Implementing a business-to-government feedback mechanism in the Kyrgyz Republic to improve public-private dialogue and regulatory service delivery

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Acknowledgements

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Background and rationale for engagement

Businesses in the Kyrgyz Republic have long suffered from excessive inspections. Inspections coverage was high, often reaching 90 percent annually and inspectorates did not usually apply risk-based approaches when selecting businesses for visits. As a result, inspectors applied the same intensity for checking small and large firms. The World Bank Group’s Trade & Competitiveness Global Practice, through its IFC Investment Climate Project, has helped the government to introduce risk-based inspections legislation. The Government of the Kyrgyz Republic adopted a 2007 Law on Inspections, with subsequent amendments introduced throughout 2011-16. This has helped to reduce the average inspections burden to about 70 percent, which although lower is still far too high.

At the same time, the implementation of institutional reforms has begun, with the number of inspectorates being reduced from 21 to 12. However, reduction in number of inspectorates has not led to fewer inspections of businesses. The consolidation of inspectorates occurred largely through the merging of several inspectorates into one. For example, the State Inspectorate of Ecology and Technical Safety merged nine different inspectorates. This merger of nine inspectorates has not resulted in real functional integration at the organizational level. In addition, a lack of intra-governmental coordination has remained.

The large number of violations cited by businesses and the sanctions issued by inspectors indicated that compliance promotion activities have not been among the inspectors’ main priorities. They devoted little-to-no time to these activities. The gap between businesses’ view of compliance (necessary, possible) and the real situation indicated the importance of intensifying inspectorates’ efforts to provide advice and guidance to businesses so that they effectively know what the requirements are, and how to comply with them.
Previously, there have been no reliable ways of communication between the government and the private sector. For example, ‘hotlines’ for businesses, de-jure existing in every agency, have not been used at all. Instead, businesses continued to rely on friends and contacts for information about regulations and compliance requirements.

**Figure 2:** Inspections continue to indicate low levels of compliance with regulations

Source: IFC Investment Climate Reports, 2008-11.

**Figure 3:** The majority of entrepreneurs do not use the ‘hotline’

Source: IFC Investment Climate Reports, 2008-11.
Causes of implementation gaps

The key causes of the inefficiencies in implementing inspections legislation reform in the Kyrgyz Republic identified above are as follows:

1) Inability of inspectorates to embrace the reform institutionally and functionally

Institutionally the agencies were not sufficiently prepared to perform their functions in accordance with the new rules introduced by the reform. This involved failure to coordinate activities between different units of one agency and between several agencies with inspections functions. Internal policies, systems, procedures and practices, and even mentality and perceptions towards the goal of inspections (e.g., to prevent vs to find fault and fine) meant that the everyday ‘life’ of the agency has changed little, if at all.

Inspectorates’ personnel were not equipped with sufficient knowledge, skills and expertise to perform their duties in accordance with the new rules. This resulted from the failure of the institutional set-up to provide sufficient support for inspectors and other agency staff to prepare for and embrace the changes brought by the reform. A performance management system, competency frameworks, division of functions between departments, continuous professional development and incentives systems were not revised and aligned with reform objectives.

2) Formal versus functional merger of inspectorates

Several departments that used to belong to separate inspectorates are now part of one agency operating under the same mandate. The main goal of such merger was to eliminate the duplication of functions, ensure a more efficient use of resources and improve information exchange and risk management. However, the merger was not followed by a functional review of all departments of each merged inspectorate. Therefore, duplication remained, with no additional efficiency gained. Failure to perform a proper internal restructuring led to a failure to adopt, among others, a compliance promotion activities strategy and, as part of the rebalancing of inspectors’ work, to allocate more time to advice, outreach, analysis and planning activities rather than to ‘business-as-usual’ visits to businesses.

