

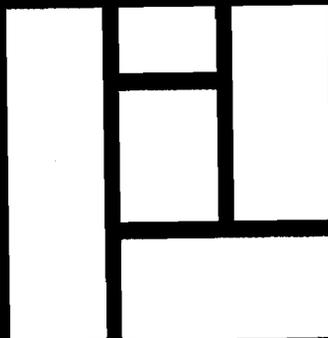
INTERNATIONAL ACTIVITIES

PB-ACG-411

**QUARTERLY TASK ORDER
PROGRESS AND
COST REPORT**

**OCTOBER THROUGH
DECEMBER 2005**

**LOCAL GOVERNMENT
ASSISTANCE INITIATIVE IN
CENTRAL AND
EASTERN EUROPE AND THE
NEWLY INDEPENDENT
STATES**



Prepared by

Annette N. Brown
The Urban Institute

the

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Urban
Institute**

January 2006
UI Project 06901

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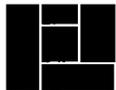


USAID
FROM THE AMERICAN PEOPLE

Prepared by

Annette N. Brown
The Urban Institute

Local Government Assistance Initiative in Central and Eastern Europe and the
Newly Independent States
United States Agency for International Development
Contract No. EEU-I-00-99-00015-00



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January 2006
UI Project 06901

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QUARTERLY TASK ORDER PROGRESS AND COST REPORT

OCTOBER TO DECEMBER 2005

LOCAL GOVERNMENT ASSISTANCE INITIATIVE IN CENTRAL AND EASTERN EUROPE AND THE NEWLY INDEPENDENT STATES

BACKGROUND

This contract is aimed at supporting more effective, responsive and accountable local governments by providing the United States Agency for International Development (USAID) Missions and regional programs in Europe and the former Soviet Union with a source of expertise and leadership in critical technical areas related to local government. Throughout the last ten years USAID has been supporting countries of the Central and Eastern Europe (CEE) and the newly independent states (NIS) regions during their transition from centralized government systems to decentralized ones based on market principles. This support has been provided through technical assistance (TA) and training in democratic local governance, local public administration and urban development. This contract aims at continuing support to these countries. The five categories under which Task Orders (TOs) may be issued include the following:

Legal Sustainability and Policy Framework

- Assist in fostering and formulating a policy dialogue between national government, local government and municipal government associations on intergovernmental relations and the roles and responsibilities of local governments; gather and analyze data and prepare assessments related to local government.
- Review and provide guidance on national policies and legislation affecting local government. Policy guidance should include assistance in drafting relevant legislation and implementing existing laws and regulations that impact local government structure and the delivery of services.

Democratic Process

- Assist municipalities and other levels of government to expand the information available to the public. To reach out to encourage citizen participation making their operations and decision-making processes more transparent; advise non-governmental organizations (NGO) and community-based groups on ways to enhance and increase public participation in relation to local government.
- Provide advice and assistance (directly and through municipal associations and other organizations) to local governments wishing to modernize their administrative and operating procedures. Help municipalities to streamline their systems and procedures to make them more "user-friendly"; help to improve and expand computerization capabilities and to identify new computer-based applications; improve the quality of data and the transparency of operations.

- Provide advice and assistance to increase the role of citizens and NGO's in local government decision-making such as: public utility operations and management; municipal budgeting and project financing; and land use and physical planning.

Financial Resources

- Assist municipalities to modernize their budget processes and increase transparency by adopting modern approaches such as task or performance based budgeting, strategic planning for capital expenditures, making the budget publicly available and application of internationally accepted accounting principles.
- Advise national and local governments, and associations of municipalities as to equitable and transparent transfer payment systems; help local governments to develop and implement appropriate ways to generate "own-source" revenues; advise associations of municipalities on promoting fiscal decentralization; advise on specific and comparative revenue generation methodologies and collection systems permissible under national law (property taxes, permits, licenses, user fees, etc.).
- Assist in developing municipal credit markets by providing technical assistance and training to national governments, municipalities and financial institutions; comment on and help to draft legislation to permit and to regulate municipal borrowing through commercial loans or public offerings (municipal bonds); advise on financial oversight requirements, establishing credit ratings, etc.
- Advise national and local governments on housing finance and related housing sector issues; review and comment on housing sector legislation; work with banks and other financial institutions to develop new mortgage instruments to make shelter more affordable and available to a wider range of households.
- Develop credit programs through USAID's urban environment credit guaranty program or the development credit authority in support of policy change or global climate change objectives.

Municipal Services and Assets

- Assess current conditions and offer recommendations to municipalities, ministries, public service providers, associations of municipalities and others to modernize the management and operations of public utility systems and other municipal services; to privatize such systems or involve private participation when so doing would result in improved service delivery; to consider provision of services by NGOs or CBOs; to separate service provision and regulatory functions; to assist in designing pricing mechanisms for urban services which are based on sound cost recovery principles; and to assist in the regionalization of targeted services where appropriate.
- Advise localities on the appropriate disposition or management of other municipally held assets including commercial enterprises and facilities, shelter, undeveloped land, etc.; advise on improving the housing stock through privatization of ownership, condominium development, private management, maintenance and rehabilitation.



- Assist in establishing land titling systems, zoning and property ownership registries; develop housing finance systems and propose appropriate construction and mortgage finance instruments for new housing, rehabilitation/renovation and resale's.
- Advise municipalities on strategies and approaches to local economic development; assist them in analyzing the strengths and weaknesses of the local economy; help them to plan programs and adopt policies that are business friendly and will benefit the community at large.
- Design open and competitive systems for the procurement of goods and services; assist in the implementation of such systems and train appropriate local government personnel.
- Work with national government on decentralizing specific services and assets to local governments, groups of local governments, or private companies as appropriate, based on service, economic and administrative efficiencies; assist in establishing regulatory policies and agencies.

Institutional Support Systems

- Provide advice and assistance to municipal and professional organizations representing city interests before the national government or otherwise dedicated to improving the performance of local government; provide advice and assistance to non-governmental and community-based organizations to enable them to fully participate in collaborative, constructive colloquies with local governments.
- Undertake technical and managerial training of local government and related personnel (and central government staff as appropriate) in areas intended to improve municipal performance, professionalism, ethical standards, transparency, responsiveness and effectiveness. Such training can be carried out directly or through universities, training institutions or by other appropriate means; train trainers so that future training efforts can be implemented locally and institutionalized within an indigenous organization.
- Organize regional, national and sub-national conferences; workshops and intra- or inter-country observational visits to promote free discussion and the exchange of ideas and experiences on urban development, local public administration and democratic local governance. Gather data and publish information on "innovative practices" at the local level and on other urban topics for national or regional distribution.
- Work with national and local urban-related institutions, local universities, foundations, "think-tanks" and consulting firms in order to support urban research, public administration curricula and intellectual thought and to build a cadre of professionals schooled in democratic, free-market approaches to local governance and urban development.

CONTRACT PROGRESS REPORT

As required by Section F.4 of the Local Government Contract, below is a description of the ongoing and completed Task Orders. The following table provides a useful reference.

| LGA TASK ORDER | USAID TO | UI NO. | BUDGET | PERIOD OF PERFORMANCE |
|---|----------|----------------------|--------------|--|
| Current Task Orders | | | | |
| Moldova Local Government Reform Project | 806 | 007 | \$11,348,206 | February 1, 2000 to July 31, 2007 |
| Central Asian Republics Local Government Initiative Phase II | 811 | 015 016, 017, 018 | \$13,585,873 | September 30, 2002 to September 29, 2006 |
| Albania Local Government and Decentralization | 813 | 020 | \$4,099,995 | July 26, 2004 to July 31, 2007 |
| Completed Task Orders | | | | |
| Albania Local Government Initiative | 02 | 010 | \$476,432 | March 31, 2000 to December 31, 2000 |
| Armenia Earthquake Housing Activity | 801 | 002 | \$399,900 | July 19, 1999 to December 31, 2000 |
| Armenia Local Government Program Phase II | 812 | 019 | \$1,899,362 | May 19, 2003 to May 18, 2005 |
| Bosnia Real Estate and Property Management | 800 | 001 | \$90,043 | May 12, 1999 to March 1, 2000 |
| Local Government Regional Roundtables | 01 | 003 | \$38,375 | September 20, 1999 to January 31, 2000 |
| Slovakia Housing Allowance Program | 802 | 004 | \$178,259 | September 13, 1999 to July 31, 2000 |
| Russia Improving Social Service Delivery Project | 803 | 006 | \$1,550,000 | September 30, 1999 to August 29, 2001 |
| Armenia Local Government Program | 807 | 008 | \$4,205,721 | January 18, 2000 to January 17, 2003 |
| Croatia Local Government Reform Project | 808 | 011 | \$6,259,895 | June 1, 2000 to January 31, 2004 |
| Armenia Earthquake Zone Housing Certificate Program | 804 | 009 | \$1,998,905 | March 20, 2000 to September 29, 2001 |
| Course on Intergovernmental Fiscal Relations and Local Financial Management | 04 | 014 | \$102,274 | April 2, 2001 to August 15, 2002 |
| Kyrgyzstan Local Government Initiative | 805 | 005 | \$4,515,661 | October 1, 1999 to September 30, 2002 |
| Georgia Local Governance Reform Initiative | 809 | 012 | \$6,640,576 | September 15, 2000 to November 30, 2004 |
| Albania Decentralization Initiatives | 810 | 013 | \$5,812,907 | September 26, 2000 to December 25, 2004 |



**MOLDOVA LOCAL GOVERNMENT REFORM PROJECT—06901-007
USAID TASK ORDER NO. 806**

| | |
|---|--|
| Contract and Task Order No.: | EEU-I-00-99-00015-00, Task Order No. 806 |
| Date of Issuance: | February 1, 2000 |
| Amount Obligated Under Task Order: | \$9,099,793 |
| Total Potential Task Order Amount: | \$11,348,206 |
| Dollars Expended To-date: | \$7,196,839 |
| Key Personnel: | Duane C. Beard, UI Moldova, Chief of Party, Tel: +3732-233-000, dbeard@lgrp.md |

BACKGROUND

In February FY 2000, the United States Agency for International Development (USAID) issued a Task Order to the Urban Institute (UI) to implement a Local Government Reform Project (LGRP) in Moldova. The project was designed to support a local government reform agenda with training and technical assistance (T/TA). Specifically, the project was focused to increase the amount and control of revenues for local governments, improve municipal services management, develop institutional support for local government and municipal services and improve transparency, citizen participation and strategic planning in local governments. In July FY 2004, USAID amended the Task Order with the Urban Institute (UI) to continue implement the Local Government Reform Project (LGRP) in Moldova through July FY 2007. The amended Task Order continues the work of the project to assist in establishing legislation and implementing regulations towards decentralization; build the capacity of municipal officials to implement reforms and improve delivery of services; strengthen the capacity of indigenous organizations and association(s) relevant to local governments and to assist with the implementation of 150 demonstration projects to support implementation of adopted community strategic plans in partner communities.

HIGHLIGHTS

- Official opening ceremonies to celebrate completion of community projects were conducted in 35 communities. The U.S. Ambassador to Moldova, the Hon. Heather M. Hodges, conducted the opening ceremony for the demonstration projects awarding solid waste management vehicles to partner communities in a program televised nationally. Other demonstration projects helped community members solve such critical issues as water and heat supply, road construction and renovations and other issues.
- The Annual Meeting of LGRP Partners was organized at the Academy of Economic Studies on December 15-16, 2005. The annual event combined the winter quarterly meetings of Mayors from partner communities and the winter quarterly meeting of the IMFS User's Group/LEPA (a surrogate

"municipal finance officers association"). A total of 191 participants attended the annual meeting. The keynote speaker at the event was the U.S. Ambassador to Moldova, the Hon. Heather M. Hodges.

- Two LGRP partner communities officially adopted their recently prepared *Water Action Plans*. The action plans were developed with technical assistance from the Municipal Services Team.
- In nine LGRP local partners, community strategic plans were officially adopted by actions of the local council after a formal public hearing.
- On November 29-30, 2005 a two-day training workshop for water consumers associations was conducted at the LGRP Training Center. The workshop, co-sponsored with the Swiss Agency for Development & Cooperation was aimed at strengthening the associations and increasing their operational capacities. Water consumer's associations from nine (9) communities participated in the event. A total of 27 local officials and officers of community based NGOs benefited from the training.
- On December 6 and 8, LGRP delivered a training program in Project Design & Management (PDM). This effort was targeted specifically for new partner communities selected in March 2005, which have adopted community strategic plans and are interested in solving critical community critical needs via demonstration projects.

PROGRESS OF MAJOR ACTIVITIES

Training and Technical Assistance

- The quarterly meeting of the Integrated Municipal Financial Software (IMFS) Users Group was conducted at Academy of Public Administration (APA) October 24-25, 2005. This quarterly meeting of municipal finance officers from LGRP partner communities had two important features that distinguished it from previous meetings:
 1. Initiation of a regular quarterly technical session/experience exchange dedicated to improving the effectiveness of users of Integrated Municipal Financial Software.
 2. A significant increase in the number of participants by inclusion of 42 new members from new LGRP partner communities including local governments from Ialoveni County and inclusion of finance officers from 30 LGRP partners that previously had not participated in Users Group Meetings.

- On November 29-30, 2005 a two-day training for water consumers associations aimed at strengthening the association and building up capacities was conducted. Nine communities attended the event (Bolduresti, Zberoaia, Balauresti, Cristesti, Pascani, Pereni, Nisporeni, Corjevo and Sipoteni), seven out of which were LGRP partner communities and two were non-partners. Each community was represented by the mayor, the chairman, and the accountant of the Water Consumers Association. The first day of the training covered:
 - *Presentation of the new law on accounting aspects of Water Consumers Associations*
 - *Cooperation between Water Consumers' Associations. Benefits and strengths of setting up a Regional / National Water Consumers' Association*
 - *Automated water billing system for Water Consumer Associations*
 - *Implementation of the billing software and particularities of accounting in Nisporeni-Ciurleasa Water Consumers' Association*
 - *Calculation methods of the capital goods' depreciation.*The first day of the training program ended with a visit to the workshop of water supply tools at the Technical University of Moldova. The second day training included site visits to LGRP partner communities of Cristesti, Zberoaia and Balauresti from Nisporeni County. The participants had the possibility to visit water system facilities, headquarters of water consumers associations and to discuss service with beneficiaries. The enthusiastic participation and high attendance on the part of the participants combined with the high level of preparedness and familiarity with the subject matter on the part of the trainers resulted in a highly productive atmosphere throughout the workshop.

- On December 15-16, 2005 the Annual Meeting of USAID Local Government Reform Project (LGRP) Partners was conducted at the Academy of Economic Studies. The event, attended by 191 participants, combined both the Quarterly Mayors Meeting (QMM) of LGRP partner communities and the Integrated Municipal Financial Software (IMFS) User's Group/LEPA (municipal finance officers association). Additionally, eight Peace Corps volunteers working in Community and Organizational Development with LGRP partner communities were also in attendance. The keynote speaker at the event was the U.S. Ambassador to Moldova, the Hon. Heather M. Hodges. The main theme of the event was local public finance at the heart of local governance. The format of the meeting included plenary sessions on public procurement, contracting-out of municipal

services, as well parallel working sessions on fiscal decentralization issues, local development, and municipal associations. Other topics on the agenda included:

- Improvements in Local Governance
 - National Training Strategy for Local Governments
 - Integrated Municipal Financial Software
 - 2005 – The Year of Local Communities
 - Associations of Cities
 - Legal Aspects of the Budgeting Process
 - Analysis of Fiscal Decentralization in Moldova
 - Organizational Alternatives in Decentralizing Municipal Services
 - Legal Aspects of Public procurement
 - USAID/LGRP Demonstration Projects
- Business Consulting Institute (BCI), a subcontractor of The Urban Institute since May 2005, has completed their work for the year in assisting 35 LGRP partner communities with public hearings as well as assisting these communities in updating, developing and adopting community strategic plans. In total 10 new partner communities were provided technical assistance in developing and adopting community strategic plans and an additional 25 partner communities were given technical assistance in updating and amending their community strategic plans. Overall 70 public hearings on draft strategic plans and budgets were organized and convened in these 35 partner communities. BCI will submit a final report of their activities to LGRP by December 31, 2005.
 - During the past quarter, community strategic plans were officially adopted by actions of the local councils after formal public hearing were held in nine LGRP partner communities.
 - During this quarter more than 20 demonstration projects were finalized. The Municipal Services Team has continued to work very closely with local government partners in identifying the best project ideas, preparing all technical documentation and procurements, and securing contracts and approvals in order to begin another round of implementation of demonstration projects in the spring.



General activities

- The Fiscal Improvements Team Leader participated in discussions with respect to the establishment of a Fiscal Decentralization Forum, which is going to be sponsored by the Local Government Initiative (LGI) and scheduled to take place in February 2006. Representatives from the League of Economists and Public Accountants (LEPA) are also expected to participate in the Fiscal Decentralization Forum.
- A Democracy and Governance Program Specialist represented LGRP at the conference "Rural Moldova: Valued Opportunities" organized by the Project "Support for Project of Rural Investment and Services" in Moldova financed by UK/DFID (Department for International Development). One session of the conference was dedicated to community strategic plan implementation in Moldovan communities: successes and problems. The beneficiaries of the project, representatives of partner organizations and international donor organizations involved in community development in Moldova attended the conference.
- On October 27, 2005, the LGRP Chief of Party together with LGRP Municipal Services Program Specialist, Administrative Officer and LGRP Administrative Assistant delivered a presentation on local government in Moldova to the Peace Corps Pre-Service training program in the LGRP partner community of Ialoveni. Peace Corps Trainees who have been assigned to work under the "Community and Organizational Development" program within Peace Corps had the opportunity to ask question and receive information about specific issues concerning local government in Moldova. Some of these PC Trainees have already been assigned to work with the local governments in LGRP partner communities.
- On November 30, 2005, the Democracy and Governance Development Advisor and the Administrative Officer attended the 2005 Regional Forum on Sustainable Development-*Together for a Prosperous Future*. The event took place in Ungheni, an LGRP partner community. The purpose of the forum was to inform citizens, local public authorities, business representatives and civil society representatives of the importance of working together to improve sustainable development at the local level. The key topics discussed included:
 1. Local Government: The Main Actor for Local Development
 2. Efficient Local Governance: Active Communities are Informed Communities.
 3. Keys to Successful Community Development
 4. Citizen Involvement in the Local Decision Making Process
 5. Positive Practices for Local Sustainable Development
 6. Millennium Development Goals for Local and Regional Development
 7. Sustainable Partnerships for Local Development
 8. Regional and Border Cooperation: Present and Future
 9. Public and Private Partnerships in Local Development
 10. Promoting Social Interests for Youth.
- The Democracy and Governance Team Leader met with Ms. Camellia Gheorghe, a Bucharest-based consultant contracted by UNDP-Moldova to design a new project on Regional Development in Moldova. Ms. Gheorghe was especially interested in learning more about the LGRP approach to promoting local government transparency, openness, and responsiveness through the

encouragement of active citizen participation and interaction with local officials, especially with respect to public hearings.

DELIVERABLES AND REPORTS

Preliminary list of work products produced in Q1, FY 2006 (October – December 2005).

Fiscal Decentralization

1. Draft Integrated Municipal Financial Software (IMFS) Users Guide (English, Romanian and Russian versions)
2. Package for Integrated IMFS Users Group Meeting. This includes: invitation letters, agenda, presentations, and handouts.
3. Recruitment package for the first team of trainers to implement IMFS. This includes: advertisements, questionnaires, and presentation.
4. Power Point presentation on "Fiscal Autonomy in Ialoveni". This includes: Microsoft charts on budget execution in Ialoveni.

Democracy & Governance

1. Socio-economic profiles of the LGRP partner communities of Pelinia and Cisla
2. Reports on environmental scans in Pelinia and Cisla.
3. Approved community strategic plan of the LGRP partner community of Cojusna.
4. Updated community strategic plans in the LGRP partner communities of Marinici, Nicolaieuca, Vadul lui Voda, Cristesti, and Cisla
5. Package for the Water Consumers Associations. This includes: agenda, letter of invitation, list of participants, training design, presentations, and handouts.
6. Package for the LGRP Annual Partners Meeting. This includes agenda and letters of invitation.

Municipal Services/Demonstration Projects

1. Approved Action Plans for Water in the LGRP communities of Hincesti and Zberoaia
2. Demonstration projects application forms were completed from the following LGRP partner communities: Cantemir, Comrat, Copceac, Hincesti, Casunca, Ocnita, Olanseti, Pelinia, and Stefan Voda.
3. Budget estimates for demonstration projects in Copceac, Dubasarii Vechi, Rosu, Suruceni, Taraclia, Cantemir, Comrat, Floresti, Talmaza, Taraclia, and Viisoara.
4. Descriptions of work of demonstration projects in Taraclia, Comrat, Copceac, Suruceni, and Viisoara.
5. Preliminary environmental assessment reports in Antonesti, Geamana, Selemet, and Singera
6. Demonstration projects site maps in Balti, Ciuciulea, and Briceni.
7. Demonstration projects addendums to Statements of Cooperation for Suruceni, and Copcea.

PROBLEMS OR DELAYS AFFECTING PERFORMANCE

None at this time.



**CENTRAL ASIAN REPUBLICS LOCAL GOVERNMENT INITIATIVE PHASE II—06901-015, 016, 017 AND 018
USAID TASK ORDER NO. 811**

Task Order No.: EEU-I-00-99-00015-00, TO No. 811
Date of Issuance: September 30, 2002
Amount Obligated Under Task Order: \$13,685,873
Total Potential Task Order Amount: \$13,985,507
Dollars Expended To-date: \$10,926,993
Key Personnel: Charles Undeland, Chief of Party

BACKGROUND

The project seeks to promote constituencies for decentralization, develop responsive relationships between local government and communities, and strengthen local governments' capacity to meet the community needs by providing integral service in the four Central Asian Republics. More specifically, the project will primarily focus on condominium promotion in Uzbekistan. In Tajikistan, the program will provide local government training supported by small-scale technical assistance. In Kyrgyzstan, the project will promote public participation techniques, support policy dialogue at the national level, and support housing reform by working with condominium associations.

MONTHLY TASK ORDER PROGRESS AND COST REPORT FOR OCTOBER 2005

CENTRAL ASIAN REPUBLICS LOCAL GOVERNMENT INITIATIVE PHASE II

HIGHLIGHTS

Kyrgyzstan

- Two regional seminars held on Best Practices in Asset Management
- Housing Association Grant Program Completed
- Agency on Local Self-Government Issues Established

Tajikistan

- President Rahmanov praised the Training Center in Khatlon Oblast Khukumat Administration
- The Public Administration Strategy containing local government reforms is completed by working group and should be approved by the President shortly
- Deepened Budget Planning TOT on forecasting techniques completed. Trainers ready to work in cities

Uzbekistan

- Training of Trainers on usage of LGI-II training modules and informational materials in providing consultations and holding meetings with unit-owners
- Meeting with journalists to discuss coverage of TSJ activities and issues

SUCCESS STORY**USAID/Urban Institute Promotes Democratic Housing Associations and Poverty Alleviation in Kyrgyzstan Through a \$90,000 Grant Program**

On January 15, 2005 UI announced a Best TSJ competition among the 300 registered condominium associations (TSJs) in the Southern part of Kyrgyzstan. The pool for prizes was \$90,000. A total of 48 associations submitted applications in the hopes of winning grants to make capital repairs to common areas of multi-unit buildings to improve energy conservation. The program was funded under an Urban Partnership grant that had been added to the LGI II contract.

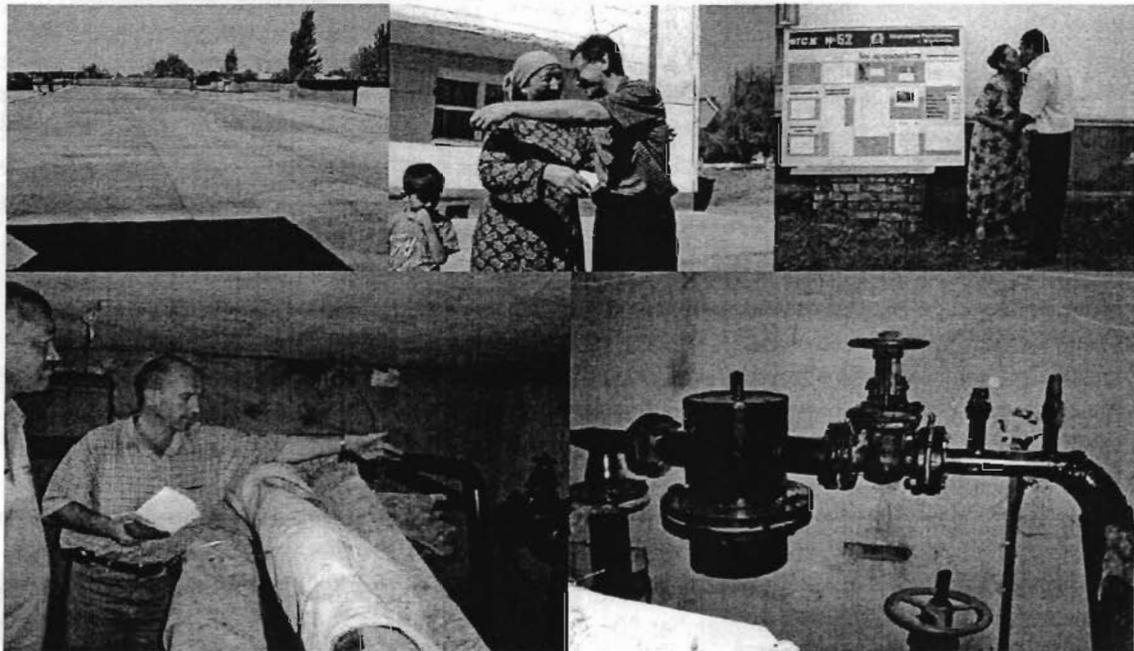
The three-member selection committee which included representatives from Urban Institute, UNDP, and the Soros Foundation awarded grants to seventeen associations (covering 29 multi-unit buildings) including 3 from Jalal-Abad, 1 from Tash-Kumyr, 1 from Mailuu-Suu, 2 from Kyzyl-Kia, 1 from Kara-Suu and 9 from Osh.

Winners were selected based on three main criteria: 1) housing associations' efforts to maintain common areas; 2) implementation of democratic principles used to govern the association, particularly feedback and transparency vis-à-vis unit-owners; and 3) financial discipline (residents regular participation in common expenses). Winners were pre-awarded funds; they then had to hold a competitive procurement to select a contractor which actually received the funds.

The grants funded 3,515,955 Som (\$87,900 USD) or 88.7% of the total repair costs. Residents of the housing associations contributed a further 447,103 Som (\$11,200 USD). The majority of housing associations used the grants to repair roofs and/or hot water and heat supply networks. In addition, some of the associations used some of the money for installation of entrance doors to the buildings, window glazing in common areas, and rehabilitating the façade.

