
CASE STUDY:

SOCIALLY INCLUSIVE- & GENDER RESPONSIVE BUDGETING IN KYRGYZSTAN



0. Abstract

This case study on socially inclusive and gender responsive budgeting (SI&GRB) in Kyrgyzstan contributes to the Learning Journey of SDC's Gendernet which focuses on learnings from local level with particular attention to the expenditure side of budgets. The case study is based on two interconnected SDC funded projects lead respectively by DPI (Development Policy Institute) and HELVETAS Swiss Intercooperation Kyrgyzstan:

- Voice and Accountability Citizens' Participation and Oversight of Budgeting Processes (VAP)
- Public Service Improvement (PSI)

The case study is presented in five parts: first it provides a general overview of the context of decentralized governance, gender and social equity in Kyrgyzstan; secondly and thirdly the case study outlines the theory of change and implementation approaches of the VAP and PSI projects; whereas the final two parts present a selection of stories of change, achievements and lessons learned on how to further strengthen socially inclusive and gender responsive budgeting in Kyrgyzstan.

The case study is articulated based on a series of key informant interviews and Focus Group Discussions with a wide range of stakeholders¹ representing central and local government agencies; community members and civil society organisations; and development partners.

1.0. Socially inclusive and gender responsive budgeting in the context of Kyrgyzstan

Decentralization in Kyrgyzstan

According to the Worldwide Governance Indicators (WGI) published by the World Bank², the Kyrgyz Republic has deteriorated over the past 10 years in fields such as control of corruption, rule of law and political stability. Importantly though, the voice of citizens and accountability of local government institutions has improved. The new constitution of Kyrgyzstan was passed by a referendum in 2010, creating a parliamentary democracy with emphasis on transparent systems, fight against corruption and protection of human rights. Also, the new Constitution provided for decentralization through the recognition of LSGs (Local Self-Governments) while confirming the right of citizens to participate in planning and budgetary process. LSGs (municipalities) consist of a representative body, the local Kenesh (Council) and an executive body, the Ayil Ökmotu (mayor's office aka. village government) elected by the Council.

In the absence of a national Decentralization Policy, the LSG policy document "Towards Sustainable Development Program 2013 – 2017"³ has until now shaped the official vision for Local Self-Governance. Its main goal is to have efficient, responsible, and accountable LSGs through: increase of responsibility and optimization of LSG; focus LSG operation on priorities of local communities; financial sustainability development; increase of LSG resource base and local economic development; improvement of organizational and legal framework for result-oriented operation of LSGs.

The key goal of fiscal decentralization in the Kyrgyz Republic is to create conditions where local self-governance bodies will have high level of independence in managing its financial resources in order to effectively deliver public services. In the period since 2011 the income base of local budgets has continuously been expanded. The sources of local budget income are tax and non-tax revenues and transfers. Tax revenues consist of local taxes (land tax and property tax), state taxes (sales tax, income tax, royalties). Depending on the state of local budgets, LSGs receive equalization grants. At present circa 85% of municipalities are subsidized and the share of local budgets for the provision of services does typically not exceed 10-15%.

¹Development Policy Institute (DPI); HELVETAS; Political leaders and Local Self-Government (LSG) staff from staff from Ulahol, Bosteri, Kochkorbaev and Yurievka; State Agency for Local Self-Governance and Inter-Ethnic Relations (SALSGIR); Union of Local Self-Governments; Training Centre of the Ministry of Finance; Alliance for Budget Transparency; Agency for Social Technologies; Gender Policy Department, Ministry of labour and social development; and the Swiss Cooperation Office in Bishkek.

² http://info.worldbank.org/governance/wgi/sc_chart.asp# <http://info.worldbank.org/governance/wgi/index.aspx#reports>

³ At the time of the case study, the new LSG policy document 2018-2022, was not yet adopted

Public Finance Reform in Kyrgyzstan

The ongoing Public Finance Management (PFM) reform process is quite ambitious and covers a wide range of measures aimed at: strengthening financial management and transparency; improving public debt management; revenue administration; intergovernmental relations and -transfers; public procurement procedures and investments; accounting and auditing. The reform agenda is strongly supported by the international donor community⁴ through the Multi-Donor Trust Fund.

A new Budget Code of the Kyrgyz Republic has come into force as of January 1, 2017. The Budget Code aims to optimize the budget process and has been prepared in a move to revise and consolidate regulations into one package and to adopt one legislative act, which will serve as the basis for the budget legislation of the country. The Budget Code defines principles of regulation of relations in public finance management in the process of formation, consideration, approval, revision and implementation of central and local budgets. Civil society organisations, incl. DPI and HELVETAS Kyrgyzstan successfully advocated for the inclusion of “public budget hearings” as a way of strengthening transparency, accountability and participation on local budgeting processes.



“DPI is always one step ahead. Through the VAP project, they introduced public budget hearings in 2015 and now it is included in the budget code with effect from 2017”.

**Mr. Bek Jekshembaev, Head of Ayil Ökmotu,
Yurievka**

Socially Inclusive and Gender Responsive Public Service Provision in Kyrgyzstan

Apart from the financial constraints, municipal service provision in Kyrgyzstan is impeded by a muddled and to some extent contradictory legislative framework. Public service provision at the local level can be divided into three main categories, namely

1. Municipal services (a.k.a. issues of local significance);
2. Communal services;
3. State delegated services

According to the Union of LSGs, another 359 pieces of laws and regulations refer to the roles and responsibilities of the local self-governance bodies. Despite this comprehensive and complex legal framework, socially inclusive and gender responsive budgeting is not explicitly mentioned anywhere. However, experiences from the VAP & PSI projects show that this is nevertheless successfully done in practice between the project municipalities and communities.

