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QUARTERLY REPORT III FY2018

USAID COMMUNITY AND MUNICIPAL GOVERNANCE INITIATIVE IN THE KYRGYZ REPUBLIC

April 1, 2018 – June 30, 2018

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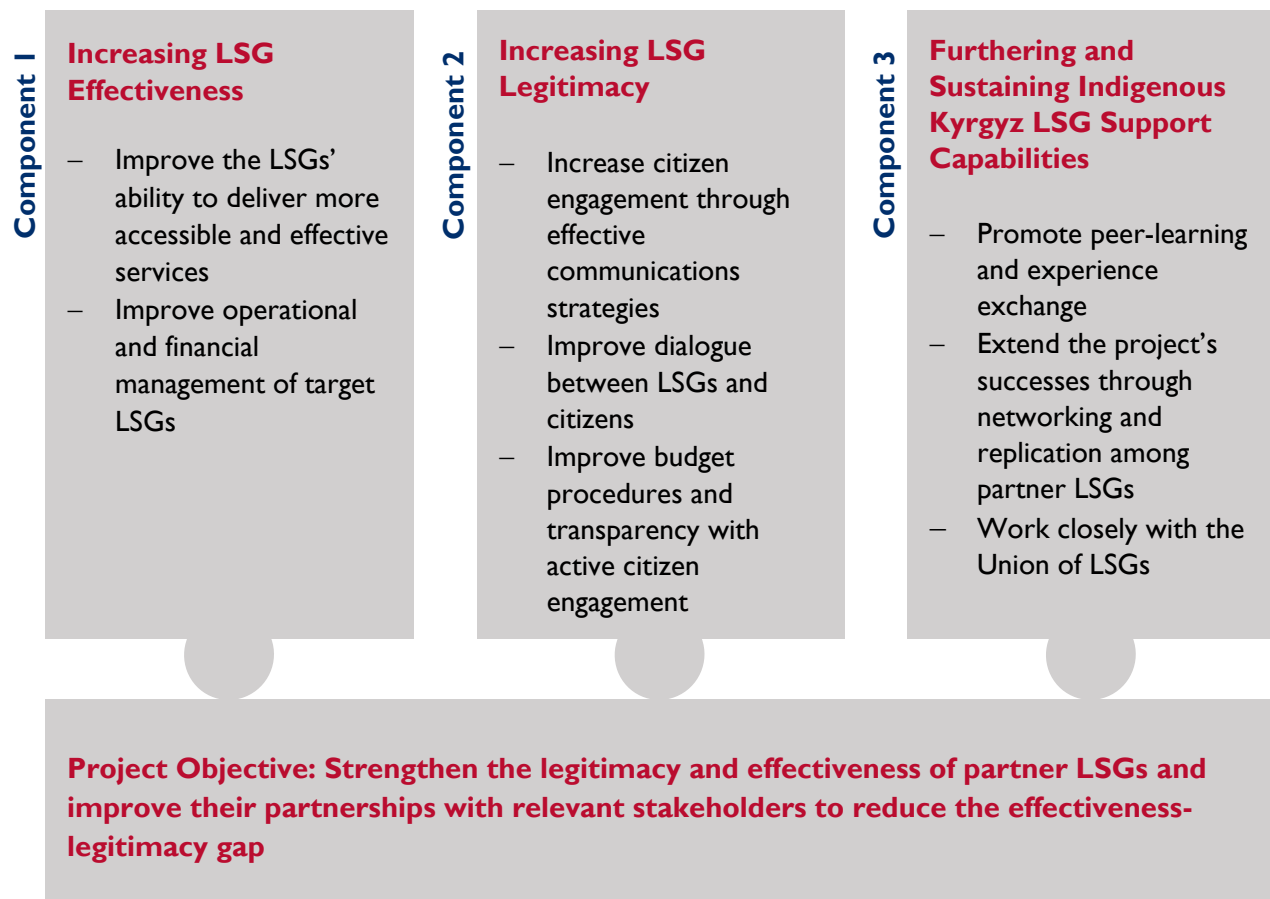
PROJECT DESCRIPTION

USAID's Community and Municipal Governance Initiative (CAMI) supports the Government of the Kyrgyz Republic to strengthen the vital relationship between local governing bodies and the public they serve.

The project focuses on service delivery improvements that are highly visible to the public with immediate positive impacts—such as solid waste management, water, lighting, transportation, and local economic development—while concurrently building the capacity of partner local self-governments (LSGs) across all service areas for which they are responsible. The activity encourages peer learning and bolsters existing mechanisms for local self-governments to engage in a national dialogue.

Project duration: October 2016 to September 2021

Components:



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ACRONYMS AND ABBREVIATIONS

AA	Ayil Aimak
AK	Ayil Kenesh
AO	Ayil Okmotu
AWU	Association of Water Users
AMEP	Activity Monitoring & Evaluation Plan
CAMI	Community and Municipal Governance Initiative (CAMI) in the Kyrgyz Republic
CDCS	Country Development Cooperation Strategy
CGP	Collaborative Governance Program (USAID)
CPAT	City Performance Assessment Tool
CSOs	Civil Society Organizations
DPI	Development Policy Institute
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
IRI	International Republican Institute
KOICA	Korea International Cooperation Agency
LSG	Local Self-Government
LSGPAT	LSG Performance Assessment Tool
M&E	Monitoring & Evaluation
MIS	Management Information System
MPP	Municipal-Private Partnership
PIRS	Performance Indicator Reference Sheet
PMP	Performance Management Plan
PSI	Public Service Improvement Project
SALSGIR	State Agency of LSG and Inter-Ethnic Relations
SDW	Solid domestic waste
SMEs	Small and medium-sized enterprises
SED	Social and economic development
SEDP	Social and economic development plan
SUPPL	Scaling up the peer-to-peer learning in public finance at the local self-government level in the Kyrgyz Republic project (World Bank)
STS	State Tax Service
TAMIS	Technical and Administrative Management Information System
USAID	United States Agency for International Development
VAP	Strengthening Voice and Accountability of Citizens' Participation and Oversight of Budget Processes Project in the Kyrgyz Republic (Swiss Agency for Development and Cooperation)
VIS	Visible Improvement Strategy

EXECUTIVE SUMMARY

USAID's Community and Municipal Governance Initiative in the Kyrgyz Republic (CAMI) started its operations in October 2016. This is the third quarterly performance report of Year 2, covering the project activities that were realized in the April 1, 2018 to June 30, 2018 work period.

QUARTERLY HIGHLIGHTS

- CAMI and GIZ signed a Letter of Intent on the Cooperation on improved municipal services for selected pilot LSGs in the Issyk-Kul and Naryn regions. Under this LOI, GIZ will procure equipment for approximately \$60,000 in CAMI selected partner LSGs. This activity fits well with the Action Plans developed with support of CAMI consultants under the VIS;
- SALSGIR approved the Order to LSGs on Standard Model of the Code of Ethics for Ayil Kenesh Deputies. The Code of Ethics, developed jointly by CAMI and the Union of LSGs will now serve as a model for LSGs throughout the country;
- Selected Round III LSGs - 15 rural municipalities and 3 cities;
- Developed CPAT indicators for effectiveness and legitimacy in a participatory manner;
- Conducted LSGPAT baseline scoring on effectiveness in 15 LSGs and CPAT scoring on effectiveness in 3 partner cities;
- Contracted Rebicon research company to conduct baseline survey on legitimacy in Round III LSGs;
- Finalized Visible Improvement Strategies (VIS) for all 16 LSGs of Round II;
- Updated citizen charters in 22 LSGs;
- Developed an illustrative poster on 25 issues of local significance;
- Developed 10 communications strategies for southern tier LSGs in Nookat and Jalalabad;
- Organized four PEA focus group discussions at the local level in Karakol and Jalalabad;
- Supported the Union of LSGs in implementing their Financial Sustainability Plan for 2018-2020.

EXPLANATION OF CHALLENGES AND ACTIONS TAKEN

The table below summarizes challenges, delays, or adverse conditions and actions taken or contemplated to resolve the situation, or any assistance needed to resolve the situation.

Challenges	Actions Taken	Further Action Required
In this quarter, CAMI selected two oblast status cities for Round III – Karakol and Naryn. Obviously, the LSGPAT was not the best tool to apply for baseline and performance assessment of these sizable cities.	CAMI had to develop an appropriate instrument to measure the effectiveness and legitimacy with different set of indicators. CAMI engaged the DAI technical staff, field office technical staff, and local and international partners and stakeholders to develop the City Performance Assessment Tool (CPAT). Karakol and Naryn officials took an active part in the	CAMI will apply the CPAT in our work with oblast status cities.

	development of the CPAT. The tool was presented to international partners and stakeholders, approved by the COR, and tested during Round III Baseline Effectiveness and Legitimacy evaluations.	
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ACTIVITY IMPLEMENTATION PROGRESS OVERVIEW

During this quarter, CAMI made solid progress in completing the following activities:

LSG PERFORMANCE ASSESSMENT

- Conducted Baseline LSGPAT on effectiveness and legitimacy in Round III partner LSGs.