But the effect of the grant project was larger than just the repair works funded by USAID/Urban Institute. One of the additional achievements of the program was the increased spirit of community among housing associations. For example, in TSJ 49-Osh in Osh City, the roof repair project funded by UI/USAID motivated residents to collect additional funds for future repair works. A list of priority repairs was developed and over time, the TSJ will work to implement them with the collected funds.

Another benefit of the program was local economic development and free and fair procurement procedures. Prior to initiating tender procedures, representatives of the winning housing associations attended a one-day procurement training provided by USAID/UI. One of the requirements is that the housing associations publicly announce the tender competition. A relatively new contractor in Osh, Pogoda V Dome, saw one of the advertisements and called Urban Institute Bishkek enquiring about the openness of the competition and whether or not he had a fair chance of winning. Having been assured that the competitions would be conducted without bias, Pagoda V Dome prepared bids for several of the tenders and successfully won three of them. The end result of the procurement procedures were high quality, low cost repair works.



Grant Projects Funded by UI/Urban Institute in Housing Associations in Southern Kyrgyzstan:
In 2 cases the chairperson hugging the contractor after completion of repairs

KYRGYZSTAN ACTIVITIES/DELIVERABLES

Supporting Policy Change at the National Level (Task 1)

Direct local elections have been set for December 18. After several contradictory statements, President Bakiev announced that direct elections of 'heads of local self-governments' (mayor-chairpersons of rural and smaller city municipalities) will be held. The decision was presented as being necessary because otherwise Kyrgyzstan would be taking a step back in developing a democracy. Nonetheless, the President and particularly Presidential Administration Head Sydykov, have indicated that they want to find ways to exert more control over these local officials.

The Office of the Minister of Local Self-Government was dissolved, but a new Agency on Local Self-Government under the Presidential Administration was established. With the passage of the law "On the Structure of Government" which was signed on September 27, 2005 by President Bakiev, the Ministry of Local Self-Government, along with the ministerial position which had previously existed without a ministry, were abolished. The Presidential Decree to implement this law, and effectively firing Minister Omuraliev, was issued on October 4.

However, on October 28, President Bekiev issued a decree establishing the National Agency on Local Self-Government Issues as a state coordination body under the President's Administration. Urban Institute had previously provided assistance to the out-going Deputy Minister of Local Self-Government in drafting the Presidential Decree and corollary Regulation on Establishing an Agency on Local-Self

Government. Its location in the President's Administration is a sign of relative strength in terms of making policy. Curiously, a director for this Agency was not appointed at the same time. UI knows of at least three likely choices for the job; all signs are that Omuraliev is not going to head the Agency.

The Ministry of Local Self-Government and the Ministry Finance jointly approved an Action Plan for Financial Decentralization Implementation for 2005-2006. The Ministry of Finance held a roundtable on budget transparency and the Action Plan for Financial Decentralization Implementation for 2005-2006 for donor organizations, where they asked donors to specify what assistance each organization is ready to provide. UI prepared and sent a letter offering assistance on a range of issues indicated in the plan, including the following:

- Assistance in determining shares of shared taxes
- Assistance in integration, as necessary, of the decision on rates of shared taxes into the equalization formula
- Drafting and publishing a brochure in Kyrgyz and Russian under the Ministry of Finance's name on the new budget system
- Assistance in drafting a manual on local budgets
- Assistance in improving reporting formats for local self-governments
- Technical assistance in providing options for financing delegated functions

As part of the change in government structure, the Ministry of Finance became the Ministry of Economics and Finance. On September 30th, the Jogorku Kenesh approved 10 of 15 of President Bakiev's nominations for the Cabinet of Ministers. Most importantly for the project, Mr. Akilbek Japarov will continue as Minister of Finance. He has been a supporter of the eventual application of the local budget reforms.

All Ministerial comments on amendments to the local government law have been incorporated. The laborious process of government confirmation of amendments to the law "On Local Self-

Government and Local State Administration" has been completed. The draft law must be approved by the Prime Minister's Office and then will be sent to Parliament.

Asset Management (Task 2A)

In addition to the draft invitation to participate in the Kara-Balta park concession which was previously developed, several other concession documents have now been developed including a Regulation on governing the concession competition, evaluation criteria, and a draft contract. The regulation details:

1. General provisions of the competition
2. Subject and conditions of the competition
4. Competition organizer, competition participants and competition commission
5. Conflict of interests
6. Due dates and competition schedule
7. Proposal opening and evaluation process
8. Process to announce the competition results.



Balykchy presents its experience with
the Beach Park Zone



Balykchi Chairperson Sharipov speaks with Deputy Mayor of Karakol and others about the beach management contract.

The Rules for Evaluation of Competition Proposals describes how the proposals will be evaluated and ranked. Proposals will be judged on the following bases:

1. Conformity with the requirements stipulated in the Regulation and other normative and legal acts of the Kyrgyz Republic
2. Bidder's qualifications and the quality of the technical proposals
3. Verbal presentation by each bidder of their proposal

The draft contract for the private management of the Kara-Balta park complex includes the following aspects:

1. Subject and terms of the contract
2. Rights and responsibilities of the parties
3. Service payment from the Kara-Balta City Administration
4. Sub-lease provisions
5. Control over the management and use of the "Park"
6. Amending and/or cancellation of the contract
7. Ownership of any capital improvements to the park

Two asset management regional conferences were conducted on "Best Practices of Municipal Property Management in Cities of the Kyrgyz Republic" in Bishkek (October 20) and Jalal-Abad (on October 25). The 80 participants included heads of municipal property departments, mayors or vice-mayors and local council deputies. The conferences included presentations by the relevant local officials on:

- Balykchy's experience with the beach-park concession
- Kara-Balta's on-going experience with the park concession
- Jalal-Abad's experience with the inventORIZATION and classification of municipal land
- Jalal-Abad's experience with the sale of surplus municipal property using competitive and transparent procedures
- Uzgen's experience with the sale of surplus municipal property using competitive and transparent procedures
- Bishkek's experience with implementing competitive lease procedures.



Head of Tokmok Vodokanal Speaks to the Tokmok Kenesh

The meetings were highly successful and participants called for more such meetings and field trips among cities. UI is announcing its funding facility for internal travel.

Municipal Utility Enterprises (Task 2B)

Tokmok City Kenesh held a session where one of the issues discussed was approving Tokmok Vodokanal and Ecolog business plans. UI gave a presentation on the process of developing the business plans and other areas of cooperation between these utilities and UI. In addition, UI stressed the importance of oversight by the City, both the administration as well as the kenesh, over the utilities operations. Unfortunately Tokmok City Kenesh did not discuss the substance of the documents even though they had been provided with copies of the business plans in advance of the session. During further discussions with the City Administration and the utilities, both suggested that the lack of discussion of the substance arose from a lack of understanding of the utilities' operations.

UI is providing intensive technical assistance to Tokmok Ecolog (sewage company) on the billing and collection software. The software was completed and disseminated earlier this year, however, several utilities have asked for additional assistance in implementing it. UI has hired a part-time computer specialist to work intensively with interested utilities. We have decided to work with Tokmok Ecolog initially as the accounting staff there has advanced computer skills. UI and Ecolog have agreed to begin implementation on a pilot basis with one collection sector which includes approximately 200 subscribers. From there, we will include all of the collection areas and move on to additional utilities.

A draft survey has been developed to obtain citizens' feedback about the services provided by local government to better inform LSGs actions. UI is exploring the possibility of conducting the customer satisfaction survey in all cities. In order to reduce costs, the interviews and preliminary data processing will be done by local NGOs. The first draft questionnaire and summary table for data processing have been drafted and are being discussed and LSG commentary will be sought. Prior to launching the survey, UI plans to meet with each local self-government to discuss the purpose of the survey, the content, and most importantly, how it can be used by the cities in developing their workplan and policies. The final data processing and report will be done by UI staff.

Data on the Balykchy high efficiency pump demonstration is now successfully being collected. After a series of problems in the demo project were fixed, UI is now back to a monthly schedule of collecting the data. Although the delays in data collection means that we miss being able to quantitatively show the start of the decline in the ESV pump efficiency, we still anticipate being able to show the benefits of having a high efficiency pump over a medium efficiency pump.

Osh Vodokanal gave UI partial data the water meters that were installed in several TSJs. The project on meters installation had not gone well in Osh. Residents of these TSJs did not welcome this idea after finding that they paid substantially less when paying by normatives than by actual meter reading which is several times higher. However Osh Vodokanal is reluctant to give up and has asked for additional time in order to hold an information campaign for residents of these TSJs. UI is assessing how best to proceed in this area.

Financial Management (Task 2C)

Bishkek City has committed to hold the first of five hearings on November 29. The hearing will be in Leninskoe Rayon and focus on the Rayon's subsection of the city budget. The other three rayons will each hold a hearing from November 30 to December 2. A large city-wide hearing will be held on December 8. The City Finance Department is moving slowly on providing the necessary budget information necessary to put together a high quality budget-in-brief document, but the Head of the City Kenesh, Ms. Baibolova has said it will be provided in early November. A series of five NGO trainings, prior to the rayon hearings, will be held November 14-19.



Within the framework of Participatory Budget Competition, Kara-Balta received the first segment of an improvement grant to construct of 210 meters of sewage network. The project in Nookat has had several problems. There were inappropriate actions undertaken in two tenders. Due to this and a previous problem on the grant provided to Nookat under the Community Infrastructure Grant project (which had long delays), UI decided to rescind the provisional grant award and instead awarded an citizens' information board to Nookat. The City Administration as well as members of the Selection Commission were notified of this decision.

Empowering Locally Elected Councils (Task 2D)

UI recommenced the training program specifically designed for local council deputies. The program consists of 4 modules which covers different deputy responsibilities: Basics of Local Self-Government, Basics of Asset Management, Basics of Budget Formation, and Managerial Skills. Letters with information about the program were sent to all cities. UI is getting requests from cities and developing a schedule of trainings for the next few months.

UI conducted a training on Budget Development and Preparation for PBH for Bishkek City Kenesh where 25 deputies took part. The Vice-Mayor and City Financial Department staff also participated in the training. Deputies decided to conduct hearings separately for each of the 4 rayons and then a City-wide hearing. An action plan on preparation activity was developed by UI and a deputy from each rayon. A budget-in-brief document on the draft 2006 Bishkek budget is being prepared. There are some problems with delay of data collection from rayons and changing control figures by MinFin. In accordance with the Action Plan the first hearing is scheduled on November 29.

UI announced an Exchange Program for city officials. The program envisions that local officials apply to UI for funding to travel to other cities to review a particular good practice. The applicant must show that the host city and officials are ready to demonstrate particular good local practices. Depending on the perceived value of such an exchange, UI will approve the travel. UI will also solicit interest from other cities in joining the proposed program.

UI announced a Guest Expert Program for cities. Local councils or senior administration officials may apply for funding to cover travel costs for central level experts in thematic areas covered by UI to come and advise their cities. Such costs would be reimbursed upon receipt of a report on activities. This program is an outgrowth of the successful experts' meetings organized within UI's past strategic planning component. These meetings were useful in the past for providing additional perspective to local officials, but also for building understanding among national officials of local problems and capacity (national officials were frequently surprised that they had thoughtful competent local counterparts).

Association of Cities Institutional Development and Support (Task 3A)

ACKR completed the first year subcontract. UI is in the process of developing a second year agreement with the Association which will include organizational, technical, and logistical support to the Board. The sub-contract will likely focus on provision of support to the Association's Finance Committee, which brings together 5 city officials to fashion a common position on Kyrgyzstan's budget and fiscal reforms. However, this depends on the Association settling its internal management issues. The Head of the Association plans to conduct a Board Meeting in the near future in order to discuss changes in the ACKR.

Regional Housing Associations Institutional Development and Support (Task 3B)

Nash Dom provided assistance to residents of 3 buildings in Bishkek to organize and legally register 3 TSJs (177 units in total). TSJ facilitators from Nash Dom also provided advice and assistance to prepare documents for registration of 5 more new TSJs in Bishkek.

Sub-contracts with two (2) regional housing associations were signed to continue providing membership services to individual associations. Urban Institute signed Sub-contracts with Nash Dom (Chui oblast, Bishkek) and Jalal-Abad regional associations for these NGOs to continue providing membership services to TSJs; to conduct roundtable discussions with utility providers and local governments on various issues (e.g. land parcels around multi unit buildings); to conduct best practice meetings for TSJs; and to produce and disseminate a Housing Newsletter. The new task of conducting a general meeting to report on activities and finances association membership was added to both sub-contracts. This task was added to improve democratic control and transparency of the regional associations, which in turn should encourage individual associations to take steps to implement similar improvements.



**Chairwoman of TSJ VOM-Osh
(Olga Mirzaliyeva) expressing thanks
to UI for the grant which repaired the roof**

3 pilot TSJ trainings on "TSJs as an Educated Consumer for Services" were conducted by newly trained trainers in Bishkek, Jalal-Abad and Osh. Monitoring of the training delivery was done by UI. In general, the monitoring revealed a strong interest from TSJ leaders in the training materials and relatively high evaluation of the training delivery by the participants. Based on its own review of the trainings, UI plans to introduce some additions and changes to the training materials (TOT manual and slides), mainly in the financial planning section (particularly the reserve fund). UI also drafted general comments to trainers regarding delivery for further improvement. The materials were based on an analogous course developed in Uzbekistan.

Repair projects in the remaining 4 TSJs were completed. 4 sub-contracts for repair works in 4 TSJs: VOM-Osh (Osh, roof repair), 36-Osh (Osh, heat networks repair), 44-Osh (Kara-Suu, roof repair) and Osh-Aigerim (Osh, partial roof, networks, and entrance door repairs) were completed by the sub-contractors previously selected by these TSJs on a competitive basis. UI drafted an overview of the Urban Partnerships Grant Program summarizing program implementation, as well as the experience of all 17 individual TSJ repair projects.

TSJ promotion posters were published. UI designed and produced colorful posters explaining the status of common property in multi-unit residential buildings; responsibilities of owners towards financial liabilities in management and maintenance of the common property; and posters promoting TSJs. The posters were published in 3 languages: Kyrgyz, Russian and Uzbek for further distribution throughout the country.

Academy of Management Institutional Development and Support (Task 3C)

There were no trainings conducted in October. The next round of trainings for LSG officials will start in November.

Standby Legal Resources (Task 4)

The training materials have been completed and are ready for a five day training to be held from November 14 to 18. An advertisement about training and the program was published in central and regional newspapers. In addition, information was also distributed to City Administrations and law schools throughout the country. In total, UI received 130 applications to participate in this program. The majority of applications are from attorneys and primarily from Bishkek. Thirty participants will be selected in the beginning of November.

TAJKISTAN ACTIVITIES/DELIVERABLES

Policy Dialogue and Supporting Policy Change (Task 1)

The strategy for Public Administration and Local Government reform is ready to be signed by the President. The PWG strategy was translated into Tajik and sent to selected ministries for their comments. At the same time the resolution on the approval of the strategy was drafted by the Legal Department of the Presidential Office. According to the resolution the Presidential Office will be responsible for implementing the strategy. It is expected that the strategy will be signed by the President in November 2005.

Study Tour on functional assignments to Poland. The Urban Institute continued cooperation with AED on a Study Tour on functional assignments to Poland. The Study Tour will be conducted from November 13 through November 19, 2005. The main objective of the Study Tour is to study the Polish system on the distribution of functions between the central and local government. The Study Tour is being organized in the framework of cooperation with the PWG and it is a first preparation step for implementation of local government reform. The participants of the Study Tour are the members of the PWG and representatives of local government. The last task in organizing the Study Tour is the approval of the list of participants by the Presidential Office.

Technical Assistance and Training to Cities/Towns (Task 2)

Khujand City expressed its interest in developing a financial plan based on actual costs. As of October 2005, a work plan on support for financial plans based on actual costs has been started to be completed in the end of this year and for 2006. The State Unitary Enterprise "Hojagii Manziliyu Communal" and Khujand city Hukumat expressed their willingness to in the process of developing the financial plan. The first meeting of the working group is planned for the first half of November in Khujand.

Training of Trainers on Adult Learning Methodology was conducted on October 10-15, 2005. The workshop goal was to introduce newly selected trainers with interactive methodology to conduct further training and technical assistance to local government. Total of 20 new trainers were prepared to start up capacity building for new cities by conducting basic workshops for all new cities



Training of Trainers on Deepened Budget Planning was held on October 31-November 1, 2005. A total of 24 trainers were introduced to revenue and expenditure forecasting techniques. Training was preceded by trainers' selection process. In reply to UI's advertisement made in Dushanbe, Kurgan-tube and Khujand around 50 applicants submitted their documents required of which 24 have been approved as UI partners.



During the training participants learn deepened knowledge on public finances revenues and expenditures type and circuit, relationships between central and local administration financial shares and local government development resources. The main part of the training has been dedicated to multiyear financial forecasting and planning. Trainers learned two basic forecasting techniques "Proportional changes methodology" and "Least square methodology". Participants have got familiar with IT tool that will be used in partner cities to predict their future revenues and expenditures based on least square methodology.

Kulyab requested Urban Institute assistance in developing plans for assuming management of the local communal enterprises. UI continued talks with the city of Kulyab on the process of assuming management of the local communal service enterprises. The city of Kulyab has overall permission from the government to take over the communal enterprises from the structure of the SUE. Because the transfer of ownership from the SUE to the city needs legal, managerial, financial and technical analysis, the Urban Institute Tajikistan offered its assistance. The offer and the scope of the cooperation with the city of Kulyab will be discussed in the next month.

Improvement of Kurgan-Tube City landfill operations. On October 3, G. Murray and E. Akrami, UI employee met with the private individual who operates the Kurgan-Tube landfill to go over his plans of site operation, determine how often he pushes the waste and etc. The goal is to prepare an operation plan to improve waste management methods. Plans were also made to work on the financial planning for this operation and to coordinate it with the City of Kurgan-Tube. Kurgan-Tube currently contracts for the management of the service, but is seriously in arrears on payment to the contractor.

Kolkhozabad composting project. UI Consultant Murray visited Kolkhozabad to discuss with the Head of Communal Services an agreement to be signed between UI and Kolkhozabad communal services for a composting project. An agreement is to be signed after the completion of the cotton picking campaign and work on windrow preparation will begin on the composting site. A public private partnership agreement is being drawn up between the land owner and the communal services enterprise.

Yavan City Bins Construction Project. An open competition was announced in early October, 2005 for construction of metal bins for Yavan city. A tender commission met and evaluated the bids and selected a vendor for metal bins construction. The commission included Yavan city representatives as well as community leader (*mahalla* chairmen), Yavan Communal





Services employees, an independent expert and UI staff. The education work for citizens was also discussed with city, communal services and community representatives. Also, the participants identified possible partners for conducting education activities in the city for citizens.

Technical Assistance and Training to Jamoats (Task 3)



Two-day seminar on *Citizens Involvement* was held in Tavildara Jamoat, Tavildara Rayon. The participants were rayon administration staff, communal service representatives, jamoat administrations, community leaders and citizens of Tavildara, Childara and Sangvor jamoats. The workshop goal was to introduce trainees to methodology of citizens' involvement into decision-making process at the local level. Twenty eight participants were trained. This work relates to the USAID conflict mitigation project.

City Computer Resource Centers and Training Facilities (Task 4)

President Imomali Rahmanov visited the Urban Institute Training Center in Khatlon Oblast Khukumat Administration. During his visit to Kurgan-tube city and Bokhtar rayon, Imomali Rahmonov, President of Tajikistan paid a visit to the Training Center located in Khatlon Oblast Khukumat Administration. This Center was created in conjunction with UI/TJ. The Head of Khatlon Oblast introduced him to the Training Center activities and informed him that deputies of Oblast Majliises and oblast khukumat administration were being trained in this Center. He also had a look at the training equipment. The President highly rated the training being conducted for local government officials in the Center and recommended to arrange Internet connection.

Study on Civil Registry Information (Task 5)

The overall assessment of the Civil Registry system in Tajikistan was completed.

Expanded Training for Locally Elected and Appointed Officials (Task 6)

Increase Support for Local Government Reform. A manual of training on roles and responsibilities of locally elected and appointed officials is in the development process.

Assessment of Options to Link Potable Water User Operations to Local Government (Task 7)

Assessment of the Status of the Yavon Potable Water User Association. An overview of the status of existing water system in Yavan was conducted in late September, 2005. More in-depth assessment is in process.

Technical Assistance to Review the Opportunities for Housing Maintenance Associations (Task 8)

A round table meeting on housing issues in Tajikistan was held in October. Charles Undeland facilitated the meeting of officials and NGO representatives. Carol Rabenhorst and staff of Urban Institute also participated. Participants summarized previous experiences of trying to promote housing associations in Tajikistan. Participants emphasized that the main structural problem hindering housing



associations lies in the legislation allowing for the organizational structure, and less in the legal ownership rights to the common assets, though here too there lacks clarity. And of course, as elsewhere in the former Soviet Union, The group advocated Dushanbe as a pilot location, since over half of the country's multiunit buildings are located there and the Dushanbe mayor seems to be in favor of the experiment. Approval to include pilot buildings within Dushanbe was granted by USAID.

After the round table, it was decided to provide the structures in charge of passing this law with recommendations to improve the draft of law on housing associations. An initial meeting was held with the member of the Parliament who is in charge of the draft law on condominium. The list of proposed recommendations is ready and will be discussed in a working group gathering all the officials connected with the legal housing reform.

The selection of the partner cities to participate in a TSJ demonstration project and the strategy for the implementation of this project was completed. Pilot owner associations will be implemented in Kurgan Tube, Yavon and Dushanbe. The first meetings with officials of housing communal services have been held in Kurgan Tube and Yavon. During the visit of privatized apartment buildings, preliminary interviews took place with owners and building representatives.

UZBEKISTAN ACTIVITIES/DELIVERABLES

National Policy Development (Task 1)

The new Law on TSJs is still being considered by the upper house (Senate) of *Oliy Majlis* (Parliament). In September, UI provided the Senate committee with comments on the articles of the law that were disregarded by the Legislative Chamber, with the aim of improving them from a legal standpoint.

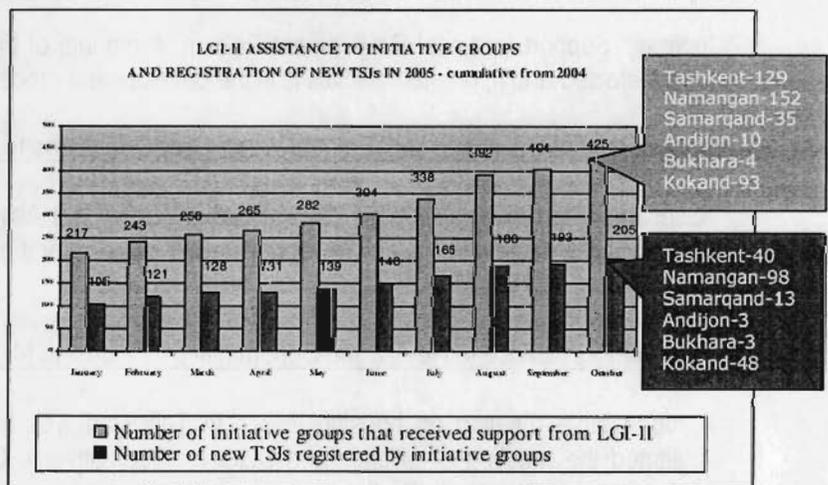
UI prepared comments on the changes made by the Legislative Chamber of Parliament during the first reading of proposed amendments to the Housing Code. The comments were provided to the Republican Training Center "*Uzkommunoquvtashkilotchi*" and the Tashkent City TSJ Association for their use in the legislative process.

UI began to review recommendations for proposed amendments and changes to the Tax Code. These are to reflect the status of TSJs as nongovernmental and noncommercial organizations.

Formation of Resident-Controlled Housing Partnerships (Task 2)

In October, LGI-II provided direct assistance to 21 new initiative groups, and 12 groups officially registered their TSJs (see chart).

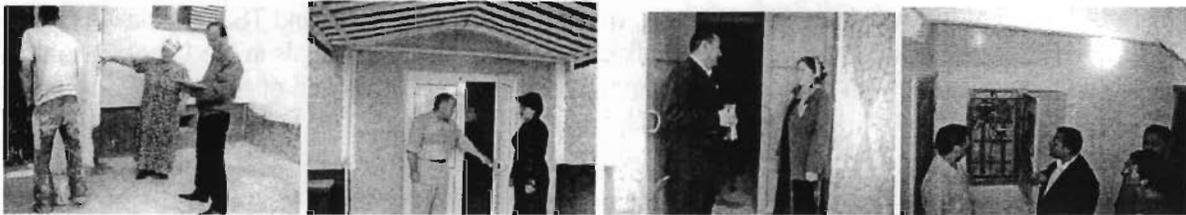
Despite the fact that UI's payments have been suspended by the National Bank of Uzbekistan, repair work in 10 TSJs under subcontracts is nearing completion and has been completed in 7 more (see the





programmatic issues section). Work in the other 9 TSJs is continuing. The first plaques have been prepared for hanging in the TSJs that have completed their repair work.

UI developed a special training session on establishing separate maintenance programs for each of the building and payment structures in Large/Medium TSJs. The emphasis of session was on the rights and opportunities of unit-owners of each building in making decisions related to the maintenance of their common property. This session complies with the expected new Law on TSJs and will be used in the trainings and consultations for TSJ leaders and residents.



TSJs assess repair work implemented by contracting organizations

Formation and Support of Regional TSJ Associations (Task 3)



TOT participants were eager to embrace UI's informational and training materials

On October 28-29, UI delivered a two-day TOT "On How to Use LGI-II Training and Methodological Materials for Consultancy and Training of TSJ Leaders and Residents." 33 participants took part in this training, including representatives of city and provincial association of TSJs from the pilot sites. Participants from Navoi and Fergana also attended, as well as UI trainers representing local partner training centers. The trainees were provided with the complete set of all training modules, as well as methodological and informational materials developed by UI (see picture).

The TOT and the study tour to Samarkand in late September have aided in the establishment of close contacts among TSJ associations from throughout Uzbekistan.

UI provided assistance to the Tashkent City TSJ Association in preparing an application to the Eurasia Foundation for a project devoted to consultations and trainings in three large districts of the city.

UI, jointly with training center "Uzkommunoqvtashkilotchi," worked on the training agenda for TSJ associations on the issues of their development. This training is expected to be delivered in late November.



Journalists discussed approaches on management of each building in large and medium TSJs

Public Awareness Campaign (Task 4)

On 26 October, UI held the first of a series of meetings with journalists from pilot sites and other locations. The first goal of the meeting was to provide informational and methodological support on covering issues of planning works and payment structures for each building in TSJs consisting of more than one building. At the meeting, UI and the journalists also discussed how to involve unit-owners in the decision making process. Wide coverage of UI-proposed approaches would help TSJs to design their workplans and budgets for the upcoming year. The journalists showed strong interest in holding such meetings once a month and to discuss TSJ coverage issues (see picture).

UI has printed and begun disseminating a book on TSJ development trends in Uzbekistan in Russian and Uzbek. UI is also in the process of printing a brochure on TSJ experiences in different countries, in Uzbek, for wide dissemination among the Uzbek speaking population.

