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

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

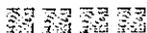
Quarterly Progress Report  
January 1 – March 31, 2002

Submitted to:  
U.S. Agency for International Development

Submitted by:



CHEMONICS INTERNATIONAL INC.



April 2002

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**Quarterly Progress Report**

## TABLE OF CONTENTS

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Quarterly Progress Report	Page Number
Summary	
A. Consortium Management	1
B. Accomplishments During Reporting Period	
Armenia, Task Order No.807	1
Kyrgyz Republic, Task Order No.809	15
Egypt, Task Order No.811	17
Zambia, Task Order No.812	19
Indonesia, Task Order No.813	23
Summary of Completed Task Orders	24
C. Task Order Financial Data	29
Annex A	Financial Data of Task Orders
Annex B	Task Order Summary Chart

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**Chemonics Consortium  
Quarterly Progress Report  
January 1 – March 31, 2002**

***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**

The LIR IQC management team at Chemonics, Inc. would like to express its gratitude to Mr. Nick Klissas, Senior Legal Reform Advisor, for meeting with us and we look forward to the LIR IQC holders meeting that is planned to take place later in March.

**B. ACCOMPLISHMENTS DURING THE REPORTING PERIOD**

**B1. Active Task Orders**

**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 Joel Weber, 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**

During this quarterly reporting period, the project made progress on several fronts. Debate on constitutional amendments in the National Assembly moved from the ad hoc committee to the floor of the full National Assembly. Interpretive legal commentaries on the Civil Procedure Code were completed, with final editing, publication, and distribution expected by mid-2002. Preparatory work for publishing the decisions of the Court of Cassation progressed rapidly, with all the older decisions (dating from January 1, 1999) being data-entered and proofread in preparation for publication. Substantial progress was made in work on bankruptcy, and implementation of the Law on Public Procurements continued.

On the other hand, there were also slowdowns in certain activities. Despite the public debate, prospects of an early referendum on constitutional amendments faded, as the National Assembly chose to table discussion of the President's draft on the floor. The President himself publicly stated that it would be best for a referendum to coincide with a nationwide election, to ensure adequate voter turnout. The earliest scheduled nationwide elections are local government elections, scheduled for the fall of 2002. Thereafter, Presidential elections are to take place in March 2003, and National Assembly elections no later than May 2003.

Administratively, the project awaited approval of the modifications to the Task Order proposed by the project to USAID previously, which in turn were based on assessments conducted by USAID earlier in the year. On the Rule of Law side, the proposed modifications followed the recommendations in the assessments and proposed eliminating work on the Administrative Code and assistance to the Compulsory Enforcement Service. On the Commercial Law side, the proposed modifications would focus the project's work on the Law on Public Procurements, the Bankruptcy Law, Collateral Law, and the Law on State Registration of Legal Entities.

Chief of Party Brian Murphy resigned from the project and departed Armenia in early February. Senior Rule of Law Advisor Gahmk Markarian was appointed Chief of Party effective February 4. Senior Project Manager Bill Slocum came to Armenia from January 30 to February 5 to ensure a smooth transition after Mr. Murphy's departure. Senior Commercial Law Advisor Daniel Bosco concluded his tenure with the project and departed Armenia at the beginning of March.

On February 21, Chief of Party Gahmk Markarian attended a brown-bag lunch at USAID with Mr. Paul Grove, Minority Clerk of the Senate Foreign Operations Committee and Senior Staff member of Senator Mitch McConnell. The meeting was hosted by the U.S. Ambassador and USAID Mission Director. Representatives of nearly all U.S. government contractors and grantees operating in Armenia attended and spoke briefly about their respective activities.

## *Rule of Law Activities*

### *Constitutional Amendments*

On January 17, the National Assembly's Temporary Committee reviewing constitutional amendments decided, by a vote of 7 to 5, to give a "negative conclusion" to the draft Constitution originally submitted by the National Democratic Party's Shavarsh Kocharyan and later supported by six political parties. The project had assisted the National Democratic Party in translating the six-party draft constitution and organizing a series of roundtables regarding the draft.

Also on January 17, the Committee began reviewing the draft constitutional amendments submitted by the President. On February 1, the state newspaper "Hayastani Hanrapetutyun" published the draft constitutional amendments proposed by the President. The National Assembly's Temporary Committee voted the following week to give a "positive conclusion" to the draft constitutional amendments submitted by the President. The debate moved to the floor of the full National Assembly in mid-February. The discussion of the six-party opposition draft Constitution concluded on March 17, but a final vote was not taken. The National Assembly chose to delay discussion of the President's draft, stating that they were continuing to receive many suggestions regarding the President's draft, making a full floor discussion and vote premature. The President himself publicly stated that it would be best for a referendum to coincide with a nationwide election, to ensure adequate voter turnout. The earliest scheduled nationwide elections are local government elections, scheduled for the fall of 2002. Thereafter, Presidential elections are to take place in March 2003, and National Assembly elections no later than May 2003. It appears likely that a referendum will be scheduled to coincide with either the Presidential or the National Assembly elections.

The project received three separate proposals from local NGOs – the Union of Communities, "Lumen," and the Armenian Association of International Law – to organize a series of seminars on the President's draft. The President's representative, Armen Harutyunyan, informed project staff that he and National Assembly Deputy Speaker Tigran Torosyan planned a series of "official" seminars on the President's draft, for which they would be seeking the project's assistance. Mr. Harutyunyan requested that the project not conduct any activities with other organizations until after the "official" seminars. Accordingly, as of the end of the March the project had taken no action on any of the three earlier proposals.

### *Civil Service Law*

In the summer of 2001, the project translated the draft Civil Service Law for Armenia to submit to the Council of Europe. In February, in response to a request from National Assembly Deputy Speaker Torosyan, the project updated the translation to reflect the Civil Service Law as enacted.

### *Legal Commentaries*

During the quarterly reporting period, project staff finalized plans for final editing and proofreading of the draft commentaries on the Civil Procedure Code prepared by Vladimir Nazaryan and Court of Cassation Civil and Economic Chamber Chairman Arman Mkrtumyan. Due to Judge Mkrtumyan's heavy schedule, it is expected that final editing and proofreading will be completed by mid-June and the commentaries sent for publishing thereafter.

