



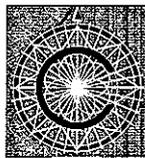
**SUPPORT FOR ECONOMIC GROWTH AND  
INSTITUTIONAL REFORM:  
LEGAL AND INSTITUTIONAL REFORM IQC**

Contract No. PCE-I-00-97-00039-00

Quarterly Progress Report  
April 1 – June 30, 2001

Submitted to:  
U.S. Agency for International Development

Submitted by:



CHEMONICS INTERNATIONAL INC.



July 2001

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**Chemonics Consortium  
Quarterly Progress Report  
April 1 – June 30, 2001**

***SEGIR Indefinite Quantity Contract for Legal and Institutional Reform***

**USAID Contract No. PCE-I-00-97-00039-00**

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**A. CONSORTIUM MANAGEMENT**

Given the increasing difficulty of personnel recruitment based the IQC approved levels of compensation, Chemonics requests USAID's consideration to raise the prime contract's daily rate maximum amount from \$443.52 to \$483.46.

**B. ACCOMPLISHMENTS DURING THE REPORTING PERIOD**

**B1. Active Task Orders**

**USAID/Jordan – Technical Support and Assessment of Training Needs and Training for Procurement and Project Management Personnel of the Ministry of Water and Irrigation, Task Order No. 804, February 25, 1999 – May 31, 2001, Ceiling Price \$1,261,013**

*HO Project Management Unit: Kim Nilson, project manager; and Naureen Tadros, assistant project administrator.*

Task Order Objective

Enable the Water Authority of Jordan (WAJ), a division of the Ministry of Water and Irrigation (MWI), to better implement Host-Country Contracts (HCC) funded by USAID. By providing long-term technical support to the WAJ, the project is designed to improve the overall contract management efficiency of water-related procurement projects.

Key Tasks to Meet Objective

Planning and implementation of USAID-funded Host Country Contracts (HCC), under the direction of, and reporting to, the WAJ Secretary General.

## Quarterly Progress Report

The project's long-term Technical Advisor departed post in April. A 60-day no-cost extension was granted by USAID in order to initiate activities associated with the Implementation of the Policies and Procedures Manual. The Ministry approved the manual in March 2001.

Bruce Soule, a short-term consultant, spent most of May in Amman working on the implementation of the manual and supporting Ministry staff as they take the necessary steps in implementation. This included assisting in the nomination of technical staff to serve on the two Project Management Committees, identifying two projects as trial programs, and aiding in the initial stages of committee oversight.

In addition to his work implementing the Policy and Procedures Manual, as a member of the Value Engineering team, Bruce Soule conducted the Value Engineering analysis of the Aqaba wastewater facility.

Project activities officially ended on May 31, 2001. Chemonics is in discussions with USAID/Jordan to continue project activities through the General Business, Trade and Investment (GBTI) IQC.

### **USAID/Armenia – Armenia Rule of Law Commercial Law Activity, Task Order No. 807, August 12, 1999 – August 11, 2002, Ceiling Price \$4,658,463**

*HO Project Management Unit: William Slocum, senior manager; Jennifer Hancock, project administrator; and Airika Smith, assistant project administrator.*

#### Task Order Objective

Continued development of a legal system that better supports democratic and market reforms.

#### Key Tasks to Meet Objective

Strengthen Armenia's legal foundations and judicial system by: focusing on constitutional amendments; implementing new laws related to rule of law / administration of justice; enacting and implementing key commercial laws; and, training judges, lawyers, court executors, and government officials in the provisions of the laws and their respective roles.

## Quarterly Progress Report

### *Constitutional Amendments*

In March, Constitutional Court Chairman Gagik Harutyunyan gave Mr. Markarian a revised conceptual framework for constitutional reforms, which the Project translated into English. The proposed constitutional amendments were sent to Professor Herman Schwartz of American University School of Law for comments. Professor Schwartz's comments were received, translated into Armenian, and were provided to the Constitutional Court in May. The majority of Professor Schwartz's comments were incorporated.

In May and June, Chemonics updated the English translation of the conceptual framework for constitutional reforms and provided it to Constitutional Court Chairman Gagik Harutyunyan for submission to the Venice Commission of the Council of Europe.

### *Law on the Registration of Legal Entities*

Deputy Minister of Justice Tigran Mukuchyan submitted a request to the project for computer equipment for the State Registry of Legal Entities. The project recommended to USAID that the request be funded, subject to receiving a detailed plan for the computerization from the Ministry of Justice and subject also to the condition that after being created, the computerized registry also be used for collateral registration. As of the end of the quarterly reporting period, this request was under consideration at USAID.

Supporting the implementation of the Law on the Registration of Legal Entities, Chemonics published and distributed 270 copies of the State Registry of Legal Entities' 2000 annual publication.

Deputy Minister of Justice Tigran Mukuchyan plans to have standard forms and by-laws completed by early July. The forms will be available in each branch of the State Registrar. He has also requested assistance in the creation of a Web page and training for officials and future users of the registry. Preliminary discussions were held on the format of the training and Web page. Mr. Mukuchyan indicated that amending the Bankruptcy Law is his first priority and that he will concentrate on the Registration of Legal Entities later. Assistance has also been requested in the preparation of forms and documents necessary for implementation of the registration system. He has also requested training assistance. Chemonics is planning the precise nature of its assistance.

### *Government Procurement Law*

The project's procurement expert, Jeanmarie Meyer, completed a procurement manual, consisting of standard forms and contracts, which was translated into Armenian and submitted to the Ministry of Finance and Economy the first week of May.

Chemonics' procurement law legal intern, Irina Rushanyan, who had been working and training with Ms. Meyer since November 2000, was transferred to the Ministry of Finance and Economy in May to work on implementation of the Government Procurement Law.

The Head of the Department of Methodology of Budget Execution within the Ministry of Finance and Economy, Karen Brutyan, requested assistance from Chemonics to create a Web page that will serve informational purposes and announce domestic and international competitions. Chemonics is assisting the Department with the logistics for this important informational tool.

A procurement study tour to Slovakia is currently scheduled for July 9<sup>th</sup> – 13<sup>th</sup>. The tour will be facilitated by Ms. Meyer. Chemonics is also planning in-country training for government officials on the Government Procurement Law, to take place July 18<sup>th</sup> – 20<sup>th</sup>.

