



BISHKEK-2020

REPORT

for the Jogorku Kenesh
of the Kyrgyz Republic
on impact of legislation,
adopted during 2016-2019
on development of local
self-government
in the Kyrgyz Republic

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LIST OF ABBREVIATIONS AND CONVENTIONS

AA	ayilny aimak, a rural administrative-territorial unit of the Kyrgyz Republic.
AK	ayilny kenesh, representative body of rural local self-government of the Kyrgyz Republic.
ALE	association of legal entities.
AO	ayil okmotu, executive body of rural local self-government of the Kyrgyz Republic.
BC KR	Budget Code of the Kyrgyz Republic.
DCRRRE	Department of Cadastre and Registration of Rights to Real Estate of the State Registration Service under the Government of the Kyrgyz Republic.
DGA	delegated government authority.
DLS	difficult life situation.
DPI	Public Association “Development Policy Institute”.
HAU	Housing and Utilities.
IPC	The index of public confidence in the activities of state executive authorities and local self-government bodies of the Kyrgyz Republic, the calculation methodology of which is approved by a decree of the Government of the Kyrgyz Republic.
JK KR	Jogorku Kenesh (parliament) of the Kyrgyz Republic.
KR	Kyrgyz Republic.
LB	local budgets.
LSA	local state administration.
LSG	local self-government.
MAFILR	KR Ministry of Agriculture, Food Industry and Land Reclamation of the Kyrgyz Republic.
Media	mass media.
ME KR	Ministry of Economy of the Kyrgyz Republic.
MF KR	Ministry of Finance of the Kyrgyz Republic.
MJ KR	Ministry of Justice of the Kyrgyz Republic.
MLSD KR	Ministry of Labor and Social Development of the Kyrgyz Republic.
MPI	The Multidimensional Poverty Index, which measures poverty in three dimensions: access to health (nutrition, infant mortality), access to education (length of study and school attendance), and access to basic needs (fuel, electricity, sanitation, water, land, property etc.).
NLA	normative legal acts.
NPO	non-profit organization.
NSC	National Statistical Committee of the Kyrgyz Republic.
PD	person with a disability.
PH	public hearings.
RACS	registration of acts of civil status.
RB	republican budget.
Report	Report to Jogorku Kenesh of the Kyrgyz Republic on the impact of legislation adopted in the period 2016-2018 on the development of local self-government in 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.
SRS	State Registration Service of the Kyrgyz Republic.
STS	State Tax Service of the Kyrgyz Republic.
Union LSG	Association of Legal Entities “Union of Local Self-Government of the Kyrgyz Republic”.

INTRODUCTION

Local communities and local self-government bodies (hereinafter – LSG) have unstable and chaotic channels of direct communication with the Jogorku Kenesh of the Kyrgyz Republic (hereinafter – JK KR), their opinion is poorly taken into account when the Government of the Kyrgyz Republic reports to the parliament. Therefore, the JK KR assesses the situation in LSG and the results of its legislative work for LSG, either from the words of the executive authority, or on the basis of personal observations of deputies, or according to information from mass media publications (hereinafter – referred to as the media). All these sources of information cannot be considered sufficient to make an objective assessment of the impact of the laws adopted by the JK KR on LSG and the government's work to implement these laws.

The JK KR needs an alternative source of information, stable direct communication with local communities and LSG bodies, excluding intentional or unintentional distortion of information coming from the executive government or the media.

More than 60% of LSG bodies apply to the JK KR and the Government of the KR about problems arising in the implementation of the norms of the current legislation (rarely – 55.2%, often – 5.8%¹). More than half of LSG bodies (51.2%) say that the JK KR and the Government of the KR do not provide information in response to their requests². A large number of such appeals and individual communication with each LSG body creates an administrative problem for the highest governing bodies. Therefore, it is necessary to create a new communication channel. In relation to the JK KR, this Report can become such a channel.

Unfortunately, for a long time the weak voice of LSG made it possible to sacrifice its interests to the political and economic conjuncture, to distort the forecast consequences of some decisions for LSG in the eyes of deputies of the JK KR. This was the case, for example, when LSG bodies were entrusted with part of the obligation to pay salaries to teachers, although education is a state function, and the JK KR had no information about the violation of the principle of delimiting budgets, functions and powers of state bodies and LSG bodies.

JK KR has a direct impact on the formation of LSG bodies and the relationship between local keneshes and LSG executive bodies. 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 the respective territory and copy the model of power at the national level. However, until now, local keneshes work in isolation, which complicates their development, they do not sufficiently interact with the JK KR and other state bodies, often violate laws, interpreting them without a clear understanding of the will of the legislators. For its part, the JK KR does not have information on how laws are applied by local keneshes in their local normative legal acts, (hereinafter – NLA) what is the basis of local parliamentary democracy and what are the personnel and political prospects for its development.

These problems were discussed at the Forum of LSG KR “The role of LSG bodies in the integrated development of regions of the Kyrgyz Republic” on July 3, 2018 (the materials of the forum are available on the website: <http://dpi.kg/ru/library/full/281.html>) the results of which a Resolution was adopted, which noted the need to introduce new tools for assessing the impact of the JK KR work on the development of local communities.

The LSG Union, in partnership with the Development Policy Institute (hereinafter – DPI), developed the concept of the Report for the Jogorku Kenesh of the Kyrgyz Republic on impact of legislation, adopted during 2016-2020 on development of LSG in the Kyrgyz Republic (hereinafter – the Report). According to the methodology, the Report is not just a written document in the usual sense. The report is a tool, an additional opportunity to monitor the control function of the JK KR, the impact of laws and other acts of the JK KR, discuss the results of this monitoring and correct decisions based on the discussion. The practice of such reports is applied in other sectors and countries, for example, the reports of the Ombudsman are also used as a tool for regular interaction of stakeholders, monitoring and assessing the quality of decisions made.

¹ Hereinafter, where the source of information is not indicated: the results of a survey of LSG bodies conducted by the LSG Union in 2019 and 2020; data from the DPI archive

² The LSG Union notes that this is not about the performing discipline (about the formal presence or absence of answer), but about the presence of an answer that satisfied the LSG bodies, containing information about solving the problem, about to which the appeal was sent

The methodology of the Report was first developed in 2019, taking into account the practice of submitting similar reports in other areas and presented to three committees of the JK KR: the Committee on constitutional legislation, state structure, judicial and legal issues and Regulations of the JK KR; Committee on agrarian policy, water resources, ecology and regional development of the JK KR; Committee on social issues, education, science, culture and health of the JK KR. In 2020, the Report Methodology was revised based on the lessons learned from the development of the first Report.

The cycle of work on the Report began with the collection and analysis of information, including qualitative and quantitative research, framing of situations. Information for this Report was collected by conducting focus group discussions with LSG bodies, questioning representatives of LSG bodies, studying open sources and requesting information from government bodies. In total, about 80 representatives of LSG bodies of the Kyrgyz Republic in 2019 and 135 in 2020 took part in the preparation of the Report. In 2020, taking into account the epidemiological threat caused by the spread of COVID-19, the collection of information was carried out remotely – by e-mail (filling out the questionnaire) and by phone (interview).

Then, on October 22, 2020, the draft Report was sent to 16 government bodies, on November 5 2020, a discussion was held with eight government bodies, as a result of which interested government bodies had the opportunity to make their additions to the Report, as well as provide an alternative opinion on its findings and recommendations.

It is expected that as a result of the implementation of the Report as a regular communication and monitoring tool, a direct link between the JK KR and local communities will be established; the interests of local communities will receive a mechanism for real consideration in the decision-making process; the control function of the JK KR will receive a new qualitative expression – an assessment of the impact of laws on objective indicators.

The first part of the Report (Development of local self-government in the Kyrgyz Republic in 2016-2020) is a holistic description of the state of representative and executive bodies of LSG, including current tendencies and development problems. It contains facts and conclusions that are of interest not only to all levels of government, but also to citizens. It is no coincidence that this part of the Report begins with the results of a review of the level of citizens' trust in LSG bodies. LSG bodies believe that the essence of LSG is the participation and trust of citizens, on which the entire system of power is built.

The second part of the Report (Impact on local communities and LSG bodies of laws adopted in 2016-2020) is devoted to the description of the impact of the adopted legislation on the development of LSG. During the development of the Report, LSG bodies expressed their attitude to specific laws, noting their advantages and disadvantages. The list of laws considered in this Report was determined by the LSG bodies together with experts and could not include the entire array of laws adopted by the JK KR over the past years, therefore it was ranked in accordance with the opinion of LSG bodies.

The Report also contains a calendar of significant events in the field of formation of the regulatory legal environment for the functioning of LSG in the Kyrgyz Republic, which illustrates the diversity and multidirectionality of legal measures affecting the development of LSG.

SUMMARY OF REPORT

Citizens' attitude towards local self-government and state stability. Local self-government is the primary and most important part of the system of government of the Kyrgyz Republic; the attitude of citizens to the government as a whole depends on its condition and ability to meet the needs of citizens. Citizens' expectations and requests for local self-government bodies are growing from year to year, as are general expectations from the standard of living. However, the ability of LSG bodies to fully respond to the needs of citizens is increasingly lagging behind the expectations and the very needs of people. Since 2016, the population's optimistic perception of LSG has remained relatively high, but has been steadily declining, and in 2018, citizens were inspired by the prospects of LSG in the light of the presidential decrees on regional development in 2018 and 2019. But already in 2019, the inspiration was again replaced by restrained optimism, and then, in 2020, disappointment. As is often the case in politics, expectations turned out to be higher than actual results – this can explain the two-fold drop in the level of optimism and inspiration towards LSG in 2020. Citizens broadcast their expectations from the promises of the President of the Kyrgyz

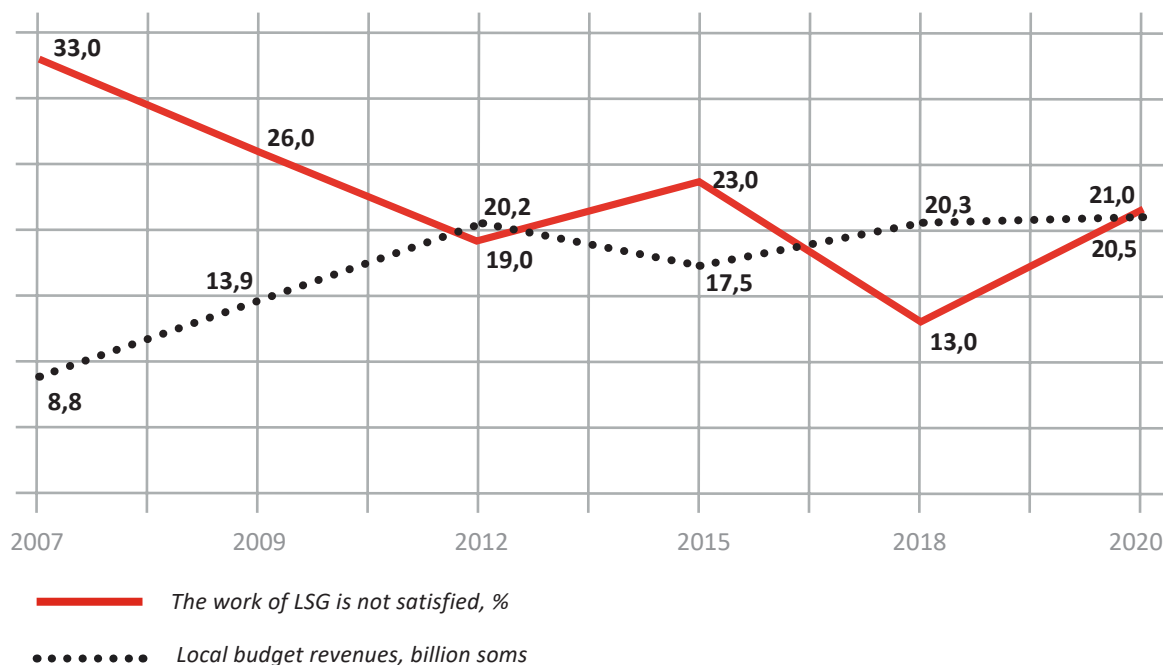


DIAGRAM A. Dynamics of the level of dissatisfaction with the work of LSG bodies in comparison with the dynamics of the volume of revenues of local budgets, 2007-2020

Republic and the Government of the Kyrgyz Republic to local government bodies, and when they could not fully meet these expectations, positive perception began to give way to negative – the proportion of those who experience disappointment and irritation with respect to local self-government has doubled.

However, LSG bodies operate under conditions of restrictions and cannot be held responsible for the implementation of all the intentions of politicians at the national level. The most important limitation is the scope of authority and funding for their implementation. In this regard, the comparison of the dynamics of the level of dissatisfaction with the work of LSG bodies in comparison with the dynamics of the volume of revenues of local budgets is indicative.

The level of public confidence in LSG bodies is a reflection of the level of public confidence in the legislative and executive authorities of the state, regardless of competence, since LSG bodies are the closest to the population and accessible from the authorities, and citizens transfer their attitude towards the state as a whole to LSG bodies. The level of citizens' trust in LSG bodies is traditionally higher than the level of trust in executive government bodies. In 2020, the executive bodies of LSG – the mayor's office and ayil okmotu – took the fourth place in the rating of public confidence, yielding the first three places to the education system, the armed forces and religious institutions, respectively. Local keneshes are less trusted by the population and rank seventh in the trust rating. Public confidence is growing significantly in 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 such complex and important issues as the local budget or government are openly brought up for public discussion. lands. Moreover, the level of public confidence in LSG is a real assessment of the quality of the public administration system, the interaction of LSG bodies with government bodies.

The high, relative to state bodies, level of citizens' trust in LSG bodies is also confirmed by their opinion on the level of corruption at the local level. Thus, every third citizen believes that there is no corruption in the LSG. The number of such opinions is steadily growing. Since 2008, the share of citizens who are confident that there is no corruption in LSG has increased almost sevenfold.

Status of women in local communities. In recent decades, there are fewer and fewer women in leadership positions in the management system. In 2019, Article 59-1 of the Law of the Kyrgyz Republic "On elections of deputies of local keneshes" was amended to reserve at least 30 percent of the mandates of ayilny kenesh deputies for women. In order to maintain a stable representation of women in local keneshes, on August 8, 2019, an amendment was made to the Law of the Kyrgyz Republic "On elections of deputies of local keneshes". From now on, the place of a female deputy is retained in the event of an early termination of her powers,

since the mandate is transferred only to a female candidate, and in case of termination of the powers of a male deputy, his mandate is transferred to a male candidate from the party list. This is a big step forward in ensuring gender equality in the management system. The representation of women in the process of solving local issues that directly affect the living conditions of families and women is especially important. Among these issues, women see kindergartens as the most important, which free up women's time for paid work and development, and access to drinking water, which reduces the exorbitant physical stress on women and children when they are forced to deliver water in flasks and buckets. In second place are schools and garbage collection, which are priority issues for every seventh woman.

An assessment of gender equality in relation to women's participation in local government showed that the role of women in public life can be much higher than it is now. Women are more often active in issues related to the arrangement of everyday life and children – two main aspects that are considered traditionally female obligations in our country. At the same time, women face the problem of combining an active life position with the organization of household chores. The main problem that prevents women from being active in public life in their local community, almost 60% of citizens consider the overload of unpaid domestic work. The second reason is that women are not even invited to discuss important issues, since approximately 10-15% of men believe that women have no time to participate in the decision-making process due to the overload of household chores. Every sixth woman is sure that women's opinion is simply not taken seriously, and every tenth woman fears that she may be shamed for showing public activity or social initiative. To promote the interests and representation of women in local self-government bodies, it is necessary to create various conditions, platforms and opportunities that would allow them to show and demonstrate their capabilities.

The state of local keneshes and the sustainability of representative democracy at the local level. There are no reliable data on how exactly the party factor influenced the work of local keneshes¹. As part of the preparation of the Report, the opinion of the LSG bodies themselves about the changes in the work of local keneshes under the influence of parties was obtained. Thus, 81% of the polled representatives of LSG bodies believe that political parties influence the work of the local kenesh. This influence is considered negative by 40% of representatives of local self-government bodies. However, it is important to remember that the survey was mainly attended by representatives of the executive bodies of local self-government, and this could not but affect their judgments: “the local kenesh obeys the teams of political parties from Bishkek and ignores the interests of the community” and “the local kenesh interferes with the work of the AO”. At the same time, 17% of the employees of the executive bodies of LSG see a positive influence, which is expressed in the fact that “the local kenesh has become stricter to monitor the work of the AO”, another 14% noted that “the local kenesh is “younger”. Thus, there is no consensus on the impact of political parties on the work of local keneshes, and the management system, analytical centers have yet to study this impact in order to develop sound recommendations. And yet the overwhelming majority of representatives of LSG bodies (79%) believe that local keneshes should not be formed according to the party principle.

The level of education, the electoral system, the influence of the party factor leads to the dissolution of local keneshes. So, in 2017-2020. 34 local keneshes were dissolved, while 9 keneshes were dissolved due to the lack of a quorum at meetings, 25 keneshes – due to the fact that keneshes could not choose the head of the executive body of LSG – the head of the AO or the mayor.

In 2019, legislators took a big step towards strengthening the institutional sustainability of local keneshes. For a long time, the lack of full-time staff to ensure the regular functioning of rural representative bodies created a serious problem. 453 ayil keneshes from the moment of their formation did not have their own apparatus, their powers were entrusted to the executive secretary of ayil okmotu, which could and often led to a conflict of interest between the ayil kenesh and ayil okmotu. The workload of the executive secretary with the current work did not allow this official to pay due attention to such issues as the organization of the work of the standing commissions, the quality work of the sessions, and the relationship of the kenesh with the population. Finally, the Law of the Kyrgyz Republic “On Amendments to Certain Legislative Acts on the Activities of Local Self-Government Bodies” dated August 8, 2019 No. 115 created new conditions for the work of local keneshes. Now ayilny keneshes of some aimaks are provided with an additional staff unit – an executive secretary. The chairmen of ayil keneshes of aimaks, with a population of over 20,000 people, are

¹ There is an expert opinion that the influence of the party factor in its pure form is not observed, since the parties are still weak. In fact, there is a division according to the principle of “north-south”, into interest groups of influence, criminal and religious groups. At the LSG level, these problems are especially evident.

also provided with wages. The issue of creating similar conditions for the keneshes of aimags with a smaller population has not yet been resolved due to insufficient funds in the budget. Separate issues of improving accountability and increasing responsibility of deputies of local keneshes to voters remain unresolved. For example, the issue of the institution of recall of deputies of local keneshes remains unregulated in the legislation of the Kyrgyz Republic.

The state of the municipal service. The dynamics of the data suggests that the number of municipal positions – vacant and actually filled – is subject to insignificant fluctuations. The share of vacant municipal posts fluctuates between 9-10%, which makes it possible to assess the municipal service as generally staffed. However, the absence of every tenth specialist is a challenge; and 869 job vacancies in a country with high unemployment rates are not normal.

The “washing out” of women from the leadership of LSG bodies continues: the proportion of men in the leadership is increasing. Thus, the proportion of women holding political municipal positions is still insignificant and continues to decline – from 4.2% in 2017 to 3.5% in 2020, not a single woman remained in top administrative municipal positions, with the exception of vice-mayor of Bishkek. However, the proportion of women in senior, senior and junior municipal positions is growing. A disturbing trend is found in relation to gender balance in staff turnover. So, in 2019, compared to 2016, the proportion of women among those dismissed from municipal service increased from 29 to 33 percent, respectively.

Opportunities for people with disabilities (hereinafter – PWD) have expanded. So, in 2020, 195 PWDs (134 in 2017) hold municipal positions, including 137 men and 58 women (against 117 and 17 people in 2017, respectively).

The ethnic composition of LSG executive bodies 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 structure of the country’s population. At the same time, the overwhelming majority of municipal employees in political positions (96%) are still Kyrgyz.

Persons of pre-retirement and retirement age, over 55 years old, held almost 23.3% of municipal posts in 2019 (22% in 2018). The municipal service demonstrates the tendency of “aging” of the composition, since in 2016 this category of persons occupied 18% of positions.

It should be noted that the surge in staff turnover in 2016 was due to the change in political leaders of LSG bodies. The tendency to change the team after the change of the head of the LSG executive body damages the quality of the municipal service. The LSG Union notes that in 2021, a new surge in staff turnover in the municipal service should be expected, which will most likely follow the elections to local keneshes scheduled for the spring of 2021. At the same time, the level of staff turnover in the municipal service is not extreme and even lower than in the civil service.

Training. There is an obvious limited access to advanced training, which is caused, first of all, by the underfunding of the corresponding items of the SCS KR needs for the organization of training. In 2020, the situation became especially aggravated due to the fact that the republican budget was subject to sequestration (reduction), as a result of which the funds allocated for advanced training will only be enough for 500 municipal employees, which is five times less than the norm and is only 6% from their total number. The other side of the problem is the insufficiently responsible attitude to the issue on the part of the heads of LSG bodies. Working in conditions of a shortage of personnel, experiencing overloads with current work, the heads of LSG bodies are not always able and willing to send those employees who really need it to improve their qualifications. It is important to note that the state system of advanced training is not designed to meet all emerging knowledge and skills needs of municipal employees. Being in direct contact with the population, they are forced to face almost daily new issues of management, life phenomena, difficult situations that are not described in the governing documents, and the solution of which has not been previously encountered in the practice of municipal employees. A striking example of such working conditions was the situation with which the local self-government bodies faced in spring 2020 due to the epidemiological threat caused by the spread of COVID-19. For the first time, local self-government bodies found themselves face to face with such a threat, they had to take on the solution of many functions that were not characteristic of them before – from purchasing sanitary and hygienic means to providing remote work. Operational assistance in relation to such current management issues should be organized through horizontal training, exchange of experience and practice between the professional actors themselves. This kind of training can and should be provided by the association of LSG bodies – the LSG Union. Since there is also an authorized state body for local self-government in the Kyrgyz Republic – SALSIGIR, it can and should also be involved in this process.

Powers delegated by the state. Progress has been observed in relation to seven or approximately 40% of the powers assigned by the Law of the Kyrgyz Republic “On Local Self-Government” dated July 15, 2011 No. 101 to the main state powers that can be delegated to LSG bodies. The authorized state bodies propose to exclude four powers from the list of delegated ones. There is no progress on the 40% that can be delegated. This raises two questions. The first one is about the expediency of classifying these powers as delegated in a situation where, within seven years, the actual need to delegate these powers did not arise from the state body. The second is about the quality and scope of these powers without the participation of LSG bodies, since, judging by the nature of powers and the reason for their classification as delegated, these powers should be exercised in direct contact with the population. The meaning of the question is, to what extent is the authorized body capable or incapable of fully and in proper quality to exercise its powers without the participation of LSG bodies?

Financial situation of LSG bodies. The volume of revenues of local budgets (without transfers) still does not exceed one tenth of the total revenues of the republican and local budgets. And if the calculation does not include the revenues of the cities of Bishkek and Osh, which have the largest share in the total revenues of local budgets, then the share of all other local budgets in the consolidated budget of the republic will be only about 5%.

Most LSG bodies do not have enough resources for the quality performance of their own functions and delegated state powers, even though the nominal volume of local budget revenues is increasing from year to year. But if we compare the growth of the nominal (absolute) volume of local budgets with the growth in the volume of total revenues of the republican and local budgets, then no dynamics is found. Simply put, in comparative terms, the volume of local budgets is not growing, which has been repeatedly emphasized both in the previous Report and in the expert reviews submitted to the Government of the Kyrgyz Republic and the Jogorku Kenesh of the Kyrgyz Republic. The values of one of the main indicators of financial decentralization of the state – the share of local budget revenues in the total revenues of the republican and local budgets – remain unchanged since 2017. Every fourth som of local budget revenues is a subsidy from the republican budget, which indicates a significant dependence of local budgets on funding from the center.

The main reason for the dependence of local budgets is the low-income potential of LSGs, which leads to the inability to collect a sufficient amount of their own revenues. Insufficiently high level of economic development of most territories significantly limits the amount of tax collections, and insufficiently good management of gradually declining municipal property reduces the receipt of non-tax revenues.

The directions of improving interbudgetary relations have not undergone any significant changes for many years – the same problems give rise to repeated proposals for their solution. The main problems in this area: disproportionate distribution of budget funds without reference to the functions and powers assigned to the management bodies; the influence of the human factor and political pressure, which creates opportunities for the formation of unreasonable preferential conditions for some LSG bodies over others (for example, in terms of compensation for loss of income, distribution of capital investments, etc.); imperfect policy of distribution of national revenues; imperfect transfer policy in terms of equalizing local budgets and allocating targeted transfers; allocation of incentive (equity) grants. Local self-government bodies create some problems for themselves, for example, they do not always properly try to increase their income potential or expand the tax base for fixed taxes and local taxes, non-tax revenues; do not provide a good quality of planning their own income; are short-sighted in managing regional development funds.

A separate problem that negatively affects the financial well-being of LSGs is the lack of a process for coordinating interests on issues of inter-budgetary relations between local government and the state. Local government bodies do not have the ability to ensure that the interests of local communities are taken into account in the process of budgeting. This entails an imbalance in the financing of LSGs, makes it difficult for LSGs to effectively resolve issues of local importance and provide services at the local level. The lack of a constructive dialogue in the budgetary process between local government and the state leads to the emergence of all the other difficulties listed above. Taking into account the interests of LSG bodies and local communities should be enshrined in legislative and regulatory legal acts governing the process of planning the republican budget and adopting a report on its implementation. Reconciliation of interests should take place at the stage of adoption of the annual budget resolution by the JK KR, at the stage of development and adoption by the Government of the Kyrgyz Republic of the main directions of the fiscal policy of the Kyrgyz Republic and, directly, the draft law on the republican budget, for which the JK KR should receive the draft budget accompanied by a protocol on the coordination of interests between the Government of the Kyrgyz

Republic and LSG bodies represented by their legitimate representative – the Union of Local Governments of the Kyrgyz Republic. In the process of consideration of the JK KR of the draft law on the approval of the report on the execution of the republican budget, the participation of the Union of LSG KR is also necessary.

Compliance with laws by LSG bodies. Data on offenses committed by local self-government bodies are collected by the General Prosecutor's Office of the Kyrgyz Republic. The format for presenting this information is constantly changing, and it is not possible to carry out any objective analysis. The achievement of the General Prosecutor's Office of the Kyrgyz Republic can be considered the publication on the website: <https://www.prokuror.kg> of information on the results of inspections of the activities of LSG bodies carried out by the prosecution authorities. Such information has been published on the specified site since 2018. However, information is posted irregularly and not in a machine-readable format, which does not allow analysis of this information. The LSG Union believes that in order to strengthen the prevention of offenses by LSG bodies, it is necessary to place this information on a systematic basis in a machine-readable format. Also, the Union of LSG considers it extremely important that the information on the inspections carried out reflects their nature – planned or unscheduled inspection, as well as the reasons for the unscheduled inspection. Further, the LSG Union is convinced that it is unacceptable not to indicate the subject of the audit in the report on the inspections carried out – for example, in 2020, the information on about 16% of the inspections carried out does not indicate the subject of the audit, there is no information about the compliance with which legislation was checked.

Assessment of the impact of laws on the development of LSG. During 2019, the JK KR adopted 170 legislative acts. The expert group of the Union of LSG and DPI compiled an expanded list of 20 laws that most affect the activities and interests of LSG bodies, and then prioritized this list based on the criteria of relevance for LSG bodies, after which the list was reduced to 15 laws. To them, taking into account the wishes of representatives of local self-government bodies, 7 legislative acts were added, adopted by the JK of the Kyrgyz Republic in the period from 2016 to 2018, considered in the report of 2019, but did not receive a sufficiently detailed assessment and response from the relevant state bodies, including lawmakers, mainly because there is not enough time to assess their impact since their adoption.

- To assess the impact of the laws, a study of the opinions of LSG bodies was carried out by conducting surveys (questionnaires and interviews). In general, LSG bodies assess the work of the JK KR positively. Thus, of the 22 laws under study, almost all received a positive assessment of the majority of LSG bodies. Even those laws that received a negative assessment last year were assessed more positively this year. Based on the survey results, five laws can be distinguished, the positive impact of which is recognized by most LSG bodies:
- The Law of the Kyrgyz Republic “On Amendments to Certain Legislative Acts on the Activities of Local Self-Government Bodies” (LKR On Local Self-Governance, On Legal Regulations, On the Regulations of the JK KR, On the Status of the Capital, On the Status of Osh City, On the Status of Deputies of Local Keneshes) dated 08 August 2019 No. 115;
- Code of the Kyrgyz Republic on Non-Tax Income dated August 10, 2018 No. 90;
- Law of the Kyrgyz Republic “On Amendments to the Tax Code of the Kyrgyz Republic” dated January 23, 2019 No. 9;
- Law of the Kyrgyz Republic “On the procedure for conducting inspections of the activities of local self-government bodies” dated March 31, 2016 No. 32;
- Law of the Kyrgyz Republic “On Amendments to Certain Legislative Acts of the Kyrgyz Republic” (to the Laws of the Kyrgyz Republic “On Local Self-Government”, “On the Status of Deputies of Local Keneshes”, “On the Status of the Capital”, “On the Status of Osh City”) dated August 08, 2019. No. 118.
- The report confirmed the hypothesis that a narrow-sector approach to solving departmental problems through changing legislation is extremely negatively expressed in practical results, which is confirmed by the opinion of LSG bodies. Thus, the impact of 4 laws, completely focused on solving sectoral problems, adopted without taking into account the structure of relations between state bodies and LSG bodies and without taking into account the peculiarities of the two-tier budget system, received a negative assessment from LSG bodies. It is important to note that some representatives of LSG bodies note that a number of laws have influenced the activities of LSG bodies both positively and negatively.
- Law of the Kyrgyz Republic “On protection and protection from domestic violence” dated April 27, 2017 No. 63;

- Law of the Kyrgyz Republic “On Amendments to Certain Legislative Acts on the Protection and Protection from Domestic Violence” dated April 27, 2017 No. 64;
- The Law of the Kyrgyz Republic “On Amendments to Certain Legislative Acts of the Kyrgyz Republic” (to the Laws of the Kyrgyz Republic “On the Bar of the Kyrgyz Republic and Advocacy”, “On Local Self-Government”) dated December 12, 2016 No. 196;
- Law of the Kyrgyz Republic “On Amendments to Certain Legislative Acts on the Implementation of the Probation Institute” dated April 24, 2019 No. 56.

A separate topic for discussion is the established practice of uncontrolled expansion of the list of issues of local importance without reinforcing these functions with the necessary resources. So, only during 2018-2019, 10 implemented and unrealized similar initiatives were noticed to expand the list of issues of local importance. Most of all, the LSG bodies in this situation are depressed and alarmed by the fact that only 2 out of 10 proposed initiatives considered the issue of financing the execution of functions proposed to LSGs from the republican budget. References-justifications for the remaining 80% of the initiatives contained the standard wording that the draft normative legal act does not require additional funding from state budget funds. Local self-government bodies conclude that the initiators of expanding the list of issues of local importance do not consider local budgets as part of the national budget, believing that local budgets are financed in some special way that is not related to the tax and non-tax revenue system of the Kyrgyz Republic. In fact, local budgets are part of the consolidated budget of the republic, therefore, in accordance with the principle that money follows functions, following a change in the distribution of functions between state bodies and LSG bodies, inter-budgetary relations should change, redistributing revenues between budgets. Therefore, common sense and the Constitution of the Kyrgyz Republic dictate that the rationale for such initiatives should indicate the cost of performing the function and the sources of its financing, excluding local budgets, which are designed for minimum financing of existing issues of local importance, but not new, additional ones.

LSG bodies express extreme concern about the established tradition and practice of expanding the list of issues of local importance without reinforcement of resources and ask the Jogorku Kenesh of the Kyrgyz Republic to prohibit expanding the list of issues of local importance without financial justification of sources and financing mechanisms for new functions proposed to local government bodies. Through the Report, LSG bodies present an extensive set of recommendations addressed to various levels of government, with recommendations including 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

TO THE COMMITTEE ON CONSTITUTIONAL LEGISLATION, STATE INSTITUTION, JUDICIAL AND LEGAL ISSUES AND REGULATIONS OF THE JK KR

- To regulate in the legislation the terms of the announcement and holding of elections for the deputies of local keneshes who terminated their powers ahead of schedule.
- To regulate in the legislation the issue of the legitimacy of the activities of local keneshes, whose four-year term of activity has expired, but continue to operate until the election day.
- Delineate the structure and composition of the apparatus of urban and rural keneshes, taking into account the specifics and scale of municipalities. For keneshes, in which, in the opinion of the local government and the population, a secretary is needed, it is necessary to remove the quantitative threshold by the number of inhabitants. Also, the quantitative threshold should not put in an unequal position in matters of payment for the activities of the chairmen of local keneshes.
- Strengthen control over the implementation of the law by the Government of the Kyrgyz Republic in terms of the provision on the introduction full-time position of the executive secretary of the local kenesh.
- Introduce a mechanism for recalling deputies by voters due to non-fulfillment of voters' orders in order to protect the interests of voters from non-fulfillment and (or) improper fulfillment by a deputy of his powers.
- Introduce legal responsibility of deputies of local keneshes for actions aimed at deliberate disruption of elections of heads of ayil okmotu.
- Introduce requirements for higher or at least secondary specialized education, as well as good work experience for candidates for deputies of local keneshes.
- Analyze the impact of the Law of the Kyrgyz Republic "On Amendments to the Law of the Kyrgyz Republic 'On Freedom of Religion and Religious Organizations in the Kyrgyz Republic'" dated December 21, 2019 No. 140 on the feasibility of returning LSG bodies to the number of subjects of control over the situation in the sphere of the spread of extremist religious organizations.
- Introduce into the Law of the Kyrgyz Republic "On State Civil Service and Municipal Service" a norm according to which the head of ayil okmotu would be guaranteed to receive a class rank, for example, in the third year of office.
- Revise the principles of formation of the wage fund for municipal employees, making the official rates close to the rates of civil servants.
- Introduce into the legislation a ban on inspections of LSG bodies on complaints that have previously become the subject of an audit, but the facts stated in this complaint have not been confirmed.
- Strengthen parliamentary control over the implementation by state bodies of the Law of the Kyrgyz Republic "On the procedure for conducting inspections of the activities of LSG bodies".
- Establish responsibility of state bodies for violation of the requirements of the Law of the Kyrgyz Republic "On the procedure for conducting inspections of the activities of LSG bodies" (replacing inspections with calls to the office, inspections during inspections of other organizations, etc.).
- To exclude legal assistance to the population from the list of issues of local importance completely, or to transfer it to the category of powers delegated by the state to LSG bodies, accompanied by personnel, methodological and financial support.
- Together with the Government of the Kyrgyz Republic, analyze the activities of state bodies that inspect LSG bodies and the effectiveness of these inspections. Based on the results of the analysis, amend the List of Inspection Bodies, approved by the Resolution of the Jogorku Kenesh of the Kyrgyz Republic of May 25, 2017 No. 1618-VI, aimed at reducing ineffective and duplicate inspections.
- Exclude the Social Fund of the Kyrgyz Republic from the list of authorized state bodies, entitled to conduct inspections of the activities of LSG bodies, by amending the Resolution of the Jogorku Kenesh dated May 25, 2017 No. 1618-VI, since from January 1, 2019, functions and powers in the field of state social insurance were transferred to the State Tax Service of the Kyrgyz Republic in accordance with Government Decree No. 648 of December 31, 2018 "On measures to transfer functions for the administration of insurance premiums for state social insurance".

COMMITTEE ON BUDGET AND FINANCE OF THE JK KR

- Ensure that the interests of LSG bodies and local communities are taken into account in legislative and regulatory legal acts governing the process of planning the republican budget and adopting a report on its implementation. Reconciliation of interests should take place at the stage of adoption of the annual budget resolution by the JK KR, at the stage of development and adoption by the Government of the Kyrgyz Republic of the main directions of the fiscal policy of the Kyrgyz Republic and, directly, the draft law on the republican budget, for which the JK KR should receive the draft budget accompanied by a protocol on the coordination of interests between the Government of the Kyrgyz Republic and LSG bodies represented by their legitimate representative – the Union of Local Governments of the Kyrgyz Republic. In the process of consideration of the JK KR of the draft law on the approval of the report on the execution of the republican budget, the participation of the Union of LSG KR is also necessary.
- Increase again to 10% (goods) and to 15-20% (construction) the additional threshold purchase of goods (construction services) under an agreement concluded on the basis of a tender held while maintaining the price and technical specifications.
- Provide in the Law “On Public Procurements” measures of influence on unscrupulous contractors in case of cancellation of the contract or unilateral demand for changes in the terms of the contract, including the introduction of a “black list” of unscrupulous contractors and suppliers.
- In addition to the adopted Code of the Kyrgyz Republic on non-tax payments, the Law “On municipal property ownership” for the adequacy of modern and effective mechanisms for managing municipal property.
- Develop and adopt a law on a comprehensive planning system for the socio-economic development of territories, including spatial planning.
- To fully envisage in the annual budget law the financial resources necessary for organizing training and advanced training of municipal employees in the general direction and training of deputies of local keneshes who will be elected in 2021, as well as to improve the system of income distribution between the RB and the LB, so that the bodies LSGs had the financial ability to provide the funds necessary to finance the training of municipal employees in the departmental direction.

TO THE COMMITTEE FOR AGRARIAN POLICY, WATER RESOURCES, ECOLOGY AND REGIONAL DEVELOPMENT OF THE JK KR

- Introduce amendments to the legislation that would help to adjust the price policy of seed farms downward, given that seed farms use the land of the ayl okmotu land fund, receive state subsidies.

COMMITTEE ON SOCIAL ISSUES, EDUCATION, SCIENCE, CULTURE AND HEALTHCARE JK KR

- Delineate functions and powers between state bodies and LSG bodies on the protection of the population from tuberculosis, as well as ensure the proper delegation of state powers in this area in the manner prescribed by the legislation on the delegation of state powers.
- Review the terms of reference of LSG bodies in the issue of protection and protection from family violence, and more clearly delineate the functions between LSG and state bodies. Local government bodies cannot fully replace trained specialists or law enforcement officers. LSG bodies believe that their contribution is expedient and effective only in relation to monitoring the situation and early detection of cases of domestic violence, but the organization for practical work with specific families should be undertaken by the state, represented by the relevant authorized state bodies.
- Remove the issue of protection from domestic violence in the current wording from the list issues of local importance and organize the provision of services through the delegation of appropriate powers to LSG bodies with the provision of financial and methodological support, as prescribed by law.
- Improve the access of children from low-income families to benefits, by determining the needs of children through local government bodies; the procedures for assigning benefits should also be simplified, while eliminating corruption risks.

TO THE COMMITTEE ON LAW AND ORDER, COMBATING CRIME AND ANTI-CORRUPTION

- Clearly delineate the powers of state bodies and LSG bodies provided for in the Code of the Kyrgyz Republic on violations.

TO THE COMMITTEE ON ECONOMIC AND FISCAL POLICY

- Analyze the need to introduce additional bureaucratic procedures in the process of implementing the Law of the Kyrgyz Republic “On Amendments to the Law of the Kyrgyz Republic ‘On Advertising’” dated January 25, 2020 No. 15 (reduce the list of state bodies with which the LSG body is obliged to coordinate the placement of outdoor advertising).

TO THE STATE PERSONNEL SERVICE OF THE KR

- Include the LSG Union in the system for identifying training needs to improve the qualifications of municipal employees.
- To assist the LSG Union in the development of a horizontal system of exchange of experience and dissemination of practical knowledge on resolving issues of local importance.
- Introduce a system of training for deputies of local keneshes on a regular basis.
- Develop measures to protect administrative municipal employees from being forced to leave their posts after the change of political leaders of LSG bodies after the elections to local keneshes.

TO THE GOVERNMENT OF THE KYRGYZ REPUBLIC

- To speed up the work on the practical implementation of the norm on the introduction of a full-time position of the executive secretary of the local kenesh and to ensure its implementation already in 2020.
- Provide LSG bodies with the right to independently determine their own organizational structure, as well as the right to hire additional employees or make additional payments to municipal employees for the performance of delegated state powers with proper delegation of certain state powers with the allocation of the necessary resources for this.
- To exclude from the number of VSW the provision of consulting and legal assistance to the population, or to transfer this service to the category of delegated state powers.
- Exclude non-tax revenues from the equalization grant calculation formula.
- Improve the exchange of information and coordination of sectoral policies between state bodies and local government bodies, in particular, on the fight against tuberculosis, protection from domestic violence, seed production, probation.
- To delineate functions and powers between state bodies and LSG bodies in the field of education.
- Revise the procedure for the formation of the staffing table by allowing LSG bodies to hire qualified social workers with proper delegation of the relevant state powers and the availability of appropriate financial support from the republican budget.
- To streamline financial relationships between state bodies and LSGs in part of financing the execution of delegated state powers in the field of probation.
- Analyze the activities of state bodies that audit LSG bodies and their interaction with LSG bodies. Based on the results of the analysis, make appropriate proposals for amending the List of Inspection Bodies, approved by the Resolution of the Jogorku Kenesh of the Kyrgyz Republic of May 25, 2017 No. 1618-VI.
- Analyze the quality and scope of execution of some delegated state powers without the participation of LSG bodies, since, judging by the nature of powers and the reason for their classification as delegated, these powers should be exercised in direct contact with the population, but actual delegation did not take place. The analysis should give an unambiguous answer to the question of how capable or incapable is the authorized body fully and in proper quality to exercise its powers without the participation of LSG bodies?
- Revise the principles for the formation of the wage fund for municipal employees, making official rates close to the rates of civil servants

DIRECTIONS OF THE LSG UNION WORK IN THE FIELD OF IMPROVING THE APPLICATION OF LAWS

- More active conduct of explanatory work and training events for the population about the possibility of using the rule-making initiative.
- Organization of a training course for LSG on legal, economic and financial aspects of the creation of municipal enterprises.
- Analysis of the existing bureaucratic obstacles to optimize and simplify the process of creating municipal enterprises.
- Carrying out work with authorized state bodies in the field of support and expansion of measures to train municipal employees in legal and technical skills in public procurement (training outsourcing).
- Informing LSG bodies about their rights in the process of conducting inspections, including the right to access information about the annual plans of inspections of authorized state bodies, including prosecution bodies, posted on the official websites of the General Prosecutor's Office and on the websites of state bodies.
- Inform LSG bodies about the need within one month after completion verifying the posting on their official websites or on information boards of information about the results of the verification of their activities, including information on violations of compliance legislation revealed.
- Inform the executive bodies of LSG about the need, within one month after the completion of the audit, to inform the local kenesh about the results of the audit, including the violations revealed, and also within 6 months from the date of the audit – about the measures taken to eliminate these violations.
- Inform LSG bodies about the right to require inspection officials to present their service identification, familiarize themselves with the decision of the authorized state body to conduct an inspection, an application (if the inspection is initiated on the basis of an application) and other documents that are the basis for an inspection; to require familiarization with the regulatory legal acts, the implementation and observance of which is entrusted to the LSG bodies and subject to verification; demand from the auditing official to make an entry in the audit book about the audit being carried out;
- Inform LSG bodies about the obligation to have a book of records of inspections of a new type, approved by the Government of the Kyrgyz Republic of July 15, 2016 No. 398.

TO THE PROSECUTOR GENERAL'S OFFICE OF THE KR

- Check the validity and legality of the facts of financing the maintenance of mosques at the expense of local budgets.
- Post information on the plans of inspections and the results of inspections of LSG bodies on the website in a machine-readable format.
- Post information about the inspections carried out, taking into account their nature – scheduled or unscheduled inspection, as well as including the reasons for the unscheduled inspection. Do not allow posting information about the results of inspections without specifying the subjects of inspection.
- Do not apply in the reporting of the General Prosecutor's Office of the Kyrgyz Republic consolidated information regarding LSG bodies and local state administrations.
- Develop and approve a form for reporting on audits of LSG bodies, providing criteria for assessing the effectiveness and efficiency of audits of the activities of LSG bodies.
- Strengthen control over the prosecution of persons submitting deliberately false complaints against LSG bodies to the inspection bodies.

ALTERNATIVE OPINION OF STATE BODIES

The draft Report was sent to 16 state bodies, the list of which is given in Annex 4. In response, official written and oral comments and additions to the text of the Report were received from eight state bodies, which are published below in the presentation of the author's group of the Report. The full texts of the official responses of state bodies can be found on the DPI website: <http://dpi.kg/en/library/full/327.html>

Name of the state body	Response information
Central Commission for Elections and Referenda of the Kyrgyz Republic	No answer
Government Office of the Kyrgyz Republic	No answer
State Personnel Service of the Kyrgyz Republic	No answer
General Prosecutor's Office of the Kyrgyz Republic	Reply No. 11 / 3-11 dated November 5, 2020
Ministry of Finance of the Kyrgyz Republic	No answer
Ministry of Justice of the Kyrgyz Republic	Answer No. 03-3 / 10375 dated November 5, 2020
Ministry of Labor and Social Development of the Kyrgyz Republic	Reply No. 05-6 / 7288 dated October 28, 2020
Ministry of Agriculture, Food Industry and Land Reclamation of the Kyrgyz Republic	No answer
Ministry of Economy of the Kyrgyz Republic	Answer No. 13-1 / 12990 dated November 11, 2020
National Statistical Committee of the Kyrgyz Republic	Verbal response about no comments
State Agency for Local Self-Government and Interethnic Relations under the Government of the Kyrgyz Republic	Reply No. 01-24 / 1417 dated November 6, 2020
State Registration Service of the Kyrgyz Republic	Oral commentary during face-to-face discussion
State Tax Service of the Kyrgyz Republic	Answer No. 24 24-2-11 / 11182 dated November 18, 2020
State Agency for Land Management under the Government of the Kyrgyz Republic	No answer
National Institute for Strategic Studies of the Kyrgyz Republic	No answer
Academy of Management under the President of the Kyrgyz Republic	No answer

GENERAL PROSECUTOR'S OFFICE OF THE KYRGYZ REPUBLIC

General Prosecutor's Office of the Kyrgyz Republic, in its response, proposes to recommend the JK KR to amend the legislation that will strengthen control over the imposition of a penalty on persons who file unfounded or deliberately false complaints to the inspection bodies, exclude repeated inspections of LSG bodies on already verified complaints or questions from other inspectors organs. This proposal has been taken into account in the recommendations of the Report.