Many of the journalists who became acquainted with the works of the TSJs and TSJ associations on the study tour to Samarkand have published articles and informational materials in the Uzbek media. Similarly, UI received positive feedback from journalists on the usefulness and effectiveness of these study tours and meetings.

Survey on Status of TSJ Reforms (Task 5)

No activities.

Promotion of a Market for Housing Services (Task 6)

UI prepared and disseminated an informational pamphlet with success stories on how the winning TSJs of the 2005 competition selected contractors via tender. These experiences served as proof to all stakeholders that TSJs can act as educated customers in the market of housing services.

A sample set of by-laws of a private housing management company have been prepared and provided to all partner associations of TSJs. UI also provided these Bylaws to the Republican Training and Methodological Center "*Uzkommunoqvtashkilotchi*" for review and its further discussion and dissemination among emerging new management companies.

UI assisted AED in preparation of the TR form for the 'Professional Management System in the Housing Sector' study tour to one of the CEE countries.

Legal Support for Housing Partnerships (Task 7)

No activities.



COUNTRY STAFF TRAVEL CHARTS

Kyrgyzstan

| Employee | Travel in Past Month | Expected Upcoming Travel |
|---------------------------------|------------------------------------|---|
| Undeland (CoP/Country Director) | Dushambe 10/5-8; Istanbul 10/14-19 | Tashkent , Osh, Jalal-Abad |
| Smith (Resident Advisor) | Vacation 9/30-10/21; Tokmok 10/28 | Tokmok, Osh 11/18 |
| Rabenhorst (Project Manager) | In-country 10/2-5 | |
| Abdykalykov (Municipal Finance) | Tokmok 10/7 | Tokmok, Osh 11/18, Shopokov, Batken Oblast, Uzgen |
| Akmatov (Land Specialist) | Jalal-Abad 10/24-26 | Osh 11/2-7 |
| Asibaliev (Strategic Planning) | Kara-Balta 10/21 | Shopokov, Batken Oblast, Kara-Suu |
| Bektenova (Executive Officer) | Issyk-Kul 8/12 | |
| Gradwal (Housing/Utilities) | | Osh |
| Mambetova (Legal Specialist) | Tokmok 10/28 | Shopokov, Batekn Oblast, Kara-Suu |
| Nanusbaeva (Municipal property) | Jalal-Abad 10/24-26 | Kara-Balta, Jalal-Abad |
| Roman (IT Specialist) | Tokmok 10/7 | Balykchy 11/4 |

NOTE: BEGINNING THIS MONTH TRAVEL INCLUDED IN THE TABLE MAY INCLUDE TRAVEL FUNDED THROUGH A DIFFERENT CONTRACT (E.G. ARIS OR CONFLICT MITIGATION), HOWEVER, IT REFLECTS A UI/LGI II PROJECT PRESENCE IN THE CITY AND IN MOST CASES LGI II PROJECT ISSUES ARE DISCUSSED WITH COUNTERPARTS WHILE IN THE FIELD.

Tajikistan

| Employee | Travel in Past Month | Expected Upcoming Travel |
|--|---|---|
| Davis (Country Director) | 9/28-30 Tavildara; Istanbul Turkey Oct 13-18; | Khorog; Vahdat; Vose; Garm; |
| Szymanowicz (RA) | | Poland (11/12-19), Kulyab |
| Jefremienko (RA) | Vahdat, Vose; | Khorog, Vahdat, Vose, Jami; Garm |
| Khairullaev (Utility Operations and Billing System) | | Khojend, Kurgan-Tube; Kholkozaboab, Yavon |
| Shomakhmadova (Citizens Involvement & Grants Specialist) | | Vahdat, Vose |
| Akrami (Assistant Citizen Involvement & Grants) | | Kurgan-Tube; Kholkozaboab, Yavon |
| Nekwar | | Vahdat, Jami |
| Inamov (Training Manager) | Yavon | Yavan, Khujand, Istaravshan, Kanibadam |
| Shuhrat (Training Specilist) | Yavan, Tavildara | Yavan, Tavildara, Istaravshan, Kanibadam |
| Gall (Housing Specialist) | Kurgan Tube (09/20) Yavon (10/27) | Khudjand (11/8-9), Tashkent (11/23-24) Kurgan-Tube; Yavon |
| Gulru (Training Specialist) | Yavan, Kurgantube | Khujand, Jami; Kurgan-tube |

NOTE: INCLUDES TRAVEL UNDER CONFLICT MITIGATION PROJECT

Uzbekistan

| Employee | Travel in Past Month | Expected Upcoming Travel |
|------------------------------------|----------------------------------|--|
| Irina Gentsler (Country Director) | Kokand, Namangan 10/3-4 | Angren 11/7, Hudjand 11/8-9, Kokand 11/15-16, Bukhara 11/24-26 |
| Gavhar Alieva (Housing Specialist) | Navoi, Samarkand 10/21-22 | Angren 11/7, Kokand 11/15-17, Andijan 11/18 |
| Rahima Ortiqova (Grants) | Kokand, Andijan, Namangan, Asaka | Bukhara, Navoi 11/2, Namangan, Asaka |

| | | |
|--|--------------------------------------|-----------------------------------|
| Coordinator) | 9/29-10/1, Andijan, Fergana 10/19-20 | 11/14-15, Samarqand 11/22-23 |
| Elena Pashkova (Translator/Trainings Coordinator) | None | Kokand 11/15-17, Bukhara 11/24-26 |

PROGRAMMATIC AND OPERATIONAL ISSUES

General

Urban Institute has assigned a new home office program manager to LGI II. Carol Rabenhorst will replace Peter Epstein, who has taken an assignment in Ethiopia, as the program manager. Ms. Rabenhorst, a lawyer, has contributed substantively to the project in the past in both Uzbekistan and Kyrgyzstan. In addition to her programmatic work, she will also be responsible for home office management issues as well. Ms. Rabenhorst was in the field from October 2 to 13 and visited Kyrgyzstan, Tajikistan and Uzbekistan.

Kyrgyzstan

Bekbolot Bekiev left the project in late October to become the Deputy Minister of Justice. Although Bekbolot will be sorely missed and difficult to replace, his selection as a Deputy Minister reflects well on the project. Bekbolot has agreed to help during the transition period and assisted with the asset management conferences and is continuing to help on the legal trainings. We anticipate further cooperation between the project and Bekbolot in his new position.

We are pleased to announce the addition to our staff of Abdrasul Akmatov, a land specialist. Abdrasul is one of the pre-eminent land specialists in the country and previously worked as an appraiser in Osh. Abdrasul is tasked with assisting Bishkek and Osh with developing and implementing land strategies.

Local elections for heads of local self-governments will be held on December 18. President Bekiev issued a presidential decree on October 17th setting the calendar for the elections of 371 heads of ayyl-okmotu and cities of rayon subordination (excluded from the election are localities where heads of LSG were elected during the period 2002-2005).

Urban Institute will be awarded an additional contract by ARIS (the implementing agency for the World Bank's small cities infrastructure project) to conduct assessments of utilities in 16 cities. UI is in final contract negotiations for this project which envisions conducting assessments in a total of 16 cities. In nine cities, both the Vodokanals and KKP's will be assessed, in a further seven cities, only the KKP's will be assessed. UI plans to use both Andrew Popelka and Ted Siegler on this project. Cost sharing arrangements will result in savings to the LGI II project. In addition, Hilary Smith will spend 20% of her time on the project, and local staff members Mambetova, Abdykalykov, and Asibaliyev will also spend time on the contract.

UI held 2 separate meetings with Ambassador George Frowick, from the State Department Office of the Coordinator of Assistance to the NIS. The meetings focused first on LGI II and its objectives in each of the countries, with a focus on Kyrgyzstan. The second meeting was an in-depth discussion of decentralization trends in Kyrgyzstan with First Deputy LSG Minister Fattakhov.

Tajikistan



Cotton picking time continues with its usual stoppage of all other work, but the program has been using this time to orient new employees and do planning work for the new year.

New staff has joined UI in Dushanbe. Akhmat Khairullaev will be working on communal service enterprises management issues, including billing systems. Ekaterina Babaeva, who has worked in the Ministry of Finance and with the World Bank will be working on policy issues and inter-governmental finance. An additional training assistance was also hired.

Uzbekistan

On October 10, 2005, the National Bank of Uzbekistan suspended UI payments to the contractors implementing repair works for TSJs. The bank considers that UI made subcontracts with contractors in order to avoid financial monitoring by the special working group of the bank. The bank proposed that UI provide grants directly to TSJs. UI believes that the suspension of bank payments is the result of in-country political conditions, including government suspicions of international organizations, and not based on legislation. Local partners are working to help resolve this issue. At this point, all works in TSJs are nearing or have reached completion. As of October 10, UI has already made payments in the amount of \$43,750, and \$30,750 is left to be paid.

UI/Tashkent hired 3 new staff members: 1) Nigora Shayusupova, jurist, 2) Norbek Pardayev, specialist on promoting market of housing services (replacing Mohir Shagazatov), 3) Stella Solovei, regional TSJ associations' activity coordinator.

Ambassador George Frowick, from the State Department Office of the Coordinator of Assistance to the NIS, visited the Tashkent City single-building TSJ "Adolat Sari," winner of UI's competition in 2005. While there, he became acquainted with the results of the project implementation and met with the residents of the building. Journalists were invited to the meeting and the successful activities of "Adolat-Sari" were compiled into a story that is being widely disseminated among state officials, mass media outlets, and other stakeholders.



COUNTRY TASK CHARTS

Kyrgyzstan

| ACTIVITY | RESULTS IN OCTOBER 2005 | UPCOMING ACTIVITIES (next 2 months) |
|--|--|--|
| Supporting Policy Change at the National Level (Task 1) | <ul style="list-style-type: none"> Change in government structure approved abolishing the Ministry of Local Self-Government and renaming MinFin to the Ministry of Economics and Finance Agency on Local Self-Government Issues established under the President's Administration MinFin and Min LSG jointly adopt an Action Plan in Financial Decentralization Implementation 2005-2006 | <ul style="list-style-type: none"> Comments submitted on the draft Tax Code Work on implementation of the fiscal decentralization reforms |
| Asset Management (Task 2A) | <ul style="list-style-type: none"> Regulation, proposal evaluation guidelines, and draft contract on Kara-Balta park complex developed Two asset management regional meetings in Bishkek and Jalal-Abad conducted | <ul style="list-style-type: none"> Kara-Balta park concession Land strategy in Jalal-Abad completed Asset management Legal Framework in Bishkek Asset Management trainings for city councils |
| Municipal Utility Enterprises (Task 2B) | <ul style="list-style-type: none"> Tokmok kenesh session on approval of Tokmok water utility and Ecolog business plans held TA provided on billing and collection software Draft survey on customer satisfaction developed | <ul style="list-style-type: none"> Charters for Municipal Enterprises and Use Agreements finalized Implementation of the billing software in Ecolog and other utilities Customer satisfaction survey ToT on pumps conducted in Association with ARIS |
| Financial Management (Task 2C) | <ul style="list-style-type: none"> Kara-Balta city received first 50% (31,000 Som) of grant Nookat conducts two problematic tenders resulting in cancellation of the grant. Instead, an information board will be awarded Dates set for five public budget hearings in Bishkek | <ul style="list-style-type: none"> Completion of grant implementation in Kara-Balta and Karakol cities Information board to be erected in Nookat First ever Bishkek public budget hearings Strategy implementation monitoring in Karakol and Balykchy 5 NGO budget trainings in Bishkek |
| Empowering Locally Elected Councils (Task 2D) | <ul style="list-style-type: none"> Budget training for the Bishkek City Council conducted Training for councils recommenced Exchange Program among cities announced Guest Expert Program for cities announced | <ul style="list-style-type: none"> First ever Bishkek public budget hearings (Nov-Dec) Training for councils (December) |
| Association of Cities Institutional Development and Support (Task 3A) | <ul style="list-style-type: none"> First year subcontract completed | <ul style="list-style-type: none"> ACKR's Board Meeting Year 2 subcontract to be signed |
| Regional Housing Associations Institutional Development and Support (Task 3B) | <ul style="list-style-type: none"> Year 2 sub-contracts with Nash Dom and Jalal-Abad regional housing associations executed Final 4 TSJ grant projects completed 3 pilot trainings delivered on TSJs as Educated Consumers 3 new TSJs registered in Bishkek TSJ promotion posters published | <ul style="list-style-type: none"> Identification of land boundaries Study tour to Uzbekistan (late November) Production of a reference book of materials to help TSJs to be educated consumers of services |
| Academy of Management Institutional Development and Support (Task 3C) | <ul style="list-style-type: none"> No training held in October | <ul style="list-style-type: none"> Training for LG regional officials in Bishkek and Osh (September) |
| Standby Legal Resources (Task 4) | <ul style="list-style-type: none"> Training materials finalized for lawyers Advertisement for training published 130 applications received | <ul style="list-style-type: none"> 30 participants selected (November) Training for lawyers held (November) |



Tajikistan

| TASK | RESULTS IN REPORTED MONTH | UPCOMING ACTIVITIES (next 2 months) |
|--|--|---|
| <i>Policy Dialogue and Supporting Policy Change (Task 1)</i> | <ul style="list-style-type: none"> • The Public Administration and Local Government Strategy is ready to be signed by the President • The Study Tour on functional assignments in Poland is prepared | <ul style="list-style-type: none"> • Conduct the Study Tour on functional assignments in Poland • Strategy to be approved by the President • Start to develop a work plan for the first year of the strategy implementation |
| <i>Technical Assistance and Training to Cities/Towns (Task 2)</i> | <ul style="list-style-type: none"> • 20 new trainers were trained in adult learning methodology • 24 trainers were trained on Deepened Budget Planning • A grant on Yavan City Bins Construction defined and a tender was announced. The vendor selected. | <ul style="list-style-type: none"> • Series of seminar on Deepened Budget Planning will be held in Kurgantube, Jami, Khujand, Dangara, Vahdat, Yavan cities • TOT on Capital Investment Planning will be held in Dushanbe for project cities. |
| <i>Technical Assistance and Training to Jamoats (Task 3)</i> | <ul style="list-style-type: none"> • Two-day seminar on Citizens Involvement was held in Tavildara Jamoat | <ul style="list-style-type: none"> • A seminar on Deepened Budget Planning will be held in Tavildara |
| <i>City Computer Resource Centers and Training Facilities (Task 4)</i> | <ul style="list-style-type: none"> • Kurgan-tube Training Center was highly rated by Imomali Rahmonov, President of Tajikistan | <ul style="list-style-type: none"> • City Computer Resource Centers and Training Facilities will be widely used to conduct further seminars on deepened budget planning. |
| <i>Study on Civil Registry information (Task 5)</i> | <ul style="list-style-type: none"> • The study was finished in September 2005. | <ul style="list-style-type: none"> • NA |
| <i>Expanded Training for Locally Elected and Appointed Officials (Task 6)</i> | <ul style="list-style-type: none"> • Roles & Responsibilities TOT elaboration started with PP presentations preparatory works.. Tentative schedules of task and sub-tasks implementation ready and approved. | <ul style="list-style-type: none"> • Roles & Responsibilities TOT, curriculum, handouts, materials ready and TOT scheduled. |
| <i>Assessment of Options to Link Potable Water User Operations to Local Government (Task 7)</i> | <ul style="list-style-type: none"> • An overview of the status of existing water system was conducted | <ul style="list-style-type: none"> • More in-depth assessment will be completed. |
| <i>Technical Assistance to Review the Opportunities for Housing Maintenance Associations (Task 8)</i> | <ul style="list-style-type: none"> • Round table on opportunities for condominium in Tajikistan • Selection of the cities for the pilot sites • Contact with hukumats and HCS • Strategy for the demonstration project • Recommendations for the law on condominium | <ul style="list-style-type: none"> • Working group with high officials on the draft law on condominium • Selection of the pilot buildings in partner cities • Information campaign for owners • Preparation of study tours |



| TASK | RESULTS IN OCTOBER 2005 | UPCOMING ACTIVITIES (next 2 months) |
|---|--|---|
| National Policy Development (Task 1) | <ul style="list-style-type: none"> Prepared comments on the changes made by the Legislative Chamber of Parliament to the amendments to the Housing Code Launched a project to design proposed amendments and changes to the Tax Code | <ul style="list-style-type: none"> Provide expertise to local NGO partners while consideration in Oliy Majlis changes and additions to the Housing Code Provide proposed amendments to the Tax Code to local NGO partners Sign MOU with Kokand City Hokimiyat (mid November) |
| Formation of Resident-Controlled Housing Partnerships (Task 2) | <ul style="list-style-type: none"> Provided direct assistance to 21 new initiative groups, and 12 groups officially registered their TSJs Repair works in 10 TSJs under subcontracts is nearing completion and has been completed in 7 more. Work in the other 9 TSJs is continuing Prepared the first plaques for hanging in the TSJs that have completed their repair work Developed a special training session on establishing separate maintenance programs for each of the building and payment structures in Large/Medium TSJs | <ul style="list-style-type: none"> Provide consultations for residents and TSJ leaders (ongoing) Monitor repair works in buildings of TSJs – winners of the competition (ongoing) Hold plaque hanging ceremonies in TSJs that completed repair works Seminar on the issues of TSJ and mahalla relations in Bukhara Assist UI/Bishkek to conduct a study tour to Namangan for representatives of Kyrgyz municipalities and Associations of TSJs |
| Formation and Support of Regional TSJ Associations (Task 3) | <ul style="list-style-type: none"> Delivered a two-day TOT for representatives of city and provincial association of TSJs and UI trainers Provided trainees with complete set of all training modules Facilitated contacts among TSJ associations Provided assistance to the Tashkent City TSJ Association in preparing an application to the Eurasia Foundation | <ul style="list-style-type: none"> Hold meetings with the representatives of Tashkent district Associations of TSJs to discuss cooperation with the project LGI-II Deliver jointly with training center "Uzkommunoqvtashkilotchi," training for TSJ associations throughout the republic |
| Public Awareness Campaign (Task 4) | <ul style="list-style-type: none"> Held the first of a series of meetings with journalists Printed and begun disseminating a book on TSJ developments tendencies in Russian and Uzbek Journalists who were on the study tour to Samarkand have published articles and informational materials in the Uzbek media | <ul style="list-style-type: none"> Disseminate new brochure on TSJ experiences in different countries in Uzbek in pilot sites Hold the meeting of journalists (end of November and December) Prepare and print next issues of bulletins Print Best TSJ Practices booklet |
| Survey on Status of TSJ Reforms (Task 5) | <ul style="list-style-type: none"> No activities. | <ul style="list-style-type: none"> Print the booklet on the results of the survey |
| Promotion of a Market for Housing Services (Task 6) | <ul style="list-style-type: none"> Prepared and disseminated an informational pamphlet with success stories on how the winning TSJs of the 2005 competition selected contractors via tender Prepared and provided to all partner associations of TSJs the sample Bylaws of a private housing management company Assisted AED in preparation of the TR form for the study tour to one of the CEE countries | <ul style="list-style-type: none"> Presentation of recommendations on establishing private housing management companies including their raft bylaws Deliver a two-day training for TSJ leaders in Kokand |
| Legal Support to Housing Partnerships (Task 7) | <ul style="list-style-type: none"> No activities. | <ul style="list-style-type: none"> Review contents of training materials for jurists after passage of the new Law on TSJs |



GENDER REPORTING

Kyrgyzstan

| GENDER REPORTING | | |
|--|------------------------|-------------------|
| Events | Number of participants | Number of females |
| Asset Management Best Practices Conference in Bishkek | 31 | 5 |
| Asset Management Best Practices Conference in Bishkek | 52 | 2 |
| TSJ as an Educated Consumer in Bishkek, Osh, JalalAbad | 59 | 51 |
| Budget training for the Bishkek council | 26 | 6 |
| Total | 168 | 64 |

Tajikistan

| GENDER REPORTING | | |
|------------------|------------------------|-------------------|
| Events | Number of participants | Number of females |
| Trainings | 72 | 12 |
| Other | 19 | 4 |
| Total | 91 | 16 |

Uzbekistan

| GENDER REPORTING | | |
|------------------------|------------------------|-------------------|
| Events | Number of participants | Number of females |
| TOT | 33 | 13 |
| Meeting of journalists | 15 | 5 |
| Total | 48 | 18 |

MONTHLY TASK ORDER PROGRESS AND COST REPORT FOR NOVEMBER 2005

CENTRAL ASIAN REPUBLICS LOCAL GOVERNMENT INITIATIVE PHASE II

HIGHLIGHTS

Kyrgyzstan

- Ministry of Finance requests assistance from UI on shared taxes and equalization
- Standby Legal Resources for Cities Program launched
- UI officially launches work in Bishkek and Osh to develop municipal land strategies
- Joint training with ARIS/World Bank on Pump Operation and Maintenance

Tajikistan

- Study Tour on Functional Assignments was conducted in Poland
- Trainings on Deepened Budget Planning were held in Yavan, Khujand and Vahdat

Uzbekistan

- Letter of Agreement signing ceremony with Kokand City Hokimiyat
- Republican seminar for chairpersons of TSJ Associations in Tashkent

SUCCESS STORY

Helping Uzbekistan to Have Sustainable Associations of Condominiums (TSJs)



Tadjihon Saidikramova, board member of the Business Women Association, made a presentation during the seminar on opportunities of establishing credit unions for TSJs within TSJ associations

On November 24-25, the Republican Seminar "TSJ Associations: Development through Assistance to its Members" was held in Tashkent, with representatives of 27 associations from different provinces and cities of the republic participating. The seminar was conducted jointly by the Urban Institute/Tashkent, which implements the USAID-funded project LGI-II, and the Republican Training Center "Uzkommunukuvtashkilotchi." UI's interest in the seminar was to strengthen the positive elements of the government-inspired drive to establish such associations, and to emphasize their role as non-governmental membership organizations

There are 44 registered provincial and city associations of TSJs in Uzbekistan. Most of them established in 2005 after a presidential resolution issued in February of the same year. The associations organized in a top down fashion were often headed up by people who were poorly informed about the principles of the operation of nongovernmental and noncommercial organizations and who do not have experience in the NGO sector. The major focus of the seminar was to increase the knowledge of association representatives on the legal framework of their activities as member-



based NGOs. The other main task of the seminar was a discussion of how associations can attract TSJs to be their members and how they can increase their potential through provision of services to member TSJs.

This is not the first event for emerging TSJ associations in Uzbekistan. In March 2005, UI conducted the first orientation seminar for representatives of associations established by government initiative. Later, in September 2005, UI organized a study tour to Samarkand with the aim of introducing association leaders to the activities of the city association there, which was established directly by TSJs several years ago and has been cooperating with the USAID/Urban Institute for more than two years. At the same time, one of the achievements was the development of model Bylaws of TSJ Associations by the Uzbek Agency "Uzkommunhizmat" with the assistance of LGI-II, in which the principles and goals of association activities, as NGOs based on voluntary membership – and not arms of the government to control TSJs – were confirmed.

The seminar helped me to understand that the association is not an organization for controlling TSJ activities, but instead it is an organization that provides support and advocates for TSJ interests. And in my view, now the main task of my association is to assist in establishment of single-building TSJs in Navoi.

Ramazan Halikov
Chairperson of Navoi City Association
of TSJs

Demand for detailed instruction on legislation and a discussion of the role of associations came from the heads of the associations themselves. The program of the seminar was based on requests and proposals of the associations themselves. The questions of what services TSJs need, how membership fees correlate to the services provided by associations, entrepreneurship activities and taxation of associations, as well as the experience of foreign counterparts, were discussed in the first day of the seminar. The second day was fully devoted to common issues faced by TSJs. Samarkand, Namangan, and Kokand associations, which have had positive experiences as largely grassroots organizations serving their membership. The Samarkand and Namangan associations were organized by TSJs first as grassroots organizations; their success is what prompted the government drive to set up associations elsewhere.

Seminar participants could ask questions and formulate common TSJ problems in front of the representatives of ministries, state agencies and banks. One of the major problems for TSJs still remains the attraction of additional financial resources for implementing repair works in multi-unit buildings. The participants showed universal interest in the presentation made by the representative of an Association of Business Women of Uzbekistan on the establishment of credit unions, which can be used by TSJ associations in providing assistance to their members (see photo). Association leaders were also able to exchange their experiences with each other.

At the end of the seminar association leaders came to a common opinion that associations can only survive and progress if they work in the interests of TSJs and advocate for them. All association leaders expressed a willingness maintain close contact with each other and agreed in the necessity of having a coordination center, which in the future can become a foundation for the republican association of TSJs.

KYRGYZSTAN ACTIVITIES/DELIVERABLES

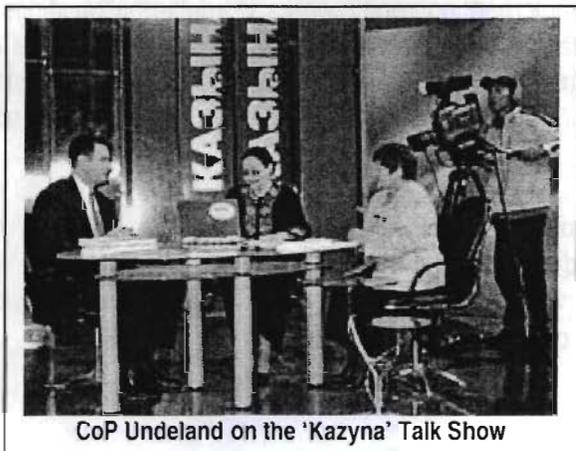
Supporting Policy Change at the National Level (Task 1)

On November 14, President Bakiev issued for public discussion the draft Law on Introducing Changes and Additions to the Constitution of the Kyrgyz Republic. This new draft law is drastically different from the draft law of June 15, 2005. Unfortunately, the new draft law does not include any of UI's proposals and even includes one provision that is quite negative for local self-governments. In the current draft law, Article 92 states that LSG bodies shall cooperate with local state administrations. Not only is this vague and reduced the autonomy of LSGs, but it also contradicts Article 7 of the Constitution which says that state functions are separate from functions of LSG bodies.

On November 24, a Constitutional Conference was held to discuss the draft changes. The majority of the members of the Constitutional Commission were present as well as many NGO representatives. Mr. Dikenbaev, the Head of the Association of Villages and a member of the Constitutional Commission, proposed to remove Article 92, which requires the coordination between Local Self Government and Local State Administration, as well as several others. He read from notes that UI had provided to our key partners regarding problems with the draft constitutional changes.

On November 30, UI met with the Bektur Zulpiev, the Head of the Legal Department in the Presidential Administration, and his Deputy Bokoev. Zulpiev is effectively the secretary for consolidating comments and additions to the Constitution. The purpose of the meeting was to provide UI's comments and proposals on the draft changes to the Constitution. In addition to the elimination of the provision for 'interaction' in Article 92, UI's main points are:

- Article 7 states that "State power in the Kyrgyz Republic is based on the principle of differentiation of functions between state power and local self-government." UI proposes adding the differentiation of authorities as well in order to counter unjustified intervention by state agencies.
- Elimination from Article 46 of the provision that states that heads of oblast and rayon state administrations are appointed with the consent of appropriate local keneshes. This constitutional norm causes complications in that oblasts and rayons are administered by local state administrations which do not have separate budgetary or legal status from the state; the keneshes are in effect window dressing. Amendments were previously passed eliminating these keneshes; UI believe that the issue should be regulated by laws, and not by the Constitution, which is difficult to change.
- Introducing the concept of a municipality composed of an administrative-territorial unit in which the community exercises self-government through its elected



CoP Undeland on the 'Kazyna' Talk Show



entities instead of the ubiquitous "bodies of local self government" which is confusing and misrepresents local government.