### *Institutional Development*

During the quarterly reporting period, the project's assistance focused on assisting the Council of Court Chairmen (CCC) with the publication of court decisions. Publication of court decisions 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.

At the end of January the project signed contracts with six computer operators to input Court of Cassation decisions rendered between January 1, 1999 and June 30, 2001 (prior to the Court of Cassation's receipt of computers from GTZ). The operators completed the data-entry of the decisions at the end of February. The month of March was spent proofreading the data-entered text. The project will be funding publication and distribution of the decisions in April and May. The electronic versions of the decisions will also be available for uploading onto the website (the CCC plans to create a website with the assistance of ABA/CEELI).

Following the project's experience with the Judicial Training Center (JTC) in October 2001, the project reassessed the suitability of JTC as a partner for further institutional development work and concluded that project resources were best spent elsewhere. Accordingly, the project conducted no work with the JTC during this quarterly reporting period.

### *Legal Education Reform*

At the end of March the project received a copy of the Plan for Long-term Development of the Yerevan State University Faculty of Law from the Dean of the Faculty. The project will review the Plan in April

### *Professional Associations*

In February, Chief of Party Gahmk Markarian and Grant Program Manager David Sandukhchyan acted as judges in the moot court competition organized by the Armenian

Young Lawyers' Association to select a team to represent Armenia at the Jessup International Moot Court Competition in Washington, D.C. in March.

### *Public Awareness*

The project concluded the series of radio broadcasts on legal issues with the Armenian Association of International Law (AAIL) begun in September 2001. The radio programs were in an interview format, half an hour long, and were broadcast on Armenian Public Radio at 5:30 PM two days a week. The broadcasts from September through December 2001 dealt with various aspects of international law. The broadcasts in January and February 2002 dealt with constitutional issues, including the role and activity of the Constitutional Court. The final eight broadcasts in March dealt with various issues related to the judiciary.

Because of legislative changes in the structure of Armenia's judiciary (the elimination of the Economic Court of Appeal and its replacement by the Economic Court), the project updated its brochure on Armenia's court system. Court of Cassation Chairman Henrik Danielyan reviewed the updated brochure and expressed his approval. The project sent the updated brochure for printing in February and began distributing 10,000 copies of the brochure in early March. Project staff distributed the brochure to the following entities: libraries; legal departments of each Ministry; legal departments of each marzpetaran (territorial administration) and Yerevan; Union of Advocates of the Republic of Armenia; International Bar Union; International Union of Armenian Advocates; Armenian Young Lawyers' Association; Public Center for Legal Assistance of the Bar Association of the Republic of Armenia; enterprises and individual entrepreneurs; law faculties of universities; project grantees; international organizations; media; each of Armenia's courts; and Junior Achievement of Armenia, for distribution to teachers in all of Armenia's schools.

### *Grants*

*Legal Resource Centers (First Grants Competition).* The four projects for legal resource centers awarded under Chemonics' first grants competition have been completed. The law libraries of the Armenian Young Lawyers' Association (AYLA), the International Bar Union, and the International Union of Armenian Advocates all continue to operate, as does the website ([www.epac.am](http://www.epac.am)) of the fourth grantee, the Environmental Public Advocacy Center. The two publications funded by the grant to AYLA, a "Survey of Free Legal Services in Armenia" (the "Survey") and a "Manual for Centers Providing Free Legal Services and Information" (the "Manual") have been published and circulated among Armenia's NGO community. The publication funded by the grant to IUAA ("Young Advocates' Handbook") has been distributed to young lawyers and universities.

*Free Legal Aid (Second Grants Competition).* Six grants were awarded in January/February 2001 under Chemonics' second grants competition, which was for the provision

of free legal aid. Two grantees, the “Center for Youth Legal and Social Support” NGO and the “Yerevak” NGO, completed their projects in January 2002. Three of the remaining four grantees, the “Family and the New World” NGO, the “Mental Health Foundation” NGO, and the “International Assistance to Prisoners” NGO, completed their projects in February 2002. The final grant, to the “Araza” NGO to provide, in partnership with the “Caravan-88” NGO, free legal aid to refugees, was completed in March.

One of the two grants completed in January was the to the “Center for Youth Social and Legal Support” for a project to provide free legal aid to elderly people living in Yerevan. According to the grantee’s final report, during the one-year life of the project the grantee serviced 1366 beneficiaries, providing advice on 1578 occasions (some beneficiaries applied to the grantee for advice more than once). The grantee organized 37 seminars on different legal topics in social centers for the elderly. In 14 instances, the grantee took cases to court, all of which were resolved in favor of the beneficiary. Since the termination of grant funding on January 5, 2002, the grantee has continued this activity to the extent possible using its own resources.

The second grant completed in January was to the “Yerevak” NGO for a project to provide free legal aid to vulnerable sectors of the population in the city of Noyemberyan and surrounding region. The first three months of the project were devoted to organizing the legal aid center, recruiting volunteers, and preparing the center’s service manual and an information booklet. The legal aid center began operating in the project’s fourth month (April 2001). The grantee provided aid at its legal aid center in Noyemberyan and also on a mobile basis by visiting surrounding villages. It also created a law library to provide legal information to local people. According to the grantee’s final report, during the life of the grant approximately 550 beneficiaries applied to its legal aid center. Since termination of grant funding on January 5, 2002, the grantee has continued this activity to the extent possible using its own resources and has been cooperating with other organizations active in this field.

The grant to the “Family and the New World” NGO was completed in February. According to the grantee’s final report, during the life of the project two more villages were added to the four originally contemplated by the grant. The grant-funded project ran from February 1, 2001 through January 31, 2002. The grantee’s legal aid center was created on the basis of the grantee’s “advice-information legal division,” which had been created by an earlier grant from the Eurasia Foundation. During the project’s first three months, the grantee developed the legal aid center’s service manual and recruited volunteers in the targeted villages. The center began operating on May 1, 2001. During the grant period, 333 beneficiaries applied to the legal aid center for advice (196 in Abovyan, 127 in villages). The beneficiaries also availed themselves of the grantee’s library. The grantee’s lawyer provided advice, helped draft letters and applications to state organs, and drafted court complaints. On February 6, Project Chief of Party Gahmk Markarian and Grant Program Coordinator Liana Sahakyan attended a seminar on Free Legal Aid at the offices of “Family and the New World,” as a conclusion to the grant.

