,2	0,0	100,0	26,2	7616,4

Table 6. Planned expenses by economical items and sections including special funds for 2005

	State ser- vices	Public order	Education	Soc.protection	MM	Culture	Total
Salary	631,8	14,4	4092,1	7,0	39,1	20,9	4805,3
Allocations to Social Fund	158,0		1023,2	1,8	9,8	5,3	1198,1
Per diems	17,0		22,0				39,0
Purchase of equipment and materials	1,0						1,0
Food			198,0				198,0
Rent and maintenance of vehicles	78,6						78,6
Payment for water			146,5				146,5
Payment for electricity	138,2		1027,3				1165,5
Payment for heating (solid fuel)							0,0
Payment for telephone services	11,0		309,6				320,6
Other purchases and services	50,0	8,0	140,0	10,0	307,4	60,0	575,4
Capital rehabilitation/renovation	5,0		418,4				423,4
TOTAL	1090,6	22,4	7377,1	18,8	356,3	86,2	8951,5

Table 7: Implementation of income budget of “N” Ayil-okmotu for the I quarter of 2004

Index	Adjusted plan	Factual	% of implementation
Local taxes			
Tax for rendering fee-based services to community	41,4	52,3	126,33%
Tax for certain types of services		9,1	
Tax from owners of vehicles	10,0	17,3	173,00%
Land tax from individuals	17,7	21,9	123,73%
Land tax from legal entities	60,5	81,6	134,88%
Land tax from legal entities for non-agricultural land	7,5	26,5	353,33%
Income from collected arrears of land tax	6,2		
Total – local taxes	143,3	208,7	145,64%
Non-tax earnings			
State fee	116,4	122,9	105,58%
Other non-tax earnings	8,0	5,6	70,00%
Total non-tax earnings	124,4	128,5	103,30%
Total tax and non-tax earnings without special funds	267,7	337,2	125,96%
Special funds	806,5	176,2	21,85%
Total income with special funds	1074,2	513,4	47,79%
Allocations from the oblast budget	389	389	100,00%
Allocations to the oblast budget of FMMI	-49,3	-64,3	130,43%
Residuals of budget funds at the beginning of year to cover expenses	177	177	100,00%
Grants			
Category grants	978,8	665,2	67,96%
Total income with grants and allocations to oblast FMMI	2569,7	1680,3	65,39%

Table 8: Implementation of the expense budget of “N” Ayil-okmotu for the I quarter of 2004

Name of section	Adjusted plan	Cash expenses	% of implementation
State services	315,4	189,1	59,96%
Public order	7,2	6,0	83,33%
Education	2071,0	1292,1	62,39%
Social protection	8,4	3,5	41,67%
Municipal management	138,6	104,1	75,11%
Culture	29,1	25,2	86,60%
Residuals on the account		60,3	
Total expenses by economical sections	2569,7	1680,3	65,39%

The practice to conduct public hearings on the budget in the Kyrgyz Republic

The public hearings on the budget give citizens an opportunity to get acquainted with the main financial document of a town, to learn about the planned revenues and expenditures in details and how local governance bodies elected by them dispose taxpayers' money. On the other hand the public hearings give the local governance bodies an opportunity to find out the position of the majority, to identify the priorities in accordance with the voters' essential demands. During last years in the Kyrgyz Republic several dozens of public hearings have been conducted in various towns and villages where thousands of people participated.

Years	2002	2003	2004	2005
Number of towns that organized budget hearings	13	12	18	22
<i>In 2006 the budget hearings were not conducted due to the reform of the budget system</i>				

Everywhere the hearings are conducted differently it is explained by the differences in traditions of towns and villages and by the degree of activity of the local governance bodies and the population. Nevertheless on the whole the local governance has made a lot in order the hearings take place literally and figuratively. Especially their work is important regarding providing information among citizens on the forthcoming hearings. Moreover in various regions a differentiated approach to the information campaign tactics is applied. For instance, in Uzgen and Kara-Suu where the traditional mass media are poorly developed posters and boards installed in the most attended places are used, in Isafana – radio is popular, in Kara-Balta – television and the press. On the other hand the brief descriptions of the budgets, the main documents that help the population to get acquainted with the budget, are not always ready beforehand and insufficiently widely distributed. In addition, the more close attention should be given to the language aspect. For instance, where the population speaks mainly in Kyrgyz and Uzbek the brief description of the budget and the hearings should be conducted in Kyrgyz and Uzbek languages accordingly.

The hearings allow inhabitants understand the complicated mechanism of the budget formulation and execution, to get acquainted in details with the budget in the form of its brief description that is prepared by the financial department of the executive body of the local governance. The public hearings on the budget have uncovered the problem of the inter-budget relations for the population and visually showed that the local governance bodies still depend on district and regional financial bodies and therefore the local governance bodies cannot solve all problems independently. For the present towns and villages have no needed control over financing and over the quality of providing some services. That allowed freeing the local governance of a number of unfair reproaches from the population.

In addition, the inhabitants could receive answers to many questions, for instance.

