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**Condominium/Cooperative Program
for the Republic of Kazakhstan**

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By

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- SECTION 1 -
EXECUTIVE SUMMARY

Paul Mengert, serving as a Temporary Duty Consultant (TDY) for the International City/County Management Association, worked in Kazakhstan on the Cooperative/Condominium Housing Project from July 16 to August 4, 1995. Mengert worked closely with Resident Advisor (RA) Richard Gaynor throughout the visit. Mengert and Gaynor also consulted with incoming Resident Advisor John Stern and TDY Consultant Michael Kucharzak during the initial part of the project.

Mengert and Gaynor developed a 6 to 12 month plan for the Condominium/Cooperative Program which is included as Section 9. Mengert and Gaynor shared this proposal with Stern and Kucharzak and their comments have been incorporated into Section 9 of this report.

In addition to the planning work, Mengert visited the Kazakhstan cities of Taldykurgan and Kokshetau. During these visits, Mengert conducted seminars for city officials and emergent condominium/cooperative leaders. In addition to the formalized programs, Mengert provided one-on-one consulting and mentoring to the emergent cooperative/condominiums and local ICMA staff. Meetings were also held with local staff and governmental officials who have a role in condominium/cooperative programs. Detailed accounts of the Kokshetau and Taldykurgan city visits are included in Section 7 and 8 of this report.

Mengert and Gaynor, with the assistance of the local ICMA staff, developed and implemented a database to track the cooperative/condominiums which are forming throughout Kazakhstan. The database will help the ICMA local staff track the number of cooperatives/condominiums, but more importantly help identify trends and needs that the new cooperative/condominiums may have. The database will also serve as a mailing list so that ICMA may communicate directly with the leaders of cooperative/condominiums. This will help to counter the problem currently being experienced by directing information to one person in a city and hoping that it is distributed to all the cooperative/condominiums, which in many cases it is not.

Mengert assisted local staff with the development and production of the cooperative/condominium newsletter being produced by ICMA currently on a quarterly basis. A copy of the most recent edition of the cooperative/condominium newsletter is included as Attachment A of this report. Mengert has advised the local staff to produce shorter, but more frequent newsletters. This is discussed in greater detail in Section 3.

Mengert and Gaynor had multiple meetings with AED staff regarding future AED involvement with the condominium/cooperative program. In particular, the meeting centered on the proposed agenda for the September follow-up to the Cooperative Housing Foundation Study Tour. The proposed agenda and recommendations of Gaynor and Mengert are included in Section 5 of this report.

A meeting was held with Mr. Joumujean Kamkenovich Jukenov, Political Affairs Minister in the Presidential Apparatus. Mr. Jukenov pledged his support for the Condominium Cooperative Program including the direct involvement of President Nazarbaev in a National Cooperative/Condominium Housing Conference tentatively planned for late 1995 or early 1996. ICMA has built an effective grassroots effort in forming Cooperatives/Condominiums; however, national political support has lagged behind. It is hoped that Mr. Jukenov can help to establish national policy in this area. Gaynor and Mengert both believe that Mr. Jukenov, along with several other official contacts of both AED and ICMA, will help lead to a more concise national policy of Nazarbaev. With a concise directive from Nazarbaev, the formation of cooperatives may be accelerated substantially.

Additionally, Mengert, Gaynor and local staff have prepared a chart, which is discussed in greater detail in Section 10 of this report, which details and summarizes activities and results in each city where ICMA has been active in the Condominium/Cooperative Program. The chart illustrates, in cursory form, that the efforts of ICMA have established results and that, where the activities of ICMA have been limited, so have the results.

- SECTION 2 - DATABASE

Mengert, Gaynor and the local staff worked to form a comprehensive database to track and monitor the results and activities of cooperative/condominiums through Kazakhstan. The database has been developed in such a manner that future data can be added to it as the need arises. The following pages include working drafts of the input and output data fields.

The initial questionnaire which forms the beginning of the database is designed to be relatively simple with the belief that a short and concise form is more likely to be completed than a longer more detailed form which would take a substantial period of time to complete. However, the plan is to include several additional questions with each newsletter. The additional responses will be returned to ICMA and included into the database. The goals of the database are 1) to create a comprehensive mailing list of cooperatives in Kazakhstan; 2) to track the activities and accomplishments of the cooperatives throughout Kazakhstan; 3) to identify training and technical needs that cooperatives may have; and 4) to provide feedback about the accomplishments and successes of cooperatives throughout Kazakhstan.

