



Scaling-up the Peer-to-Peer Learning in Public Finance at the LSG Level in the Kyrgyz Republic - SUPPL (P148471)

EUROPE AND CENTRAL ASIA | Kyrgyz Republic | Governance Global Practice |
 Recipient Executed Activities | Investment Project Financing | FY 2015 | Seq No: 4 | ARCHIVED on 25-Jan-2018 | ISR30546 |

Implementing Agencies: Ministry of Finance, State Agency for Local Self-Government and Interethnic Relations under the Government of the Kyrgyz

Key Dates

Key Project Dates

Bank Approval Date:06-Aug-2014
 Original Closing Date:30-Nov-2016

Effectiveness Date:19-Jun-2015
 Revised Closing Date:31-Jan-2018

Project Development Objectives

Project Development Objective (from Project Appraisal Document)

Improve quality of the budgeting at the local level - at which most citizens can readily observe changes and understand firsthand the impact - by increasing capacity of local budget officers, elected officials and local council members through innovative learning approach and by supporting the Government in establishing a countrywide community of practice where LSG representatives can learn and share experiences among themselves.

Has the Project Development Objective been changed since Board Approval of the Project Objective?
 No

Components

Name

Overall Ratings

Name	Previous Rating	Current Rating
Progress towards achievement of PDO	● Satisfactory	● Satisfactory
Overall Implementation Progress (IP)	● Satisfactory	● Satisfactory

Implementation Status and Key Decisions

Implementation Status and Key Decisions (Public Disclosure)

Successful implementation of the innovative peer-to-peer learning approach in the country enabled involvement of all 453 LSG representatives via



establishment of three CoPs across the country. The approach is well accepted by representatives of LSG, SALSGIR, and Ministry of Finance which are interested in continuation of the initiative.

The implementation of all the project activities will be completed successfully before the closing date of January 31, 2018. Successful implementation of the innovative peer-to-peer learning in the Kyrgyz Republic enabled significant progress towards project indicator targets. Two out of three PDO indicators achieved their targets values, with the third one on "knowledge of budget processes" demonstrating partial achievement. The project provided support to LSG representatives in reducing mistakes in developing and executing their budgets, and collecting and sharing best practices of LSGs in increasing local revenues Partial achievement of the third target is attributable to two issues: (i) recent changes in the budget legislation, which introduced a new Budget Code with new budget norms, enacted in January 2017; (ii) changes in the composition of the LSG representatives. According to the available data, the recent local elections, held in October 2016, resulted in the following changes: 62% of LSG heads, and 75% of budget committee members of local councils are newly elected, and 15% of LSG finance officers are newly appointed to their positions. These changes objectively impeded full achievement of the "knowledge of budget processes" target value.

The project also documented over 20 success stories of application of knowledge gained by beneficiaries through the project. These success stories were shared with all beneficiaries and serves as an additional enabler of change by allowing other LSGs to learn from experience of their peers in improving local budget revenue mobilization and utilization.

SALSGIR is very active and engaged in project implementation, learning events are conducted according to the plans. As of January 23, 2018 the project conducted ten centralized learning events for Financial Officer COP Resource Persons (RPs), and eight centralized learning events for the RPs of the LSG Head and Local Council Member COPs. Over the life of the project, the RPs conducted a total of 1040 rayon level quarterly events for COP members. The disbursement rate exceeds 97.3 percent. It is expected that most of the remaining project funds will be utilized by the project closing date on January 31, 2018.

On November 14-17, 2017 PMG has organized the final centralized learning event in Osh. It was attended by 109 RPs representing all three CoPs from all regions of the country. The event was combined with a project stock-taking conference. The main topics of the event were: internal control and accounting; transparency and accountability in budget processes; and public procurement. A follow-up survey revealed that the participants were satisfied with the quality of the learning event, and requested the project team to consider extension of the project. The mission has also participated at the event, and satisfied with the quality of the learning event.

The project success and achievements proved the viability of the peer-to-peer (PTP) approach. The project stock-taking conference took place in the city of Osh on November 15, 2017. The conference was attended by Ms. Bolormaa Amgaabazar - Country Manager of the World Bank Office in the Kyrgyz Republic, Mr. Murat Baidyldaev – Deputy Director of the SALSGIR – Project Director, Mr. Ramis Alykulov – an Expert of Division on Organizational, Inspectorial & LSG Affairs, PM Office, Mr. Imanov Kadyrali - Deputy Head of LSG Union, 109 RP, and the project team.

