



КАРГЫЗ РЕСПУБЛИКАСЫНЫН ӨКМӨТҮНӨ КАРАШТУУ
ЖЕРГИИ СЕТИИНИН АРА КАДЫПТУУ ЖАНА СЫНГАЛАП
АРАМКА МАМИЛЕЛЕР БОЮНДА МАМЛЕКЕТТИК АТЕНТИНИИ
STATE AGENCY FOR LOCAL SELF-GOVERNMENT
AND INTER-REGIONAL RELATIONS UNDER THE GOVERNMENT
OF THE KYRGYZ REPUBLIC



КАРГЫЗ РЕСПУБЛИКАСЫНЫН
ЖЕРГИИ СЕТИИНИН
БАЫКАПУУЛАРЫНЫН СОЮДУ
UNION OF LOCAL
SELF-GOVERNMENTS
OF THE KYRGYZ REPUBLIC



ӨНУКТУРУУ САЯСАТ ИНСТИТУТУ
ИНСТИТУТ ПОЛИТИКИ РАЗВИТИЯ
DEVELOPMENT POLICY INSTITUTE

Current Status of Local Self-Government of the Kyrgyz Republic: **Financial Opportunities and Challenges** in the Development of Local Communities

Presenter – Deputy of JK KR **Japarov A. U.**
Forum of Local Self-Governments of the Kyrgyz Republic "Role of Local Self-Government in Comprehensive Regional Development in the Kyrgyz Republic"





Regional development and budget capacity of LSG

Decentralization of LSG

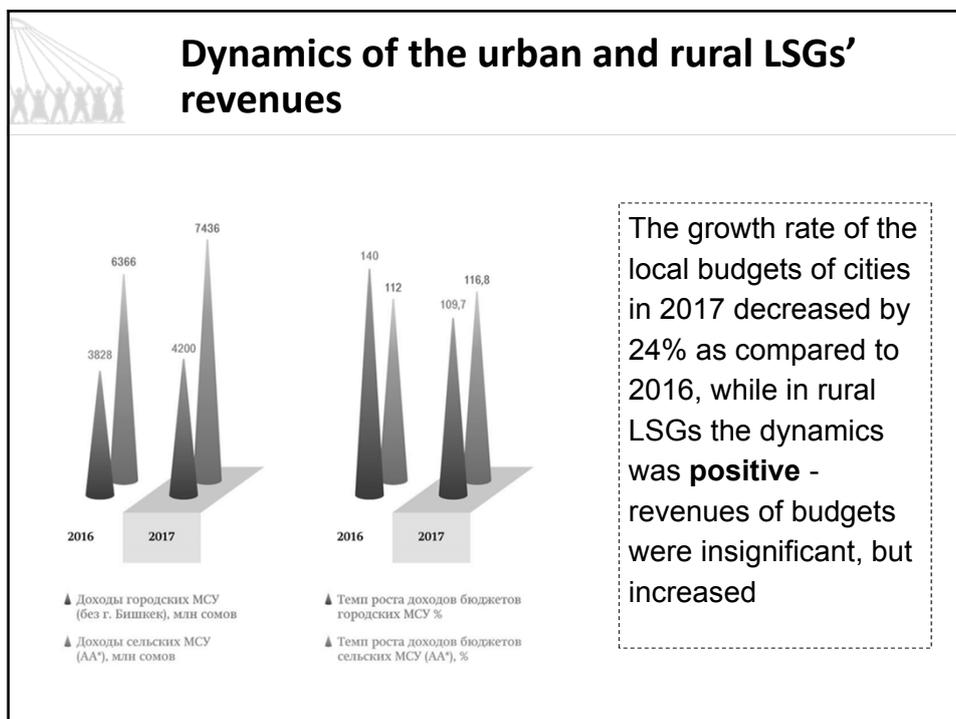
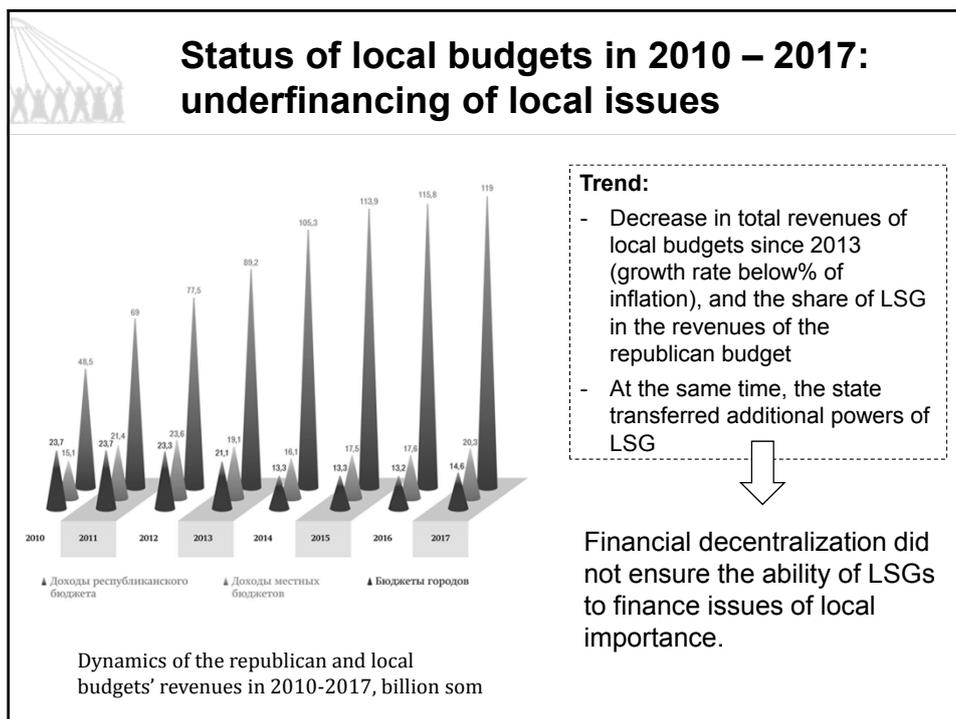
	Financial and economic independence
	Administrative independence
	Political independence