With regard to the form of submitting data on inspections of LSG bodies, General Prosecutor's Office notes that primary statistical data are provided in accordance with reporting and statistical documentation, the forms of which are subject to mandatory approval by the state statistics bodies. The form of unified statistical reporting of the prosecutor's office of the Kyrgyz Republic was approved in accordance with the

established procedure, where, in addition to the state of supervision in state bodies, a separate line indicates the number of inspections in LSG bodies, violations and other information that serve as an effective analytical tool for organizing prosecutorial supervision in this direction. This issue is for further discussion.

MINISTRY OF JUSTICE OF THE KYRGYZ REPUBLIC

The Ministry of Justice of the Kyrgyz Republic has no proposals and comments on the draft Report.

MINISTRY OF LABOR AND SOCIAL DEVELOPMENT OF THE KYRGYZ REPUBLIC

In its response, the MLSD KR proposes to exclude the task of determining the need for social services and benefits from the list of unfunded delegated powers. This proposal has been taken into account in the Report. The MLSD also proposes to exclude from the impact assessment of the Law of the Kyrgyz Republic “On State Benefits in the Kyrgyz Republic” No. 163 dated July 28, 2017 (as amended by the Laws of the Kyrgyz Republic dated December 28, 2017 No. 222 (27); March 30, 2018 No. 3; January 24 2019 No. 18) the following opinion of LSG bodies:

“Opportunities for abuse remain. On the ground, there are facts of unfair distribution of benefits to families with high incomes”. Since this is the opinion of LSG bodies obtained as a result of research, it cannot be excluded from the Report. At the suggestion of the MLSD KR, monthly confirmation of the status of unemployed by the employment service is excluded from the number of measures of the law designed to improve targeting and reduce errors of inclusion and exclusion in determining the need for benefits.

Further, the MLSD KR gives its assessment of the role of LSG bodies in matters of protection and protection from domestic violence, this comment is included in the description of the impact of the Law of the Kyrgyz Republic “On protection and defense from domestic violence” dated April 27, 2017 No. 63 and the Law of the Kyrgyz Republic “On amendments in some legislative acts on the protection and protection from family violence” dated April 27, 2017 No. 64. In general, the MLSD KR assesses the Report as informative, containing an in-depth analysis, a detailed description of the achievements and problems of LSG bodies related to the adoption of laws regulating public relations.

MINISTRY OF ECONOMY OF THE KYRGYZ REPUBLIC

The MoE of the KR does not consider the information regarding the Regional Development Funds (RDF) presented in the Report to be in line with the legislation and proposes to exclude it from the Report. This comment should not be taken into account due to the fact that the Report sets out a problem with respect to the RDF, which does not have a solution in the legislation and lies in the fact that the resources of the RDF are used without taking into account the interests of future generations of citizens of the Kyrgyz Republic.

NATIONAL STATISTICAL COMMITTEE OF THE KYRGYZ REPUBLIC

Oral answer about the absence of comments.

STATE AGENCY FOR LOCAL SELF-GOVERNMENT AND INTERETHNIC RELATIONS UNDER THE GOVERNMENT OF THE KYRGYZ REPUBLIC

In general, SALSGIR notes the urgency of the problems outlined in the Report, the solution of which will have a positive effect on the development of local self-government in the Kyrgyz Republic: “associations of LSG bodies represented by the LSG Union of the Kyrgyz Republic”.

With regard to the content of the Report, SALSGIR draws attention to the need to refine several issues. SALSGIR considers it necessary to further study how weakly the opinion of LSG bodies is taken into account in the report of the Government of the Kyrgyz Republic to the JK KR. This comment should not be taken into account due to the fact that the report of the Government of the Kyrgyz Republic cannot include the views of LSG bodies, since the Government of the Kyrgyz Republic submits the report on its own behalf, and not on behalf of LSG bodies. Further, SALSGIR notes that information from more than half of LSG bodies about the failure of the Government of the Kyrgyz Republic to provide answers to their appeals forms an opinion among the deputies of the JK KR that the Government of the Kyrgyz Republic, in particular, subordinate state

bodies, does not observe executive discipline. In this regard, SALSGIR recommends to clarify with the Office of the Government of the Kyrgyz Republic information about the documents submitted for consideration and whether or not to provide appropriate answers to them. This comment was taken into account in the Report by clarifying that it is not about the performance discipline (about the formal presence or absence of an answer), but about the presence of an answer that satisfied the LSG bodies, containing information about solving the problem about which the appeal was sent.

Further, SALSGIR proposes to more fully reflect in the Report the work of the executive power to solve the problems identified by LSG bodies. In particular, with regard to the low share of the volume of local budgets in relation to the republican budget, the programs of the Government of the Kyrgyz Republic were not taken into account, which through the branch ministries and departments allocate a lot for the development of rural towns from the republican budget. This comment was taken into account in the Report by making a corresponding addition to section 1.5.

The next comment of SALSGIR concerns the reflection of the achievements of the Government of the Kyrgyz Republic and SALSGIR in resolving issues in the field of delegating state powers to LSG bodies. This comment was taken into account in the Report by making a corresponding addition to section 1.4.5.

STATE REGISTRATION SERVICE OF THE KYRGYZ REPUBLIC

SRS of the KR provided an oral commentary on the Report regarding the lack of funds to finance agreements on delegating state powers in the field of state registration to LSG bodies.

STATE TAX SERVICE OF THE KYRGYZ REPUBLIC

STS of the KR provided detailed information regarding the progress and problems of delegation of powers in the field of tax legal relations. It follows from the commentary that the STS KR is actively and consistently working on this issue, and the main obstacles are financial in nature, in particular, the STS KR proposes to consider the issue of financing the delegation of powers in the field of tax legal relations outside the budget of the STS KR.

GENDER EXPERTISE OF THE REPORT

The Union of LSG and DPI organized a gender expertise of the Report, and the full text of which is available on the DPI website: <http://dpi.kg/ru/>.

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

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

Thus, the Report pays special attention to the issues of women's political participation in LSG bodies (both in elective – in keneshes, and in appointed – in mayor's offices and AOs), which contributes to a positive assessment of the document in terms of its gender sensitivity.

There are other opportunities to improve the methodology for the Development of the Women's Representation Report, using more gender-disaggregated indicators. Their analysis contributes to a deeper understanding of the real barriers that prevent women from effectively participating in the work of LSG bodies, as well as the identification of necessary changes in legislation.

ISSUE OF THE STATUS OF THE REPORT

According to the methodology, the Report is intended not only to ensure the process of monitoring the control function of the JK KR, the impact of laws and other acts of the JK KR, but also to create new conditions for discussing the results of this monitoring and correcting decisions after discussion. Therefore, the issue of the status of the Report is of particular importance.

In 2019, the idea and methodology of the Report received the support of three committees of the JK KR (Committee on Constitutional Legislation, State Structure, Judicial-Legal Issues and Regulations of JK KR; Committee on Agrarian Policy, Water Resources, Environment and Regional Development of JK KR; Committee on Social issues, education, science, culture and healthcare of the Jogorku Kenesh of the Kyrgyz Republic), and the Committee on Constitutional Legislation, State Structure, Judicial-Legal Issues and the Rules of the Jogorku Kenesh of the Kyrgyz Republic even decided to create an appropriate working group to develop it.

In addition, the Report, as one of the activities, was included in the first Action Plan for the construction of an Open Parliament, which on June 25, 2019 was considered and approved by the Committee on Constitutional Legislation, State Structure, Judicial and Legal Issues and the Rules of the Jogorku Kenesh of the KR¹.

On June 22, 2020, an online discussion of the deputies of the Jogorku Kenesh of the Kyrgyz Republic with the LSG authorities of the Kyrgyz Republic of the results of assessing the impact of the laws adopted by the VI convocation of the Jogorku Kenesh on the development of regions, local communities and LSG bodies was held. In the resolution² of the discussion, signed by the chairman of the discussion, Deputy Toraga of the JK KR A.K. KASYMALIEVA and the Chairman of the Board of the LSG KR Union B.A. CHANCHAROV, the deputies of the JK KR and LSG bodies represented by the LSG Union strongly recommend the Toraga of the JK KR, chairmen of the committees of the JK KR, leaders of political parties to create institutional conditions for effective interaction of the JK KR with local self-government bodies in the performance of the legislative and control functions of the JK KR and take, inter alia, the following measures:

- consider at the meetings of the JK KR committees recommendations on improving the laws adopted by the VI convocation of the JK KR and having a direct and significant impact on the development of regions, local communities and LSG bodies, taking into account the fact that many high-quality and development-oriented laws are not implemented or are being implemented in insufficient due to legislative shortcomings; and also taking into account that these recommendations are the consolidated position of LSG bodies, formed by the LSG Union in the Report;
- to strengthen the performance of the control function of the JK KR by determining the Scientific Research Center of the JK KR as the customer for the development of the Report, and the Union of LSG KR as the executor (at the expense of the latter);
- establish requirements for the Report development process in relation to: methodology, including frequency, data collection, development and discussion; the order of presentation and discussion of it by the JK KR structures; subject and form of decisions based on the results of the presentation of the Report of the JK KR.

The next step is to discuss the methodology, final conclusions and recommendations of the Report using this document as an example, and normatively fix the necessary attributes and status of the Report:

- methodology, including frequency, data collection process, development and discussion;
- the procedure for its presentation and discussion by the JK KR structures;
- the subject and form of decisions based on the results of the presentation of the Report of the JK KR.

NUMBER OF LSG BODIES IN THE KYRGYZ REPUBLIC

The number of LSG bodies in the Kyrgyz Republic is due to historical background. The history of LSG in Kyrgyzstan can be conditionally divided into five main stages, the main milestones of which were major changes in the legislation on LSG and in management practice. Conventionally, these stages can be characterized as a continuous and, at times, contradictory movement, as well as a search for the optimal number, forms and models of LSG.

The first stage (April 19, 1991 – December 19, 1991) is the transformation of government bodies into LSG bodies (giving the existing lower levels of the Soviets of People's Deputies the status of LSG bodies) and the greatest decentralization of public administration.

The second stage (December 1991 – 1997) – the beginning of strengthening the vertical of state administration, “desovietization” of the executive bodies of LSG with its simultaneous nationalization and autonomization from the representative government.

¹ Letter of the Jogorku Kenesh of the Kyrgyz Republic on the Open Parliament Initiative No. 6-5069i / 19 dated July 29, 2019, signed by the Deputy Toraga of the Jogorku Kenesh of the Kyrgyz Republic A. Kasymaliev

² The full text of the resolution is available on the website of the Union of LSG at the link: <http://dpi.kg/en/library/full/327.html>

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

The fourth stage (2008-2010) is the rigid centralization of power and the “extinction” of local self-government activity.

The fifth stage (from April 2010 to the present) – new opportunities for the broad development of LSG³.

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

District	ayilny aimak	Cities of district significance	Cities of regional significance	Cities of republican significance	LSG total
OSH REGION					92
Alay	14	Kara-Suu			
Aravan	8	Uzgen			
Kara-Kulzha	12	Nookat			
Kara-Suu	16				
Uzgen	19				
Nookat	17				
Chon-Alay	3				
Total in the region	89				
JALAL-ABAD REGION					75
Aksy	11	Toktogul	Jalal-Abad		
Ala-Buka	8	Kerben	Tash-Komur		
Bazar-Korgon	9	Kok-Zhangak	Mayli-Suu		
Nooken	7	Kochkor-Ata	Kara-Kol		
Suzak	13				
Toguz-Toro	5				
Toktogul	10				
Chatkal	4				
Total in the region	67				
BATKEN REGION					37
Leylek	9	Kadamzhay	Batken		
Kadamzhay	13	Aydarken	Kyzyl-Kiya		
Batken	9	Isfana	Suluktu		
Total in the region:	31				
TALAS REGION					38
Manas	5		Talas		
Kara-Buura	10				
Bakay-Ata	9				
Talas	13				
Total in the region	37				

³ For the first time, these stages were proposed in the National Human Development Report “Local Self-Government: Here and Now”, DPI, 2012, available on the website: <http://dpi.kg/ru/activities/nat-report-lsg/>

District	ayilny aimak	Cities of district significance	Cities of regional significance	Cities of republican significance	LSG total
CHUI REGION					112
Alamedin	17	Shopokov	Tokmok		
Zhaiyl	12	Kemin			
Panfilov	6	Orlovka			
Moskovsky	12	Kainda			
Sokuluk	19	Kant			
Chui	10	Kara-Balta			
Kemin	11				
Issyk-Ata	18				
Total in the region	105				
NARYN REGION					64
At-Bashy	11		Naryn		
Ak-Tala	13				
Zhumgal	13				
Kochkor	11				
Naryn	15				
Total in the region	63				
ISSYK-KUL REGION					64
Issyk-Kul	12	Cholpon-Ata	Kara-Kol		
Ton	9		Balykchy		
Ak-Suu	14				
Zheti-Oguz	13				
Tup	13				
Total in the region	61				
				Bishkek	
				Osh	
Total in the Kyrgyz Republic	453	17	12	2	484

PART I. DEVELOPMENT OF LOCAL SELF-GOVERNMENT IN THE KYRGYZ REPUBLIC IN 2016-2020.

1.1. INTERACTION OF LSG BODIES WITH CITIZENS

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

Citizens' perception of LSG bodies reflects their attitude to the dynamics of changes in living conditions in local communities. At the same time, the emotions that citizens feel in relation to LSG bodies express an opinion about how the work of LSG bodies justifies or does not meet the expectations of the population, belief or lack of faith in the ability of LSG bodies to change life in communities for the better.

More than a third of citizens do not feel any emotions in relation to LSG bodies. This suggests that most people do not associate the living conditions in the community with the work of local government and rely only on themselves. The opinions of the others were divided. For example, every fifth citizen is optimistic about LSG, demonstrating faith in its ability to influence the living conditions in the community. Almost 12% are even inspired by the perspectives for the development of LSG. However, a quarter of citizens experience negative emotions in relation to LSGs: 14% – irritation, almost 8% – disappointment. A separate group is made up of 8.2% of citizens who feel sorry for the LSG bodies. These respondents actually understand the complexities of LSG bodies and realize their helplessness.

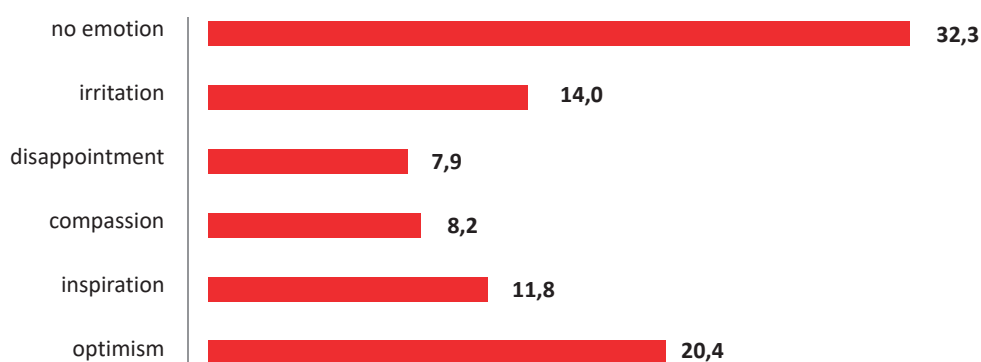


Diagram 1. Emotions that citizens feel in relation to LSG in 2020, percent

Despite the fact that there were always significantly more citizens who were optimistic about LSG than those disappointed in its capabilities, negative dynamics have been observed in the last six years.

The share of those who experience positive emotions – optimism and inspiration – has almost halved, and the share of those who experience negative emotions – disappointment and irritation – has grown 2.5 times. This is explained, on the one hand, by the fact that the expectations and requests of citizens to the local government bodies are growing year after year, as are the general expectations of the standard of living. On the other hand, the ability of LSG bodies to fully respond to the needs of citizens is increasingly lagging behind the expectations and the very needs of people. In Chart 3, one cannot fail to notice a surge of optimism and inspiration in relation to LSGs in 2018, when a record high share of citizens – 66 percent – emerged with positive expectations from LSGs. This surge is explained by state declarations on the reorientation of state policy towards regional development (the President of the Kyrgyz Republic, for the first time in the country's history, declared 2018 the Year of Regional Development). But, as is often the case in politics, expectations turned out to be higher than real results – this can explain the two-fold drop in the level of optimism and inspiration in relation to LSG in 2020. Citizens broadcast their expectations from the promises of the President of the Kyrgyz Republic and the Government of the Kyrgyz Republic to LSG bodies, and when they could not

¹ In this section, the data used, obtained by conducting a survey conducted by the LSG Union during the development of the Report, as well as the archival data of the DPI.

fully meet these expectations, positive perception began to give way to negative – the proportion of those who experience disappointment and irritation in relation to LSG has doubled.

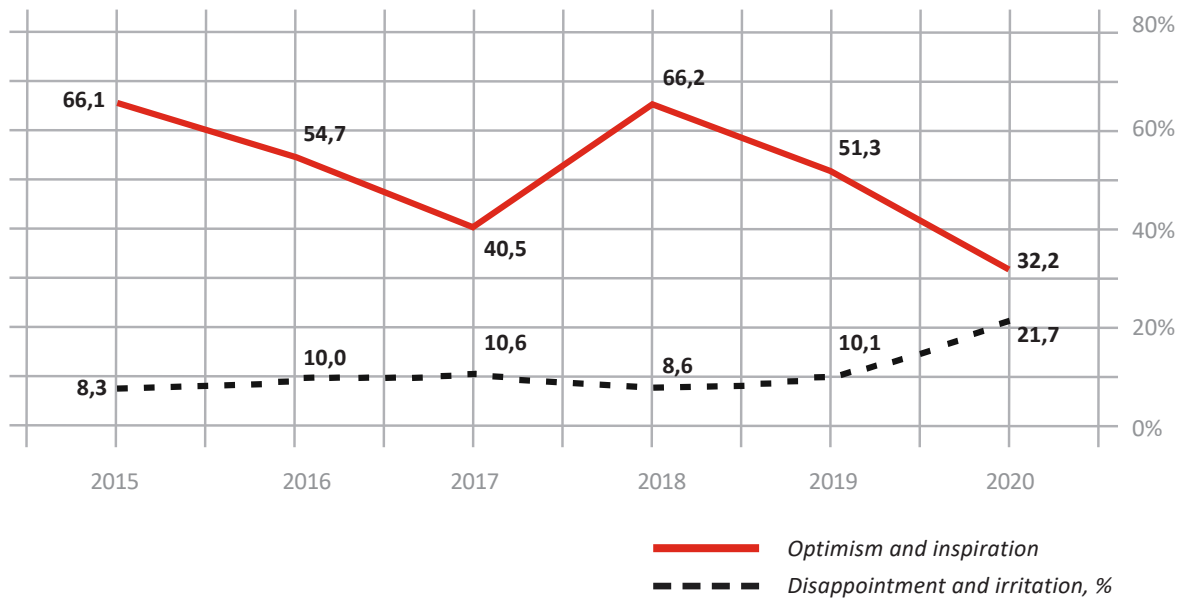


Diagram 2. Dynamics of positive and negative perception of LSG by citizens, 2015-2020, percent

However, LSG bodies operate under conditions of restrictions and cannot be held responsible for the implementation of all the intentions of politicians at the national level. The most important limitation is the scope of authority and funding for their implementation. In this respect, a comparison of the dynamics of negative emotions of citizens in relation to local government bodies and the dynamics of local budget revenues is indicative.

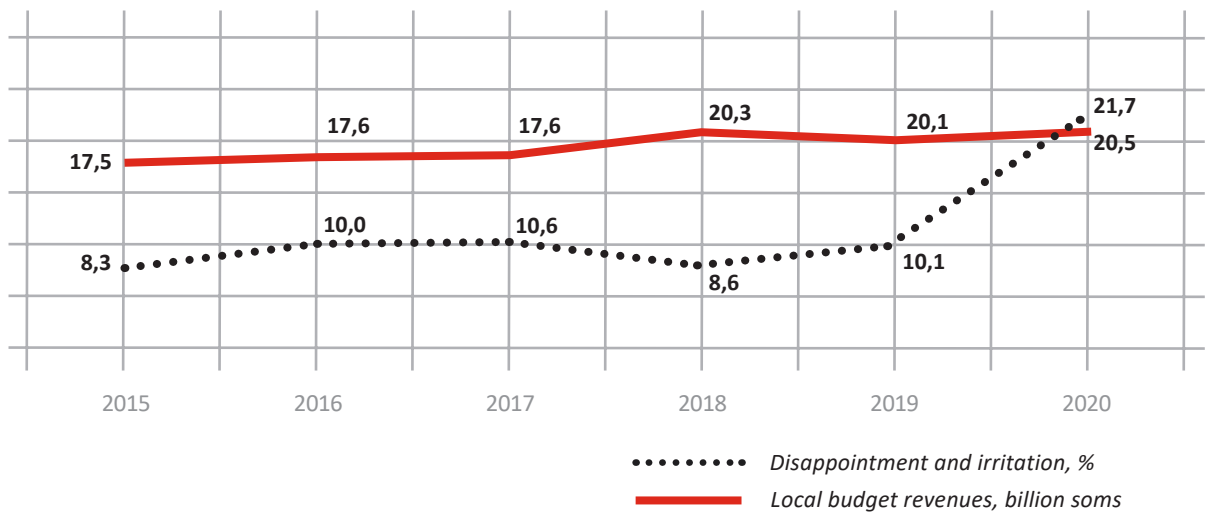


Diagram 3. Dynamics of income growth of citizens experiencing negative emotions towards local government bodies, in comparison with the dynamics of local budget revenues, 2015-2020¹

¹ The total volume of revenues of local budgets is given according to the plan after the reduction (sequestration) of the budget of the Kyrgyz Republic in spring 2020.

Diagram 3. Dynamics of the share of citizens experiencing negative emotions towards LSGs, in comparison with the dynamics of local budget revenues, 2015-2020, reflects the presence of a connection between the share of citizens experiencing negative emotions towards LSGs and the total volume of local budgets: the lower the revenues of local budgets, the more frustration and irritation on the part of citizens and vice versa.

1.1.2. Level of citizens' trust in LSG bodies

The level of public confidence in LSG bodies is a reflection of the level of public confidence in the legislative and executive power of the state, regardless of competence, since LSG bodies are the closest to the population and accessible from the authorities, and citizens transfer their attitude towards the state as a whole to the LSG bodies.

The level of citizens' trust in LSG bodies is traditionally higher than the level of trust in executive government bodies. In 2020, the executive bodies of LSG – the mayor's office and ayil okmotu took the fourth place in the rating of public confidence, yielding three first places to the education system, the armed forces and religious institutions, respectively. Local keneshes are less trusted by the population and are ranked seventh in the trust rating.

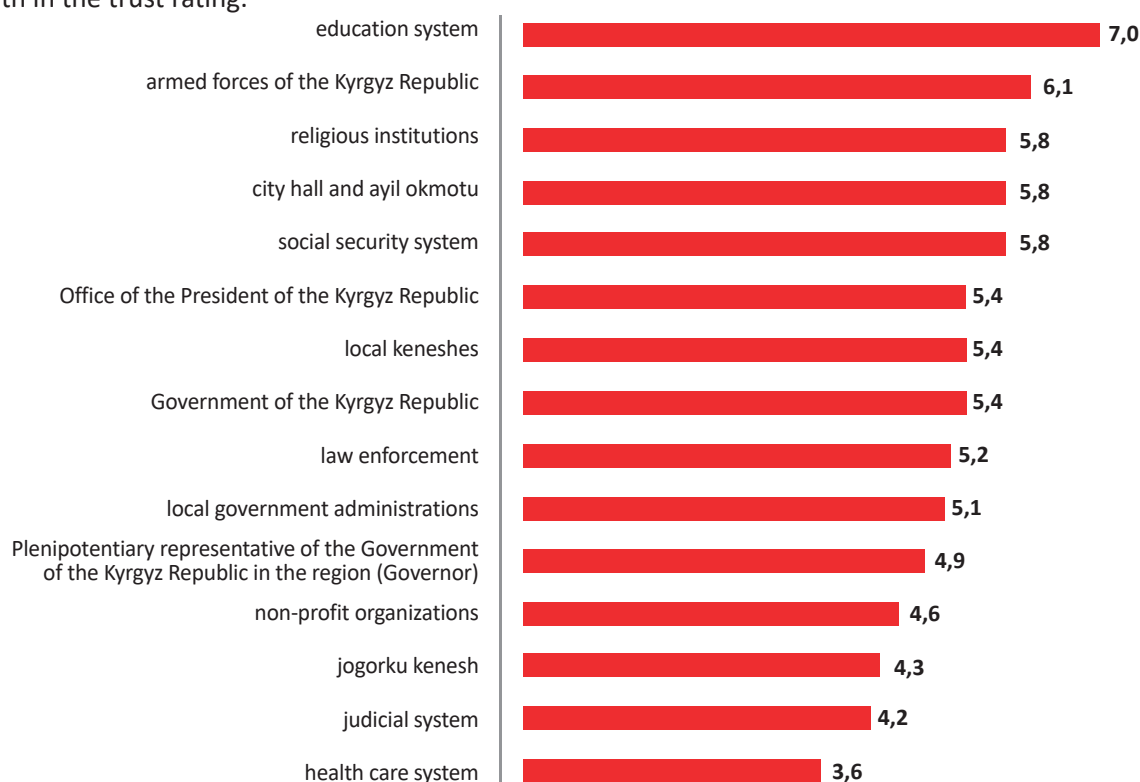


Diagram 4. Level of citizens' trust in institutions of governance and development in 2020, on a ten-point scale, where 10 points means the maximum level of trust

The differences in the level of trust in the executive and representative bodies of LSG are explained by several factors. First, the citizens generally have a lower opinion of the deputies of local keneshes and want higher qualification requirements for them. Secondly, there is a lack of confidence in the party principle of electing local deputies – 44.2% of citizens believe that local keneshes should not be formed on a party basis. However, this opinion is not uniform: for example, in the Osh region, the largest share of citizens was found – 46.9%, who believe that local keneshes should be formed according to the party list, while in Talas region there are only 12.4% of such opinions.

The level of citizens' confidence in the government as a whole was influenced by the surge in confidence in the governance system in 2018, caused by high expectations from the regional development policy.

OPINION

“For everything good and bad that happens in the country, the local self-government bodies ‘get’ from the citizens. Citizens do not care who should solve their problem, they turn to the local self-government, and if there is no positive answer, we are to blame. For example, a moratorium on land transformation is not our decision, but people who cannot get land for individual housing construction express their indignation at us. In our aimak alone, more than 2000 people are queuing up to receive a land plot for housing construction”.

*Head of ayil okmotu,
Nooken district of Jalal-Abad region*

After 2018, there has been a drop in the level of trust in all institutions. The largest drop in confidence was recorded in the education system (by 1.16 points) and the Jogorku Kenesh (by 0.69 points). Compared to the results of 2012, the level of trust in local self-government is falling more slowly than in the system of government as a whole.

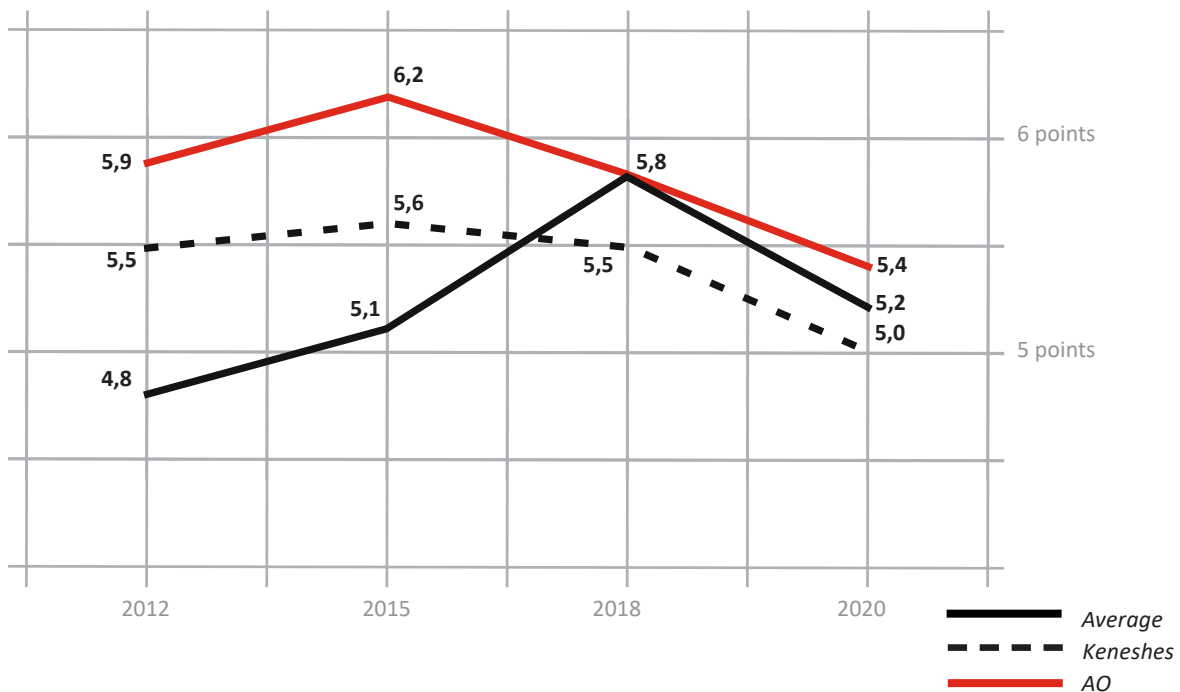


Diagram 5. Dynamics of the level of citizens’ trust in LSG bodies, in comparison with the average value of the level of trust in government institutions as a whole, on a ten-point scale, where 10 points means the maximum level of trust

The public’s confidence in LSG bodies largely depends on their activity, which is expressed in specific deeds that are noticeable to the population. Taking concrete measures requires initiative and funds. Where the heads of the AO are proactive, things are better and the public’s trust is higher. However, as always, the issue of availability of funds in the local budget is very acute for managers.

OPINION

“The issue of public confidence in LSG depends not only on the competence of the head of ayil okmotu, but also on financial security. The people look at specific cases. And if there are no funds, then there is no deeds”.

*Head of ayil okmotu,
Ton district of Issyk-Kul region*

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

OPINION

“The testing of candidates for municipal posts, introduced by the SCS, was the right decision. The level of public confidence has grown, as citizens consider this principle of recruiting to be more fair, independent of family or clan ties”.

*Executive Secretary of AO,
Issyk-Ata district, Chui region*

Public confidence is growing significantly in 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 such complex and important issues as the local budget or land management are openly brought up for public discussion. Moreover, the level of public confidence in LSG is a real assessment of the quality of the system of government, interaction of LSG bodies with government bodies.

Until 2020, the level of public confidence in LSG bodies was not measured by the National Statistical Committee of the Kyrgyz Republic. The index of public confidence in the activities of state executive bodies and local self-government bodies of the Kyrgyz Republic (hereinafter – IPC) was calculated only for state administration bodies (with the exception of the mayoralties of Bishkek and Osh cities). The level of trust in other LSG bodies was not assessed. This did not meet the needs of citizens, as it is the LSG bodies that directly influence the living conditions of the population. This demotivated LSG bodies to work with the population and respond to their needs, since this interaction was not assessed. This situation did not contribute to the creation of an objective assessment of the activities of LSG bodies and deprived voters of the assessment criterion. In general, the current situation demonstrated disregard for a large number of LSG bodies and the corps of municipal employees, excluding the LSG system from the process of monitoring the level of public confidence. Since the founding of the IPC and up to the exclusion of LSG bodies from calculations, LSG bodies have shown one of the highest levels of trust on the part of citizens. Then, at the suggestion of the National Statistical Committee of the Kyrgyz Republic (hereinafter – NSC) LSG bodies were excluded from the list of bodies assessed by the IPC. According to unofficial information, this was done in order to save money spent by the NSC on collecting and analyzing information. In the opinion of LSG bodies, it was necessary to return to the issue of assessing the level of citizens’ trust in LSG bodies in order to avoid unlawful exclusion of a huge part of the management system from the assessment system.

However, in 2020, LSGs were returned to the number of objects of assessment as part of the calculation of the IPC. This was the result of joint efforts of the ME KR, the NSC and the DPI within the framework of the work on the implementation of the National Action Plan “Open Government of the Kyrgyz Republic”. Now LSG bodies again have the opportunity to demonstrate their achievements in the field of establishing effective interaction with the population before the society and the government.

1.1.3. Citizens’ opinion on the level of corruption in local self-government

The high, relative to state bodies, level of citizens’ trust in LSG bodies is also confirmed by their opinion regarding the level of corruption at the local level. Thus, every third citizen believes that there is no corruption in LSG. The number of such opinions is steadily growing. So, starting from 2008, the share of citizens who are confident that there is no corruption in LSG has increased almost sevenfold. The share of those who consider the level of corruption in LSG structures to be high has decreased by 2.5 times, and by three times – of those who consider the level of corruption in LSG structures to be very high.

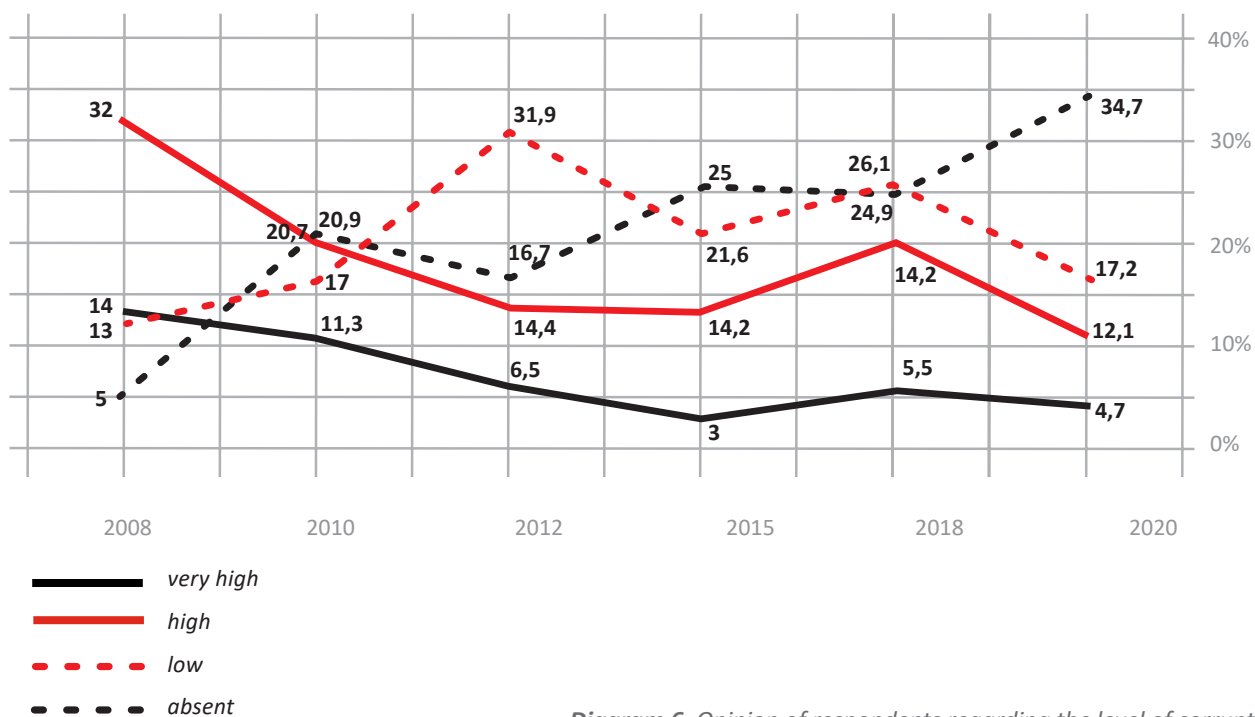


Diagram 6. Opinion of respondents regarding the level of corruption in the mayor's office and ayil okmotu, 2012-2020, percent

Among the spheres of activity of LSG bodies, in which, according to respondents, corruption is most often manifested, land and budget management and inclusion in the list of the poor are leading. Chart 6 shows that over the past two years the number of those who observe manifestations of corruption in the process of being included in the list of the poor has more than doubled – from 9.75 to 21.4%. This may be due to the increase in the number of allowance recipients, caused by the fact that pensions were excluded from the gross family income when establishing the right to benefits – more new “clients”, more misunderstanding and suspicion. However, according to the changes in the legislation that took place in 2019, the initial appeal of citizens for a monthly allowance to low-income families with children is no longer going to local government bodies, as it was before in rural areas, but to district social development departments. And the whole procedure for inclusion in the list of the poor began to be carried out through the district departments of social development, and LSG bodies were excluded from this process. Thus, this surge of suspicions of corruption is actually addressed not to LSG, but to the authorized state body.

Citizens observe a growth of corruption in water management. But here, too, local governments become victims of redirection of suspicions, because at present, in most municipalities, drinking and irrigation water services are provided not by LSG, but by public organizations – Water Users Associations and Rural Public Associations of Drinking Water Consumers. However, under the law, the ultimate responsibility for these services is still with the LSG and citizens reasonably project their suspicions to the local government, although the decision to transfer services to the above organizations was made by the government and not by the LSG.

Direct addressing of suspicions of corruption to LSG bodies is fair with regard to issuing certificates, since this function is performed only by local self-government. Suspicions of corruption in land management are distributed between LSG bodies (in relation to municipal lands within settlements; provision of land plots for individual housing construction; distribution of land by the State Federal State Property Administration); pasture committees (in relation to pasture tickets) and local government administrations (in relation to the land transformation process).

In general, there is a growing number of citizens who believe that corruption is more often manifested at the local level in issues related to the management of resources – land, water, as well as in the distribution of state benefits. However, there are areas in which the opinion of citizens about the presence of corruption in LSG structures is improving – these are budget management and public procurement.

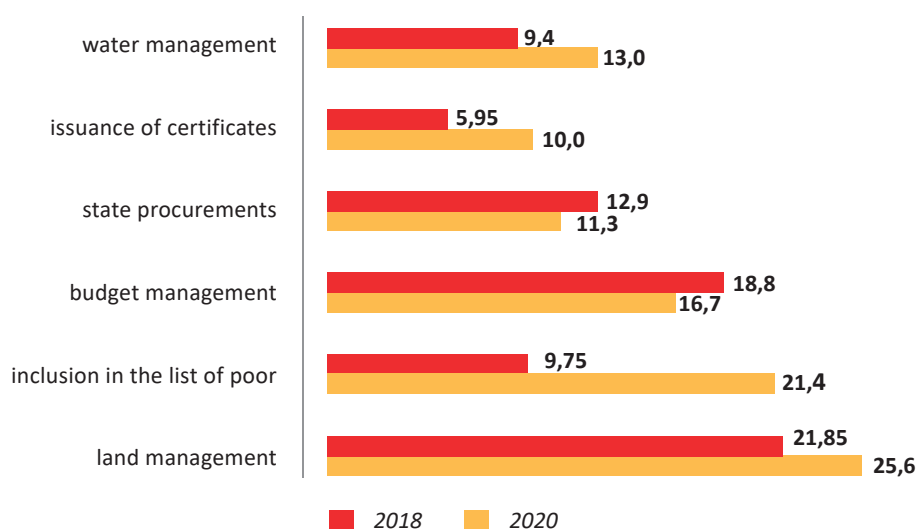


Diagram 7. Ranking of corruption spheres by Local Government Bodies, 2020, percent

1.1.4. Participation of citizens in local self-government

Citizens' participation in LSG is the foundation of local self-government, since the essence of the local self-government system lies in independent decisions of the local community taken under its own responsibility. Therefore, a constant process of improving the legal and institutional conditions is needed to realize the right of citizens to participate in LSG.

Citizens are still not sufficiently informed about their rights and responsibilities in LSG and do not always fully exercise their right to participate in local self-government. The problem lies mainly in the lack of effective communication between LSG and citizens. Infantile, consumerist attitude of the population to the state, preserved from the times of the Soviet Union and the planned economy, also has an influence. Many citizens, including the heads and employees of LSG bodies, and even some civil servants do not fully understand the true nature of LSG and continue to expect from the state both the adoption of managerial decisions and the solution of the problems themselves. And the state itself is not yet bringing the reform of LSG to a logically completed state, without ensuring the true independence of LSG bodies.

In the planning and implementation of social and economic development of the local community, LSG bodies in most cases do not sufficiently take into account the real needs of citizens. Local budgets should be inextricably linked with programs of social and economic development of territories and based on the priorities of local communities. National legislation (Budget Code of the Kyrgyz Republic and other NLA) imposes requirements on LSG bodies to identify priorities and discuss the draft budget with the public at public hearings (hereinafter referred to as PH). However, the quality of these works is still insufficient. This is mainly explained by the lack of understanding at the local level of how to represent the interests of the population in the budget process.

Reporting is structured in such a way that LSG bodies are primarily accountable not to those who elect them (i.e., the local community), but to those who are higher in the management hierarchy – to government bodies. The lack 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 *ayil okmotu* – are actually not accountable to the population, citizens, since they are elected by the deputies of the local *kenesh*, and their candidacy is nominated by the state representative or the local *kenesh* itself. Thus, citizens do not have the ability to directly influence the leader through the electoral system. As a result, the main goal of the *ayil okmotu* leadership is to meet the needs of the head of the local state administration or local *kenesh*, whose interests do not always coincide with the interests of the majority of the population, which is facilitated by the party electoral system.

With regard to the choice by the population of forms of participation in LSG, it was noted that the most effective forms of meetings that the LSG body holds in communities (47%); CB (35%); local *Kurultai* (31%); local initiative (22%). The fact that only 12% of citizens believe that elections to the local *keneshes* are an effective form of participation and 10% believe that interaction through NPOs is the most effective form. These data show that despite a rather high level of public trust in local government, citizens still strive for direct interaction, avoiding forms related to the representative principle – elections and work through NPOs. This is due to a lack of trust in the representative form of citizens' participation in LSG, incomplete performance of their responsibilities by local *keneshes*, and weak accountability of LSG bodies to citizens.



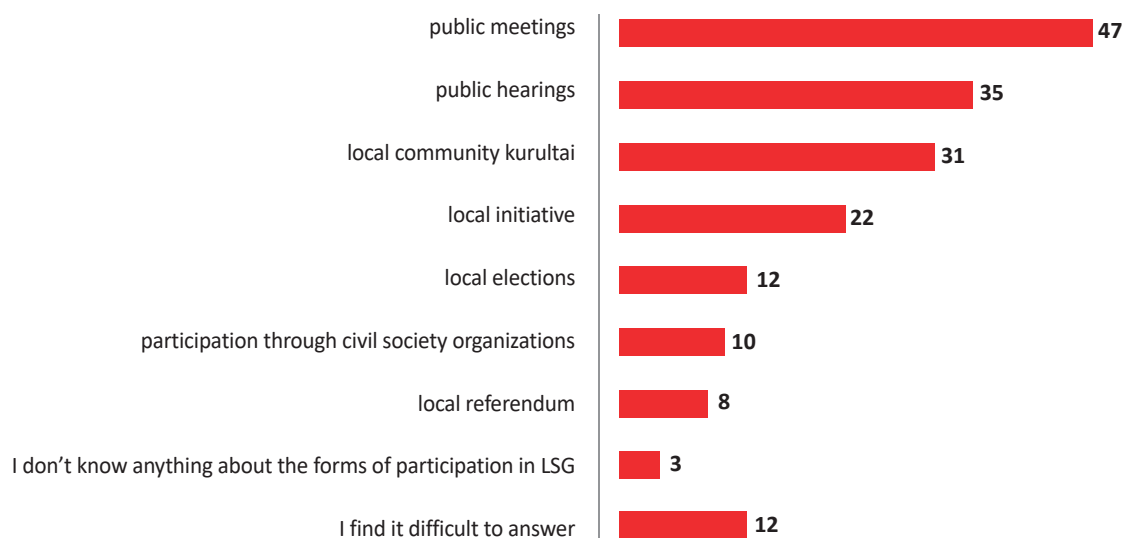


Diagram 8. The most effective forms of local democracy / civic participation at the LSG level¹

As mentioned above, meetings and public hearings remain the most popular form of citizens' participation in LSG. In parallel with the accumulation of the practice of budget hearings, the history of which began in 1999, until 2018 in Kyrgyzstan there was a steady increase in the level of participation of citizens in public hearings on the budget at the local level, which in 2018 exceeded the record for the Kyrgyz Republic 20%. And in 2019, according to the Ministry of Finance of the Kyrgyz Republic, hearings were held by 330 LSG bodies, mainly rural, and the number of participants was more than 28 thousand people. However, the physically possible maximum does not mean the socially possible and effective maximum, since simply increasing the number of participants does not mean that the discussion of the budget is most effective for citizens. Thus, the prospect for a further simple quantitative increase in citizen participation in public hearings should not be the goal of the process of strengthening citizen participation. It's time to focus on quality improvements, including the introduction of new forms of citizen participation in the budget process.