During the meeting, UI also provided the draft changes to the Law on Local Self-Government and Local State Administration in order to acquaint them with it. The amended draft law is currently waiting to be approved by the Prime Minister's Office and will hopefully be submitted to the Jogorku Kenesh for consideration in the near future. Zulpiev indicated support for all of these proposed changes.

On November 30, the President appointed Mr. Beishenbek Bekbolotov as the new Head of the National Agency on Local Self-Government Issues under the President's Administration. Mr. Bekbolotov was previously the Head of the Center for the Attraction of Foreign Investment under the Ministry of Economic Development, Industry, and Trade. Prior to that, he was a deputy of the Naryn Oblast Kenesh, a first Deputy Head and eventually Head of the Naryn Oblast State Administration. His previous experience does not suggest that he will be a powerful advocate for local self-governments. Mr. Fattahov has indicated that he will be the Deputy in the Agency.

Significant Media Coverage Provided to the Project. CoP Undeland was the primary speaker for a half hour talk show on local government issues as well as an expert speaker for a separate hour long talk show 'Open Kyrgyzstan', which was also devoted to local government issues. Interest is particularly high thanks to the upcoming elections on December 18.

Asset Management (Task 2A)

Three legal documents for the Kara-Balta park concession were approved by the City Kenesh including:

- Regulation on the Terms of Providing the Park Complex to Private Management through Competition,
- Rules for Evaluation of Competition Proposals
- Draft Contract for the Private Management of the Park Complex.

Following the Kenesh's approval, all three documents were submitted to Ministry of Justice for registration.

Bishkek City Kenesh issued a resolution On the Development of a Municipal Land Management Strategy during the kenesh session on November 22. During the Kenesh session, Bolot Abdulaliev, a member of Economic and Financial Commission of the Kenesh and Charles Undeland made presentations on this issue and answered deputies' questions. After an in-depth and complicated discussion, deputies of the City Kenesh voted to launch the initiative and approved a Working Group headed by First Vice-Mayor of Bishkek City Ilaya Klimenko. The Working Group's first task is to adopt an Action Plan.

Jalal-Abad City developed a classification of vacant municipal land. Following the identification of 130 land parcels with an area 33 hectares, the City Administration asked the City Architecture Department to determine the zoning for each piece of property. The City Architecture Department provided information on which land parcels could be used for capital construction and which could not. Based on this information, a Special Working Commission of the City Administration divided the land parcels into the following categories:

1. Land of the so-called "Gold Reserve" (reserved for future sale or use as collateral when resources are needed),
2. Land plots as a separate real estate unit for capital construction,
3. Land plots for integrating into adjacent sites for capital construction,
4. Land plots not suitable for capital construction under current land use patterns.

The next step is to develop a schedule for land lease and sale competitions and allocations.

Osh City Administration initiated the development of a municipal land management strategy. Osh City Administration and UI signed a Memorandum of Cooperation in this area of activity. Osh City Administration is currently forming a Working Group that will develop the Action Plan.

An asset management presentation was to participants of the five day Train the Trainers conducted by UI from November 21-25 (see Empowering Locally Elected Councils). The presentation focused on the basics of municipal property management in Kyrgyzstan including 1) main principles of asset management and the classification of municipal property objects, 2) the role of the City Kenesh in municipal property management, 3) functions of the City Kenesh in control over the financial status of municipal property, 4) the legislative foundation of municipal ownership rights, and 5) functions of the municipal property manager. Following this presentation, participants made 15-minute presentations on asset management issues in order to demonstrate their knowledge and skills in this subject. Based on the presentations, Urban Institute will select the best trainers.

Municipal Utility Enterprises (Task 2B)

UI jointly with ARIS/World Bank and AED held a TOT on Pump Operation and Maintenance from November 29 to December 1. The 25 participants included the chief engineers and electricians of 7 Vodokanals which are included in the Year 1 investment and other technical engineers from around the country. TOT was conducted by Andrew Popelka in order to identify several prospective trainers that in the future will conduct analogous trainings for other Vodokanals throughout the country under the World Bank's Small Town Infrastructure and Capacity Building Project.



STTA Popelka and Trainee

Implementation of the billing software at Tokmok Ecolog (the sewage company) is progressing. The testing of the program was done successfully. The next step is to input data and current balances for one pilot sector in Tokmok with about 200 customers. The collector for this sector will be provided with a register of amounts due for the past month and as well as total amounts due for each customer in this sector. Using the register, the collector will collect payments and record them in the register. After submission of the register with paid amounts for the month, UI will verify whether the program records the paid amounts correctly. The implementation of the software at the Tokmok Vodokanal has been started with the installation of program updates.



UI has decided to conduct a Consumer Satisfaction Survey in all 25 cities to determine citizens' satisfaction with services provided by the local self-government. In an effort to make the survey repeatable in the future by LSGs and/or NGOs, the survey is concise, but comprehensive. UI plans to use local NGOs to conduct the surveys in order to minimize costs (this will also show the LSGs that the surveys can be done at low cost). A hundred citizens will be surveyed in each City. The results will be made available to the LSGs, and we will work with the LSGs to encourage the effective use of the results in deciding where to focus their resources, including in preparation for the budget in 2007, when there should be more local discretion in determining expenditures. The first draft questionnaire has been prepared and internally discussed. UI has asked the cities of Balykchy, Jalal-Abad, Uzgen, and Sulukta for comment on the questionnaire before we implement it.



Financial Management (Task 2C)

The Ministry of Finance asked UI for assistance in implementing the equalization formula in FY 2007. Following UI's letter offering assistance on a range of issues necessary to implement financial decentralization reforms for the 2007 budget year, the Ministry Finance provided its database of LSG budgets for 2002-2004 for UI's internal use. UI's intention was to verify and organize the data such that it could be used in determining equalization transfers and to determine shares of shared taxes. UI immediately recognized that the database is flawed in that it largely contains data only on actual receipt of revenues by each local budget rather than the amount of taxes collected in each jurisdiction. This is problematic for local taxes and shared taxes which are frequently redistributed in an ad hoc manner by the rayons and oblasts. The current data makes it impossible to determine own source resources with certainty and to make accurate recommendations on shares of shared taxes. Moreover the database is in a different format than required by the equalization formula. Because of the current structure, there are significant inconsistencies when aggregating data on LSGs for the rayon and oblasts and comparing with the rayon and oblast reports. In order to resolve these problems, UI's in reorganizing the structure of the database. Thereafter, the data needs to be verified and revenue data by point of collection (rather than which budget it was allocated to) needs to be collected. UI has already met with Ministry of Finance officials to discuss these problems and has agreed with them that a new Data Request Form, which will be developed with UI assistance, needs to be sent out. UI has been in close coordination with the World Bank, which is also keen to see Ministry of Finance officials follow through on the budget reforms.

On November 29 and 30, Bishkek City held two public budget hearings in Lenin and Pervomai Rayons. Both hearings went smoothly due to intense preparation and technical assistance provided by UI. Approximately 150 and 100 citizens participated in the hearings respectively. Both hearings were opened by the Chairwoman of the Bishkek City Kenesh, Mrs. Bailbolva and then were led by a Deputy from that

particular rayon. During both hearings, the City Budget was presented by the Head of the City Finance Department Mr. Ishanov in a slide presentation. During both hearings, the quality of questions was quite high and were focused on the budget. The other two Rayons will hold hearings on December 1 and December 2 and the city-wide hearing will be held on December 9.

Prior to the hearings, UI conducted 5 budget trainings for NGOs and interested citizens with approximately 125 participants. The Budget-in-Brief was developed and published well in advance of the hearings and was available during the trainings and was posted on the websites of the City Kenesh, the Association of Cities, and UI.

The grant project in Karakol to equip a Youth Legal Information Center under the Participatory Budgeting Competition has been completed. The project involved provision of legal literature and computer equipment to the center. On-going operational costs of the Center will be covered by the city budget. The activities of the center are aimed at provision of legal support to children and youth residing in Issyk-Kul Oblast.

Due to procurement problems with Nookat City's grant under the Participatory Grant Competition, UI has decided to award them an information board instead. Nookat City Administration conducted two flawed procurements resulting in UI rescinding the provisional grant award. Instead, a citizens' information board will have been ordered and will be installed in Nookat in early December. UI reviewed, both verbally and in writing, the problems with the procurement with the City Administration in an effort to avoid such problems in the future.

Balykchy City Administration conducted a formal review of the implementation of the City Strategy. The monitoring results demonstrate that 109 actions (55%) of the 200 total actions in the strategy were implemented as of November 1st 2005. An additional 10% if the actions have been implemented and 35% of the actions remain to be implemented at all.

Empowering Locally Elected Councils (Task 2D)

Councils play a key role in organizing public budget hearings in Bishkek. Largely thanks to the efforts of city kenesh deputies, the hearings were finally held. Moreover, the deputies took the lead in organizing the efforts. On November 25, the City Kenesh organized a press conference on the forthcoming hearings. Bishkek Kenesh Chairperson Mrs. Baibolova and the four deputies responsible for the rayon hearings answered mass media questions.



Bishkek Kenesh Deputies give Press Conference on Budget and Hearings

In order to increase the number of trainers for UI's training program for elected council members, UI conducted a 5 day Train the Trainers. The ToT Agenda included the basics of Local Self-Government and the basics of Asset Management. The section on Asset Management was designed in cooperation with the World Bank's project on Increasing Transparency of LSG Bodies which plans to train asset management specialists at the ayyl-okmotu level. Sixteen trainers participated in the program, including 9



from Bishkek and 7 from the regions. Four of the participants were WB trainers who will conduct similar trainings in aiyi-okmotu on asset management.

Association of Cities Institutional Development and Support (Task 3A)

ACKR conducted a Board Meeting on November 25 at UI's urging. UI intended to bring the board and membership together with the Executive Directorate to discuss the differences which have emerged and have not been bridged over the past months. In effect, the Association staff has been acting independent of the membership. The agenda included the introduction of amendments to ACKR's Charter, a financial report from the Executive Director to the Board, and a discussion of a new approach to ACKR's development. Due to various reasons several Board members were not present and there were no quorum. The rest of Board members expressed again their dissatisfaction with the Executive Director's activity which does not fully meet cities' needs and priorities. In addition, Board members were displeased that they did not receive financial reports on grants received by the Association, and that the only financial reporting is about dues paid by the membership. It was decided to conduct a Board meeting in December after the elections take place and then a general assembly in late January.

Regional Housing Associations Institutional Development and Support (Task 3B)

Nash Dom provided assistance to residents of 2 buildings in Bishkek to organize and legally register 2 TSJs (comprised of 162 units in total). Registration of one more TSJ is almost complete. In addition, TSJ facilitators from Nash Dom provided advice and assistance to prepare documents for registration of 4 more new TSJs in Bishkek.

Nash Dom organized a group of active and motivated leaders of TSJs from Bishkek to participate in UI's PBH training for NGOs. All of the training participants were active trainees and expressed their readiness to participate in the hearings with ready questions. During the budget hearing in Pervomai Rayon, one of these TSJ leaders asked about the inclusion of budget funds for defining land around multi-unit buildings. Mrs. Baibolova, the Kenesh Chairwomen, commented that there was no money designated in the current draft budget, but that prior to approval it would be amended to include money for this purpose. A total of 1 million soms (about \$25,000) is now planned in the budget as a direct result of TSJs working with deputies over the budget and making suggestions during the hearings.

Nash Dom was awarded a grant from Soros to encourage local participation in the budget process. After participating in UI's PBH training, the Nash Dom fundraising specialist found information regarding Soros Foundation's (SFK) grant program to encourage citizens' involvement in the local budgeting process. Nash Dom contacted leaders of several TSJs that had not participated in UI's PBH training to see if they would also be interested in participating in seminars on Bishkek budget development. After re-confirming that there was strong interest, Nash Dom applied for a grant to design and disseminate information among TSJs about the local budget. In late November Soros awarded the grant to Nash Dom. Nash Dom will use UI's materials to implement this grant.

Jalal-Abad Regional Housing Association (JRHA) has reported a trend for large TSJs to break up into small ones. During the last quarter, JRHA received a number of questions regarding reformation of TSJs consisting of more than 2 or 3 buildings. Recently the Association received complaints from residents of

TSJ #3 that there appeared to be two chairwomen. TSJ #3 was formed in 1999 and joined residents of 5 buildings. The elected chairwoman was not active enough resulting in dissatisfaction with her performance. Thus, in 2004 residents of one building decided to separate and set up a new TSJ, #155, which was done in accordance with the law and agreement of all owners. The leader of the new TSJ, proved to be an active person and good manager. Improvements of the building demonstrated the success of the 1-building-1 TSJ model. In 2005, residents of a different building in TSJ #3 decided to follow this successful example. An initiative group designed all the necessary papers, collected signatures of at least 51% of residents from the building and registered a new TSJ, TSJ #156, without informing the residents of the other 3 buildings or the Chairperson of TSJ #3, who is also an owner/resident of an apartment in the separated building. However, the registration of TSJ #156 is under question because they failed to 1) hold a general meeting of the already existing TSJ #3 to announce their intention to separate and 2) to hold a general meeting for residents of the break away building. In addition, if TSJ #156 is legal, this suggests that the Chairperson of TSJ #3 must resign her position as she is no longer a unit owner in this TSJ but rather a unit owner on TSJ #156.

In order to resolve the situation and prevent similar problems in other Jalal-Abad TSJs, the Association conducted a roundtable on the case during the regular Best Practices meetings. Participants of the roundtable recommended that the two TSJs (#3 and #156) have a general meeting to discuss all the legal aspects of the situation. If during the general meeting, residents decide to have the 2 separate TSJs, but keep the original chairwoman involved in TSJ #3 (as she still has support among some residents) then they will need to hire her as a professional manager and to elect a new Chairperson who is an owner of a premise in the 3 buildings covered by TSJ #3.

Academy of Management Institutional Development and Support (Task 3C)

Training for LG officials of Chui oblasts was conducted by the Institute of State and Municipal Management in the Bishkek Training Center. A group of 25 deputy heads of ayil-okmotu underwent the 9 day course on Managerial Skills. The same course will be conducted in the Osh Training Center for southern LG officials.

Standby Legal Resources (Task 4)

Out of 130 applications 26 lawyers were selected to participate in the 5 day training on Basic Legislation on Local-Self Government. Based on the skills demonstrated during this training, an examination test at the end of the training, and geographic distribution, 12 lawyers were certified to participate in the Legal Resources Program. Geographically, 5 of the selected lawyers are from the South part of the country, 1 from Talas and 1 from Naryn and 5 are from Bishkek. The Implementation Guide and the draft three-party contract were revised based on the discussions held with the selected lawyers. These documents together with the list of certified lawyers were sent to all 25 cities in order to inform them of the program and of its launching date of December 1, 2005. An initial trial period of four months was established to see how much local governments end up using these services and for what purposes. As part of the program UI designated the amounts to which it is ready to subsidize the utilization of these private sector lawyers. Vouchers were provided to all 25 cities roughly based on population, with Bishkek receiving 20000 soms and cities under 20,000 persons receiving only 5000 soms. Hourly rates are fixed in the different cities to reflect the local market. Cities must cofund 10% of the contract or 100 soms, whichever is more. UI will review the rates and the entire administrative setup after 4 months to determine the effect of the program



and how, if necessary, to improve it. UI will also be tracking the types of requests to get a picture for the legal issues which local governments themselves see as important (and hence ready to hire an outside lawyer) and use this information to inform all stakeholders on the state of local government operations.

TAJKISTAN ACTIVITIES/DELIVERABLES

Policy Dialogue and Supporting Policy Change (Task 1)

The strategy for Public Administration and Local Government reform awaits comments of key ministries before being presented to the President. As for now the only ministry which has made comments is the Ministry of Finance; according to Deputy Finance Minister Sohibov these comments relate to central government reform and not to the local government reform strategy. Incorporating the comments into the strategy seems to be the last step before presenting the strategy to the President. According to the officials from the President's Office the strategy will be ready to be presented for approval by the President in December 05 but there is no certainty that this is the final deadline. On the other hand promising information is that a draft of a plan for reorganization of the President's Office includes creation of a department of territorial administrative development which will be responsible for anticipated local government reforms. Because the World Bank has focused on adoption of the Strategy as a benchmark for structural adjustment loaning, there is a high degree of certainty that it will be passed.

Study Tour on functional assignments in Poland. Twelve Tajik government and local government officials participated in the Study Tour on Functional Assignments in Poland on November 12 -19, 05. The group was lead by Mr. Kadirov, the Head of the Organizational Department of the President's Office. Among the participants were representatives of the President's Office, Ministry of Finance, the Parliament and Mayors from pilot cities. The Study Tour was organized by the Urban Institute Tajikistan in cooperation with the AED. It is an initial step in preparation of Tajik governmental officials for implementing local government reform described by the PAR strategy. The overall goal of the Study Tour was to learn Polish experiences in Local Self-government reform, particularly functional assignments of different levels of local self-government in Poland. For many of the participants it was the first time they saw real examples of LSG functioning without tight state control. The lessons learned during the Study Tour will improve the capacity of Tajik officials for designing and implementing anticipated local government reforms.



Round Table of participants of the Study Tour. Following the Study Tour, the Urban Institute organized a Round Table meeting for the participants of the Study Tour. During the meeting the participants discussed



their impressions of the Study Tour. They also discussed how some of the things that they saw could be incorporated into the Tajik system and its proposed reforms for local government.

Technical Assistance and Training to Cities/Towns (Task 2)

Working Group on Financial Plans Based on Actual Costs created. A working group was organized to work with UI consultants to develop a methodology for financial planning based on actual costs. The same group will work on improving billing and collection systems of communal services. The Working Group consists of local officials from four pilot districts



Training on Modern Budgeting Process was conducted in Vahdat City. The trainers of Urban Institute introduced the finance and budget staff to more effective budget procedures and explored players' roles in the modern budgeting process in Tajikistan. A total of 28 people participated, including finance officers from local city administration, jamoats, communal service enterprises and City Council Deputies. The participants were especially interested in the budget process and calendar, mechanisms increasing own revenue sources, and using historical trends to analyze their revenue base.

During the seminar special attention was devoted to the citizens' role and their involvement in the budgeting process.

Training on Deepened Budget Planning was held in Yavan, Vahdat and Khujand. The trainees were deputy chairmen of cities, specialists from financial departments, budget institutions, communal service enterprises, as well as deputies of City Councils. A total of 72 participants attended the sessions. During the training the participants were introduced to budget management in countries with developed local government, budget functions, various budget classification types, and multi-year financial forecasts and plans. The UI trainers and participants analyzed the possibilities for application of multi-year financial planning tools in drafting city budgets for 2007 and up to 2009 period.



New UI trainers were paired with experienced UI trainers to conduct the training. Trainers exhibited a high degree of professionalism despite difficult working conditions. The power was off for $\frac{3}{4}$ of the training period requiring all presentations to be manually done without the Power Point explanations. Trainers have Central, Oblast and local government experience, which provides a broad perspective to the training as well as exhibiting support for the training from the government generally.



During the training participants were presented with financial planning methods based on other transition countries' experiences. Links were demonstrated between financial forecasting, the strength of a local budget and the use of local resources. Participants learned basic forecasting techniques and were familiarized with a spreadsheet tool that will help them to predict future revenues and expenditures.

Technical assistance to implement the training will be started in December. Trainers in close cooperation with local finance authorities are discussing methods and schedules of financial data needed for financial forecasting.

Technical Assistance was begun in Khujand on financial and general management of communal services. The issue of efficient solid waste management in Khujand City, with emphasis on financial and general management was discussed with Mr. Yunusov, Truck Fleet Director, and specialists from Housing and Communal Service Department (HCSD) of Khujand City. During the meetings the necessity to improve financial management and organizational work at the current enterprise was agreed. The UI and HCSD staff will jointly analyze solid waste expenditures; determine actual needs for waste removal equipment and containers; look for fee collection increases and citizens involvement. The respective recommendations will be presented to Khujand City Chairman and Financial Department Head.

Initial Meetings were held with Kanibadam and Istravshan City Mayors to begin partnership arrangements. The focus of the meetings was to review the Memorandum of Understanding to be signed between UI and City Administrations. Technical Assistance and Basic Training activities were discussed. Basic workshops in these cities are scheduled to begin during the second week of December, 2005.

UI begins to provide technical assistance to Kulyab to accept transfer of communal services management and Assets. UI Tajikistan began work with legal assistance to develop a legal analysis of issues of a transfer of the communal enterprises from the SUE to the city of Kulyab. The analysis will include a review of current Tajik law which has application to the process of transfer. The analysis will present a legal procedure of doing the transfer and legal aspects of property rights as well as legal aspects of solving problems of debts and outstanding payments of the transferred communal enterprises. When completed it will be presented to and discussed with the city of Kulyab. UI STTA Olga Kaganova is scheduled to work with the City of Kulyab and the SUE on options for the transfer. She will present to and discuss with the city of Kulyab experiences of Kyrgyzstan and other countries in transferring communal enterprises from the state to local governments. It is expected that the information will prepare the city of Kulyab for negotiations of conditions of the transfer with the SUE and for elaborating a draft of governmental decision/ resolution on the transfer.

Khujand composting project. A monitoring trip was made to Khujand city to review of the progress of the composting project there. The project is not proceeding according to plan due to modifications by the Khojend manager of the project, and may not proceed in successive years.

Yavan City Bins Construction Project. In October, 2005 a competitive bidding process was conducted for the construction of metal waste collection bins for Yavan City. In November, the Torgmash Company was selected as the vendor and a service delivery contract was signed. Tentative delivery date to Yavan City is December 14, 2005. A management plan including routing of trucks and tractors, costing of the service, financial planning and citizen education is planned for December/January.



Technical Assistance and Training to Jamoats (Task 3)

Although we have not previously reported technical assistance specifically to jamoats, it is important to note that five of the current project 'cities' are in reality jamoats. These five are: Yavon, Dangara, Vose, Kolhozobad and Jami. Each of these is a District Center, but the actual urban government is a jamoat. Therefore during this reporting period, training and technical assistance has been provided to Kholhozobad, Vose, and Yavon.

City Computer Resource Centers and Training Facilities (Task 4)



Established City Resource Centers and Training Facilities. The Seminar on Deepened Budget Planning for Khujand, was conducted at the Training Center Facility established by UI in the Khujand City administration offices. The training facilities and equipment were used by newly-trained trainers to introduce the finance and budgeting staff of Khujand City Administration to modern budgeting forecast and planning techniques.

Study on Civil Registry Information (Task 5)

Activity finished.

Expanded Training for Locally Elected and Appointed Officials (Task 6)

A manual of training on roles and responsibilities of locally elected and appointed officials is in the development process.

Assessment of Options to Link Potable Water User Operations to Local Government (Task 7)

Assessment of the Status of the Yavan Potable Water User Association. An overview of the status of existing water system in Yavan was conducted in late September, 2005. Additional information is being sought, but the community "owners" of the system have not been identified nor located. We have therefore been unable to make progress on this report.



Technical Assistance to Review the Opportunities for Housing Maintenance Associations (Task 8)

UI representatives from all three CAR participated in a Conference on managing multiunit buildings in Tajikistan. This conference was held in Khudjand and was organized by the Union of Consumers. Approximately, 20 Tajik officials participated in the conference. Presentations were made by CoP Undeland, Uzbekistan Country Director Gentsler, and UI Tajikistan housing advisor Gall.



Presenters lectured on housing stock problems and condominium experiences in other countries and debated the reform of the housing maintenance and management system.

As a result of the conference, Urban Institute Tajikistan has been asked to provide technical support and information on legislation as implemented in other countries. This material was prepared and presented to the Parliamentary committee on housing in the Tajik Parliament. The Parliamentary committee on housing has stated its intent to prepare a law on condominiums. The UI prepared recommendations for this committee. A draft law is in preparation. Internal trainings were conducted for UI local staff to train new housing specialists and to expand the housing team. A study tour to Uzbekistan to discuss legislative issues and to view the approach of the UI condominium project is being planned for January.

UZBEKISTAN ACTIVITIES/DELIVERABLES

National Policy Development (Task 1)

UI prepared comments on the changes and amendments to the Housing Code after its 2nd reading in the Legislative Chamber of *Oliy Majlis* (Parliament) and provided them to the Republican Training Center "*Uzkommunukuvtashkilotchi*" and the Tashkent City association of TSJs for them to follow up in state institutions (UI is barred from working directly with state agencies by USAID). The comments were related to legal regulation of different management options of multi-unit buildings.



Both sides sign cooperation agreement in Kokand City

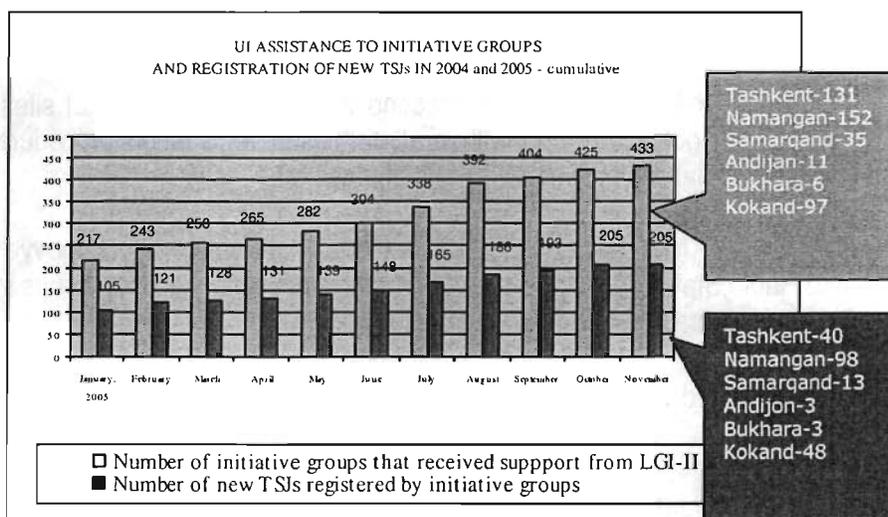
UI and the Kokand City Hokimiyat signed a Letter of Agreement on November 26 (see picture on the left). Kokand City became the sixth pilot site of the project.

Formation of Resident-Controlled Housing Partnerships (Task 2)

In October, LGI-II provided direct assistance to 8 new initiative groups in Tashkent City (see chart).

UI delivered its basic training on TSJ management in Kokand. 39 newly elected TSJ leaders participated.

During the republican seminar UI discussed with regional TSJ associations' representatives the provisions of the expected new Law on TSJs on the procedures of taking decisions in Large/Medium TSJs, on separate maintenance programs and payment structures for each of the building. They also discussed approaches to dealing with



apartment owners' debts in former large TSJs, before the establishment of new small TSJs. The new TSJ is not responsible for old debts that their members/apartment owners had against the old TSJ. However, the new TSJ can, if there is a decision made voluntarily by its members, represent interests of their members in negotiating a resolution of debt issues.