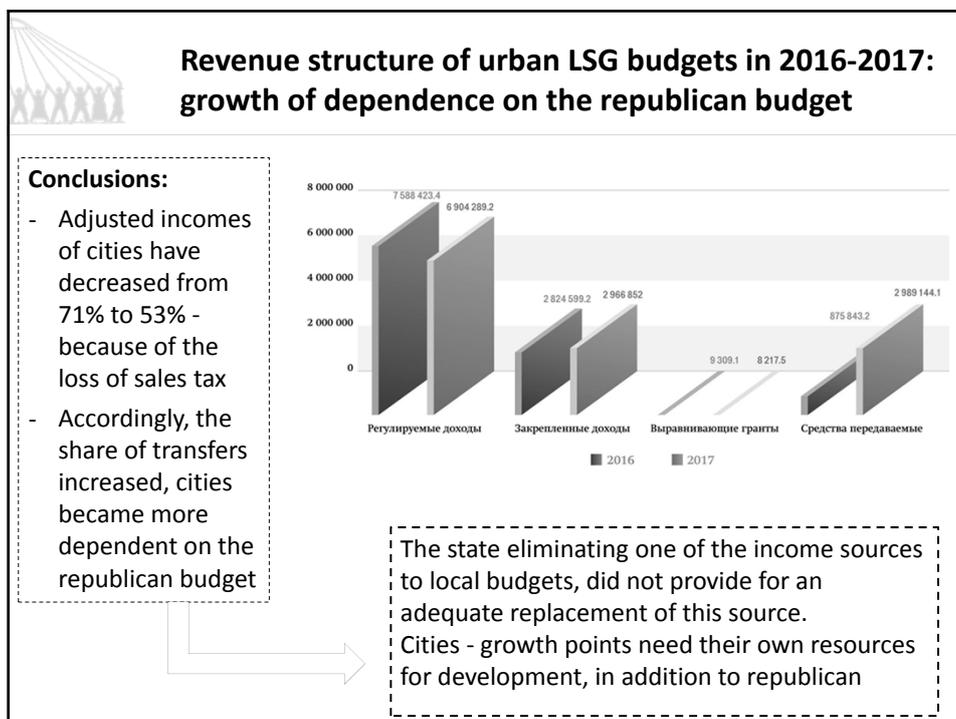
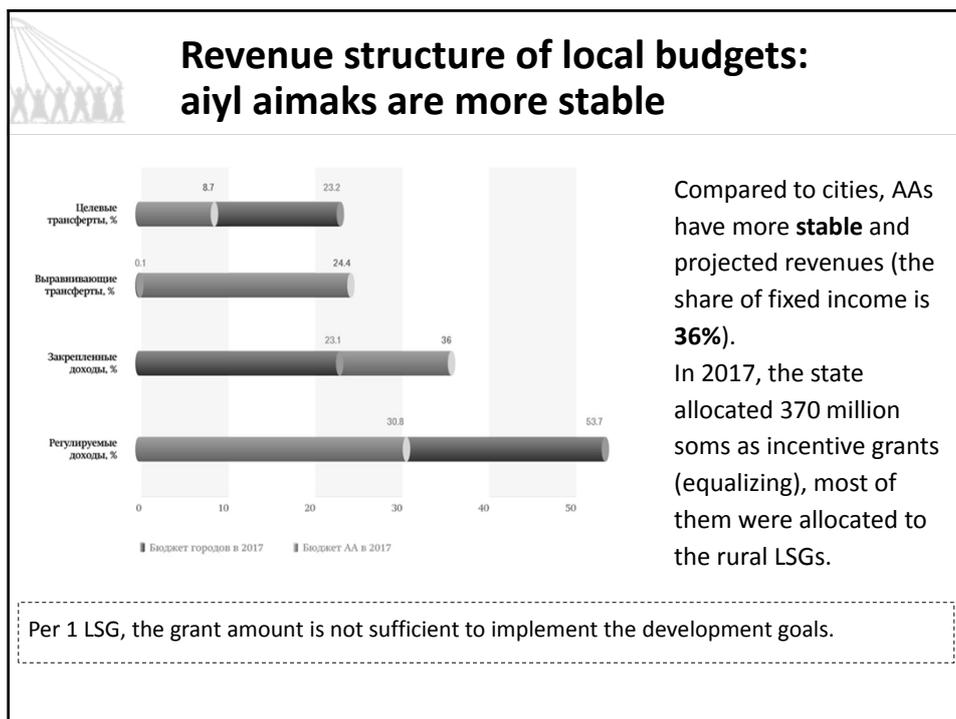
Budget capacity