LSG SITE AND SERVICE SELECTION

- Finalized selection of Round III partner LSGs with USAID;
- Met officials in partner LSGs to confirm selection and discuss activities.

OUTCOME I: INCREASING LSG EFFECTIVENESS

- Finalized Visible Improvement Strategies in Round II LSGs;
- Strengthened core capacities for visible service performance through the following trainings:
 - Cluster trainings on service cost calculation;
 - Cluster trainings on M&E;
 - Cluster trainings on tenders and contracting;
 - Cluster trainings on the Budget Code, planning oversight, and tax administration;
 - Cluster trainings on investment attraction and PPP.
- Developed and approved by AO/or AK decision the following important documents necessary for improved service delivery:
 - Standards of additional register of services;
 - Regulation on methodology of cost calculation for services;
 - Tariffs for services;
 - Regulation on M&E;
 - Regulation on procedures of tenders;
 - Investment plans;
 - Business plans on development of water supply management;
 - Business plans on sustainability of municipal enterprise;
 - Program on asset management.
- Provided on-going coaching to partner LSGs.

OUTCOME II: INCREASING LSG LEGITIMACY

- Created joint M&E groups to oversee the quality of service delivery;
- Updated citizen charters;
- Trained AK deputies on their role in the budget process and conducting public hearings on budget;
- Conducted public hearings on budget;
- Conducted training on good governance;

- Began introducing WhatsApp Feedback mechanism in selected LSGs;
- Developed Communications Strategies for southern tier LSGs to strengthen LSG public outreach.

OUTCOME III: FURTHERING INDIGENOUS KYRGYZSTANI LSG SUPPORT CAPABILITIES

- Developed Code of Ethics for AK deputies;
- Published best practices in “Municipalitet” magazine;
- Conducted regular meetings with the Union of LSGs;
- Updated the Political Economy Analysis.

Below is the detailed description of CAMI’s progress against the Work Plan activities.

LSG PERFORMANCE ASSESSMENT

A3.3 CONDUCT LSGPAT IN ROUND III PARTNER LSGS FOR BASELINE

In Round III, CAMI will partner with three cities – Karakol, Naryn, and Nookat. Previously, CAMI’s cornerstone assessment tool LSGPAT was tailored to assess the effectiveness and legitimacy of rural municipalities. The cities require a specific approach due to their different status and more sophisticated governance system. Therefore, CAMI created a new tool tailored to the characteristics of urban municipalities based on the existing LSGPAT tool. To support CAMI’s initiative, DAI provided two international STTAs—Ms. Ejonta Pashaj and Ms. Julia Czaplinski—who participated in all stages of designing the tool. CAMI also involved the national expert – Mr. Asylbek Chekirov - and four VIS consultants in this process.

As the first step, CAMI prepared an early draft set of 24 indicators based on the existing LSGPAT. On April 17, 2018, the team conducted a focus group for the representatives of Karakol and Naryn cities. Experts gathered feedback on indicators from focus group participants.

As a follow-up, CAMI conducted the second focus group in Bishkek for experts from partnering organizations, including the Union of LSGs, DPI, GIZ, IRI, PSI, and Rebicon research company, which conducted the previous legitimacy surveys using LSGPAT for LSGs in Round I and II. The participants provided valuable comments and suggestions, which significantly improved the content of the indicators.

After two focus groups, the team discussed the tool with the representative of Rebicon research company to make the indicators simpler and more understandable for a regular citizen. CAMI also consulted with the national expert, Asylbek Chekirov, to shape up the pre-final set of indicators, based on his experience in the areas of service delivery, economic development, and intergovernmental relations.

Finally, CAMI piloted the applicability of new indicators on Nookat city. Based on the successful test, CAMI finalized the new tool and named it the “City Performance Assessment Tool” (CPAT). The CPAT moderately differs from the LSGPAT. The CPAT includes 18 indicators with four indicators related to Economic Development (ED), due to the higher rate of economic growth in urban municipalities. Compared to the CPAT, the LSGPAT has only one indicator on Economic Development, but includes a

larger number of indicators on the LSG-Community Interaction (LC). This can be explained by the fact that rural municipalities are closer to citizens, while in cities the interaction between the city administration and citizens is limited. City administrations interact with the local community via quarter committees, and citizens get services directly from local branches of different state institutions or utility companies.

Similar to the LSGPAT, the CPAT encompasses 18 indicators in five broad categories on municipal governance: service delivery, finance and revenue, internal operations, strategic-economic development plan, and LSG-citizen interaction. Each indicator contains a number of benchmarks, with each indicator scored on a qualitative scale ranging from 1 for poor or no performance, to 5 points for increasingly strong and responsive performance. Each LSG's final score can therefore range from 1 to 90 total points.

Below is the list of **CPAT** Indicators:

SERVICE DELIVERY

- SD1.** The needs and priorities of citizens are considered when planning and providing services
- SD2.** Quality of services is improved
- SD3.** Sustainability of service providers is ensured
- SD4.** Feedback mechanism on quality of services introduced
- SD5.** Inter-municipal cooperation on provision of services is being practiced
- SD6.** Innovations in service provision are introduced

FINANCE AND REVENUE

- FR1.** Asset management efficiency is increased
- FR2.** System to ensure sustainable growth in the local revenues is established
- FR3.** Capital investment budget is developed

INTERNAL OPERATIONS

- IO1.** Sustainable provision of information about the services is ensured
- IO2.** Efficient procedures for public procurements are introduced
- IO3.** Accountability and transparency of Kenesh are improved

ECONOMIC DEVELOPMENT

- ED1.** Participation of citizens in development and implementation of SEDP is ensured
- ED2.** Private investments are attracted through Municipal-Private Partnership (MPP)
- ED3.** Favorable environment for local economic development (LED) is established
- ED4.** Local economic development (LED) support system is introduced

LSG-CITIZEN INTERACTION

- LC1.** Citizen participation in service arrangement is ensured
- LC2.** Citizen participation in budgetary process is ensured

During this quarter, CAMI also has conducted an internal, project-led Data Quality Assessment (DQA) and designed the LSGPAT Standard Operating Procedures to improve and standardize the data collection process for LSGPAT.

Taking into consideration the recommendations outlined in both documents, CAMI conducted a baseline assessment on effectiveness in the Round III LSGs. The analysis revealed that the average scores of Round III LSGs are lower than the average baseline scores of the previous rounds. In Round I LSGs, the average score across all indicators was 2.6, compared to the average score of 2.2 in Round II. In

Round III LSGs, the average score totaled 1.8. Out of a possible score range of 19 to 95 points, the average total score of all the indicators in the Round I municipalities was 49, while in Round II it was 40.9. The Round III LSGs have managed to achieve only 33.5 points.

In Round I, there was also a clear outlier in Ak-Chiy, with a score of 88 and an average score per indicator of 4.6. In Round II, the highest performing Kosh-Dobo scored 55 points. The Round III champion Dobolu scored only 44 points. The lower scores in the Round III LSGs can be explained by CAMI's conscious decision to start including LSGs that have no assistance from international donors and implementers. In the case of the Round I LSGs, they received assistance from several donor organizations and worked on improving service delivery with the Swiss-funded Public Service Improvement (PSI) Project.

The baseline surveys in all three rounds demonstrated that the categories of Service Delivery and LSG-Citizen Interaction are the most vulnerable areas. LSGs fairly manage the finance and revenue sector and have established a moderately functioning internal documentation system. When it comes to economic development, LSGs have introduced only some elements of the LED system.

LSG SITE AND SERVICE SELECTION

A4.3 FINALIZE SELECTION OF PARTNER LSGS (ROUND III) WITH USAID

During this quarter, CAMI finalized the selection of 18 LSGs for Round III, in addition to the 32 LSGs of Round I and II. USAID approved the selected Round III partner LSGs. Round III includes 15 rural municipalities and three cities – Karakol, Naryn, Nookat.

ROUND III LSGs		
REGION	RAION	LSGs
Osh	Aravan raion	Chek-Abad LSG
Osh	Aravan raion	S.Yusupov LSG
Osh	Aravan raion	Tepe-Korgon LSG
Osh	Aravan raion	Kerme-Too LSG
Osh	Aravan raion	Allya Anarov LSG
Osh	Aravan raion	Nurabad LSG
Naryn	Naryn raion	Dobolu LSG
Naryn	Naryn raion	On-Archa LSG
Naryn	Naryn raion	Jan-Bulak LSG
Naryn	Naryn raion	Jergetal LSG
Naryn	Naryn raion	Chet-Nura LSG
Naryn	Naryn raion	Min-Bulak LSG
Naryn	Naryn raion	Ortok LSG
Naryn	Naryn raion	Emgekchil LSG
Naryn	Naryn raion	Emgek-Talaa LSG

Osh	Nookat raion	Nookat City
Issyk-Kul	Issyk-Kul region	Karakol City
Naryn	Naryn region	Naryn City

A4.4 MEET OFFICIALS IN PARTNER LSGS TO CONFIRM SELECTION AND DISCUSS ACTIVITIES

CAMI met with representatives of all selected Round III partners prior to conducting the LSGPAT effectiveness assessment. CAMI experts presented CAMI approaches and activities, and they introduced the LSGPAT tool and indicators to rural LSGs and the CPAT tool to urban municipalities. The Mayor's Office of both Karakol and Naryn posted about their meetings with CAMI on their official Facebook pages.