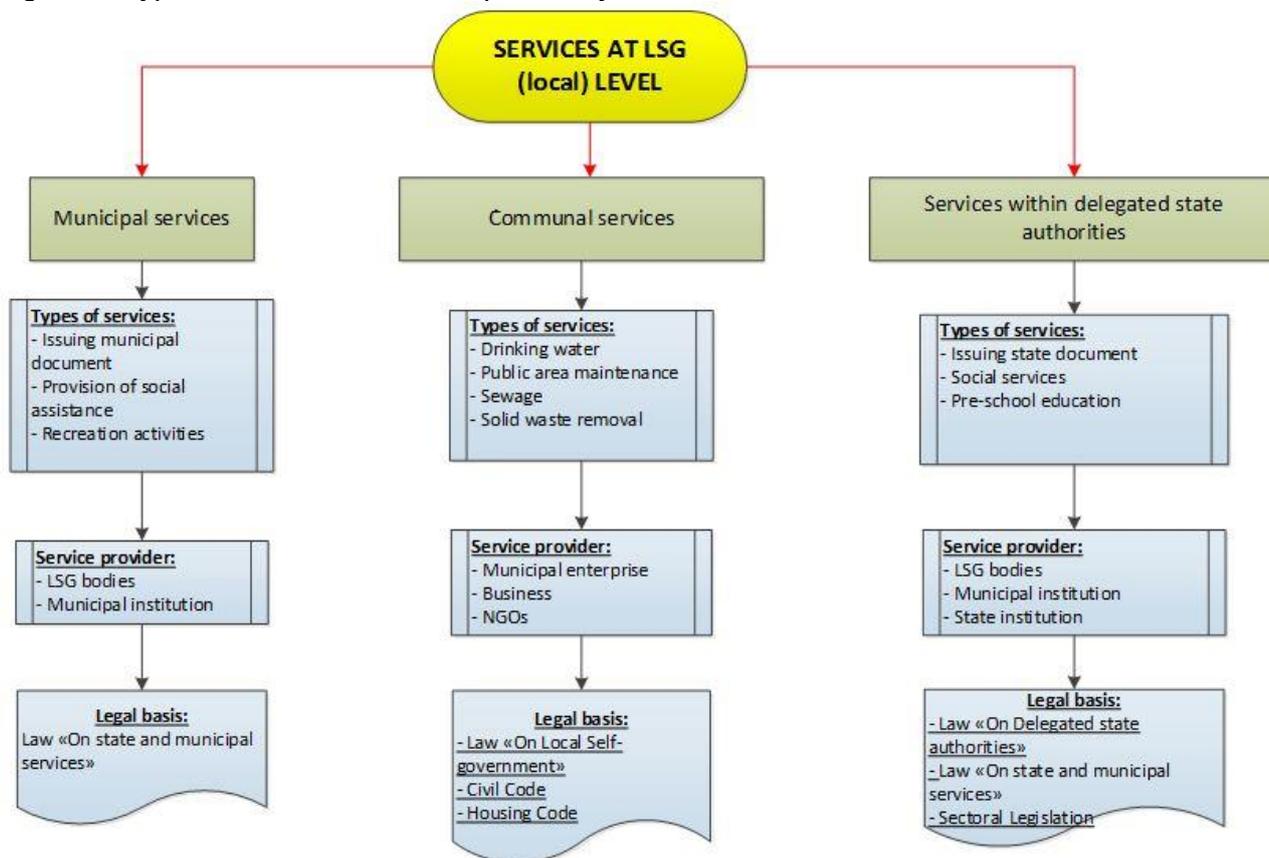
In Kyrgyzstan, social groups are considered poor and socially excluded if they are included in the list of poor and socially excluded households by LSGs. The estimation of poverty is based on a method, which follows a basic needs poverty line using the consumption approach. The latest data of the National Statistics Committee from 2016 shows that poverty is estimated at 25.4% which is a decrease by 6.7% in comparison to 2015. However, according to the World Bank⁵ estimates, most of the population (over 90%) is living either below or only slightly above the poverty line

⁴ Governments of the United Kingdom of Great Britain and Northern Ireland, Sweden, Switzerland and the European Union

⁵ Country Diagnostic: From Vulnerability to Prosperity, Kyrgyz Republic 2017: World Bank, Systematic Country Diagnostic

The introduction of gender analysis of budgets is mentioned as an expected outcome in the “National Strategy on the Achievement of Gender Equality till 2020”. While Kyrgyzstan by Central Asian comparison is considered to have progressive gender legislation and policies in place, a clear implementation mechanism for gender equity laws is lacking. Another challenge is that the national strategy and adjacent action plans on gender equality are under-financed.

Figure 1: Types of services under responsibility of LSG bodies:



The environment in Kyrgyzstan could generally be considered favourable for the advancement of the gender equality agenda. However, the capacity of Parliament, Government and line ministries to mainstream gender and conduct gender analyses of sector budgets remains low. Do, the political will to effectively take forward Gender Equality and Women’s political and economic empowerment is uncertain⁶.

According to UNDPs Gender Development Index, Kyrgyzstan is placed in group II that comprises countries with medium-high equality of HDI (Human Development Index) achievement between men and women. Kazakhstan is in group I (high equality); Tajikistan and Uzbekistan in group 3 (medium equality). In the gender inequality index, Kyrgyzstan is only ranked 90 of 188 countries (Kazakhstan #42, Uzbekistan #57, Tajikistan # 65). Since independence, declining employment opportunities have limited the economic activities of women. Women are active in the informal sector, but their average earnings in the formal labour market in 2010 were only 63.6% of men’s. The labour force participation rate for women is 52.3%, compared with 76.6% for men. Women are overrepresented in public education and health sector jobs, which pay relatively low salaries but provide other benefits and often demand shorter working hours. Women are also underrepresented in managerial and political positions⁷. In local councils (Ayil Kenesh) there are only 706 female deputies out of a total of 6,955 deputies representing approximately 10 percent of the total number of deputies⁸

⁶ Gender Study for Central Asia, 2018: EuroPlus Consulting & Management: Helen Dubok & Dilbar Turakhanova

⁷ PSI Project Document

⁸ Gender Study for Central Asia, 2018: EuroPlus Consulting & Management: Helen Dubok & Dilbar Turakhanova

Effective and efficient provision of socially inclusive and gender responsive public services is crucial for both the economic and political empowerment of women and other socially marginalised groups. In this regard, Kyrgyzstan has made significant investments to improve maternal health. Still, the rate of maternal mortality remains high, especially in rural areas (57.4 deaths per 100 000 live births in rural areas, compared with 37.9 deaths in urban areas). The country has achieved gender parity for primary and lower secondary education, however, the number of schools in urban areas is insufficient and there is low coverage of children by pre-school education especially in rural areas. The pre-school enrolment for children aged 3-6 stands at 26% compared to Kazakhstan (57%) and Uzbekistan (25%). Girls are more likely to be absent from school due to e.g. lack of clothes or shoes. Poor sanitary conditions in schools furthermore lead to greater absenteeism among girls once they reach puberty and begin menstruating⁹.