3) Poor dialogue with the private sector

The private sector was neglected in the reform process. The government tried to establish a business ‘hotline’ to hear the views of businesses. However, this was largely a ‘tick-the-box’ exercise, since feedback received through the hotline was rarely considered seriously. As a result, businesses lost trust in the communication channel, leading to an extremely low level of use. Public-private dialogue in reform design and implementation was inconsistent. Even when the government introduced improvements to the legislation, businesses were rarely informed of them. This led to many problems, such as an absence of trust between the public and private sectors, implementation gaps and non-compliance.
Focus groups with businesses

Focus group discussions (FGD) are one of the qualitative research methods used to solicit feedback from a homogenous group of individuals on a certain issue or product. In the context of the Kyrgyz IC work, the team used FGD to glean the views and perceptions of private sector representatives on how certain inspections regulations were being implemented, as well as to check whether they were aware of the inspections legislation, and their rights and obligations.

- Face time/ direct contact with businesses
- In-depth and detailed information about a specific issue from the target group
- Opportunity to drill down to the root causes of the problem with implementation or non-compliance
- Time consuming
- Requires meticulous selection of the audience according to specific criteria
- Requires trained facilitators
- Has little coverage of the target population

Studies and surveys

The Kyrgyz team conducted an inspections implementation and governance study to analyze the way inspections are implemented by the Environmental Safety Department of the SIETS in Bishkek and two districts of Chui region. The study analyzed the views of inspectors and entrepreneurs. The study was the first (project-led) feedback-seeking vehicle that, besides revealing implementation gaps, also reinforced the need for the agency to systematically solicit feedback from businesses.

- Quantifies the problem to strengthen the argument
- Can cover large segments of the target population
- Opportunity to explore a large number of issues
- Can be flexible in terms of methods – telephone/ face-to-face interview, a written questionnaire, large or small-scale (depending on number of issues explored)
- Time consuming
- Usually outsourced to a research company that needs to be managed closely
- Recommended to do repeatedly to measure the progress
- Need to be used in combination with qualitative research methods, e.g., FGD or case study

Meetings with inspectorates

These range from formal meetings with top level of inspectorates to working and/or fact-finding meetings with agency’s mid-level personnel; working group meetings.

- Ability to voice concerns and present proposals/ solutions directly to the target audience
- Ability to obtain information about the ways things are done in the agency, identify inefficiencies
- Engagement of agency personnel in problem identification and solution finding, thereby strengthening the agency’s buy-in in the process
- Need to be regular to keep the momentum going
- Consider having at least one meeting with top management of the agency to help them become more involved
- Need to have and follow a specific agenda to avoid derailed discussions and time-wasting

<table>
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<th>Considerations</th>
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<td><strong>Public-Private Dialogue events</strong></td>
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<td>PPD is a structured, inclusive and participatory mechanism of policymaking. In the context of the Kyrgyz IC work, the team has not established a PPD platform per se, but used approaches and mechanisms from the PPD, for example, organized regular events with participation of public and private sectors to discuss the issues of poor implementation of inspections regulations and how it affected businesses. The team also participated in such events organized by other players (either from the public or private sector) and ensured the issue of the implementation gap was on the agenda. The idea was to have both parties at the table jointly looking at problems and identifying solutions.</td>
<td>Both sides of reform at one table discussing, debating and looking to find solutions together</td>
<td>More effective when there is a series of events dedicated to a certain subject</td>
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<td></td>
<td>Facilitate dialogue between the public and private sectors</td>
<td>Preparation is key: participants should know upfront the purpose, agenda, their roles and expected outcomes</td>
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<td>Outreach to wider civil society</td>
<td>For events open to public, mass media brings a new dimension of capturing and publicizing the event’s decisions widely and putting pressure on officials to ‘walk their talk’</td>
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<td>Put public officials on the spot and encourage them to take action</td>
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<td>Flexibility – can be working events having representatives of public and private sectors or events open to other stakeholders, including mass media for greater coverage</td>
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<td>Desk research</td>
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<tr>
<td>This involves a review of relevant legislations (laws, bylaws, decrees, orders) and agency’s internal documentation, such as procedural documents, operational manuals.</td>
<td>Enriches the findings of focus groups or surveys</td>
<td>Obtaining access to internal documentation is not always possible</td>
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<td></td>
<td>Identifies bottlenecks and loopholes in legislation</td>
<td>Interpretation of internal procedural documents can vary in agency regional representative offices</td>
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<td></td>
<td>Helps to establish whether there are ambiguities in interpretation of legislation by agencies</td>
<td>Should be done in combination with interviews of agency staff to avoid misinterpretation</td>
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<td>Identifies gaps in procedural documents</td>
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The solution: introducing a web-based feedback mechanism

The identified problems are complex and diverse. The Kyrgyz Trade & Competitiveness team provided comprehensive support to the Government of the Kyrgyz Republic in eliminating key inefficiencies that caused implementation gaps of the inspections legislation. This case study covers one aspect of this work, namely the establishment of a business-to-government feedback mechanism to improve the government’s dialogue with the private sector and regulatory service delivery to contribute to closing implementation gaps.