Several other project grantees also attended and reported on their respective activities in this field.

The second grant completed in February was to the “Mental Health Foundation” NGO, for a project to provide free legal aid to people with mental disabilities, as well as their relatives and guardians. The grant-funded project ran from February 1, 2001 through January 31, 2002. The grantee created a Legal Aid Center at its facility in Yerevan, as well as branches in the Marzes of Lori and Syunik, in the cities of Vanadzor and Kapan, respectively. The Center’s lawyer worked together with a psychologist to counsel beneficiaries. During the life of the grant-funded project, the Center received 1346 beneficiaries, offering them legal advice, preparing legal documents, and drafting letters and applications to state organs. The grantee also prepared, published, and distributed a Legal Assistance Manual.

The third grant completed in February was to the “International Assistance to Prisoners” NGO, 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. The grantee organized regular legal consultations in the Kosh and Erebuni penal institutions and provided legal aid to prisoners’ families. According to the grantee’s final report, the grantee provided advice to prisoners in the two penal institutions on 308 occasions (13 written, 295 oral). In 53 instances, the grantee applied to relevant oversight organs (primarily for early release on probation), 48 of which were approved. In 5 instances, the grantee applied to social security organs or district municipalities; and was successful in 3 of those instances. The grantee translated and published 700 copies of each of the following publications: 1) “European Prison Rules” (Recommendation No. R(87)3 adopted by the Committee of Ministers of the Council of Europe on 12 February 1987); 2) “Health Care in Prison” (Recommendation No. R(98)7, adopted by the Committee of Ministers of the Council of Europe on 8 April 1998); and 3) the “Standard Minimum Rules for the Treatment of Prisoners” (adopted by the First United Nations Congress on the Prevention of Crime and the Treatment of Offenders, held in Geneva in 1955, and approved by the Economic and Social Council by its resolution 663 C (XXIV) of 31 July 1957 and 2076 (LXII) of 13 May 1977). The grantee also translated and published 100 copies of “Making Standards Work,” a publication of Penal Reform International. All of the publications were distributed for free to employees of the penal system as well as to inmates.

The final grant, to the “Araza” NGO to provide, free legal aid to refugees (in partnership with the “Caravan-88” NGO), was completed in March. The grantee created two legal aid and information centers, one in the City of Dilijan in the Marz of Tavush, the second in the village of Aygut in the Marz of Gegharkunik. The centers began operating in April 2001. According to the grantee’s final report, the center in Dilijan served Dilijan and four neighboring villages inhabited by refugees, while the center in Aygut served Aygut and four neighboring villages inhabited by refugees. The grantee prepared a service manual for its legal aid centers and trained the lawyers and staff for each center. During

the life of the grant the grantee prepared and published 3 pamphlets on legal issues of concern to refugees. The lawyers working in the legal aid centers provided advice to applicants and assisted them in the preparation of legal documents. Twice a month, a lawyer from Yerevan visited the legal aid centers to provide additional assistance. From April 2001 through February 2002, the two legal aid centers provided legal advice to 351 refugees. During the roving visits conducted by the lawyers, advice was given verbally to 456 individuals. Sixteen complaints were drawn up, all of which were successful; 133 applications were written to state organs, of which 103 received a positive resolution. The Dilijan office made court appearances in connection with three cases and prevailed in all three. The centers provided “technical assistance” (i.e. fax, copy, computer) to 260 visitors. The grantee organized numerous seminars and meetings: 12 seminars to explain specific legal issues in 10 refugee villages; 8 meetings with local government officials, regional representatives of the Department of Refugees and Migration, UNCHR representatives, and refugees. Altogether, according to the grantee’s final report, 2,210 individuals took part in the various activities conducted by the grantee (advice at the centers; advice during mobile visits; attendance at seminars and meetings).

*Improved Public Perception of Legal and Judicial System (Third Grants Competition).*

The following six grants remained in progress throughout the quarterly reporting period, with disbursement of funds continuing: 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 development and promotion of professional and ethical standards among journalists writing on legal topics through development of a code of professional conduct.

This quarter, the “Young Shirakatsi” NGO continued publishing “Tapantsik Dataranner” (“Transparent Courts”). “Young Shirakatsi” published its seventh, eighth, and ninth issues in January, February, and March. The January issue contained 1) a summary of the results of three cases reported on in previous issues; and 2) copies of the following documents from cases from the Court of First Instance of the Marz of Shirak: a) an indictment in a criminal case for battery; and b) a complaint in a civil case to contest the actions of a notary. The February issue contained 1) an indictment in a criminal case for murder in the Court of First Instance of the Marz of Shirak; 2) a complaint in a case in the Economic Court by a bank seeking repayment of a loan from a municipality in Shirak; and 3) an article reporting on a roundtable conducted by the grantee organization on February 22 on military crimes. The March issue contained 1) an indictment in a

criminal case for murder in the Court of First Instance of the Marz of Shirak; 2) an answer in the case in the Economic Court which had been published in the previous issue; and 3) an article reporting on a roundtable conducted by the grantee organization on March 22 on “The Economic Courts in the Republic of Armenia.”

The “Association of Investigative Journalists” NGO was awarded a grant to improve public confidence in the courts by producing and broadcasting a series of investigative films and a series of educational radio broadcasts. In March, the grantee broadcast its second film (“The positive and the negative in the judicial practice in the Republic of Armenia”) on thirteen television stations in different regions of Armenia. The grantee’s third film, regarding university admissions examinations; is expected to be broadcast in May.