On November 19, a ceremony on completing repairs was held in the TSJ "Ideal Yulduzi" (Andijan City). Residents, the contractor and City TSJ Association took part (*see pictures below*). The success story of the first Andijani single-building TSJ's was prepared and widely disseminated during seminars and trainings.



Formation and Support of Regional TSJ Associations (Task 3)

National seminar on "Associations of TSJs: Development through Assistance to TSJs" was conducted in Tashkent on November 24-25, 2005 (*see success story*). Seminar participants received a set of legal documents related to the activities of TSJ associations.

By the request of Angren City Hokimiyat (Tashkent Province) UI provided informational and methodological support to the City Association of TSJs and assisted in preparing an action plan aimed at increasing knowledge of apartment owners on their rights and obligations, establishing of small TSJs and improving of self-governance and management in existing TSJs.

Public Awareness Campaign (Task 4)

On 26 November, UI held a 2nd meeting with journalists from pilot sites and other locations. The meeting participants got acquainted with and discussed registration procedures of TSJs, issues of debts, and regulating relations between TSJ and unit-owners.

Three out of four mass media subcontracts – newspapers "Nalogovye i Tamozhennye Vesti", "Hurriyat", and Radio Station "Grand" – are continuing to cover TSJ activity issues in their special sections, despite the fact that the bank suspended payment transfers.

UI has printed out and begun disseminating an Uzbek-language brochure on TSJ experiences in different countries.

UI prepared and printed out the next issue of the bulletin in Uzbek and Russian, devoted to the experience of TSJs on selecting contractors by tender. The bulletins were disseminated during seminars and meetings.



Survey on Status of TSJ Reforms (Task 5)

Resident survey results have been made into a presentation and printed out with graphical illustrations and disseminated during different seminars, trainings, and meetings with the aim of demonstrating advantages of single-building TSJs.

Promotion of a Market for Housing Services (Task 6)

The sample bylaws and founding documents of a private management company were disseminated among participants of the republican seminar.

UI is continuing to work on methodological recommendations on establishment of a private management company and has begun to design the program of orientation training for the representatives of nascent management companies.

Legal Support for Housing Partnerships (Task 7)

UI started developing draft parameters for lawyers who are consulting TSJs as well as a training program for lawyers.


COUNTRY STAFF TRAVEL CHARTS
Kyrgyzstan

| Employee | Travel in Past Month | Expected Upcoming Travel |
|---|------------------------------------|--|
| Undeland (CoP/Country Director) | Khujand 11/7-9, Tashkent 11/10-12 | Osh, Jalal-Abad, Uzgen, Kochkor-Ata, Vacation Dec 16-Jan.8 |
| Smith (Resident Advisor) | Osh 11/17, Jalal-Abad 11/18 | Shopokov, Kara-Balta, Balykchy, Batken Oblast (ARIS project) |
| Kaganova (STTA) | In-country 11/30-12/31 | Dushanbe 12/4-12/8, Jalal-Abad 12/12-14 |
| Popelka (STTA) | In-country 11/27-12/10 | Sulukta, Isfana, Batken, Nookat, Kara-Balta (ARIS Project) |
| Abdykalykov (Municipal Finance) | Tokmok 11/1, 11/4 | Tokmok, Kara-Balta, Shopokov, Batken, Isfana, Sulyukta, Nookat, Kara-Suu |
| Akmatov (Land Specialist) | Osh 11/2-7 | Osh 11/2-7 |
| Asibaliyev (Strategic Planning and municipal Finance) | Kara-Balta 11/16, Karakol 11/22-23 | Shopokov, Batken Oblast, Kara-Suu, Kara-Balta |
| Bektenova (Executive Officer) | | Osh |
| Gradwal (Housing/Utilities) | | Osh |
| Mambetova (Legal Specialist) | | Shopokov, Batken Oblast, Nookat, Kara-Suu, Kara-Balta, Balykchy |
| Narusbaeva (Municipal Property) | Kara-Balta 11/16 | Kara-Balta, Jalal-Abad |
| Roman (IT Specialist) | Balykchy 11/4 | Balykchy 12/8 |

Tajikistan

| Employee | Travel in Past Month | Expected Upcoming Travel |
|--|--|--|
| Davis (Country Director) | | Kanibadam, Istravshan, Garm, Vose |
| Szymanowicz (Resident National Policy) | Poland, Kulyab | Kulyab |
| Babaeva (Decentralization Specialist) | Kulyab | Kulyab |
| Jefremienko (Resident) | Yovan, Vahdat, | Garm, Vose, Dangara |
| Ahmad | Khujand, Kurgan-Tube, Kolkhozabad, Dangara | Khujand, K-Tube, Kolkhozabad, Jami, Yavan, Tashkent |
| Shomakhmadova (Citizens Involvement & Grants Specialist) | | Yavon, Kholhozobod, Jami, Tashkent |
| Akrami (Assistant Citizen Involvement & Grants) | Khujand, Vahdat | Khujand, Kanibadam, Istravshan, Garm, Vose, K-Tube, Kolkhozabad, Jami, Yavan |
| Nekfar | Yovan | Garm, Vose, Dangara |
| Inamov (Training Manager) | Poland, Khujand, K-Tube | Yavan, Istravshan, Kanibadam, Khorog, Vahdat |
| Shuhrat (Training Specialist) | Yavan, Istravshan, Kanibadam, Vahdat, Jami | Vahdat, Yavan, Jami, Kulob, Kurgantube, Kholhozobod, Tavildara |
| Gulru (Training Specialist) | Khujand, Vahdat | Jami, Vahdat |

NOTE: TRAVEL INCLUDED IN THE TABLE MAY INCLUDE TRAVEL FUNDED THROUGH A DIFFERENT CONTRACT (E.G. ARIS OR CONFLICT MITIGATION IN KYRGYZSTAN OR CONFLICT MITIGATION IN TAJIKISTAN), HOWEVER, IT REFLECTS A UI/LGI II PROJECT PRESENCE AND IN MOST CASES LGI II PROJECT ISSUES ARE DISCUSSED WITH COUNTERPARTS IN THE FIELD.



UZBEKISTAN

| Employee | Travel in Past Month | Expected Upcoming Travel |
|---|---|--|
| Irina Gentsler (Country Director) | Angren 11/7, Hudjand 11/7-9, Kokand 11/16, Namangan, Andijan 11/19, Moscow 11/30-12/2 | Samarkand 12/9-10, Angren 12/15, Bukhara 12/19 |
| Gavhar Alieva (Housing Specialist) | Kokand 11/14-17 | Angren 12/15, Bukhara 12/19-20, |
| Rahima Ortiqova (Grants Coordinator) | Bukhara, Navoi 11/2, Namangan, Andijan 11/19 | Samarqand 12/7-8, Namangan, Andijan 12/10-11 |
| Elena Pashkova (Translator/Trainings Coordinator) | Kokand 11/14-17 | Samarkand 12/9-10 |
| Stella Solovei (Coordinator for TSJ Association Activity) | Angren 11/11 | Angren 12/15 |

PROGRAMMATIC AND OPERATIONAL ISSUES

Kyrgyzstan

Andrew Popelka arrived in country on November 27 to conduct a ToT on Pump Operation and Maintenance. The ToT is being conducted in conjunction with ARIS and AED. Mr Popelka will spend an additional 10 days in Kyrgyzstan working on UI's ARIS project to conduct Management Assessments of 16 water utilities throughout Kyrgyzstan.

Olga Kaganova arrived in-country on November 30. In addition to her work in Kyrgyzstan, Mrs. Kaganova will also perform some work on the Tajik component from 12/4-12/8.

December elections are to be competitive. The national government reluctantly went ahead and called for elections to 'heads of local self-government' on December 18. The national government and several observers have raised concerns that competitive elections will be dominated by local clan relations and that less competent people will succeed. Notably, many of the current heads are not running again, apparently due to frustrations with the slow pace of fiscal reforms that would empower local governments. Nonetheless, there is an average of nearly 6 candidates for each position. Certainly local clan politics will play a role, but this is only natural in a local election. For the most part, candidates are running on their reputations and not on any program or platform. In the cities, there are interesting races in Uzgen, Kara-Suu, and Kara-Balta where the incumbents face locally influential, wealthy businesspeople.

The database developed by the Ministry of Finance of local budget data for 2002-2004 illustrates that Ministry staff still do not understand the equalization formula. The fact that the data did not include actual revenue collection by data (but merely what was allocated to each budget) suggests that they do not appreciate the need to determine revenue capacity. UI detailed the data problems in a MinFin letter as well as met with them to discuss the deficiencies. At the end of the meeting, UI felt hopeful that MinFin staff was beginning to grasp the issues, but it does indicate that there is still a huge amount of work required to determine the shared tax rates and to implement the equalization formula. UI is optimistic that MinFin now recognizes us as a valuable partner and we anticipate that work in this area will require significant resources over the coming months.

The appointment of Beishenbek Bekbolotov as the new Head of the National Agency on Local Self-Government Issues indicates that the Agency will not be a vigorous player any time soon. Mr. Bekbolotov has no experience with local self-government, and in fact, has spent his career either at the national level or in Local State Administration. His appointment appears to be a reward to him for his support during the Bakiev campaign. Nonetheless, he has stated eagerness to work with the project and there are conflicting signals that his deputies will include long-time LGI partner Fattakhov and other qualified persons.

Tajikistan

Cotton season is finally winding down, however at least two of the project cities are still heavily involved in cotton picking. Some training and technical assistance activities with these cities are being delayed into December.



Garm's readiness to work with the project is suspect. Country Director Davis met with the Rais early last month, and he was not enthusiastic about training for his administrative staff. At that time we agreed that we would contact him again and visit him in Garm to discuss the partnership MOU further. To date he has been unavailable to take our calls or to set a date for me to meet with him. We will continue to pursue this, but are skeptical about working in the city.

Uzbekistan

The Ministry of Justice is planning to conduct monitoring of UI activities in Uzbekistan on implementation of the project LGI-II on Monday, December 12. This is part of an overall effort by the GoU to check on USAID activities; these checks have led to court action against some USAID partners in the past. UI does not anticipate significant problems, however.

The upper-house senate of the Parliament has sent back the Law on TSJs for revision saying that it does not "regulate relations between owners of nonresidential units and TSJs" despite the fact that one of the improvements in the law is that it does just this. Perhaps this served as an excuse for delay, and at the same time it is possible that senators do not understand the main principles of legal relationships in a condominium, where owners of residential and nonresidential units have equal rights and obligations related to the common property. UI will take every opportunity through partner NGOs to assess the situation and prepare necessary explanations and substantiations.

The problem with the suspension by the National Bank of Uzbekistan of UI payments to the contractors, implementing repair works in TSJs, has not yet been resolved. After the briefing made to the Interdepartmental Monitoring Committee on Assistance to local organizations by international organizations, UI has been assured that the problem will be resolved in our favor. However, because of bureaucratic procedures the permission of the Central Bank for making payments has not yet been made.



COUNTRY TASK CHARTS

Kyrgyzstan

| ACTIVITY | RESULTS IN NOVEMBER 2005 | UPCOMING ACTIVITIES (next 2 months) |
|--|--|---|
| Supporting Policy Change at the National Level (Task 1) | <ul style="list-style-type: none"> Constitutional amendments released for public discussion UI comments/ proposals on changes to the Constitution were provided to the President Administration Beishenbek Bekbolotov appointed as head of Agency on Local Self-Government Issues | <ul style="list-style-type: none"> Amendments to the LSA/LSG law submitted to Jogorku Kenesh On-going discussions on Constitutional amendments Work on implementation of the fiscal decentralization reforms |
| Asset Management (Task 2A) | <ul style="list-style-type: none"> Three legal documents for Kara-Balta park concession approved by City Kenesh Bishkek and Osh initiate development of Municipal Land Management strategies Jalal-Abad developed a draft classification of vacant municipal land | <ul style="list-style-type: none"> Kara-Balta park concession completed Land strategy in Jalal-Abad city, Bishkek, and Osh Asset management Legal Framework in Bishkek Asset Management trainings for city councils |
| Municipal Utility Enterprises (Task 2B) | <ul style="list-style-type: none"> ToT on pumps conducted in Association with ARIS Draft customer satisfaction developed On-going work to implement the billing and collection software in Tokmok Ecolog | <ul style="list-style-type: none"> Charters for Municipal Enterprises and Use Agreements finalized Implementation of the billing software in Ecolog and other utilities Customer satisfaction survey completed |
| Financial Management (Task 2C) | <ul style="list-style-type: none"> Completion of grant implementation in Karakol Two budget hearings in Leninskaya and Pervomaiski rayons Balykchy completed City Strategy implementation monitoring. | <ul style="list-style-type: none"> Completion of grant implementation in Kara-Balta city Information board to be erected in Nookat Strategy implementation monitoring in Karakol Two budget hearings in an additional two Bishkek rayons and city wide finalizing hearing |
| Empowering Locally Elected Councils (Task 2D) | <ul style="list-style-type: none"> First ever Bishkek public budget hearings in 2 rayons held TOT for Council training held | <ul style="list-style-type: none"> Bishkek public budget hearings (Dec) Training for councils (December) |
| Association of Cities Institutional Development and Support (Task 3A) | <ul style="list-style-type: none"> ACKR's Board Meeting held | |
| Regional Housing Associations Institutional Development and Support (Task 3B) | <ul style="list-style-type: none"> 2 new TSJs registered in Bishkek Nash Dom awarded Soros grant to encourage citizen participation in the budget process | <ul style="list-style-type: none"> Identification of land boundaries Production of a reference book of materials to help TSJs to be educated consumers of services |
| Academy of Management Institutional Development and Support (Task 3C) | <ul style="list-style-type: none"> Training for LG officials of Chui oblast on Managerial Skills | <ul style="list-style-type: none"> Training for LG regional officials in Bishkek and Osh (December) |
| Standby Legal Resources (Task 4) | <ul style="list-style-type: none"> Training for lawyers held on Basic Legislation on Local Self-Government 12 lawyers were selected and certified to work on the Legal Resources Program Implementation Guide, contract and other related documents sent to cities | <ul style="list-style-type: none"> Legal Resources Program is officially begins (December) |



Tajikistan

| TASK | RESULTS IN REPORTED MONTH | UPCOMING ACTIVITIES (next 2 months) |
|---|--|--|
| Policy Dialogue and Supporting Policy Change (Task 1) | <ul style="list-style-type: none"> • Study Tour on Functional Assignments in Poland conducted • Round Table on the Study Tour conducted and recommendations from the Study Tour developed | <ul style="list-style-type: none"> • Expect Presidential Approval of the local government strategy • Develop a work plan for initial year of the strategy implementation • Start to work on a draft law on LSG in Jamoats |
| Technical Assistance and Training to Cities/Towns (Task 2) | <ul style="list-style-type: none"> • Seminar on Modern Budgeting Process held in Vahdat. • Yavan City competitive bidding completed and the first payment made to the selected vendor. • Seminars on Deepened Budget Planning held in Khujand, Vahdat, Yavan • Working Group created to facilitate developing Financial Plans Based on Actual Costs, as well as the work on Billing and Collection System for Khatlon Oblast's four pilot districts. | <ul style="list-style-type: none"> • Seminar on Low Cost Technology for Solid Waste Management will be held in Vahdat City, Kanibadam • TOT on Capital Investment Planning will be held in Dushanbe • Seminar series on Deepened Budget Planning will be held in Kurgantube, Jami, Dangara, Kolkhozobod cities. • Financial historical data will be obtained from 7 cities as part of the financial planning work. (Khujand, Vahdat, Yavan, Kurgantube, Jami, Dangara, Kolkhozobod). • Public awareness campaign and training, waste collection bins placement in Yavan City. |
| Technical Assistance and Training to Jamoats (Task 3) | <ul style="list-style-type: none"> • Training on Modern Budgeting and Deepened financial planning conducted in Yavon and Vahdat | <ul style="list-style-type: none"> • Training on Modern Budgeting and Deepened financial planning to be conducted in Dangara |
| City Computer Resource Centers and Training Facilities (Task 4) | <ul style="list-style-type: none"> • Seminar on Deepened Budget Planning was conducted at the facilities of the Training Center established by UI in Khujand City administration. | |
| Study on Civil Registry Information (Task 5) | <ul style="list-style-type: none"> • NA | <ul style="list-style-type: none"> • NA |
| Expanded Training for Locally Elected and Appointed Officials (Task 6) | | <ul style="list-style-type: none"> • Workshops on City and Council. Roles and Responsibilities will begin in January |
| Assessment of Options to Link Potable Water User Operations to Local Government (Task 7) | <ul style="list-style-type: none"> • An overview of the status of existing water system was conducted | <ul style="list-style-type: none"> • Potable Water User Association "Kulobod" work experience will be studied. |
| Technical Assistance to Review the Opportunities for Housing Maintenance Associations (Task 8) | <ul style="list-style-type: none"> • Recommendations for the law on condominium • Participation in the conference: "Maintenance and management problems of multiunit building in Tajikistan" • Formation of UI staff on condominium | <ul style="list-style-type: none"> • Selection of the pilot buildings in partner cities • Information campaign for owners • Formation of officials and housing communal services staff • Study tour to Uzbekistan for UI staff, members of the Parliament Committee on Housing and staff of Housing and Communal Services of the SUE. |


Uzbekistan

| TASK | RESULTS IN NOVEMBER 2005 | UPCOMING ACTIVITIES (next 2 months) |
|---|---|--|
| National Policy Development (Task 1) | <ul style="list-style-type: none"> • Prepared comments on the changes and amendments to the Housing Code • Signed Letter of Agreement UI and Kokand | <ul style="list-style-type: none"> • Provide expertise while Oliy Majlis considers changes and additions to the Housing Code and the Tax Code |
| Formation of Resident-Controlled Housing Partnerships (Task 2) | <ul style="list-style-type: none"> • Provided assistance to 8 initiative groups in Tashkent • Delivered a two-day training in Kokand City • Discussed with regional TSJ associations' representatives the provisions of the expected new Law on TSJs on the procedures of taking decisions in Large/Medium TSJs on separate maintenance programs and payment structures for each of the building, as well as the approaches to the problems of apartment owners' debts in former large TSJs • Repair works have been completed in 12 TSJs • Held ceremonial closing of repair works and plaque hanging ceremony in TSJ "Ideal Yulduzi" (Andijan) | <ul style="list-style-type: none"> • Seminar on the issues of TSJ and mahalla relations in Bukhara (mid January 2006) • Seminar on planning works and financial management in TSJs (Dec. 5-6) • One-day training on registration procedures in Samarkand (Dec. 10) • Training for professional management companies (late January) • Assist UI/Bishkek to conduct a study tour to Namangan • Deliver a series of two-day trainings in pilot sites • Provide consultations for residents and TSJ leaders (ongoing) • Monitor repair works in buildings of TSJs – winners of the competition (ongoing) |
| Formation and Support of Regional TSJ Associations (Task 3) | <ul style="list-style-type: none"> • Conducted republican seminar "Associations of TSJs: Development through Assistance to TSJs" • Provided informational and methodological support to Angren City Association of TSJs and assisted in preparing an action plan aimed at increasing knowledge of apartment owners | <ul style="list-style-type: none"> • Provide equipment to Tashkent City Association of TSJs |
| Public Awareness Campaign (Task 4) | <ul style="list-style-type: none"> • Held the meeting with journalists from pilot sites and other locations • Printed out and begun disseminating a Uzbek-language brochure on TSJ experiences in different countries • Prepared, printed out and disseminated the next issue of the bulletin in Uzbek and Russian, devoted to the experience of TSJs on selecting contractors by tender. | <ul style="list-style-type: none"> • Continue to disseminate new Uzbek-language brochure and bulletins • Hold a meeting of journalists (Dec. 20) • Prepare and print next issues of bulletins • Print Best TSJ Practices booklet |
| Survey on Status of TSJ Reforms (Task 5) | <ul style="list-style-type: none"> • Made a presentation on resident survey results and printed out with graphical illustrations and disseminated | <ul style="list-style-type: none"> • Prepare and print the booklet on the results of the survey |
| Promotion of a Market for Housing Services (Task 6) | <ul style="list-style-type: none"> • Disseminated sample bylaws and founding documents of a private management company • Continuing to work on methodological recommendations on establishment of a private management company • Started to work on the program of an orientation training for the representatives of nascent management companies | <ul style="list-style-type: none"> • Presentation of recommendations on establishing private housing management companies including their draft bylaws • Deliver orientation seminar for the founders of private management companies (end January) • Assist AED in forming a group for a study tour to one of the CEE countries |
| Legal Support to Housing Partnerships (Task 7) | <ul style="list-style-type: none"> • Started developing draft parameters for work of lawyers to consult TSJs and training program for lawyers | <ul style="list-style-type: none"> • Review contents of training materials for lawyers after passage of the new Law on TSJs |



GENDER REPORTING

Kyrgyzstan

| GENDER REPORTING | | |
|----------------------------------|------------------------|-------------------|
| Events | Number of participants | Number of females |
| Standby Legal Resources training | 31 | 13 |
| ToT on pumps | 21 | 1 |
| NGO Budget Training | 105 | 78 |
| TOT for LG Courses | 16 | 6 |
| Total | 173 | 98 |

Tajikistan

| GENDER REPORTING | | |
|------------------|------------------------|-------------------|
| Events | Number of participants | Number of females |
| Trainings | 101 | 39 |
| Other | 39 | 4 |
| Total | 140 | 43 |

Uzbekistan

| GENDER REPORTING | | |
|--|------------------------|-------------------|
| Events | Number of participants | Number of females |
| Republican seminar for leaders of TSJ Associations | 44 | 13 |
| Seminar "TSJs: Basics of Management" | 39 | 20 |
| Meeting of Journalists | 13 | 3 |
| Total | 96 | 36 |

MONTHLY TASK ORDER PROGRESS AND COST REPORT FOR DECEMBER 2005

CENTRAL ASIAN REPUBLICS LOCAL GOVERNMENT INITIATIVE PHASE II

HIGHLIGHTS

Kyrgyzstan

- Elections held on December 18; change of mayors in 8 of 9 cities
- Bishkek holds five public budget hearings
- Kyzyl-Kia established city-owned municipal water enterprise using UI materials

Tajikistan

- Partnership agreements signed with Kanibadam, Istravshan, and Vose
- Trainings on Deepened Budget Planning held in Dangara, Kholkhobod, Jami, Kurgan-Tube, and Tavildara
- Training of Trainers for MSDSP Local Governance and Livelihood Program trainers

Uzbekistan

- Plaque hanging ceremonies in 7 TSJs that completed repair works
- Training on planning works and preparing budgets in TSJs in Tashkent and Bukhara

SUCCESS STORY

Partnership for the sake of success

The story of this success starts from April 2004, when Yavan district officials requested Urban Institute to provide assistance in the improvement of quality of communal services in Yavan city, particularly the Housing and Communal Enterprise (HCE). Yavan district is one of the largest cotton growing areas in Tajikistan with center in Yavan city. The city has more than 23 thousand people and HCE is the only utility that provides services for cleaning and improvement of city territories, service and maintenance of housing stock. This enterprise is a municipal property and is not part of republican unitary enterprise for communal services, an unusual circumstance. The city and enterprise had the following problems: the city was heavily polluted; garbage was not collected for weeks and in some parts for months. As a result, the population, businesses and enterprises refused to pay for the unsatisfied services. HCE did not have any economic



Waste collection points and methods of waste collection before the city's implementation of a plan with UI on the improvement of quality of services, November 2004.



program; fees for the most of the services were based on old Soviet norms and did not cover the costs. The situation was aggravated due to lack of information among the enterprise employees who did not know how to develop new fees and pull the enterprise out of deep economic crisis and pay off the debts. On the other hand, the city was not able to finance the services from the budget with necessary funds.

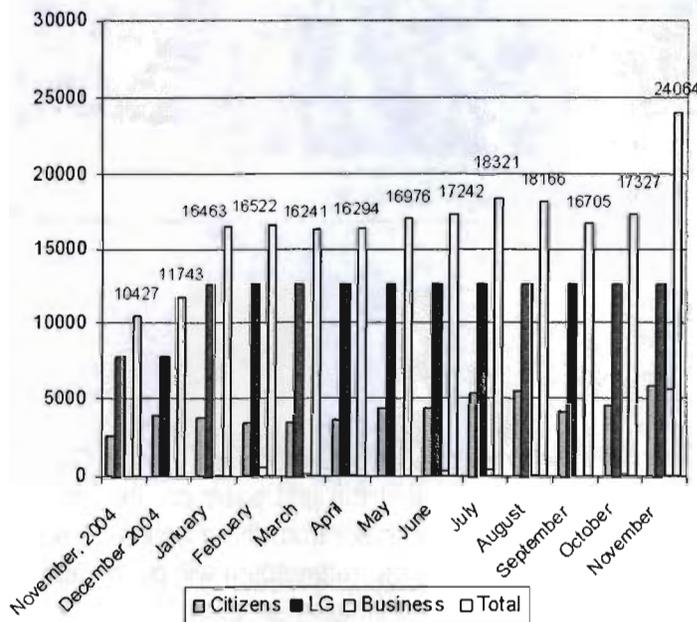
Having discussed the situation, the district and enterprise authorities, and specialists of UI agreed that improved financial management and involvement of all stakeholders was required to improve the situation in the city. A Financial recovery plan for the enterprise was selected as a tool, which included the enterprise analysis, development of new fees, forecast of volume of services and revenues, costs on types of services and categories, capital investment plan and the source of its funding, improvement of the enterprise management, as well as citizens, businesses and public involvement and education activities. The plan covers the period up to year 2008, inclusively. In February 2005, the start of plan's



First public hearings in the city

implementation and application of new fees were discussed on the first public hearings in the history of city and the citizens, representatives of enterprises, businesses expressed understanding regarding proposals of authorities and supported them. The enterprise witnessed radical

Revenues growth in HCE from November 2004
To November 2005, in TjS



turn in its operations; clients department was created to work with citizens, fee collectors were hired based on advertisement, workshops, focus groups and meetings with citizens were constantly held to explain new fees and obligations of the enterprise. People began to trust and pay for solid waste collection services and housing maintenance. Agreements were made with all businesses and the work of enterprise in funds collection and use became transparent. The users began to pay for services and the quality of services began to improve accordingly. The revenues began to steadily increase in the enterprise. In November 2004 (before introduction of new fees) the fees collected from population were 2641 Tajik Somonis (about \$850), and 0 TjS from the enterprises, then in



November 2005 the revenues increased up to 5582 and 5611 TjS correspondingly. In comparison with 2004, the district authorities increased funding of services for 1,6 times in 2005.

The enterprise began to implement capital investment plan. According to this plan the district purchased and provided HCE with 2 small tractors and 1 specialized waste collection truck, which is able to collect up to half of waste generated by the citizens a day. Within the framework of financial plan Urban Institute implemented two projects in the city: constructed 8 new waste collection points and provided the city with 45 metal containers with 0,75 cubic meters capacity each. The latest project allowed introducing new method of waste collection and removal.

