

The Kyrgyz Republic

ACRONYMS AND ABBREVIATIONS

CDF	Comprehensive Development Framework
MLSP	Ministry of Labor and Social Protection
NSC	National Statistics Committee
PMS	poverty monitoring system

History and Context

In Soviet times, living standards were measured according to the supply of food and basic consumer goods, as well as household budgets. The relevant indicators were maintained following independence, but failed to result in purposeful action aimed at poverty reduction. It was only in 1996 that the National Statistics Committee (NSC), supported by the World Bank, conducted the first poverty status survey that allowed the rigorous analysis of poverty and its determinants.

This chapter is based on a background country report by Elvira Ilibeozova (2004) and on inputs by Ekaterine Vashakmadze. The study was undertaken in the second half of 2004 and has been partially updated to reflect conditions in the summer of 2005. Substantial changes may have occurred that are not reflected in this chapter, and readers are encouraged to seek additional information if they wish to focus on the system of this particular country. The study is the first step in a broader assessment of the poverty reduction strategy monitoring system undertaken by the government.

The national Poverty Reduction Strategy Paper was adopted in September 2002, together with the Comprehensive Development Framework (CDF) for the country until 2010. Prior to the adoption of the CDF and the poverty reduction strategy (PRS), there was participation by a broad audience, including government structures, civil society, nongovernmental organizations (NGOs), and international organizations.

Description of the PRS Monitoring System

Origins of the system

The Poverty Reduction Strategy Paper is a component of the first stage of the CDF. They are nonetheless separate documents and involve different monitoring frameworks, neither of which is operational. Following the approval of the CDF, a matrix of activities was developed to bring the efforts of all stakeholders in the poverty reduction process together to form the foundation of the poverty monitoring system (PMS).

Main institutional actors

The CDF monitoring and evaluation (M&E) system includes the following institutions and basic elements.

The *national CDF council* is chaired by the president, who determines membership. It includes leaders and individual members of Parliament. While Parliament is not directly involved in developing the PRS, it participates in strategy formulation and implementation by reviewing government reports, approving or rejecting government programs, and adopting the relevant legislation. The CDF council formulates strategies and policies; it relies on data provided by the NSC that are summarized and prepared by the CDF secretariat.

The *CDF secretariat* is part of the Economic Policy Department in the Office of the President. The department is responsible for providing data and analytical support to the president, ensuring presidential supervision over economic activities, and carrying out human resource policies within the executive branch. Moreover, the department is required to monitor, analyze, and evaluate the CDF and the PRS with respect to coordinating the implementation of the resolutions of the national CDF council; formulating policy proposals; coordinating the activities of CDF and PRS stakeholders;

developing CDF and PRS action plans; integrating national, regional, and sectoral CDF and PRS programs; developing information systems; assisting in the development of regional and sectoral programs; analyzing the implementation process; developing indicators; ensuring information dissemination; and encouraging open dialogue with civil society.

In addition, the department is to coordinate the implementation of the CDF through the CDF secretariat, the functions of which are to include providing information to the council, preparing annual progress reports, disseminating information, coordinating all CDF processes and the actions of stakeholders, evaluating progress and resource capacity, recommending changes in the PRS, and forecasting development prospects.

Overall Status

Overall, the system is weak. It is highly centralized within the presidency, and very few resources have been allocated for implementation and operations. In spite of its extensive power, the secretariat does not exercise sufficient coordination and control of the PMS. The secretariat is also subject to time constraints because of its other commitments to the president. In principle, very few data are collected by the secretariat; collection is limited to data provided by the NSC and line agencies. However, in practice, only 25 percent of the required data are routinely provided, and there are signs that NSC figures are not considered entirely credible, and there are fears that internal political influence might lead the NSC to underestimate the incidence of poverty.

Key Topics

Leadership

Oversight of the system is the responsibility of the national CDF council, which is led by the president. The president determines the membership of the council, which includes members of Parliament.

Coordination

Institutionalization is important for the successful operation of the PMS. Institutionalization will require clearly defined responsibilities among all

participants and a clear distribution of roles in the implementation of the matrix of action within the CDF and the PRS. Currently, institutionalization is extremely weak, and the PMS is highly fragmented. The responsibilities of the individual actors are not clearly defined. The most successful work is being done at the NSC, the Ministry of Health, and the Ministry of Labor and Social Protection (MLSP).

