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# **DEVELOPING MUNICIPAL CAPACITY IN THE KYRGYZ REPUBLIC**

Ronald G. Young

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This paper on developing municipal capacity and skills in the Kyrgyz Republic has been prepared by Mr. Ronald G. Young, Team Leader of “Support to the Strengthening of Local Government in the Kyrgyz Republic” EU/TACIS Project.

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# 1. INTRODUCTION

## 1.1 Some dilemmas

*1. A high level state body in Bishkek decides that the Heads of village municipalities need some training – and asks two state bodies to do something. A few weeks later, one state body organises one-day training to all AO Heads in each Oblast (in one case 2 Oblasts combined – meaning a group of 130). It consists of lectures about the law; and those attending feel they have wasted a day.*

*The other state body offers training at rayon level the next month which is more participative – with experts being available to answer practical questions.*

*But people feel that both events should have been focussed more on the newly-elected AO Heads.*

**How would you have organised these events?**

*2. Later in the year, a foreign mayor who knows Kyrgyzstan spends a day talking with 6-7 key people in a village municipality – and then has a workshop the next day with all staff and councillors of the AO at which he presents his comments on his findings. The workshop divides up into 3 working groups to identify what action can be taken to deal with the problems and opportunities identified and to produce an action plan. People are very excited. He then has a series of visits to the municipality in the subsequent to check on and help progress.*

**Is this training? What can foreigners actually offer KR?**

*3. Some foreign donors are assisting the development of “municipal support centres” at rayon level – which offer information about laws and good practice; and training. This requires each municipality to pay an annual fee of about \$100.*

**Is this a good use of municipal money?**

*4. Some donors try to find local experts whom they then train to be local trainers.*

**But what use is this when municipalities cannot afford to pay the trainers subsequently? And how do we know whether the trainers are any use?**

*5. Various manuals exist and courses are offered in subjects such as property management local budgeting; budget transparency.*

**But what use is this when it is impossible to implement a local budget or apply much of the legislation on property management?**

*6. Donors offer cash to municipalities to improve infrastructure such as water supply and provide practical training as part of the programme.*

**Is this real training? How can state bodies check the standards of such training?**

*7. The government will be giving PC sets to all municipalities.*

**But there are very few people in the village municipalities with keyboard skills – and no training is being arranged. Is this sensible?**

These are some of the questions this publication tries to deal with. It is therefore a practical book – trying to deal with the issues which face everyone in Kyrgyzstan who is interested in the development of local government here.

## **1.2 How this booklet came to be written**

This is one of two publications which deal with the WHO, WHAT, WHY and HOW of the development of the capacity of local government in KR.

This one is aimed at those who fund, manage and organise assistance and training to municipalities here – whether in the Presidential and Prime Minister’s Offices, The Agency for Local Government Affairs, the Associations of municipalities, the Academy of Management, donors, NGOs – and, certainly not least, municipalities themselves.

The other publication is aimed at the trainers and organisers of training – as they prepare and carry out a training event.

Both publications have emerged from the work done by the EU Tacis project in the pilot Oblasts of Issyk Kul and Naryn in 2005 and 2006 – which

- Ran more than 50 workshops
- Helped set up pilot municipal support centres
- Supplied 100 PC sets to municipalities
- Provided various policy notes and a Roadmap

As we talked with people in municipalities there in mid 2005, we realised that although they very much appreciated the sort of interactive workshops we were running, we were spreading the project’s very limited resources rather thinly<sup>2</sup>. We therefore looked at other ways in which the project might have a more lasting effect. In the final phase of the project, we worked closely with 6 pilot municipalities to see what scope there was for developing their capacities with no additional resources.

We’ve learned a lot in the past 18 months – but rather than present you immediately with the end-results of that learning, we thought it far more important to share with you the journey we undertook. That is why we have chosen to include in the paper the notes project staff took of some of our workshops. These capture well the confusion and uncertainties in the municipalities in 2005-06 – and also, hopefully, will encourage other to keep such records of their own discussions. A lot can be learned by looking back on such notes 6 months later – and asking, for example, whether the promised actions have taken place or why no one seems to have taken any notice of the various points made.

We cannot pretend to know the answers to the questions we pose here – after working for only 18 months in only some of the municipalities of only 2 Oblasts. But we can hope to give you some ideas with which you can help others to undertake their own journey – drawing their own lessons. For that, we feel is the really important thing – that people should come together, admit their lack of understanding and work jointly to find the most appropriate ways for them to develop municipal capacity.

There are too many people who think they have the answer – and can simply tell others what to do. As long as that is the prevailing mentality, there will be little development of municipal capacity.

We begin with a summary of our Roadmap.....

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<sup>2</sup> Project aims and structure are described in Annex 9. Basically we had 5,000 euros a month to run 3 offices; run workshops to cover 130 municipalities, make foreign visits and produce papers.

### 1.3 The context

We have published this paper to get people talking to one another more frankly about their uncertainties. We are aware, of course, of the decentralisation strategy – which contains many of the essential ingredients but needs to be managed in a way which will better integrate the various efforts and energies needed for change. During 2005 and 2006 we have talked with many people and produced a Roadmap reflecting their views. This section summarises and builds on some of its key points.

After almost a decade of effort and a major decentralisation strategy since 2002, municipalities have not yet been able to break sufficiently free from local state administration to warrant the term local government; and have been starved of resources. The Ministry of Finance – despite assistance from the World Bank, US and UK Aid – has been able to so far resist the introduction of a 2003 Law on the Economic and Financial basis of local government. Although a fairly reasonable legal framework for local government is in place (and also pending amendments on functions), much of this lies unimplemented.

Major personnel changes follow local elections of the village mayors<sup>3</sup> – and national government can and does change the mayors of larger towns. The vast majority of municipalities have about 10 staff – most of whom are accountants and tax collectors. Village municipalities have actually more councillors than officials – but they search for a role. And the legal framework sets the kenesh against the executive power and hence creates unnecessary conflict. In systems of local government, the municipality is a singly legal entity in which sovereignty rests with the kenesh<sup>4</sup>.

Since the 2005 revolution, many working groups have been charged with the task of produced policy documents for the new rulers. However they all basically seemed to be following in the tracks established by the 2002 decentralisation strategy and fail to ask the key question of why no real progress had been made since 2002 in building local government.

The paper we produced in early 2006 reflecting the views of about 1,000 people in the municipalities of its 2 pilot Oblasts which argues<sup>5</sup> that - .

1. Strong municipalities, working with local people, are one of the **key factors in building a health economy and stable society** – particularly in a country with the population size and topography of KR.

2. The KR has, in the last few years, taken the first few steps in building such a system by –

- putting a **legal framework** in place – covering its election system, functions, property rights, finances etc
- holding free local elections which have put **7,500 councillors** and heads of local government bodies into operation in towns and villages

3. But various factors conspire to keep municipalities still operating as an arm of local state administration. Work is well advanced to deal with the outstanding problems relating to –

- a clear allocation of functions between LSA and LG
- the implementation of the Law on the Economic Base of LG – to allow the introduction in 2007 of real local budgets.

4. The KR has an excellent opportunity to set an example for the rest of Central Asia in the construction of an effective system of local participatory democracy; but this will not be achieved unless seven more things are done–

- The Constitution more clearly describes **municipal rights and responsibilities**
- Government and society **understand and support** the development of local government and its role
- The **state officials** (and others) who draft and implement subsequent legislation and regulatory instruments have the **skills and understanding to do so in way which creates a workable legal and financial system** of real local government, elected by and accountable to local citizens.
- The **judicial process** (including Prosecution functions) ensures the **enforcement** of these laws
- Proper attention is given to the implementation of the Law on municipal service – to allow the **personnel capacity of local government** to be developed
- The municipal associations are strengthened – to ensure not only that they do represent the political interests of local government but that the councillors are in fact properly representing local citizen interests
- The **system of local state administration is reformed** – to ensure that it is able to manage effectively those functions and services which have been entrusted to it

<sup>3</sup> Only towns of rayon significance have elections for their mayors. Mayors of towns of Oblasts significance are appointed by the President.

<sup>4</sup> An argument developed in the Roadmap

<sup>5</sup> A draft Roadmap for strengthening local government in KR – some views from outside Bishkek (EU Tacis)

It is not obvious, however, that many read such papers – MPs have more important issues to discuss and have not been able so far to look at some very significant amendments to the basic Law on Local Government Functions tabled by the ex-Minister without portfolio.

After the installation of a new government in the autumn; and the replacement of many civil servants, government attention has returned to the issue of local government. A Decree setting up an National Agency for Local Government Affairs was published in November 2005; its staff (of 30) has been operational since March; and the President called a Conference of all mayors of village municipalities on 10 March 2006 at which he announced the allocation of cars and PCs to many of the municipalities.

However – despite positive noises from the Ministry of Finance about the introduction of the long-delayed local budget system in 2007 – it now appears that the Ministry is simply not prepared and will not meet the statutory deadline<sup>6</sup>. And it will take the new Agency some time before it is a serious player able to assist the strengthening of local government. And the national municipal associations lack the resources and therefore links with their membership to act as powerful negotiators of change.

The 2002 decentralisation strategy suggested that the main problems were – poor and contradictory legislation; Insufficient state support for LGs; Inefficient financial mechanisms and regulation; Low-skilled municipal officials; Undeveloped social mobilisation; Lack of mechanisms for inter-sectoral cooperation.

The following programmes of work of International donors are aimed to assist this strategy -

- **Assessment of LG responsibilities and sources of financing** – this was World Bank-supported (Japanese funded) and involved local consultants and the Moscow Fiscal Policy Centre in the checking of data and the equalisation formulae; and **Local functional reviews** (UNDP local governance project)
- **Infrastructure development** for villages and 22 towns (funded by the World Bank funded but managed by ARIS<sup>7</sup>)
- The 2 **Fiscal Reforms** project assisting the Ministry of Finance (US Aid and DFiD) – which have carried out significant training of both national and municipal staff
- **Training** (Urban Institute - US Aid); focuses on strategic development towns, municipal property and local financial issues for the 24 towns. The World Bank has funded a pilot project training in budget transparency and ARIS will be carrying out shortly a larger World Bank-funded training programme on local finance. The Academy of Management has a one-year diploma course from which about 60 individuals a year graduate.

But we have referred in section 5 to the difficulties experience with municipal training at the moment. As a result, training is ad-hoc and spasmodic. And neither a training strategy nor philosophy exists.

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<sup>6</sup> see World Bank discussion note

<sup>7</sup> For further details, see Association website [www.citykr.kg](http://www.citykr.kg)

#### 1.4 The project's draft Roadmap

The Roadmap already referred to suggested 10 elements for a strategy for strengthening local government -

**Table 1; possible elements of municipal capacity building<sup>8</sup>**

Objective	Status	International Donor support
1. Constitutional recognition and protection of local government	New Constitution passed	
2. Shared vision about core features of local government		Help in "selling" the role strong local government plays in healthy society and economy
3. Strong and representative municipal association (s)	New municipal association	Little assistance (to Association of Towns only)
4. workable laws which ensure that municipal leaders are accountable to local people for "own functions"; retain local taxes; and are free to set their local budgets.	Legal framework in place – Laws on (a) Local Government and LSA; (b) Economic Basis (c) Municipal services and (d) municipal property	Urban Institute assisted the Minister without portfolio draft amendments to basic Law
5. enforcement of laws		New Urban Institute scheme to allow towns to hire advocates to pursue cases
6. Lead structure for strengthening local government	Agency for Local Government Affairs has been operational 2006	EU Tacis project assistance autumn/winter,
7. Locally-determined and financed municipal budgets and equalisation grant system in 2008	Min Finance now preparing to implement Law	World Bank has funded various local surveys; now funding training programme run by ARIS US Aid and DFiD projects on fiscal policy reform Urban Institute training
8. personnel capacity developed – recruitment, attestation, salary, training etc	No action yet on Law on municipal services  Trainers and material developed; training strategy and system introduced	Hans Seidel Foundation has given support to development of 1 year Diploma course Urban Institute very active in development of material on budgeting, property management; strategic planning GTZ and EU Tacis piloting local training capacity
9. Effective Local Leaders		
10. reshaping of LSA	Promising discussion about abolition of Oblasts petered out in summer 2005	Project has identified this as main blockage to development of LG – part of road map

Although we think this contains important elements missing from the decentralisation strategy, we recognise that neither this nor the decentralisation strategy give us a key for the development of municipal capacity. Both are too comprehensive – and neither deals with the key question of priorities and sequencing of activities.

<sup>8</sup> from para 16.1 of draft Roadmap

## 2. WHAT IS MUNICIPAL CAPACITY – AND HOW CAN IT BE DEVELOPED?

There has been a fair amount of help for the development of municipal capacity from various state bodies and international donors – some of it tangible assistance in the provision of infrastructure, some of it training.

**Table 2; Types of input for developing municipal capacity**

Type	Example
1. equipment	Allocation of PCs to municipalities by EU Tacis project in its 2 pilot Oblasts
2. Financial aid in developing infrastructure	World Bank VIP project and towns investment programme – eg in Karakol \$700,000 grant for urban services; and Swiss assistance to development of water system
3. educational courses to supply specialist staff	Academy of Management one-year diploma
4. new systems or responsibilities	GTZ data-base IT training New local budget system
5. training courses for staff to help enable them to use these new systems	Donors' training – summer 2006 – for new local budget system
6. consultancy to help leader identify opportunities of increasing effectiveness of their organisation	EU Tacis project consultancy in its pilot municipalities (see Annexes 5 and 6)
7. municipal support centres – and develop local training capacity	Various donors – inc EU Tacis in Issyk Kul and Naryn

So many ways – but how effective? And note that only one of these seven ways includes training!! This chapter poses the key questions – and indicates some of the problems with the immediate answers.

### 2.1 What do we mean by organisational capacity?

An organisation is judged to have capacity or “capability” when it has the resources and competence to perform a particular task to an acceptable level. This sound simple – but the definition requires us to ask 4 questions –

- **What** are the **tasks** of the organisation under review?
- **How** can we assess the adequacy of its **resources** and “people competences”?
- **Who** judges whether its **performance** is acceptable?
- **How** does one **measure** this?

And behind these questions lies the basic one about the link between people competences and organisational capacity. Is it enough to have well-trained staff?

#### 2.1.1 *What tasks are municipalities required to carry out here?*

There are two ways of answering this question – a legal way and a realistic way.

- The **legal** answer is to work from the “affairs of local significance” in para 15 of the 2002 Local Government Law.
- The **realistic** answer involves looking at what it actually does – and recognising the scale of functions which state bodies delegate to municipalities

There are problems with both of these approaches – it is simply not fair to assess the capacity of municipalities here by asking about the delivery of affairs of local significance when the little cash and personnel they have they are forced to spend on delegated functions.

This paper suggests a third and more appropriate way of defining the tasks.

### 2.1.2 *How to assess what resources and competences are needed?*

Some people would say that local government just needs the cash which proper implementation of the 2003 Law on Economic Basis of LG would give it. This would allow the appointment of the level of staff needed to provide local services.

But clearly the way these resources are managed is what gives an organisation its capacity – and it is this which people in Ministries in Bishkek question about municipalities. Their concerns relate to three types of capacity -

- **professional competence** (do staff have the technical knowledge and skills required, for example, to build a bridge?)
- **Managerial capacity** (for example - do the senior staff have the skills of project management?)
- **Political capacity** or authority – ie the extent to which the municipal leadership is accepted as competent and pursuing community interests.

The first type of competence is fairly easy to measure – you either know or don't know how to build a bridge! But the two other sorts of capacity are much more difficult to assess – and depend on what type of manager or politician you want in the first place! Put bluntly, do you want someone who keeps the hierarchy happy or someone who fights for the interests of local people? And too many village mayors are torn between these two extremes here!

This paper tries to explore how a country might proceed with the task of building these **three sets of competences or skills**? It argues, further, that managerial and leadership skills are the key to ensuring that well-trained staff actually help build organisational capacity.

### 2.1.3 *Who judges whether the capacity is at an acceptable level?*

At the moment it seems to be people in Bishkek with power who are making the judgements. There are various problems about this –

- Their judgments are perhaps affected by a belief that strengthening of local government might lead to a loss of some of their power. They are therefore hardly objective.
- the central level of government itself lacks many of the capacities one would expect of public administration systems<sup>9</sup> - and should therefore be careful about accusing others
- they lack acceptable indices for measuring it

### 2.1.4 *How does one measure (municipal) capacity?*

Several exercises have tried to measure municipal capacity here in Kyrgyzstan<sup>10</sup>. But –

- They have, as we have just said, generally measured the wrong thing (delegated functions)
- The researchers who try to make the judgements generally have no experience or authority for doing so
- They are commissioned by the wrong people (those in Bishkek) – when they should be commissioned and managed by municipalities themselves.

Behind these deficiencies can be seen the power of a discredited but prevailing methodology which believes that the collection of piles of information will give answers and solutions. In fact one first needs a theory or hypothesis which the information should either confirm or refute<sup>11</sup>.

The Local Government Agency carried out an attestation of local government personnel in October and November 2006 which clearly gave some indications of municipal capacity although what was

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<sup>9</sup> The project's Roadmap talks about the "paradox of decentralisation" - that decentralisation requires a strong and smart central state apparatus which is currently missing here. See section 4 of the Roadmap

<sup>10</sup> See World-bank commissioned exercise of 2005 and the UNDP local functional review of winter 2005 – The UNDP offer a "Systemic Capacity Assessment Tool" available from their website

<sup>11</sup> For more on this, see the excellent little book The Tyranny of Numbers by Henderson

being assessed was rather narrower – individual knowledge which is one element (but only one) of individual competence.

The Local Government Agency hopes, however, to start important work concerned to compare the capacities of municipalities. On this subject there is a rich vein of work - both theoretical<sup>12</sup> and practical<sup>13</sup> in Western European countries but I would question its application to transition countries which are at a much earlier stage of creating customer-focussed organisations. Here in Kyrgyzstan, our concern should be to develop measures which allow municipalities (and others) to measure their rate of progress – not the achievement of some absolute standard.

## **2.2 What is the present level of municipal capacity here in Kyrgyzstan?**

That question can strictly be answered only in relation to the delegated tasks – since patently municipalities do not currently have the resources or the personnel to begin to perform “affairs of local significance”. And state bodies may therefore seem to be in the best position to answer the question since they delegate so many of their tasks to municipalities - for example the task of collecting national taxes<sup>14</sup>. But it is hardly fair to give an organisation tasks it doesn’t want and for which it is not paid - and then blame it when it doesn’t carry them out “properly” (in the view of state bodies)!

We argue later that the capacity of an organisation is built as it has the opportunity to take decisions for itself and learns from doing. It is exactly the same process as good parenting. Of course inexperienced young people will make mistakes – but it is the job of responsible parents who care about their children to create the conditions in which their children learn for themselves – at minimal cost to themselves and others. And some of the qualities therefore needed in those purporting to offer support to local government are care and compassion.

## **2.3 How can municipal capacity realistically be developed?**

### *2.3.1 A starting point*

We have struggled to develop a framework which might throw some light on the question<sup>15</sup>. But one thing we would like to emphasise from the start – that training in itself is not the way to develop municipal capacity! We lay out in para 5.2 the various essential preconditions for effective training - of which the most important are that –

- It should be an integral part of – and assist - a change effort
- It should be designed in negotiations between the organisation itself and the training supplier.

*For the moment, let us simply emphasise that more time and energy should be taken by those committed to local government here in KR to develop an answer to this question of how to develop municipal capacity.* Many believe that the decentralisation strategy has the answer – but I am more sceptical about that since that strategy is a centralised one. Of course noone can really disagree with the contents of that strategy – and that, indeed, is part of the trouble with it. It simply enumerates too many requirements! The development of municipal capacity needs a few and simple stratagems which can be followed now – and not wait until certain people in parliament and certain Ministries decide to give some concessions!

And any answer will require -

- a proper link to be made between the competences of individuals and the capacity of the organisation
- An appreciation of the different types of competence we have outlined in 2.1.2
- Understanding that a new type of organisational leadership is needed here if the skills of individuals are to make a contribution to the organisation. At the moment

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<sup>12</sup> UNDP

<sup>13</sup> UK Best Value

<sup>14</sup> which indicates that national government lacks a certain organisational capacity!!! Note also that municipalities do not seem to be paid for this task!

<sup>15</sup> see section 8

the old “boss” system has everyone jumping to his orders and fearing to challenge the thinking behind them.

- Encouraging and nurturing that sort of leadership

In the final chapter, we try to give a clearer answer to this question – which recognises the need to identify two basic things –

- The most effective levers of change.
- The need for sequencing

### 2.3.2 *Whose responsibility is it?*

At the moment, various bodies seem to have a responsibility –

- The Presidential and Prime Minister’s Offices
- The National Agency for Local Government
- The national municipal associations

But few of them seem to use the language of capacity-building. They seem to think that is something done by donors. The time is perhaps overdue for donors and state and municipal bodies to come together and develop a strategy for this subject?

### 2.3.3 *What makes state bodies change and develop?*

Many donors believe that the answer lies in “community power” – that is on the pressure of local citizens demanding services and integrity from the municipality (see point 7 in table 3 below). This is indeed a powerful argument - but first there has to be a municipality with the resources and authority to provide services!! In the absence of such resources, citizen surveys and budget transparency exercises are a bit pointless!!

The view that organisational change comes from citizen pressure is in fact just one of several schools of thought. Another would agree that external pressure on an organisation or system is of course the main source of change – but would argue that it seldom comes from citizens and more often comes from commands from those in authority (point 3 in the table). Other people would argue that *rational arguments* (eg in training sessions) or *leaders* make a difference – and can inspire those in the organisation to change (points 1 and 2 in the table). These various arguments are elaborated in table 3.