In February, the “Femida” NGO published the code of professional conduct for distribution among journalists. The grantee, in cooperation with the project, organized a reception on March 12 to publicly announce publication of the code. The reception was attended by several journalists and judges, including the Chairmen of the two chambers of the Court of Cassation, the Vice-Chairman of the Constitutional Court, and the President of the Association of Judges. In February, “Femida” published the 21<sup>st</sup> issue of its publication “Mamul yev Iravunk” (“Media and Right”), which was the first issue of the publication funded out of the project’s grant. (Previous issues had been funded by a grant from the Eurasia Foundation.) The principal article in the February issue was a lengthy explanation of the code of professional conduct for journalists covering legal issues. The issue also contained a brief article on media coverage of the courts during December 2001. In March, “Femida” published the 22<sup>nd</sup> issue of “Mamul yev Iravunk.” The lead article in the March issue was on media coverage of the courts during January 2002. The issue also contained articles on the necessity of a media ombudsman and on money laundering.

The “Collaboration for Democracy” NGO prepared its third film, “The Right to Remain Silent,” which it broadcast on “Prometevs” TV in early March.

The “Word & Right” NGO was awarded a grant to improve judicial practice related to media cases by studying relevant cases, preparing expert comments thereon, and publishing the cases and comments. In January, the grantee published its second bulletin, entitled “Freedom of Speech in the Context of Development and Responsibility.” In March the grantee published its third bulletin on analyses and interpretations of court cases brought against mass media and journalists from 1996-2000, entitled “Right and Reality: In the Maze of Harmonization and Establishment.” The issue contained a brief interview with Court of Cassation Chairman Henrik Danielyan, followed by three verdicts from courts of first instance in media-related cases, together with analytical articles on each case. The grantee organized a seminar for judges and journalists on March 15 to discuss the publication.

The “Helsinki Association” published its second bulletin under their grant, entitled “Human Rights and the Administration of Justice in Armenia.” The bulletin contained the results of court monitoring activities performed by the grantee. The grantee published 200 copies of its bulletin, which it distributed for free to media, judicial institutions, and NGOs.

*Strengthening Legal Aid Centers (Fourth Grants Competition).* In early February the project announced its fourth and final grants competition. The purpose of these grants is to support NGO initiatives aimed at developing a sustainable legal aid system that will provide regular assistance to vulnerable groups of the population. Specifically, it was announced that grants would be awarded to projects pursuing one or more of the following objectives

- Building and/or strengthening of NGO coalitions aimed at improvement of legal protection of vulnerable groups of the population;
- Promotion of a favorable legal framework and state policy supporting development of a sustainable legal aid system;
- Other activities contributing to the establishment and operation of a sustainable legal aid system in Armenia.

A seminar for grant applicants was held on February 15, and grant applications were due on March 1. 21 applications were submitted; 4 grant awards were awarded on March 18 to the following grantees:

- 1) International Union of Armenian Advocates (IUAA), for a project aimed at development of the methodology and internal rules for the establishment of pro bono services within the IUAA. Project activities include development of a detailed methodology of pro bono services and drafting a Concept Paper on free legal aid in Armenia for further submission to the National Assembly and Government. The project also includes production of television programs and a series of meetings with representatives of regional government aimed at promotion of the free legal aid concept in the country.
- 2) Armenian Young Lawyers’ Association, for a project aimed at building and strengthening a coalition of NGOs providing free legal aid to the population of Armenia. This will be achieved through the organization and holding of a NGO proposals fair, as well as development and publication of a web site aimed to inform both donors and the public about activities and plans of coalition members. Assistance in development of proposals will be provided to the project beneficiaries during the preparation of the NGO fair.
- 3) Mental Health Foundation, for a project aimed to develop a sustainable legal aid system for people with disabilities. The project, which will be implemented by a coalition of four NGOs, foresees the elaboration of new mechanisms of a legal

protection system through the development of a sustainable legal aid system, preparation of policy recommendations, publication of brochures and organization of roundtable discussions.

- 4) Center of Youth Legal and Social Support, for a project aimed at the establishment of legal clinics for students of private universities. Project activities include development of the draft charter of legal clinics, their annual work plan and fundraising strategy.

Disbursement of funds to all four grantees began in March.

### *Commercial Law Activities*

#### *Drafting/Passage of Laws*

*Bankruptcy Law.* Internal discussions of the draft law were conducted in January by the project's bankruptcy team. At the request of Tom Rulland, Chief of Party of the USAID/Armenia Agribusiness project being implemented by DAI, the project's legal team met with representatives of the Agricultural Cooperative Bank of Armenia (ACBA) and the International Finance Corporation (IFC) to discuss issues related to financial leasing and its effect on bankruptcy cases. IFC wished to have language related to leasing incorporated into the present law and draft. The project's bankruptcy team drafted the leasing provisions and submitted them to USAID, IFC, DAI, and ACBA. A conference was for the judges of the Economic Court to comment on the draft law.

Early in February, the project completed the translation of Bankruptcy Specialist Bob Feidler's comments on the draft amendments to the bankruptcy law, which were sent to Deputy Minister of Justice Tigran Mukuchyan together with proposed draft language. The project also completed the translation of the World Bank's principles on insolvency, which it likewise delivered to the Ministry.

Also in February, Chief of Party Gahmk Markarian and Commercial Law Advisor Lilit Martirosyan met at the end of February with Economic Court Chairman Hovhannes Manukyan. At the meeting, Judge Manukyan expressed his view that Armenia's Law on the Judiciary should be amended to add three more judges to the Economic Court (the court currently has 16 judges, including the Chairman); and that three of the Economic Court judges should specialize in bankruptcy. To support such a change, Judge Manukyan suggested the preparation of an analysis of bankruptcy practices, both internationally and in Armenia, since 1995. He requested project support in preparing such an analysis by the end of May. The project considered the request and ultimately concluded that project resources were best concentrated elsewhere.

In March, the project continued working on drafting amendments and comments. Project staff began reviewing legislation that will be affected by the bankruptcy draft law (i.e., related amendments in other laws). Project staff also completed the review of the World Bank's April 2001 report "Principles of Bankruptcy" with the view of incorporating sections into the proposed draft. The results of this review were provided to Deputy Minister of Justice Mukuchyan. Project staff started identifying and revising the relevant laws and regulations subject to amendments and modifications under the requirements of the draft

*Labor Code.* At the Ministry of Justice's request, the project translated the draft Labor Code prepared by the Ministry of Justice into English and located an expert to comment on the draft. The Scope of Work for the proposed expert, James Mulkeen, was approved by USAID at the end of February. In March, the translation was finalized and sent to Mr. Mulkeen for his comments. These are due back to the project by the end of April. The project also collected and prepared a file of International Labor Organization (ILO) standards and recommendations (in Russian), which will be submitted to the Ministry of Justice for its use.

