

2016-2018 **REPORT**

to Jogorku Kenesh
of the Kyrgyz Republic
on the Impact of Legislation
Adopted during 2016-2018
on the Development
of Local Self-Government
in the Kyrgyz Republic



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Д 55 **Report to Jogorku Kenesh of the Kyrgyz Republic on the Impact of Legislation Adopted during 2016-2018 on the Development of Local Self-Government in the Kyrgyz Republic.**
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The report is a political and communication mechanism for the interaction of LSG bodies with Jogorku Kenesh of the Kyrgyz Republic. Political mission of the report is to assist Jogorku Kenesh of the Kyrgyz Republic in performance of its control function, as well as to improve legislation affecting the development of local self-government and to ensure that the interests of LSG bodies are taken into account in changing legislation. Communication mission of the report is to enable LSG bodies of the Kyrgyz Republic to present their general opinion on the impact of legislation on the development of local self-government and strengthen communication between Jogorku Kenesh of KR and LSGs of the Kyrgyz Republic.

The report provides an opportunity for the deputies of Jogorku Kenesh of the Kyrgyz Republic and other interested parties to have a holistic view of the development trends of local self-government of KR outside the sectoral context, based on open data, information from government bodies and the position of LSGs.

An electronic version of the report in Kyrgyz, Russian and English is published on the websites www.citykr.kg and www.dpi.kg

Since the report was developed in Russian, in case of discrepancies between the text in Russian and the texts in Kyrgyz and English languages, the text in Russian language is considered correct.

Electronic copy of the report in Kyrgyz, Russian and English languages is available on the websites www.citykr.kg and www.dpi.kg

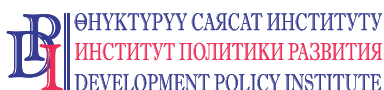
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ИНСТИТУТ ПОЛИТИКИ РАЗВИТИЯ
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List of Acronyms and Terms

AA –	aiyl aimak, rural administrative and territorial unit of the Kyrgyz Republic
AK –	aiyl kenesh (local kenesh/council), representative body of rural local self-government of the Kyrgyz Republic
AO –	aiyl okmotu, executive body of rural local self-government of the Kyrgyz Republic
BC KR –	Budget Code of the Kyrgyz Republic
SALSGIR –	State Agency for Local Self-Government and Interethnic Relations under the Government of the Kyrgyz Republic
SPS –	State Personnel Service of the Kyrgyz Republic
STS –	State Tax Service of the Kyrgyz Republic
SRS –	State Registration Service of the Kyrgyz Republic
DSP –	delegated state powers
DCRRRE –	Department of Cadaster and Registration of Rights to Real Estate of the State Registration Service under the Government of the Kyrgyz Republic.
Report –	Report of Jogorku Kenesh (Parliament) of the Kyrgyz Republic on the impact of legislation adopted during 2016-2018 on the development of local self-government of the Kyrgyz Republic.
JK KR –	Jogorku Kenesh (Parliament) of the Kyrgyz Republic
HPU –	housing and public utilities
OCR –	office of civil status registration
MPI –	Multidimensional Poverty Index, which studies poverty in three dimensions: access to health (nutrition, child mortality), access to education (duration of schooling and school attendance) and access to basic needs (fuel, electricity, sanitation, water, land, property etc.).
PCI -	Population Confidence Index in the activities of state bodies of executive power and local self-governments of the Kyrgyz Republic, the calculation method of which is approved by resolution of the Government of the Kyrgyz Republic.
DPI –	Development Policy Institute
KR –	Kyrgyz Republic
PWD –	people with disabilities
LB –	local budgets
LSA –	local state administration
LSG –	local self-government
MAFIM KR –	Ministry of Agriculture, Food Industry and Melioration of the Kyrgyz Republic
MLSD KR –	Ministry of Labor and Social Development of the Kyrgyz Republic
MF KR –	Ministry of Finance of the Kyrgyz Republic
MJ KR –	Ministry of Justice of the Kyrgyz Republic
NGO –	non-governmental (non-commercial) organization
NSC –	National Statistics Committee of the Kyrgyz Republic
RLA –	regulatory legal act
PH –	public hearings
ALE –	association of legal entities
MM –	mass media
RB –	republican budget
Union of LSGs –	Association of legal entities “Union of LSGs of the Kyrgyz Republic”
DLS –	difficult life situation (hardship)

INTRODUCTION

Local communities and local self-governments (hereinafter referred to as LSGs) have unsustainable and chaotic channels for direct communication with Jogorku Kenesh of the Kyrgyz Republic (hereinafter referred to as JK KR (Parliament)); their opinion is poorly taken into account when the Government reports to the Parliament. Therefore, JK KR assesses the situation in LSGs and results of its legislative work for LSGs either from the words of the executive branch, or based on personal observations of individual deputies, or based on information from the media publications (hereinafter referred to as the media). All of these sources of information cannot be considered sufficient to serve an objective assessment of the laws' impact adopted by the Parliament on LSGs and the Government's performance in implementing these laws.

The Parliament needs an alternative source of information, a sustainable direct connection with local communities and LSG bodies, eliminating intentional or unintentional distortion of information by the executive government or the media.

More than 60% of LSG bodies communicate with the Parliament and Government regarding problems that arise during execution of the current legislation provisions (rarely - 55.2%, often - 5.8%¹). More than half of LSG bodies (51.2%) state that the Parliament and Government of KR do not provide information in response to their appeals. A large number of such appeals and individual communication with each LSG body creates an administrative problem for top management bodies. Therefore, it is necessary to create a new channel of interaction. This Report may serve such a channel for communication for the Parliament.

Unfortunately, for a long time, weak voice of LSGs allowed sacrificing its interests to the political and economic conditions, distorting forecast consequences of some decisions for LSGs in the eyes of the Parliament deputies. This was the case, for example, when LSG bodies were entrusted with an obligation to pay partial salaries to teachers, although education is the central government's function, and the Parliament did not have information about the violation of the principle of delineation of budgets, functions and powers between the state bodies and LSGs.

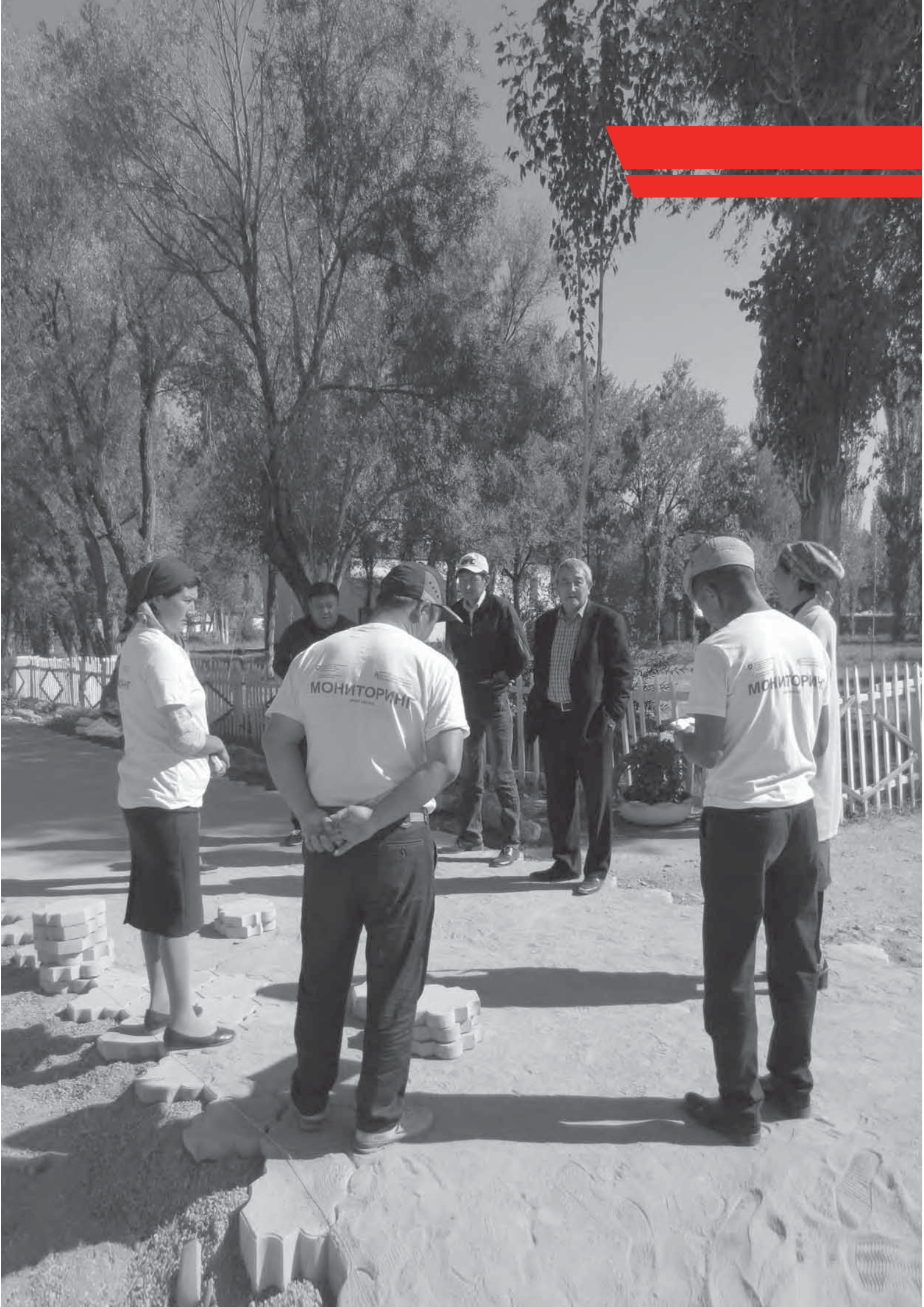
The Parliament has a direct impact on formation of LSGs and relationship between local councils and executive bodies of LSGs. Local keneshes are the embodiment of parliamentary democracy in the Kyrgyz Republic at the local level, as they are directly elected by the population and represent the population of respective territory and copy the model of power at the national level. However, until now, local keneshes operate in isolation, which complicates their development, they do not interact well with the Parliament and other state bodies, often commit violations interpreting the laws without clear understanding of the legislative will. On another hand, the Parliament does not have information about how laws are executed by local keneshes in their local regulatory legal acts (hereinafter referred to as RLA), what the basis of parliamentary democracy is on the ground, and what personnel and political prospects are for its development.

These issues were discussed at the Forum of LSGs of the Kyrgyz Republic "The Role of LSGs in Integrated Development of Regions of the Kyrgyz Republic" on July 3, 2018 (forum materials are available on the website: <http://dpi.kg/ru/library/full/281.html>). Based on the Forum results, Resolution was adopted, which noted the need to introduce new tools for assessing the impact of the Parliament's work on the development of local communities.

The Union of LSGs in partnership with the Development Policy Institute (hereinafter referred to as DPI) developed the concept of Parliament Report on the impact of legislation adopted during 2016-2018 on the development of LSGs in the Kyrgyz Republic (hereinafter referred to as the Report). According to the methodology, the Report is not only a written document in its usual sense. The Report is a tool, an additional opportunity to monitor the Parliament's control function, assess the impact of laws and other acts of the Parliament, discuss results of this monitoring and adjust decisions based on the discussions. The practice of such reports is used in other sectors and countries, for example, the reports of the Ombudsman are also used as the tool for regular interaction of stakeholders, monitoring and evaluating the quality of decisions made.

The methodology of the Report was developed taking into account the practice of providing similar reports in other areas and presented to the three committees of the Parliament: Committee

¹ Here and further with no indication of the source of information: LSG survey results conducted by the Union of LSGs in 2019, data from DPI archive.



on Constitutional Legislation, State Structure, Judicial Legal Issues and the Regulation of JK KR; Committee on Agrarian Policy, Water, Ecology and Regional Development of JK KR; and Committee on Social Issues, Education, Science, Culture and Health of JK KR.

Work on the Report began with collection and analysis of information, including qualitative and quantitative research, and framing situations. Information for this Report was collected through focus group discussions with LSG bodies, surveys among the representatives of LSG bodies, examination of open sources and requests for information to the government bodies. In total, about 76 representatives of local self-government bodies of the Kyrgyz Republic took part in the preparation of the Report.

Then, on 15 October 2019, the draft Report was sent to 6 government bodies, on October 28, 2019, discussion was held with the government bodies. As a result, interested government bodies were able to provide feedback to the Report, as well as provide an alternative opinion on its findings and recommendations.

It is expected in result of introduction of the Report as a regular tool for communication and monitoring; direct link will be established between the Parliament and local communities; interests of local communities will obtain a mechanism of real accountability in the decision-making process; the Parliament's control function will receive a new qualitative expression - an assessment of the laws' impact based on objective indicators.

The first section of the Report (Development of local self-government in the Kyrgyz Republic in 2016-2018) is a holistic description of the status of representative and executive bodies of LSG, including current trends and development challenges. It contains facts and conclusions that are of interest not only for all levels of the government, but also for citizens. It is no accident that this section of the Report begins with the results of the citizens' confidence in LSG bodies. Bodies of LSG believe that the essence of LSG is participation and trust of citizens who are the base for an entire system of power.

The second section of the Report (Impact of laws adopted in 2016-2018 on local communities and LSG bodies) is devoted to the impact of the adopted legislation on the LSG development. During the Report preparation, LSG bodies expressed their attitude to specific laws, noting their advantages and disadvantages. The list of laws considered in this Report was determined by LSG bodies together with experts and could not include the entire array of laws adopted by the Parliament over the past years, therefore it was ranked in accordance with the opinion of LSGs.

The Report also contains a calendar of significant events in the formation of the regulatory legal environment for functioning of LSGs in the Kyrgyz Republic, which illustrates diversity and multisectoral legal provision affecting the development of local self-government.

EXECUTIVE SUMMARY

Local self-government is the primary and most important part of the Kyrgyz Republic's governance system; attitude of the population towards the government as a whole depends on its state and ability to satisfy the citizen needs. Therefore, it is extremely important to understand that citizens as a whole have a positive attitude to the LSG bodies. Nevertheless, since 2016, an optimistic perception of LSGs by the population, while remaining relatively high, has been steadily declining. In 2018, citizens were inspired by the prospects of LSG in the light of decrees by the President on the regional development in 2018 and 2019. However, in 2019, inspiration was again replaced by cautious optimism. Representatives of LSG bodies are more skeptical towards their operations. So, almost every third municipal employee experiences pity or irritation in relation to the condition of LSGs.

Public confidence is significantly growing in those LSGs where communication flows with citizens are well established, where a constant dialogue with them is maintained. Residents of many communities are not sufficiently informed about their rights and responsibilities in relation to LSG and are not its active actors. Problem is not only in limited technical access to information (difficult or expensive access to the Internet, frequent revisions of legal acts and irregularity of materials' availability that help properly understand and execute these legal acts) and lack of effective communication between LSGs and citizens. In planning and implementing social and economic development of the local community, LSG bodies in most cases poorly take into account the real needs of population. It is not surprising that, despite a rather high level of trust in local self-government, citizens seek direct interaction, direct contact with LSG bodies while avoiding such forms of interaction that are based on representative principle - elections of deputies of local keneshes and work through NGOs. Simply, citizens believe only in their own eyes and ears avoiding any intermediaries.

With regard to the development of local keneshes, there was no consensus on the impact of political parties on local keneshes. Governance system and analytical centers have yet to study this impact in order to come up with reasonable recommendations. Nevertheless, the vast majority (79%) of representatives of LSG bodies believe that local keneshes should not be formed on a party basis. A major achievement of the Parliament was the decision in 2019 to introduce 30 percent representative quota for women in local keneshes. Prior to this, low level of women representation in keneshes meant their vulnerable position in the decision-making process, as evidenced by a 3% decrease in the share of women deputies during 2016-2019 due to the movement of mandates. A significant part (more than 44%) of deputies of local keneshes have secondary or secondary specialized education. Given the level of school and secondary specialized education in the Kyrgyz Republic, it is difficult to expect their competence in public administration. The rest of the deputies also lack special knowledge on governance. Moreover, there is no training for the kenesh deputies in the country. All this creates serious barriers to effective operation of keneshes and LSG as a whole.

The level of education and influence of the party factor lead to dissolution of local keneshes. In total during the period from 2016 to 2019, 34 local councils were dissolved, which makes it possible to call the system of representative democracy in the regions relatively unsustainable.

Municipal service is evolving and an important achievement should be considered an adoption of the new Law of KR "On State Civil Service and Municipal Service" dated May 30, 2016 No. 75. However, a number of problems has been discovered here. Thus, the proportion of women in the municipal service is decreasing, especially in political positions. The national composition of the executive bodies of LSGs has slightly changed towards greater diversity, however, the representation of national minorities in LSG bodies is approximately 3 times lower than the share of these minorities in the country's population. The municipal service demonstrates a tendency toward an aging composition: people in pre-retirement and retirement age occupy almost 22% of municipal position in 2019, which is 4% more than in 2016. Positive dynamics is observed in relation to the level of education of municipal employees - the proportion of employees with higher education by compared with 2016 increased by 5%. However, the fact of disappearance of 716 people with secondary education from the statistics, who until 2016 held various municipal positions, remained

unclear. The staff turnover rate has stabilized, the peak of which in 2016 was due to changes in the political leadership of LSG bodies. Nevertheless, the risk of a new surge in 2020 and 2021 remains, since no measures have been taken to counter the practice of replacing a team after changing the executive leader of LSG, which is detrimental to the continuity and quality of municipal service. LSG bodies support the need of an open competition in the State Personnel Service of the Kyrgyz Republic (hereinafter referred to as SPS) for filling the jobs in the municipal service. However, they notice that due to shortage of personnel this turns into a problem when candidates cannot pass a difficult test, so the LSG bodies remain understaffed.

Six years have passed since the adoption of the Law "On Procedure for Delegating Certain State Powers to Local Self-Government Bodies" dated July 9, 2013 No. 127. The second convocation of the Parliament is considering reasons why the law has not been fully functional for such a long time. In the general opinion, the main reasons hindering its implementation are: lack of a clear delineation of powers and responsibilities between state bodies and LSG bodies; difficulties in determining the cost of delegated power; bureaucratic resistance of the state bodies' apparatus. Also, the delegation process is not always welcomed by LSG bodies, especially subsidized ones, for which the allocation of interbudgetary transfers to execute the delegated powers means an automatic reduction in the amount of the equalizing grant. However, progress in implementing the mechanism is still being observed. So, in relation to approximately 40% of the powers assigned by the Law "On Local Self-Government" dated July 15, 2011 No. 101 to the main state powers that can be delegated to LSG bodies, the Kyrgyz Government is actively working on them.

Over the past two years, clearly defined by the President the regional development policy should have been reflected in the situation regarding local budgets, which finance creation of living conditions for citizens. However, the data show that distribution of income between local and republican budgets weakly takes into account the country's priorities in relation to regional development. As a result, the majority of LSG bodies lack resources for the high-quality fulfillment of their own functions and the powers delegated by the state. In comparison with the growth rates of the republican budget revenues, revenues of local budgets practically do not grow. A surge was observed only in 2011-2012, and then for three years there was a decrease in the total revenues of local budgets, while revenues of the republican budget are growing at a steady pace. Since 2014, there has been virtually no dynamics in the volume of local budgets, which in the context of inflation and growing liabilities means an actual decrease in funding. At the same time, the share of local budget revenues in the total revenue of the republican and local budgets is steadily declining. All this suggests that issues of local significance, including heavy financial obligations for infrastructure, remain underfinanced. It was noted that increased funding for local issues and LSG bodies directly affects the reduction of multidimensional poverty and improvement of living conditions of citizens. This is one of the best political evidence of the need to increase funding for LSGs. As priority areas for improving policy of interbudgetary relations, LSG bodies name the following: financing of delegated powers; policy of equalizing budgetary provision; regulated income distribution policy; allocation of incentive (equity) grants; revenue planning for local budgets; distribution of domestic investment projects of capital investments. Therefore, a specific task for all levels of government, including the Parliament, is enshrined in the National Development Strategy for 2018-2040, and not yet addressed, is the need for process of coordinating interbudgetary relations between the Government and LSG bodies.

Another concern is the quality of municipal property management, which is an essential part of LSGs' economic potential, especially land and real estate. With skillful management, this property from an object of expenditure should turn into a source of income or, at least, should not carry financial burden on the local budget. However, analysis of municipal property suggests that it should be optimized in order to reduce LSGs' unreasonable expenses for maintenance of non-core objects. This requires clarification of the legislation. From year to year, number of transactions with municipal real estate is reduced. Main reason, unfortunately, is that number of objects suitable, for example, for sale or lease, is decreasing. Sales transactions almost stopped; in 2017 and 2018 only a few transactions were recorded. Data suggests that there is almost nothing to sell. Effectiveness of transactions between 2017-2019, also causes concern since they led to losses of local budgets in the amount of 21 million soms (according to minimal estimates), and this is only in relation to the

sale of real estate, excluding the sale of land. This is in relation to the municipal property management that LSGs commit a significant portion of the legal violations.

Prosecutor General's Office of KR possesses the information about offenses committed by LSGs. However, format of presenting this information constantly changes, therefore it is almost impossible to conduct any analysis. It is important to note that despite repeated appeals, the Prosecutor General's Office continues to combine LSG bodies and local state administrations (hereinafter referred to as LSA) into one category of government bodies in its reporting.

According to the data of the Prosecutor General's Office in 2018 out of 2030 conducted inspections aimed at fighting against corruption violations, 746 (37.7%) inspections were carried out in the bodies of LSG and LSA. Most of the identified violations were attributed to actions of LSG officials related to public procurement and non-compliance with requirements of anti-corruption laws. Damage of more than 3 billion soms was compensated for violations in the municipal property management.

According to preliminary data from the Committee on Constitutional Legislation, State Structure, Judicial Legal Issues and the Regulation of the Parliament¹, which verifies execution of the Law of KR "On Procedure for Conducting Inspections of Local Self-Government Bodies Activities" dated March 31, 2016 No. 32, violations of the law were detected both by state bodies and LSGs.

Thus, further development of LSG in the Kyrgyz Republic directly affects the quality of citizens' lives, and therefore requires an integrated approach to improving the conditions for its effective functioning.

Among the measures necessary to improve LSGs and their performance, development of national legislation is a key. Therefore, assessment of the impact of the adopted laws on LSG's development is of particular relevance.

In general, LSGs positively assess the impact of laws adopted by JK KR during the period from 2016 to 2018. So, out of 18 laws selected to study their impact, 14 laws received a positive evaluation by the majority of LSG bodies, which makes 78% of their total number. The following laws had the greatest impact according to LSG bodies:

- Law of KR "On Amendments to the Law of the Kyrgyz Republic "On Local Self-Government" dated January 27, 2018 No. 16, which allowed to improve the quality of services to population, increased confidence in LSGs; clarified the situation with the local budget expenses for creation of business enterprises, created conditions for its targeted use, improved control over expenses for municipal enterprises;
- Law of KR "On Amendments to the Constitution of the Kyrgyz Republic" dated December 28, 2016 No. 218, which took into account proposals of the local kenesh deputies; eliminated cases of "grouping", made the relationship between the LSG leadership and local keneshes more transparent and healthy;
- Law of KR "On Procedure for Conducting Inspections of Local Self-Government Bodies" dated March 31, 2016 No. 32, which established the procedure for conducting inspections of local self-government bodies and reduced the number of illegal and chaotic inspections by various inspection and law enforcement agencies;
- Law of KR "On Amendments to Certain Legislative Acts of the Kyrgyz Republic (Laws of the Kyrgyz Republic "On State and Municipal Services ", "On Access to Information Held by State and Local Self-Government of the Kyrgyz Republic") dated July 20, 2017 No. 162, which made it possible to establish a transparent procedure for placement of children in kindergartens and schools, to provide the population with access to information online; raise awareness of the general population;
- Law of KR "On Amendments to Certain Legislative Acts of the Kyrgyz Republic (Laws of the Kyrgyz Republic "On Introducing Moratorium on Transfer (Transformation) of Irrigated Land to Other Categories and Types of Land ", "On Transfer (Transformation) of Land") dated August 2, 2018 No. 79, which allowed to legalize many residential buildings built

¹ Information was provided by the working group created on February 5, 2019 by the Committee on Constitutional Legislation, State Structure, Judicial Legal Issues and the regulation of JK KR to monitor execution of the Law of KR "On Procedure for Conducting Inspections of Local Self-Government Bodies" dated March 31, 2016 No. 32

on agricultural lands, which solved the problems of a large number of families; in the future should reduce the number of cases of unauthorized distribution of land;

- Code of the Kyrgyz Republic on non-tax revenues dated August 10, 2018 No. 90, which created conditions for strengthening control by LSG bodies over the process of forming the revenues of the local budget.

Working on the Report confirmed hypothesis that a narrow-sector approach to solving departmental objectives through changing legislation has an extremely negative impact on practical results, which was noted by LSG bodies. Thus, the impact of 4 laws that are fully focused on solving sector problems that were adopted without taking into account relations between the state bodies and LSGs, and not taking into account features of two-level budget system, received a negative evaluation by LSG bodies. They were:

- Law of KR “On Protection from Domestic Violence” dated April 27, 2017 No. 63; Law of KR “On Amendments to Certain Legislative Acts on Protection from Domestic Violence” dated April 27, 2017 No. 64, which practically are not executed, since LSG bodies do not have resources to develop and implement programs, create social services for their implementation, there are no skills and knowledge to work effectively with victims of violence;
- Law of KR “On Amendments to Certain Legislative Acts of the Kyrgyz Republic (Laws of the Kyrgyz Republic “On Bar of the Kyrgyz Republic and Advocacy”, “On Local Self-Government”), which is only formally implemented by LSG bodies due to lack of full-time lawyer in LSG bodies, lack of qualified lawyers in the field, inability of existing employees of LSGs to provide legal advice to citizens;
- Law of KR “On State Benefits in the Kyrgyz Republic” dated July 28, 2017 No. 163, which created difficulties in the process of collecting documents, determining the degree of need; excluded LSG bodies from the process of identifying needs and caused the citizens’ increased negative attitude towards LSG bodies due to dissatisfaction with practice of assigning benefits who do not want to understand where LSG’s responsibility ends and responsibility of the state begins.

Separate topic for discussion is an established practice of uncontrolled expansion of the list of issues of local significance without reinforcing these functions with necessary resources. So, only during 2018-2019, ten proposals were made to expand the list of issues of local significance with some of them implemented. What is most depressing and worrying for LSG bodies in this situation is that only 2 out of 10 proposed initiatives addressed the issue of financing the execution of new functions offered to LSG bodies from the republican budget. Justifications to the remaining 80% of the initiatives contained the standard language that the draft RLAs do not require additional funding from state budget funds. As a result, LSG bodies conclude that the initiators of the list’s expansion do not consider local budgets as part of the national budget, believing that local budgets are financed in some special way, not related to the tax and non-tax revenue system of the Kyrgyz Republic. In fact, local budgets are part of the republic’s consolidated budget, therefore, in accordance with the principle that money follows functions, interbudgetary relations should change after the distribution of functions between state bodies and LSGs, redistributing income between budgets. Therefore, common sense and the Constitution of the Kyrgyz Republic dictate that the justification for such initiatives should indicate the cost of performing the function and the sources of its financing, excluding local budgets that are designed to minimize funding for existing issues of local significance, but not new, additional ones.

LSG bodies express extreme concern about the existing tradition and practice of expanding the list of local issues without resource support and ask Jogorku Kenesh to ban the expansion of local issues without financial justification of the sources and funding mechanisms for new functions offered to LSG bodies.

Through the Report, LSG bodies present an extensive list of recommendations addressed to various levels of government, while recommendations include both operational measures and systemic changes. The most important condition for their successful implementation is the joint work of state authorities and LSG bodies in order to improve the living conditions of citizens of the Kyrgyz Republic, regardless of their place of residence.

RECOMMENDATIONS

Recommendations to Jogorku Kenesh of the Kyrgyz Republic

Based on observations and challenges presented in this Report, LSG bodies recommend that the committees of the Parliament take initiative to improve legislation affecting the interests of LSGs.

The Committee on Constitutional Legislation, State Structure, Judicial Legal Issues and Regulation of JK KR to:

- further strengthen parliamentarism at the local level, achieve the sustainability of representative democracy at LSG level, it is necessary to increase the educational and professional qualifications of candidates for the local kenesh deputies, having established that an individual with higher education is eligible to become a deputy of local kenesh;
- establish legislative requirements for accountability of deputies to the population, as well as provide for a simple and effective mechanism for recalling deputies that cannot perform the duties;
- as organize a system of professional training for local kenesh deputies to perform their duties;
- monitor the implementation of the Law of the Kyrgyz Republic “On Status of Deputies of Local Keneshes”, with a particular attention to the fulfillment of the requirement of accountability of the local deputies to the population, as well organize a qualitative study of the parties’ influence on the quality of local kenesh performance, including the quality of the adopted legal acts; compliance with regulations and timelines;
- introduce amendments to legislation that will strengthen control over imposition of penalties on persons who file unfounded or knowingly false complaints with inspection bodies; make changes that will exclude repeated inspections of LSG bodies on already verified complaints or questions from other inspection bodies;
- fully exclude the legal advice service provision to the population from issues of local significance (laws of KR “On Bar of the Kyrgyz Republic and Advocacy” and “On Local Self-Government”) or transfer to the category of powers delegated by the state to LSGs accompanied by human resources and financial support;
- amend, in the prescribed manner, the Labor Code of the Kyrgyz Republic and the Law of the Kyrgyz Republic “On Civil Service and Municipal Service” dated May 30, 2016 No. 75, providing for a possibility of increasing the scope of work of a municipal employee and respective payment in case of hourly delegation of certain state powers to LSG bodies;
- accelerate the development of the Code of Local Self-Government, which will eliminate legal conflicts and contradictions with the sectoral laws; streamline and systematize issues of local significance and establish an exhaustive list of them; will clarify the powers of LSG bodies, state bodies, etc.;
- examine the current legislation on municipal property for compliance with the requirements of the time and, if necessary, amend or adopt a new edition.

The Committee on Social Issues, Education, Science, Culture and Health of JK KR to:

- consider amending the Labor Code of the Kyrgyz Republic to allow combining of positions for municipal employees in order to ensure material support for their ability to fulfill delegated state powers;
- consider amending the national legislation that would provide LSGs with the right to contract specialists to fulfill the delegated powers;
- exclude the issue of the domestic violence prevention from the list of issues of local

significance and provide this service through the delegation of appropriate powers to LSG bodies;

- revise the scope of work of LSG bodies in matters of protection from domestic violence, reducing it to those measures that can actually be implemented by them - monitoring the situation and early detection of possible cases of violence; practical work with specific families should be undertaken by the state;
- return to the procedure for identifying needs for social benefits through the commission on social issues under LSG bodies, for which they should be delegated the appropriate power.

The Committee on Budget and Finances of JK KR to:

- establish a format of the interbudgetary dialogue between JK KR, the Government and LSG bodies and consolidate it in the relevant legal acts;
- more clearly define the status of targeted transfers in the Budget Code of KR, which will not allow them to be taken into account as one of the revenue components, and, on this basis, reduce the volume of equalizing transfers;
- adopt a law on equalization, legislatively establish the principles and procedure for equalizing the budgetary provision of LSG bodies;
- introduce legislative changes that allow LSG bodies to contract specialists to execute the delegated state powers; independently determine staffing tailored to their needs and taking into account the local budget capabilities.

Recommendations to the Government of the Kyrgyz Republic

- develop an effective methodology for calculating the public confidence index in LSG bodies and include the index calculation in the work plan of the National Statistics Committee of the Kyrgyz Republic (hereinafter referred to as NSC KR);
- apply the public confidence indicator in assessing the performance of LSG bodies, including competitions held by the Government of the Kyrgyz Republic;
- improve the Temporary methodology for calculating the volume of transfers to local budgets from the republican budget for implementation of individual delegated state powers approved by the Government of KR dated December 19, 2014 No. 715, including the mechanism for calculating the hourly delegation of certain state powers to LSG bodies;
- relevant ministries and departments to execute agreements on delegation of state powers with LSG bodies or to develop and submit draft laws on the delegation of certain state powers for consideration of the Government of KR;
- eliminate the restriction in terms of enabling LSG bodies to fulfill delegated state powers at the expense of additional staff established by the Government of KR “On Approval of Typical Structure and Staffing of Executive Body of Local Self-Government of the Kyrgyz Republic” dated August 5, 2011 No. 451;
- ensure financing of expenses for maintenance of additionally introduced positions of municipal employees (aiyl okmotu (hereinafter referred to as AO), mayor offices) through targeted transfers from the republican budget to the local budget;
- complete the delineation of functions and powers of state bodies and LSG bodies by amending the relevant sectoral legal acts;
- carry out a functional analysis of conformity of the LSG executive body staff scope of work on local issues and delegated state powers to the number of established staff units, to develop a draft legal regulation allowing LSG bodies to independently determine the staffing size of the LSG executive body;
- expedite the development of the Code of Local Self-Government, which will eliminate legal conflicts and contradictions with the sectoral laws; streamline and systematize

issues of local significance and establish an exhaustive list of them; clarify the powers of LSG bodies, state bodies, etc.