Participants

highlighted the importance of budget literacy and transparency at the local level as a tool for strengthening efficient use of resources and improving service delivery, and the viability of the innovative approach implemented by the project in building capacity of LSG representatives. The project beneficiaries noted that the project provided them with an opportunity to establish a network with their peers, discuss problematic issues and learn from the practical experience of their peers who have gone through, or are going through, similar challenges, and to improve their knowledge on budget related matters. The project beneficiaries requested the Bank and SALSGIR management to consider extension of the project in order to ensure sustainability of the project achievement. Mr. Murat Baidyldaev in his remarks noted a significant role of the project in strengthening capacity of LSG representatives, and highlighted the uniqueness of the project, which with the little amount of funds was able to cover all 453 rural LSG of the country by utilizing the CoPs/PTP learning approach.

SALSGIR is exploring options to ensure sustainability of the project achievements. Mr. Murat Baidyldaev at his presentation at the November 15th Conference informed participants that the SALSGIR is exploring options to continue support of the established CoPs. According to him a Memorandum of Understanding was signed between SALSGIR, LSG Union, and Development Policy Institute[a local NGO, which actively cooperates and works with LSGs] to support the activities of the established CoPs. Currently the cooperation mechanisms are being developed. The mission appreciated the efforts of the SALSGIR, and recommended the SALSGIR to take into consideration the project lessons, experienced by the project during its implementation, in developing new mechanisms to support the CoP activities.



Risks

Overall Risk Rating

Risk Category	Rating at Approval	Previous Rating	Current Rating
Overall	--	● Substantial	● Moderate

Comments

The overall risk rating was downgraded to "Moderate" rating due to the satisfactorily achievement of the PDOs, and the SALSGIR's commitment to secure achievement of the project. Moreover, many of the CoP members are committed to continue maintaining some CoP features by themselves. Members of Financial Officers CoP are planning to arrange their PTP learning event in 2018 without the project support. These developments and proclaimed initiatives improve likelihood of sustainability of project achievements, and enabled lowering the risk rating.

Results

Project Development Objective Indicators

- Reduction in the number of LSG budget documents submitted to the MoF and then sent back for reworking due to mistakes in item classification, etc. AND/OR reduced total number of corrections in the LSG (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	<p>According to the AO Financial Officers (respondents to the baseline survey), in 2016 45% of LSG submits their budget reports and budget projections without problem, i.e. from the first attempt, 39% and 43%, respectively submit their reports and projections from the second attempt, and 16% and 12% had to submit their reports and projections three or more times before they have been accepted.</p> <p>Responses to the same survey provided by the Heads of AO show slightly worse picture, 39 % of LSG submits their budget reports and 40% budget projections without problem, i.e. from the first attempt, 42% submit their reports and projections</p>	<p>The baseline indicator was established.</p> <p>Next measurement will be taken at the end of the project.</p>	<p>End Target Achieved.</p> <p>26.4% improvement in reducing mistakes in submitting budget execution reports, and 10% improvement in reducing mistakes in developing budget projections.</p>	<p>5% annual improvement over the previous year value</p>



from the second attempt, and 19% and 18% had to submit their reports and projections three or more times before they have been accepted.

Date	29-Jan-2016	31-Mar-2016	23-Jan-2018	31-Jan-2018
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Comments

Target achieved/ exceeded. According to the final survey findings of the project, in 2017 71% of LSG Financial Officers submitted their nine-month budget reports and 55% budget projections for 2017 without problem, i.e. from the first attempt. Given that this 26.4 percentage point difference occurred over only one year, the project activities very likely contributed to this improvement over the baseline, and 10 % improvement over the baseline indicator on the budget projections. Responses by the Heads of LSG to the same survey revealed modest improvements. in 2017 39% of LSG Heads submitted their nine-month budget reports and 43% budget projections for 2017 without problem, i.e. from the first attempt. As per the survey findings the project activities ensured 3% improvement over the baseline indicator on the budget projections. Financial Officers' results could be considered as more reliable source of information, as they develop and submit the reports to MoF.

▲Improved local resource mobilization and overall budget utilization (specific indicators for utilization will be developed during first three months of project implementation). (Text, Custom Supplement)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0 (zero)	4 additional success stories were documented and collected.	End Target Achieved. Over 20 success stories were documented and collected.	Documented success stories at the LSG level showing increase in the local budget revenues due to improved management of local assets and revenue base.

▲Knowledge of budget processes and practices by LSG finance officers, LSG heads and budget committee members of local councils. (Text, Custom Supplement)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	The survey results showed that 48.1% of LSG finance officers, 48.3% of LSG heads and 49.4% of budget committee members know budget processes and practices	End-of-project survey is being planned to assess the progress on this indicator.	LSG finance officers, and LSG heads improved their knowledge by 5.5%, while budget committee	10% improvement over the baseline



members did not demonstrate progress.