The deterioration of social services (e.g. access to day-care centres, primary and secondary education, clean and safe water, health clinics) has added to an already significant unpaid burden of care for rural women. Typically, this burden of care is not recognized by the husbands or communities. The lack and poor quality of public services is another reason why the care burden does not reduce. If women's care work was redistributed more fairly within the family unit and if public services were adequate, women could spend much less time caring for children, sick and elderly, cleaning, cooking, fetching water, etc. Instead, young rural women, who carry most of the domestic burden, are stuck at home prevented from taking up paid work, participate in local development processes, pursue political leadership, and most of all having some free leisure time.

2.0. Introduction to the VAP and PSI projects

The VAP and PSI projects are interwoven SDC funded projects that respectively aim to strengthen local budgeting processes and improve public services. The VAP project started in 2012 covering the Issyk-Kul and Jalal-Abad region (Oblast) and is in the second project phase (2015-2019) covering 18 municipalities in the Chui, Naryn and Osh Oblasts. The PSI project is in its first phase (2015-2019) and is implemented in the 30 municipalities of Issyk-Kul and Jalal-Abad region where the VAP projects was first anchored.

Name of project	Voice & Accountability Project (VAP)	Public Service Improvement (PSI)
Goal	Public finances are managed in a more transparent and effective mode through greatly increased accountability and citizen participation in the decision making process.	Municipalities increase quality of and access to public services for own population
Outcomes	<ol style="list-style-type: none"> 1. Citizens' engagement and responsibility in local decision making is strengthened 2. LSG's responsiveness to civic initiatives is increased 	<ol style="list-style-type: none"> 1. Citizens receive efficient and sustainable public services from local public service providers 2. Effective stakeholder interaction systems for public service improvements is in place
Outputs	<ol style="list-style-type: none"> 1.1. Community driven budgetary framework is in place and functional 1.2. Citizens driven monitoring and evaluation system for LSGs is introduced. 2.1. LSG's governing framework reoriented towards citizens' participation 	<ol style="list-style-type: none"> 1.1. Local service providers have better management capacities 1.2. Municipalities practice public service improvement mechanisms 2.1. Citizen participation mechanisms in public service definition, execution and

⁹ Ibid

	<p>2.2. Budget Management practices of LSG's legislative and executives are strengthened;</p> <p>2.3. National decentralization policies are modified and enforced through advocacy and lobbying</p> <p>2.4 Municipal servants' continuous qualification upgrade system is introduced and strengthened</p>	<p>monitoring are established in municipalities</p> <p>2.2. Municipal oversight over public service providers in strengthened</p> <p>2.3. Advocacy and information dissemination capacities of municipalities and national counterparts are strengthened</p>
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3.0. Socially inclusive and gender responsive budgeting in VAP & PSI projects

Theory of Change

The theories of change for both the VAP and PSI project amplifies the importance of women's and socially marginalised groups' participation in local budgeting processes and improvement of public service provision. As implementing partners both DPI and HELVETAS interventions are based on the recognition that women and men, including members of disadvantaged groups, have equal rights, and must have equitable access to opportunities in realizing their potential as human beings. The attainment of basic human rights such as access to education, health and water requires strategic interventions that target both the rights holders, i.e. creating awareness of citizens to know about and claim their rights, participate in local governance processes and demand quality public services that address their priorities and needs. On the other hand, the projects also develop the capacities of the duty bearers, i.e. the LSGs, to engage in dialogue with citizens and have them participate in local decision-making and accountability processes that concern the planning, budgeting, implementation and monitoring of public service delivery. In a nutshell, both projects have adopted the 'human rights based approach' with the view to strengthen the social contract between rights holders and duty bearers

Basic human rights and public service provision

Human rights are rights inherent to all human beings, regardless of nationality, place of residence, sex, national or ethnic origin, colour, religion, language, or any other status. The Universal Declaration of Human Rights states that everyone has the **right to education**, hence the right applies to all individuals, although children are considered as the main beneficiaries. Article 25 of the United Nations' Universal Declaration of Human Rights 1948 states that "Everyone has the **right to a standard of living adequate for the health and well-being** of himself and of his family, including food, clothing, housing and medical care and necessary social services." On 28 July 2010, through Resolution 64/292, the United Nations General Assembly explicitly recognized the **human right to water and sanitation** and acknowledged that clean drinking water and sanitation are essential to the realisation of all human rights.

Overview of gender responsive and socially inclusive methodologies, approaches and tools

Whereas this section of the case study provides an overview of the adopted methodologies, approaches and tools that strengthens gender responsiveness and social inclusion in the VAP and PSI projects, the next section gives a more detailed description on how these are applied during the different stages of the public finance management cycle.

Gender sensitivity and social inclusiveness are criteria for selection of municipal projects for addressing selected priority issues of communities that are co-funded by VAP and for the selection of service improvement actions plans that are co-funded by PSI. Through targeted mobilisation approaches the VAP project ensures the participation of various age and social groups.

The VAP project has introduced a 30% gender quota for trainings, and establishment of initiative groups and M&E groups under its small grants program. The projects also use information tools in different local languages to reach out to all ethnic minorities. The attention to gender and social equity is also reflected in the projects M&E system so the outcome indicator for citizens' engagement and responsibility in local decision making processes reads as follows: "# of citizens participating (including women and other groups) in decision making processes". The main methodology to strengthen the engagement and influence of women and socially marginalised groups in the VAP project is the '**model of community engagement**'. The model starts with Participatory Rural Appraisals (PRAs) at village level, during which the most active citizens establish 'small initiatives groups' with assistance from LSG officials to identify priority public service needs and develop Joint Action Plans (JAP). During public hearings, these JAPs are further discussed between citizens and LSGs and if approved, the Local Councils (Ayil Kenesh) will ensure budget allocations. During the implementation of the Joint Action Plans, Community M&E Groups monitor the physical progress of the public service that is being constructed or rehabilitated and the budget expenditure is also tracked. By the end of the fiscal year the LSGs report to communities on the implementation of JAPs and relevant execution of budgets. The model of community engagement goes hand in hand with the **Small Grants Program**:

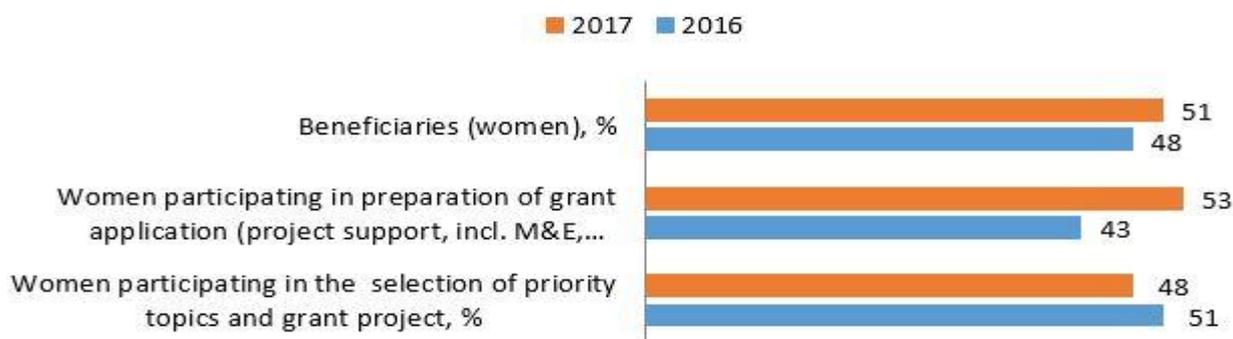
The Small Grant Program is a training facility for local governments to practice citizen engagement in the budgetary process on the local level. The facility provides a set of instruments for gender responsiveness of the budgetary process, including but not limited to engagement of women in local community needs assessment (PRAs), discussions of the identified needs and seeking for possible solutions, public discussions of needs and suggested solutions, advocating for budget allocations through cooperation with LSGs as members of Initiative Groups and by presentation (campaigning) of needs to village meetings for public funding.

In order to access the small grant program, which is partly funded by the VAP project but includes additional financial contribution from the LSGs, the following three criterion apply:

- i. *Number and percentage of women participating in the selection of priority topics for grant projects*
- ii. *Number and percentage of women participating in preparation of grant applications*
- iii. *Proportion of women benefitting from the small grants project*

As it can be seen from the figure below, the VAP project has been successful in enhancing women's participation in budgetary processes:

Figure 2: Average level of women participation in the budgetary process

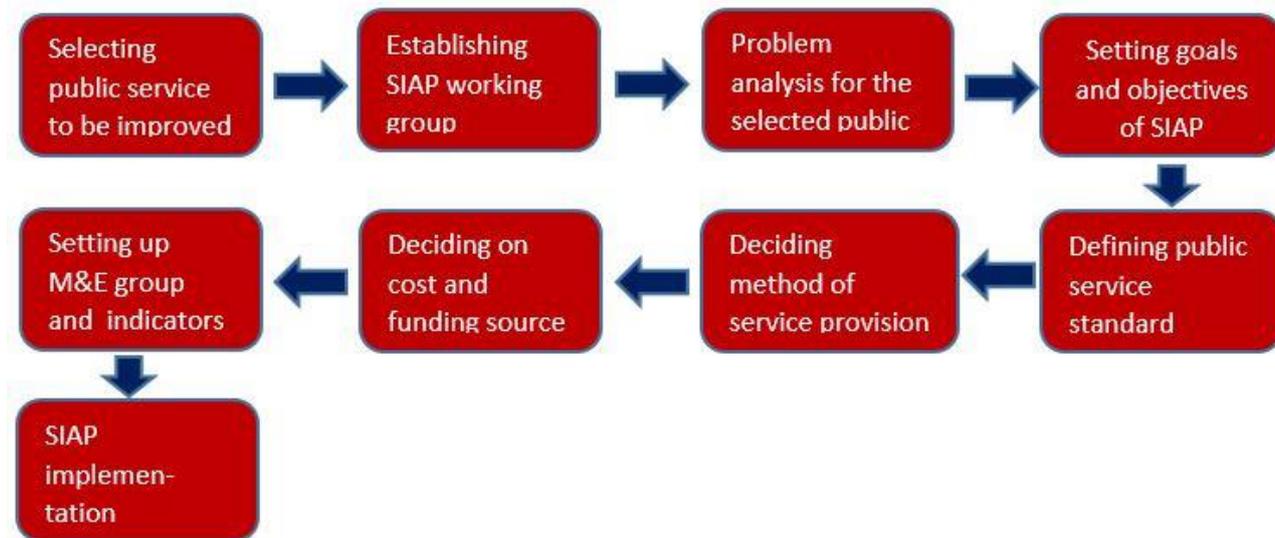


The PSI project equally uses a series of methodologies, approaches and tools to ensure the mainstreaming of gender and social inclusion into processes improving public services. Accordingly, the indicator for the outcome ‘citizens enjoying sustainable cost effective services from local service providers’ is stated as follows “% vulnerable citizens (women, marginalised groups and ethnic minorities) who have improved access to their prioritized local public services”.

The main PSI methodology for improving the system of service provision at the local level is the **Service Improvement Action Plan (SIAP)**. The PSI project has elaborated a detailed methodology note which outlines the different stages of articulating a SIAP. The PSI projects has introduced a two-tier grant mechanism to support the elaboration and implementation of the SIAP. Grants for Technical Support (GTS) are small first tier grants for development of SIAPs. All PSI project municipalities receive technical support as well as a small grant to develop at least one SIAP. Grants for Service Improvement (GSI) are the second tier grants intended to be used to implement the SIAPs. All municipalities who have developed SIAPs may compete for GSI. Such 2nd tier grants are not automatically provided to all partner municipalities but awarded by competition against clearly defined selection criteria.