- establish a format for interbudgetary dialogue between the Government and LSG bodies and consolidate in the relevant RLAs;
- with active participation of LSG bodies (through the Union of LSGs) to develop and adopt a new Concept of interbudgetary relations; analyze reasons of failure to implement the previous concept adopted by the Decree of the Government of KR dated March 10, 2016 No. 116;
- lift the ban on increasing the staffing of the LSG executive body to fulfill delegated state powers;
- expedite creation of technical conditions for an electronic trading platform for transactions with municipal land and real estate.

Recommendations to the State Personnel Service of the Kyrgyz Republic

It is recommended that the State Personnel Service of the Kyrgyz Republic and all supreme governance bodies pay attention to the need to address the following problems regarding the executive bodies of LSG:

- establish restrictions on dismissal of municipal employees holding administrative positions for political reasons, especially in connection with changing leadership in the executive body of LSG;
- provide measures to achieve gender balance in the executive bodies of LSGs, including incentive measures for those LSG bodies where enabling conditions are created for female municipal employees;
- provide incentive measures for young employees of the executive bodies of LSGs under the age of 28 to retain in the municipal service; create a barrier to the “aging” of municipal service;
- provide incentive measures for heads of executive bodies of LSG to send those really interested municipal employees for professional development, and not those who are available;
- fundamentally revise the content of tests for candidates for filling vacant municipal positions so that test questions reflect the competencies that are really necessary for performance of these official duties; in particular, to reduce the share of political issues in tests for specialized specialists;
- address these problems, create a joint working group under the State Personnel Service of KR, which will include representatives of interested state bodies and representatives of the Union of LSGs, and then share results of the working group with the Council for State and Municipal Service.

ALTERNATIVE OPINION OF STATE BODIES

ALTERNATIVE OPINIONS OF THE STATE BODIES

The draft Report was shared with 16 state bodies, the list of which is provided in Appendix 4. In response, official comments and additions to the text of the Report were received, which are published below by the authors of the Report. The full texts of official responses from the government agencies can be found on the DPI website (URL: <http://dpi.kg/ru/library/full/314.html>).

Central Commission for Elections and Referenda of the Kyrgyz Republic

Having reviewed the draft Report, the Commission informed that legislative changes aimed at improving the electoral process at the local level took effect in August 2019. In particular, it anticipates a reservation for women of at least 30% of the mandates in the constituencies of *aiyl keneshes*. In accordance with these changes, elections were held for deputies of the *Saruu aiyl kenesh* of Jety-Oguz rayon of Issyk-Kul oblast, where in 3 constituencies (7 mandates each), 3 mandates in each constituency were reserved for women. 79 candidates, including 16 women candidates participated in the elections. Among 21 elected deputies, there are 9 women, which is 42.8% of the total number of deputies of the *aiyl kenesh*.

Vice Chairman, A. Eshimov

State Personnel Service of the Kyrgyz Republic

The Report contains a comprehensive assessment of the current state of local self-government in the Kyrgyz Republic. The document details many of the achievements and challenges of governance at the local level. It contains statistical material and its analysis, as well as examples from real practice of the implementation of local democracy.

At the same time, SPS draws attention to ambiguity and need for a deeper understanding of some of the problems raised in the Report. On the one hand, Section 1.1. indicated the *problem of low qualification of municipal employees*. It is logical to conclude that selection of candidates should be stricter, since the professional level of employees must meet the needs of citizens. On the other hand, the Report contains criticism of the high level of difficulty of the test questions to which candidates must answer to get a municipal job.

In fact, SPS has already resolved this problem. In 2018, a differentiated approach to testing candidates for positions belonging to different categories was established. If earlier all the candidates had to answer the main test questions based on the content of 14 RLAs, now for junior positions tests are formed on the basis of 3 RLAs, for senior and main - 5 RLAs. That is, the requirements for candidates were seriously reduced (order of SPS "On issues of computer testing for knowledge of the legislation of the Kyrgyz Republic" No. 6 dated 01/19/2018). As a result, since 2018, percentage of those candidates passing the "threshold" for municipal positions has increased to 51.2 percent (against the level of 27.9% observed before the order was issued). Thus, the issue of increasing or decreasing requirements for candidates is ambiguous in nature.

Section 1.3. indicated the problem of advanced training of employees of LSG bodies. The Report provides data on the training of employees during the period from 2016 to 2018, but indicates that in 2019 the training of municipal employees has not yet begun. From August 2019 to the present, 192 municipal employees have been trained in specialized groups for LSG bodies. For the first time, training is held on a systematic basis for persons holding political municipal positions (383 people were trained as of November 2019). Until the end of 2019, 460 employees of LSG bodies will be trained in specific courses, the number of trained political municipal officials will be 1,040. Municipal employees will also be trained in joint courses for employees of LSA and LSG bodies. Additionally, seminars on changes and amendments to the current legislation were held by SPS. Training was provided on the use of e-Kyzmat Automated Information System for specialists from the mayor offices of Talas, Balykchy and Osh cities. In 2020, training will be held for specialists of all LSG bodies, as they connect to the e-Kyzmat system. In the framework of international cooperation, 40 employees of local self-governments were trained.

In this matter, heads of LSG bodies need to take a more responsible approach to the matters of staff development, sending those who need advanced training and retraining to the workshops instead of those employees based on the residual principle –“who is available and not too busy”.

Acting Director, B. E. Sagynbaev

Ministry of Economy of the Kyrgyz Republic

The presented analytical document contains important information about current trends in the development of LSG bodies, current problems and recommendations for addressing challenges indicated in the activities of LSG bodies.

To simplify perception of this analytical document by all interested stakeholders, it is necessary to finalize the Report’s structure. We propose that the first section of the Report, which is 60% of the total volume of the document be shortened, and strengthen the second section devoted to the impact of the adopted legislation on the development of LSG bodies. The statements in the document need to be specified. For example, the statement that only 2 out of 10 initiatives to expand the list of issues of local significance considered the issue of financing for execution of the functions proposed to LSG bodies. However, there is no concrete justification for the fact that in other cases the lack of additional funding from the republican budget is a problem. To expand the discussion on the issues raised, to create incentives for implementation of the recommendations of the Report, this analytical document needs to be published. If the document is planned to be normatively enshrined, it is necessary to bring its text in accordance with the requirements for the preparation of the legal acts, in accordance with the provisions of the Law of KR “On Regulatory Legal Acts of the Kyrgyz Republic” dated July 20, 2009 No. 241.

Deputy Director, D.Kadyrov

State Agency for Local Self-Government and Interethnic Issues under the Government of the Kyrgyz Republic

Regarding the information of the Report that more than half of LSGs (51.2%) say that they do not receive a response to their requests sent to the Government of KR¹, SALSGIR believes that developers need to send a request to the appropriate department of the Government Office and clarify information about the documents received and whether responses were provided or not.

With regard to the absence of any form of training for local kenesh deputies in the country, SALSGIR reports that the training of local kenesh deputies is periodically carried out, including with the support of development partners.

Regarding the low share of local budgets in relation to the republican budget, SALSGIR notes that a lot of financial resources are allocated through the ministries and departments of the Kyrgyz Republic for the development of cities and villages. Substantial funding is also received for the regions’ development through the implementation of development projects financed by international structures, including development banks.

As regards the management of municipal property, SALSGIR reports that the pilot implementation of electronic trading for leases and privatization of municipal property in Tokmok and Kant, as well as in Novo-Pokrovskiy AA, will begin after the electronic trading platform operator is determined by the State Committee for Information Technologies and Communications of the Kyrgyz Republic in accordance with the Government Decree dated March 29, 2019 No. 142.

With regard to the proposal to increase the workload of the municipal employee and payment in case of hourly delegation of certain state powers to LSGs, SALSGIR considers it inappropriate to resolve the problem by amending the Labor Code of the Kyrgyz Republic.

In general, SALSGIR supports the proposal to strengthen participation of LSG bodies in the legislative process, and to assess their impact on the development of local communities. However, SALSGIR believes that:

- “in assessing the impact of legislative acts on certain processes, relying on only one meth-

¹ The Report outlines the opinions of LSG bodies with regards the responses to the inquiries submitted not only to the Government of KR, but all other highest level of state bodies (noted by the authors of the Report)

od is not enough, even mistakenly, it is necessary to apply at least 2 methods¹, additionally analysis of regulatory impact, or another (international experience);

- to ensure representativeness of the survey, i.e. carefully determine respondents - citizens and representatives of an organized part of local communities;
- collection and analysis of materials obtained using at least two methods, the subsequent preparation of the Report should be carried out in stages, on a parity basis;
- prepared Report is subject to approval at a representative meeting of local self- governments and local communities.

Based on the above, without diminishing the importance of work carried out by the Union of Local Self-Governments and the Development Policy Institute, recognizing their role in the development of local self-government, SALSGIR encourages not only to name, but also to together address primary topical problems, not to focus on the analysis of resonant laws, but to participate in inventory of a large array of sectoral regulatory legal acts, which is associated with the development of Regulations for interaction between local self-governments and state bodies, and the draft Code of the Kyrgyz Republic on Local Self-Government”.

Director, B. U Saliev

Ministry of Justice of the Kyrgyz Republic

Having reviewed the Report, the Ministry of Justice of KR notes that there are no suggestions or comments.

Deputy Minister, M. K. Esenaliev

State Registration Service under the Government of the Kyrgyz Republic

Having reviewed the Report, the SRS KR confirms that no comments and assumptions within its competencies are to be made.

Deputy Director chair man, A. A. Tuibaeva

¹ When developing the Report, three methods were used: surveys, focus groups, and desk review (noted by the authors of the Report).

GENDER EXPERTISE OF THE REPORT

The Union of LSG and DPI provided gender expertise of the Report, preliminary results of which were presented to the discussion participants of the draft Report with state authorities on October 28, 2019. The following is a summary of the Report's gender expertise, and the full document is available on the DPI website (URL: <http://dpi.kg/ru/library/full/314.html>).

Gender analysis of the draft Report showed that the document focuses on the issue of women's representation in two aspects:

- problem of the women's representation in elected bodies of LSG;
- problem of the women's representation in the municipal service.

Thus, the Report's key focus is on the issues of political participation of women in LSG bodies (both in elected - in keneshes, and in appointed - in mayor offices and AO), which contributes to the positive assessment of the document in terms of its gender sensitivity.

There are other possibilities for improving the methodology for developing the Report on the Women's Representation using more gender-disaggregated indicators. Their analysis contributes to a greater understanding of an actual barriers that hinder women in their effective participation in local self-government, as well as determining necessary changes in the legislation.

Gender analysis allows to consider the Report more broadly than just in terms of women's representation. For example, from the perspective of women's participation in the process of making socially significant decisions at the local level and other aspects.

Gender Expert, Z. Kochorbaeva

#	Recommendations of Gender Expert	Authors' Comments
1	Regarding the women's representation in local keneshes, it is recommended: <ul style="list-style-type: none"> – clarify and supplement data on the election results to local keneshes; – provide results of the analysis. 	Recommendation has been partially addressed. Data on the election results to local keneshes of cities have been changed in accordance with the information provided as part of the gender expertise of the Report. Analysis of the reasons for the data dynamics will be included in the Report development methodology.
2	With regard to the municipal service, it is recommended to increase the level of disaggregation of data on its composition by gender, ethnicity, age, work experience, career advancement, competitions for applying for job postings, etc..	Recommendation will be taken into account and, if possible, implemented as part of the refinement of the Report development methodology.
3	To include effective mechanisms for ensuring gender balance in the municipal service, it is recommended to conduct a separate gender analysis of a number of provisions approved by the decrees of the Government of KR ("On issues of ensuring compliance with legislation in the sphere of state civil service and municipal service" dated December 14, 2016 No. 674 and "On organization issues of state civil service and municipal service" dated December 29, 2016 No. 706).	Recommendation will be discussed with LSG bodies.

4	<p>In the text of the Report it is not recommended to consider the population of the Kyrgyz Republic as a homogeneous group, without diversifying it according to various characteristics, including gender. It is recommended to use the concepts of “different groups of the population”, “vulnerable groups of the population”, “needs of women and girls”, “interests of young women with children”, “needs of employees of LSG bodies with family responsibilities”, etc.</p>	<p>Recommendation will be taken into account and, if possible, implemented as part of the refinement of the Report development methodology.</p>
5	<p>When assessing the population’s perception of any phenomena, it is recommended that women be assigned to a special group of respondents (to identify their opinions and reflect their views on LSGs and local development challenges).</p>	<p>Recommendation will be taken into account and, if possible, implemented as part of the refinement of the Report development methodology.</p>
6	<p>It is recommended to include data on the results of a gender expertise of the legislation (from justifications to the laws being evaluated in the text of the Report.</p>	<p>Recommendation will be taken into account and, if possible, implemented as part of the refinement of the Report development methodology.</p>
7	<p>It is recommended to clarify information on the procedure for conducting budget hearings, in terms of the women’s participation, their share in the total number of participants during the implementation of the Law of KR “On Amendments to the Budget Code of the Kyrgyz Republic” dated July 18, 2018 No. 69.</p>	<p>Recommendation was taken into account.</p>
8	<p>In the text of the Report, it is recommended to consider the practice of conducting gender expertise of local budgets and including gender dimension in local budgets, and specific examples of gender analysis of local budgets.</p>	<p>Recommendation will be taken into account and, if possible, implemented as part of the refinement of the Report development methodology.</p>
9	<p>It is recommended to apply a gender analysis when considering aspects of municipal property management (to assess the extent to which infrastructure facilities intended for general use serve the needs and requirements of different population groups, including women and girls).</p>	<p>Recommendation will be taken into account and, if possible, implemented as part of the refinement of the Report development methodology.</p>

10	It is recommended that the opinions of key government bodies and the benefit recipients be taken into account in assessing the impact of the Law of KR "On State Benefits in the Kyrgyz Republic" dated July 28, 2017 No. 163. The proposal to return to the procedure for identifying needs for social benefits through social commissions under LSGs requires further study.	The Report's research subject is the opinion of LSG bodies. Opinions of other parties were also partially taken into account, as the source of information on the monitoring results of the Law of KR "On State Benefits in the Kyrgyz Republic" dated July 28, 2017 No. 163 (regarding the "family support" allowance) conducted in all regions of the Kyrgyz Republic based in the decision of JK KR Committee on Social Issues, Education, Science, Culture and Health of October 29, 2018.
11	It is recommended to conduct a deeper analysis of the problem of delineation of powers between state bodies and LSGs, based on the example of the laws of KR "On Protection from Family Violence" dated April 27, 2017 No. 63 and "On Amendments to Certain Legislative Acts on Protection from Domestic Violence" dated April 27, 2017 No. 64. The issue should be considered in a wider context, taking into account the opinions of beneficiaries from among the members of the local community.	Recommendation will be taken into account and, if possible, implemented as part of the refinement of the Report development methodology.
12	It is recommended that the Report include data on cases of domestic violence, including the number of appeals to internal affairs bodies, aksakal courts, women's councils and crisis centers for family violence.	Recommendation will be taken into account and, if possible, implemented as part of the refinement of the Report development methodology.
13	It is recommended to return to the discussion of changing the legislation on family violence after a series of special consultations with experts on gender and family violence, specialists from crisis centers, and women's organizations.	Recommendation will be taken into account and, if possible, implemented as part of the refinement of the Report development methodology.

ISSUE OF THE REPORT'S STATUS

According to the methodology, the Report is designed not only to ensure the monitoring process of the Parliament's control function, the impact of laws and other acts of the Parliament, but also to create new conditions for discussing the monitoring results and adjusting decisions after discussions. Therefore, the issue of the Report's status is of particular importance.

In 2019, the idea and methodology of the Report received support of three committees of the Parliament (Committee on Constitutional Legislation, State Structure, Judicial Legal Issues and the Regulation of the Parliament; Committee on Agrarian Policy, Water, Ecology and Regional Development; and Committee on Social Issues, Education, Science, Culture and Health), while the Committee on Constitutional Legislation, State Structure, Judicial Legal Issues and the Regulation of the Parliament decided to create a relevant working group on its development.

In addition, the Report as one of the activities was included in the first Action Plan for building the Open Parliament, which was reviewed and approved on June 25, 2019 by the Committee on Constitutional Legislation, State Structure, Judicial Legal Issues and the Regulation of the Parliament¹.

The next step is to hold a discussion of the methodology, final conclusions and recommendations of the Report using example of this document and normatively perpetuate necessary attributes and status of the Report:

- methodology, including frequency, data collection, development and discussion;
- presentation and discussion by JK KR;
- subject and form of decisions based on the results of the Report submission to JK KR.

¹ Letter of Jogorku Kenesh of the Kyrgyz Republic on Open Government initiative No. 6-5069и/19 dated July 29, 2019, was signed by the deputy Toraga (Speaker) of Jogorku Kenesh of the Kyrgyz Republic, A. Kasymalieva

QUANTITY OF LSG BODIES IN THE KYRGYZ REPUBLIC

The number of LSG bodies in the Kyrgyz Republic is determined by historical background. The history of local self-government in Kyrgyzstan can be conventionally divided into five main stages with major milestones are related to significant changes in the legislation on LSG and governance. Conventionally, these stages can be characterized as a continuous and sometimes contradictory movement, as well as a search for optimal number, forms and models of LSG.

The first stage (April 19, 1991 - December 19, 1991) - transformation of public authorities into LSG bodies (assigning existing lower levels of Councils (Sovets) of people's deputies with status of LSG bodies) and the greatest decentralization of government.

The second stage (December 1991 - 1997) - beginning of strengthening the vertical of public administration, "desovetization" of the executive bodies of LSGs with its simultaneous governmentalization and autonomy from representative power.

The third stage (1998-2007) - emergence of an independent system of executive bodies of LSG and its further autonomy from keneshes with a gradual increase in opportunities for members of local communities to actively influence them.

The fourth stage (2008-2010) - strict centralization of power and "decline" of LSG activity.

The fifth stage (from April 2010 to the present) - new opportunities for extensive development of LSG¹.

Table 1. Quantity of LSG bodies and administrative-territorial units in the Kyrgyz Republic

Rayon	Aiyl aimaks	Cities of rayon significance	Cities of oblast significance	Cities of republican significance	Total LSGs
Osh oblast					92
Alai	14	Kara-Suu			
Aravan	8	Uzgen			
Kara-Kuldja	12	Nookat			
Kara-Suu	16				
Uzgen	19				
Nookat	17				
Chon-Alai	3				
Total in oblast	89				
Jalal-Abad oblast					75
Aksy	11	Toktogul	Jalal-Abad		
Ala-Buka	8	Kerben	Tash-Komur		
Bazar-Korgon	9	Kok-Jangak	Maily-Suu		
Nooken	7	Kochkor-Ata	Kara-Kul		
Suzak	13				
Toguz-Toro	5				
Toktogul	10				
Chatkal	4				
Total in oblast	67				
Batken oblast					37
Leilel	9	Kadamjai	Batken		

¹ For the first time, these stages were proposed in the National Report on Human Development "Local Self-Government: Here and Now", DPI, 2012, available on: <http://dpi.kg/ru/activities/nat-report-lsg/>

Kadamjai	13	Aidarken	Kyzyl-Kia		
Batken	9	Isfana	Suluktu		
Total in oblast	31				
Talas oblast					38
Manas	5		Talas		
Kara-Bura	10				
Bakai-Ata	9				
Talas	13				
Total in oblast	37				
Chui oblast					112
Alamedin	17	Shopokov	Tokmok		
Jaiyl	12	Kemin			
Panfilov	6	Orlovka			
Moscow	12	Kainda			
Sokuluk	19	Kant			
Chui	10	Kara-Balta			
Kemin	11				
Issyk-Ata	18				
Total in oblast	105				
Naryn oblast					64
At-Bashy	11		Naryn		
Ak-Talaa	13				
Jungal	13				
Kochkor	11				
Naryn	15				
Total in oblast	63				
Issyk-Kul oblast					64
Issyk-Kul	12	Cholpon-Ata	Karakol		
Ton	9		Balykchy		
Ak-Suu	14				
Jeti-Oguz	13				
Tyup	13				
Total in oblast	61				
				Bishkek	
				Osh	
Total in the Kyrgyz Republic	453	17	12	2	484



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SECTION I.

DEVELOPMENT OF LOCAL SELF-GOVERNMENT IN THE KYRGYZ REPUBLIC IN 2016-2019

1.1. INTERACTION OF LSGS WITH CITIZENS

1.1.1. Attitude of the citizens of the Kyrgyz Republic to LSG bodies¹

During the Report preparation, it was found out that most citizens of the Kyrgyz Republic are optimistic about LSGs, while about 12% of respondents do not react to LSGs in any way, do not experience any emotions. The attitude of LSG bodies towards themselves is also optimistic, however, every fifth municipal employee feels pity when he/she thinks about LSG, and every seventh feels irritation.



Chart 1. Citizens emotions about LSG, 2019



Chart 2. Municipal employees' emotions about LSG, 2019.

During 2016-2018 the optimistic perception of LSG by the population remained relatively high, but steadily declined until 2019, when the number of optimists in relation to LSG again increased. This growth in the number of citizens optimistic about LSGs in 2019 replaced the surge in inspiration that was observed in 2018 and was apparently caused by the President's political will aimed at development of regions. However, in 2019 citizens became less inspired with regards LSGs. Number of people who feel pity for LSG, as well as those who do not experience any emotions about it has increased.

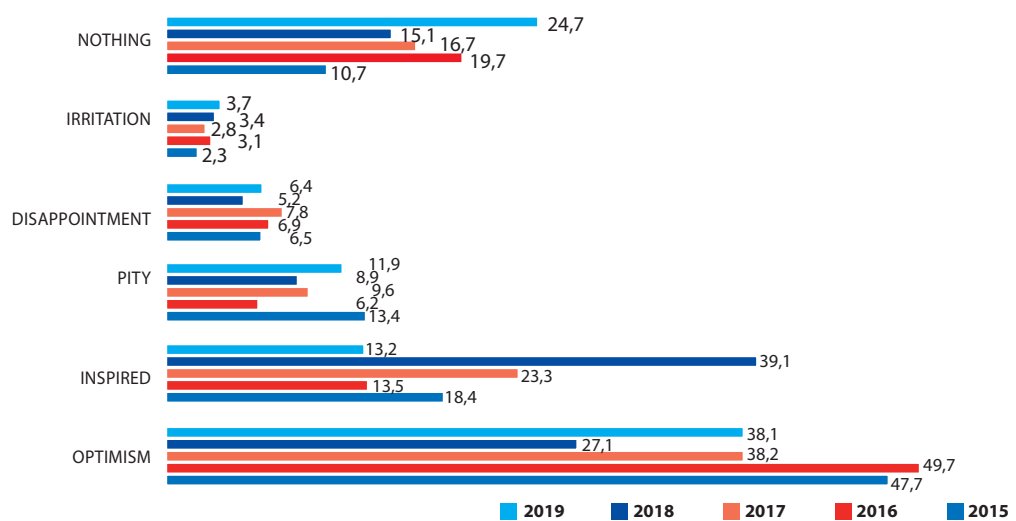


Chart 3. Citizens' emotions about LSG, percentage

¹ This section uses data obtained by the Union of LSG y conducting survey during preparation of the Report, as well as archives of DPI.

1.1.2. Level of citizens' trust in LSGs

The level of public confidence in LSG bodies is a reflection of level of the population's confidence in legislative and executive authorities of the state, regardless of competence. Since LSG bodies are the closest and most accessible authority to the population, citizens transfer their attitude to the state as a whole to LSG bodies.

Public trust in LSG bodies largely depends on their activity, which is expressed in concrete actions noticeable to the population. While specific measures require initiative and means. In those LSGs, where the AO leadership is proactive, things are better and public confidence is higher. However, as always problem of availability of funds in the local budget is very acute for the management.

OPINION

The issue of public trust in LSG depends not only on competence of the head of aiyl okmotu, but also on financial security. People see concrete actions. If there is no money, then there is no business.

*Head of aiyl okmotu,
Ton rayon of Issyk-Kul oblast*

The level of public confidence in LSG bodies is associated with many other issues of their activities. For example with human resources, since lack of qualified personnel leads to red tape and low quality of services to the population by LSG bodies.

OPINION

Testing for candidates for filling municipal positions introduced by the SPS, was an appropriate decision. The level of public confidence has grown, as citizens see this principle of recruitment fairer, not dependent on family or clan ties.

*Head of aiyl okmotu,
Ton rayon of Issyk-Kul oblast*

Moratorium on the transformation of agricultural land does not allow LSG bodies to timely and fully resolve the issues of providing land to the population for individual housing construction. This causes discontent of population and, as a result, decline in the citizens' trust in LSG bodies.

OPINION

For all the good and bad that is happening in the country, citizens "blame" the LSG bodies. Citizens do not care who needs to resolve their problem, they turn to LSGs, and if there is no positive response, we are to blame. For example, the moratorium on land transformation is not our decision, but people who cannot get land for individual housing construction express their outrage at us. In our aimak alone, more than 2,000 people are in the waitlist to receive a land plot for housing construction.

*Head of aiyl okmotu,
Nookan rayon of Jalal-Abad oblast*

People's trust is growing significantly to those LSG bodies where information work with the population is well established, where a constant dialogue with citizens is maintained, including through social networks and meetings, where difficult and important issues as the local budget or land management are openly discussed. Moreover, the level of public confidence in LSGs is a real assessment of the governance system quality, interaction of LSGs with the state bodies.

The level of public confidence in LSG bodies is not measured by the National Statistics Committee of KR, therefore, unofficial sources of information are used to assess the indicator. For example, according to SIAR Research and Consulting, 58% of citizens positively evaluate local kenesh performance and trust in them. According to DPI data, representative and executive bodies of LSG enjoy the trust of citizens more than all other institutions (except for the education system).

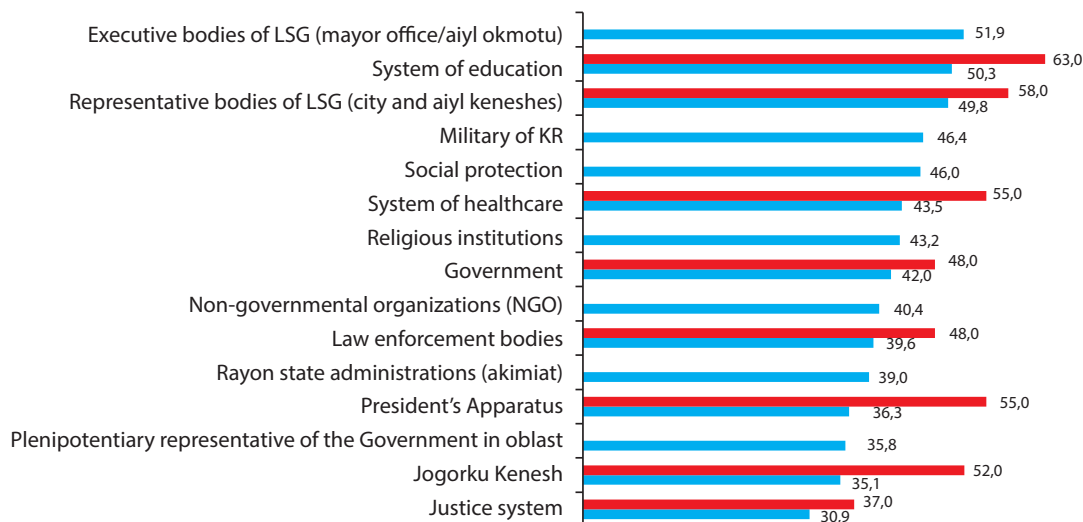


Chart 4. Level of public confidence to various government bodies of the Kyrgyz Republic, in percentage¹

The index of public confidence to the state bodies of executive power and local self-government of the Kyrgyz Republic (hereinafter referred to as PCI) is calculated only for the government bodies (with the exception of the mayor offices of Bishkek and Osh). The level of trust in other LSG bodies is not assessed. This does not meet the needs of citizens, since LSG bodies directly affect the living conditions of the population. This demotivates LSG bodies to work with the population and respond to their needs, since this interaction is not evaluated. The situation does not contribute to the creation of an objective assessment of the LSG performance and deprives voters of the evaluation criteria. This, in turn, deprives LSGs of the opportunity to demonstrate to society and the government their achievements in establishing effective interaction with the population. In general, current situation demonstrates neglect of a large number of LSG bodies and municipal employees, excluding the LSG system from the process of monitoring the level of public confidence. From the moment PCI was introduced and up to the LSG exclusion from the calculations, LSG bodies showed one of the highest levels of the citizens' trust. Then, at the suggestion of the National Statistics Committee, LSG bodies were excluded from the list of bodies evaluated by PCI. According to unofficial information, this was done in order to save money spent by the NSC on collecting and analyzing information. According to LSG bodies, assessment of the citizens' trust in LSG bodies needs to be revived in order to avoid an unlawful exclusion of a huge part of the governance system from the evaluation.

¹ Source: DPI: Public opinion survey within "Voice of Citizens and Accountability of LSG Bodies: Budget Process" Project; SIAR: Public Opinion Survey Residents of Kyrgyzstan // The survey was conducted by Dr. Rasa Alisauskiene of the public and market research company Baltic Surveys/The Gallup Organization on behalf of the International Republican Institute. The field work was carried out by SIAR Research and Consulting, 2018.

1.1.3. Citizen participation in local self-government

Citizens' participation in LSG is the foundation of local self-government, since essence of LSG system is based on independent decisions made by local community on their own responsibility. It is necessary to improve the legal and institutional environment for exercising the right of citizens to participate in LSG, for which a number of problems should be resolved.

Citizens are not sufficiently informed about their rights and obligations in LSG and are not its active subjects. The problem lies not only in the limited technical access to information (difficult or expensive access to the Internet, frequent revisions of legal acts and irregularity of materials' availability that help to properly understand these legal acts), and lack of effective communications between LSGs and citizens. Paternalistic attitude of the population towards the state, preserved from the time of the Soviet Union and the planned economy, also has an effect. Many citizens, including heads and employees of LSG bodies, and even some public servants, do not fully understand true nature of LSGs, and continue to expect that the state makes both managerial decisions and solves the problems.

In planning and implementing social and economic development of the local community, LSG bodies in most cases poorly take into account the real needs of the population. Local budgets should be inextricably linked with the programs of socio-economic development of territories and based on the priorities of local communities. National legislation (the Budget Code of KR and other RLAs) requires for LSG bodies to identify priorities and discuss the draft budget with the population at public hearings (hereinafter referred to as PH). However, the quality of this work is still insufficient. This is mainly explained by the lack of local understanding of how to represent the public interests in the budget process.

Accountability is structured in such a way that LSG bodies are primarily not accountable to those who select them (i.e., local community), but to those who are higher in the management hierarchy - to government bodies. The absence or lack of accountability to the local community is expressed in the fact that the heads of the executive bodies of rural LSGs - the heads of AOs are not actually accountable to the population, citizens, since they are elected as deputies of the local kenesh, and they are nominated by a state representative or the local kenesh itself. Thus, citizens do not have an ability to directly influence the leadership through the electoral system. As a result, the main goal of the AO leadership is to meet the needs of the local state administration leadership or local kenesh, whose interests do not always coincide with the majority of the population, which is facilitated by the party electoral system.

Regarding the population's choice of the participation forms in LSG, it was noted that the most effective forms for citizens are the meetings held by LSG in communities (47%); PH (35%); local kurultai (31%); and local initiative (22%). It is alarming that only 12% of citizens believe that local kenesh elections is an effective form of participation and 10% - interaction through NGOs. This data suggests that **despite a rather high level of public confidence in LSG, citizens nevertheless strive for direct interaction avoiding forms associated with the representative principle - elections and work through NGOs.** This is due to the lack of confidence in the representative form of citizen participation in LSG, incomplete fulfillment of duties by local keneshes, and poor accountability of LSGs to citizens.

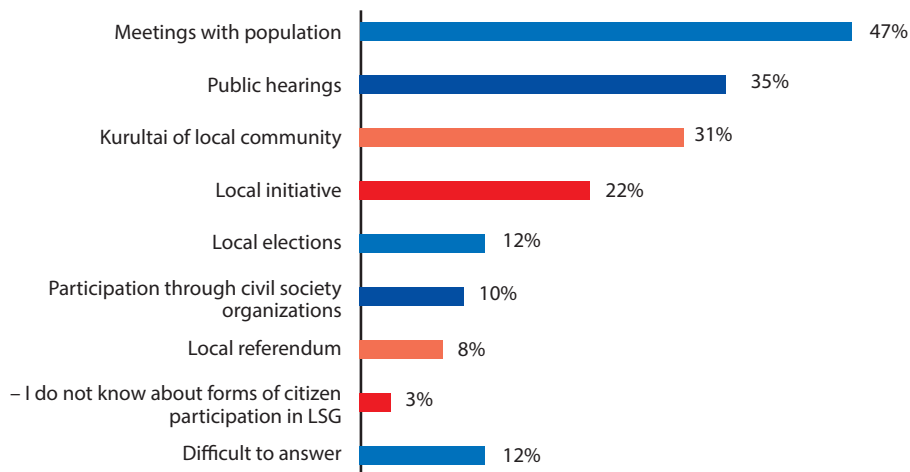


Chart 5. The most efficient forms of local democracy/citizen participation at LSG level¹

OPINION

With support of one of the development projects, we examined barriers in interaction between LSG bodies and population and measured the “gap”. It turned out that despite large amount of work we did, citizens did not appreciate the outcomes. We decided to create a Whatsapp group in order to establish continuous communication with interested residents of aimak. Citizens started asking questions and receiving appropriate answers without coming to aiyl okmotu. Aiyl okmotu also began to constantly report on work not only to the local kenesh, but also at the village meetings. People obtained an environment to participate in the budget discussion. As a result, the “gap” between LSG bodies and population was reduced by 30%.