**Table 3: motives and tools in the change process**

Motivating Factor	Example of tool	Particular mechanism
<b>1. Understanding</b>	Training	Rational persuasion
	Campaigns	Factual analysis
<b>2. Commitment</b>	Functional review	Legitimisation; inspiration
	<b>Leadership</b>	Pride
<b>3. Personal Benefit</b>	Communications	Monetary calculation
	Training	ambition
<b>4. Personal Cost</b>	Pay increase and bonus	obedience
	Promotion (including political office)	Reputation;
<b>5. Obligation</b>	Good publicity	Psychological Status
	Winning an award	
<b>6. Peer influence</b>	Named as poor performer	Psychological (Shame)
	Demotion	Monetary
<b>7. Social influence</b>	Report cards	pride
	<b>Law</b>	Courts
<b>7. Social influence</b>	Action plan	Managerial authority
	Family ties	Social pressure
<b>7. Social influence</b>	Bribery	Pressure
	Quality circles	Support
<b>7. Social influence</b>	<b>Opinion surveys</b>	Feedback from public about
	<b>Public demonstrations</b>	service quality

What we are saying is simply that, before choosing an instrument, look very carefully at the assumption you are making about how your target group behaves. Will this instrument actually work? How likely is it to produce the behaviour you want?

### 3. A STRATEGIC APPROACH TO CAPACITY DEVELOPMENT

This paper tries to encourage a strategic approach to municipal capacity development and training. The starting point should be the needs of a particular municipality. *Each municipality should be encouraged to develop a simple statement of its capacity needs and have these ready for any donor offering support.* And those needs can be assessed by answering the following questions -

- WHO needs to learn WHAT?
- WHY?
- HOW do people (in KR municipalities) learn most effectively?
- From/with WHOM?
- WHO decides these things at the moment – and does that lead to effective use of resources and everyone's time?

Table 4; **Choices for learning**<sup>16</sup>

Questions which the 2 publications deal with	Choices
<b>1. WHO needs to learn?</b>	<ul style="list-style-type: none"> <li>• New entrant</li> <li>• official needing a qualification</li> <li>• Elected councillor</li> <li>• Middle/Senior manager</li> <li>• Leaders<sup>17</sup></li> </ul>
<b>2. WHAT do they need to learn?</b>	<ul style="list-style-type: none"> <li>• Facts (eg about law)</li> <li>• Knowledge</li> <li>• Skills</li> <li>• Behaviour</li> </ul>
<b>3. WHO decides these things – why – and is this the right arrangement?</b>	<ul style="list-style-type: none"> <li>• Government</li> <li>• Trainee</li> <li>• trainers</li> <li>• municipality</li> <li>• Professional association</li> </ul>
<b>4. Using WHAT techniques?</b>	<ul style="list-style-type: none"> <li>• Training needs assessment</li> <li>• Trainers' unilateral decision</li> <li>• Attestation</li> </ul>
<b>5. HOW do people learn?</b>	<ul style="list-style-type: none"> <li>• From colleagues and friends – example and discussions</li> <li>• From doing (eg from mistakes)</li> <li>• From books and training modules</li> <li>• From trainers and workshops</li> <li>• From seeing</li> </ul>
<b>6. WHERE do they learn?</b>	<ul style="list-style-type: none"> <li>• Classroom</li> <li>• At home</li> <li>• On the job</li> <li>• Mixed</li> </ul>
<b>7. WHO decides this? – why? And is this the best arrangement?</b>	<ul style="list-style-type: none"> <li>• Funder</li> <li>• Provider</li> <li>• Trainer</li> <li>• Mixed (negotiation)</li> </ul>
<b>8. WHAT gives an organisation its capacity?</b>	<ul style="list-style-type: none"> <li>• Well-trained staff</li> <li>• Well-led staff</li> <li>• Manageable tasks</li> <li>• Adequate resources</li> </ul>

A lot of questions – and a lot of options! Perhaps the most important questions are the fifth and eighth– HOW do people learn? *And is good training enough to give an organisation the capacity to deal with the tasks for which it has responsibility?*

<sup>16</sup> this table is explained in more detail in the project's Training Manual

<sup>17</sup> various proverbs point to the folk understanding that organisational and policy failures are due to poor leadership – “fish rot from the head”; and “when we talk about bottlenecks, let's remember where the neck of a bottle is to be found”

## 4. OUR INITIAL VIEWS ABOUT MUNICIPAL NEEDS

The EU Tacis project which started in May 2005 was a short project – with an office in Bishkek and in each of its pilot Oblasts (Issyk-Kul and Naryn) – and had, as one of its required results<sup>18</sup> the training of a significant number of key municipal people in the 130 municipalities there. This has involved –

- Trying to understand the needs of these municipalities
- identifying potential local trainers
- mapping existing training materials

### 4.1 The needs?

We were aware of a booklet written in 2003<sup>19</sup> about municipal training needs – but nothing more recent. Two chapters in that booklet make interesting reading; do attempt to define target groups and competences but take a wholly legalistic and educational approach. The needs of adult learners operating in the conditions which face Kyrgyz village and town municipalities in 2006 is not really dealt with.

And there have been many personnel changes since then - elections of councillors took place in November 2004 and of heads of village municipalities in December 2005.

Our early work in the 2 pilot Oblasts demonstrated that few municipal personnel seemed to have experienced training events.

*In June 2005<sup>20</sup> we designed a questionnaire and carried out structured interviewing of 100 municipal staff and councillors – which included questions about their training needs. And over the summer months various workshops were held to explore needs and the role of the project. The municipal associations and the Minister without portfolio were important participants in these events.*

In autumn 2005, we held 6 workshops in the 2 pilot Oblasts – attended by 250 people.

- Three of the IK workshops focused on towns and had mixed groups (mayors, councillors, senior officials and NGOs)
- Three on villages – and consisted, in the 2 Naryn cases, of all relevant groups (with separate discussions) and, for IK, the Heads of all AO.

The structure in all cases was interactive and problem focused – to give participants an opportunity to demonstrate in practical terms the problems they experienced in dealing with their responsibilities<sup>21</sup>.

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<sup>18</sup> See Annex 9

<sup>19</sup> Development of the Training concept for Kyrgyz Local Authorities (Academy of Management and Hans Seidel Foundation Bishkek 2003)

<sup>20</sup> This is described in detail in the project's Manual for municipal training (December 2006)

<sup>21</sup> Building on the understanding we developed during the diagnostic stage of the project's work

**“Basic concepts of the LSG and the Municipal property”**

in the town of Naryn

2005-June 30

**Participants:**

- Deputies of the municipal Kenesh Naryn
- the Chairman of the Kenesh
- the Mayor of Naryn, and his deputy
- the head of the operational department,
- heads of municipal utilities
- representatives of “Territorial public self-government”

**Preparation**

The seminar should have been held at June 18. The chairman of the Kenesh asked to shift both seminars to June 30 and July 1. At the same time the deputies suggested to change a little bit the topics of the seminars. The project team followed these suggestions and started the seminars with some basic concepts of LSG. The members of the council became recently deputies. They are still feeling a lack of knowledge on elementary issues concerning LSG.

Furthermore in the town of Naryn is going on a process of formation of the so called “Territorial public self-government”. The council has to decide about the contracts with these organizations, but their nature remains mainly unclear up to now. So there was a need to discuss the problem of these forms of self-organization of the population.

Unfortunately the Rector of the Naryn State University was not able to assist the event. He is at the same time the chairman of the legal commission of the council. His presence on the seminar could have made a positive impact on the following sessions of the council.

**The seminar**

The first part was dedicated to the problem of a deeper understanding of the concept of “municipality”, the interaction of bodies of LSG with the municipality and with each other. Here the shortcomings of the Constitution and of the Civil Codex were discussed. It was pointed out, that the introduction of LSG should have lead to serious amendments in the Constitution and in the Civil Codex.. Many shortcomings in the subsequent legislation concerning LSG are caused by this neglecting in the Constitution and in the Civil Codex. The argumentation followed a paper “The Civil codex and LSG in the KR”, written by the LTE (cf. Annex of the Progress Report I). The discussion during the seminar was a part of the public discussion going on actually concerning the legislation in the field of LSG. At the same time it was a contribution to the improvement of professional knowledge of the participants.

The results obtained were:

- the legislation on LSG should introduce the concept of the “municipality”
- the bodies of LSG have to be acting on behalf o the municipality
- the bodies of LSG do not need to be legal entities. It is even harmful to convert units of the administration or the council into legal entities.
- this leads to a double subordination (administrative and civil) of the co-workers.

In the second part was discussed in detail the problem of the “Territorial public self-government” (TPSG or TOC)). Using the same notion of “self-government “as in the context of LSG it must lead to misunderstandings and it does in fact. By their nature these organizations are organizations founded by the private initiative of a group of active citizens, who are ready to help solving problems of local significance. They can be registered and authorized to do so by the council. These organizations (NGO) however try to play the role of mini-councils or mini- cities administration. In order to avoid confusion with the bodies of LG, it would be better to call them “Territorial public organizations’.

It is possible that these organizations in the near future become ordinary commercial enterprises. The results obtained were:

- the TPSG (TOC) were understood as NGOs aimed to solve tasks of local significance
- they do not need for their activities the status of a body of LSG.
- as a civil initiative they deserve the support of the LG
- one can not exclude a development, which converts them into commercial enterprises.

In the third part of the seminar was discussed the notion of the municipal property. This discussion was only started. It was pointed out that the usual definition of municipal property leads to a logical contradiction, which indicates to an obvious error in the legislation. The detailed discussion was let for the next seminar.

#### Lessons to be learned from the seminar

- the methodology of an open conversation has contributed to vivid discussions
- unless so many efforts were made by other donors, there is a need of seminars and trainees, dealing with basic knowledge in LSG
- the strong turn over in the municipal staff makes it reasonable repeat elementary issues
- it means, that the project must not necessarily avoid certain doubling with the work of other donors.
- new knowledge does not lead immediately to a new behaviour in the political field
- the team counts with the support of the bodies of LSG.

And in all cases, we explored in an open way with the groups how they thought the project could assist them in the next 12 months. The following ideas emerged –

**Table 5; Ideas from autumn 2005 workshops**

<b>Material</b>	<b>Workshops</b>	<b>Other assistance</b>
database for funds	How to apply for grants	help arrange town twinning
How to manage and finance communal property areas – experience of other countries	arrange workshop with councillors from 4 towns on next steps to strengthen municipalities	set up dialogue between, for example, LSA and LSG
Lake protection and access – experience of other countries	“budget implementation” (??)	legal consultations
Corruption	Course on lobbying	Assistance in visiting good practice in other KR municipalities
Local economic development	Property management	assistance in arranging town twinning
		Regional resource centers (i.e. legislative information)

Legal consultations were needed, we were told, on the following topics:

- Legislation on LSG issues
- Land issues
- Rights and obligations of service providers and consumers
- Housing issues
- Sources of revenue
- Social protection

Councillors requested the following training topics:

- Foreign countries experience in operation of Committees ;
- Budget Implementation ;
- Mechanisms for submitting legal amendments ;

- IT trainings;
- lobbying;
- LSG experience exchange.

The importance of tenant and citizen groups being involved in project work was also emphasised. All this is useful in identifying a range of PRODUCTS for the municipal “market” –

**Table 6; tools for helping develop municipal capacity**

Type of Product	Example	Present provision
Information and data bases	On funders	Hans Seidel material on laws
Briefing notes	Budget transparency How to apply for grants	World-bank funded project LGI paper
Case-studies		Town Association “Good practice” quarterly?
Training modules	Municipal property management	Urban Institute modules
Exchange of experience	Waste management in Kara-Balta	

*This tends to confirm the principles we had tentatively set out in our initial paper on training<sup>22</sup>. People want to learn from seeing and doing. This means presentations about relevant experience from other municipalities – in KR. It means getting proper advice on specific problems. Any courses organised need to be practical and specially structured – on problems And training is only one of the things they need!*

Training providers used to more specialised technical training will, of course, raise some objections – they will point to the low professional basis of officials in municipalities and argue that they need intensive training in their disciplines. We would not deny this – although we think this has to be part of a wider strategy concerned to raise motivation and performance of municipal staff<sup>23</sup>. The provision of intensive courses such as the one-year Diploma course in the Academy of Management, however welcome, will not work on their own.

#### **4.2 developing municipal support centres**

Project discussions with municipalities in the 2 pilot Oblasts about how they could make best use of the equipment which the project had to allocate produced a **proposal in summer 2005 for municipal support centres** – all managed and funded by the local municipalities – and supported by the municipal associations and the Tacis project.

The original idea for the centres sprang from the need for village municipalities to get training to use their newly-acquired PCs – but the idea has become more ambitious.

Municipalities in Kyrgyzstan have few staff – but their effectiveness could be increased with proper use of information technology. Few municipalities in **Issyk-Kul** or **Naryn** had PCs – but this changed in the spring when all 4 towns and at least half of the village municipalities took delivery of EU-procured equipment. And on March 10<sup>th</sup> 2006, the President announced that 500 PCs were being given to municipalities throughout the country. This will allow them access to simple programmes and databases<sup>24</sup> to manage finances, land and personnel. But whether they will actually be able to do this will depend on their -

- receiving training in keyboard skills;
- knowledge of and access to relevant programmes and databases;
- ability to use such databases and programmes.

The centres will hold information about good practice in municipalities in the country – and hopefully be able to help municipal officials and councillors network better.

<sup>22</sup> August 2005

<sup>23</sup> as set out, for example, in the project’s draft Road Map

<sup>24</sup> note also the GTZ project in Batken which has pioneered a data-base for municipalities

The idea for such centres was, however, not one of the tasks envisaged for the project and, in August 2005, the task of supporting them was passed to a small new Tacis project which will continue until summer 2007.

#### **4.3 Existing training activities and material**

We were very aware when we started our project that bodies such as the Urban Institute and UNDP had been working for many years to support the development of local government.

The **training material** which we are aware of here (in Russian) is set out in Annex 1. Some of this material has been impossible for us to access and therefore confirm – but we understand that it does exist! The most easily available is that from the Urban Institute on such issues as –

- Municipal property management
- Developing urban strategies
- Developing budgets

Most of the training material on local government issues which exists here is **legal** or **technical** (finance; property management). Very little deals with the basic question of the *distinctive role of local government*<sup>25</sup> or of *councillors*. This is a serious deficiency – since it is that elected element which marks the distinctive feature of local government – and the councillors do have to understand what they have to do (for example in consultations) to ensure they pursue the interests of their electors and are accountable to them.

We have therefore developed a small amount of material on the basics of local government – and on the role of councillors<sup>26</sup> but have, for the moment, put more emphasis into helping our trainers produce **case-studies**. We have done so because of the priority we have given in the project to a pragmatic problem-solving approach to workshops. People in town and village municipalities in Kyrgyzstan need practical answers to practical and immediate problems – and therefore learning how others have dealt with similar problems is very helpful<sup>27</sup>.

Recognising that the approach we have taken in most of our workshops is more of a **problem-solving** one, we have also included in our Training Manual a section on the need for such skills – and how they can be developed.

**Case-studies** can be of two sorts –

- **role-playing or simulation exercises** – in which brief information is given about a situation and the workshop participants are invited to take the role of the various players in the action and the reflect on how they behaved.
- **A detailed story of an event** – which illustrates for participants how things happen in the real world and how mistakes might be avoided. Participants are invited to discuss and indicate what they would have done differently.

**Briefing or Practice notes** on how specific problems could be dealt with would also be useful. The Urban Institute's journal bi-monthly journal is very useful in this respect.

#### **Notes from Karakol Workshop; 27 September 2005**

##### **1. Purpose and target group**

The aim of this workshop was to use two presentations to help identify how the project might best help the various elements of this municipality play their roles more effectively. To this end the following groups had, after consultation with the mayor, been invited –

- Deputies - 10
- Heads of Departments and municipal services - 18
- Tenant groups – 8
- Project team – 5

In the event, 41 people attended -

##### **2. Opening remarks**

The mayor and also the Chairman of the Council made opening remarks. The Team Leader then described the work of the project so far –

- workshops on property management and budgeting

<sup>25</sup> See the early section of the project's Roadmap

<sup>26</sup> Available in our Training Manual.

<sup>27</sup> The Association of Towns has apparently a journal on this

- survey work – more than 100 councillors and officials in the 2 pilot Oblasts had been interviewed
- concept papers – and legal commentaries
- consultations on the equipment needs – leading to the proposals on regional training and local resource centres (one of the *former would be Karakol*) and the development of IT capacity in municipalities (*Karakol will also receive 6 PCs at the end of the year.*)
- Development of a training concept which would initially focus not on subjects but on problems facing municipalities. Such an approach was interactive – and should help both the participants and the project gain appropriate insights and information.

He emphasised that one of main aims of the workshop was to help identify how the project could most effectively, within the limits of its budget, assist the municipality – and that the structure of the workshop had been designed to maximise their participation.

### 3. Roles and Relationships in municipal management

Ronald Young gave some initial comparisons between the structure of Scottish local government - when he had been first elected a local councillor in the 1970s – and the present Kyrgyz structure, bringing in some Central and Western European experience. How, he asked, could municipalities cover populations as small as a few hundred people on the one hand – and more than 2 million on the other? He then gave a definition of local government which suggested some 6-7 requirements before a system really warranted that name (see slides). On these criteria, the *participants judged that the* Kyrgyz system seemed to be a mixture of LSA and LSG:

	Yes	No
a) Mayors and councillors are elected		+
b) They are accountable only to local people		+
c) They are responsible for public services	+	
d) They have transparent process for priorities		+
e) They have organizational and financial capacity		+
f) They are allowed to get the job		+

He then turned to the question of the role of the mayors and of councillors – suggesting that it was the councillors, representing the local citizens, who had the responsibility for pushing for the local services described in article 15 of the Local Government Law.

### 4. Case study of waste management in Kara-Balta

Director of Kara-Balta Combine of the Municipal enterprises Mr. Y. Vladimirov – presented success example and experience on waste management and clearing city. The key points from his presentation are:

- The Municipal combine was a natural monopolist of the waste garbage cleaning area and consequently served whole city.
- A work on sanitary clearing was conducted on the basis of the developed and approved schedules of export the household waste both from the population, and from the organizations
- From 60 % of inhabitants contracts on garbage export are concluded. In case of non-compliance with the regulations of payment by inhabitants the Municipal Combine applies penal sanctions in proper time.
- On cleaning city territories (parks, squares, parkways, roads, irrigation ditch network etc) work is conducted on the basis of the developed title list and the contract between city administration and Municipal combine under the current maintenance of municipal economy, including "sanitary clearing".
- Quarter committees accept active participation in this work; by the control over garbage export i.e. necessarily do a mark in a driver's waybill about the done work. As encouragement quarter are released from payment for garbage export

#### After Lunch

In view of the small number of councillors in attendance, participants decided to remain in one group – rather than split into two.

### 5. Discussion about municipal systems

Point was made that copies of relevant Laws were difficult to obtain – and the Team Leader indicated that this problem had been one of the factors leading the project to the idea of regional and local resources centres; to helping the development of municipal IT capacity; and to fund recently the publication of a Manual by the Village Association. He stressed that laws could be effective only if they were -

- drafted in a manner to ensure they could actually work (eg in consultation with those implementing them)
- understood by those involved in their implementation
- properly planned for – and resourced
- enforced – if necessary by the courts

He suggested that one successful court action was worth 100 Regulations – in sending signals to people that the law would be enforced.

Some interest was expressed in how the Scottish system operated – eg

- role of local state administration (there is none!)
- The difference between municipal staff and staff of central government
- How housing, health services, police and economic development are organised

One of the questions about sub-national structures of government is whether to try to create multi purpose municipalities – or to set up separate structures for some functions such as health and police. In the 1970s the British took the first approach – but the trend in the last 15 years has been to adopt the second.

### 6. Draft Action Plan for developing waste management in Karakol

Participants first highlighted some problems in waste management system in Karakol such as:

- ❖ Unfair distribution of means in the budget
- ❖ Weak material base of municipal services
- ❖ Weak communication between the municipal enterprises and population
- ❖ Lack of waste disposal site
- ❖ Lack of conditions at TSG (communication, etc.)
- ❖ Lack of contacts with the population on export of garbage
- ❖ Shortage of legal knowledge at the population
- ❖ Lack of culture at the population on clearing city
- ❖ It is not made recycling of garbage

After that they drafted action plan for developing waste management in Karakol:

- To lobby under the State administration to allocate enough means for the waste management system.
- To find an opportunity to attract international projects and investment at active support of heads of municipal services.
- To mobilize all services and recourses on the export of garbage, including all structural divisions of the mayoralty.
- To organize alternative service on export of garbage, for example sanitary-ecological inspection
- To organize a waste disposal site in outside of Karakol.
- To start making sorting out of garbage
- To attract Mass media, including the information at schools, kindergartens, etc. on propagation of clearing city from the garbage

#### 7. Final Discussion about role of project

The following ideas emerged from a very lively discussion -

- Need for a visit to Kara-Balta
- Importance of tenant and citizen groups being involved in project work
- Course on How to apply for grants (also database for funds)
- Project assistance in arranging town twinning
- Course on “budget implementation”, and “role of local councillors: theirs rights, obligations and functions”
- To support producing social reels and leaflets about sanitary cleaning and hygiene
- Provide legal support and consultations on Sanitary-Ecological Inspection establishment

#### 8. Action Points for project

- circulate this note to all participants
- invite mayor to develop the draft action plan – as an agenda for the visit to Karapalta
- invite proposal to project for financial support for such a visit
- arrange workshop with deputies from 4 towns (probably November)
- discuss with Council Chairman how to involve councillors in future events

#### Notes

- 7 councillors were given copies of the project Manual and concept papers those interviewed were given copies of the diagnostic report

## 5. WHY TRAINING FOR LOCAL GOVERNMENT IS DIFFICULT AT THE MOMENT IN KR

As we have indicated, we started our work in mid 2005 with a requirement to develop and carry out a training programme for municipal personnel in our 2 pilot Oblasts – but soon found out that various factors make it very difficult to mount a serious training programme of municipal personnel in KR –

- **Lack of economic, legal and political preconditions.**
- **Lack of motivating conditions for learning**
- **absence of job requirements** (and therefore of **accreditation**) *for key staff positions* in local government
- **a large turnover of personnel.**
- **The costs and inconvenience involved** either in sending trainers to remote regions or in having participants travel to focal points in the country
- **lack of clarity** about the *role and definition of training* – and its relationship with educational qualifications
- **lack of guidance** on *how short-course training is best provided*
- **Lack of material** – and of trainers in the right places
- **lack of funding for courses** – whether educational or training

### 5.1. Lack of economic, legal and political preconditions

Few municipalities are able to perform “functions of local significance” – so training for such a system has seemed a bit premature. Without (a) an agreed set of municipal functions and (b) the local finance system to fund such functions training makes little sense! Knowledge (about new laws for example) simply withers unless people are able to apply it immediately in the work-place. That is a basic principle of learning. That is why so much attention is being given to these two, interrelated issues - of functions and finance<sup>28</sup>.