Picture 1. Mayor's offices of Karakol and Naryn posted about meetings with CAMI on their official Facebook pages



On-Eki-Bel resident Bayastan Kenzhebaev can now drink clean water from the water column in his household

OUTCOME I HIGHLIGHT: CLEAN DRINKING WATER FOR FAMILIES IN ON-EKI-BEL

BACKGROUND SUMMARY: On-Eki-Bel aimak is one of the most densely populated aimaks of the Nookat raion in the Osh region. It consists of 928 households with a total of 6,000 residents. The supply of drinking water is one of the top priority issues for local authorities, as more than half of the population consumed water from irrigation canals and unclear rivers. Moreover, the infrastructure for the water supply remained from Soviet times. While every street had water columns, most of them did not work properly. The local population was not receptive to changing the situation because they use water for agriculture and gardening needs, and they wanted to avoid paying fees for drinking water.

SOLVING THE PROBLEM: The issue of the drinking water supply has been steadily improving since 2009, when Jigitali Rahmanov became the chairman of “Naray-Su” Rural Public Association of Drinking Water Users (Association) in On-Eki-Bel aimak. He is well-known far beyond the aimak for his expertise and experience in providing drinking water to rural areas. His goal is to ensure sustainable functioning of the Association and to provide every household with clean drinking water. Over the years, he has worked closely with the local population and authorities and donor organizations to reach this goal.

To ensure the sustainable supply of drinking water, Jigitali Rahmanov had to win the trust of the local citizens, particularly because they did not see the difference between the quality of water in the river and proper drinking water. To correct this, he self-funded a trip for respected elders from each of the aimak’s six villages to see the river’s source. During the trip, the elders saw the garbage and animal

carcasses along the river bank from which they drank water. Jigitali Rahmanov made convincing arguments that the river water was not drinkable and would have a negative impact on the health of their citizens, particularly small children. For vivid comparison, he demonstrated the Association's well-functioning pipes and water-cleaning reservoir. After seeing the drastic difference in the quality of water, the elders supported the Association in convincing citizens to install individual water meters in each household and to pay the fee for drinking water.

The Association also gained support from local authorities. Since then, Ayil Okmotu has been supporting the Association in disseminating information on water regulations. It also supported the argument that the Association needed independent fee-based operations. The local council approved the cost for drinking water based on CAMI's tariff calculation and allowed the Association to close street water columns, which wasted too much water.

The Association also partnered with donor organizations. For instance, it received technical support from USAID's CAMI Project to examine and analyze normative legal documents on providing service for the drinking water supply. This analysis helped the Association improve its financial management, particularly regarding salary increases for its staff. In turn, the higher salaries encouraged the recruitment of professional staff members and thus improved the effectiveness and efficiency of the Association in quality service delivery.

CAMI also helped the Association calculate cost-effective tariffs for water consumption based on the objective usage of water. This contributed to another improvement related to the Association's introduction of two different categories of tariffs – a) private usage of residents and b) commercial usage by legal persons.

SHARING THE KNOWLEDGE AND PRACTICE: In 2018, all six villages in the On-Eki-Bel aimak will receive clean drinking water. 600 of the 938 households have installed water meters and pay the proposed tariff on a regular basis. The Association employs six people and provides drinking water regularly. To support neighboring aimaks, the Association staff shares its knowledge and practice. With CAMI support, on July 11, 2018, the Association's Chairman Jigitali Rakhmanov shared his experience with his colleagues from the following LSGs: Isanov, Kenesh, Zulpuyev, Kara-Tash, Mirmakhmudov and Jany-Nookat. Jigitali Rakhmanov and Mamazhakyp Tajibayev, the Association's accountant, discussed the importance of participatory engagement of citizens in solving priority issues of AO, in this case the importance of tariff calculation and installation of water meters in households.

OUTCOME I: INCREASING LSG EFFECTIVENESS

During this quarter, CAMI helped 8 Round II LSGs in the Nookat raion finalize their VIS, provided several cluster trainings to build the capacity of AO staff, AK deputies, and members of the Working Commissions, and assisted in developing integral regulations and updating business and investment plans.

I.1 INCREASING STAFF COMPETENCY AND CAPACITY

I.1.1b ASSIST LSG TO COMPLETE A VISIBLE IMPROVEMENT STRATEGY (VIS)

8 Round II LSGs in the Issyk-Kul and Naryn regions finalized their VIS and obtained AK approval in the previous quarter. During this quarter, 8 Round II LSGs in the Nookat raion in the Osh region finalized their VIS.

PRESENT THE DRAFT VIS TO LOCAL COUNCIL FOR REVIEW AND APPROVAL

AO representatives presented their VIS to AK deputies. The strategies were approved during AK sessions. All Round II LSGs have started the implementation of their VIS.

I.1.2a BUILD CORE CAPACITIES FOR VISIBLE SERVICE PERFORMANCE

During the quarter, CAMI delivered trainings to improve the core capacities of AO staff, AK deputies, and members of the Working Commissions to implement VIS in an effective and timely manner.

CONDUCT 2 CLUSTER TRAININGS ON DEVELOPING STANDARDS OF THE ADDITIONAL REGISTER OF SERVICES (ROUND II)

In April 2018, CAMI conducted 2 cluster trainings on developing standards for registering additional Round II LSGs in the Nookat raion of the Osh region and the Kochkor raion of the Naryn region. 60 participants, including AO staff, AK deputies, and members of the Working Commissions actively engaged in the trainings. Participants learned about legislation of the Kyrgyz Republic, efficient application of mechanisms and tools required for the development and approval of standards, and additional register of services.

According to the legislation of the Kyrgyz Republic, LSGs have the authority to provide 12 services with only one service being fee-based. In case the residents request additional services, the LSGs should consider the type of service, define the service provider, and identify the fee if it is applicable by legislation. The list of possible additional services that LSGs can provide is strictly regulated. The additional registry requires AK approval and should be eligible against standards of service provision. The training covered all peculiarities of developing standards and additional register of services. Experts also shared the print-out excerpts from legislation with training participants.

CONDUCT 2 CLUSTER TRAININGS ON SERVICE COST CALCULATION

In April 2018, CAMI conducted 2 cluster trainings on service cost calculation for the Round II LSGs in the Nookat raion of the Osh region and the Kochkor raion of the Naryn region. CAMI trainers equipped 60 participants, including staff of 16 LSGs and members of Working Commissions, with

theoretical knowledge and practical skills on identifying cost-efficient fees for services that they plan to launch as part of VIS implementation. The theoretical part of training included a detailed overview of concepts in service cost calculation, such as economic sustainability of municipal enterprise, revenue and its sources, net cost, and profitability. During the practical exercise, participants split into 4 groups and calculated service costs by following the formulas provided by the trainers.

The participants found both parts of the training useful. They understood the importance of cost calculation in a way that the service fee meets the consumers' ability to pay and is also profitable for service providers. Cost-efficient fees can ensure the sustainability of service provision.

CONDUCT 2 CLUSTER TRAININGS ON M&E

From May 29 to 31, 2018, CAMI organized two cluster trainings and trained 70 people from 16 LSGs around the Osh, Naryn, and Issyk-Kul regions on organizing a joint monitoring and evaluation system at the community level. Participants from local councils, municipalities, and active citizen groups studied the role of monitoring and evaluation in ensuring effective municipal service provision. Joint monitoring and evaluation groups include active villagers, deputies of local councils, and the head of the Aiyl Okmotu. For local citizens, the joint monitoring and evaluation group is also a decision-making mechanism that allows them to raise and discuss local-level issues.

CONDUCT 2 CLUSTER TRAININGS ON TENDERS AND CONTRACTING

CAMI implemented this activity in the previous quarter and reported on it in the previous quarterly report.

CONDUCT 2 CLUSTER TRAININGS ON THE BUDGET CODE, PLANNING OVERSIGHT, AND TAX ADMINISTRATION (ROUND II)

In February 2018, CAMI conducted two joint cluster trainings on the Budget Code, planning oversight and tax administration for LSGs in the Kochkor and Nookat raions. CAMI reported on this activity in the previous quarterly report.

In addition to this activity, during this quarter, CAMI trained the Ayil Kenesh deputies in the Nookat and Kochkor raions on a similar topic (please refer to pp. 16-17).

CONDUCT 2 CLUSTER TRAININGS ON INVESTMENT ATTRACTION AND PPP (ROUND II)

In May 2018, CAMI held cluster trainings on municipal asset management and public-private partnership for the Round II LSGs in the Nookat raion of the Osh region and the Kochkor raion of the Naryn region. The trainings aimed at enhancing the capacity of LSGs in integrating practices of private-public partnerships and municipal asset management. The sustainable partnership between local authorities and business can be a win-win and largely beneficial to the local economy. To activate this partnership, LSGs should acquire knowledge on current laws and regulations, and they should delegate authorities to launch successful joint projects. Therefore, the training covered all legal, financial, and managerial aspects important for LSGs to cooperate with private enterprises.