- ◆ *At what expense are the funds for the physical culture and sport formulated and they are so little? Why doesn't the town budget finance the town newspaper? (Kysyl-Kiya)*
- ◆ *Why is the municipal utilities enterprise funded partially from the town budget and partially from the district budget? (Kara-Balta)*
- ◆ *Why the town cannot stop cutting down the trees in the town streets? (Karakol)*

- ◆ *Why is the collecting of hotels tax much lower than expected? (Cholpon-Ata)*

At the hearings on the budget the inhabitants have an opportunity to introduce their corrections in the financial plan of their town or village and sometimes the inhabitants point out what was missed or not thought out by the local governance bodies when they drafted the budget.

- ◆ *At the hearings in Kok-Jangak the townspeople proposed to use tender procedures to purchase coal for the boiler and also to establish standards for expenditures to purchase oil for all town budget organizations.*
- ◆ *In Tokmak the mayor agreed with inhabitants' suggestion to introduce corrections in the draft of the budget regarding the funds for the capital repairs.*
- ◆ *The inhabitants of Balykchy at the hearing on the budget proposed to bring the medical examination commission to Balakchy from Karakol instead of bringing dozens of recruits there to save time and financial resources.*

No doubt that in each town and village there are many similar problems and issues part of which the local governance cannot notice due to their workload but a certain group of citizen can identify them. At the public hearing on the budget there is an opportunity to express opinions and accept them for the execution.

In order to stimulate the local governance bodies listen to population's proposals more responsible and attentive the Urban Institute, by the order of the USAID, conducts the contests for the best example of the information exchange between the population and the local governance, for the best example of a feedback. Those towns and villages are recognized as winners where the budget takes into consideration the biggest numbers of proposals from the population expressed during the public hearings. At present the population has an opportunity to comment and make suggestions on the budget; in addition the citizens can participate in determining priorities in the local governance's activities reflected in the budget. However, before the hearings and after them citizens are not always aware how their comments and suggestions are taken into consideration during the formulation of the budget and if the suggestions are not taken into consideration why so. Although it is important for strengthening the budget support and priorities in local governance bodies' activities from the side of the population.

In order to become a winner not only the local governance, the organizers of the hearings, should try, but also the population should think up and formulate the biggest number of real suggestions to the budget the execution of which should be achievable.

On the photo the public hearings on the budget in Bishkek

Public hearings on the municipal property

Why are the public hearings on the property conducted?

The public land and real estate are free of charge common good and potentially a productive resource that should be efficiently used by the local governance bodies. At the same time the municipal property (especially land and buildings) is the property of the community. Accordingly, the community has the full right to know how efficient it is used.

What is the municipal property?

The municipal property is the property of the local communities possessed, used and disposed by the local governance bodies, it serves as source for the local governance bodies' revenues and is needed to implement functions

of the local governance bodies according to the legislation of the Kyrgyz Republic.

Kyrgyzstan, as many countries transferring from the socialistic system to the market, has established two different types of public property: state property and municipal property that is the property belongs to the local governance bodies. The municipal property consists of the assets for which the local governance bodies have the right of ownership in particular the right to possess, use and dispose.

Why one has the municipal property?

There are two main reasons why it is needed to have separate form of the public property regarding which the local governance bodies apply the right of ownership independently.

1. To provide services efficiently.

The local governance bodies' duty is to provide the community with the certain number of the services. To make and to control it efficiently is possible under the condition of possessing the real property (buildings and land). The property gives the local governance bodies the great power and authorities. The municipal property increases the responsibility and prevents the situation when "too many cooks spoil the broth".

2. To manage the community's property effectively.

The local governance bodies are closer to the situation and bear high responsibilities before the population, the owner of the assets. They are supposed to manage the property in the interests of the community more effectively than the state bodies. It requires the local governance bodies possess the full right for ownership. They should analyze future and present expenses and needs regarding the property. At the same time the profit from the use of the public property in the settlement should be fully taken by the community itself.

Revenues from the municipal property

The revenues from the municipal property come from rent and sale of the extra municipal property and the profit should go to the local budget.

In the international practice the revenues from the rent of the municipal property are used for its maintenance and the profit from its sale are for the capital investments.

In order to avoid the corruption and to receive the biggest market price the tender procedures should be applied for rent and sale.

The main expenditures connected with the municipal property are:

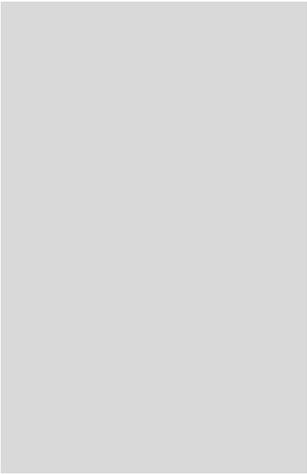
- ◆ Expenditures for maintenance and repairs of the municipal objects, such as heating, security and etc.;
- ◆ Capital repairs of the objects;
- ◆ Municipal property management employees' salaries.

Expenditures for the municipal property

Collection and analysis of the information on the municipal property objects

The local governance body needs both the summary information on all municipal property objects and the detailed information on each object. In general, the municipality has to know all expenditures and revenues connected with the property including its value and its financial commitments on it. Before submitting the decision on the municipal property object to the public hearings the local governance body should collect financial data of several types:

- ◆ The summarized current expenditures and revenues connected with *each real estate object*;
- ◆ The current expenditures and revenues of the budget on the object as parts of these summarized flows;
- ◆ The current expenditures – mainly expenditures for maintenance and



current repairs;

- ◆ The current revenues – usually revenues from rent and other periodic payments.