*Executive Secretary of AO,
Nookat rayon of Osh oblast*

1.2. DEVELOPMENT OF PARLIAMENTARISM AT THE LOCAL LEVEL²

1.2.1. New conditions for local elections

The 2012 elections launched a new stage in the history of the representative branch of LSG. The main sign of the new stage can be considered a significant increase in competition for a deputy mandate at the local level, and an increase in the citizens’ interest and political forces in participating in local elections. This was due to several major factors. Firstly, general revival of political life after the events of 2010 increased the interest of citizens in participating in the decision-making process. Secondly, activation of political parties and legitimization of their participation in the electoral process has affected growth in the number of candidates. Thirdly, right of local keneshes to choose the head of the executive body - mayor and head of AO increased attractiveness of the local deputy mandate. Fourth, exclusion of perspective candidates from officials who are to some extent accountable to LSG bodies (heads of utility enterprises, social institutions, etc.) increased the level of public confidence in keneshes. As a result, severity of struggle for parliamentary seats in the localities has increased dramatically, and composition of the elected keneshes has significantly changed. Instead of passive local keneshes controlled by the executive body of the “Soviet” type, the country obtained diverse, active, “naughty” local keneshes. On one hand, there were positive aspects in this: keneshes have become more active in controlling the executive bodies. On the oth-

¹ Source: Public Opinion Survey Residents of Kyrgyzstan // The survey was conducted by Dr. Rasa Alisauskiene of the public and market research company Baltic Surveys/The Gallup Organization on behalf of the International Republican Institute. The field work was carried out by SIAR Research and Consulting, 2018.

² This section uses data provided by the National Commission for Elections and Referenda of KR.

er hand, this gave rise to a number of problems, such as deterioration in the quality of the local keneshes structure, interference with the operational management, excessive control, and collapses in the election of executive bodies' heads. A vivid manifestation of the problems was dissolution of local keneshes by the President of KR due to inability to select a head of executive body (in 2013-2015, due to non-election of the executive head of LSG, 22 local keneshes were disbanded and re-election was delayed), as well as delay in the approval of local budgets.

Next election of deputies of local keneshes of the Kyrgyz Republic was held on March 27, May 15 and December 11, 2016. The 2016 elections were no less active, but the election results compared to 2012, were slightly different.

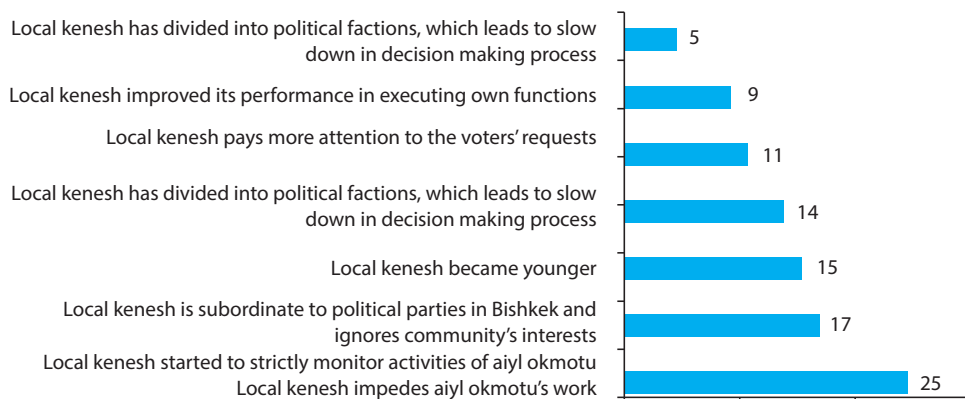


Chart 6. How local kenesh's performance changed under influence of political parties, in percentage (results of survey among LSG representatives conducted by the Union of LSG)

There is no reliable data on exactly how the party factor influenced the work of local keneshes¹. Nevertheless, as part of the Report preparation, opinions of LSG bodies were received about the changes in the work of local keneshes influenced by the parties. So, 81% of representatives of LSG bodies surveyed believe that political parties influence the local kenesh. This influence is considered negative by 40% of representatives of LSG bodies. However, it is important to remember that the survey involved mainly representatives of the executive bodies of LSGs, and this could not but affect their judgments: "local kenesh is subordinate to the political parties in Bishkek and ignores the community interests" and "local kenesh interferes with the work of AO." At the same time, 17% of employees of the LSG executive bodies see a positive impact, which is expressed in the fact that "local kenesh has become more stringent in monitoring the work of AO", another 14% noted that "local kenesh has become younger." Thus, there was no consensus on the impact of political parties on local keneshes, and management system and analytical centers have yet to study this impact in order to develop sound recommendations. Nevertheless, vast majority of representatives of LSG bodies (79%) believe that local keneshes should not be formed on the party basis.

¹ There is an expert opinion that the party factor didn't have a direct influence, since the parties are yet weak institutions. In fact, there is a division by 'south' and 'north', by influence interests, criminal and religious groups. At the LSG level, these problems are particularly evident.

1.2.2. Fair representation

Gender balance

Decreased female representation in rural local keneshes. In general, in the Kyrgyz Republic in 2016, the representation of women in rural local keneshes decreased by 2% and amounted to 13% of the total number of deputies. Further, in the process of the mandate transition, the share of women has also decreased and reached the level of 10.7%. The largest decrease in the representation of women is observed in Issyk-Kul oblast, which was previously undisputed leader in relation to the women representation in local keneshes, however, by 2019 it had lost this position.

The lowest level of women representation in local keneshes during the entire period is observed in Osh oblast.

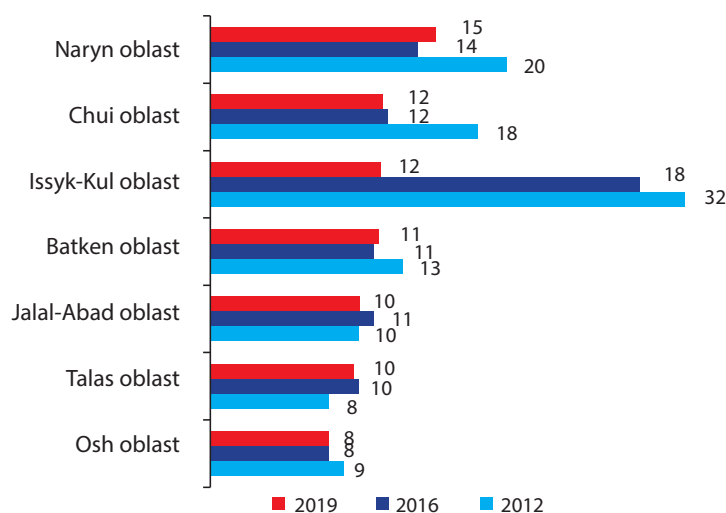


Chart 7. Women representation in local keneshes by oblast, in percentage

Share of women in the composition of urban keneshes decreased by about 4%. City keneshes with a share of women of about 30% were elected in the cities of Kant (32%), Kemin, Shopokov, Orlovka, Kara-Balta, Cholpon-Ata, Aidarken (29%). The city keneshes with the lowest representation of women were elected in the cities of Jalal-Abad (6%), Kochkor-Ata and Cholpon-Ata (less than 10%). A phenomenon of "loss" of mandates by women deputies was observed, when the elected women deputies passed their mandates to other candidates from the party, men. Thus, in March 2016, 16 mandates were "lost" or every third mandate (cities of Mailuu-Suu, Osh, Karakol, Tokmok); in December 2016, 39 mandates were "lost" or every fourth mandate (cities of Jalal-Abad, Tash-Kumyr, Uzgen, Isfana, Bishkek, Talas, Batken, Kara-Kul, Naryn, Kainda, Sulukta, Kerben).

Table 2. Level of women representation in the city keneshes¹

City	After 2012 elections				After 2016 elections				Dynamic of change
	Men	Women	Total	Share of women	Men	Women	Total	Share of women	
Kerben	24	7	31	22,6 %	14	7	21	33,33 %	4,76 %
Aidarken	15	6	21	28,6 %	23	8	31	25,81 %	3,23 %
Balykchy	24	7	31	22,6 %	23	8	31	25,81 %	9,68 %
Batken	26	5	31	16,1 %	38	7	45	15,56 %	
Bishkek					29	2	31	6,45 %	-6,45 %
Jalal-Abad	27	4	31	12,9 %	26	5	31	16,13 %	-3,23 %
Isfana	25	6	31	19,4 %	38	7	45	15,56 %	-17,78 %
Kadamjai	14	7	21	33,3 %	13	8	21	38,10 %	19,91 %
Kainda	18	4	22	18,2 %	26	5	31	16,13 %	-19,35 %
Kant	20	11	31	35,5 %	24	7	31	22,58 %	-12,90 %

¹ Data about 2012 convocation was collected by sending inquiries to the cities, however, not all of them provided this information.

Kara-Balta	20	11	31	35,5 %	22	9	31	29,03 %	3,23 %
Karakol	23	8	31	25,8 %	26	5	31	16,13 %	
Kara-Kul					22	9	31	29,03 %	12,90 %
Kara-Suu	26	5	31	16,1 %	14	7	21	33,33 %	9,52 %
Kemin	16	5	21	23,8 %	22	9	31	29,03 %	6,45 %
Kok-Jangak			0		14	7	21	33,33 %	
Kochkor-Ata			0		19	2	21	9,52 %	
Kyzyl-Kia	22	9	31	29,0 %	24	7	31	22,58 %	-6,45 %
Mailuu-Suu	26	5	31	16,1 %	24	7	31	22,58 %	6,45 %
Naryn	22	9	31	29,0 %	24	7	31	22,58 %	-6,45 %
Nookat	15	6	21	28,6 %	16	5	21	23,81 %	-4,76 %
Orlovka	14	7	21	33,3 %	14	7	21	33,33 %	
Osh	37	8	45	17,8 %	38	7	45	15,56 %	-2,22 %
Sulyukta	22	9	31	29,0 %	26	5	31	16,13 %	-12,90 %
Talas	29	1	30	3,3 %	26	5	31	16,13 %	12,80 %
Tash-Kumyr	21	10	31	32,3 %	26	5	31	16,13 %	-16,13 %
Tokmok	26	5	31	16,1 %	26	5	31	16,13 %	
Toktogul	15	6	21	28,6 %	16	5	21	23,81 %	-4,76 %
Uzgen	25	6	31	19,4 %	24	7	31	22,58 %	3,23 %
Cholpon-Ata	14	7	21	33,3 %	19	2	21	9,52 %	-23,81 %
Shopokov	13	8	21	38,1 %	16	5	21	23,81 %	-14,29 %
Total	695	174	761	24,6 %	712	191	903	21,15 %	-1,71 %

National composition

Representatives of national minorities hold 13.4% of parliamentary seats in local keneshes. In the context of oblasts, the following picture emerged: in Naryn and Talas oblasts among all local keneshes there are only 2 deputies representing ethnic minorities; in Osh and Chui oblasts there are about 20% of such deputies.

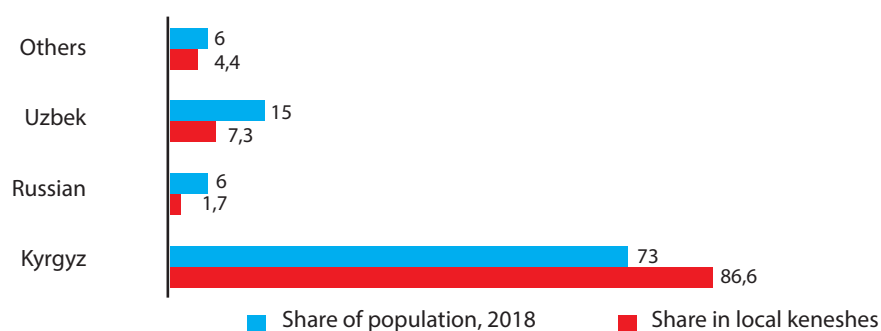


Chart 8. Proportion of deputies representing national minorities in local keneshes of the 2016 convocation as of July 2019, by oblasts (in comparison with the population structure of the Kyrgyz Republic), in percent

1.2.3. Sustainability of local representative democracy

A significant part (more than 44%) of deputies of local keneshes have secondary or secondary specialized education. Given the level of school and secondary specialized education in the Kyrgyz Republic, it is difficult to expect their competence in public administration. The rest of the deputies also lack special knowledge on governance. Moreover, there is no training for the kenesh deputies in the country. All this creates serious barriers to effective operation of keneshes and LSG as a whole.

OPINION

The quality of work of the local kenesh complicates addressing the issues of local significance. Deputies are active only during the budget allocation; they are not active in relation to other problems of the local community. The head of AO must be appointed by akim or elected, while kenesh must not select.

Aksakal, Alamudun rayon of Chui oblast

OPINION

Local keneshes do not report to the population. They are required by law, but in fact they don't. On the ground, local budgets are approved with a long delay, usually due to the low activity and illiteracy of the deputies. January and February fall out of the budget cycle.

AO employee, Sokuluk rayon of Chui oblast

OPINION

Jogorku Kenesh should work more closely with local kenesh deputies who need to know what changes are taking place in the laws and whether residents of the regions benefit from them. The level of knowledge of local kenesh deputies is very poor. It is necessary to establish more stringent criteria in relation to candidates for deputies, for example, in relation to education. If a deputy has not justified confidence of voters, then a very simple mechanism for recalling such deputies is needed.

Lawyer of AO, Nookat rayon of Osh oblast

OPINION

Deputies of local keneshes must follow the ethical rules of conduct appropriate to their status. Each candidate for deputy of local kenesh should know his/her rights and obligations, what he/she will do, what issues to solve. Deputy should be aware that his/her knowledge and level of competence are sufficient to solve the problems of voters, to form local budget and control its execution. It is necessary to strengthen the requirements for candidates for deputies of the local kenesh.

Toraga of the local kenesh, Kochkor rayon of Naryn oblast

The level of education, election system, influence of the party factor lead to the dissolution of local keneshes. So, in 2017-2019, 34 local keneshes were disbanded, while 9 keneshes were disbanded due to the lack of quorum at the meetings, 25 keneshes because the keneshes could not select heads of AO or mayor – leadership of the LSG executive body.

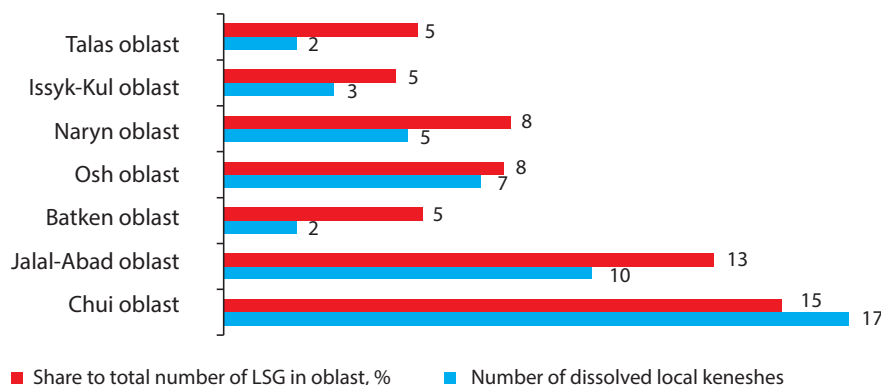


Chart 9. The number and proportion of dissolved local keneshes in relation to the total number of LSG bodies, by oblasts, in percentage

1.3. STATUS OF EXECUTIVE BODIES OF LSG¹

In total, there are 484 LSG bodies in the Kyrgyz Republic, including 453 rural, and 31 urban. The city mayor offices include 2 republican (Bishkek and Osh), 12 oblast, and 17 rayon significance mayor offices.

As of January 1, 2019, out of 9,691 municipal positions in the staffing structure (9,335 as of January 1, 2017), 8,484 positions were filled (8,410 as of January 1, 2017), which is 88% of the staffing (90% - as of January 1, 2017). This data indicates that the number of job opening, although insignificantly, has increased, nevertheless, the personnel problem for LSG bodies remains relevant.

1.3.1. Qualitative composition

Gender balance and equality of physical abilities

Proportion of women in the municipal service, although insignificantly, is constantly decreasing. So, in 2019, women held less than 36% of municipal positions compared to 37.0% in 2017. The proportion of women dismissed from the municipal service over the past 2 years increased from 29.5% to 35.9%, that is, women are increasingly dismissed from the municipal service for various reasons.

МНЕНИЕ

We have one last remaining female employee in our AO. Her husband accompanies her to work every day to protect her from those expressing negative attitudes. They may approach her on the street and say: "Why are you working and dishonoring your husband?" I don't know how much more patience they have. The couple says that most likely they will either have to lock the wife at home, or leave the village.

AO employee

¹ Section uses data provided by the State Personnel Service of KR.

Proportion of women in political positions is still insignificant and continues to decline - from 4.2% in 2017 to 3.9% in 2019. However, the proportion of women occupying the leading, senior and junior municipal positions is growing. Thus, the proportion of women holding junior municipal positions has grown by more than 15%.

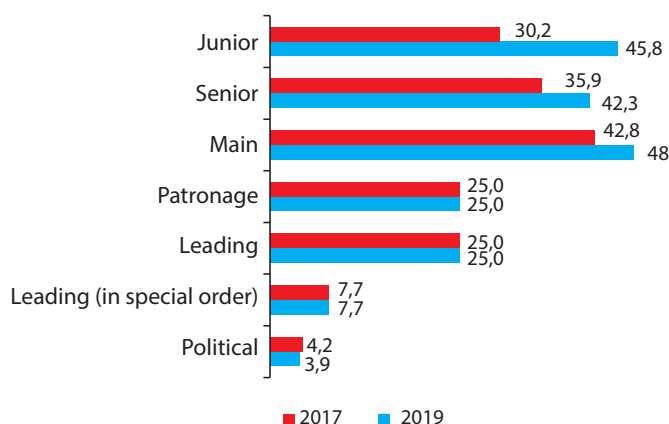


Chart 10. Percentage of women in municipal positions, in percentage

Municipal positions are held by 140 (134 in 2017) people with disabilities (hereinafter referred to as PWD), including 100 men and 40 women (against 117 and 17 people in 2017, respectively).

Nationality

National composition of the executive bodies of LSGs has slightly changed towards greater diversity, however, the representation of national minorities in LSG bodies is approximately 3 times lower than the share of these minorities in the country's population. At the same time, the overwhelming majority of municipal employees in political positions (96%) are still Kyrgyz.

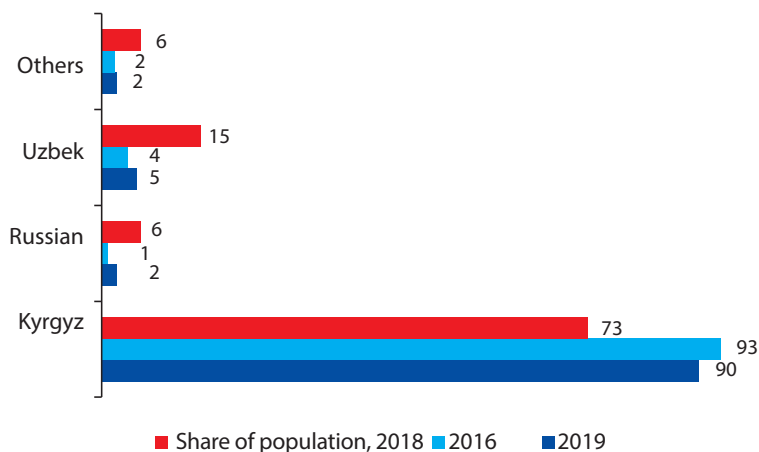


Chart 11. National composition of the executive bodies of LSG in comparison with the national composition of the population of the Kyrgyz Republic, in percentage

Age and experience

Young people under age of 28 occupy only 7.5% of junior and senior municipal positions; only 5 people from more than eight-thousand personnel of municipal employees work in political, patronage, main and senior positions.

Persons of pre-retirement and retirement age over 55 in 2019 occupy almost 22% of municipal positions. The municipal service shows a tendency to "aging" composition, while in 2016 this category of people occupied 18% of the positions.

Education and competencies

Since 2016, the share of municipal employees with higher education has increased by 5% and amounts to 66.25% in 2019; with secondary special - 13.22% (against 28.0% in 2016); there are no specialists with secondary education in LSG bodies in 2019, while in 2016 the share of those in the municipal service was 11.0%. Thus, we can conclude that in general the level of education of municipal employees has increased.

The Law of KR "On State Civil Service and Municipal Service" dated May 30, 2016 No. 75 amended the requirements for municipal employees, and henceforth persons with secondary education cannot apply for a municipal position, their absence in the service is also confirmed by departmental statistics of the State Civil Service of the Kyrgyz Republic. However, the fact of the disappearance of 716 people with secondary education from the statistics, who until 2016 held various municipal positions, remained unclear.

1.3.2. Vacancies and staff turnover

In 2019, 966 people were hired for municipal positions, 700 of which on a competitive basis, or 72.0% (78% in 2016). The majority of the employees in other positions accepted without competitive selection are those who were on maternity leave or sabbatical.

In 2019, 846 people resigned from their municipal positions (versus 773 in 2016). The employee turnover rate is decreasing, so in 2019 amounted to about 10% (in 2016 - 24%). It should be noted that the surge in staff turnover in 2016 was due to the change in the LSG political leaders. The tendency to change the team after changing the leadership of the executive body is detrimental to the quality of municipal services.

OPINION

What is the reason for staff turnover in ayl okmotu? The leader changes, and those who worked with the former leader resign, because they count on further work in the team of the previous leader in his/her new position.

Executive Secretary of AO, Alamudun rayon

OPINION

Staff turnover in the municipal service is a consequence of the problem of political appointments. The head of the LSG body has the right not to hire even those who fully meet the requirements. There are examples when young, sufficiently qualified specialists were ready to work, but they were not selected due to the fact that they belong to other clans, etc.

Executive Secretary of AO, Sokuluk rayon

1.3.3. Participation in the competition

In 2018, LSGs announced 5,588 candidates to participate in computer testing to fill 2,268 vacant municipal jobs. 4,150 candidates took the computer testing, and 1,813 out of them or 43.7% scored respective points¹ and made it to the next round of the competitive selection.

¹ According to paragraph 41 of the Regulation on procedure for holding a competition and career advancement in the state civil service and municipal service of the Kyrgyz Republic, approved by the Decree of the Government of KR dated December 29, 2016 No. 706, candidates who scored at least 50% of the possible number of points during computer testing, allowed to the next stage of the competition - interview.

In 2019 (as of the beginning of October), LSGs announced 5,206 candidates to take the computer testing to fill 1,870 vacant municipal jobs. 3,993 candidates took the computer testing, and 2,039 or 51.1% scored points¹ and made it to the next round of the competitive selection.

LSG bodies believe that the need to participate in the competition of SPS KR to fill the positions of municipal employees is good practice, but in the face of a personnel shortage, this turns into a problem when candidates for positions cannot pass the test due to difficult questions, and LSGs remain incomplete staffing.

OPINION

Candidates fail the testing of SPS KR. Because of this fact, positions remain vacant. Heads of local self-government bodies of the Kyrgyz Republic recommend that the SCS simplify the criteria for municipal service.

Head of the mayor's office

OPINION

It is necessary to more thoughtfully define the content of tests. For example, a tax specialist answers 30 questions in the specialty area and 30 political questions. The tax specialist should first of all clearly know his/her functional responsibilities, so most of the questions should be about taxes.

Lawyer of AO, Suzak rayon

OPINION

When taking the test in SPS KR, candidates for a vacant position with AO cannot answer most of the questions, since so many of them do not relate to the work specifically of AO. At the same time, a person can be an excellent specialist in their field at the AO level, but they will not be able to take a position. But it happens the other way around, the candidates pass the test perfectly, but then they can't work, since they don't know the specifics of AO and don't understand the life of aiyl aimak. For example, for the second year in our AO, there is no executive secretary. Several times a year we send candidates for testing, but they fail to pass the test. Competition and testing is probably a good practice, but life requires action today. The heads of AO should have more opportunities to influence the filling of vacant jobs.

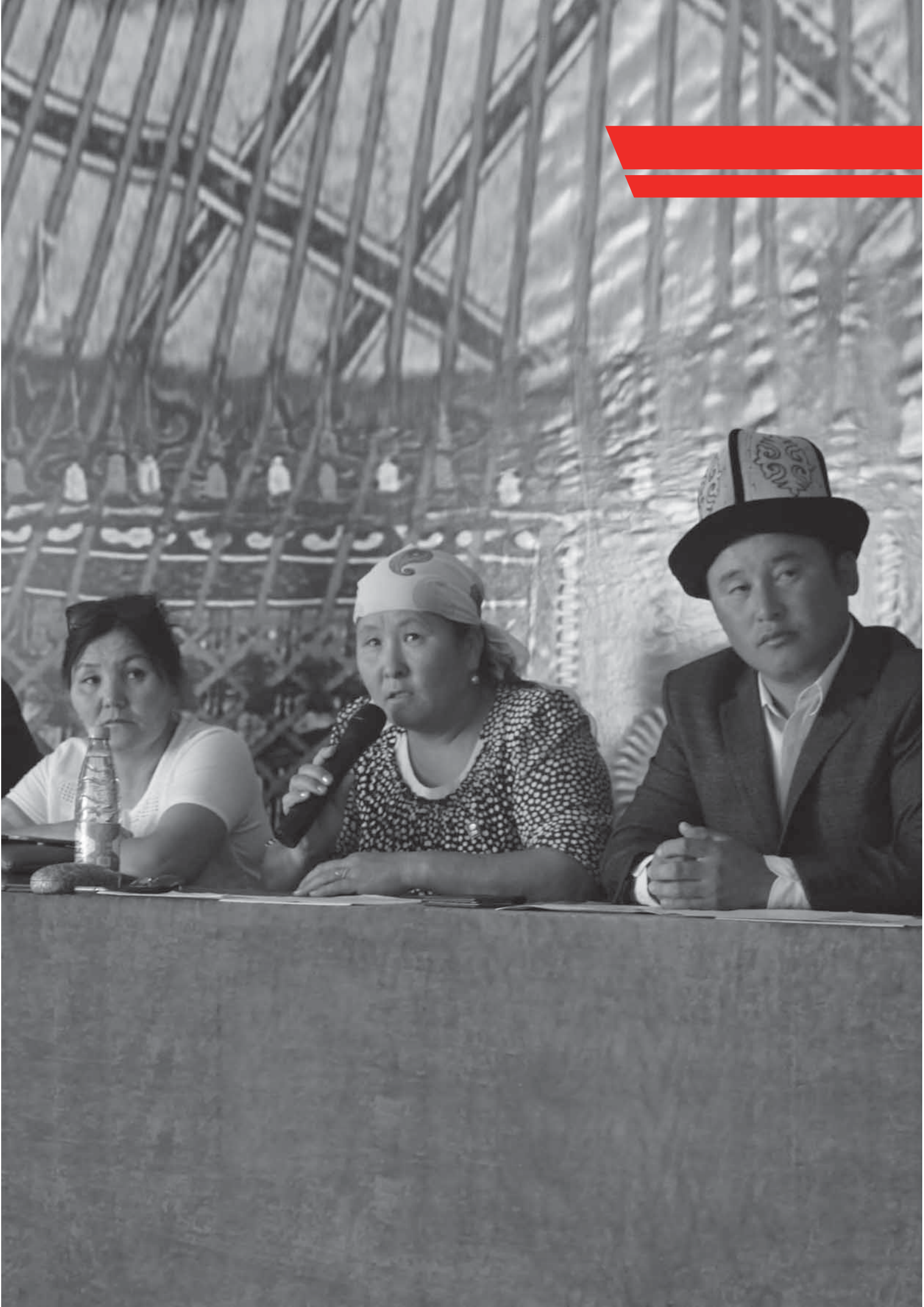
Head of AO, Bazar-Korgon rayon

OPINION

Each person must work in own specialty. Personnel must meet qualification requirements. LSG should accept trained people who know life on the ground, and not those who guessed the answers to the test questions on the computer.

Head of the mayor's office

¹ According to paragraph 41 of the Regulation on procedure for holding a competition and career advancement in the state civil service and municipal service of the Kyrgyz Republic, approved by the Decree of the Government of KR dated December 29, 2016 No. 706, candidates who scored at least 50% of the possible number of points during computer testing, allowed to the next stage of the competition - interview.



1.3.4. Qualification improvement

In 2016, in connection with the adoption of the new Law of KR “On State Civil Service and Municipal Service” dated May 30, 2016 No. 75, the certification of administrative municipal servants was canceled. Promotion and assignment of the corresponding class ranks was carried out based on the results of the annual performance assessment of employees.

In order to improve their qualifications, municipal employees took training in the framework of the state contracting: in 2016 – 1,276 municipal employees; in 2017 – 1,747 municipal employees; in 2018 – 1,096 municipal employees. As of October 1, 2019, the training of municipal employees has not yet begun.

OPINION

When SPS organizes qualification improvement activities, key employees cannot participate due to the high workload. They send anyone to workshops, who is available or whoever was met on the way.

Executive Secretary of AO, Alamudun rayon

1.3.5. Career growth and awards

From 2016 to 2019 the number of employees with a class rank increased from 3,936 people (47%) to 5,245 people (53%).

According to the results of 2016, they received departmental awards of SPS KR: 89 people received badges of “Excellence in Municipal Service”, and 52 people received the certificates of honor. In 2017, 65 municipal employees received badges “Excellence in Municipal Service”, and 42 municipal employees were awarded with the certificates of honor. In 2018, 92 municipal employees received badges of “Excellence in Municipal Service” and 71 municipal employees were awarded the certificate of honor.

1.3.6. Implementation of delegated state powers¹

Six years have passed since the adoption of the Law “On Procedure for Delegating Certain State Powers to Local Self-Government Bodies” dated July 9, 2013 No. 127. The second convocation of the Parliament is considering reasons why the law has not been fully functional for such a long time. In the general opinion, the main reasons hindering its implementation are the following:

- lack of a clear delineation of powers and responsibilities between state bodies and LSGs;
- difficulties in determining the cost of delegated state powers (hereinafter - DSP);
- bureaucratic resistance of the state bodies’ apparatus.

Also, the delegation process is not always welcomed by LSG bodies, especially subsidized ones, for which the allocation of interbudgetary transfers to execute the delegated powers means an automatic reduction in the amount of the equalizing grant, which is, in LSGs’ opinion, is not proper and unfair. For all LSG bodies, DSP creates an additional and unpaid burden on the staff, limited by the decision of the Government of KR. More detailed information on the problems of financing DSP is provided in section 1.4 of this Report.

¹ Section uses data provided by DPI.

OPINION

Not all DSP are adequately funded. So, LSG bodies carry out 5 notarial acts that are not paid by anyone. Employees of LSG perform some DSPs as an additional burden without receiving payment for it.

Many representatives of LSG bodies

However, progress in implementing the mechanism is still being observed. So, in relation to approximately 40% of the powers assigned by the Law "On Local Self-Government" dated July 15, 2011 No. 101 to the main state powers that can be delegated to LSG bodies, the Kyrgyz Government is actively working on them.

Table 3. Status of delegation to LSG bodies of certain state powers listed in art.20 of the Law of KR "On Local Self-Government" dated July 15, 2011 No. 101

#	Summary of delegated power	Measures and status
1	Programs of employment and migration	No progress
2	Registration of citizens (passport regime and voter lists)	In accordance with the decree of the Government of KR, the State Registration Service of KR (hereinafter - SRS) may delegate the power to LSGs to accept documents. In 2019, the process of executing DSP agreements between SRS KR and LSG bodies began
3	Civil status registration	In accordance with the decree of the Government of KR, SRS KR may delegate to the power LSGs to register acts of civil status. In 2019, the process of executing DSP agreements between SRS KR and LSG bodies began
4	Provision of premises for services or preschool, secondary school, and vocational education and healthcare	The Government of KR is considering a possibility of transferring financing of secondary education institutions (schools) from the local budget to the republican budget
5	Performing notarial acts	No progress
6	Issuance of documents to citizens	No progress
7	Maintaining primary records of military servicemen and conscripts	The Government of KR is considering a draft law on division of functions and powers of the authorized state body and LSG bodies in the field of defense and vesting LSG bodies with the right to perform DSP in the field of defense, military and alternative service
8	Land management of the State Fund for Agricultural Land	Article 13 of the Land Code of KR provides for provisions on implementation of this power by LSGs in the event of their delegation, but so far there is no entity that could delegate these powers to LSG bodies

9	Generalization of materials on agricultural production development, economic forecasting of agricultural production	The Ministry of Agriculture, Food Industry and Melioration of KR (hereinafter – MAFIM KR) proposed to exclude
10	Assistance in organizing veterinary-sanitary, anti-epizootic measures and selection and breeding work	MAFIM proposed to exclude
11	Fight against damage of agricultural crops, protection of forest shelter belts and forests	MAFIM proposed to exclude
12	Collection of dues and insurance contributions, as well as powers in taxation	The Tax Code of KR provides for a provision on delegating power in the field of tax collection to LSGs, but STS KR has not yet delegated this power to LSG bodies with financial support. In 2019, the process of executing DSP agreements between STS KR and LSG bodies began.
13	Environment protection measures	No progress
14	Customer protection	No progress
15	Heating supply	No progress
16	Identification of low-income families	In accordance with the decree of the Government of KR, the Ministry of Labor and Social Development of the Kyrgyz Republic (hereinafter – MLSD KR) may delegate to LSGs the power to identify families and children in difficult situations (hereinafter - DLS); assess needs of such families and children; provide social support. Currently, there is a process of executing DSP agreements between MLSD KR and LSG bodies
17-1	Measures to strengthen interethnic relations, as well as prevention of interethnic conflicts	No progress
17-2	Probation	No progress

In the process of delineation and delegation, some state bodies refuse to delegate powers to LSG bodies, preferring to retain authority with resources, as in the case, for example, with MAFIM KR. This does not contradict the principle of voluntary delegation, according to which delegation is a right and not an obligation of a state body. Indeed, the state body must decide for itself how efficiently and expediently it is to transfer some authority to another governing body. And this is also a result, since the work on delineation and delegation has forced state bodies to critically conceptualize the functions and powers that they perform and begin to optimize. There are mistakes along the way. So, SRS KR initially resisted delegation and tried to organize services for submitting paperwork for obtaining documents and registering acts of civil status without LSG bodies, relying only on its administrative capabilities. But practice has shown that this decision created problems for citizens, as a result, a political decision was nevertheless made to delegate these powers to LSG bodies.