Therefore, CAMI experts and consultants trained 54 participants on managing a registry form on municipal property, allowing them to control the property and make efficient use of it. Following the trainings, Round II LSGs in the Kochkor raion updated their registry forms on municipal property.

“It was a crucial training for our municipality. Kum-Dobo AO has 4 sports centers on its balance, but they are all not functioning. The AO does not have the capacity to manage these centers. I hope after this training our AO will be able to attract private enterprises to launch sports activities for aimak’s youth and children”.

- Mr. Mairaimber Asanbayev, Head of Kum-Dobo AO.

I.1.2b ROAMING TECHNICAL SPECIALISTS ASSIST LSGS IN PLANNING, BUDGETING, SERVICE MANAGEMENT, AND OVERSIGHT RELATED TO SELECTED SERVICE

DEVELOP THE STANDARDS OF ADDITIONAL REGISTER OF SERVICES AND APPROVE BY AK DECISION

During the quarter, CAMI worked closely with partner LSGs to draft the lists of services and prepare standards for several services. This was an educational opportunity for LSGs to learn to develop the standards of an additional register of services. The LSGs developed standards and submitted for the review of Ayil Kenesh. The AK will approve the submitted documents during their sessions in the next quarter.

DEVELOP THE REGULATION OF METHODOLOGY ON COST CALCULATION FOR SERVICES AND APPROVE BY AK DECISION

Along with the approval of VIS by AK decision, all Round II LSGs approved their regulations on cost calculation for selected priority services.

DEVELOP TARIFFS FOR SERVICES AND APPROVE BY AK DECISION (ROUND II)

During this quarter, 5 Round II LSGs in the Kochkor raion – Kosh-Dobo, Kum-Dobo, Kochkor, Cholpon, Kok-Jar LSGs – developed tariffs for their VIS priority services, specifically tariffs for drinking water, irrigation water, and solid waste collection and removal.

DEVELOP THE REGULATION ON M&E AND APPROVE BY AK DECISION (ROUND II)

During the quarter, all Round II LSGs created Joint Monitoring & Evaluation Groups. The group composition, responsibilities, and activities were specified in the Regulation on M&E and approved by AK decision.

DEVELOP THE REGULATION ON PROCEDURES OF TENDERS (INCLUDING SAMPLE AGREEMENTS) AND APPROVE BY AK DECISION

All Round I and Round II LSGs developed a Regulation on Open Tender Procedures. The Regulations were approved by Ayil Keneshes in all respective LSGs.

UPDATE THE EXISTING INVESTMENT PLANS (ROUND I)

Investment plans are an integral part of the Social and Economic Development Plans (SEDP). CAMI partner LSGs have recently updated their SEDP, including their investment plans. Barpy AO was the only AO that needed to update their SEDP. In March 2018, CAMI conducted a training on investments and PPP. Using the knowledge acquired at the training, Barpy AO updated their SEDP, particularly focusing on their investment plan.

ELABORATE BUSINESS PLANS ON DEVELOPMENT OF WATER SUPPLY MANAGEMENT AND APPROVE BY HEAD OF AO DECISION

In the previous quarter, CAMI conducted training on water supply management for Round I LSGs. During this quarter, CAMI helped to elaborate business plans for the following AOs that have selected water supply as their priority service for VIS – Beshik-Jon, Kok-Art, Lenin, and Yrys in the Jalalabad region and Ak-Chiy, Boz-Uchuk, Darkhan, Jeti-Oguz, Kerege-Tash, Orgochor and Teploklyuchenka in the Issyk-Kul region.

CAMI will organize trainings on water supply management for Round II LSGs in the next quarter.

DEVELOP BUSINESS PLANS ON SUSTAINABILITY OF MUNICIPAL ENTERPRISE AND APPROVE BY HEAD OF AO DECISION

During this quarter, CAMI supported Teploklyuchenka, Jeti-Oguz, and Darkhan AOs in the Issyk-Kul region in developing business plans on sustainability of municipal enterprise. These plans were approved by AO heads in respective AOs.

DEVELOP THE PROGRAM ON ASSET MANAGEMENT AND APPROVE BY AK DECISION (ROUND I)

During this quarter, CAMI began developing the Regulation on Asset Management. This Regulation is essential to each LSG, as it outlines the measures and legal framework on asset management. The Regulation will then serve as the basis for creating the Program on Asset Management unique for each Ayil Okmotu. The document will be finalized in the next quarter and presented to partner LSGs for review and approval.

I.3.1 MAXIMIZE OWN SOURCE REVENUE PROVIDE COACHING ON ASSET MANAGEMENT

It is crucial for LSGs to manage municipal property properly. Often LSGs do not keep account and care for property items. Previously, LSGs considered municipal property as an income-bringing mechanism, which led to them selling or transforming the property to individuals. Now, when LSGs have authority to provide local services, they need to consider using the property at stake in a more efficient way. The first step towards efficient use of municipal property is identification and registration of all property items that belong to LSGs. Bringing back the ownership over municipal property would allow LSGs to increase income in the local budgets. Following the training on asset management and PPP (please refer to pp. 11-12), CAMI experts provided regular coaching on asset management to Round I LSGs.

**Жергиликтүү маанидеги маселе:
20. БАЛДАР ЖАНА ЖАШТАР МЕНЕН ИШТӨӨ**



Individual cards illustrate 25 issues of local significance in an appealing manner

OUTCOME II HIGHLIGHT: INFORMATION POSTERS ON 25 ISSUES OF LOCAL SIGNIFICANCE

Article 8 of the “Law on Local Self-Governance” of the Kyrgyz Republic outlines 25 issues of local significance that fall under the responsibility of Ayil Okmotu. This information is only available in the text form. Often rural citizens do not obtain full information on what types of services they can receive from LSGs. CAMI surveys, focus group discussions, and meetings with AO representatives demonstrated a great need for more information about AO roles and responsibilities. CAMI received numerous requests from citizens, AO and AK representatives, and members of Working Commissions to develop informational materials about the issues.

During this quarter, CAMI developed posters and 25 individual cards on issues of local significance in both Russian and Kyrgyz. CAMI worked with legal experts to simplify the text and visualize each issue.

The **objective** is to inform citizens about the main responsibilities of AO. The **audience** is citizens, the public, and visitors to AO offices. The **intent** is to have a poster on information boards in every CAMI partner municipality.

In the next quarter, CAMI will disseminate AI posters to all partner LSGs, share individual cards on CAMI’s Facebook page and via the WhatsApp broadcast lists, and disseminate electronic versions to AO staff for further distribution among citizens.

OUTCOME II: INCREASING LSG LEGITIMACY

During this quarter, CAMI updated citizen charters in 22 partner LSGs, supported the organization of public hearings in 6 partner LSGs in the Jalalabad region, and developed 10 Communications Strategies for the southern tier LSGs.

2.1 STRENGTHENING STAKEHOLDER ENGAGEMENT IN LSG PLANNING AND EXECUTION

2.1.1b INSTITUTIONALIZE STAKEHOLDER ENGAGEMENT IN PLANNING, RESOURCING, SERVICE MANAGING, AND OVERSIGHT

CREATE M&E GROUPS AND APPROVE BY DECISION OF HEAD OF AO (ROUND II)

During the quarter, the Joint M&E Groups were created in Round II LSGs to oversee and monitor the quality of service delivery. The groups include AO specialists, representatives of the youth and female CSOs, businessmen, and local activists. The AO Heads approved the group composition.

Their main responsibilities in the framework of VIS implementation is to:

- Evaluate the quality of services provided by AO;
- Evaluate the quality of resources used;
- Overall analysis and evaluation.

During the quarter, CAMI provided cluster trainings on M&E to build the capacity of Joint M&E Groups (please refer to p. 11).

2.1.1c ASSIST LSGS TO UPDATE CITIZEN CHARTERS TO INSERT DECISIONS CONCERNING PUBLIC SERVICE DELIVERY

During this quarter, CAMI updated citizen charters in 22 LSGs: 6 in Jalalabad n, 8 in Osh, 5 in Naryn, and 3 in Issyk-Kul. AKs in respective LSGs approved the updated citizen charters. The charters came into force after the AK decrees of approval and the updated versions of citizen charters were officially published on the AK websites or other resources. All charters updated with CAMI support were also published on the SALSGIR website¹.

In total, CAMI has updated 26 citizen charters – 4 in Round I LSGs and 22 in Round II LSGs.