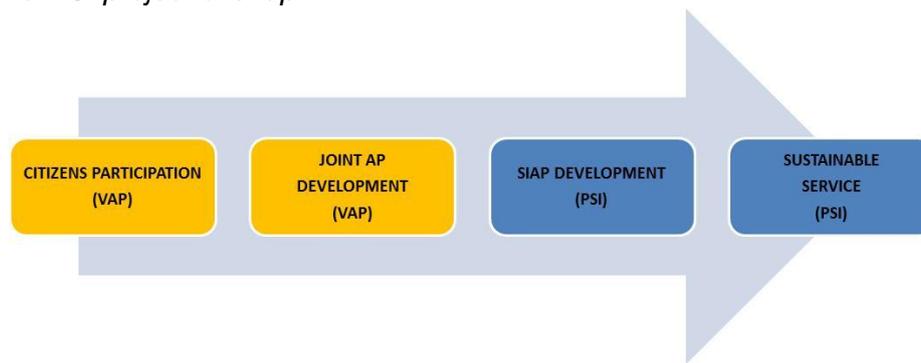
The SIAP methodology is summarised in the flow chart below:

Figure 3: Flow chart of the PSI Service Improvement Action Plan



In summary, the overlap between the VAP project's model of community engagement' and SIAP methodology of the PSI project can be illustrated as follows:

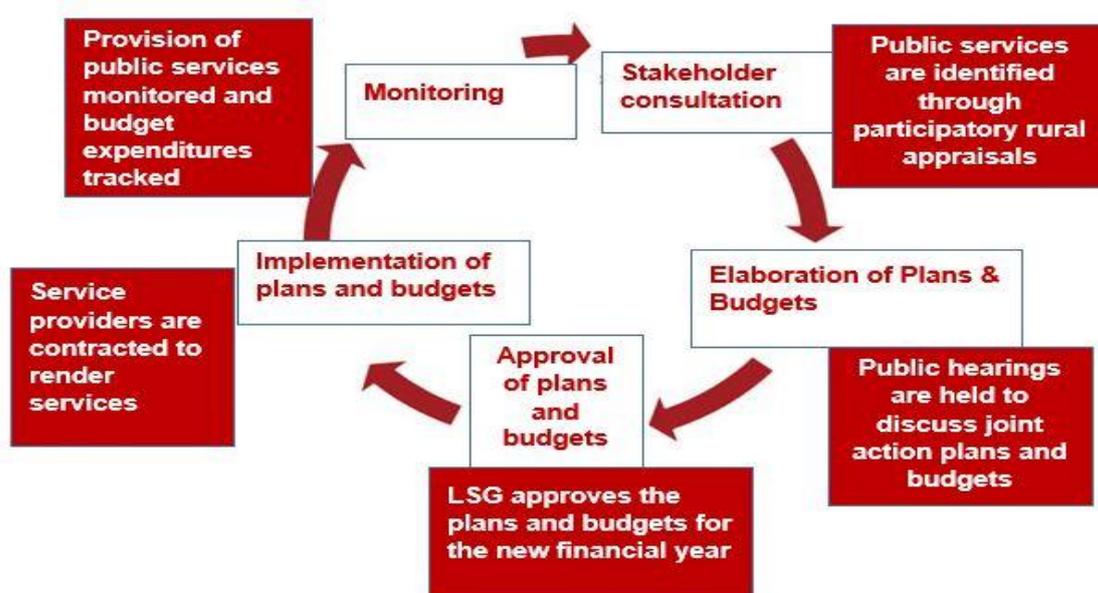
Figure 4: VAP & PSI project overlap



Social inclusion and Gender Responsiveness in Public Finance Management

The two projects cover the full cycle of public finance management. Below is an illustration of the PFM cycle and subsequent description of the VAP & PSI interventions during the different stages:

Figure 3: VAP & PSI interventions along the PFM cycle



Stage 1: Stakeholder consultation

Both the VAP and PSI project take point of departure in community consultations when respectively (i) identifying the prioritised public service needs to be included in the Joint Action Plan and (ii) selecting the public service that needs be improved through the Service Improvement Action Plan. To this effect, gender responsiveness and social inclusiveness are important criteria for selection of projects to be co-funded by VAP and the LSGs and for the PSI selection of services for which improvement actions plans are to be developed. The consultations also allow participants to discuss the gender and social inclusion relevance of the proposed actions and services. In order to raise the voice of women and socially marginalised during these consultations, focus group discussions are sometimes held separately to make sure that they can freely express their opinions.



When conducting Participatory Rural Appraisals and Focus Group discussions, the priorities identified by communities typically revolve around:

- **Improved access to water:** Often women have to walk longer distances to fetch water if the water volume and pressure is insufficient. Rehabilitation of the water systems therefore contributes to the reduction of women's care work
- **Street lightning** is typically prioritised in order to reduce the risk of traffic related accidents and personal injuries caused by poor road conditions. From a women's perspective street lightning also enhances their safety and minimises the risks of harassment
- **Preschool facilities and special classes:** Rehabilitation of school classes incl. initiation of classes for children with special needs is not only improving these children's education. It also frees up time of mothers and grandmothers, who would usually take care of the children at home, to take up paid work and participate in local development processes
- **Rehabilitation of cultural centres and sports halls** as a way to establish a space for young people to meet and discuss their issues and have leisure facilities that improve their health and quality of life. The cultural centres have also been instrumental for the strengthening of interethnic relations, e.g. by organising cultural events that showcase the different cultures of ethnic minorities



"Honestly speaking, the premises of the culture house were in a pretty bad shape before. It was not appealing to the public. Now everything is clean and nice. I come here to look after my grandson who goes here to play at the playground. Our residents organize concerts and cultural events, which are interesting to go and see. Our kids go here to play, read books, use internet, it became very good! We are grateful to the project and municipality for solving the problem of leisure of our village!" Omorova Damira, citizen of Ottuk village, Ulakhol LSG

Stage 2: Elaboration of plans and budgets

Public hearings for presentation and feedback to budgets and plans of LSGs were introduced by the VAP project already in 2015 as an approach to enhance the public participation and transparency in local decision-making processes. As of 1st 2017 this has become obligatory for all LSGs as per instructions of the new budget code. Consequently, Joint Action Plans of VAP are tabled and discussed openly between LSGs and community members during these public hearings. The hearings have also been used by the PSI project in the event of revising the tariffs for public service provision. Based on the feedback from the public hearings and agreements, working groups of VAP and PSI respectively elaborate detailed project plans and budgets and SIAPs.



LSGs have within a short time witnessed an increased participation in public hearings due to use of different mobilisation tools such as: notices on public information boards, delivery of invitation letters to households, megaphones, websites and word-of-mouth communication. However, the strongest contributing factor to the increased level of participation, including that of women and socially marginalised groups, is the fact that the tangible improvements in public service provision has been observed by communities. Also, the good practices of transparently sharing budgets and budget expenditures and letting people freely voice out their opinions has improved the relationship between LSGs and communities.