The data input fields have been designed bilingually (English and Russian) with the belief that most, if not all, of the work in maintaining the database will be performed by local ICMA staff. The local ICMA staff currently has information on approximately 200 cooperative/condominiums throughout Kazakhstan and during the months of August and September, will be working to obtain additional information on these and other condominiums and cooperatives throughout Kazakhstan.

**- SECTION 3 -
NEWSLETTER**

During Mengert's recent TDY to Kazakhstan, Mengert, Gaynor, and local staff developed a newsletter to be sent by ICMA to emergent condominium and cooperatives, as well as interested governmental officials and other parties. To date, the local ICMA staff has prepared three such newsletters.

The most recent edition (English version) is included in Attachment B. Mengert has recommended that the local staff accelerate the production of the newsletter to monthly. The basis for this recommendation is his concern that without careful and continuous nurturing, many of the newly formed cooperative/condominiums may not be able to survive.

The newsletter provides an effective vehicle for ICMA to communicate with the newly formed cooperative/condominiums. Mengert has subscribed the Almaty Office to the Community Association Institute's bi-monthly magazine, *Common Ground*, and to the Monthly Manager's report from the State of Florida. These publications will provide the localized ICMA staff with topic ideas for their newsletter as well as serve to continue to educate the local ICMA staff on the operation of condominiums and cooperatives in America and throughout the Western World.

Based on the mailing list which will be facilitated by the database, the newsletter will be able to be mailed directly to condominium/cooperative leaders and other interested parties. Mengert and Gaynor believe that this direct distribution method is quite important.

- SECTION 4 -
ASSOCIATION OF COOPERATIVE/CONDOMINIUMS

Mengert and Gaynor believe that the formation of local support groups for condominium/cooperatives are most important to their long-term survival. An association of cooperatives is being encouraged in each of the cities where substantial condominium/cooperative activity is taking place. Mengert believes that if properly formed, the association of cooperatives will become a trade association of sorts for condominiums and cooperatives.

With the end of USAID support to Kazakhstan, the Association of Cooperatives should be able to step in and fill the void which will be left when the ongoing US assistance ends.

The Association of Cooperatives would be able to, over time, provide a forum for exchange and sharing of ideas of cooperatives as well as technical assistance for newly-formed cooperatives/condominiums.

Mengert and Gaynor have been able to interest several organizations in providing Non-Governmental Organization (NGO) funding to associations of cooperatives that have expressed interest in providing grant-type funding for an association of cooperatives NGO including the Soros Foundation, the Project Counterpart, the Eurasia Fund and the American Legal Consortium. Mengert and Gaynor both met with representatives of Association of Cooperative Organizations from Semipalatinsk and Petropavlosk during the week of July 31st.

Mengert and Gaynor helped the local leaders formalize their thoughts and goals regarding their local associations. On the following pages is a draft of some of the information needed for the NGO grant applications. Mengert and Gaynor envision that this text can be modified and localized but will provide a basis for the NGO applications. Obviously, each local organization will have to specifically design their own budget timeline and goals; however, the rough draft information attached can be used to "jump start" the local organization to complete their NGO applications.

- SECTION 5 -
STUDY TOUR FOLLOW ON

Mengert and Gaynor met with AED officials John Sheffield, Jr. and Travis Clark to discuss the proposed study tour proposed agenda from the Cooperative Housing Foundation. Mr. Sheffield asked Mengert and Gaynor to comment on the agenda. Both Mengert and Gaynor voiced concern regarding the general and seemingly unfocused proposed agenda.

Mr. Sheffield informed Mengert and Gaynor that funds not used at this time could perhaps be used in the future for a Cooperative/Condominium Study Tour to Eastern Europe. He also provided the names of some individuals affiliated with AED that could provide some assistance to the Condominium/Cooperative Program.

Mengert and Gaynor co-authored a memorandum to AED which is attached, summarizing their thoughts regarding the CHF Study Tour.