¹ SALSGIR published the citizen charters on its website. Original versions in Kyrgyz are available here:

<http://www.gamsumo.gov.kg/laws/local/jalalabad/suzak>

http://www.gamsumo.gov.kg/laws/local/Osh_oblusu/nookat_raionu

http://www.gamsumo.gov.kg/laws/local/naryn/Kochkor_raion

<http://www.gamsumo.gov.kg/laws/local/isyk-kul/Jety-Oguz>

2.1.2a SUPPORT TO AK ON CONDUCTING PUBLIC HEARINGS, INCLUDING ENGAGING WOMEN AND MINORITIES

During this quarter, CAMI supported the organization of public budget hearings in 6 partner LSGs in the Jalalabad region:

- Lenin AO (Suzak raion) on May 20, 2018;
- Bagysh AO (Suzak raion) on May 21, 2018;
- Yrys AO (Suzak raion) on May 23, 2018;
- Barpy AO (Suzak raion) on May 26, 2018;
- Kurmanbek AO (Suzak raion) on May 26, 2018;
- Beshik-Jon AO (Bazar-Korgon raion) on May 27, 2018.

The discussions focused on the review of the draft budget for 2019 and expenses for the first half of 2018. Additionally, public hearing participants in Kurmanbek AO reflected on the Communications Strategy that was developed with CAMI support. Participants decided to incorporate the implementation of activities from the Strategy in the 2018-2020 plan. The Head of Kurmanbek AO issued a Resolution on Communication Strategy.

The public budget hearings in the remaining partner LSGs will be organized in the next quarter.

CONDUCT TRAINING ON ORGANIZING PUBLIC HEARINGS ON BUDGET

During the quarter, CAMI trained 55 Ayil Kenesh deputies in the Nookat and Kochkor raions on the role and competencies of the AK deputies on the budget process and resource management. Participants discussed the importance of openness and accountability of LSGs in the budget process. The participants agreed that there were no mechanisms of information exchange between LSGs and citizens. Participants then discussed the mechanism of conducting budget hearings as one of the ways to tackle this issue. The deputies also learned about mechanisms to control and monitor the implementation of the local budget by LSGs. Upon completion of these trainings, the participants suggested developing a report form on implementation of the local budget that Ayil Okmotu needs to submit for Ayil Kenesh's review.



Picture 2. AK deputies in Nookat raion learned about budget hearings

“As an Ayil Kenesh deputy, I am responsible for an effective implementation of the local budget. I should constantly update people about our Kenesh activities. I use every platform available such as village gatherings, weddings and other events to tell about our activities and achievements. Thanks to this training, I also know that public hearing can be a good additional practice for reporting to aimak’s residents.”

- Mr. M. Mamadaliev, Ayil Kenesh Deputy in Yrys AO.

DEVELOP THE CODE OF ETHICS FOR AK DEPUTIES AND APPROVE BY AK DECISION

Upon agreement with USAID, this activity was transferred to Component 3, and CAMI tasked the Union of LSGs to develop the Code of Ethics for AK Deputies (please refer to p. 22 for detailed information on this activity).

2.1.2b CONDUCT TRAININGS ON COMBATING AND PREVENTING CORRUPTION TO LSGS, REPRESENTATIVES OF WORKING COMMISSIONS

CONDUCT TRAINING ON GOOD GOVERNANCE

During the quarter, CAMI conducted trainings on good governance for AO heads, AK chairmen and deputies, AO executive secretaries, heads of financial and economic departments of Ayil Okmotu, members of Working Commissions and representatives of local civil society organizations in Round I and Round II LSGs. The objective of these trainings was to introduce good governance principles and review the duties and responsibilities of the inspecting bodies. The trainings included 7 sessions and focused on the following topics:

- Legal framework on good governance;
- The concept of good governance;
- Developing good governance action plan;
- Legal framework on inspection of LSGs by the supervisory and tax agencies;
- List of authorized state bodies entitled to conduct inspections of the LSGs activities;
- Duties and responsibilities of inspecting agencies.

CAMI trained 121 people, including 31 females and 90 males, using such interactive techniques as Q&A, brainstorming, group and case-study discussions, and group work. All participants noted that these trainings were timely and relevant, particularly the discussion of existing legislation that regulates prevention of corruption. During the trainings, participants developed two integral tools - the Action Plan on Implementation of the Good Governance Policy and the List of Corruption Risks.

2.1.3 SUPPORT TO CITIZEN MONITORING; LAUNCH SMS CITIZEN FEEDBACK MECHANISM

To ensure smooth implementation of the process of introducing a WhatsApp Feedback Mechanism, CAMI split 13 selected AOs for Year 2 into two smaller and more manageable groups for two phases: 6 AOs in Phase I and 7 AOs in Phase II. During this quarter, CAMI procured necessary equipment – computers and smartphones – for Phase I AOs:

1. Kosh-Dobo;
2. Darkhan;
3. Orgochor;
4. Ak-Bulun;
5. Tepke;
6. Beshik-Jon.

CAMI also organized initial on-job trainings in Phase I AOs to form Working Groups, introduce the WhatsApp Feedback Mechanism, and develop step-by-step action plans. Most of the activities related to this activity will be implemented in the next quarter.

2.2 RECONCILING COMMUNITY EXPECTATIONS WITH LSG RESOURCES

2.2.1 ACCESS COMMUNITY EXPECTATION GAP

CONDUCT BASELINE LEGITIMACY SURVEY FOR ROUND III LSGS

CAMI contracted Rebicon research company to conduct the baseline legitimacy survey for Round III LSGs. Rebicon used both the LSGPAT and the CPAT to develop questionnaires and conduct the research.

2.2.2 STRENGTHEN LSG PUBLIC OUTREACH, “PROACTIVE DISCLOSURE” OF INFORMATION, AND PARTNERSHIPS WITH CSOS TO HELP SHRINK COMMUNITY EXPECTATION GAP

DEVELOP THE COMMUNICATIONS STRATEGY AND APPROVE BY HEAD OF AO DECISION

During this quarter, ArtBox Company worked closely with the Southern Tier AOs to finalize their Communications Strategies and develop realistic action plans. 10 Communications Strategies of the following AOs in southern Kyrgyzstan were finalized and approved by the Heads of AOs:

- Kara-Tash;
- Mirmakhmudov;
- Kulatov;
- On Eki Bel;
- Jany-Nookat;
- Kenesh;
- Isanov;
- Zulpuev;
- Kurmanbek;
- Mogol.

ArtBox and AO representatives integrated the previously developed CAMI products – VIS, citizen charters, the concept of WhatsApp feedback mechanism – in the Communications Strategies. Representatives of ArtBox Company presented the main findings, achievements, lessons learned, and recommendations to USAID and CAMI teams. USAID provided positive feedback on developed

Strategies and highlighted their usefulness and applicability. Heads of five AOs (Isanov, Zulpuev, Kara-Tash, Kenesh, and Kurmanbek) issued Resolutions on implementing their Communications Strategies.

CAMI announced another open tender to develop communications strategies for 10 LSGs in northern Kyrgyzstan. CAMI selected ArtBox Company through an open competition to develop the strategies for the following AOs in the Issyk-Kul and Naryn regions:

- Ak-Bulun;
- Boz-Uchuk;
- Kerege-Tash;
- Tepke;
- Jeti-Oguz;
- Cholpon;
- Kok-Jar;
- Kum-Dobo;
- Kochkor;
- Kosh-Dobo.

During this quarter, ArtBox developed the schedule and updated the methodology of developing communications strategies. ArtBox will conduct two three-day cluster trainings in Karakol and Kochkor in the next quarter.



Director of the Union of LSGs Omurbek Almanbetov presents the Union's objectives in 2018-2020 at the CAMI organized Forum of Aimaks

OUTCOME III HIGHLIGHT FROM POTENTIAL TO ACTION: FINANCIAL SUSTAINABILITY FOR THE UNION OF LOCAL SELF- GOVERNMENTS

The Union of Local Self-Governments is the only institution in the Kyrgyz Republic that has a mandate to represent all 453 LSGs at the national level. CAMI supported the Union in developing its first Financial Sustainability Plan for 2018-2020. The plan outlines a list of services that the Union can provide to its members and defines the mechanism of representation and protection of interests of municipalities at the national level. The Union started implementing the plan by introducing effective internal administrative regulations and optimizing the collection of membership fees. During this quarter, the Union with CAMI's assistance developed the following integral documents:

- The Union's Mission;
- The Union's Internal Policy;
- Regulation on the provision of services to the members of the Union;
- Regulation on the interaction of the Union with its members;
- Regulation on the procurement of goods, works and services;
- Detailed job descriptions of the staff of the Union's Directorate.

CAMI also trained the staff of the Union's Directorate and Board Members on introducing a monitoring and evaluation (M&E) system. Trainers discussed the main processes of internal M&E, presented and reviewed the performance indicators outlined in the Union's Regulation on M&E, and reviewed questionnaires recommended to conduct internal M&E. This is an innovative approach for the Union that requires them to measure their outcomes and present the results to their members. An effective M&E system will contribute to improved management, evidence-based budget decisions, accountability, and increased trust of the Union's members.