*Insurance Law.* In February the project translated the draft Law on Amendments to the Insurance Law and a related draft law making amendments to the Civil Code; and recruited an expert to review the drafts. In March, the project's proposed expert, Ms. Lena Zezulin, was approved by USAID. The translations were subsequently finalized and sent to Ms. Zezulin. Ms. Zezulin's comments are due back to the project in April.

### *Institutional Development*

This quarter, the project signed a contract with the Association of Bankruptcy Administrators and Independent Experts (ABAIE) for the ABAIE to carry out a bankruptcy data collection project. The data collection project began in February with the development of a questionnaire, which Bankruptcy Specialist Bob Feidler reviewed and revised. After the questionnaire was finalized, the ABAIE began collecting the requested data, which will continue through April. Project staff had a few meetings with ABAIE personnel during the quarter to keep abreast of the work.

The first edition of "Issues on Bankruptcy" was published and broadly distributed by the ABAIE in January. The next edition is expected to come out in early May.

The project's bankruptcy team continued working on the Manual for the MSR and updating case status reports. In particular, the team completed the bankruptcy timelines that would apply under the draft law for the MSR manual. The bankruptcy team finalized and submitted to USAID the project's exit strategy for the pilot cases, which foresaw exiting from the cases in early May. The team met with Mr. Hovhannisyan, the Head of the Legal Group of the Shengavit Regional Tax Inspectorate in Yerevan, to discuss the proposed exit strategy. Team members met with the Administrator of "Pomper" OJSC to

discuss the additional compensation for the administrator issue. Later, they participated in the Creditors' Meeting at "Pomper" OJSC, where the administrator informed the creditors that the case should proceed into liquidation, since the proposed reorganization plan had been rejected by the court into liquidation due to the rejection of the proposed reorganization plan by the court.

With regard to the implementation of the Law on Procurements, project staff met with Mr. Karen Brutyan of the Ministry of Finance and Economy to discuss a plan for cooperation between the newly created "Professional Promotion Center" and the project. The Center has been tasked by the Minister of Finance and Economy to provide training to procurement stakeholders. We sent a copy of the letter from Mr. Brutyan requesting assistance from the project to USAID for approval. The activities fall within our proposed work plan and mandate.

In January, the translations of Government Decrees on adoption of five new procurement procedures were finalized for the procurement web page ([www.procurement.am](http://www.procurement.am)). The project continued work on the procurement web page in February, and as of the end of February, the project had finalized the Armenian version and was working on changes to the English version. Final corrections and adjustments were made to the web page in March. In particular, excerpts from the Official Procurement Bulletin (2000, 2001, and 2002 issues) were translated and posted on the web page. The test web page was finalized and submitted to USAID at the end of March for approval.

The "Procurement Training Manual for Contractors and Suppliers" was drafted by Procurement Law Expert Jeanmarie Meyer and four local experts. In February, the manual was sent to the Department of Budget Execution Methodology in the Ministry of Finance and Economy. Mr. Karen Brutyan, the Head of the Department, reviewed and approved the manual for purposes of conducting procurement trainings for state and local institutions.

In March, a working group was created to work on creating a "Procurement Training Manual for State Officials, Lawyers, and Judges." The manual is expected to be ready by the end of April.

In December 2001, Deputy Minister of Justice Tigran Mukuchyan had requested that the project translate the forms and regulations for registration of legal entities into Russian. The translation was finalized in January. Project staff met with Mr. Mukuchyan to coordinate future activities. He has written to USAID to request support for trainings, public outreach, and a web page for Registration of Legal Entities. In March the project copied and distributed sample registration forms (by-laws / charters) for limited liability companies for the State Registry

### *Training Delivery*

On January 19, the project and Economic Court Chief Judge Hovhannes Manukyan hosted an informal roundtable discussion for judges of the Economic Court regarding the issues raised in the proposed bankruptcy amendments. The project decided to explore the possibility of a study tour for Economic Court judges to visit judges and court administrators in the U.S. The project discussed this with Bob Feidler, who formerly worked with the Senate Committee on the Judiciary and with the Administrative Office of U.S. Courts, and Chief Judge Manukyan, who embraced the idea immediately

Accordingly, from March 2 to March 16, 2002, Bankruptcy Specialist Bob Feidler and Home Office Training Coordinators Karen Greiner and Diana Walls conducted an observational trip in the U.S. for the following six key Armenian Economic Court Judges, Ministry of Justice officials, Ministry of State Revenues officials, and administrators: Hovhannes Manukyan, Chairman of the Economic Court; Anatoli Matevosyan, Judge of the Economic Court; Tigran Mukuchyan, Deputy Minister of Justice; Artur Ayzvazyan, Deputy Head of Legal Department, Ministry of State Revenues; Ruben Hovhannisyan, Bankruptcy Administrator and Vice President of ABAIE; and Gagik Barkhudaryan, Bankruptcy Administrator and member of ABAIE. The group visited three U.S. cities (Phoenix, Arizona; Tampa, Florida; and Washington, DC). In each location, they met with their counterparts (judges, administrators, bankers, debtor and creditor attorneys, court support staff, professors, and others). In addition, they met with relevant World Bank staff, attended Congressional hearings, attended and took part in bankruptcy hearings, and met with USAID staff in Washington, D.C. Upon their return, the participants were debriefed at USAID/Armenia. The participants rated the study tour as being useful. Based on what was discussed during the study tour, work will go forward on amendments and supplements to the draft law to perfect the work product.

### *Public Awareness*

In January, Economic Court Chairman Manukyan provided the project with 3 verdicts rendered by the Economic Court for posting on the project website. Project staff translated the 3 verdicts into English and sent the translations to the Chemonics Home Office in February. The Home Office staff completed its review of the translations and posted the translated verdicts on the website in March.

English translations of Armenia Economic Court verdicts and Armenian laws are available on the project website:

[http://www.liriqc.com/LIRIQC\\_Task\\_Order\\_807\\_Armenia\\_Rule\\_of\\_Law.html](http://www.liriqc.com/LIRIQC_Task_Order_807_Armenia_Rule_of_Law.html).