- SECTION 6 -
PRESIDENTIAL APPARAT

On August 2nd, Mengert and Gaynor met with Mr. Joumujean Kamkenovich Jukenov from the Presidential Apparat. Gaynor first reviewed the current status of the Condominium/Cooperative Program for Mr. Joumujean. Mengert explained many of the difficulties faced by Condominium/Cooperatives to Mr. Joumujean including:

- Problems related to banking relationships;
- Difficulties experienced with tax collectors;
- The lack of a national housing allowance program; and most importantly;
- The absence of a clear and concise presidential directive to form Condominium/Cooperatives.

Mr. Joumujean responded to Mengert and Gaynor very positively, expressing interest on behalf of President Nazarbaev in being more involved and active in the Condominium/Cooperative Program. Mr. Joumujean suggested a national Condominium/Cooperative Housing Conference where various governmental leaders including President Nazarbaev could be brought together to discuss the difficulties faced by Condominium/Cooperatives and to collectively form some definitive approaches to handling these problems.

Mengert and Gaynor are to present a proposed agenda and outline of the proposed National Cooperative Housing Conference to Mr. Jukenov. To date, the proposal has not been written.

- SECTION 7 -
KOKSHETAU CITY VISIT

On July 20, 1995, TDY Paul Mengert and local ICMA staff, V. K. Zhurin and V. V. Belyanin, both Project Coordinators, traveled to Kokshetau to conduct the Forming Cooperative/Condominium Workshop and to meet with local governmental officials, housing maintenance staff and emergent cooperative/condominium leaders. The group was first received by R. G. Gokk, the Deputy Head of the Kokshetau City Administration who debriefed them on the local status of the cooperative/condominium program.

Kokshetau has a housing stock totaling 686 buildings. The cooperative/condominium project is just beginning. As of the date of the visit, only two cooperative/condominiums were registered and just two more were in the application process.

The Mayor, A. Murzin, requested a meeting with the ICMA delegation. The project team explained the basis of the ICMA program and discussed cooperative/condominium accomplishments in nearby Petropavlovsk. The meeting was brief because the city was expecting the arrival of President Nazarbayev the same day. However, Mr. Murzin seemed genuinely interested and pledged his support to the program.

The workshop was conducted in the City Hall and was attended by over 50 persons. Unfortunately, many of the city officials that would have benefited greatly from the workshop were not present or present for only a short time due to the Nazarbaev visit. The agenda was as follows:

1. General remarks and introduction by R. G. Gokk.
2. Explanation of the cooperative/condominium program, its objectives and successes in other cities in Kazakhstan by V. K. Zhurin.
3. Paul Mengert then conducted the Forming Cooperative/Condominiums Workshop. The Workshop itself consisted of approximately 50 slides about organizing and basic operations of cooperative/condominiums. Mengert entertained questions about Western Europe, Japan and US cooperative/condominiums and related their experiences to Kazakhstan.
4. Lunch was sponsored by ICMA.
5. A local implementation perspective was given by T. N. Averianova, the city Cooperative/Condominium Support Center Head, who attended the US study tour cooperative/condominium earlier this year.
6. V. V. Belyanin presented remarks regarding some of the problems many new cooperative/condominiums are facing.
7. The participants were divided into three groups at which time they were posed operational situations and each group formulated approaches that could be used.
8. Reports from the groups were presented and comments made about cooperatives were given by several participants.

The following day the project team again met with city officials to express the need for city support of the program. The city, in principal, supports the program but does not appear to have a very active role in helping to get cooperative/condominiums started.

Concern about the lack of financial resources were stated by the city on several occasions. Mengert explored the fact that cooperative/condominiums actually save money by increasing efficiency and reducing costs. However, parting comments by city officials leave reason to believe that full understanding does not yet exist.

Finally, meetings were held with the two newly-formed cooperatives, one of which had not been at the seminar. Both cooperatives/condominiums reported problems related to not having the funds to make repairs and the difficulties with residents that do not pay their maintenance fees. Many of the residents who do not pay the cooperative/condominiums report that they are unable to pay because they are not being paid by their employers.

Operationally, both report that they are operating on a cash basis. Concerns about utility outages and stoppages were discussed. The ICMA team attempted to separate the utility issue from the operation of the cooperative/condominium; however, most residents believe that there is a linkage.

Kokshetau has clearly not progressed to the level of several other cities. Mengert expressed concern that the city administration's support was not very committed or enthusiastic about the program in Kokshetau. Mengert's recommendation is that meetings be conducted with the city administration in order to better educate them and enlist a greater level of commitment on behalf of the city before proceeding with further activities in Kokshetau.