#### *Collateral (Secured Transactions) Laws for Immovable and Movable Property*

Professor Ronald Cuming of the University of Saskatchewan, Canada was retained by the project to prepare a draft law on pledges of movable property. His revised drafts of the law were distributed to the collateral law-working group in April. Professor Cuming's revised drafts were also hand-delivered to the Minister of Justice. The comments from the Ministry of Justice (MOJ) on the draft law on pledges of movable property and the draft law on the registration of pledges of movable property are pending.

#### *Public Auction Law*

Chemonics' Armenian translation of the Public Auction Law of the Czech Republic and other samples from other countries were provided to the Head of the Legal Department of the Ministry of Justice in early June. The MOJ has indicated that a draft of the law will be ready for comments in late September 2001.

#### *Bankruptcy Law*

Working in cooperation with IBTCI, Chemonics submitted proposed amendments to Armenia's Bankruptcy Law to Deputy Minister of Justice Tigran Mukuchyan. A summary of the World Bank Principles and Guidelines for Effective Insolvency and Creditors Rights Systems documents were also provided.

Chemonics held a meeting of bankruptcy administrators in April to discuss the possibility of forming a bankruptcy administrators' NGO. Attendees, including the Head of the Insolvency Department of the Ministry of Justice, Vachagan Tadevosyan, expressed support for the idea. Chemonics is drafting bylaws for the association. Chemonics

continues to host meetings of bankruptcy administrators for the future NGO. USAID has agreed to provide start-up funds for the NGO through this project.

Chemonics worked with IBTCI's bankruptcy expert, Daniel Fitzpatrick, to provide the bankruptcy case studies requested by Deputy Minister of Justice Tigran Mukuchyan. A bankruptcy administrator from Russia, Ilya Rybalchenko, traveled to Armenia in early June and presented his experience and Russian case studies to the trainees working to obtain the license. The response from Deputy Minister of Justice Tigran Mukuchyan and the administrators was positive; they said they would like more of these presentations and Mr. Mukuchyan requested to have Mr. Rybalchenko review the proposed amendments to the Bankruptcy Law.

Chemonics finalized plans to bring a short-term bankruptcy expert, Robert Fiedler, to Armenia to work with Deputy Minister of Justice Mukuchyan on amendments to the Bankruptcy Law. Mr. Fiedler was due to arrive in Armenia July 1<sup>st</sup>. Chemonics also began advertising for local support staff to work on the pilot bankruptcy cases, which will be transferred to Chemonics from IBTCI.

#### *Licensing Law*

On March 28, 2001, Mr. Markarian had sent a letter to Gagik Minasyan, the Chairman of the National Assembly's Standing Committee on Financial, Budgetary and Economic Affairs, expressing concern that an earlier draft of the Law on Licensing had included the licensing of advocates by a Government body. Mr. Markarian noted that its removal from the version adopted on first reading was a positive step and urged Mr. Minasyan to ensure that the licensing of advocates remain outside the scope of this law and remain with the unions of advocates. The Law on Licensing was passed by the National Assembly on second reading and signed by the President of the Republic on June 27, 2001. As the project suggested, the licensing of advocates remained with the unions of advocates, and was not incorporated into the law.

#### *World Trade Organization-Related Legislation*

In April, Chemonics retained Steven Schiffman to assess and recommend a course of action with respect to Armenia's Trademark Law and Copyright Law. Mr. Schiffman and local counterpart representatives spoke at a roundtable discussion attended by 16 participants from interested organizations. He assessed Armenia's Trademark Law and Copyright Law and provided recommendations. Chemonics held a roundtable/training discussion for National Assembly representatives on May 4<sup>th</sup>. Mr. Schiffman's report on Armenia's Trademark Law and Copyright Law was distributed to all the participants of the May seminar/roundtable in early June.

### *Administrative Procedure Law*

During this reporting period, the project learned that the Government's Administrative Law Committee's work would be included in the activities of a six-member working group. This is an independent working group of GTZ, operating at the request of the MOJ and scheduled to present the results of its work to the MOJ. The group's first focus will be on law on administrative procedure, in the American and Western European sense, and will be assisted by four German specialists: Professor Luchterhandt, Professor Rubel, Dr. Schultze, and Mr. Fuhrmann. The first working group meeting was held in early May and its members will meet every two months.

The head of the working group is Hrayr Tovmasyan, who at the time of being appointed was at the Constitutional Court and has since been appointed Deputy Minister of the Environment. He was also the principal author of Armenia's Electoral Code. The other members of the working group are Grigor Muradyan (Constitutional Court staff), Armen Arakelyan (National Assembly Legal Department), Artashes Avoyan (Chief Specialist of the Orinats Yerkir party), Hovhannes Torosyan (Head of the MOJ Department of International Relations), and Armen Harutyunyan (YSU Law Faculty). Deputy Minister of Justice Arevik Petrosyan, though not a member of the working group, is the MOJ's designated contact person.

Copies of the Chemonics' translations of administrative legislation from other countries were distributed to the working group. The translations had originally been provided to all the members of the Government's Administrative Law Committee and all the governmental lawyers that attended the four-day administrative law workshop organized by Chemonics in November 2000.

### *Legal Commentaries*

Professor Rafayel Yeghyan of the Yerevan State University Law Faculty and Gevorg Danielyan, the Head of the Department of the Protection of State Interests of the General Procuracy, completed commentaries on the Law on Inspections in April. At the end of April, the President of the Republic signed amendments to the law adopted by the National Assembly, prompting Mr. Danielyan to revise the commentaries in conformity with the legislative amendments. These revisions were submitted to Chemonics in May and the commentaries were edited and published in June. They will be distributed in July to all of Armenia's judges, government agencies, law faculties of both state and private universities, the three unions of advocates, lawyers' groups, and business groups.

Local commentators, National Assembly Legal Department Head Vladimir Nazaryan and Court of Cassation Civil and Economic Chamber Chairman Arman Mkrtumyan, were approved by USAID to provide commentaries on the Civil Procedure Code. Given the length of the Civil Procedure Code and the volume of work necessary, the commentaries

thereon are expected to be completed in early 2002. Mr. Nazaryan submitted draft commentaries on Articles 1-80 of the Civil Procedure Code to Chemonics in May.