The Kyrgyz government has tried to gather feedback from businesses in the past. However, the ‘hotline’ telephone line, created by the government several years ago, was not popular among businesses. Some of the reasons for this included complicated operations procedures, poor technical implementation and the government’s failure to respond to feedback. Businesses did not see any reaction from the government to their feedback, further undermining the private sector’s trust in the process.

The new feedback mechanism developed by the Kyrgyz T&C team together with the State Inspectorate of Ecology and Technical Safety (SIETS) and launched in December 2015 addresses the aforementioned concerns. It is user-friendly and mainly automated. More importantly, the government is committed to taking action on the feedback received and disseminating the results to the business community, i.e. closing the feedback loop. The new feedback mechanism is embedded in the www.proverka.kg portal—a government portal for processing inspections. The mechanism works as follows (Figure 4):

- Inspectors collect the email addresses of all businesses they visit as part of planned inspections. After each inspection an email is sent automatically to the entrepreneur from www.proverka.kg portal inviting them to complete a short online questionnaire. Each link sent to an entrepreneur is unique. The system processes the results of the received feedback instantaneously. Data are aggregated in real time and are presented on charts, available on the portal quarterly.

- Entrepreneurs can also access the feedback questionnaire any time directly from the www.proverka.kg, the websites of the SIETS, the Sanitary Department, and the Ministry of Economy.

Figure 4: How the feedback mechanism works

Inspector-collected entrepreneur’s email address and logs it in the inspection report

After inspection
Inspector files an inspections report on www.proverka.kg portal. An automated email is sent to the entrepreneur asking to fill in the feedback questionnaire

When feedback is received
Feedback results are processed instantaneously. Data are aggregated in real time and are presented on charts, available on www.proverka.kg portal quarterly

Entrepreneur visits www.proverka.kg portal or the websites of SIETS, the Sanitary Department and the Ministry of Economy and fills in a post-inspection questionnaire
Benefits of having a two-way approach for soliciting feedback from businesses:

- It provides flexibility in access points of the questionnaire.
- The second access point (through websites) also serves as a back-up for human factor errors, e.g., if inspectors forget to collect emails or make a typo when registering emails either in the book during inspection or when transferring it to the online inspections portal during reporting.
- Feedback is not only connected to a recent inspection. It can be provided any time. Those entrepreneurs that have not been inspected can also send their feedback by accessing the questionnaire on websites any time they feel like providing feedback and expressing their views on the service they received from inspectors.

Box 1: The role of the inspections portal www.proverka.kg

The online feedback mechanism is linked to www.proverka.kg — an official national portal of the Ministry of Economy launched in 2012 (also with support from the Trade & Competitiveness team and other development partners) that computerizes the inspections process. The portal operates on specialized software that enables officials to plan, approve, conduct, and monitor inspections based on risk assessment. The system assigns risk profiles for each entrepreneur based on pre-defined risk criteria. Businesses can also use the portal to obtain updates on legislation and to access inspections plans, approvals and checklists. The portal is accessible by:

- Employees of inspectorates
- Employees of the Ministry of Economy of the Kyrgyz Republic responsible for monitoring inspections
- Businesses through their personal virtual rooms
- Other stakeholders (access to non-classified data only)
- System administrators (full technical access)

The portal offers an automated approval process of inspections plans (the Management Information System stores information about document development and movement, its author, date and time of drafting, its status (submitted for consideration, approved, rejected). Similarly, the reporting system is automated—a detailed report on each inspection or by all types of inspections is available in the MIS, a general report is generated, information on document movement is stored, as well as the author of the draft, the time of drafting and its status (submitted for consideration, approved).