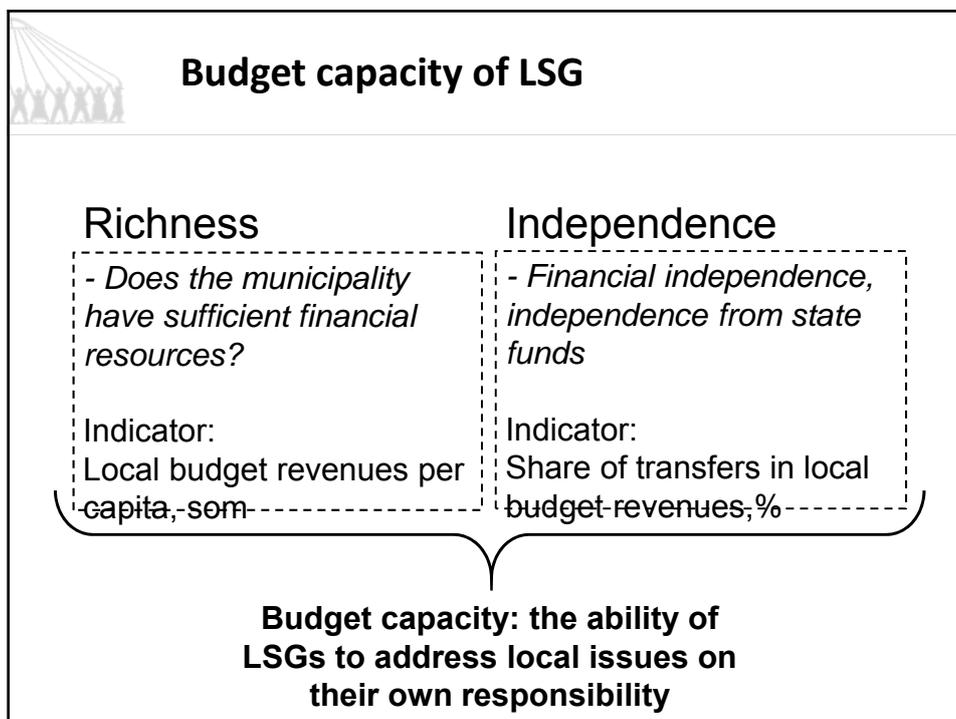
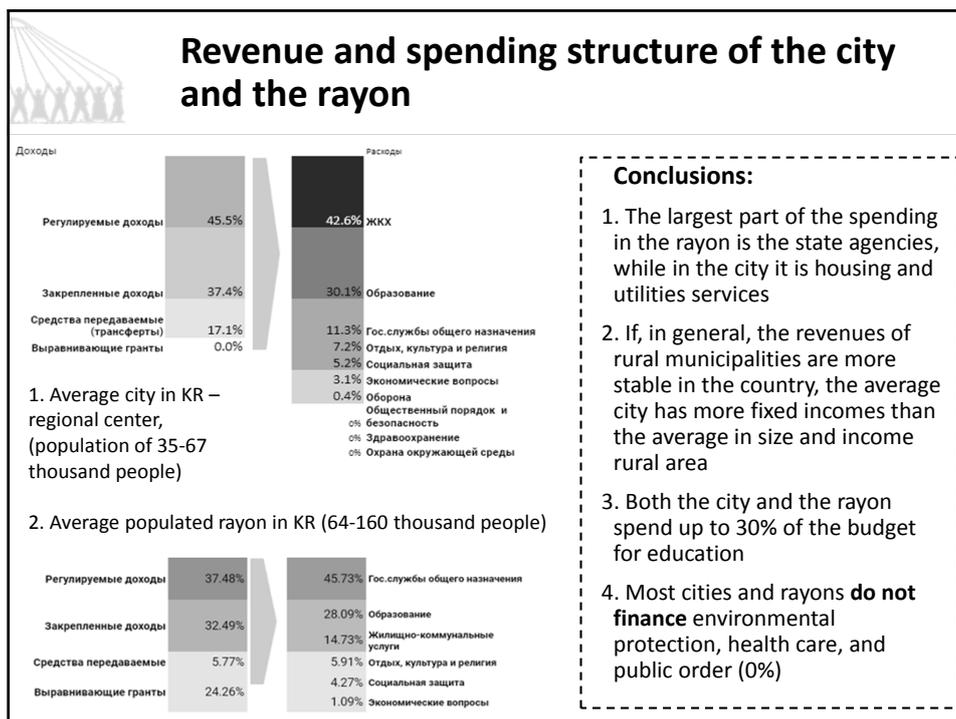
As a key factor in the implementation of the state program for the development of the regions, it answers the question:

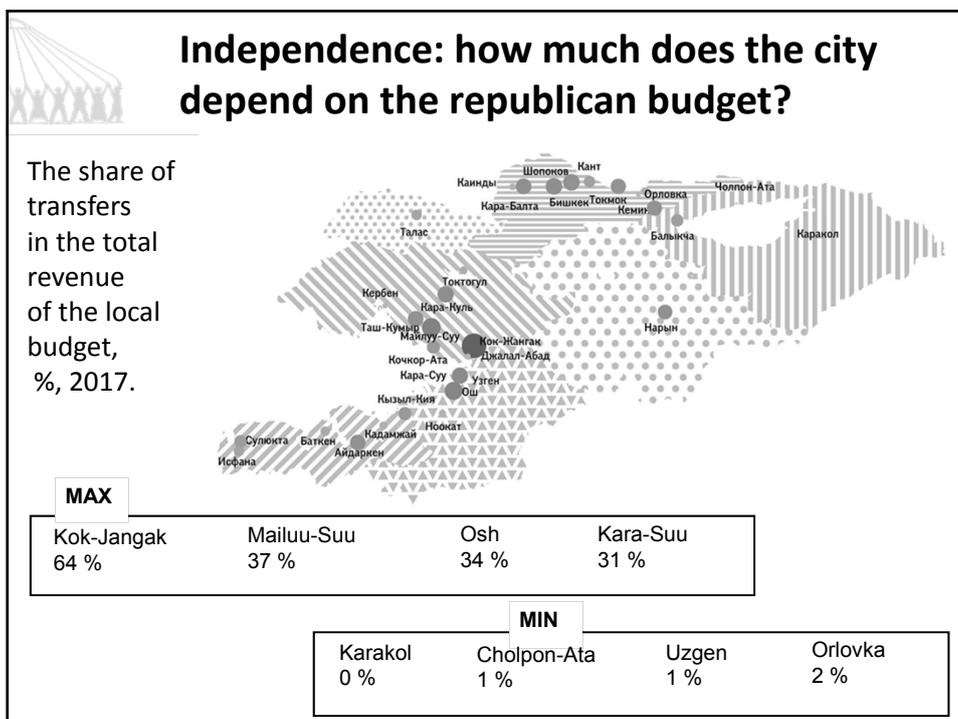
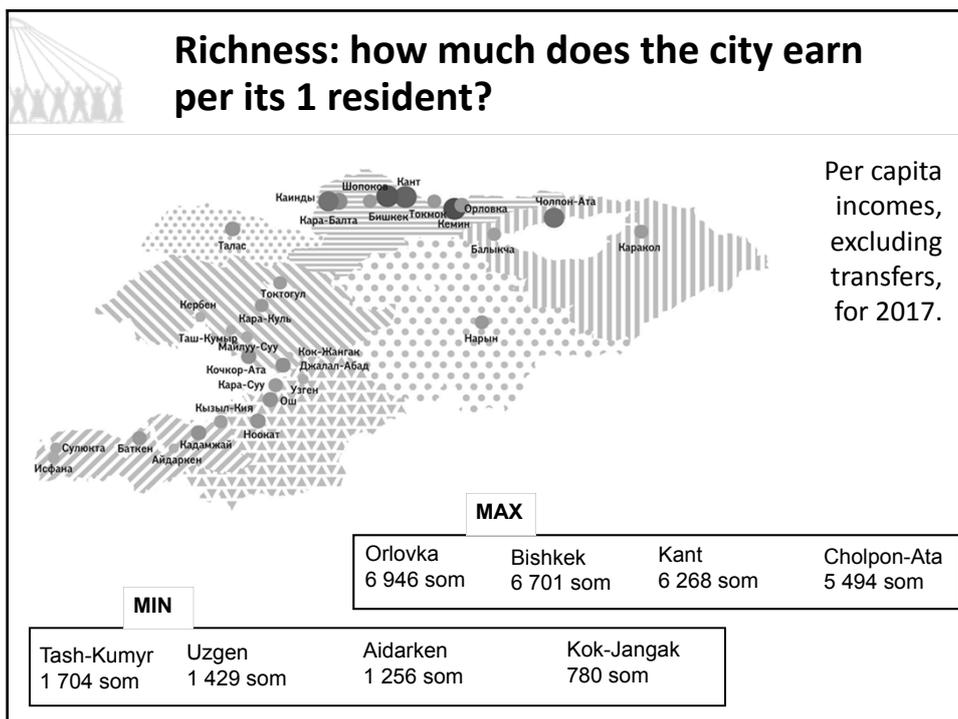
Are municipalities able to resolve issues of local importance while remaining independent?

