

Appendixes

Appendix 1

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RECORD OF DISCUSSIONS
BETWEEN
THE ISSYK-KUL OBLAST STATE ADMINISTRATION
AND
THE JAPAN INTERNATIONAL COOPERATION AGENCY
FOR
THE COMMUNITY EMPOWERMENT PROJECT
IN THE ISSYK-KUL OBLAST OF THE KYRGYZ REPUBLIC

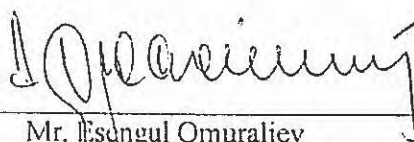
With reference to the technical cooperation project concerning "The Community Empowerment Project in the Issyk-Kul Oblast of the Kyrgyz Republic (hereinafter referred to as "the Project")", the Implementation Study Team of the Japan International Cooperation Agency (hereinafter referred to as "JICA") exchanged views and had a series of discussions with the Issyk-Kul Oblast State Administration with respect to desirable measures to be taken by JICA and the Kyrgyz Government for the successful implementation of the Project.

The Issyk-Kul Oblast State Administration and JICA agreed on the matters referred to in the document attached hereto.

Karakol, August 10, 2006



Mr. Satoshi Nakano
Leader
Implementation Study Team
Japan International Cooperation Agency



Mr. Esengul Omuraliev
Governor
Issyk-Kul Oblast State Administration
Kyrgyz Republic

Witness:



Mr. Azamat Dikambaev
Permanent Secretary
Ministry of Economy and Finance
Kyrgyz Republic

ATTACHMENT

I. Cooperation between both countries

1. The Issyk-Kul Oblast State Administration along with the support of the Ministry of Economy and Finance will implement the Project in the Issyk-Kul Oblast of the Kyrgyz Republic in cooperation with JICA.
2. The Project will be implemented in accordance with the Master Plan which is given in Annex I.
3. "Record of Discussions" shall take effect as soon as the management board of JICA headquarters approves it.

II. Measures to be taken by the Japanese side

In accordance with the laws and regulations in force in Japan and the provisions of Article III of "Agreement on Technical Cooperation Between the Government of Japan and the Government of the Kyrgyz Republic" (hereinafter referred to as "the Agreement"), JICA, as the executing agency of the Government of Japan for technical cooperation, will take, at its own expenses, the following measures under the technical cooperation scheme:

1. Dispatch of experts

JICA will provide the services of experts as listed in Annex II. The provision of Article III of the Agreement will be applied to the above-mentioned experts.

The composition of the JICA experts may be changed in the process of the detailed design of the Project.

2. Provision of equipment

JICA will provide such machinery, equipment and other materials (hereinafter referred to as "the Equipment") necessary for the implementation of the Project as listed in Annex III. The provision of Article VIII of the Agreement will be applied to the Equipment.

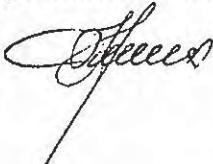


3. Training of Kyrgyz Counterpart Personnel in Japan

JICA will receive the Kyrgyz personnel connected with the Project for technical training in Japan. The participants and the contents of the training are to be decided upon the basis of purpose of the Project.

III. Measures to be taken by the Kyrgyz side

1. The Kyrgyz Government and the Issyk-Kul Oblast State Administration will take necessary measures to ensure that self-reliant operation of the Project will be sustained during and after the period of the JICA's technical cooperation through full and active involvement in the Project by all related authorities, beneficiary groups and institutions.
2. The Kyrgyz Government and the Issyk-Kul Oblast State Administration will ensure that the technologies and knowledge acquired by the Kyrgyz nationals as a result of the JICA's technical cooperation will contribute to the economic and social development of the Kyrgyz Republic.
3. In accordance with the Kyrgyz legislation and the Agreement, the Kyrgyz Government and the Issyk-Kul Oblast State Administration will grant to the Japanese experts and their families privileges, exemptions and benefits no less favorable than those granted to experts of third countries or international organizations performing similar missions in the Kyrgyz Republic.
4. The Issyk-Kul Oblast State Administration will take necessary measures to ensure that the knowledge and experience acquired by the Kyrgyz counterpart personnel from technical training will be utilized effectively in the implementation of the Project.
5. In accordance with the Kyrgyz legislation and the Agreement, the Issyk-Kul Oblast State Administration will take necessary measures to provide at its own expenses the services of Kyrgyz counterpart personnel and administrative personnel as listed in Annex IV.
6. In accordance with the Kyrgyz legislation and the Agreement, the Issyk-Kul Oblast State Administration will take necessary measures to provide at its own expenses the office space and other facilities mutually agreed upon as necessary.