The portal also has one of the access points to the feedback mechanism. It hosts a link to the questionnaire on its front page and is accessible to any entrepreneur willing to leave feedback at any time. Interim reports indicate 70 percent of feedback received so far has come through www.proverka.kg portal making it the most popular access point.
Considerations when deciding what feedback tool to choose

There are many ways of soliciting feedback from businesses, from using simple online questionnaires on websites of agencies to telephone-enabled hotlines to SMS services to interactive Apps on mobile devices. The choice of the tool depends on several factors. One of the key aspects in choosing the tool is that the process of choosing it should be inclusive and consultative. The Kyrgyz T&C team involved the following key stakeholders in the process:

The public sector

These were agencies directly involved in the process, e.g., high and mid-level employees of SIETS. The team consulted with them about the internal operations of the agency and its departments, the systems (including IT), any peculiarities related to the areas departments cover, and inspections-related subject matter information. It was important to involve the agencies in the selection process because it would be their staff who would be operating the feedback mechanism. Their buy-in, support and understanding of how the process works were crucial to the future effective operation of the mechanism.

The team also involved representatives from the broader government community—the top hierarchy in the process, such as the Ministry of Economy. Their support of the process was key as SIETS and other inspection agencies report to the Ministry of Economy. The key purpose of involving the ministry was to ensure sustainability of the tool from several perspectives:

- Strategic: ensuring that senior government officials understand the benefits of the tool for them, support it and ensure the reporting agencies support it too.
- Financial: ensuring the government has sufficient resources (envisioned in the budget) to support the tool when the external support from the project ends.
- Operational: feedback is not just about listening to businesses but, more importantly, about taking action. Its future functioning depends on the agency’s post-feedback collection actions.Support and oversight of senior officials often help to stimulate such action.

The private sector

The team consulted with and involved business associations and their members from the very start of the process. The purpose was to understand their needs and expectations from the feedback mechanisms. Businesses are the key players in the feedback process, as they are at the ‘sending’ end of the process. Consulting with them and involving them in selecting the ways they can send their feedback were important in securing their buy-in and support.

Learning from the private sector was another important and beneficial aspect in the process. Businesses often gather feedback from their customers, so learning of the ways and tools they use and lessons were helpful in determining which feedback mechanisms could work best. Learning from the banking sector was especially helpful. This sector seemed to be more advanced in customer relationship management and shared some valuable knowledge and lessons with the team.

The Kyrgyz T&C team identified several areas that need to be taken into consideration when selecting a feedback tool. These are summarized in Figure 5.
**Figure 5: Key considerations when choosing which feedback tool to use**

<table>
<thead>
<tr>
<th>Private sector context</th>
<th>Public sector context</th>
<th>Country context</th>
<th>Project context</th>
<th>Tool context</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Readiness of the private sector to engage in giving feedback (both attitudinal and practical, e.g. computer literacy, mobile phone/email coverage)</td>
<td>- Readiness of the public sector (in this case agencies involved)</td>
<td>- Overall agenda and pace of reforms, at least in the area where the feedback mechanisms is planned</td>
<td>- Project capacity to support the client</td>
<td>- Accessibility</td>
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<tr>
<td>- History of the private sector providing feedback (how, how often, with what results). What in their view did not work</td>
<td>- Understanding of what feedback mechanisms are and how agencies should apply them</td>
<td>- Economic development - priority areas for economic development</td>
<td>- Does the project have enough expertise to help implement the selected tool?</td>
<td>- Usability (how easy is it to use by businesses and by inspectors?)</td>
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<tr>
<td>- Private sector role in reform process – do they take part? How active are they in defending their rights?</td>
<td>- What mechanisms have been used before, why they have not been successful (understanding of the causes of failures)</td>
<td>- Business environment most burdensome areas according to business</td>
<td>- Can this expertise be mobilized on time?</td>
<td>- Ability to build add-ons over time</td>
</tr>
<tr>
<td>- Private sector contribution – what resources they are ready to contribute to the tool development</td>
<td>- Agency’s capacity to service the selected tool once it is launched (finances, people, institutional)</td>
<td>- Business demographics (to help decide on pilots geography)</td>
<td>- Does the project have enough resources (financial, human, time) to dedicate to implementing the selected tool?</td>
<td>- Fit-for-purpose</td>
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<tr>
<td></td>
<td>- Support from other involved public sector institutions whose decisions will be crucial for implementing the tool</td>
<td>- Public and private sector computer literacy, internet coverage, mobile phone coverage, preferred means of communication</td>
<td>- Can this experience be replicated elsewhere? Is this something that can improve institutional knowledge on the subject?</td>
<td>- Durability</td>
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<td>- General government-business relations in the country</td>
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<td>- Possibility to connect with existing similar tools</td>
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Considerations for building and operating the feedback tool