But solving these problems is not just a technical issue – of producing the right proposals. It is also a profoundly political issue. One of the reasons why local government has not advanced is that those in positions of power at the centre judges that local government does not have the capacity to run services. And by that, it means that it does not have the staff numbers, experience or quality.

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<sup>28</sup> See Roadmap

## 5.2 Lack of motivating conditions for learning

**Functions** and **Finance** are dealt with in the basic Law on Local Government and in the Law on the Economic Base of local government respectively. The third crucial law is that on Municipal Services which places the focus on the **personnel** needed to make local government work. Three critical staff objectives of this law are to ensure –

- adequate numbers of staff for the functions local government can realistically perform
- adequate quality of such staff
- the conditions to retain them

The achievement of such objectives will require, in addition, –

- agreed job specifications for key personnel positions
- minimum qualifications for them
- an educational system which provides staff with such qualifications
- proper hiring (and firing) systems
- reasonable salary and promotion prospects
- motivating systems of work
- systems of career and skills development
- attestation which helps these things

Clearly this will take a long time – but a start has to be made. All local Government systems develop in their own way but require regular steps to be taken one after the other. The question is - which parts of this ambitious agenda should be the starting point - to give the best chance of creating the conditions for sustained progress?

## 5.3 *absence of minimum job requirements (and therefore of accreditation) for key staff positions in local government*

One possible starting point is job requirements for those positions in municipalities for which there should be professional requirements. It is essential for the future of local government here that there is an official who has some minimum qualifications to be able to give the municipality clear legal advice. A proper qualification and curriculum should be established for the **Responsible Secretary**. Without such a requirement, the relevant standards will not be reached.

## 5.4 a large turnover of personnel

The elections of December 18 2005 of AO Heads saw a turnover of more than 50% in such positions – and a significant number of staff were subsequently replaced.

5.5 The **costs and inconvenience involved** either in sending trainers to remote regions or in having participants travel to focal points in the country

## 5.6 *lack of clarity about the definition of training – and its relationship with educational qualifications*

It is very important that people should be aware of what training can and cannot do. Training cannot be a replacement for the proper development of educational standards in the municipal workforce – although many people seem to think it can.

*Training is the provision of short courses for those already in local government – designed to help them acquire practical understandings or skills required by their job which their formal education has not given them. “Short” would include courses lasting a few days. Attendance is normally voluntary – and does not normally lead to an accredited certification.*

The Academy’s 1 year diploma qualification (and retraining activities) is, under this definition, not training – but a professional or educational qualification.

Training involves adults – and requires a very different approach to learning from that found in schools and universities. Those taking part in short courses have immediate practical needs – and the courses have to be structured on a clear definition of those needs and delivered by those who have the

experience and skills to help develop the relevant insights and skills. Many people in central governments throughout the world sadly see training as simply instructing local officials in how to carry out the latest fashion of people in central government. This is what a Scottish colleague of mine once unforgettably called “surgery of the mind”. There is a place for this but training can and should be much more!

### ***5.7 lack of guidance on how short-course training is best provided***

The workshops we have seen here have a variety of purposes – of which training is only one. Workshops can be used to -

- Pass on information (eg a new Law)
- Help people understand their role in a new project (eg the implementation of a local budget system)
- Explore needs and find solutions
- Build team spirit
- Stimulate people to see things in a different way
- Motivate people
- Help people understand how things work (eg good teams)
- Get them to behave differently
- Help develop new skills (eg negotiation)

Workshops can, of course, also be used as a substitute for dealing with the outstanding legal, financial and political issues which are blocking the development of local government here!

Each of these purposes is very different – and will require a different structure to the workshops. Our project ran 50 workshops – but many of them were dialogues to allow us to have a better understanding of the situation in the municipalities – and to test some of our policy material. For example we ran a workshop for the committee chairmen of the Issyk-Kultowns and some AO Heads to discuss the project’s draft Roadmap. Of course people learned from reacting to the presentations and listening to one another – but it was not strictly a training intervention with clear learning targets! It was more of a dialogue.

*The key question for the organisers of workshops is motivation – how do we ensure that the participants actually attend, learn – and then apply the lessons<sup>29</sup>.*

### ***5.8 Lack of material – and of trainers in the right places***

The **training material** which we are aware of here (in Russian) is set out in Annex 3.

At the moment the training needs are very basic – people need to understand the law.

And a lot of the training material is therefore a repetition or summary of the **basic seven Laws** for local government. This is necessary – but hardly what would normally call training material. *Training material should give examples, pose questions – allow people to understand how to solve problems.* Here the Urban Institute material on **property management, housing and budgeting** is very useful – and also accessible<sup>30</sup>, unlike a lot of the other material which is closely guarded. What is noticeable by its absence, however, is material to help develop **skills** – eg

- How to analyse problems;
- How to communicate;
- How to write reports<sup>31</sup>;
- How to manage time;
- How to chair meetings;
- How to negotiate;
- How to manage projects;
- How to carry out surveys;
- How to draft proposals<sup>32</sup>.

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<sup>29</sup> see Project’s Training Manual

<sup>30</sup> Their website <http://www.ui.kg>

<sup>31</sup> The project has drafted a checklist

<sup>32</sup> See **LGI (Budapest) manual (Eng and Ru)** on this

Given the uncertainties referred to in this paper, the development of such skills should probably be receiving a much higher priority.

Some training of trainers has been undertaken – but much more is needed on an ad-hoc basis.

### **5.9 lack of funding for courses – whether educational or training**

Funds are, of course, made available for “upgrading of municipal servants” – which allows the Academy of Management to organise some short-courses in its Bishkek and Osh centres. These seem, however, to be traditional legalistic courses.

## **6. ONE PROJECT’S RESPONSE TO THE NEEDS**

Section 4 described the lessons we learned in the initial workshops in the regions. This section sets out how the project has tried to develop a strategy for its work in the 2 pilot Oblasts which took proper account of –

- Its limited budget and duration
- other donor activity

### **6.1 An emerging strategy**

The workshops which the project carried out in summer 2005 allowed the project to present itself – and to learn about the local situation and its needs.

And our workshops and interviews also helped us identify about 20 individuals active in Issyk-Kul and Naryn municipalities who have the experience and credibility to act as local trainers. A paper written in autumn 2005 set out our thinking -

*“We should work during the winter mainly in the 7 municipalities which will have municipal support centres. We focus that work on –*

- *Establishing the conditions for the municipal support centres*
- *Local trainers – preparing them for the type of work they would be doing with us*
- *A small number of new training modules – in non-technical fields*
- *The senior councillors in the 4 towns – meeting as a group to consider the project’s draft road map*
- *Identifying our input on “preparation for the 2007 local budgets”*
- *Working with responsible secretaries to identify their needs*
- *Development of case studies*

*With elections for the heads of village municipalities now set for December 18<sup>th</sup> 2005 we will prepare for a January training event with the newly-elected Heads of Ayil Okmotus in our pilot Oblasts*

*We should collect data on courses currently being offered and produce a small booklet (for our centres) on the practicalities of learning locally – and the resources currently available*

*We should set aside a modest budget for town exchanges on good practice; and construct data bases on town twinning and funding”*

### **6.2 Target Group?**

All training programmes have limited budgets and are generally faced with the choice of trying to cover directly all relevant members of a particular target group; or to train the trainers who will then do the training. Our project, for example, was required to do the former but chose – in the light of the conditions – to switch the emphasis to the latter. The project decided to focus on 6 distinct target groups -

**Table 7; Draft target groups for municipal training**

Target groups	Possible Core requirements	Existing modules and trainers
	<b>Knowledge skills</b>	
1. newly-elected Municipal Leaders	- the 7 basic Laws – and experience of implementing - Strategic management - communication skills - Introduction to project management?	Little material available
2. Local councillors	- Role of councillors - Comparative information about municipal systems	Little available Project has draft paper
3. Heads of Finance	Budgeting and financial management	Well covered by material on budgeting and property management – from UI and fiscal reform project
4. Secretaries to municipality	Legal framework of local government	Well covered – in Hans Seidel material
5. Operational staff of municipalities	Basic IT skills	EU Tacis project has funded 1,000 copies of user guide produced by Association of Villages
6. leaders of local public associations eg TOSs	- Comparative information about municipal systems	

Our 15 trainers are, however, drawn from these target groups – they are themselves AO Heads, Finance Heads, Chairmen of Councils, Responsible Secretaries and NGO activists.

“We have therefore, in a sense, discovered a **third approach** – namely developing the capacity of **change-agents**. Arguably this is the most effective approach to training - since one of the biggest challenges for training programmes is motivation. If people are simply told to take part in a training event about which they have not been consulted, they will not be motivated.  
*For the moment let us just suggest that it is always best to work with motivated people and organisations which want to achieve something. When they succeed, others will want to replicate that success – and the motivation for change and learning spreads*”<sup>33</sup>.

Our **target groups** in the municipalities of Issyk-Kul and Naryn Oblasts therefore became –

- Newly-elected AO Heads<sup>34</sup> – and their immediate colleagues (100 plus people). They are motivated
- Political/executive leadership in our 7 pilot municipalities (about 40 inc mayors)
- Local trainers (about 20 – who cover all municipal positions) and 7 centre managers
- Those preparing in 4 municipalities for the introduction of the new local budget system (about 12)
- Responsible secretaries and IT users (about 150)

One of the issues in 2006, however, was avoiding overlap with other training projects – particularly those now trying to help (a) municipalities prepare for the new local budget system<sup>35</sup>; and (b) the newly-elected AO Heads.

<sup>33</sup> internal project note

<sup>34</sup> The 2-day training we had carefully prepared for mid-January for the 30 newly village mayors of Issyk-Kul Oblast (and a separate event for the 34 of Naryn) had to be postponed because the Presidential Office authorised one-day events for all AO Heads in January and February.

<sup>35</sup> In fact donors were able to divide the country's Oblasts between them for this purpose

### 6.3 Core municipal competences

I now want to introduce the very important idea of “core municipal competences” – ie those competences whose absences undermine the very being of local government.

Local government is – or should be – a very different animal from local state administration. But what exactly is the difference<sup>36</sup>?

The difference stems basically from the very different accountabilities of the two systems – local government is elected by local citizens and is responsible to them<sup>37</sup>. The basic task, therefore, of local government is to ensure that community needs are met. Of course, in trying to pursue the needs of the local community, the municipality has to obey the law – but its masters are the local community, not those who happen to form the central government of the day. It does not and should not take instructions from LSA – unless these are backed up by law.

This answer leads to another question – what skills are needed to pursue that basic task? Clearly the starting point is an understanding of local needs. How is that obtained? Not just by living in the area and asserting you know the local problems! It involves analysis –since you have to be able to prove to others what the priorities are. And all this requires skills of observation, listening and argument. Table 9 sets out the argument in more detail –

**Table 8; Core Competences needed in local government leaders**

General competence	Example	Skill Requirements
1. Analyse local problems	<ul style="list-style-type: none"> <li>Requirement to collect statistics and draft reports</li> <li>Development of local strategies</li> </ul>	Analytical problem-solving drafting reports
2. Listen to citizens and report back to them	<ul style="list-style-type: none"> <li>complaints</li> <li>Budget transparency hearings</li> <li>Annual reports</li> </ul>	Political communications
3. Identify and develop new projects	<ul style="list-style-type: none"> <li>Building a school</li> <li>Establishing municipal resource centres (annex 1)</li> </ul>	Project management
4. Manage the municipal team	<ul style="list-style-type: none"> <li>Recruiting staff;</li> <li>Weekly team meetings</li> </ul>	Basic management
5. Manage resources (money; land; property)	<ul style="list-style-type: none"> <li>Managing budgets</li> <li>Land and property management</li> </ul>	Professional skills of classification, measurement and valuation
6. manage services	<ul style="list-style-type: none"> <li>Waste management</li> </ul>	General management

The question is how such competences are best developed.

### 6.4 Local Trainers

Various international donors use trainers they have generally trained<sup>38</sup>. Most of them are resident in Bishkek – and are subject specialists. Table 5 below offers a possible typology which will hopefully stimulate discussion amongst organisations and donors. It indicates that different types of people are used as trainers – with each bringing something to the event which others don’t but, at the same, time having a certain weakness. **Academics**, for example, are subject specialists – used to telling their students what they have to do to pass examinations! And any practical experience they have is generally out-of-date.

Those who are **practising experts** in Ministries are strong on the law – and probably have had reasonably recent experience of trying to apply it locally. But they will have had little training in structuring the knowledge to make memorable presentations!

And then there are those (generally younger) who have been trained as trainers – but do not have the subject knowledge or experience to be trainers themselves. But they make excellent **moderators** – able to identify in advance what knowledge or insights a particular group of people need; able to find

<sup>36</sup> The June 2005 paper on Local Government Functions; and Section 2.2 (“basic principles of local government”) of the Roadmap tried to deal with this question

<sup>37</sup> 1.3 of Roadmap

<sup>38</sup> UNDP, Academy of Management and Urban Institute have their lists.

the trainer who seems most appropriate; and to structure the event in the most effective way. Such a person is necessary to try to ensure that expert trainers actually deal with needs of workshop participants

**Table 9; Roles and strengths of different types of trainer**

	<b>Practitioner</b>	<b>Moderator</b>	<b>University Lecturer</b>
Bishkek-based	Strong on legal aspects; weak on problems of local implementation  Tends to use traditional non-interactive teaching methods	Generally strong on moderation skills and encourages interaction  Can lack understanding of local context	Strong on theory; weak on practice and problems of local implementation Uses traditional non-interactive teaching methods
Resident in regions	Strong on local practice – sometimes weak on presentation skills	Reasonable understanding of local context Moderation skills not as developed	Strong on theory; weak on practice and problems of local implementation Uses traditional non-interactive teaching methods

## 6.5 Some adjustments

As we listened to the conversations in the workshops, we realised that lack of clarity in roles was undermining effectiveness (leading to conflict for example between the local kenesh members and officials) and that this issue was best tackled at the level of a **single municipality**. This, actually, is how we had started our work in 2005 in both IK and Naryn – but as it is labour-intensive, we had felt it then necessary to work with the target groups.

And it was our local trainers who helped us develop a new approach which went beyond the boundaries of these selected target groups. At a workshop they suggested, very reasonably, that they should be part and parcel of the team planning, implementing and evaluating the workshops which our EU visitor (a German mayor) would participate in the following month. That would be the best way to learn about such processes. We decided to use that visit to test the various assumptions we had been making about target groups, subjects, types of trainers etc. In the first planning meeting, one of our (new) trainers suggested that the stand-off between the Kenesh members and the executive should be one of the main issues to be explored – and so we opted to run a workshop in her village. Although our visitor was already familiar with Kyrgyzstan, we arranged that he should spend the first day interviewing various individuals. The result was a great success – with a spirit of fatalism changing as the workshop went on to one of enthusiasm. “You have restored hope to us” was the verdict at the end of one of the workshops. And results followed (see Annexes 5 and 6).

In a sense we have been trying to steer a path between the prescriptive model of national educational establishments and the other being a more organic model of local initiatives.

Initially we expressed what we thought our “third” way was by arguing that we were concerned with the elected element in local government – the councillors, the chairmen of committees, the newly-elected AO Heads – who were perhaps being ignored with all the emphasis on technical subjects. We felt more emphasis needed to be given to what after all defines local government – these elected people, the skills they need and their accountability to local people. But then the phrase we found ourselves using was “the softer skills” – which are those involved in the roles and relationships which were one of the subjects of the consultancy-type work we started to do in April. The immediate focus of both the prescriptive and organic models is the individual - whereas the method we are struggling toward is more holistic. The prescriptive model is formal and disciplined; the organic is more anarchic. These differences are set out in table 10.

**Table 10; three models of learning**

	<b>Prescriptive learning</b>	<b>Organic learning</b>	<b>Holistic learning</b>
<b>Immediate Focus</b>	The individual student	The individual practitioner	The unit or organisation
<b>Style</b>	Hierarchic	Spontaneous	Disciplined but interactive
<b>Example</b>	University	Community development work	Consultancy
<b>assumption</b>	That missing knowledge is best developed through courses delivered through lectures	That new skills and knowledge is best developed through doing	That people will discover relevant action by structured dialogue
<b>problem</b>	Attention and memory span	People may not learn from mistakes	Leadership domination may not allow process

We don't want to suggest that the holistic is a superior model – rather we want to suggest that each model is appropriate under certain conditions.

And we also started to wonder whether it is right to use the word “trainer” to describe the group of 15-20 local practitioners with whom we have been working. Perhaps this is too confining a term – these are change-agents and perhaps a phrase such as “champions of local government” is a better phrase for them. And, in recognising that we have effectively been focussing our work on 7-8 municipalities, perhaps these (rather than individuals) should be our target-groups? Perhaps we can help develop some “**model**” **municipal systems** which can, in future, be live subjects for inspection and discussion? What could be more logical? We say that “seeing is believing” – and have organised two local study-visits so far – allowing people to look at good and interesting practice in Kara-Balta and Batken which has then be a motivating force for change. And this, after all, is one of the ideas of the municipal support centres.

## 6.6 Pilot Municipalities

Our project had been given two pilot Oblasts and invited to work with the officials and councillors of the municipalities in these Oblasts of Issyk Kul and Naryn. That is 130 municipalities and about 4,000 people – clearly far too many for a small project with a short life to make any impact on. What would be more sensible is to work intensively with a smaller number of municipalities. As we have already said in 6.2 above-

*“Far better to work with motivated people and organisations which want to achieve something. When they succeed, others will want to replicate that success – and the motivation for change and learning spreads”. And so, hopefully, will municipal capacity! Indeed we now believe that this is one of the keys to the development of municipal capacity here.*

The project was in fact able to build close relations with a small number of municipalities and with the newly-elected mayors of village municipalities in the 2 pilot Oblasts. The project aim was, in its final phase, to work with 6 village municipalities on –

- Improved financial management
- Extension and further development of the data base
- IT training
- Adoption of kenesh regulations and local charters – to help clarify, for example, the relationship between kenesh and executive; and between the municipality and citizens

*The purpose will be to leave behind good practises which might be disseminated by local trainers and the municipal support centres and help improve operations of village municipalities.*

## **7. REPORT ON WORKSHOPS CONDUCTED IN NARYN, AT-BASHI AND BAETOVO MUNICIPALITIES; NARYN OBLAST – APRIL 2006**

Theme: Municipal Training linked to Professional Municipal Centres

Please note that this is a raw draft by project staff – J. Jeenboeva and R. Suranchieva – of discussions which took place on April 4 to 7, 2006 when TACIS/ EU project experts conducted 3 workshops in three pilot municipalities of Naryn oblast, where by the initiative of municipality and with the support of the project Professional Municipal Centres have been founded by village and town municipalities (Naryn town, Atbashi Ayil Okmotu, Baetovo Ayil Okmotu). Our workshops had dual purpose of exchanging information / debate with local officials and councillors, as well as demonstrate to our local trainer-interns (attached to each of the Professional Municipal Centres) the possible methods and approaches to municipal training (see Annex: Programme for Seminars in Naryn Oblast, April 2006). For the protection of individuals, we have not mentioned names.

### **What was intended:**

- to get better understanding of the interrelations between kenesh and executive body
- to train trainer-interns
- to collect interesting cases and to motivate key officials and councilors to write them up for training modules
- to build lasting links between the Professional Municipal Centres (Centres) key people (trainer-interns) and the pilot local governments

**The following discussion themes were planned for executives (Apparat):** Professional Municipal Centres Management, Good Municipal hiring practices, team building, responsibilities, clear functions division and reaching balance between representative and executive powers of local government in delivering services.

**The following discussion areas for mixed groups of executives and councilors (Apparat and Kenesh councilors):** Local Budget, Issues of Allocation of Functions between governmental levels, Issues of Municipal Property, Legal Aspects and Litigation, Democratic Representation versus Civil Society mobilization.

### **Expected outcomes:**

- 6-7 case studies written up, in consultations with practitioners in the pilot 7 municipalities;
- Trainer-intern's moderation and presentation skills improved
- SWOT analysis of local government apparat and the kenesh ("We and They" perceptions)
- Improved team building skills among trainer-interns and specialists of the Centres.