It is all the more unlikely that a further increase in the number of participants in the hearings is due to the fact that local government bodies have created conditions for the majority of those wishing to participate, and lack of information, ignorance of the event is not the main reason for non-participation. The forecast is that in the future the level of participation of citizens in hearings will be unstable, for example, in 2020 there has already been a decrease in interest in hearings by 1.6% compared to the maximum in 2018. Now the LSG bodies will have to pay special attention to the quality of the hearings, and especially to the responsibility for accounting in the budget of the citizens' proposals received during the hearings.

The quality of hearings and consideration of proposals will further have a key impact on citizens' willingness to participate in the budget process. If in the first decade of the practice of holding hearings, people were inspired by the very opportunity to discuss with the authorities such a sensitive and important issue as public finance, then over time, citizens began to appreciate the practical result of the hearings more.

As for taking into account the proposals of citizens received during the hearings in the local budget, according to the Ministry of Finance of the Kyrgyz Republic, LSGs managed to take into account about 52% of the proposals received. At the same time, in Chui and Jalal-Abad regions, LSGs managed to take into account about 60% of proposals received from citizens, and in Talas – more than 70%.

It should be understood that people often expect instant reactions and populist statements immediately, already during the hearing. But at the local level, especially at the level of rural municipalities, it is often impossible to react instantly, it is impossible to make a promise to fulfill this or that wish. As a rule, there is not enough money in local budgets, and municipal leaders are careful about promises, realizing that it is impossible to solve all problems, and demand from them will come quickly.

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.

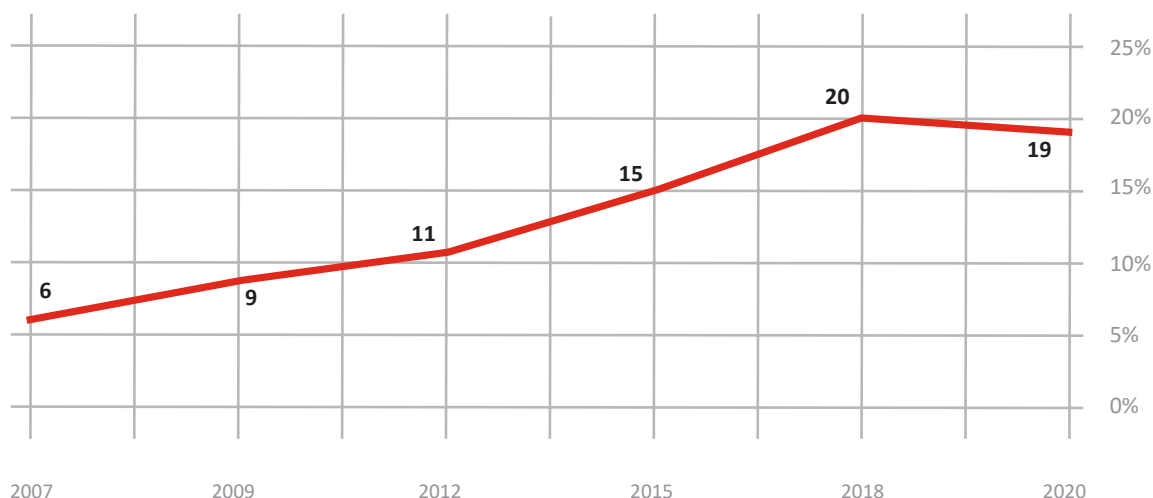


Diagram 9. Share of citizens participating in public hearings on the budget, 2007-2020, percent

Yet the reason for misunderstanding budget data is becoming more and more popular. Low level of financial literacy in general, inability to read and understand budget information remains one of the main reasons for dissatisfaction with participation in budget hearings. The study of this issue in the context of gender shows that women more often than men indicated that during the hearings only one presenter spoke and did not give the residents an opportunity to speak out – in 2020, 19.4% of women answered this way, against 7.1% of men. At the same time, for 45.9% of men and only 29.2% of women, the budget explanation was incomprehensible. Women more often than men believe that the hearings turned into a simple meeting with complaints from the population – 18.1% versus 11.8%. The conclusion is that women are just as well versed as men in public finance management, but women notice discrimination against themselves in the discussion process, believing that they are not allowed to speak as much as they would like.

Further, LSG authorities will have to make efforts to introduce even simpler and more accessible mechanisms for the dissemination of budget information, such as the online civil budget format, which in 2019 has already been filled in by about 70% of LSG authorities, but not all citizens know about it and can use it to obtain information about the budget of their local government. To a greater extent, the quantitative indicator of the level of participation in public hearings should be replaced by qualitative indicators of taking into account the opinions and wishes of citizens, creating conditions for online communication and receiving proposals through municipal websites, WhatsApp groups, suggestion boxes and other forms of feedback.

OPINION

“With the support of one of the development projects, we studied the obstacles to interaction between LSG bodies and the population, measured the ‘gap’. It turned out that despite the large amount of work we have done, citizens do not appreciate its results highly. We decided to create a WatsUp group in order to establish continuous communication with interested aimak residents. Citizens began to ask questions and receive appropriate answers without coming to ayil okmotu. Ayil okmotu also began to constantly report on its work not only to the local kenesh, but also at meetings in villages. The conditions were created for people to participate in the discussion of the budget. As a result, the ‘gap’ between LSG and the population has decreased by 30%.”

*Executive Secretary of AO,
Nookat district*

1.2. THE SITUATION OF WOMEN IN LOCAL COMMUNITIES

In recent decades, there have been fewer women in leadership positions in the management system. In 2019, amendments were made to Article 59-1 of the Law of the Kyrgyz Republic “On the election of deputies to local councils”, which reserved at least 30 percent of the mandates of deputies of the aiyl kenesh for women. This is a big step forward in ensuring gender equality in the governance system. Especially important is the representation of women in the process of addressing local issues that directly affect the living conditions of families and women.

But the problem of gender inequality in local government cannot be solved by a legally established quota alone. Questions remain: how successful and effective will women deputies be? What conditions will be created for their male colleagues to implement them? Are men at the level of LSG ready to “let” women into management, into the process of accepting the most important issues? Are women themselves ready to take the initiative, to take responsibility for decisions on an equal basis with men? What are the main factors that hinder effective participation of women in LSG? Are the reasons for women’s limited participation really related to family, tradition and religion, or are women themselves unwilling to participate and unable to take on community leadership roles?

Answers to these questions are formed not in the meeting rooms of local keneshes, but in the daily life of Kyrgyz villages and cities. To make a preliminary assessment of the readiness of the local self-government system to increase the level of women’s representation, it is useful to look at the conditions for women’s participation in the current life of communities, at their self-esteem as a driving force and resource for development.

1.2.1. Participation of women in local government

The DPI assessed the level of citizens’ activity in public and official events: village gatherings, street meetings, public hearings on the budget, kurultays and sessions of the local kenesh. It was noted that women assess the opportunities and level of participation in informal, public events – gatherings and street meetings in about the same way as men. However, women were much more skeptical about more formal events than men. Thus, the share of women who negatively assessed the level of participation in kurultai was 50% of the respondents; in sessions of the local kenesh – 42%.

The majority of Kyrgyzstanis consider themselves citizens with an active civil position (men – 83%, women – 63%). And this is a high figure for both sexes, since more than 60% of women who consider themselves a person with an active civil position is a relatively high figure for the region. This suggests that the majority of women are interested in public life, feel the strength, potential for participation in local self-government.

But not everyone succeeds in realizing this potential. Thus, there are already fewer women who are confident that they are considered activists in their community – 54%.

Men consider themselves to be more effective in solving any socially important issues at the village or aymag level. Thus, 61% of women and 91% of men solved their problems – their own or their communities, 20% of women and only 4% of men failed to achieve the result. Men are more likely to receive support from local self-government bodies, development projects and other sources in the form of money or equipment to implement their proposals: men confirm receiving external assistance for their initiatives in 89% of cases, while among women this indicator was only 49%.

1.2.2. Support for women’s initiatives and proposals

The most effective factor contributing to the implementation of proposals and initiatives, citizens, regardless of gender, consider participation in public hearings and events (14.5%), the relevance of the problems raised (13.7%), obtaining new knowledge through seminars and trainings (12.9%), participation in public life, albeit under duress (10.4%). From a gender perspective, it is noticeable that men more often rely on the urgency of the problem for a large number of citizens, which is typical of traditional political behavior, as well as on their experience in implementing grant projects and a desire to help people. Women indicate their ability to unite in initiative groups among the most effective factors. Also, women are more likely than men to rely on their personal leadership qualities.

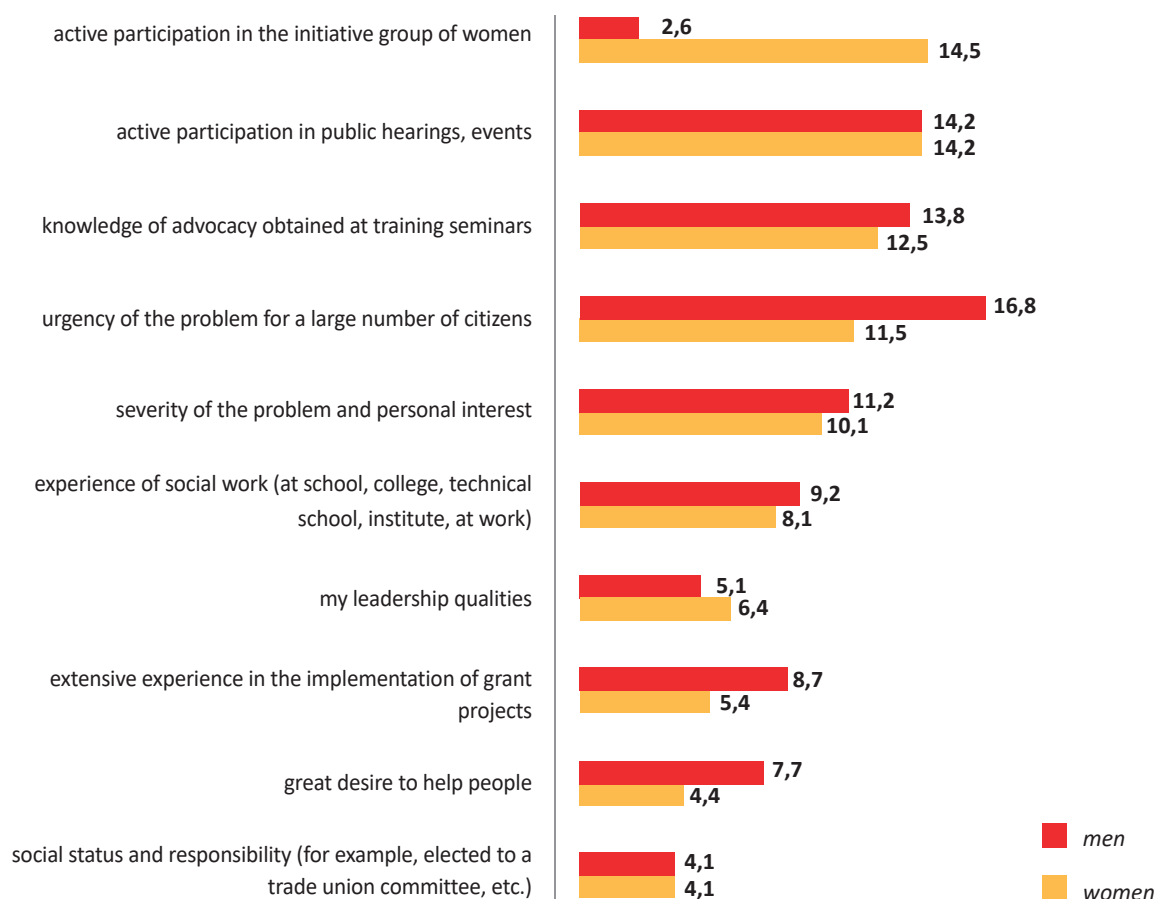


Diagram 10. Factors contributing to the promotion of citizens' initiatives, in percent

Among which groups are citizens looking for allies, political support for the implementation of their proposals and initiatives? First of all, from local government bodies and local activists. The second large group, from which about a quarter of activists are seeking support, are representatives of interested budgetary institutions, acquaintances of ayil okmotu employees and colleagues. About one in ten asks for support from local NPOs, influential fellow countrymen and neighbors. Few seek allies among business and clergy. At the same time, women are much less likely (13.6%) than men (21.8%) to get support from the deputies of local keneshes.

1.2.3. Status of women in the local community and obstacles to their self-realization

The absolute leader among priority issues for women are kindergartens, which free up women's time for paid work and development, as well as access to drinking water, which reduces the excessive physical activity on women and children in cases where they are forced to deliver water in flasks and buckets. These questions worry every third and fifth woman. In second place are schools and garbage collection, which are priority problems for every seventh woman. Other common problems in local communities are becoming a priority for women much less often.

Among the factors that hinder the solution of priority problems of women, three of the most significant are in the lead. The first factor is the lack of funds in the local budget (30% of opinions); the second – insufficient activity of interested persons among officials (20% of opinions). The third factor refers to legislation, which, according to every ninth citizen, does not take into account the gender aspect in relation to priority problems.

The main problem that prevents women from being active in public life in their local community, almost 60% of citizens consider the overload of unpaid domestic work. The second reason is that women are not even invited to discuss important issues. It is important, however, that the opinions of men and women on these factors differ. There are almost 15% more women who report ignoring their participation than men. At the same time, almost 10% of men overestimate women's employment in domestic work. It can be concluded that approximately 10-15% of men may not invite women to important discussions, believing that they have

no time due to the overload of household chores. Every sixth woman is sure that women’s opinion is simply not taken seriously, and every tenth woman fears that she could be shamed for showing public activity or social initiative.

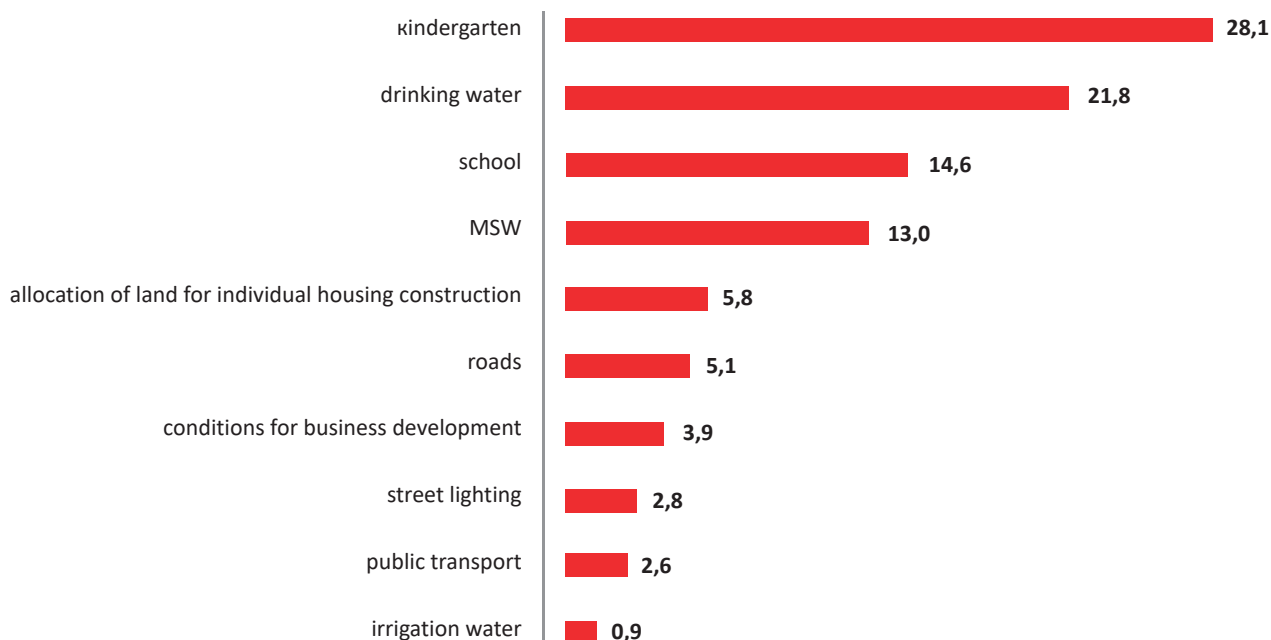


Diagram 11. Priority problems that women try to solve, in percentage

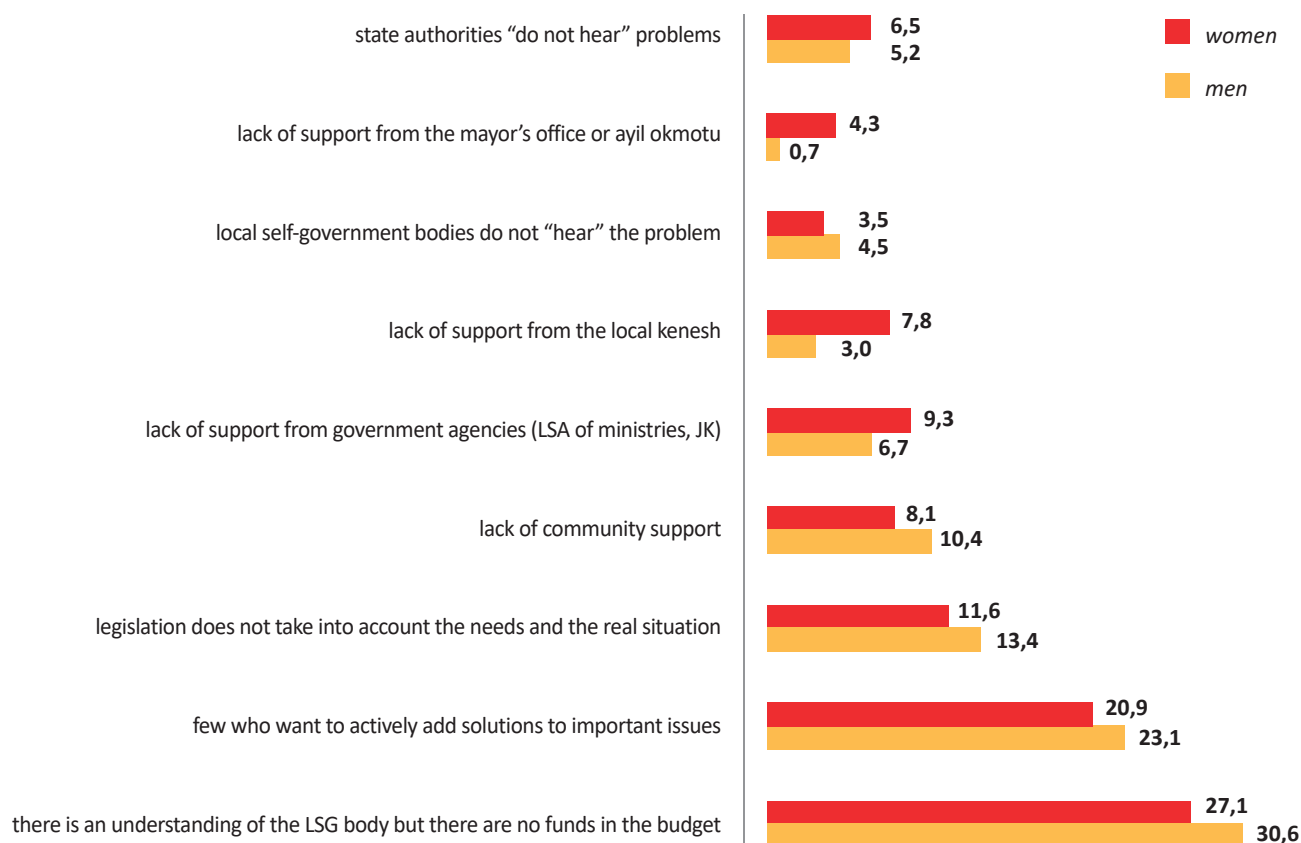


Diagram 12. Obstacles women face in the implementation of their initiatives, in percentage

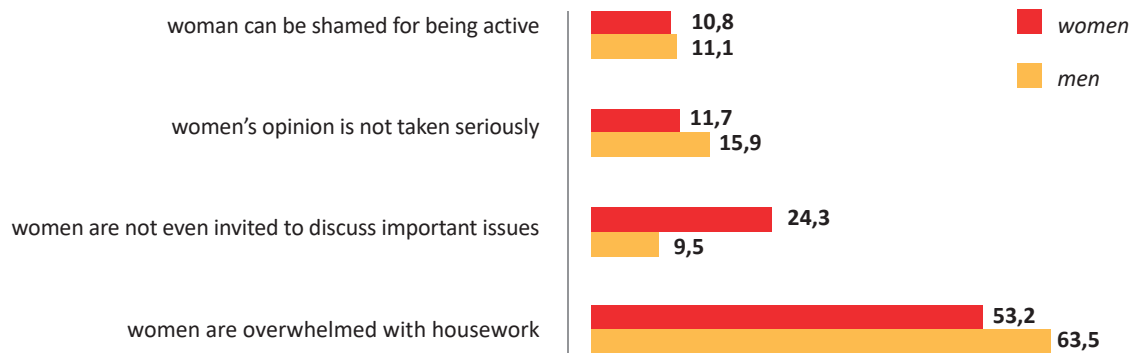


Diagram 13. Factors that prevent women from being active, in percentage

More than half – 55% – believe that unequal conditions have been created for men and women in local communities to achieve their goals and realize their opportunities. The share of those who believe that the opportunities for men are better, broader and more diverse is twice as large (37%) than those who see benefits for women (18%).

With regard to the measures necessary to strengthen the role of women in decision-making, it is proposed to: provide women with equal access to participation in meetings, gatherings and hearings; women themselves more often and more persistently show an active civil position and defend their rights; create and support initiative women's groups; inform women more often about upcoming events; introduce requirements regarding gender equality into legislation. Rejection of stereotypes, changing attitudes towards the role of women in society will also be relevant; creation of platforms for discussion of gender issues and organization of regular meetings of women with deputies of the local kenesh and heads of LSG bodies.

An assessment of gender equality in relation to women's participation in local government showed that the role of women in public life can be much higher than it is now. Women are more often active in issues related to the arrangement of everyday life and children – two main aspects that are considered traditionally female obligations in our country. At the same time, the problem of combining an active life position with the organization of household chores remains urgent for women, and at the same time, the respondents confirm that in order to promote the interests and representation of women in LSG bodies, it is necessary to create various conditions, platforms and opportunities that would allow them to show and demonstrate their capabilities. Both men and women confirm that it is easier for men to seek solutions to social problems. At the same time, men tend to more positively assess the position of women in the community.

1.3. DEVELOPMENT OF PARLIAMANTARY AT THE LOCAL LEVEL¹

1.3.1. New conditions for local elections

The 2012 elections began 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 the deputy mandate at the local level, an increase in the interest of citizens and political forces to participate in local elections. This was due to several main factors. First, the general revival of political life after the events of 2010 has increased the interest of citizens to participate in the decision-making process. Secondly, the activation of political parties and the legitimization of their participation in the electoral process influenced the growth of the number of candidates. Thirdly, the right of local keneshes to elect the head of the executive body – the mayor and the head of the AO increased the attractiveness of the local deputy mandate. Fourth, the exclusion of officials from potential candidates who are to one degree or another accountable to local government bodies (heads of communal enterprises, social institutions, etc.) has increased the level of public confidence in the keneshes. As a result, the severity of the struggle for deputy mandates in the localities has sharply increased, and the composition of the elected keneshes has changed significantly. Instead of passive and "Soviet"-style local keneshes controlled by the executive body, the country received heterogeneous, active, "disobedient" local keneshes. On the one hand, one cannot fail to see positive aspects in this: keneshes have begun to more

¹ The section uses data provided by the National Commission for the Conduct of Elections and Referenda of the Kyrgyz Republic.

actively control the executive bodies. On the other hand, this gave rise to a number of problems, such as the deterioration of the qualitative composition of local keneshes, interference in operational management, excessive control, and collapses in the election of heads of executive bodies. A striking manifestation of the problems was the dissolution of local keneshes by the President of the Kyrgyz Republic due to the inability to elect the head of the executive body (in total, during 2013-2015, due to the non-election of the head of the executive body of the LSG, 22 local keneshes were dissolved and repeated elections were appointed), as well as the delay in the budgets.

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

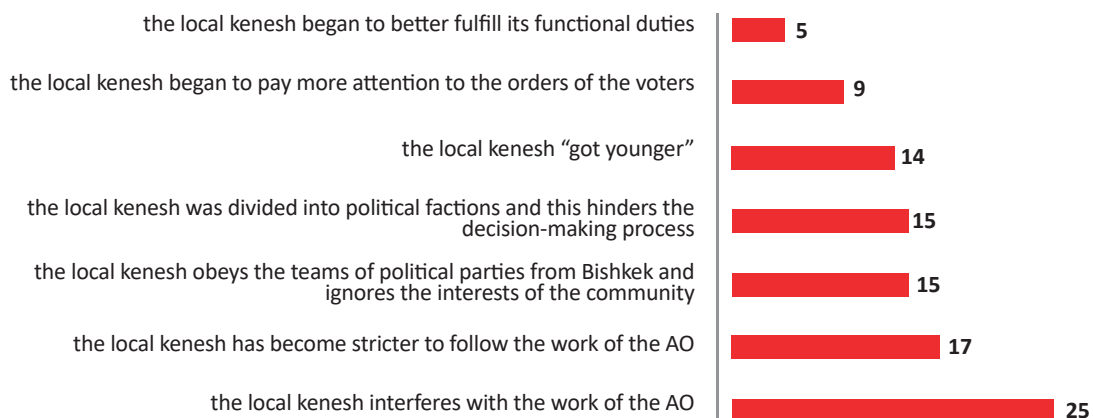


Diagram 14. How the work of the local government has changed under the influence of political parties, in percent (results of a survey of representatives of LSG bodies conducted by the Union LSG in 2019)

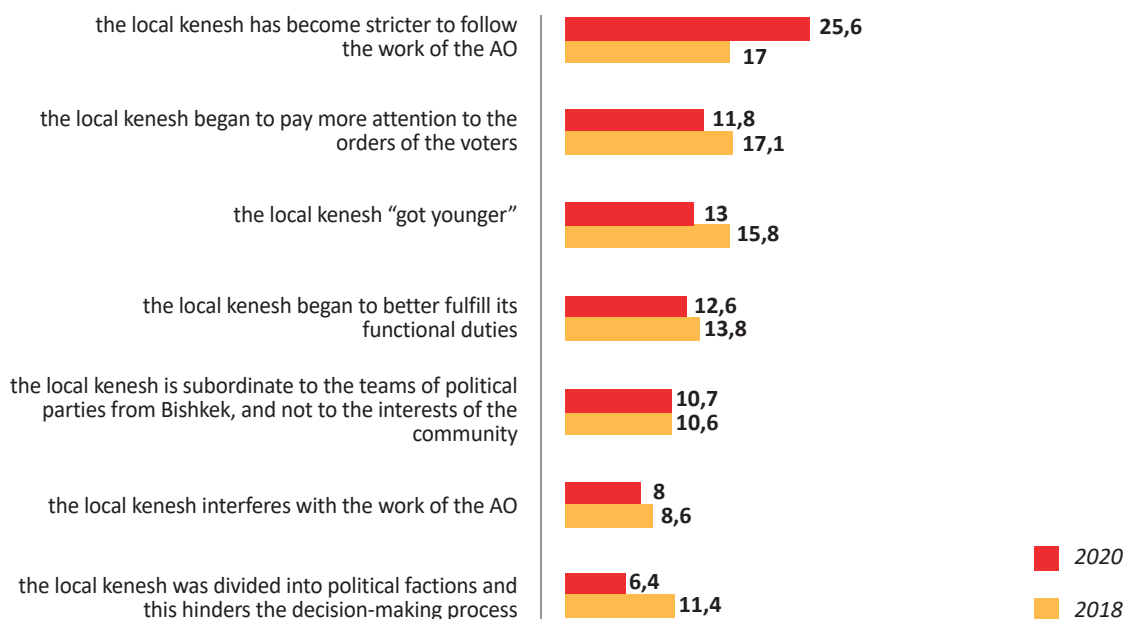


Diagram 15. How has the work of MK changed under the influence of political parties, in percent (the results of a survey of citizens conducted by the DPI in 2020)

There are no reliable data on how exactly the party factor influenced the work of local keneshes¹. Nevertheless, within the framework of the preparation of the Report, the opinion of the LSG bodies themselves about the changes in the work of local keneshes under the influence of parties was obtained. Thus, 81% of the polled representatives of LSG bodies believe that political parties influence the work of the local kenesh. This influence is considered negative by 40% of representatives of LSG bodies. However, it is important to remember that the survey was mainly attended by representatives of the executive bodies of LSGs, and this could not but affect their judgments: “the local kenesh obeys the teams of political parties from Bishkek and ignores the interests of the community” and “the local kenesh interferes with the work of the AO”. At the same time, 17% of the employees of the executive bodies of LSG see a positive impact, which is expressed in the fact that “the local kenesh has become stricter to monitor the work of the AO”, another 14% noted that “the local kenesh has become younger”. Thus, there is no consensus on the impact of political parties on the work of local keneshes, and the management system and analytical centers have yet to study this impact in order to develop sound recommendations. Nevertheless, the overwhelming majority of representatives of LSG bodies (79%) believe that local keneshes should not be formed according to the party principle.

It is important to note that the opinion of the authorities on this issue differs significantly from the opinion of citizens. For example, a quarter of LSG bodies believe that the local kenesh interferes with the work of ayil okmotu, while among citizens such opinions are three times less.

Regarding local keneshes, the skeptical opinion of citizens regarding the negative influence of the party factor has somewhat softened. And although in 2020 a significant part of citizens – 44% – do not support the party principle of forming local keneshes, nevertheless, compared to 2015, the number of citizens who agree with the party principle has grown 2.5 times. This tendency is most likely explained by the general normalization of the interaction of the kenesh with the executive bodies: their relations are evolving, the opposition is decreasing, the relations are becoming more constructive. The share of undecided citizens is decreasing, which is probably a consequence of the gradual growth of understanding of the essence of the party system on the part of the population.

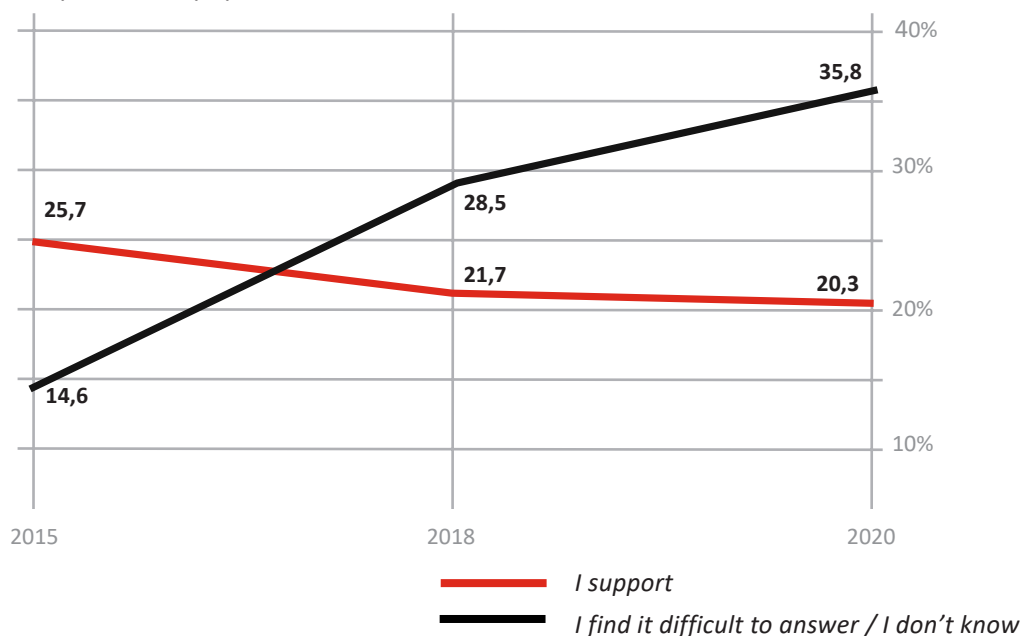


Diagram 16. Dynamics of the level of support of citizens with the party principle of formation of local keneshes, 2015-2020, percent

In 2019, the reform of the local electoral process continued. New conditions for elections of deputies of local keneshes were formed by the Law of the Kyrgyz Republic “On Amendments to the Law of the Kyrgyz Republic ‘On elections of deputies of local keneshes’”, dated August 8, 2019, No. 117, which sets

¹ There is an expert opinion that the influence of the party factor in its pure form is not observed, since the parties are still weak. In fact, there is a division according to the principle of “north-south”, into interest groups of influence, criminal and religious groups. At the LSG level, these problems are especially evident.

the days for elections of deputies of local keneshes – the second Sunday in April and the second Sunday October of the year.

If the term for which the deputies of local keneshes were elected expires from December 1 to December 31, the next elections should be held on the second Sunday of April of the year following the year in which the specified term expires.

If the term for which the deputies of local keneshes were elected expires in the period from January 1 to May 31, the next elections should be held on the second Sunday in April of the year in which the specified term expires.

If the term for which the deputies of local keneshes were elected expires in the period from June 1 to November 30, the next elections are held on the second Sunday of October of the year in which the specified term expires, and in the year of elections of the President and deputies of the Jogorku Kenesh – on the voting day at the specified elections.

It should be noted that there are some shortcomings in the law that the legislators allowed. Thus, the law established two voting days for holding elections of deputies of local keneshes, in case of expiration of the legal terms of office of deputies of local keneshes, that is, after four years. However, the deadlines for the announcement and holding of elections for the deputies of local keneshes, who terminated their powers ahead of schedule, remain unregulated. Thus, in practice, questions arise regarding the appointment of elections for deputies of local keneshes, in the event of an early termination of their powers (dissolution, self-dissolution).

In addition, new conditions for limiting the day of elections of deputies of local keneshes after a four-year term raises new questions about the legitimacy of the activities of local keneshes, whose four-year term of activity has expired, but continue to operate until election day. At the same time, other legislation of the Kyrgyz Republic limits the term of office of a deputy of the local kenesh to only four years.

1.3.2. Fair representation

Gender balance

Decrease in the level of representation of women 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 transition of mandates, the share of women also decreased and reached 10.7%. The largest decrease in the level of representation of women is observed in the Issyk-Kul region, which was previously the undoubted leader in terms of the representation of women in local keneshes, but by 2019 it had lost this position.

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

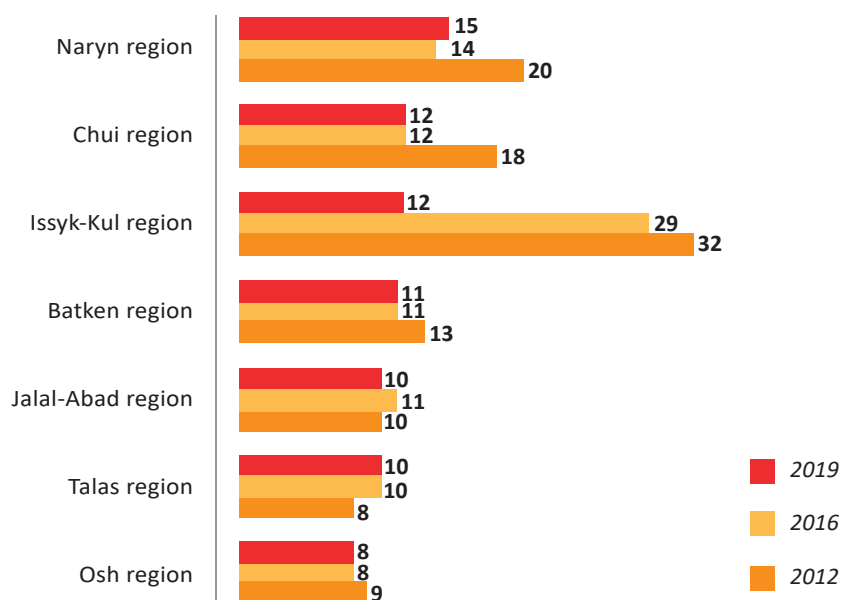


Diagram 17. The level of representation of women in local keneshes by region, in percent

The share of women in the composition of city keneshes also 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%). 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%). The phenomenon of “loss” of mandates by female deputies was observed, when female deputies elected by citizens transferred their mandates to other candidates from the party, men. Thus, in March 2016, 16 mandates or every third mandate were “lost” (Mailuu-Suu, Osh, Karakol, Tokmok cities); in December 2016, 39 mandates or every fourth mandate were “lost” (cities of Jalal-Abad, Tash-Kumyr, Uzgen, Isfana, Bishkek, Talas, Batken, Kara-Kul, Naryn, Kainda, Sulukta, Kerben).

In order to maintain a stable representation of women in local keneshes, on August 8, 2019, an amendment was made to the Law of the Kyrgyz Republic “On elections of deputies of local keneshes”. From now on, the place of a female deputy is retained in the event of an early termination of her powers, since the mandate is transferred only to a female candidate, and in case of termination of the powers of a male deputy, his mandate is transferred to a male candidate from the party list. If there are no persons of the corresponding sex in the list of candidates, the mandate of the deputy is transferred to the next candidate from the same list.

In addition, the adopted Law also introduced a provision on the reservation of mandates (quota) for women candidates running for ayil keneshes. Now, during elections of ayilny kenesh deputies, at least 30 percent of the mandates of ayilny kenesh deputies for women are reserved in each ayilny kenesh.

Table 2. The level of representation of women in city keneshes¹

City	After the elections in 2012				After the elections in 2016				Dynamics of changes
	Male	Female	Total	Share of women	Male	Female	Bcero	Share of women	
Aydarken	15	6	21	28,57	14	7	21	33,33	4,76
Balykchy	24	7	31	22,58	23	8	31	25,81	3,23
Batken	26	5	31	16,13	23	8	31	25,81	9,68
Bishkek					38	7	45	15,56	
Jalal-Abad	27	4	31	12,90	29	2	31	6,45	-6,45
Isfana	25	6	31	19,35	26	5	31	16,13	-3,23
Kadamzhay	14	7	21	33,33	38	7	45	15,56	-17,78
Kaindy	18	4	22	18,18	13	8	21	38,10	19,91
Kant	20	11	31	35,48	26	5	31	16,13	-19,35
Kara-Balta	20	11	31	35,48	24	7	31	22,58	-12,90
Karakol	23	8	31	25,81	22	9	31	29,03	3,23
Kara-Kul					26	5	31	16,13	
Kara-Suu	26	5	31	16,13	22	9	31	29,03	12,90
Kemin	16	5	21	23,81	14	7	21	33,33	9,52
Kerben	24	7	31	22,58	22	9	31	29,03	6,45
Kok-Zhangak			0		14	7	21	33,33	
Kochkor-Ata			0		19	2	21	9,52	
Kyzyl-Kiya	22	9	31	29,03	24	7	31	22,58	-6,45
Mailuu-Suu	26	5	31	16,13	24	7	31	22,58	6,45
Naryn	22	9	31	29,03	24	7	31	22,58	-6,45
Nookat	15	6	21	28,57	16	5	21	23,81	-4,76
Orlovka	14	7	21	33,33	14	7	21	33,33	0,00

¹ Data about the convening of 2012 were collected by sending a request to the city, but not all of them have provided this information.

Osh	37	8	45	17,78	38	7	45	15,56	-2,22
Sulukta	22	9	31	29,03	26	5	31	16,13	-12,90
Talas	29	1	30	3,33	26	5	31	16,13	12,80
Tash-Kumyr	21	10	31	32,26	26	5	31	16,13	-16,13
Tokmok	26	5	31	16,13	26	5	31	16,13	0,00
Toktogul	15	6	21	28,57	16	5	21	23,81	-4,76
Uzgen	25	6	31	19,35	24	7	31	22,58	3,23
Cholpon-Ata	14	7	21	33,33	19	2	21	9,52	-23,81
Shopokov	13	8	21	38,10	16	5	21	23,81	-14,29
Total	695	174	761	22,86	712	191	903	21,15	-1,71

The number of reserved mandates for women for each constituency is published at the same time as the information about the constituencies and polling stations is published.

The number of reserved mandates for women in a constituency depends on the total number of mandates in the respective multi-mandate constituency.

In the case of early termination of powers in the ayilny kenesh of a female deputy, who received a mandate on the basis of reserved mandates, her mandate is transferred to the next female candidate who received the highest number of votes in the multi-mandate constituency. If there are no women candidates left, the mandate is transferred to the next candidate after the elected deputies who received the largest number of votes.

National composition

Representatives of national minorities hold 13.4% of parliamentary mandates in local keneshes. In terms of regions, the following picture has developed: in the Naryn and Talas regions, among all local keneshes, there are only 2 deputies representing national minorities; in Osh and Chui regions of such deputies about 20%.

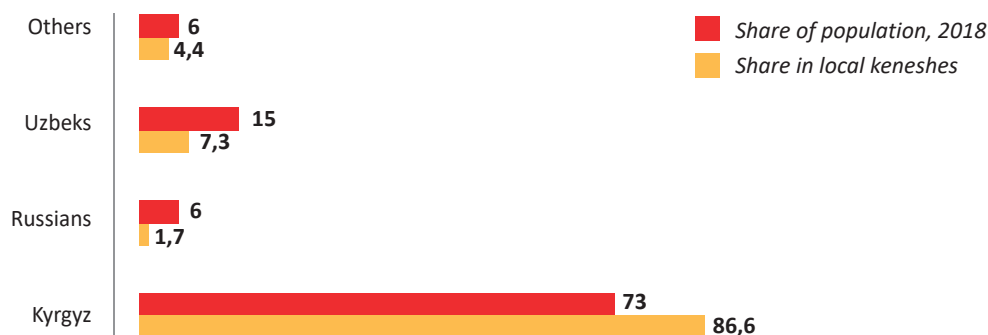


Diagram 18. The share of deputies-representatives of national minorities in local keneshes of the convocation of 2016 as of July 2019, in the context of regions (in comparison with the structure of the population of the Kyrgyz Republic), in percent

1.3.3. Sustainability of local representative democracy

A significant part (over 44%) of deputies of local keneshes have secondary or specialized secondary education. Given the level of school and secondary specialized education in the Kyrgyz Republic, it is difficult to expect from them competence in the field of public administration. The rest of the deputies also lack knowledge of governance. At the same time, the country lacks any form of training for deputies of local keneshes, which creates serious obstacles for the effective work of keneshes and LSG in general.



КАРЬЕРИСТЫ

OPINION

“The quality of the work of the local kenesh complicates the solution of local issues. Deputies are active only in the distribution of the budget, they are not active in relation to other problems of the local community. The head of the AO should be appointed by the akim or elected, the kenesh should not choose”.

*Aksakal,
Alamudun district*

OPINION

“Local keneshes do not report to the population. They are obliged by law, but in fact they do not. Locally, 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 district*

OPINION

“The Jogorku Kenesh of the Kyrgyz Republic should work more closely with the deputies of local keneshes, who should know what changes are taking place in the laws, whether they are of benefit to the residents of the regions. The level of knowledge of deputies of local keneshes is very low. It is necessary to establish more stringent criteria for candidates for deputy, for example, in relation to education. If a deputy has not justified the trust of voters, then a very simple mechanism for recalling such deputies is needed”.

*Lawyer of AO,
Nookat district*

OPINION

“Deputies of local keneshes must adhere to ethical rules of conduct appropriate to their status. Each candidate for deputy of the local kenesh should know his rights and responsibilities, what he will do, what issues to solve. He must realize whether his knowledge and level of competence is sufficient to solve the problems of voters, to formulate the local budget and control its implementation. It is necessary to strengthen the requirements for candidates for deputies of the local kenesh”.

*Toraga of the local kenesh,
Kochkor district*

In this regard, on April 12, 2019, an amendment was made to the Law of the Kyrgyz Republic “On State Civil Service and Municipal Service”, according to which, now, by the decision of the Government of the Kyrgyz Republic, persons holding political public positions, special public positions can also be trained under the state order and political municipal offices. As it is known, the positions of the deputy of the local kenesh, the head of the ayil okmotu and the mayor of the city belong to the political municipal posts. Thus, a legal basis has been created for the training of deputies of local keneshes, but no practical measures in this direction have yet been taken. LSG authorities expect that such measures will be developed and adopted to train the deputies of local keneshes who will be elected in 2021.