The second block of the information refers to the single expenditures connected with an object. Usually there are the expenditures for capital repairs and revenues from sale of an object. In case there are expenditures for the capital repairs it is important to trace the accumulated debt.

The third important block of the information about each object is its value. The issue on the value is complicated because there are many values (balance value, residual value, potential market value and etc.). From the point of view of the municipal property management the potential market value is significantly important because it helps to evaluate whether the object is used properly in the meantime and how its use can be improved.

What can the public hearings on the municipal property give to the local governance bodies?

Broad awareness among population about the effective municipal property management is PROFITABLE ECONOMICALLY AND POLITICALLY for the local governance body. The issues concerned with the municipal property understandable and close to the population. Therefore more open, democratic, useful and profitable use of the municipal property will increase inevitably trust among population and finally the political capital of the town management.

In the financial relation – a community should know how the municipal property management influences on the financial state of the community.

Efficient the municipal property management will lead to the growth of revenues and decrease of expenditures of the municipality that directly reflects on the welfare of the population. For instance, if the local governance body manages to increase revenues from the rent of its property and use them for the repairs of the roof of a school then the population assesses it positively. However such decisions will receive the more support if they are taken with the consideration of the population's point of view expressed during the public hearings.

In the economic relation – in order to attract the investments the excessive restrictions to use the land plots should be removed. To avoid the confrontation the necessary public approval is needed.

It will be reflected on the economic climate on the territory of the municipality. Private businessmen will be more eager to invest in the economy of the community, to create new jobs and to increase revenues of the population. For instance, if a municipality starts granting plots of land for construction through selling them for private ownership or for the long-term rent and removes the restrictions for targeted use of land the entrepreneurs will feel themselves protected and will be more eager to invest in the construction, in creating new production objects and service sphere.

However the lot of some objects and plots of land worries the community on social and cultural motives. Removal of the restrictions willfully and unilaterally without the consultations with the public can cause unreasonable doubts in the community and even the protest. It can be avoided with the help of the public hearings during which the community will be explained the economic profit of such decisions: ensuring reliable rights to investors and removing the unnecessary restrictions the community can get much more profit from the plot, at the expense higher selling price or the rent payment.

Prestige – formation of the image of a democratic country improvement of the investment climate

If the right for the ownership of the local governance bodies are well written in the legislation, introduced reasonably at the local levels and the community has a chance to participate in taken decisions regarding the property through the public hearings, Kyrgyzstan will take leading place in the sphere of property management among all countries in Central Asia that would promote the country's prestige.

What can a subject for discussion at the public hearings on municipal property?

A head of the local governance body, local council and the population are not necessarily interested in the detailed information on each object. However they should have the accurate summarized picture that would show the main objects, revenues and expenditures.

Therefore the public hearings should be organized more purposefully on the following issues.

- ◆ On sale of a publicly significant object (a club, a kindergarten).
- ◆ On transfer a publicly significant object to the private management

**Hearings on sale of
a significant object
(practical example)**

(park, beach).

- ◆ On the municipal property management strategy – introduction of transparent and tender procedures.
- ◆ On the land management strategy.
- ◆ On distribution of land for the individual housing construction.
- ◆ Report on receiving and use of revenues from the municipal property management.

Within the ownership of the local governance bodies there are many objects of the municipal property that it would be more purposeful to sell than to spend funds for their maintenance. Therefore in the nearest years many municipalities will face the necessity of privatization (sale) of such objects. But these measures are not always supported and approved by the population. In order to make these procedures transparent and understandable not to cause suspicions and tense in the society the decision on such objects should be taken publicly organizing the public hearings.

Sometimes such hearings become simply needed. For instance, in “N” aiyl okmotu of Kemin district in Chui region there is a building of a kindergarten. It is permanently rented by a private orphans’ house that regularly receives grant from international charity funds. The sponsors agreed to make capital repairs in the building under the conditions that it would be sold for their ownership. The aiyl okmotu having discussed the issue came to the conclusion that in the budget of the village there are no funds for maintenance of the building and they agreed to sell the building to the orphans’ house. But it was rumored in the village the local governance body sells the last for penny and gives the former kindergarten to someone. The leaders of the local governance body were afraid of suspicions in corruption and blames from the villagers and refused from this idea. As a result the building is collapsing because the sponsors did not give the money for the capital repairs. The funds coming from the rent are hardly enough for keeping it in a half breakdown conditions when the sale of the building could bring a solid amount of the “alive money”. A conclusion arising that the public hearings and duly explanation of the situation to the community could save the situation.

Hearings on transfer of publicly significant objects to private management
(practical example)

The inhabitants from lakeside of Balykchy agreed with the mayor's office initiative to transfer the degraded beach in Balykchy to the private management. It was demonstrated by the first public hearings on transfer of the municipal property to the private management in the history of Kyrgyzstan.