### **What was achieved:**

- Insight was gained in the existing relationships between local keneshes and executive bodies by challenging them to think about teamwork, common goals and objectives, conflicts and their resolution when delivering services and resolving matters of local significance (local functions) (i.e., issues of teamwork among councilors, issues of managing team within the executive body, local government facing challenges and demands from the local community, local governments' dependency on oblast and rayon state administrations, central sectoral ministries, the issues of functions allocation and their financing),
- Local government officials and councilors have been challenged to think about the meaning of local government rather than blindly following-up on existing stereotypes and myths of decentralization and roles of local councilors and their colleagues in executive bodies of local government
- Councilors and executives expressed the drive to jointly outline the processes and mechanisms that are available or can be made available to local governments in order to be heard at all levels of government, including national government

- Profiles – pictures of 3 municipalities in Naryn have been received, especially on how kenesh and executive body interact and work together (SWOT Analysis)
- Myths, fear, and confusion about local government in the perceptions of officials, councilors, NGOs and donors that prevent local government from strengthening and becoming more effective have been identified (i.e., “capacity low”, “no reserve cadre”, “corruption among heads of AO that may bring down the state”, “fears of higher-level or upper-level authorities”, “Attestation may be a disaster”, etc.),
- Local governments have the drive to unite and lobby when resisting pressure and harassment from local state administrations (i.e., examples or case studies of refusing to do delegated function without financial support, examples of not implementing what the higher level requests (i.e., elections and voting) if local government does not believe that it is worth it.
- Deputy governor was briefed on the current work of the project and the intentions of the project staff to involve key personnel at the rayon and oblast state administrations, in training and round table discussions on local government in the Kyrgyz Republic as well as the process of extracting recommendations on mechanisms from the local governments to adjust state policy on decentralization until 2010.
- Trainer-interns got practical experience in the following: Setting up the classroom, establishing links with the audience, working out the rules, moderation skills, dealing with difficult audience, formulating questions, visualization (working with flipcharts), giving expert advice / commentary, noting down interesting / possible case studies, taking notes, summarizing and reflecting upon training session, making recommendations for future training sessions.
- Working links and networking (at trainer-interns’ level) have been established between 3 centres in Naryn oblast (trainer-interns from all centres have been included in these workshops, seminars were conducted at the premises of the Centres, trainer-intern have been introduced to the LGs and their status as trainer-interns is strengthened, standardization of trainer-interns work was started through this kind of practical trainings)

#### **Some additional outcomes:**

- Deputy governor of Naryn oblast, as well as councillors in Baetovo and Naryn have made a request to get to know local government systems in other countries – *project promised to deliver him Ronald’s paper on comparative local government*
- News of preparing for delegating local councilors to the rayon level keneshes has been spread during the workshops by our trainers, including the head of ayil okmotu of Chaek, Jumgal rayon (preparing the councilors on Understanding the New Role of Local Councilors in the Rayon Keneshes) in local budget approval (Chaek AO case study) and confirmation of akim (Baetovo AO case study).
- Head of Chaek AO Mr. Kubat Shaishenaliev expressed a wish to open a Professional Municipal Centre based in Chaek similar to Baetovo Centre. It was suggested by TACIS staff that it would be a good idea, and theoretically we could have Kochkor rayon ayil okmotus uniting around a Professional Municipal Centre based in Kochkor if there is will and drive locally.
- New trainer-interns have been identified (In Atbashi - councilor, in Baetovo – responsible secretary, Naryn – Gulmira Sultanalieva – municipal staff, Ainura - councilor),
- Some workshop participants thought that TACIS visit to the municipalities was to do with the Centres’ management. However, it was impossible to work on the Centre issues because of the following: 1) centres have not gone through its organizational procedures (founders’ meeting, charter development and approval, organizational regulations and functions, selection of a Centre Manager), 2) no Centre Board of Management was selected nor held yet, 3) no manager has been appointed yet.
- Re. Centre managers – we have made a recommendation to the mayors and heads of AO to appoint an acting Centre manager until all organizational events are held.

- In Atbashi 2 men have asked for permission to take part and participated in our TOT work, they both are candidates to become Centre managers.

#### **Trainer-interns have promised to work on case studies as follows:**

- Kubat Sheishenaliev (head of Chaek ayil okmotu, Jungal rayon, linked to Naryn Centre): Case study on preparing councilors for rayon kenesh meeting on local budget issues.
- Saparaly Orozaliev, Toktonaly Degenbaev (heads of ayil okmotu Baetovo and Trek, linked to Baetovo Centre): Case study on preparing for rayon kenesh meeting, confirming akim issues
- Mr. School Director (linked to Baetovo Centre): on delegated functions and school management.
- Temirkul Mambetov (head of ayil okmotu in Naryn rayon, linked to Naryn centre): the town of Naryn, changing perceptions from local state administration to local government + 3 case studies from previous commitments.
- Suban Asanbaev (specialist of finance department, Naryn town, linked to Naryn centre): on local budget issues.
- Ajibek Ajibaev and Mr. Baryktabasov (councilors of Atbashi ayil kenehs, Atbashi centre): conflict between state register for land and the local government on land issues.
- Nisharapov Bakai (lawyer of mayor's office in Naryn)
- Abdraimakov Chinara (vice-mayor Naryn)
- Sultanaliyev Gulnara (specialist of mayor's office in Naryn)
- Responsible secretary from Ak Suu rayon
- Deputy head of ayil okmotu of Bozuguch (councilor)
- Usenov on re-calling of the councilors (Karakol)
- Nurmetova on the relationships between the suppliers and consumers of municipal services (Karakol)

From Baetovo Professional municipal Centre:

- Case study on plans that are dropped from the top (i.e., land taxation, vegetable garden, issues of pastures (internal), non agricultural taxes are levied from the –“higher authorities” without consultations with AO and conflicts with the tax inspectors happen because of this.
- case study on issues of ownership of 20 hectares of pastures and the court trial ongoing between AO and the rayon
- Tax collectors have many questions / confusions about the taxation of pasture lands and the reduction of the taxable base.
- Case study on suggested mechanisms of removing duplicating governmental structures in rayon and oblast (i.e., difficulties of collecting taxes by AO, while at the rayon financial departments there are 15 staff not helping AO in tax collection)
- Suggestions on limiting delegated functions by the actual delivery of such functions.
- Case study on delegated functions that could be passed on to local bodies that can implement these functions better (i.e., issuing of a birth certificates and marriage certificates through the services of local notary office. There should be a department in AO on putting together documents for social benefit receptors in the village, and out of 12 personnel working on social issues at the rayon level, 2 staff should be passed over to the AO.
- Municipal servants do not have any security on their jobs: there should be mechanisms for raising their salaries or providing benefits to them.

#### **Myths and Reality of Local Government**

The workshops and the SWOT analysis have demonstrated that in local governments today there are very specific confusions, myths, and fears that are to do with the following:

- relationships with “higher-level authorities” (i.e., local state administrations, departments of national ministries),
- the role of local councilors is often confused with the role of members of parliament, and councilors do not realize the growing powers and authority that they are receiving from the new legislation and governmental reforms (decentralization programme),

- local kenesh councilors do not feel that they should be working as one team with the executive organs of local government,
- poor knowledge of local government law, rights and authorities entrusted,
- confusion over issues of democratic governance and leadership,
- poor understanding of organizational and management practices,
- prevalence of tolerant attitudes towards bullying by local state administrations and governmental vertical structures (i.e., departments of ministries, national agencies, and committees),
- belief that the National Government knows everything about local government to minute detail of how to resolve problems and issues at local level, only substantiated by the impression heads of ayil okmotu got after the Kyrgyz President's speech on 10 March in Bishkek's Conference of Newly Elected Heads of Ayil Okmotu,

The heads of local governments (i.e., mayor, heads of ayil okmotu) are perceived as the main hubs of information and the decision making knots in their municipalities, which puts them in difficult positions of the only authority to make decisions, the only person that knows, the only person to blame for failures of local government, and the only person having to stand off in the face of "higher-level authorities".

The "responsible workers" (staff members with remit and pay) do not have much autonomy and always have to turn to someone for approval. Younger specialists of the apparat are often told off for demanding change or bringing new initiatives, "Quiet, this is not an NGO". Young specialists have complained that they are often asked by senior colleagues to run around errands for them. This work, which is outside of the remit (not included in the Functional Responsibilities Schedule / Terms of References) of these specialists undermines their confidence, distracts them from their primary responsibilities, and results in conflicts. There are some specialists, both young and old, who believe that "running around and getting things done is a good way to learn about the job". However, the issue here is whether the person runs around getting work done on his or her will working towards some common objective, or getting work done out of loyalty or fear of the senior colleagues.

Due to shortage of staff, very often specialists are appointed to fulfil one job but have to multi-task and require a lot of extra hours and no remuneration for this extra work. Besides overburden the specialists of local governments find themselves in the position of critical hubs of information and know-how, which their colleagues may not have, and thus, if these particular "hub" people are not at work (for reasons of illness or business travel) their jobs are not picked up or delegated to others, blockage of tasks mounts up.

Some specialists have complained about their colleagues not treating each other with due respect, especially when young or new staff members arrive. There is constant checking of one's abilities and looking for "scapegoats" when things go wrong.

Promotion and appointments are not transparent, and staff feels that the abilities are not matching the jobs, both from the perspective specialists having outgrown their posts and from the perspective of wrong people taking up jobs that they cannot fulfil.

#### **Needed Mechanisms and Follow-ups:**

- Problems of releasing power (i.e., by local state administrations) as well as acquiring and using new power (i.e., by local councilors) during decentralization process have to be studied, addressed, and recommendations to be made,
- The level of competence at the central government and in the local state administrations on issues of local government are very low, "33 responsible people working at the oblast do not understand the issues of local government,
- Finance experts at the rayon level cannot really propose any mechanisms on implementing the new budget without the feedback from the local governments, thus mechanisms should be fed from local government level,

- The National Agency on Local Government of Kyrgyz Republic must work on raising the status of municipal servants and propose a programme of supporting and strengthening local governments,
- The reform of the civil service must proceed, but with careful consideration of all information and in consultations with local governments. Especially when it comes to the downsizing or removal of structural departments of national ministries and agencies at the rayon and oblast level.
- Local governments must seek out allies in resolving their local problems/functions, communicating and lobbying their rights,
- Work has to be done on informing communities that local governments must not be treated as local state administrations (and local governments have to stop behaving like local state administrations) when implementing delegated state functions,
- Links must be built with local governments of the rayon, as well as with local government of similar size and type (i.e., towns linking with towns, etc.).
- Links must be built with the municipal associations and other local and national NGOs,
- More seminars have to be implemented for rayon and oblast level officials who have direct contacts and work with local governments,
- Lobbying of municipal interests have to be formulated and promoted,
- Better understanding of what is a municipality, a municipal team, cooperation in representative and executive branches of local government, and issues of teamwork and teambuilding to be gained at local governments.

Definitions of teams that prevail in municipalities:

Team has the following characteristics – common goals, a group with a variety of views, under a leadership, it is a mobile group, there should be pluralism supported and accepted, and because people elected the councilor there is a responsibility to electorate to be able to cooperate on resolving local issues.

Team is when people / employees unite in obtaining one goal or a one set of goals.

A team of local government is put together to develop economic and social aspects of the village / town.

### **How does a team work:**

Local problems have to be studied by the local government team, work has to be implemented on the requests / demands and tasks raised by the community. The head of local government has to devise the tasks to their implementers by staff's functional areas. In Baetovo, for instance more than 100 people daily come to the head of ayil okmotu to get their problems resolved or registered.

There has to be partnership of Apparatus of local government and the local kenesh.

Some have said that every councilor should have his/her own team (trainer-interns commented on this in the workshop, saying that perhaps it is not such a good idea to have many teams within the kenesh with differing objectives).

The local government apparatus definitely has to be one team. The functional responsibilities of this team have to be clear, every employee fulfils assigned duties as well as the jobs that come up spontaneously. Tasks and jobs have to be implemented by the team in using every person's opinions and judgments. There must not be a command-administrative method of working, and one person must not be the only source of authority.

Nothing is paid for the extra hours and work that local government employees put in. Most of the work implemented holds together because of the respect or fear of the head of Ayil Okmotu.

Teamwork at the kenesh level involves

- coming to a unified decision, balanced
- collective decision making
- collective control of a decision implementation
- all 17 councilors must be as one!

The following links are proposed to be established:

- the responsible secretary linking with the kenesh councilors,
- daily meetings of local councilors with the electorate,
- more effort to the work of the permanent commissions,
- resolving issues on improving the quality of the personnel, raising standards, and getting training.
- Resolving issues related to staffing, the limitations on staff numbers

### **Results of SWOT Analysis**

The SWOT analysis of each municipalities have brought to light an interesting picture of how within a municipality the apparat (executive body) and the kenesh (representative body) perceive themselves, and how they perceive the work of each other.

We can extract the following perceptions of local government from the SWOTs:

**Table 1 – Naryn town: Perceptions of Apparatus and Kenesh (“We and Them”):**

<b>“We – The Apparatus of Mayor’s Office”</b>	<b>“They – the Town Kenesh”</b>
<p><u>Strengths – “What is good”:</u></p> <ul style="list-style-type: none"> <li>- We have relative independence</li> <li>- We have a regional Professional Municipal Centre</li> <li>- We have experienced management cadre</li> <li>- We have prospective young cadres</li> <li>- We conduct cooperative work with the chairman of our council</li> <li>- We have a department of municipal property management</li> <li>- We developed a register of municipal property</li> <li>- Department for municipal property management collaborates with the mayor’s office.</li> </ul> <p><u>Difficulties – “What is bad”:</u></p> <ul style="list-style-type: none"> <li>- Actual dependence on all levels of authorities</li> <li>- Insecurity of employees’s jobs</li> <li>- Work overload</li> <li>- Low salaries</li> <li>- Personnel turnover</li> <li>- Weak material and technical basis</li> <li>- Shortage of staff</li> <li>- Self-financing</li> <li>- Absence of a privatising programme</li> </ul> <p><u>Fears – “What are the foreseeable threats”:</u></p> <ul style="list-style-type: none"> <li>- Budget being formed from the top</li> <li>- Prevalence of tribalism</li> <li>- Staff downsizing</li> <li>- Lack of support to the Department of Municipal Property management from the mayor’s office</li> </ul>	<p><u>Strengths – “What is good”:</u></p> <ul style="list-style-type: none"> <li>- There is the Status of Town Kenesh</li> <li>- The Chairman of Town Kenesh</li> <li>- Provision of a normal legal basis (laws availability)</li> <li>- The opening of the Regional Professional Municipal Centre</li> <li>- The work of the local councillors in the rayon level keneshes (i.e., on voting for the rayon Akim and the mayor of town)</li> <li>- Knowledge of the budget law</li> <li>- An overall highly professional pool of councillors</li> <li>- Decision-making in favour of the local budget</li> </ul> <p><u>Difficulties – “What is bad”:</u></p> <ul style="list-style-type: none"> <li>- Weak links with the community</li> <li>- Lack of interest</li> <li>- Weak knowledge of the laws on Local Government by the local councillors</li> <li>- Weak working of the permanent commissions</li> <li>- Gender imbalance in the kenesh</li> <li>- Failure to fulfil the promises made to the electorate</li> <li>- Weak working of the apparatus of the town kenesh</li> <li>- Weak control over the implementation of decisions</li> <li>- Not enough authority for one or the other</li> <li>- Absence of a expenditure specialists in the permanent commission for finance and budget of the Town Kenesh.</li> </ul> <p><u>Fears – “What are the foreseeable threats”:</u></p> <ul style="list-style-type: none"> <li>- Pressures of the “upper-level state administration authorities”</li> <li>- Disbandment of the kenesh</li> <li>- Failure to deliver on the promises made to electorate and community</li> <li>- Failure in implementation of the decisions made by kenesh</li> <li>- Contradictions (conflicts) with the mayor’s office and its departments</li> </ul> <p><u>Opportunities – “What has to be done”:</u></p> <ul style="list-style-type: none"> <li>- To raise the responsibility awareness and competences for the social and economic development of the town</li> </ul>

<p><u>Opportunities – “What has to be done”:</u></p> <ul style="list-style-type: none"> <li>- To motivate staff</li> <li>- To organise continuous training of professionals</li> <li>- To organize personnel rotation</li> </ul>	<ul style="list-style-type: none"> <li>- To bring in investors and investments</li> <li>- To create jobs and raise employment</li> <li>- To train local councillors</li> <li>- To adopt decisions on raising the revenue side of local budget</li> <li>- Cooperative work with the Mayor’s office and its departments</li> <li>- Fighting for the decisions implementation</li> </ul>
<p><b>“We – The Town Kenesh”</b></p>	<p><b>“They – the Apparat of Mayor’s office”</b></p>
<p><u>Strengths – “What is good”:</u></p> <ul style="list-style-type: none"> <li>• We have good understanding between kenesh and the mayor’s office</li> <li>• We have mostly young councillors</li> <li>• We have strong professional councillors</li> <li>• We are a team and we cooperate</li> <li>• We have good understanding of the social situation of our community</li> <li>• We look for sponsors</li> <li>• We are competent</li> <li>• We are decisive</li> <li>• We are communicable</li> </ul> <p><u>Difficulties – “What is bad”:</u></p> <ul style="list-style-type: none"> <li>• We do not have any interest in the affairs of local significance (i.e., local functions)</li> <li>• Insufficient knowledge</li> <li>• Insufficient information circulation</li> <li>• Gender imbalance</li> <li>• Insufficient use of councillors’ rights and authorities</li> <li>• Weak links with the electorate</li> <li>• Lack of knowledge / understanding about functional responsibilities of the mayor’s office staff / departments</li> <li>• There is no cooperation between the permanent commission of the Town Kenesh on social issues and the social workers / staff of the mayor’s office</li> <li>• Weak interest from the members of the permanent commission of the Town Kenesh towards work in the commission</li> <li>• Absence of a proper analysis on socially vulnerable community groups</li> <li>• Operationally weak</li> </ul> <p><u>Fears – “What are the foreseeable threats”:</u></p> <ul style="list-style-type: none"> <li>• Liquidation of the kenesh</li> <li>• Lack of unity among councillors</li> <li>• Indifference towards electorate</li> <li>• Cold relations and possible fall-out with the mayor’s office</li> <li>• Pressures from the “upper-level authority” (i.e., oblast)</li> <li>• Lobbying by individual councillors</li> </ul> <p><u>Opportunities – “What has to be done”:</u></p> <ul style="list-style-type: none"> <li>• To improve the links with the electorate</li> <li>• To unite and lobby the issues of local significance</li> <li>• To decide regarding the issues of financial independence of the local government</li> <li>• To bring in investments</li> <li>• To improve links of the permanent commissions and the staff of mayor’s office</li> <li>• To improve the cooperation with the social workers/ staff of social department of mayor’s office</li> <li>• To raise the motivation (the interest) of permanent commission members through a proper analysis of social issues</li> </ul>	<p><u>Strengths – “What is good”:</u></p> <ul style="list-style-type: none"> <li>• Opening of the Regional Professional Municipal Centre under mayor’s office</li> <li>• Competitive hiring of personnel</li> <li>• Universality of specialists</li> <li>• Growing numbers of young staff members</li> <li>• Close contact with the local community</li> <li>• Search for sponsors for helping socially vulnerable community groups</li> <li>• Inexhaustible initiative of the employees</li> </ul> <p><u>Difficulties – “What is bad”:</u></p> <ul style="list-style-type: none"> <li>• They are unprotected / insecure</li> <li>• There is not enough staff numbers</li> <li>• Overload of work on specialists</li> <li>• Pressures from “upper-level authorities”</li> <li>• Financial dependence</li> <li>• Failure to implement laws</li> <li>• Insufficient training of cadre</li> <li>• Weak working of the municipal enterprises</li> <li>• Gender imbalance</li> <li>• Absence of mayor office’s own building</li> </ul> <p><u>Fears – “What are the foreseeable threats”:</u></p> <ul style="list-style-type: none"> <li>• Moratorium on financial independence</li> <li>• Turnover of cadre</li> </ul> <p><u>Opportunities – “What has to be done”:</u></p> <ul style="list-style-type: none"> <li>• To train municipal cadre through the Regional Professional Municipal Centre</li> <li>• To widen access to information</li> <li>• To improve local government’s technical equipment provision</li> <li>• To link and cooperate with other municipalities</li> <li>• To improve the operational work</li> </ul>

Table2 – Baetovo Ayil Okmotu: Perceptions of Apparat and Kenesh (“We and Them”):

“We – The Apparat of Ayil Okmotu (AO)”	“They – the Ayil Kenesh”
<p><u>Strengths – “What is good”:</u></p> <ul style="list-style-type: none"> <li>• We are educated and experienced cadre</li> <li>• We have strong councilors in the kenesh</li> <li>• The apparat is complete (all staff positions are taken)</li> <li>• Our location (of the Ayil okmotu) is in the Rayon centre</li> <li>• We are helped by the work of jamaats (community based organizations)</li> <li>• We have enterprises</li> <li>• We have full coverage and distribution of information</li> </ul> <p><u>Difficulties – “What is bad”:</u></p> <ul style="list-style-type: none"> <li>• Ayil okmotu does not know how to form and defend its budget</li> <li>• The tax collectors at the ayil okmotu do not have enough authority and support in order to fulfil their functions</li> <li>• There is no special equipment at the AO</li> <li>• Due to low quality of soil there is very little revenue from renting land, and therefore taxation from land use is very difficult</li> <li>• There is shortage of water</li> <li>• Our rayon is rather closed in itself</li> <li>• Our rayon is dependent on state transfers</li> </ul> <p><u>Fears – “What are the foreseeable threats”:</u></p> <ul style="list-style-type: none"> <li>• Due to overload of work, there is a possibility that personnel might run away</li> </ul> <p><u>Opportunities – “What has to be done”:</u></p> <ul style="list-style-type: none"> <li>• There is a lot more that can be done due to the location of AO in the rayon centre</li> <li>• Strengthening the material and technical basis of Ayil okmotu will provide additional opportunities</li> <li>• We have good cadre / professionals available in the village</li> <li>• If we are given financial independence, then we will be able to find additional sources of revenue</li> </ul>	<p><u>Strengths – “What is good”:</u></p> <ul style="list-style-type: none"> <li>• “The kenesh of AO” fulfils these functions by 70%</li> <li>• Complaints that arrive from the community are timely considered by the councilors in order to resolve them</li> <li>• Auctions for the transferring of land rent rights are held with the participation of the councilors</li> <li>• Information on what complaints and requests have been sent is delivered to the councilors, and these issues are scheduled to be considered at the sessions of the kenesh</li> <li>• The ability to work, and improve skills</li> <li>• The ability to pose and formulate queries, complaints, and demands</li> <li>• Close cooperation with the apparat</li> </ul> <p><u>Difficulties – “What is bad”:</u></p> <ul style="list-style-type: none"> <li>• According to the budget in order for the AO to realize its budgeted expenditure there are no additional sources and opportunities (limitations on the budget)</li> <li>• Some councilors do not turn up to kenesh sessions</li> <li>• In order for the decisions to be implemented there are no suggestions nor projects on how to implement them</li> <li>• The work of the apparat of AO is burdened with checks and controlling calls</li> <li>• AO does not have close ties with the local organizations (local state administration and structures of central government)</li> <li>• There are too few mutual meetings and discussions with the electorate where the kenesh councilors and the apparat executives take part.</li> <li>• Requests and complaints from the community are often made in private or directly to AO, bypassing the councilors</li> <li>• Shortage of finances</li> <li>• Shortage of equipment</li> <li>• Budget not being confirmed</li> <li>• Our municipality is dependent on state transfers</li> </ul> <p><u>Fears – “What are the foreseeable threats”:</u></p> <ul style="list-style-type: none"> <li>• Absence of the working links between the staff of apparat and the councilors</li> <li>• Councilors do not have a good understanding of functions of the AO staff members (who, does what, etc.)</li> <li>• Termination of funding allocation from the Republican budget (Central State budget)</li> <li>• Complaints and problems raised by the community are not resolved at the Central State level</li> </ul> <p><u>Opportunities – “What has to be done”:</u></p> <ul style="list-style-type: none"> <li>• To encourage councilors to participate in “the sessions of AO without barriers and openly express their opinions”</li> <li>• To support councilors in their decisions making in the reformed rayon and oblast keneshes as local kenesh councilors are now on their own and must make decisions themselves</li> <li>• To get kenesh councilors link to the staff of the apparat in a more valuable way</li> <li>• To take responsibility of resolving issues of the entire rayon</li> <li>• To request that the head of AO introduces the apparat of AO to the councilors</li> <li>• Councilors have the right to listen to and discuss the reports of the head of the finance and economic department and those of the responsible secretary</li> </ul>