**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 Joshua Leland, 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**

This quarter, the KLR project achieved three important milestones: the first urban land sales in Kyrgyzstan in its enterprise land sales program, the second anniversary of publication of the Bulletin of Land Reform, and the celebration of the ten-thousandth farmer trained in the project's Land Rights Workshops. All three events are landmarks in the implementation of the project's overall mandate to facilitate the creation of viable land markets in the Kyrgyz Republic. The project continues to educate people on rural land reform issues, develop the newly emerging urban land enterprise markets, and extend support for professional appraisers.

*Rural Land Reform*

This quarter, the KLR project and its trainers continued to implement all three versions of its Land Rights Workshops. A total of 46 workshops were offered this quarter, most of which are now directed toward training village leaders of each oblast (many of whom were elected in the local elections held in the previous quarter), training NGOs in each oblast, and new training for village elders and women who are influential on gender issues in each district. The objective for the current round of NGO training is to identify 3 partner NGOs in each oblast who will receive additional training and will become future deliverers of KLR Land Rights Workshops in their own oblasts. This effort will deepen the penetration of the land reform campaign into even distant villages and will give partner NGOs new capabilities and a new mission.

To date, a total of 10,614 individuals have participated in over two hundred KLR Land Rights Workshops; 2,234 (21%) of all participants have been women. Over the course of the project the average number of persons in each workshop has exceeded 52 persons.

At the request of the Public Association of Teachers of Economics (PATE) a special workshop was organized to educate secondary school teachers on land rights. Although our workshop calendar is heavily obligated into the summer, we will conduct at least one seminar for PATE and will provide them with a full set of KLR publications to be used as curriculum resources.

KLR continued its development and delivery of radio programs with 21 broadcasts for its series entitled, "Land and People." 10 broadcasts were made in Kyrgyz, 7 in Russian, and 4 in English. The topics included real estate appraisal, the specifics of contracts for land transactions, loans for farmers, the new land tax, special peasant farm lands, social payments required from peasant farmers, the recent conference on women's access to land, KLR's urban land sales program, and legal considerations in changing land use.

### *Urban Land Reform*

*Land Use Planning.* Zoning work proceeded in each of the project's three new pilot cities (Osh, Djalal-Abad and Cholpon Ata) and in Tokmok. Each city began by conducting surveys of actual land use as a preparatory stage for redesigning zoning maps for future urban planning. In Osh and Djalal-Abad, work advanced beyond the study of the current land use patterns to definition of zones for proposed uses. Tokmok has begun drafting actual regulations and plans to hold the city's and the nation's first public hearing on zoning issues next month

*Urban Land Sales.* This quarter witnessed several breakthroughs on the urban land sales front. In January, the procedures for approval of land purchase offers were approved by sessions of city councils (*keneshes*) in the cities of Osh, Djalal-Abad and Balykchy, making it possible for individuals to purchase urban land plots. In February, the first three land sales in the Kyrgyz Republic were approved in the southern city of Osh. March saw a third major advance with the first urban land sale in Bishkek, the national capital. That success was made possible by the lifting of governmental impediments that had heretofore threatened the viability of the urban land sales program in Bishkek, following a meeting with the Mayor of Bishkek, the City Chairman, and other government officials. Urban land sales offer the most significant way to produce substantive and short-term monies for local self-government and, at the same time, encourage real property development, and therefore, urban economic development. The project continues to receive applications from businesses requesting the project's assistance in purchasing urban land plots.

The project continued to hold Urban Land Sales Workshops to educate the public on urban land issues and opportunities. Nineteen workshops were conducted this quarter; to

date, KLR has conducted 36 Urban Land Sales Workshops for 950 individuals (557 businessmen, 393 state administrators, and 239 women).

*Real Estate Appraisal and Brokerage.* The project met with one of the founders of a new Association of Kyrgyz Realtors which is currently in the process of being registered with the Ministry of Justice. Upon completion of registration, there will be two non-commercial associations of Kyrgyz realtors. The other association has already submitted its Business Plan for 2001-2004 to the KLR project.

The Slavonic University (KRSU), the Architecture and Construction University (KSUCTA), and the Union of Kyrgyz Appraisers (UKA) each submitted various mini-grant applications. Among those approved included a mini-grant from the Slavonic University for funds to cover some expenses of a seminar on "Methodology for Analysis of the Apartment Building Market." The seminar was held on March 14 at the KLR office. In addition, the UKA received a mini-grant to conduct their first quarterly, national meeting and to introduce their new office.

#### *Water Law Reform*

The KLR project made important strides towards developing a draft water code and positioning the code for approval in the national parliament. With input from local water system stakeholders and assistance from the UN Food and Agriculture Organization (FAO), the draft water code has been developed and refined for the purpose of defining a system for practical implementation of the newly designed water rights for the Kyrgyz Republic. The FAO's mission represents a significant leveraging of USAID resources, as all costs were paid by the FAO. The mission's director was the featured speaker at the national water law workshop sponsored by the project; his current intervention is a result of his earlier work for the KLR project. The FAO will schedule another consultation in the summer and is closely coordinating its work with the KLR project in order to reinforce the project in seeking passage of a commonly supported water code. In a meeting with the Kyrgyz Minister of Agriculture, the project obtained approval for the formation of an inter-governmental working group for consideration of the draft water code. This is a critical step towards the introduction of the draft law to the national parliament.

**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, Damien Donnelly-Cole, assistant 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

This quarter, the project moved forward with operationalizing the regulatory agency by participating in a joint LIRR/USAID/Alexandria ISCs meeting to resolve certain technical issues in modeling revenue requirements. In addition, issues were raised concerning: 1) GOE acceptance of an LIRR proposal to provide financial incentives to utilities which are not fully financially independent; and 2) the pros and cons of including governors in the tariff application review process. The project continued with this task by meeting with USAID on March 24 to discuss Steering Committee meeting issues. There were also meetings with MHUUC to review benefits of the Sixth of October management contract and with Sixth of October to review historical financial data. On March 31, the project met with AGOSD ISPR representatives to review rate application data. The project compiled documentation on Sixth of October City/LIRR data exchanges and meetings, and continued work on the tariff analysis model.