Chemonics is currently seeking local consultants to provide commentaries for the Law on Government Procurement and the Law on the Registration of Legal Entities.

#### *Other Legislative Activities*

In response to a request from National Assembly Deputy Speaker Tigran Torosyan and USAID, the project arranged the translation into Armenian of the comments by Mr. Valeriu Stoica of Romania and Mr. Hans-Heinrich Vogel of Sweden on Armenia's draft Law on Political Parties. The project submitted the translations to USAID, to be forwarded to Mr. Torosyan.

#### *Council of Court Chairmen*

The Council of Court Chairmen (CCC) is composed of the chairmen of all courts of general jurisdiction, with the chairman of the Court of Cassation serving as ex-officio CCC chairman. Under Armenia's Law on the Judiciary, the CCC bears responsibility for the internal self-governance of Armenia's judiciary, including court administration, case management, and governance of the Judicial Training Center (JTC). Project assistance to the CCC includes helping the council to develop and implement systems for case management and personnel structure and management.

Chemonics' Rule of Law Advisors met with Court of Cassation Chairman Henrik Danielyan to discuss publication of court decisions. This will promote transparency in the courts and allow practicing lawyers to learn how the Court of Cassation is applying specific legal provisions and thereby provide them guidance in their work. Mr. Danielyan is in favor of publishing at least the decisions of the Court of Cassation. Chemonics' Chief of Party, Daniel Bosco, and Rule of Law Advisor Kristina Galstyan met with CCC Chief of Staff Garegin Avagyan to follow up on earlier discussions regarding the publication of court decisions. Chemonics is awaiting a draft budget from the CCC.

Chemonics' Rule of Law Advisors had several meetings with Chairmen of Courts of First Instance in various communities in Yerevan to obtain general information about Armenia's courts. Chemonics representatives also held discussions with the CCC and JTC to plan training of court support staff (chiefs of staff, court clerks, judicial assistants, etc.) on the case management rules adopted by the CCC in late 2000. The training is intended to improve court administration in Armenia's courts and is scheduled for mid-July.

### *Judicial Training Center*

Chemonics sponsored a judges' seminar in early April on the development of Armenia's judicial system. The seminar included presentations on the direct use of the Constitution in litigation, the use of international treaties in litigation, as well as the annual report of the Council of Court Chairmen analyzing the year 2000 civil cases. In connection with the seminar, Chemonics funded the printing of 200 copies of the CCC's annual report on civil cases.

The project's judicial training expert, Judge F.A. Gossett III of Nebraska, traveled to Armenia in late March. He assessed the work of the Judicial Training Center (JTC), including the status of the EU/TACIS grant and proposed possible next steps. Meetings were held with judges and with JTC personnel. Judge Gossett's assessment of the JTC was received by Chemonics and submitted to USAID.

After reviewing Judge Gossett's recommendations and taking into consideration the recent cancellation of the JTC's EU/TACIS grant, it was decided to work with the JTC in increments. Specifically, with the recent amendment of Armenia's Judiciary Law to add 31 new judges, Chemonics and USAID decided to focus first on developing a curriculum for the training of the new judges as a pilot program. The success of this activity will determine if it is appropriate to conduct additional activities with the JTC. Chemonics received the JTC's draft curriculum for new judges' training and sent the document to Judge Gossett for review and comment. Judge Gossett provided comments and suggestions for general approaches to curriculum development, which were translated into Armenian and provided to the JTC in May. The JTC is currently working on a revised curriculum for the new judges' training.

### *Compulsory Enforcement Service*

In operation since January 1999, the Compulsory Enforcement Service within the Ministry of Justice is responsible for enforcing court judgments in civil cases. Chemonics conducted a study tour to Poland for officials of Armenia's Compulsory Enforcement Service from June 24<sup>th</sup> to July 4<sup>th</sup>. The participants met with Polish Ministry of Justice officials and courts in both Warsaw and Krakow, as well as with the Polish court enforcers' professional association. Chemonics' training coordinators, David Vaughn and Diane Crosby, handled the logistical arrangements and prepared the agenda. Chemonics will debrief the study tour participants after their return to Armenia.

As a result of assessments conducted in March, USAID has decided to phase out its assistance to the Compulsory Enforcement Service. Accordingly, Chemonics does not expect to conduct further work with the Service after the study tour.

### *Yerevan State University (YSU) Law Faculty*

Chemonics' Rule of Law Advisors met with YSU Law Faculty Dean Gagik Ghazinyan and Deputy Dean Karen Gevorgyan in June to review the status of YSU Law Faculty's curriculum reform and to discuss possible future cooperative activities. The two new courses proposed by the two professors Chemonics sent to Seton Hall University School of Law in the fall of 2000, Legal Research and Writing and Trial Advocacy, have been entered into the draft curriculum and are awaiting approval from the University's Rector after having been approved by the Dean and the Faculty Council. The Trial Advocacy course will begin in the fall 2001 semester as a 1<sup>st</sup> year Master's program course. The second course, Legal Research and Writing, is still a subject of negotiation with the University's Rector to determine in which course year it should be taught and for how many academic hours. In addition, the Dean informed Chemonics that he had sent a letter to USAID proposing avenues of future cooperation, a copy of which USAID has sent to Chemonics. Chemonics and USAID will meet to discuss subsequent work with YSU.

Chemonics and ABA/CEELI representatives met with the Legal Department of the Ministry of Education and Science regarding the impending accreditation process for Armenian universities. Chemonics' Rule of Law Advisors held additional meetings at the Ministry of Education and Science to discuss the accreditation process for private universities. Ministry representatives expect that the accreditation process for private universities will be completed by late July.

In May, Chemonics' Rule of Law Advisors attended the opening of the mock courtroom at the YSU Law Faculty, as well as the graduation ceremony of the YSU Law Faculty's Legal Aid Clinic.

### *Professional Associations*

Mr. Markarian and Mr. Sandukhchyan attended a joint meeting of the International Bar Union and the International Union of Armenian Advocates on April 28<sup>th</sup>, at which the two unions approved the creation of a coordinating council.

### *Public Awareness*

Chemonics continued to hold the legal issues training series for journalists during this quarter. In mid-April, JTC Director Arman Khachatryan addressed 13 journalists on the role and activities of the JTC. On May 23<sup>rd</sup>, Nazeli Mnoyan, the Deputy Head of the Government's Legal Department, addressed approximately ten journalists on land alienation. Deputy Minister of Justice Tigran Mukuchyan addressed approximately 14 journalists in late June on the newly enacted Law on the State Registration of Legal Entities.