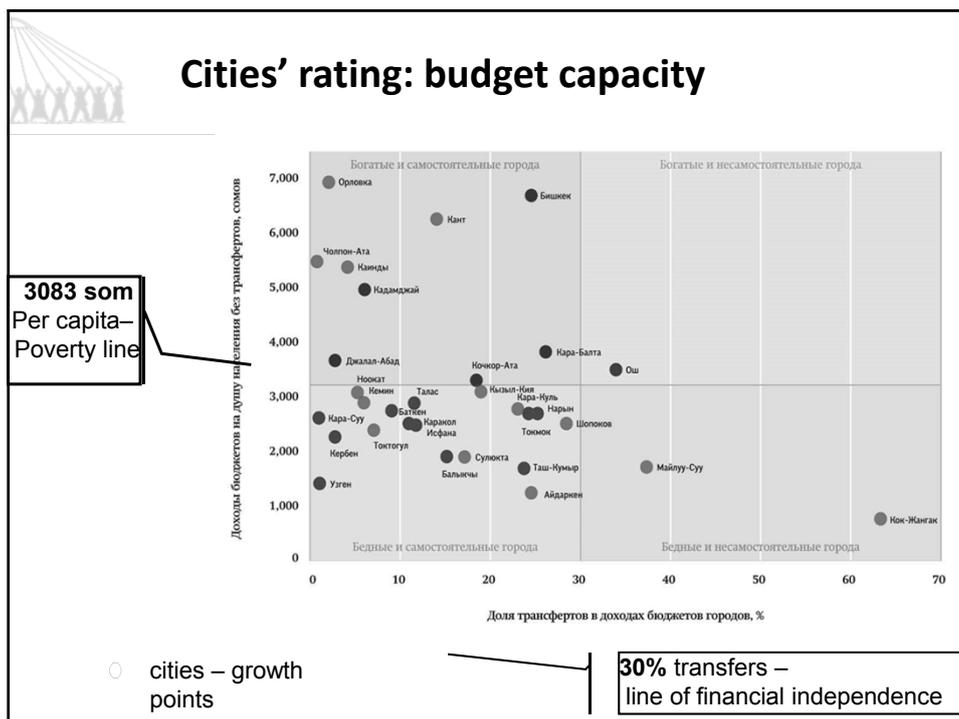
To answer this question, we analyzed:
Budgets of urban and rural municipalities of KR for 2016 and 2017.
Inter-budgetary relations for the period 2010 – 2017