The wastewater business planning/revenue requirements model has been completed and reviewed with AGOSD ISPR counterparts, together with guidelines/ instructions on the financial data inputs and projections. The various guideline materials developed over the past half-year will be consolidated into a single document.

AGOSD business plan objectives and strategies have been identified. Work on developing the utility's funding requirements was supposed to begin on February 18 with provisional EWRA staff participating in the activity. However, the planned field work was suspended in response to an urgent request by the LIRR Project Coordinator for assistance to NUCA. An MHUCC committee has been established to review the management and financial conditions of the water and wastewater utilities in the 16 new towns, including tariffs. The LIRR Project Coordinator asked for LIRR assistance in

developing a simple tariff analysis model with instructions. The manual will contain a combined (water and waste water) revenue requirements model, detailed instructions on model inputs and operation, business planning templates and guidelines, and rate design worksheets and guidelines.

An LIRR consultant presented the objectives and elements of the reform legislation to the Local Administration Committee of the National Democratic Party. This effort contributed to building parliamentary support. The committee's recommendations included establishment of a regulatory agency and endorsement of the principle of cost recovery through tariffs of O&M costs at least.

With regard to CDPSP Establishment and Capacity Building, the project delivered English versions of 75% of Toolkit documents to Dr. Beyaly; the Toolkit documents now require final editing and formatting.

The team continued work on the Private Sector Participation Projects by moving forward with the final version of the Beheira pre-feasibility study. A working group of Beheira Water Company officials was formed to participate in the Beheira tariff study, and data collection has begun: 2000/2001 financial statements were collected, and bill tabulations for water consumption from September-December 2000 were prepared. Work on updating the Phase I business plan and the 2003-2007 revenue requirements began in March. The final Beheira pre-feasibility study was completed, delivered and presented to Beheira Water Company/CDPSP. A supplement to the Beheira pre-feasibility study was prepared which compared the PSP cases to financing the project through the GOE using GOE finance and soft loans.

Additionally, the project completed reviews of both the Egyptian law governing concession contracts for public utilities and documents of the recent BOOT project on the power sector. The team also drafted a memo on legal questions governing types of security available to lenders in BOOT water/wastewater projects and continued to supervise the formatting and editing of Toolkit documents. The project also attended conferences with short-term staff and USAID/Cairo on progress with the Project Development Fund.

The project continued review of Toolkit documents and supervised the formatting and editing of Toolkit documents. Additional draft Toolkit documents were submitted to Magd El-Din Ibrahim and Dr. Beyaly. The schedule and content of DT2 training in Toolkit documents was determined. The project conferred with USAID on an agenda for the next meeting of MHUUC Steering Committee and transmitted the revised LIRR-II Work Plan to USAID and Dr Beyaly.

**USAID/Zambia – Implementation of Court Annexed Mediation, Task Order No. 812, September 3, 2000 – March 30, 2003, Ceiling Price \$439,461**

*HO Project Management Unit: David Vaughn, senior manager; and, Beatrice Zimmermann, senior project administrator; and Nancy Kim, assistant project administrator.*

Task Order Objective: Mediation is being introduced into the Zambian judicial process as an alternative means of resolving disputes. Working with judicial counterparts, Chemonics is providing mediation training, assisting in the establishment of the administrative systems and procedures for mediation, and developing a plan for institutionalizing the use of mediation.

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

- Training of a class of mediators and supervising their practice mediation sessions
- Developing case selection criteria, implementing a pilot mediation program, and creating criteria for the selection of future mediation trainers
- Developing administrative systems and procedures for court annexed mediation, and working with judicial counterparts to implement the systems in various courts
- Training Zambian mediators to become trainers
- Working with judges, judicial staff, bar members, and mediation practitioners to develop a plan to institutionalize mediation in the Zambian judicial system

Quarterly Progress Report:

Chemonics sponsored a one-week observational study tour in Washington, D.C. and the surrounding areas from January 14-19, 2002. The study tour allowed the participants to see and experience how mediation works in the US and the benefits of court-annexed mediation within the civil case processing system in Zambia

Chemonics planned the activities for ten participants: five were sponsored by Chemonics, as stipulated in the approved project budget; the additional five participants were sponsored by the Academy for Educational Development. The ten participants included: Irene Chirwa Mambilima, Supreme Court Judge; Phillip Musonda, Judge-IRC; Denis Lubasi, Chief Administrator; Gertrude Chawatama, Registrar; Rose Samakayi, Registrar-IRC; Evans Hamaundu, Deputy Registrar-Lusaka; Roydah Kaoma, Deputy Registrar-Ndola; Erasmus Masuwa, Mediation Program Coordinator-Lusaka; Duncan Miti, Coordinator-Ndola; and James Mafenyeho, Coordinator-Livingstone.

The participants attended scheduled activities and meetings that covered extensive mediation topics, including court administration, case management, mediator selection,

mediation techniques, national mediation structures, as well as evaluation and implementation.

At the end of the training the participants were able to:

#### Court Administration

- 1) Examine Zambia's court administration policies in comparison with U.S. policies
- 2) Identify the benefits of the U.S. court-annexed mediation programs on which the Zambia program is modeled
- 3) Recommend improvements to existing Zambian court administration policies
- 4) Review Zambia's court administration procedures in comparison with U.S. procedures
- 5) Recommend improvements to existing Zambian court administration procedures

#### Case Management

- 1) Identify the types of cases which are mediated in the United States
- 2) Analyze the limitations of Zambia's existing case management system
- 3) Identify the benefits of a civil case processing system which fully utilizes mediation as a means of dispute resolution
- 4) Select which cases can be successfully mediated in the Zambian system

#### Selection of Mediators

- 1) Identify a set of skills common to successful mediators
- 2) Create selection standards for Zambian mediators

#### Mediation Techniques

- 1) Identify a range of mediation techniques that can be introduced in Zambia

#### National Mediation Structure

- 1) Discuss strategies to increase the use of mediation in each of the localities
- 2) Determine the relationship between local court administrators and national overseers
- 3) List job functions of national mediation coordinator
- 4) List job functions of local mediators