At the invitation of the Yerevan representation of the Organization on Security and Cooperation in Europe (OSCE), Chemonics Rule of Law Advisor Gahmk Markarian participated in the filming of a television show on judicial independence in Armenia on April 21<sup>st</sup>. The show was broadcast on "Prometevs" TV later that month. On May 29<sup>th</sup>, Gahmk Markarian was interviewed by Armenian Public Radio and the show was broadcast in early June. During the interview Mr. Markarian discussed project activities in Armenia.

### *Clearinghouse*

During this reporting period, Chemonics continued to function as a clearinghouse for information on English translations of Armenian commercial and rule of law legislation, gathering and distributing information on locating translations of laws. Chemonics will continue to fulfill this role throughout the life of the project

### *Performance Monitoring and Evaluation*

During this reporting period, the project continued to gather information for calendar year 2000 for its performance monitoring and evaluation plan.

### *Grant Program*

In March, Chemonics announced its third grants competition, aimed at improving public perception of the legal and judicial systems in Armenia, with an application submission deadline of April 6, 2001. Twenty-one applications were received by that date. As a result of the competition, in May Chemonics signed grant agreements with the following six grantees: 1) "Word and Right" NGO, for a project aimed at improving judicial practice related to media cases; 2) "Association of Investigative Journalists" NGO, for a project aimed at the improvement of public confidence towards the courts; 3) "Young Shirakatsi" NGO, for a project to provide the population of Gyumri with objective information on the courts' operation through the organization of a series of relevant publications prepared by the students of the journalism and law faculties of Anania Shirakatsi University; 4) "Helsinki Association" NGO, for a project aimed at increasing the transparency of courts through the publication of the results of court monitoring; 5) "Collaboration for Democracy" NGO, for a project aimed at increasing public confidence towards the judiciary through building awareness about the basics of the litigation process; and 6) "Femida" NGO, for a project aimed at increasing public confidence towards the judiciary through building awareness about the basics of the litigation process. In June, Chemonics began disbursing grant funds to the six grantees.

One of the grants under Chemonics' first grants competition, for legal resource centers, which had been conducted in the spring of 2000, was awarded to the International Union of Armenian Advocates (IUAA). This included funding for the IUAA to prepare and publish 200 copies of a "Young Advocates' Handbook" containing standard forms of

court documents. As a follow-up to that grant, Chemonics and the IUAA signed a contract in May 2001 for Chemonics to publish and distribute 500 additional copies of the Handbook. In June, Chemonics provided 100 copies of the Handbook to the IUAA for its library.

Chemonics will likewise be distributing copies of the Handbook to each of the following six organizations awarded grants in December 2000 under Chemonics' second grants competition, which was for the provision of free legal aid: 1) "Erevak," for a project aimed at improving the legal protection of unemployed and low-income individuals in Noyemberyan city and 20 villages in Tavush region; 2) "Araza," for a project to improve access to legal aid services in refugee communities; 3) "Family and the New World," for a project to increase the level of legal protection of the population of Kotayk region; 4) "Mental Health Foundation," for a project to increase access to legal services for people with mental disabilities; 5) "International Support to Prisoners," for a project to improve prisoners' and their families' access to legal services and to raise public awareness about issues related to their access to justice; and 6) "Center of Youth Social and Legal Support," for a project to improve the legal protection of elderly people living in Yerevan.

Finally, pursuant to the agreement signed with the IUAA, Chemonics will be providing 10 copies of the Handbook to the law faculties of 31 universities, including Yerevan State University and American University of Armenia, for their libraries. Distribution of the Handbook to the universities began in June.

**USAID/Kyrgyz Republic - Support for Economic Growth and Institutional Reform Project (Legal and Institutional Reform) - Kyrgyz Republic Land Reform, Task Order No. 809, September 30, 1999 – September 30, 2001, Ceiling Price \$2,631,071**

*HO Project Management Unit: Thomas Fattori, senior manager; and, Lawrence Cox, project administrator; and Miguel Banuelos, assistant project administrator.*

**Task Order Objective:** To assist in establishing the institutional infrastructure for private land ownership.

**Key Tasks to Meet Objective:** First, implement rural and urban land reform that involves developing a legal infrastructure including water law issues and monitoring the implementation process. Second, emphasize the land market and the dissemination of information. A cohesive program will be developed to implement a program with the necessary subject matter to the proper audiences using the appropriate delivery mechanisms. Third, privatization and post-privatization programs will be created to improve small and medium agribusiness by researching current issues and providing marketing information. Public outreach is crucial in order to provide the general citizenry

and commercial users of the law with the knowledge needed to utilize their legal rights and to combat the public apathy exhibited toward legal and economic reform.

### Quarterly Progress Report

During this reporting period, the Kyrgyzstan Land Reform (KLR) Project expanded the impact of its campaign to implement the rights of rural land owners, moving from the consensus building stage to working on the draft of a new national water code. The project continued to work towards the creation of an urban land market through its work with broker and appraiser associations, its enterprise land sales program, and work to initiate market-driven land use planning in the Kyrgyz Republic.

#### *Component One: Rural Land Reform*

##### *KLR Land Right Seminars*

During the third quarter of FY2001, the KLR project conducted approximately 15 Land Rights Workshops a month (doubling its monthly target of eight workshops), bringing the total number for the project to 135 events. To date, the project has trained over 7200 participants; approximately 20% of which were women.

Work continued with the project's so-called focus *aiyl okmotu* ("focus villages" or "FV"). The major objective of this work is organizing yearlong monitoring of the changes in the daily life of a selected *aiyl okmotu*, to measure the impact of the KLR Project workshops on the life of farmers, and to identify the problems they face. Earlier this year, work began with NGOs and farmer associations in order to extend the reach of the project's trainers and to seek suitable NGOs to become partners in the autonomous presentation of KLR workshops. This work has continued on schedule.

In June, work was completed on the preparation of the third set of Land rights workshops. Having analyzed questionnaires and requests from workshop participants on further topics of interest and utility for farmers, project specialists developed modules on the following three topics: state bodies regulating land issues, non-judicial procedures for protection of land ownership, and organizational and legal forms of farming agricultural land.