- SECTION 8 -
TALDYKURGAN CITY VISIT

On July 24, TDY Paul Mengert and local ICMA staff travel to Taldykurgan to meet with local government and housing maintenance officials and emergent cooperative/condominium leaders. The group was received and debriefed on the local status of the cooperative/condominium program. Taldykurgan may demonstrate the highest level of cooperative/condominium success in terms of actual program's accomplishments (not in terms of numbers of cooperatives/condominiums begun) in Kazakhstan. While Taldykurgan lags substantially behind Semipalatinsk and Petropavlovsk in terms of numbers of cooperative/condominiums, Taldykurgan has claim to several operational achievements.

Local cooperatives/condominiums report that they are now:

- Employing private maintenance personnel;
- Collecting fees that are set by and regularly reviewed by the owners; and
- Performing maintenance projects.

The city has produced a 28 minute TV infomercial and a series of articles about cooperatives/condominiums that have been published locally. The efforts of the city seem to deliver a persuasive message to local residents.

Another possible first in Kazakhstan for Taldykurgan is that the Chief Engineer with the Housing Maintenance Department has formed his own private maintenance enterprise. The magnitude and success of this private enterprise has not yet been assessed. Conceptually, the formation of private maintenance organizations are very important to the viability of the cooperative/condominium program. Mengert recommends future programs to address the formation and operation of private maintenance companies.

An interesting meeting was held with an elderly chairperson, whose building has many retired persons. This cooperative/condominium is only charging 1.80 tenge per square meter, while the local average is about 3.00 tenge per meter. Mengert carefully probed the accuracy of the fee because of the large disparity. Three important points were discovered: one, the rate of non-payers is non-existent compared with a local average of approximately 20%; two, the building is able to accomplish many of the needed operations through volunteers, thus reducing costs; and three, the association had levied and collected a one time special assessment to repair the roof.

By contrast, a large cooperative/condominium has been formed with 28 buildings and over 1000 apartments. This cooperative/condominium employs an executive staff that includes a chairperson, five deputy chairpersons and five accountants, all well paid by local standards. This cooperative/condominium charges 3.80 tenge per square meter.

While US experts may form opinions as to a preferred style of organization for cooperative/condominium management, it may well be more important that alternatives that are apparently market driven are emerging.

The current report is quite positive. However, careful monitoring and continued assistance to the new and still fragile cooperatives/condominiums is imperative to insure their continued success. Mengert recommends near term training in the area of accounting/auditing and regarding maintenance operations.

- SECTION 9 -
FUTURE PROPOSED COOPERATIVE/CONDOMINIUM PROGRAM

ICMA Kazakhstan - Suggested Twelve Month (August '95 to July '96) Cooperative Plan of Action Proposed by Richard Gaynor, John Stern and Paul Mengert. (It is anticipated that this plan will be refined by new RA Stern, in consultation with USAID/ICMA.)

Goal - Aid in the formation and operation of cooperatives throughout Kazakhstan.

Objectives -

- * Develop local educational and media campaigns;
- * Assist in development of public policies which address the management of commercial space in residents' buildings;
- * Train to become cooperative leaders;
- * Enhance the quality of life;
- * Generate value and marketability of housing stock;
- * Modify governmental housing policy to further enable the organization and operation of cooperative;
- * Create free enterprise opportunities for maintenance and management; and
- * Provide mini-democracy experiences.

Description of program:

- * *Bi-monthly newsletter* - the newsletter began in Spring of 1995. It is a tool for ICMA to communicate news and ideas about cooperatives to interested parties throughout Kazakhstan. The newsletter is prepared by local ICMA staff with the assistance and guidance from TDY's and the RA's.
- * *Data base and mailing list* - a data base of all known cooperatives and interested parties will be compiled and maintained by the local ICMA staff. The purpose is to be able to directly communicate with various interested parties (bi-monthly newsletter, etc.) and to compile statistical information on cooperatives. The statistical data compiled will allow for a current assessment of the overall situation and provide a base for future program development. Future efforts can be measured against this base determined by cooperatives and by city if reasonable performance is being achieved.
- * *Assist Association of Cooperatives with NGO funding* - in several cities, groups of cooperative chairpersons and associated persons, under the leadership of ICMA, have proposed forming an "Association of Cooperatives". ICMA's RAs and/or TDYs will help these emergent groups obtain funding for their "Non Governmental Organization" (from funders such as Soros, ALC, etc.). The newly formed NGOs will be able to provide assistance on a local cooperatives. It is envisioned that these organizations will serve as a support network for cooperatives after U.S. aid expires.