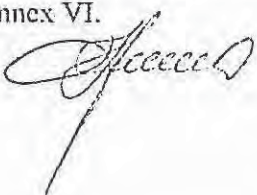
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7. In accordance with the Kyrgyz legislation and the Agreement, the Issyk-Kul Oblast State Administration will take necessary measures to maintain at its own expenses the Equipment necessary for the implementation of the Project other than the Equipment accompanied by the JICA experts, mutually agreed upon if necessary.
8. In accordance with the Kyrgyz legislation and the Agreement, the Kyrgyz Government and the Issyk-Kul Oblast State Administration will take necessary measures to meet, mutually agreed upon if necessary:
 - (1) Expenses necessary for transportation within the Kyrgyz Republic, for the Equipment as well as for its installation, operation and maintenance thereof;
 - (2) Exemption of customs duties, internal taxes and any other charges, imposed in the Kyrgyz Republic on the Equipment; and
 - (3) Running expenses necessary for the implementation of the Project.

IV. Administration of the Project

1. The First Deputy Governor of the Issyk-Kul Oblast State Administration, as a Project Director, will bear overall responsibility for the administration and implementation of the Project.
2. The Head of Project Implementation Unit, as a Project Manager, will be responsible for the managerial and technical matters of the Project.
3. The Leader of JICA Expert Team of the Project will provide necessary recommendations and advice to the Project Director and the Project Manager on any matters pertaining to the implementation of the Project.
4. The JICA experts will give necessary technical guidance and advice to the Kyrgyz counterpart personnel on technical matters pertaining to the implementation of the Project.
5. For the effective and successful implementation of technical cooperation for the Project, Joint Steering Committee will be established whose functions and composition are described in Annex VI.

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V. Term of cooperation

The technical cooperation for the Project is composed of two phases, phase I for "Preparatory Phase" and phase II for "Full-scale Cooperation Phase". Its duration will be at maximum four (4) years (one (1) year at maximum for Phase I and three (3) years for Phase II). The duration is subject to the results of the achievement in the Phase I.

VI. Joint evaluation**1. Initial evaluation**

The initial evaluation of the Project will be conducted jointly by JICA and the Kyrgyz authorities concerned at the end of Phase I in order to examine the level of achievement and to decide whether Phase II is to be commenced.

2. Evaluation by the Joint Steering Committee

The periodical evaluation of the Project will be conducted by the Joint Steering Committee. (refer to Annex VI)

3. Final evaluation

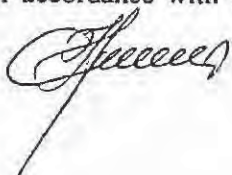
The final evaluation of the Project will be conducted jointly by JICA and the Kyrgyz authorities concerned during the last six months of the cooperation term in order to examine the level of achievement.

VII. Mutual consultation

There will be mutual consultation between the Issyk-Kul Oblast State Administration and JICA on any major issues arising from, or in connection with the Project. Modification or addition of experts and training shall be mutually agreed between the Issyk-Kul Oblast State Administration and JICA in the form of Minutes of Meetings, referring to this Record of Discussions.

VIII. Claims against experts

In accordance with the provision of Article VI of the Agreement, the Kyrgyz Government

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undertakes to bear claims, if any arises, against the experts engaged in technical cooperation for the Project resulting from, occurring in the course of, or otherwise connected with the discharge of their official functions in the Kyrgyz Republic except for those arising from the willful misconduct or gross negligence of the experts.