<b>“We – The Ayil Kenesh”</b>	<b>“They – the Apparat of Ayil Okmotu”</b>
<p><u>Strengths – “What is good”:</u></p> <ul style="list-style-type: none"> <li>• We are knowledgeable in many directions</li> <li>• We are active</li> <li>• We are friendly</li> <li>• We have the opportunities to make decisions</li> <li>• We improve our knowledge continuously</li> <li>• We put the questions and issues forward to the “upper-level authority”</li> <li>• We have the knowledge and skills to resolve issues on time in a friendly manner</li> </ul> <p><u>Difficulties – “What is bad”:</u></p> <ul style="list-style-type: none"> <li>• Weakness of the budget (absence of per deim for business trips)</li> <li>• Shortage of the allocated budget and its limitations</li> <li>• Demands and requests are not attended to on time</li> <li>• The big issue with the budget is not resolved</li> </ul> <p><u>Fears – “What are the foreseeable threats”:</u></p> <ul style="list-style-type: none"> <li>• Failure to fulfil demands and requests of the community</li> <li>• Incomplete delivery of the promises made to the people (due to the budget limitations)</li> <li>• Falling trust of the people in their elected officials</li> <li>• Failure to get the «upper-level authorities” to resolve issues that only they can resolve</li> </ul> <p><u>Opportunities – “What has to be done”:</u></p> <ul style="list-style-type: none"> <li>• To formulate suggestions and proposals</li> <li>• To discuss in wide audiences the budget, its implementation, and the control of its implementation</li> <li>• To consider complaints and queries on time, as well as to assist timely</li> <li>• To be conducive in delivering the queries and demands of the people to the “upper-level authorities”</li> <li>• Formulation of the project proposals and bringing in funding (including loans, grants, and investments)</li> </ul>	<p><u>Strengths – “What is good”:</u></p> <ul style="list-style-type: none"> <li>• Strong</li> <li>• Knowledgeable</li> <li>• Experienced</li> <li>• Friendly to the apparat</li> <li>• Timely decisions making and orders adoption, as well as their implementation</li> <li>• Those decisions that are made are followed up and their implementation is assessed at completion</li> <li>• There are efforts to govern the community</li> </ul> <p><u>Difficulties – “What is bad”:</u></p> <ul style="list-style-type: none"> <li>• Shortage of finance</li> <li>• Shortage of equipment for administration</li> <li>• Unable to confirm AO budget</li> <li>• Dependence on government transfers</li> <li>• Incompetence of the majority of apparat staff</li> <li>• The level of responsibility is low, even when the objectives are put in front of the employee</li> <li>• Low level of orders’ and decisions’ implementation</li> </ul> <p><u>Fears – “What are the foreseeable threats”:</u></p> <ul style="list-style-type: none"> <li>• If the budget will no longer be allocated from the Republican budget, it is a threat</li> <li>• Those problems that people raise are not resolved at the central level</li> <li>• Bureaucracy</li> </ul> <p><u>Opportunities – “What has to be done”:</u></p> <ul style="list-style-type: none"> <li>• To learn to get work done</li> <li>• To learn to formulate issues / demands</li> <li>• To work cooperatively with the ayil kenesh</li> <li>• To implement the decisions and orders on time</li> <li>• To encourage that each employee (member of staff) implement their own tasks well</li> <li>• To be flexible</li> </ul>

**Table3 – Atbashi Ayil Okmotu: Perceptions of Apparat and Kenesh (“We and Them”):**

<b>“We – The Apparat of Ayil Okmotu”</b>	<b>“They – the Ayil Kenesh”</b>
<p><u>Strengths – “What is good”:</u></p> <ul style="list-style-type: none"> <li>• We provide to ourselves</li> <li>• We have the authority of making decisions and issuing orders</li> <li>• Our work is for our territory</li> <li>• We are together with our community</li> <li>• We help the national government</li> <li>• We work directly with people</li> <li>• We resolve problems that are raised</li> <li>• We must be sensitive to the moods of the people</li> </ul> <p><u>Difficulties – “What is bad”:</u></p> <ul style="list-style-type: none"> <li>• There is shortage of finances</li> <li>• There is an impossibility of reaching out to the Central</li> </ul>	<p><u>Strengths – “What is good”:</u></p> <ul style="list-style-type: none"> <li>• Councilor have a special status</li> <li>• Kenesh’s strength is in the decisions it makes</li> <li>• People’s representatives</li> <li>• Issues that are raised are resolved</li> <li>• Formulation of issues and problems to the state authorities</li> </ul> <p><u>Difficulties – “What is bad”:</u></p> <ul style="list-style-type: none"> <li>• Kenesh has no power to change the laws that are adopted by the Parliament</li> </ul>

<p>Authorities</p> <ul style="list-style-type: none"> <li>• A status of our tax collectors is non-existent also because of lack of funding</li> <li>• There is heavy subordination and submission to the “higher-level authorities”</li> </ul> <p><u>Fears – “What are the foreseeable threats”:</u></p> <ul style="list-style-type: none"> <li>• Impossibility to come to a conclusion or decision at the meetings</li> <li>• Failure to turn up to meetings by councilors</li> <li>• Staff downsizing, people leaving</li> <li>• Natural disasters</li> <li>• Switching off of the electric energy supply</li> <li>• Pressures during the Attestation of municipal servants</li> <li>• Emergence of the veterinary epidemics and falling of the cattle</li> </ul> <p><u>Opportunities – “What has to be done”:</u></p> <ul style="list-style-type: none"> <li>• To gain support of the community to the Ayil okmotu in all directions</li> <li>• To bring in investors</li> <li>• To teach and support sports</li> <li>• To create cooperatives</li> <li>• To create communal enterprises</li> <li>• To search and find additional sources of revenue</li> <li>• To build a building for the local government</li> <li>• To ensure quarterly payments of the salaries to the various structures in Ayil Okmotu</li> </ul>	<ul style="list-style-type: none"> <li>• It is impossible to give an objective assessment to the work of the rayon state structures that are located at the territory of the Ayil Okmotu</li> <li>• Conflicts, absence of peace</li> <li>• Low activity</li> </ul> <p><u>Fears – “What are the foreseeable threats”:</u></p> <ul style="list-style-type: none"> <li>• Mistrust by people</li> <li>• Calling-off of the councilors by their electorate</li> <li>• Unfulfilled promises to the electorate</li> <li>• Disbandment of the kenesh</li> <li>• Negative feedback on work</li> </ul> <p><u>Opportunities – “What has to be done”:</u></p> <ul style="list-style-type: none"> <li>• To introduce and suggest amendments to the laws, that are brought from top-down, in order to account for the local specifics of the local government problems and issues</li> <li>• To confirm / approve the local budget</li> <li>• To resolve the issues of personnel</li> <li>• To be conducive to delivering information on problems of community and their possible resolutions to the attention of the Parliament</li> <li>• To ensure that the work of the state government structures that are present at the Ayil Okmotu territory is assessed.</li> <li>• To seek out ways of raising the level of living standards in the village community</li> <li>• To gain backing from the people of the community for conducting negotiations with the Parliament on allocating resources for the villages</li> <li>• To support and cooperate the confirmation / approval of local budgets</li> </ul>
<p><b>“We – The Ayil Kenesh”</b></p>	<p><b>“They – the Apparat of Ayil Okmotu”</b></p>
<p><u>Strengths – “What is good”:</u></p> <ul style="list-style-type: none"> <li>• We gained direct access to the Republican (National) level</li> <li>• The majority of our councilors are young</li> <li>• Our meetings are held on various topics</li> <li>• We are peaceful</li> <li>• We are multiethnic</li> <li>• We have gender balance</li> <li>• We have big electorates</li> <li>• We have principles</li> <li>• We are knowledgeable</li> <li>• We are close to the people</li> <li>• We have opened a Municipal Centre</li> <li>• We work in many directions</li> <li>• We have councilors professionals in law, economics, agriculture, teaching, and business</li> <li>• We are democratic and have high quality of knowledge</li> </ul> <p><u>Difficulties – “What is bad”:</u></p> <ul style="list-style-type: none"> <li>• We have to look back at the rayon state administration</li> <li>• Our participation in the sessions is low</li> <li>• We do not know some laws, rather bad knowledge of laws</li> <li>• Our laws do not work at the proper level</li> <li>• We do not fight corruption enough</li> <li>• We do not know how to use our councilor rights and authority at an acceptable level</li> </ul>	<p><u>Strengths – “What is good”:</u></p> <ul style="list-style-type: none"> <li>• There were elections of a new head of Ayil Okmotu</li> <li>• The work is done by competent employees of Ayil okmotu</li> <li>• There was just recently significant help with IT and office equipment</li> <li>• Close links to the Ayil Kenesh</li> <li>• Working with public organizations and NGOs</li> <li>• The new chairman of Kenesh has been elected</li> <li>• Professionalism and experience of the employees of Ayil Okmotu</li> <li>• Good organisational skills</li> <li>• Opening of the municipal centre</li> </ul> <p><u>Difficulties – “What is bad”:</u></p> <ul style="list-style-type: none"> <li>• Dependence on the state</li> <li>• Not knowing own competences</li> <li>• Lack of knowledge on laws at an appropriate level</li> <li>• Too few training seminars</li> <li>• Absence of peace and calm</li> <li>• Building and equipment have now worn out, absence of own building</li> <li>• Dependence of the budget</li> </ul>

<ul style="list-style-type: none"> <li>• We do not have enough initiative from councilors in coordinated unified actions</li> </ul> <p><u>Fears – “What are the foreseeable threats”:</u></p> <ol style="list-style-type: none"> <li>1) Disbandment of the Kenesh</li> <li>2) No peace</li> <li>3) Loosing the trust of people</li> <li>4) Failure to fulfil the promises to electorate</li> <li>5) Pressure on municipal and state employees by higher-level authorities</li> <li>6) Nepotism and tribalism at work</li> <li>7) Dependence on economic and social aspects</li> </ol> <p><u>Opportunities – “What has to be done”:</u></p> <ol style="list-style-type: none"> <li>1) To raise the knowledge of laws and to raise professional skills</li> <li>2) To support polite and civilized communication practices</li> <li>3) To conduct frequent meetings with the electorate</li> <li>4) To resolve issues that had been raised by people without breaking the law (i.e., within the framework of the law)</li> <li>5) To read and study the laws, as well as achieving their implementation</li> <li>6) To get each permanent commission of the kenesh to do their work to the best of their effort</li> <li>7) To exchange the information</li> </ol>	<ul style="list-style-type: none"> <li>• Absence of agricultural equipment</li> <li>• Weak financial provision</li> </ul> <p><u>Fears – “What are the foreseeable threats”:</u></p> <ul style="list-style-type: none"> <li>• Pressures form the higher-up authorities</li> <li>• What will the process of Attestation be like?</li> <li>• Loss of the trust of people</li> <li>• Loss of peace and quiet in the apparat</li> </ul> <p><u>Opportunities – “What has to be done”:</u></p> <ul style="list-style-type: none"> <li>• To write a proposal on transferring the Ayil Okmotu building to the ownership of Ayil Okmotu</li> <li>• To prepare the law and regulations on resolving land issues for the community members</li> <li>• To create combined enterprises under cooperatives</li> <li>• To start looking after waste management in the village and to support appropriate initiatives on waste removal</li> <li>• To make a distance from preparing unnecessary reports</li> <li>• To work with sponsors and to search donors</li> <li>• To construct a new building for local government</li> <li>• To seek additional funding and revenue sources</li> <li>• To use own rights</li> <li>• To raise knowledge level especially in laws</li> <li>• To become close to the people (community)</li> </ul>
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## 8. TOWARD A STRATEGY FOR BUILDING MUNICIPAL CAPACITY

### 8.1 How capacities develop

The capacity of an organisation is built as it has the opportunity to take decisions for itself and learns from doing. It is exactly the same process as good parenting. Of course inexperienced young people will make mistakes – but it is the job of responsible parents who care about their children to create the conditions in which their children learn for themselves – at minimal cost to themselves and others.

*People develop competences by actually applying their knowledge and skills – and learning from the results<sup>39</sup>. Without that application, any training is wasted.*

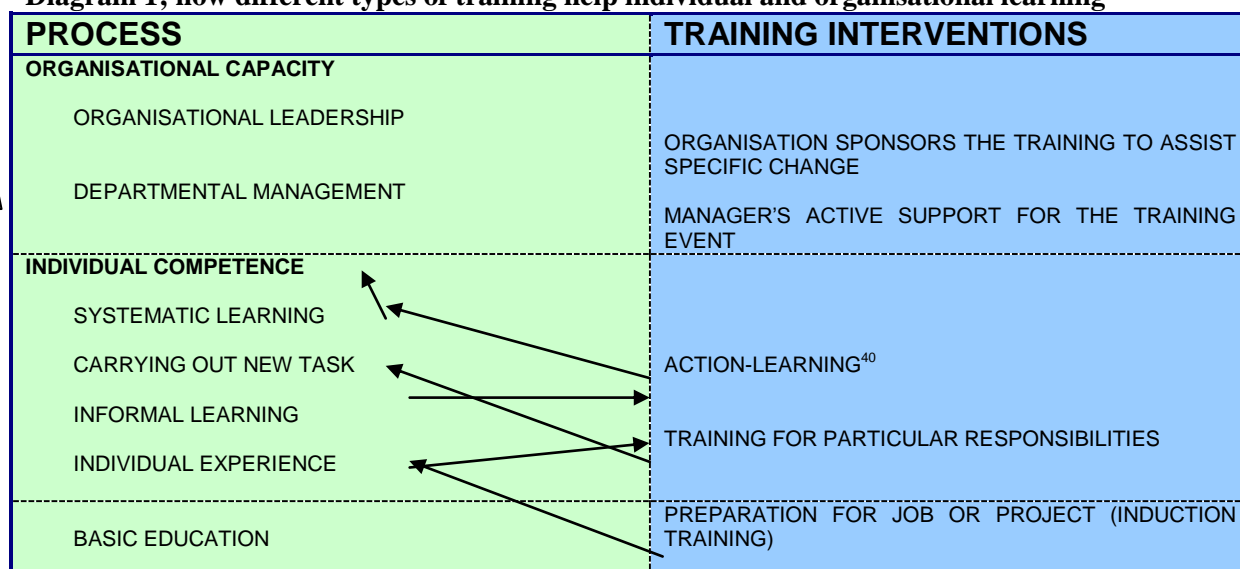
*But generally we are left to apply and draw the lessons ourselves – the training is given and then we are left on our own. So one ingredient of capacity building must be to ensure good subsequent “coaching” – that is someone willing and able to encourage the application of new skills and knowledge and the learning that goes with that. And that someone should be the boss! But how often is that done?*

Organisational capacity therefore requires good management of the individual’s department – and that in turn needs good leadership of the organisation.

The diagram below tries to make these various points. It should be read from the bottom up!

<sup>39</sup> for a brief but very clear exposition of theories of learning as they apply to training in organisations see the chapter “Managing Learning” in Managing Public Services; implementing changes – a thoughtful approach by TL Doherty and T. Horne (Routledge 2002) pp 414-439

**Diagram 1; how different types of training help individual and organisational learning**

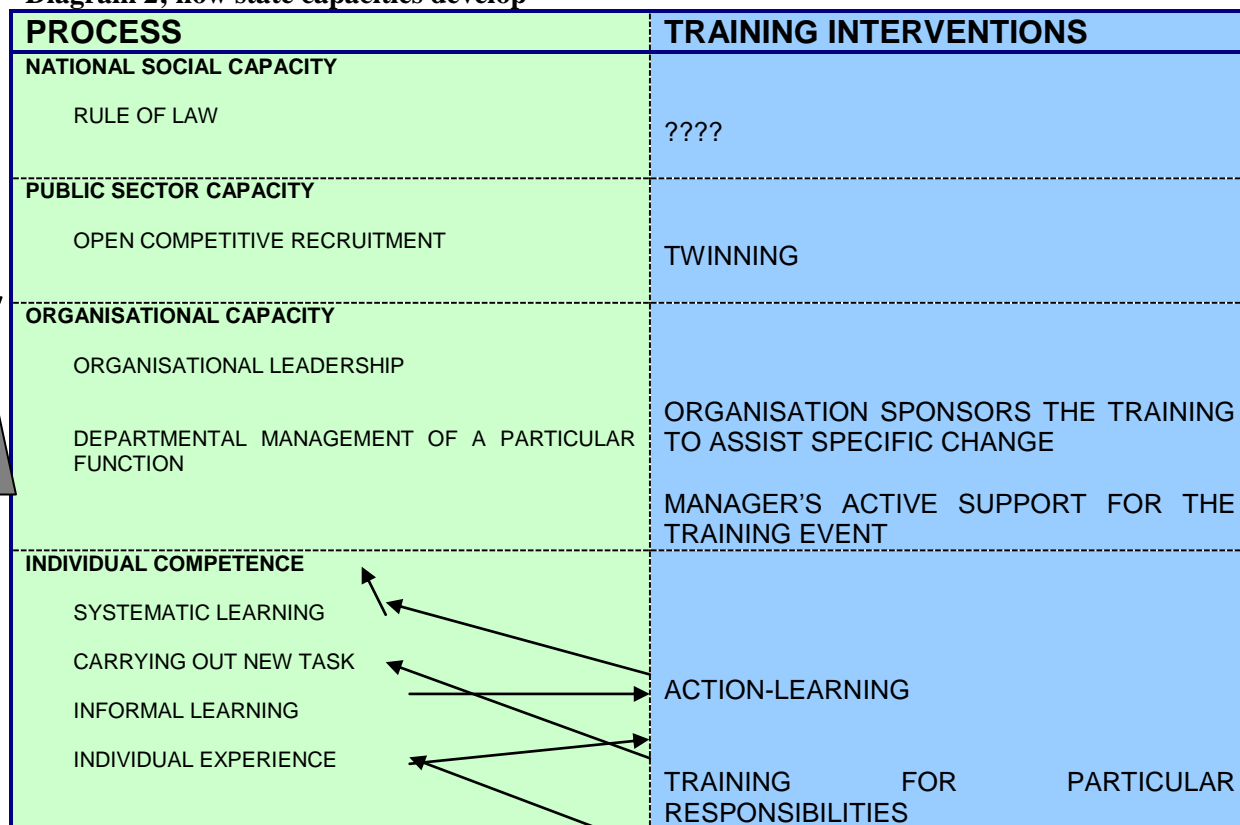


To build the capacity of an organisation or system therefore requires us to pay attention not only to individual skills but to the style, skills and structure of **management** and **leadership**.

And, given the scale of delegated functions which Kyrgyz municipalities are given, this puts the structures and style of local state administration under the microscope<sup>41</sup>. How well are these systems led and managed? And how can they realistically be improved?

Here, of course, there are wider issues involved – about whether the Heads of State bodies are appointed on their merit or on other criteria and what incentives they have to operate in the public interest! Diagram 1 therefore actually needs another two levels added at the top – about (a) the extent to which rule of law exists and (b) public appointments are made on merit.

**Diagram 2; how state capacities develop**



<sup>40</sup>

<sup>41</sup> See Roadmap section 15

BASIC EDUCATION	PREPARATION FOR JOB OR PROJECT (INDUCTION TRAINING)

The implication of the diagram, of course, is that people can be competent – but if badly managed and led, the organisation will be incompetent. And perhaps vice-versa?

At the moment when people talk about increasing municipal capacity here, they talk about expanding finances, clarifying functions and training in legal, financial and technical matters. But they ignore the organisational issues at their peril!

## 8.2 The argument so far

We realise this has perhaps not been an easy read so far. So let's take stock at this stage of the story; try to show the connection between its various strands; and see where they are taking us.

We started with a brief overview of the situation in the municipalities in KR – and a summary of the different elements of the decentralisation strategy and the draft Roadmap our project produced from its discussions with more than 1,000 municipal personnel in Issyk Kul and Naryn Oblasts. We suggested that such strategies – however correct – do not give us a clear guide for the development of municipal capacity.

We then posed some basic questions about how to make operational the phrase **municipality capacity** and suggested that, rather than make disparaging judgements lack of municipal capacity, people need to

- Have a clearer agreement than currently exists about the basic tasks municipalities should be carrying out.
- Ensure that the constitutional requirement of delegated functions being paid for is actually observed
- Recognise the core competences we need from municipalities (at 6.3)
- Be aware of the dangers of trying to develop too complex indices for measuring capacity

The framework we offered in section 3 for thinking about the development of individual competences also posed a lot of questions; and section four showed how one project had tried to use these questions in its work with the municipalities of 2 Oblasts.

Section five identified the various difficulties in running training programmes at the moment – and argued that training in itself is not the way to develop municipal capacity! We lay out in para 8.2 the various essential preconditions for effective training - of which the most important are that –

- It should be an integral part of – and assist - a change effort. And that this requires local leadership and management skills
- It should be designed by the organisation itself – and not by the training supplier.

Section six then tried to describe the lessons our project has learned from its work – and section seven allowed municipalities to speak for themselves.

## 9. (was 7) Some preliminary conclusions

### 9.1 A journey

This paper started its life in January 2006 as an attempt to clarify what we saw as some confusion here between

- the **educational requirements** for local government – which demand a uniform approach to supply and test the knowledge basis of those who work in local government and are, therefore, properly the concern of national education bodies such as the Academy of Management, on the one hand, and
- **short-course training provision** – which needs to be more experimental and flexible; and very sensitive to the specific contexts and needs of the individuals at local level who are wrestling with ambiguity and under-funding.