- * *Canned seminars* - four additional seminar style programs will be prepared. The new programs will be similar to "The Forming Cooperatives Program." TDYs Mengert and Kucharzak will be responsible for creating these programs, which will focus on operational issues to be determined (such as accounting and auditing). A separate workshop on forming private maintenance enterprise also will be included. Ideally, these programs will eventually be offered by local staff.
- * *Incubator program* - this program, led by local ICMA staff and TDYs, will work on a one-on-one basis with the leaders of newly formed cooperatives in a few selected cities. The intent is to provide focus and operational assistance to demonstrate that this organizational approach can be used to overcome management and maintenance issues inherent to the private ownership of apartments. Where local resource people are available, ICMA will strive to utilize these resources. Since many cooperatives face unique situations, this program will provide customized technical assistance to help overcome obstacles that newly-formed associations may face.
- * *National workshop for cooperatives* - this workshop, co-sponsored by AED, ICMA and the Presidential Apparat, is planned for early April. It will bring together cooperative leaders with political officials from the Presidential Apparat. Two or three days of intense training will focus on operating cooperatives and resolving current political obstacles. The workshop will provide an environment for networking and a sharing of successful ideas. The workshop will be conducted by the TDYs and local staff, drawing on cooperative leaders whenever possible.
- * *CHF Study Tour Follow-on* - ICMA will assist CHF in conducting the Study Tour Follow-on. TDY Mengert, and local ICMA staff, will assist with the program. Each study tour participant identified a three-month goal while in the United States. A report, both oral and written, will be prepared by the group (see attached agenda information, now proposed for late October 1995).
- * *Efforts to Affect National Policy* - ICMA RAs and TDYs will work with officials of the Republic of Kazakhstan to effect national policy so that cooperatives can be organized and operated free from governmental hindrance and taxation. Officials will be encouraged to adopt policies and laws that will enhance the quality of life for citizens by generating market value and marketability of housing stock, diminishing the role of government, creating free enterprise opportunities for maintenance and management and providing a democratic environment.
- * *Eastern European study tour* - ICMA may co-sponsor with AED a trip for selected cooperative leaders to learn how their counterparts overcome various problems and how they have organized themselves to accomplish their goals.

Illustrative Monthly Implementation Summary -

- * August
 - Prepare a mailing list of all known cooperatives and interested parties
 - Draft model NGO application
 - Create second canned seminar (focusing on operational issues)
 - Incubator two cities (Semipalatinsk and Taldykurgan)

- * September (TDY Mengert)
 - Publish newsletter
 - Host CHF study tour follow-on group
 - Prepare workshop on contracting
 - Compile data base on all Kazakhstan cooperatives
 - Conduct seminar on operating private maintenance firm
 - Incubator two cities (Petrovavlovsk and Aktyubinsk)
 - Maintain and update data base information

- * October
 - Prepare workshop on private maintenance companies
 - Create third seminar (focusing on operational issues)
 - Incubator in two cities (Semipalatinsk and Taldykurgan)
 - Maintain and update data base information

- * November
 - Publish newsletter
 - Incubator in two cities (Petrovavlovsk and Aktyubinsk)
 - Maintain and update data base information

- * December
 - Prepare workshop on cooperative operational issues (e.g. accounting and auditing)
 - Incubator in two cities (Semipalatinsk and Taldykurgan)
 - Maintain and update data base information

- * January
 - Publish newsletter
 - Incubator in two cities (Petrovavlovsk and Aktyubinsk)
 - Maintain and update data base information

- * February
 - Incubator two cities (to be selected)
 - Maintain and update data base information

* March

Publish newsletter
Prepare workshop on mutually agreeable topic
Conduct seminar on mutually agreeable topic
Incubator in two cities (to be selected)
Maintain and update data base information

* April

National workshop for all cooperatives co-sponsored by ICMA and the
Presidential Apparat on Cooperative Maintenance and government issues
Incubator in two cities (to be selected)
Maintain and update data base information