Selection of the tool is followed by the building and operationalization of the tool. For an IT-based option, irrespective of the degree of complication, an IT contractor is hired to perform the technical work. It is recommended to involve the IT company at this stage of the tool’s selection to understand the technical peculiarities of each considered option.

Key considerations when building the tool:

- There are two main tasks the selected IT company needs to perform:
  - Technical – the actual building/programming of the tool, testing/piloting it in demo mode, launching and supporting its operation throughout its ‘life’ and potentially upgrade it on an as needed basis
  - Educational – it is important that IT specialists teach inspectorate staff how to operate the tool and how to analyze the results, as well as share other important knowledge to enable staff to work with the mechanism on their own or with little support from IT specialists.

- Before starting to do the programming, there are many questions that need to be clarified and clearly communicated to the IT company. Some of these include:
  - what the feedback tool is supposed to be doing;
  - what type of data it should collect, in what way, how often;
  - how the data will be collated, by whom, who will have access to it;
  - how the data will be presented;
  - how the data will be analyzed, how often;
  - how the users access the tool to do both filling the questionnaire and accessing the results;
  - how to balance open accessibility and confidentiality; and
  - what data should automatically be transformed into a publicly available graph what should not.

- **Questionnaire development.** The Kyrgyz team wanted the questionnaire to be short and at the same time meaningful, i.e., to ensure that it measured key aspects of the inspection process. The agreement was to have 16 questions with pre-defined answers for entrepreneurs to choose from and two open questions seeking any comments or suggestions about the inspections process and the questionnaire. The questionnaire measures the following aspects:
  - General information about an inspection (e.g., planned vs unplanned);
  - Inspector’s compliance with legal requirements of conducting inspections;
  - Performance of inspectors during the inspection (e.g., if an inspector provided consultation in addition to checking); and
  - Instances of non-compliance of businesses with legislation and their consequences.
The agency will use the findings and analysis to “name and shame” those inspectorates or regional branches that fall short of implementation, thus allowing their bosses to show that they are taking action against the specific district or agency that is shown to be underperforming. Likewise, they will use the data to commend the work of those branches that are performing well and where businesses report satisfaction with their performance. The feedback will also help them to understand what legal requirements businesses do not know/understand, or need more clarity on in order to comply. It enables the agency to design appropriate responses to address the identified gaps in knowledge and understanding, e.g., develop explanatory brochures or organize training, or simplify the requirements, where appropriate.

- It is recommended to assign some people from the agency (in addition to the agency’s IT staff) to work side-by-side with the IT developers. This will reduce total dependency on IT specialists when operating the tool.
- A significant portion of time should be allocated for agency staff learning. Agency staff who will be involved in operating the system, as well as all inspectors, should go through relevant training programs to understand how to operate the feedback system, and how to process and analyze the results.
- **Piloting the feedback mechanism before the launch.** When the Kyrgyz T&CoC team launched the feedback mechanism, the piloting stage lasted for about five months. The team wanted to identify how the tool worked, if there were any technical glitches or issues in accessing and using it by businesses and inspectors. For instance, the team identified that the majority of received responses came from the inspections portal [www.proverka.kg](http://www.proverka.kg). It is too early to say why this happened. The team, together with the inspectorate, are considering a few possible reasons: (i) there is a gap in time from the moment inspections take place to the moment the inspectors report on them in the system after which the inspection is considered ‘closed’ and an email is automatically sent to entrepreneur; (ii) technical glitches in the system when sending an email to entrepreneur, (iii) the inspector made a typo in the email, (iv) the inspector did not ask for an email during inspection, (v) the entrepreneur did not respond to the email sent to him after the inspection.
57 questionnaire were received by the end of May 2017

Did the inspector use a checklist during inspection?