“At the beginning it was difficult to mobilise the population. They became interested when they realised that budgets and budget expenditures were shared transparently and there was “freedom of speech”. Now we have a very active citizenry.... In the past the staff of Ayil Ökmotu sat idle in the office but when the population started participating actively, the staff also changed their attitude towards the population. During the past public cleaning days, people were reluctant to come and work for free and work together with the staff. Now, people respect the LSG and in turn the LSG staff and elected representatives are open, friendly and reports back to us”

Head of Ayil Ökmotu and community members from Kochkorbaev LSG



Stage 3: Approval of plans and budgets

Taking into account the feedback from the public hearings the Ail Kenesh (local council) makes the final approval of the budgets and plans for the new financial year. When the Ayil Kenesh approves the budget, the public can also attend. Thereafter the implementation of projects and public service improvements commences.

“Annual budgets are now approved more smoothly due to the participatory and transparent processes” Head of Ayil Ökmotu, Yurievka

Stage 4: Implementation of plans and budgets

Since LSGs typically only directly render services related to issues of local significance (e.g. issuing municipal documents and providing social assistance), service providers for implementation of communal and state delegated services have to be contracted (e.g. water, waste, education).

Already at this stage, respectively the M&E and working groups of the two projects contribute to the public tendering and procurement processes. In VAP the M&E groups, together with the LSG develop specifications for the contractors. Also the M&E groups collect cost estimates from experts before the tendering of the procurement process begins. Only thereafter is the public tender posted on the webpage and public information boards. As for the PSI project, the SIAP Working Group, together with the procurement specialist of the Ayil Ökmotu develop service standards which are used as basis for developing tender documents when selecting the service providers.

Stage 5: Monitoring of public service provision

Both the VAP and PSI project work with joint M&E groups that comprises community members and LSG representatives. Accordingly, one of the outcome indicators for VAP is: “% of M&E groups that have documented municipal service performance improvement”. Likewise, an outcome indicator for PSI is: “# of municipalities that have institutionalized monitoring mechanisms of service providers”.

M&E groups devise M&E plans so that they can more easily organise themselves to monitor the quantity and quality of procured material and assets, checking receipts and assessing the quality of repair and rehabilitation works. Importantly, M&E groups also track the budget expenditures which is further strengthening the function of the LSG bodies towards the end of the fiscal year where they report to the communities on the implementation of JAPs, SIAPs and execution of the allocated budgets. The installment of suggestion boxes, erecting public information boards and collecting citizens reports cards are other examples of M&E tools that the VAP and PSI project are putting in place.



4.0. Stories of Change

The three sampled “stories of change” illustrated below exemplify how the strengthened local budgeting & planning processes and improved public services has brought about concrete social change for women and socially marginalized groups of society.

Socially responsive service provision reducing women’s unpaid care work

“Thanks to the PSI project, 2 classes for children with special needs have been rehabilitated. The son of my divorced daughter is six years old and has started attending the classes. In the beginning we tried to enrol him into a normal school but he did not like it. After that he just used to sit idle at home and I was always attached to him. The children with special needs have a good teacher. She takes time to adapt individual learning approaches to each pupil and classrooms are well equipped with visualization material. He now knows how to read and count and can communicate with other children like him. For the first time he likes going to school. He feels free and comfortable. He reads, writes and plays whenever he likes to. Also, when picking up the children, parents and grandparents have a space to chat with each other and share experiences. My daughter has now gotten a paid job and can feed the family, pay transport,

food and clothing. Before she was taking care of him at home and we were poor because her ex-husband did not pay alimony. I am so thankful for the project support, the teacher, and the LSG. Children with special needs can now learn and become full members of society. “



Mrs. Cholpon Aituarova, Baktoo Dolono village in Bosteri Municipality

Uturkeeva, the change maker

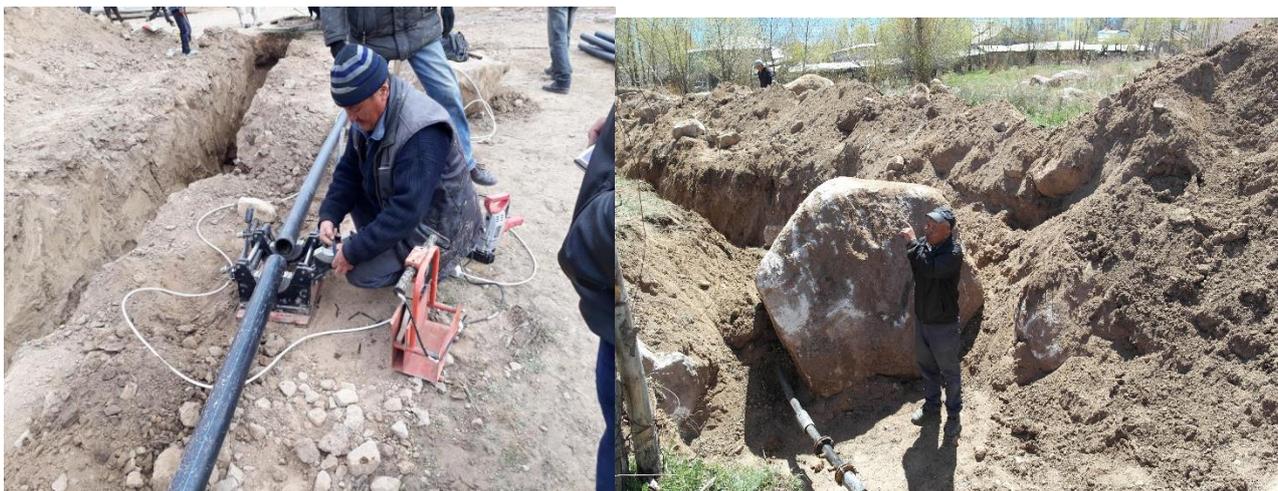
It all started in October 2015, when Uturkeeva Aygerim, a young woman at the age of 27, was appointed to the position of the chairman of the rural public associations of drinking water (RPADW) in Birdik village of Grozd municipality. Previously, she worked as a teacher of the Kyrgyz language school, and also she was a tutor in a kindergarten. The appointment to the post was very surprising to Aigerim, because she never held a managerial position, but the head of the Ayil Ökmotu assured her that she had all the qualities needed to manage the job and he also promised to help her any time she need it. Her husband and his family were also very supportive. Due to the large number of leaks, accidents, and blockages of old pipes, the water in the village did not always arrive in time to the households. Therefore, the residents refused to pay for the water, and this eventually created a deficit in the budget of the RPADW. When Aigerim started, many villagers doubted her abilities and even said aloud that if men could not solve this problem, then she, a young woman, probably would not manage it at all. Thanks to her diligence, stubbornness and desire to prove herself, Aigerim was able to solve the problems of the RPADW. With the help of her husband and friends, who were welders, she quickly managed to patch all the broken pipes. In 2016, Aigerim decided that she would do everything to win funds from the Small Grants Program with a project designed to improve access to drinking water in Birdik village. Besides the resolved problems with pipe leaks, there was a major problem of lack of water in many streets of the village. In particular, there was no water in the new residential area. Therefore, many residents would not move in to



