

Business Advisory Services (BAS) Kyrgyz Republic eBulletin



Issue №11
June 2011

At a glance*

Total donor contribution

€million

4.8

Number of projects

364

Total client contribution to projects

€million

1.1

Average BAS grant percentage (2010)

%

54

Number of Market Development Activities (MDA)

120

Total MDA value

€million

0.13

*Cumulative, as at January 2011

Welcome back, Shaktybek!

Shaktybek Imashov joined the EBRD on 10 May 2011 as the Head of Regional Programme for TAM/BAS in Central Asia.

Since 2009, Shaktybek has managed the Trade Promotion programme of the International Trade Center in Kyrgyzstan.

The ITC promotes quality standards and trade in the textiles sector in Kyrgyzstan and neighboring countries.

Shaktybek led EBRD's Business Advisory Services programme in Kyrgyzstan as National Programme Director from 2005-2009.

He has worked with other regional development programmes and is a Certified Management Consultant.

Shaktybek received his Master of Business Administration from the President's Academy of Management in Bishkek and has a Diploma as Telecommunications Engineer from the Telecommunications Institute in Odessa.

Shaktybek will be based in Almaty with responsibility for TAM/BAS Programmes in Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan.



International Consultants Day

This day is celebrated globally in all the member Countries of the International Council of Management Consulting Institutes (ICMCI) on the first Thursday of each June.

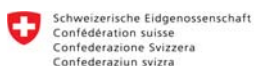
To celebrate the event in Kyrgyz Republic, EBRD BAS has decided to support the celebration for local consultants as well. Institute of Management Consultants has organized

a reception at Steinbrau restaurant on June 10, 2011.

The celebration marked the latest achievements of the IMC KR, generated visibility for new members.

The event generally was hosted to emphasize an importance of the occasion and to help build relationships among the consultants industry's key players.

Funded by Switzerland



Swiss Cooperation Office in the Kyrgyz Republic
Кыргыз Республикасындагы Кызматташтык боюнча Швейцариялык Бюро
Швейцарское Бюро по сотрудничеству в Кыргызской Республике

Gabriel Al-Salem Foundation Announces Establishment of International Award for Achievements in Consulting



**Gabriel Al-Salem
Foundation**

The Kazakhstan Chamber of Management Consultants and Trainers (CMC Kazakhstan) with the information support from the Kazakhstan Press Club has announced the establishment of the Gabriel Al-Salem Foundation and the opening of competition for the Gabriel Al-Salem Central Asia Award for Superior Achievements in Consulting, and invites the entire business community to participate in the Award competition.

For 10 years, Gabriel Al-Salem was the head of the Business Advisory Services (BAS) Programme of the European Bank for Reconstruction and Development in Central Asia and made an enormous contribution to the development of the industry of business consulting in Central Asia. On 27 November 2010 Gabriel died tragically in the mountains near Almaty.

The Gabriel Al-Salem International Management Consulting Award is an independent award to be given for outstanding achievements in consulting that contribute to promotion of high professional standards. The Award has been established to encourage the professional growth of management consultants that are members of national institutes in the participating countries. The Award is established and administered by the Gabriel Al-Salem Foundation.

The first Awards will be given in 2012, and from then on every year on 1 February, Gabriel Al-Salem's birthday, to winners nominated in the following categories:

The Best Consulting Project (for innovations in consulting that aim at tangible improvements in the performance of client companies);

The Best Consultant (for public and professional acknowledgement both by colleagues and by clients);

The Contribution to Development of the Management Consultancy Profession (for public or voluntary work developing, promoting or supporting professional standards and ethics in management consulting, and/or developing a positive perception of the profession by clients, donors, government agencies, and the general public);

Consulting without Borders (for contribution to promotion of peace between the peoples of different countries). The criteria for this category are used to assess projects involving people representing different cultures, religions, ethnic groups, genders and/or ages; activities for the preservation of the environment; and activities for protection/development of vulnerable groups like senior citizens, children and handicapped people;

The Most Dynamic Management Consulting Association (for highly praised team work and cooperation between colleague consultants in a national institution).

The nominations shall be defined and approved by the International Awards Committee. The Committee has been established by a joint decision of national CMC institutions and comprises one representative from each participating country and representatives of

the IMC USA, the ICMCI, and the EBRD BAS Programme.