The result of first year of Plan's implementation is that people believed in the improvement and moreover, gave their votes to the director of HCE, Yorov Subhon during the election of deputies to the local Majlis (parliament), and deputies elected him as a chairman of permanent commission on construction, architecture and communal services issues.

In his letter to Urban Institute Mirzobekov Kholmurod, the chairman of the district says: "Thanks to the partnership with Urban Institute we began to look differently at solving problems related to improving quality of services, opportunities for using own resources, capacity, and the role of citizens. The gained experience is valuable and I am sure that the city will be able to apply it in other areas. The citizens began to feel more responsibility for their city. I sincerely thank all Urban Institute employees, consultants from US for the assistance provided to the city and I believe that our partnership will further be developed. I congratulate all UI staff with upcoming New Year and wish all the work and life successes".



Education activities were held before installation of containers

KYRGYZSTAN ACTIVITIES/DELIVERABLES

Supporting Policy Change at the National Level (Task 1)

President Bakiev agreed to hold a referendum on the constitutional structure of Kyrgyzstan. During the Constitutional Meeting on December 21, President Bakiev stated that the first issue on the referendum would be on the form of government in the country. Citizens will choose from three options: President, President-Parliament or Parliament republic. The second issue on the referendum will be on abolishing immunity for the President, parliamentarians, and judges. The third referendum issue will be about judicial reform. There will likely be a fourth question regarding the process of amending the constitution. In the



past, amendments could be made either through referendum and/or through the Jogorku Kenesh and the president's office. President Bakiev has refused to set a date for the referendum and it is rumored that he wants to delay constitutional reform until 2009. This also would suggest that the changes related to local self-government will not occur anytime soon.

The Law on Rayon and Oblast Keneshes was adopted by the Jogorku Kenesh in December 13. However, by the end of December it had still not been submitted to the Presidential Administration for signature. The law eliminated oblast level keneshes while at the same establishing a new procedure for forming the rayon keneshes. The law calls for rayon keneshes to be formed by quotas with each village and city kenesh delegating several local kenesh deputies to participate in the rayon kenesh. UI has not seen a copy of the law, but we understand that the law defines how many delegates will come from each local self-government. In addition, the head of rayon significant cities will no longer be the chairman of the city kenesh as well. Chairman of the kenesh will be elected internally from the city kenesh deputies.

The draft law on changes to the LSG and LSA Law was returned to the National Agency on Local Self Government Affairs for further revision. It is still unclear exactly what revisions are requested, but UI will work with the Agency in January to revise the law accordingly and resubmit to the government.

During the first part of December the Jogorku Kenesh adopted a law on amendments and additions to the existing Tax Code. The draft law attempts to lower the tax burden by:

- Applying a 10% flat rate Individual Income Tax beginning January 1, 2006
- Decreasing the Profits Tax rate from 20% to 10% beginning January 1, 2006 (this will only go into affect for natural monopolies beginning January 1, 2007).
- Elimination of some local taxes and VAT on agriculture goods

The amendments also aim to fill the budget gap caused by these rate cuts. For example, rates of the following taxes will increase: Tax on Vehicle Owners, Mandatory Patent Tax, and the Land Tax. In addition, a separate law has already been signed by President Bakiev to increase the rate of Excise Tax on Domestic Alcohol. Parliamentarians believe these measures will cumulatively generate as much as 500 million Som. The amendments apparently did not address tax administration, which had been a contentious issue in prior drafts.

Asset Management (Task 2A)

The Kara-Balta working group completed the concession information package consisting of the City Resolution on the concession, the inventory list of the park property, required proposal documents, sample proposals with instructions including all types of requested documents, a copy of the concession regulation, and the draft of the concession agreement. The information package will be provided to all interested parties upon request.

The Kara-Balta park concession competition was announced in Kyrgyz mass media on December 5. Proposals will be opened on January 20, 2006. In addition, a special press release will be distributed by the City Administration.



Jalal-Abad city began registering vacant municipal land. As a result of the vacant land inventory, Jalal-Abad identified 130 land parcels with an area of 33 hectares. The city is registering these land parcels as municipal property with GosRegister. However, GosRegister is registering the land parcels with preliminary status instead of final which does not give full property rights to the city. No reasonable explanation has been provided to the city for the refusal to issue final registration status. Jalal-Abad has requested clarification from the central office of GosRegister in Bishkek. UI has further investigated the situation and has advised both Jalal-Abad City Administration as well as GosRegister that there is no legal basis to refuse final registration.

Osh City initiates the search for land specialists for work on the municipal land inventory project. The city received applications from twenty-two professional land specialists and from these selected 12 winners. These specialists will conduct an inventory of municipal vacant land that the city will eventually sell or lease. The specialists will begin work in January and have two months to complete the task.

Municipal Utility Enterprises (Task 2B)

Kyzyl-Kia Mayor's office established a new Municipal Water Utility. The Mayor's office requested UI's assistance on some issues related to the creation of this new Municipal Water Utility, transfer of assets from the State Enterprise to the new Municipal Enterprise, and how to handle the remaining debt of the State Vodokanal. It should be noted that the charter for the new utility was developed based on the model charter previously developed by UI. UI prepared a written summary of issues including transfer of water supply objects to municipal ownership, state registration of real property object ownership rights, transfer and succession of the State Vodokanal debts, reorganization or establishing a new Vodokanal utility, the risk of losing the State Vodokanal movable assets and account receivables, and creditors' claims to the State Vodokanal. UI met with the Kyzyl-Kia Vice-Mayor, a specialist of the Municipal Property Department, and the accountant of the State Vodokanal in order to discuss the current situation, UI's recommendations and to define the next steps.

As a result of this meeting, the Mayor's office together with the Municipal Property Department and UI agreed to research some outstanding issues such as bankruptcy of the state enterprise, Social Fund debts, and amendments to the transfer acts. In addition, the City agreed that it would immediately register its rights to water supply immovable property. A schedule of next steps was developed as a guideline on how to proceed. UI will follow up with the City Administration in the New Year.

Implementation of the billing software is ongoing at Tokmok Ecolog and Tokmok Vodokanal. There were minor problems with installation of the program updates on the Ecolog computers despite the fact that the program worked on other computers. This issue is being resolved. The implementation of the software has been started at the Tokmok Vodokanal with installation of the program updates. The Vodokanal assigned a specialist to work with the program who is being trained on how to use the program.

"During the trainings we familiarized ourselves with the budget structure and were taught to "read" and analyze it. It is not only the Bishkek city budget that we came to understand but any city budget. The issues we have discussed and formulated at the trainings will be very useful at the hearings, now that we are aware of our right to demand that our local self-government account to us and we know how to accomplish it."

Sergey Zeyluk, "Birge!" Popular Youth Movement



ARIS agreed to co-fund the Customer Satisfaction Survey in 16 towns. UI approached ARIS about their willingness to co-fund the survey under the framework of our contract with them to perform utility assessments in 16 towns. UI agreed with them that the data for the 16 towns would be treated as one with the data from the 9 cities to be funded from the LGI II project and would be made publicly available. ARIS did request that the questionnaire be amended to include additional questions about local roads. In addition, the survey was amended to take into account comments from the city administrations of Balykchy, Jalal-Abad and Sulukta. UI also created a summary table in Excel for data processing which will be facilitate the work by local NGOs conducting the survey.

Financial Management (Task 2C)



Citizen participates at the city-wide budget hearing

Bishkek held two more rayon level budget hearings in Oktyabrski Rayon on December 1 and Sverdlovski Rayon on December 2 and a city-wide budget hearing on December 9 on the draft 2006 budget. There were a total of five hearings in Bishkek including 1 in each of the four rayons from November 29 to December 2 which presented the whole budget but focused on the rayon budget and a city-wide hearing held on December 9. All the hearings were chaired by the Chairwoman of the Bishkek City Kenesh, Mrs. Baibolva and the city-wide budget hearing was opened by Mayor Noguev. Prior to the hearings, UI provided intensive technical assistance including help with preparing the budget-

in-brief document, conducting a training for the city kenesh deputies in September, and five trainings for the civil sector which were held from November 14-18.



City Administration officials raise the Nookat Information Board

The City Budget was presented at each of the hearings by the Head of the City Finance Department Mr. Nishanov in a slide presentation. Mr. Nishanov also fielded questions from hearing

"The city-wide hearing provided an opportunity to communicate with city decision-makers. The process was transparent to ensure that LSG bodies do not cheat the citizens. It was good to have the head of the Bishkek Financial Department explaining and commenting on the city budget. The most important thing is that the city budget will finance identifying land plots around multi-unit buildings"
Gennady Gorbunov, Chairman of the "Nash Dom" Regional Association of Condominiums.

participants. Several dozen questions were asked by city inhabitants during the hearings; and the answers were detailed and competent. Several questions were asked repeatedly at different hearings suggesting that they are of great concern to the public. Based on comments made during the hearing, the deputies of the kenesh, headed by Mrs. Baibolova, developed some amendments to the 2006 draft city budget.

Many steps were taken to inform the public about the hearings including a press conference prior to the hearings, a press conference following the hearings summarizing citizens' comments and how they will be incorporated into the budget. The budget-in-brief was publicly available on the Internet and citizens were invited to e-mail their comments on the budget through December 20. In addition, 1,300 copies of the Bishkek budget-in-brief was produced in brochure format in the Kyrgyz and Russian languages and provided to all interested citizens free of charge.

Bishkek city was the last city to hold a hearing. In total, 22 cities held hearings in 2005 including first ever hearings held in Bishkek, Talas, and Kerben (a new city), and all 25 cities have held at least one budget hearing with the support of Urban Institute.

An information board was installed in Nookat City on December 8 in front of the City Administration building. Due to procurement problems with Nookat City's grant under the Participatory Grant Competition, UI instead awarded and installed an information board.

The grant project in Kara-Balta to reconstruct 210 meters of sewage network under the Participatory Budgeting Competition has been completed. The project had to be slightly modified upon the agreement of UI, the City, and the subcontractor, because the subcontractor faced problems in digging trenches on privately owned land. Instead of replacing old pipes on these territories, the subcontractor cleaned out plugged pipes with special equipment and completed grant project.

UI continues to restructure the Ministry of Economy and Finance's database on local revenues and expenditures for 2002-2004 to make it usable for the equalization formula, however, the deficiencies in data have still not been resolved, particularly the fact that the data does not accurately reflect what revenue was collected in a specific jurisdiction but only what was allocated to a local budget. Once the data is sorted, UI will try to analyze it as an initial step. UI has had several brief discussions with the Ministry of Economy and Finance regarding the data problems, however, the Ministry has yet to focus on this issue for several reasons (see Programmatic Issues). UI met with the World Bank and agreed that we would jointly push the Ministry to get the additional data necessary. UI has drafted a new data request form consisting of tables and instruction forms but has not had the opportunity to discuss it with the Ministry yet.



Bishkek Finance Head Nishanov, Deputy Mayor Klimenko, Chairwoman Baibolova, and CoP Undeland hold a press conference to summarize the results of the five budget hearings.

UI conducted a focus group with NGOs on the budget hearings, BIB documents, and the hearings themselves. The purpose of focus group was to identify what can be improved during the next budget hearing cycle and what is working well. Questions were divided to three main groups: 1) Was the Budget Training useful? 2) What did they think of the budget in brief? 3) What did they think of the hearing? Answers showed that participants were quite satisfied with UI's training (information, materials, trainers) and with the quality of the budget-in-brief document. They suggested that UI consider shortening the length



of the training in future. In addition, they stated that they liked the content of the BIB document and felt that it was not too complicated or voluminous. It should be remembered that participants of the focus group of were all from Bishkek and are likely to have a higher capacity to absorb data that hearing participants might otherwise have in the regions. UI will continue to consider the content and length of the BIB to ensure that it is understandable. The primary complaint of the focus group participants were directed towards the City Administration and Kenesh. They felt that the hearing was a formality and that it was unlikely that comments, suggestions, and questions raised during the hearing would be reflected in the budget. They felt that the City should be more open and transparent about the budget during the hearing. They all stressed that budget hearings should be held regularly.

Empowering Locally Elected Councils (Task 2D)

The City Kenesh continued to play a key role in three additional public budget hearings on the draft 2006 Bishkek budget. In addition to the two budget hearings held in November, two more budget hearings were held in Oktyabrski Rayon on December 1 and in Sverdlovski Rayon on December 2. More than 100 citizens participated in each of the hearings. During both hearings, the head of the City Financial Department gave a slide presentation on the draft budget. On December 9, a City-wide hearing took place in Bishkek.

On December 13, the City Kenesh organized a press-conference on the results of the budget hearings. Mrs. Bailbolova, head of the City Kenesh, summarized the comments and questions made by citizens during the hearing. She gave specific examples of how these comments would be incorporated into the budget. In addition, she promised that the hearings would be held in the future on a regular basis. Mrs. Baibolova, Vice-Mayor Mr. Klimenko, the head of City Finance Department Mr. Nishanov and CoP Charles Undeland answered questions.

Association of Cities Institutional Development and Support (Task 3A)

ACKR plans to convene a General Assembly in January. ACKR decided not to wait until April to convene the next General Assembly because of the large turnover in local government heads following the elections on December 18 (see Programmatic Issues) and the political events of 2005. As a result of the December elections, two of the ACKR board members, Mr. Tishenko (Kara-Balta) and Abakjanov (Uzgen) need to be replaced at the General Assembly. In addition to Mr. Asanakunov, the ACKR Executive Director, Mr. Tishenko was the longest serving Board members and was part of the original board.

Regional Housing Associations Institutional Development and Support (Task 3B)

Nash Dom provided assistance to residents of 4 buildings in Bishkek to organize and legally register 4 TSJs (236 units in total). In addition, TSJ facilitators from Nash Dom provided advice and assistance to initiative groups to prepare documents for the registration of 5 additional new TSJs in Bishkek.

On December 12 Nash Dom conducted a regular meeting for TSJs to discuss best practices. During the meeting, the leader of JSK 74 reported on improvements in relations with the electricity provider in terms of maintenance of in-building networks. Severelectro, the local electricity provider, established four city rayon level subdivisions in order to implement the Law on Privatization of Housing which mandates that the



service provider maintain the in-building network and to provide emergency repairs. JSK 74 signed a new contract with the relevant new sub-division.

The second item on the Best Practices agenda was the presentation of information on 3 court decisions regarding non-payment of TSJ residents which were decided in favor of the TSJs. The presentation was made by Vadim Melkevich, a lawyer who was temporary hired by Nash Dom under a grant from the Eurasia Foundation. The meeting participants (leaders of 10 housing associations from Bishkek) asked questions about the details of the court procedures for further discussion with Board members of their TSJs and to consider the possibility of hiring a lawyer and suing non-paying members.

On December 26, Nash Dom had a New Year celebration which included nominations for "The Most Active and Motivated Leaders of Nash Dom Affiliated TSJs." The winners were Mrs. Salyakaeva, leader of Svobodnyi Dom TSJ; Mr. Bibik, leader of JSK 74; Mr. Pavlenko, leader of TSJ Kiprida; and Mr. Dyshluk, leader of TSJ Areta. These leaders were selected by the staff of the Association for active participation in all sorts of events organized by Nash Dom and partners: trainings, discussions and meetings, including meetings with residents interested in organizing their own TSJs.

Jalal-Abad Regional Housing Association organized and conducted a roundtable on TSJ related issues in Kok-Jangak. 13 leaders of Kok-Jangak and Suzak rayon TSJs discussed with the Heads of the Integrated Public Services Enterprise, the head of the Oblast JKH Department, the Vodokanal, and the deputy head of city government changes to the housing legislation which mandated that utility providers maintain and repair in-building networks. The Association also raised the issue of land parcels around multi-unit buildings (PZU) and recommended that the LSG begin implementation of the Governmental Resolution on identification of boundaries for land parcels around multi-unit buildings.

1 "TSJ - An Educated Client for Services" training was conducted by trainers from the Jalal_Abad Housing Association in Tash-Kumyr for 30 leaders of TSJs. Trainees highly ranked the training (a score of 3.5 score out of a maximum of 4) and expressed their hope for more meetings with staff of the Association.

UI distributed approximately 7,000 TSJ promotion posters in 3 languages (Kyrgyz, Uzbek and Russian) for TSJs in Osh, Batken and Jalal-Abad oblasts through cities and Jalal-Abad Regional Housing Association and Osh-Konush.



**COP Undeland Opens a Best TSJ
Project in Kara-Suu at TSJ #44**

On December 6 and 7 a series of official openings were held for winners of the 2005 Best TSJ competition took place in Jalal-Abad, Kara-Suu and Osh. Openings were conducted by UI COP Charles Undeland, TSJ leaders and local government's representatives. The ceremonies had good coverage in local mass media.

Academy of Management Institutional Development and Support (Task 3C)



Training for LG officials of Talas oblast was conducted by the Institute of State and Municipal Management in the Bishkek Training Center. A group of 25 deputy heads of aiyl-okmotu underwent a 5 day course on Managerial Skills. The same course will be conducted in the Osh Training Center for southern LG officials.

Standby Legal Resources (Task 4)

The implementing materials for the Standby Legal Resources Program have been disseminated to all 25 cities. All 25 cities have received the Implementation Guide on Standby Legal Resources, the three-party agreement, the list of certified lawyers, a description of the payment scheme and the amount of credit each city has within the program. Due to elections of City Heads in the cities of rayon significance and the holiday season there have not been any applications yet.

TAJKISTAN ACTIVITIES/DELIVERABLES

Policy Dialogue and Supporting Policy Change (Task 1)

Technical Assistance to Implement the Strategy for Local Government Reform after Approval by the President. Although the deadline was exceeded the Public Administration Strategy still waits for the comments from the key ministries. The Tajik officials still confirm that the approval of the strategy is only a question of time but there is not clear information about the schedule. According to Tajik officials the Public Administration Reform Strategy is main part of the National Development Strategy which a concept was presented by the Tajik delegation (lead by Mr. Hobobojev) at the Headquarter of United Nations in New York on December 12' 05. It is worth to report that although the National Development Strategy focuses more on the central level the issue of local self-government reform is presented in the strategy. The UI Tajikistan has been continuing to maintain the contacts with the Government officials discussing potential ways of cooperation in implementing the strategy after its approval.



Determining actual volume of solid waste generated by private sector in Kolkhozabad district

Technical Assistance and Training to Cities/Towns (Task 2)

Support for Financial Plans Based on Actual Costs

From December 01 to 16, consultants Jed Emerson and Ted Siegler, Ahmad Khairulloev from UI staff and UI trainers conducted a survey to determine solid and liquid waste generation, and also collection productivity in the following pilot cities and districts: Kurgan-Tube, Yavan, Kolkhozabad, Jami. During this period the Working Group members, including local government officials and heads of communal service enterprises from pilot cities in those districts provided their support in conducting the survey efficiently.

Results of the survey were presented to the members of the Working Group. The Working Group agreed with the work conducted by UI consultants and presented their comments. Survey results will be used for manual and spreadsheet development.

Develop a Billing and Collection System

Assessment of current billing and collection system is being implemented in Yavan, Kolkhozobod, Jami and Kurgantube cities. Gathered materials will be used for developing elements of a modern billing and collection method.



Workshop participants in Vahdat are determining the most effective methods of solid waste collection

Training on Low Technology Solid Waste Management was conducted in Vahdat City. A total of 32 people participated, including city council members, directors, chief engineers of communal services enterprises, finance department specialists, nature protection committees and sanitary epidemiological stations specialists. The workshop allowed participants to analyze the work of enterprises responsible for the garbage collection and carrying, identify weak points and familiarize with new low tech and cost effective ways of solid waste management. The UI trainers talked about Eastern European countries and their work experience in solid waste management in other UI pilot cities. Training materials and film demonstration provoked a great interest of participants.

On December 6-7, Memorandums of Understanding were signed between Urban Institute Tajikistan and Kanibadam and Istravshan City Administrations. The agreements were signed by Marilynne B. Davis, UI director, and Sanginov E., Kanibadam city chairman and Jumaev Z., Istravshan city chairman accordingly.

On December 8, another Memorandum of Understanding was signed by Marilynne B. Davis, UI director, and Tagaimurodov A, chairman of Vose district.



Memorandums of Understanding Signing in Kanibadam, Istravshan cities and Vose district.

Training on Deepened Budget Planning was held in Dangara, Kolkhozobod, Jami, and KurganTube. The trainees were deputy chairmen of cities, specialists from financial departments, budget institutions, communal service enterprises, as well as deputies of City Councils. Total of 99 participants attended the sessions. During the training the participants were introduced to budget management in countries with developed local government, budget functions, various budget classification types, and multi-year financial forecasts and plans. The UI trainers and participants analyzed the possibilities for application of multi-year financial planning tools in drafting city budgets for 2007 and up to 2009 period.

During the trainings participants were introduced to financial planning methods based on other transition countries experiences. Links were demonstrated between financial forecasting, the strength of a local budget and the use of local resources. Participants learned basic forecasting techniques and were familiarized with a spreadsheet tool that will help them to predict future revenues and expenditures.



Technical assistance to implement the training has been started in December. Trainers worked closely with local finance authorities and obtained financial data needed for financial forecasting in seven target areas (Khujand, Dangara, Kholkhobod, Kurgantube, Jami, Yavan, Vahdat).

Training of Trainers for MSDSP Local Governance and Livelihoods Program

During December 16-20 under the agreement signed between MSDSP and Urban Institute Tajikistan 23 trainers were prepared on Citizens Involvement Techniques for Local Government and Setting Fees for Services, TOT were held in Khorog City. On TOT completion MSDSP trainers conducted follow-up seminar on Citizens Involvement Techniques for Local Government for local government officials in Shugnan Rayon. UI trainers work was highly praised by MSDSP training supervisor. "I attended some of the classes conducted by Bakhtiyor Inamov, UI Training Manager, and Mirzo Olimov, UI trainer, and watched closely the methods and techniques of training that they were using during the sessions. Everything what they were doing was remarkable. No comments. I talked to some of the participants/ our trainers as well as other participants. They all have one and the same thought and appreciated the trainers as well as the courses very much. I am personally happy that we agreed on these training courses and I would like to thank Ms. Marilynne Davis for her kind support to the capacity building sector of this programme... -Amar Sainju, MSDSP Program Manager".

Public Hearing Workshop was conducted in Jami on December 22. A total of 41 participants, representing local government officials, Jamoats leaders, service enterprise directors, and mahalla leaders attended. The training comprised presentations addressed to theoretical and practical aspects of holding a public forum, from defining its purpose to the step-by-step process of preparing to hold one. The presentations were followed by a Practice Forum. Four participants were nominated to run the forum, in which a public discussion of community issues was held. The Practice Forum demonstrated the procedures needed to hold an upcoming Public Hearing to be held in Jami in mid January, 2006.

Completed the Management Demonstration Programs on Improving Waste Management Methods.

Khujand Composting Project

As of today, Khujand Truck Fleet Enterprise managed to screen about 200 cubic meters of compost. Peter Engel had a discussion with Unusov M, Head of Truck Fleet Enterprise about the remaining activities and issues related to the last stage of year 2005 composting project and conducting financial assessment for the enterprise.

Kolkhozabad Composting Project

On December 13-14, Peter Engel and Eraj Akrami discussed with Davlatov B., Head of Communal Services Enterprise the agreement for composting project in Kolkhozabad. Having agreed on roles and responsibilities Davlatov B. signed the Letter Agreement for leaf composting project on behalf of Kolkhozabad Communal Services Enterprise. In addition, the use of Monitoring Form and Operations Plan were discussed with Davlatov and technical assistance was provided for the construction of the initial pile on the compost site.

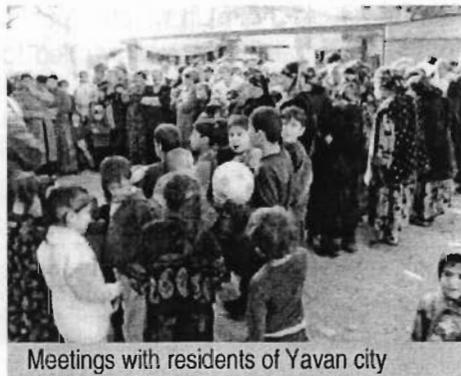
Provided Technical Assistance to Kulyab to Accept Transfer of Communal Services Management and Assets. UI Tajikistan has studied the legal form of organization of the communal enterprises in Kulyab. The legal analysis is a ground for elaborating drafts of government resolution on the transfer of the communal enterprises from the structure of the SUE to the city of Kulyab. The proper legal way of the transfer is a critical issue for the future operations of the communal enterprises. The study is lead by Olga Kaganova the UI International Expert who visited Kulyab at the beginning of December '05. During her visit the UI Tajikistan conducted meetings with officials from the Executive Office of the President, the SUE and the city of Kulyab. During the meeting with Mr. Safarov – the Head of Construction and Architecture Department at the Executive Office of the President who is responsible for the transfer of the communal enterprises in Kulyab – the issues of communal service sector reforms were discussed. According to Mr. Safarov the transfer of the communal enterprises in Kulyab is a pilot project and other similar projects will be conducted in the future. At the same time Mr. Safarov highlighted that the Government is sure that the transfer will build foundations for future improvements of communal service delivery. At the end of the meeting Mr. Safarov requested the UI Tajikistan about its assistance for the Government and the city of Kulyab in preparation and implementation of the transfer.

However, this work will go forward only pending clarification of how such a change would affect Kulyab's participation in a World Bank project to fund infrastructure improvements in small towns in Tajikistan. The World Bank has indicated that funding will go only to SUE subsidiaries, which might make a transfer not worthwhile for Kulyab. UI as well as counterparts are working to clarify the issue.

Grants

Yavan City Bins Construction Project

45 metal waste collection bins were delivered to Yavan City. Citizens' education campaigns were held on December 17-21, 2005.



Meetings with residents of Yavan city

On December 17, an organizational workshop was held in Yavan city to discuss new methods of waste collection with new metal containers provided by UI and compactor and citizens' education program.

Based on the results of discussions a total of 11 meetings with citizens were held on citizens' education by Zilya Shomahmadova and UI trainers on December 20-21. The topic of meetings was separate waste collection (household waste vs construction waste) and the responsibility of citizens for the new containers



and compactor and also their motivation to pay for communal services. The deputy chairman of city Kholov N., chairman of Women's committee Umatova and the representative of Sanitary Epidemic Station, Heads of Housing Maintenance Departments, Mahalla chairmen also took part in the meetings.

Totally, 800 citizens took part in those eleven meetings, from which 85% were men and 15% were women. In addition, around 400 children participated in the meetings.

Technical Assistance and Training to Jamoats (Task 3)

Training on Deepened Budget Planning was held in Tavildara Jamoat of Tavildara Rayon, Tajikistan. Twenty six participants attended, representing financial specialists, chief accountants and jamoat economists from Tavildara, Childara and Sangvor Jamoats. They were introduced to modern budgeting forecast and planning techniques.

City Computer Resource Centers and Training Facilities (Task 4)

Are established.

Study on Civil Registry Information (Task 5)

Activity finished.