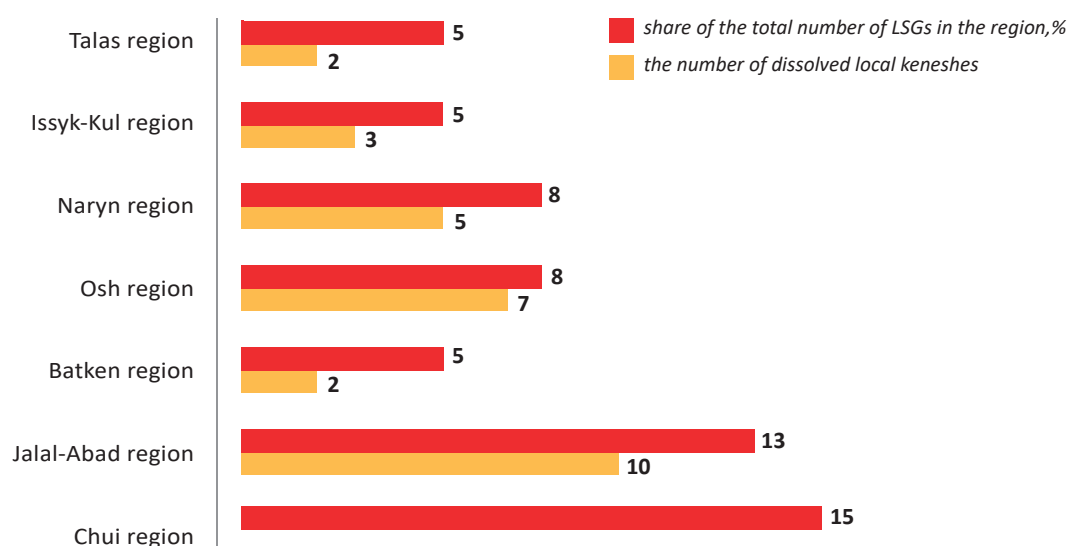


Diagram 19. The number and share of dissolved local keneshes in relation to the total number of LSG bodies, in the context of regions, in percent

The level of education, the electoral system, the influence of the party factor lead to the dissolution of local keneshes. So, 2017-2020. 34 local keneshes were dissolved, while 9 keneshes were dissolved due to the lack of a quorum at meetings, 25 keneshes – due to the fact that the keneshes could not choose the head of the LSG executive body – the head of the AO or the mayor.

In 2019, legislators took a big step towards strengthening the institutional sustainability of local keneshes. For a long time, the absence of full-time staff to ensure the regular functioning of rural representative bodies created a serious problem. Thus, in 29 cities of district and regional significance, city keneshes have long had sufficient administrative resources for the effective implementation of their powers in the form of offices, numbering from 3 to 5 staff units. At the same time, the chairmen of the keneshes work on a permanent basis and receive wages. In the city kenesh of the city of Osh there are 17 staff units, in the Bishkek city kenesh – 37 units. However, 453 aiyl keneshes from the moment of their formation did not have their own office, their powers were entrusted to the executive secretary of aiyl okmotu, which could and often led to a conflict of interests between the aiyl kenesh and ayil okmotu. The workload of the executive secretary with the current work did not allow this official to pay due attention to such issues as the organization of the work of the standing commissions, the quality work of the sessions, the relationship of the kenesh with the population.

Finally, the Law of the Kyrgyz Republic “On Amendments to Certain Legislative Acts on the Activities of Local Self-Government Bodies” dated August 8, 2019, No. 115, created new conditions for the work of local keneshes. Now aiyl keneshes of aimaks, with a population of over 6000 people, are provided with an additional staff unit – an executive secretary. The chairmen of aiyl keneshes of aimaks with a population of over 20,000 people are also provided with wages. These changes were made to eliminate the discriminatory approach towards rural and urban keneshes, as well as to strengthen the institutional sustainability of representative bodies of LSG. The issue of creating similar conditions for the keneshes of aimaks with a smaller population has not yet been resolved due to insufficient funds in the budget.

Separate issues of improving accountability and increasing responsibility of deputies of local keneshes to voters remain unresolved. For example, the issue of the institution of recall of deputies of local keneshes remains unregulated in the legislation of the Kyrgyz Republic.

In this direction, the restoration of the norm on early termination by the local kenesh of the powers of a deputy of the local kenesh for the absence at meetings of the local kenesh more than 4 times within one year without valid reasons is not a solution to the problem. With regard to this proposal, there is a final decision of the Constitutional Chamber of the Supreme Court of the Kyrgyz Republic dated June 10, 2015, No. 08-r. In this decision, the Constitutional Chamber notes that “the institution of recall is a specific institution of power by the people, which is a form of responsibility of an elected person to the population, the content of which is the possibility of early termination of the powers of an elected person at the will of voters. The recall

of a deputy is closely related to the expression of the will of the voters and is considered a form of direct democracy. As a rule, the reasons for the recall of a deputy are, in general, the loss of voters' confidence due to the failure of the elected person to fulfill his powers. Consequently, the subjects of the implementation of the recall, including the procedure for its initiation, are exclusively the voters. By itself, the essential content of the institution of recall assumes that the recall of a deputy should be carried out in procedures that are closest to elections. This ensures the implementation of the constitutional principle of popular sovereignty and the mediated right of citizens to exercise local self-government. Proceeding from this, granting the local kenesh the right to initiate the question of recalling a deputy of the local kenesh contradicts the fundamental constitutional principles of democracy”.

By this decision, the norms of the Law of the Kyrgyz Republic “On the status of deputies of local keneshes” in the part granting the local kenesh the right to initiate the question of recalling a deputy were recognized as unconstitutional. And the voter still does not have the opportunity to recall a deputy who does not fulfill his functions and obligations.

1.4. STATE OF LSG EXECUTIVE BODIES¹

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

As of January 1, 2020, out of 9,750 municipal posts in the state, 8,881 posts were occupied, which is 91% of the staff number. The dynamics of the data suggests that the number of positions – vacant and actually filled – is subject to insignificant fluctuations. The share of vacant municipal posts fluctuates between 9-10%, which makes it possible to assess the municipal service as fully staffed. However, the absence of every tenth specialist is a challenge. At the same time, 869 vacancies in a country with high unemployment rates are not normal.

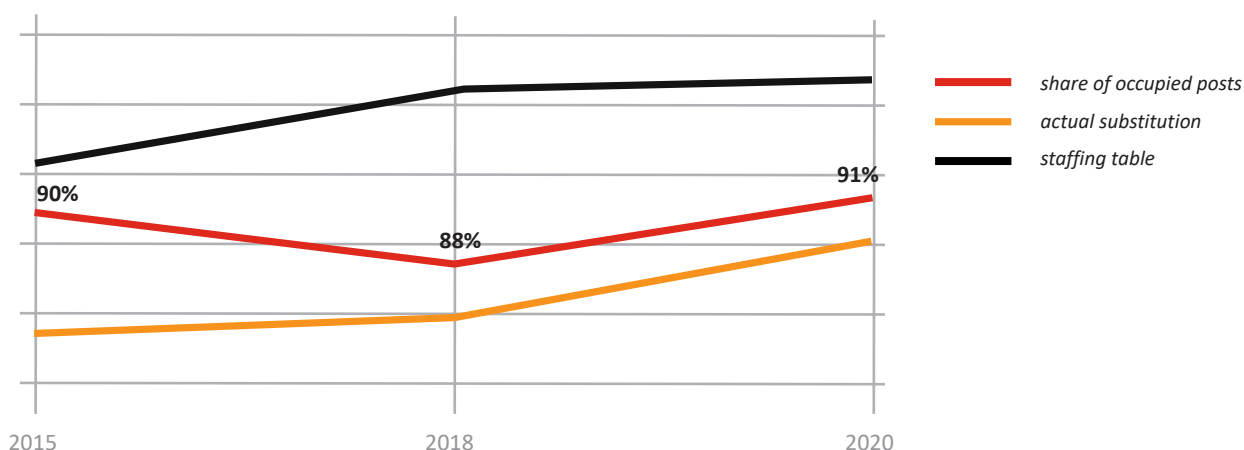


Diagram 20. Dynamics of the share of replaced municipal posts, in %

1.4.1. Qualitative composition

Gender balance and equality of physical opportunity

The share of women in municipal services changes insignificantly. Thus, in 2020 women hold more than 38% of municipal posts, compared to 36% in 2019 and 37% in 2017. The share of women dismissed from municipal service from 2017 to 2019 increased from 29.5% to 35.9%, that is, women are increasingly dismissed from municipal service for various reasons.

¹ The section uses data provided by the State Personnel Service of the Kyrgyz Republic.

OPINION

“The last female employee remained in our AO. But her husband accompanies her to work every day to protect her from expressing negative attitudes. She can be approached on the street and said: ‘Why do you work and disgrace your husband?’ How much more patience do they have, I don’t know. Spouses say that most likely they will have to either lock up her at home or leave the village”.

AO employee

Women continue to be “washed out” from the management staff of local governments: the share of men in management is increasing. Thus, the share of women in political positions is still insignificant and continues to decline: from 4.2% in 2017 to 3.5% in 2020, no women have remained in top administrative positions, with the exception of vice-mayor of Bishkek. However, the share of women in chief, senior and junior municipal positions is increasing.

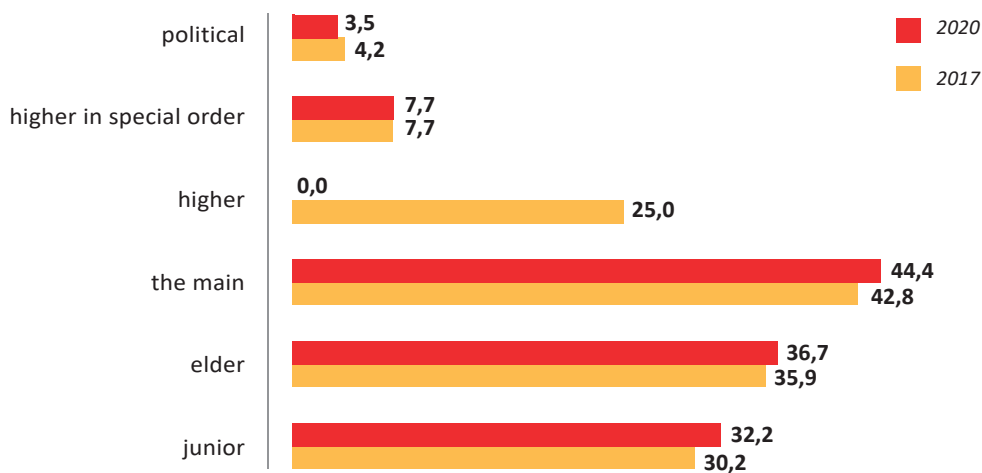


Diagram 21. Share of women holding municipal positions, in %

Opportunities for people with disabilities (hereinafter – PD) have expanded. So, in 2020, municipal positions are occupied by 195 people with disabilities (134 in 2017), including 137 men and 58 women (against 117 and 17 people in 2017, respectively).

Nationality

The national composition of executive bodies of local governments has slightly changed towards greater diversity, but the representation of national minorities in local governments is about 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.

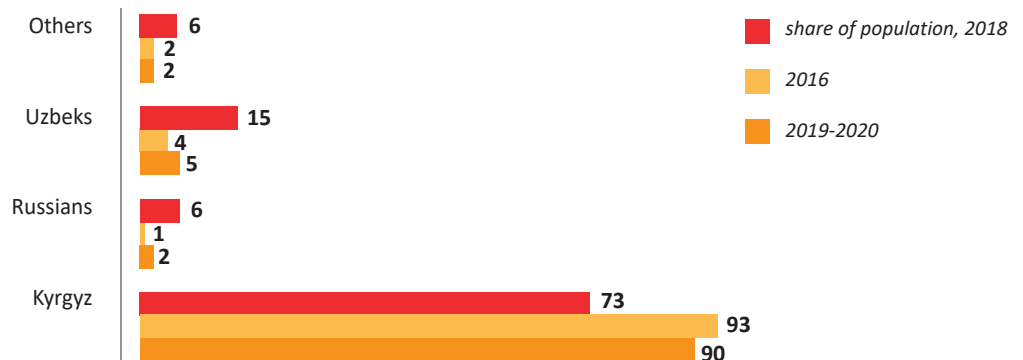


Diagram 22. National composition of executive bodies of LSG in comparison with the national composition of the Kyrgyz Republic, in percent

Age and experience

Young people under the age of 28 hold only 9.4% (7.5% in 2019) of junior and senior municipal positions; only 2 people out of more than eight thousand municipal employees work in political, patronage, main and senior positions.

Persons of pre-retirement and retirement age, over 55 years old in 2019 hold almost 23.3% (22% in 2019) of municipal posts. The municipal service demonstrates a tendency of “aging” of the composition, since in 2016 this category of persons occupied 18% of positions.

Education and competencies

Since 2016, the share of municipal employees with higher education has increased by 10% and is 71.6% in 2020 (66.25% in 2019); the share of specialists with secondary education in LSG bodies in 2020 is 8.2%, 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 the Kyrgyz Republic “On State Civil Service and Municipal Service” dated May 30, 2016 No. 75 amended the requirements for municipal employees, and from now on, persons with secondary education cannot apply for a municipal position. But, at the same time, if a citizen was admitted to such a position before June 1, 2016, he continues to work. In addition, given the difficulties in recruiting personnel for the municipal service, it is not possible to replace 725 LSG employees with secondary education with specialists with higher education.

1.4.2. Vacancies and staff turnover

In 2019, 1,028 people (including 40.5% of women) were hired for municipal positions, the vast majority of them on a competitive basis. The bulk of employees in the remaining positions accepted without competitive selection are those who were on maternity leave or studying.

In 2019, 649 people left their municipal positions (against 846 people in 2018 and 773 people in 2016). The employee turnover rate is declining and in 2019 was about 7% (in 2016 – 9%). It should be noted that the surge in staff turnover in 2016 was due to the change in political leaders of LSG bodies. The tendency to change the team after the change of the head of the LSG executive body damages the quality of the municipal service. The LSG Union notes that a new surge in staff turnover in the municipal service should be expected in 2021, which will most likely follow the elections to local keneshes scheduled for spring 2021. At the same time, the level of staff turnover in the municipal service is not extreme and even lower than in the civil service, where in 2019 the turnover rate was about 10%.

A disturbing trend is found in relation to gender balance in staff turnover. Thus, in 2019, compared to 2016, the proportion of women among those dismissed from municipal service increased from 29 to 33 percent, respectively.

OPINION

“What is the reason for staff turnover in ayil okmotu? The head changes, and those who worked under the previous head leave on their own, because they count on further work in the team of the previous head in his new position”.

*Executive Secretary of AO,
Alamudun district*

OPINION

“Municipal staff turnover 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 hired due to the fact that they belong to other clans, etc.”

*Executive Secretary of AO,
Sokuluk district*

1.4.3. Passage of the competition

In 2018, LSG bodies announced 5,588 candidates to participate in computer testing to fill 2,268 vacant municipal posts. 4,150 candidates took part in the computer testing, of which 1,813 or 43.7% scored the appropriate points¹ and passed to the next stage of the competitive selection.

In 2019, local self-government bodies announced 6913 candidates for participation in computer testing. 5193 candidates took part in the computer testing, of which 2649 or 51% scored the appropriate points and went to the next stage of the competitive selection.

Some LSG bodies continue to believe that in conditions of a shortage of personnel, this turns into a problem, when candidates for positions cannot pass the test due to difficult issues, and the personnel composition of LSG bodies remains understaffed. However, the SPS KR and the Union LSG note that it is impossible to simplify the testing process indefinitely. By 2020, the level of difficulty of the tests was simplified to a minimum and requires applicants for junior positions to know only 3 regulatory legal acts, for senior and main ones – 5 acts.

OPINION

“Candidates for a vacant position in AO, when passing testing in the State Statistics Service of the Kyrgyz Republic, cannot answer most of the questions, since very many of them do not relate to work specifically in AO. At the same time, a person can be an excellent specialist in his field at the AO level, but he cannot take a position. And sometimes, on the contrary, candidates pass the test perfectly, but then they cannot work, since they do not know and do not understand the specifics of the AO, they do not know the life of the aiyyl aimak. For example, in our AO for the second year now there is no executive secretary. We send candidates for testing several times a year, but they fail to pass the test. Probably a competition and a test is good, but life requires action today. AO heads should have more opportunities to influence the filling of vacant positions”.

AO head, Bazar-Korgon district

OPINION

The State Personnel Service of the Kyrgyz Republic notes that the testing process for candidates for filling municipal positions has been simplified as much as possible. Thus, the testing rules of the 2017 sample allowed 48.5% of candidates to successfully pass the test. “After studying the issue of the level of professionalism of municipal employees, the approach to the formation of test questions was changed. By analogy with the civil service, the < ... > approach was introduced, based on the list of regulations that LSG employees should know. < ... > 14 normative legal acts were used to form test questions. As a consequence, < ... > the percentage of <that successfully passed the test> decreased from 48.5 to 27.9 percent. This has caused numerous complaints now not from the population, but from candidates for positions and heads of local self-government bodies. < ... > The approach to the formation of test questions in 2018 was changed again. < ... > a differentiated approach to testing candidates for positions belonging to different categories has been established. If earlier all candidates had to answer the questions formed from the content of 14 regulatory legal acts on the main test, now for junior positions the tests are formed on the basis of 3 regulatory legal acts, for senior and main ones – 5 acts. That is, the requirements for candidates have been seriously reduced. As a result, since 2018, the percentage of overcoming the ‘threshold value’ of passing tests < ... > has again increased to 51.2 percent. This problem of the lack of staffing in LSG bodies is a reflection of another problem of staff turnover in LSG bodies < ... > due to the change in political leadership, as well as the fact that candidates are not recommended by the competition commissions of LSG bodies for appointment following an interview, which is also a manifestation of a corruption phenomenon – nepotism^{2”}.

Deputy Director O. S. TARBINSKY, No. 01-03-09 / 3040 dated September 08, 2020.

¹ According to paragraph 41 of the Regulations on the procedure for the competition and promotion of civil service and municipal service of the Kyrgyz Republic, approved by the Government of the KR on December 29, 2016 № 706, candidates who have scored in the computer testing of at least 50% of the possible number of points, are allowed to the next stage of the competition – the interview.

² Nepotism – a type of favoritism, which consists in granting privileges to relatives or friends, regardless of their professional qualities (for example, when hiring).

1.4.4. Qualification promotion

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

In order to improve their qualifications, they underwent training as part of the implementation of the state order: in 2016 – 1276 municipal employees; in 2017 – 1747; in 2018 – 1096, in 2018 – 1416 people. Thus, the share of municipal employees who have received access to advanced training remains within 15-20%, while, according to the requirements of the legislation, it should be about 30% (each municipal employee must undergo advanced training at least once every three years).

There is a lack of access to advanced training, which is caused, first of all, by the underfunding of the relevant items of the SCS KR needs for organizing training. In 2020, the situation became especially aggravated due to the fact that the republican budget was subject to sequestration (reduction), as a result of which the funds allocated for professional development will be enough for training only 500 municipal employees, which is five times less than the norm and is only 6% from their total number.

The other side of the problem is the insufficiently responsible attitude to the issue on the part of the heads of LSG bodies. Working in conditions of a shortage of personnel, experiencing overloads with current work, the heads of LSG bodies are not always able and willing to send those employees who really need it to improve their qualifications.

OPINION

“When SCS organizes professional development, key employees cannot participate due to high workload. Send anyone to study, who is free or who is at hand”.

*Executive Secretary of AO,
Alamudun district*

It is important to note that the state system of advanced training is not designed to meet all the emerging needs for knowledge and skills that arise from municipal employees in the process of performing their official duties to resolve issues of local importance. The activities of LSG bodies are very diverse. Being in direct contact with the population, they are forced to face almost daily new issues of management, life phenomena, difficult situations that are not described in the governing documents, and the solution of which has not been previously encountered in the practice of municipal employees. A striking example of such working conditions was the situation that LSG bodies faced in the spring of 2020 in connection with the epidemiological threat caused by the spread of COVID-19. For the first time, LSG bodies found themselves face to face with such a threat, they had to take on the solution of many functions that were not characteristic of them before – from the purchase of sanitary and hygienic means to the provision of a remote mode of work.

Operational assistance in relation to such current management issues, solving new unforeseen tasks cannot be provided through the state system of advanced training, which operates as planned and provides training in accordance with previously approved modules and programs. In such cases, world practice offers another solution to the problem – the organization of horizontal training, exchange of experience and practice between the subjects of professional activity themselves. Simply put, this kind of training can and should be an association of LSG bodies – the LSG Union. Since the Kyrgyz Republic also has an authorized state body for local self-government affairs – SALSGIR, it can and should also be involved in this process. And, finally, analytical centers dealing with the development of LSG should help the process of dissemination of practical knowledge and skills; in the Kyrgyz Republic, this function is performed by the Development Policy Institute. Taking into account the current needs of LSG bodies, the LSG Union, SALSGIR and DPI decided to create a Portal of LSG best practices, which will be operational by the end of 2020.

COMMENTARY from SALS GIR

“SALS GIR notes that, in order to strengthen the human resources of local self-government bodies, along with training activities, local self-government bodies need a permanent effective source of information on the best practices of local self-government in its various aspects, including methods and practices of municipal governance, provision of services, involvement of local communities in solution of issues of local importance and others. In addition to basic education and advanced training programs, a permanent, operational, detailed and accessible resource for local governments and local communities is needed to improve local government in each specific municipality in a working manner. The multifunctional Portal of Local Self-Government Best Practice is planned to be launched at the end of 2020. The purpose of the portal is to provide permanent access for heads and employees of LSG bodies, deputies of local keneshes and representatives of local communities to relevant, high-quality, accessible and applicable experience in the development of LSG. The creation of the Portal in 2020 is carried out by SALS GIR, the LSG Union and the Development Policy Institute with the financial support of the Government of Switzerland. In the future, the sustainable functioning of the Portal will be ensured by the LSG bodies themselves with the participation of SALS GIR, on whose behalf the Portal will be posted on state Internet resources”.

Deputy Director of SALS GIR M. K. BAYDYLDAEV

1.4.5. Execution of delegated state powers¹

7 years have passed since the adoption of the Law of the Kyrgyz Republic “On the Procedure for Delegating Certain State Powers to Local Self-Government Bodies” dated July 9, 2013 No. 127. Already two convocations of the JK KR have considered the reasons why the law did not work in full force for such a long time. It is generally agreed that the main obstacles to the implementation of the law are:

- lack of a clear delineation of powers and responsibilities between state bodies and LSG bodies;
- Difficulties in determining the cost of delegated state powers (hereinafter – DSP);
- bureaucratic resistance of state bodies.

Also, the process of delegation is not always welcomed by LSG bodies, especially subsidized ones, for which the receipt of interbudgetary transfers for the implementation of the DSP means an automatic reduction in the amount of the equalizing grant, which, in the opinion of LSG bodies, is wrong and unfair. For all LSG bodies, DSP creates an additional and unpaid burden on the staff, limited by the decision of the Government of the Kyrgyz Republic. More detailed information on the problems of financing the DSP is provided in section 1.4 of this Report.

OPINION

“Not all DSP are properly funded. So, LSG bodies carry out 5 notarial actions, which are not paid by anyone. Some DSP are performed by employees of LSG bodies as an additional burden without receiving payment for this”.

Many representatives of LSG bodies

However, progress in the implementation of the mechanism is still observed. So, in relation to seven or approximately 40% of the powers assigned by the Law of the Kyrgyz Republic “On Local Self-Government” dated July 15, 2011, No. 101, to the main state powers that can be delegated to LSG bodies, the Government of the Kyrgyz Republic is doing some work. The four powers of the authorized state bodies (the Ministry of Agriculture, Food Industry and Land Reclamation of the Kyrgyz Republic, hereinafter referred to as the MAFILR KR, and the State Committee on Defense Affairs of the Kyrgyz Republic, hereinafter referred to as the SCDA KR) propose to be excluded from the list of delegates. There is no progress on the 40% that can be delegated. This raises two questions. The first one is about the expediency of classifying these powers as delegated in a situation when, within 7 years, the actual need to delegate these powers did not arise from the state body. The second is about the quality and scope of these powers without the participation of LSG bodies, since, judging by the nature of

¹ The section uses data provided by the DPI.

powers and the reason for their classification as delegated, these powers should be exercised in direct contact with the population. The meaning of the question is, to what extent is the authorized body capable or incapable of fully and in proper quality to exercise its powers without the participation of LSG bodies?

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

№	Summary of subparagraph	Measures and status
1	Employment and migration programs	No progress. The State Migration Service under the Government of the Kyrgyz Republic does not see the need to delegate migration powers
2	Registration of citizens (passport regime and voter lists)	In accordance with the Decree of the Government of the Kyrgyz Republic of December 19, 2014, No. 715, the State Registration Service of the Kyrgyz Republic (hereinafter referred to as the SRS KR) can delegate powers to LSG bodies:
3	Registration of acts of civil status	<ul style="list-style-type: none"> • Acceptance of documents for obtaining a passport from citizens who have reached the age of 16, as well as issuance of a manufactured passport; • Acceptance of documents for exchange of a passport of a citizen of the Kyrgyz Republic, as well as issuance of a prepared passport; • Acceptance of documents for the exchange of a civil passport of a citizen of the Kyrgyz Republic, as well as the issuance of a personalized civil passport; • registration of the birth of a child, as well as the issuance of a birth certificate; • registration of marriage, as well as issuance of a marriage certificate; • registration of death, as well as issuance of a death certificate; • establishing paternity, as well as issuing a certificate of establishing paternity; • registration of citizens at the place of residence and place of stay; • registration of applications “balaga suyunchu”. <p>In 2019, the process of concluding agreements on delegation between the SRS of the Kyrgyz Republic and LSG bodies began. As of March 12, 2020, the SRS concluded the relevant agreements with 226 ayil okmotu or almost 50% of their total number: 17 AOs in Issyk-Kul oblast; 62 – in Chuiskaya; 58 – in Osh; 37 – in Jalal-Abad; 28 – in Batken; 21 – in Naryn; 3 – in Talas oblasts. Some rural LSG bodies have refused to exercise delegated powers due to the lack of staffing positions. Also, no contracts were concluded with those ayil okmotu where passport offices of regional territorial departments of the State Registration Service are functioning</p>
4	Provision of buildings for the provision of services in the field of school, preschool and vocational education and health	The government of the Kyrgyz Republic is considering the possibility of transferring financing of secondary education institutions (schools) from the local budget to the republican budget. As part of the implementation of the decisions enshrined in the Minutes of the meeting with the First Vice Prime Minister of the Kyrgyz Republic dated March 22, 2019, No. 17-1321, an analysis was prepared of the possibility of transferring financing of educational institutions from the expenditures of the local budget to the expenditures of the republican budget. The analysis was carried out by the forces of a working group created by the Government of the Kyrgyz Republic, which included the Union LSG, DPI, MF, SALSGIR, MES
5	Performance of notarial acts	No progress
6	Issuance of documents to citizens	There is progress, more detailed information in paragraphs 2-3
7	Maintaining primary records of persons liable for military duty and conscription	State Defense Committee of the KR submitted to the Government of the KR a draft law on the delimitation of functions and powers of the authorized state body for defense affairs and LSG bodies in the field of defense. The draft law stipulates that SDC will exercise the authority to maintain primary records of military servicemen and conscripts independently, without delegating this authority to LSG bodies.

№	Summary of subparagraph	Measures and status
8	Land management of the State Fund of Agricultural Lands	Article 13 of the Land Code of the Kyrgyz Republic provides for a norm on the implementation of this authority by LSG bodies in the event of their delegation, but so far there is no entity that could delegate these powers to LSG bodies. However, in fact, the lands of the State Fund of Agricultural Lands are already under the control of LSG bodies in the absence of a properly formalized delegation
9	Generalization of materials on the development of agricultural production, preparation of economic forecasts for the production of agricultural products	The authorized state body – the Ministry of Agriculture and Food Industry of the Kyrgyz Republic – proposed to exclude these powers from the list of delegated powers established by Article 20 of the Law of the Kyrgyz Republic “On Local Self-Government”
10	Assistance in the organization of veterinary and sanitary, antiepidemiological measures and selection and breeding work	
11	Fight against injuries of crops, protection of forest shelter belts and woodlands	
12	Collection of duties and insurance premiums, as well as powers in the field of tax legal relations	Article 52-1 of the Tax Code of the Kyrgyz Republic provides for the provision of delegating powers in the area of tax collection to LSGs, but the State Tax Service of the Kyrgyz Republic has not yet delegated these powers to LSGs with financial support. In 2019, the process of concluding agreements on delegation between STS ¹ and LSG bodies began. As of April 1, 2020, out of 453 ayil okmotu, 239 AOs (which is about 53% of their total number) concluded the relevant agreements, 214 ayil okmotu (47%) refused. The main reasons for the refusal to accept delegation of the exercise of powers in the field of tax collection are considered by LSG bodies to be the following: <ul style="list-style-type: none"> • lack of technical equipment; • lack of banks and payment terminals; • lack of competent specialists; • remoteness of LSG location from the regional center.
13	Environmental protection measures	No progress. The State Agency for Environmental Protection and Forestry under the Government of the Kyrgyz Republic does not see the need for delegation of powers, it performs them independently
14	Consumer rights Protection	No progress. The State Agency for Antimonopoly Regulation under the Government of the Kyrgyz Republic does not see the need for delegation of powers, it performs them independently.
15	Heat supply	No progress

¹ During the discussion of the Report, the State Tax Service of the Kyrgyz Republic provided detailed information regarding the progress and problems of delegation of powers in the field of tax legal relations. It follows from the commentary that the State Tax Service of the Kyrgyz Republic is actively and consistently working on this issue, and the main restrictions are financial in nature, in particular, the State Tax Service of the Kyrgyz Republic proposes to consider the issue of financing the delegation of powers in the field of tax legal relations outside the budget of the State Tax Service of the Kyrgyz Republic. The full version of the commentary of the State Tax Service of the Kyrgyz Republic is posted on the website of the Development Policy Institute: <http://dpi.kg/ru/library/full/325.html>

№	Summary of subparagraph	Measures and status
16	Identification of poor families	In accordance with the decision of the Government of the Kyrgyz Republic, the Ministry of Labor and Social Development of the Kyrgyz Republic (hereinafter referred to as the MLSD of the Kyrgyz Republic) may delegate to the LSG authorities the authority to identify families and children in difficult life situations (hereinafter referred to as TJS); to assess the needs of such families and children; on their social support. As of January 1, 2020, the MLSD signed agreements on delegation with 353 ayil okmotu (which is 78% of their total number). 97 ayil okmotu are considering contracts, 3 ayil okmotu refused to conclude an agreement due to the lack of staff. In general, 378 employees will carry out the powers delegated by the MLSD in 353 rural LSG bodies.
17-1	Measures to strengthen interethnic relations, as well as to prevent interethnic conflicts	There is no progress, SALSGIR does not see the need for delegation of powers, it performs them independently
17-2	Probation	There is no progress, the Ministry of Justice of the Kyrgyz Republic does not see the need for delegation of powers, performs them independently

In addition to the table above, one should note the work of the Government of the Kyrgyz Republic and SALSGIR in the field of delegation of state powers to LSG bodies. So, SALSGIR in its comments to the draft Report indicates the following measures:

“... in decree to implement the Resolution of the JK KR No. 3296-VI of October 17, 2019, by decree of the Prime Minister of the Kyrgyz Republic of December 9, 2019 No. 696, an interdepartmental working group for the development of relevant bills on the delineation of functions and powers state bodies and LSG bodies.

In order to implement the decisions of higher authorities, the Agency, on the basis of proposals from sectoral state bodies, has developed a draft Law of the Kyrgyz Republic ‘On amendments to some legislative acts of the Kyrgyz Republic on the delimitation of functions and powers of state bodies and LSG bodies’, providing for amendments to 8 laws.

In particular, the bill suggested that the issues of the development of sports of the highest achievements should be entrusted exclusively to the Government of the Kyrgyz Republic, leaving only issues of mass physical culture and sports to the LSG bodies. In this connection, it was proposed to transfer to the jurisdiction of the State Agency for Youth Affairs, Physical Culture and Sports under the Government of the Kyrgyz Republic 13 sports schools, which are currently funded from the local budget, the total amount for the maintenance of these schools is, according to preliminary calculations, 38.1 million soms. In addition, the bill provided for amendments to the legislation in the field of defense, proposing to transfer the maintenance of the staff of the military registration desk from the ayil okmotu to the State Committee for Defense Affairs of the Kyrgyz Republic, reducing their number from 1,048 to 650 units, the maintenance costs of which will be, according to preliminary calculations, 115.5 million soms. It should be noted that this initiative in the draft law will save the state budget as a whole. When recalculating after the adoption of the bill, additional funds from the republican budget may be required, but at the same time the funds of the local budget will be saved (the equalizing grant allocated to LSGs is subject to recalculation).

This bill, in order to conduct a public discussion procedure, was posted on the website of the Government of the Kyrgyz Republic on February 7, 2020. The draft law revised taking into account the proposals received in the process of public discussion, in accordance with the instructions of the Government Office of the Kyrgyz Republic dated February 10, 2020, agreed with all ministries and departments of the Kyrgyz Republic, with the exception of the Ministry of Finance of the Kyrgyz Republic, which gave a negative opinion.

The basis for giving a negative opinion on the part of the Ministry of Finance of the Kyrgyz Republic was the need to allocate funds from the republican budget for the implementation of the bill, if adopted. Due to the current situation due to the COVID-19 pandemic, as well as an increase in the republican budget deficit, according to the conclusion of the Ministry of Finance of the Kyrgyz Republic, the promotion of this bill is currently impractical. In parallel, the Agency, together with the Union of LSG, analyzed the legislation of the Kyrgyz Republic for the purpose of delimiting the functions and powers of state bodies and LSG bodies,

according to which, upon the adoption of the relevant draft law, financial resources from the republican budget will not be required. A corresponding bill is currently being prepared”.

In the process of delimitation and delegation, some state bodies refuse to delegate powers to LSG bodies, preferring to keep them together with resources, as is the case, for example, with the MAKPPM KR. This does not contradict the principle of voluntariness of delegation, according to which delegation is a right and not an obligation of a government body. Indeed, the state body must decide for itself how efficiently and expediently transfer any authority to another governing body. And this is also a result, since the work on delimitation and delegation forced the state bodies to critically comprehend the functions and powers they perform and to start optimization. There are mistakes along the way. Thus, the SRS of the Kyrgyz Republic initially resisted delegation and tried to organize services for receiving documents 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, nevertheless, a political decision was made to delegate these powers to LSG bodies.

In 2020, the process of delegation continues and 15 state bodies are involved in it, in one form or another. However, some of them do not recognize the powers delegated to LSG bodies as their own, considering them to be their own LSG functions.

1.5. FINANCIAL AND ECONOMIC SITUATION OF LSG BODIES

1.5.1. Financial ability of LSG bodies to solve local issues

Based on the experience of 2018-2019, announced as years of regional development, we can already say with confidence that it is not enough to declare a year as a year of regional development in order to move the reform forward. The volume of revenues of local budgets (without transfers) still does not exceed one tenth of the total revenues of the republican and local budgets. And if the calculation does not include the revenues of the cities of Bishkek and Osh, which have the largest share in the total revenues of local budgets, then the share of all other local budgets in the consolidated budget of the republic will be only about 5% (see Table 4. Total revenues of the republican and local budgets, million soms and Diagram 23¹. Comparison of the volumes of budget revenues (2019 fact) (million soms)).

Table 4. Total revenues of the republican and local budgets², million soms

	2017, fact	2018, fact	2019, fact	2020, approv.	2020, specif.	2021, forecast	2022, forecast	2023, forecast
Total revenues of RB and LB	164 362,7	167 490,2	186 189,3	203 721,9	172 451,2	202 990,1	212 525,7	214 592,9
Republican budget (revenues)	149 547,5	151 607,1	167 328,6	183 708,1	153 882,0	182 629,9	191 526,1	193 094,0
Local budgets (total – revenues)	20 298,0	20 140,1	21 815,8	23 038,1	21 574,8	23 365,7	24 005,1	24 504,4
Local budgets (total – own revenues (excluding transfers))	14 815,2	15 883,1	18 860,7	20 013,8	18 569,2	20 360,2	20 999,6	21 498,9
Local budgets excluding the cities of Bishkek and Osh (total amount – revenues without transfers)	7 418,5	8 001,2	9 474,7	9 398,3	8 719,9	9 751,3	10 057,5	10 296,7

¹ In its commentary on the draft Report, SALSGIR rightly notes that it does not take into account the programs of the Government of the Kyrgyz Republic, which through the branch ministries and departments allocate a lot for the development of towns and villages from the republican budget. The LSG Union notes that in relation to these resources there is a problem of their accounting and reflection in the system for providing data on local budgets and local development

² Hereinafter, open information of the Ministry of Finance of the Kyrgyz Republic was used as a source of information.
<http://minfin.kg>

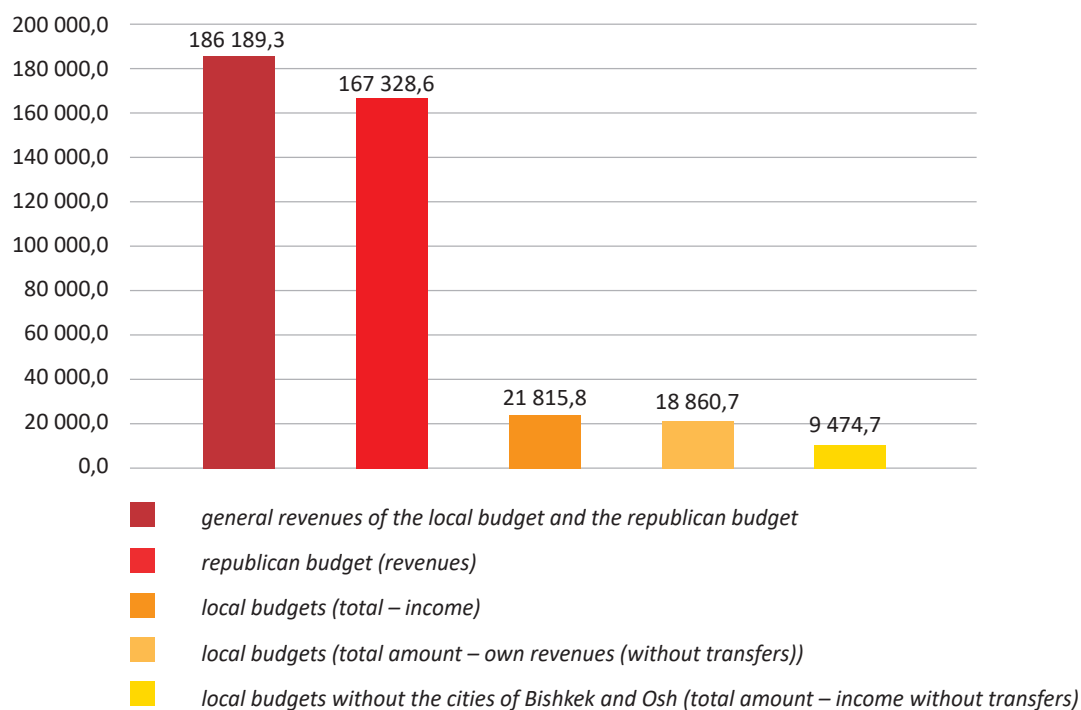


Diagram 23. Comparison of the volumes of budget revenues (2019 fact) (million soms)

Most LSG bodies do not have enough resources for the quality performance of their own functions and delegated state powers, even though the nominal volume of local budget revenues is increasing from year to year. But if we compare the growth of the nominal (absolute) volume of local budgets with the growth of the total revenues of the republican and local budgets, then the dynamics are not found (see Table 5 and Diagram 24. Correlation of the dynamics of the share of local budgets in the total revenues of the republican and local budgets) Simply put, in comparative terms, the volumes of local budgets are not growing, which has been repeatedly emphasized both in the previous Report and in the expert reviews submitted to the Government of the Kyrgyz Republic and the Jogorku Kenesh of the Kyrgyz Republic. The values of one of the main indicators of the financial decentralization of the state – the share of local budget revenues in the total revenues of the republican and local budgets – remain unchanged since 2017.

Table 5. Dynamics of relative indicators characterizing financial decentralization in the Kyrgyz Republic, percent

	2017, fact	2018, fact	2019, fact	2020, approv.	2020, specif.	2021, forecast	2022, forecast	2023, forecast
Ratio of LB income (excluding transfers) to total income of LB and RB	9,0%	9,5%	10,1%	9,8%	10,8%	10,0%	9,9%	10,0%
Ratio of LB income (excluding transfers and without the cities of Bishkek and Osh) to the total income of LB and RB	4,5%	4,8%	5,1%	4,6%	5,1%	4,8%	4,7%	4,8%
The share of transfers in the structure of LB income (excluding the cities of Bishkek and Osh)	42,5%	22,0%	23,9%	24,3%	25,6%	23,6%	23,0%	22,6%

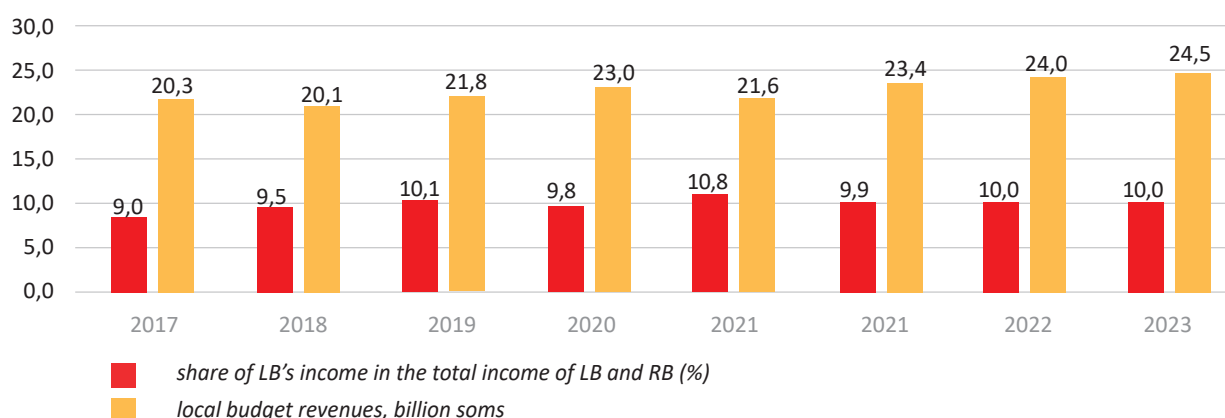


Diagram 24. Correlation of the dynamics of the share of local budgets in the total revenues of the republican and local budgets

It is worth paying attention to the share of interbudgetary transfers in the revenues of local budgets noted in Table 6. If we exclude the cities of Bishkek and Osh from the statistics, which do not receive additional allocations from the republican budget, then the average share for the republic, amounting to 14%, immediately increases to almost 25%. In other words, every fourth som of local budget revenues is a subsidy from the republican budget, which indicates a significant dependence of local budgets on funding from the center. Moreover, if we take a few examples, the share of transfers in the income of individual ayil aimaks will be more than half (see table 6 below):

Table 6. Share of transfers in the local budget on the example of individual AAs, million soms

2019, fact	Kyshtutskiy AA Batken district of Batken region	Kum-Dobo AA Kochkor district of Naryn region	Zhekendi AA Chon-Alay district of Osh region
General income	16 872,6	16 877,9	15 275,8
Own income	5 885,6	7 351,1	5 169,3
Equalizing transfers	10 987,0	9 526,8	10 106,5
Share of transfers in total income	65,1%	56,4%	66,2%

In general, the structure of local budget revenues and their dynamics are characterized by the values presented in Table 7 and Diagram 25.

Table 7. Consolidated structure of local budget revenues, million soms

	2017, fact	2018, fact	2019, fact	2020, approv.	2021, forecast	2022, forecast	2023, forecast
Income, total	20 298,0	20 140,1	21 815,8	23 038,1	23 365,7	24 005,1	24 504,4
Tax revenues	12 130,1	12 842,4	15 596,0	16 876,0	16 969,9	17 598,6	18 095,6
Non-tax revenues	2 664,4	2 977,1	3 248,2	3 121,7	3 372,9	3 383,6	3 385,9
Assets and liabilities	20,7	63,6	16,5	16,1	17,4	17,4	17,4
Transfers, total	5 482,8	2 257,0	2 971,5	3 024,3	3 005,5	3 005,5	3 005,5
Equalizing transfers	1 818,2	1 850,0	1 998,8	1 967,3	1 967,3	1 967,3	1 967,3
Targeted transfers	3 664,6	2 407,0	972,7	1 057,0	1 038,2	1 038,2	1 038,2
Costs	20 298,0	20 140,1	21 396,9	23 038,1	23 365,7	24 005,1	24 504,4

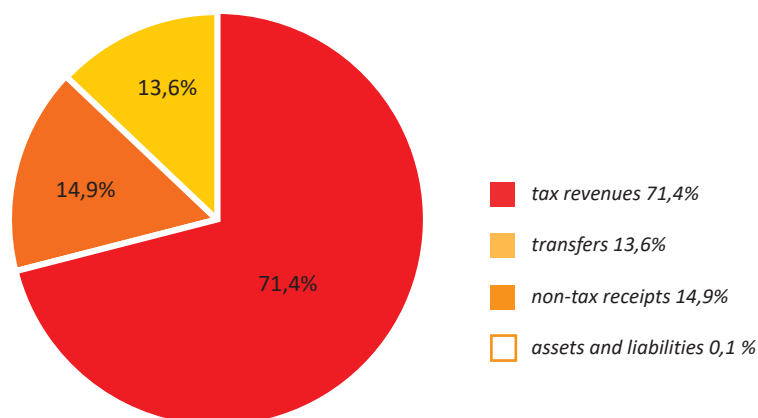


Diagram 25. Structure of local budget revenues in 2019 (fact)

The main reason for the dependence of local budgets of the Kyrgyz Republic on funding from the center remains the low income potential of LSGs, which leads to the inability to collect a sufficient amount of their own revenues. Insufficiently high level of economic development of most territories significantly limits the amount of tax collections, and insufficiently good management of gradually declining municipal property reduces the receipt of non-tax revenues.