OPINION

Attempts to regulate the workload of LSG bodies in the DSP execution are not always successful. So, the functions of the civil status registry, which were previously performed by LSG bodies, are now performed by the representatives of Taza-Koom Service in the rayon centers - this has significantly complicated the population's access to these services, as it is inconvenient for people to get from the place of residence to the place of service.

Head of the mayor office, Chui oblast

In 2019, the delegation process continues and 15 government bodies are engaged in it in one form or another. However, many of them do not recognize the power delegated to LSG bodies as their own, considering them to be LSG functions.

1.4. FINANCIAL AND ECONOMIC STATUS OF LSG¹

1.4.1. Financial capability of LSGs to address issues of local significance

Over the past two years, clearly defined by the President the regional development policy should have been reflected in the situation regarding local budgets, which finance creation of living conditions for citizens. However, the data show that distribution of income between local and republican budgets weakly takes into account the country's priorities in relation to regional development. As a result, the majority of LSG bodies lack resources for the high-quality fulfillment of their own functions and DSP.

Table 4. Indicators of financial decentralization in the Kyrgyz Republic 2016-2019, billion soms

Indicator	2016	2017	2018	2019 (plan)
Local budget revenues (hereinafter LBR)	17,6	20,3	20,1	21,4
Republican budget revenues (hereinafter - RBR)	115,8	134,7	135,5	151,8
Share of local budget revenues in consolidated budget	13,4 %	13,4 %	13,2 %	12,5 %
Nominal GDP	476,3	530,5	557,1	600,6
Ratio of local budget revenues to GDP	3,7 %	3,8 %	3,6 %	3,5 %
Share of transfers in local budget revenues	22 %	29 %	22 %	17 %
Equalization transfers	1,8	1,8	1,8	2,0
Target transfers	1,6	3,7	2,3	1,1
Incentive grants	0,4	0,4	0,4	0,6

Local budget revenues in comparison with the growth rate of revenues of the republican budget, practically do not grow. The surge was observed only in 2011-2012, then within three years there was a decline in the total revenue of local budgets, while revenues of the republican budget are growing at a steady pace. Since 2014, there has been virtually no dynamics in the volume of local budgets, which in the context of inflation and growing liabilities means an actual decrease in funding.

¹ This section highlights the analysis of data provided by the Ministry of Finance of KR. The analysis was conducted by DPI and the Union of LSGs.

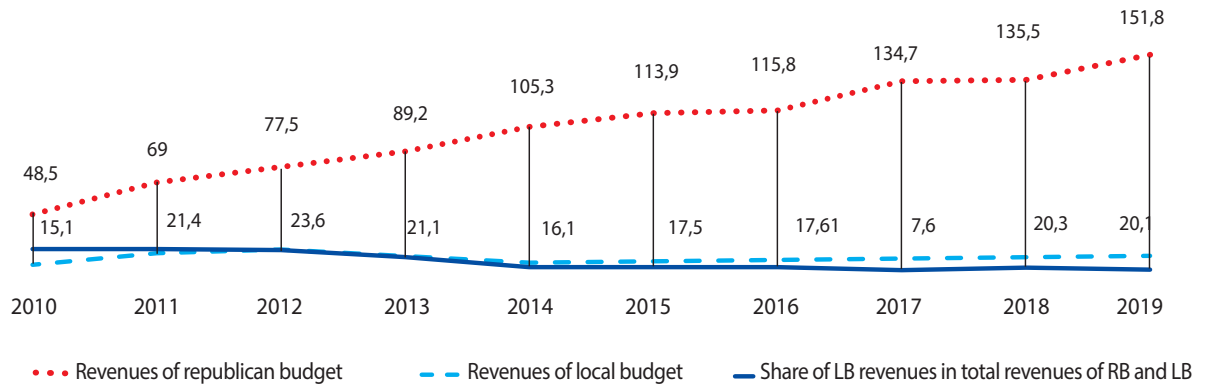


Chart 12. Dynamics of revenues of the republican and local budgets, billion soms

At the same time, the share of LB revenues in the total revenue of the republican and local budgets is steadily decreasing. All this suggests that issues of local significance, including heavy financial obligations for infrastructure, remain underfinances.

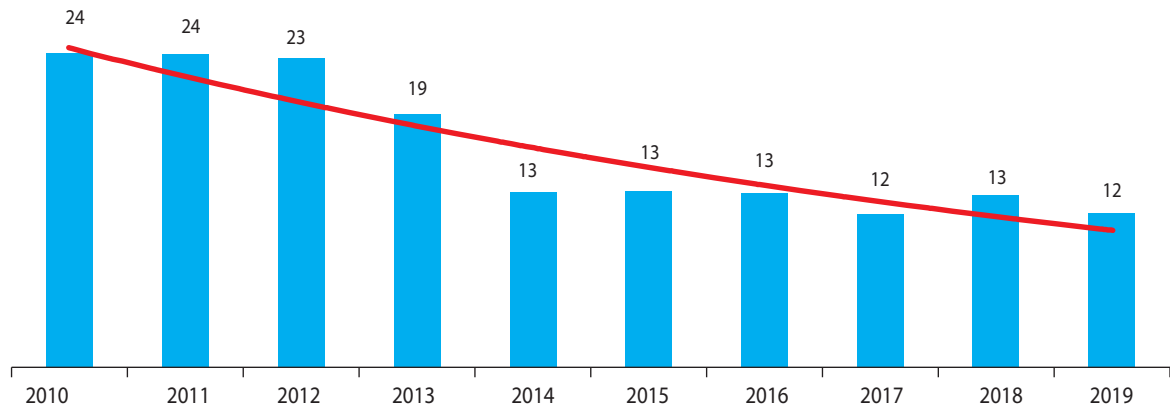


Chart 13. Share of LB revenues in the total LB and RB revenues, in percentage of the total

It is important to note the fact that the volume of LB financing alone does not mean much. An assessment of the sufficiency or insufficiency of funds in LB should be based on a comparison of their volume with the volume of functions and powers performed by LSG bodies. No similar qualitative studies have been conducted in the Kyrgyz Republic. However, there are other indirect indicators that can be used as indicators of the sufficiency or insufficiency of the LB volume for successful solving the issues of local significance and creating decent living conditions in local communities, for example, the Multidimensional Poverty Index (hereinafter - MPI). This is an integrated indicator that does not measure income as the only indicator of poverty, but studies poverty in three dimensions: access to health (nutrition, child mortality), education (duration of schooling and school attendance) and access to basic needs (fuel, electricity, sanitation, water, land, property, etc.). Comparison of the MPI dynamics and the volume of LB financing in the Kyrgyz Republic reveals a clear inverse relationship - the larger the volume of financing of LB, the lower the MPI and vice versa.

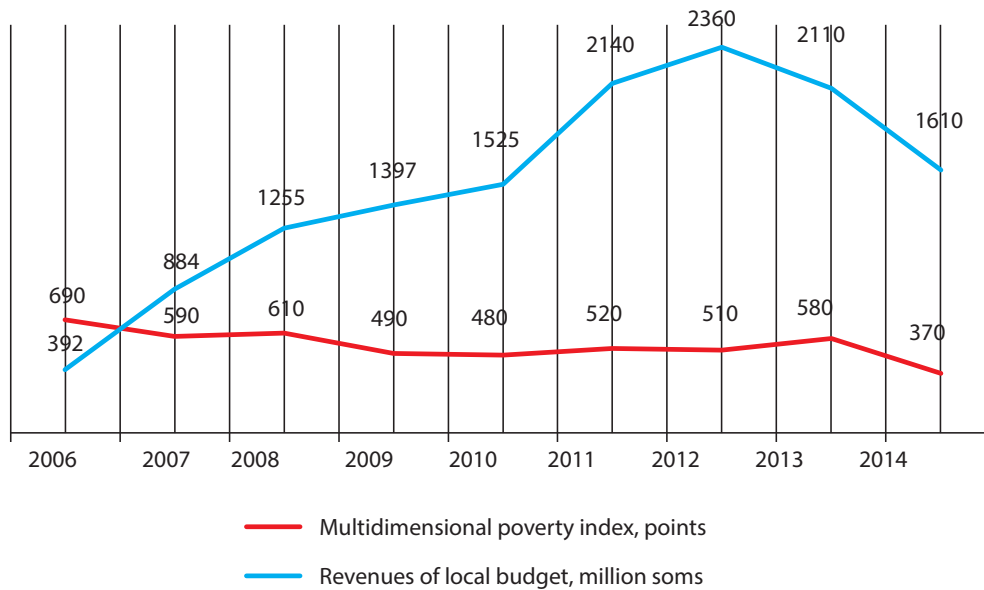


Chart 14. *The inverse relationship of MPI on the volume of local budget financing in the Kyrgyz Republic¹*

Chart 14 shows that from 2006 to 2013 there was a clear inverse relationship between the MPI and local budgets: until 2012, there was an increase in funding and at the same time, the value of MPI was reduced.

This means that increased funding for local issues and LSGs directly affects the reduction of multidimensional poverty and improving the living conditions of citizens. This is one of the best political evidence of the need to increase funding for LSGs.

¹ Until 2014, MPI values were calculated by order of UNDP as part of the development of human development reports. Since 2014, with the cessation of reports on human development, the value of MPI in the Kyrgyz Republic has not been calculated. However, the plans of the NSC KR until the end of 2019 to develop a methodology for calculating the national MPI, conduct experimental calculations and present them to stakeholders.

1.4.2. Areas for advancing interbudgetary relations

Financing for delegated powers

The problem of financing DSP includes several aspects.

Underfunding. The principle of material and financial security is not observed for all state powers delegated to LSG bodies, as required by the Law of KR “On Procedure for Delegation of Certain State Powers to Local Self-Government Bodies” dated July 9, 2013 No. 127.

Limitations in staffing of LSG bodies. Even with full funding for DSP, existing rigid model structure and the number of LSG staff do not allow adding new staffing units, and current legislation does not allow additional salaries to be paid to staff members performing additional functions. Thus, the burden on the performance of DSP falls on existing full-time employees of LSG bodies and takes a lot of time, which, as a result, is not enough to resolve issues of local significance.

Lack of LSGs’ interest in execution of DSP. When additional funds are allocated to LSG bodies for the DSP implementation, MF KR automatically reduces the equalizing grant by this amount. At the same time, the Government of KR claims that financing of delegated powers is already included in the equalizing grant, but no reasonable calculations are provided. Therefore, the question remains open how this rule applies to those LSG bodies that are self-sufficient and do not participate in equalizing budgetary provision.

Existence of “hidden” DSP. Some RLAs assign responsibility for execution of state functions to LSG bodies bypassing the provisions of the Law “On Procedure for Delegating Certain State Powers to Local Self-Government Bodies” dated July 9, 2013 No. 127. For example, in accordance with the Convention on the Rights of the Child, LSG bodies have an obligation to provide children with educational services. Often, state agencies (fire service, the Ministry of Internal Affairs of KR, etc.) request that LSG bodies provide financial assistance to their territorial divisions in solving problems that do not fall within the competence of LSG bodies or in their spending responsibilities. For example, cleaning of roads of republican significance is a big problem, which LSGs are forced to do without having the power or resources. According to the representatives of LSG bodies, current legislation does not spell out provisions that could be referred to avoid execution of these “hidden” DSOs and not reallocate financial resources from resolving issues of local significance. There are also unofficial expenses of LSG bodies related to the financing of national actions and campaigns, for example, Nomad Games. In addition, some representatives of LSG bodies may speak about unofficial deductions of employees of LSG bodies to cover the costs associated with conducting inspections.

Distribution of spending responsibilities. Sometimes LSG bodies are forced to bear the costs of “mixed” powers jointly financed by the state and LSGs, but the share of funding from LSG bodies does not correspond to their level of responsibility and powers. This problem is most acute when solving issues related to the maintenance of educational facilities, which is confirmed, in particular, by the initiative to transfer the costs of maintaining educational institutions to the republican budget. Underfunding of educational standards from RB leads to the fact that LB additionally has to finance the costs of acquiring food, items and materials for current operational purposes; as well as other expenses that are not within the competence of LSG bodies. Preliminary calculations made by a special working group created to study this issue indicate that some of the subsidiary LSGs in the case of transferring the educational facilities’ costs to RB, will be able to become self-sufficient, however, representatives of LSGs are concerned that some of the additional expenses on the education sector (in excess of spending responsibilities) that they have committed on own initiative, or by order of the Government will remain and continue to affect the state of LB and their ability to finance issues of local significance.

Budget Equalization Policy

Existing system of equalizing the LB’s revenue potential **does not stimulate the LSG development** (many LSGs are quite happy to receive equalizing transfers that cover the deficit of their own income, therefore, they do not have an incentive to develop an income base, as sometimes they do not have the necessary personnel potential).

The policy of bringing subsidized LSG bodies to a non-subsidized income level is one of the state tasks. Therefore, MF KR systematically reduces funding by 5-10% per year (see table 5).

Table 5. Dynamic of allocation of equalizing transfers from RB in 2016-2022 гг., million soms

	2016	2017	2018	2019	2020	2021	2022
Total amount of equalizing grants per year	1 818,2	1 817,6	1 847,5	2 000,3	1 967,3	1 917,3	1 900,0
Rate of increase		0 %	2 %	8 %	-2 %	-3 %	-1 %

However, at the same time, measures to increase revenue potential lag behind measures to reduce the equalizing grants, which is why LSG bodies are forced to simply reduce the costs of addressing local issues. The volume of equalizing grants was reduced for 232 AAs for a total of 184.7 million soms and increased for 144 AAs for a total of 148.7 million soms (see Chart 15).

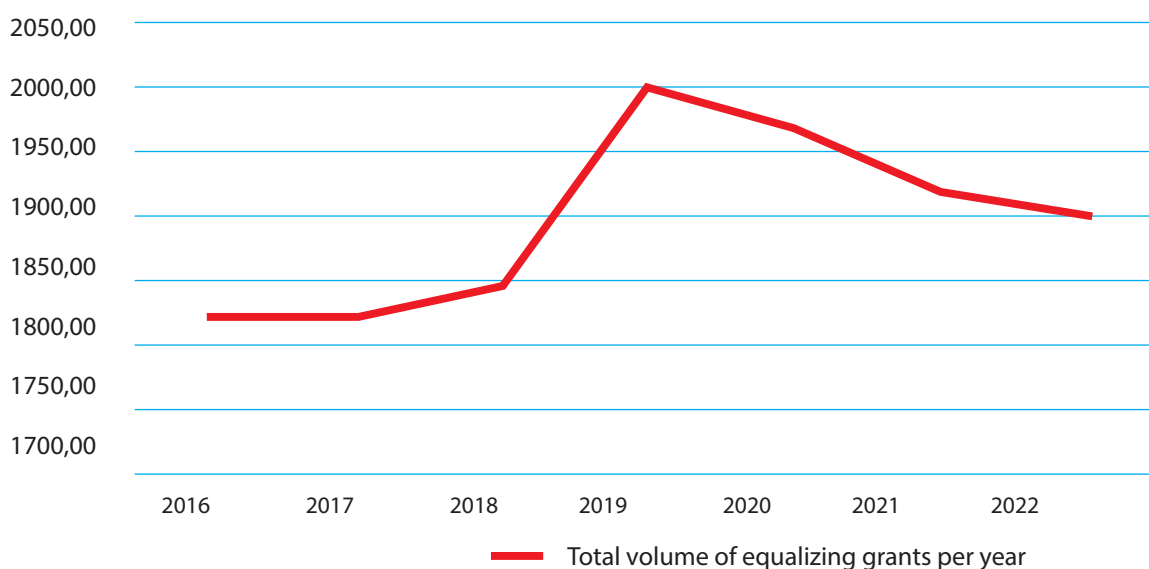


Chart 15. Dynamic of total volume of equalizing grants, million soms

Chart 16 clearly demonstrates the result - failure to implement the declared policy of removing AA from the list of subsidized ones. A large number of municipalities continue to receive equalizing transfers, many of them with significant growth, but this happens at the expense of other municipalities.

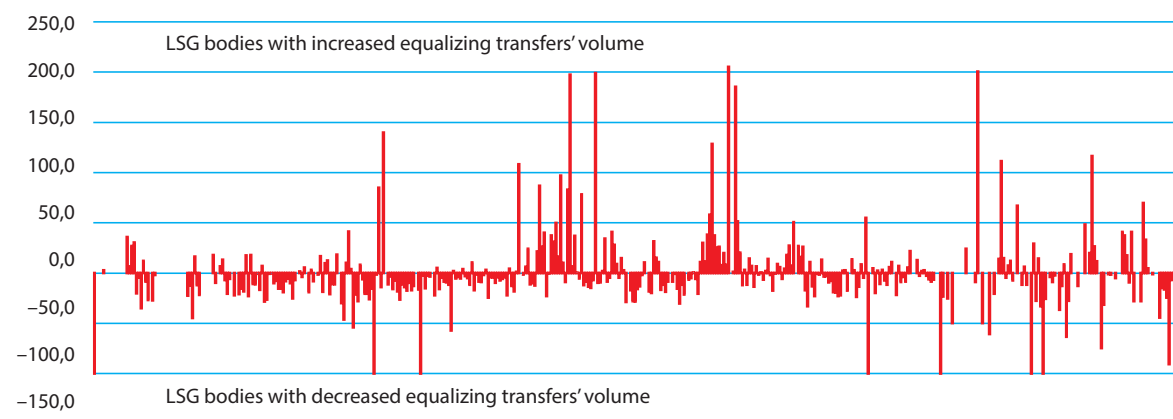


Chart 16. Growth of equalizing grants for individual ayyl aimaks in 2020, %

Representatives of LSG bodies also express common opinion that the current formula for calculating equalizing grants is not transparent and does not allow to verify correctness of the annual transfers' calculations.

The policy of equalizing budgetary provision also does not solve the problem of equalization itself that is bringing the level of financing of LSG bodies to acceptable equality, which will allow them to ensure equal rights for citizens with respect to access to services, regardless of the territory of residence. An analysis of the financing of spending responsibilities of LSG bodies under budget classification items reveals that some LSG bodies are not able to fully finance performance of their duties.

Table 6. Example of subsidized AA's spending structure, Talas oblast, million soms

Spending line item	2016	2017	2018	Share
All spending	100 894,7	238 515,9	150 094,3	100,0 %
General government services	51 703,7	185 244,6	102 344,7	77,7 %
Defense				0,0 %
Public order and security				0,0 %
Economic issues	2 554,8	2 811,1	2 302,9	1,2 %
Environmental protection				0,0 %
Housing and public utilities				0,0 %
Healthcare				0,0 %
Recreation, culture and religion	4 167,7	4 071,6	3 932,3	1,7 %
Education	42 468,5	46 388,6	41 514,4	19,4 %
Social protection				0,0 %

As can be seen from Table 6, this AA simply does not finance a significant part of expenditures.

In addition, a huge territorial inequality arises in the financing of many items, for example, expenditures for housing and public utilities (hereinafter - HPU).

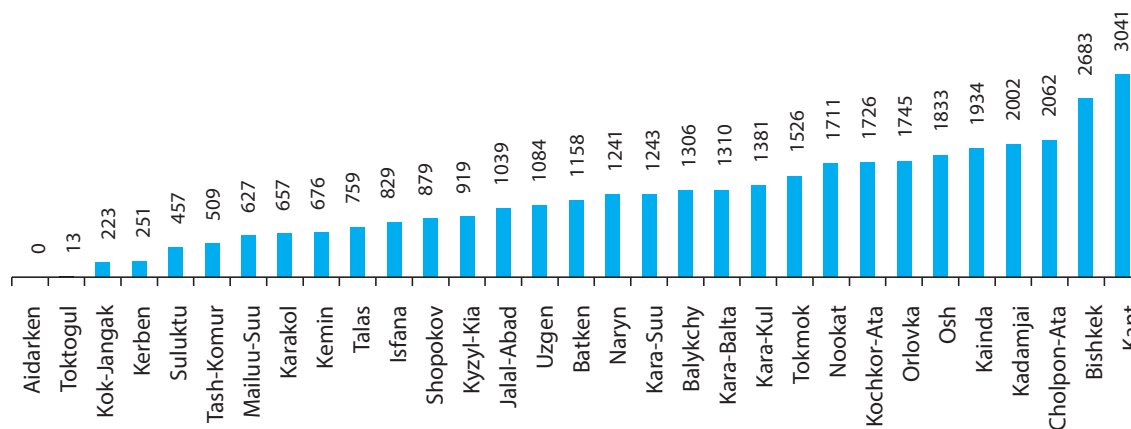


Chart 17. Rating of housing and public utilities financing in cities of the Kyrgyz Republic in 2018 (per capita), soms

Chart 17 shows that the gap between the levels of per capita financing of housing and public utilities (hereinafter - HPU) in the cities of the Kyrgyz Republic is unjustifiably huge. For example, in Kant this indicator is 3,041 soms per resident, while in Kok-Jangak only 223 soms, which is 14 times less. At the same time, it is important to understand that it is under HPU budget line item all basic services for citizens are financed - drinking water supply, local roads, street lighting, garbage collection and more. The situation is not much better in rural LSGs.

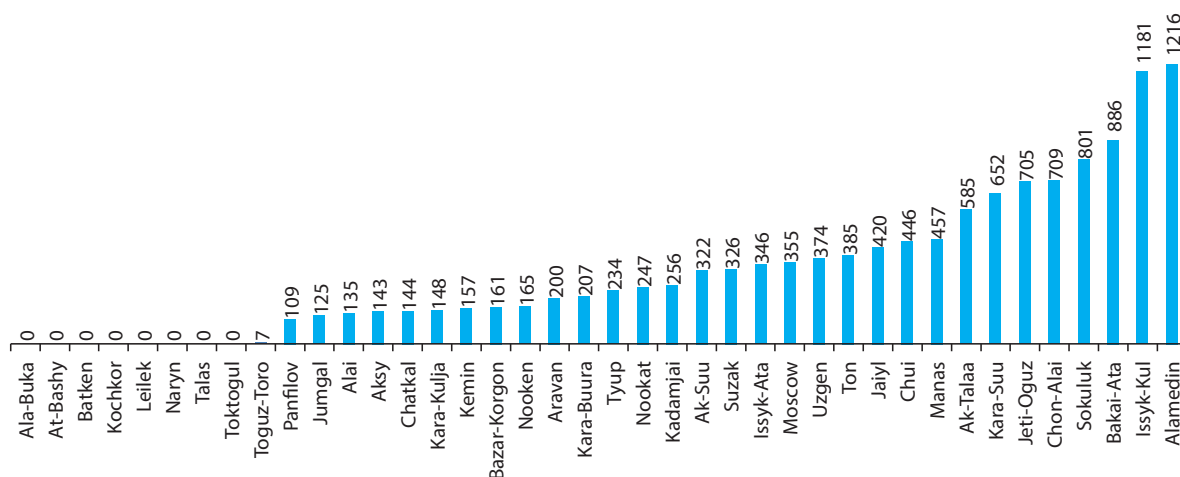


Chart 18. Rating of housing and public utilities financing in AA of the Kyrgyz Republic in 2018 (by rayons, per capita), soms

Diagram 18 shows that the gap between the levels of per capita financing of housing and public utilities in rural areas of local self-government of the Kyrgyz Republic is also unjustifiably large, although less than in cities. Thus, in Alamedin rayon, AA finances HPU in the amount of 1,216 soms per resident, while in Panfilov rayon only 109 soms, which is 11 times less. More significant territorial gaps are observed in financing social protection spending.

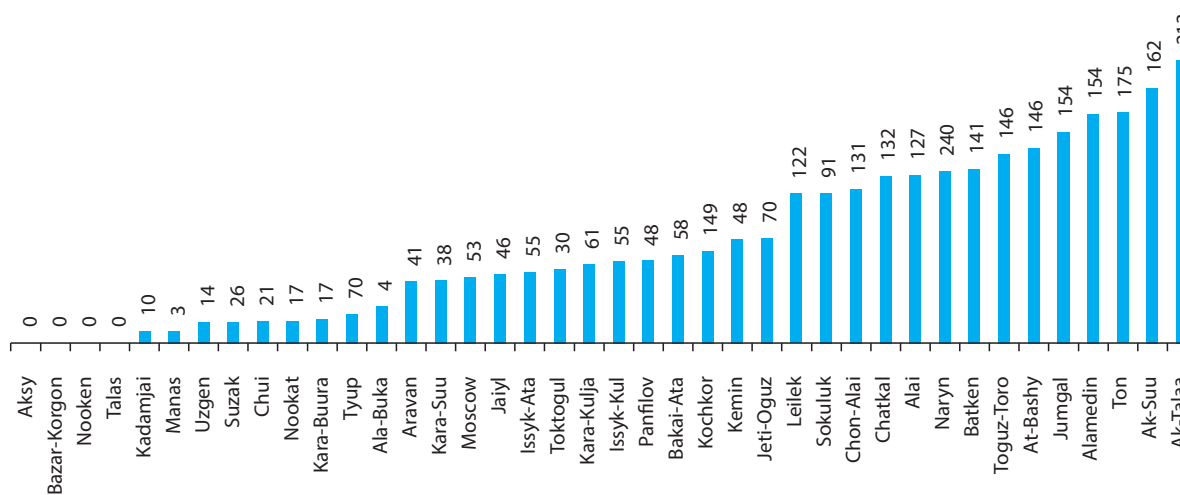


Chart 19. Rating of financing of social protection in AAs of the Kyrgyz Republic in 2018 (by rayon, per capita), soms

Chart 19 clearly shows that the territorial gap in the level of financing social protection in rural bodies of LSG of Ak-Talaa rayon is 221 soms per resident, while in Kadamjai and Manas rayons the corresponding indicator is only 10 soms per capita, i.e. 22 times less.

All of the above allows to conclude that in terms of service provision for citizens, the current system does not ensure equalization of budgetary provision as such.

Regulated income distribution policy

Changes undertaken by the Government of KR over the past two years in the system of distribution of state taxes have not yet yielded positive results.

According to sample statistics, the planned increase in the share of income tax withheld by the tax agent in the local budget could not compensate for the loss of LB from the planned decrease in the share of LB in revenues from sales tax. Representatives of LSG bodies with developed trade, indicate that this measure had very negative consequences for the LB revenues, especially for urban. For example, the budget losses of Kara-Balta city was about 70 million soms per year, Cholpon-Ata city - 20 million soms, Kaindy city - 20 million soms. Some AAs lose an average of about 1 million soms per year. An increase in the share of income tax does not compensate for the loss from a reduction in sales tax revenue for such territories. It affects positively only small municipalities where trade is not developed and where substantial budget revenues come from the taxation of employees of state social institutions. But even such LSG bodies express concern that in the event of an increase in income tax income, the amount of the grant to be cut will be reduced for them.

Also, representatives of LSG bodies often raise the question of the fairness of the commercial electricity tariffs applied to municipal educational, health and social facilities. According to representatives of LSGs, non-revenue generating facilities should not pay for electricity at rates provided for businesses.

Allocation of incentive (share) grants

In general, practice of providing incentive (share) grants is warmly welcomed by LSG bodies, as it makes it possible to implement development projects. Since the introduction of this system, many measures have been taken to improve it, but to this day, LSGs have noted some imperfections, which should be continued.

Increase in the share of co-financing of incentive grants to LSG bodies required from LB occurred in 2015 and created difficulties for the participation of subsidiary LSG bodies in the competition for grants. The share for LSG bodies with income security from 50 to 100% (low-income LSGs) was increased by the Decree of the Government of KR dated April 21, 2015 No. 230 "On Amendments to Regulation on Selection and Financing of Projects from Share (Incentive) Grants". With these changes, the share of participation of low-income LSG bodies in co-financing was increased from 10% to 15%, while the contribution began to be required in cash, whereas in a similar provision as amended in the 2012 regulation, it could consist of 50% of materials and labor resources. Thus, in fact, the monetary threshold for this category of LSGs not even by 5, but by 10%. The contribution for LSGs with income security below 50% was reduced from 10% to 7%, however, the repeal of the ability to compensate half of the share with materials and labor resources actually increased their cash contribution by 2%.

Blacklist of MF KR. LSG bodies that failed to fulfill obligations to co-finance or implement projects of incentive (shared) grants due to any objective or subjective reasons are included in the "blacklist" of MF KR. Inclusion in such a list makes it impossible for LSG body to participate in competitions for receiving incentive (share) grants. At the same time, creation of these lists, although justifiable from the point of view of strengthening the project execution discipline should take into account objective factors and the very conditions for the allocation of these grants. For example, non-compliance with obligations may be due to the fact that little time is provided to implement projects on incentive grants, as the Regulation on the selection and financing of projects from share (incentive) grants as amended by the Decree of the Government of KR dated April 21, 2015 No. 230 establishes that projects must be completed and implemented during the relevant fiscal year.

Such time limit may cause an increase in the number of unfinished projects. This restriction, as well as the established cost limit of 3 million soms, makes it impossible to implement large proj-

ects by subsidiary LSG bodies. In this case, it would be advisable to establish an equal principle of the incentive grants financing – small grants to all, with the possibility of accumulation for development budgets.

The regulations on the selection and financing of projects from share (incentive) grants as amended by the Decree of the Government of KR dated April 21, 2015 No. 230 introduced quotas for incentive (share) grants for rayons and cities of rayon and republican significance, which created unequal opportunities for LSG bodies. Thus, LSGs of cities of rayon and republican significance are guaranteed annual financial assistance from the republican budget for the implementation of capital projects. Whereas LSGs applying at the rayon level of a city of rayon significance and rural LSGs have an opportunity to receive financial assistance for the implementation of their capital projects only on a competitive basis, which limits their ability to develop infrastructure.

Local budget revenue planning

Representatives of LSG bodies argue that the so-called recommended forecast figures for LB revenues “released” by MF KR through its regional divisions are actually targets, and LSG bodies are forced to bear responsibility (up to the administrative, for example, in the form of reprimands) for their failure to achieve them. In addition, they consider these figures to be unreasonably high - an average of 10-20%. Even taking into account the fact that all assets from the revenues have been taken into account, the forecast “released” from above significantly overestimates them.

Cases have been identified where even when funds were withdrawn from the revenue base, MF KR continued to plan previous volumes of revenue (an example was given of the distillery in the city of Kara-Balta, which had already been closed for a long time, and MF KR continued to set the same excise tax collection on the production of alcoholic beverages).

Distribution of internal investment projects of capital contributions

Despite the requirements of the Budget Code of KR that the management of public finances in the Kyrgyz Republic should be based on strategic (Articles 82), medium-term (Articles 82 and 89) and programmatic (Articles 84, 85) approaches, the same Budget Code retains an illogical requirement that the total amount of capital investments is determined by RLA on budgets (i.e., approved in one line without a three-year forecast and program allocation of resources) (Article 29). This contradiction leads to chaos and bias (lobbying the interests of individual officials) of planning capital contributions from internal sources, non-transparency of their distribution (lack of regional and sectoral analysis) and the inability of LSGs to take this type of budget investment into account in their socio-economic development programs. This also distorts the picture representing the share of LB in the consolidated budget of the Kyrgyz Republic: it is impossible to automatically add these investments to the financing of the local communities’ needs, since it is not clear which of them relate to issues of local significance and which to the state.

Representatives of LSG bodies express a unanimous opinion that the existing capital investment planning procedure is not transparent and contradicts the requirements of modern socio-economic and financial planning. This allows to make volatile, premature and inconsistent decisions, because of which:

- representatives of LSGs do not have information about decisions made on the construction of facilities on their territory at the republican budget expense;
- facts of an unfair distribution of funds and facilities arise (more influential deputies of the Parliament and other politicians contribute to the redistribution of funds in favor of «their» territories);
- objects of long-term construction are accumulated and many actual needs of local communities in new objects are not satisfied.