IX. Measures to promote understanding of and support for the Project

For the purpose of promoting support for the Project among the Kyrgyz people, the Kyrgyz Government will take appropriate measures to make the Project widely known to the Kyrgyz people.

Annex I:	MASTER PLAN
Annex II:	LIST OF JICA EXPERTS
Annex III:	LIST OF THE EQUIPMENT
Annex IV:	LIST OF KYRGYZ COUNTERPARTS AND ADMINISTRATIVE PERSONNEL
Annex V:	LIST OF LAND, BUILDINGS AND FACILITIES
Annex VI:	JOINT STEERING COMMITTEE
Annex VII:	PROJECT DESIGN MATRIX

See Annexes

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Annex I MASTER PLAN

1. Overall Goal

Socio-economic revitalization in the Issyk-Kul Oblast in harmony with environmental preservation.

2. Project Purpose

The sustainable system for the regional development is established through the community empowerment.

3. Outputs of the Project

The Project is composed of two phases, Phase I for "Preparatory Phase" and Phase II for "Full-scale Cooperation Phase".

Phase I (Preparatory Phase)

1-1. Implementation system (personnel, budget, capability, networks, etc.), which is capable for conducting Phase II, is prepared.

Phase II (Full-scale Cooperation Phase)

1-2 Some model communities in the Issyk-Kul Oblast are well-organized.

1-3 Community development plans for the regional development are formulated.

1-4 Regional economy is vitalized by the effective implementation of the pilot projects, based on the community development plan.

1-5 Administrative capacities of Issyk-Kul Oblast's staff on the community empowerment are improved.

4 Activities of the Project

Phase I (Preparatory Phase)

1-1-1. Sharing on the outline and details of the cooperation

1-1-2. Implementation of pre-pilot projects

1-1-3. Review for results of pre-pilot projects and strength of implementation system such as supplement of additional staff, allocation of necessary budget, construction of relationship with relevant institutions

Phase II (Full-scale Cooperation Phase)

1-2-1. Analysis of the present situation on the communities

1-2-2. Selection of model communities

1-2-3. Organization of the model communities and formulation of organization policy and regulation

1-3-1. SWOT (Strength, Weakness, Opportunity, Threat) analysis for the development potential of each model community

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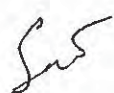
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- 1-3-2. Formulation of community development policy and strategy
- 1-3-3. Formulation of community development plan
- 1-3-4. Selection of the pilot projects

- 1-4-1. Identification and secure of local resources for the pilot projects
- 1-4-2. Formulation of the detailed implementation plans of the pilot projects
- 1-4-3. Implementation of the pilot projects
- 1-4-4. Evaluation of the outputs and performances of the pilot projects, and Learn of lessons

- 1-5-1. Formulation of the Issyk-Kul Oblast community empowerment strategy and implementation plan.
- 1-5-2. Information share on the results of the community empowerment activities among the project stakeholders.
- 1-5-3. Construction of the government-private-sector network for the community empowerment.
- 1-5-4. Formulation of the guideline of the community empowerment, organic accumulation of know-how and experiences on the community empowerment

Note: In cases where the Master Plan is needed to be modified according to changes in preconditions for the Project, both sides will agree upon and confirm such modifications by exchanging Minutes of Meetings.



Annex II LIST OF JICA EXPERTS

- 1 Team Leader/Regional Development
- 2 Community Empowerment 1 / Poverty Alleviation
- 3 Community Empowerment 2 / Gender / Participatory Development
- 4 Organization Strength / Human Resource Development
- 5 Other experts in the specific fields may be dispatched, if necessary.

Note: The Japanese side has a plan to dispatch experts in the above fields to ensure the smooth implementation of the Project. The composition of the fields may be changed in the process of the detailed design of the Project.