The education of municipal staff only makes sense when it is part of a reform package which includes the introduction (and implementation!) of formal educational requirements for particular posts (such as head of Finance; and Responsible Secretary); and pay reform. The current absence of such reforms leads to high risks of educational work being wasted – and of short-courses being used as a substitute and stop-gap.

Our project – like many other donors – had been given a vague instruction to “help train municipal personnel to enable them to play an important role in the process of decentralisation and the practice of local good government”. After almost a year we are still struggling to define more than 60 workshops and work with pilot municipalities, it is still not easy to suggest how that can best be done! Writing this paper has been an important part of that learning. One very important thing which happened toward the end of its creation is the realisation that we needed to switch the focus of attention from “training” to “capacity development”. But an equally important part of our journey has been to our questioning of the patronising (and centralising) assumptions which are normally wrapped up in that term.

## **9.2 What the paper has tried to do**

The work described in paras 5-6 combines elements of the conventional approach to training–

- target group identification
- Training needs assessment
- Training of trainers
- Testing of training methods
- Testing of training materials

But the experience does suggest that the types of trainers, materials and of methodology for a context which still lacks the proper framework for local government (such as KR) needs more careful attention than it has so far been given normally given by donors. And it needs to be more local and community-responsive than most national educational and training bodies are yet capable of. The development of a local training capacity was never in this project’s original requirements! It has been a spontaneous development from municipal leaders – to whose skills and determination we pay tribute. Our project<sup>42</sup> has simply been the midwife! Clearly, trying to create such a local capacity is much more sustainable than just running workshops.

It is interesting, however, to speculate what might have happened if such a requirement had been built into our ToR. My guess is that it would have failed – since we would have been pushed into trying to force something on to municipalities at a pace or in a form for which they were not ready! Such models are available and have their source in community development experience and literature<sup>43</sup>. From intro - or most donors is that they know such work is effective – but its funding requires a much more flexible approach<sup>44</sup> than they are capable of.

We hope that this paper – in openly describing both constraints and opportunities – will help create a vision to sustain such work in the future. The skills required to set up these centres include–

- Clarifying strategic objectives
- Negotiating with partners
- Project management
- Drawing up budgets
- Drafting job specifications
- recruitment

---

<sup>42</sup> the operational budget for the project (apart from EU experts and equipment) has been 50,000 euros a year from EU and 20,000 from the German contractor ABU! This has allowed offices in Bishkek, Karakol and Naryn (with 10 local staff and experts); about 6 publications; study visit; and 20 workshops. Support to develop the centres (including the preparatory work for the equipment) has taken about one quarter of that ie about 15,000 euros)

<sup>43</sup> Robert Chambers; Paole Freire

<sup>44</sup> See article “Lost in the matrix; the Logframe and the local picture” – Lucy Earle’s paper at INTRAC’s 5<sup>th</sup> Conference on Evaluation in 2003

So this actual process in which we have been involved is a good example of a learning process! This paper, however, has not been able to do justice to a process which started in summer 2005 – and which is now – with the opening of the 7 centres - moving into a new chapter.

### **9.3 Building capacity**

Each of the 7 centres which will get underway in April is very different – and will develop in their own way. But our hope has been that this might produce a model which will be capable of being replicated throughout the country - because this is not an expensive way of helping the development of municipal capacity, requiring initially an annual fee of only \$100 from each village for running costs.

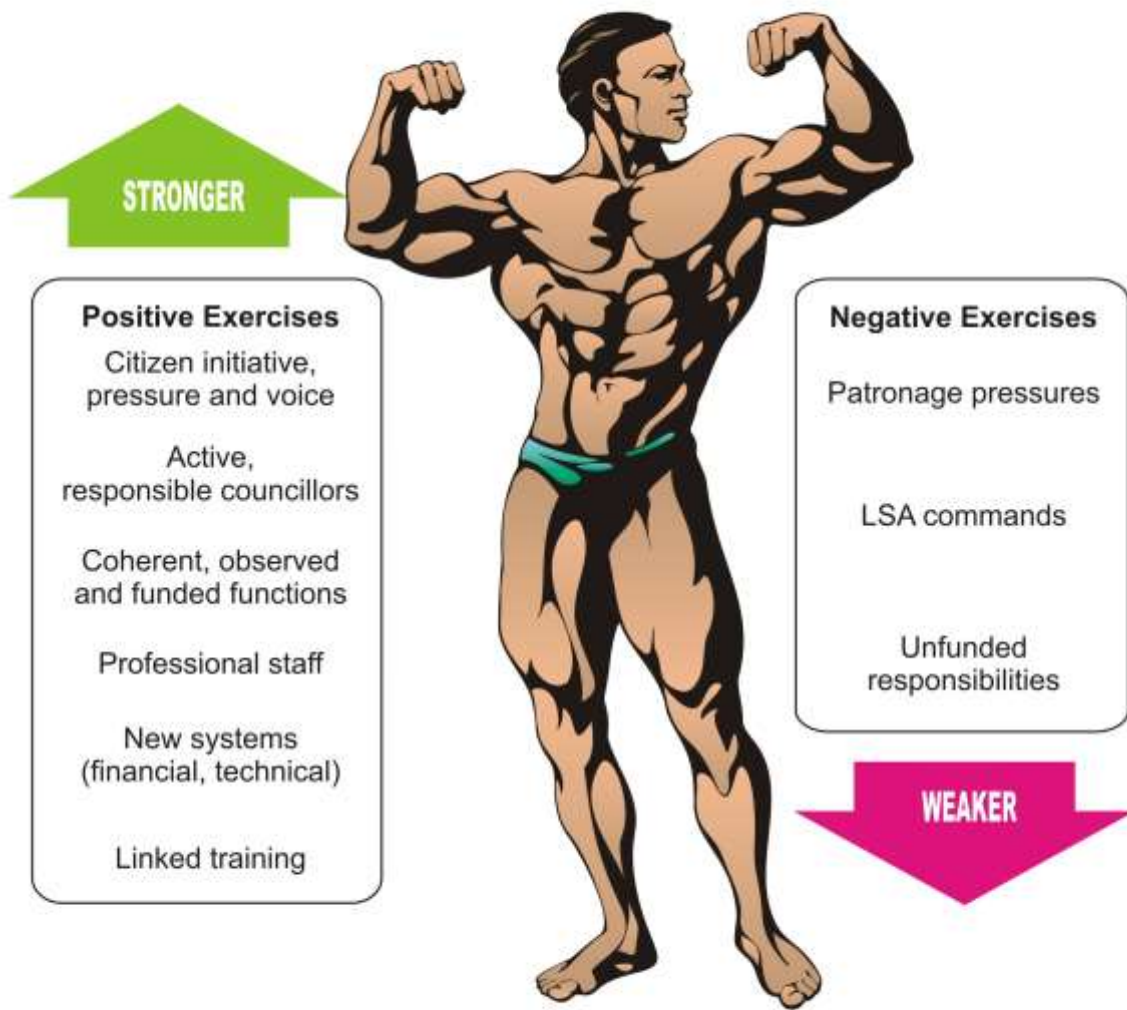
But the building of municipal capacity has several dimensions – training is only a small part of them. And we have to repeat the question we posed at the beginning of this paper – capacity for what? The project's Roadmap recognised – all too briefly – that different people want to use local government for different things. The competence to perform the various functions which the state delegates (gathering statistics or taxes) is normally developed fairly easily – the state describes what it needs and trains people in traditional ways to do this. The competence, however, to carry out the various developments which towns and villages need and to run the local public services comes only when 3 elements are in place and are properly integrated and managed -

- an infrastructure development (whether technical or social; water systems or education)
- two sorts of training - pre-training knowledge to prepare; ongoing training support to help people learn on the job
- trainers who have the appropriate knowledge and training skills

### **9.4 View capacity building like body-building!!**

My final comment is to invite you to look at the development of municipal capacity in the same way as body building. There are some exercises or habits which are good for the body and will help it grow – and there are others which stunt its growth.

# MUNICIPAL BODY-BUILDING



# **ANNEXES**

# **ANNEXES**

**Annex 1; Map of Training Material Available**

**Annex 2; Notes on Karakol workshop**

**Annex 3; Notes on Kochkor workshop**

**Annex 4; Notes on Baetovo workshop**

**Annex 5; Notes on Ak-Chiy workshop**

**Annex 6; Notes on Bokonbaevo workshop**

**Annex 7; Notes on Naryn workshop with newly-elected AO Heads**

**Annex 8; Notes on Cholpon-Ata workshop with newly-elected AO Heads**

**Annex 9; About the Project**



## ANNEX 1
























Support to the Strengthening of Local Government in the Kyrgyz Republic  
*The Project is funded by the TACIS Programme of European Commission*  
 Содействие в усилении местного самоуправления в Кыргызской Республике  
 Проект финансируется Программой ТАСИС Европейской Комиссии

























### Analysis of the literature available in local and international organizations located in the Kyrgyz Republic

№	Theme /Organization	I Organizational and legal basis of Local Government	II Local budget / Municipal property	III Strategy of LG development	IV Human resources development	V Social and economic development	VI Project management	VII Housing management	VIII Monitoring & assessment	Development of local community
	1	2	3	4	5	6	7		8	
1	Urban Institute	<a href="#">New town Keneshs in Kyrgyzstan after elections in October 2004</a> 	- Manual on public hearings, 2002 ; -Manual on financial and informational system , 2002; 	Strategy & action-plan (on Kara-Balta example) 2002; 			<a href="#">List of investment projects and its prioritization (Guidelines &amp; practical experience: Naryn town).</a> 	Set of legal & normative acts KR, regulating issues related to activities of housing owners, 2004		

			<ul style="list-style-type: none"> <li>- Communal property management in Kyrgyzstan's towns. Methodical &amp; practical guidelines. Part I, 2002; </li> <li>- Financial aspects of municipal property management. Municipal property management in Kyrgyzstan's towns. Methodical &amp; practical guidelines. Part II, 2002 </li> </ul>					 Condominiums in Kyrgyzstan: questions and answers, 2001 		
2	UNDP	<ul style="list-style-type: none"> <li>- Collected articles of LG legal issues in KR, 2005; </li> <li>- Model draft Charter of local community in KR, 2005 </li> <li>-Municipal service manpower policy in LGs, 2005; </li> <li>- Training manual for councilors of</li> </ul>	<ul style="list-style-type: none"> <li>- Recommendations on local budget forming, 2005; </li> <li>- Recommendations on public hearings 2005; </li> <li>- Financial &amp; economic basis of LG, 2005; </li> </ul>		Administrative ethics, 2003 (in Kyrgyz language)				Functional analysis of dependent and territorial structures MF KR, 2005; 	

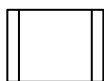
		village keneshs, 2004; 								
3	<b>World Bank</b> ("Local budgets transparency & accountability" Project)	- Organizational and legal basis of local government 	- Effective land management of the fund of agricultural lands reallocation, 2005;  - Financial & economic basis of local government.  Public hearings on local budgets  - Effective land management of the fund of agricultural lands reallocation 	Basis of strategic planning for LGs 	Transparency and accountability in LGs activity 		Fundraising for aiyl okmotu specialists and development of micro projects 			
4	<b>UNIFEM</b>		Women rights for land 							
5	<b>Ministry of Finance KR</b>		Set of normative and legal acts, methodical guidelines, theoretical and methodical researches of							

			budgets in KR, 2006  							
6	<b>Academy/ Hans Seidel Foundation</b>	- Organizational and legal basis of local government in KR, 2004; 	- Financial basis of LG in KR, 2004;  - Economic basis of LG in KR 		- Record keeping basis in LGs.;  - Typical official instructions (for village & settlement officials), 2004 	Design of development strategies for local communities, 2005; 	Project management & use of MS PROJECT for project monitoring, 2005 			
7	<b>ARIS</b>					- Social mobilization of communities and forming of village profile, 2005  - Development vision /investment strategy/ and investment plan, 2005 	- Development of social and infrastructural micro-projects, 2005;  - Ecological assessment of micro-projects' impact to environment, 2005 			-Business-planning and marketing; Payment procedure & conducting of business accounting at local communities level, 2005  

8	Association of villages and settlements	- LG manual 2005  - IT manual, 2006. 								
9	Association of towns					Book on best practices from Polish experience 				
10	“For democracy and civil society” Coalition NGO	Manual for councilors of local keneshs, 2004.; 								
11	CDF in KR	Processes in policy/ (Compact Disc), 2005 							Monitoring and assessment; Data collection and analysis and IT (Compact Disc), 2005 	
12	EU/TACIS	LG Manual, 2005; 								

		IT manual, 2006; 								
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**These signs mean identification of the following classification:**



- means that this manual is used as a training material



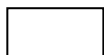
- means that this manual expresses statement of a Law or Articles of a Law



- means that this manual expresses statement of information



- means case-study (of some town; model draft document to be used as an example for LG body to create its own one)



- electronic spreadsheet

## ANNEX 2

### Training Report

#### «Municipal Property – as an economic category»

Date of training:

June 21, 2005

Location:

Hotel “Issyk-Kul” Karakol

#### **1) Preface**

*Workshop goal:* to assist local councilors, LSG workers to gain a better understanding in a municipal property as one of the main and major component of the LSG’s economic bases.

*Objectives:*

- To acquaint with main principals of ownership, using and disposal of municipal property establishments; registration and control the key assets movements of municipal property
- to understand owner’s role in the municipal property management

It is planned to participate only 20 people, however, in fact 26 participants took part during the training. It makes clear that there is a high needs and urgency in such field of learning. There were 3 people from Balykchy, and 3 from Cholpon-Ata.

#### **2) Course/march of training**

Training began a half an hour late, because all were waiting participants from Balykchy. As planned all nonresidential participants would arrive in one day before, but, in view of being busy at the workplace, they arrived lately.

Training methods consists in the information presentation, adducing of instances from the real situation others cities, and after that questions and answers from the participants. Second part was more popular at the seminar. Participants asked many questions about municipal lands, moot point on municipal property and gaps in the legislative issues.

Also Dr. Klaus Kilimann shared his experience in municipal issues with the participants, accenting their attention on the imperfection of the normative basis in the aria of municipal property.

During the training participants have marked the following problems and potential ways of solution:

<b>№</b>	<b>Problems</b>	<b>Possible solutions and recommendations</b>	<b>The role of TACIS/EU project</b>
1	Lack of definition of “Municipality” in the Law “On communal possession of property”, in the Law “On LSG and LSA”, in the Law “On financial and economic bases of LSG”	Lobbying including of this definition in mentioned Laws through city council. Advancement of recommendations to Jogorku Kenesh	Promotion of amendments through the Minister of LSG
2	Unclear definition of “Municipal property”, i.e. in fact it comes that 2 subjects posses municipal property (they are LSG bodies and local community)	Lobbying including of this definition in mentioned Laws through city council. Advancement of recommendations to Jogorku Kenesh	Promotion of amendments through the Minister of LSG
3	Inventory of municipal property was held not completely (not thorough) too many objects including uninhabitable are not recorded	Hold complete and thorough inventory of objects	
4	It is not clear who carries what functions. In ideal, the State registrar should only register property. In fact it carries many additional functions. Particularly manages municipal property and	Create land-management service under Department on Municipal Property Management ( <i>further DMPM</i> ), which will take over part of State Registrar’s functions. Appeal to the Government on this	

	duplicates activity of the Department on municipal property management (DMPM)	issue.	
5	Also it was spelled out that we have Laws but not sub-law acts that would comment and explain laws	Decisions of city councils on accepting all the land within city borders a property of municipality will be legitimate	
6	Municipal property is not registered in electronic databases. Weak technical base	Organize electronic recording of property with complete technical description of objects.	Delivery of computers and software to DMPM
7	Absence of a body on municipal property management in Cholpon-Ata	<ul style="list-style-type: none"> <li>create an enterprise outside the administration (gor. uprava), make a contract on management of municipal property</li> <li>include amendments and supplements to the Civil Code in the sphere of transferring municipal property to an enterprise with limited responsibilities or joint-stock company on contract basis but not an administrative establishment</li> </ul>	Pay attention to Cholpon-Ata and cooperate with the Association of towns. Include this issue in the agenda of city council's meetings. Assist in the situation analysis and make a plan of joint activities. Consult city council in developing regulations or decisions on creation of such a body (DMPM)
8	The society has no control mechanism over municipal property	Use the experience on holding hearings on municipal property.	A Social Municipal Board is created in Karakol with 15 members. We could cooperate with them. The board could consider incomes and expenses of municipal property – as a form of people participation.
9	Problems with agricultural lands within the city borders. It is unclear who possesses them	Appeal to the government on including in the Register agricultural lands under city's possession. A statement of the government is required	
10	Lack of municipal property management program	Each city should have such a program	
11	Additional incomes from municipal property	Use the experience of other cities on issuing municipal securities and insuring municipal property as a possible income source	

### **3) Professionalism of trainers**

We would like to mention the professional level of trainers – representatives of the Association of towns. Practically all questions of participants received a quality response. Handouts were also interesting and participants noted them as very useful.

The presentation of Dr. Klaus Kilimann was very useful. He presented German experience on municipal property management. Participant asked also many questions to him.

### **4) Feedbacks**

At the end of the seminar participants were given evaluation questionnaires, to receive feedback from them. The result of questionnaire analysis is as follows:

- Usefulness of the seminar– 90% participants
- Understanding seminar materials – 80% participants
- Used methods in the seminar - 85% participants marked as “excellent” and “good”
- The most complicated topics were related with land use – 50% participants

- The most interesting topics were the concepts of municipal property management
- 80% participants need in additional trainings on such topics as:
  - property privatization issues
  - housing and communal services
  - financial and economic activities of municipal property
  - reformation of enterprises
  - land code
  - budget processes
  - attraction of grants from donors

### **5) Recommendations .**

Recommendation to work with Cholpon-Ata, because namely from this town there's a high need and motivation of LSG bodies.

As well to work on those topics shown in the **table 2**

### **6) On the result of the seminar a folder containing following documents was created in the office:**

- seminar program
- list of participants with signatures
- invitations
- approved budget of the seminar
- handouts
- trainers' resumes
- evaluation questionnaires (originals)

*Report prepared by:*

*Inna Rakhmanova*

*June 23, 2005*

*Translated by:*

*Azamat Ryskuliev*

*June 25, 2005*

### ANNEX 3

Short Note on the visit of the Tacis project “Strengthening of LSG in the KR”  
to the center of Kochkor Rayon village Kochkor 2005, Oct.31

#### **Consultations and talks to the deputies and municipal servants** in Kochkor village of 2005-October 31

Participants:

- Deputies of the local Kenesh
- the Chairman of the Kenesh and head of ayil okmotu
- the staff of the municipal administration,

List of participants

№	Name	Position
	Soltonkulov A	Businessman
	Satarova Gulzina	Director of school
	Muktarov Mukanbetjan	Ayil okmotu worker
	Bekishova Aykanysh	Head of kindergarten
	Junisov Talantbek	Deputy chief of Rayon Redistribution Fund
	Nurmukanbet uulu Nurkan	Specialist of rayon state administration
	Sabyrbek kzy Kalbyby	Tax inspector
	Syiunaliev Kubanychbek	Chief architect
	Jumakadyrov Erkinbek	Head of ayil okmotu
	Omurob Anarbek	Veterinary
	Muratalieva Guljan	BYC inspector
	Erjanova Nurjan	Accountant
	Asanalieva Rita	Accountant-cashier
	Kurmanalieva Upagul	Economist-statist

Program of the visit

Date	Time	Activity	With whom
31.10.2005	10.00	Arrival to Kochkor	
	10 <sup>00</sup> -11 <sup>00</sup>	Meeting ayil kenesh chairman and head of ayil okmotu	Erkinbek Jumakadyrov
	11 <sup>00</sup> -12 <sup>30</sup>	Consultation: Municipality functions (tasks of local significance, delegated authorities, joint functions).	Ayil kenesh deputies
	12 <sup>30</sup> -13 <sup>00</sup>	Consultations	Ayil kenesh deputies
	13 <sup>00</sup> -14 <sup>00</sup>	Lunch break	
	14 <sup>00</sup> - 16 <sup>00</sup>	Municipality functions (tasks of local significance, delegated authorities, joint functions).	Municipal employees
	16 <sup>00</sup> - 17 <sup>00</sup>	Consultations	Municipal employees

#### Preparation

Since the starting conference at the end of May the head of the local administration in Kochkor maintained very tight relations to the project staff in Naryn. He took part in several round table meetings about the allocation of the equipment and a sustainable operation of the planned regional and local centers. He was the first to draft a charter of a noncommercial fund, founded by LSG of the region, which could be the addressee of the equipment. In the consequence of the talks he declared to withdraw the offer of Kochkor being one out of the planned local centers because the degree of equipment in Kochkor is relatively high.

### The Consultations

The target group of the consultations was the group of 20 counselors and 18 officials of the LSG. In comparison with the town of Naryn with 44 000 population and 14 officials the number of municipal servants per capita of population (15 371) is here almost 4 times higher. A similar ratio we observed in other villages.<sup>45</sup>

At the beginning the project team had a

1. meeting with the head of the Ayil Okmotu, (who apologized for missing heating in the office premises). The talk was about the budget of Kochkor and the relationship between the LSG and the LSA.

The most important features concerning the budget were:

- the total budget 2005 is about 2,5 Mill Som
- the categorical grant is about 1,5 Mill Som (exclusively for salary of teachers)
- 1 Mill Som they obtain from local taxes -
- it is nearly the sum they need for the salaries of the LSG
- half of it comes from the land taxes (90% remains in the local budget)
- the second half comes from other local taxes as for possession of cars or lorries.
- during the last 10 years the amount of local taxes was increased up to 50%
- the village does not receive an equalization grant.
- nevertheless they can not freely dispose the own funds. Every quarter they have to ask LSA for permission to spent "special accounts"
- in the Kochkor rayon however the LSA does not take away the surplus of local taxes collected by LSG ("They would not allow for", Head of Kochkor AO)
- this is the practice observed in the Jungal rayon.
- the tax for waste management was 5 Som/ homestead and must now be increased up to 25Som/homestead

2. Consultation to the counselors

In the meeting with the counselors participated 8 members (out of 20) of the kenesh.