1.4.3. Need for process of coordination of interbudgetary relations between the Government of KR and LSGs

LSG bodies are actually participants in the budget process not only at the local, but also at the republican level, since some parameters of the republican budget directly or indirectly relate to the functioning and development of LSGs.

1. Interbudgetary relations and the relationship between the transfers' sizes for various purposes, including:
 - issues and problems of planning all types of interbudgetary transfers and dependence of the sizes of some types on the sizes of others;
 - issues of financing delegated state powers;
 - issues of distribution of regulated revenues between the republican and local budgets.
2. Budget investments, including:
 - issues and problems of planning internal capital investments;
 - issues of the LSGs' participation in raising funds and selecting budget investment projects financed from external sources.
3. Planning for sectoral expenses of government bodies that interact financially (or obliged to interact) with LSG bodies in matters of exercising delegated state powers or having spending responsibilities in the same sector as LSG bodies (for example, education and healthcare).

Most of these aspects are included in the problem series described in the previous section. This means that, on almost every issue, a negotiation process is needed between LSG bodies represented by the Union of LSGs, the Government of KR, and JK KR.

1.4.4. Municipal property management

Structure of municipal property

Municipal property, in particular land and real estate, represents an essential part of the economic potential of LSG bodies. With skillful management, this property is transformed from an object of expenditure into a source of income or, at least, does not fall financial burden on the local budget.

In total, according to the data collected by SALSGIR1 in 2018, more than 13 thousand objects of various purposes were in the ownership of LSG bodies, of which more than 9 thousand or about 73% of the total number of objects passed state registration.

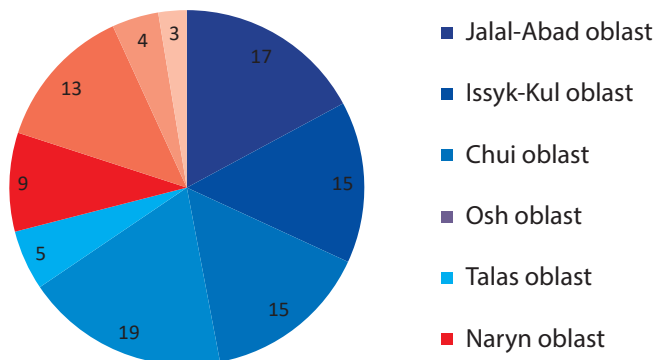


Chart 14. Geographical structure of municipal property objects, 2018, in %

¹ Inventory data of municipal property obtained by SALSGIR from LSG bodies.

In general, the structure of municipal facilities is divided into 3 categories. The first category - objects necessary for LSG bodies to perform their functions and resolve issues of local significance, including administrative buildings of LSG bodies; buildings used by municipal institutions, educational, social, cultural, sports facilities and others. This array of property is the subject of expenses for LB, as LSGs use them and are obliged to bear all the costs of their maintenance, not being able to extract income from their management. In relation to this category of facilities, LSG bodies are faced with the task of optimizing costs by applying energy-saving technologies, conducting quality maintenance work, etc. There is a specific group of facilities in relation to which during 2018-2019 the discussion continues between the Government and LSG bodies - secondary schools. The costs of their maintenance make up a significant part of the LB expenses, while secondary education itself is not a function of LSG bodies, which gives rise to multiple conflicts of both a legal and financial nature.

The second category of objects is non-sectoral, which are not necessary for LSG bodies to perform their functions and resolve issues of local significance. This property array emerged in two ways. Firstly, by receiving from the state in the 90s of XX century, at the time of the formation of LSG bodies, for example, objects such as shops and cinemas. There are few such objects left; most have already been privatized by LSG bodies. Secondly, through the acquisition or construction of new facilities, such as teahouses and restaurants, commercial enterprises, mosques, etc. This group of facilities is a serious problem, as it is in municipal ownership in violation of applicable law, is not related to functions LSG, does not generate income, but "stretches" already limited budgetary resources of LSG bodies. So, in Batken oblast, almost every AA owns one or several mosques and is responsible for their maintenance, most AAs have teahouses or even several similar establishments.

The third category is objects used by state bodies, but they are in municipal ownership. These are also non-sectoral objects for LSG bodies, the costs of which should not be the LSGs' responsibility. For example, mayor office of one of the cities owns 15 healthcare facilities and, accordingly, as the owner is responsible for their maintenance.

Thus, the analysis of the municipal property structure suggests that it should be optimized in order to reduce unreasonable expenses of LSG bodies for the maintenance of non-core objects. This requires the necessary changes and clarifications to the legislation.

In respect of municipal land, accurate data for analyzing the quality of its management were not found in open sources. Official data provide only information on the total area of municipal land, which is not enough to draw accurate conclusions about the achievements and problems in management. However, the following facts are reliably known.

Many LSG bodies did not undertake an inventory of municipal land, which entailed certain difficulties. Firstly, these LSG bodies do not know what resources they have for the development of settlements; without relevant data, they cannot produce spatial planning for the territories' development. Secondly, they provoke citizens to illegal seizures and unauthorized cutting of excess land (for example, when fences are moved outside the land, capturing part of the municipal street). It should be noted that this issue concerns some of the leaders of urban LSGs. In particular, the mayor offices of individual cities are working with registration authorities to use drones to video record the municipal streets in order to identify surpluses. However, problem of the lack of reliable and complete data regarding the management of municipal land is not only a problem of LSG. Given the shortage of financial resources for development, functioning in the consumption mode, many LSG bodies, especially rural ones, do not have enough funds to conduct an inventory of municipal lands. In addition, in modern conditions, an inventory is no longer carried out by physical examination, but is done using modern technologies, including drones, satellite imagery, etc. In this

situation, interaction between the state and LSG bodies is necessary to comprehensively solve the spatial data problem.

Municipal property market

Information on transactions with municipal real estate is open and subject to publication in accordance with the legal requirements of the Kyrgyz Republic established in Article 29 of the Land Code of KR dated June 2, 1999 No. 45; Article 15 of the Law of KR “On Municipal Property Ownership” dated March 15, 2002 No. 37; Article 20 of the Law of KR “On Access to Information Held by State and Local Self-Government of the Kyrgyz Republic”) held by state bodies and local authorities of the Kyrgyz Republic” dated December 28, 2006 No. 213, as well as in the Model Regulation on the procedure and conditions for provision of property rights or lease to land plots belonging to the municipal property (approved by the Decree of the Government of KR on September 23, 2011 No. 571).

Public interest in selling municipal real estate is traditionally high, which is also associated with high risks of corruption in this area. Even a cursory analysis of media reports suggests that most of the corruption offenses by LSG bodies are related to the land management and real estate.

Therefore, information about transactions executed by LSG bodies with lands and real estate is of great interest both to society as a whole and to residents of specific municipalities, joint monitoring and evaluation groups, as well as to the media. Business community is a separate audience, including entrepreneurs interested in acquiring real estate in various municipalities and monitoring prices on the real estate market.

Monitoring process of the municipal real estate sale has been greatly simplified facilitated due to the use of modern information and communication technologies, which made it possible to create an online source of information on transactions on the website of the Department of Cadaster and Registration of Rights to Real Estate of the State Registration Service under the Government of the Kyrgyz Republic (hereinafter referred to as DCRRRE KR) in the “Market of municipal facilities” section on the website <http://klis.gosreg.kg/MunicipalProperty.aspx>.

It should be noted that number of transactions with municipal real estate is decreasing from year to year. The main reason, unfortunately, is that number of objects suitable, for example, for sale or lease, is becoming smaller. Experts have repeatedly warned the Government of KR and LSGs that inefficient management of municipal property would entail its loss. Chart 21 shows that sales transactions almost stopped, in 2017-2018 only a few cases were recorded. It could be assumed that LSG bodies began to take a more cautious approach to resolving the issue of selling municipal property and land, preferring to lease property, preserving it, thereby, for future generations. This is precisely the situation that was observed in 2017, when the number of sales transactions decreased, the number of lease and use transactions slightly increased. However, this dynamic is not equivalent. So, the number of lease and use transactions in 2017 in aggregate increased by 33%, and the number of purchase and sale transactions decreased by 96%. These data indicate that there is almost nothing to sell.

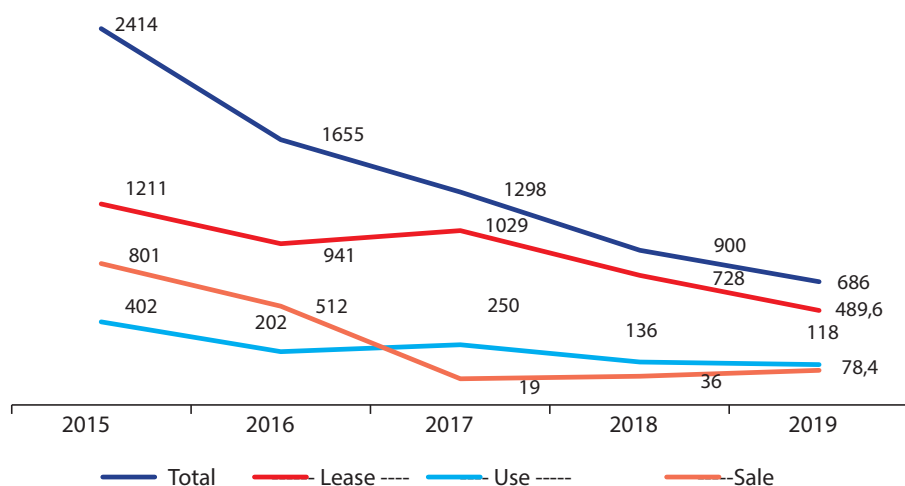


Chart 21. Dynamics of transactions with municipal real estate and land (by types of transactions), number of transactions

Effectiveness of such transactions is also of serious concern. The DCRRE website regularly publishes a price index for commercial real estate, which allows comparing these prices with the value of real estate sold by LSGs. Analysis shows that municipal property prices are significantly lower than market prices.

Table 7. Financial losses from inefficient sales of municipal facilities, soms

Indicators	2017	2018	2019
Price of 1 m ² municipal asset	257	39	514
Price of 1 m ² asset on market	2518	9482	13168
Area	1476	724	857
Difference in price for 1 m ²	2261	9443	12653
Sum of loss	3337495	6836589	10843673
Total sum of loss			21017759

The data in Table 7 above confirm that the total amount of losses for the period 2017-2019. amounted to 21 million soms, and this is only in relation to the sale of real estate, excluding the sale of land. Losses from the sale of land and ineffective lease are currently not possible to calculate, since there is no official data on the market value of lease by region. A retrospective analysis allows to conclude that over the past 5 years, the total amount of local budget losses from inefficient transactions has exceeded 1 billion soms.

These losses are the result of inefficient process of municipal property management.

When a governing body (state and municipal) manages public (state or municipal) finances, legislation, the state and society require maximum transparency and strict procedures to ensure that resources are spent efficiently and do not entail corruption benefits. These requirements are especially stringent for the public procurement process. However, in relation to another process of managing public (state and municipal) resources - land and real estate, although the procedures exist, the control over their observance is less stringent. This is evidenced by both transaction data and the results of inspections of prosecution authorities, which annually record violations of the law precisely in the area of disposing of property, especially municipal property. Thus, according to the inspection results in 2018, the majority of compensation for damage revealed during the

inspections by the prosecution authorities in kind was attributable to the return of 156 land plots with a total area of 629.14 hectares to state and municipal ownership totaling more than 3 billion soms¹.

In fact, the state and municipal sales should be governed by legislation that has the same nature and logic as the law on state and municipal procurements, since in both cases it is about the control over public resources.

Following this logic, the state should ensure control over the process of state and municipal sales at the same level as over the process of state and municipal procurement. That is, there should be an electronic portal where all information about planned and completed transactions is posted in the public domain, which will increase the level of competition during the bidding process. Currently, information is published only regarding transactions that have already been completed, which does not allow potential buyers to find out about planned sales in a timely manner, reduces the level of competition, the sale price, which creates conditions for corruption.

Ways to achieve this goal can be different - from the adoption of the law on state and municipal sales to the introduction of a number of amendments to the existing regulatory framework, including the Land Code of KR dated June 2, 1999 No. 45, the Law of KR "On Municipal Property" dated March 15, 2002 No. 37, etc.

1.5. LAW ENFORCEMENT BY LSG BODIES

1.5.1. Access to information about law enforcement by LSG bodies

Data on offenses committed by LSG bodies are collected by the Prosecutor General's Office. The format for presenting this information is constantly changing, and it is not possible to conduct any objective analysis. For example, earlier Prosecutor General's Office in the report to the Parliament of KR indicated the number of corruption cases, grouping them by categories of government. In similar report for 2018, there is no such data, there is only data on the number of inspections carried out, nature of the violations detected and the amount of compensation. Thus, it is impossible to describe the situation with the law enforcement by LSG bodies from the overall picture, based on the Prosecutor General's report. At the same time, LSG bodies consider that the report should reflect not only the thematic structure of violations, but also the number of violations by categories of government bodies. In addition, the Prosecutor General's report to Jogorku Kenesh should be standardized, requirements for the format of the information provided should be established so that JK KR, government system and society have an opportunity to analyze the situation.

Publication on the site <https://www.prokuror.kg> of information about the results of inspections carried out in LSG bodies by the prosecution bodies can be considered an achievement of the agency. Such information has been published on this website since 2018. However, the information is placed irregularly and not in a machine-readable format, which does not allow to analyze this information. The Union of LSGs believes that in order to strengthen crime prevention by LSGs, there is a need to post this information on a systematic basis in a machine-readable format.

1.5.2. Inspections of LSG bodies

According to the data of the General Prosecutor's Office of KR in 2018, out of 2,030 inspections conducted to fight against corruption violations, 746 (37.7%) inspections were carried out in the bodies of LSG and LSA. It is important to note that despite repeated appeals, the Prosecutor General's Office continues to combine LSG bodies and local state administrations in one category in its reporting.

Moreover, the majority of detected violations accounted for the actions of LSG officials related to public procurement and non-compliance with the requirements of anti-corruption laws.

¹ Report of the Prosecutor General of the Kyrgyz Republic about legitimacy in the Kyrgyz Republic in 2017 and prosecutor agency's work to strengthen it. URL: <https://www.prokuror.kg/news/3424-otchet-generalnogo-prokurora-kyrgyzskoj-republiki-o-sostoyanii-zakonnosti-v-kyrgyzskoj-respublike-v-2017-godu-i-o-prodelannoj-organami-prokuratury-rabote-po-ejo-ukreplenyu-2.html>

Registration was denied in 87 (30) inspections in relation to LSG bodies for reasons of incorrect execution of documents for their registration or due to the conduct of a similar inspection earlier, etc.

To oversee the enforcement of legislation on municipal property, the prosecution authorities conducted 249 inspections, which initiated 11 disciplinary and administrative proceedings, as well as 15 criminal cases. According to the acts of prosecutorial response, 100 persons were brought to disciplinary responsibility and 4 persons were brought to administrative liability. The compensation amount in favor of the state was 3,613,103,387 soms.

According to preliminary data from the working group created on February 5, 2019 by the Decision of the Committee on Constitutional Legislation, State Structure, Judicial Legal Issues and Regulation of JK KR, which verifies implementation of the Law of KR “On Procedure for Conducting Inspections of Local Self-Government Bodies Activities” dated March 31, 2016 No. 32, the legal violations by both government and LSG bodies are the following violations. By the state bodies authorized to conduct inspections¹:

- annual inspection plans do not contain statutory requirements for indicating the location of the inspected LSG bodies; a list of legal acts, observance and implementation of which will be checked (for example, the plans indicate the subject of verification: “anti-corruption, budget, labor legislation, on the procedure for considering citizens’ appeals, on minors, on ethnic hatred and extremism”); such an unjustified expansion of the subject of inspection creates opportunities for arbitrariness of inspectors and violates the rights of LSG bodies;
- facts of conducting routine inspections of social facilities located in the territories of LSG bodies and financed from local budgets by employees of the territorial divisions of the Department of Disease Prevention and State Sanitary and Epidemiological Surveillance of the Ministry of Health of the Kyrgyz Republic (hereinafter - Sanitary and Epidemiological Supervision), which was not included in the List of authorities conducting routine inspections, approved by the Resolution of JK KR dated May 25, 2017 No. 1618-VI;
- facts of conducting routine monitoring of compliance with legislation in the field of state civil service and municipal service by LSG bodies by SPS KR; in fact, the monitoring is also an inspection of LSG bodies, but this authority was not included in the List of authorities conducting routine inspections, approved by the Resolution of JK KR dated May 25, 2017 No. 1618-VI;
- Violations of timelines for a written notification to LSG bodies about upcoming routine inspection, which should be submitted no later than 10 calendar days before the day of the inspection;
- Cases when the log of inspections was filled in by responsible employees of mayor offices and AOs, while registration of the inspection of LSG body in the log of inspections must be performed by an official of the authorized state body before the inspection.

The following violations were also revealed by LSG bodies:

- LSG bodies within one month after the completion of the inspection do not post on their official websites and/or on bulletin boards information about the inspection findings, including information on identified violations of the law;
- LSG executive bodies do not inform local kenesh within a month from the date of the inspection on the findings, including violations identified, and also within 6 months from the date of the inspection - on measures taken to eliminate these violations;

¹ Information was provided by the working group.

- in the vast majority of cases, the heads and employees of LSG bodies do not exercise the right to require verification from the inspectors to present an official ID, familiarize with the decision of the authorized state body to conduct inspection, a statement (if inspection is initiated on the basis of an appeal) and other documents that are the basis for the inspection; require familiarization with the legal acts, implementation and compliance of which is entrusted to LSG bodies and subject to verification; require the inspecting officer to make respective entries in the log of inspections.

During verbal conversations with the heads and employees of the LSG executive bodies, it turned out that some unscrupulous employees of the prosecutor's office, the State Committee for National Security of KR, and the Financial Police of KR call the heads and employees of LSGs by phone **to explain** the alleged facts of citizens' complaints.

Most of the heads and employees of the LSG executive bodies noted that they fulfill the **verbal requests** of these law enforcement agencies so that they would not subsequently initiate criminal proceedings against them.

And yet, one of the most important problems with inspections according LSGs is absence of any responsibility of citizens for false complaints and statements. It turns out that one can complain about anything, paralyze the work of the LSG body with an inspection, in the case of no proof of complaint, the complainant is not responsible for anything.

КОЧКОРБАЕВ АЙЫЛДЫК АЙМАГЫНЫН БЮДЖЕТИ - 10 116 000 сом

КИРЕШЕЛЕР:

Патенттин негизинде салыктар

1 000 000 сом



Киреше салыгы
1 118 000 сом



Таштандыларды чыгаруу
үчүн жыйым
12 000 сом



Мүлккө салык
1 282 200 сом



Сатуудан алынуучу салык
410 000 сом



Башка кирешелер
2 947 400 сом



Айыл чарба
жерлеринен
алынган салык
103 800 сом

Айыл чарба
эмес жерлерден
алынган салык
430 000 сом

Короо жай
жерлеринен
алынуучу
салык
144 800 сом

Айыл чарба жерлеринен
мамлекеттик фондуну
икчасасы
1 236 600 сом

Жайыттануу
30 000 сом

Жалаңгыз өздөө
400 000 сом

Тышкы өлкөдөн
чыгаруу
200 000 сом

Кыргызстандуу
400 000 сом

2018-жылга



ЧЫГАШАЛАР:

Билим берүү
2 566 300 сом

Экономикалык маселелер
7 800 сом

Башка чыгашалар
1 856 100 сом

Социалдык
амалдар
235 000 сом

Мамлекеттик бюджеттер
4 620 500 сом

Маданият
жана спорт
380 300 сом



Кыргызстандуу
400 000 сом



SECTION II.

IMPACT OF LAWS ADOPTED IN 2016-2019 ON LOCAL COMMUNITIES

2.1. LAWS WITH THE GREATEST IMPACT ON THE DEVELOPMENT OF LOCAL COMMUNITIES AND LSG

The main objective of this Report is to provide JK KR with information about how LSG bodies assess the impact of adopted laws. To this end, the Union of LSGs together with DPI invited experts to compile a list of laws adopted by the Parliament during the period from 2016 to 2018. The list includes 50 laws introduced by four committees of JK KR:

- Committee on Constitutional Legislation, State Structure, Judicial Legal Issues and the Regulation of Jogorku Kenesh KR;
- Committee on Budget and Finance of JK KR;
- Committee on Agrarian Policy, Water, Ecology and Regional Development of JK KR;
- Committee on Social Issues, Education, Science, Culture and Health of JK KR.

The authors group ranked and reduced this list to 18 laws, which could have the most significant impact on the state and development of LSG bodies and local communities (see Appendix 1). Then, LSGs' opinions were studied through focus groups with representatives of LSG bodies. The main criterion for the selection of focus group participants was an indifferent attitude to the LSG development and practical experience with a particular law. In total, 55 people took part in focus groups in Bishkek and Osh, including 9 representatives of cities and 39 representatives of AA. The focus group format allowed the participants to deep dive into the comprehension of the adopted legislation and, based on own example, evaluate the impact of the adopted laws. The opportunity to conduct such an analytical work was received with great enthusiasm by representatives of LSG bodies.

OPINION

One cannot but welcome the initiative to develop a Report for JK KR about the impact of laws on the LSG development. This is necessary for us, LSG bodies, but it is also necessary for JK KR. We need to have a direct communication channel in order to adjust errors and imperfections of the legislation. Deputies of the Parliament need such a relationship to monitor the implementation of laws on the ground and, if necessary, improve them. It is especially important that the Report is done on behalf of all LSGs. When we propose to make any changes to the law or complain about its non-fulfillment alone, it is simply someone else's proposal or complaint. However, when the Union of LSGs speaks on behalf of all LSG bodies, this is a systematic assessment that gives more chances that our voices will be heard.

Focus group member, head of AO

In general, LSG bodies positively evaluate the work of JK KR. So, out of 18 laws studied, 14 received a positive evaluation by the majority of LSG bodies, which makes 78% of the total number of laws considered during the preparation of the Report.

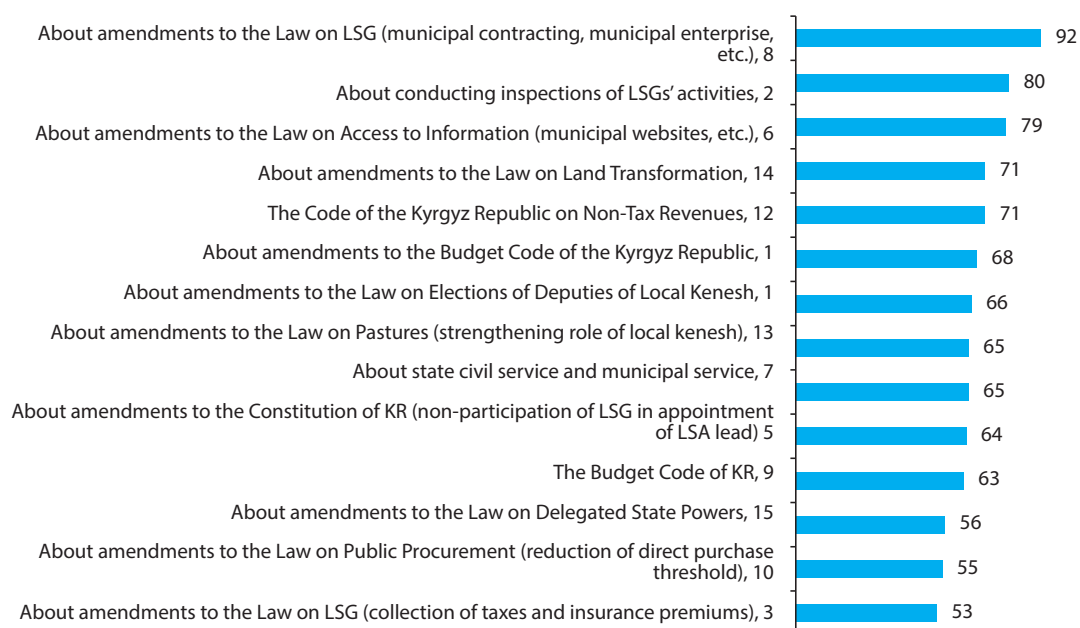


Chart 22. Rating of laws that received a positive assessment of their impact on the development of local communities and LSG bodies by the majority of focus group participants, in %

Processing the results of the focus group study allowed to identify five laws, the positive impact of which is recognized by most LSG bodies (see table 8).

Table 8. Laws with the positive impact that is recognized by most LSG bodies

Nº	Title of the law	Committee that initiated the law	Share of LSGs ¹ , positively assessing the law's impact
1	Law of KR "On Amendments to the Law of the Kyrgyz Republic "On Local Self-Government" dated January 27, 2018 No. 16	Committee on Constitutional Legislation, State Structure, Judicial Legal Issues and Regulation of JK KR	92
2	Law of KR "On Procedure for Conducting Inspections of Local Self-Government Bodies" dated March 31, 2016 No. 32	Committee on Constitutional Legislation, State Structure, Judicial Legal Issues and Regulation of JK KR	80
3	Law of KR "On Amendments to Certain Legislative Acts of the Kyrgyz Republic (Laws of the Kyrgyz Republic "On State and Municipal Services "; "On Access to Information Held by State and Local Self-Government of the Kyrgyz Republic") dated July 20, 2017 No. 162	Committee on Constitutional Legislation, State Structure, Judicial Legal Issues and Regulation of JK KR	79

4	Law of KR "On Amendments to Certain Legislative Acts of the Kyrgyz Republic (Laws of the Kyrgyz Republic "On Introducing Moratorium on Transfer (Transformation) of Irrigated Land to Other Categories and Types of Land ", "On Transfer (Transformation) of Land") dated August 2, 2018 No. 79	Committee on Agrarian Policy, Water, Ecology and Regional Development of JK KR	71
5	Code of the Kyrgyz Republic on non-tax revenues dated August 10, 2018 No. 90	Committee on Budget and Finance of JK KR	71

And only 4 laws mainly affecting the social sphere, did not receive a positive evaluation by the majority of LSG bodies (see Table 9).

Table 9. Laws with the negative impact recognized by most LSG bodies

Nº	Title of the law	Committee that initiated the law	Share of LSGs ² , positively assessing the law's impact
1	Law of KR "On Amendments to Certain Legislative Acts on Protection from Domestic Violence" dated April 27, 2017 No. 64	Committee on Social Issues, Education, Science, Culture and Health of JK KR	67
2	Law of KR "On Amendments to Certain Legislative Acts of the Kyrgyz Republic (Laws of the Kyrgyz Republic "On Bar of the Kyrgyz Republic and Advocacy", "On Local Self-Government") dated December 12, 2016 No. 196	Committee on Constitutional Legislation, State Structure, Judicial Legal Issues and Regulation of JK KR	61
3	Law of KR "On State Benefits in the Kyrgyz Republic" dated July 28, 2017 No. 163 (in edition of Laws of KR dated December 28, 2017 No. 222 (27), March 30, 2018 No. 33, January 24, 2019 No. 18)	Committee on Social Issues, Education, Science, Culture and Health of JK KR	58
4	Law of KR "On Protection from Domestic Violence" dated April 27, 2017 No. 63	Committee on Social Issues, Education, Science, Culture and Health of JK KR	56

During the discussion, focus group participants noted that a number of laws had an impact on the activities of LSG bodies, both positively and negatively. Therefore, some participants evaluated the same law both negatively and positively.

2.1.1. Impact of laws initiated by the Committee on Constitutional Legislation, State Structure, Judicial Legal Issues and Regulation of JK KR

1. Law of KR “On Amendments to the Law of the Kyrgyz Republic “On Elections of Deputies to Local Keneshes” dated January 21, 2016 No. 8

Impact assessment

Changes important for LSGs	Impact assessment by LSGs, in %				
<ul style="list-style-type: none"> List of voters includes all citizens of the Kyrgyz Republic who have active voting right on the election day, members of the local community and passed biometric registration in the manner established by the Law of the Kyrgyz Republic “On Biometric Registration of Citizens of the Kyrgyz Republic” dated January 8, 2016 No. 8. List of voters is compiled on the basis of personal and biometric data contained in the Unified State Register of Population, taking into account the boundaries of electoral stations. 	<p>A bar chart with two bars. The first bar, labeled 'Positive impact', has a value of 66. The second bar, labeled 'Negative impact', has a value of 34.</p> <table border="1"> <tr> <td>Positive impact</td> <td>66</td> </tr> <tr> <td>Negative impact</td> <td>34</td> </tr> </table>	Positive impact	66	Negative impact	34
Positive impact	66				
Negative impact	34				

Opinion of LSG bodies

Law's strengths	Problems identified during execution of the law
<ul style="list-style-type: none"> Use of biometric data has made the election more transparent. Citizens' confidence in the elections increased, they began to vote more actively. Practice of administrative influence on the election results has decreased. Practice of ballot box stuffing has decreased. 	<ul style="list-style-type: none"> Citizens who did not provide biometric data cannot vote. SRS KR presents voter lists with inaccurate data, due to the fact that data about residency of people is not updated on time. Candidates for deputies of local keneshes do not always provide voters with full information about their education and qualifications. Candidates for deputies of local keneshes are poorly educated, make poor-quality and untimely decisions. There is no requirement for a sufficient work experience for candidates for deputies.

Impact description

LSG bodies evaluate the impact of this law as positive in general, since the activity of local keneshes has significantly increased, as has the citizens' trust in the local election system itself. At the same time, voters and employees of the executive bodies of LSG are extremely dissatisfied with the level of professional training of deputies of local keneshes, more than 40% of whom have only secondary education, and sometimes get a mandate without having one year work experience. The situation is complicated by the fact that in the Kyrgyz Republic there is no official system for training deputies of local keneshes; chaotic and unsystematic trainings provided by development partners have only a fragmented effect on individual topics and on individual deputies.

The quality of local keneshes' performance and sustainability of local parliamentary democracy can be measured by the number of dissolutions of local keneshes. So, for the period 2016-2019, due to lack of quorum or inability to elect the head of the LSG executive body, 58 local keneshes or 12% of their total number, were dissolved. It should be noted that 12% is a rather high indicator. Of course, the dissolution of local keneshes can occur, but this can be a single, extraordinary case, while 12% indicate a systemic problem. Therefore, LSG bodies strongly recommend increasing the educational and professional qualifications for candidates for deputies of local keneshes. Also, LSG

bodies consider it necessary to provide for a simple and effective mechanism for recalling deputies that cannot perform their duties.

At the same time, experts note that this law as amended in 2014, also had a negative impact on LSG bodies, since without providing the necessary funding, all LSG bodies were entrusted with the additional function of collecting biometric data.

2. Law of KR “On Procedure for Conducting Inspections of Local Self-Government Bodies” dated March 31, 2016 No. 32

Impact assessment

Changes important for LSGs	Impact assessment by LSGs, in %
<ul style="list-style-type: none"> – The law establishes the procedure for conducting inspections of LSG bodies. 	<p>A bar chart with two bars. The first bar, labeled 'Positive impact', reaches the 80% mark on the y-axis. The second bar, labeled 'Negative impact', reaches the 20% mark on the y-axis.</p>

Opinions of LSG bodies

Law's strengths	Problems identified during execution of the law
<ul style="list-style-type: none"> – Procedures for conducting inspections of LSG bodies is now determined by law, which has stopped randomness of inspections. – Number of inspections has decreased. – Engagement of public in the inspection process has increased objectivity and transparency. 	<ul style="list-style-type: none"> – Number of inspections per complaints has increased, if a violation is not verified, complainants do not bear any liability. – Inspection bodies found another way of organizing inspections: they accept appeals from straw men, during the inspection they can change the content of the appeal and inspect another area of activity. – Repeated inspections are ongoing on the same issue. – Inspecting authorities found another way to influence LSG bodies, they do not come to LSG bodies, but more and more often they call in the heads and employees of LSG bodies.

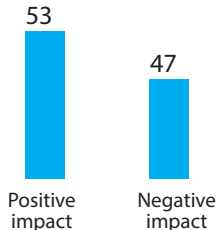
Impact description

LSG bodies highly appreciate this law, since limiting and streamlining of inspections has become a necessity. After the adoption of the law, the rights of LSGs regarding inspections became more clear and realistic. At the same time, LSG bodies draw attention to the need to strengthen control over the onset of liability for persons who file unreasonable or knowingly false complaints with inspection bodies.

Data on the number of inspections carried out in LSG bodies in recent years have not been found in open sources. This does not allow to establish exactly whether there is a tendency to reduce the number of inspections. LSG bodies believe that such statistical information should be made public and included in the report of the Prosecutor General of the Kyrgyz Republic to JK KR.

3. Law of KR “On Amendments to the Law of the Kyrgyz Republic “On Local Self-Government” dated April 21, 2016 No. 48

Impact assessment

Changes important for LSGs	Impact assessment by LSGs, in %
<ul style="list-style-type: none"> – List of DSPs has been supplemented with powers in the field of tax relations in accordance with the tax legislation of the Kyrgyz Republic. 	 <p>A bar chart with two blue bars. The first bar is labeled 'Positive impact' and has the number '53' above it. The second bar is labeled 'Negative impact' and has the number '47' above it.</p>

Opinions of LSG bodies

Law’s strengths	Problems identified during execution of the law
<ul style="list-style-type: none"> – Increased revenues to the local budget. 	<ul style="list-style-type: none"> – Due to close neighborly and family ties between AA residents, including employees of LSG bodies, collection of payments and imposition of fines can be complicated. – Additional functions increase an irrational distribution of the municipal employees’ workload. – No material compensation is provided for an increase in the functional workload on municipal employees.