- Used checklists: 48%
- Did not use checklists: 48%
- Don't know/don't remember: 4%

Received through websites: 88%
Received through email: 12%
Received through proverka.kg: 65%

Promoting the tool once it has been launched. For the tool to work and serve its purpose there is a need to invest in countrywide promotion. The aim is that businesses hear about the tool and know how to use it. It is also important to ensure that the topic of business-to-government feedback remains “live” in business talks and in the media— to maintain pressure on the government to take action. The promotion strategy can include a mix of direct contact events with businesses and inspectors, outreach through the distribution of promotional materials (leaflets, brochures, posters and videos), mass media and social media— none of which can work alone but can be most effective when used together. This cannot be done by project alone. Collaborating with business associations, mass media and other development organizations that work in similar areas is crucial. Likewise, government support and involvement, especially of the agency that seeks feedback, are crucial. Their involvement also ensures that they recognize their ownership of the promotion program and do not view it as the project’s program. Thus the presence of senior and middle-level officials at events gives credibility to the efforts and builds the trust among businesses for the tool. Key to promotion is that it should be continuous and it does not stop when the tool is launched.
**Key observations and outcomes**

One of the key outcomes is that, inspired by the work of SIETS, two more inspectorates have joined the feedback mechanism since its launch. This was one of the team’s intentions and hopes—to use one agency as a test-bed and make a case for others to join. So, the team’s overarching goal of the exercise was achieved. Gradually, other agencies have started to take an interest and join.

At the agency level, first results have also emerged. The quarterly analysis of the operation of the feedback mechanism revealed the following:

- Low number of filled in questionnaires received that could be due to lack of knowledge about the tool.
- The necessity for agencies to develop and provide specialized training programs for inspectors and businesses on legislation requirements related to inspections.
- Poor quality of interaction between businesses and inspectors, i.e., low level of service delivery during the inspection process.

The first quarterly report demonstrating feedback results was placed on websites of relevant agencies involved in the feedback gathering exercise. Despite low uptake of the feedback mechanism by businesses registered so far, the agencies involved took the results seriously and designed appropriate measures. The Ministry of Economy, the SIETS and the Sanitary Department organized meetings with representatives of business associations in major cities of the country. The purpose of those meetings was to inform businesses about the feedback mechanism and how the process works, as well as to present the first findings. Businesses were invited to comment and propose improvements.

Based on the above consultations with businesses, the SIETS introduced new performance management criteria of inspectors, in particular, the necessity to provide consolations and training to businesses. The SIETS is investing in the continuous professional development program for its inspectors to improve their service delivery to businesses. The State Metrology Inspectorate regularly meets with businesses and publishes weekly operational reports.

**Box 2: How the agency reacts on the received feedback**

The Sanitary Inspectorate received feedback from entrepreneurs working in district A of the Kyrgyz Republic reporting that head of the Sanitary Inspectorate in this district asked to pay bribes. The Director of the Sanitary Inspectorate requested the project team to conduct a follow-up survey with entrepreneurs to verify if bribery cases really occurred in this particular district, and to check if similar cases were registered in nearby districts. A phone survey confirmed incidents in which inspectors had been seeking bribes in district A.

There were positive surprises too. Some of the survey questions sought to assess cooperation levels among the local sanitary inspectors and entrepreneurs, and the willingness of inspectors to help entrepreneurs and answer their questions. The survey revealed that one inspector in district B regularly consulted entrepreneurs about changes in the legislation and helped entrepreneurs to comply with legal requirements via one-on-one meetings.

Based on the findings of the survey, the Sanitary Inspectorate decided to conduct an internal analysis of the performance of inspectors working in district A, and to organize a peer-to-peer learning event for the inspectorates at which the inspector from the district B could share experience about raising the awareness of entrepreneurs and helping them with day-to-day operations.