their houses, and those residents who, despite the lack of water, moved to this area had to carry water from neighboring streets. During a village gathering Aygerim made her first public appearance *"I was so worried and stressed that I almost did not sleep for three days before the gathering. I really wanted to explain the importance of the problem of lack of drinking water to fellow villagers"*. Aygerim began her speech with a plea to listen to her words attentively. She told important facts about the global crisis of drinking water, about how the lack of water, or the consumption of dirty water affects human health. At the end of her speech, she realized that her presentation was successful when the participants of the gathering loudly applauded her and with a majority of votes, her project "Water is Life" was chosen for further development and support. *"It was very important for me to win the contest! Before I started working at the RPADW, I often faced discriminative attitudes towards myself. I was often told 'you cannot do it', 'why would you do this, it is not women's business'. It is sad when people do not believe in you just because you are a woman, and if you are a young woman, it is even harder. After our initiative group won the grant contest, I noticed that the attitude of people towards me has changed. Now they see me as a successful leader, a person who can manage important work, regardless of my age or gender"*.

Community monitoring of clean water services

In 2015 the priorities of focus groups' discussions on public service provision were analyzed and validated during the general village meetings of the Kumbel municipality. Supply of clean water to residents of new settlements in Korumdu village were identified. To ensure the quality of the service, a Joint Monitoring and Evaluation (JM&E) group was established. The JM&E group monitored and evaluated effective and efficient implementation of the Service Improvement Action Plan (SIAP) supported by the small grant mechanism of the PSI project. The grant amount was 5,000,000 KGS (USD 70,000) and 17% 852,524 KGS (12,000) came from the LSG budget. The JM&E group had undergone special trainings so it could conduct its tasks accurately and efficiently. Each step of the SIAP execution was monitored and evaluated including: ensuring that an announcement was made on the public procurement portal in order to transparently identify a potential contractor for the clean water system construction; selection of an experienced and well renowned contractor; ensuring that the amount of cash from the LSGs' contribution was allocated fully and in timely manner; ensuring that the selected supplier performed high-quality construction works and that all purchased materials met the compliance requirements; making timely proposals to the Ayil Ökмотu in case of violations during construction work performance; and introducing proposals to the AÖ based on monitoring and evaluation analysis done by the JM&E group.



The M&E report also included suggestions for improvements. Duisheev N., a member of the JM&EG group introduced the following suggestion: *"My proposal is to install additional 220 meters of water pipes to provide drinking water, so that in the future we can add to the system 150 households of Bulan Sogotu as well."* This proposal of the JM&E group member was presented to the Ayil Ökмотu and the Ayil Kenesh and was found to be good and useful. Taking into account the proposed idea it was decided to utilize savings left from procurement process in order to purchase 220 meters of water pipes and to pay for this additional installation. Because of the efficient work of the JM&E

group, residents of the new settlements of the Kumbel municipality were provided with clean water and another village will have a chance to receive it thanks to additional water pipes that was not part of the original plan.

5.0. Main achievements, lessons learned and challenges

During the first phase of the VAP project more than 30 000 citizens in the rural municipalities of Jalal-Abad and Issyk-Kul oblasts managed to influence public service delivery through participation in the local budgetary process and thus gained improved living conditions for over 500,000 rural residents. These improvements are the results of citizens' engagement on the local decision-making process; voicing their needs and concerns to local-governments; demanding LSGs to address local concerns; and to report on use of local resources. The 500,000 residents benefited from the improved governance and management capacities of LSGs by obtaining access to better services through participation in the local budgetary process. The public services were improved by LSGs responding to the requests of local communities voiced during participatory rural appraisals and over 80 public budget hearings with over 7,000 participants (32% female). Garbage collection, street lightening, kindergartens, school buildings, drinking water supply, culture houses, youth recreation and many other issues of local importance were addressed municipalities to respond citizens' needs. Similar type of achievements is made during the current second phase where 18 municipalities are covered (12 target and 6 non-target) in the Oblasts of Osh, Naryn and Chui. Since mid-2015 approximately 2,500 citizens of 12 target municipalities (39% women) have participated in the municipal decision making processes.

Still, the VAP project has the potential to further strengthen the aspects of socially inclusive and gender responsive budgeting by more explicitly analysing the entire municipal budget, not only the small grants initiatives, from a gender and social equity lens. However, since socially inclusive and gender responsive budgeting is not explicitly required by any legislation it may take some time to establish such a commitment and develop capacities of local authorities to mainstream this methodology. During the PRA processes, it would also be possible to create more awareness and recognition amongst men on how unpaid care work of women impedes their potential to take up paid work and stand for leadership positions either at community level or in LSG bodies. Still there is a rigid entrenched stereotyping for the expected roles of women and men, which cuts across all sectors and areas of life in Kyrgyzstan. Women's agency is restricted by their families and society in all spheres of their life regarding reproductive health, education, employment, and civil rights. Patriarchal attitudes confine women to the private sphere and their role is still mainly perceived as being that of care-giver, and their place is in the home. Also, the limited participation of women in politics is blocking transformation of unequal gender relations in Kyrgyz society.

The effectiveness of the community engagement model has nevertheless been validated by the fact that citizens have become more active, especially women, after experiencing an increased responsiveness from local governments and observing the concrete improved living conditions in the form of e.g. repaired roads, water systems and street lightning as well as rehabilitated kindergartens and cultural centers. The transparent display of municipal budgets and expenditures has furthermore contributed to an improved dialogue and trust relationship between LSG bodies and citizens. Nonetheless, the general picture of insufficient financial resources of LSGs to fully resolve the many public service related concerns of citizens can in the longer run affect the level of participation. It is therefore critical that the VAP project, through national level interventions, continues to advocate for improvement in the financial frame conditions of LSGs as well as voicing out the need to simplify and harmonize the legislative framework for public service provision. Within a complex system and legislation for decentralized governance incl. provision of public services, it would also be interesting to analyze the national level budget to assess its responsiveness to gender and social equity. Furthermore, analysing the financial flows and inter-governmental transfers, including the equalization- and stimulation grants from central to local level would be appropriate to assess to what extent the resources reach the poorest and most marginalized citizens in Kyrgyzstan.