Impact description

LSG bodies are wary of this law, giving it a dual evaluation. It is expected that the law should contribute to replenishment of local budget revenues, so more than half of the LSG bodies surveyed evaluate it positively. However, in practice, the law increases the already high burden on municipal employees. The problems of delegated state powers to LSG bodies are discussed in detail in the first part of this Report (see section 1.3).

Data on the amount of local budget revenues received from the collection of penalties and fines accrued for late and incomplete transfer of insurance premiums were not found in open sources.

4. Law of KR “On Amendments to Certain Legislative Acts of the Kyrgyz Republic (Laws of the Kyrgyz Republic “On Bar of the Kyrgyz Republic and Advocacy”, “On Local Self-Government”) dated December 12, 2016 No. 196

Impact assessment

Changes important for LSGs	Impact assessment by LSGs, in %
<ul style="list-style-type: none"> The law is supplemented by a new issue of local significance - provision of legal advice (hereinafter - LA) to the population. According to the new version of the law, mayor offices, AO develop and implement a system of providing legal advice to the population, report to the local kenesh on the general state of affairs of providing legal advice and social protection of the population. 	<p>A bar chart with two blue bars. The first bar is labeled 'Positive impact' and has the number '39' above it. The second bar is labeled 'Negative impact' and has the number '61' above it.</p>

Opinions of LSG bodies

Law's strengths	Problems identified during execution of the law
<ul style="list-style-type: none"> An opportunity is created for the public to obtain free legal advice. 	<ul style="list-style-type: none"> Inability of current employees of LSG bodies to provide advice on many issues of citizens. Lack of a full-time lawyer in LSG bodies. Lack of qualified local lawyers. Low salaries do not allow LSG bodies to hire highly qualified specialists.

Impact description

Most LSG bodies negatively evaluate the impact of this law. In accordance with the Law of KR “On State-Guaranteed Legal Assistance” dated July 17, 2009 No. 227, assistance is provided, including in the form of LA by officials of LSG bodies (in the form of legal advice and clarifications in verbal and written form on issues related to their competence, and in the manner prescribed by the law on the consideration of citizens’ appeals). In result of this law, LA was included in the list of issues of local significance. However, in order to perform the new issue of local significance, LSG bodies were not provided with appropriate human and financial resources. The following measures were taken by the state to organize the process. The Government of KR adopted a resolution on December 20, 2018 No. 594 “On procedure for interaction between entities of the system of state-guaranteed legal assistance and a list of documents confirming a person’s right to receive qualified legal assistance”. As part of the implementation of this resolution, the Coordination Center for State-Guaranteed Legal Assistance under the Ministry of Justice of KR established a working group to develop Practical Guide on LA provision by system entities, including LSG bodies. Management should unify the process of providing LA and introduce a unified statistical record of the services provided. The Center also held seminars for LSG bodies to improve the skills of interviewing and counselling citizens, and approved a reporting form on the provision of legal aid provided by the system of guaranteed legal assistance. In 2019, 24 LA centers operate in the Kyrgyz Republic. Most centers are created in collaboration with LSG bodies, but the coverage of the population with this service is only about 5% of the administrative-territorial units. In other municipalities, performance of this function is formal. LSG bodies have adapted to the situation and simply record any complaints from citizens in the registration journals on LA provision. Simply, when a citizen asks for a certificate or any other service, LSG bodies formulate this as LA. Thus, inclusion of this function in the list of issues of local significance did not solve the problem of citizens’ access to the service, but only created an additional document flow. LSG bodies recommend that JK KR exclude this service from the list of local issues in full or transfer it to the category of powers delegated by the state to LSG bodies accompanied by personnel and financial support.

5. Law of KR “On Amendments to the Constitution of the Kyrgyz Republic” dated December 28, 2016 No. 218

Impact assessment

Changes important for LSGs	Impact assessment by LSGs, in %
<ul style="list-style-type: none"> – Provision stipulating the right of local keneshes to propose to the Prime Minister of KR for appointment and dismissal of heads of local state administrations was excluded from the Constitution. 	<p>A bar chart with two blue bars. The first bar is labeled 'Positive impact' and has the number '64' above it. The second bar is labeled 'Negative impact' and has the number '36' above it.</p>

Opinions of LSG bodies

Law's strengths	Problems identified during execution of the law
<ul style="list-style-type: none"> – Proposals of the deputies of local keneshes were taken into account. – “Grouping” disappeared, relationships between the head of LSA and local keneshes became more transparent and constructive. 	<ul style="list-style-type: none"> – Heads of LSA have ceased to reckon with the opinion of the local kenesh deputies, since they are now appointed directly by the Prime Minister. – Heads of LSA have ceased to reckon with the opinion of local communities.

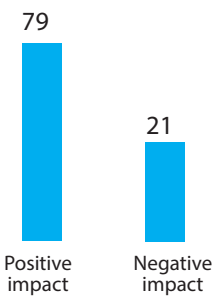
Impact description

Most LSG bodies positively assess the impact of this change, as they recognize that LSA accountable to the Government of KR. Given that LSA is part of the administrative vertical of the government, LSGs understood that their participation in the appointment of the LSA head was “decorative” in nature, creating only the appearance of influence. Exclusion of this provision has improved the relationship between local keneshes and LSA, preventing the «grouping» - formation around the head of LSA of groups of favorable and objectionable local kenesh deputies.

However, it remains unclear whether this change affected the relationship between the heads of the executive bodies of LSG with LSA, which, as well known fact, can still propose candidates for the position of AO head. Statistics on the dismissal of mayors and heads of AO shows that in 2016, 26 managers were dismissed from political positions, in 2017 - 17 people, in 2018 - 30. The Union of LSGs considers it necessary to analyze the reasons for the succession of LSG executive leaders in order to make confirm absence of pressure from LSA.

6. Law of KR “On Amendments to Certain Legislative Acts of the Kyrgyz Republic (Laws of the Kyrgyz Republic “On State and Municipal Services”, “On Access to Information Held by State and Local Self-Government of the Kyrgyz Republic”) dated July 20, 2017 No. 130

Impact assessment

Changes important for LSGs	Impact assessment by LSGs, in %
<p>The Law of KR “On State and Municipal Services” dated July 17, 2014 No. 139 is supplemented by the provisions that state or municipal services are provided through access points to state or municipal services or in electronic form through the State Electronic Services Portal (previously it was through “single window”).</p> <p>The Law of KR “On Access to Information Held by State and Local Self-Government” dated December 28, 2006 No. 213 was amended as follows:</p> <ul style="list-style-type: none"> – supplemented by the provisions that official information is provided through its publication on the website of a state body or LSG body on the Internet or on another website in accordance with the legislation of the Kyrgyz Republic; – forms of providing direct access are supplemented - through websites on the Internet; – centralized automated information system of official information, combining databases of official information of state bodies and LSG bodies, has been replaced by a system of websites of government bodies and LSG bodies on the Internet; – access to information in information systems has been changed. 	 <p>A bar chart with two blue bars. The first bar is labeled 'Positive impact' and has the number '79' above it. The second bar is labeled 'Negative impact' and has the number '21' above it.</p>

Opinions of LSG bodies

Law’s strengths	Problems identified during execution of the law
<ul style="list-style-type: none"> – Convenient tool is created for identifying children in kindergartens and schools. – Access to information online. – Status level of municipal and state service is now the same. Municipal employees may transfer, without competition, to equivalent positions in government bodies. – Increased public awareness. – State and municipal services have become more accessible - one can receive information about them via the Internet. 	<ul style="list-style-type: none"> – Lack of qualified specialists (IT-specialists). – Many LSG bodies, due to low wages, do not have staff to administer official websites and provide technical support. – For territories with poor communication quality, there are difficulties in obtaining information.

Impact description

The vast majority of LSG bodies positively assess the impact of the law. According to LSG bodies, an automated information system of official information has not been created, so the transition to websites seems reasonable and justified. A great advantage of the law was the opportunity for LSG bodies to provide official information not only on their official website, but also on other sites. So, the resolution “On sources of official publication of regulatory legal acts by bodies of local

self-government of the Kyrgyz Republic" dated April 17, 2014 No. 216 became effective, which allowed LSGs to post their legal acts for official publication on websites. For many rural LSG bodies, solution to the issue was the possibility of publishing the laws adopted by the local kenesh, which can now be posted on the SALSGIR website, thereby fulfilling the requirement of the law on public disclosure. In total, 2,284 local regulatory acts adopted by LSGs of all seven oblasts of the Kyrgyz Republic are published on the SALSGIR website. On average, each LSG issued approximately 22 regulatory acts. The largest number of RLA through the SALSGIR website is published by LSG bodies of Batken oblast - on average 63 RLAs by each LSG, Talas oblast - on average 39 RLAs by each LSG. The share of LSG bodies publishing their legal acts on the SALSGIR website is 46% of the total number of LSG bodies. The largest share of LSG bodies using this website to fulfill the requirements of the law is observed in Issyk-Kul and Batken oblasts – 79% and 71%, respectively.

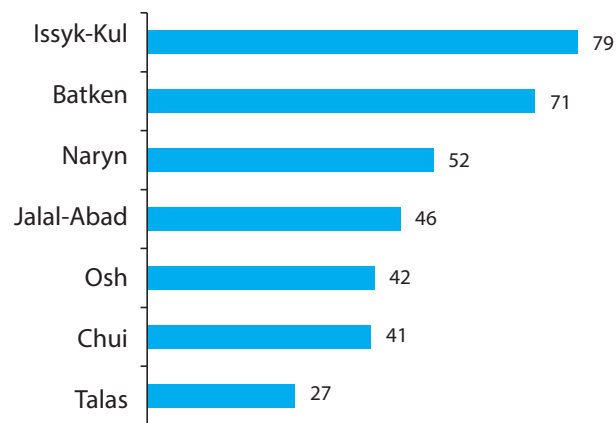


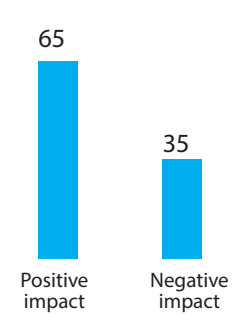
Chart 15. Number of RLAs published on the SALSGIR website (by oblast)

Thus, creation of the opportunity to publish their legal acts on the departmental website has become useful for LSG bodies by the SALSGIR decision.

Ideally, each LSG body should have an official website, however, at present, many LSG bodies do not have enough resources to independently develop and maintain the site. Solution could be the creation of a single platform on the basis of the Union of LSGs or use a municipal website template. Such template was proposed by DPI to LSGs during the period 2015-2019. Using this template, 30 municipal websites were created and successfully operate, or more than half of the 55 municipal websites of the Kyrgyz Republic found on the Internet. In general, the share of LSG bodies with own websites is only 11% of their total number, which is a low indicator. Therefore, the proposal to use the template is of particular relevance.

7. Law of KR “On State Civil Service and Municipal Service” dated May 30, 2016 No. 75 (in edition of the Law of KR dated July 28, 2017 No. 162)

Impact assessment

Changes important for LSGs	Impact assessment by LSGs, in %						
<ul style="list-style-type: none"> – Determined criteria for political and administrative positions not by the principle of election or appointment, but by the fact that employees have authority to make or execute political-determining decisions. This has reduced the number of political positions and strengthened the capacity of professional service. – Approaches to career growth, remuneration, rotation, staff reserve are unified for the state and municipal services, but LSG bodies have the right to make personnel decisions. – Role of human resources management in LSG bodies has been strengthened, including in matters of personnel training, assessment, and career planning. – Relationship has been established between training, assessment, practical results of employees' performance and their career advancement, material and non-material motivation. – Concept of “career planning” has been introduced as a system that provides career growth on the basis of personal contribution, professionalism and achieved results. – Provision has been enshrined on evaluating the performance of employees, which is a determination of the degree of effectiveness of the performance of official duties in accordance with the goals and objectives of the LSG body. – Legal basis for the holistic work of state and municipal services has been established. A unified relationship is built between the results of activities, assessments and employee promotion systems based on merit. 	 <p>A bar chart with two blue bars. The first bar is labeled 'Positive impact' and has the number '65' above it. The second bar is labeled 'Negative impact' and has the number '35' above it.</p> <table border="1"> <thead> <tr> <th>Impact Type</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Positive impact</td> <td>65</td> </tr> <tr> <td>Negative impact</td> <td>35</td> </tr> </tbody> </table>	Impact Type	Percentage	Positive impact	65	Negative impact	35
Impact Type	Percentage						
Positive impact	65						
Negative impact	35						

Opinions of LSG bodies

Law's strengths	Problems identified during execution of the law
<ul style="list-style-type: none"> – The law is in the interests of LSG bodies and municipal employees. – Non-material motivation of municipal employees has intensified, as they now have possibility of rotation with an increase and transition to public service. – Enhanced transparency in the promotion of municipal services. – Municipal employees are equal in rights with civil servants. – There are more qualified specialists in LSG bodies. 	<ul style="list-style-type: none"> – Wages of municipal employees are still lower than state servants. – AK does not have full-time employees. – Quarterly assessment of the municipal employee is formal, time-consuming, but does not lead to real career changes. – Practice of “team” appointment of LSG officials by LSA (“telephone law”) remains.

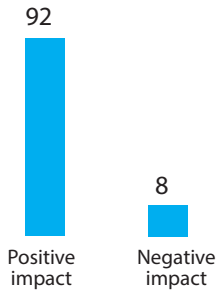
Impact description

The majority of LSG bodies positively assess the reforms of the municipal service enshrined in the law. As of January 1, 2019, 1,207 positions or 12% of the staff list remained vacant in LSG bodies. This suggests that LSG bodies are still experiencing a certain staff shortage, moreover, the situation even worsened compared to 2016, since at that time 922 positions or about 10% remained vacant. In this regard, the law has not yet had the necessary impact on the situation. LSGs think the tests are unreasonably complex and too broad in scope. As a result, only half of the candidates can score the points necessary for passing the test. However, the positive impact of the law was reflected in staff turnover - this indicator tends to decrease. Thus, in 2019, staff turnover decreased by more than 2 times and amounted to about 10% compared to 24% in 2016.

To further improve the municipal service, a number of issues still need to be addressed, including such as staff turnover for political reasons; gender balance; preventing aging of municipal services; national representation; revision of the test content for the competition for filling vacant positions.

8. Law of KR “On Amendment to the Law of the Kyrgyz Republic “On Local Self-Government” dated January 27, 2018 No. 16

Impact assessment

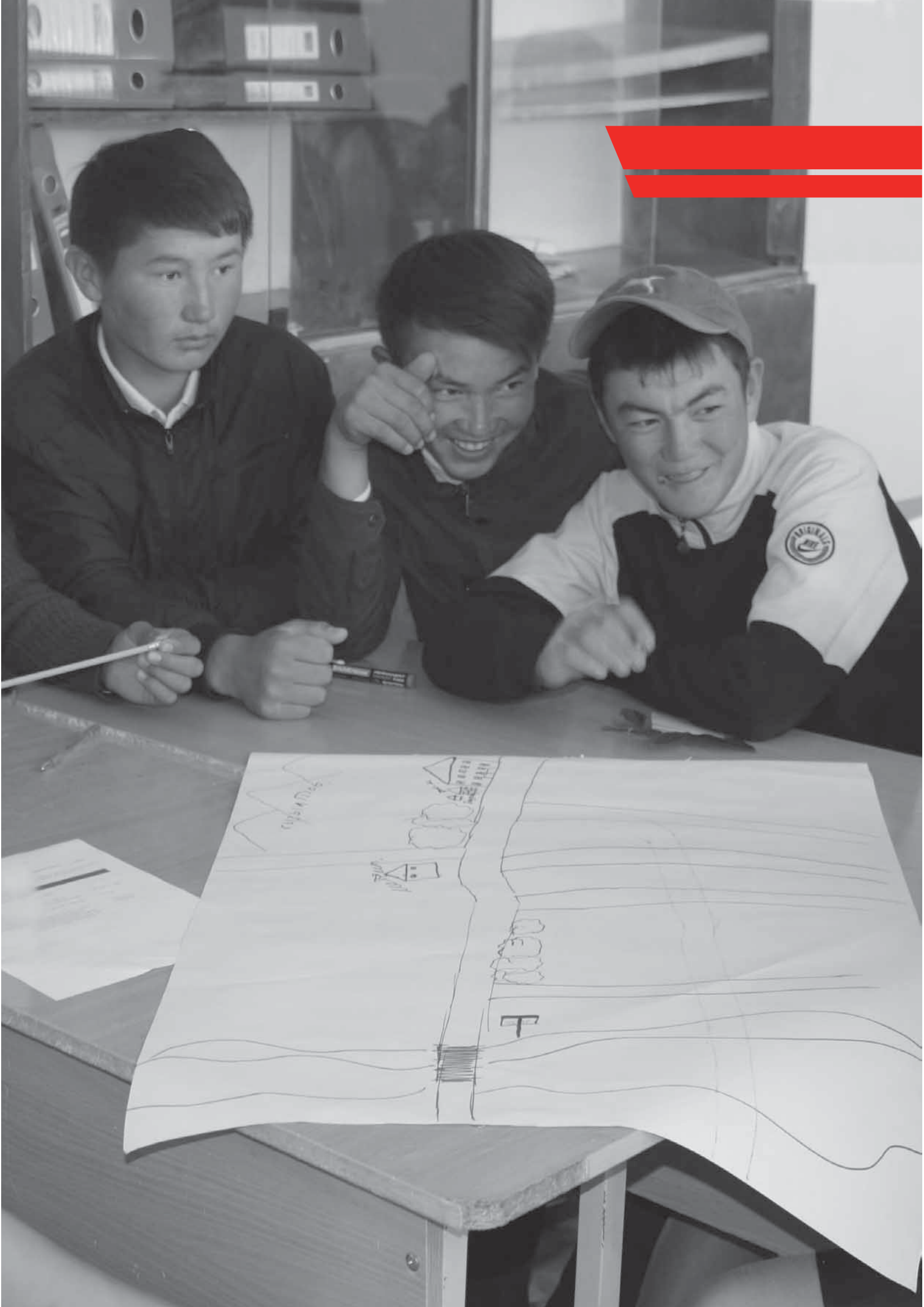
Changes important for LSGs	Impact assessment by LSGs, in %
<ul style="list-style-type: none"> – New edition sets out the article “Financial and economic foundations of local self-government”, concepts of “financial fundamentals” and “economic fundamentals” are given separately. – Revised version contains the article “Rights of local self-government bodies to create municipal enterprises and non-profit organizations, as well as participation in joint-stock companies”, which more clearly indicates the rights of LSGs to create municipal enterprises and non-profit organizations, as well as participation in joint-stock companies in order to ensure effective and efficient resolution of local issues, as well as stimulating economic development within its territory. In addition, rights to delegate authority to municipal enterprises, NGOs, joint-stock companies are indicated, it is specified that municipal enterprises and NGOs are created by LSG bodies to provide services, which is the responsibility of LSG bodies. – The law is supplemented by a new article “Municipal contracting”, which establishes the rights of LSG, executors, financing and other issues related to the implementation of the municipal contracting. 	 <p>A bar chart with two bars. The first bar is blue and labeled 'Positive impact' with the value '92' above it. The second bar is a smaller blue bar labeled 'Negative impact' with the value '8' above it.</p>

Opinions of LSG bodies

Law’s strengths	Problems identified during execution of the law
<ul style="list-style-type: none"> – Quality of the service provision to the population is improving, and confidence in LSG bodies is increasing. – Situation with the local budget spending for creation of business enterprises has been clarified, conditions have been created for its targeted use, better control over spending for municipal enterprises. 	<ul style="list-style-type: none"> – When establishing a service provider, there are many bureaucratic obstacles (registration, legalization). – Lack of qualified personnel.

Impact description

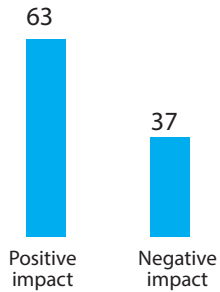
Impact of this law is evaluated by the vast majority of LSG bodies positively (the most positive evaluation), although the process of creating municipal enterprises is still at the initial stage. In the process of preparing the Report, the Union of LSGs found that data on the growth or decrease in the number of municipal enterprises, on the basis of which it would be possible to understand the trends that had developed thanks to the law, are not available. Also, data on the share of LSG bodies implementing the practice of municipal contracting are not available. This change is extremely important from the point of view of explaining to LSG bodies the purpose for which municipal enterprises can be created, and the fact that they should not be created in order to organize a business in pursuit of an indicator of job growth. This clarification should put an end to the vicious practice of creating municipal bakeries, restaurants and other business facilities, which entails unreasonable, inappropriate and inefficient spending of local budgets.



2.1.2. Impact of laws initiated by the Committee on Budget and Finances of JK KR

9. Budget Code of KR dated May 16, 2016 No. 59

Impact assessment

Changes important for LSGs	Impact assessment by LSGs, in %						
<ul style="list-style-type: none"> The Code establishes basis for legal regulation of relations arising in the field of public finance management in the process of formation, consideration, approval, clarification and execution of the republican, local budgets, budgets of the Social Fund of KR and the Mandatory Medical Insurance Fund under the Government of KR, establishes status of participants in the budget process, determines the legal the basis of liability for violation of budget legislation. 	 <table border="1"> <thead> <tr> <th>Impact Type</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Positive impact</td> <td>63</td> </tr> <tr> <td>Negative impact</td> <td>37</td> </tr> </tbody> </table>	Impact Type	Percentage	Positive impact	63	Negative impact	37
Impact Type	Percentage						
Positive impact	63						
Negative impact	37						

Opinions of LSG bodies

Law's strengths	Problems identified during execution of the law
<ul style="list-style-type: none"> All laws about the budget are compiled in one document. 	<ul style="list-style-type: none"> Not formulated

Impact description

LSG bodies positively evaluated the Code, but were unable to substantiate their evaluation and specify specific aspects. The evaluation is somewhat abstract in nature, paying tribute to the systemic impact of the Code on streamlining relations in the budget and interbudget sphere. Regarding specific aspects of LB management and interbudgetary relations, more detailed information is presented in Section I of this Report.

10. Law of KR “On Amendments to the Law of the Kyrgyz Republic «On Public Procurement” dated May 30, 2017 No. 93

Impact assessment

Changes important for LSGs	Impact assessment by LSGs, in %
<ul style="list-style-type: none"> – The procurement threshold has been increased to 1 million soms by direct contracting For LSG bodies. 	<p>A bar chart with two blue bars. The first bar is labeled 'Positive impact' and has the value '55' above it. The second bar is labeled 'Negative impact' and has the value '45' above it.</p>

Opinions of LSG bodies

Law’s strengths	Problems identified during execution of the law
<ul style="list-style-type: none"> – The procurement process has been simplified. – Eliminated bureaucratic delays in urgent and low-cost procurement. 	<ul style="list-style-type: none"> – Effect of the law significantly complicates the activities of small LSG bodies, since procedures require a lot of time and additional resources. – Quality of purchased services and goods has deteriorated (for example, a company located in a neighboring rayon or even oblast region may win a tender for the supply of food for school; building the delivery cost in the price of product forces the supplier to use poor quality products; delivery time affects freshness of the products).

Impact description

This amendment was the result of numerous complaints and appeals by LSG bodies regarding the simplification of the procurement process, therefore LSGs generally assessed the impact of the law positively (albeit with a slight margin). At the same time, small LSGs note that even if the threshold is raised, the procurement process remains a complex function, since they do not have an exempt public procurement specialist in the staffing structure. Representatives of such LSG bodies believe that a simpler procurement procedure for any amount should be developed for small AAs. A negative assessment of this law is influenced by the fact that some LSGs see the increase in the procurement threshold by direct contracting as a threat to competition and understand that over time, the requirements for transparency and competitiveness of procurement should be strengthened.

11. Law of KR “On Amendments to the Budget Code of the Kyrgyz Republic” dated July 18, 2018 No. 69

Impact assessment

Changes important for LSGs	Impact assessment by LSGs, in %						
<ul style="list-style-type: none"> – It was clarified that the distribution and consolidation of revenues for each budget of the budget system of the Kyrgyz Republic in accordance with the functions and powers of state bodies and LSG bodies. – Procedure and terms for the formation of draft LB have been clarified. – LSG bodies have the responsibility to: <ol style="list-style-type: none"> 1) post on its official websites within 15 days after their approval in the prescribed manner: <ol style="list-style-type: none"> a) draft LB; b) approved LB; c) annual reports on the execution of LB; 2) form LB in the civil budget format and disclose to citizens. – Procedure for conducting budget hearings has been clarified. 	<p>A bar chart with two blue bars. The first bar is labeled 'Positive impact' and has the value '68' above it. The second bar is labeled 'Negative impact' and has the value '32' above it.</p> <table border="1"> <thead> <tr> <th>Impact Category</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Positive impact</td> <td>68</td> </tr> <tr> <td>Negative impact</td> <td>32</td> </tr> </tbody> </table>	Impact Category	Percentage	Positive impact	68	Negative impact	32
Impact Category	Percentage						
Positive impact	68						
Negative impact	32						

Opinions of LSG bodies

Law's strengths	Problems identified during execution of the law
<ul style="list-style-type: none"> – Determination of the income sources should ensure the collection and targeted spending of tax revenues. – Responsibility of taxpayers will increase. – Transparency of the budget process at the local level. 	<ul style="list-style-type: none"> – Power to collect taxes has been delegated to LSG bodies, but many issues remain unresolved. LSG bodies are deprived of tax administration authority. – Representatives of the local community do not always actively participate in hearings on LB.

Impact description

These changes to the Budget Code of KR strengthened the accountability and transparency of LSG bodies in the process of managing LB. It is gratifying that the LSG bodies perceive the strengthening of requirements for accountability and transparency as a virtue of the law. MF KR also showed a will to implement it by assisting LSGs in organizing hearings and creating an electronic resource for online publication of the civil budget. As a result, the number of LSG bodies conducting PH on draft MB has grown 19 times: if in 2016 only 17 LSG bodies held hearings, or about 4% of the total, in 2019, 330 LSG bodies held hearings, or almost 70%. In 2019, after the development and launch of the electronic civil budget format for LSG bodies on the website of the Ministry of Finance, 342 LSG bodies or more than 70% of the total number joined the work to fill out the data.

12. Code of the Kyrgyz Republic on non-tax revenues dated August 10, 2018 No. 90

Impact assessment

Changes important for LSGs	Impact assessment by LSGs, in %						
<p>The new Code “On non-tax revenues” regulates relations:</p> <ol style="list-style-type: none"> 1) on establishment, enforcement and collection of non-tax revenues; 2) accrual and payment of non-tax revenues arising in the process of exercising control; 3) per appeal against decisions of authorized bodies, actions and/or inaction of their employees. 	<p>A bar chart with two bars. The first bar, labeled 'Positive impact', has a value of 71. The second bar, labeled 'Negative impact', has a value of 29.</p> <table border="1"> <thead> <tr> <th>Impact Category</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Positive impact</td> <td>71</td> </tr> <tr> <td>Negative impact</td> <td>29</td> </tr> </tbody> </table>	Impact Category	Percentage	Positive impact	71	Negative impact	29
Impact Category	Percentage						
Positive impact	71						
Negative impact	29						

Opinions of LSG bodies

Law’s strengths	Problems identified during execution of the law
<ul style="list-style-type: none"> – Conditions are created for control in the formation of the local budget revenues. 	<ul style="list-style-type: none"> – For the comprehensive execution of the law, provisions and mechanisms developed by authorized state bodies are necessary.

Impact description

The vast majority of LSG bodies positively assess the impact of this law. However, this is more of an advance assessment, since in practice the Code has not yet significantly influenced the work of LSG bodies, this is due to the fact that the share of non-tax revenues in LB is not as large as it could be. To develop the impact of the Code, further efforts of the Government to develop and implement the necessary mechanisms are required. For example, a number of problems are observed in the field of managing income received by LSGs from municipal property. So, the prices for municipal real estate and objects in 2017 were almost 10 times lower than the average prices in the country, and in 2019 (according to the SRS KR as of September 1, 2019), municipalities sold their property 25 times cheaper than the national average. On the one hand, this suggests that in the field of municipal property management there are still opportunities for “contractual” auctions and lower prices for municipal land and real estate. On the other hand, another reason may be carelessness in the execution of transactions and incorrect data submitted by LSG bodies to SRS KR. In general, this causes significant damage to LB. So, for the period 2017-2019, the amount of income from the sale of municipal property not received by LSGs amounted to more than 3 billion soms.

Another aspect of the problem of the efficiency of municipal property management is that LSG bodies unjustifiably and illegally finance the costs of maintaining objects that do not belong to them - religious objects (mosques), commercial enterprises (cafes and shops), objects owned by the state (educational institutions, healthcare, etc). For example, mayor office of one of the cities owns 15 healthcare facilities and, accordingly, as the owner is responsible for their maintenance. In Batken oblast, almost every AA owns one or more mosques and is also responsible for their maintenance (17 mosques are in municipal ownership in one of the Batken oblast’s municipalities, and only 3 kindergartens).

All this suggests that in the area of non-tax revenue management of LB, especially in the field of municipal property management, additional efforts are needed to streamline these processes. Therefore, in addition to the adopted Code on non-tax revenues, one should consider the Law “On Municipal Property” and check how much it corresponds to the actual state of affairs. Also, the Government of KR needs to make efforts to create opportunities for electronic transactions with municipal real estate and land in order to set a reliable barrier to losses from these transactions.

2.1.3. Impact of laws initiated by the Committee on Agrarian Policy, Water, Ecology and Regional Development of JK KR

13. Law of KR “On Amendment to Certain Legislative Acts of the Kyrgyz Republic (laws of the Kyrgyz Republic “On Local Self-Government”, “On Pastures”) dated May 7, 2016 No. 56

Impact assessment

Changes important for LSGs	Impact assessment by LSGs, in %
<ul style="list-style-type: none"> – Powers of local keneshes have been expanded by giving them the right to resolve other issues regarding pasture management. – Representative of the authorized body on environment and forestry is included in the composition of the committee. – It was established that the chairman of the jaiyt (pasture) committee is elected by a majority of votes of pasture users as proposed by the head of the corresponding AA (previously the head of the LSG executive body was the chairman of the jaiyt committee). 	<p>A bar chart with two blue bars. The first bar is labeled 'Positive impact' and has the number '65' above it. The second bar is labeled 'Negative impact' and has the number '35' above it.</p>

Opinions of LSG bodies

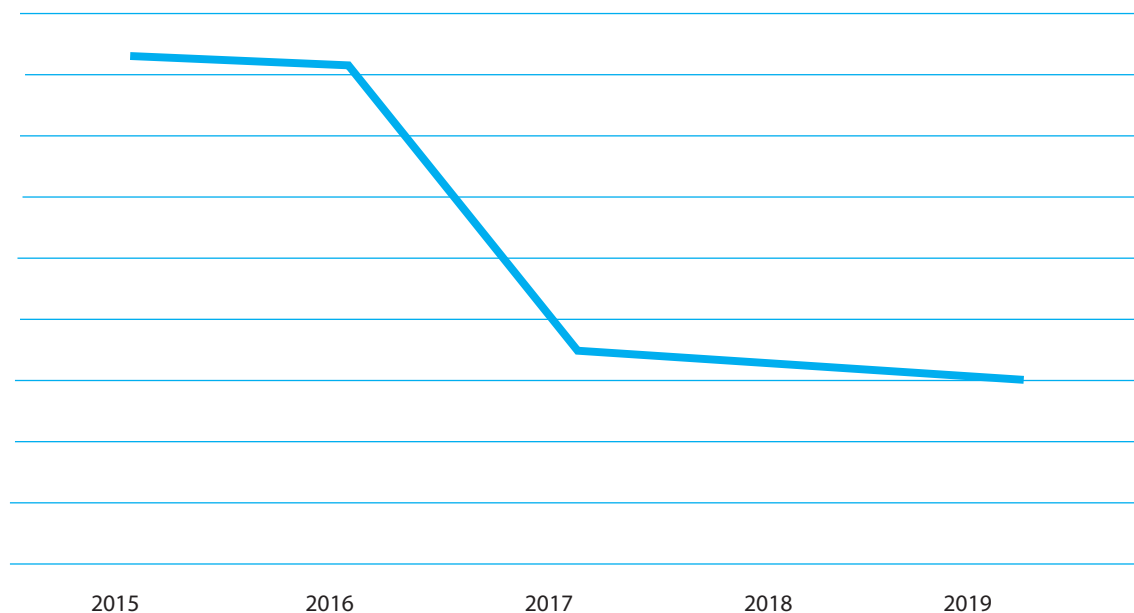
Law’s strengths	Problems identified during execution of the law
<ul style="list-style-type: none"> – Role of the local kenesh in pasture management has been strengthened. – Opinion of pasture users gained more weight. – Head of AO can no longer be the head of the pasture committee, which reduces the corruption risks and the risks of political influence on resolving issues related to the use of pastures. 	<ul style="list-style-type: none"> – Problem of pasture degradation is not resolved. – Need to allow tree planting on pasture land. – Pasture committee is a public organization and has the form of private ownership. Decision responsibility is reduced. According to representatives of LSG bodies, pasture committees should be managed either by LSG bodies or by a state organization.