#### Evaluation

- 1) Analyze data to evaluate court-mediation's effectiveness in the following areas: improving case management efficiency; resulting decision deemed fair and just by both parties; number of cases which are successfully mediated

#### Implementation

- 1) Devise a method of implementing the recommended court administration policy improvements
- 2) Develop a plan to implement the recommended court administration procedural improvements

- 3) Formulate a plan to implement a Zambian case management system which maximizes the successful utilization of court-annexed mediation
- 4) Develop a plan to recruit successful mediators
- 5) Develop a plan to retain successful mediators
- 6) Create a plan to ensure proper and on-going training of mediators in innovative mediation techniques
- 7) Develop a national plan for the division of responsibilities between national and local mediator personnel
- 8) Create a plan to analyze evaluation data to make improvements to Zambia's court-annexed mediation initiative

#### Other Specific Issues

- 1) How to improve and finalize administration of the mediation process
- 2) How to improve the current method of tracking cases
- 3) The pros and cons of giving mediators a time limit
- 4) How to deal with participants (including lawyers) that do not take mediation seriously or shun the process, and are not willing to participate even though it is court ordered.
- 5) How to sell the process of mediation to the public
- 6) Possible control mechanisms for the court while the process is being administered  
Better use of mediation computer program

A wrap-up and review session was held on the last day of the training and all the participants were given the opportunity to fill out evaluation forms and voice their opinions on the success of the study tour. Out of a scale of 1 to 5 (5 being the highest), all of the participants rated the study tour with 4s and 5s.

From March 8-17, two U.S. consultants traveled to Lusaka to conduct a five-day Train-the-Trainer Program for a group of twelve Zambian mediators. The training focused on the design and delivery of mediator training, as well as various performance monitoring techniques, including one-to-one mediator feedback. By the end of this training activity, the participants were able to:

1. Design a mediation training tailored to Zambia;
2. Deliver mediation training for future mediators, specifically at a mediator training scheduled for May 2002 in Livingstone;
3. Prepare and deliver substantive lectures and small group exercises;
4. Critique trainees as they participate in simulated mediation sessions; and,
5. Manage the overall training process, including ensuring the schedule proceeds on time, debriefing with trainers at the end of every day, adjusting training programs in real-time; assessing the skills of trainees and taking remedial action if necessary, and assigning cases to mediators based on skill and subject matter expertise.

The participants were provided substantial written materials and engaged in a highly experiential training program. During this program, substantive information was presented, followed by opportunities for participants to practice discrete trainer skills, including: managing small group simulation role-plays; executing skill-building exercises; and formulating and delivering concise lectures. This program culminated in the design of two five-day Mediation Training Agendas that will serve as the basis for the mediation training to be offered by the Zambian trainer group in Livingstone in May 2002.

**USAID/Indonesia – Sustainable Appreciation of Value through Efficiency and Re-rating, Task Order No. 813, September 1, 2000 – February 11, 2002, Ceiling Price \$60,000**

*HO Project Management Unit: Joanne Adams, senior manager; Shahzia Pirani, project administrator; and Maria Paula Vargas, assistant project administrator.*

**Task Order Objective:** To establish the broader use of WETTER re-rating, cleaner production and efficiency principles, leading to development of key institutions promoting sound environmental policy during Indonesia's monetary crisis. This broader use of key efficiency principles will help build institutional structures supporting a sound water/wastewater policy and planning environment.

**Key Tasks to Meet Objective:** SAVER will collect data on waste water treatment technologies in West Java to determine common technology, applications and efficiency problems. The project team will use this as the background information to develop a waste water treatment plant (WWTP) re-rating training package. The project also aims to ensure that re-rating benefits will be more widely known and understood by specific target groups, such as professionals, local government officials, local parliament representatives and consumers. A major component of SAVER is to disseminate information on general knowledge and benefits of water treatment plant re-rating through magazine and newspaper articles and flyers.

**Quarterly Progress Report**

The following describes the activities conducted by the SAVER Team during its final quarterly reporting period. The project ended on March 11, 2002.

The SAVER media campaign team developed a strategy to disseminate information on the potential benefits and applications of re-rating technology to increase water treatment plant capacity. The team prepared articles on re-rating that were published in several magazines and a local newspaper in order to generate widespread interest (treatment plant

operators, owners, environmentally concerned citizens, etc.) in the benefits of re-rating technology.

Project Coordinator/Environmental Engineer Rudy Yuwono led the team in preparing for the WWTP training. The team conducted a comprehensive survey of over 80 WWTPs in Banten, West Java, and Jakarta to determine training needs. The survey closely analyzed the following factors: type of WWTP owner; daily flow rate of waste; type of physical, chemical, biological, and sludge treatments; common problems.

Business and Finance Specialist Terry Driscoll finalized the training curriculum based on a WWTP re-rating framework. The curriculum included:

- Wastewater treatment basic knowledge, including WWTP unit introduction;
- WWTP performance assessment, including a field exercise;
- Wastewater minimization and cleaner production principles;
- WWTP re-rating methodology; and
- Optimization techniques of WWTP units.

Also in preparation for the training, the SAVER team developed presentation slides, a Training Workbook, exercises, and a computer generated 3-D WWTP model.

Training was conducted February 4-8, 2002 in Cilegon, Province of Banten. A total of 17 participants and 4 LGWS observers attended the training.

During the site visit (held on Day 3 of the training sessions), the participants actively collected WWTP performance related information. Indah Kiat officials disclosed WWTP technical specifications and related performance problems transparently. SAVER's trainers thoroughly evaluated their problems and provided technical suggestions that might improve Indah Kiat WWTP performance.

In addition, during the training course, the trainers directly evaluated WWTP re-rating potentials of 2 industries, i.e. PT Bernas Madu Sari (sugar refinery) and PT Polyprima (petrochemical industry). It is expected that the evaluation will improve WWTP capacity by 30,000 m<sup>3</sup> per day.

On April 8, 2002 the team submitted to USAID/Jakarta the Final Report for the SAVER Project. This report summarizes the main results of six distinct tasks implemented during the life of the project (October 2001 to March 2002).

## **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 Buergenthal, 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.

**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.

**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.

**C. TASK ORDER FINANCIAL DATA**

This information is included in Annex A of the report.