Overall Comments

Overall Comments

Target partially achieved.

Final survey results showed modest progress against the baseline results. LSG finance officers, and LSG heads improved their knowledge by 5.5%, while budget committee members did not demonstrate progress. The modest results of the “knowledge of budget processes” is attributable to two issues: (i) recent changes in the budget legislation, which introduced a new Budget Code, enacted in January 2017; (ii) changes in the composition of the LSG representatives. The newly elected LSG heads and budget committee members of local councils had an opportunity to participate at only two out of eight PTP learning events, while the survey questions covered topics of the eight PTP learning events. It objectively prevented the project to fully achieve the target indicator. According to the Project Management Group (PMG) data, the recent local elections, held in October 2016, resulted in the following changes: 62% of LSG heads, and 75% of budget committee members of local councils are newly elected, and 15% of LSG finance officers are newly appointed to their positions.

Per the survey results 53.6% of LSG finance officers, 53.8% of LSG heads and 48.6% of budget committee members know budget processes and practices.

Intermediate Results Indicators

- PMU is established, staffed and performing its activities in line with the lime table and project implementation plan (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	no PMU.	PMU is established and functioning.	End Target Achieved. PMU is established and functioning.	PMU is established, staffed and functioning.
Date	19-Jun-2015	31-Jan-2016	23-Jan-2018	31-Jan-2018

Comments

Target achieved. PMU was established, staffed with six consultants, and has been functioning since the project launch.



►COP of Financial Officers is Established and Functioning (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0 CoP	COP of Financial Officers is functioning	End Target Achieved. COP of Financial Officers is functioning	COP of Financial Officers is Established and Functioning
Date	19-Jun-2015	01-Jan-2016	23-Jan-2018	31-Jan-2018

Comments

Target achieved. The COP of Financial Officers with 40 RPs, representing 40 rayons of Kyrgyzstan, is functioning.

►The Web-site reflecting project activities and publishing project documents is established and regularly updated (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	no functional site	The project web-site www.suppl.kg is established, and being regularly updated.	End Target Achieved. The project web-site www.suppl.kg is established, and being regularly updated.	The Web-site is operational
Date	19-Jun-2015	31-Aug-2016	23-Jan-2018	31-Jan-2018

Comments

Target achieved. The project web-site www.suppl.kg is established and will be operational until January 2019.

►Quarterly trainings for COP RPs take place according to schedule (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	no trainings held	Seven PTP learning events have been conducted since the project start.	End Target Achieved. Ten quarterly learning events for RPs of Financial Officers' CoP, and eight quarterly learning events for RPs of heads of LSG and budget committee	8 quarterly PTP learning events to take place over duration of the project.



members' COPs were conducted.

Date	19-Jun-2015	31-May-2017	23-Jan-2018	31-Jan-2018
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Comments

Target achieved/ exceeded. The Project conducted ten quarterly centralized learning events for RPs of Financial Officers' CoP, and eight quarterly centralized learning events for heads of LSG and budget committee members' COPs. Due to the 2016 local elections, SALSGIR decided to postpone learning activities for heads of LSG and budget committee members' COPs during the election process.

► Formal rayon level training events take place as scheduled (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	Trainings suppose to take place four times a year on average (every quarter)	620 rayon-level training events have been conducted since the project start	In total 1040 rayon-level quarterly PTP learning events have been conducted, of which 400 for COP of Financial Officers, and 320 for each CoP of Heads of LSG and budget committee members.	End Target Achieved. Quarterly PTP events for each COP

Date	19-Jun-2015	31-Aug-2016	23-Jan-2018	31-Jan-2018
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Comments

Target achieved. In total 1040 quarterly PTP learning events have been conducted. 400 rayon-level quarterly PTP training events were conducted for COP of Financial Officers, and 320 quarterly rayon level training events for each CoP of Heads of LSG and budget committee members. Due to the elections in October 2016, SALSGIR decided to postpone the PTP learning activities for heads of LSG and budget committee members' COPs during the election process. Given that there are three CoPs, 400 PTP quarterly rayon events have been held for COP of Financial Officers, and 320 PTP quarterly rayon events have been held for each CoP of Heads of LSG and budget committee members.