Annex III LIST OF THE EQUIPMENT

1. Maintenance tools and materials for the community empowerment activities
2. Other machinery, equipment and materials regarded by both sides as necessary for effective implementation of the Project

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Annex IV. LIST OF KYRGYZ COUNTERPARTS AND ADMINISTRATIVE PERSONENEL

1. Project Director: Mr. Alyshbaev K.K. (First Deputy Governor of the Issyk-Kul Oblast State Administration)
2. Project Manager: Mr. Imanaliev A.Ch. (Head of PIU, Head of the Department of Development of External Economic Relations and Tourism of Issyk-Kul Oblast State Administration)
3. Members of Community Empowerment Project Implementation Unit
Suitably qualified personnel assigned continuously to work with JICA experts as below:
 - (1) Ms. Mamedova S.A. (Head of Oblast Department of Ministry of Industry, Trade and Tourism)
 - (2) Ms. Orozova G.J. (Chief Specialist of the Department of Social and Cultural development of Issyk-Kul Oblast State Administration)
 - (3) Mr. Mambetkulov T.B. (Chief Specialist of the Department of Development of External Economic Relations and Tourism of Issyk-Kul Oblast State Administration)
4. Administrative Personnel (personnel aimed at administrative and organizational support of PIU)
 - (1) Mr. Janybekov A.D. (First Vice Mayor of Karakol)
 - (2) Mr. Mederkulov T.J. (First Vice Mayor of Balykchy)
 - (3) Ms. Sabutbaeva A.T. (Deputy Head of Aksu Rayon State Administration)
 - (4) Mr. Joldoshev Y.J. (First Deputy Head of Tyup Rayon State Administration)
 - (5) Mr. Supataev K.A. (First Deputy Head of Jety-Oguz Rayon State Administration)
 - (6) Mr. Tumonbaev T.A. (First Deputy Head of Ton Rayon State Administration)
 - (7) Ms. Kayokova R.J. (First Deputy Head of Issyk-Kul Rayon State Administration)
5. Other personnel mutually agreed upon as necessary
 - (1) Mr. Temiraliyev R.U. (Chief Specialist of the Department of Organizational Works and Local self Government)
 - (2) Mr. Jumabekov A.A. (System Administrator of Issyk-Kul Oblast State Administration)
 - (3) Mr. Egemberdiev A.A. (Chief Specialist of the Department of Law Enforcement and Defense of Issyk-Kul Oblast State Administration)
 - (4) Mr. Dunganaev M.A. (Chief Specialist of the Department of Agricultural Development and Processing Industry of Issyk-Kul Oblast State Administration)
 - (5) Mr. Elebesov B.K. (Chief Specialist of the Department of Economic Development, Industry and Communication)



Annex V LIST OF LAND, BUILDINGS AND FACILITIES

1. Land, buildings, and facilities necessary for the implementation of the Project
2. Office space and necessary items (desk, chair, etc.) for the JICA experts and the Kyrgyz counterpart personnel.
3. Lecture rooms and meeting rooms necessary for the technical assistance
4. Land, construction equipment, survey equipment, accommodation, labor and any personnel costs necessary for execution of field training.
5. Data/information necessary for formulation of the development plans in the model communities.
6. Buildings, facilities and space necessary for the installation and operation of the equipment and tools to be provided by JICA.
7. Other facilities mutually agreed upon as necessary for the implementation of the Project.



Annex VI JOINT STEERING COMMITTEE**1. Function**

The Joint Steering Committee Meeting will be held when necessity arises and at least twice a year in order to fulfill the followings:

- 1) to approve the annual work plan of the Project based on the Project Design Matrix(refer to Annex VII) within the framework of the Record of Discussions,
- 2) to evaluate the result of the annual work plan and overall progress of the Project, and
- 3) to review and exchange opinions on major issues at that arises during the implementation of the Project.

2. Chairperson and Members

- (1) Chairperson: Governor of the Issyk-Kul Oblast State Administration
- (2) Member:

Kyrgyz Side

- a) First Deputy Governor of the Issyk-Kul Oblast State Administration
- b) Representative of the Ministry of Economy and Finance
- c) Heads of Relevant Local Self Governments
- d) Representatives of the Issyk-Kul Development Forum
- e) Any other person concerned to be decided by the Issyk-Kul Oblast State Administration

Japanese Side

- a) Resident Representative of the JICA Kyrgyz Republic Office
- b) Leader of JICA Expert Team of the Project
- c) Any other person recommended by the JICA Kyrgyz Republic Office

Note: Officials of the Embassy of Japan may attend the meeting as observers.