The International Awards Committee members are volunteers and receive no remuneration. Travel and accommodation costs of the IMC USA and EBRD BAS Programme representatives acting as Committee co-chairpersons are covered from the Committee funds formed by contributions of the national institutes of the Central Asian countries; the contribution amounts are defined by a general vote of the Committee members.

The Award consists of the following:

- a diploma signed by the International Awards Committee Chairperson;
- a memento; and
- an opportunity for professional development (e.g., a paid trip to an international conference, a training course, etc.).

The organizers of the Gabriel Al-Salem Award events are pleased to invite all stakeholders, sponsors and information partners to support the preparation and the facilitation of these events.

For more information on the Gabriel Al-Salem Foundation and Award please visit www.ga-foundation.org.

CERTIFIED MANAGEMENT CONSULTANT AS A SIGN OF OUTSTANDING ACHIEVEMENTS.

What is CMC?

The Certified Management Consultant qualification is awarded by national professional bodies of management consultants worldwide. In the Kyrgyz Republic CMC is awarded by a national Institute of Management Consultants (IMC KR) which was founded in 2009. This institute is assessed by the International Council of Management Consulting Institutes (ICMCI), which is the in practice owner of the qualification, to ensure that they meet defined standards. And indeed, certification is one of the reasons why this institute was founded.

CMC standards require a candidate to demonstrate a level of competence in the defined areas, client experience and satisfaction, a defined degree of knowledge about the process of consulting and the business environment, a period of successful practice as a management consultant and adherence to a code of conduct and ethics. CMC is the mark of a competent and confident consultant. It is the only internationally portable consultancy award and is recognized in 67 countries. This award is achieved by completing a competency-based assessment process – the competencies are set at the Independence level of the Management Consultancy Competence Framework and undertaken by experienced assessors who assess the skills, knowledge and behaviors needed to be a successful consultant.

Why CMC is important for clients and consultants?

This is very well known that clients are looking for consultants who can create value, provide solutions to their busi-

ness needs and consistently deliver high-quality services. But clients always stuck on question: how to measure these qualities of consultants? How a client can become sure that a particular consultant can be of help? There is an umpteen number of measurements to be looked through: ethics, professional behavior, knowledge, experience, etc. But it is understood that this measurement should be done independently by a self-management organization. By achieving this award, a consultant indicates to clients and peers that he or she has been independently verified against universally accepted standards for experienced business consultants. This should also help to be a preferred supplier of consultancy services and provide a guarantee to clients that a consultant has the experience and knowledge to deliver impartial, professional and cost-effective interventions. This award also means standing out from the crowd.

How to become a CMC?

Obtaining CMC is a long and difficult process. Before actually applying for certification, a consultant should go through a long period of preparation, education and getting experience. Consultants awarded the CMC designation have demonstrated the following:

- Minimum of a Bachelors degree.
- At least three years of experience in full-time consulting in a firm or independent practice, or as an internal consultant in organization.
- Demonstrated client satisfaction in challenging engagements.
- Commitment to ongoing professional education like attending professional seminars and courses.

After a consultant met the criteria above, he goes through written ethics examinations and adherence to a rigorous code of ethics, and then interview by a panel of senior consultants on approaches to and competencies in a range of consulting disciplines. This certification is to be renewed every three years.

In order to apply for CMC in Kyrgyzstan, applicant should become a member of the IMC KR, prepare a set of necessary documents and pass all required interviews.

Success stories

As for now, there are 4 CMCs in KR who received this sign of achievement from the Institute of Management Consultants USA. Inc in 2010. They all obtained this sign of achievement when attended International Conference of ICMCI in Jordan. They passed examination and interviews of the IMC USA which has a very well established process of CMC certification and has been a partner organization for IMC KR. All Kyrgyz CMCs have a vast experience in the consulting experience for various corporations and organizations in areas of investment consulting, marketing, organizational development and strategy.

Bakai Zhunushov, CMC: "It's been a great experience to go through this taught process of certification. First of all this was a check for my professionalism, credibility and ethics. And I am thankful for this opportunity for IMC USA and IMC KR which prove international acknowledgment as a consultant for me".

Prepared by Bakai Zhunushov

EBRD LAUNCHES ACCOUNTING IMPROVEMENT PROGRAMME

Background

Poor financial information at local enterprises in ETCs is a systemic problem. The lack of quality financial information can lead to poor credit decision making at local banks that tend to over-rely on collateral in decision-making. EBRD launches an accounting improvement programme which aims to provide small and medium-sized enterprises (SMEs) with assistance from local accounting firms to improve their financial reporting and management.