Another indicator that characterizes the income potential of LSG bodies is the income (budgetary) provision of territories, which is defined as the amount of estimated income of LSG per one inhabitant of the local community. Disproportions in income provision by LSG groups (budgets of cities of republican significance, regional significance, district significance and *aiyl* aimaks are quite tangible (see Table 8 and Diagram 26), which indicates the unequal financial ability of LSG bodies to resolve issues of local significance. this leads to unequal access of citizens to services and benefits, which violates key rights and provisions of the Constitution of the Kyrgyz Republic.

Table 8. Example of the structure of expenditures of subsidized AA, Talas region, million soms

Cost item	2016	2017	2018	
Total expenses	100 894,7	238 515,9	150 094,3	100,0 %
General public services	51 703,7	185 244,6	102 344,7	77,7 %
Defense				0,0 %
Public order and safety				0,0 %
Economic issues	2 554,8	2 811,1	2 302,9	1,2 %
Environmental protection				0,0 %
Housing and communal services				0,0 %
Health care				0,0 %
Leisure, 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 you can see from table 8, this AA simply does not finance a significant part of the expense items.

In addition, colossal territorial inequality arises in the financing of many items, for example, items of expenditure on housing and utilities (hereinafter – referred to as HAU).

Мен жергиликтүү кеңеште
АЯЛДАР
болушун колдойм!

30%

Я за
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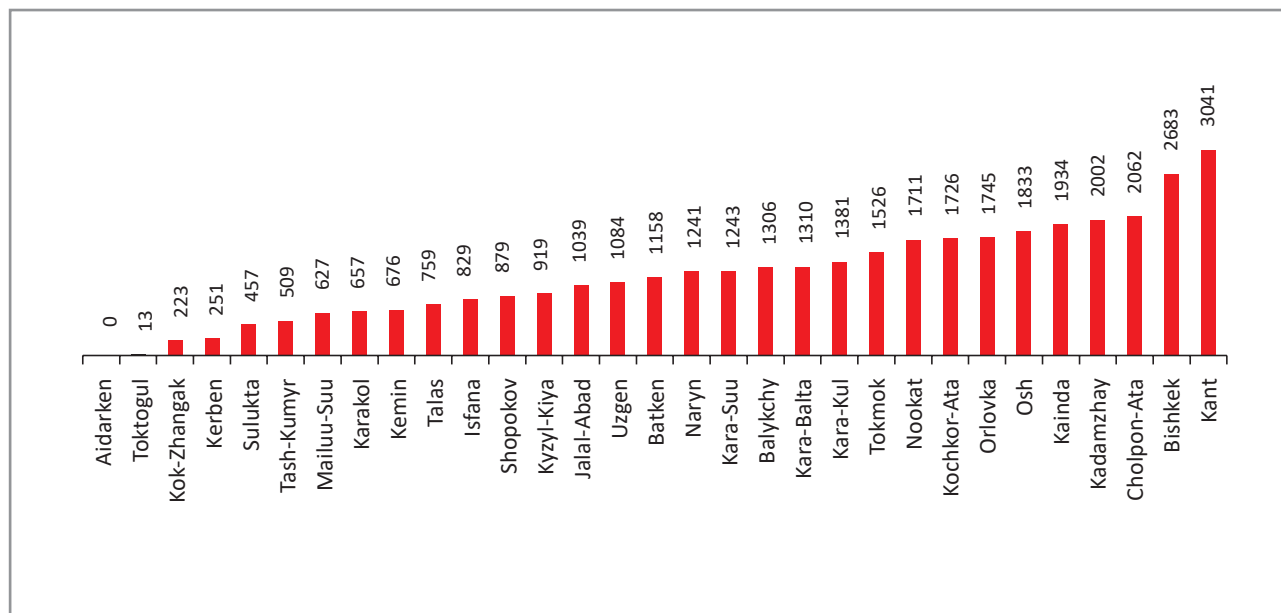


Diagram 26. Rating of HAU financing in cities of the Kyrgyz Republic in 2018 (per capita), soms

Diagram 26 demonstrates that the gap between the levels of per capita financing of housing and utilities (hereinafter – referred to as HAU) in cities of the Kyrgyz Republic is unjustifiably large. For example, in Kant this figure is 3041 soms per inhabitant, while in Kok-Zhangak it is only 223 soms, which is 14 times less. At the same time, it is important to understand that it is under the HAU article that 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 LSG bodies.

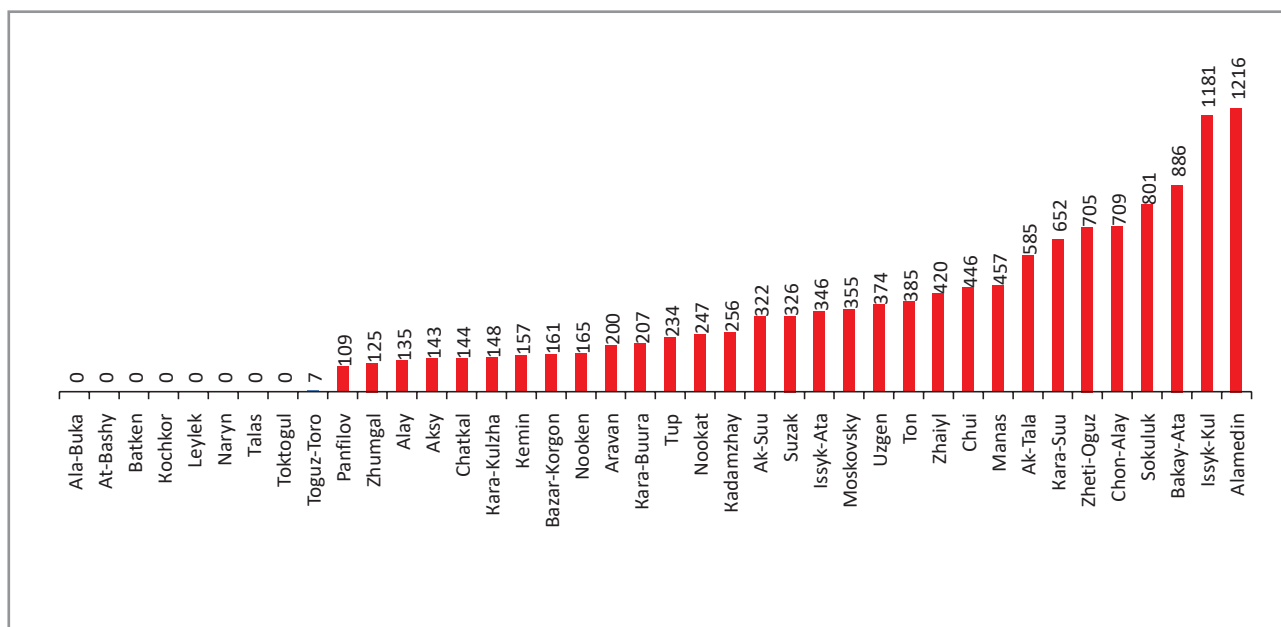


Diagram 27. Rating of housing and communal services financing in the AA of the Kyrgyz Republic in 2018 (by districts, per capita), soms

Diagram 27 demonstrates that the gap between the levels of per capita financing of HAU in rural LSG bodies of the Kyrgyz Republic is also unjustifiably large, although smaller than in cities. So, in the Alamedin district, AA finance HAU in the amount of 1216 soms per inhabitant, while in the Panfilov district only 109 soms, which is 11 times less. Larger territorial gaps are observed in the financing of social protection spending.

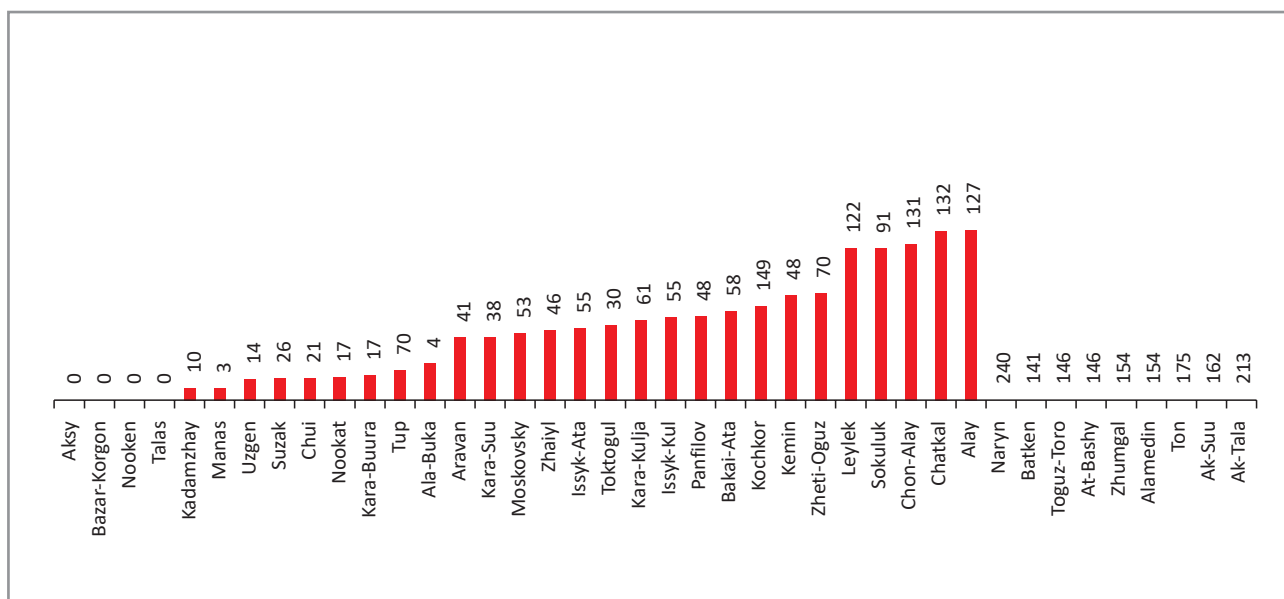


Diagram 28. Rating of financing of social protection in the AA of the Kyrgyz Republic in 2018 (by districts, per capita), soms

Diagram 28 clearly shows that the territorial gap in the level of financing of social protection in the rural LSGs of the Ak-Tala region is 221 soms per inhabitant, while in the Kadamjai and Manas regions the corresponding indicator is only 10 soms per person, that is, 22 times less.

All of the above allows us to conclude that from the point of view of providing services to citizens, the existing system does not ensure the equalization of budgetary provision as such.

1.5.2. Directions for improving interbudgetary relations

Considering the directions of improving interbudgetary relations, it is worth noting that they have not undergone any significant changes for many years – the same problems give rise to repeated proposals for their solution. Despite a number of pleasant concepts and programs, the reform is proceeding very slowly. In general, issues of interbudgetary relations are addressed in the following documents:

- National Development Strategy of the Kyrgyz Republic for 2018-2040;
- Development Program of the Kyrgyz Republic for 2018-2022 “Unity. Confidence. Creation” and the Action Plan for its implementation;
- Concept of regional policy of the Kyrgyz Republic for the period 2018-2022;
- The Program for the Development of Local Self-Government of the Kyrgyz Republic for 2018-2023, and the Action Plan for its implementation;
- Concept for the development of interbudgetary relations in the Kyrgyz Republic for the period 2016-2019, and the Action Plan for its implementation.

Also, the Budget Resolution of the JK KR for 2021-2023. reflects a number of progressive requirements for the introduction of new rules in interbudgetary relations, which could make them more transparent, effective and beneficial for the development of regions and local self-government bodies.

But a poorly organized system for monitoring the implementation of the listed program documents, based on the provision of simple written, and, unfortunately, not always reliable reports, not supported by a systematic and in-depth analysis of facts and quantitative data, can reduce all efforts to a minimum result, as happened with the Concept development of interbudgetary relations for 2016-2019, which expired, and most of the tasks were not completed. Additional control by the Jogorku Kenesh of the Kyrgyz Republic can correct the situation. From year to year, the same problems move, to the solution of which the Jogorku Kenesh of the Kyrgyz Republic can make a significant contribution.

- Lack of a clear delineation of functions, powers and expenditure obligations of state bodies and LSG bodies and, as a result, disproportionate distribution of budget funds without reference to the functions and powers assigned to the governing bodies.

- The influence of the human factor and political pressure, which creates opportunities for the formation of unreasonable preferential conditions for some LSG bodies over others (for example, in terms of compensation for loss of income, distribution of capital investments, etc.).
- Imperfect policy of distribution of national revenues.
- Imperfect transfer policy regarding:
 - equalization of local budgets, which is manifested in fluctuations in the amounts allocated to individual municipalities in a short period of time, although the revenue potential and expenditure powers cannot change at such a speed;
 - allocation of targeted transfers, including for financing the state powers delegated to the LSG level (the provisions of the Constitution of the Kyrgyz Republic that delegation is accompanied by financial resources have been violated);
 - allocation of incentive (equity) grants.
- Some problems LSG bodies create for themselves, for example:
 - not always trying properly to increase their income potential or expand the tax base for assigned taxes and local taxes, non-tax revenues;
 - do not provide a good quality of planning their own income;
 - Shortsightedly manage regional development funds.

These and other problems will be reflected in the draft of a new Program for the Development of Interbudgetary Relations for 2020-2025, which is currently being developed by the Ministry of Finance of the Kyrgyz Republic with the technical support of experts from the Union LSG and DPI.

These problems will be discussed in more detail later in the Report.

Splitting of state taxes

The policy of the Kyrgyz government in recent years has been aimed at changing the distribution of two taxes: the income tax paid by the tax agent and the sales tax. What are the results of this policy?

Table 9. Changes in the percentage of deductions to local budget revenues

	2017 fact	2018 fact	2019 fact	2020 approv.	2021 forecast
Income tax	50%	50%	70%	85%	100,0%
Sales tax	50%	50%	50%	25%	0%

Firstly, such an approach directly contradicts Article 45 of the Budget Code of the Kyrgyz Republic, which determines that the establishment of norms for deductions from national revenues between budget levels should have a long-term basis – at least 5 years.

Second, despite the overall growth in income tax collection rates compared to lower losses from sales tax, not all LSGs were on an equal footing. In the opinion of many representatives of local self-government bodies, such an approach to changing the splitting should be more differentiated and take into account the interests of those local communities where receipts from sales tax, based on the characteristics of the territory's economy, were higher than from income tax.

Selected statistics also show that not everywhere the planned increase in the share of income tax withheld by the tax agent to the local budget was not always able to compensate for the losses of the local budget from the planned decrease in the share of sales tax receipts.

Transfer Equalization Policy

The question also arises, how justified is the course declared by the Government of the Kyrgyz Republic to “fight against subsidies to aйл aimaks”? Subsidization and non-subsidization of LSG bodies primarily depends on the policy of interbudgetary relations, and only then on the efforts of the LSG bodies themselves.

If tomorrow the Jogorku Kenesh of the Kyrgyz Republic decides to abolish all local taxes and deprive LSG bodies of their own sources of income, then all 100% of LSG bodies will become subsidized. On the contrary, if the state suddenly decides to redistribute state taxes mostly to local budgets, then the majority of subsidized aimaks will suddenly, at once, come out of subsidies.

A systematic decrease in the total amount allocated from the republican budget to finance equalization transfers, without a parallel increase in the revenue potential of the territories, will only lead to underfunding of LSG bodies. Until 2020, measures to increase the income potential of the territories were fragmentary and could not compensate for the decrease in income from transfers, and the use of an imperfect methodology for calculating the address amounts of equalization grants led to the emergence of facts when individual ayilny aimaks with good income growth dynamics receive even larger amounts of equalization transfers, and low-income LSGs, on the other hand, face a reduction in the volume of equalization grants. This practice causes dissatisfaction among representatives of local government bodies, who consider the used formula for calculating equalization grants to be opaque and unfair.

The policy should be aimed not at reducing the number of subsidized municipalities, but at ensuring minimum standards of local services, meeting the needs of citizens. Although the Ministry of Finance of the Kyrgyz Republic no longer predicts a decrease in the total amount of equalization transfers for the next three years, there is no forecast based on needs, since the same figure is used as the forecast amount, equal to the volume approved for 2020. The assumption looks likely that a simple “residual” financing principle is laid down here, according to which local budgets should receive funds from “what remains”, and not as much as is needed (see table 10 and figure 29 below):

Table 10. Dynamics of allocation of equalization grants, million soms

	2017 fact	2018 fact	2019 fact	2020 approv.	2021 forecast	2022 forecast	2023 forecast
Equalizing transfers (total)	1 818,2	1 850,0	1 998,8	1 967,3	1 967,3	1 967,3	10,0%
Rate of increase	12 130,1	2%	8%	-2%	0%	0%	4,8%

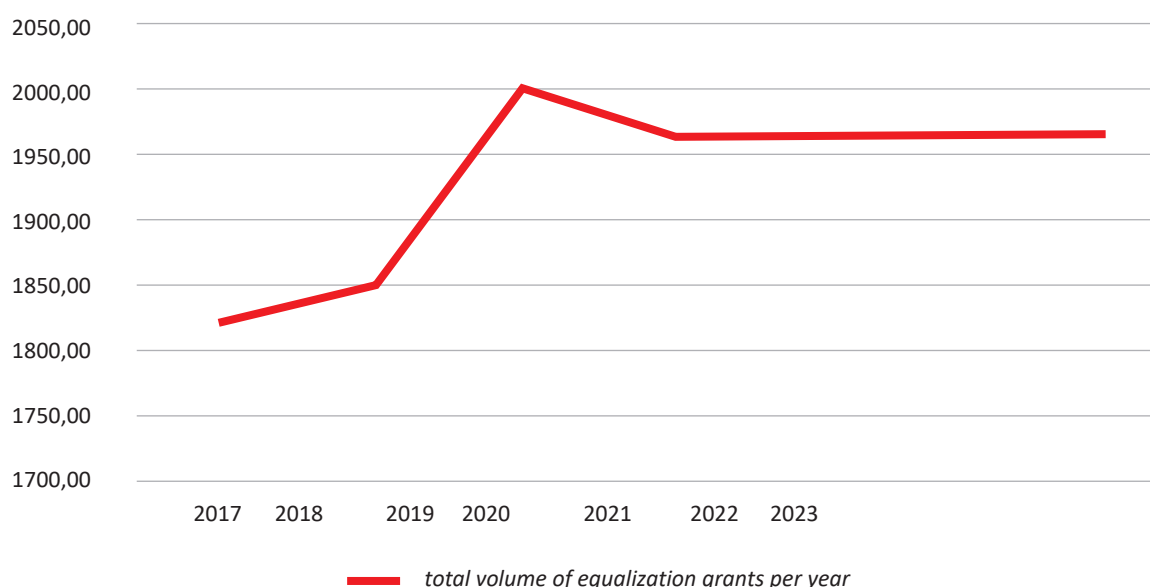


Diagram 29. Dynamics of allocation of equalization transfers

An analysis of the dynamics of the allocation of equalizing transfers to individual LSG bodies, on the contrary, shows in a short period of time sharp fluctuations in the amounts determined by the authorized state body, although the revenue potential and spending powers cannot change at such a speed. All this

indicates the absence of objective and transparent calculation methods, as well as the absence of a systematic approach in planning the equalization policy.

Targeted transfers

The problem of insufficient allocation of targeted transfers to LSG bodies to finance delegated state powers has been discussed for many years. In the previous report, it was considered in great detail, the following were identified as the most pressing issues.

Underfunding of delegated state powers contrary to the requirements of the Constitution and the Law of the Kyrgyz Republic “On the procedure for delegating certain state powers to local government bodies”. In 2020, the requirement for financial security is fulfilled only in relation to the statistical data collection functions transferred to the LSG. And a number of other delegated powers, such as: military registration, tax collection, issues of discharge and registration, registration functions, determination of the need for social services and benefits, is carried out at the expense of local governments, which could channel these funds and efforts of municipal employees diverted to the exercise of such powers, to resolve issues of local importance.

Regulatory restrictions on the staffing of LSG bodies, which do not allow LSG bodies to perform their own and delegated functions in a quality manner, lacking human resources (a striking example is the refusal of some LSG bodies to conclude agreements on the delegation of powers).

Lack of interest of LSG bodies in the implementation of the DSP due to underfunding and excessive requirements for the number of transactions and reporting.

The presence of “hidden” DSPs, which arise as a result of the adoption of contradictory laws and regulations that impose responsibility for the performance of state functions on local government bodies, as well as the practice of applying to local government bodies for financial assistance from local government bodies.

Unclear distribution of expenditure obligations, as a result of which LSGs are forced to bear the costs of “mixed” powers, jointly financed by the state and LSG bodies.

However, as with other problems caused by the stagnation in the reform of inter-budgetary relations, this issue is not being resolved. At the same time, the list of issues of local importance continues to expand almost uncontrollably without appropriate compensation, more and more new powers are delegated to LSG bodies, not supported by funding. An example of this is the laws considered in this Report:

- Law of the Kyrgyz Republic “On protection and protection from domestic violence” dated April 27, 2017 No. 63;
- Law of the Kyrgyz Republic “On amendments to certain legislative acts on protection and from domestic violence” dated April 27, 2017 No. 64;
- Law of the Kyrgyz Republic “On amendments to certain legislative acts of the Kyrgyz Republic” (to the Laws of the Kyrgyz Republic “On the Advocacy of the Kyrgyz Republic and Advocate activity”, “On Local Self-Government”) dated December 12, 2016 No. 196;
- Law of the Kyrgyz Republic “On amendments to some legislative acts on the Implementation of the Probation Institute” dated April 24, 2019 No. 56.

The problems caused by these legislation were also addressed in a similar 2019 Report. However, in 2020, nothing has changed, as well as the negative attitude of representatives of local government bodies to these laws has not changed (see section 2.1. “Laws that have had the greatest impact on the development of local communities and LSG bodies” of this Report).

There is also the problem of inconsistency of some targeted transfers with legal requirements. When planning the republican budget, the category of targeted transfers includes:

- compensation of expenses of the population (for example, when paying for electricity for residents of remote and hard-to-reach areas in the amount of 150 million soms),
- compensation of expenses of municipal enterprises (for example, related to the generation and supply of heat energy to the population by the Osh municipal heat supply enterprise of the mayor’s office of Osh in the amount of 200 million soms),
- monetary prizes of competitions (competition “The Best Aiyl Okmotu” with a prize fund in the amount of KGS 6.0 million), etc.

These expenses do not fall into the definition of targeted transfers given by the Budget Code of the Kyrgyz Republic.

Incentive (Equity) Grants

Incentive (equity) grants are not forecasted as part of local budget revenues, since they are allocated on a competitive basis and it is impossible to predict them for one or three years. But this is not the problem, but the fact that many representatives of local government bodies believe that incentive (equity) grants are distributed unfairly. LSG bodies point to the following factors:

- The use of quotas for cities limits the chances of aiyl aimaks to receive an incentive (share) grant;
- The presence of the so-called “black lists” of the Ministry of Finance of the Kyrgyz Republic. LSG bodies that, for any objective or subjective reasons, have not fulfilled their obligations to co-finance or implement projects of incentive (equity) grants on time, are included by the Ministry of Finance of the Kyrgyz Republic in the “black lists” Getting into such a list makes it impossible for an LSG body to participate in competitions for incentive (share) grants. At the same time, non-compliance with obligations is often indirectly related to the fact that little time is allocated for the implementation of projects on incentive grants;
- An increase in the share of co-financing of incentive grants from the local budget makes it impossible for subsidized LSGs to apply for their receipt.

Capital investment projects financed from the republican budget

This source of funding is not included in the system of inter-budgetary relations, but it directly affects the creation of opportunities for the development of municipalities. Capital investments from the local budget in the overwhelming majority of aiyl aimaks are planned according to the “leftover” principle, since the priority of financing is given to the so-called “protected” items (salaries of employees, social security contributions, utilities). In this situation, funds for development are an unaffordable luxury for the “subsidized” LSG bodies, which are experiencing a shortage of budget revenues. LSG bodies need to receive transparent and reliable information about the plans of the republican budget for financing capital investments. However, due to the lack of transparency and unpredictability of the planning process for capital investments from internal sources, LSGs are unable to include these funds in their programs of socio-economic development. In this case, even a dialogue with sectoral government agencies will not help, since they are in the same situation – they do not have access to information on forecasts for capital investments by industry and region.

This issue was also considered in sufficient detail in the previous Report, but also remained unaddressed, as a result of which the following problems continue to deepen:

- it becomes impossible to fully develop programs for the socio-economic development of territories – LSG bodies simply do not know how many budget investment projects financed from the republican budget they will have next year and in the next two years;
- sectoral and territorial imbalances appear, for example, in the field of education, when in some aiyl aimaks there is a shortage of student places, while in others schools remain half empty;
- both government agencies and local government bodies find themselves in a difficult situation when they are faced with the need to finance the maintenance of a commissioned facility, and funds for current financing were not included in the budget due to non-transparent planning of capital investments.

Regional development funds

In accordance with the Budget Code of the Kyrgyz Republic, the regional development funds are intended to finance the development and maintenance of local infrastructure and the implementation of special purpose activities in accordance with the programs of socio-economic development of regions and aiyl aimags.

Income to regional development funds is growing. However, it should be remembered that they are formed from the funds provided by the mining industry enterprises, the term of operation of which is limited by the duration of depletion of mineral resources. Accordingly, the resources, which replenish the regional development funds, are not infinite. Therefore, the funds must be spent taking into account the extraction of economic benefits for the long term. In fact, the structure of expenditures from regional development funds is very heterogeneous, and preference is given to financing social and sports facilities at the expense of economic and environmental issues. The largest share in the expenditures of funds for the development of regions of the district level falls on the overhaul and construction of social facilities – 25%, the purchase of agricultural equipment – 22% and the construction of sports grounds – 21%. At the same time, expenses that could increase the investment attractiveness of territories or create a favorable environment for economic development are minimal: only 4% of funds are allocated for financing infrastructure (installation of power lines, communications and lighting), for irrigation systems – 1%, for opening enterprises – less than half a

percent (see figure 30). What should be the basis for the well-being of future generations, who will no longer get the reserves of mineral resources, is being “eaten up” now. And future generations of citizens of the Kyrgyz Republic are deprived of the chance to take advantage of the benefits received by the current generation from exhaustible resources and minerals.

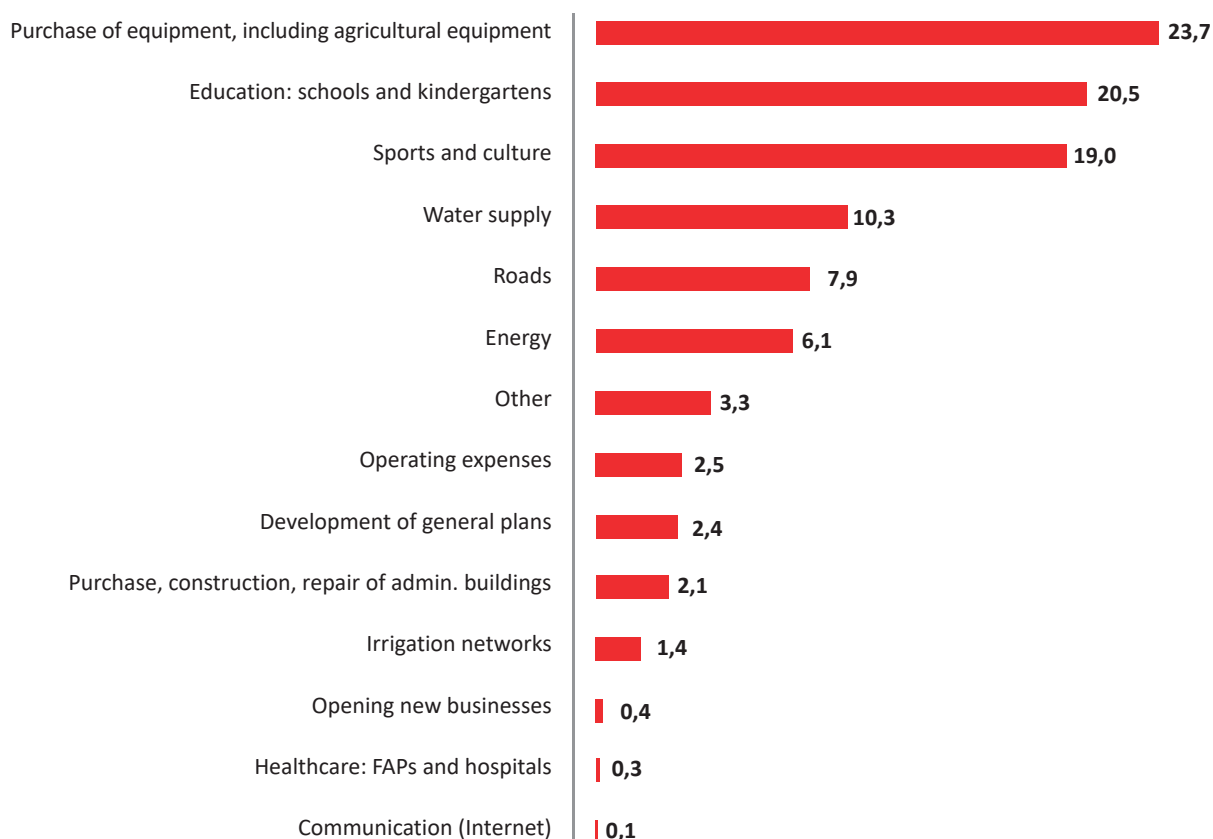


Diagram 30. The structure of thematic areas of projects, financed from RDF funds in 2015-2018, in percent

1.5.3. The need for a process of coordinating interbudgetary relations between the Government of the Kyrgyz Republic and LSG bodies

A separate problem that negatively affects the financial well-being of LSGs is the lack of a process for coordinating interests on issues of inter-budgetary relations between local self-government and the state. LSG bodies do not have the ability to ensure that the interests of local communities are taken into account in the process of budgeting. This entails an imbalance in the financing of LSGs, makes it difficult for LSGs to effectively resolve issues of local importance and provide services at the local level. The lack of a constructive dialogue in the budgetary process between LSG and the state leads to the emergence of all the other difficulties listed in the previous section.

Taking into account the interests of LSG bodies and local communities should be enshrined in legislative and regulatory legal acts regulating the process of planning the republican budget and adopting a report on its implementation. Reconciliation of interests should take place at the stage of adoption of the annual budget resolution by the JK KR, at the stage of development and adoption by the Government of the Kyrgyz Republic of the main directions of the fiscal policy of the Kyrgyz Republic and, directly, the draft law on the republican budget, for which the JK KR should receive the draft budget accompanied by a protocol on coordination of interests between the Government of the Kyrgyz Republic and LSG bodies represented by their legitimate representative – the Union of Local Self-Governments of the Kyrgyz Republic. In the process of considering the JK KR of the draft law on the approval of the report on the execution of the republican budget, the participation of the Union of LSG KR is also necessary.

The need to reconcile interests is determined by the National Development Strategy of the Kyrgyz Republic until 2040: “New formats of joint work of local self-government bodies and government bodies will be established, including national dialogue, mechanisms for reconciling the interests of local communities

with the interests of the nation on important issues, including inter-budgetary relations” (section 4.4. “Development of local self-government”). The National Action Plan “Open Parliament” includes measures to develop mechanisms to take into account the interests of local government bodies and local communities in legislative activities. In addition, the National Action Plan for Building an Open Government in the Kyrgyz Republic for 2018-2020 includes clause 28.4 “Develop and implement regulations for the coordination process (negotiation process) between local communities represented by LSG bodies and the state on inter-budgetary relations and distribution of public finances for regional development and solution of issues of local importance (by developing and adopting the appropriate regulatory legal acts, training participants in the process and conducting a pilot approval cycle)”. Despite this, over the past 2 years, no completed actions in this direction by the executive government have been taken.

For their part, the LSG Union and the Development Policy Institute developed a draft law “On Amendments to Certain Legislative Acts in the Sphere of Budget Legislation” (Budget Code of the Kyrgyz Republic, the Law of the Kyrgyz Republic “On the Regulation of the Jogorku Kenesh of the Kyrgyz Republic”) and a draft Regulation on the procedure for organizing and conducting the approval process inter-budgetary relations between the Government of the Kyrgyz Republic and the association (union) of local self-government bodies (subject to approval by a decree of the Government of the Kyrgyz Republic), which are aimed at creating a legal environment for establishing the procedure and conducting the process of coordinating inter-budgetary relations between the Government of the Kyrgyz Republic and the association (union) of local self-government bodies. This draft law was considered and approved by the Working Group of the Ministry of Finance of the Kyrgyz Republic on the implementation of the National Action Plan for building an Open Government back in November 2019. As a result of the discussion, a common vision of the foundations and forms of organizing the process of coordinating inter-budgetary relations was developed.

However, there was no reaction to the repeated requests of the Union of LSG and DPI about the advancement of the bill over the past 11 months.

The JK KR could provide significant support in solving this problem if it initiated this draft law, which would lay the foundations for taking into account the interests of local communities and the local government bodies representing them in the budget process, as well as provide conditions for a more equitable and efficient distribution of public expenditures in order to sustainable and balanced development of regions.

In the near future, it will be necessary to create, following the example of best international practices, an official consultative body on inter-budgetary relations. The new Council on Inter-budgetary Relations will include representatives of the Government, legitimate association of local self-governments, representatives of local self-governments. The establishment of the Council on Council on Inter-budgetary Relations will help make the annual negotiation process more efficient. The council will consider the following issues: formation and implementation of budget policy at the local level, organization of inter-budget relations, specification of forms, procedures and conditions of inter-budget transfers, regulation of distributed income, etc. The decisions of the Council should be obligatory for inclusion in the draft national budget.

1.5.4. Municipal property management

Municipal property composition

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

In total, according to the data collected by SALSGIR¹ in 2018, more than 13 thousand² objects of various purposes were owned by LSG bodies, of which more than 9 thousand, or about 73% of the total number of objects, were registered.

¹ Inventory data of municipal property objects received by SALSGIR from LSG bodies. After 2028, this data was not collected, since the composition of municipal property is dynamic information and it makes sense to collect it in online format. In 2020, SALSGIR continues to work on this. On the basis of the signed agreement between SPMF and SALSGIR, SPMF carried out a free transfer of the interdepartmental automated information system “Unified Register of State Property of the Kyrgyz Republic” (IAIS URSP) to SALSGIR. According to SALSGIR, the launch of this software requires the appropriate server hardware and its adaptation to the technical specifications of municipal facilities. Due to the lack of server equipment and the necessary technical conditions, SALSGIR applied to the State Institution “TRANSKOM” under the State Committee for Trade and Television of the Kyrgyz Republic to ensure the implementation of the information system and technical support. According to the letter of the SCIT dated March 3, 2020 No. 113/1187, the draft order of the Government of the Kyrgyz Republic on the allocation of 5.5 million soms for SALSGIR for the purchase of technical support services for the information system for recording municipal property is undergoing the approval procedure in the ministries.

² It should be taken into account that this information is of a dynamic nature, as municipal property may be sold and acquired, so their number is constantly changing.

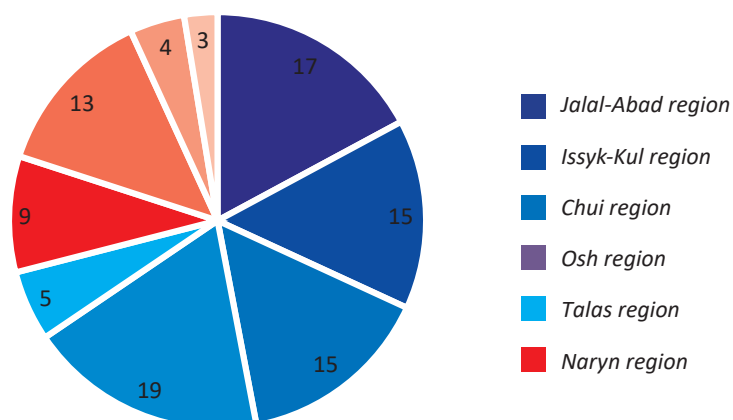


Diagram 31. Geographic structure of objects of municipal property, 2018, in %

In general, the composition of municipal facilities is divided into 3 categories. The first category – objects necessary for local government bodies to perform their functions and resolve issues of local importance, including administrative buildings of local government bodies; buildings used by municipal institutions, educational, social, cultural, sports facilities and others. This array of property is a subject of expenses for the IB, since the LSG bodies use them and are obliged to bear all the expenses for their maintenance, not being able to extract income from their management. With regard to this category of objects, the LSG bodies are faced with the task of optimizing costs by applying energy-saving technologies, carrying out high-quality maintenance work, etc. There is a specific group of objects for which during 2018-2019. there is a discussion between the Government of the Kyrgyz Republic and local self-government bodies – these are general education schools. The costs of their maintenance make up a significant part of the MB expenses, then the function of secondary education itself is not a function of LSG bodies, which gives rise to multiple conflicts of both legal and financial nature.

The issue of responsibility for the maintenance of secondary schools acquired particular relevance in 2020 in connection with the epidemic caused by COVID-19. The condition of schools does not meet sanitary standards: only 48.1% of schools have access to clean drinking water; only 19.7% of schools have internal sanitary facilities; only 20.9% of schools have access to hot water supply. In many rural schools, drinking water is available only 3-5 hours a day, there is almost a widespread and complete lack of sewerage, there are not enough washstands, there is no hot water. Taking into account the general situation with respect to local budgets, LSG bodies were unable to resolve these issues during the summer of 2020 and ensure the epidemiological safety of schoolchildren by the beginning of the new school year. During 2018-2019, the Government of the Kyrgyz Republic considered the issue of transferring the buildings of secondary schools to state ownership, to the management of the Ministry of Education of the Kyrgyz Republic, but the issue was not resolved, despite the decisions made and the voiced political will.

OPINION

“LSG bodies are simply unable to provide adequate sanitary conditions for old and emergency schools, especially schools built using the ashar method according to non-standard projects or without projects at all. We constantly raise this issue due to the threat of infectious diseases. But subsidized aimaks do not have the resources to build well-equipped toilets or to supply hot water. Either the government should give LSG earmarked grants for these purposes or the government should take the schools for itself. Otherwise, everything will go on like this. In 2020 we failed to provide safety for schoolchildren, tomorrow there will be a new virus, what will we do?”

Deputy of the aiyl kenesh

The second category of objects is non-core, which are not necessary for LSGs to perform their functions and resolve issues of local importance. This property array came into being in two ways. First, by obtaining from the state in the 90s of the 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 of them have already been privatized by local government bodies. Secondly, through the acquisition or construction of new objects, such as teahouses and banquet halls, commercial enterprises, mosques, etc. This group of objects is a serious problem, since it is in municipal ownership in violation of current legislation, is not related to functions LSG, does not generate income, but “drains away” the already limited budgetary resources of LSG bodies. So, in the Batken region, almost every AA owns one or more mosques and is responsible for their maintenance; most AAs own a teahouse or even several similar institutions.

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

Of particular concern is the financial ability of local government bodies to ensure the preparation of healthcare facilities for the treatment of COVID-19 infected people. The situation around some GFDs (group of family doctors) financed from the local budget suggests that such significant differences in the material and technical equipment of facilities under the jurisdiction of the Ministry of Health of the Kyrgyz Republic and facilities under the jurisdiction of local government bodies can lead to the most negative consequences. both for the doctors themselves and their families, and for the community. In general, in the Kyrgyz Republic, many LSG bodies continue to finance some expenditures of health care facilities that are in municipal ownership.

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

As for municipal land, no precise data was found in open sources to analyze the quality of its management. Official data only provide information on the total area of municipal land, which is not enough to draw accurate conclusions about achievements and problems in management. The following facts are reliably known.

Many LSG bodies have not carried out an inventory of municipal land, which entails certain difficulties. Firstly, these LSG bodies do not know what land resources they own for the development of settlements; cannot, without the appropriate data, make spatial planning of the development of the territory. Secondly, they provoke citizens into illegal seizures and unauthorized cutting of surplus land plots (for example, when fences are pulled out of the land plot, capturing part of the municipal street). It should be noted that this issue worries some leaders of city LSGs. In particular, the mayor’s offices of individual cities are working with registration authorities regarding drone surveying of the streets of municipalities in order to identify the cut surpluses. However, the problem of lack of reliable and complete data on the management of municipal land is not only a problem of local self-government. In conditions of a shortage of financial resources for development, functioning in a consumption mode, many LSG bodies, especially rural ones, do not have enough funds to carry out an inventory of municipal lands. In addition, in modern conditions, inventory is no longer carried out through physical examination, but is done using modern technologies, including drones, space imagery, etc. In this situation, interaction between the state and LSG bodies is necessary to comprehensively solve the problem of spatial data.

Municipal real estate market

Information on transactions with municipal real estate objects is open and subject to disclosure in accordance with the requirements of the legislation of the Kyrgyz Republic, established in Art. 29 of the Land Code of the Kyrgyz Republic of June 2, 1999 No. 45; Art. 15 of the Law of the Kyrgyz Republic “On municipal ownership of property” dated March 15, 2002 No. 37; Art. 20 of the Law of the Kyrgyz Republic “On access to information under the jurisdiction of state bodies and local self-government bodies of the Kyrgyz Republic” dated December 28, 2006 No. 213, as well as in the Standard Regulations on the Procedure and Conditions for the Paid Provision of Ownership or Lease Rights to Land Plots municipal property (approved by the decree of the Government of the Kyrgyz Republic of September 23, 2011 No. 571).

Public interest in the sale of 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 committed by LSG bodies are related to the management of land and real estate. According to the General Prosecutor’s Office of the Kyrgyz Republic, in 2020, more than 30% of inspections of LSG bodies are aimed at identifying violations in the field of land management.

Therefore, information on transactions carried out by LSGs with lands and real estate objects is of great interest both for society as a whole and for residents of specific municipalities, joint monitoring and evaluation groups, as well as for the media. A separate audience is the business community, entrepreneurs interested in purchasing real estate in certain municipalities and watching prices on the real estate market.

The process of monitoring the sale of municipal real estate has been greatly facilitated thanks to the use of modern information and communication technologies, which made it possible to create an Internet source of information about transactions on the website of the Department of Cadastre and Registration of Rights to Real Estate of the State Agency for Land Management under the Government of the Kyrgyz Republic (hereinafter – DCCRRE KR) in the section “Market of municipal facilities” on the website <http://cadastre.kg/svc-portal/app/marketReport.do>¹.

It should be noted that the number of transactions with municipal real estate is decreasing from year to year. The main reason, unfortunately, is that there are fewer and fewer objects suitable for sale or rent, for example. Experts have repeatedly warned the KR Government and municipal authorities that inefficient management of municipal property will lead to its losses. Diagram 32 shows that sale and purchase transactions have almost stopped; only a few cases are registered in 2018-2020. It could be assumed that LSG bodies have begun to approach the issue of selling municipal property and land more cautiously, preferring to lease the property, thereby preserving it for future generations. This was precisely the situation that was observed in 2017, when the number of lease and use transactions slightly increased against the background of a decrease in the number of sales transactions. But the pace of change is not equal. Thus, the number of lease and use transactions in 2017 in aggregate increased by 33%, while the number of purchase and sale transactions decreased by 96%. Further, in 2020, a decrease in the number of lease and use transactions is predicted. These data indicate that there is almost nothing to sell, lease and transfer for use.

The effectiveness of such transactions is also a matter of serious concern. The DCCRRE website regularly publishes an index of prices for commercial real estate, which allows to compare these prices with the value of real estate that is sold by LSG bodies. Analysis shows that prices for municipal property are significantly lower than market prices.

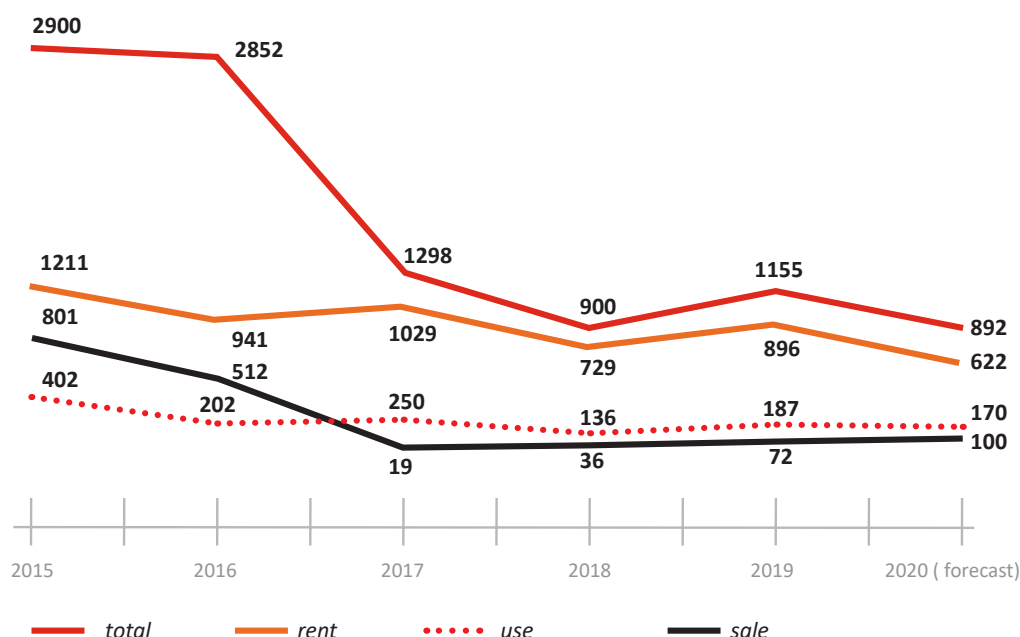


Diagram 32. Dynamics of transactions with municipal real estate and land (by types of transactions), the number of transactions

¹ In 2016, the DPI published the manual “Public monitoring of state (municipal) procurement and sales: a user’s guide for information of the Official public procurement portal of the Kyrgyz Republic on the website <https://zakupki.gov.kg/popp> and in the section ‘Municipal Real Estate Market’ on the website <http://cadastre.kg/svc-portal/app/marketReport.do>”.