Beforehand the mayor's office with the participation of the Urban Institute created the working group to develop the draft on transfer the park and beach zone of Balykchy to the private management. In order to protect the townspeople's interest and to attract the more number of tourists the working group conducted the special survey that found out the expectations of the population and the rested, their demands and wishes regarding the modernization of Balykchy beach. The main ideas were put as a base for the ToR the implementation of which will be delegated to the private manager. First of all they include new sand surface for beach, construction of toilets and cabins for changing, drinking water supply, organization of comfortable food points and etc. On the other hand the special estimations on potential profitability of the improved beach have been made in order a private manager could get the profit. Thus, taking into consideration interests of all stakeholders the agreement for private management will be signed. With whom exactly it would be known during the open contest.

However all carefulness that applied during the work did not save the project from the public mistrust. In the town it was rumored about "sale" and "dishonest privatization" of the town beach. The population had a negative attitude and expected no good from mayor's office initiative. Then it was decided to conduct the public hearings.

At the hearings the experts and the working group presented the detailed information about the project that helped to convince the population of Balykchy to agree with the decision to transfer (not to sell) the beach to the private manager despite the fact that from the beginning the project caused some worries among the population. The public hearings denied them gave the public "yes" to start the project. The tense was removed. The townspeople were interested in the details of the future contest:

- ◆ Can the population Balykchy visit free of charge the park and beach zone or they have to pay?
- ◆ Will toilets be free of charge?
- ◆ Will the access to the drinking water be free of charge?
- ◆ What benefits will the town get from the project?
- ◆ What is the rent cost?
- ◆ Who will control the implementation of the conditions of the rent agreement?
- ◆ Won't the rent influence on the ecological condition of the object?

From their side the experts explained that the basic services as entrance to the park and beach zone, drinking water and part of toilets will free of charge for all. Also all sanitary and hygiene and ecological norms will be observed, the benefits for the town are that decay and destruction of the zone will stop. That also influenced on the results of the hearings.

Now the population and the local governance body expect that the project will improve the conditions of life in Balykchy, recover the business activities, attract more number of tourist to the town both for stationary and transit.

The hearing on the land management strategy
(practical example)

At the public hearings held in Jalalabat on March 17, 2006 the representatives of the town communities, quarter committees, house managements, house owners partnerships, deputies of the town council, Ngo leaders, mass media and guests, representatives from Karakol, Talas and Kara-Balta.

The chairman of the town council **Abdykadyr Mamadjanov** told about the current situation in land management of the town and existing problems. The reason for the occurrence of the project became the desire of the town to regulate the whole process of granting вещных rights for municipal land.

The first vice-mayor **Sadyr Aitbayev** together with the heads of the town architecture and state registry departments spoke about the project on the municipal land management strategy in Jalalabat. As S. Aitbayev says *“Jalalabat experience in the innovative management of the municipal property has the three years history as a whole. By today only on the municipal land (starting from spring 2005) the town has two significant achievements”*. According to Aitbayev’s words now all rights for land plots in the town will be given through transparent procedures of tenders – contests and auctions. *“The inventory of vacant land plots that belong to the town municipal property has become another significant achievement”*, Aitbayev said. Also, answering to questions of hearings participants the first vice-mayor noted that all tenders will be conducted under equal conditions for all townspeople. To those who act willfully will be applied sanctions of law enforcement bodies.

The scientific employee of the Urban Institute, **Olga Kaganova**, *speaking* at the hearings noted that *“introducing this municipal land management strategy the local governance body tries to achieve the observance of the legislation, justice and respect the interests of the population during the distribution of land plots keeping the balance of interests for the present and future generations. After the adoption of the strategy the process of the land distribution becomes transparent for the council and the population”*.

The senior architect of Jalalabat **Marat Joroev** emphasized at the hearings that *“the golden fund”* of the town consisted of 20 plots 500 square meters each. *“These large plots for significant objects. There is hope that multi storied buildings will be constructed there. There are such investors”*, Joroev told, he also noted that *“all procedures are transparent. Deputies will participate. The public hearings will conducted when they are needed”*.

Deputies and townspeople speaking at the hearings were interested not only in their own problems but also expressed their care about the order in the town. Especially Jalalabat citizens asked about unauthorized constructions and capture of vacant plots.

At the hearings the decision was taken to improve the draft taking into account the expressed suggestions of townspeople and deputies and submit for the approval to the town council.

Hearings on land distribution

The land distribution for the individual housing construction is always a very sharp and painful issue especially in urban areas. Therefore it should be discussed with attraction of the community public. The public hearings in this case are the effective instrument though here one can not manage by the hearings only.

Report on municipal property management revenues

The report on the municipal property management revenues may include the following issues.

- ◆ How much total revenues the municipal property brought per the year, what kind of revenues (for instance, rent revenues, revenues from the sale, revenues from granting the right to use and etc.)?
- ◆ Who was a receiver of those revenues (directly the local budget or organizations – users of the objects (for instance, schools), or specialized enterprise – a manager and etc.)?
- ◆ What expenditures total and by item for purchasing, maintenance, repairs of municipal property and also for its management?
- ◆ At whose expense these expenditures (from the local budget, from

Report on the use of municipal property management revenues

the budget of the specialized enterprise – a manager, at the expense of private sponsors – enterprises, pupils' parents and etc.)?

- ◆ What is the condition of enterprises owned by the municipal, whether they are profitable or unprofitable, and what financial commitments has the local governance in relations with enterprises?

The lot of revenues from sale (privatization) of objects of municipal property should worry many community representatives.