##### *Media: Land Rights Bulletin and Radio Broadcasts*

The 15<sup>th</sup> issue of the monthly "Land Rights Bulletin" was distributed. The bulletin is regularly printed in Kyrgyz, Russian and Uzbek, in a combined print run of 7500. The partnership with the radio program "Land and People" continued and expanded this quarter. Special broadcasts were made concerning "On the workshop for heads of *aiyl okmotu* of Issuk-Kul oblast", "Women and Land" issues, and "Highlights of the KLR workshops."

## *Component Two: Water Law Reform*

Prior to conducting the Consensus Definition Workshop in June, final meetings of the inter-ministerial working group were held to discuss the “hard issues.” A series of workshops/meetings were held in Osh, Jalalabad, Chui, and Talas Rayons with Oblast level stakeholders, including officials from the Oblvodkhozes and Rayvodkhozes to also discuss the ‘hard issues’ discussion papers. A full collection of the documents produced to date, including the ‘hard issues’ papers, the review of the water code and reports of the meetings of the inter-ministerial working group and the Oblast level workshops, was assembled, printed and distributed to stakeholders. A brief report was presented on the history of water rights and water law in Kyrgyzstan, which included a description of the provisions of Sharia law.

### *Water Law Consensus Definition Workshop*

The Water Law Consensus Definition Workshop was held in late June. It was attended by key stakeholders including representatives from the Department of Water Resources, the Ministry of Ecology and Emergency Situations, the State Geology Agency, the Ministry of Health, the Kyrgyzhykkommunsoyuz, the Irrigation Institute, the ADB rural water supply project, the World Bank, the World Bank’s On-farm Irrigation Project, and senior officials from the *oblvodkhozes*. Two members of parliament and the heads of two key parliamentary committees also attended.

After the opening remarks and presentations from the Department of Water Resources on the history of water law in Kyrgyzstan, each of the ten ‘hard issues’ was briefly presented, along with the KLR specialists’ recommended approaches based on their earlier work with stakeholders. Apart from reaching consensus on the key issues to be addressed in the new water code, the degree of ‘ownership’ of the water code demonstrated by key stakeholders was the most significant achievement of the workshop. Work on the first draft of the new water code began with submission planned for the Jogorku Kenesh fall 2001 session. It was further agreed that a working group of parliamentarians would be established in September 2001, following the summer parliamentary recess, to work with the Chemonics team and other experts to elaborate the draft water code.

## *Component Three: Urban Land Reform*

### *Land Sales*

The project’s national survey of urban land ownership and market interest was completed. In April, the survey format was defined, target firms were identified, a database built, and researchers were hired and deployed in the field. They conducted 51

interviews by May 1<sup>st</sup> and completed interviews with the full 250 firms selected as a representative sample in June.

The first Land Sales Workshop was postponed until June in order to allow more time to complete the legal opinion and the Handbook for Land Sales. The first workshop was conducted as an in-house training event for the project's land sales agents, and a second workshop is scheduled for heads of enterprises at the end of the first week of July. The complete model documentation and a Handbook for Land Sales, for use in a national land sales program to move state and municipal property into the private sector, has been completed. The Handbook for Land Sales, written in Russian, was printed in June and utilized in the first land sales workshop. A second expanded edition is already underway and maybe published in Kyrgyz as well.

The land sales initiative is underway, with an emphasis in the City of Bishkek. Although the project was unable to advertise for clients without the support of the Mayor's office, we initiated a direct action campaign for contacting clients, inviting them to our public information seminars, and starting the appraisal of their properties when appropriate. The project is currently working with and appraising twelve parcels of commercial land. The national survey of the representative sample of enterprise land was completed in June and the analysis of the results was written by the end of the month. It will be published during the first week of July and will be used to further the project's land sales program.

### *Zoning*

Project work in land use planning has focused on the areas of zoning, urban land sales, and developing capacity and strategy for conducting actual appraisals in support of the urban land sales program. Work on the zoning subcomponent focused on continuing work in the pilot cities of Bishkek and Tokmok and included preparations for the third KLR Zoning Workshop.

The third in the series of five zoning workshops focused on "The Major Definitions and Technology of Urban Planning Regulations in the Legal Zoning System: Land Use and Development Rules." The workshop was held on June 14<sup>th</sup> for the City of Bishkek and guests from Tokmok and other cities. As usual, a participants handbook was produced and used during the workshop. It will represent chapter three in a five chapter "Zoning Handbook for Kyrgyzstan Cities" to be completed by the end of this project year.

The project's second pilot city for land use planning is Tokmok. In Tokmok, a resolution by the head of the administration has been prepared and issued concerning the organization of an experiment on establishing legal zoning in Tokmok. The working group includes three deputies of the City Kenesh and is headed by Mayor Almaz Ismailov. In accordance with the work plan, the Working Group completed preparation of the map of the current use of the city territory, gathering most of the data on the condition of the city economy for the analysis concerning the perspective use of the

territory, and gathering materials for the preparation of a zoning map (the general plan, design of detailed planning of the city center, etc.).

### *Urban land sales*

KLR specialists working on the project's urban land sales achieved significant accomplishments this quarter. A project coordinator for the land sales component was hired. He is a former attorney in the office of the Mayor of Bishkek and has the experience, working relationships, and drive to lead project work in urban land sales.

Project specialists assigned support work to technical staff, including of more focused research and analysis of field data, and set-up for field researchers. The project staff established the general and specific goals for accomplishment of benchmarks. Goals were also set for the achievement of actual land sales in Kyrgyzstan.

The project team also completed the final draft of the Land Sales "How To" Manual. This document will simplify for buyers and sellers all aspect of land sales and privatization. It will have multiple uses and will serve as the reference document for all initiatives in this area. Contents include a legal position, explanation of market-based appraisal methodology, a listing of transaction procedures, statements of the advantages to buyers and sellers, sample forms, common questions/answers, and an outline of the concept of seller financing.

Preliminary results from the national survey were obtained. The survey and analysis will be completed during the first week of July. We are considering the release of the survey as a subject for a press conference.

Other land sales activities during this reporting period included: the discussion of media strategy and developed preliminary plans for our public outreach initiative; the establishment of preliminary plans for a series of land sales seminars for both enterprise directors and local administrative officials who will participate in the land sales program; and the development of a strategy for producing competent brokers and agents and a plan for immediate implementation of our strategy.