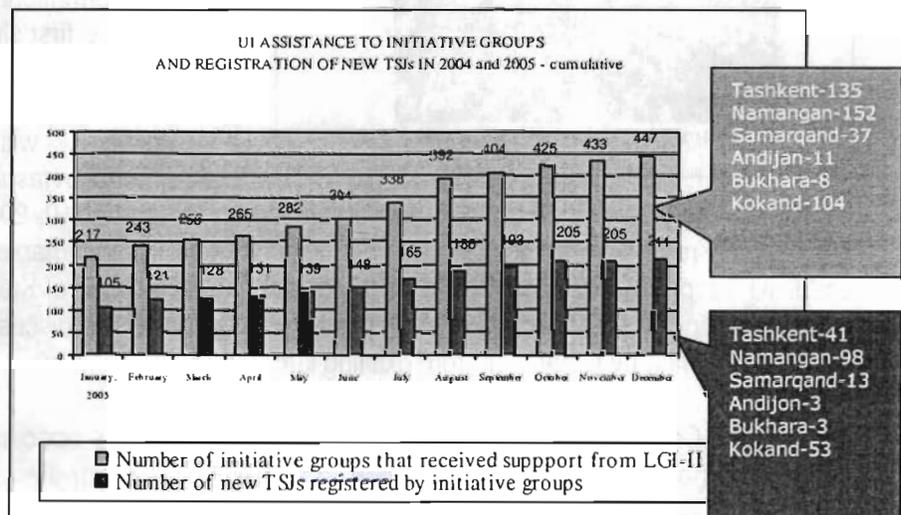
Expanded Training for Locally Elected and Appointed Officials (Task 6)

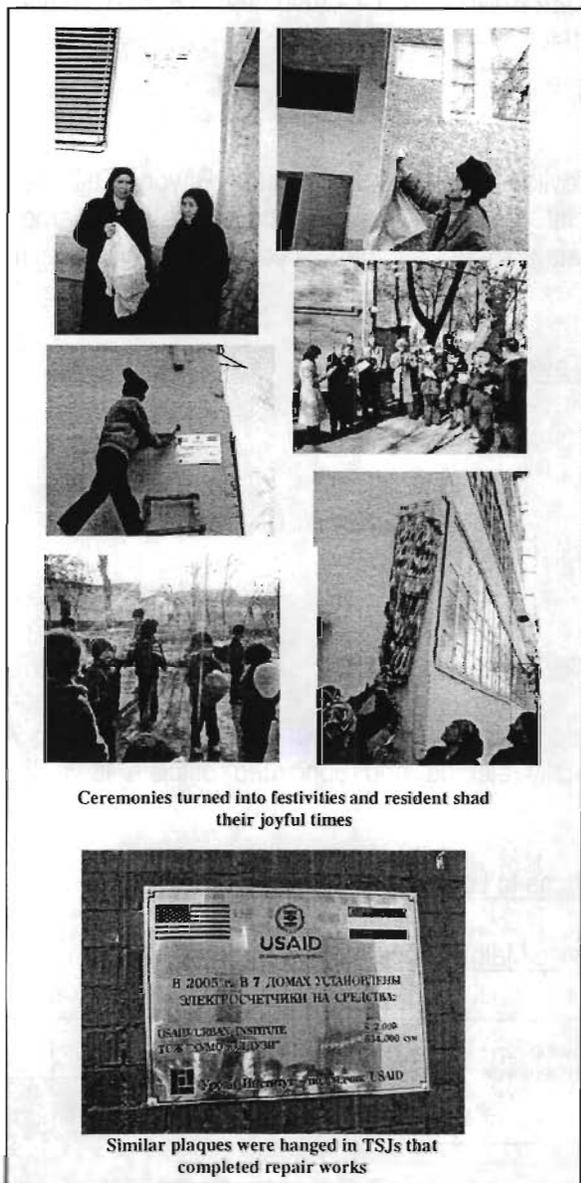
Increased Support to Local Government Reform, Improved Financial Management and Transparency. A manual of training on roles and responsibilities of locally elected and appointed officials is in the development process.

Assessment of Options to Link Potable Water User Operations to Local Government (Task 7)

Technical Assistance to Review the Opportunities for Housing Maintenance Associations (Task 8)

A study tour on Housing Associations to Uzbekistan is being arranged. UI staff, Housing Committee members of the Parliament and SUE Housing and Communal Services staff will meet their Uzbek counterparts on the second week of January, 2006. A draft Tajik law on condominiums will be the focus of the study tour.




UZBEKISTAN ACTIVITIES/DELIVERABLES


Ceremonies turned into festivities and resident shad their joyful times

Similar plaques were hanged in TSJs that completed repair works

National Policy Development (Task 1)

UI assisted its nongovernmental partners in preparing answers to the questions and comments of the Parliamentary Senate on the new Law on TSJs, because of which the law was not accepted in December 2005. The comments were related to the regulation of relations between TSJs and owners of nonresidential units. The prepared responses substantiate the necessity of legal acts that extend ownership rights to common property to the owners of nonresidential units, as well as the necessity of their membership in TSJs and participation in management and maintenance of the common property.

Formation of Resident-Controlled Housing Partnerships (Task 2)

Up to the end of 2005, 2132 TSJs have been registered in Uzbekistan and 164 of them are single-building TSJs. Most of the single-building TSJs are in pilot sites of the project LGI-II (total 154).

In December, LGI-II provided direct assistance to 14 new initiative groups, of which 6 groups officially registered their TSJs (*see chart*).

While assisting Navoi City Association of TSJs that received informational and methodological support of the project the first single-building TSJ was established in Navoi City.

UI jointly with the Training Centre "Uzkommunoquvtashkilotchi" conducted a half-day

seminar "State Registration of TSJs" in Samarkand on December 10, 2005. It was organized for hokimiyat lawyers and representatives of registration inspectorates from Samarkand, Navoi, Kashkadarya, Jizzakh and Bukhara provinces, as well as from the autonomous Republic of Karakalpakstan. Twenty eight people participated in this seminar. Special emphasis was given to the discussion of registering single-building TSJs, established by separation from existing large TSJs.

UI/Tashkent Country Director, Irina Gentsler, met with the newly appointed hokim (mayor) of Andijan City and deputy hokim of Namangan Province to discuss project activities in these pilot sites. The hokim of



Andijan, Ibragim Holmatov, who participated in UI's study tour to Hungary in 2004 and expressed interest in strengthening project activities in Andijan and supported UI proposal on conducting awareness campaign among residents and training TSJ leaders. The deputy hokim of Namangan Province agreed with the ideas of the project and expressed willingness to support establishment of small TSJs and management companies.

UI and Republican Foundation "*Mahalla*" has come to an agreement to conduct a series of seminars in the new pilot sites and roundtable discussions in the cities where these seminars were conducted in 2006 on the issues of interrelations of TSJs and mahalla committees.

Up to the end of December 2005, repair works under UI subcontracts have been completed in all TSJs, winners of UI/USAID competition in 2005, except the works on installation of local heating system in the building of TSJ "Navbahor Mashhur" (Namangan), where additional financing is required from city hokimiyat.

In December, UI held another seven plaque hanging ceremonies (in Tashkent, Andijan, Namangan and Asaka cities) devoted to the completion of repair works and have received money prizes for implementation of these works (*see pictures*). The ceremonies were attended by the residents, representatives of the contracting organizations, local governments, mass media and TSJ Associations. Residents were thankful for the support that was provided to their TSJs by the project and are satisfied with the results of repair works, and shared their plans for the future on improving living conditions in their buildings.



All training participants received certificates of participation

The plaques for other TSJs will be installed in January and early February of 2006.

Two training sessions on the issues of planning works and preparing budgets in TSJs were delivered in December in Tashkent and Bukhara cities, in which 65 TSJ leaders participated.

Formation and Support of Regional TSJ Associations (Task 3)

Assistance was provided to the Andijan City Association of TSJs in drafting the plan on development of TSJs in Andijan. The plan is provided to the city hokim.

UI held the meeting with representatives of Tashkent City and district Association of TSJs on the issues of how associations can assist TSJs to finance their share of capital repairs within the framework of the state program.

TSJ Associations in all pilot sites of the project and partner training centers received the Uzbek version brochure "TSJs: Experiences of Different Countries" and "TSJ Development Tendencies in Uzbekistan" to supplement their existing libraries.



By the request of Navoi City Association of TSJs additional informational, training and methodological materials were provided, and assistance was provided in developing the plan of association activities.

UI also assisted the Tashkent City Association of TSJs in preparing final documents to receive a grant from the Eurasia Foundation.

UI applied to all associations of TSJ in pilot sites with the request to prepare success stories on how associations help TSJs to resolve certain issues for publication in the project bulletin.

Public Awareness Campaign (Task 4)

On 20 December, UI held the third of a series of meetings with journalists from pilot sites and other locations. The meeting participants discussed interrelations of TSJs and *mahalla* committees. Mr. Nigmatilla Abdullayev, deputy chairman of the Republican Foundation "Mahalla", attended the meeting as a guest expert and answered journalists' questions.

Two mass media subcontracts – Radio Station "Grand" and newspaper "Pravda Vostoka" – are continuing to cover TSJ activity issues in their special sections. Newspaper "Nalogovye i Tamozhennye Vesti" has successfully finished its project and provided the final report to UI. Newspaper "Hurriyat" has implemented its project by 75 percent and decided to end its project because of difficulties in transfer of payments by the Uzbek banks under subcontracts.

Press releases and success stories were prepared for the plaque hanging ceremonies in 7 TSJs and for wide dissemination in pilot sites. The ceremonies received wide coverage by the republican radio, TV and print journalists.

UI informational such as brochures on TSJ experiences in different countries and the latest bulletin devoted to the experience of TSJs on selecting contractors by tender in Russian and Uzbek were widely disseminated during seminars and meetings, as well as provided to the partners.

Survey on Status of TSJ Reforms (Task 5)

The results of the survey, conducted by UI in 2005, related to the interrelations of TSJs with owners of nonresidential units were presented to partners for preparing responses to the comments of the Parliamentary Senate on the new Law on TSJs. The survey of TSJ leaders showed that only contracts were concluded with only 40 percent of owners of nonresidential units, according to which they provide payments for the maintenance of the building. Therefore, it is necessary to improve legislation which defines the obligation of nonresidential units to do so.

Promotion of a Market for Housing Services (Task 6)

Two trainings for TSJ leaders delivered in Tashkent and Bukhara (see task 2) included special session on management and maintenance options of the common property and advantages of hiring professional management companies.



An informational brochure was prepared on the basis of the training "How to Select Contractors" for publication and dissemination.

The work has started on the list of candidates for the study tour to CEE on professional housing management to be organized by AED/USAID.

UI helped the Institute Byvania (Slovakia) and the Republican Training Center "Uzkommunukuvtashkilotchi" in establishing partnership ties on arranging study tour on development of TSJs and professional management companies in Slovakia.

Legal Support for Housing Partnerships (Task 7)

UI prepared draft parameters for lawyers who will provide consultations to TSJs for USAID approval. The work is continuing on preparing a training course for jurists.


COUNTRY STAFF TRAVEL CHARTS
Kyrgyzstan

| Employee | Travel in Past Month | Expected Upcoming Travel |
|--|---|--|
| Undeland (CoP/Country Director) | Kochkor-Ata, Jalal-Abad, Uzgen, 12/6, Kara-Suu, Osh 12/7, On leave 12/16-1/8 | Osh, Kara-Suu, Uzgen, Jalal-Abad 1/12-13; Dushanbe 1/15-22; Almaty 1/23-24 |
| Smith (Resident Advisor) | Isfana 12/5-6, Sulukta 12/6, Batken 12/7, Nookat 12/8, Balykchy 12/12, Shopokov 12/13 (All for ARIS Project), Osh 12/27 | Kant |
| Kaganova (STTA) | Sushanbe 12/4-8, Jalal-Abad 12/12 – 12/14 | Return in early March |
| Popelka (STTA) | Kara-Balta 12/2, Sulukta 12/5, Isfana 12/6, Batken 12/7, Nookat 12/8, Kara-Balta 12/9 (All for ARIS Project) | Return in late February/early March |
| Siegler (STTA) | Isfana 12/5-6, Sulukta 12/6, Batken 12/7, Nookat 12/8, Kara-Suu 12/9, Balykchy 12/12, Shopokov 12/13, Kara-Balta 12/14 (All for ARIS Project) | Return in late February/early March |
| Abdykalykov (Municipal Finance) | Kara-Balta 12/2, Sulukta 12/5, Isfana 12/6, Batken 12/7, Nookat 12/8, Kara-Suu 12/9, Balykchy 12/12, Kara-Balta 12/14 | Tokmok, Osh |
| Akmatov (Land Specialist) | Osh 12/2-7, 12/12-14, 12/24-1/8 | Osh |
| Asibaliev (Strategic Planning and Municipal Finance) | Sulukta 12/5, Isfana 12/6, Batken 12/7, Nookat 12/8, Shopokov 12/13, Kara-Balta 12/20 | |
| Bektenova (Executive Officer) | | Osh |
| Gradwal (Housing/Utilities) | Osh 12/7 | |
| Mambetova (Legal Specialist) | Sulukta 12/5, Isfana 12/6, Batken 12/7, Nookat 12/8, Kara-Suu 12/9, Balykchy 12/12, Shopokov 12/13, Kara-Balta 12/14, Osh 12/27 | Kant, Kyzyl-Kia |
| Narusbaeva (Municipal Prop) | Kara-Balta 12/7, Jalal-Abad 12/12 – 12/14 | Kara-Balta, Jalal-Abad |
| Roman (IT Specialist) | | Balykchy 12/8 |

NOTE: TRAVEL INCLUDED IN THE TABLE MAY INCLUDE TRAVEL FUNDED THROUGH A DIFFERENT CONTRACT (E.G. ARIS OR CONFLICT MITIGATION IN KYRGYZSTAN OR CONFLICT MITIGATION IN TAJIKISTAN), HOWEVER, IT REFLECTS A UI/LGI II PROJECT PRESENCE AND IN MOST CASES LGI II PROJECT ISSUES ARE DISCUSSED WITH COUNTERPARTS IN THE FIELD.

Tajikistan

| Employee | Travel in Past Month | Expected Upcoming Travel |
|--|--|--|
| Davis (Country Director) | Istravshan, Kanibadam, Vose | |
| Szymanowicz (Resident National Policy) | Kulob | Kulob |
| Babaeva (Decent. Policy) | Kulob | Kulob |
| Jefremienko (Resident) | Vose, Jami, Kholkhozobod, Dangara, Yavan | |
| Inamov (Training Manager) | Yavan, Istravshan, Kanibadam, Khorog, Vahdat | Jami, Kurgantube, Kolkhozabad |
| Shuhrat (Training Specialist) | Yavan, Tavildara, Jami, Kholkhozobod | Kanibadam, Istaravshan, Yavan, Jami, Kurgantube, Tavildara |
| Gulru (Training Specialist) | Yavan, Jami, Kurgantube | Jami, Vahdat |
| Ahmad | K-Tube, Kolkhozabad, Jami, Yavan | Tashkent, Khujand, K-Tube, Kolkhozabad, Jami, Yavan |
| Shomakhmadova (Citizens) | Vose, Yavan | Tashkent, Khujand |



| | | |
|---|--|----------------------------|
| Involvement & Grants) | | |
| Akrami (Assistant Citizen Involvement & Grants) | Khujand, Kanibadam, Istravshan, Vose, K-Tube, Kolkhozabad, Jami, Yavan | Khujand, Kolkhozabad, Jami |
| Nekfar | Kholkhozobod, Dangara | Kholkhozobod, Dangara |
| Gulru (Training Specialist) | Yavan, Jami, Kurgantube | Jami, Vahdat |



Uzbekistan

| Employee | Travel in Past Month | Expected Upcoming Travel |
|---|---|--|
| Irina Gentsler (Country Director) | Moscow 12/1-2, Samarqand 12/10, Kokand, Andijan, Asaka, Namangan 12/21-23 | Samarkand 1/12, 27-28, Angren 1/17 Almaty 1/22-24 |
| Gavhar Alieva (Housing Specialist) | Bukhara 12/20-23 | Samarkand 1/12, Namangan 1/26-29 |
| Rahima Ortikova (Grants Coordinator) | Kokand, Andijan, Asaka, Namangan 12/21-23, Bukhara, Samarqand 12/28-29 | Samarkand, Navoi 1/27-28 |
| Elena Pashkova (Translator/Trainings Coordinator) | Samarqand 12/10, Bukhara 12/19-23 | Bukhara 1/13-14, Kokand 1/20-22 Namangan 1/26-29 |
| Stella Solovei (Coordinator for TSJ Association Activity) | Samarqand 12/10 | Bukhara 1/13-14, Kokand 1/20-22 Angren 1/17 |
| Norbek Pardaev (Communal and Housing Services Specialist) | None | Samarkand 1/12, Bukhara 1/13-14 Kokand 1/20-22 |
| Faruk Turaev (Publications and Media Coordinator) | None | Samarkand 1/12 |

PROGRAMMATIC AND OPERATIONAL ISSUES

Kyrgyzstan

Olga Kaganova was in the region from November 30 to December 21. During this time, she was in Kyrgyzstan with a brief trip to Tajikistan from 12/4-12/8 to work with the Tajik staff on the possible transfer to municipal ownership of several municipal service providers in Kulyab.

Andrew Popelka was in Kyrgyzstan from November 27 to December 11 to work on the LGI II contract (11/27-12/1) and the ARIS funded project Development of Performance Improvement Action Plans for Delivery of Local Infrastructure Services (12/2-12/11).

Ted Siegler was in Kyrgyzstan to work on the ARIS funded project Development of Performance Improvement Action Plans for Delivery of Local Infrastructure Services from December 4 to December 15.

Elections of heads of local-self government in cities of rayon significance and villages were held on December 18. Elections were held in Kant, Kara-Balta, Kara-Suu, Kerben, Kok-Jongak, Uzgen, Cholpon-Ata, Isfana, Kochkor-Ata, and Shopokov. There were no elections in Batken and Nookat because their City Heads were recently elected. With the exception of Shopokov, the incumbent either did not run or was voted out. Most of the newly elected LSG heads are businessmen. Although the results may be interpreted positively in that the position of LSG head is worthwhile, it can similarly be seen in a negative light that the position is also profitable. There is anecdotal evidence that there was wide-spread vote buying in the cities, hence the 'victory' of businesspersons. This pattern of vote-buying would be consistent with what occurred in other elections in recent past.

UI intends to introduce the LGI II project and all its components to each of the new LSG heads in early 2006 after the holidays. If the Association of Cities holds a General Assembly in January, as is planned, this will afford us the opportunity. If no General Assembly is held, then UI will make personal visits to each of the cities.



Work with the Ministry of Economy and Finance (MoEF) on the equalization formula and the database has been hampered for two reasons. First, the Ministry is undergoing a re-organization. The Ministry obtained new responsibilities when it became the Ministry of Economy and Finance. In addition, Presidential Decree #607 issued on November 30, 2005, mandated that ministries with three-tier (Department-Division-Unit) structures, including the Ministry of Economy and Finance, should reorganize their structure to two-tiers (Division-Unit). The revised structure of the Ministry of Economy and Finance has not been fully determined and is distracting staff as the scramble to secure their positions.

Secondly, Ministry staff are busy with the passage of the Republican budget which has still not been passed by the Jogorku Kenesh. The Republican budget, which must go through two readings, only passed the first one on December 30, 2005. The MoEF is vigorously liaising with parliamentary staff trying to get the budget passed.

Uzbekistan

Interdepartmental commission on monitoring financial assistance to local organizations by international donor organizations gave permission to UI to transfer finances to contractors that implemented repair works in TSJs, which won UI competition. The repair works were fully paid by UI. The permission was given to UI due to the assistance provided by the Cabinet of Ministers. It is recommended to provide financial assistance in the form of grants to TSJs in future. In accordance with this UI is expected to change the guidelines of the competition among TSJs.

The given permission did not affect subcontracts with mass media. According to UI partners, permission for financing subcontracts or providing grants to mass media outlets will not be given. Because of this, one media outlet elected to discontinue its special section on TSJ activities.

UI will face great obstacles in providing grant or in-kind support in the future owing to the overall restrictions on banking and on the work of international organizations.

The Ministry of Justice conducted monitoring of UI activities in Uzbekistan on implementation of the project LGI-II on Monday, December 12, and has not yet provided official response regarding the check-up. USAID representatives John Griffin from the Contracts office and Dinara Mirzakarimova from USAID/Tashkent office were present at the meeting. In accordance with questions raised during monitoring UI prepared new regulations on goals and activities of the representative office in Uzbekistan and documents for registration the logo of UI in MoJ. UI understands from AID that the inspectino went smoothly compared to other AID projects.

UI/Tashkent and UI/Dushanbe offices jointly prepared the program of the study tour to Uzbekistan for the representatives of Tajikistan government officials to introduce them with the legal regulation of TSJ activities.


COUNTRY TASK CHARTS
Kyrgyzstan

| ACTIVITY | RESULTS IN DECEMBER 2005 | UPCOMING ACTIVITIES (next 2 months) |
|--|--|---|
| Supporting Policy Change at the National Level (Task 1) | <ul style="list-style-type: none"> President Bakiev agrees to hold referendum on constitutional structure of the Kyrgyz government Law on Rayon and Oblast Keneshes adopted by parliament Draft Law on Changes to the LSG/LSA law returned to LSG Agency for revision Parliament adopts amendments to the Tax Code including elimination of several local taxes Elections of heads of local-self government were held | <ul style="list-style-type: none"> Amendments to the LSA/LSG revised and submitted again to the Government On-going discussions on Constitutional amendments Work on implementation of the fiscal decentralization reforms |
| Asset Management (Task 2A) | <ul style="list-style-type: none"> Kara-Balta completes the package of concession materials Kara-Balta announces the Park concession competition Jalal-Abad begins to register vacant municipal land Osh hires land specialists to begin work on vacant municipal land inventory project | <ul style="list-style-type: none"> Kara-Balta park concession completed Land strategy in Jalal-Abad city, Bishkek, and Osh Asset management Legal Framework in Bishkek Asset Management trainings for city councils |
| Municipal Utility Enterprises (Task 2B) | <ul style="list-style-type: none"> TA provided on new municipal water utility in Kyzyl-Kia The implementation of the billing software at Tokmok Vodokanal and Ecolog continues Questionnaire for customer satisfaction survey finalized | <ul style="list-style-type: none"> Implementation of the billing software in Ecolog and Tokmok Vodokanal completed Customer satisfaction survey completed Conference on charter, use procedures, contracts with ARIS |
| Financial Management (Task 2C) | <ul style="list-style-type: none"> Two addition rayon hearings and a city-wide budget hearing held in Bishkek Grant implementation in Kara-Balta city completed Information board erected in Nookat Work on the LSG budget database continues, new data information request and instructions prepared | <ul style="list-style-type: none"> Strategy implementation monitoring in Karakol and Belovodskoye Further work on the LSG database Dissemination of the local budget data information request |
| Empowering Locally Elected Councils (Task 2D) | <ul style="list-style-type: none"> Two addition rayon hearings and a city-wide budget hearing held in Bishkek Press conference held by the Bishkek City Kenesh to summarize the hearings | <ul style="list-style-type: none"> Training for councils (Jan-Feb) |
| Association of Cities Institutional Development and Support (Task 3A) | <ul style="list-style-type: none"> ACKR decides to hold General Assembly in January due to new LSG heads following the December 18 elections | <ul style="list-style-type: none"> ACKR's General Assembly |
| Regional Housing Associations Institutional Development and Support (Task 3B) | <ul style="list-style-type: none"> 4 new TSJs registered in Bishkek 1 "TSJ-client" training delivered in Tash-Kumyr 7,000 Condo promotion posters disseminated | <ul style="list-style-type: none"> Identification of land boundaries Production of a reference book of materials to help TSJs to be educated consumers of services |
| Academy of Management Institutional Development and Support (Task 3C) | <ul style="list-style-type: none"> 5 day training for LG officials of Talas oblast on Managerial Skills | <ul style="list-style-type: none"> Training for LG regional officials in Osh |
| Standby Legal Resources (Task 4) | <ul style="list-style-type: none"> Legal Resources Program officially begins | <ul style="list-style-type: none"> Review of the program and determination of any necessary changes |



Tajikistan

| TASK | RESULTS IN REPORTED MONTH | UPCOMING ACTIVITIES (next 2 months) |
|---|---|--|
| <i>Policy Dialogue and Supporting Policy Change (Task 1)</i> | <ul style="list-style-type: none"> Development of local self-government presented in the concept of the National Development Strategy | <ul style="list-style-type: none"> Approval of the Public Administration Reform Strategy Work Plan of implementation of the strategy Study on local self-government reform in Jamoats Draft law on local self-government in Jamoats |
| <i>Technical Assistance and Training to Cities/Towns (Task 2)</i> | <ul style="list-style-type: none"> Seminar on Low Cost Technology for Solid Waste Management was held in Vahdat City. Training on Deepened Budget Planning (DBP) was held in Kurgantube, Jami, Dangara, Kolkhozobod cities. Financial historical data was obtained from 7 cities as part of the financial planning work. (Khujand, Vahdat, Yavan, Kurgantube, Jami, Dangara, Kolkhozobod). Survey conducted to determine solid and liquid waste generation, and also collection productivity in the following pilot cities and districts: Kurgan-Tube, Yavan, Kolkhozabad, Jami to facilitate developing Financial Plans Based on Actual Costs. Partnership Agreements were signed with Istravshan, Kanibadam cities and Vose district. Composting project started in Kolkhozabad and initial pile constructed. 11 public meetings conducted with citizens of Yavan city to discuss separate waste collection Legal analysis of communal enterprises in Kulob and transfer to city Fee Setting Workshop and Citizens Involvement Seminar were held in Khorog City. | <ul style="list-style-type: none"> Seminars on Low Cost Technology in Kanibadam, Istravshan Cities and Vose District Full Cost Accounting in Kanibadam and Vahdat cities. Seminar on Modern Budget Processes in Istravshan city. Process financial historical data obtained after DBP training develop budget forecasts for seven cities. Construct the second pile in Kolkhozabad composting site; Conduct financial assessment for Khujand Truck Fleet Enterprise; Develop forms for recording routs in the communal service enterprises of Kurgan-Tube, Yavan, Kolkhozabad, Jami. Preparation of CIP manual Analysis of management, financial and technical situation of communal enterprises; Report on international experience on transferring of communal enterprises |
| <i>Technical Assistance and Training to Jamoats (Task 3)</i> | <ul style="list-style-type: none"> Training on Deepened Budget Planning was held in Tavildara Jamoat. | <ul style="list-style-type: none"> Develop multi-year budget forecast for Tavildara district |
| <i>City Computer Resource Centers and Training Facilities (Task 4)</i> | <ul style="list-style-type: none"> Activites Completed | |
| <i>Study on Civil Registry Information (Task 5)</i> | <ul style="list-style-type: none"> Activity Completed | |
| <i>Expanded Training for Locally Elected and Appointed Officials (Task 6)</i> | <ul style="list-style-type: none"> Public Hearing Workshop was conducted in Jami. | <ul style="list-style-type: none"> Public Hearing on citizens participation in solid waste management, site selection and construction of new landfill will be held in Jami in mid-January, 2006. |
| <i>Assessment of Options to Link Potable Water User Operations to Local Government (Task 7)</i> | <ul style="list-style-type: none"> An overview of the status of existing water system was conducted | |
| <i>Technical Assistance to Review the Opportunities for Housing Maintenance Associations (Task 8)</i> | <ul style="list-style-type: none"> Officials and housing communal services staff formed | <ul style="list-style-type: none"> Selection of the pilot buildings in partner cities Study tour to Uzbekistan for UI staff, members of the Parliament Committee on Housing and staff of Housing and Communal Services of the |



| | | |
|--|--|--|
| | | SUE. <ul style="list-style-type: none"> • Draft new law on condominium • Information campaign for owners |
|--|--|--|