It was started with the questions:

"What you need LSG fore? Why you don't want to be the fourth level of the state administration?"

The answers came quickly to the point: LSG is the most democratic and economically the most effective way of administration.

The obstacles on the way to a perfect LSG were discussed:

- there is no shared vision – and understanding of core features of local government – in society as a whole
- not even national and international experts do share the same point of view
- state structures consider the LSG a threat rather than a support
- the sphere of jurisdiction displays a lack of knowledge and readiness to obey the law
- the legislation is contradictory and does not work
- fiscal decentralization makes no progress
- the staff is lacking skills and motivation – high turnover
- etc

Another subject of discussion was the role of the Kenesh as the representative organ of LSG.

- Counselors understand the rights and duties they have
- Tasks of local significance were discussed. The LSG tries to deliver the services included in the list of the law on LSG (art.15)
- They do it taking into account the specific situation of a Kyrgyz village
- Water supply (the utilities are mainly in municipal property) is not centralized of course
- Waste management is organized by the administration of the village. It was rebuilt after an unsuccessful privatization of the former state company.
- LSG is trying to organize a wholesale of coal to the population

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<sup>45</sup> The thesis of the «Roadmap» that in towns this ratio is higher then in villages seems not to be true.

- The number of officials in the administration is not an appropriate criteria for the capacity of the administration to deliver municipal services
  - Councilors learned that direct intervention of LSG into the economy is not task of local authorities
3. consultation to the officials of the village administration
- In the afternoon 7 civil servants (out of 18) took part in a consultation round. The following issues were discussed:
- The participation of the village Kochkor in the competition of IT.
  - The visit in the Information center “Internet in the village” convinced the project team, that the improvement of IT skills for the civil servants of Kochkor can easily be realized.
  - As everywhere, the delegated state functions occupy the mayor part of working time. Particularly the “certificates”, necessary almost in all situations of life, are very time consuming. This issue should be analyzed in more detail.
  - However, in case of these certificates one can not blame the state he is not financing this delegated functions. Due coming from the population remain in the local budget.
  - The administration of village maintains a data bank for almost all other state and civil institutions (defense, police, social fund, banks etc.) Bankers e.g. require a certificate of credibility from their clients, which those obtain in the administration.
  - The yearly count over of population and cattle, including chicken (!), seems just an instrument of control, which lost its original sense.
  - The upcoming elections of the head of LSG. The actual head of Aiyl Okmotu had not yet decided in that moment, whether he will run for this position once more December 18.

#### Lessons and recommendations

A new moment we learned in Kochkor was that even in case of relative financial independency (no equalization grants!) municipalities can not freely dispose their resources. This is however an essential of LSG. The fact underlines once more the importance of the demand formulated beneath; control figures should just give an overall frame for the local budget.

We found confirmation for our conclusions we made after September consultations in Baetovo (Aktalaa Rayon).

Therefore we want just to remember, what they were about:

#### *1. Delegated functions*

- *should be refused by LSG if they are not due to legislation*
- *this refers particularly to statistical and economic tasks, which in market economy are sake of entrepreneurs*
- *municipalities and their Associations (towns and villages) should insist in a full financing of state functions, which are delegated to the municipalities*

#### *2. Fiscal decentralization and budgeting*

- *The categorical grants are designated to pay the salaries of state servants (teachers and medical staff). They have nothing to do with the real municipal budget. They do only inflate the amount transferred to the municipality (80% of the entire budget). This makes the impression of a big amount of money the LSG is operating, but in fact the municipality is just a clearing center. Moreover, municipal servants are monthly occupied by a very time consuming work in order to calculate the salary for every of those state servants. The money could be transferred directly from the Ministries of Education and Health to the schools and hospitals. This would improve the transparency of the municipal budget and avoid the wrong impression in the population, that municipalities are very rich.*

- *The control figures coming from the state and forming the framework of the municipal budget should give only an overall frame and not restrict the creativity of the LSG in the details*
  - *The municipalities and their Associations should fight for the Law on financial fundamentals of LSG. This law does not solve all problems but it would be a big step towards a fiscal decentralization*
3. *Improvement of economic situation*
- *The farmers need a system of co-operatives, which are professionally running the marketing of produced agricultural goods and the supply of farmers needs – seeds, fertilizers, irrigation devices etc. (German Raiffeisen model)*
  - *The farmers also need a bank, which is based on those co-operatives and can give an initial momentum to the development*
  - *The systems of irrigation should be transferred into municipal property as it corresponds to the idea of LSG. The Associations of users of water could rent it for a long term*
  - *Co-operatives could revive the processing industry of agricultural goods*
4. As a result of the consultations in Kochkor we decided to organize a two day seminars for the deputies and servants on Budgeting and Municipal property in February 2006.

## **ANNEX 4**

### **Short note on TACIS/EU Project “Support to the strengthening of local self-governance in the Kyrgyz Republic” visit to Baetovo village, Aktalaa Rayon November 11 2005**

#### **Short note on the seminar**

##### **«Basis of municipal property management»**

Date: November 11 2005

Place: Building of Baetovo ayil okmotu

Number of participants: Heads of Aktalaa Rayon ayil okmotu - 4 people  
Municipal employees of Baetovo Ayil okmotu -14 people  
Financiers from ayil okmotus of rayon -7 people  
Responsible secretaries – 5 people  
Local Kenesh deputies – 7 people  
Project experts - 2 people

Total participants 39 people

(Full list of participants is attached)

#### **Seminar objectives:**

- To acquaint with the legal issues, concerning municipal property rights for immovable property in municipalities
- To learn the issues of market grouping and operation of immovable market
- To exchange experience in problems of municipal property onto ownership.
- To develop the seminar recommendations

#### **Preparation to visit**

Project experts Dr. Klaus Kilimann and Anara Sartmanbetova had a consultation visit to deputies of Ayil kenesh and LSG employees of Aktalaa Rayon in September 19-20 2005 in Baetovo village. Representatives of local self-governance from neighboring villages of Rayon did also come to this meeting. Totally 39 participants take part at the meeting.

As the result of consultation visit of one-day seminar on the problems of municipal property was planned.

On the basis of list of questions suggested by deputies and municipal property management employees the next seminar program was made up.

#### **Seminar program:**

9 <sup>30</sup> -9 <sup>45</sup>	Opening. Head of Baetovo ayil okmotu Orozaliev S. Expert Sartmanbetova A
9 <sup>45</sup> -10 <sup>45</sup>	Municipal property and LSG (lecture and discussion) K. Kilimann
10 <sup>45</sup> -11 <sup>00</sup>	Coffee-break
11 <sup>00</sup> -11 <sup>30</sup>	Training part 1
11 <sup>30</sup> -12 <sup>30</sup>	Questions – answers
12 <sup>30</sup> -14 <sup>00</sup>	Lunch break
14 <sup>00</sup> -14 <sup>30</sup>	Municipal property in Karakol city (lecture and discussion – expert Morgachev I.A.)
14 <sup>30</sup> -15 <sup>30</sup>	Methods of municipal property management (lecture and discussion – K. Kilimann)
15 <sup>30</sup> -15 <sup>45</sup>	Coffee-break
15 <sup>45</sup> -16 <sup>15</sup>	Training part 2. Questions – answers
16 <sup>15</sup> -16 <sup>30</sup>	Resolution of participants
16 <sup>30</sup> -17 <sup>00</sup>	Seminar results

Seminar was opened by head of Baetovo ayil okmotu Saparaly and introduced Participants of the seminar and project team as well. Seminar moderator Anara Sartmanbetova introduced participants to the seminar program and suggested to take an active part in the discussions.

Long-term expert of the Project K. Kilimann made a report on “Municipal property and Local self-governance”

There were discussions during the report.

Main questions of participants were:

1. How do we state the original cost of land in sale?
2. What is the evaluation committee's staff in the privatization of property? Who are the members of the committee?
3. Former municipal economy was reorganized into joint-stock companies in the interests of some people. All of the equipment (planting of greenery in streets, irrigating and harvester machines) were privatized, and some of them disappeared at all. It was necessary to form the village enterprise which could benefit them. How can we restore all this?
4. How can we pass the main facilities of land-improvement branch, belonged to ayil okmotu to the use of Association of water users
5. According to order #95 from 05.06.2005 Rayon state administration passed the channels, irrigative systems and main facilities of land-improvement branch (free of charge). Is this correct?

During the presentation most of the participants got answers for questions interested them concerning municipal property for ownership.

At the end of presentation Dr. Klaus Kilimann made next results:

The issue of rights to land on privatized buildings is the important for most of businessman. Development of privatization processes supposes that lands belong to the owners of enterprises, buildings exercising their rights as ownership, but at the level of legislation everything is not so simple.

Morgachev presented an interesting case study to participants where he pointed out the reasons of problems:

- Unwillingness of land user to conclude a contract and his bilk of rent payment.
- Neglecting (land user) Article 178 of KR Land Code
- Absence of municipality in KR Civil Code, as the special subject of civil legal relationships.
- How can they use in practice Articles 6, 7 of KR Law “On management of agricultural lands” from January 11 2001
- Vagueness in interpretation by law “Is it possible that there are lands of agricultural purpose within the precincts of a town or only land of the general use can be there?
- If yes, so how can we understand and use this in practice Articles 6, 7 KR Law “On agricultural land management” from January 11 2001

To decide this problem Morgachev made next conclusions:

*Recommendations and suggestions*

1. Direct the official notification of our disagreement with condition of the payment of the rent (lease) since big amount in 224 300 thousand soms does not enter in local budget.
2. To explain the correct interpretation of Article 178 of KR Land Code to the leaders of JC “Mamyr”
3. Prepare writ statement to court on economic questions for forced conclusion of agreement of rent and payments by renter since the moment of the addressing to JC “Mamyr”
4. In the event if this problem is not decided to apply to court with writ statement about impressments of used land of “Mamyr” JC and transfer of it to those who need and ready to pay the rent on the conditions of acting normative-legal acts and laws of KR.
5. Attract the lawyer, capable to protect the interests of the municipality concerning all questions.

*Recommendations:*

- a. Privatization of municipal property is one of the significant actions
- b. Privatization of municipal property creates the favorable conditions for businessmen's aspiration to move to market economy.
- c. Accent was made on private business as the most efficient method of business management.
- d. Legislation regulates this issue contradictory enough.
- e. Issues on ownership rights for land were privatized before introduction of KR Land Code (June 16 1999).

## ANNEX 5

### Ak-Chiy Workshop REPORT

**Date:** April 7, 2006  
**Time:** 9.30 – 17.00  
**Location:** School

**# of participants:** 35 - total:  
 • 10 - councilors  
 • 10 - staff  
 • 5 - active people from community

Agenda:

Time	Objectives	Moderator
9.30 – 10.00	Registration. Greetings.	Inna Rakhmanova
10.00 – 10.10	Brief presentation of TACIS\EU project	Inna
10.10 – 11.30	<b>Initial Reflections from a local government politician from Germany – who has worked with Kyrgyz municipalities</b> <ul style="list-style-type: none"> <li>➤ introduction to his municipality</li> <li>➤ key issues for a municipality – setting the priorities and the budget; getting the best out of councillors and officials; consulting with the people;</li> <li>➤ how his municipality deals with them</li> <li>➤ questions and discussion</li> </ul>	Mr. Spahl
11.30 – 11.50	Coffee breaks	
11.50 – 12.30	<b>The importance of a municipal charter</b> Questions- answers	Mr. Spahl
12.30 – 13.00	«A Councilor RECALL” – case-study presentation	Usenov S. – local trainer
13.00 – 14.00	Lunch	
14.00 – 15.00	<b>What kind of German experience can we use to the Ak-Suu rayon</b> Group Discussions (councillors and officials separately)	Usenov S Rakhmanova I.
15.00 – 15.30	Reporting back	
15.30 – 16.00	<b>Preparing for the local budget system of 2007</b>	Usenov S. – local trainer
16.00 – 16.30	General discussion	
16.30 – 17.00	Closing up.	Rakhmanova I.

#### Process:

One day before the workshop Mr. J.Spahl held an interview with the key people from the executive staff, Kenesh, and with the active group of people. Received information allowed identifies and analyzes the current problems in Ak-Chii. The interview procecc was made in that way that people themselves gave ways (ideas) of solving problems.

Workshop started from the SSLG Project presentation. The participants were received information about the goals and objectives, about achievements, publications, about workshops, resources centers, about competition etc.

Then Mr. J.Spahl presented his municipality Rednizthembach (Bavaria). He told about the structure of municipality, about local Kenesh, about budget formulation, about sources of revenues, about relations between Kenesh and executive staff, and consulting with the people; about problems and ways of solving such problems.

During the workshop Mr. Spahl underlined participants' attention to the current problems in Ak-Chii and gave those practical examples how his municipality has been solved the similar problems in Germany. Also Mr. Spahl gave examples of success stories of AO in Kyrgyzstan.

Mr. Spahl mentioned 2 main types of problem in Ak-Chii (according interviews):

1) Problems in agriculture

- lack of the crop rotation
- lack of seeds
- Falling of productivity of grown up production
- 96 % of incomes of rural people from an agriculture
- Absence of a commodity market from production
- Poor quality is large-horned livestock

2) Problems on irrigation system

- clearing of channels was not made
- Arable lands have turned into non-irrigative grounds, not suitable for crop
- Lack of watering

During the discussion the participants proposed some ideas and possible ways of solving such problems.

Mr. Spahl's presentation was very exiting and participants asked many questions about his municipality, in particular:

- Due to what means schools, kindergartens, hospitals contain?
- What have been done on the organization of youth leisure and prevention of narcotics and alcoholism problems?
- How work of Kenesh and Committees is organized?
- What kind of relationships between Kenesh and executive staff in Germany?
- Etc.

Then local trainer Mr. Usenov – presented a case-study about “Recall of a councilor” – as a tool of increasing the quality of councilor's work. The presentation was very exiting too and participants asked many questions. After that the information about new budget system has been given.

Then there was discussion in small groups and the results are the following:

**Group 1. Councilors:**

- To reconsider the Rules of AO and Kenesh in details
- To organize check analyze of AO activity on performance of the local budget
- To organize work of fiscal bodies once in 3 years
- To improve work of committees in Kenesh
- To create the commission on protection of the consumers rights - as one of mechanisms of local budget revenue due to the revealed penalties. To approve at Kenesh session tariffs for administrative penalties.
- Regular improvement of professional skill of AO employees and deputies (training)
- To start to monitor (the control from Kenesh) construction of buildings according to the Building Plan
- To open the credit unions and cooperativeness on selling production by principle Raifaising.
- 

**Group 2. AO staff**

- To open a credit union at AO - as one of sources of increasing local budget
- To organize mini-shop on processing milk, vegetables and fruit, on a batch of bakery products
- To create cooperative society on purchase agriculture products.
- To open joiner's shop
- To open a combing clearing wool shop

- To open mini-shops of consumer services (the hairdressing salon, repair of footwear, hours, sewing shop, a bath)
- To create cultural center for population's leisure
- To create a sport complex for village youth
- To create a fire-fighting service
- To organize water supply association
- To renovate roads

### **Group 3. Active leaders from community**

- To create a CBO
- To create the credit unions
- To open sewing shops, combing shops, on processing the agriculture products
- To open a kindergarten
- To organize a land improvement in the village (to plant trees and shrubs, to scavenge the garbage, illumination)
- To open the cultural center, medical center, information centre
- To find sources of hypothecary (mortgage lending) crediting

### **Observations and conclusions:**

- Ak-Chi AO has potential to work, though originally participants have been adjusted very pessimistic. After a seminar, representatives of executive staff have started to work actively concerning planning ideas on income profit's projects
- It was a good idea to invite Mr. Spahl to participate at seminars, because he has shared practical examples from his experience, not academic, but real of practice. Participants were inspired with his success stories and now are measured to work in full force.
- Local Kenesh has weak potential and capacity. Deputies poorly know about the rights and powers, are not informed on role of kenesh. The Commissions do not work in general. But it is pleasant, that after workshop carrying out, deputies also have planned to strengthen their work and have expressed desire to be trained on the themes, concerning the deputy's role

## ANNEX 6

### Bokombaevo Workshop Report

**Date:** April 11, 2006  
**Time:** 9.30 – 17.00  
**Location:** AO office

**# of participants:** 30 - total:  
 • 15 - councilors  
 • 10 - staff  
 • 5 - active people from community and mass media

Agenda:

Time	Objectives	Moderator
9.30 – 10.00	Registration. Greetings.	Inna
10.00 – 10.10	Brief presentation of TACIS\EU project	Inna
10.10 – 11.30	<b>Initial Reflections from a local government politician from Germany – who has worked with Kyrgyz municipalities</b> <ul style="list-style-type: none"> <li>➤ introduction to his municipality</li> <li>➤ key issues for a municipality – setting the priorities and the budget; getting the best out of councillors and officials; consulting with the people;</li> <li>➤ how his municipality deals with them</li> <li>➤ questions and discussion</li> </ul>	Mr. Spahl
11.30 – 11.50	Coffee breaks	
11.50 – 12.30	<b>The importance of a municipal charter</b> Questions- answers	Mr. Spahl
12.30 – 13.00	<b>Relations between r</b> – case-study presentation	Nurmetova D. – local trainer
13.00 – 14.00	Lunch	
14.00 – 15.00	<b>What kind of German experience can we use to the Ton rayon</b> Group Discussions (councillors and officials separately)	Nurmetova D Rakhmanova I.
15.00 – 15.30	Reporting back	
15.30 – 16.00	<b>Preparing for the local budget system of 2007</b>	Erkinbaeva J – local trainer
16.00 – 16.30	General discussion	
16.30 – 17.00	Closing up.	Rakhmanova I.

#### Process:

One day before the workshop Mr. J.Spahl held an interview with the key people from the executive staff, Kenesh, and with the active group of people. Received information allowed identifies and analyzes the current problems in Bokombaevo. The interview process was made in that way that people themselves gave ways (ideas) of solving problems.

Workshop started from the SSLG Project presentation. The participants were received information about the goals and objectives, about achievements, publications, about workshops, resources centers, about competition etc.

Then Mr. J.Spahl presented his municipality Rednizthembach (Bavaria). He told about the structure of municipality, about local Kenesh, about budget formulation, about sources of revenues, about relations between Kenesh and executive staff, and consulting with the people; about problems and ways of solving such problems.

During the workshop Mr. Spahl underlined participants' attention to the current problems in Bokombaevo and gave those practical examples how his municipality has been solved the similar problems in Germany. Also Mr. Spahl gave examples of success stories of AO in Kyrgyzstan.

Mr. Spahl mentioned 2 main types of problem in Bokombaevo (according interviews):

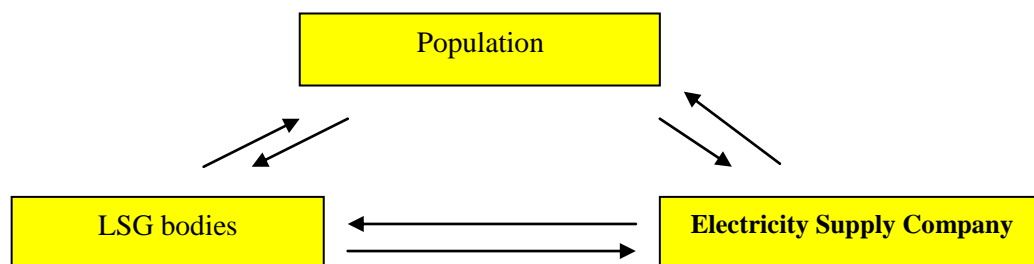
- 1) Lack of finance
  - It is unclear how many taxes stay at the local budget.
  - Closing up the Special means
- 2) Lack motivation from the community
  - The passiveness of population

During the discussion the participants proposed some ideas and possible ways of solving such problems.

Mr. Spahl's presentation was very exiting and participants asked many questions about his municipality, in particular:

- Due to what means schools, kindergartens, hospitals contain?
- What have been done on the organization of youth leisure and prevention of narcotics and alcoholism problems?
- How work of Kenesh and Committees is organized?
- What kind of relationships between Kenesh and executive staff in Germany?
- Etc.

Further local trainer Nurmetova D- has told about a practical example (case-study) on a theme **"Mutual relations of suppliers and consumers in a countryside on the electric power "**. The local trainer has stopped on the role of municipality during providing qualitative services to population. The presentation has caused the big interest at the participants



Also the information on preparation for new budgetary system in 2007 has been offered. The local trainer has presented new structure of inter-budgetary attitudes on the basis of introduction of Law KR "About financial and economic bases in LSG". Also she has briefly stopped on the cores principles of budgetary, and process of local budget formation. Participants - Deputies have expressed desire more to learn about budget process and they have asked to lead for them additional training on budgetary system.

Then there was discussion in small groups and the results are the following:

#### **Group 1. Councilors:**

- To attract investments finds for the small enterprises development.
- Eco-tourism development (to design a horse riding trips, hiking tours, falconry). To provide Tourists services
- To start partnership with tourist firms
- To lead an audit on presence income profits objects for revealing payment of taxes
- To reconsider the plan of deputy work taking into account the population opinions
- To develop offers on entering amendments and changes in Tax Code. (that 50 % of all collected taxes have remained in the local budget)
- Processing grown up production up to an end-product (a potato – to chips, meat - pel'menis)

- 

**Group 2. AO staff**

- To inform the population on problems and planned steps under the problems decision.
- To organize detours of inhabitants, meetings, release of bulletins - on involving the population at the planning process
- To train regularly AO staff and local Kenesh (to give the application in the Resource centre)
- To increase revenues sources in the local budget by renting ground, buildings and woods
- 

**Observations and conclusions:**

- The strong capacity of local Kenesh and weak AO staff
- A Head of AO is an Initiative man. The community positively responds about his as a specialist.
- However there is no close cooperation between the AO staff and Kenesh.
- Strong local the trainer (under the finance especially)
- On results of a workshop deputies have made a decision to hold extraordinary local kenesh session and to lead the Kenesh decision those ideas which have been registered and sounded in small groups' discussions. .