### *Real property appraisal*

KLR completed preparations for a series of five seminars (in cooperation with Pragma's Financial Protection Initiative in Kazakhstan) designed to build a cadre of real property appraisers as well as appraisers for standards of practice and private sector associations of appraisal professionals. Other appraisal work and practical training for local appraisers continued under the auspices of the project's urban land sales subcomponent.

**USAID/Russia – Judicial Exchange Programs between Russian and US Judiciaries,  
Task Order No. 810, August 16, 2000 – May 16, 2001, Ceiling Price \$400,000**

*HO Project Management Unit: Bill Slocum, senior manager; and Natalia Stadler, project administrator.*

**Task Order Objective:** Build upon the established partnership and cooperation between the Russian and US judiciaries through exchanges, training, consultancies, and seminars.

**Key Tasks to Meet Objective:** The program elements include the following activities:

- Exchanges between the Russian Judicial Department and the Council of Judges and the Administrative Office of the United States Courts, through visits to the United States and Russia-based training programs;
- Exchanges between the Russian Academy of Justice (including representatives of its cofounders, the Supreme Court and the Supreme Commercial Court) and the United States Federal Judicial Center, through trips to the United States and consulting activities; and
- Work with the Collegia of Judicial Qualifications in the area of judicial ethics.

**Quarterly Progress Report**

Project activities during this reporting period focused on the Academy of Justice and the Judicial Department Follow-On Programs held in Russia, and included closeout of the project.

In late April, Emily Huebner, James Buchanan, and John Cooke of the Federal Judicial Center (FJC), traveled to Moscow, Russia, to meet with senior officials and the faculty of the Russian Academy of Justice (AOJ). The purpose of the meeting was to discuss adult education, training methods, and particular issues and challenges in judicial education. Participants in the workshop were almost evenly divided from the AOJ in Moscow and from the ten regional offices. The Federal Judicial Center delegation led discussions on adult learning, instructional systems design, distance education methods, and particular problems and concerns with judicial education. These sessions actively engaged the participants and the verbal feedback they received was favorable. Jim Buchanan conducted a separate class on technology that was especially well received.

On the request of Mr. Yershov and Ms. Korol, John Cooke led a discussion session with about 50 Russian civil judges. The judges asked many questions about the U.S. judicial system and judicial education in the United States. Mr. Yershov chaired the concluding

session and his remarks about developments in the Russian judicial system and the role of the AOJ stimulated interesting discussions.

The FJC delegation made excellent progress in forging a positive and respectful relationship with leaders in the AOJ and in stimulating creative thinking about professionalism and effective training techniques. The participants seemed genuinely interested in discussing innovative approaches and improving the quality and independence of their judiciary.

The Judicial Department Follow-On Program was conducted May 16<sup>th</sup>-18<sup>th</sup>, in Astrakhan, Russia. The event included approximately 50 members of the Judicial Department in the Volga Region of Russia, several of whom traveled to the United States on a study tour last October, and visited courts in Washington, DC and Chicago, Illinois.

Four American faculty members from the Administrative Office participated in the program: Peter McCabe, Assistant Director, Administrative Office of the U.S. Courts; Glen Palman, Chief of the Bankruptcy Division of the Administrative Office of the U.S. Courts; Michael Hogan, Chief Judge, District of Oregon; and Donald Cinnamond, Clerk of Court, District of Oregon.

Over the three-day program, the American faculty touched on topics such as court administrator functions, the relationship between administrators and chief judges, the role of a national administrative office in supporting the work of the courts, and establishing and enforcing guidelines for ethical conduct.

The Russian presenters, including Zhumabai Ramazanov, Chief Judge and Chairman of the Astrakhan Oblast Court, concentrated their presentations and discussions on new approaches and concepts to judicial reform in Russia, jury trials, effective case management, implementation of court planning and financial policy, management of personnel and public relations.

There was one large breakout session concerning the difference in views and attitudes between judges and court administrators on the issues of the most important functions of a court administrator, the most important qualities or skills a court administrator should possess, and which three functions a court administrator devotes the most time to during the course of a day. Judges and court administrators were asked to brainstorm answers to the above issues and share them with the rest of the group during a lengthy discussion period.

Peter McCabe demonstrated the use of court management software to encourage court personnel to utilize technology in the courts. Computerized systems in the courts can assist with efficiency and time management problems that currently exist in the court system. The software can be used for case management, budgeting and accounting, inventory, personnel issues, report extraction and statistics gathering.

The Judicial Exchange program officially ended on June 8<sup>th</sup>. The project's work will be continued through a larger stand-alone Russia Judicial Reform project, which will be managed by Chemonics International. The project continues to contribute to a stronger and more independent Russian judiciary by improving judicial understanding of legal reforms and judicial ethics, transferring court administration skills, developing sustainable partnerships between the United States and Russian judiciary, and educating judges and others through intensive and relevant workshops on issues related to judicial reform.

**USAID/Egypt –Technical Assistance for Private Participation in the Water and Wastewater Sector, Task Order No. 811, August 1, 2000 – July 31, 2002, Ceiling Price \$3,588,986**

*HO Project Management Unit: James Baker, senior manager; Carol Yee, project manager and, Lisa Chavez, project administrator.*

Task Order Objective: Assist the Ministry of Housing, Utilities, and Urban Communities (MHUUC) of Egypt to operationalize the new local utilities price and quality of service regulatory agency and Private Sector Participation (PSP) Unit, and to support the two organizations in interactions with the other central ministries and local utilities. The project will also provide transactions support for pilot PSP projects.

Key Tasks to Meet Objective: The key activities to meet project objectives include:

- Supporting the creation and operation of the Egyptian Water and Wastewater Regulatory Authority (EWRA);
- Supporting the creation and operation of the Private Sector Participation (PSP) Unit; and
- Providing transaction assistance for pilot private sector participation projects in the water and wastewater sector.

Quarterly Progress Report

The MHUUC submitted the draft concessions/regulation law to the State Council and to a committee formed by the Ministry of Justice. The project also provided commentary on a draft ministerial decree establishing a high preparatory committee on operationalization of the EWRA. According to the MHUUC, the inclusion of EWRA establishment in the law is now acceptable to the State Council. The only substantive change appears to be that the State Council feels the 99-year limit on concessions is too long and will suggest

that the MHUUC propose a shorter maximum duration. The MHUUC is awaiting the State Council's edits, which apparently also include wording changes.