To test the Union's capacity, CAMI tasked the Union with developing the Code of Ethics for Ayil Kenesh deputies. The Union succeeded in not only delivering a quality product, but also in gaining the trust of their members. In July 2018, SALSGIR approved the Order on Standard Model of the Code of Ethics for Ayil Kenesh Deputies. The Code of Ethics will now serve as a model for LSGs throughout the country. In the next quarter, the Union will apply gained knowledge to practice by training AK deputies in selected LSGs.

OUTCOME III: FURTHERING INDIGENOUS KYRGYZSTANI LSG SUPPORT CAPABILITIES

In this quarter, CAMI supported the development of the Code of Ethics for Ayil Kenesh deputies, worked closely with the Union of LSGs on implementation of their Financial Sustainability Plan for 2018-2020, organized four focus group discussions on PEA in Karakol and Jalalabad cities, and drafted its first PEA based on the findings from the local level.

3.2 PROMOTING NEW AND EXPANDED USAGE OF EXISTING PRODUCTS, SERVICES, AND PRACTICES

During this quarter, CAMI supported the development of the Code of Ethics for Ayil Kenesh deputies. The Law of the Kyrgyz Republic “On the Status of the Ayil Kenesh Deputies”² outlines the necessity for deputies to adhere to the requirements of the Code of Ethics. However, this document has not been developed. Thus, CAMI tasked the Union of LSGs to develop the Code of Ethics that would define the moral principles and rules of conduct mandatory for Ayil Kenesh deputies.

First, the Union prepared an analytical note underlining the main legislative acts³ of the Kyrgyz Republic relevant to the development of the Code and analyzing the possible ethical problems related to the activities of AK deputies. The Union then conducted two focus groups for AK deputies and AO heads in Osh and Karakol to discuss the structure and main clauses of the Code. Based on the analytical note and findings from the focus group discussions, the Union prepared a Draft Code of Ethics and presented it during a roundtable in Bishkek on June 20, 2018.

The roundtable brought together the chairmen of keneshes of rural and city municipalities, representatives of SALSGIR and the LSG department of the Prime-Minister’s Office of the Kyrgyz Republic to review and discuss the proposed Draft Code of Ethics. The Union representatives gathered feedback and reflected the necessary changes in the final draft of the document. SALSGIR adopted the proposed document as the Standard Code of Ethics that will be recommended for use to Ayil Keneshes throughout the country.

² Article 8-1 of the law No. of the Kyrgyz Republic “On the Status of Ayil Kenesh Deputies” as of January 13, 2000.

³ The Union studied the following legislative documents: Law of the Kyrgyz Republic No.101 “On Local Self-Government” as of July 15, 2018; Law of the Kyrgyz Republic No. 3 “On the Status of Ayil Kenesh Deputies” as of January 13, 2000; Resolution of the Jogorku Kenesh of the Kyrgyz Republic No. 548 - IV “Code of Deputies Ethics” as of June 20, 2008; Decision of the Council on Civil Service and Municipal Service No. 43 “Code of Ethics for State and Municipal Employees of the Kyrgyz Republic” as of August 19, 2016; the Law of the Kyrgyz Republic “On the conflict of interest”.

PUBLISH BEST PRACTICES IN “MUNICIPALITET” MAGAZINE

CAMI highlighted the main takeaways from the Forum of Aimaks on regional development and ways of improving the capacity of local budgets in an article in the June 2018 issue of “Municipalitet” magazine. The article focused on:

- Regional development in the Kyrgyz Republic;
- Resolution of the Forum of Aimaks on March 30, 2018;
- Improving the capacity of local budgets.

CONDUCT 2 DOMESTIC STUDY TOURS

The first study tour was organized in January 2018. CAMI reported on this activity in the previous quarterly report. CAMI will conduct the second study tour in the next quarter.

3.3 ENSURING A POST-ACTIVITY MECHANISM FOR LSG ASSISTANCE AND SUPPORT

During this quarter, CAMI continued supporting the Union of LSGs. CAMI helped the Union in the implementation of the Financial Sustainability Plan for 2018-2020. The Union has made the following progress:

- Introduced changes in the Union’s Charter proposed in the Financial Sustainability Plan;
- Developed and approved the Union’s Regulation on Monitoring and Evaluation;
- Defined mechanisms of effective interaction between LSGs and the Union;
- Optimized collection of the Union’s membership fees;
- Started updating the Union’s website.

CAMI recruited a local expert, Asel Bektenova, to work with the Union on developing internal administrative documents. During this quarter, the Union developed the following documents:

- The Union’s Mission;
- The Union’s Internal Policy;
- Regulation on the provision of services to the members of the Union;
- Regulation on the interaction of the Union with its members;
- Regulation on the procurement of goods, works and services;
- Detailed job descriptions of the staff of the Union’s Directorate.

CONDUCT REGULAR MEETINGS OF THE POST-ACTIVITY MECHANISM

On June 20, 2018, the Union organized a regular meeting of its Board members to present and approve the developed documents. The Union’s Board approved all documents. Additionally, CAMI experts Asel Bektenova and Maxim Semenyak trained the staff of the Union’s Directorate and Board Members on monitoring and evaluation (M&E) of the Union’s performance. Trainers introduced the main processes of internal M&E, presented and reviewed the performance indicators outlined in the Union’s Regulation on M&E, and reviewed questionnaires recommended for conducting internal M&E. The trainers

incorporated practical sessions and proposed approaches on reporting about the progress of implementing the Union's Financial Sustainability Plan.

3.4 ADVANCING READILY ACHIEVABLE REFORMS OF THE GOVERNMENT OF THE KYRGYZ REPUBLIC TO IMPROVE LSG'S EFFECTIVENESS

3.4.1 POLITICAL ECONOMY ANALYSIS

In Year 1, CAMI developed the Political Economy Analysis (PEA) with the participation of experts, stakeholders, and government representatives at the national level. The PEA findings and recommendations were partially incorporated in the LSG Development Program. In Year 2, CAMI applied a different approach and decided to develop PEA at the local level to reflect on and compare different challenges faced by LSGs depending on their regions. This approach allowed CAMI beneficiaries to be directly involved in the analysis, and it helped to disseminate PEA methodology in the regions.

UPDATE THE ANNUAL POLITICAL ECONOMY ANALYSIS

CAMI pursued the following objectives when conducting the PEA at the local level:

- Verify the PEA results at the local level with results obtained at the national level and compare the results of the "bottom-up" approach with the "top-down" approach. Identify the differences in the assessment of the situation at the local and national levels and examine opinions of stakeholders at the local level. This comparison will help to identify existing problems at the national level and propose recommendations for a constructive dialogue between stakeholders at the national and local levels;
- Identify and analyze any existing regional differences between the Jalalabad and Issyk-Kul regions in the assessment of the current situation, behavior of stakeholders and their motivation to make adjustments in the ongoing CAMI activities, and provide recommendations to LSGs;
- Outline recommendations and topics for dialogue between stakeholders at the local, regional, and national levels on key issues identified by PEA in 2017 and 2018.

Based on the findings from focus group discussions in Jalalabad and Karakol cities and desk research, CAMI drafted the regional Political Economy Analysis in Russian. The PEA focuses on topics of the five categories of local self-governance and interaction between state level stakeholders with LSGs, and it proposes recommendations for project strategy in the short- and medium- term. In the next quarter, CAMI will finalize the PEA and present the final draft to key local, regional, and national stakeholders.

PRESENT THE UPDATED ANNUAL POLITICAL ECONOMY ANALYSIS TO STAKEHOLDERS

This activity will be implemented in the next quarter.

3.4.2 SUPPORT TO LSG STRENGTHENING REFORMS VIA FORUMS

CAMI organized a Forum of Aimaks on March 30, 2018. CAMI reported on this activity in the previous quarterly report. The next Forum is scheduled for September 2018.

CONDUCT 4 DISCUSSIONS, INCLUDING ONE IN PEA FORMAT WITH KEY NATIONAL AND LOCAL PARTNERS/STAKEHOLDERS

From June 13 to 14, 2018, CAMI organized four focus group discussions in Karakol and Jalalabad. The representatives of DPI, CAMI's subcontractor, led the discussions. CAMI involved representatives of LSGs and the local community in the first two focus groups. The next two focus groups included the representatives of LSGs and state bodies. The discussions brought together AO heads and executive secretaries, deputies of Ayil Keneshes, representatives of local state administrations, civil activists and representatives of civil society organizations.

Focus group scenarios included the following questions:

Introductory questions:

- Who is the stakeholder in solving this problem? What is their interest or motivation?
- Who is the opponent of change and is interested in preserving the problem? What is the motivation of these people?
- Are there any legislative problems that create this problem?
- Are there informal forces or groups interested in preserving the problem?
- What recent events have affected the improvement or deterioration of the situation regarding this issue?
- Are there any changes in the relationship between the key stakeholders and the stakeholders of the problem?
- What is the role of LSG in solving this problem?
- What is the role of the district in solving this problem?
- What is the role of the oblast in the decision of the district?