PROJECT DESIGN MATRIX (PDM)

Project Name: The Community Empowerment Project in Issyk-Kul Oblast of the Kyrgyz Republic
Project Period: Nov. 2006 – Nov. 2010 (max. 4 years)
Phase I: Nov. 2006-Nov. 2007 (max. 1 year), **Phase II:** 3 years from the end of Phase I
Target Area : Issyk-Kul Oblast
Target Group: Staff of Issyk-Kul Oblast State Administration, staff of Local-self Governments in the Issyk-Kul Oblast, Local People in the Issyk-Kul Oblast

Narrative Summary	Objectively Verifiable Indicators	Means of Verification	Important Assumptions
<p>Overall Goal Socio-economic Revitalization in the Issyk-Kul Oblast in harmony with environmental preservation.</p>	<p>1. Vitalization of communities in the Oblast 2. Increase in income in the Issyk-Kul Oblast</p>	<p>1. Periodical activity report of PIU 2. Annual report of the Issyk-Kul Oblast</p>	
<p>Project Purpose 1. The sustainable system for the regional development is established through the community empowerment.</p>	<p>1. Degree of vitalization of model communities 2. Achievement of pilot projects (contribution to the regional development) 3. Accumulation of know-how and experiences regarding community empowerment in the Oblast</p>	<p>1. Periodical activity report of PIU, Evaluation report of pilot projects 2. Evaluation report of pilot projects 3. Minutes of the Steering Committee, Issyk-Kul Development Forum and other various meetings, Guidelines of community empowerment</p>	<p>Policy on the community empowerment by Issyk-Kul Oblast is not changed after the end of the cooperation</p>
<p>Outputs Phase I (Preparatory Phase) 1-1. Implementation system (personnel, budget, capability, networks, etc.) which is capable for conducting Phase II, is prepared. Phase II (Full-scale Cooperation Phase) 1-2. Some model communities in the Issyk-Kul Oblast are well-organized. 1-3. Community development plans for the regional development are formulated. 1-4. Regional economy is vitalized by the effective implementation of the pilot</p>	<p>Phase I (Preparatory Phase) 1-1-a. Degree of understanding on the Project 1-1-b. Matching necessary number of staff with capable number of personnel 1-1-c. Allocation of necessary budget by the Issyk-Kul Oblast 1-1-d. Frequency of various meetings such as Steering Committee, Development Forum, etc. Phase II (Full-scale Cooperation Phase) 1-2-a. Degree of analysis on the communities 1-2-b. Situation of organization of model communities 1-2-c. Arrangement of the regulations of community organizations 1-3-a. Progress on the formulation of community development plan 1-3-b. Appropriateness of development policies and strategies 1-3-c. Appropriateness of process on the formulation of community development plan 1-4-a. Appropriateness on the formulation of plan for the pilot</p>	<p>Phase I (Preparatory Phase) 1-1-a. Interview for relevant officers of Issyk-Kul Oblast 1-1-b. Periodical activity report of PIU, Periodical activity report of IICA experts 1-1-c. Budget plan of the Issyk-Kul Oblast 1-1-d. Meeting records regarding the various meetings Phase II (Full-scale Cooperation Phase) 1-2-a. Periodical activity report of PIU 1-2-b. Periodical activity report of PIU 1-2-c. Regulations of community organizations 1-3-a. Each community development plan 1-3-b. Each SWOT analysis on the communities 1-3-c. Meeting records regarding the formulation of development plans 1-4-a. Plans (documents) of pilot projects</p>	<p>Implementation system of PIU with full-time counterparts is maintained</p>