Visits were made to Sixth of October City for rate study data collection purposes. City officials have been asked to prepare some additional information on consumption, new connection expenses, and wastewater system asset valuation. Outstanding data items include more detailed estimates of consumption by significant types of users and background data for analysis of wastewater revenue requirements, particularly in regards to the segregation of sewerage from septage vacuum truck income and expenses.

Project team members met with various members of the AGOSD CH2Mhill ISPR team to exchange information on the pilot rate application system design and relevant ISPR work. ISPR has produced a revenue enhancement strategy paper and an unofficial report setting out operational and financial performance projections for a hypothetical private wastewater O & M contractor relieved of current legal and administrative constraints. These materials will be useful in developing targets and strategies for efficiency improvements. In addition, AWGA and AGOSD are launching a "willingness-to-pay" survey (which covers other subjects such as customer satisfaction, billing preferences, etc.) to be administered to 2500 respondents: The survey results are expected mid-summer.

Ten candidates for EWRA staff positions were interviewed on April 24th and a large number of resumes were reviewed. Two of the interviewees were identified as promising, and five CVs were selected for future interviews.

In May, the LIRR II project office developed a scope of work for short-term assistance in developing the business-planning module of the rate application template. The office worked with USAID regarding the pilot rate case. Additionally, in anticipation of a possible DT2-funded study tour, a program of five weekly orientation sessions for the five new members of the provisional EWRA was prepared. The first session was held on May 31<sup>st</sup>.

After obtaining the finalized official population figures (actual and projected) for Sixth of October City, Sheikh Zeid City and New Nubariya City, the field office has begun writing the first three sections of pre-feasibility studies for both projects: Sixth of October City and Beheira Water Company. Additionally, the MHUUC confirmed that Sixth of October City and Sheikh Zeid City are to be considered as one entity for water and wastewater purposes.

Upon instructions of the NUCA Vice Chairman, the Ministry considered modifying the Beheira project. The suggestion was to develop two projects: (1) Beheira Water Company, as originally proposed, and (2) Sadat City/New Nubariya City Combined with one supplying water to the other. The project office discovered an existing water treatment plant belonging to Beheira Water Company. The field office is looking into

modifying the project to expanding the existing water treatment plant, rather than constructing a new water treatment plant.

The project assisted the MHUUC to prepare materials for the presentation of the new concessions/regulation law to the Interministerial Committee on Utilities. Discussions and meetings were held with MHUUC counterparts to assess the scope and reversibility of the Cabinet Utilities Committee decision to assign final tariff approval authority to the Cabinet and to consider implications for reform legalization strategy and next steps.

At the request of the Minister of Housing, Utilities, and Urban Communities, materials were prepared on several PSP projects, including Chemonics' LIR project. These materials were shared with potential investors during a trip to the United States in June.

## **B2. Summary of Completed Task Orders**

### **West Bank/Gaza- Drafting Accounting and Auditing Standards Legislation, Task Order No. 802, September 1, 1998 – February 26, 1999, Ceiling Price \$56,642**

*HO Project Management Unit: Catherine Hall, senior manager.*

#### **Task Order Objective**

Write legislation that defines the authority of the Palestinian Financial Accounting Foundation (PFAF), the Financial Accounting Standards Boards (FASB), and the Palestinian Association of Professional Accountants (PAFA).

#### **Tasks Completed to Meet Objective**

Working in conjunction with a steering committee of Palestinian accountants, the project team drafted legislation designed to establish a self-regulating accounting and auditing sector and to promote the use of internationally accepted accounting standards. The Minister of Finance submitted the proposed legislation to the Minister of Justice, where it is being reviewed. Once the wording of the legislation is finalized by the Ministry of Justice, it will be passed on to the Palestinian Legislative Council for action.

**Indonesia- Scenario Development, Task Order No. 805, May 5, 1999 – June 20, 1999, Ceiling Price \$43,733**

*HO Project Management Unit: Robert Buerghthal, senior manager.*

**Task Order Objective**

Provide technical assistance to an Indonesian working group of noted leaders and technical specialists convening on May 10-12, 1999. The Indonesian working group will review plans, discuss approaches, and decide on a workplan for a national dialogue on issues and problems confronting Indonesia as it negotiates the highly sensitive and delicate political transition through the current election and post election periods.

**Tasks Completed to Meet Objective**

Chemonics fielded two specialists in scenario development and one Indonesia expert to participate and present options at an inaugural national conference on consensus building. The Chemonics team also met with the Working Group to discuss future objectives.

**USAID/Egypt- Legal/Regulatory Assessment and Training for Competitive Utility Management, Task Order No. 800, April 27, 1998 – July 31, 2000, Ceiling Price \$2,370,645**

*Home Office (HO) Project Management Unit: James Baker, senior manager; Jonathan Loew, project administrator; and, Lisa Chavez, assistant project administrator.*

**Task Order Objective**

To encourage private investment in and to improve the efficiency of water utility services in Egypt.

**Key Tasks to Meet Objective**

Designed and introduced components of a new legal and regulatory framework for the water and wastewater sector. Activities included assessing and evaluating the country's existing regulatory framework, comparing it with best practices in other countries, identifying needed revisions, and strategizing with policymakers to strengthen the sector. Chemonics assisted in the design and management of a competitive procurement process to include marketing, bid evaluation, and negotiation. In addition, Chemonics provided training and invitational travel to cultivate support for policies that will foster the financial and managerial autonomy of local utilities.

**USAID/Indonesia- Water Efficiency Team Technology for Establishment of Re-rating (WETTER), Task Order No. 808, September 30, 1999 – July 31, 2000, Ceiling Price \$59,790**

*HO Project Management Unit: John Strattnner, senior manager; and, Rekha Lal, assistant project administrator.*

**Task Order Objective**

The primary objective of this task order was to provide re-rating assistance to targeted water enterprises (PDAMs). Re-rating is the process of increasing water flow through a particular system. The technical assistance was designed to help promote efficient urban water enterprise management, strengthen local government self-sufficiency, improve community health, and develop a sustainable nationwide re-rating capability.