Impact description

In 2018, livestock production amounted to 48.2% of the total agricultural production in the Kyrgyz Republic. For many agricultural areas, especially those located in the foothills and mountains, livestock is the main industry that affects the local community development, and throughout the country - to ensure food security. Therefore, the issue of effective pasture management is quite acute. Regulation of pastures is one of the most important elements of their sustainable use and allows for their high productivity in the long term. Despite the fact that the development of pastures and objects of pasture infrastructure is one of the tasks of strategies at the national and sectoral levels, excessive anthropogenic pressure, an increase in the number of livestock grazed in recent years, and unsystematic use of pastures lead to degradation of pastures and an annual decrease in their area. This is evidenced by the steady overall dynamics of the reduction (albeit so far in small sizes) of pasture land areas (see Table 10 and figure 24).

Table 7. Pastures of the Kyrgyz Republic, 2015-2019¹

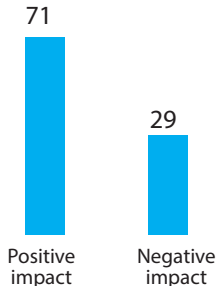
	2015	2016	2017	2018	2019
Area of pastures, ha	9 031 718	9 030 897	9 007 497	9 006 446	9 005 777
Growth rate		-0,01 %	-0,26 %	-0,01 %	-0,01 %

**Chart 16.** Dynamic of pastures' area reduction in the Kyrgyz Republic, ha

Pasture user associations and their executive bodies, the committees, aim to increase the efficiency of pasture management and ensure sustainable development of the livestock industry. The above amendments to the laws of KR "On Local Self-Government" and "On Pastures" should lead to the settlement of relations between the executive bodies of LSG associations of pasture users taking into account mutual interests. Therefore, the changes made to the mentioned laws are regarded by most LSG bodies as unconditionally positive. A negative assessment was followed only by those LSG bodies that express no confidence in the committees as public organizations, believing that the state should control the pastures.

14. Law of KR “On Amendments to Certain Legislative Acts of the Kyrgyz Republic (Laws of the Kyrgyz Republic “On Introducing Moratorium on Transfer (Transformation) of Irrigated Land to Other Categories and Types of Land”, “On Transfer (Transformation) of Land”) dated August 2, 2018 No. 79

Impact assessment

Changes important for LSGs	Impact assessment by LSGs, in %				
<p>It is stipulated that the moratorium does not apply to the transfer (transformation) of irrigated arable land to land plots built up by individual residential buildings or having relevant decisions of the authorized LSG bodies or bodies whose successors are the relevant LSGs, before this Law comes into force (paragraph 12, section 2 of article 1).</p> <p>At the same time, restriction is introduced that clause p.12, section 2 of article 1 does not apply to:</p> <ul style="list-style-type: none"> – land plots having negative opinions of the relevant commissions for the transfer (transformation) of land plots; – land plots that do not meet the requirements of environmental and sanitary-epidemiological standards; – land plots having relevant decisions of the judiciary bodies; – land plots on which appropriate restrictions were introduced by the decision of authorized bodies. <p>It has been established that losses and lost profits of agricultural production are not reimbursed for the transfer of land built up by individual residential buildings or having corresponding decisions of the authorized bodies of LSG or bodies whose successors are the relevant LSG bodies, before fully executed Law of KR “On Introducing Moratorium on Transfer (Transformation) irrigated arable land to other land categories and types of land”.</p> <p>The costs associated with providing infrastructure are borne by the owner of the transferred (transformed) private land plots.</p>	 <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td>Positive impact</td> <td>71</td> </tr> <tr> <td>Negative impact</td> <td>29</td> </tr> </table>	Positive impact	71	Negative impact	29
Positive impact	71				
Negative impact	29				

Opinions of LSG bodies

Law’s strengths	Problems identified during execution of the law
<ul style="list-style-type: none"> – Legalization of many residential constructions built on agricultural land, it solved many of the problems of a large number of families. – Number of cases of unauthorized distribution of land has decreased. 	<ul style="list-style-type: none"> – Many housing issues remain unresolved. – Ban has been introduced on the transfer of degraded arable land to the public. – Lack of AO powers to address land issues. – Complexity of the process of transferring land from one category to another. – There are facts of dissatisfaction of land owners who did not register their land documents before the law took effect.

Impact description

LSG bodies are aware of the threats arising from the uncontrolled reduction of irrigated agricultural land, but at the same time they have to deal with a large amount of problems that families experience by living in houses built on illegal plots. From this point of view, LSG bodies positively evaluate the adoption of this law. At the same time, LSG bodies advocate strengthening mechanisms to prevent unauthorized seizures of land for individual housing construction. Process of land transformation for the allocation of land plots organized and controlled by LSG bodies seems as one way to facilitate this. At the same time, in densely populated villages and cities, the problem should be solved by compacting buildings, number of floors, which requires assistance from LSG bodies in attracting investors, as well as building modern infrastructure designed for dense development.

2.1.4. Impact of laws initiated by the Committee on Social Issues, Education, Science, Culture and Health of JK KR

15. Law of KR “On Amendments to Certain Legislative Acts in the Sphere of Delegation of State Powers” dated July 6, 2016 No. 99 (in edition of the Law of KR dated April 27, 2017 No. 63)

Impact assessment

Changes important for LSGs	Impact assessment by LSGs, in %				
In order to distinguish between the functions and powers of state bodies and LSGs and bring them into line with the Law of the Kyrgyz Republic “On Procedure for Delegating Certain State Powers to LSG Bodies”, a number of legislative acts were amended: Family Code of KR, Law of KR “On Health Protection of Citizens of KR”, Law of KR “On Energy Saving”, etc. In most laws, provisions where the participation of LSG bodies were directly established were replaced by provisions where their participation only occurs if they are delegated with respective state powers.	<p>A bar chart with two bars. The first bar, labeled 'Negative impact', has a value of 44. The second bar, labeled 'Positive impact', has a value of 56.</p> <table border="1"> <tr> <td>Negative impact</td> <td>44</td> </tr> <tr> <td>Positive impact</td> <td>56</td> </tr> </table>	Negative impact	44	Positive impact	56
Negative impact	44				
Positive impact	56				

Opinions of LSG bodies

Law’s strengths	Problems identified during execution of the law
<ul style="list-style-type: none"> – Performance of LSG bodies in addressing issues of local significance will improve. 	<ul style="list-style-type: none"> – The provisions of law are not fully executed. So, the delegation of powers is carried out without the necessary material and financial support. – There are not enough staff to fulfill delegated powers (functional capabilities of the LSG staff are designed only to resolve 25 issues of local significance). <ul style="list-style-type: none"> – Presence of “hidden” delegated powers in those legislative acts that directly assigned to LSG bodies to participate in activities not related to local issues.

Impact description

Most LSG bodies positively assess the impact of this law. Its main contribution to the development of LSG so far is that the process of delineation of powers has begun, that state bodies, which have been faced with the need to pay for the DSP execution have begun to revise own structure and necessity of these powers. However, in practice, this can lead to unexpected distortions, such as an attempt to seize the power to register civil status acts from LSG bodies, which worsened citizens’ access to this service. On the whole, active process of coordination between various government structures has begun, what exactly and at what particular level should be executed. Therefore, high assessment by LSG bodies of this law is, rather, an advance character, and emphasizes the high expectations of LSG bodies from the implementation of this law. In the meantime, the practice of delegation is faced with a number of problems. Thus, the principle of material and financial security is not applied to all state powers delegated to the local level, as required by law.

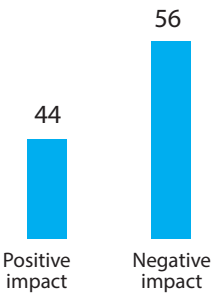
LSG bodies often lack interest in the DSP implementation, since when allocating additional funding to LSG bodies for the implementation of DSP, MF KR automatically reduces the equalizing grant by the same amount. There are “hidden” DSPs: some legal entities assign responsibility for performing state functions to LSG bodies bypassing the law.

With regard to solving the problem of insufficient payment for specialists of LSG bodies and the inability to increase the staffing structure, LSG bodies propose to consider a possibility of

amending the Labor Code of the Kyrgyz Republic as an interim measure, which would allow combining positions by municipal employees. The second necessary measure is to provide LSG bodies with the right to contract specialists to fulfill the delegated powers.

16. Law of KR “On Protection from Domestic Violence” dated April 27, 2017 No. 63

Impact assessment

Changes important for LSGs	Impact assessment by LSGs, in %
<p>LSG bodies are also engaged in the protection from domestic violence and are endowed with the following powers:</p> <ul style="list-style-type: none"> – local keneshes approve and monitor the implementation of measures to protect against domestic violence within the framework of programs for the socio-economic development of the territory and social protection of the population; approve standards for the provision of relevant municipal services; provide funds in the local budget for the implementation of relevant programs and the creation of social services that protect and defend against domestic violence; – LSG executive bodies: organize provision of appropriate social services in accordance with the legislation on the basics of social services for the population; develop and implement appropriate programs to prevent domestic violence and create social services; monitor and evaluate the effectiveness and efficiency of adopted programs; attract investments and grants to implement local programs to protect against domestic violence; keep records of domestic violence in their territory; they provide assistance to interdepartmental coordination and interaction of entities that protect against domestic violence at the local level through the creation of special bodies - local committees for protection from domestic violence; inform the internal affairs bodies of the danger of domestic violence, etc. 	 <p>A bar chart with two blue bars. The first bar is labeled 'Positive impact' and has the number '44' above it. The second bar is labeled 'Negative impact' and has the number '56' above it.</p>

Opinions of LSG bodies

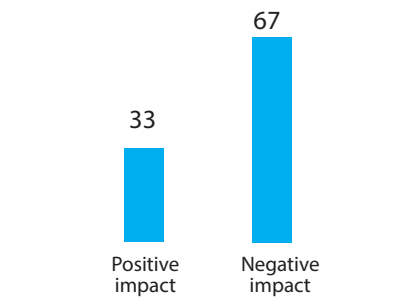
Law's strengths	Problems identified during execution of the law
<ul style="list-style-type: none"> – Prerequisites have been created for the emergence of a system for protecting citizens from domestic violence, including the regulation of the participation of all involved governing bodies. – Not only the victim, but also witnesses can file a statement of facts of domestic violence, which significantly reduces the factor of failure to report due to the victim's fear of the person guilty of violence. 	<ul style="list-style-type: none"> – There are no resources for the development and implementation of programs and social services. – There are no skills and knowledge to work effectively with local victims of violence. – No authority for interagency coordination. – Representatives of law enforcement agencies (local police officers) on the ground waive responsibility from themselves and do not want to deal with the domestic violence cases, thinking that it is now fully a function of LSG bodies.

Impact description

Recognizing the need to fight against domestic violence, most LSGs negatively assess the impact of this law, since their role in protecting from domestic violence does not match their capabilities. The law described the powers of LSG bodies in this matter without taking into account the administrative, financial and political potential of LSG bodies. By virtue of this, LSG bodies express their readiness to participate in the process, but only within the framework of some of the powers listed in the law, for example, to monitor and evaluate the effectiveness and efficiency of adopted programs; keep records of domestic violence in its territory; inform the internal affairs bodies of the danger of domestic violence and resolve some other issues within their capabilities. The problem is further aggravated by the fact that one of the best ways to rehabilitate victims of violence is to change their residence, but here LSGs are powerless. LSG bodies believe that their contribution is advisable and effective only in relation to monitoring the situation and early detection of cases of domestic violence, but the state should take on the organization of practical work with specific families. For LSG bodies, the additional difficulty is that close ties within the community often do not allow them to take sides in family conflicts. LSG bodies recommend that JK KR revises the scope of work of LSG bodies in this matter.

17. Law of KR “On Amendments to Certain Legislative Acts on Protection from Domestic Violence” dated April 27, 2017 No. 64

Impact assessment

Changes important for LSGs	Impact assessment by LSGs, in %
The list of issues of local significance has been expanded, which includes the 25th question: implementation of a set of measures to protect against domestic violence in the manner prescribed by the legislation of the Kyrgyz Republic.	 <p>A bar chart with two blue bars. The first bar is labeled 'Positive impact' and has the number '33' above it. The second bar is labeled 'Negative impact' and has the number '67' above it.</p>

Opinions of LSG bodies

Law’s strengths	Problems identified during execution of the law
<ul style="list-style-type: none"> – Not indicated by representatives of LSG bodies. 	<ul style="list-style-type: none"> – No resources for the development and implementation of programs and creation of social services. – No skills and knowledge to work effectively with victims of violence.

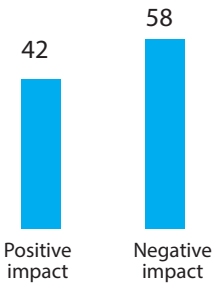
Impact description

Overwhelming majority of LSG bodies evaluate this law extremely negatively. Once again, the list of issues of local significance was expanded without adequate financial and material support. Such practice of transferring responsibility to LSG bodies without reinforcing resources, LSG bodies consider harmful to the entire governance system. Adding responsibility to LSG bodies does not mean achieving a solution to the problem. State bodies that transferred responsibility to LSG bodies believe that the issue is resolved, but in reality the proper performance of the function does not occur. As a result, state guarantees are not being implemented, state bodies do not achieve their results, and citizens do not improve access to services. LSG bodies recommend that JK KR removes this issue from the list of issues of local significance and arrange for the provision of services through the delegation of appropriate powers to LSG bodies.

An indicator that illustrates the quality of this law could be the ratio of the number of individual family work plans (IFWP) and individual child protection plans (ICPP) to the number of families and children in DLS identified by LSG bodies. Unfortunately, such statistics cannot be obtained in open sources, in particular on the website of MLSD.

18. Law of KR “On State Benefits in the Kyrgyz Republic” dated July 28, 2017 No. 163 (in edition of Laws of KR dated December 28, 2017 No. 222 (27), March 30, 2018 No. 33, January 24, 2019 No. 18)

Impact assessment

Changes important for LSGs	Impact assessment by LSGs, in %
<p>It enshrines the rights of certain categories of citizens to receive social benefits, determines the types, sizes and procedure for assigning state benefits.</p> <p>Excludes LSGs from the process of identifying those in need of benefits by eliminating commissions on social issues.</p>	 <p>A bar chart with two blue bars. The first bar is labeled 'Positive impact' and has the number '42' above it. The second bar is labeled 'Negative impact' and has the number '58' above it.</p>

Opinions of LSG bodies

Law’s strengths	Problems identified during execution of the law
<ul style="list-style-type: none"> – The law clearly defines the amount of payments to certain categories of citizens. – State support has increased for low-income families. – Enhanced transparency in the allocation of benefits. 	<ul style="list-style-type: none"> – Difficulties in collecting documents. – Difficulties in determining the degree of need - evaluation criteria are unrealistic. – Exclusion of LSG bodies from the needs identification process. – Potential for abuse. On the ground, there is evidence of an unfair dispensation of benefits to high-income families. – Citizens’ negative attitude to LSG bodies, because citizens do not want to understand where the liability of LSG bodies ends and the responsibility of the state begins. – For disabled children, benefits are calculated for 1-2 years. Then again they need to collect all the documents, and this is a very time-consuming process.

Impact description

Most LSG bodies negatively assess the impact of this law. In 2016, the number of recipients of low-income benefits amounted to 272,000 children. In 2018, the number of recipients of this type of benefit amounted to 276,400 children. As of April 1, 2019, this figure amounted to 289,300 children. In 2018, LSG bodies were excluded from the process of identifying needs; throughout the year, the regional units of MLSD KR did this work independently. This caused dissatisfaction of the citizens with both the actions of the Ministry and the position of LSGs, which the citizens accused of passivity and indifference.

In the justification on the monitoring results of the Law of the Kyrgyz Republic “On State Benefits in the Kyrgyz Republic” (in the part of the “family support” allowance), carried out in all regions of the Kyrgyz Republic on the basis of a decision of the Jogorku Kenesh Committee on Social Issues, Education, Science, Culture and Health dated October 29, 2018, it is noted that local self-government bodies remained part of the process of confirming the right of citizens to receive benefits. Application for the assignment of benefits is submitted by citizens to the authorized body at the place of actual residence. The fact of residence at a particular address is confirmed by the relevant certificate of the LSG body on composition of the family and place of residence. Certificates of residence are issued to owners or tenants of residential premises registered in the prescribed manner, on the basis of a lease agreement. In practice, lease agreements are not executed, in some cases, homeowners are not interested in registering this agreement with AO, in connection with a change in payment for utilities. The other side of the problem is the requirements for issuing certificates. In most LSG bodies, certificates are issued upon presentation of the home book, receipt for payment for water and other payments that an internal migrant does not have. There is also problem of illegal settlements, whose residents do not have an opportunity to confirm their place of actual residence.

Thus, under the influence of this law, citizens’ attitudes towards LSG bodies have deteriorated, they express dissatisfaction primarily with the local self-government, not figuring out where their powers end. At the same time, LSG bodies do not seek to become a conductor of information on the conditions for receiving benefits. Unwillingness of LSG bodies to disseminate this information is also explained by the fact that citizens then address claims regarding problems arising during preparation of paperwork for benefits to the source of information, which is LSG bodies.

LSG bodies propose to return to the previously established procedure social commissions that examine families, which until April 2018 carried out a family survey and determined its total income. Taking into account the lessons learned from past practice, this process should be organized through the delegation of several powers in this area to LSG bodies. The Government of KR took a big step in this direction by adopting Decree dated May 30, 2019 No. 235 “On Amendments to the Decree of the Government of the Kyrgyz Republic “On Approving Temporary Methodology for Calculating the Volume of Transfers Provided to Local Budgets from the Republican Budget for the Implementation of Individual Delegated State Powers” dated December 19, 2014 No. 715”. By this decision MLSD KR is permitted to delegate to LSGs the power to identify families and children in DLS; conduct needs assessment of families and children in DLS. Thus, LSG bodies can now again be included in the process of determining the requirements for state benefits.

At the same time, this decree caused other problems, since now MLSD KR can delegate to LSGs the powers to provide social support for families and children in DLS, including implementation of an individual family work plan and an individual child protection plan. However, rural LSG bodies note that they do not have necessary human resources to fulfill these powers, they do not have opportunity to contract qualified social workers, and under these conditions such delegation will lead to stagnation of social support.

The indicator that illustrates the quality of this law could be the ratio of the number of individual family work plans (IFWP) and individual child protection plans (ICPP) to the number of families and children in DLS identified by LSG bodies. Unfortunately, such statistics cannot be obtained in open sources, in particular on the website of MLSD.

LSG bodies recommend that JK KR return to the procedure for identifying needs for benefits by examining families with the help of social commission under the LSG bodies, for which they should be delegated the appropriate power. LSGs recommend that the Government of KR revise the above decree and exclude powers requiring special social qualifications, or revise the formation of the staffing structure, allowing LSG bodies to hire qualified social workers if there is adequate financial support from the republican budget. In general, on the issue of granting benefits, LSG bodies recommend improving the access of children from poor families to benefits by determining the need of children through LSG bodies; benefits assignment procedures should also be simplified, while eliminating corruption risks.

2.2. EXPANSION OF LIST OF ISSUES OF LOCAL SIGNIFICANCE WITHOUT SUPPORTING RESOURCES

Despite the general positive assessment of the Parliament's legislative activity, LSG bodies pay attention to a systemic problem in lawmaking, which has a negative impact not only and not so much on LSG bodies, but on citizens and the entire governance system. It is an uncontrolled expansion of the list of issues of local significance without reinforcing these functions with the necessary resources.

In the Kyrgyz Republic in recent years, the system of public administration has developed a vicious practice, the essence of which is to transfer responsibility from the state bodies to LSGs. Regularly and persistently, many state bodies, politicians and even representatives of civil society raise an issue that solutions to particular problems should be assigned to LSG bodies. As a rule, these are complex problems that do not find a satisfactory solution by the state bodies for a long period of time, or new tasks, which are little known to the government bodies on how to address them. A striking example is the fight against domestic violence and provision of legal advice. Not knowing how to organize these services, government bodies simply shifted the responsibility for the result to LSG bodies.

Only during 2018-2019, 9 such implemented and unrealized initiatives were noted with the aim of expanding the list of issues of local significance with the following issues (a detailed description of such initiatives with an indication of their initiators is given in Appendix 2). These initiatives included issues such as:

- assistance in the implementation of state policy on tourism;
- assistance to probation authorities in solving current problems and performing specific probation measures;
- providing conditions for the implementation of health programs;
- providing conditions for expanding the coverage of children with preschool education;
- financing salaries of preschool educational facilities' staff from MB, opened at the initiative of LSG bodies;
- organization of services for foster families;
- control and regulation of school meals of students in grades 1-4, including purchase of food products on a tender basis; rendering assistance in carrying out necessary measures to create appropriate conditions for organizing meals for students, providing necessary inventory and equipment; implementation together with the bodies of the State Sanitary and Epidemiological Surveillance, of monitoring compliance with the relevant sanitary and hygienic requirements;
- identification and registration of youth in DLS, taking measures to support them in accordance with the legislation on social services;
- primary identification of the level of needs in state social support for families and children in DLS; creation of social services for protection of children within the approved budget; logistical support of social service for protection of children.

The most depressing and worrying for LSG bodies in this situation is that only 2 out of 9 proposed initiatives addressed the issue of financing the execution of new functions offered to LSG bodies from the republican budget (they are draft bill about school meals for students in grades 1-4 and draft bill on expanding the list of issues of local significance about creation of social services for protection of children; however, even in this case, it is not clear how and if the interbudgetary relations will be revised). Justifications to the remaining 80% of the initiatives contained the standard language that the draft RLAs do not require additional funding from state budget funds.

It turns out that it is possible to endlessly shift the responsibility of state bodies to LSG bodies without spending state budget funds. The question here - at what expense should LSG bodies finance the implementation of this entire list of additional functions? If LSGs begin to finance dozens of new issues of local significance from local budgets, there will not be enough money to finance existing ones - local roads, water supply, sewage, municipal solid waste management, maintenance of schools and kindergartens, development of local culture and sports, and so on. This trend testifies, among other things, to the lack of understanding among the initiators of the

mechanisms for financing state functions, since the performance of any managerial function requires financial and personnel resources. Accordingly, when transferring responsibility for performance of a function to another governing body without providing resources, the initiators must understand that this function will simply not be performed or will be assigned formally to the executor. As a result, everyone will lose: initiators, since they will not achieve the expected result; LSG bodies, as they will receive an extra bureaucratic obligation and an unbearable financial burden; citizens whose problem will not be resolved.

LSG bodies conclude that the initiators of the list's expansion do not consider local budgets as part of the national budget, believing that local budgets are financed in some special way, not related to the tax and non-tax revenue system of the Kyrgyz Republic. In fact, local budgets are part of the republic's consolidated budget, therefore, in accordance with the principle that money follows functions, interbudgetary relations should change after the distribution of functions between state bodies and LSGs, redistributing income between budgets. Therefore, common sense and the Constitution of KR dictate that the justification for such initiatives should indicate the cost of performing the function and the sources of its financing, excluding local budgets that are designed to minimize funding for existing issues of local significance, but not new, additional ones.

LSG bodies express extreme concern about the existing tradition and practice of expanding the list of local issues without resource support and ask Jogorku Kenesh to ban the expansion of local issues without financial justification of the sources and funding mechanisms for new functions offered to LSG bodies.

APPENDIX 1

List of laws that had significant impact on the state and development of LSG bodies and local communities in 2016-2018

Nº	Name of the law	Total opinions	Positive impact	Negative impact	Positive impact, in % to total number surveyed	Negative impact, in % to total number surveyed
1	Law of KR "On Amendments to the Law of the Kyrgyz Republic "On Elections of Deputies to Local Keneshes" dated January 21, 2016 No. 83	38	25	13	66	34
2	Law of KR "On Procedure for Conducting Inspections of Local Self-Government Bodies Activities" dated March 31, 2016 No. 32	35	28	7	80	20
3	Law of KR "On Amendments to the Law of the Kyrgyz Republic "On Local Self-Government" dated April 21, 2016 No. 48	38	20	18	53	47
4	Law of KR "On Amendments to Certain Legislative Acts of the Kyrgyz Republic (Laws of the Kyrgyz Republic "On Bar of the Kyrgyz Republic and Advocacy"; "On Local Self-Government") dated December 12, 2016 No. 196	36	14	22	39	61
5	Law of KR "On Amendments to the Constitution of the Kyrgyz Republic" dated December 28, 2016 No. 218	36	23	13	64	36
6	Law of KR "On Amendments to Certain Legislative Acts of the Kyrgyz Republic (Laws of the Kyrgyz Republic "On State and Municipal Services"; "On Access to Information Held by State and Local Self-Government of the Kyrgyz Republic") dated July 20, 2017 No.130	34	27	7	79	21
7	Law of KR "On State Civil Service and Municipal Service" dated May 30, 2016 No. 75 (In edition of the Law of KR dated July 28, 2017 No. 162)	37	24	13	65	35

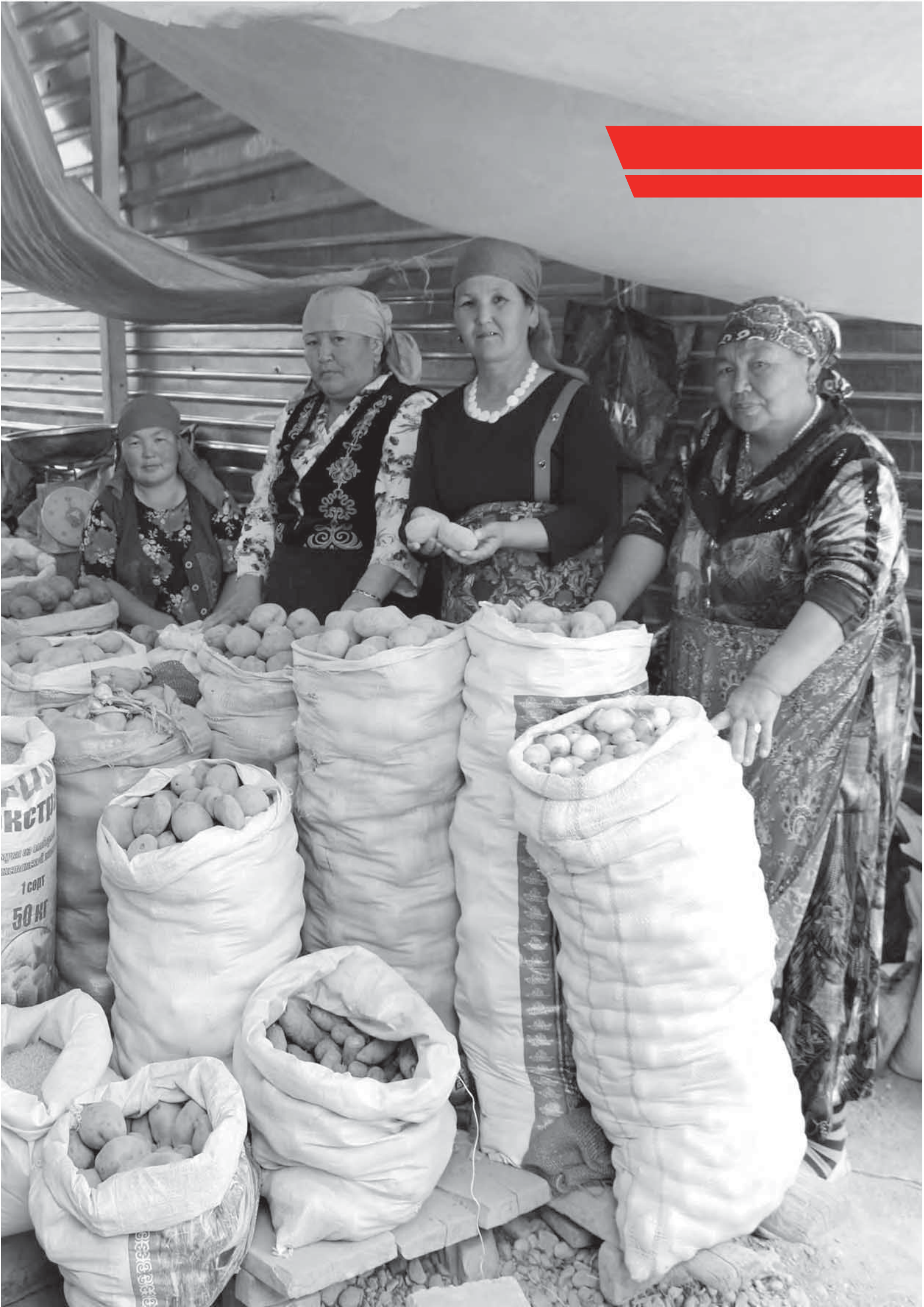
Nº	Name of the law	Total opinions	Positive impact	Negative impact	Positive impact, in % to total number surveyed	Negative impact, in % to total number surveyed
8	Law of KR "On Amendments to the Law of the Kyrgyz Republic "On Local Self-Government" dated January 27, 2018 No. 16	36	33	3	92	8
9	Budget Code of KR dated May 16, 2016 No. 59	35	22	13	63	37
10	Law of KR "On Amendments to the Law of the Kyrgyz Republic "On Public Procurement" dated May 30, 2017 No. 93	38	21	17	55	45
11	Law of KR "On Amendments to the Budget Code of the Kyrgyz Republic" dated July 18, 2018 No. 69	41	28	13	68	32
12	Code of the Kyrgyz Republic on non-tax revenues dated August 10, 2018 No. 90	34	24	10	71	29
13	Law of KR "On Amendment to Certain Legislative Acts of the Kyrgyz Republic (laws of the Kyrgyz Republic "On Local Self-Government"; "On Pastures") dated May 7, 2016 No. 56	37	24	13	65	35
14	Law of KR "On Amendments to Certain Legislative Acts of the Kyrgyz Republic (Laws of the Kyrgyz Republic "On Introducing Moratorium on Transfer (Transformation) of Irrigated Land to Other Categories and Types of Land "; "On Transfer (Transformation) of Land") dated August 2, 2018 No. 79	35	25	10	71	29
15	Law of KR "On Amendments to Certain Legislative Acts in the Sphere of Delegation of State Powers" dated July 6, 2016 No. 99 (in edition of the Law of KR dated April 27, 2017 No. 63	34	19	15	56	44
16	Law of KR "On Protection from Domestic Violence" dated April 27, 2017 No. 63	32	14	18	44	56
17	Law of KR "On Amendments to Certain Legislative Acts on Protection from Domestic Violence" dated April 27, 2017 No. 64	33	11	22	33	67
18	Law of KR "On State Benefits in the Kyrgyz Republic" dated July 28, 2017 No. 163 (in edition of Laws of KR dated December 28, 2017 No. 222 (27), March 30, 2018 No. 33, January 24, 2019 No. 18	26	11	15	42	58

APPENDIX 2

List of initiatives to expand the list of issues of local significance without supporting resources, 2018-2019

Nº	Name of draft RLA	Proposed amendments to the list of issues of local significance	Information about financing from justification to the draft law	Author, initiator
1	Draft Law of KR "On Amendments and Additions to Certain Legislative Acts of the Kyrgyz Republic (Law of KR "On Local Self-Government", the Code of KR on Administrative Responsibility, and the Tax Code of KR")	Article 18 of the Law of KR "On Local Self-Government" is supplemented with a new issue of local significance: "assistance in implementation of state policy in the sphere of tourism"	Proposed draft RLA at present time does not require additional financing from the republican budget	
2	Draft Law of KR "On Amendments to Certain Legislative Acts of the Kyrgyz Republic on Introduction of Probation Institute"	Article 18 of the Law of KR "On Local Self-Government" is supplemented with a new issue of local significance: "assistance to probation bodies in solving current problems and performing specific probation measures"	Implementation of this bill does not anticipate additional financial expenses from the republican budget	Government of KR (Decree of the Government of KR No. 525 dated November 06, 2018)
3	Draft Law of KR "On Amendments and Additions to the Law of the Kyrgyz Republic "On Local Self-Government"	Article 18 of the Law of KR "On Local Self-Government" is supplemented with a new issue of local significance: "provision of conditions for the implementation of health programs"	Draft law does not require additional financing	Deputy of JK KR, Turusbekov B.
4	Draft Law of KR "On Amendments to Certain Legislative Acts of the Kyrgyz Republic in the Sphere of Education" (in the Budget Code of KR, Law of KR "On Education", Law of KR "On Public Procurement")	Article 18 of the Law of KR "On Local Self-Government" is supplemented with a new issue of local significance: 26) create conditions for expanding coverage of children with preschool education; 27) in preschool educational facilities opened at the initiative of LSG, salaries may be financed from the local budget ⁴³ .	Implementation of draft law does not anticipate additional financial expenses from the republican budget	Deputy of JK KR, Baikbaev E.J.
5	Draft Law of KR "On Amendments to the Code of the Kyrgyz Republic on Children"	It is proposed to entrust the following tasks to LSG bodies: selection of guardians, adoptive parents, foster families; advisory and psychological assistance to guardians, foster families; control in the form of an inspection in the field of protecting the rights of child in a foster family; in cooperation with a representative of civil society, monitoring the health and life of a child in foster family	Adoption of this draft law does not require additional financial expenses from the republican budget	Deputy of JK KR, Mavlyanova M. E.