Specific questions for discussion related to the municipal services and local economic development:

- Is the term "municipal services" clear on the local level? What difficulties do local government bodies have for municipal services?
- What word determines the range of services involved in local issues (water, garbage, etc.)?
- Can tariffs for utilities be higher than they are now? Are citizens ready to pay more and under what conditions?
- Why are municipal land and real estate prices lower than commercial prices?
- What prevents investors from investing in the economic development of rural LSGs in the region?

Specific questions for discussion related to finance:

- Are local self-governments compensated in any way for the effective management of local budget revenues? Do they have the motivation to manage local budgets well?
- What is the role of citizens and NGOs in financial management? Are citizens and NGOs able to have a positive impact on the financial management of LSGs?
- What powers and capabilities do OMs have to raise revenue from local taxation? What are the restrictions?

Specific questions for discussion related to internal management and citizen participation:

- How do clans influence the management and operation of LSGs? How do clans influence staff appointments? How does this affect the current guidance of LSGs?
- What other informal influence groups work at the local level and how do they influence decision-making at the local level?
- Is there a problem with the overload of ayil okmotu employees with government issues?
- Should citizens, by means of “ashar”, decide the organization of life in the community or is it the responsibility of the management system?
- Should there be special action plans for working with different population groups?
- What digital technologies can be used to work with citizens at the local level?
- What is the main role of a citizen in relation to LSG: control of LSGs, for example, monitoring of services; participation in public work; voting in elections?

STAKEHOLDER AND DONOR COORDINATION

On June 8, 2018, CAMI and the GIZ Civil Society Fund Project signed a Letter of Intent on the Cooperation on improved municipal services for selected pilot LSGs in the Issyk-Kul and Naryn regions. Under this LOI, GIZ will procure equipment for approximately \$60,000 in the CAMI selected pilot LSGs, mostly meter devices for the drinking water system. The USAID Regional Office in Almaty and the USAID COR in Bishkek supported this initiative and approved the LOI.

This activity will support the development of five Rural Drinking Water Users' Associations (RDWUA) in the following municipalities:

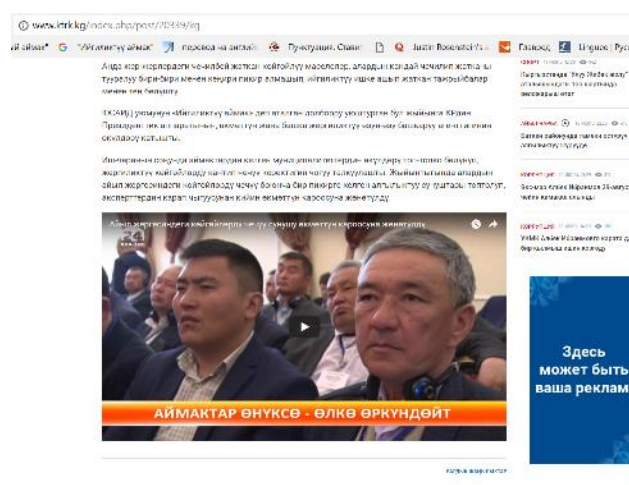
- Kerege-Tash;
- Boz-Uchuk;
- Jeti-Oguz;
- Kosh-Dobo.

This activity fits well with the Action Plans developed with the help of CAMI consultants under the VIS and currently implemented by AOs. According to the letter of intent, CAMI consultants will work closely with RDWUAs and LSGs to ensure the proper installation of water meters and provide coaching on service delivery management. CAMI will also conduct an information campaign to introduce the new system of drinking water supply and to motivate citizens to pay service fees.

CROSS-CUTTING ACTIVITIES

COMMUNICATIONS ACTIVITIES

CAMI continues to promote project visibility and a unified project message via different mediums and measures. During this quarter, CAMI secured media coverage on regional and national TV channels. In May 2018, the top-ranked TV channel, public broadcaster KTRK, broadcast a video story in Kyrgyz about the Kochkor municipality in the Naryn region solving a garbage disposal issue. In the previous quarter, the same TV channel prepared and aired an extended story on the Forum of Aimaks. In addition to the broadcast, the channel placed an article about the Forum on its website www.ktrk.kg



The southern branch of the public broadcaster ELTR TV channel covered the experience-exchange training in On-Eki-Bel aimak of Nookat raion. The story aired in Kyrgyz and Russian during the prime-time evening news. The program is available online on the official ELTR Youtube channel.

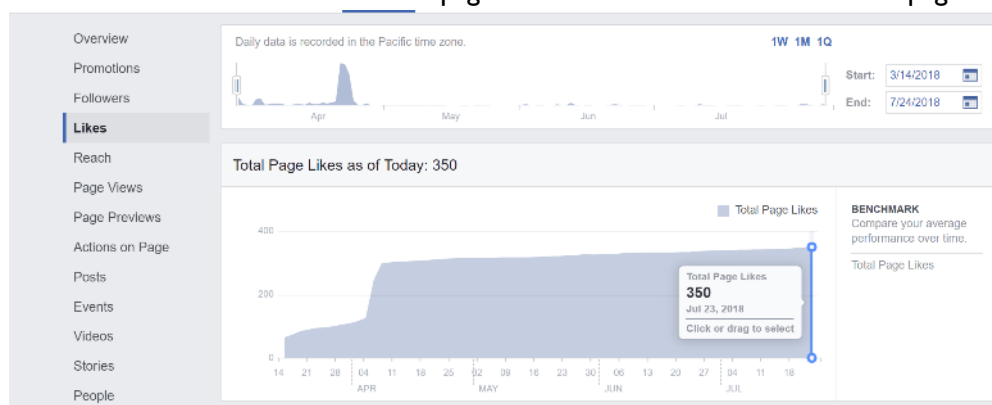
Further measures for ensuring project visibility include the production of photo and video materials. To showcase and disseminate the achievements and results of partner LSGs in the Issyk-Kul region (Lipenka, Jety-Oguz, Darkhan, and Orgochor), the Communications team organized a trip with a professional videographer and photographer. CAMI actively uses photos on social media, as well as in promotional and print materials. The video materials

in the storytelling format are in the final production stages. These videos will be shared on CAMI's Facebook page and showed at the project's events in the next quarter.

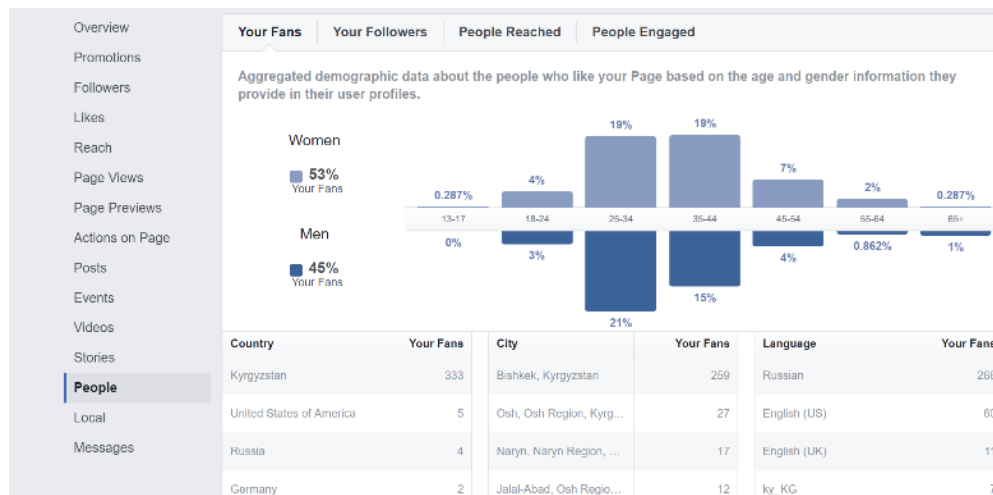
This quarter, CAMI has also integrated a new outreach medium. Combining useful information for municipalities and project branding, CAMI produced a poster on 25 issues of local significance. The poster contains engaging and colorful pictures with names for each of the 25 services that fall under the LSGs' authority. Often, rural citizens do not obtain full information on what types of services they can receive from LSGs. CAMI will distribute the posters to all partner municipalities, which in turn will place the posters on information boards in AO buildings. The Communications team has been largely involved in drafting, designing, and approving the poster's content. Currently, the team is working on production of the posters.

FACEBOOK STATISTICS

CAMI launched its Facebook page on March 9, 2018. Since then, CAMI has effectively used Facebook for outreach and information dissemination. CAMI's official Facebook page (<https://www.facebook.com/CAMIPROJECT/>) has steadily grown its followers. From the time of its launch, 350 Facebook users have 'liked' the page and 367 users have 'followed' the page for updates.