The universally recognized rule supposes that the revenues received from sale should be spent only for the capital investments (in particular, for the capital repairs or the new construction), but not “eaten” by the current expenditures. Unfortunately, the temptation to act exactly in this way will often be present in the behavior of the local governance bodies. But to allow spending the revenues from the privatization to pay salaries and other current expenditures is impossible that is why the issue on privatization (sale) of the objects of the municipal property is recommended to be submitted to the public hearings.

Public hearings on tariffs and local services

Why are public hearings on tariffs and services needed?

Tariffs for services provided by the local governance bodies have directly an influence on the significant number of citizens and organizations:

- ◆ Suppliers of municipal services (private companies and budget enterprises).
- ◆ Citizens of all income levels;
- ◆ Non-governmental organizations;
- ◆ Production commercial enterprises;
- ◆ Consumers of the state sector including hospitals, schools, and parks.

To fix corresponding tariffs for the services of the local governance bodies is always a difficult task. The local governance bodies are subjects of the significant political risks especially when one speaks about tariffs increase.

On the one hand services suppliers always need to get enough revenues; on the other hand consumers have their desires and means to pay for tariffs increase. To balance these interests is rather complicated. In particular it concerns the present situation in Kyrgyz towns where the tariffs for services, for instance, water supply in the past covered operational and maintenance expenses and the funds for rehabilitation of the system and investments were provided by the state. Today the state resources in this regard are limited. Therefore to cover the expenses on rehabilitation of the system in order to support the existing level of water supply the local tariffs will inevitably increase.

Thus, the local governance bodies have to give a chance to all interested parties participate in the process of both to establish the standards for municipal services provision and to fix the tariffs to utilize them.

This can be achieved through conducting the public hearings where all interested parties can express their opinions and give reasons for it.

It is necessary to note that under the conditions of Kyrgyzstan the tariffs for municipal services become particularly sharp and sometimes even painful issue. The open discussion and accessible reasoning that can be provided by the local governance bodies to the society at the public hearings can remove the pressure around the problem. Despite the fact what decisions on

For which services should tariffs be fixed?

the payment and taxes charged from consumers are finally taken the information these decisions are based on and the process of taking the decision should be open and accessible for the public. It is needed to make participation of interested parties fruitful. The population will understand the necessity to change the cost of municipal services and tariffs only when it is well informed on the reasons that induce the local governance bodies to make such a step.

The services of the majority number of the local governance bodies can be divided into two categories: services that generate the revenues (for which the tariffs are fixed), and services that do not generate the revenues.

- ◆ Tariffs are not always applied to “public goods” that used by the whole population. Such types of services often provided free of charge either according to the state policy or in cases when it is difficult to identify the exact users. Here such services are included as road maintenance, state education, health care and streets cleaning.
- ◆ On other types of services giving profits directly to the certain users the local governance bodies should try to cover all expenses especially at consumers’ expense that can pay for such services. Such “private goods” usually include water supply, heating, litter cleaning, special education, individual health care and others.

What issues can be discussed at public hearings on tariffs and services?

- ◆ A need for introducing a service (e.g., construction of a water pipe).
- ◆ A need for expanding a service (e.g., water pipe repair).
- ◆ A need for increasing payment collections.
- ◆ A need for revising the tariff size or structure of public utilities.

A transparent method of tariff calculations

When developing proposals on revising tariffs and in the process of public hearings on tariffs, local self-government bodies should develop and clearly substantiate METHOD OF TARIFF CALCULATIONS. In particular, it might include clear directives as to:

- ◆ What expenses can be included into basic tariffs?
- ◆ How should expenses be distributed in terms of functions and consumer groups?

Determining cost of public utilities

Local self-government bodies can ensure sufficient revenue collections, provided that cost of services is correctly determined. Determining a commodity price based on real production costs can ensure efficient utilization of resources by community. Hence, tariffs on services should cover capital investment costs, as well as operation and maintenance costs.

Replacement cost –system maintenance leads to its gradual wearing out. For example, in a water supply system equipment parts are worn out per each cubic meter of pumped out, processed and consumed water. Hence, a mechanism of determining the cost of services correctly should include wear and tear and any capital equipment repair.

When determining, for example, the cost of placing hard waste, it is necessary to include future costs on construction of fences and planting of trees.

Financing costs: Tariffs should also include cost of funds. Loans cost money. Apart from principal repayment, a borrower should repay interest and all service fees. Thus, these expenses should also be included into tariff calculations.

Cost of increased quality of services: Consumers are inclined to pay for increased water quality; however, technology modernization costs should be reflected in tariffs.

Cost of expanded services: Pricing should also include cost of expanded services provided to new consumers. These costs include both cost of expanding lines for servicing new territories and partially cost of other capital objects which will be constructed in new districts. However, a decision as to how to distribute these costs among the current and new consumers should be subject to a thorough analysis and discussion.

In the process of public hearings a local self-government body should be ready to clearly explain the need for including these costs in tariffs, as well as to demonstrate how the calculations were made.

How will costs be distributed in terms of functions and consumer groups?

After all costs are clearly calculated, the most difficult is to determine the one who should bear all these costs: consumers of services, local self-government bodies via subsidies, or the state? Moreover, when providing certain services, such as water supply, cross subsidies among high- and low-income consumers are used.