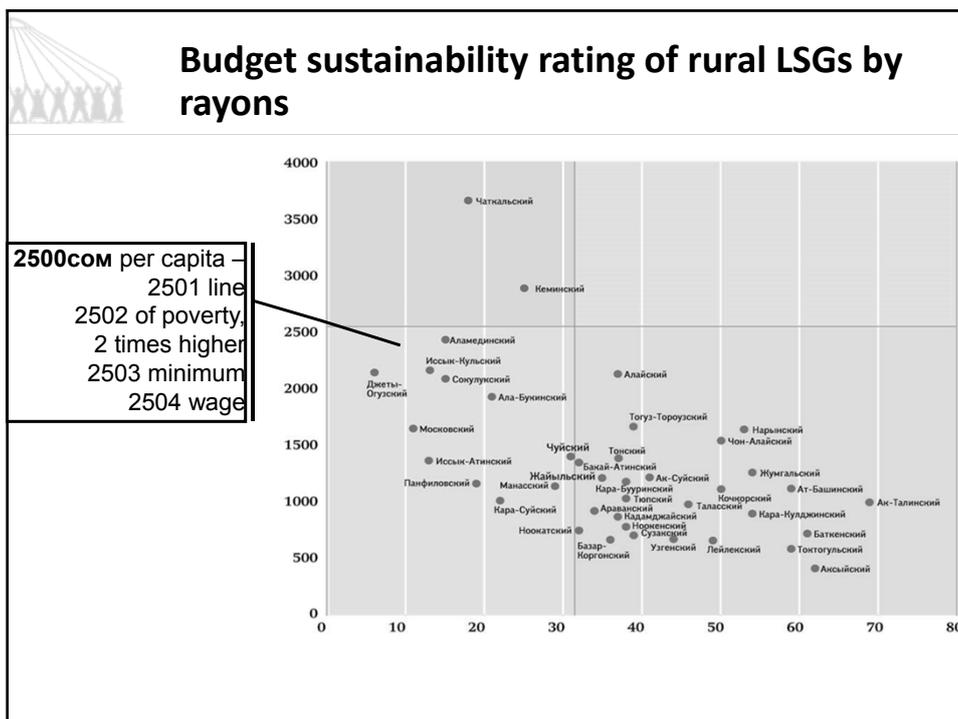






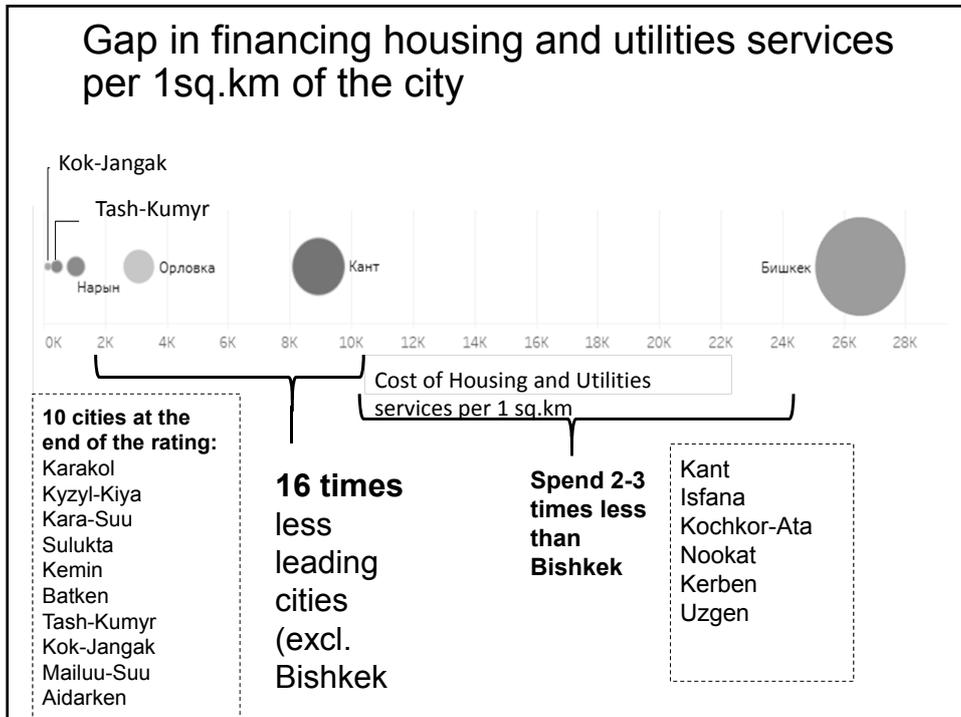
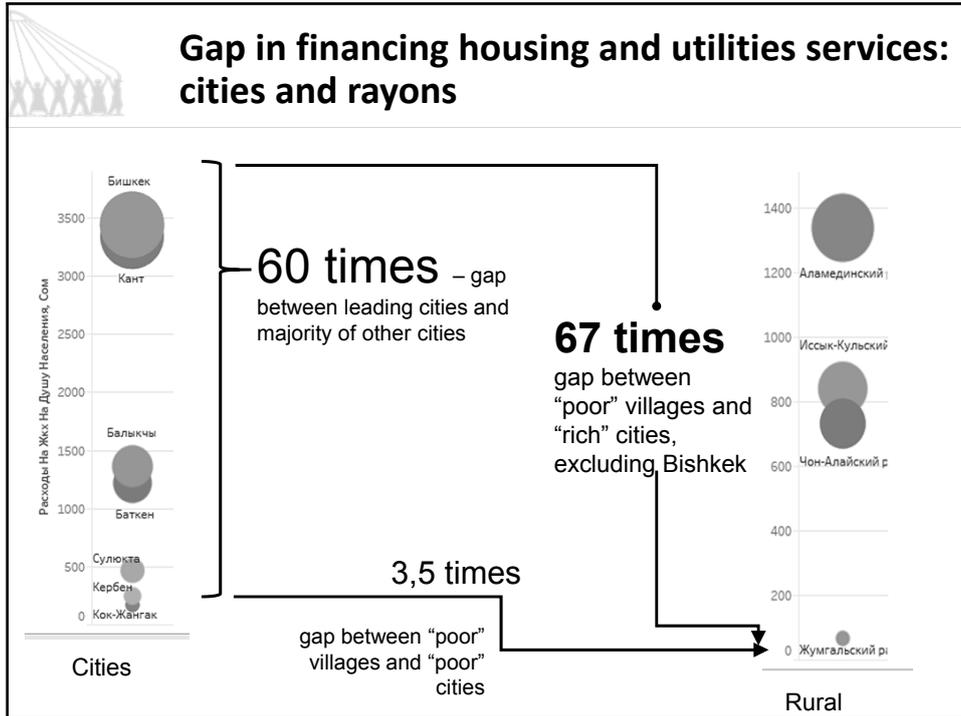
Cities by the budget capacity rating groups

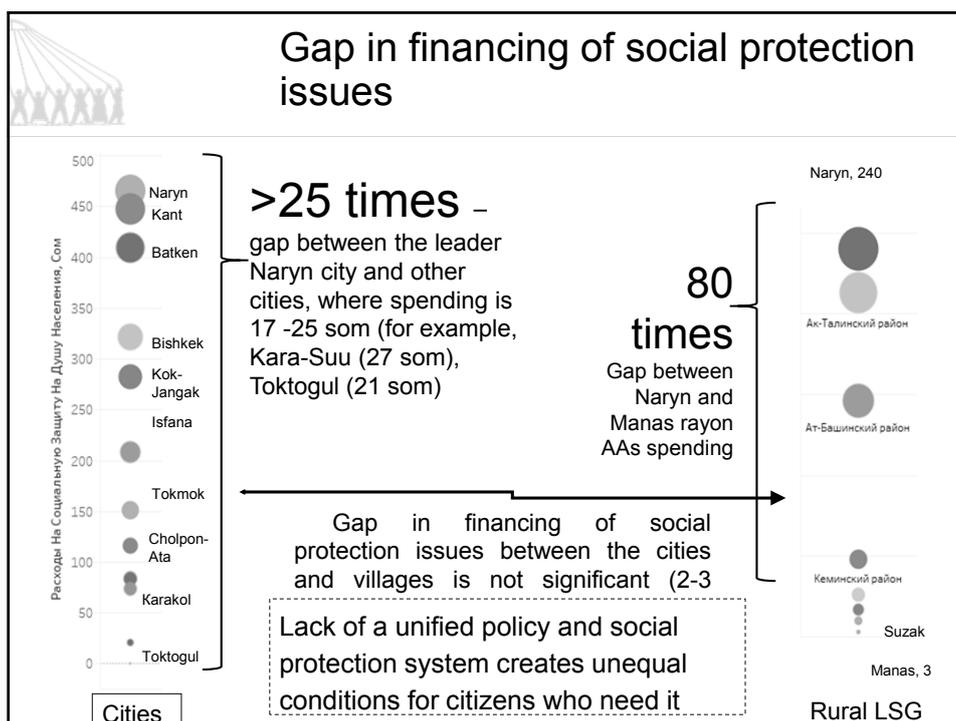
POOR AND DEPENDENT CITIES	POOR AND INDEPENDENT CITIES	RICH AND DEPENDENT CITIES	RICH AND INDEPENDENT CITIES
Mailuu-Suu Kok-Jangak	Kemin Talas Kara-Kul Kara-Suu Karakol Batken Naryn Toktogul	Osh	Orlovka Bishkek Kant Cholpon-Ata Kaindy Kadamjai Jalal-Abad Kara-Balta Kyzyl-Kiya Kochkor-Ata Nookat
	Shopokov Kerben Sulukta Uzgen Balykchy Tash-Kumyr Aidarken Isfana Tokmok		