There are a number of parallel schemes involved in the PMS, but there is poor interaction among them. Line ministries are not well informed about available methodologies, indicators, and the roles and responsibilities of other stakeholders. The only exception is the NSC; NSC indicators are used by all participants in the PMS.

There is no established system of coordination, hierarchy of relationships, or horizontal interactions for data exchanges. Also, the administrative leverage is inadequate for improving executive discipline among managers in individual ministries, agencies, and territorial structures. This has resulted in nonexecution or low quality in the execution of M&E responsibilities.

One of the main problems is the lack of a properly structured legal and regulatory framework for the PMS. Even at the top level, contradictions result in poor-quality, unsustainable management. Another vital issue is the lack of a permanent institution within the government that is responsible for system implementation and coordination. Despite the fact that the CDF secretariat is located in the Economic Policy Department of the Office of the President, it does not have adequate status and lacks the competence and capacity to provide effective M&E so as to meet information needs within the government.

Capacity

No resources have been specifically assigned for the M&E system. Although some technical capacity has already been built at the central and regional levels, it requires updating. Local structures need technical PMS capacity. The most important problem relates to creating and strengthening human capacity. Currently, there are large turnovers and transfers among staff, and new staff require extensive training. The problem is particularly acute in the local structures of the MLSP and NSC. At all levels, however, specialist knowledge on M&E should be increased.

Participation

Parliament holds open hearings on the implementation of projects and the national budget, and representatives of civil society and the media attend these hearings. Although public expenditure is discussed at the hearings, poverty reduction indicators are not, and monitoring information is not used.

Similarly, there is no institutionalized involvement among NGOs. Although some NGOs have become specialized in social research, they only become involved in the formal PMS system if donors and private sources bring them in. There are also problems in poverty measurement in the NGO sector. These include a lack of professional skills among NGOs, unsystematic research, and the use of small samples only. NGOs generally produce poverty indicators that are much less favorable than the official indicators and are therefore not used by government agencies in decision making. There is a need to build capacity, support activities, and promote transparency in order for NGOs to play a more significant role in poverty monitoring.

Civil society is fairly passive, and the PMS has no public profile. Civil society involvement is mainly limited to participation in donor projects. There was no meaningful dialogue with government bodies during the definition of the system for monitoring the implementation of the PRS. In fact, the involvement of civil society has diminished from the levels attained during the development of the CDF.

There is no civil society involvement in the publication of PMS information for the general public. Despite public hearings, the public is unable to influence or change the documents being presented. Nor do the media fully report on the implementation, outcomes, or specific activities of the PRS.

Decentralization

There is no involvement of subnational government entities in the CDF and PRS monitoring system and no reliable regional disaggregation of statistics. Regional data depend on “social passports” prepared by the MLSP for the purposes of distributing benefits locally.

Indicators and data sources

In practice, the NSC is the main source of data. The NSC receives quarterly tables from the secretariat that contain lists of the indicators to be supplied. The secretariat compiles these data into reports to the national council, as well as a periodical CDF bulletin. Some general information is also placed on a Web site. The central NSC office does not conduct research, but compiles statistics from its regional offices. In practice, NSC figures are not of much use among line agencies.

In addition, there is a lack of trust in the figures provided by the NSC, which are considered underestimates. This mistrust generally stems from the fact that, although the NSC makes use of international methodologies, it is a government agency and is under the influence of some political actors.

The role of the line agencies is not clearly defined, and there is no effective supervision or horizontal communication. The capacity of the line agencies in M&E is low, and they usually provide only general statistics. For example, the Ministry of Health provides information on the number of beds in the public health services system; the Ministry of Education supplies data on the number of students; the Social Fund provides information on pensions; and the Ministry of Labor and Social Protection furnishes data on benefits. These entities do not, however, offer information on indicators such as access to education and public health services or poverty-related indicators that require additional calculations, research, and data from other sectors. Moreover, they are only able to supply data on 25 percent of the required indicators (although they are slightly more successful in health and social protection), and some data, for instance, the incidence of poverty among children, are neglected altogether.