Public hearings give a chance to explain to the population that utilization of subsidies, which potentially cover only costs, means that there will be fewer funds for investments and subsidies for other services to the population. Besides, hearings will allow self-government bodies to explain to the population that if tariffs are not increased compared to the current level, the current services will inevitably become worse.

In the process of public hearings population will learn about the need for setting the relevant tariffs in order to ensure stability of services. Apart from this, public hearings give a chance to better comprehend the ability and wish of the population to pay, to hear an opinion relative to acceptance of the level of services, balance the ability to pay and the level of services. All the above is an important contribution to the process of decision making by local self-government bodies.

Preparations to tariff hearings

The issue of tariff hearings could be the need for a change (most often an increase) in a certain service of local government. Given this, it is necessary to organize thorough preparations.

- ◆ To prepare substantiation of a tariff change beforehand.
- ◆ To disseminate this substantiation among interested participants beforehand.
- ◆ To prepare oneself to objections.

Public hearings on public utilities Working model

In 2003 in Tokmok, for the first time in the history of Kyrgyzstan, there were public hearings on public utilities.

The topic for discussion was provision standards and tariffs on water and sewage use. The problem of water supply is particularly important and traditional for Tokmok, therefore the interest to this event was obvious. The initiator of the public hearings was the town council and businesses involved in water supply and sewage services. Urban Institute's experts provided technical and information support.

It is worth paying attention to the procedure for holding public hearings. Hearings had 3 phases. Two phases were held in the form of excursions for the citizens, business representatives and the public to utility enterprises "Ecologist" (treatment works) and "Vodocanal", where the participants got a chance to be introduced to the technological cycle, to see problems and difficulties with own eyes, to understand where and how their payments are spent. The third final phase was a summing-up discussion, where the citizens could ask their questions and get answers.

In particular, the citizens had the following concerns :

- ◆ *Why is water cheaper in Bishkek, where the living standards are obviously higher, than in provincial Tokmok?*
- ◆ *Is there any accounting of water supply by each water supply point?*
- ◆ *What is industrial enterprises' share in the total water consumption?*
- ◆ *What is the ratio of tariffs for the population to tariffs for business entities?*
- ◆ *What sanctions are used with regard to non-payers?*

People were listening to the answers of utility enterprises' heads with interest, going deeply into details and even suggesting their measures of solving problems.

Thus, for example, the partnership of house owners, proposed to conclude an agreement on cooperation with "Vodocanal" to improve accounting of really consumed water.

But Tokmok townsmen understood the main thing: the structure and technical capacities of their water supply entity is such that the cost of water would in any case include the cost of electricity due to utilization of power-consuming deep-well pumps, and, therefore, prices for water will be the same and one should pay. Another issue is that Vodocanal, in its turn, should ensure an adequate qualitative and quantitative level of water supply services.

Note that at the hearings, the issue of tariff changes was not discussed. The head of Tokmok town council emphasized that the purpose of the public hearings is to initiate a dialogue between consumers and suppliers of services. The dialogue, resulting in mutual understanding and clearness for consumers, will provide answers to the important questions: "What are we paying for?" and "Why are we paying exactly this amount?"

This dialogue of "consumer-supplier" took place, and the most important function of the town council was exactly making this interaction constant, to provide the required number of services, to ensure their optimum quality, and at the same time, adequacy and promptness of payments. Such a constructive approach will allow solving the problem of utilities supply, relieve the stress, eliminate mutual misunderstandings and unjustified complaints.

Public Hearings on Strategic Planning (kurultais)

Issue for discussion at strategy hearings

The issue for discussion at strategy hearings might be the need for development of the municipality development strategy and the strategy itself, as well as the list of investment projects.

Public hearings on a strategy (kurultais) Working model

Kurultai as a collective mouthpiece of the community will ensure consistency and succession of implementation of the strategy approved by all people. When the head of the local self-government is replaced, it will be difficult for the new one to recede from the strategy of the settlement development that was developed before he took up the post, as a strategy is approved by the whole community in the person of Kurultai delegates.

Public hearings practice of involving population in LSG's activity is widely used when developing settlement development strategies. Over the recent years almost all towns and several villages of the Kyrgyz Republic with the public's active participation have developed and approved their develop-

menty strategies.

In the process of working out a development strategy an Organization Committee is created, which develops the first draft of a settlement development strategy. The follow-on drafts are refined under active participation of the interested and key population strata. This is achieved via organization of separate meetings with house owners, businessmen, deputies of local keneshes, heads of of sector units, education sphere representatives and others. Constructive proposals and remarks made during these meetings are inserted into the development strategy.

In the process of working out a development strategy great attention is paid not merely to the strategy development process itself but also to creation of a mechanism, ensuring succession of strategy implementation and the feeling of partnership in the process developing and implementing the strategy of this locality development.

To achieve this purpose the draft development strategy is submitted for consideration and approval of Kurultai of the local community. To ensure maximum awareness of the population the draft strategy is published in a local newspaper, the circulation is purchased and disseminated among the population free of charge a week before Kurultai. Population, having read the draft strategy, submits remarks and proposals relating to the strategy either before or during Kurultai. Additionally, copies of the draft development strategy in several languages are disseminated among all Kurultai delegates before Kurultai. Practically all proposals received from population during Kurultai are inserted into the final version of the strategy, which is afterwards approved at the session of the local kenesh.