Although the PSI project is only half-way through its first phase, some important achievements have already been made: The two-tier grant system (to support respectively the articulation and implementation of Service Improvement Action Plans) has been rolled out in 29 of the 30 target municipalities in Issyk-Kul and Jalal-Abad region (Oblast).

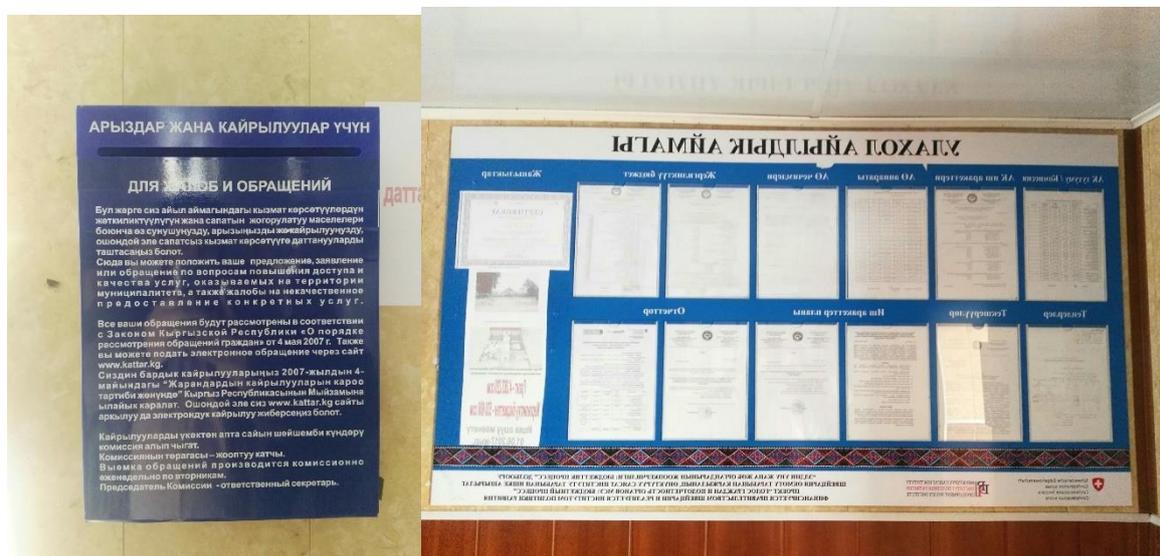
The Public Service Improvement project has done a lot for Masy Ayil Ökmotu. primarily with the help of the project we have improved the capacity of not only employees of the AÖ but also service providers in the organization and provision of services at the local level. We actually began to understand it differently – the notion of providing services to the public. Residents themselves became involved in identifying the priority problems in the territory of the municipality, they participated in the development of the action plan for improving services. We learned how to find our internal opportunities, use our resources correctly and efficiently, we began to understand how to improve the accessibility of the service while ensuring the quality of the service. The results of the project's activities led to increased confidence in the local self-government bodies - we are sure that we are on the right track!

Mr. Eshenkulov Janybek, Head of the Masy AÖ

Through the second tier grant, 13 municipalities have improved 16 services including education for children with disabilities; sport and playgrounds; preschool education; drinking water; public lightning; waste management; basic health care and rehabilitation of cultural centers. 6 of the 16 improved services was initiated by vulnerable groups. Also 22 public hearings were held in 2017 on tariffs for paid services. 1780 people in total took part in the hearings (659 women and 1121 men). During the hearings, the calculations of all necessary costs, depreciation and capitalization necessary for the service to be of necessary quality and financially sustainable were presented. In municipalities where deputies of Ayil Kenesh proposed to reduce the tariffs for some categories of vulnerable citizens, subsidies have been considered at the sessions of local councils.

“After receiving knowledge on the calculation of economically justified tariffs, I only then understood what my work consists of, and when it will be profitable! We calculated the tariffs according to the SIAP methodology, discussed with the council deputies and submitted it to the Ayil Kenesh for approval. Of course, there is still a lot of work ahead, but we took the first correct steps!” **Baizakov Taalay, Chariperson of VADWU, Toguz-Bulak AO**

The municipalities have at the same time institutionalized their monitoring mechanisms of service providers. This includes establishing complaints & feedback mechanisms and joint M&E groups in all 30 municipalities. Still, the capacities of the joint M&E groups need to be further developed in order to effectively monitor the implementation of SIAPs. Complaints and suggestion boxes were installed to collect appeals and requests from the citizens in all 30 pilot municipalities. The practice however showed that these boxes proved to be effective only for remote villages of municipalities. Citizens prefer not to leave letters in boxes, but to hand them personally to the responsible staff of the municipality or to verbally express their concerns. Therefore, the PSI project has initiated the Citizens' Reporting Card tool in four municipalities. The piloting results showed that this is useful both for receiving feedback from the citizenry on the quality and accessibility of services, and for determining the degree of satisfaction of the population with the service.



Another challenge is that, initially PSI only planned to address specific changes aimed at improving and removing contradictions in the existing legislation for public service provision. However, it is a lesson learned that the project in its second phase needs to be more actively involved in the conceptual reform of the public service sector, which requires more active participation at the national level.

The high turnover rate of council deputies as a result of recent Ayil Kenesh and Ayil Ökmotu elections poses additional challenges. The composition of local councils and heads of many AOs changed in many of the municipalities. It has therefore been necessary to conduct additional events and meetings to strengthen newly elected deputies' capacities. As a lesson learned the project plans to prepare a guideline for the deputies to more smoothly hand over knowledge about their roles and responsibilities in the process of organizing and providing the services.

In conclusion, both the VAP and PSI project has achieved substantive results with the community engagement model and public service improvement methodology. In terms of scaling up and replicating the good practices the projects are well positioned to collaborate with the Union of LSGs and SALSGIR (State Agency for Local Self-Governance and Inter-Ethnic Relations) and achieve the national level advocacy outputs: National decentralization policies are modified and enforced through advocacy and lobbying (VAP); and Advocacy and information dissemination capacities of municipalities and national counterparts are strengthened (PSI).

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