## **ANNEX 7**

### **Short notes on seminar**

#### **“Role and responsibility of LSG heads in activity of local communities”**

**Date of seminar:** May 27 2006

**Place:** Conference hall of Naryn rayon state administration

**Time:** 9.00 – 18.00

**Participants:**

- 34 newly elected heads of LSG of Naryn oblast
- Dyikanbaev Kurmanbek – Chairman of Association of villages and settlements of KR
- Janboev Jekshen – Councilor for President of Association of local communities
- Nurunbetov Suimuk – leading specialist of inter-budget relations of KR Ministry of Finance
- Abdygaziev Isabek – first deputy-governor of Naryn oblast
- Jeenalieva Jipar – head of department for organizational work and local self-government of Naryn oblast state administration
- Apsamatov Askatbek – head of Naryn oblast state administration’s staff

#### **Introduction**

##### **Seminar’s objectives**

- Introduce with organizational and legal bases of local self government bodies (KR Law “On local self government and local state administration”)
- Introduce with local budget (KR Law “On financial and economic bases of local self government”)
- Study role of Charter of local communities
- Role of interrelation between LSG bodies and bodies of national government

Coordinator of Tacis/ EU Project “Support to the strengthening of local self government in the KR” in Naryn oblast Anara Sartmanbetova introduced LSG representatives from Bishkek and all newly elected LSG heads. Then she presented the Project’s activity during the year and told about all activities done by Project to strengthen local self-government in oblast. She told about the development of Road Map for newly elected heads of local self-government bodies that became as manual or guide for LSG representatives. Exchange visit of LSG representatives to Batken gave its good results and soon almost all of the LSG bodies will be supplied with database of economic book. She told also about development of paper Case study, which is aimed to learn to define the problems and make conclusions.

Then first deputy-governor of Naryn oblast Isabek Abdygaziev told about Tacis Project’s activities, which support LSG bodies to increase their potential through providing computer equipment and supplying necessary information. Besides this, UNDP Program in Naryn oblast supplied LSG bodies of Atbashy and Naryn rayons with necessary standards acts. He expressed his wish that such training seminars would be efficient in activity of newly elected LSG heads as many international organizations like UNDP, ARIS and other non-governmental organizations work in the sphere of improving the potential of LSG in Naryn oblast.

#### **Organizational and legal bases of local self-government – Presentation of Janboev Jekshen**

Then after introduction, Jekshen Janboev begun his presentations and since Omuraliev Tolobek was absent due to his state of health Jekshen Janboev made two presentations:

- Organizational and legal bases of local self government
- Interrelation between LSG bodies and state bodies

Janboev noted that this is the third meeting with newly elected LSG heads; first was in Issykkul seminar, the second is meeting in President Administration and the third is this seminar, from which all of the participants expect some push to their experience. He expressed his hope that this seminar that had been put off so long time will have efficient outcomes in the activity of newly elected LSG heads. One of the first questions to Jekshen Janboev was issue concerning authority of LSG heads –

they are divided into two according to February 2006 Law, which says that head of LSG body, is chairman of local Kenesh and at the same time head of executive-administrative organ. However, there is no active mechanism of this law. Therefore, it does not begin to work. National Agency for issues of local self-government introduced a motion to Jogorku Kenesh to explain the mechanism of this law. That is why all of us are far from saying that LSG activity will be efficient if Kenesh separates from ayil okmotu. People elect LSG heads and that is why they must lead a close activity with people and local community. He also noted the importance of planning their expenses according to their incomes and told about self-financing in 2007 and municipal property, which is basis of LSG bodies and work with communities.

Then participants gave their questions. Most of them were concerning

**Head of Janbulak LSG, Naryn rayon Osmonaliev Joldoshbek** expressed his opinion about planning self-financing of local self-government bodies and if there is no financial incomes in their LSG body so they will be liquidated.

### **Local budget**

#### **Presentation on Reform of inter-budget relations - Nurunbetov S.**

Leading specialist of KR Ministry of Finance made a presentation of reform of inter-budget relations on terms of budget decentralization. He introduced participants with basis legislative acts of Kyrgyz Republic, acting structure of local budgets and system of budget interrelations and main objectives of reform of inter-budget regulation as well:

- Delimitation of authorities between state levels
- Determining the revenue potential of LSG body
- Defining standard deductions from state taxes
- Leveling of budget provision of regions
- Upgrading LSG body employees

Along with defining basis legislative acts and learning the system of budget relations, seminar participants tried to define unsolved issues:

- No optimal political division
- Absence of the normative basis on delimitation of authorities on expenses (rayon and oblast institutions)
- Not divided properties between state power and LSG bodies
- Absence of social-economic forecasting and forecast on income
- Low level of professional preparedness of staff and poor material and technical basis of LSG body
- Municipal property management and lands of Redistribution fund (FPS)
- Suspense of issues concerning debts of LSG bodies (loans, credits, credit debts)

Most of the questions to Nurumbetov were concerning

- **Salary** – land specialist, secretaries of most LSG bodies work half salary. Specialists on land issues have to work hard even on Sundays and with no transport to visit and control lands. Is it possible to raise salary of these LSG employees?
- **LSG bodies will proceed to self-financing in 2007** – head of Karakoun LSG, Atbashy rayon Orozaliev A. was indignant explaining the situation in their village: every spring glaciers of the rayon melt and lands of the village expose the soil erosion. Therefore, if there are no revenue sources in village, so this LSG body will be liquidated
- **Stimulating grants** – most LSG bodies give their projects for stimulating grants but no results.

**Significance and role of Charter of local communities in activity of LSG bodies** – Presentation of Dyikanbaev K.

The next part of seminar was presentation of **Dyikanbaev Kurmanbek** on significance of Charter of local communities. One of the objectives of this seminar is showing up the vitality of laws in activity of local self-government bodies. There are two Constitutions for LSG bodies:

1. Main Constitution
2. Charter of municipality

It is important to include amendments and additions, which are immediate constituents of legality of LSG bodies' activity. Today there are still big mistakes in paper work of LSG bodies; some of them still have stamps of Soviet times "Selsovet". LSG body and ayil Kenesh are representative bodies and not only LSG body must have Charter, it must be available for whole village population.

In a number of such problems, Kurmanbek Saparovich noted the difficulties in their work – for example, LSG workers have to go more than 100 km to rayon center to give reports, whereas they do not get travel allowance. They get too many tasks and no conditions to execute. In many LSG bodies specialists work for half salary.

In 2001, a separate Regulation of conducting kurultays (tailings) was published and the terms of kurultay must be indicated in Charter– how many times it must be conducted in year. Besides this, Charter must include an inhibitory item forbidding municipal property to be given with no consideration of Kenesh. There are many court examinations for last 5 years because of facts when LSG heads sell municipal property and today criminal cases brought against 72 out of 472 LSG heads show the irresponsibility of LSG heads concerning destiny of people. Then he briefly told about exchange visit to Germany in November and similar experience of LSG heads there.

**Presentation of Case study of Askar Bektenov – ex-head of Kazankuigan LSG, Naryn rayon**

Project's trainer Askar Bektenov – shared his impressions concerning his negative experience during 4 years in Kazankuigan LSG. He expressed his opinion that Case study could become some kind of manual for newly elected LSG heads in their activity.

Presentation of Askar Bektenov consisted of describing three conflicts:

1. Conflicts during appointment of responsible secretary
2. Trainer's conclusion of Articles 31 and 44 of Law "On local self-government and local state administration" concerning solution of his conflict.
3. Significance of stamps of Ayil okmotu and Ayil Kenesh and correct use of stamps.

He shortly dwelled on each case and made his conclusions according to his experience. After presentation of Bektenov many LSG heads had their questions concerning correct use of stamp and economic book. Many of them back up exchange visit to Batken that will give a good opportunity for them to get electronic economic book. Head of Semizbel LSG of Kochkor rayon Abdykadyrova A. expressed her supportive opinion of Case study concerning correct use of stamps and said that above described problem does exist in every LSG organ.

After all presentations and case study, seminar participants divided into 5 groups to make analysis of seminar results according to three questions given in seminar program. On completion of group works, they presented their work:

1. What was new for them in this seminar?
2. Their action on their arrival to LSG body.
3. What help do they need?

	What was new for them in this seminar?	Action on their arrival to LSG body.	What help do they need?
<u>Atbashy rayon</u>	<ul style="list-style-type: none"> <li>* Defining information on municipal property</li> <li>* Regulation on municipal property</li> <li>* Implementation of Law “On municipal service”</li> <li>* Declare a moratorium to division of LSG from Ayil Kenesh</li> </ul>	<ul style="list-style-type: none"> <li>* To pass middle and remote pastures to LSG bodies</li> <li>*To bring in coefficients according to local conditions (investment, salary)</li> <li>*To put an end to frequent check-ups</li> <li>* To open village Bank</li> <li>* Interrelation of Ministry departments with LSG bodies on delegated authorities</li> </ul>	<ul style="list-style-type: none"> <li>* To cancel entrance fee 1000 som in Ayil Kenesh</li> <li>* Wage raise of LSG employees</li> <li>* Organization of upgrading trainings for LSG employees</li> <li>* To bring child (pre-school) institution into budget</li> </ul>
<u>Aktalaa rayon</u>	<ul style="list-style-type: none"> <li>* Making alterations in to Charter of village</li> <li>*Submit proposal to Constitutional reform</li> <li>* Clear separation of functions between state bodies and LSG bodies</li> <li>* Implementation of Law “On local self-government and local state administration”</li> <li>* Activate local people through by defining additional means on municipal service</li> <li>*With a view of an effective use of middle and remote pastures to pass them to LSG bodies</li> </ul>	<ul style="list-style-type: none"> <li>* Renewal of kurultays and raising the role of communities according to law</li> <li>* Prevent internal migration in Rural area</li> <li>* Leading cooperation with public organizations in the sphere of raising capacity of local people</li> <li>* Correct use of Ayil okmotu and ayil Kenesh stamps</li> </ul>	<ul style="list-style-type: none"> <li>* Cooperation with donor-organizations and investors</li> <li>* Opportunity to receive credit for technical equipment</li> <li>* Wage raise of LSG employees</li> </ul>
<u>Kochkor rayon</u>	<ul style="list-style-type: none"> <li>* Laws which acts and do not act</li> <li>* 10 year work done on decentralization</li> <li>* Importance of development of village Charter and its legal effect</li> <li>*Connection between Ayil Kenesh and LSG body</li> <li>*Development and confirmation of functional duties of LSG employees</li> <li>*Submit proposal to Constitutional reform</li> <li>* Importance of cooperation with donor organizations</li> <li>* Close cooperation with population</li> </ul>	<ul style="list-style-type: none"> <li>* Seminar for LSG staff and deputies of ayil Kenesh</li> <li>* Introduction with LSG Laws</li> <li>* Preparation to certification</li> <li>* Analysis of replenishment potential of revenue part of budget</li> </ul>	<ul style="list-style-type: none"> <li>* Training for heads of LSG bodies on self-financing</li> <li>* Introduction with experience of other LSG bodies</li> <li>*Legal Training for LSG employees</li> <li>*Information on donor organizations</li> <li>* Opportunities to write grant projects to receive computer equipment and inventory;</li> <li>*Manual on paper work</li> </ul>

<u>Naryn rayon</u>	<ul style="list-style-type: none"> <li>* Revise Charter of village and make alterations</li> <li>* Submit proposal to Constitutional reform</li> <li>* Information on LSG (Ayil Kenesh and Ayil okmotu)</li> <li>* Regulation on Kurultay</li> <li>* Information on municipal service</li> </ul>	<ul style="list-style-type: none"> <li>* Lead an activity on acceptance of Charter</li> <li>* Development and confirmation of Regulation on public kurultay</li> <li>* Renewal of Ayil Kenesh work</li> <li>* To develop order of labor, labor contract with LSG employees</li> <li>* To make stamp of Ayil Kenesh</li> <li>* defining taxes</li> </ul>	<ul style="list-style-type: none"> <li>* Work on bringing investment</li> <li>* Work with communities</li> </ul>
<u>Jumgal rayon</u>	<ul style="list-style-type: none"> <li>* Importance of development of village Charter and its legal effect</li> <li>* Importance of cooperation with donor organizations</li> </ul>	<ul style="list-style-type: none"> <li>* Introduction with LSG Laws</li> <li>* To develop order of labor, labor contract with LSG employees</li> <li>* Leading cooperation with public organizations in the sphere of raising capacity of local people</li> <li>* Correct use of Ayil okmotu and ayil Kenesh stamps</li> </ul>	<ul style="list-style-type: none"> <li>* Legal Training for LSG employees</li> <li>* Information on donor organizations</li> <li>* Organization of upgrading trainings for LSG employees</li> </ul>

Presentation of heads of LSG bodies of all rayons summed up the seminar and Isabek Abdygaziev concluded seminar. He noted that Tacis/EU Project leads a close cooperation with key people of local self-government and that is why many good ideas appear. He expressed his thanks to seminar organizers and representatives of LSG from Bishkek and his hope that outcomes from this seminar would effect on activity of newly elected heads of LSG bodies.

Then moderator of seminar Anara Sartmanbetova summed up results of seminar and thanked all participants.

## ANNEX 8

### **Theme: Role of LSG at the local community**

Date: June 10<sup>th</sup>, 2006

Location: Ak-Bermet resort place

Participants: 38 people

- Heads of AO – 30
- Trainers – 3
- Project staff – 5 .

Target group: Newly elected Heads of AO from Issyk-Kul region

#### **1. Planning Process:**

During the planning process of this workshop the main attention was oriented more to the practical part. Because we've learnt the lessons from Naryn oblast where participants mentioned that the workshop had a lecture tendency. Therefore we have been revised the structure oriented to the practical point.

The Wednesday prior to the workshop Roza and Inna restructured the event in the light of not only Mr Omurlaev's absence but also of the experience of the Naryn workshop and the unexpected attendance of Spahl. And a good informal session the evening before was able to ensure that everyone was properly briefed.

The decision was taken that the process would be looked as a following: first of all to identify the current problems, and during the session the trainer should try to search the opportunities for solving such problems.

#### **2. Opening remarks.**

In Ronald's introductory remarks, he traced the events of the previous few months – explaining the delay in holding the workshops, referring to their contacts with the Karakol office for the PC competition and the 13 April event when Mr Omurlaev and Mr Spahl had had a preliminary discussion with them to help plan this event; and emphasized the interactive nature of the workshop.

Roza explained that we wanted to start by collecting their concerns and putting these on the flipchart and that Spahl would kick that session off by summarizing the discussion of April 13.

#### **3. Problems**

In the beginning of the workshop the participants identified the following problems:

- 1) Shortage of taxes
- 2) Low wages of AO staff
- 3) A budget formulation still takes principle of "Top – down"
- 4) Abolished of Special means
- 5) Imperfect Tax Code
- 6) There is an obligatory item in each local budget as a "Transferred means"
- 7) Lack of PCs and furniture in AOs
- 8) Unclear issues in Land property for the pastures
- 9) High rent time\period for the lands
- 10) Lack of farmland, homestead land
- 11) The problem in the relationship between Rayon and AO
- 12) Lack of irrigation water
- 13) The Land Law doesn't work properly
- 14) Lack of knowledge at the AO staff
- 15) overpressure from the state structures

## 4. Presentations

**4.1 Mr. Jurgen Spahl**– expert from Germany – briefly presented his AO's experience , about municipality of Rednitshembah (Bavaria). He has told about structure of the municipality, about local Kenesh, about the budget and revenue sources, about relationships between Kenesh and AO staff, between municipality and the population, and about problems facing municipality and how it searches for ways of the problems decision.

**4.2 Further Mr. Jekshen Janboev** presented information about legal aspects of LSG. Always he took into account the mentioned current problems of AOs and explained them in a light of legal frames.

**4.3 Expert of finance – Ms. Roza Suranchieva** presented information about preparing to new budget system 2007. She explained a scheme of cash flow between 2 levels (republican and local). She told also about amendments at the TAX Code in particular changes at the list of taxes. Only 8 types of local taxes from 16 have been left such as:

1. resort tax
2. advertisement tax
3. parking tax
4. rubbish tax
5. hotel tax
6. local tax of 4%
7. real estate tax
8. car drives tax

Also she explained that the size of income tax has been diminished and become as 10%. Besides, it is planned that land tax will stay 90% at the local budget, and 10% - will be transferred to the rayon.

She informed participants that the Government is giving sum of 65 million som to the Stimulate grants in total, and 45 million som of total sum – will be transferred for AO.

For the participant's question "*Why the mechanism of new Law KR "About financial and economic bases of LSG" introduction is braked and not entered up so far?"*" - the expert Roza has answered, that there are still not clear the allocation of functions between LSG and state bodies. That's why the Ministry of Finance KR cannot start the given mechanism.

According the participant's view – there is a crucial problem facing AO – the closing up the Special means. The Government produced a Regulation, not involving local people for the discussion (without consideration). And now the AO staff cannot pay salaries to the technical staff (yard-keeper, charwoman etc)

Also Mr. Spahl has stated his point of view concerning new budgetary system of 2007 in KR. Due to his opinion, this system is again developed "from above-downwards", because the Ministry of Finance KR again will lower money resources from above to down, thus for LSG nothing has changed. There is a system mistake in the structure and there is no logic in system. In new system not clearly means for leveling grants whence will gather. (the formula is not developed yet).

Lunch

## 5. Municipal charter

The next presentation was given by **Mr. Dyikanbaev**, who told briefly about the importance of Charter for the local community. He gave to participants many materials as handouts about sample of Charter. Interests of participants in it has quickened and there was no enough time to cover all questions.

## 6. Case-study

**Mr. Bektenov** – described a case study of Kazan-Kuygan AO about the Head's work and some gaps at the legislative. Such case study was given in order not to allow mistakes by other Heads in future.

## 7. Small group discussion:

Participants were the divided into three groups to explore the following three questions -

1. What new information have you got at the workshops so far?
2. Your action plan after returning back to your sites?
3. Any additional help for AO Heads and how can Project react to it?

## **8. Flipcharts notes:**

### Group 1

- Mr. Spahl's experience was really interesting
- Very useful information was about new budget system
- Useful info about Charter of local community
- There is additional help needed about municipal property, about budget functioning and income sources, and issues about Land Code.
- And additional help on training aids/appliances, manuals, handbooks etc.

### Group 2

- Very helpful was the case-study presented by Mr. Bektenov.
- Very useful information was about new budget system
- There were good materials as handouts
- Additional help is required on IT trainings for the AO staff
- It's needed to organize experience exchange between AO of KR

### Group 3

- We've learnt about LSG structure
- Very useful information was about new budget system
- We've learnt about links between Kenesh and AO
- Received info about Charter
- We've learnt how the Decree # 91 from February 23, 2004 was used
- It's needed to provide new information about legislative in LSG
- There is a lack of PC in some AOs and it would be good if there will be installation of equipment
- To choose some AO as a pilot and work with them as a model on new reforms
- More knowledge on legal issues is required
- Try to work closely with Kenesh and AO staff

## **9. Summary of Issues raised**

During the workshop there were raised many questions. In general the questions can be structured to the following main groups:

- 1) Rural land issues
  - Whose property can be the pastures at the AO territory?
  - Where the land rent amount goes?
  - Why the Land Code doesn't work properly?
  - What is the tax size of the hunting ground?
  - Is it possible to increase the rent time?
- 1) Lack of finance resources
  - When AO will be able to formulate the local budget by itself?
  - There is no enough money at the AO to run internal expenditures. Heads of AO said that they need car facilities, and some extra machinery and equipment. Where and who is responsible to solve this sort of problem.
- 2) Office management and Attestation of municipal personnel
  - Some Heads told that there is no information (knowledge) on how to work with staff personnel well. And there is no proper information about attestation issues.

- There are many tensions between Kenesh and AO staff. What should be done to improve this situation?
- 3) Properties
- Can the farms pass to the municipal property?
  - Can AO take some free lands into its property?
- 4) Legal mechanisms
- Some participants asked about legal mechanisms of AO's interest and rights protection. How AO can reference to the court system in order to protect municipal rights?

#### **10. Lessons from workshops**

- structure and style really worked!
- Make sure that room layout keeps participants involved – the table was too long
- Kyrgyz preferred language for this group

#### **11. Follow-up**

- copies of Roadmap to those who asked for it
- copies of these notes to be distributed to all participants – perhaps also to our trainers?

## ANNEX 9

### ABOUT THE PROJECT

1. The project started officially in May 2005. By August 2006, it is expected to achieve 9 outputs -
  - staff in national lead bodies assisted to perform their role of driving, at central level, political decentralisation to LGs
  - a clearly defined statement of division of central and local responsibilities drafted and disseminated – with implications for municipal service delivery clearly spelled out
  - a comprehensive review of progress achieved in fiscal decentralisation – with bottlenecks and remedies identified and submitted to government
  - Road Map, indicators and next steps for decentralisation set out and
  - Significant number of key members and staff of LGs in 2 pilot Oblasts trained to enable them to play an important part in the practice of good local government
  - Development of IT capacity in municipalities in two pilot Oblasts
  - Financial management and budgeting significantly improved in pilot LGs and ways of increasing revenue for the LGs identified.
  - civil society organs active in two pilots in promoting participatory local governance trained and advised
  - recommendations on how LGs in the whole country be assisted
2. The Pilot Oblasts were identified in the original Terms of Reference – and are Issyl Kul and Naryn.
3. The project is based in 2 rooms in the ex-Minister's building – and has regional offices in Karakol and Naryn. At least one local expert are located in each of these 3 these offices – as well as administrative staff.
4. Project work is planned on a four-monthly basis.
5. It has a Steering Committee consisting of the leaders of
  - the new Agency
  - the municipal associations
  - local state and local government bodies in the 2 pilot Oblasts
  - the Academy of Management
  - the European Delegation to Kyrgyzstan
  - the German company ADB as contractors
  - the project itself

### About Ronald Young

Ronald Young was a local and then Regional Councillor in Scotland from 1970 to 1990. During this period he held various important local government positions and was responsible for many innovations concerned to challenge bureaucracy – particularly the encouragement of community development and more open approaches to policy-making. In the 1980s he was also one of the UK members of the Council of Europe's Standing Committee for Local and Regional affairs. Since 1990 he has lived in central Europe and Central Asia – leading various EU programmes of administrative reform.