When the head of the local self-government is replaced, it will be difficult for the new one to recede from the strategy of the settlement development that was developed before he took up the post, as a strategy is approved by the whole community in the person of Kurultai delegates.

Open Sessions of Local Keneshes

What is a session of local kenesh?

Session of the local kenesh of deputities is the main legal form of the town kenesh activity, providing for a collective discussion of the current tasks and taking decisions on performing them.

SESSIONS ARE PUBLIC, representatives of labor collectives can participate, as well as representatives of social organizations and movements, mass media and just interested citizens.

**Regulatory basis
for open sessions
of a local kenesh**

Open sessions of local keneshes are held pursuant to the Law of the Kyrgyz Republic “On local self-government and local state administration”. Article 31 of the Law stipulates that “sessions of local keneshes are open and are held no less once a quarter, upon demand of no less one third of the total number of the local kenesh deputies”.

Also, open sessions are regulated by the Law of the Kyrgyz Republic “On access to information under the jurisdiction of the government agencies and local self-government bodies of the Kyrgyz Republic”. Chapter five of the Law fully dedicated to the issue of access of the population to sessions of self-government bodies. Below are quotations from the Law.

**Article 26.
Openness of ses-
sions**

1. Sessions of the government agencies and local self-government bodies shall be open for the public, except for private sessions.

2. Openness of sessions shall be ensured through a possibility to attend sessions by citizens who submitted their requests for participation in the relevant sessions.

3. Sessions of the government agencies and local self-government bodies shall be private if the issue under discussion is information of a limited access under Article 5 of this Law.

**Article 27.
Уведомление
общественности
о проведении
заседаний**

1. Government agencies and local self-government bodies shall monthly publish sessions plan in mass media, indicating the venue, date, time and agenda of a session.

2. Government agencies and local self-government bodies shall install an information stand at their location, where, no later than one week prior to the session date, they place information on the agenda, time and regime (open or private) of a session. If a session regime is private, information stand shall contain a decision, being grounds for restricting public’s access to the session.

**Article 28.
Ensuring atten-
dance at sessions**

1. A citizen of the Kyrgyz Republic, a representative of the KR legal entity shall be entitled to attend sessions of the government agencies and local self-government bodies. To ensure attendance at sessions by citizens and (or) representatives of legal entities, government agencies and local self-government bodies shall register persons wishing to attend the corresponding session. Records on an attendee and his ID card shall be the grounds for an access to the session. The record shall contain full name of a citizen wishing to attend a session; for a representative of the legal entity – full name, name of the legal entity and position. Provision of other data or documents shall not be mandatory.

2. Seats for visitors shall be prepared in a session hall. The number of seats for visitors shall be calculated based on the registration list, but the total number of seats shall be no less than five at sessions of executive authorities and local self-government bodies, and no less than ten at sessions of Jogorku Kenesh of the Kyrgyz Republic and local self-government representative bodies. When visitors’ limit is exceeded or someone fails to attend, the attendance priority shall be given, firstly, to citizens whose rights and freedoms could be directly relating to a decision taken at the session, and, secondly, to citizens who did not attend sessions of this body earlier longer compared to others registered, and, thirdly, to those who were registered ahead of others.

3. Government agencies and local self-government bodies shall be entitled to additionally organize an access to sessions via a direct signaling to TV sets in other rooms at the location of the corresponding body.

**Article 29.
Procedure for at-**

1. The procedure for attending sessions of government agencies and local self-government bodies shall be stipulated in the rules of procedure of the

tending sessions

relevant government agencies and local self-government bodies. If there is a breach of the set attendance procedure, the Chair of a session shall reprove a breaker, and in case of a repeated breach, the breaker shall be removed from the session hall.

2. The attendees of a session shall be entitled to take notes and photographs, to have audio- and videotape recording, if it does not disturb holding a session.

Open session of the town kenesh *Working model*

Almost all Kyrgyz towns have cinemas that are currently in a sad state. Town N had the similar problem. Located in the town center cinema was unable to compete with small video saloons. The cinema has not demonstrated any movie since 1993. The building has rapidly fallen into decay and come to ruin. And yet the town was spending budget funds on guarding the empty building and payment of heating bills. The town and state administration bodies even refuse private investors wishing to purchase this ownership and change its utilization.

At the beginning heads of the town council believed that the sentimental value of the cinema for the townsmen was so high that even raising the issue of its sale would have adverse political consequences. However, later they came to a conclusion that the cinema should be sold.

It was necessary to explain the proposed changes in managing the real estate to the town council and citizens, as their support was the necessary lawfulness guarantor. An approval was to be received from the town council and the public was to be involved in discussions of the decision before taking it. It was necessary to convince Kenesh and give a satisfying explanation to the citizens prior to any ownership alienation process.

The town council held a session dedicated to the municipal ownership issue. But deputies' opinions differed and the session refused to take any decision concerning changes in utilization of the cinema. The session was definitely "against" sale of the cinema.

To assist deputies in the process of taking a decision that meets interests of the population, the city administration made efforts to attract vast society strata to discussions of the further cinema fate. During the following three months comprehensive explanations were given regarding the ownership management strategy and its application to the cinema building case. To explain advantages of changes in the building utilization to the citizens, discussions at quarter committees' meetings were initiated.