Table 11. Financial losses from ineffective sales of municipal facilities, soms

Indicators	2017	2018	2019	2020 r. (forecast)
The cost of 1 m ² of an object on the market, soms	2518	9482	13168	22480
Area, m ²	167219	251472	30618,4	21589,97
Difference in price for 1 m ² , soms	2261	9443	12653	22252
Amount of losses, soms	378111500	2374600720	391664419	480426876
The total amount of losses, 2017-2020, soms				3624803517

The data in Table 11 above confirms that the total amount of losses for the period 2017-2020. may exceed 3 billion soms, and this is only for the sale of real estate, excluding the sale of land. Losses from the sale of land and ineffective leases are currently not possible to calculate, since there is no official data on the market value of leases by regions.

These losses are the result of an ineffective organization of the municipal property management process.

When a government body (state and municipal) manages public (state or municipal) finances, legislation, the state and society require it to be as transparent as possible and adhere to the strictest procedures so that resources are spent efficiently and do not bring corruption benefits. These requirements are especially strict for the public procurement process. However, with regard to another process of managing public (state and municipal) resources – land and real estate, the procedures, although there are, are less strict control over their observance. This is evidenced by both the data of transactions and the results of inspections by the prosecutor’s office, which annually record violations of the law in the sphere of property management, especially municipal property. So, according to the results of inspections in 2018, most of the amount of compensation for damage identified in the course of the work of the prosecutor’s office in kind accounted for the return to state and municipal ownership of 156 land plots, with a total area of 629.14 hectares for a total amount of more than 3 billion soms.¹

In fact, state and municipal sales should be regulated by legislation that has the same nature and logic as the legislation on state and municipal procurement, since in both cases it is about the disposal of public resources.

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

The 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 the Kyrgyz Republic of June 2, 1999 No. 45, the Law of the Kyrgyz Republic “On municipal ownership of property” of March 15, 2002 year No. 37 of, etc.

¹ Report of the Prosecutor General of the Kyrgyz Republic on the state of rule of law in the Kyrgyz Republic in 2017 and on the work done by the prosecution authorities to strengthen it. URL: <https://www.prokuror.kg/news/3424-otchet-generalnogo-prokurora-kyrgyzskoj-respubliki-o-sostoyanii-zakonnosti-v-kyrgyzskoj-respublike-v-2017-godu-io-prodelannoj-organami-prokuratury-rabote-po-ejo-ukreplenyu-2.html>

OPINION

“In 2019, the Ministry of Finance of the Kyrgyz Republic allocated 4,114,567 soms to SALSGIR to create an information system ‘Electronic Trading Platform’ (hereinafter – IS ETP) for holding auctions for the right to conclude lease agreements for municipal property. According to the results of the government procurement, SE ‘Info-System’ was identified as the developer of the IS ETP. IS ETP has been developed and is currently being tested. A total of 16 auctions were held on this portal. 2 auctions in Novo-Pokrovsky aiyyl aimak, 14 auctions in Bishkek. So far there is no information on the results of the test trades on the IS ETP. Disclosure of all tenders held can increase the transparency and accountability of the portal. By the end of 2020, it is planned to fully implement the IS ETP in LS bodies”.

According to the Secretariat “Open Government”

1.6. COMPLIANCE WITH LAWS BY LSG BODIES

1.6.1. Access to information on compliance with laws by LSGs

Data on offenses committed by LSG bodies are collected by the General Prosecutor’s Office of the Kyrgyz Republic. The format for presenting this information is constantly changing, and it is not possible to carry out any objective analysis. For example, earlier, prosecutors general, in their report to the JK KR, indicated the number of manifestations of corruption, grouping them by categories of governing bodies. In the report of the Prosecutor General of the Kyrgyz Republic for 2018 and 2019, there is no such data, there is only data on the number of inspections carried out, the nature of the violations identified and the amount of compensation. But it is impossible to single out from the general picture the situation with the observance of laws by LSG bodies, relying on the report of the Prosecutor General of the Kyrgyz Republic. At the same time, LSG bodies believe 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 report of the Prosecutor General of the Kyrgyz Republic to the Jogorku Kenesh should be standardized, requirements for the format of the information provided should be established, so that the JK KR, the management system and society have the opportunity to analyze the situation.

The achievement of the General Prosecutor’s Office of the Kyrgyz Republic can be considered the publication on the website <https://www.prokuror.kg> of information on the results of inspections of the activities of LSG bodies carried out by the prosecution authorities. Such information has been published on the specified site since 2018. However, information is posted irregularly and not in a machine-readable format, which does not allow analysis of this information. The LSG Union believes that in order to strengthen the prevention of offenses by LSG bodies, it is necessary to place this information on a systematic basis in a machine-readable format.

Also, the Union of LSG considers it extremely important that the information on the inspections carried out reflects their nature – a planned or unscheduled inspection, as well as the reasons for the unscheduled inspection. Further, the Union of LSG is convinced that it is unacceptable not to indicate the subject of the audit in the report on the inspections carried out – for example, in 2020, the information on about 16% of the inspections carried out does not indicate the subject of the audit, there is no information about the compliance with which legislation was checked.

1.6.2. Inspections of LSG bodies

The General Prosecutor’s Office of the Kyrgyz Republic on its website <https://www.prokuror.kg> in January 2020 published a document entitled “Information on conducting inspections of the activities of local self-government bodies for 2020”². The document says, in particular, the following: “... in order to support the state policy on the protection of local self-government bodies from unjustified interference in their activities arising from the Decree of the President of the Kyrgyz Republic ‘On additional measures for legal protection of business entities and local self-government bodies when checking their activities of law enforcement and tax authorities’ dated March 15, 2016 UP No. 58, and also given that in 2018-2020 the development of the

² <https://www.prokuror.kg/files/docs/2020/january2020.pdf>

regions was identified as a key priority for the country’s development, the General Prosecutor’s Office of the Kyrgyz Republic introduced a moratorium on scheduled inspections of the activities of local self-government bodies by the prosecutor’s office in 2018-2020, with the exception of local self-government bodies of the cities of Bishkek and Osh”.

Nevertheless, for the period from January to August 2020, according to the website <https://www.prokuror.kg>, 698 inspections of local self-government bodies were carried out. The subject of the checks is the identification of violations of the law by local government bodies. The analysis of the thematic structure of the subjects of inspections showed that most often inspections are aimed at identifying violations of legislation in the field of land management – 32.1% of the total number of inspections. A noticeable fact is that in almost 16% of inspections, the subject of inspection by the prosecutor’s office is not indicated. Among the frequently encountered subjects of inspections, there were also issues of income declaration; local budget and procurement management, compliance with local government law and regulations. Much less often the issues of municipal property management, responses to citizens’ appeals, municipal services and ecology are checked.

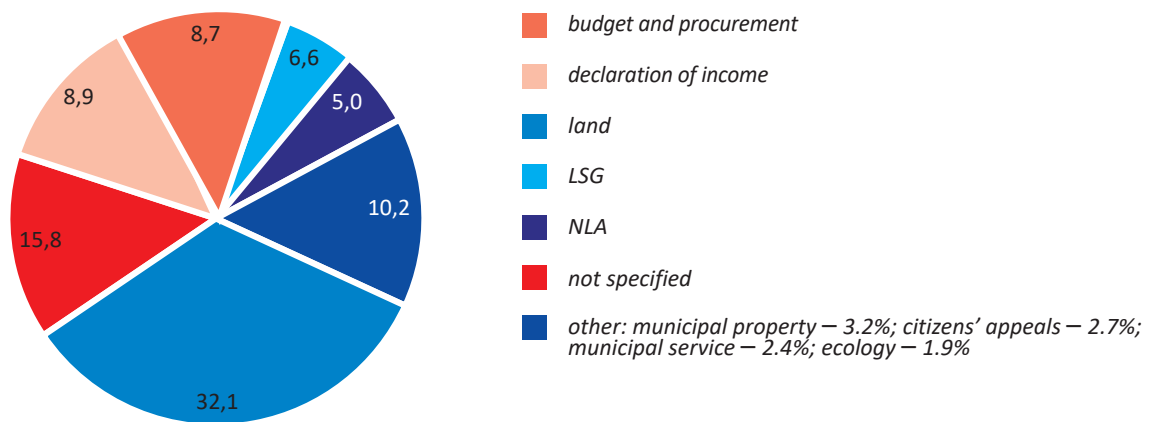


Diagram 33. The structure of subjects of inspections by the prosecutor’s office of LSG bodies, 2020,%

There are pronounced territorial features of inspections. For example, inspections regarding the work of the aksakal court are carried out only in aiyl aimaks of the Chui region, in other oblasts such inspections were not noted. Only the Osh and Jalal-Abad regions carry out inspections in relation to the declaration of income, and only the prosecutor’s office of the Alamudun district of the Chui region in relation to the use of pastures.

For 2019, no generalized data on the results of inspections carried out by the prosecution authorities in relation to LSG bodies was found in open sources.

In 2018, out of 2030 inspections conducted in the framework of the fight against corruption offenses, 746 (37.7%) inspections were carried out in LSG and LSA bodies. It is important to note that despite repeated appeals, the General Prosecutor’s Office of the Kyrgyz Republic continues in its reporting to combine LSG bodies and local state administrations into one category.

At the same time, most of the violations detected were attributed to the actions of officials of LSG bodies related to public procurement and non-compliance with the requirements of anti-corruption laws. Registration was denied in 87 (30) inspections in relation to LSG bodies due to improper execution of documents for their registration, or due to a previously similar inspection, etc.

According to the preliminary data of the working group created on February 5, 2019 by the Decision of the Committee on Constitutional Legislation, State Structure, Judicial-Legal Issues and Regulations of the JK KR, to monitor the implementation of the Law of the Kyrgyz Republic “On the Procedure for Inspection of the Activities of Local Self-Government Bodies” dated March 31, 2016 year number 32, a number of violations were revealed in the implementation of this law both by state bodies and local government bodies. The following violations were found on the part of the authorized government agencies entitled to conduct inspections of LSG bodies¹:

¹ The information was provided by a working group created by the decision of the Committee on Constitutional Legislation, State Structure, Judicial and Legal Issues and Regulations of the JK KR dated February 5, 2019.

- annual plans for conducting inspections do not contain statutory requirements to indicate information on the location of inspected LSG bodies;
- a list of regulatory legal acts, the observance and implementation of which will be checked are indicated in the plans of the inspection bodies in general (for example, the plans indicate the following subject of inspection: “anti-corruption, budgetary, labor legislation, on the procedure for considering complaints from citizens, about minors, about interethnic hatred and extremism”) such a generalized expansion of the subject of inspection creates opportunities for arbitrariness on the part of inspectors and violates the rights of LSG bodies;
- facts of scheduled inspections of social facilities located on the territories of LSG bodies and financed from local budgets by employees of territorial divisions of the Department of Disease Prevention and State Sanitary and Epidemiological Surveillance of the Ministry of Health of the Kyrgyz Republic (Sanitary and Epidemiological Surveillance), which was not included in the List of bodies conducting scheduled inspections, approved by the Resolution of the JK KR dated May 25, 2017 No. 1618-VI;
- facts of planned monitoring of compliance with legislation in the field of state civil service and municipal service by LSG bodies by the SPS of the Kyrgyz Republic were revealed; in fact, monitoring is also an inspection of the activities of LSG bodies, but this body was not included in the List of bodies conducting scheduled inspections, approved by the Resolution of the JK KR dated May 25, 2017 No. 1618-VI;
- violations of the deadlines for the written notification of LSG bodies about the scheduled inspection, which must be submitted no later than 10 calendar days before the day of the inspection, were revealed;
- cases were revealed when the book of accounting of inspections was filled out by the responsible employees of the mayor’s offices of cities and AOs, while the registration of the inspection of the activities of the LSG body in the book of accounting of inspections must be made by an official of the authorized state body before the start of the inspection. At the same time, the start and end dates of the inspections are not always indicated, as well as the list of names of copies, extracts of documents received during the inspection, which is a gross violation of the requirements of the Law;
- cases have also been identified when, during unscheduled inspections, employees of state bodies do not always draw up acts based on the results of inspections, which is also a gross violation of the requirements of the Law.

The following violations by LSG bodies were also revealed:

- LSG bodies, within one month after the completion of the audit, do not post on their official websites or information boards information on the results of the audit of their activities, including information on the violations of the law revealed;
- the executive bodies of LSG do not inform the local kenesh within a month from the date of the inspection about the results of the inspection, including the violations revealed, and also within 6 months from the date of the inspection – about the measures taken to eliminate these violations;
- in the overwhelming majority of cases, the heads and employees of local self-government bodies do not enjoy the right to require the inspection officials to present their service ID, familiarize themselves with the decision of the authorized state body to conduct an inspection, a statement (if the inspection is initiated on the basis of an application) and other documents that are the basis for conducting an inspection;
- to require familiarization with the regulatory legal acts, the implementation and observance of which is entrusted to the LSG bodies and subject to verification; to demand from the checking official to make an entry in the book of accounting of checks on the carried out check;
- some executive bodies of LSG do not even have a register of inspections or use the books of accounting of inspections of the old model, whereas by the Government of the Kyrgyz Republic of July 15, 2016 No. 398, a new form of the register of inspections and the procedure for registering in the register of inspections were approved.

The approved annual plans for inspections of authorized state bodies, including prosecutors, are posted on the official websites of the General Prosecutor's Office and on the websites of state bodies. However, most of the executive bodies of LSG are not informed about the annual plans of the auditing state bodies. It is impossible not to recognize this as the own omission of the LSG bodies, because the requirement to publish the plan of inspections was introduced into the legislation so that the LSG bodies could familiarize themselves in advance with the annual plan of inspections of state bodies, could find out which body, when, according to which law they will visit with a scheduled check.

Also, during oral conversations with the heads and employees of the executive bodies of LSG, it turned out that some unscrupulous employees of the prosecutor's office, the State Committee for National Security of the Kyrgyz Republic and the Financial Police of the Kyrgyz Republic call the heads and employees of LSG bodies by phone to give explanations on the alleged facts of citizens' complaints.

Most of the leaders and employees of the executive bodies of LSG noted that they comply with the oral requirements of the employees of the said law enforcement agencies so that they do not subsequently initiate criminal proceedings against them.

In general, the working group created by the Jogorku Kenesh Committee, within the framework of monitoring the implementation of the Law in individual municipalities of seven regions of the republic, identified a number of state bodies (their territorial divisions) carrying out illegal inspections of LSG bodies, since these state bodies are not included in the approved list of state bodies authorized to carry out inspections of LSG bodies. This list includes the following state bodies:

- 1) Office of the Government of the Kyrgyz Republic;
- 2) Office of the Plenipotentiary Representation of the Government in the region;
- 3) Office of the regional state administration;
- 4) State Personnel Service of the Kyrgyz Republic;
- 5) State Tax Service of the Kyrgyz Republic;
- 6) Anti-Corruption Service of the State Committee for National Security of the Kyrgyz Republic;
- 7) Financial Police of the Kyrgyz Republic;
- 8) Ministry of Internal Affairs of the Kyrgyz Republic;
- 9) Ministry of Emergency Situations of the Kyrgyz Republic;
- 10) State Migration Service under the Government of the Kyrgyz Republic;
- 11) Archival Agency under the SRS under the Government of the Kyrgyz Republic;
- 12) National Commission on the State Language under the President of the Kyrgyz Republic;
- 13) State Defense Committee (district commissariat).

Thus, the working group and the LSG Union will analyze the activities of state bodies and their interaction with LSGs. Based on the results of the analysis, it is necessary to make appropriate changes to the List of Inspection Bodies, approved by the Resolution of the Jogorku Kenesh of the Kyrgyz Republic of May 25, 2017 No. 1618-VI.

In addition, there is a need to amend the Decree of the Jogorku Kenesh dated May 25, 2017 No. 1618-VI in terms of excluding the Social Fund of the Kyrgyz Republic from the list of authorized state bodies entitled to conduct inspections of the activities of LSG bodies, since from January 1, 2019, the functions and powers in the field of state social insurance were transferred to the State Tax Service of the Kyrgyz Republic in accordance with the Government Decree No. 648 dated December 31, 2018 "On measures to transfer functions for the administration of insurance premiums for state insurance".

OPINION

“Once every two months, the head of the AO openly asks each ayil bashchysy to help cover the costs of payments to law enforcement officials. For these purposes, each ayil bashchysy is given 3,000 soms, having to sign an expense note for receiving funds, but not receiving them. However, when they are asked to officially declare such facts, the ayil bashchysy refuse to do so, fearing that another will come to the place of the dismissed law enforcement officer, who will check with even greater persistence and will definitely find something or organize some kind of ‘setup’. As a result, both the head of the AO and all employees of the office will suffer”.

Deputy of the ayilny kenesh, Aksy district

And yet, one of the most important problems in the field of inspections, LSG bodies considers the absence of any responsibility of citizens for false complaints and statements. It turns out that you can complain about anything, paralyze the work of the LSG body by checking, but if there is no confirmation of the complaint, the complainant is not responsible for anything.

PART II.

IMPACT ON LOCAL COMMUNITIES AND LSG BODIES OF LAWS ADOPTED IN 2019 (AND IN THE PERIOD 2016 – 2018)

2.1. LAWS THAT HAVE THE GREATEST INFLUENCE ON THE DEVELOPMENT OF LOCAL COMMUNITIES AND LSG BODIES

During 2019, the JK KR adopted 170 legislative acts. The expert group of the Union LSG and DPI compiled an expanded list of 20 laws that most affect the activities and interests of LSG bodies, and then prioritized this list based on the criteria of relevance for LSG bodies, after which the list was reduced to 15 laws. To them, taking into account the wishes of representatives of LSG bodies, 7 legislative acts were added, adopted by the JK of the Kyrgyz Republic in the period from 2016 to 2018, considered in the report of 2019, but did not receive a sufficiently detailed assessment, mainly because the time to assess them the impact has not passed since the adoption. Thus, for consideration in the Report, 22 laws were selected, introduced by six committees of the JK KR (the list of laws is given in Annex 1):

- Committee on constitutional legislation, state structure, judicial-legal issues and regulations of the JK KR;
- Committee on budget and finance of the JK KR;
- Committee on agrarian policy, water resources, ecology and regional development of the JK KR;
- Committee on social issues, education, science, culture and health of the JK KR;
- Committee on law enforcement, combating crime and anti-corruption of the JK KR;
- Committee on economic and fiscal policy of the JK KR.

To assess the impact of these laws, a study of the opinions of LSG bodies was carried out through surveys (questionnaires and interviews). The previously scheduled focus group meetings had to be canceled due to the changed epidemiological situation. The main criterion for the selection of survey participants was an indifferent attitude towards the development of LSG and practical experience of working with this or that law. In total, 73 representatives of LSG bodies from all regions of the Kyrgyz Republic took part in the survey, including: 31 heads of LSG bodies; 9 executive secretaries; 8 lawyers; 7 heads of financial and economic departments; 6 social specialists; 11 deputies of local keneshes. Among the respondents, 30% were women. Also, about 30 semi-structured interviews took place to find out the opinion of LSG bodies on the impact of legislation.

In general, LSG bodies assess the work of the JK KR positively. Thus, of the 22 laws under study, almost all received a positive assessment of the majority of LSG bodies. Even those laws that received a negative assessment last year were assessed more positively this year.

OPINION

“We cannot but welcome the initiative to develop a Report for the JK KR on the impact of laws on the development of LSG. We, the LSG bodies, need this, but the JK KR also needs it. We need to have a direct communication channel in order to correct errors and imperfections in legislation. And the deputies of the JK KR need such communication in order to control the implementation of laws on the ground and, if necessary, improve them. It is especially important that the Report is made on behalf of all LSGs. When we propose to make any changes to the law or complain about its failure one by one, this is just someone’s suggestion or complaint. And when the LSG Union speaks on behalf of all LSG bodies, this is a systematic assessment that gives more chances that our voices will be heard”.

Focus group participant 2019, head of AO

Based on the survey results, five laws can be distinguished, the positive impact of which is recognized by most LSG bodies (see table 12).

Table 12. Laws whose positive impact is recognized by most LSG bodies

	Name of the law	Committee that introduced the law	The share of LSG bodies ¹ , assessed positively the impact of the law
1	Law of the Kyrgyz Republic “On amendments to certain legislative acts on the activities of Local Self-Government Bodies” (LKR On Local Self-Governance, On legal regulations, On regulations of the JK KR, On the status of the sapital, On the status of Osh city, On the status of deputies of local keneshes) dated August 08, 2019. No. 115	Committee on constitutional legislation, state structure, judicial-legal issues and regulations of the JK KR	94%
2	Code of the Kyrgyz Republic on non-tax income dated August 10, 2018 No. 90	Committee on budget and finance of the JK KR	93%
3	Law of the Kyrgyz Republic “On amendments to the Tax Code of the Kyrgyz Republic” dated January 23, 2019 No. 9	Committee on budget and finance of the JK KR	91%
4	Law of the Kyrgyz Republic “On the procedure for conducting inspections of the activities of local self-government bodies” dated March 31, 2016 No. 32	Committee on constitutional legislation, state structure, judicial-legal issues and regulations of the JK KR	88%
5	Law of the Kyrgyz Republic “On amendments to certain legislative acts of the Kyrgyz Republic” (to the Laws of the Kyrgyz Republic “On Local Self-Government”, “On the status of deputies of local keneshes”, “On the status of the capital”, “On the status of Osh city”) dated August 08, 2019 No. 11	Committee on constitutional legislation, state structure, judicial-legal issues and regulations of the JK KR	88%

And only 4 laws did not receive a positive assessment from the LSG bodies (see table 13). It is important to note that some representatives of LSG bodies note that a number of laws have influenced the activities of LSG bodies both positively and negatively.

Table 13. Laws, the negative impact of which is recognized by the majority of LSG bodies

	Name of the law	Committee that introduced the law	The share of LSG bodies ² , assessed positively the impact of the law
1	Law of the Kyrgyz Republic “On protection from domestic violence” dated April 27, 2017 No. 63	Committee on social issues, education, science, culture and health of the JK KR	50%
2	Law of the Kyrgyz Republic “On amendments to certain legislative acts on the protection from domestic violence” dated April 27, 2017 No. 64	Committee on social issues, education, science, culture and health of the JK KR	49%
3	Law of the Kyrgyz Republic “On amendments to certain legislative acts of the Kyrgyz Republic” (to the Laws of the Kyrgyz Republic “On the Advocacy of the Kyrgyz Republic and Advocate Activity”, “On Local Self-Government”) dated December 12, 2016 No. 196	Committee on constitutional legislation, state structure, judicial-legal issues and regulations of the JK KR	47%
4	Law of the Kyrgyz Republic “On amendments to certain legislative acts on the implementation of the Institute of probation” dated April 24, 2019 No. 56	Committee on law enforcement, combating crime and anti-corruption	41%

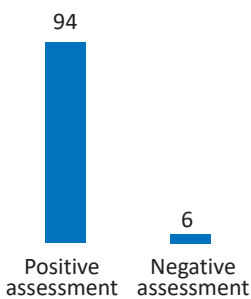
¹ From among the participants in the survey conducted by the LSG Union as part of the development of this Report.

² From among the participants in the survey conducted by the LSG Union as part of the development of this Report.

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

1. *Law of the Kyrgyz Republic “On amendments to certain legislative acts on the activities of local self-government bodies” (LKR “On local self-governance”, “On Legal regulations”, “On the regulations of the JK KR”, “On the status of the capital”, “On the status of Osh city”, “On the status of deputies of local keneshes”) dated August 08, 2019 No. 115*

Impact assessment

Changes important for LSG bodies	Assessment of the impact by LSG bodies, in %						
<ul style="list-style-type: none"> • A full-time post of kenesh secretary is introduced for administrative-territorial units with a population of 6001 people and above. • The obligation is introduced to pay the chairman of the kenesh with a population of less than 20001 people one-time monetary compensation for the period of the session of the local kenesh. • In the preparation and adoption of legal acts on issues directly affecting the interests of local communities and local self-government bodies, rule-making bodies (officials) conduct consultations and discussions with associations, unions of local self-government bodies. • The number of members of the local community who have the right to rule-making initiative is established (from 300 to 5000 voters). • The procedure for the formation of factions is established, as well as rules on preferences for the minority faction. • Clarified norms on legal acts of keneshes and EA LSG. • The responsibilities of mayors and heads of the LSG EA have been clarified to submit reports to keneshes and publish the EDSP and reports. • Initiators of draft laws should attach the results of consultations and discussions with the relevant associations, unions of LSG bodies to the draft law submitted to the JK KR, if the draft regulatory legal act directly affects the interests of local communities and LSG bodies. 	 <p>A bar chart with two bars. The first bar, labeled 'Positive assessment', reaches the value 94. The second bar, labeled 'Negative assessment', reaches the value 6.</p> <table border="1"> <thead> <tr> <th>Assessment</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Positive assessment</td> <td>94</td> </tr> <tr> <td>Negative assessment</td> <td>6</td> </tr> </tbody> </table>	Assessment	Percentage	Positive assessment	94	Negative assessment	6
Assessment	Percentage						
Positive assessment	94						
Negative assessment	6						
Expected effect (according to the statement of substantiation)							
<ul style="list-style-type: none"> • The discriminatory differences between the remuneration of the chairmen of aiyl and city keneshes are eliminated. • The interests of LSG bodies are taken into account through their participation (represented by associations and unions) in rule-making and law-making activities. • The procedures of citizens' rule-making initiative are being simplified. • The process of forming factions in local keneshes has been streamlined. • The procedure for promulgating and registering decisions of local keneshes having a legal nature and having a legal nature remains unregulated, as well as the issues of adoption in practice by the executive bodies of local government of different types of regulations on the same issues (decisions, decisions, orders). • The frequency of reporting by the heads of LSG bodies to local keneshes has been adjusted and a procedure has been established for informing the local community about the results of the implementation of the PSED. 							

Opinions of LSG bodies

Strengths of the law	Problems identified during the implementation of the law
<ul style="list-style-type: none"> • Introduction of the position of the kenesh secretary will allow to streamline the work without distracting the employees of the AO from the performance of their duties. • Through the LSG Union, the law ensures the participation of LSG bodies in the discussion of legal acts at the stage of their preparation, which, of course, will contribute to the consideration of the interests of LSG bodies. • The reduction in the number of people who have the right to local legislative (people's) initiative has greatly facilitated the implementation of this process. But in practice, there are practically no facts when local legislative norms were adopted on the people's initiative. • Preferences for minority factions have a positive effect. For example, the transfer of permanent chairmanship in the committee on budget and finance of the city kenesh to a faction or coalition of minority factions has created a positive effect, the essence of which is that opposition deputies have increased supervision over budget execution. • The accountability of LSG bodies and local keneshes to local communities should become more tangible. 	<ul style="list-style-type: none"> • A wide range of functions and low salaries for the post of kenesh secretary will make it difficult to find a qualified specialist for this post in rural LSG bodies. • Inequality is observed: local keneshes of those settlements, whose population is less than 6001 people, were left without the post of secretary. • It is unfair to leave the chairmen of local keneshes of those administrative-territorial units, whose population is 5,000 or 19,000 people, without pay, since the work and duties are the same, regardless of the number of residents. • Not all LSG bodies have a stable connection with the LSG Union. • Despite the changes introduced, the nomination of a rule-making initiative is not practiced. This is not a question of imperfection of the law, it is a matter of ignorance and weak activity of local communities.

Impact description

Most representatives of LSG bodies and local keneshes consider this law to be progressive in terms of strengthening parliamentary democracy in the localities and establishing a regular and constructive dialogue between LSG and central government bodies on rule-making issues.

OPINION

"We are in close contact with the Union LSG, we regularly receive the magazine 'Municipality' from them. The magazine has a lot of publications, news in the field of LSG, and I would especially like to note that information is published on the changes introduced to certain laws and regulations, which is very important for us".

Deputy Head of AO, Ala-Bukinsky District

The law creates good preconditions for increasing the accountability of LSG bodies and local keneshes to local communities. More transparent information is regularly brought to the attention of citizens, thereby increasing responsibility on the part of LSG bodies to citizens, and on the part of citizens, in response, interest in the work of LSGs should grow, local communities are becoming more demanding in the quantity and quality of information.

OPINION

"Having become the head of the AO, I introduced into the practice of holding meetings, reports at the meeting on the execution of the PSED, reports to the local kenesh. I plan to install stands and draw up them with plans and other information regarding the activities of LSG bodies".

Head of AO, Kara-Suu district

OPINION

“We have become more accountable, especially with regard to the PSED. We started publishing reports on social networks – Facebook, Youtube. We are accountable to the community and local kenesh”.

Head of AO, Kadamjai district

Not all positive innovations are successfully applied in practice. Thus, the rule-making initiative, despite the creation of favorable and understandable conditions for it, is not implemented by the population due to ignorance of this issue.

The division of municipalities into large and small, which does not reach the threshold of the population size, allowing the introduction of the post of secretary of the local kenesh and making payments to its chairman, representatives of local keneshes of various AOs consider it unfair.

In addition, some innovations in the law cannot be called implemented. So, in some LSG bodies, the appointed executive secretaries of local keneshes did not receive salaries as of October 1, 2020. Some ayil okmotu have conducted a competitive selection based on documents and are awaiting invitation of candidates for testing. Others, through rotation, transferred the executive secretary of the ayil okmotu to the position of the executive secretary of the local kenesh, made the appropriate changes to the local budget, sent the decision to the district body of the Ministry of Finance of the Kyrgyz Republic, but the salary was not paid. The LSG Union received appeals from several LSG bodies with a request to clarify the procedures for calculating and paying salaries to executive secretaries of local keneshes and made relevant inquiries to the Ministry of Finance of the Kyrgyz Republic and the State Committee for Civil Service of the Kyrgyz Republic. In response, the state authorities reported that the process of developing and agreeing on the necessary regulations is ongoing. The Ministry of Finance of the Kyrgyz Republic also reported that the issue of allocating funds necessary to pay salaries to executive secretaries of local keneshes should be resolved after making the appropriate changes to the budget.

The LSG Union notes that the law was signed in August 2019, respectively, the Ministry of Finance of the Kyrgyz Republic and the State Committee for Civil Service of the Kyrgyz Republic had the time necessary to take into account the necessary resources in the law on the budget for 2020 and develop the necessary regulations. Thus, the LSG bodies and the LSG Union are forced to state that there are no objective reasons for the delay in appointments and non-payment of salaries for the executive secretaries of local keneshes, and they ask the JK KR to pay attention to non-compliance with the law in this part.

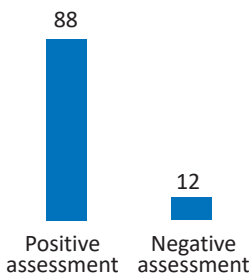
Regarding the provision on the participation of LSG bodies represented by the LSG Union in the discussion of legal regulations at the stage of their preparation, the LSG Union informs that in the year that has passed since the adoption of the law, 38 draft regulations have been submitted for approval (14 bills, 21 draft resolutions of the Government of the Kyrgyz Republic, 3 orders of the Government of the Kyrgyz Republic). In relation to each draft NLA, the Union of LSG prepares an appropriate conclusion, which reflects the views of LSG bodies, as well as compliance with existing legislation. These conclusions are discussed with the initiators of the LA, which allows to prevent the adoption of the LA that violate the legal rights and interests of LSG bodies, as well as contradict the legislation on LSG. So, for example, the State Tax Service of the Kyrgyz Republic, based on the results of the discussions, agreed to amend the bill; the deputy agreed to create a working group with the participation of the LSG Union to finalize the previously introduced draft law.

Suggestions

- The Union of LSGs, local NPOs and LSG bodies to intensify the conduct of explanatory work and training events for the population about the possibility of using the rule-making initiative.
- To distinguish between the structure and composition of the office for city and rural keneshes, since not every rural kenesh needs a secretary. For keneshes, in which, in the opinion of the local government and the population, a secretary is needed, it is necessary to remove the quantitative threshold by the number of inhabitants. Also, the quantitative threshold should not put in an unequal position in matters of payment for the activities of the chairmen of local keneshes.
- The Ministry of Finance of the Kyrgyz Republic and the SPS KR to accelerate the work on the practical implementation of the norm on the introduction of a full-time position of the executive secretary of the local kenesh and ensure its implementation in 2020.
- JK KR to strengthen control over the implementation of the law in terms of the provision on the introduction of a full-time position of the executive secretary of the local kenesh.

2. Law of the Kyrgyz Republic “On amendments to certain legislative acts of the Kyrgyz Republic” (to the Laws of the Kyrgyz Republic “On local self-government”, “On the status of deputies of local keneshes”, “On the status of the capital”, “On the status of the city of Osh”) dated August 08, 2019. No. 118

Impact assessment

Changes important for LSG bodies	Assessment of the impact by LSG bodies, in %						
<ul style="list-style-type: none"> The right to combine parliamentary powers with the position of head of a state or municipal institution of education and health is granted. Differentiated the terms from the date of removal or cancellation of the conviction, depending on the severity of the crime and the type of crime, until the expiration of which a citizen is prohibited from holding the post of mayor, head of ayil okmotu. The procedure for establishing the candidate's knowledge of the state language (certificate) has been regulated. The cases, recognized as good reasons for the absence of a deputy at the session of the local kenesh, are defined in detail, the procedure for making decisions is regulated (one cannot be absent more than 4 times in a row without a serious reason). Legislation has been harmonized in terms of the grounds and procedure for deprivation of the mandate. Specific grounds for appointing and holding re-elections of the head of ayil okmotu, mayor of the city have been determined. So, if no candidate was nominated or registered within the established time frame, or the nominated or registered candidates refused to participate in the voting, repeated elections are held. If no candidate is nominated or registered in the repeated elections, or the nominated or registered candidates have refused to vote, repeated elections are held with the nomination of candidates by the deputies and the mandatory nomination of the Prime Minister or the head of the state administration of the region – the akim. 	 <p>A bar chart with two bars. The first bar, labeled 'Positive assessment', has a value of 88. The second bar, labeled 'Negative assessment', has a value of 12.</p> <table border="1"> <thead> <tr> <th>Assessment</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Positive assessment</td> <td>88</td> </tr> <tr> <td>Negative assessment</td> <td>12</td> </tr> </tbody> </table>	Assessment	Percentage	Positive assessment	88	Negative assessment	12
Assessment	Percentage						
Positive assessment	88						
Negative assessment	12						
Expected effect (according to the statement of substantiation)							
<p>The main goal of the law is to improve the qualitative composition of LSG bodies, regulate the procedure for early termination of powers and the procedure for re-electing LSG bodies.</p>							

Opinions of LSG bodies

Strengths of the law	Problems identified in the process of law implementation
<ul style="list-style-type: none"> Removal of restrictions on combining parliamentary powers with the posts of the head of a state or municipal institution of education and health care should have a good effect on the quality of local keneshes. Recently, there has been a low level of education of the deputies. The law clearly defines weighty reasons for which the absence of a deputy at a meeting is allowed. 	<ul style="list-style-type: none"> A conflict of interest arises when the head of a state or municipal education or health organization becomes a deputy. There are cases of unfair distribution of the local budget and the emergence of conflicts in local keneshes. During elections, such candidates can use their staff to collect votes. In addition, representatives of LSG bodies are afraid that when making decisions, the heads of state or municipal organizations of education or health will be dependent on their higher leadership through the respective ministries. Establishment of measures of responsibility for deputies of local keneshes, showing low activity in their work, did not have the desired effect. Deputies continue to violate discipline.

Impact description

The opinions of representatives of local self-government bodies on the provision granting the right to combine parliamentary powers with the post of head of a state or municipal institution of education and health care were divided. Some respondents identify it as correct, allowing citizens to exercise their right to be elected, as well as contributing to the growth of the general level of education of the deputies of local keneshes. But the majority of respondents note the hidden pitfalls in it: heads of institutions, becoming deputies, openly lobby the interests of their institutions in the distribution of the local budget, which often leads to conflict situations and threats of unfair distribution of limited budgetary resources.

OPINION

"I think that this is a bad norm (combination of deputy powers with the position of the head of a state or municipal institution of education). From the practice of other municipalities, I observe when school directors cannot receive a report on school repairs with local budget funds. Teachers can be deputies, but not school directors".

Head of AO, Kara-Suu district

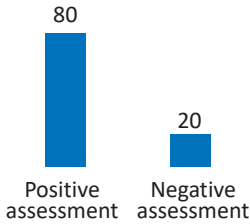
Only in rare cases (one out of five) respondents noted the discipline of the deputies of local keneshes. The rest of the respondents complain about the low discipline of the deputies (they miss sessions, do not participate in the life of the local community, do not keep the promises given to voters before the elections). At the same time, the norm of the law designed to strengthen the responsibility of such deputies does not work, in particular because the courts, when deputies appeal the penalties imposed on them, take the side of the deputies and restore their mandates.

Suggestions

- There is no mechanism for recalling deputies by voters due to non-fulfillment of voters' orders. Representatives of LSG bodies talk about the need to develop and adopt such a norm in order to protect the interests of voters from the dishonesty of deputies.
- There are cases of deliberate disruption of the elections of heads of AOs by deputies of local keneshes. It is necessary to introduce administrative responsibility for this.

3. *Law of the Kyrgyz Republic "On amendments to the Law of the Kyrgyz Republic 'On elections of deputies of local keneshes'" dated August 08, 2019 No. 117*

Impact assessment

Changes important for LSG bodies	Assessment of the impact by LSG bodies, in %
<ul style="list-style-type: none"> • The procedures for compiling voter lists, obtaining candidate status, informing voters, as well as campaigning and voting procedures are being clarified. • Reservation of mandates (30% reserve) for women in majoritarian elections is introduced, as well as the procedure for replacing these reserved mandates in case of early termination of the mandate. • Bail for majoritarian elections is introduced. • A single voting day is introduced. • In general, the harmonization with the constitutional Law "On the elections of the President and deputies of the JK KR" is being carried out 	 <p>80 Positive assessment</p> <p>20 Negative assessment</p>
<p>Expected effect (according to the statement of substantiation)</p>	
<ul style="list-style-type: none"> • Optimization of the process and procedures for the election of deputies of local keneshes. • Ensuring gender equality through mechanisms for the representation of women in ayil keneshes. 	

Opinions of LSG bodies

Strengths of the law	Problems identified ¹ in the process of law implementation
<ul style="list-style-type: none"> • Citizens' confidence in the elections increased, they began to vote more actively. • The principle of gender equality is observed. • A single voting day significantly saves the time of LSG bodies for the preparation and conduct of elections. 	<ul style="list-style-type: none"> • The presence of a mandatory 30% reserve of mandates for women violates the equal rights of candidates, as well as the rights of voters. Not all responsible persons understand exactly how to fulfill this norm, the procedures for this are not described. There are also fears that women will not take an active part in elections everywhere. • The level of education of the deputies remains low. This affects the quality of their decisions. • When organizing a single voting day in the field, there may be confusion with ballots.

Impact description

In general, the law received much more positive reviews than negative ones, however, the opinions of representatives of local self-government bodies regarding some of the provisions of this law were also divided. For example, some respondents supported the introduction of a 30% reserve for women in local keneshes, but another part speaks out about this norm very negatively, considering it a violation of the rights of the electorate and voters.

OPINION

“The presence of women in the local kenesh is useful because women deputies, as a rule, pay a lot of attention to social issues, and men often forget about them”.

Head of AO, Moskovsky District

OPINION

“The 30% quota for women infringes upon the rights of men. If during the voting a worthy candidate man collects 200 votes, and a less worthy woman collects 10, then a woman will enter the kenesh – this is unfair, and puts the election participants in an unequal position. The rights of voters are also violated. We need to check this norm for compliance with the Constitution, which guarantees equal rights to all citizens to elect and be elected”.

Head of AO, Moskovsky District

The introduction of a norm establishing a single voting day also simultaneously received the support of representatives of local self-government bodies, who considered this a basis for significant savings in time and money, and raised concerns that there might be confusion between different elections and their ballots.

The respondents are still worried about the low level of professional training of local kenesh deputies, more than 40% of whom have only secondary education, and sometimes receive a mandate without having received even a year of work experience.

As noted in the first part of this Report, the quality of work of local keneshes and the sustainability of local parliamentary democracy can be measured by the number of dissolutions of local keneshes. Unfortunately, this indicator in the Kyrgyz Republic over the past five years continues to remain high – for the period 2016-2019. due to the lack of a quorum or inability to elect the head of the executive body of LSG, 58 local keneshes, or 12% of their total number, were dissolved. Dissolutions of local keneshes can occur, but this should be a single, emergency phenomenon, and 12% is already a sign of a systemic problem.

Suggestions:

- Introduce requirements for higher or at least secondary specialized education, as well as good work experience for candidates for deputies of local keneshes.

¹ In this case, representatives of LSG bodies speak about the expected, and not about the actual impact.



- Check the 30% quota for women deputies for compliance with the Constitution of the Kyrgyz Republic, which guarantees equal rights for all citizens to elect and be elected.
- Introduce a system of training for deputies of local keneshes on a regular basis.

4. Law of the Kyrgyz Republic “On Amendments to the Law of the Kyrgyz Republic ‘On freedom of religion and religious organizations in the Kyrgyz Republic’” dated December 21, 2019 No. 140

Impact assessment

Changes important for LSG bodies	Assessment of the impact by LSG bodies, in %
<ul style="list-style-type: none"> • The obligation of founders of a religious organization to coordinate with local keneshes the list of citizens initiating the creation of a religious organization, the mission of a religious organization and those responsible under the charter before the law (indicating their last name, first name, patronymic, date of birth, citizenship, place of residence, passport number and series) has been eliminated 	<p>A bar chart with two bars. The first bar, labeled 'Positive assessment', has a value of 79. The second bar, labeled 'Negative assessment', has a value of 21.</p>
<p>Expected effect (according to the statement of substantiation)</p> <ul style="list-style-type: none"> • The purpose and objective of this draft Law is to bring Article 10 of the Law of the Kyrgyz Republic On “Freedom of Religion and Religious Organizations in the Kyrgyz Republic” in accordance with the decisions of the Constitutional Chamber of the Kyrgyz Republic, which recognized the coordination of the above information with local keneshes as contrary to part 2 of Article 20 and Article 35 of the Constitution of the Kyrgyz Republic. 	

Opinions of LSG bodies

Strengths of the law	Problems identified ¹ in the process of law implementation
<ul style="list-style-type: none"> • Religion should be separated from the state and new norms of law contribute to this. 	<ul style="list-style-type: none"> • Against the backdrop of the current threats of growing religious extremism, one should not miss the opportunity for local authorities to exercise additional control over the creation of local religious organizations.

Impact description

It is not quite clear why the law received such a percentage of positive votes in the survey. Interview participants are almost unanimous in noting its potential danger due to the fact that the issue of proliferation of religious organizations (often with an extremist basis) is out of the control of local governments.

OPINION

“At a time when Islamization is gaining momentum, government agencies and the Ayil Okmotu should strengthen oversight of religious organizations”.

Executive Secretary of AO

This remark is especially relevant given the number of religious organizations registered in the Kyrgyz Republic in 2020 – 3 385 (of which about 85% are Islamic organizations). According to official data in 2019, 20 associations were declared extremist and banned. The State Commission for Religious Affairs does not have data on how many religious missionaries there are in the country and in what areas they work. In total, there are 2,269 mosques, 1 synagogue and 233 Christian churches in the republic. It should also be noted that some of the respondents’ answers again confirmed the fact of financing the maintenance of mosques from local budgets, which goes beyond the expenditure obligations of LSGs.

¹ In this case, representatives of LSG bodies speak about the expected, and not about the actual impact.

Suggestions:

- Analyze the impact and, based on the results of the analysis, revise the new requirements of the law, returning control over the situation threatening the spread of extremist religious organizations to the LSG bodies
- Check the validity and legality of the facts of financing the maintenance of mosques at the expense of local budgets.

5. Law of the Kyrgyz Republic “On Amendments to the Law of the Kyrgyz Republic ‘On state civil service and municipal service’” dated April 12, 2019 No. 48

Impact assessment

Changes important for LSG bodies	Assessment of the impact by LSG bodies, in %
<ul style="list-style-type: none"> • Clarified the procedure for assigning a class rank during the transition from municipal service to civil service and vice versa. • The issues of using the National Personnel Reserve have been clarified. • The length of service of the state and municipal service will include the time of work in the party, Komsomol bodies and the Soviet Army. 	<p>88 12</p> <p>Positive assessment Negative assessment</p>
Expected effect (according to the statement of substantiation)	
<ul style="list-style-type: none"> • Elimination of discrepancies in the procedure for the application of certain norms concerning the passage of professional service in government bodies and LSG bodies. • Clarification of the norms on the procedure for the formation of the state order for the training of state and municipal employees (including political positions (akims, heads of ayil okmotu, etc.). 	