The scope of the activities implemented through the PMS is not adequate. This is mainly caused by the fact that the matrix lacks clear indicators on resources, productivity, the efficiency and impact of activities, and the intermediate results of activities. Consequently, stakeholders do not understand their responsibilities, and the CDF and PRS secretariat is unable to coordinate and monitor poverty reduction activities.

Dissemination

No single agency coordinates the distribution of PMS information. There is no complete or systematic strategy for the distribution and use of infor-

mation and no targeted information flows from the sources of information to specific groups of users.

Link to the policy process

There is no particular link to the budget process or the policy-making process.

Donor alignment

International organizations and donors play an important role in the development, operations, and sustainability of the PMS, which has been created largely as a result of their technical and methodological assistance. There is, however, no coordination of donor efforts in poverty monitoring.

The Ministry of Finance tried to coordinate donor assistance through the creation of a database, but this was rendered meaningless because of irregular technical support. The United Nations Development Program also tried to create a map of donor assistance through the establishment of a Web-portal listing all its projects. Unfortunately, since termination of the project, the map has not been updated.

The donor community, together with the government, has undertaken the next step by creating a database on donor assistance and by improving coordination. A new structure has been established that includes the vice prime minister, a representative of the Ministry of Finance, and the heads of all donor organizations. The new structure highlights strategic issues in the development of uniform approaches to coordination. In addition, a working group on coordination has been created that includes representatives of donor organizations and the government. The working group meets once a month.

Finance and donor support

There is no dedicated funding of the PMS in the budget except for the methodology of the NSC. No budget allocations are provided for the introduction and computerization of the MLSP data system. This adversely affects the quality of the data collected.

In October 2002, a consultative meeting of donors and international organizations (for which the PRS became a priority document in the

development of projects) approved a draft strategy stating that \$700 million would be provided for the implementation of the CDF and PRS.

Lessons

A number of positive features indicate the potential of the CDF and PRS. There has been a clear demonstration of political will by the government. Financing for the CDF and PRS is being provided by international organizations, and there is a willingness among these organizations, as well as the donor community, to harmonize and coordinate actions and resources. Moreover, international organizations and donors are already providing technical assistance. Some measurement of poverty indicators at the regional and national levels is being carried out by the NSC. There are also indications of positive experiences in the measurement of poverty and the development of parameters at the local level using techniques of the United Nations Development Program, the MLSP, and NGOs.

In terms of system weakness and the lessons learned, there are significant signs of a need for a comprehensive system of controls to support M&E among all government programs and projects. Overall, there is a need to instill a culture of M&E at all levels, as well as to improve technical skills and offer ongoing M&E training programs. In order to develop a system of indicators for the PMS, a dialogue among all stakeholders is required. Additional options have been highlighted, as follows:

- developing qualitative indicators, backed by analysis, on the efficiency and impact of poverty reduction programs
- shifting away from the manual processing of the social passport database (MLSP) to computer processing in order to satisfy the need for reliable data at the grassroots
- developing a matrix of actions for the implementation of the CDF and PRS that provides indicators of productivity and the efficiency of impact for each ministry and participant
- developing a set of measures directed at strengthening the coordination of assistance by donors and international organizations with a view to avoiding overlap at the local and sectoral levels
- clarifying the institutionalization of the PMS through the establishment of a center of analysis
- strengthening the capacity for poverty data collection, the development of schemes, evaluation, and analysis.

- increasing NGO and civil society participation
- developing a mechanism to provide government agencies and other stakeholders with convenient and timely databases for analysis
- raising the status of the secretariat of the CDF and PRS
- strengthening the technical capacity of PMS participants, particularly at the grassroots
- improving the reliability of the PMS in covering many aspects of poverty at all levels by developing methodologies and indicators for the grassroots and for line ministries and focusing on the collection of qualitative indicators that measure productivity, efficiency, and causality
- disseminating materials in the Kyrgyz and Uzbek languages in order to increase public participation
- expanding the list of poverty monitoring information that is freely accessible and increasing the distribution and use of this information among civil society and the general public
- uploading information on the Web