ANNEX VII

<p>projects, based on the community development plan.</p> <p>1-5 Administrative capacities of Issyk-Kul Oblast's staff on the community empowerment are improved.</p>	<p>projects</p> <p>1-4-b. Appropriateness on the monitoring activities and implementation activities of the pilot projects</p> <p>1-4-c. Appropriateness on the evaluation for the pilot projects</p> <p>1-4-d. Output from the pilot projects (contribution to the regional development)</p> <p>1-5-a. Capabilities of strategy and implementation plan on the community empowerment</p> <p>1-5-b. Capabilities of project implementation on the community empowerment</p> <p>1-5-c. Capabilities of coordination for the implementation on the community empowerment</p> <p>1-5-d. Organic accumulation of know-how and experiences regarding community empowerment</p>	<p>1-4-b. Progress reports of pilot projects</p> <p>1-4-c. Evaluation reports of pilot projects</p> <p>1-4-d. Evaluation reports of pilot projects</p> <p>1-5-a. Periodical activity report of PIU</p> <p>1-5-b. Periodical activity report of PIU, Reports relevant to the pilot projects</p> <p>1-5-c. Periodical activity report of PIU, Minutes of the Steering Committee, Issyk-Kul Development Forum and other various meetings</p> <p>1-5-d. Guideline of community empowerment</p>	<p>Pre condition Community empowerment policy of Issyk-Kul Oblast is maintained</p>
<p>Activities</p> <p>Phase I (Preparatory Phase)</p> <p>1-1-1. Share on the outline and details of the cooperation</p> <p>1-1-2. Implementation of pre-pilot projects</p> <p>1-1-3. Review for results of pre-pilot projects and strength of implementation system such as supplement of additional staff, allocation of necessary budget, construction of relationship with relevant institutions</p> <p>Phase II (Full-scale Cooperation Phase)</p> <p>1-2-1. Present situation analysis on the communities</p> <p>1-2-2. Selection of model communities</p> <p>1-2-3. Organization of the model communities and formulation of organization policy and regulation</p> <p>1-3-1. SWOT (Strength, Weakness, Opportunity, Threat) analysis for the development potential of each model community</p> <p>1-3-2. Formulation of community development policy and strategy</p> <p>1-3-3. Formulation of community development plan</p> <p>1-3-4. Selection of the pilot projects</p> <p>1-4-1. Identification and secure of local resources for the pilot projects</p> <p>1-4-2. Formulation of the detailed implementation plans of the pilot projects</p> <p>1-4-3. Implementation of the pilot projects</p> <p>1-4-4. Evaluation of the outputs and performances of the pilot projects, and lessons learned</p> <p>1-5-1. Formulation of the Issyk-Kul Oblast community empowerment strategy and implementation plan.</p> <p>1-5-2. Information share on the results of the community empowerment activities among the project stakeholders.</p> <p>1-5-3. Construction of the government-private-sector network for the community empowerment.</p> <p>1-5-4. Formulation of the guideline of the community empowerment, Organic accumulation of know-how and experiences on the community empowerment.</p>	<p>Inputs</p> <p>(Japanese side)</p> <p>1) Dispatch of Experts</p> <p>2) Team Leader / Regional Development</p> <p>3) Community Empowerment 1 (Poverty Alleviation)</p> <p>4) Community Empowerment 2 / Gender Participatory Development</p> <p>5) Organization Strength / Human Resources Development</p> <p>6. Acceptance of counterpart personnel for training in Japan (for the sector to be decided)</p> <p>7. Other necessary machineries and equipment</p>	<p>(Kyrgyz side)</p> <p>1. Project Implementation Unit (PIU)</p> <p>1) Assignment of full time C/P</p> <p>2) Provision of office for JICA experts</p> <p>3) Necessary expenses for the operation of PIU, such as expenses for monitoring the pilot project activities</p> <p>2. Supporting organization</p> <p>1) Joint Steering Committee</p> <p>2) Issyk-Kul Development Forum</p> <p>3. Provision of facilities</p> <p>1) Base (office) for model community activities</p> <p>2) Facilities and spaces necessary for the pilot projects for model communities</p> <p>4. Other necessary expenses</p> <p>1) Expenses for implementation of pilot projects</p> <p>2) Expenses for construction or rehabilitation of activity base of model communities</p>	<p>Pre condition Community empowerment policy of Issyk-Kul Oblast is maintained</p>

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