The programme is funded by the ETC Multi-Donor Fund (MDF) and Shareholder Special Fund (SSF)

The purpose of the Programme is to produce good quality financial information that will give SMEs' existing and/or prospective financiers (a local bank, the EBRD, or another IFI) an accurate understanding of their financial position, and therefore the confidence to make lending decisions based on reliable financial records, rather than on the collateral that small enterprises in the ETCs tend to lack.

The assistance provided

Under the programme local accounting firms can be hired at the pre-screening, preparation and implementation stages to:

- (1) Provide accounting advisory services to improve local enterprises' financial information for management and reporting purposes;
- (2) Review company financial information for the purpose of producing reviewed, compiled and (in exceptional cases) audited financial statements which can be used internally for management decisions and externally for raising financing;
- (3) Assist in implementation of management information systems (MIS) for accounting; and
- (4) Assist in conversion to / implement-

tation of financial statements consistent with local accounting standards, and possibly (exceptionally) International Financial Reporting Standards (IFRS).

Eligibility Criteria for Enterprise

Existing, former and prospective EBRD clients may be considered for assistance under the Programme. A company seeking assistance under the Programme will have to demonstrate that they:

- are commercially and financially viable;
- have a project that needs financing of at least USD 500,000 from EBRD, a local bank or another source;
- have a project that would have acceptable transition impact and create employment;
- are in private sector ownership and locally owned;
- operate in all sectors except banking and financial services, military products or services, gambling, tobacco;
- have good standards of integrity and trustworthiness.
- are prepared to implement the financial management and reporting changes resulting from the consultancy.
- are open to cooperate with BAS and the consultant, with the enterprise management being credible and respectable;
- have a capacity to absorb the assistance given, yet little or no previous experience of using external consultants; and
- are ready and able to pay 25% of the total project cost

Eligibility Criteria for Accounting Firms

Accounting firms involved in the Programme will be expected to demonstrate substantial experience, reliability and trustworthiness.

Qualification is subject to:

- Track record: Company profile. Copy of registration certificate with state register. Certificate of ownership (extract from charter and/or memorandum of establishment). Annual financial statements for at least two previous years (income statement, cash flow statement, balance sheet). Narrative on specialisation and quotation of fees by advisory service type (in €/work day).
- Client work and references: Description of undertaken projects (within the framework of specialisation) in the last 2-3 years, including references.
- Staffing: Interview with, and CVs of, all consultants

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Kochkor farmer has installed a unique mobile biogas unit



On June 10, 2011 at 13.00 in Kochkor region, Kurgak hole (Don Alysh village) EBRD BAS together with the Association of Renewable Energy have organized the presentation of a pilot mobile biogas unit BEM-5M.

During the presentation the unique mobile biogas module BEM-5M was demonstrated, which is designed for the processing of animal waste of the Baiterek farm in the summer pasture grazing.

"Baiterek" farm was established in 1995. To improve the efficiency of farming and to reduce production costs to produce gas for domestic use at the jailoo and at home, it was decided to build a mobile biogas unit. To solve this problem, EBRD Business Advisory Services attracted a consultant, Public Fund "Fluid", a member of the Association of Renewable Energy.

This project was subsidized by EBRD Business Advisory Services, with funding from the Swiss Government, whose main goal is to help enterprises of Kyrgyzstan to attract domestic consulting company for business development. Thus, the EBRD BAS, on the one hand, supports private sector development in Kyrgyzstan and, on the other hand, promotes quality

growth in the local market of consulting services.

The biogas presentation was also attended by representatives of the Government of the Kyrgyz Republic, Ministry of Agriculture, Ministry of Energy, Ministry of Economy, Ministry of Finance, Naryn state administration, Kochkor regional administration, international organizations, EBRD BAS, Association of Renewable Energy and PF "Fluid".

For information: The volume of raw materials for BEM-5M is up to 300 kg per day, resulting in volume of bio-fertilizers up to 60 tons, the yield of biogas will be up to 1,800 m³ per year. Processed liquid fertilizer will be used on farmland and biogas will be used for domestic use.

Expected environmental and social benefits:

- Improvement of the living conditions of the farmer;
- Reduction of shrubs cuttings;
- Increasing productivity through the use of effluent;
- Reducing greenhouse gas emissions and reducing fuel consumption through the use of methane;
- Additional revenue due to higher yields;
- Increase the level and quality of life.

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