Opinions of LSG bodies

Strengths of the law	Problems identified in the process of law implementation
<ul style="list-style-type: none"> • The law contributes to the maintenance of non-financial motivation of municipal employees, they do not lose their class rank in the event of a transition to civil service. • Good conditions have been created for training akims and heads of AO on the basis of a state order. • The possibilities of using the National Personnel Reserve for the needs of the municipal service have been expanded. 	<ul style="list-style-type: none"> • The salaries of municipal employees are still lower than those of government employees. • The practice of “command” appointment of LSG employees by the MGA (“telephone law”) continues. • Despite the norms adopted by law, the National Personnel Reserve is used extremely irregularly, especially in rural LSG bodies.

Impact description

The law was assessed positively by the majority of the interviewed representatives of LSG bodies. This is already the second package of amendments related to local self-government, introduced into it since 2017, which suggests that the reform of the municipal service is consistently developing.

Difficulties in attracting qualified personnel to the municipal service, caused primarily by low material and career motivation, are one of the most acute problems of local self-government bodies. However, the

adopted amendments to the law are gradually having a positive impact on solving this problem. So, as of January 1, 2020, 863 administrative positions, or 9% of the total number of such positions in the republic, remained vacant in LSG bodies. The value of this indicator is better than January 1, 2019 – 12% (1,207 vacant administrative positions). The positive impact of the law is reflected in the turnover of staff – this indicator tends to decrease. So, the staff turnover in 2019 (7%) decreased by more than 3 times in relation to 2016 (24%).

Despite the fact that state and municipal employees have equal rights, the question of the comparability of wages remains open. Under existing conditions, the amount of work and the average workload per specialist in LSG bodies is much higher than in government agencies. MGA and regional administrations rarely systematically collect information on their own, preferring to request it from local government bodies and then send it to the Government of the Kyrgyz Republic on their own behalf. Employees of municipalities have an established opinion that they do work for civil servants, and their salaries are lower.

During the discussion of this law, many respondents again touched upon the issue of determining the number of government bodies.

OPINION

“LSG bodies should have the freedom to determine the structure of posts in a municipality depending on its real needs. Here again the question of delegation arises. I have to maintain three specialists in military registration, for which the Defense Committee does not want to pay me. Instead, I would rather hire the specialists I need – a procurement specialist, an information technology specialist, an investment attraction specialist”.

Head of AO, Moskovsky district

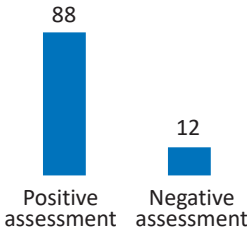
Suggestions

- Introduce into the law a norm according to which the head of the AO would be guaranteed to receive a class rank, for example, for the third year in office.
- Revise the principles of formation of the wage fund for municipal employees, making the official rates close to the rates of civil servants.
- Provide LSG bodies with the right to independently determine their own organizational structure, as well as the right to hire additional employees or make additional payments to municipal employees for performing delegated state powers.

6. Law of the Kyrgyz Republic “On the procedure for conducting inspections of the activities of local self-government bodies” dated March 31, 2016 No. 32

Impact assessment

The law was reviewed in the 2019 Report and received a large number of positive responses (80%). It is proposed to re-evaluate its impact in the 2020 Report in order to analyze changes.

Changes important for LSG bodies	Assessment of the impact by LSG bodies, 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 assessment', has a value of 88. The second bar, labeled 'Negative assessment', has a value of 12.</p> <table border="1"> <tr> <td>Positive assessment</td> <td>88</td> </tr> <tr> <td>Negative assessment</td> <td>12</td> </tr> </table>	Positive assessment	88	Negative assessment	12
Positive assessment	88				
Negative assessment	12				

Opinions of LSG bodies

Strengths of the law	Problems identified in the process of law implementation
<ul style="list-style-type: none"> The law is still working well. The number of unnecessary and unreasonable checks has been significantly reduced. Involvement of representatives of the public in the process of conducting inspections has increased their objectivity and transparency. 	<ul style="list-style-type: none"> Quite often, citizens file complaints (for example, in the light of recent events – about the distribution of humanitarian aid), in response to which prosecutors conduct frequent checks. Often, citizens unreasonably complain about the actions of <i>ayil okmotu</i>, but when the facts indicated in the application are not confirmed, no action is taken against the applicant. There are precedents when inspections are carried out by representatives of bodies that are not included in the list of agencies authorized to conduct scheduled inspections. Such a practice is being created: inspectors do not come to municipalities, but the employees of the inspection bodies call the employees of the municipalities into their offices and ask questions there.

Impact description

LSG bodies still appreciate this law. Over the past year, the situation has not deteriorated, and the inspection bodies in a number of cases continue to adhere to its requirements, which undoubtedly has a positive effect on the work of LSG bodies – employees are less distracted and work in a calmer environment.

However, the number of checks, according to the General Prosecutor's Office, is not decreasing. So, in 2018, 746 inspections of LSG bodies were carried out, at the end of 2020 at least 900 inspections are expected. At the same time, in the official data of the General Prosecutor's Office, in relation to almost 16%, the subject of the inspection is not indicated, and there is also no data on which inspections were planned and which were unscheduled. Also, order has not been established in relation to all inspection bodies.

Another problem is that the LSG bodies themselves are poorly aware of their rights in relation to inspections, are not interested in the plans of inspections, and do not follow the procedures when conducting inspections, for example, regarding their registration.

OPINION

*"I believe that this norm does not work yet. Firstly, representatives of the Ecotechnical Inspectorate inspect the local government authorities 5-6 times during the year, and the Law does not provide for this. In practice, if inspection bodies come to inspect institutions or organizations on the territory of a municipality, the list automatically includes *ayil okmotu*. For example, the prosecutor's office checks the school and is sure to check us too, despite the fact that an LSG authority has already been checked before. And it turns out that during the year there are many inspections by the prosecutor's office of the LSG body. Is it correct? And also, it happens that in social networks, for example, Facebook or Youtube, an article is published or a video about a problem is shown, after that a check from the prosecutor's office comes right away. We do not know to what extent it complies with the norms of the NLA".*

Head of AO, Chon-Alai district

There remains an acute problem of inspections based on unjustified complaints from the population, according to the results of which violations are not revealed, and complainer bears no responsibility.

At the same time, LSG bodies recognize their ability to influence the situation with complaints – where the work is better organized, there are fewer complaints, and if people turn to them, then not to the prosecutor's office, but to the LSG bodies themselves.

OPINION

“As soon as the population began to understand that the problems were being solved, there were more complaints from citizens to the aiyl okmotu than to the inspection bodies”.

Head of AO, Kara-Suu district

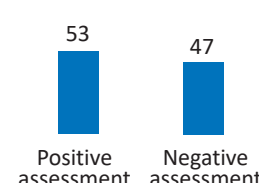
Suggestions

- Introduce into the legislation the requirement of liability for persons who file unfounded or knowingly false complaints against LSG bodies to the inspection bodies.
- Strengthen parliamentary control over government bodies that do not comply with the law (replacing checks with calls to the office, checks during checks of other organizations, etc.).

7. Law of the Kyrgyz Republic “On amendments to some legislative acts of the Kyrgyz Republic” (to the laws of the Kyrgyz Republic “On the Advocacy of the Kyrgyz Republic and Advocate Activity”, “On local self-government”) dated December 12, 2016 No. 196

Impact assessment.

The law was reviewed in the 2019 Report and received a large number of negative reviews (61%). It is proposed to re-evaluate its impact in the 2020 Report in order to analyze changes.

Changes important for LSG bodies	Assessment of the impact by LSG bodies, in %
<ul style="list-style-type: none"> • The law was supplemented with a new issue of local importance – provision of legal advisory assistance to the population. According to the new version of the law, city halls, aiyl okmotu develop and implement a system of providing legal advisory assistance to the population, report to the local kenesh on the general state of providing legal advisory assistance and social protection of the population. 	 <p>53 Positive assessment</p> <p>47 Negative assessment</p>

Opinions of LSG bodies

Strengths of the law	Problems identified in the process of law implementation
<ul style="list-style-type: none"> • Created the opportunity to receive free legal advice for the population. 	<ul style="list-style-type: none"> • Legal advisory assistance is another additional issue of local importance that is not supported by finance and additional staff. • The current staff of LSG bodies cannot provide consultations on many issues of citizens. • There is no lawyer on the staff of local self-government bodies. • There is a lack of qualified local lawyers. • Subsidized AOs cannot afford to hire a qualified lawyer to perform this function.

Impact description

The analysis of the anonymous questionnaire showed that over the period that has elapsed since the release of the previous report, the assessment of the law by representatives of LSG bodies has changed for the better. However, the results of interviews with representatives of LSG bodies turned out to be the opposite –

the majority spoke negatively about the law. The main message is that the government came up with a very good initiative, but for some reason decided to shift it onto the shoulders of LSG bodies. The consequence of this law was the inclusion of the checkpoint in the list of issues of local importance, however, LSG bodies were not provided with the appropriate human and financial resources for the possibility of a quality solution of this issue. The measures taken by the government to create centers for the provision of consulting and legal assistance (mainly in cities of district and regional significance) were insufficient and made it possible to cover only 5% of the administrative-territorial units. At the same time, it is noted that the need for free legal advice in the field is very high.

There is also a problem with the availability of qualified lawyers in rural areas.

OPINION

“It is very difficult to find a qualified specialist in rural areas. Young specialists, if they come, then, having gained experience, quite soon leave for a higher-paid job. It is better to exempt ayil okmotu from this obligation – to define conditions for them that differ from city municipalities”.

Head of AO, Moskovsky District

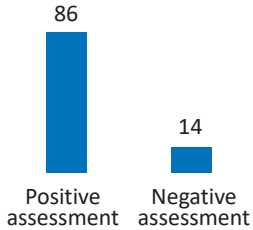
Suggestions:

- To exclude this service from the list of issues of local importance completely, or to transfer it to the category of powers delegated by the state to LSG bodies, accompanied by staffing and financial support.
- Take measures to develop a full-fledged vertical system of providing the population with legal advice and assistance.

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

Impact assessment

The law was reviewed in the 2019 Report and received a large number of positive reviews (92%). At the time of writing the 2019 Report, the law had not been in effect for a long time. It is proposed to re-evaluate its impact in the 2020 Report in order to analyze changes.

Changes important for LSG bodies	Assessment of the impact by LSG bodies, in %				
<ul style="list-style-type: none"> • In the new edition of the article “Financial and economic foundations of local self-government”, the concepts of “financial foundations” and “economic foundations” are set out separately. • The new edition contains the article “The rights of local governments to establish municipal enterprises and non-profit organizations, as well as to participate in joint stock companies”. The innovation lies in the fact that the relevant rights of LSG bodies are limited to ensure effective and prompt resolution of issues of local importance, as well as to stimulate economic development within their territory. In addition, the rights to delegate authority to municipal enterprises, NPOs, joint stock companies are indicated, it is specified that municipal enterprises and NPOs are created by LSG bodies to provide services, the provision of which is the responsibility of LSG bodies. Thus, the innovation has established legislative obstacles for the uncontrolled creation of enterprises of a commercial nature at the expense of the local budget, not related to the functions of local self-government. • The law was supplemented with a new article “Municipal order”, which establishes the rights of the LSG body, executors, financing and other issues related to the implementation of the municipal order. 	 <p>A bar chart with two bars. The first bar, labeled 'Positive assessment', has a value of 86. The second bar, labeled 'Negative assessment', has a value of 14.</p> <table border="1"> <tr> <td>Positive assessment</td> <td>86</td> </tr> <tr> <td>Negative assessment</td> <td>14</td> </tr> </table>	Positive assessment	86	Negative assessment	14
Positive assessment	86				
Negative assessment	14				

Opinions of LSG bodies

Strengths of the law	Problems identified in the process of law implementation
<ul style="list-style-type: none"> The procedure for the creation of municipal enterprises made it possible to organize more efficiently services that were previously directly executed by LSG bodies and in a less efficient manner (for example, services for the collection and removal of solid household waste). The quality of services rendered to the population is improving, confidence in LSG bodies is increasing. Established municipal enterprises and institutions are registered as procuring organizations and suppliers on the public procurement portal in accordance with the Law on Public Procurements. This facilitates the work of LSG bodies. The procedures for opening municipal enterprises and placing a municipal order have been explained in detail. 	<ul style="list-style-type: none"> LSG lacks experience in the process of opening municipal enterprises. Many bureaucratic obstacles arise in the process of establishing municipal enterprises that provide services.

Impact description

Amendments to this law, adopted in 2018, continue to meet with the support of local government representatives. The 2019 Report noted that new conditions are still being considered by LSGs and the creation of municipal enterprises is still proceeding at an insignificant pace. The 2020 survey showed that LSG bodies have already mastered and are beginning to introduce positive changes in practice.

DIRECT SPEECH:

“We are preparing documents for the creation of a municipal drinking water enterprise, this is a necessary organization, there is an opportunity to provide a high-quality service to the population with a wide coverage”.

Deputy Heads of AO, Ala-Buka district

“This rule of law works. We have created two municipal enterprises: in the field of water supply and the Center for Assistance to Families and Children”.

Specialist in social issues of AO, Alamudun district

“The necessary norm has been introduced into the Law. We have opened two municipal enterprises: machine and tractor (service) and drinking water, which successfully provide services to address local issues”.

Head of AO, Chon-Alai district

Unfortunately, data on the number of municipal enterprises are still not available for a more accurate analysis of current trends. Also, there is no publicly available data on LSG bodies using the municipal order, although, judging by the feedback from the heads of LSG bodies, LSGs are also interested in this area.

This change is of absolute importance from the point of view of explaining to the LSG bodies for what purposes municipal enterprises can be created, and that in order to organize a business in pursuit of job growth, such enterprises should not be created. This clarification should put an end to the vicious practice of creating municipal bakeries, restaurants and other business facilities, which entails unreasonable, inappropriate and ineffective spending of local budgets.

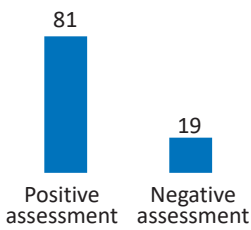
Suggestions:

- Organize a training course for LSGs on the legal, economic and financial aspects of setting up municipal enterprises.
- Analyze the existing bureaucratic obstacles to optimize and simplify the process of creating municipal enterprises.

2.1.2. Impact of laws introduced by the Committee on Budget and Finance of the JK of KR

9. Law of the Kyrgyz Republic "On Amendments to the Law of the Kyrgyz Republic 'On Public Procurements'" dated June 26, 2019 No. 76

Impact assessment

Changes important for LSG bodies	Assessment of the impact by LSG bodies, in %						
<p>Requirements for the use of the direct procurement method have been changed, including the following.</p> <ul style="list-style-type: none"> The procuring entity may not enter into a contract or framework procurement agreement with a supplier (contractor), the founder and / or participant of which are persons holding political government, political municipal offices, special government positions, and their close relatives. The procuring entity has the right to demand from the supplier (contractor) written confirmation of the absence of affiliation with persons holding political state, political municipal offices, special state positions, and their close relatives. The previously applied 10 percent threshold for additional purchases of goods (construction services) under an agreement concluded on the basis of a tender while maintaining the price and technical specifications has been reduced to 5 percent. The clause on the purchase of goods, works and services by LSGs to ensure their activities up to one million soms within one year was removed. With the one-stage procurement method, the so-called "two-package" method of holding a tender has been introduced: first, the qualification requirements are considered, after which applicants that do not correspond to them can be excluded, and only then the issue of price is considered. However, the procuring entity does not have the right to exclude or reject the remaining participants. Thus, the lowest price has ceased to be the dominant criterion when making a purchase decision. For purchases of goods, works and services where the planned amount of the subject of procurement exceeds two times the maximum threshold amount, the procuring entity shall apply the two-package method. 	 <p>A bar chart with two bars. The first bar, labeled 'Positive assessment', has a value of 81. The second bar, labeled 'Negative assessment', has a value of 19.</p> <table border="1"> <thead> <tr> <th>Assessment</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Positive assessment</td> <td>81</td> </tr> <tr> <td>Negative assessment</td> <td>19</td> </tr> </tbody> </table>	Assessment	Percentage	Positive assessment	81	Negative assessment	19
Assessment	Percentage						
Positive assessment	81						
Negative assessment	19						
Expected effect (according to the statement of substantiation)							
<p>Further development of competitiveness of procurement, increasing the interest of the largest number of local suppliers to participate in tenders for public procurement, reducing corruption risks and eliminating the possibility of stakeholder interference in the procurement process.</p>							

Opinions of LSG bodies

Strengths of the law	Problems identified in the process of law implementation
<ul style="list-style-type: none"> Reduced opportunities for corruption in procurement by municipalities. There is an opportunity to improve the quality of purchased goods by reducing the impact of dumping. 	<ul style="list-style-type: none"> The cancellation of the threshold for purchases introduced in the same 2019 by the direct contract method significantly complicates the procurement procedure, especially when the issue requires a prompt solution. Lowering the threshold for additional purchases of goods or services creates difficulties because it is not always possible to plan the cost of, for example, construction works with an accuracy of 5%. When announcing a tender for small amounts, potential bidders show no interest.

Impact description

Local governments have ambiguous assessments of these changes. According to the results of the survey, the law is assessed as 81% positive, although respondents of the conducted interviews almost all in one voice say that the changes made have created tangible inconveniences for them. LSG bodies are experiencing difficulties due to the complex procurement procedure, especially it affects the speedy resolution of issues that require immediate attention (this, in particular, was confirmed by the practice of combating COVID-19). Problems also arise for those territories where the number of suppliers is limited by natural economic conditions. The threshold for direct purchases (1 million soms), which was introduced in early 2019 and is convenient for local governments, was abolished in the same year.

OPINION

“It is very bad that they canceled the opportunity for LSGs to make purchases by the method of direct conclusion of a contract to ensure their activities up to one million soms. They were adopted in early 2019 and canceled in the middle of the same year. This was convenient for promptly resolving issues of local importance, and especially where there is a limited number of suppliers. We ask you to return this item or set at least some reasonable threshold”.

Head of AO

OPINION

“LSG bodies should be able to carry out direct purchases. It takes a lot of time to organize tenders. And then we are criticized and punished for the fact that we cannot quickly resolve issues. Situations arise when the tender is delayed for technical reasons and the financial year ends. In the new year, we have to reorganize everything”.

Head of the financial and economic department of AO

The same applies to the reduction from 10% to 5% of the threshold for the additional purchase of goods (construction services), under a contract concluded on the basis of a tender, while maintaining the price and technical specifications. This is especially true for construction services, where the real cost very often exceeds the estimated.

OPINION

“In terms of reducing the percentage threshold of additional purchases – also very inconvenient, especially for construction and repair work. There are very often situations where the initial estimate is not sufficient. Additional materials or services are needed”.

Head of the financial and economic department of the AO

The problem of qualified procurement remains significant. Not every AO can afford to pay for the services of a procurement specialist, and the existing employees lack knowledge and skills.

Authorities also note that the law does not clearly define the responsibility of contractors. On the ground, there are often cases when the contractor, after the conclusion of the contract, refuses the contract or requires changes in its conditions in a favorable direction.

Suggestions:

- Return by law the threshold for the implementation of procurement by LSGs by direct contracting.
- Increase again to 10% (goods) and up to 15-20% (construction) the threshold for additional purchase of goods (construction services), under an agreement concluded on the basis of a tender, while maintaining the price and technical specifications.
- Provide in the law the liability of unscrupulous contractors in case of cancellation of the contract or unilateral demand for amendments to the terms of the contract.

- Create a database on prices and services (by region) at the central level so that LSGs do not waste time searching and retrieving information about current market prices for comparison when preparing tenders and considering applications.
- Support and expand measures to train municipal staff in legal and technical procurement skills.

COMMENTARY DPP MF KR

DPP of the Ministry of Finance of the Kyrgyz Republic gives an extensive commentary on the problem, pointing out that in fact, the authorities have various opportunities for maneuver in the procurement process, in particular, according to Article 21 of the Law of the Kyrgyz Republic "On Public Procurement", "the cases of using the method of direct contract conclusion have been significantly expanded.

<...> to quickly solve problems related to the prevention and prevention of the further spread of coronavirus infection COVID-19 <...> a Mechanism of Action was developed <...> in the field of public procurement".

*Director of DPP MF KR N. BAIZAKOVA, No. 20-2-2 / 810
dated September 10, 2020.*

COMMENTARY MF KR

"...The Training Center of the Ministry of Finance of the Kyrgyz Republic (hereinafter – the Training Center of the MoF) <...> conducts <...> online courses <...> on public procurement procedures, applying a diversified approach to training in relation to participants in the public procurement system. <...> Online courses are especially valuable for listeners in remote regions and with a busy work schedule. The cost of a five-day basic online course on the topic: "Public procurement management" is 3000 soms. All willing employees of local self-government bodies in the regions can improve their qualifications in the field of public procurement, without spending money on travel, accommodation and meals <...>. Since March 2018, the Training Center of the Ministry of Finance of the Kyrgyz Republic has launched a Unified Information System for Electronic Testing and Generation of Public Procurement Certificates. <...>

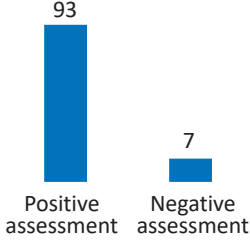
With regard to the recommendation and wishes of LSG bodies <...> "on the implementation of primary education outsourcing while retaining the right of certification for the Training Center of the MoF KR" <...> we inform that on August 15, 2016 a Memorandum of Cooperation with the Association of Experts on Procurement was concluded, which has already been outsourced training in regions where there are no branches of the Training Center of the MoF KR. <...> During the period of remote work during quarantine in an emergency situation, the Training Center of the MoF KR switched to training in the online format <...>, so from March 23 to May 30, 2020, 152 people were trained".

Deputy Minister A. K. Azimov, № 08-1-2/8744 of September 10, 2020

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

Impact assessment

The Code was reviewed in the 2019 Report and received a large number of positive responses (71%), although there were insufficient comments from respondents on the impact of the Code. It is proposed to re-evaluate its impact in the 2020 Report for a more detailed analysis.

Changes important for LSG bodies	Assessment of the impact by LSG bodies, in %						
<p>The new Code “On Non-Tax Income” regulates relations:</p> <ul style="list-style-type: none"> • on the establishment, implementation and collection of non-tax revenues; • arising in the process of exercising control over the accrual and payment of non-tax income; • on appeal against decisions of authorized bodies, actions or inaction of their employees. 	 <p>A bar chart with two bars. The first bar, labeled 'Positive assessment', has a value of 93. The second bar, labeled 'Negative assessment', has a value of 7.</p> <table border="1"> <thead> <tr> <th>Assessment</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Positive assessment</td> <td>93</td> </tr> <tr> <td>Negative assessment</td> <td>7</td> </tr> </tbody> </table>	Assessment	Percentage	Positive assessment	93	Negative assessment	7
Assessment	Percentage						
Positive assessment	93						
Negative assessment	7						

Opinions of LSG bodies

Strengths of the law	Problems identified in the process of law implementation
<ul style="list-style-type: none"> • In terms of status, non-tax revenues were equal to taxes. • Conditions are being created for a more systematic and accountable formation of the revenue side of local budgets. 	<ul style="list-style-type: none"> • The income potential of LSG has not been fully realized; in addition to the code, a set of practical measures is needed to expand the income base of LSG bodies.

Impact description

The positive assessment of this law has increased over the past year, although the majority of respondents do not see much difference between the situation before the adoption of the Code and after it. This is primarily due to the fact that it is not enough to raise the regulation of non-tax revenues to the status of a code, it is necessary to take a number of practical and effective measures to strengthen the revenue base. Over the past few years, the share of non-tax revenues in the total revenues of local budgets has not been growing (see Table 14 and Diagram 34 below).

Table 14. Share and dynamics of non-tax revenues in the structure of local budget revenues, million soms

	2017, fact	2018, fact	2019, fact	2020, approv.	2021, forecast	2022, forecast	2023, forecast
Income, total	20 298,0	20 140,1	21 815,8	23 038,1	23 365,7	24 005,1	24 504,4
Non-tax revenues	2 664,4	2 977,1	3 248,2	3 121,7	3 372,9	3 383,6	3 385,9
Share of non-tax revenues	13,1%	14,8%	14,9%	13,6%	14,4%	14.1%	13,8%

Diagram 34. Dynamics of growth of general revenues of local budgets in comparison with non-tax revenues

To improve the dynamics of non-tax revenues to local budgets and increase their share in LSG revenues, further efforts of the Government of the Kyrgyz Republic are required to develop and implement the necessary mechanisms. These can be: better management of municipal property (in the area of municipal property management, there are still opportunities for “contractual” auctions and undervaluation of municipal land and real estate, including its inventory); improving the quality of financial management and the quality of forecasting local budget revenues based on socio-economic indicators.

Suggestions:

- In addition to the adopted Code of the Kyrgyz Republic on non-tax payments, one should consider the Law “On municipal ownership of property” and check how it corresponds to the actual state of affairs.
- The Government of the Kyrgyz Republic needs to make efforts to create opportunities for electronic transactions with municipal real estate and land, in order to create a reliable barrier against losses from these transactions.

11. Law of the Kyrgyz Republic “On Amendments to the Tax Code of the Kyrgyz Republic” dated January 23, 2019. No. 9

Impact assessment

Changes important for LSG bodies	Assessment of the impact by LSG bodies, in %
The land tax exemption does not apply to land leased by the land user.	<p>91 Positive assessment</p> <p>9 Negative assessment</p>
Expected effect (according to the statement of substantiation)	
<ul style="list-style-type: none"> • According to the substantiation certificate, it was proposed to exempt from taxation the lands occupied by strategic facilities used for the generation or transmission of electricity, including lands that are inundated with their reservoirs. • The purpose of the law was to introduce clarity in the part of the term “entrepreneurial activity” for power lines and activities that the activities of AO “Electric stations”. • However, the bill was radically revised and, along with the adoption of the proposal of the Government of the Kyrgyz Republic, was supplemented with a provision stating that if the land is leased, no tax exemption is provided. 	

Opinions of LSG bodies

Strengths of the law	Problems identified during the implementation of the law
<ul style="list-style-type: none"> • The changes contribute to the replenishment of the local budget, this is especially true for objects that have a negative impact on the environment. 	<ul style="list-style-type: none"> • There are problems with the downtime of the leased plots, for which the relationship with the tenant ends

Impact description

These changes to the Code are perceived by LSG bodies 90% positively, since they should contribute to the growth of local budget revenues, however, for the full implementation of the law, it will be necessary to solve some practical problems in terms of paying tax during the “idle” land.

OPINION

“In practice, the following situation has developed: the land plot is leased, then the financial condition of the tenant deteriorates, you need to look for a new tenant, but for some time the land is empty, which leads to losses to the local budget”.

Head of the financial and economic department of AO

Payments for land lease have a small share in the total revenues of local budgets (about 3.5%), however, in the republic as a whole, these volumes make up a tangible amount (see Table 15 and Diagram 35 below):

Table 15. Dynamics of payment for land lease in the republic, excluding the cities of Bishkek and Osh, million soms

	2017, fact	2018, fact	2019, fact	2020, plan	2021, forecast
Land lease payment	207 684,30	287 829,25	322 421,57	268 944,00	284 134,60

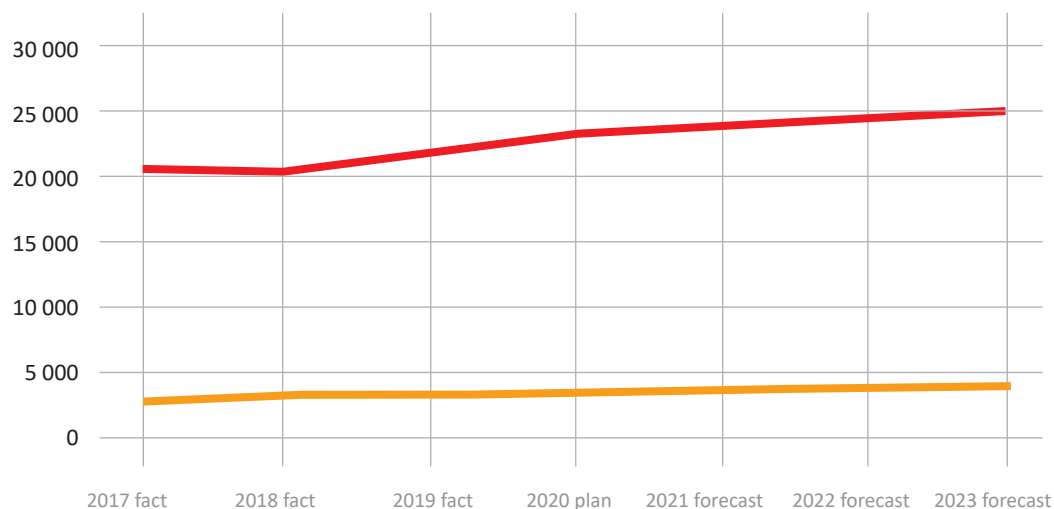
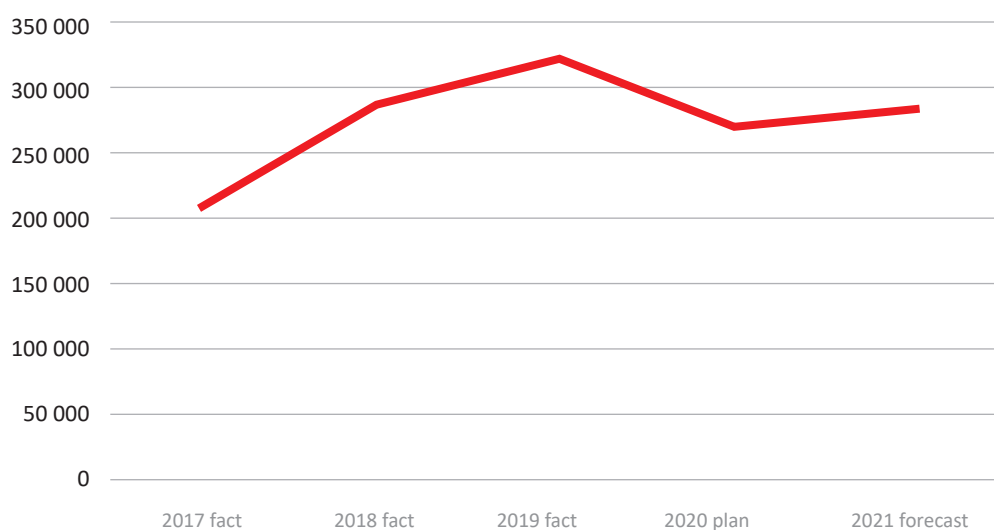


Diagram 35. Dynamics of payments for land lease to local budgets, excluding the cities of Bishkek and Osh, million soms

Diagram 35 shows that over the past three years this type of income has shown steady growth, although LSGs prefer to underestimate the indicators when planning and forecasting. This is also due to the fact that the growth of non-tax revenues for subsidy bodies of LSG will mean an automatic reduction in the volume of the equalization grant.



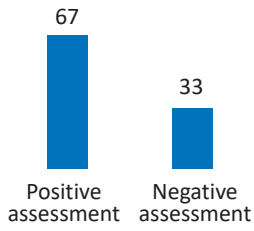
Suggestions:

- Continue to introduce an integrated system of planning for socio-economic development of the territories, including spatial planning.
- Exclude non-tax revenues from their formula for calculating the equalizing grant.

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

12. "On state subsidies in seed production" dated February 02, 2019. No. 22

Impact assessment

Changes important for LSG bodies	Assessment of the impact by LSG bodies, in %
<ul style="list-style-type: none"> The body that carries out state subsidies in seed production is the authorized state body implementing agricultural policy, authorized representatives of the Government of the Kyrgyz Republic in the regions, local state administrations and local self-government bodies (as agreed). State subsidies in seed production are funded from the republican budget. The procedure, conditions, transparency of the mechanism for providing state subsidies to seed farms of the Kyrgyz Republic are established in accordance with the regulation approved by the Government of the Kyrgyz Republic (there is a Resolution of the GKR dated August 2, 2019 No. 397 "After checking the fact of sowing seeds by the district commission, for each ayilny aimak, with the participation of representatives of ayil okmotu and ayilny kenesh, in the presence of the recipient of seeds, an act on the intended use of seeds is drawn up, in two copies, one of which remains with the recipient of seeds, the second is sent to the district commission"). 	 <p>A bar chart with two bars. The first bar, labeled 'Positive assessment', has a value of 67. The second bar, labeled 'Negative assessment', has a value of 33.</p>
Expected effect (according to the statement of substantiation)	
<ul style="list-style-type: none"> Bodies providing state subsidies in seed production have been identified. The state subsidy is determined by the amount of budget funds, as annually determined by the Government of the Kyrgyz Republic, allocated to compensate part of expenses to seed farms for certified variety seeds of priority crops released for sowing. 	

Opinions of LSG bodies

Strengths of the law	Problems identified during the implementation of the law
<ul style="list-style-type: none"> Conditions have been created for seed farms to receive quota subsidies. Seed farms have been stimulated to provide farmers with variety seeds of priority crops. 	<ul style="list-style-type: none"> Seed farms use the land of the AO land fund and receive state subsidies, while working with peasant farms at market prices. Seed farms and cooperatives work directly with the state authorities, and LSG bodies are not aware of their problems.

Impact description

The Ministry of Agriculture, Food Industry and Land Reclamation did not provide the LSG Union with data on the dynamics of the development of seed farms and their turnover, but even from the available information on the number of farms that passed the state recertification, it can be concluded that the seed industry in the Kyrgyz Republic is quite developed. In 2020, 109 seed farms of various types function in the republic. Table 16 below shows data on the number of seed farms by region.

Table 16. Number of seed farms in the republic, units

	2018
Chui region	32
Naryn region	19
Osh region	17
Issyk-Kul region	17
Jalal-Abad region	13
Batken region	6
Talas region	5
TOTAL	109

In spite of the fact that the majority of interrogated representatives of local government bodies support this law, the respondents had doubts concerning fairness of the situation. The problem is that seed farms use AO land fund, receive state subsidies, but release seeds to peasant farms at market prices. There is also a problem in the absence of contact between LSG bodies and seed farms.

OPINION

“Since seed farms and cooperatives work directly with state structures, we have no information about problems in this area”.

Head of financial and economic department of AO

Suggestions:

- Representatives of LSG bodies recommend making changes to the legislation that would help to adjust the pricing policy of seed farms.
- Improve the exchange of information and coordination of sectoral policies between government bodies and LSGs, in particular on seed production.

13. Law of the Kyrgyz Republic “On Amendments to certain legislative acts on land use issues” dated July 30, 2019 No. 107

Impact assessment

Changes important for LSG bodies	Assessment of the impact by LSG bodies, in %
<ul style="list-style-type: none"> • The right to use land plots, including pastures, for the installation of communication facilities of light construction without changing the purpose of the land plots is given. 	<p>A bar chart with two bars. The first bar, labeled 'Positive assessment', has a value of 83. The second bar, labeled 'Negative assessment', has a value of 17.</p>
Expected effect (according to the statement of substantiation)	
<ul style="list-style-type: none"> • Contributing to ensuring uninterrupted communication by eliminating legal barriers related to the inadmissibility of using land plots for inappropriate purposes, without transferring (transforming) from one category to another or from one type of land to another, using pasture land only for grazing purposes, prohibiting the transfer of pastures to lease, use of land in specially protected natural areas for any other activity, except for those determined by the legislation on specially protected natural areas. 	

Opinions of LSG bodies

Strengths of the law	Problems identified during the implementation of the law
<ul style="list-style-type: none"> • The amendment facilitates bureaucratic procedures for LSG bodies when it becomes necessary to erect light communication facilities. • The amendment helps to improve the quality of communication in remote regions, expand the infrastructure for business and tourism development. 	<ul style="list-style-type: none"> • Difficulties may arise in the provision of pastures for rent, tenants may not be satisfied with the availability of structures on the pasture. • The law can be used for the construction of other objects, which will lead to a reduction in the area that can be effectively used for pastures. • Construction of even small objects will worsen the ecological state of pasture lands.

Impact description

The law is assessed by representatives of LSGs as largely positive, facilitating the activities of AO when it becomes necessary to construct light communication facilities and as contributing to improving the quality of communications, expanding the infrastructure for business and tourism. However, pastures are the main means of production of the livestock industry, which has a very high share (close to 50%) in the agricultural production of the Kyrgyz Republic. Respondents express fears that the law can be used either as a precedent for further expanding the list of objects, the construction of which will not require transformation, or as a legal loophole for larger-scale development, which will ultimately lead to a reduction in pasture areas.

OPINION

“There must be control. Since some people construct a light structure specially for the beginning, and after a year or a year and a half they construct other structures and redo the documents”.

Executive Secretary of AO

Representatives of local government bodies are also concerned about issues related to possible harm to the ecology of pastures. Last year’s report noted that the degradation of rangelands is already demonstrating, albeit not very sharp, but measurable dynamics of annual decrease in their area.

OPINION

“I think that such a norm was introduced incorrectly, because it contributes to the development of erosion in pastures. The construction of lightweight structures is all the same construction, which means the use of building materials, the occurrence of construction waste, the costs of transporting materials through pastures. The very presence of buildings on pastures has a bad effect on pastures and leads to their clogging”.

Head of AO

Suggestions:

- Implementation of the law will require more careful control by the local government, legislators and the State Ecological and Technical Inspectorate in relation to developers.

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

14. Law of the Kyrgyz Republic “On Amendments to the Law of the Kyrgyz Republic ‘On Protection of the Population from Tuberculosis’” dated February 26, 2019 No. 31

Impact assessment

Changes important for LSG bodies	Assessment of the impact by LSG bodies, in %						
<ul style="list-style-type: none"> LSG bodies are excluded from the number of subjects of anti-tuberculosis measures, but remain so within the framework of delegated powers and within the funds allocated by the state. LSG bodies provide financial support to anti-tuberculosis organizations, as well as persons with tuberculosis at the expense of local budgets in accordance with budget legislation and legislation in the field of local self-government. 	<table border="1"> <thead> <tr> <th>Assessment</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Positive assessment</td> <td>84</td> </tr> <tr> <td>Negative assessment</td> <td>16</td> </tr> </tbody> </table>	Assessment	Percentage	Positive assessment	84	Negative assessment	16
Assessment		Percentage					
Positive assessment		84					
Negative assessment	16						
Expected effect (according to the statement of substantiation)							
<ul style="list-style-type: none"> The law was developed in order to harmonize its norms with the norms of the Law of the Kyrgyz Republic “On the Fundamentals of Administrative Activities and Administrative Procedures”, fill gaps and eliminate contradictions in connection with changes in legal relations in the healthcare sector, as well as the need to bring its norms in accordance with the legislation of the Eurasian Economic Union. In terms of funding, the law is based on budget legislation (Budget Code of the Kyrgyz Republic). 							

Opinions of LSG bodies

Strengths of the law	Problems identified during the implementation of the law
<ul style="list-style-type: none"> Additional assistance to patients continues to be provided on the spot, funds and medicines are allocated. 	<ul style="list-style-type: none"> There remains an additional burden on the local budget without financial compensation from the Ministry of Health of the Kyrgyz Republic. Most local budgets cannot afford to provide assistance in the required amount. Preventive work and control of tuberculosis incidence by local medical institutions are weak and even negligent.

Impact description

Despite the fact that the law retains an additional financial burden on the local budget, obliging LSGs to finance anti-tuberculosis activities, the majority of the surveyed LSG representatives consider it positive, since they consider such activities useful for citizens and local communities, given that assistance from LSGs to tuberculosis patients has been provided a long time.

OPINION

“We have provided and continue to provide assistance to patients with tuberculosis, they are registered with us, we help with transportation costs so that patients can go to the hospital. A land plot was given to one family”.

Deputy Head of AO

OPINION

“This is correct, we have previously provided assistance to patients with tuberculosis and now we provide financial assistance so that we can buy medicines and go for examination”.

Head of AO

Despite the active participation of LSGs in resolving this issue, their representatives note that the Ministry of Health, for its part, could pay more attention to tuberculosis patients.

According to the NSC KR, the number of tuberculosis cases in recent years has not been characterized by a significant increase. This suggests that, in general, the Ministry of Health of the Kyrgyz Republic controls the situation. Therefore, it is necessary to more carefully approach the issue of delineation of powers in the management of this issue.

Table 17. Number of cases of active tuberculosis in the Kyrgyz Republic, people

	2012	2013	2014	2015	2016	2017
Newly diagnosed patients identified	5 851	5 859	5 898	5 853	5 680	5 616

Suggestions:

- Clarify the delineation of powers and streamline financial relationships between state bodies and LSG bodies in terms of financing the execution of delegated state powers.
- Improve the exchange of information and coordination of sectoral policies between government bodies and LSGs, in particular on the fight against tuberculosis.

15. Law of the Kyrgyz Republic “On the organization of meals for students in educational organizations” dated December 04, 2019 No. 135

Impact assessment

Changes important for LSG bodies	Assessment of the impact by LSG bodies, in %						
<ul style="list-style-type: none"> • The obligation of the mayoralties of the cities of Bishkek and Osh to provide meals for schoolchildren is not excluded. • The right of LSG bodies, if financially possible, has been introduced, to allocate additional funds for meals for students of general education organizations located in the appropriate territory. • LSG bodies, if possible, carry out measures to create appropriate conditions for organizing meals for students of general education organizations, as well as expanding the diet and, if possible, allocating land allotments to general education organizations in rural areas from the Fund for the redistribution of agricultural land for the organization of school farms. 	<p>A bar chart with two bars. The first bar, labeled 'Positive assessment', has a value of 81. The second bar, labeled 'Negative assessment', has a value of 19.</p> <table border="1"> <thead> <tr> <th>Assessment</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Positive assessment</td> <td>81</td> </tr> <tr> <td>Negative assessment</td> <td>19</td> </tr> </tbody> </table>	Assessment	Percentage	Positive assessment	81	Negative assessment	19
Assessment	Percentage						
Positive assessment	81						
Negative assessment	19						
Expected effect (according to the statement of substantiation)							
<ul style="list-style-type: none"> • Optimization of school meals aimed at organizing healthy and rational nutrition for children (transfer to hot meals). 							

Opinions of LSG bodies

Strengths of the law	Problems identified during the implementation of the law
<ul style="list-style-type: none"> Support to schools from LSG has acquired legal grounds. Improved conditions for children to stay at school. 	<ul style="list-style-type: none"> The law creates an additional burden on the local budget by offering “hidden” delegated authority.

Impact description

LSG bodies are quite active in supporting this law. They have provided additional assistance to schools before, including for organizing meals, which contradicted the list of their expenditure obligations. Now this formal obstacle is gone, and LSG bodies are basically ready to continue to provide children with more comfortable conditions for staying at school.

OPINION

“I support the organization of hot meals for schoolchildren. Because the children of our village have to walk several kilometers to get to school. I think, given this, the majority of residents will support this initiative”.

Social Affairs Specialist of AO

At the same time, the law is a typical example of “hidden” delegated powers, when the issue of financing is formally voluntary for LSG bodies, in fact they still have to do it, increasing expenditures of already small local budgets, regardless of whether the local budget has enough funds for this purpose.

OPINION

“This norm is a burden for the local budget. LSG bodies are already completely renovating the school and the school canteen, buying and installing equipment for the canteen and paying for electricity. And we cannot allocate additional funds for hot meals; there is a lack of funds in the budget”.

The head of the AO

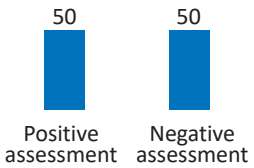
Suggestions:

- To regulate financial relations between state bodies and local governments in terms of financing the execution of delegated state powers.
- To return to a question on specification of differentiation of powers between state bodies and local government bodies at performance of the function of formation which is now the state function.

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

Impact assessment

The Law was reviewed in the Report 2019 and received a large number of negative reviews (56%). It is proposed to re-evaluate its impact in the 2020 Report in order to analyze the changes.

Changes important for LSG bodies	Assessment of the impact by LSG bodies, in %
<p>Local government bodies are included in the circle of entities that provide protection and defense from domestic violence and have the following powers:</p> <ul style="list-style-type: none"> • local keneshes approve and control the implementation of measures to protect and defense 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 family violence; • LSG executive bodies: organize the provision of relevant 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 the adopted programs; attract investments and grants for the implementation of local programs for the protection and defense of domestic violence; keep records of data on domestic violence in their territory; render assistance to interdepartmental coordination and interaction of subjects carrying out the protection and protection from domestic violence at the local level through the creation of special bodies – local committees for the protection and defense from domestic violence; inform the internal affairs bodies about the danger of committing domestic violence, etc. 	 <p>50 Positive assessment</p> <p>50 Negative assessment</p>

Opinions of LSG bodies

Strengths of the law	Problems identified during the implementation of the law
<ul style="list-style-type: none"> • The preconditions have been created for the emergence of a system for protecting citizens from domestic violence. • A statement about the facts of domestic violence can now be submitted not only by the victim, but also by witnesses, which significantly reduces the factor of non-filing of statements due to the victim's fear of the perpetrator of violence. 	<ul style="list-style-type: none"> • LSG does not have the resources and authority to develop and implement programs and create social services. • LSG bodies do not have the skills and knowledge to effectively work with victims of violence on the ground. • LSG bodies do not have powers for interdepartmental coordination.