►Number of attendees at learning events (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0 (zero)	90 percent of AO attended both the fifth, and sixth PTP events	End Target Partially Achieved. On average 85 percent of LSG attended the PTP events.	Representatives of at least 90% of LSG attending PTP events
Date	19-Jun-2015	31-Jan-2017	23-Jan-2018	31-Jan-2018

Comments

Target partially achieved. Average participation rate for Financial Officer's CoP, and heads of LSG units' CoP in PTP is 91 and 90 percent respectively. While the attendance rate for budget committee of local council members is 74 percent. The low participation rate of local council members at PTP events is related to the nature of their employment e.g. they have their own businesses; thus, not always available to participate at the PTP learning events.

Overall Comments

Data on Financial Performance

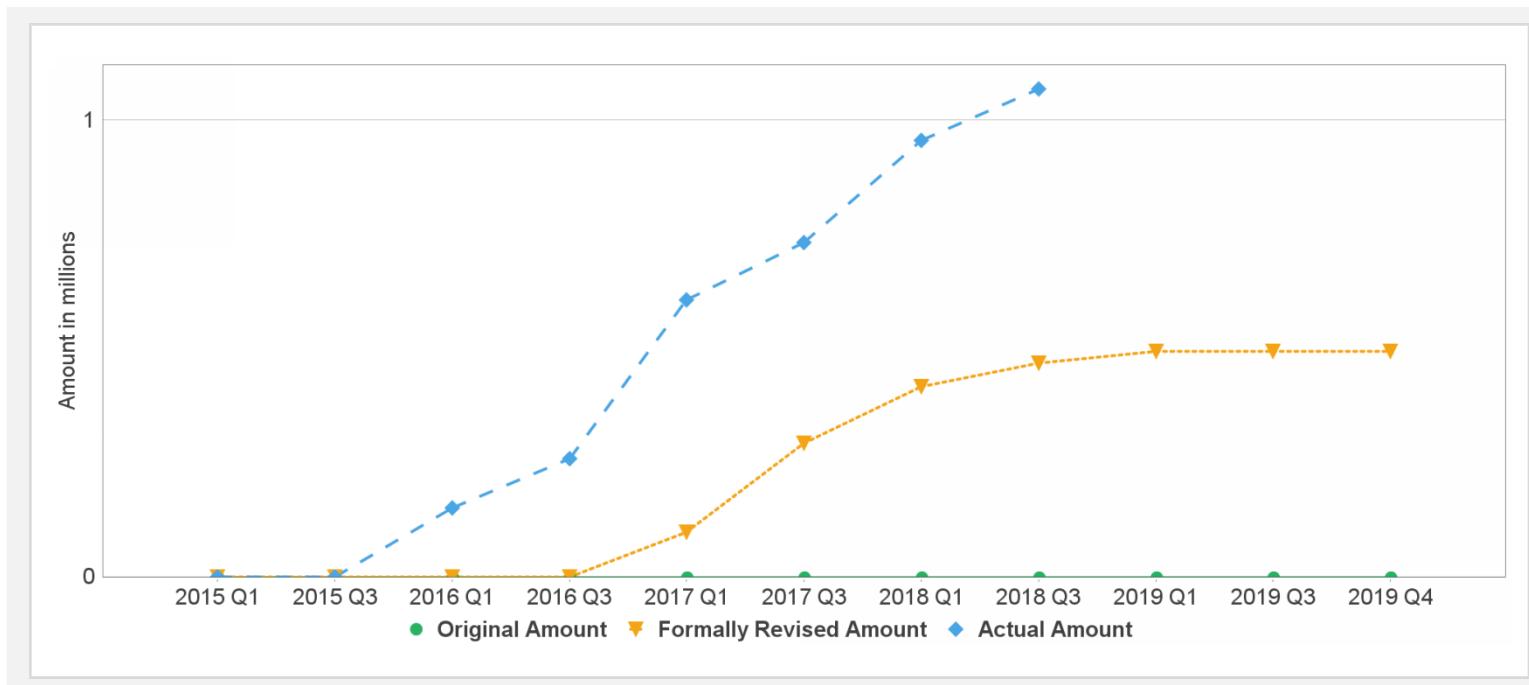
Disbursements (by loan)

Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	Disbursed
P148471	TF-16021	Effective	USD	1.10	1.10	0.00	1.07	0.03	<div style="width: 97%; background-color: #669933;"></div> 97%

Key Dates (by loan)

Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
P148471	TF-16021	Effective	13-Mar-2015	13-Mar-2015	19-Jun-2015	30-Nov-2016	31-Jan-2018

Cumulative Disbursements



Restructuring History

Level 2 Approved on 16-Jun-2016 ,Level 2 Approved on 30-Aug-2017

Related Project(s)

There are no related projects.