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Soros Foundation-Kazakhstan

Introducing social audit in Kazakhstan

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**Project summary:**

The idea of the Social Audit project was first initiated in the SFK during the discussion with colleagues from International Budget Partnership in 2014. Social Audits are now widely accepted as an important mechanism to address corruption and strengthen accountability and transparency in government service delivery at the local level. The process of social audit is fairly simple: several representatives of the local community are taught the social audit tools, and then they monitor, assess and report their observations. This mechanism can serve as an effective budget spending effectiveness tool at the local level.

South Africa and India – are the two examples of successful implementation of this mechanism, and SFK chose India for the study tour mostly because of its geographic location and availability of legal bases for conducting social audits. Luckily, the delegation from South Africa also visited partners from India at the same time as the delegates from KZ were exposed to the experiences of both countries. During one-week study visit the KZ delegation visited four states, and learnt how Indian local authorities and NGOs use the mechanism of social audit in practice. Social audit is not possible to implement without support of the State, this is why SFK also decided to have preliminary negotiations with the Ministry of National Economy of Kazakhstan which went well. Working with regional and local rural Akimats (Mayor’s office) would not be doable without the support of the Ministry especially when it comes to the access to essential information for social audit. The next stage was developing of pilot projects and adaption of the methodology into Kazakhstani reality. The results of social audit pilot projects in Ilisky, Atyrau, and North-Kazakstani regions were successfully presented during the Astana Conference on Social Audit in December, 2015.

The list of India Social audit study visit is the following:

1. Askar Bekov, executive secretary of the newspaper "Aikyn", Almaty

2. Gulgul Kulekina, Director of the Fiscal Policy Department, Ministry of National Economy, Astana

3. Roza Abilova, Almaty region local representative body member

4. Sanat Tungyshbekov, Director of the Department of Regional Policy and Local Self-Governance, Ministry of National Economy, Astana

5. Sergey Khudyakov, Director of the NGO "Institute of Local Self-Governance Development", Petropavlovsk

6. Sholpan Aitenova, director of the NGO "Center for Economic Research, Monitoring and Evaluation", Almaty

**The short description of the pilot projects:**

* in Atyrau the project was realized by our partner NGO “Independent Generation of Kazakhstan”. The aim of the social audit was to audit the program of Housing and Communal Service (JKH) – one of the most sensitive issues on local level. The project revealed very low transparency of expenditures of the local KSKs (Cooperative of apartment owners).
* The “Akbulak” (clean drinking water) project in Almaty oblast. Here the partners worked on raising civil activism, raising public awareness on Akbulak state program, improvement of work with contractors, raising the quality of the Akbulak program realization.
* Social audit of the two budget programs "Providing housing assistance to low-income citizens," and "Housing and Utilities Modernization Program" in order to increase their effectiveness - North-Kazakhstan region looked at effectiveness of the mentioned local budgetary programs.

**Lessons learned:**

* In the very beginning there was misunderstanding from state bodies who did not see difference between social and financial audit. Thus, we needed to put more efforts on trainings, meetings and negotiations. Now, they understand the difference and the importance of the role of public and local community in the social audit. For ex, in Atyrau the participants of the project included Akimat, NGOs, citizens and utility companies.
* We started working mostly with JKH (apartment owners cooperative) audit but later we realized that social audit can be effective on evaluating the effectiveness of any State program, for ex. state budget spending to access to water, environment, or any other important program results.
* Due to sensitivity of the topic - the social audit reveals a lot of flaws in the work of local bodies - many KSKs (apartment owners cooperative) refused to take part in it. Although we all knew the refusal was illegal, our partners had to gather all the stakeholders like KSK administration, Akimats representatives, tenants, contractors, etc., for getting the information. We realized how important to invite Akimats representatives for all our projects.
* We need to capacity build local NGOs in understanding of social audit in all Kazakhstani regions. And coming back to India experience where 3% of any state program is reserved to conducting social audit we probably should push it into our agenda. But here we should not forget that the term “social” means that it’s public who should be more interested in social audit. This is why it should be implemented by the public, not state body.
* We should teach people that they CAN influence the decision making process by choosing the most active ones among communities.