Prior to the new kenesh session, announcements about the open session were placed in multiple public places, which in itself were unprecedented demonstration of openness of the town management bodies. The process of public participation achieved its climax at the open kenesh session, where the issue of the building utilization was discussed by hundreds people. Although many citizens had changed their minds before, it was an active discussion. The idea of selling the building had some resistance, but representatives of the executive local authorities supported the idea having demonstrated the possibility of capital investments at the expense of assumed revenues.

In the upshot, kenesh voted for approval of the sale. Kenesh also resolved that tender procedures on the sale transaction were to be developed and to be submitted for the kenesh's approval within the next month.

This example shows how important an active participation of the community members in discussion of essential issues of its life. After all, if the executive authorities have not made active clarification efforts

among the townsmen, and have not attracted them to solving this issue, the town kenesh would have hardly agreed to sell the cinema falling to ruin and yielding losses to the town and the townsmen.

Other Types of Citizens' Meetings

What other types of citizens' meetings are used in the Kyrgyz Republic?

To take decisions relating to essential issues of local importance, requiring discussing them with the community members, local communities can hold kurultais, meetings, gatherings and other direct will declaration forms.

Law "On local self-government and local state administration".
Article 52. Forms of direct will declaration of the local community

Kurultais

For the purpose of taking into account a wide spectrum of public opinion and participation of the population in solving critical issues of its life organization, kurultais of local communities, districts and oblasts can take place.

The agenda of kurultais may include issues of social and economic development of the territory, formation of the local budget, utilization and development of communal ownership. Kurultai's decisions are of recommendation nature for the corresponding local kenesh and to be reviewed by the local kenesh and mayor, town head and head of ail or community local self-governments.

Representation norms for kurultai delegates, procedure for holding kurultai and implementing its decisions are stipulated in the Charter of the local community pursuant to the regulatory acts of the Kyrgyz Republic.

Law "On local self-government and local state administration".
Article 52. Kurultais of local community, district, oblast

Gatherings

Townsmen gathering is a direct form of population's participation in managing issues of local importance via discussions at meetings of townsmen living in the same street, quarter, micro district or ail territory, providing for recommendations or decisions under the local community's charter

From the KR Law "On local self-government and local state administration".

How to increase efficiency of gatherings?

Gathering is a widely known and applied in the Kyrgyz Republic form of free will declaration of citizens. In some villages this is the only form of direct communication of local administration with the population and a mechanism of information exchange between them. However, often gatherings do not yield a result, becoming an idle talk and an instrument of emotion splash. The atmosphere of many communities' gatherings does not allow a constructive dialogue, joint search for an acceptable solution of a problem. Given this, local governments should strive for making such gatherings more efficient. The following simple actions might promote it:

- ◆ Keeping minutes.
- ◆ Reflecting decisions in minutes.
- ◆ Furnishing the relevant authorities with decisions made.
- ◆ If the topic of a gathering is a very complicated problem, for example, relations with **ПЭС**, the draft letter of appeal can be prepared and signatures can be collected beforehand.
- ◆ After a gathering mass media should be notified of the decision made via a copy of the minutes and a copy of the letter of appeal.

Gatherings and meetings of townsmen
Working model

- ◆ After a gathering the minutes should be placed in plain view.

In Tokmok local government a sustainable personnel was formed and operation system of social-economic development of the town within the framework of local governance was created. The system is mainly based on weekly meetings and reports of the mayor to the townsmen directly in residential areas.

The town territory is implicitly divided into eleven constituencies with centers in general educational institutions, where mayor's reports are delivered according to the approved schedule. The townsmen are notified in advance via mass media and at various meetings. The Mayor, Vice Mayors, heads of structural subdivisions and law enforcement bodies, city kenesh deputies, representing the constituencies, took part in meetings with the population.

These meetings and reports became traditional from inception of the mayor's office, and people got accustomed to them. As a rule, they are held informally, without tiresome reports, and are accompanied by an open discussion of any acute problems, most often, in the form of questions and answers. The meeting minutes are mandatory and should include raised by townsmen problems and issues, an official responsible for solving a problem, deadlines and necessary actions to solve certain problems. Organizational work & record keeping sector monitors the performance. As issues are solved, they are withdrawn from control. This is the case, where common cause benefits from bureaucracy tools and methods. At the next meeting in the same constituency, population is notified about implementation of the action plan on solving problems, raised by townsmen in the previous meeting. It is clear, that local government cannot deceive or answer written for form only, and people will not allow this.

During more than two years, over 15 700 people participated in meeting, 520 took the floor, 689 were raised, including 591 issues that were positively solved, 75 problems are being reviewed, including 23 problems inserted into the perspective plan of town development.

In a word, townsmen' reclamations and proposals and their direct control contribute to successful solution of issues in the town. The task of local executive authorities is practically limited to generalizing these proposals and determining principal activity directions based on them. They are also the basis for annually developed budget projects and plans of social and economic town development reviewed and approved by the town kenesh, as well as various plans of the mayor' office. Exactly this approach used as the basis for work system of the town kenesh, mayor's office, all town services within the framework of Tokmok local governance.