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2 For confidentiality reasons actual names of the districts are not mentioned.
In November 2016, the Kyrgyz T&C team, together with the Ministry of Economy, the Technical Inspectorate, the Sanitary Inspectorate and the National Alliance of Business Associations organized a conference to discuss the feedback mechanism, its results and future steps. The conference was an opportunity to assess the first 18 months of the feedback mechanism’s operation, discuss the results and the government’s actions in addressing the results, and identify next steps in developing the tool further and spreading the practice to other agencies. The conference was an open forum gathering over 60 representatives of government agencies, the private sector and mass media. One of the important outcomes from the event was the proposal by business associations to introduce such feedback mechanisms in all inspectorates in the country, and the subsequent recommendation of the Ministry of Economy to do so by the end of 2017.

The Kyrgyz T&C team and the SIETS focused on understanding the reasons for the low uptake of the mechanism by businesses. They conducted the first series of focus group discussions with entrepreneurs in three cities, collectively chose the most appropriate communication channels for promoting the feedback mechanism, and discussed potential adjustments to the existing questionnaire. The FDGs revealed that businesses were largely unaware of the feedback mechanism, but supported the initiative, hence the team's continuous focus on promoting the tool. The project hired a business association to conduct an outreach and communication campaign promoting the feedback mechanism throughout the country.

The above examples demonstrate that, despite the low level of feedback questionnaires received so far, the SIETS is committed to taking the results into account and making the necessary changes based on the feedback. It is also committed to analyze more deeply any complaints received, as well as commend the good practice of inspectors and instill this good practice and these principles into all branches across the country. These efforts help to build the trust of businesses in the agency and in the feedback mechanism, as they can see that their voices have been heard and their opinion taken into account. The Ministry of Economy, seeing these positive changes, has recommended making business-to-government feedback mechanisms standard practice for all inspectorates across the country.

As next steps the Kyrgyz T&C team is planning to accomplish the following:

- Assist the Ministry of Economy in introducing the feedback mechanism in other inspection agencies;
- Assist the Ministry of Economy in designing and delivering trainings on implementation of the feedback mechanism for these agencies;
- Conduct a second series of FDGs with entrepreneurs to measure the impact of the outreach and promotion campaign; and
- Assist the Ministry of Economy and the SIETS in analyzing the results of the FDGs and designing appropriate responses to address the feedback received.
Lessons learned

The Kyrgyz team identified the two critical dimensions that determine success or failure of implementing feedback mechanisms: securing client commitment and ensuring the mechanism is used to close the implementation gap.

Securing client commitment

Securing client commitment is indispensable for collaboration, especially when disrupting the status quo of agencies and proposing new ways of conducting their work. The following can be helpful in obtaining understanding and commitment from the client.

**Pick the champion and focus area.** Picking a pilot agency and a specific focus (functional area of the agency) to test the new ground helps to focus efforts and minimize resources. This is especially relevant for countries with multiple inspections agencies. Even when selecting one agency, it is recommended to pilot work on one functional area. The idea is to test the mechanism with the goal of rolling it out on other areas and with the involvement of other agencies.

**Use both quantitative and qualitative techniques to press your case.** Words can be highly persuasive, but when convincing is required then unquestionable facts and evidence trump words every time. Facts and figures strengthen the argument and leave little room for push back. That is why using quantitative research techniques, such as surveys, in addition to qualitative FGDs, is always a winning strategy.

**Build pressure from the other end of the process.** This is about collaborating with private sector allies. Similar to agencies, businesses also need to understand the benefits of the feedback exercise. They need to know their role in the process. Business participation in the process is equally important and businesses should recognize this. Often feedback mechanisms fail due to business inertia and an unwillingness to engage, so engaging them from the very beginning is crucial.

**The tool’s success depends on country context and environment.** It is important to understand and remember that private sector is also a client and securing their commitment and buy-in is crucial. This is especially true at the initial stage of the tool’s development – the private sector should know about it, be involved in the process as much as possible, trust in its effectiveness and ultimately use it without fear.

This, however, is not always possible to secure, especially in less democratic/ liberal countries. Therefore, it is critical to assess the country context and environment and identify how open the private sector is in voicing their opinions in a particular country before offering to launch a feedback mechanism of any sort.