**Summary of discussion:**

By the end of presentation some questions and ideas were raised which were essential for ensuing a further discussion. The first question was “Why India”? The concerns were that India does not seem like an ideal example – we do not share the same historical background, the economy and political situations are different, the level of education of people is also cannot be compared.

India was chosen because this is one of the few countries where social audit was enforced by legislation. The other factors are – the highly developed culture of decentralization of power, a lot of international donors’ presence, a lot of active NGOs and community based initiatives.

The other question was what we do right, and what can we make better? So far, we follow the normal pattern – a study tour, TOT, trainings, projects, and tryouts to institutionalize the best practices. But also there were offers on putting the Social audits into several legal acts which so far had failed. Should we concentrate more on best practices which can be later enforced into the legislation, or push some legal agenda of the topic? Here the discussion was not too much in favor for changing the legislation. **The suggestions were**: first, we should concentrate more on putting Social audits as an indicator of the Akimats’ effectiveness evaluation starting from the lowest up to the highest level. This will stimulate Akims to work better. Second, we need to utilize the institution of the Public Councils that started working this year at all the Ministries and state organizations. Due to its novelty the Public Councils institutions are still weakly regulated, and their functions are not clear yet. We can use this weakness so far as an opportunity to represent social audit to them, even to put the social audit conducting into the framework of the Public councils work. The Public council should serve as a base for Social Audit, especially taking into account that public monitoring included as one of three main functions of the Public councils (according to the Kazakh Law on Public Councils). Third, we should concentrate more efforts on successful partnership with Akimat office in Almaty (the biggest city in Kazakhstan), and push their work on Social audit as a successful case that later should be extrapolated on other less active regions. Fourth, another accent should be made on public awareness campaign. We should attract as much as possible media attention using it from the one side as an SFK activity promotion, from the other side as promotion of local government initiatives.

The other question raised was about how we can use our previous experience and connections? Our partners already serve as Experts on the issue (for example, Sholpan Aitenova was recently invited to provide some technical assistance on district budget expenditures monitoring in Almaty). We are now also awaiting a letter from Almaty Akimat where they will request technical support of SFK on the issues of social audit and budget transparency (training for the members of Akimat Public Council). **The suggestions were**: here we can also use the experience of 2005-2006, when SFK was training local Maslikhat members on the issues of local budget. We can also invite one of our partners, ex member of the Parliament Aigul Solovieva, who is now representing the NGO AIMAK (Region). We also need to keep collaboration with the Ministry of National Economy because this is the easiest way to reach our most distant regions.

And a totally **new suggestion** was presented – what if we start working with the National Bureau of Anti-Corruption - ex-Financial Police. Think about motivation on conducting the social audits for our state officials. To put it simple – “if you went through the procedure of social audit, it’s more difficult to blame you on being non-transparent or even corrupted”.

We can also use such a tool as Akimats’ ranking which has been highly discussed during last three years. What if we offer some indicators for assessment? Here we need to negotiate with the Ministry of Civil Service Affairs, and offer them collaboration on development of assessment tools for local government work based on social audit. Even if there is no response from the Ministry (we had tried several times to collaborate with them but so far unsuccessfully), SFK can still develop such program and offer it as a universal tool for Akimats assessment.

The other question raised was - if we could come back to the beginning of the project, what would have we done differently?

As so far all looks quite good, we **suggested** to come back to this question after the completion of our pilot project in Almaty when we would be able to analyze its strengths and weaknesses.

Just a couple of small **ideas** - maybe we should have looked also at other tools of public involvement that are developing in parallel with social audit. For example, the Public Councils. The other **suggestions** was - we should have thought about the usage of modern technologies in public involvement process. Let us pay more attention to new technologies, such as startups, different mobile applications – all can be used in public involvement process. If we come back to JKH issues, can’t we use ALSECO provider (the company that specializes in software development, consumer information processing payments for utilities, automation of accounting and control systems consumption of utilities) as a partner for our public awareness campaign? Why don’t we use ALSEKO bills’ back side as a public awareness tool on social audit telling people about their rights to know about the local budget expenditures? In this case, we would not create new tools, but we will use the existing ones. We have such examples in Astana, and we can do the same in Almaty and other regions.