**Key Tasks to Meet Objective:** The technical assistance helped increase efficient urban water enterprise management, local government self-sufficiency, community health, and professional technical operation of water production plants by establishing a nationwide sustainable re-rating capability. The capability was established in both a semi-governmental and a non-governmental organization, supporting US-AEP's intermediate objective to increase the stock of urban infrastructure.

**USAID/Indonesia – Technical Assistance for the Second Water Efficiency Team (WET II), Task Order No. 806, June 1, 1999 – October 31, 2000, Ceiling Price \$1,497,000**

*HO Project Management Unit: John Strattnner, senior manager; and, Rekha Lal, assistant project administrator.*

**Task Order Objective**

Provide technical assistance to financially troubled water enterprises (referred to as PDAMs), that have been hard-hit by the monetary and economic crisis in Indonesia, to help them achieve positive cash flows.

**Key Tasks to Meet Objective**

Perform technical and administrative audits of selected enterprises and assist in the preparation of a workable financial recovery action plan (FRAP) for each weak water enterprise. The financial recovery action plans, in conjunction with the PDAM Rescue Program, will ultimately lead to more efficient administration, an improved water policy environment, and stronger institutional structures capable of promoting and sustaining private sector development.

**USAID/Dominican Republic- Critical Assistance for GODR Policy Reform Efforts,**  
**Task Order No. 801, July 16, 1998 – October 5, 2000, Ceiling Price \$1,847,128**

*HO Project Management Unit: Susanna Mudge, senior vice president; Casey Hanewell, project manager; Victoria Taughner, project administrator; and, Margaret Francis, assistant project administrator.*

**Task Order Objective**

Design and implement economic policy reforms that alleviate poverty and improve the competitive position of the Dominican Republic (DR), which in turn promotes sustainable economic growth.

**Key Tasks to Meet Objective**

Provide critical assistance to the Government of the DR's policy reform efforts by: (1) providing strategic technical assistance on economic policy reform; (2) organizing two study tours on pension reform, and import and export procedures (3) organizing forums to discuss the topic of competitiveness and what it means for the DR and defining next steps; and (4) providing specific assistance in trade agreement compliance and intellectual property rights.

A November 1999 modification incorporated additional activities in support of a national competitive initiative in the Dominican Republic. The new activities focused on improving the national competitive capacity of the private sector and the standard of living in the DR. The five new activities included: 1) design and implementation of a national competitive strategy; 2) diagnosis, design, and implementation of a competitive strategy for the Santiago region; 3) analysis, design, and implementation of a pilot cluster activity; 4) strengthen CAMPE/INTEC (a local NGO) capacity to address competitiveness and policy issues impacting the micro and small enterprise sector; and, 5) support competitiveness follow-up and other activities.

**C. TASK ORDER FINANCIAL DATA**

This information is included in Annex A of the report.

ANNEX B

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**Task Order Summary Chart**

**LEGAL AND INSTITUTIONAL REFORM TASK ORDER SUMMARY**  
**USAID Contract No. PCE-I-00-97-00039-00**

**Sr. Manager** David Vaughn, x7468  
**Sr. Proj. Admin.** Beatrice Zimmermann, x3374  
**Proj Adm:** Catherine Burke, x7554

**CO:** Mark Walther **IQC Ceiling:** \$26,000,000  
**CTO:** Grant Morrill **Eff. Date:** August 5, 1997  
**Compl. Date:** August 4, 2002

Task Order No. & Country	Title	Effective Date	Completion Date	Ceiling Price	Obligated Amount	USAID CO & CTO
800 - Egypt	Legal/Regulatory Assessment and Training for Competitive Utility Management	27-Apr-98	29-Sep-00	\$2,370,645	\$2,370,645	CO: William Reynolds USAID/Egypt CTO: Tim Alexander USAID/Egypt
801- Dominican Republic	Critical Assistance for GODR Policy Reform Efforts	16-Jul-98	4-Dec-00	\$1,847,128	\$1,447,180	CO: Clem Bucher USAID/Haiti CTO: Luis Gonzales USAID/DR
802 - West Bank/ Gaza	Drafting of Accounting and Auditing Legislation	1-Sep-98	26-Feb-99	\$56,642	\$56,642	CO: Tim Beans USAID/WB-Gaza CTO: Courtney Blair USAID/WB-Gaza
804 - Jordan	Technical Support and Assessment of Training Needs and Training for Procurement and Project Management Personnel of the Ministry of Water and Irrigation	25-Feb-99	31-May-01	\$1,261,013	\$1,261,013	CO: Jeffrey Bell USAID/Jordan CTO: Eric Peterson USAID/Jordan
805 - Indonesia	Legal and Institutional Reform (Scenario Development)	5-May-99	20-Jun-99	\$43,733	\$43,733	CO: Thomas Stephens USAID/Indonesia CTO: Dennis Wendel USAID/Indonesia
806 - Indonesia	WET II	1-Jun-99	31-Oct-00	\$1,497,000	\$1,497,000	CO: Thomas Stephens USAID/Indonesia CTO: James Woodcock USAID/Indonesia
807 - Armenia	Armenia Rule of Law Commercial Law Activity	12-Aug-99	11-Aug-02	\$4,658,463	\$2,850,000	CO: Carlton Bennett USAID/Georgia CTO: Bella Markarian USAID/Armenia
808 - Indonesia	WETTER	30-Sep-99	31-Jul-00	\$59,790	\$59,790	CO: Thomas Stephens USAID/Indonesia CTO: James Woodcock USAID/Indonesia
809 - Kyrgyz Republic	Land Reform: Kyrgyz Republic	30-Sep-99	30-Sep-01	\$2,631,071	\$2,181,000	CO: Marcus Johnson USAID/Almaty CTO: James Neeley USAID/Almaty
810- Russia	Judicial Exchange Programs between Russian and US Judiciaries	16-Aug-00	8-Jun-01	\$400,000	\$400,000	CO: Gary Juste USAID/Russia CTO: Patrick Murphy USAID/Russia
811- Egypt	Technical Assistance for Private Participation in the Water and Wastewater Sector	1-Aug-00	31-Jul-02	\$3,588,986	\$3,588,986	CO: Celeste Fulgham USAID/Egypt CTO: Timothy Alexander USAID/Egypt

**GRAND TOTAL: \$18,414,471 \$15,755,989**