№	Name of draft RLA	Proposed amendments to the list of issues of local significance	Information about financing from justification to the draft law	Author, initiator
6	Draft Law of KR "On School Meals in Educational Institutions of the Kyrgyz Republic"	Draft law imposes broad obligations on local state administrations and LSG bodies on meals for students in grades 1-4. Article 18 of the Law of the Kyrgyz Republic "On Local Self-Government" is supplemented by a new issue of local importance: "Primary determination of the degree of need for state social support for families and children in difficult situations". Article 18 of the Law of the Kyrgyz Republic "On Local Self-Government" is supplemented by a new issue of local importance: "the creation of social services for the protection of children within the framework of the approved budget". Article 31 is supplemented by paragraph 18 as follows: "material and technical support of the social service for the protection of children"	Within appropriations anticipated in the republican budget of the Kyrgyz Republic to the Ministry of Education and Science of KR	Submitted for public hearings by the Government of KR
7	Draft Law of KR "On Youth"	LSG bodies identify and record youth who are in DLS, take measures to support them in accordance with legislation in the sphere of social services for population of the Kyrgyz Republic, etc.	Adoption of draft law does not require additional financing from the republican budget	Submitted for public hearings on July 12, 2017 by posting on the official website of the Government of KR
8	Draft Law of KR "On Amendments to Certain Legislative Acts of the Kyrgyz Republic in the Sphere of Social Protection and Local Self-Government"	Article 18 of the Law of KR "On Local Self-Government" is supplemented with a new issue of local importance: "primary identification of the level of needs in state social support for families and children in DLS"	Implementation of draft law does not require additional financial expenses	Government of KR
9	Draft Law of KR "On Amendments to Certain Legislative Acts of the Kyrgyz Republic (on children)"	Article 18 of the Law of KR "On Local Self-Government" is supplemented with a new issue of local importance: "creation of social services for protection of children within the approved budget". Article 31 is supplemented by paragraph 18 with the following language "material and technical provision for social services for protection of children"	Adoption of draft law does not require additional financing from the republican budget	Deputy of JK KR, Kolduranova A.



APPENDIX 3.

Calendar of significant events that influenced the development of legislation on local self-government

Strategies and development programs in the sphere of local self-government

2016

1. Decree of the Government of KR **“On approval of the Strategy for the development of drinking water supply and sanitation systems of settlements of the Kyrgyz Republic until 2026”** dated March 28, 2016, No. 155, which approved:
 - *Strategy for the development of drinking water supply and sanitation systems in the settlements of the Kyrgyz Republic until 2026;*
 - *Implementation Plan of the Strategy for the development of drinking water supply and sanitation systems in the settlements of the Kyrgyz Republic until 2026.*
2. Decree of the Government of KR **“On approval of the Concept of increasing the legal culture of the population of the Kyrgyz Republic for 2016-2020”** dated March 14, 2016, No. 122, which approved:
 - *Concept of increasing the legal culture of the population of the Kyrgyz Republic for 2016-2020;*
 - *Action plan for the implementation of the Concept of increasing the legal culture of the population of the Kyrgyz Republic for 2016-2020.*

Note: this Concept provides that legal education and upbringing of the population should cover all subjects of law and ensure formation of ideological and moral foundations of a democratic and legal state by developing citizens' feelings of respect for the law, which must certainly become one of the conceptual areas of activity of the state bodies and LSGs.
3. **Program of development of public-private partnership in the Kyrgyz Republic for 2016-2021**, approved by the Government of KR dated June 16, 2016 No. 327.

2017

4. Decree of the Government of KR **“On approval of the Concept of the regional policy of the Kyrgyz Republic for the period 2018-2022”** dated March 31, 2017 No. 194, which approved:
 - *Concept of regional policy of the Kyrgyz Republic for the period 2018-2022;*
 - *Decree of the Government of KR “On the Concept of the State Regional Policy of the Kyrgyz Republic” dated March 11, 2009 No. 171 was invalidated.*
5. Decree of the Government of KR **“On approval of the Concept of development of the agricultural cooperative system in the Kyrgyz Republic for 2017-2021”** dated April 21, 2017 No. 237 which approved:
 - *Concept of the development of the agricultural cooperative system in the Kyrgyz Republic for 2017-2021;*
 - *Action plan for the implementation of the Concept for the development of the agricultural cooperative system in the Kyrgyz Republic for 2017-2021.*

Note: in this Concept, LSG bodies (AO) are recommended to conduct informational work among the population about the benefits of cooperation and to take direct part in activities to create agricultural cooperatives on their territory.
6. Decree of the Government of KR **“On approval of the Concept for the conservation and improvement of soil fertility of agricultural land in the Kyrgyz Republic for 2017-2020”** dated June 30, 2017 No. 414, which approved:

- *Concept of maintaining and improving soil fertility in agricultural lands in the Kyrgyz Republic for 2017-2020;*
- *Action plan for the implementation of the Concept for the conservation and improvement of soil fertility of agricultural land in the Kyrgyz Republic for 2017-2020.*

Note: This Concept outlines main problems in the field of conservation and increase of soil fertility of agricultural lands, including the following: misuse of funds by LSGs from leases of agricultural lands; lack of financial resources in LSG bodies to improve the condition of the land, including from compensation for agricultural losses and lost profits.

According to the Concept, a certain part of the financing will be provided at the expense of LSGs. Control at the level of aiyl aimaks will be exercised by LSG bodies.

7. Decree of the Government of KR **“On approval of the Concept for the development of organic agricultural production in the Kyrgyz Republic for 2017-2022”** dated August 2, 2017 No. 459, which approved:

- *Concept of development of organic agricultural production in the Kyrgyz Republic for 2017-2022;*
- *Action Plan for the implementation of the Concept.*

Note: This Concept provides that there are objective and subjective factors affecting the success of the implemented tasks related to the development of organic agricultural production, including: removal or non-participation of government bodies, LSGs, as well as business communities from the implementation of organic agricultural production tasks. At the same time, as one of the Concept objectives, it was established a creation of conditions for the implementation of interaction between government bodies, LSG bodies and organic agricultural entities on the basis of public-private partnerships. Also, according to the Concept, in order to build sustainable risk management frameworks, it is necessary, among other things, to increase capacity of state bodies and LSGs in assessing and monitoring natural disaster risks and improve early warning system.

8. Decree of the Government of KR **“On Approval of the Government Program of the Kyrgyz Republic “Development of Youth Policy for 2017-2020”** dated August 10, 2017 No. 471, which approved:

- *The Government Program of the Kyrgyz Republic “Development of Youth Policy for 2017-2020”;*
- *Action Plan for the implementation of the Program;*
- *Matrix of indicators for monitoring and evaluating the implementation of the Program;*
- *Budget of the Program.*

Note: The Program noted that according to the Law of KR “On Local Self-Government”, the organization of activities to work with children and youth is one of the issues of local significance.

9. Decree of the Government of KR **“On the Government Program of the Kyrgyz Republic for Family Support and Child Protection for 2018-2028”** dated August 14, 2017 No. 479, which approved:

- *The Government Program of the Kyrgyz Republic for Family Support and Child Protection for 2018-2028;*
- *Priority action plan (stage 1) for implementation of the Government Program of the Kyrgyz Republic for Family Support and Child Protection for 2018-2020;*
- *Matrix of indicators for monitoring and evaluating the implementation of the Priority action plan (stage 1) for implementation of the Government Program of the Kyrgyz Republic for Family Support and Child Protection for 2018-2020.*

Note: The Program indicates that under the executive bodies of LSG, there is social commission to provide additional social support to families with children.

10. Decree of the Government of the Kyrgyz Republic **“On Approval of the Government Program of the Kyrgyz Republic on development of master plans for settlements of the Kyrgyz Republic for 2018-2025”** dated August 17, 2017 No. 490, which approved:
- *The Government Program of the Kyrgyz Republic to develop master plans for settlements of the Kyrgyz Republic for 2018-2025;*
 - *List of settlements of the Kyrgyz Republic requiring the development of master plans.*
Note: The Program notes that in accordance with paragraph 8 of Art. 47 of the Law of KR “On Local Self-Government”, the issues of developing master plans for settlements and cities, including financing, relate to the activities of LSG bodies, including financial support for topographic surveys of the area for the development of master plans.

2018

11. **National Development Strategy of the Kyrgyz Republic for 2018-2040**, approved by Decree of the President of KR dated October 31, 2018 No. 221.
12. Decree of the Government of KR **“On the Concept of comprehensive protection of the population and the territory of the Kyrgyz Republic from emergency situations for 2018-2030”** dated January 29, 2018 No. 58, which approved:
- *The Concept of comprehensive protection of the population and the territory of the Kyrgyz Republic from emergency situations for 2018-2030;*
 - *Action plan for the implementation of the Concept of comprehensive protection of the population and the territory of the Kyrgyz Republic from emergency situations for 2018-2030 (stage 1 - 2018-2022);*
 - *Emergency Response Plan in the Kyrgyz Republic.*
Note: This Concept defines the main priority areas for the development of the state civil protection system and its constituent bodies, local state administrations, LSG bodies and organizations focused on the comprehensive protection of the population and territories of the Kyrgyz Republic, as well as the creation of conditions for sustainable development.
13. **Development program of the Kyrgyz Republic for the period 2018-2022. “Unity, Trust, Creation”**, approved by the Resolution of JK KR dated April 20, 2018 No. 2377-VI.
14. Decree of the Government of KR **“On the Program for Development of Local Self-Government of the Kyrgyz Republic for 2018-2023”** dated October 31, 2018 No. 513, which approved:
- *The program of development of local self-government of the Kyrgyz Republic for 2018-2023;*
 - *Action plan for the implementation of the Local Government Development Program of the Kyrgyz Republic for 2018-2023.*

2019

15. Decree of the Government of KR **“On approval of the Government Program of the Kyrgyz Republic for development of tourism sector for 2019-2023”** dated January 31, 2019 No. 36, which approved:
- *The Government Program of the Kyrgyz Republic for development of the tourism sector for 2019-2023;*
 - *Action plan for the implementation of The Government Program of the Kyrgyz Republic for development of the tourism sector for 2019-2023.*
Note: According to the Program, the package of proposed measures, the implementation of which requires the assistance of LSG bodies, will be financed from the local budget.

HARMONIZATION OF RELATIONS BETWEEN STATE BODIES AND LSGS

2016

16. Law of KR **“On Amendments to Certain Legislative Acts in the Sphere of Delegation of State Powers”** dated July 6, 2016 No. 99.
17. Decree of the Government of KR **“On measures for implementation of delegated state powers by local self-government bodies in the sphere of tax relations”** dated April 11, 2016 No. 202.

2019

18. Law of KR **“On Amendments to Certain Legislative Acts on Activities of Local Self-Government Bodies”** dated August 8, 2019 No. 115.

Note: All draft legal acts concerning LSG bodies must now be approved by the municipal association (Union of LSGs).

INTERBUDGETARY RELATIONS

2016

19. **The Concept of interbudgetary relations in the Kyrgyz Republic for 2016-2019**, approved by the Government of KR dated March 10, 2016 No. 116.
20. **The Budget Code of the Kyrgyz Republic** dated May 16, 2016 No. 59, which recognized the following as invalid from January 1, 2017:
 - Law of KR *“On Basic Provisions of the Treasury of the Kyrgyz Republic”* dated May 28, 1994 No. 1553-XII;
 - Law of KR *“On Basic Principles of Budget Law in the Kyrgyz Republic”* dated June 11, 1998 No. 78;
 - Law of KR *“On State and Non-State Debt of the Kyrgyz Republic”* dated September 21, 2001 No. 83;
 - Law of KR *“On the Financial and Economic Bases of Local Self-Government”* dated September 25, 2003 No. 215.
21. **Guidelines for application of the budget classification of the Kyrgyz Republic**, approved by the Decree of the Ministry of Finance of KR dated March 2, 2016 No. 32-П.

2017

22. Decree of the Government of KR **“On Approval of Instructions for Procedures of the Authorized State Body for Forecasting and Budget Execution for Accounting and Reporting”** dated August 16, 2017 No. 488.
23. Decree of the Government of KR **“On Amendments to the Decree of the Government of the Kyrgyz Republic” On the transfer of educational organizations financed from local budgets of aiyl aimaks and cities to financing from the republican budget through territorial units of the Ministry of Education and Science of the Kyrgyz Republic” dated May 30, 2013 No. 302”** dated September 18, 2017 No. 586.

Note. In connection with the adoption of this Decree, LSG bodies retain the function of financing utility bills and expenses for the maintenance of buildings and premises of general education organizations, as well as all expenses, with the exception of salaries and contributions to the Social Fund of the Kyrgyz Republic of pre-school, extra-curricular and other educational organizations.

24. Decree of the Government of KR **“On funds of budgetary institutions accumulated on special and deposit accounts in the single treasury account system”** dated September 29, 2017 No. 626.

25. Decree of the Government of KR **“On formation of the civil budget of the Kyrgyz Republic”** dated October 5, 2017 No. 653.

Note. In accordance with Article 126 of the Budget Code of the Kyrgyz Republic, the civil budget is formed in accordance with the methodology approved by the Government and is posted on the websites of the authorized state body, state agencies, executive bodies of LSG).

26. Decree of the Government of the Kyrgyz Republic **“On Procedure for Forming a Draft Republican Budget and Amending the Republican Budget”** dated November 1, 2017 No. 723.
27. Decree of the Government of KR **“On Approval of the Regulation for providing budget loans from the republican budget to local budgets”** dated December 18, 2017 No. 825.
28. Decree of the Government of KR **“On issues of budget financing of educational institutions of the Kyrgyz Republic”** dated December 28, 2017 No. 843.
29. **Budget classification of KR** approved by the Decree of the Ministry of Finance of KR dated December 21, 2017 No. 161-P.

2018

30. Law of KR **“On Amendments to the Budget Code of the Kyrgyz Republic”** dated July 18, 2018 No. 69.

Note. Article 95 of the Budget Code of the Kyrgyz Republic has been amended to regulate the formation of draft local budgets and public budget hearings.

31. Decree of the Government of KR **“On the transfer of city social development departments financed from local budgets to financing from the republican budget through the Ministry of Labor and Social Development of the Kyrgyz Republic”** dated June 11, 2018 No. 276.
32. Decree of the Government of KR **“On approval of the Procedure for conducting cash transactions by business entities and budgetary institutions in the Kyrgyz Republic”** dated June 12, 2018 No. 281.
33. Decree of the Government of KR **“On areas of the fiscal policy of the Kyrgyz Republic for 2019-2021”** dated August 23, 2018 No. 397.
34. Decree of the Government of KR **“On Approval of the Regulation on working with budget loans from the republican budget”** dated December 26, 2018 No. 635.

2019

35. Decree of the Government of KR **“On Approval of the Methodology for assessing the municipal budget transparency index”** dated September 5, 2019 No. 452.
36. Decree of the Government of the Kyrgyz Republic **“On Approval of the Regulation on public investment management”** dated May 28, 2019 No. 232.

ELECTORAL PROCESSES AT THE LOCAL LEVEL

2016

37. Law of KR **“On Amendments to the Law of the Kyrgyz Republic “On Elections of Deputies of Local Keneshes”** dated January 21, 2016 No. 8.
 Note. An electronic voting system has been introduced.
38. Resolution of the Central Commission for Elections and Referenda of KR **“On approval of the Regulation “On Procedures for Conducting Election Campaigns during the Election of Deputies of Local Keneshes”** dated October 20, 2016 No. 161.
39. Resolution of the Central Commission for Elections and Referenda of KR **“On approval of the Regulation “On Voter Informing and Dissemination of Information during the Preparation and Holding of Elections of Deputies of Local Keneshes”** dated October 20, 2016 No. 159.
40. Resolution of the Central Commission for Elections and Referenda of KR **“On approval of the Regulation “On the Status of Representatives of a Candidate, Political Party in the Election of Deputies of Local Keneshes of the Kyrgyz Republic”** dated October 11, 2016 No. 153.
41. Resolution of the Central Commission for Elections and Referenda of KR **“On approval of the Regulation “On Ensuring the Electoral Rights of Citizens of Certain Categories in the Conduct of Elections and Referenda of the Kyrgyz Republic”** dated November 17, 2016 No. 216.
42. Constitutional Law of KR **“On Referendum of the Kyrgyz Republic”** dated October 31, 2016 No. 173.

2017

43. Decree of the Government of KR **“On establishing the amount of remuneration to chairmen, secretaries, members of territorial and district election commissions of the Kyrgyz Republic for the period of elections and referenda”** dated April 26, 2017 No. 242.
44. Resolution of the Central Commission for Elections and Referenda of KR **“On approval of the Regulation “On ensuring the implementation of the electoral rights of citizens with disabilities in the conduct of elections and referenda in the Kyrgyz Republic”** dated October 7, 2017 No. 506.

2018

45. Resolution of the Central Commission for Elections and Referenda of KR **“On Amendments to the Regulations “On the Procedure for Election of the City Mayor”, “On the Procedure for Election of the Head of Aiyl Okmotu”, approved by the Resolution of the Central Commission on Elections and Referenda of the Kyrgyz Republic of January 6, 2017 No. 3”** dated February 17, 2018 No. 32.
46. Resolution of the Central Commission for Elections and Referenda of KR **“On Amendments to the Regulations “On the Procedure for Election of the City Mayor”, “On the Procedure for Election of the Head of Aiyl Okmotu”, approved by the Resolution of the Central Commission on Elections and Referenda of the Kyrgyz Republic of January 6, 2017 No. 3”** dated August 27, 2018 No. 170.

2019

47. Law of KR **“On Amendments to the Law of the Kyrgyz Republic “On the Election of Deputies of Local Keneshes”** dated August 8, 2019 No. 117.

MUNICIPAL SERVICE

2016

48. The new edition of the Law of KR **“On State Civil Service and Municipal Service”** dated May 30, 2016, No. 75, which recognized the following as invalid:
 - o Law of KR *“On State Service”* dated August 11, 2004 No. 114;
 - o Law of KR *“On Municipal Service”* dated August 21, 2004 No. 165.
49. Decree of the President of KR **“On approval of Rules of Procedure of the Council on State Civil Service and Municipal Service”** dated December 30, 2016 UP No. 307.
50. Decree of the President of KR **“On Awarding Class Ranks to State Civil Servants and Municipal Servants of the Kyrgyz Republic”** dated December 30, 2016 UP No. 308, which approved:
 - Regulation on the procedure for appropriation, reduction and deprivation of class ranks of state civil servants and municipal servants of the Kyrgyz Republic;
 - Composition of the Commission for consideration of proposals for appropriation, reduction and deprivation of the highest class ranks of the state and municipal services of the Kyrgyz Republic;
 - Regulation on the Commission for consideration of proposals for appropriation, reduction and deprivation of the highest class ranks of the state and municipal services of the Kyrgyz Republic.
51. Decree of the Government of KR **“On Ensuring Compliance with Legislation in the Sphere of State Civil Service and Municipal Service”** dated December 14, 2016 No. 674, which approved:
 - Regulation on the procedure for monitoring compliance with legislation in the sphere of state civil service and municipal service in state bodies and local authorities of the Kyrgyz Republic;
 - Regulation on the organization and conduct of official investigations in state bodies and local self-governments of the Kyrgyz Republic;
 - Procedure for maintaining a database of state civil and municipal servants who caused material damage to the state and compensation for material damage;
 - Regulation on the procedure for the transfer of gifts received in connection with protocol events, business trips and other official events, by persons filling state and municipal positions, and the rules for their redemption.
52. Decree of the Government of KR **“On Organization of State Civil Service and Municipal Service”** dated December 29, 2016 No. 706, which approved:
 - Regulation on the procedure for the competition and career advancement in the state civil service and municipal service of the Kyrgyz Republic;
 - Typical qualification requirements for groups of administrative posts of the state civil service and municipal service;
 - Typical job description of a state civil servant and municipal employee of the Kyrgyz Republic;
 - Regulation on the formation and functioning of the National reserve of personnel of the state civil service and municipal service of the Kyrgyz Republic;
 - Regulation on the procedure for the formation and functioning of the internal reserve of personnel of a state body and local self-government;
 - Regulation on the rotation of state civil servants and municipal employees of the Kyrgyz Republic;
 - Regulation on the procedure for testing candidates for filling vacant administrative public positions and administrative municipal positions;
 - Procedure for maintaining the personal files of a state civil servant and a municipal employee of the Kyrgyz Republic.

2017

53. Law of KR **“On Declaration of Income, Expenses, Obligations and Property of Persons Holding or Substituting State and Municipal Positions”** dated August 2, 2017 No. 164.
54. Law of KR **“On Conflict of Interest”** dated December 12, 2017 No. 206 (11).
55. Decree of the President of KR **“On Approval of the Register of state and municipal posts of the Kyrgyz Republic”** dated January 31, 2017 UP No. 17.
56. Decree of the President of KR **“On Amendments and Additions to Some Decisions of the President of the Kyrgyz Republic”** dated June 7, 2017 UP No. 109, which amended and supplemented the following acts:
 - Decree of the President of KR **“On Basic Issues of Providing and Organizing Municipal Service in the Kyrgyz Republic”** dated June 28, 2006 No. 327;
 - Decree of the President of KR **“On Certain Issues in the Sphere of State and Municipal Service”** dated December 30, 2016 No. 308.
57. Decree of the Government of KR **“On Approval of the Model Rules for Admission in Special (out-of-competition) Order to Certain Administrative Positions in Municipal Service”** on June 1, 2017 No. 329.
58. Decree of the Government of KR **“On Approval of the Regulation on Procedure for Calculating Seniority of Public Service and Municipal Service for Payment of Allowances to Net Salary for Years of Service”** dated January 6, 2017 No. 8.
59. Decree of the Government of KR **“On Assessment of Performance and Remuneration of State Civil Servants and Municipal Employees of the Kyrgyz Republic”** dated March 1, 2017 No. 131.

2018

60. Decree of the President of KR **“On Amendments to the Decree of the President of the Kyrgyz Republic “On Awarding Class Ranks to State Civil Servants and Municipal Employees of the Kyrgyz Republic”** dated December 30, 2016” dated June 26, 2018 UP No. 141.
61. Decree of the Government of KR **“On Measures to Implement the Law of the Kyrgyz Republic “On conflict of interests”** dated August 7, 2018 No. 362.

2019

62. Law of KR **“On Amendments to the Law of the Kyrgyz Republic “On State Civil Service and Municipal Service”** dated April 12, 2019 No. 48.
63. Law of KR **“On Amendments to Certain Legislative Acts on the Activities of Local Self-Government Bodies”** dated August 8, 2019 No. 115.

Note. The position of executive secretary of the local kenesh has been introduced.

RESOURCE MANAGEMENT AT THE LOCAL LEVEL (PROPERTY, LAND)

2016

64. **Set of rules for planning and development of rural settlements in the Kyrgyz Republic**, approved by order of the State Agency for Architecture, Construction and Housing and Public Utilities under the Government of the Kyrgyz Republic of September 20, 2016 No. 7-npa.

2017

65. Decree of the Government of KR **“On Provision of Land Plots for Subsoil Use”** dated December 15, 2017 No. 810.
66. Decree of the Government of KR **“On Approval of the Regulation on Reclamation of Lands Violated during the Use of Subsurface Resources”** dated August 18, 2017 No. 517.
67. Decree of the Government of KR **“On Approval of Procedure for Use and Disposal of the State Forest Fund”** dated April 10, 2018 No. 192.

2018

68. Law of KR **“On Subsoil”** dated May 19, 2018 No. 49.
69. Decree of the Government of KR **“On Approval of the Regulation on the Use and Formation of Reserve Lands”** dated March 30, 2018 No. 176.

2019

70. Decree of the Government of KR **“On Approval of the Regulation for Holding Auctions for the Right to Execute Agreement on Leasing Municipal Property in Electronic Format”** dated March 29, 2019 No. 142.
71. Decree of the Government of KR **“On Approval of the Regulation on State registration of Rights to Extract Sand and Gravel and Loams”** dated February 5, 2019 No. 43.

AUDITS OF THE LSG ACTIVITIES

2016

72. Law of KR **“On the Procedure for Conducting Inspections of the Activities of Local Self-Government Bodies”** dated March 31, 2016 No. 32.
73. Decree of the President of KR **“On Additional Measures for Legal Protection of Entrepreneurships and Local Self-Government Bodies in Inspection of Their Activities by Law Enforcement Agencies and Tax Authorities”** dated March 15, 2016 No. 58.
74. Decree of the Government of KR **“On Approval of the Audit Records’ Log and Registration Procedure in the Audit Records’ Log”** dated July 15, 2016 No. 398.
75. Decree of the Government of KR **“On Approval of the Interim Rules for Registration of Inspections Conducted by Law Enforcement and Tax Authorities in Respect of Businesses and LSGs”** dated July 27, 2016 No. 417.

2017

76. Decree of the Government of KR **“On Approval of Lists of Authorized State Bodies to Conduct Inspections of the Local Self-Government Activities”** dated April 12, 2017 No. 215.

SERVICES (MUNICIPAL)

2016

77. Law of KR **“On Amendments to the Law of the Kyrgyz Republic “On State and Municipal Services”** dated October 21, 2016 No. 170.

2017

78. Law of KR **“On Amendments to Certain Legislative Acts of the Kyrgyz Republic (Laws of the Kyrgyz Republic “On State and Municipal Services”, “On Access to Information Held by State and Local Self-Government of the Kyrgyz Republic”)”** dated July 20 2017 No. 130.

2018

79. Decree of the Government of the KR **“On Procedure for the Development and Optimization of Administrative Regulations of State and Municipal Services”** dated January 16, 2018 No. 26.
80. Decree of the Government of KR **“On Amendments to the Decree of the Government of the Kyrgyz Republic “On the Model Standards for State and Municipal Services”** dated September 3, 2012 No. 603” dated January 22, 2018 No. 39.
81. Decree of the Government of KR **“On Amendments to the Decree of the Government of the Kyrgyz Republic “On Approval of the Basic Register of Municipal Services Provided by Local Self-Government of the Kyrgyz Republic”** dated January 14, 2015 No. 6” dated February 5, 2018 No. 80.
82. Decree of the Government of KR **“On Amendments to the Decree of the Government of the Kyrgyz Republic “On Approval of the Procedure for Determining Amounts of Payment for Provision of State and Municipal Services (Work)”** dated October 26, 2000 No. 637” dated April 11, 2018 No. 198.

TYPICAL DOCUMENTS ON THE LSG ACTIVITIES

2016

83. Regulation **“On one-time compensation to chairpersons of aiyl keneshes working on a voluntary basis”**, approved by order of the State Agency for Local Self-Government and Interethnic Relations under the Government of the Kyrgyz Republic dated October 12, 2016 No. 01-24 / 166.

2017

84. **The Model Regulation on administrative commissions of local state administrations and executive bodies of local self-government to review the cases of administrative offenses**, approved by the Government of the Kyrgyz Republic dated March 27, 2017 No. 176.
85. **The Model Regulation on the Commission for Children’s Affairs**, approved by the Decree of the Government of the Kyrgyz Republic of July 24, 2017 No. 449.

2018

86. **The Model Regulation on conducting administrative affairs, a journal for keeping records on administrative acts**, approved by the Government of the Kyrgyz Republic dated February 26, 2018 No. 110.

2019

87. **The Model Regulation on the Commission for Civil Protection**, approved by the Decree of the Government of the Kyrgyz Republic dated February 19, 2019 No. 58.

OTHER ISSUES

2016

88. Law of KR **“On State-Guaranteed Legal Aid”** dated December 16, 2016 No. 201.
89. Law of KR **“On Ensuring Fire Safety”** dated June 7, 2016 No. 76.
90. Decree of the Government of KR **“On Assessment of Performance of the State Executive Bodies of the Kyrgyz Republic, Mayor Offices of Bishkek, Osh and their Leaders, Plenipotentiaries of the Government of the Kyrgyz Republic in the Oblasts”** dated June 17, 2016, No. 329, which approved:
 - Methodology for assessing performance of the state executive bodies of the Kyrgyz Republic, the mayor offices of Bishkek and Osh and their leaders, plenipotentiaries of the Government of the Kyrgyz Republic in the oblasts;
 - Regulation on the “Population Confidence Index” to the activities of state executive authorities of the Kyrgyz Republic, the mayor offices of Bishkek and Osh, plenipotentiary representatives of the Government of the Kyrgyz Republic in the oblasts and heads of local state administrations - akims;
 - Typical questionnaire for conducting a survey in order to measure the level of public confidence in the activities of state bodies of executive power of the Kyrgyz Republic, the mayor offices of the cities of Bishkek and Osh, plenipotentiary representatives of the Government of the Kyrgyz Republic in oblasts and heads of local state administrations - akims of oblasts.
91. Decree of the Government of KR **“On Approval of the Procedure for attracting citizens of the Kyrgyz Republic to the protection of the state border of the Kyrgyz Republic”** dated March 3, 2016 No. 106.

2017

92. **The Code of the Kyrgyz Republic on Violations** of April 13, 2017 No. 58;
93. **The Code of Administrative Procedure of the Kyrgyz Republic** dated January 25, 2017 No. 13.
94. Law of KR **“On Probation”** dated February 24, 2017 No. 34.
95. Law of KR **“On Protection and Protection from Family Violence”** dated April 27, 2017 No. 63.
96. Law of KR **“On State Social Contracting”** dated April 28, 2017 No. 70.
97. Law of KR **“On State Mortgage Housing Lending”** dated May 4, 2017 No. 73.
98. Law of KR **“On International Emergency Assistance”** dated June 17, 2017 No. 104.
99. Law of KR **“On Electronic Governance”** dated July 19, 2017 No. 127.
100. Law of KR **“On Electronic Signatures”** dated July 19, 2017 No. 128.
101. Law of KR **“On the Protection of State Secrets of the Kyrgyz Republic”** dated December 15, 2017 No. 210 (15).

2018

102. **Code of the Kyrgyz Republic on Non-Tax Revenues** dated August 10, 2018 No. 90.
103. Law of KR **“On Trust Management of State Property”** dated May 22, 2018 No. 51.
104. Law of KR **“On Civil Protection”** dated May 24, 2018 No. 54.

2019

105. Law of KR **“On Official Statistics”** dated July 8, 2019 No. 82.
106. Law of KR **“On Public-Private Partnership”** dated July 22, 2019 No. 95.

APPENDIX 4.

List of government bodies and organizations that received the Report to provide feedback and identify alternative opinions

1. The Central Commission for Elections and Referenda of the Kyrgyz Republic
2. The Apparatus of the Government of the Kyrgyz Republic
3. State Personnel Service of the Kyrgyz Republic
4. General Prosecutor's Office of the Kyrgyz Republic
5. The Ministry of Finance of the Kyrgyz Republic
6. The Ministry of Justice of the Kyrgyz Republic
7. The Ministry of Labor and Social Development of the Kyrgyz Republic
8. The Ministry of Agriculture, Food Industry and Melioration of the Kyrgyz Republic
9. The Ministry of Economy of the Kyrgyz Republic
10. National Statistics Committee of the Kyrgyz Republic
11. State Agency for Local Self-Government and Interethnic Relations under the Government of the Kyrgyz Republic
12. State Registration Service of the Kyrgyz Republic
13. State Tax Service of the Kyrgyz Republic
14. State Agency for Land Management under the Government of the Kyrgyz Republic
15. National Institute for Strategic Studies of the Kyrgyz Republic
16. Academy of Public Administration under the President of the Kyrgyz Republic

Report
to Jogorku Kenesh of the Kyrgyz Republic
on the Impact of Legislation Adopted
during 2016-2018 on the Development
of Local Self-Government in the Kyrgyz Republic

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POLITICAL MISSION OF THE REPORT

Provide assistance to Jogorku Kenesh of the Kyrgyz Republic in the performance of its control function; improvement of legislation affecting the development of local self-government and ensure that the interests of local self-governments are taken into account in changing legislation.

TECHNICAL MISSION OF THE REPORT

Provide the deputies of Jogorku Kenesh of the Kyrgyz Republic with a holistic view of the development trends of local self-government of the Kyrgyz Republic outside the sectoral context.

COMMUNICATION MISSION OF THE REPORT

Provide an opportunity to local self-governments of the Kyrgyz Republic to present their consolidated opinion on the legislation's impact on the development of local self-government and to strengthen communication between Jogorku Kenesh of the Kyrgyz Republic and local self-governments of the Kyrgyz Republic.

Association of Legal Entities "Union of Local Self-Governments of the Kyrgyz Republic" (hereinafter referred to as the Union of LSGs) was established to promote the development of local self-government, represent and protect the interests of local self-government at the central and local levels, as well as promote the development of the Union's members as effective and viable territorial structures. Members of the Union of LSGs are 453 aiyl and 31 city local governments. All information about activities on the website www.citykr.kg

The mission of the Development Policy Institute (hereinafter - IPR) is to assist local communities and government bodies to exercise human rights and opportunities to live with dignity. DPI works with local communities, LSG bodies, state bodies, NGOs, universities, the media, and donors on various issues of local community development, decentralization, strengthening accountability, municipal and state administration. DPI's permanent partners are about 250 LSG bodies, many state bodies and NGOs, etc. All information about activities on the websites www.dpi.kg, www.municipalitet.kg