Getting the client’s commitment is often like putting a jigsaw puzzle together. The challenges to the team are (i) to have a vision of the final picture while the puzzle is still in pieces on the floor and (ii) to have the patience and determination to achieve the ultimate goal when putting the pieces together.
Ensuring the mechanism is used to close implementation gaps

The ultimate goal of introducing feedback mechanisms is to improve the way something is done, in our case, improve inspections process and ensure that there are no gaps between what the law says and how it is applied in reality. The exercise is thus useless when nothing follows the collection of feedback, when the results are not used to change the situation. The Kyrgyz team learned that the following is helpful in ensuring ‘the measured’ gets done.

**Simplicity by design.** The simpler the mechanism is to operate, the greater the probability that it will be used by businesses and inspectors. Making it easy to analyze the results is also important. The Kyrgyz team wanted to make aggregation and analysis of results as simple as possible for the inspectorate, leading to the decision to have the system instantaneously add results of each completed questionnaire in real time and present the results in an aggregate form.

**Learn from the private sector.** The private sector can be a valuable resource and knowledge point, especially, in issues of feedback gathering and performance management. Private sector businesses are more in the organizational management domain and historically, organizational management is the area most explored and developed by the private sector. Showing that we are open to learn from businesses and, even more so, open to accepting their ideas, will also strengthen their trust in the tool, thus increasing the probability of business making use of it.

**Promote the tool heavily.** One of the key findings from piloting the feedback mechanism was low uptake of businesses, most likely due to their low awareness about the tool. Promotion is another important part of the process: it is crucial that businesses hear about the tool and know how to use it.
Get the government to publicly declare its commitment to go beyond just the introduction of the tool. The Kyrgyz team organized (or participated in third party) public-private dialogue-type of events where the business-to-government feedback was always on the agenda, backed by both the project and the private sector participants. It is important to have the agency commit publicly to the use of feedback to change the situation. Once this has become public, it is very difficult for the agency to renege on its declared commitments.

Publicize the feedback results. In addition to the need for promoting the tool, the same vigor should be applied to communicating the results of the feedback exercise—from the problems identified through the feedback to the actions taken by the government and results they brought, if any. This information greatly reinforces trust in the tool and demonstrates the government’s commitment to implementing change.
**Conclusion, sustainability and replicability**

The case study presents just one aspect that contributes to the process of improving regulatory delivery and closing the regulatory implementation gap. Establishment of the business-to-government feedback mechanism has not resolved all the implementation failures of inspections legislation in the Kyrgyz Republic. However, it has helped make the inspections process more transparent and clearer. It has made more prominent the role of the private sector in reform design and implementation. It has contributed to shifting mentality and behaviors of the inspectorate personnel toward businesses, from one of ‘command and control’ to ‘listen, communicate and advise’. It has also stimulated the agency to rethink its accountability framework and to focus more resources on competency-based performance management and the continuous professional development systems to improve the quality of service delivery.

One of the objectives of this exercise was to start from one agency and to make a case for replication in other agencies with similar mandates. This happened during the piloting stage: in addition to the SIETS the Sanitary Service expressed its interest in joining the feedback mechanism. More agencies joined later. Now the Ministry of Economy has recommended that all inspections agencies adopt the same feedback mechanism as standard practice. The private sector has welcomed this initiative. This indicates the level of interest for this exercise from both sides—private and public sectors. More importantly, it demonstrates the government’s commitment to continue the work that started with help from development partners, including the World Bank Group.

One of the strategies that the team used when developing the feedback mechanism to ensure sustainability was to involve the public sector (the agency’s personnel) in the design and implementation. Capacity-building and training of personnel on how to use the feedback mechanism was central to this work. Therefore, the agency is now equipped with necessary knowledge and skills needed to operate the mechanism.

The Kyrgyz experience was the first pilot of implementing an ICT-enabled feedback mechanism in an IDA country in the Europe and Central Asia (ECA) region. The team applied best practice, adapting it to the local environment and learning ‘on the go’. Now this experience can serve a blueprint for other IDA countries with similar environments and contexts. For example, neighboring Tajikistan has already expressed its interest in learning from its Kyrgyz peers and plans to introduce a similar feedback mechanism and other ICT tools to improve implementation of inspections legislation in Tajikistan.