Impact description

- This improves the statistics of the number of cases of domestic violence. According to the Ministry of Internal Affairs of the Kyrgyz Republic, in 2019, about 5 thousand cases of domestic violence were registered in Kyrgyzstan, which is significantly lower than the indicators of previous years (see table 18 with a diagram):

Table 18. Number of protection orders issued by internal authorities, pcs

	2016	2017	2018	2019
Protection orders issued	7 005	7 323	7 178	5 050

But it is important to note that LSGs are experiencing serious difficulties in doing so. The new powers were not supported by either personnel or finances.

OPINION

“In subsidized AOs this duty is very difficult to fulfill. There are no funds, no personnel, no special skills. This is another shift of state power onto the shoulders of LSG. Over the past 2-3 years, this process has been growing. Article 113 of the Constitution is being violated. If the ministries do not cope with their duties, it means that their work is organized incorrectly. We need to properly organize the work of government agencies, and not transfer everything to the level of local self-government”.

Head of AO

OPINION

“We can, of course, indirectly participate in the process of countering violence, help people understand situations, but often we lack knowledge and competence. We need to more clearly distinguish these functions between us and government agencies”.

Head of AO

The work is entrusted to specialists in social affairs, who already have many functions assigned to them. There is a lack of knowledge, competence, and authority to suppress violence that law enforcement officials have. An additional challenge for local self-government bodies is that close ties within the community often prevent them from taking sides in family conflicts. Mechanisms and approaches for fieldwork are not well developed.

OPINION

“Most of the activities carried out in rural areas do not correspond to what is prescribed in the Law, because these activities are designed for urban areas. In the villages, there is a misunderstanding in families, but when we arrive at the place, they have already figured out among themselves, we carry out explanatory work, but most of our time is spent aimlessly”.

Social Affairs Specialist of AO

During the discussion of the draft Report with the authorized state bodies, the following comments were received from the Ministry of Labor and Social Development of the KR: from domestic violence:

- authorized body for the coordination of the activities of subjects for the protection and protection from family violence;
- bodies of the prosecutor’s office;
- bodies of internal affairs;
- authorized body in the field of social development;
- authorized body in the field of health care;
- authorized body in the field of education;
- authorized body of justice;
- authorized body for the protection of children;
- local government organizations.

In addition, the Procedure for Assisting Victims of Domestic Violence was approved, which stipulates that victims of domestic violence can apply for help at their place of residence, “including the mayor’s office, ayil okmotu and aksakal courts.

“In this context, attention should be paid to the fact that not only LSG bodies perform the functions provided for by law, but other state bodies are involved in this direction within the framework of their powers. <...> In addition, together with SALSGIR, a Model Regulation on Local Committees for the Protection and Protection from Domestic Violence of March 13, 2020 No. 40 and No. 01-18 / 35 has been developed and approved”.

Analyzing the above important commentary of the MLSP, the LSG Union notes that in general it does not refute the position of LSG bodies set out above and confirms the expediency of the recommendations set

out below. The essence of the commentary boils down to the fact that a large number of state bodies and LSG bodies are involved in the system of measures against domestic violence, which requires clarification of their roles and functions. It must be admitted that the government and authorized bodies are working in this direction, but so far there is no complete clarity regarding the work of the bodies on this issue. So, in the aforementioned Procedure for rendering assistance ... in relation to local self-government bodies it is said that in case of identification or appeal of the victim, the mayor's office and ayil okmotu: "1) organize assistance to victims of domestic violence in the serviced territory, with the involvement of territorial public authorities; 2) provide assistance through local committees for the protection and protection from domestic violence; 3) inform the internal affairs bodies about the danger of committing domestic violence". However, nothing is said about what kind of assistance should be provided and how exactly.

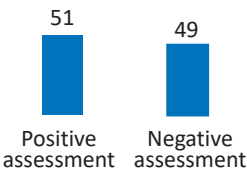
Suggestions:

- LSG bodies recommend to the JK KR to revise the terms of reference of LSG bodies in this matter, and to more clearly delineate functions. LSG bodies cannot fully replace trained specialists or law enforcement officers. Local self-government bodies believe that their contribution is expedient and effective only in relation to monitoring the situation and early detection of cases of domestic violence, but the state should take over the organization of practical work with specific families.
- Improve the exchange of information and coordination of sectoral policies between state bodies and LSGs, in particular on issues of domestic violence.

17. The Law of KR "On Protection and Defense from Domestic Violence" of April 27, 2017 No. 64

Impact assessment

The Law was reviewed in the Report 2019 and received a large number of negative reviews (67%). It is proposed to re-evaluate its impact in the 2020 Report in order to analyze the changes.

Changes important for LSG bodies	Assessment of the impact by LSG bodies, in %
<ul style="list-style-type: none"> • The list of issues of local importance has been expanded, which includes the 25th issue: implementation of a set of measures to protect and protect against domestic violence in the manner prescribed by the legislation of the Kyrgyz Republic. 	 <p>51 Positive assessment</p> <p>49 Negative assessment</p>

Opinions of LSG bodies

Strengths of the law	Problems identified during the implementation of the law
<ul style="list-style-type: none"> • There are no strong sides, according to LSG bodies. 	<ul style="list-style-type: none"> • There are no resources to design and implement programs and create social services. • Lack of skills and knowledge for effective work with victims of violence.

Impact description

The financial, organizational and political difficulties associated with the implementation of this law are described in more detail in the impact assessment of the Law of the Kyrgyz Republic "On protection and defense from domestic violence" dated April 27, 2017 No. 63 (see above). In assessing this legislative act, the main point is noted – once again there was an expansion of the list of issues of local importance without appropriate financial and material support. Making the LSG bodies responsible does not mean achieving

a solution to the problem. The state bodies that have shifted responsibility to the LSG bodies believe that the issue has been resolved, but in fact, the proper performance of the function is not taking place. As a result, state guarantees for the provision of services are not fulfilled, state bodies do not achieve their results, citizens do not improve access to services.

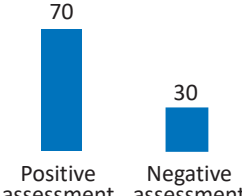
Suggestions

- LSG bodies recommend the JK KR to exclude the issue of protection from domestic violence from the list of issues of local importance and to organize the provision of services through the delegation of appropriate powers to LSG bodies with the provision of financial and methodological support, as prescribed by law.

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

Impact assessment

The law was reviewed in the 2019 Report and received a large number of negative reviews (58%). It is proposed to re-evaluate its impact in the 2020 Report in order to analyze changes.

Changes important for LSG bodies	Assessment of the impact by LSG bodies, in %						
<ul style="list-style-type: none"> • Secures the rights of certain categories of citizens to receive social benefits, determines the types, amounts and procedure for assigning state benefits. • Excludes local self-government bodies from the process of identifying needy families with children under 16 years of age “uy-buloogo komok” by eliminating commissions on social issues. 	 <p>A bar chart with two bars. The first bar, labeled 'Positive assessment', has a value of 70. The second bar, labeled 'Negative assessment', has a value of 30.</p> <table border="1"> <thead> <tr> <th>Assessment</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Positive assessment</td> <td>70</td> </tr> <tr> <td>Negative assessment</td> <td>30</td> </tr> </tbody> </table>	Assessment	Percentage	Positive assessment	70	Negative assessment	30
Assessment	Percentage						
Positive assessment	70						
Negative assessment	30						

Opinions of LSG bodies

Strengths of the law	Problems identified during the implementation of the law
<ul style="list-style-type: none"> • Social benefits are now assigned at the place of treatment. • Social benefits should be dealt with by authorized state bodies, and not by LSG bodies, which are not ultimately responsible for assigning benefits. • The abolition of the local social commission on the assignment of benefits ended the disputes over benefits between LSG employees and the population. 	<ul style="list-style-type: none"> • Citizens continue to apply for benefits to local self-government bodies, the bodies have to carry out a large amount of work, providing advice, drawing up primary lists of those in need. • At the level closest to citizens – the LSG level, there are no mechanisms of targeted financial social support in emergency cases. • The current system of benefits is outdated for 20 years. With high shadow employment and corruption, it is difficult to determine the need for benefits. You must pay benefits based on socio-demographic characteristics. • The size of the “ui-buloogo komok” allowance for needy families with children under 16 is low – only 810 soms per child, which is 48% of the extreme poverty line or 20% of the subsistence minimum for children. • There are many difficulties in collecting documents. • The imperfection of the databases of state bodies remains. • Opportunities for abuse remained. On the ground, there are facts of unfair distribution of benefits to families with high incomes. • There is a negative attitude towards LSG bodies on the part of citizens who do not want to figure out where the responsibility of LSG bodies ends and the responsibility of the state begins.

Impact description

In 2017, a bold attempt was made by a number of MPs and national experts in the field of social protection to change the system, actively supported by international organizations, which absolutizes the targeted provision of benefits. On the basis of studies statistically proving that the growth of poverty is highly correlated with the number of children in the family, a new Law “On State Benefits” dated July 28, 2017 No. 163 was initiated and adopted, which makes it possible to move to a completely new target-demographic basis for providing benefits, bypassing the stage of calculating family income. This Law completely excluded the participation of local governments in determining the need (low income) of families in benefits.

The law was supposed to enter into force on January 1, 2018. However, under the influence of international financial organizations, the Law “On Amendments to Certain Legislative Acts on State Benefits” dated December 28, 2017 No. 222 was adopted, according to which the entry into force of a new The Law “On State Benefits” was postponed until April 1, 2018, with the exception of the rules governing the provision of payment “balaga suyunchu”. On March 30, 2018, the Law No. 33 “On Amendments to Certain Legislative Acts in the Field of Social Protection” was adopted, which entered into force on April 1, 2018 and was aimed at improving targeting. However, instead of improving the targeting of benefits for children under 16, the name was only changed – instead of the monthly benefit to low-income families with children (MBLF), the name “Uy-Bulogo Komok” (UBK) appeared, while retaining all the negative characteristics of MBLF. Why did it happen? What measures didn’t work? The immediate measures to improve targeting and reduce errors of inclusion and exclusion in the latest edition of the Law were:

- exclusion of all types of pensions when calculating the total average per capita family income;
- registration of benefits at the place of actual residence;
- keeping records of livestock in conventional units of small-scale assets for more accurate accounting of the family’s well-being;
- submission of an application to the social development bodies and the obligatory visit by specialists of the social development body of the family that applied for the appointment of the UBK. The above measures did not achieve their goals for the following reasons. The exclusion of pensions did not radically affect the number of recipients, since young families either live separately from their retired parents, or together with them, but have long been divided by household books with their parents.

The abolition of the registration requirement had a positive effect only on single mothers with children from 0 to three years old. In all other cases, able-bodied family members who have a temporary registration at the place of residence must be registered with the employment service at the place of registration when they appear in person. According to the law, if a registered unemployed person does not appear at the employment service within two months, then he is removed from the register and, accordingly, deprived of benefits. Thus, this provision proved to be poorly developed and made more difficult than easier access to benefits, especially for internal migrants. In the certificate on the results of monitoring the implementation of the Law of the Kyrgyz Republic “On State Benefits in the Kyrgyz Republic” and health care of October 29, 2018, it was noted that LSG bodies remained part of the process of confirming the right of citizens to receive benefits. An application for the grant of benefits is submitted by citizens to the authorized body at the place of actual residence. The fact of residence at a specific address is confirmed by an appropriate certificate of the LSG body on the composition of the family and place of residence. Residence certificates are issued to owners or tenants of residential premises (tenants), registered in the prescribed manner, on the basis of a lease agreement. In practice, lease agreements are not concluded; in some cases, homeowners are not interested in registering an agreement with a joint-stock company, due to changes in the payment for utilities. The other side of the problem is the requirements for issuing a certificate. In most LSG bodies, certificates are issued upon presentation of a house book, presentation of a receipt for payment for water and other payments that an internal migrant does not have.

There is also the problem of illegal settlements, whose residents are unable to confirm their actual place of residence.

The new registration of livestock also added little to targeting, since the reliability of certificates on the availability of livestock issued by the AO is checked by the specialists of the social development body using the economic book.

Since 2019, the Ministry of Labor and Social Development has signed an Agreement on the receipt of automated information from the State Inspection for Veterinary and Phytosanitary Safety under the Government of the Kyrgyz Republic.

Specialists from social development bodies do not always notify about the visit and do not even always make mandatory visits. In addition, they, as a rule, do not know the population of the AO, and therefore, during a short visit, they cannot determine the real need, although they try to find hidden sources of income. This part of the innovations has not been fully worked out, the functional employment of employees of social development bodies has not been calculated, and the ability of the available personnel and finances to provide a declaration of 100% attendance of applicants. This norm works more like corruption.

In order to improve coverage of benefits for low-income families living in remote villages, in accordance with the order of the Ministry of Labor and Social Development of the Kyrgyz Republic “On improving coverage of low-income families with monthly benefits to needy citizens (families) with children under 16 years of age (‘uy-bulogo komok’)” dated October 24.

2018 No. 63, employees of territorial departments of labor and social development (DLSD) travel to settlements to accept applications from citizens for the appointment of a monthly allowance to needy citizens (families) with children under 16 years of age (“uy-bulogo komok”).

Even if LSG bodies do not determine the need for benefits, the local population still applies to the aйл okmotu. The application for benefits in DLSD prescribed by the Law, bypassing the AO, led to an increase in the volume of routine work for DLSD specialists and a multiplied increase in the waiting time in queues for people solving issues of any level of complexity regarding the appointment of benefits.

The problem of imperfection of the databases of state bodies for obtaining information remains. In some government agencies and LSG bodies, data on the availability of movable property, assets for land plots, for MRS and KRS have not been updated. The population has to apply to one or another authority several times in order to enter or withdraw data from the database of state bodies. In order to ensure the availability of state benefits, within the framework of agreements concluded with state bodies, certificates from which are required for the assignment of benefits, information about applicants is requested through the Tunduk interdepartmental electronic interaction system.

To date, agreements on interagency electronic interaction have been signed between the Ministry of Labor and Social Development and the State Registration Service under the Government of the Kyrgyz Republic, the Mandatory Health Insurance Fund of the Kyrgyz Republic, the Social Fund of the Kyrgyz Republic, the State Inspection for Veterinary and Phytosanitary Safety under the Government of the Kyrgyz Republic, the State Tax Service under the Government of the Kyrgyz Republic. and State Enterprise “Kyrgyzpochtasy”.

Based on the foregoing, it should be noted that the change in the design of the benefit and the rules of administration, in the context of the persisting systemic problems in the country, did not have a noticeable effect on expanding access to benefits for the most vulnerable families with children, and attempts to improve targeting in terms of limiting access to benefits for unauthorized – created new barriers to access.

In order to improve the access of citizens to state benefits, regardless of their place of residence or stay, the Law of the Kyrgyz Republic dated July 10, 2020 No. 75 “On Amendments to the Law of the Kyrgyz Republic ‘On State Benefits in the Kyrgyz Republic’” introduced changes to provide for the appointment of benefits at the place of citizens’ appeal, with the exception of cases when persons residing in settlements in which the coefficients of additional payments to wages and other social payments are applied for state benefits. In settlements in which the coefficients of supplements to wages and other social benefits are established, they apply for benefits at the place of residence / registration. This Law will not require applicants to provide a certificate of their actual place of residence. Applicants’ data will be requested using the digitalization capabilities of public services by their personal identification numbers, within the framework of interdepartmental electronic interaction. The above norm, first of all, provides coverage of internal migrants with state benefits.

Under the influence of this law, the attitude towards LSG bodies on the part of citizens who express dissatisfaction, first of all, towards LSGs, without understanding 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. The reluctance of local self-government bodies to disseminate this information is also explained by the fact that citizens then address complaints regarding the problems arising during the issuance of benefits to the source of information – local self-government bodies.

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


Suggestions:

- LSG bodies propose to return to the previously established procedure for examining families by commissions on social issues, which until April 2018 carried out a family survey and determined its total income.
- The LSG bodies recommend to the Government of the Kyrgyz Republic to revise the procedure for the formation of the staffing table, allowing LSG bodies to hire qualified social workers if there is appropriate financial support from the republican budget.
- In general, on the issue of granting benefits, LSG bodies recommend improving the access of children from low-income families to benefits by determining the needs of children through LSG bodies; the procedures for assigning benefits should also be simplified, while eliminating corruption risks.

2.1.5. Impact of laws introduced by the Committee on Law Enforcement, Crime Control and Anti-Corruption

19. Law of the Kyrgyz Republic “On amendments to certain legislative acts on the implementation of the probation institute” dated April 24, 2019 No. 56

Impact assessment

Changes important for LSG bodies	Assessment of the impact by LSG bodies, in %
<ul style="list-style-type: none"> • The list of the main delegated state powers has been supplemented with clause 17-2 “Assistance to probation authorities in solving current problems and carrying out specific probation measures”. <p><i>Note: the initial draft law assumed the inclusion of this function in the list of issues of local importance, but then, during the discussion in the JK KR, it was transferred to the list of delegated powers.</i></p>	<div style="text-align: center;"> <p>59</p>  <p>41</p> <p>Positive assessment Negative assessment</p> </div>
<p style="text-align: center;">Expected effect (according to the statement of substantiation)</p>	
<ul style="list-style-type: none"> • The Law was prepared in pursuance of the Law of the Kyrgyz Republic “On the enactment of the Criminal Code of the Kyrgyz Republic, the Code of the Kyrgyz Republic on Misconduct, the Criminal procedure Code of the Kyrgyz Republic, the Criminal executive Code of the Kyrgyz Republic, the Law of the Kyrgyz Republic ‘On the Basics of amnesty and the procedure for its application’ and the Law of the Kyrgyz Republic ‘On probation’”, as well as in order to implement the Action Plan approved by the order of the Government of the Kyrgyz Republic No. 120-r dated April 14, 2017. • The Law of the Kyrgyz Republic “On Local Self-Government” has been amended to enhance the role of local state administrations and LSG bodies in providing social and legal assistance to probation clients, assisting probation authorities in the implementation of criminal law measures. 	

Opinions of LSG bodies

Strengths of the law	Problems identified during the implementation of the law
<ul style="list-style-type: none"> • Involvement of convicts in public works helps to reduce some of the costs of the local budget, for example, for cleaning garbage in public places. 	<ul style="list-style-type: none"> • At the time of the law and after it, the probation system was not ready. • LSG bodies do not have sufficient organizational and human resources to fully exercise this authority. • The judicial authorities do not coordinate with the LSG bodies on their possibilities to accept people for correctional labor.

Impact description

The percentage of negative reviews about this law is quite high. This is explained by the fact that this new function, like some others mentioned in this report, is delegated to LSG without financial and personnel support. Moreover, initially in the draft law under discussion, assistance to probation authorities was supposed to be included in the list of issues of local importance.

OPINION

"I am glad at least that this responsibility remained in the delegated powers. But they wanted to transfer it to the local level. So it turns out that our rights and resources are not expanding, and our responsibilities are growing every year. It would be nice if the responsibilities of the state and local government were clearly delineated".

Head of AO

At the time of the adoption of the law and after it, the probation system was not yet properly organized and regulated, which created difficulties in the work of LSG bodies. As in the case with other unfunded powers, municipalities have no choice but to "get used" to the new functions. At the time of writing the report, some LSG bodies have already appointed curators who provide assistance to probation authorities, lists of public works are being created, but in general, LSG bodies are still not ready to fully implement this function.

OPINION

"There is no clarity in determining the participation of LSG bodies in the implementation of the requirements of the law. Not many AO can provide, for example, premises. The state also does not allow active cooperation with the SSEP. It is unlikely that we will be able to effectively implement this law. And we are also the last (only after the trial) to learn that people are being sent to us for correctional labor. Nobody agrees with us whether it corresponds to our capabilities or not".

Head of AO

OPINION

"This is wrong, it is very difficult for LSG bodies to work with such a contingent of citizens".

Deputy Head of AO

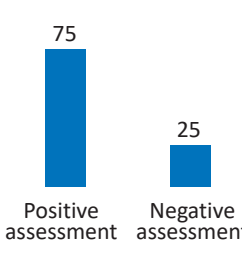
In the public domain (including on the websites of the Probation Department under the Ministry of Justice of the Kyrgyz Republic and the State service on execution of punishment) there is no statistical data on the use of the probation institution in the republic, in order to assess the scale of participation of LSGs in the implementation of this function.

Suggestions:

- To streamline financial relationships between state bodies and LSGs in terms of financing the execution of delegated state powers.
- Improve information exchange and coordination between state authorities (SSEP), judicial authorities and LSG on probation issues.

20. Law of the Kyrgyz Republic “On amendments to the Code of the Kyrgyz Republic on violations” dated February 15, 2019. No. 25

Impact assessment

Changes important for LSG bodies	Assessment of the impact by LSG bodies, in %
<p>The review of the following administrative cases is a joint (parallel) responsibility of the local government authorities and the environmental and technical safety control and supervision body (previously, they were solely under the jurisdiction of the LSG bodies):</p> <ul style="list-style-type: none"> violation of the integrity of engineering networks and structures of water supply, sewerage and central heating systems (art. 72); opening hatches, wells, regulating valves, breaking seals (art. 73); watering green spaces with drinking water (art. 74); unauthorized connection to a water supply or other network (art. 75); unauthorized withdrawal of hot water (heat carrier) from the heating system (art. 76). <p>The jurisdictional competence has been slightly expanded:</p> <ul style="list-style-type: none"> violation of the rules of land management (Article 173); violation of the rules for the protection of water resources (article 177); violation of the rules for the use of lands of the water fund (art. 178); violation of the rules for special water use (Article 179); violation of operation and maintenance of the irrigation system to provide irrigation water (Art. 180); violation of the rules for water distribution and water use rules (Article 181); damage to natural and cultural pasture lands on land regardless of the form of ownership (Art. 182); violation of the established regime for the use of pastures and hayfields (Art. 183). 	 <p>A bar chart with two bars. The first bar, labeled 'Positive assessment', has a value of 75. The second bar, labeled 'Negative assessment', has a value of 25.</p>
Expected effect (according to the statement of substantiation)	
<ul style="list-style-type: none"> Eliminating gaps in the Code of Violations of the Kyrgyz Republic in terms of empowering state bodies to consider cases of violations. Delineation of functions and powers between government bodies, as well as government bodies and LSG bodies when considering cases of violations. 	

Opinions of LSG bodies

Strengths of the law	Problems identified during the implementation of the law
<ul style="list-style-type: none"> LSG bodies exercise their rights to protect the environment and maintain order with the help of a state body. LSG bodies do not have the same powers as law enforcement or supervisory bodies. As a result, their demands were often ignored by citizens. The involvement of a government agency will help solve this problem. Additional sources of funds for the local budget have appeared. 	<ul style="list-style-type: none"> There were organizational difficulties in the parallel management of cases. Locally, the work of the commissions is complicated by the influence of family and neighborhood relations. Local keneshes often take the side of the violator and conflict with the commission. Municipal officials lack the legal qualifications to handle misdemeanor cases.

Impact description

These changes are also assessed positively by representatives of LSG bodies, despite the organizational problems they note.

OPINION

“There are many shortcomings in the code. For example, LSG bodies are obliged to establish the personal data of violators, and people simply refuse to provide documents, and the commission cannot do anything. The employees of the Ministry of Internal Affairs do not help in such cases, because public order is not disturbed. At the same time, the members of the commission must work on a voluntary basis and people do not want to participate in the work of the commission, in particular, because they do not want to enter into conflict with violating relatives. Nobody wants to swear in the bazaars. And the deputies of the local kenesh, showing concern for the voters, often take the side of the violator and conflict with the commission”.

Head of AO

OPINION

“Sometimes it is difficult to figure out which agency is the “authorized body” specified in the law. For example, if the quarantine requirements were violated, it was not clear which body would impose a fine for this”.

Head of AO

Representatives of LSG bodies complain about the lack of qualifications, which are necessary for the effective work of the commissions. To consider cases of delinquency, municipal employees must have the appropriate skills and qualifications, but the question arises – are they required to have them? Employees of LSG bodies simply cannot be experts in such a wide range of issues that are addressed to them by current legislation.

OPINION

“It is very difficult for the LSG body to execute the law. Everyone needs to have a legal education, but we do not have such. State bodies should deal with cases of violations”.

Head of AO

OPINION

“It is very difficult to work according to the Code of Violations; it would be better if the relevant state bodies were engaged in this. Local self-government bodies cannot know everything. And it would be better to delimit the consideration of administrative cases with the bodies for control and supervision of environmental and technical safety”.

Head of AO

Parallel administration of administrative affairs also creates difficulties. It became unclear who should impose a fine in this or that case. Representatives of LSG bodies note that the legislation does not offer a clear delineation of rights in this matter.

Regarding the replenishment of the revenue side of the budget in 2020, there is insufficient data to describe the revenue side of local budgets, formed by fines or trends of growth or decrease in the number of administrative cases under consideration.

Suggestions:

- In parallel handling of violations, a clearer delineation of the rights to impose penalties is necessary.

2.1.6. Impact of laws introduced by the Committee on Economic and Fiscal Policy

21. Law of the Kyrgyz Republic “On guarantee funds in the Kyrgyz Republic” dated April 12, 2019, No. 45

Impact assessment

Changes important for LSG bodies	Assessment of the impact by LSG bodies, in %
<ul style="list-style-type: none"> The authorized capital of the guarantee fund can be formed from the local budget, voluntary contributions and other sources in accordance with the legislation of the Kyrgyz Republic. Previously, guarantee funds could be created in the form of joint stock companies, LLCs, cooperatives, institutions and foundations. Now only in the form of joint stock companies. This obliges the regional (municipal) guarantee funds in Kara-Balta, Karakol, Osh, Jalal-Abad, Kant and Saray ayil okmotu of Osh oblast to transform their organizational and legal form. Supervision is given to the NBKR. 	<p>85 Positive assessment</p> <p>15 Negative assessment</p>
Expected effect (according to the statement of substantiation)	
<ul style="list-style-type: none"> Increasing the availability of financing for small and medium businesses and determining the authorized body for regulating the activities of guarantee funds. Ensuring the openness of the activities of guarantee funds and organizations as the organizational and legal form of joint-stock companies, with the application of the requirement for a mandatory external audit. 	

Opinions of LSG bodies

Strengths of the law	Problems identified during the implementation of the law
<ul style="list-style-type: none"> Increasing the availability of financing for small and medium businesses. 	<ul style="list-style-type: none"> There may be an additional burden on the budget, which is undesirable for subsidized AOs. There are too few guarantee funds in the Kyrgyz Republic to assess their large-scale impact on LSG bodies.

Impact description

LSG bodies, in particular, subsidized ones, have so far been wary of the law, although the overall assessment is positive. Some representatives of LSG bodies are not yet clear on its practical benefits, some perceive it as an additional workload. But the general summary is that not enough time has passed since the adoption of the law to talk about the associated benefits or disadvantages.

OPINION

“The creation of guarantee funds is ‘voluntary and compulsory’. We do not yet understand their usefulness and do not really want to create them, especially since we have to persuade potential participants. So far, this is just an additional workload for us”.

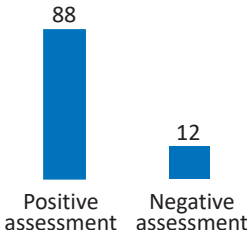
Head of the Financial and Economic Department of the AO

Suggestions:

- Consider the impact of this law in more detail when drafting next year’s Report.

22. Law of the Kyrgyz Republic “On amendments to the Law of the Kyrgyz Republic ‘On advertising’” dated January 25, 2020, No. 15

Impact assessment

Changes important for LSG bodies	Assessment of the impact by LSG bodies, in %
<ul style="list-style-type: none"> Introduces the obligation of LSG bodies in agreement with the authorized body in the field of transport, as well as with the territorial subdivision, to participate in ensuring road safety in the highway right-of-way. Placement of advertisements at public transport stops is allowed on the basis of an agreement with LSG bodies, on the territory of which there are public transport stops. 	 <p>88 Positive assessment</p> <p>12 Negative assessment</p>
<p>Expected effect (according to the statement of substantiation)</p>	
<ul style="list-style-type: none"> Elimination of contradictions in the Law of the Kyrgyz Republic “On Advertising”, by introducing editorial amendments and in order to bring it into line with the Law “On the licensing system in the Kyrgyz Republic”. 	

Opinions of LSG bodies

Strengths of the law	Problems identified during the implementation of the law
<ul style="list-style-type: none"> LSG bodies now have a tool to monitor the order in the placement of advertisements on their territory. 	<ul style="list-style-type: none"> Introduction of additional bureaucratic procedures complicates the work of LSG bodies.

Impact description

The law was generally positively assessed by LSG bodies, but some LSG bodies are ambiguous about the impact of various norms of the law. Some LSG bodies consider it correct that advertising at bus stops should be carried out on the basis of an agreement with them.

OPINION

“A very useful change. It is now easier to regulate it. Previously, it was difficult – the traffic police demanded that we remove the billboards of shops from the highway, and the owners of shops and cafes refused to listen to us”.

Head of AO

OPINION

“I think this is correct. LSG bodies must control and be responsible for their territory, including billboards, etc.”

Executive Secretary of AO

Regarding the norm on the need for coordination with various bodies, LSG bodies consider it inconvenient from the point of view of adding bureaucratic procedures that take the time necessary to resolve issues of local importance.

OPINION

“LSG bodies need to fulfill 25 issues of local importance, and we only have to agree on everything. It takes a lot of time, so I think it’s wrong”.

Head of AO

OPINION

“Before that, we worked in coordination with the traffic police. We think this is enough. Why add another government agency?”

Executive Secretary of AO

Suggestions:

- Analyze the need to introduce additional bureaucratic procedures.

2.2. EXPANDING THE LIST OF ISSUES OF LOCAL IMPORTANCE WITHOUT RESOURCES

Despite the general positive assessment of the legislative activity of the JK KR, 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 management system. We are talking about the uncontrolled expansion of the list of issues of local importance without supporting these functions with the necessary resources.

In the Kyrgyz Republic, in recent years, a vicious practice has developed in the public administration system, the essence of which is to shift responsibility from state bodies to LSG bodies. Regularly and persistently, many state bodies, politicians and even representatives of civil society raise the question that the solution of this or that task should be entrusted to the LSG bodies. As a rule, we are talking about complex problems that have not found a satisfactory solution on the part of government bodies for a long period of time, or about new tasks, about the ways of solving which government bodies still know little. A striking example of this is the fight against domestic violence and the provision of legal advice. Not knowing how to cope with the organization of these services, the state bodies simply shifted responsibility for the result to the LSG bodies.

Only during 2018-2019 10 such implemented and unrealized initiatives were noted with the aim of expanding the list of local issues with the following questions (a detailed description of such initiatives, indicating their initiators, is given in Annex 2). These initiatives included issues such as:

- assistance in the implementation of state policy in the field of tourism;
- assistance to probation authorities in solving current problems and carrying out specific probation activities;
- providing conditions for the implementation of health programs;
- creating conditions for expanding the coverage of children with preschool education;
- financing from the LB of the salaries of the personnel of preschool educational organizations, opened at the initiative of LSG bodies;
- organization of services for foster or adopted families;
- control and regulation of the process of organizing meals for students in grades 1-4, including the purchase of food on a tender basis; assisting in the implementation of the necessary measures to create appropriate conditions for organizing meals for students, providing the necessary inventory and equipment; implementation, together with the bodies of the State Sanitary and Epidemiological Surveillance, of control over the observance of the relevant sanitary and hygienic requirements when organizing meals;
- identification and registration of young people who are in DLS, taking measures to support them in accordance with the legislation in the field of social services for the population;

- primary determination of the degree of need for state social support for families and children in DLS; creation of social services for the protection of children within the approved budget; material and technical support of the social service for the protection of children.

In this situation, the most worrisome and oppressive of the LSG bodies is that only in the case of 2 out of 10 proposed initiatives, the issue of financing the execution of functions proposed to LSG bodies from the republican budget was considered (this is a draft law on organizing meals for students in grades 1-4 and a draft law on supplementing a list of issues of local importance on the creation of social services for the protection of children; however, even in this case, it is not clear how and whether inter-budgetary relations will be revised). References-justifications for the remaining 80% of the initiatives contained the standard wording that the draft NLA does not require additional funding from the state budget.

It turns out that it is possible to endlessly shift the responsibility of state bodies to the LSG bodies without spending the state budget funds. The question arises – with what funds should the LSG bodies finance the implementation of this entire list of added functions? If LSG bodies begin to finance dozens of new issues of local importance from local budgets, there will not be enough money to finance existing ones – local roads, water supply, sewerage, solid waste management, maintenance of schools and kindergartens, development of local culture and sports, and so on. This tendency testifies, among other things, to the lack of understanding among the initiators of the mechanisms for financing state functions, because the performance of any managerial function requires financial and personnel support. Accordingly, when shifting responsibility for the performance of any function to another governing body without providing it with resources, the initiator must understand that this function will simply not be performed or will be assigned to the performer only formally. As a result, everyone will lose: initiators, since they will not achieve the desired result; LSG bodies, as they will receive unnecessary bureaucratic obligations and an unbearable financial burden; citizens whose problem will not be solved.

LSG bodies conclude that the initiators of the expansion of the list of issues of local importance 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 consolidated budget of the republic, therefore, in accordance with the principle that money follows functions, following a change in the distribution of functions between state bodies and LSG bodies, inter-budgetary relations should also change, redistributing revenues between budgets. Therefore, common sense and the Constitution of the Kyrgyz Republic dictate that the rationale for such initiatives should indicate the cost of performing the function and the sources of its funding, excluding local budgets, which are designed for minimal funding of existing issues of local importance, but not new, additional.

LSG bodies express an extreme degree of concern about the established tradition and practice of expanding the list of issues of local importance without supporting new functions with appropriate resources and ask the JK KR and the Government of the Kyrgyz Republic to strictly comply with the requirements of Article 49 of the Budget Code of the Kyrgyz Republic when developing and considering draft laws and other legal acts. According to this norm, the structure of the distribution of expenditure obligations is established in the Kyrgyz Republic, which are divided into expenditure obligations of the Government and expenditure obligations of LSG bodies. At the same time, the Budget Code of the Kyrgyz Republic prohibits the adoption by state bodies of decisions on the implementation of measures that will deliberately entail an increase in the costs of local budgets, without providing appropriate compensation.

ANNEXES

ANNEX 1.

List of laws adopted during the period of 2016-2019, which had significant impact on the state and development of LSG bodies and local communities

No	Name of the law	Total opinions	Positive impact	Negative impact	Positive impact, in % of the total number of respondents	Negative impact in % of the total number of respondents
1	Law of the Kyrgyz Republic "On amendments to certain legislative acts on the activities of Local Self-Government Bodies" (LKR "On LSG", "On NLA", "On the regulations of the JK KR", "On the status of the capital", "On the status of Osh city", "On the status of deputies of local keneshes") No. 115 dated August 8, 2019	51	48	3	94%	6%
2	Law of the Kyrgyz Republic "On amendments to certain legislative acts of the Kyrgyz Republic" (to the Laws of the Kyrgyz Republic "On Local Self-Government", "On the status of deputies of local keneshes", "On the status of the capital", "On the Status of Osh city") No. 118 dated August 8, 2019	50	44	6	88%	12%
3	Law of the Kyrgyz Republic "On amendments to the Law of the Kyrgyz Republic 'On elections of deputies of local keneshes'" No. 117 dated August 8, 2019	50	40	10	80%	20%
4	Law of the Kyrgyz Republic "On amendments to the Law of the Kyrgyz Republic 'On freedom of religion and religious organizations in the Kyrgyz Republic'" No. 140 dated December 21, 2019	58	44	14	79%	21%
5	Law of the Kyrgyz Republic "On amendments to the Law of the Kyrgyz Republic 'On state civil service and municipal service'" No. 48 dated April 12, 2019	60	53	7	88%	12%
6	Law of the Kyrgyz Republic "On the procedure for conducting inspections of the activities of local self-government bodies" No. 32 dated March 31, 2016	60	53	7	88%	12%
7	Law of the Kyrgyz Republic "On Amendments to Certain Legislative Acts of the Kyrgyz Republic (to the Laws of the Kyrgyz Republic 'On the Advocacy of the Kyrgyz Republic and Advocate Activity', 'On Local Self-Government')" No. 196 dated December 12, 2016	60	32	28	53%	47%
8	Law of the Kyrgyz Republic "On Amendments to the Law of the Kyrgyz Republic 'On local self-government'" No. 16 dated January 27, 2018	57	49	8	86%	14%

No	Name of the law	Total opinions	Positive impact	Negative impact	Positive impact, in % of the total number of respondents	Negative impact in % of the total number of respondents
9	Law of the Kyrgyz Republic "On amendments to the Law of the Kyrgyz Republic 'On public procurements'" No. 76 dated June 25, 2019	58	47	11	81%	19%
10	Code of the Kyrgyz Republic on Non-Tax Income No. 90 dated August 10, 2018	58	54	4	93%	7%
11	Law of the Kyrgyz Republic "On amendments to the Tax Code of the Kyrgyz Republic" No. 9 dated January 23, 2019	57	52	5	91%	9%
12	Law of the Kyrgyz Republic "On state subsidies in seed production" No. 22 dated February 2, 2019	57	38	19	67%	33%
13	Law of the Kyrgyz Republic "On amendments to certain legislative acts on land use Issues" No. 107 dated July 30, 2019	60	50	10	83%	17%
14	Law of the Kyrgyz Republic "On amendments to the Law of the Kyrgyz Republic 'On protection of the population from tuberculosis'" No. 31 dated February 26, 2019	56	47	9	84%	16%
15	Law of the Kyrgyz Republic "On the organization of meals for students in educational institutions" No. 135 of December 4, 2019	58	47	11	81%	19%
16	Law of the Kyrgyz Republic "On protection and defense from domestic violence" No. 63 dated April 27, 2017	58	29	29	50%	50%
17	Law of the Kyrgyz Republic "On amendments to certain legislative acts on the protection and defense from domestic violence" No. 64 dated April 27, 2019	58	30	28	51%	49%
18	Law of the Kyrgyz Republic "On state benefits in the Kyrgyz Republic" No. 163 of July 28, 2017 (as amended by the Laws of the Kyrgyz Republic of December 28, 2017 No. 222 (27), March 30, 2018 No. 33, January 24, 2019 No. 18)	57	40	17	70%	30%
19	Law of the Kyrgyz Republic "On amendments to certain legislative acts on the implementation of the institute of probation" No. 56 dated April 24, 2019	59	35	24	59%	41%
20	Law of the Kyrgyz Republic "On amendments to the Code of the Kyrgyz Republic on violations" No. 25 dated February 15, 2019	59	44	15	75%	25%
21	Law of the Kyrgyz Republic "On guarantee funds in the Kyrgyz Republic" No. 45 of April 12, 2019	59	50	9	85%	15%
22	Law of the Kyrgyz Republic "On amendments to the Law of the Kyrgyz Republic 'On advertising'" No. 15 dated January 25, 2020	57	50	7	88%	12%

ANNEX2.

List of initiatives for expanding the list of issues of local importance without resource reinforcement, 2018-2019

№	Name of the NLA project	Proposed additions to the list of local issues	Information on financing from the statement of substantiation to the draft law	Author, initiator
1	Draft Law of the Kyrgyz Republic "On amendments and additions to certain legislative acts of the Kyrgyz Republic (to the Law of the Kyrgyz Republic "On local self-government", to the Code of the Kyrgyz Republic on administrative responsibility, to the Tax Code of the Kyrgyz Republic)"	Article 18 of the Law of the Kyrgyz Republic "On Local Self-Government" is supplemented with a new issue of local importance: "assistance in the implementation of state policy in the field of tourism"	The proposed draft NLA currently does not require additional funding from state budget funds	Government of the Kyrgyz Republic (Ministry of Culture, Information and Tourism of the Kyrgyz Republic)
2	Draft Law of the Kyrgyz Republic "On amendments to certain legislative acts of the Kyrgyz Republic on the implementation of the institute of probation"	Article 18 of the Law of the Kyrgyz Republic "On Local Self-Government" is supplemented with a new issue of local importance: "assistance to probation authorities in solving current problems and performing specific probation measures"	The implementation of this project will not entail additional financial costs from the republican budget.	Government of the Kyrgyz Republic (Resolution of the Government of the Kyrgyz Republic No. 525 dated November 6, 2018) In the process of consideration at a meeting of the Jogorku Kenesh of the Kyrgyz Republic, this issue was moved to Article 20 of the Law on LSG and included in the list of delegated state powers.
3	Draft Law of the Kyrgyz Republic "On amendments and additions to the law of the Kyrgyz Republic "On local self-government"	Article 18 of the Law of the Kyrgyz Republic "On Local Self-Government" is supplemented with a new issue of local importance: "providing conditions for the implementation of health programs"	The draft law does not require additional funding	Deputy of the JK KR B. Turusbekov

№	Name of the NLA project	Proposed additions to the list of local issues	Information on financing from the statement of substantiation to the draft law	Author, initiator
4	Draft Law of the Kyrgyz Republic "On amendments to certain legislative acts of the Kyrgyz Republic in the Field of education" (to the Budget Code of the Kyrgyz Republic, the Law of the Kyrgyz Republic "On Education", the Law of the Kyrgyz Republic "On Public Procurements")	Article 18 of the Law of the Kyrgyz Republic "On Local Self-Government" is supplemented with a new issue of local importance: "26) create conditions for expanding the coverage of children with preschool education; 27) in preschool educational organizations, opened on the initiative of local governments, wages can be financed from the local budget".	Implementation of the draft law does not entail additional financial costs from the republican budget	Deputy of the JK KR E. Zh. Baybakpaev
5	Draft Law of the Kyrgyz Republic "On amendments to the Code of the Kyrgyz Republic on Children"	It is proposed to assign the following tasks to the LSG bodies: selection of guardians, adoptive parents, foster or adopted families; counseling and psychological assistance to guardians, foster or adopted families; control in the form of verification in the field of protection of the rights of a child who is in a foster or adopted family; together with a representative of civil society, monitoring the health and vital activity of a child in a foster or adopted family	The adoption of this bill will not require additional financial costs from the state budget	Deputy of the Parliament of the Kyrgyz Republic M. E. Mavlyanova
6	Draft Law of the Kyrgyz Republic "On the organization of meals for students in educational institutions of the Kyrgyz Republic"	The draft law imposes broad obligations on local state administrations and LSG bodies to organize meals for students in grades 1-4	Within the limits of the allocations provided by the republican budget of the Kyrgyz Republic to the Ministry of Education and Science of the Kyrgyz Republic	Submitted for public discussion by the Government of the Kyrgyz Republic
7	Draft Law of the Kyrgyz Republic "On Youth"	Local self-government bodies identify and record young people in DLS, take measures to support them in accordance with the legislation in the field of social services for the population in the Kyrgyz Republic, etc.	The adoption of this draft will not entail additional costs from the state budget	Submitted for public discussion on October 30, 2019 by posting on the official website of the JK KR by D. Bekeshov

* The text of the draft law was kept as original

№	Name of the NLA project	Proposed additions to the list of local issues	Information on financing from the statement of substantiation to the draft law	Author, initiator
8	Draft Law of the Kyrgyz Republic "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 the Kyrgyz Republic "On Local Self-Government" is supplemented with a new issue of local importance: "Primary determination of the degree of need for state social support for families and children in difficult life situations"	The implementation of this bill will not require additional funds.	Government of the Kyrgyz Republic
9	Draft Law of the Kyrgyz Republic "On amendments to certain legislative acts of the Kyrgyz Republic (on Children)"	Article 18 of the Law of the Kyrgyz Republic "On Local Self-Government" is additionally of new local significance: "the creation of social services for the protection of children in the approved budget". Article 31 is supplemented with 18 content: "Material and technical support of the social service for the protection of children"	The adoption of this draft Law requires additional financial costs from the republican budget	Deputy of the JK KR A. Koduranova

ANNEX 3.

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

Posted on the DPI website at: <http://dpi.kg/en/library/full/327.html>

ANNEX4.

List of governmental bodies and organizations receiving the report for identification and accounting of alternative opinions

1. Central Commission for Elections and Referendums of the Kyrgyz Republic.
2. Office 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. Ministry of Finance of the Kyrgyz Republic.
6. Ministry of Justice of the Kyrgyz Republic.
7. Ministry of Labor and Social Development of the Kyrgyz Republic.
8. Ministry of Agriculture, Food Industry and Land Reclamation of the Kyrgyz Republic.
9. Ministry of Economy of the Kyrgyz Republic.
10. National Statistical 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 Management under the President of the Kyrgyz Republic.



Association of Legal Entities “Union of Local Self Governments of the Kyrgyz Republic” (hereinafter – Union LSG KG) was created with the aim of promoting the development of local self-government, representing and protection of the interests of local government at the central and local levels, as well as promoting the development of Union members as effective and viable territorial structures. The members of the LSG Union are 453 айилны aimaks and 31 cities. All information about activities on website: www.soyuzmsu.kg



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

**REPORT
TO THE JOGORKU KENESH OF THE KYRGYZ REPUBLIC ON THE IMPACT OF
LEGISLATION ADOPTED IN THE PERIOD 2016-2019 ON THE DEVELOPMENT
OF LOCAL SELF-GOVERNMENT IN THE KYRGYZ REPUBLIC**

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Translation into English by S. Aidaralieva
Coverphoto by N. Dzhamankulova
Proof reader E. Sakkarava

A4 format. Volume 124 conv. n. I.
Coated paper. Offset printing.
Circulation 50 copies

Printed at AG5P.
Kyrgyz Republic, Bishkek, st. Maldybaeva, 73
E-mail: office@adver.kg