Uzbekistan

| TASK | RESULTS IN DECEMBER 2005 | UPCOMING ACTIVITIES (next 2 months) |
|---|---|--|
| National Policy Development (Task 1) | <ul style="list-style-type: none"> • Assisted nongovernmental partners in preparing answers to the questions and comments of the Parliamentary Senate on the new Law on TSJs | <ul style="list-style-type: none"> • Provide expertise while Oliy Majlis considers changes and additions to the Housing Code and the Tax Code |
| Formation of Resident-Controlled Housing Partnerships (Task 2) | <ul style="list-style-type: none"> • Provided assistance to 14 new initiative groups, of which 6 groups officially registered their TSJs • Provided informational and methodological support Navoi City Association of TSJs • Conducted a half-day seminar on registering TSJs in Samarkand • Met with the newly appointed hokim of Andijan City and deputy hokim of Namangan Province to discuss project activities in these pilot sites • Repair works have been completed in all TSJs, except the TSJ "Navbahor Mashhur" (Namangan) • Held plaque hanging ceremonies in 7 TSJs • Delivered two trainings on the issues of planning works and preparing budgets in TSJs in Tashkent and Bukhara cities | <ul style="list-style-type: none"> • Provide consultations for residents and TSJ leaders (ongoing) • Two-day training for Andijan and Namangan TSJ chairpersons on the bases of professional housing management • Two one-day trainings "Housing Associations and Mahallas: Legal Framework for Activities and Opportunities for Collaboration" (Bukhara, January 14); (Kokand, January 21) • Plaque hanging ceremonies • Announce "The Best TSJ Practices" competition |
| Formation and Support of Regional TSJ Associations (Task 3) | <ul style="list-style-type: none"> • Assisted Andijan City Association of TSJs in drafting plan on development of TSJs • Held the meeting with representatives of Tashkent City and district Association of TSJs • TSJ Associations in all pilot sites of the project and partner training centers received UI brochures in Uzbek language for their libraries • Assisted Tashkent City Association of TSJs in preparing final documents for the grant of the Eurasia Foundation • Asked all associations of TSJ in pilot sites to prepare success stories on association assistance to TSJs for publication in the project bulletin | <ul style="list-style-type: none"> • Assist TSJ associations in conducting workshops "How to Conduct Annual General Meetings in TSJs" • Provide equipment to Kokand City Association of TSJs • Prepare and print bulletin on the experiences of TSJ associations |
| Public Awareness Campaign (Task 4) | <ul style="list-style-type: none"> • Held the third of a series of meetings with journalists • Two mass media subcontracts are continuing to cover TSJ activity issues. "NTV" finished its project. "Hurriyat" has implemented its project by 75 percent and decided to end its project • Prepared press releases and success stories for the ceremonies in TSJs | <ul style="list-style-type: none"> • Hold a meeting of journalists (Jan. 31) • Print Best TSJ Practices booklet • Prepare presentation on the best experiences of TSJs in implementation of repair works • Announce media contest (early February) |
| Survey on Status of TSJ Reforms (Task 5) | <ul style="list-style-type: none"> • Presented to partners results of the survey related to the interrelations of TSJs with owners of nonresidential units were | <ul style="list-style-type: none"> • Prepare and print the booklet on the results of the survey |
| Promotion of a Market for Housing Services (Task 6) | <ul style="list-style-type: none"> • Prepared an informational brochure for publication and dissemination on the basis of the training "How to Select Contractors" • Work has started on the list of candidates for the study tour to CEE • Helped the Institute Byvania and the Training Center | <ul style="list-style-type: none"> • Presentation of recommendations on establishing private housing management companies including their draft bylaws • Orientation seminar for the founders of management companies (February) |



| | | |
|---|--|---|
| | "Uzkommunukvtashkilotchi" in arranging study tour to Slovakia | |
| Legal Support to Housing Partnerships (Task 7) | <ul style="list-style-type: none">• Prepared draft parameters for lawyers on consultations to TSJs• Work is continuing on preparing a training course for jurists | <ul style="list-style-type: none">• Select jurist jointly with TSJ associations for training activities |


GENDER REPORTING
Kyrgyzstan

| GENDER REPORTING | | |
|--|-------------------------------|--------------------------|
| Events | Number of participants | Number of females |
| TSJ-an educated client for services training | 30 | 16 |
| Focus Group on Public Budget Hearings | 7 | 6 |
| Total | 37 | 22 |

Tajikistan

| GENDER REPORTING | | |
|-------------------------|-------------------------------|--------------------------|
| Events | Number of participants | Number of females |
| Trainings | 237 | 164 |
| Other | 930 | 716 |
| Total | 1167 | 880 |

Uzbekistan

| GENDER REPORTING | | |
|---|-------------------------------|--------------------------|
| Events | Number of participants | Number of females |
| Seminar "State registration of TSJs" | 28 | 1 |
| Seminar "TSJs: Bases of Housing Management" | 65 | 23 |
| Meeting of Journalists | 24 | 6 |
| Total | 117 | 30 |

**ALBANIA LOCAL GOVERNMENT AND DECENTRALIZATION—06901-020
USAID TASK ORDER NO. 813**

| | |
|---|--|
| Task Order No.: | EEU-I-00-99-00015-00, TO No. 813 |
| Date of Issuance: | July 26, 2004 |
| Amount Obligated Under Task Order: | \$2,700,000 |
| Total Potential Task Order Amount: | \$4,099,995 |
| Dollars Expended To-date: | \$ 1,806,252 |
| Key Personnel: | Barry Reed, Chief of Party, 069.208-4957 barry@lgda-al.org |

BACKGROUND

In July 2004, United States Agency for International Development (USAID) contracted the Urban Institute (UI) to implement a three-year local government project in Albania. This project will assist the Government of Albania in implementation of its decentralization strategy and in building capacity of local government units to fulfill their newly mandated responsibilities. It will also support association development and focus on increasing citizen participation in targeted units of local government. The project builds on UI's two previous projects in Albania that fostered the environment for ongoing reforms.

HIGHLIGHTS

- Policy Dialog and Parliamentary/Senior Leader seminar held resulting in major new policy changes that will positively impact local government fiscal autonomy
- AAM Retreat conducted
- Target and Non-target Cities completing SIAPs and presenting at City Council meetings
- Civil Society Assessment Completed
- Constructive Engagement and City Council Leadership (non-targets) Courses completed

PROGRESS OF MAJOR ACTIVITIES

LGDA experienced an extremely successful Q4. Under IR 3.1, in the 2006 budget, Parliament approved a series of new initiatives that will result in considerably more fiscal autonomy for local governments. LGDA



assisted the process to develop and adopt these reforms. They are wide-reaching in focus and impact (see below for details). Moreover, LGDA facilitated a retreat of the steering committee of the Association of Albanian Municipalities (AAM), which is an important step to reinforce its role as a stakeholder in the decentralization process in Albania, on behalf of Municipalities.

Under IR 3.2, local governments continued to work on service delivery improvements. Target and non-target cities are making good progress. Local governments have begun the process of presenting service improvement plans for 2006 to their Councils and the community. Most have committed to include specific and measurable service improvements in their 2006 budgets. Also, LGDA completed training courses and finished assisting target cities in the assessment of civil society.

Monitoring and evaluation activities continued with the preparation of the executive summary and individual city reports from the 2005 National citizen survey on local governance (including over-sampling in 9 target cities)

IR 3.1 Fiscal and Administrative Authority Effectively Decentralized

Focus on Reforms That Expand Local Discretionary Authority

New decentralization policy initiatives occupied considerable project time and energy during Q4, but with outstanding results. LGDA facilitated a Policy Dialog on November 4 on recommendations prepared during Q2 and Q3 by LGDA working groups on budget rules and reporting and capital investments, water decentralization, the small business tax and simplified profit tax and the unconditional transfer. Representatives of central (4 Deputy Ministers from 3 Ministries plus other staff) and local government and other key stakeholders attended the session. The dialog had 82 attendees, of which 50 were still there when the session ended around 7:15 p.m. It was overall a very thoughtful and serious look at a variety of proposals put forward to strengthen decentralization. At the end of the day, the group had basically reached a consensus on the following issues:

- Local Budget
 - Make sure old law 7776 has been repealed
 - Set the local government fiscal year as Jan 1 – Dec 31
 - No draft budget submitted in August
 - Treasury System to develop unified account for local government revenues (including unconditional transfer)
 - Simplification of Treasury Procedures to remove any Treasury control over local government expenditures
 - Improve budget classifications to make it easier to understand government activities and budget
- Capital Investments
 - Develop unconditional transfer pool for small capital investments previously budgeted through State budget (including formula to make up for past disparities in this funding)



- Medium-large projects financed through a competitive grant process.
- Water
 - The government pledges to conclude the decentralization of water (i.e. transfer of assets and systems to local governments) by the end of 2006
 - Guarantee to continue operating subsidy and budget for all systems (perhaps with 4 or 5 year phase out) based on the actual need of each system
 - No discrimination against systems already transferred
 - They will stress voluntary inter-governmental cooperation to capture economies of scale (they may provide financial incentives to encourage this)
 - Stress better revenue collection and tariffs that are reasonable and sustainable
- Unconditional Transfer
 - A reduction in fiscal equalization
 - Urban services will be equal for both Municipalities and Communes
 - Slight reduction in mountain community and distressed community coefficients
 - Use verified 2005 registry lists for population figure
 - Increase the pool
- Small Business Tax (SBT)/Simplified Profit Tax(SPT)
 - Merge these two taxes into one local tax
 - The new tax would have a range for local governments to use in setting rates
 - Transfer administration of this tax to local governments
 - Government will provide local governments with funds for administering the tax (as requested by Mayor of Tirana)
 - Definition of small business no longer linked to VAT (hopefully will encourage greater compliance by small business)

Following the dialogue, LGDA worked with the three Ministries on Budget annexes to implement the recommendations through the 2006 State budget. LGDA also facilitated a steering committee meeting of AAM to further discuss any local government concerns/questions about these issues.

At the end of the month, the Government completed the draft State budget, which incorporates these proposals; some will be finalized through budget instructions issued after adoption of the State Budget (this will be mainly for the budget rules and regulations recommendations, which are more administrative). Subsequently, in December, Parliament also approved all of these policy reforms. These actions successfully implement 4 activities in the Year 2 workplan.

The 2006 State budget includes the continuation without prejudice of the operating subsidies for water companies. The National Government also re-affirmed its intent to fully implement decentralization of the water sector (in 2006). These meet the goals established for the year in the workplan. LGDA plans to assist the Government in the transfer of the systems. Under the previous LGAD project, the Urban Institute worked with 5 municipalities on preparing their documentation and request for the transfer of their water systems. The previous Government never acknowledged the requests nor worked on them. Given the new Government's intention of quickly transferring these systems, LGDA decided to work again with those original 5 demonstration cities. LGDA has helped them update their information and negotiating letters and they will all soon approach the Government to negotiate the transfer of their respective water systems.

LGDA will assist these systems (and others) as well as the National Government in facilitating these transfers.

On the pilot project to test draft health and safety standards for secondary school maintenance, the three pilot local governments (Pogradec, Berat, and Bushat) finalized their cost estimates for meeting the draft standards. In December, LGDA facilitated a workshop to bring the three local governments and the Ministry of Education & Science (MoE&S) up to date on progress and to develop agreement on the targets of what to accomplish during 2006. All three local governments have pledged to include funding toward meeting these standards in their 2006 budgets.

Institutionalizing an Open, Participatory and Objective Dialogue

The Workshop for Members of Parliament on decentralization reform and local autonomy took place on December 10 in Tirana. LGDA worked closely with the Speaker of Parliament in the organization of the seminar; the LGDA team worked with pilot cities to prepare their presentations illustrating local government performance under decentralization and also facilitated the seminar. Through the three case studies of how Albanian municipalities are using their autonomy, the seminar discussed the concepts of good and bad decentralization, and considering the current status of decentralization in Albania reviewed future challenges as well as the role of Parliament, taking account of the proposed policy changes included in the draft 2006 budget and which came out of the policy dialog. It was a lively session and extremely well attended by Parliamentarians, members of the Government, local governments, donors and other key stakeholders. Prior to the roundtable, LGDA maintained constant contact with key Parliamentary Commissions and conducted several meetings with LG representatives. In addition, LGDA worked with AAM and AAC leaders to ensure their involvement and cooperation. Representatives of AAM and AAC continued to lobby Parliament after the seminar. Moreover, the Parliamentary Commission invited LGDA to provide information and testimony during their deliberations of the policy changes.

LGDA also maintained active involvement in other decentralization activities. Members of the LGDA team attended donor coordination meetings dealing with public finance and water and wastewater. Moreover, LGDA also had several meetings with different teams from the World Bank to coordinate and collaborate. LGDA continues to play a lead role in decentralization in Albania.

Support for National-Level Local Government Organizations

During Q4 LGDA prepared and facilitated AAM retreat based on the agenda that AAM and LGDA agreed upon:

- Reaffirming the Mission of AAM
- Developing a Shared Vision for AAM
- Strategies to Achieve the Shared Vision
- Communicating Messages from the Retreat



As envisaged, the retreat involved AAM steering committee, executive staff, and a few other key AAM members. It took place on December 5 and 6, in Berat. Over the two days of discussion and debate, the steering committee members reviewed and reaffirmed the mission of the AAM and began to elaborate a

shared vision for the development of the Association over the next three years. The Steering Committee agreed on the objective to reinforce its role as stakeholder in the decentralization debate in Albania, which will also involve the development of its information network, its public image and its communication. Strengthening the analytical capacity of AAM is seen as key to supporting members in their discussions with the central government and with Parliament, in order to promote and reinforce the implementation of decentralization. Through discussions over the coming weeks, the AAM will further elaborate the strategies and training programs it would like to develop and confirm with members the ways to achieve the strategic vision agreed in the discussions held during the Retreat.

In Q2 and Q3 LGDA developed assessments of a variety of national level organizations that deal with local governance. These included:

- Association of Albanian Municipalities (AAM)
- Albanian Association of Communes (AAC)
- Albanian Association of Regions (AAR)
- Training Agency for Local Governments in Albania (TALGA)
- Institute for Training in Public Administration (ITAP)

Also during December, LGDA staff developed technical assistance plans for each of these for implementation during Q1, 2006.

I.R. 3.2 Strengthening Municipal Capacity and Accountability

Management of Local Services

Management of local services constitutes the heart of LGDA activities. The majority of target cities has already accomplished their entire SIAP document for the 2006 budget and has presented it to the City Council and their community. Other cities are expecting to present SIAP(s) in the forthcoming City Council Meetings. The following table outlines SIAP introductions which have taken place during Q4. The other cities have SIAPs ready and are expecting to introduce them in early 2006. Needless to say, preliminary introductions of SIAPs to commissions have already occurred even in these cities.

| City | Roads and Sidewalks | Solid Waste and Street Cleaning | Water | Maintenance of Facades | Public Lighting | Greenery | SIAP Intro to Council and/or Commissions |
|---------|---------------------|---------------------------------|-------|------------------------|-----------------|----------|--|
| Shkodra | | | | | ✓ | | |
| Rreshen | ✓ | | | | | | December |
| Bushat | | ✓ | ✓ | | | | |



| | | | | | | | |
|--------------|---|---|---|---|---|---|----------|
| Puka | | ✓ | | | | | November |
| Bajram Curri | | ✓ | | | | | December |
| Kukes | ✓ | | | | | | December |
| Lezhe | | ✓ | | | | | |
| Fier | | ✓ | | | | | November |
| Vora | | | ✓ | | | | October |
| Patos | | ✓ | | | | | |
| Kavaja | ✓ | | | ✓ | ✓ | | October |
| Vlora | | ✓ | | | | | |
| Berat | | | | | ✓ | | November |
| Kucova | ✓ | | ✓ | | | ✓ | December |
| Pogradec | ✓ | ✓ | | | ✓ | ✓ | December |
| Prrenjas | | ✓ | | | | ✓ | |
| Peshkopi | | | | | ✓ | ✓ | |
| Bulqize | | ✓ | | | | ✓ | |
| Erseke | ✓ | | ✓ | | ✓ | | |
| Elbasan | | ✓ | | | ✓ | | |
| Permet | | | | | ✓ | | |
| Gjirokastra | | ✓ | | | | | |
| Saranda | | ✓ | | | | | |

SIAP presentations have been very well received by councilors. Most of the presentations have been made in regular City Council meetings with the presence of citizens; yet, some of them have been made in Public Hearings with a wide range of interest group members and citizens in addition to councilors and city staff. Pogradec provides an excellent example of this practice: In the presence of 150 people, municipal officials presented not only their 4 SIAPs and targets for 2006 compared with Pogradec City Survey (the latter incorporated in the SIAP documents), but also a presentation of the Budget Analysis for 2003-2005 which compared the changes and highlighted the tendencies from year-to-year as well as a presentation on the analysis of the city's own resources (taxes, tariffs and other resources).

As the budget hearing is approaching, municipalities will soon embark on the phase of including SIAP(s) in the budgets to be submitted to Council for consideration. Then the Council will conduct a hearing on the budget and ultimately approve the budget (and SIAP). SIAPs for 2006 will then move to implementation, citizen outreach, reporting and monitoring. Local governments will then also start the process for developing the 2007 SIAPs.



Survey results continue to show that target cities are making real progress in improving their public services. The following are examples for some of the cities, specific actions they took resulting from their use of SIAPs and actual results:

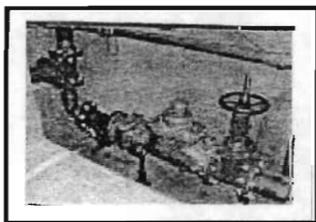


Elbasan: Set new targets within 2005 Budget, including increasing households served within the city and increasing citizen satisfaction with overall city and neighborhood cleanliness. To achieve these targets, they increased the service department budget by \$93,000. They also increased the cleaning fee to move toward full cost recovery of the service by the cleaning fee. The city has already seen results: a 14% increase in citizen satisfaction with cleanliness of the city between 2004-05.



Pogradec: Pogradec continued work on 2 SIAPS. On city green spaces, the City established new indicators, including: increasing citizen satisfaction and increasing citizen use of green areas and parks. They included an additional \$47,000 to meet these targets. Here, too, there is indication of success: 98% of the citizens surveyed in 2005 state they are satisfied or very satisfied with parks and green areas as compared with 87% in 2004.

On public lighting, the City established new targets, including: increasing street lighting along main streets and in neighborhoods, increasing citizen satisfaction with lighting and increasing citizen safety. They allocated an additional \$22,000 to achieve these objectives. Between the 2004 and 2005 surveys, citizen satisfaction increased from 39% to 81%. Moreover, the City will increase their lighting fee to move toward full cost recovery for the service by this fee. They plan to cover 86.2% of the cost during this year.



Erseke: Erseke continued work on their Water Service SIAP. They established new targets, including: expanding the number of households receiving water longer during the day, increase citizen satisfaction with quality of the water and water pressure and expand coverage to include all citizens, businesses and institutions. The budget included \$19,000 more for the service. Survey results indicate progress made to increasing citizen satisfaction: citizens who said they usually or always have sufficient amount of water when they need it increased from 25% in 2004 to 67% in 2005. They also now provide water at least part of the day to every single resident of the City (in 2004, 7% still lacked service).

In addition, LGDA mentors have provided their assistance to non-target cities which have progressed quite as much as target cities. Out of 33 cities which are working on a selected service(s) for improvement, during Q4, 12 cities presented their SIAPs in Council meetings and/or Commissions – 2 of these cities have already incorporated the changes into the draft budget, whereas the others are about to reflect SIAP in 2006 budget. 7 others cities have completed the SIAP document but still need to present them to their Councils, during January sessions. All other remaining cities are working on different stages of SIAP document. Worth mentioning is that some of these cities are working on more than one service, a good practice of target cities, which has been quite effective in non-target cities as well. Based on their performance, the most prominent and willing cities will be selected as new targets.

The following represents the non-target cities and the services they are working on:



| Cities | Service(s) Selected |
|-----------------|---|
| ▪ Tepelene | Cleaning Service |
| ▪ Memaliaj | Cleaning Service |
| ▪ Kelcyre | Water Supply Service |
| ▪ Delvine | Street Lighting Service |
| ▪ Libohove | Cleaning Service |
| ▪ Konispol | Cleaning Service |
| ▪ Himare | Cleaning Service |
| ▪ Vau i Dejes | Road Maintenance |
| ▪ Koplík | Cleaning Service |
| ▪ Lac | Road Maintenance Service |
| ▪ Kruje | Cleaning Service / Road Maintenance Service |
| ▪ Rubik | Cleaning Service / Water and Wastewater Service |
| ▪ Mamurras | Cleaning Service / Greenery Service |
| ▪ Shijak | Cleaning Service |
| ▪ Kamez | Cleaning Service |
| ▪ Sukth | Road Maintenance Service |
| ▪ Ballsh | Public Lighting Service |
| ▪ Orikum | Cleaning Service |
| ▪ Selenice | Cleaning Service |
| ▪ Ura Vajgurore | Cleaning Service |
| ▪ Corovode | Cleaning Service |
| ▪ Polican | Cleaning Service |
| ▪ Roskovec | Cleaning Service |
| ▪ Lushnje | Cleaning Service |
| ▪ Divjake | Cleaning Service |
| ▪ Belsh | Cleaning Service |
| ▪ Rrogozhine | Cleaning Service / Greenery Service |
| ▪ Cerrik | Cleaning Service / Cemetery Maintenance / Greenery |
| ▪ Peqin | Cleaning Service / Public Lighting Service / Greenery |
| ▪ Leskovik | Cleaning Service |
| ▪ Maliq | Cleaning Service |
| ▪ Bilisht | Water Supply Service |
| ▪ Gramsh | Cleaning Service |

The LGDA capacity building program also continued during Q4. LGDA provided 2 training courses during the quarter. The first, "Constructive Engagement" aimed at preparing civil society leaders to participate in the upcoming budget process. It worked on what is the budget process, what is their role, how to read a



budget and financial statement, etc. The courses were conducted during the months of November and December. Second, LGDA offered City Council Leadership training for non-target cities.

LGDA also began the design of a series of new trainings for the spring and summer 2006.

LGDA also completed the long delayed civil society assessment training. By the end of Q4, 22 of 23 target local governments had conducted their assessments and LGDA now has a database and/or profiles of civil society groups working in the target cities. Cities will use this information to cooperate with civil society and keep them informed of local government activities. Several target cities have already established civil society roundtables and started other activities to reach out to the civil society community in the cities.

Administrative Procedures

LGDA has selected 4 demonstration cities to work on administrative improvements. Kucova has already completed their SIAP on expanding their one-stop to cover transactions between the city and citizens (not just businesses). They already had a one-stop shop for business registration, the first of its kind in Albania. In December, Kucove presented their SIAP for Administrative Procedures Improvements to the Council and the community and have included it in their 2006 budget. Other cities have started the process and are scheduled for completion by March as planned.

In addition, LGDA met with representatives of EDEM project to look for any cooperative approaches to strengthening the business climate in local governments. LGDA and EDEM agreed to cooperate and choose two demonstration cities for conducting SIAPs designed specifically to improve some aspect of the relationship between and local government and the business community (licensing, etc.). In January LGDA and EDEM will coordinate on selecting the cities and moving forward with this effort.

Financial Systems and Management

LGDA designed a methodology to test how well Municipalities have begun to operationalize the advanced financial management concepts the program has provided training on. Fier Regional Office tested the methodology in Kucova in November (a full analysis of which was filed with the November monthly report) and is now assessing the other cities covered by their office. The Kucova assessment indicated that they have done a good job understanding and operationalizing concepts presented during the financial management training sessions. They can serve as a valuable example for other municipalities less advanced. In addition, they might provide mentoring for greater roll-out of financial management techniques.

LGDA regional staff reported that the methodology was quick and easy to use. LGDA will now roll out this assessment process to all regional offices (and target cities) in Q1 2006. We will then work with Mentors for a more limited sampling of non-target cities.

MONITORING AND EVALUATION

Early in October LGDA submitted its PMP data and success stories to USAID. At that time, LGDA was

able to provide some limited initial information and the executive summary from its national citizen survey on local governance. In November, LGDA completed the reports for the 9 target cities where the program conducted over-sampling to provide comparisons to each other and the national sample. The individual cities and USAID received copies of these reports. Target cities will use this data to help it benchmark city performance, provide analysis on their performance and establish future service priorities.

5 of the 9 cities have already introduced the findings to their Council and community (Saranda, Shkoder, Kavaja, Kucove and Pogradec). In each case the community and Council expressed particular interest in the comparison of city results vs. national results. The remaining cities will present the results in Q1 at upcoming city council meetings.

LGDA has prepared a PowerPoint presentation of the survey's findings and has agreed to present this at the Mission's next Nexus meeting.

LGDA will produce the final survey report in Q1.

ADMINISTRATION

The change in Government has brought a series of personnel changes to LGDA. Local Government Management Specialist (operating out of the Shkoder regional office) Sherefedin Shehu was appointed Deputy Minister of Finance. In addition, sub-contractor URI lost one of its principles – Edlir Vokopola – who was appointed Head of Property Registration.

Early in Q1 2006 LGDA will propose a replacement for key personnel Albana Dhmitri, who left the project in 2005.

DELIVERABLES AND REPORTS

Individual City Survey Reports

Indicators Report for FY 2005.

Executive summary for the National Citizen Survey on Local Government. (It was included in the Indicator Report to USAID)

PROBLEMS OR DELAYS AFFECTING THE TASK ORDER PERFORMANCE

As indicated in the previous report, LGDA anticipated possible delays in decentralization activities due to the late start of the new Government. In fact, the Policy Dialog was postponed for this very reason, to give the new Government the opportunity to review all the relevant issues. The Senior Leader/Parliamentary seminar was also delayed due to Government's delay in submitting for the draft budget. However, project activities quickly caught up and showed considerable success.



Delayed activities like the civil society assessment have now been completed and project activities are now on schedule.

WORK PLANNED FOR THE NEXT REPORTING PERIOD

Fiscal and Administrative Decentralization

- Facilitate Start-Up of AAM Working Group on Debt Financing
- Monitor Implementation of 2006 State Budget
- Assistance to Facilitate Transfer of Water Systems to Local Governments

Strengthening Municipal Capacity and Accountability

- SIAP Activities Continue with Adoption of 2006 Budget in All Target Cities (including public hearings) and Start of 2007 SIAPs
- Training Courses Started :
 - Successful Cities II (target cities)
 - Local Governance for Media (target cities)
 - Strengthening City Council (City Council II)
- Design General Local Governance Course for Civil Society

SPECIFIC ACTION REQUESTED

None at this time.