Rayons by local budget sustainability rating

POOR AND DEPENDENT RAYONS		POOR AND INDEPENDENT RAYONS	RICH AND INDEPENDENT RAYONS
Alai Toguz-Toro Jaiyl Naryn Chon-Alai Ton Bakai-Ata Ak-Suu Jungal Nooken Nookat At-Bashy Kochkor Kara-Buura Tyup	Talas Aravan Kadamjai Suzak Uzgen Leilek Bazar-Korgon Kara-Kulja Batken Ak-Suu Toktogul Ak-Talaa	Alamedin Sokuluk Moskovskiyi Issyk-Ata Chui Issyk-Kul Jety-Oguz Ala-Buka Panfilov Manas Kara-Suu	Chatkal Kemin RICH AND DEPENDENT RAYONS -





To implement the concept of “Cities as growth points”, review of inter-budgetary relations is needed

Most cities in Kyrgyzstan (23) belong to the poor group, but relatively independent cities.

Of all the cities selected by "growth points", **Kadamjai, Jalal-Abad, Kara-Balta and Kochkor-Ata** have sufficient budget capacity. At the same time, the others in the pilot list are independent, but not rich enough to fulfill the mission of growth points.

- State support is needed for some cities from the poor group, which would allow them to increase the per capita budget income level to an acceptable level.
- In 2017, incentive grants (370 million som) were used by cities for social infrastructure facilities, it is necessary to increase financing for the infrastructure of the housing and utilities sector. This will directly affect the living conditions and environment for doing business in the cities



Equalization policy for rural LSGs

 <p>Equalization for development</p>	<p>1. Development rayons</p> <p>In addition to cities of growth points, it is necessary to identify areas of development. The state can provide a considerable part of incomes to these municipalities, so that they can solve local issues and adequately finance their development. Then AA in the development rayons will be able to move into a group of "rich and independent."</p>
 <p>Equalization to ensure constitutional guarantees</p>	<p>2. Reproduction areas</p> <p>Rural LSGs with low income potential need transfers in any case. It is necessary to close the gap in financing socially important local issues.</p>



Recommendations for Jogorku Kenesh and Government of KR (1)

1. Identify different objectives of the budgetary provision equalizing policy for the rayons and cities of development and the rayons and cities of reproduction.
2. Depending on the purpose of equalization, revise the scheme for financing capital investments taking into account the balance of interests of the country and municipalities.
3. Include the criterion of budgetary security in working with cities – growth points aimed at removing them from the poor category.
4. Regardless of the purpose of equalization, take measures to reduce inequalities in financing important services for citizens and business (housing and utilities services - almost 60 times, social protection - 27 times, culture - 100 times).



Recommendations for Jogorku Kenesh and Government of KR (2)

5. Special attention should be paid to financing of culture and leisure in the cities of the regional significance of Batken, Jalal-Abad and Osh oblasts.
6. Regardless of the growth points, take measures to remove the poor cities from poverty - Uzgen, Balykchy, Tash-Kumyr, Aidarken, Mailuu-Suu, Kok-Jangak.
7. Take measures to build a comprehensive planning system, which provides for a link between spatial planning, socio-economic planning and budgetary security.