Demographic data about the page followers:

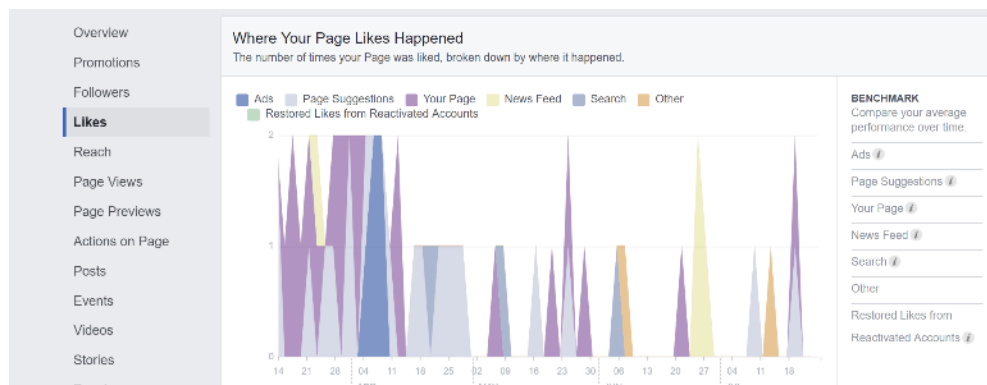


Most of the page audience resides in Bishkek, Osh, and Naryn regions. Around 280 followers belong to the 25-45 age group. The current reach was mostly achieved with unpaid distribution of posts. The figure below demonstrates the comparison of paid and organic reach.



Comparison of paid and organic reach, from CAMI Facebook page insights. In April 2018, the team experimented with paid post distribution. Paid posts reach a much larger audience.

The organic reach can be achieved with page followers sharing or engaging in comment sections of the posts. As the illustration below demonstrates, most of the page 'likes' happen via the page. Another source is the page suggestion. The third largest source of the page's audience is the News Feed, meaning re-posting and tagging of the page address by other pages or individual accounts.



On average, the Communications Team posts three times a week. The team analyses the page insights to organically reach a larger audience. Page insights show that the best time for reaching a larger audience is from 9 pm to 10 pm. Most of CAMI's target audience can be reached on Fridays or the weekend. Currently, the posts with the highest engagement contain lengthy text and photos on trainings in the fields. Posts with vacancy and procurement announcements get more shares and likes.

Due to regular updates in the News Feed, the team manages to reach a wider audience outside of its partner municipalities. For instance, in May 2018, Sanatbek Zaripbek uulu, the deputy of Korul Ayil



Kenesh of the Alai raion in the Osh region reached out via the Facebook page. He contacted CAMI through the comments section and private messaging numerous times, asking for Korul AO to be considered as a possible CAMI partner. CAMI invited Sanatbek Zaripbek uulu to participate in the training on budget processes for Ayil Kenesh deputies.

PROGRESS ON PERFORMANCE INDICATORS

The table below demonstrates CAMI's progress on performance indicators in Quarter 3 of Year 2.

Performance indicator; Crosscutting Indicators & F Indicators	Unit (disaggregate)	Year 1 Target	Year 1 Results	Year 2 Target	Y2Q1 Actual	Y2Q2 Actual	Y2Q3 Actual	Cumulative Y1-Y2
% change in citizen trust in local government to provide efficient services	Percentage change (by raion, gender, age)	3%	3.5%	9%	N/A	N/A	N/A	N/A
Number of LSGs with improved effectiveness-legitimacy gap scores	Number (by LSG group)	4	16	16	N/A	N/A	N/A	N/A
F. 1 Number of mechanisms for external oversight of public resources use supported by CAMI	Number (by LSG, raion)	4	4	6	1	0	1	6
F. 2 Number of government officials receiving U.S. Government-supported anti-corruption training	Number (by LSG, raion, gender, age)	48	N/A	96	0	0	109	109
Project level Impact Indicators								
Project Intermediate Result 1: Improved LSG effectiveness, as defined by improved competency, capacity, and solutions to perform devolved functions and services								
I.1 Number of LSGs with improved effectiveness score, based on LSGPAT	Number (by raion, by population category)	4	15	16	N/A	N/A	N/A	N/A
I.2 Average % increase in LSG effectiveness scores, based on LSGPAT	Number (by raion, by size of LSG)	3%	27%	9%	N/A	N/A	N/A	N/A
I.3 Number of Kyrgyzstan LSG staff and experts with improved capacity	Number (by raion, gender,)	32	128	192	43	291	97	559
I.4 Number of municipalities with completed Visible Improvement Strategy (VIS) with participation of the community	Number (by raion, by population category)	16	16	32	0	8	8	32
I.5 Average percentage of the tasks completed of VIS across program LSGs	Number (by LSG, raion, task)	15%	42% (1-st service)	20%	28% (LSGs in Round I) 15% (LSGs in Round II)	54% (LSGs in Round I) 33% (LSGs in Round II)	68% (LSGs in Round I) 59% (LSGs in Round II)	68% (LSGs in Round I) 59% (LSGs in Round II)
I.6 Number of LSGs that practice participatory and improved budget procedures	Number (by raion, by size of LSG)	4	16	22	0	6	0	22
I.7 Number of LSGs with service-oriented Ayl Kenesh (AK)/City Kenesh (CK) committees	Number (by raion)	8	9	16	0	0	9	18
I.8 Number of LSGs with increased own source revenues	Number (by LSG, raion, type of revenue)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
I.9 Number of forums on local government strengthening supported by CAMI	Number (by raion)	2	2	2	0	1	0	3
Project Intermediate Result 2: Increased LSG legitimacy as defined by improved community engagement, responsiveness, and accountability with respect to devolved functions and services								
2.1 Number of LSGs with improved legitimacy scores, based on LSGPAT		4	10	16	N/A	N/A	N/A	N/A
2.2 Average percentage increase in LSG legitimacy scores, based on LSGPAT		3%	9.6%	9%	N/A	N/A	N/A	N/A
2.3 Number of citizen charters launched by CAMI support;	Number (by LSG, raion, service)	4	4	22	0	0	23	27
2.4 Number of public dialogues held by LSGs with participation of community, conducted directly with CAMI support	Number (by LSG, raion)	32	32	128	16	50	16	114

2.5 Number of people attending the local mechanisms established or improved with the support of CAMI for citizen involvement	Number (by LSG, gender, age, organization)	640	1,258	2,400	452	3,252	1,128	6,090
2.6 Number of LSGs with public outreach strategies, launched by CAMI support	Number (by raion)	4	4	22	0	0	0	4
Project Intermediate Result 3: Furthering and sustaining indigenous Kyrgyzstan LSG support capabilities that are competent and able to provide on-going assistance to communities and their leadership								
3.1 Number of resources developed or improved with CAMI support to strengthen LSG performance and build sustainability	Number (by LSG, type of mechanism)	8	23	44	2	8	9	42
3.2 Post-activity mechanism for LSG assistance and support established		N/A	N/A	N/A	N/A	N/A	N/A	N/A

MANAGEMENT

PERSONNEL AND RECRUITMENT

Administration

The performance evaluation process of all CAMI staff started at the beginning of Year 2 and has continued during this quarter. Most of the labor contracts were updated.

During the quarter, COP Robert Bodo provided training on Ethics and Anti-Harassment to all CAMI staff members.

To optimize the process of translating legal documents, CAMI's administrative team attended the Legal English course.

CAMI began the recruitment of drivers in the southern and northern regions of the Kyrgyz Republic to improve the quality of transportation of CAMI staff and optimize project funds.

During the quarter, CAMI procured 6 laptops and 6 smartphones as part of the activity on introducing the WhatsApp mobile feedback mechanism in 6 Round II LSGs. Additionally, CAMI purchased 4 projectors to use in the regions.

CAMI concluded new blanket purchase agreements on printing services and purchases of stationary.

ANTICIPATED ACTIVITIES IN THE NEXT QUARTER

In the next quarter, the project team will focus on the following activities:

LSG PERFORMANCE ASSESSMENT

- Conduct the LSGPAT on effectiveness and legitimacy in partner LSGs for Year 2 results.

OUTCOME I: INCREASING LSG EFFECTIVENESS

- Develop a practical handbook on local service management
- Build core capacities of Round II LSGs for visible service performance through the following trainings:
 - Cluster trainings on management of drinking water service delivery;
 - Cluster trainings on management of municipal enterprise;
 - Cluster trainings on asset management.

- Develop/or update the following important documents necessary for improved service delivery:
 - Report on execution of budget;
 - Investment plans;
 - Business plans on development of water supply management;
 - Business plans on sustainability of municipal enterprise;
 - Program on asset management.
- Provide coaching to partner LSGs on the following topics:
 - Property Tax Revenue;
 - Asset management;
 - Budget efficiency.

OUTCOME II: INCREASING LSG LEGITIMACY

- Arrange public dialogues on issues related to Visible Improvement Strategies;
- Conduct public hearings in partner LSGs;
- Update citizen charters to insert decisions concerning public service delivery;
- Launch the WhatsApp Mobile Feedback Mechanism in selected LSGs;
- Develop Communications Strategies for northern tier LSGs.

OUTCOME III: FURTHERING INDIGENOUS KYRGYZSTANI LSG SUPPORT CAPABILITIES

- Conduct the CAMI Coordination Council meeting;
- Publish CAMI best practices in “Municipalitet” magazine;
- Conduct a domestic study tours for partner LSGs;
- Organize regular meetings with the Union of LSGs;
- Conduct a roundtable in the PEA format with key national and local partners and stakeholders;
- Organize the Forum of Aimaks.