* May

Publish newsletter
Incubator in two cities (to be selected)
Preparations for Eastern Europe Study Tour
Maintain and update data base information

* June

Eastern Europe Study Tour for selected cooperative leaders co-sponsored
by ICMA, AED (conducted by CHF)
Prepare workshop on mutually agreeable topic
Incubator in two cities (to be selected)
Maintain and update data base information

* July

Publish newsletter
Incubator two cities (to be selected)
Maintain and update data base information

**- SECTION 10-
CHART OF ICMA COOPERATIVE ACTIVITIES**

August 1, 1995 Summary of ICMA\Kazakhstan Condominium and Cooperative Housing Program:

City	Akmola	Arkalik	Aktyubinsk	Karaganda	Pavlodar	Petropavlovsk	Kustanai	Semipalatinsk	Taldykorgan	Uralsk	Aktau	Kokshetau	Atyrau
City Resolution	Not Yet	Not Yet	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Not Yet
Training Agreement	Not Yet	Yes	Yes	Yes	Yes	Yes	Not Yet	Yes	Yes	Yes	Yes	Yes	Yes
Formation Seminar	4/95	4/95	4/95	12/94	12/94	12/94	4/95	12/94 4/94	12/94	4/95	4/95	7/95 in City	12/94
Local Training	Not Yet	Not Yet	5/95	Not Yet	7/95	3/95	Not Yet	3/95	4/95 7/95	Not Yet	Not Yet	7/95	Not Yet
Study Tour Participants	0	0	3	1	1	2	0	3	2	1	0	1	0
Registered Cooperatives	Not Yet	Not Yet	23	Not Yet	Not Yet	113	Not Yet	40	13	28	Not Yet	Not Yet	Not Yet
Pending Registrations Known	Not Yet	Not Yet	5	1	2	2	1	3	13	1	Not Yet	2	2
Private Maint. Company	Not Yet	Not Yet	Not Yet	Not Yet	Not Yet	Not Yet	Not Yet	Not Yet	Atleast One	Not Yet	Not Yet	Not Yet	Not Yet
Local Coordinator	V. Zhdanovic	I. Kishkan	B. Kuzhak-hmetova	O. Baidak	S. Chumakova	G. Kolesnikova	V. Poleshko	L. Erementeo	R. Ospanova	G. Galemba	T. Karpova	T. Averjanov a	A. Rysov

August 1, 1995 Summary of ICMA\Kazakhstan Condominium and Cooperative Housing Program:

City	Akmola	Arkalik	Aktubinsk	Karaganda	Pavlodar	Petropalvosk	Kustanai	Semipalatinsk	Taldykorgan	Uralsk	Aktau	Kokchetau	Atyrau
City Resolution	Not Yet	Not Yet	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Not Yet
Training Agreement	Not Yet	Yes	Yes	Yes	Yes	Yes	Not Yet	Yes	Yes	Yes	Yes	Yes	Yes
Formation Seminar	4/95	4/95	4/95	12/94	12/94	12/94	4/95	12/94 4/94	12/94	4/95	4/95	7/95 In City	12/94 5
Local Training	Not Yet	Not Yet	5/95	Not Yet	7/95	3/95	Not Yet	3/95	4/95 7/95	Not Yet	Not Yet	7/95	Not Yet
Study Tour Participants	0	0	3	1	1	2	0	3	2	1	0	1	0
Registered Cooperatives	Not Yet	Not Yet	23	Not Yet	Not Yet	113	Not Yet	40	13	28	Not Yet	Not Yet	Not Yet
Pending Registrations Known	Not Yet	Not Yet	5	1	2	2	1	3	13	1	Not Yet	2	2
Private Maint. Company	Not Yet	Not Yet	Not Yet	Not Yet	Not Yet	Not Yet	Not Yet	Not Yet	Atleast One	Not Yet	Not Yet	Not Yet	Not Yet
Local Coordinator	V. Zhdanovic	T. Kishkan	B. Kuzhak- hmetova	O. Baidak	S. Chumakova	G. Kolesnikova	V. Poleshko	L. Eremenko	R. Ospanova	G. Gulembo	T. Karpova	T. Averianov a	A. Rysovay

ATTACHMENT A
INPUT AND OUTPUT DATA FORMS

COOPERATIVE REPORT

Information as of 8/8/95

City: Павлодар Name of Coop: Дачный Date registered: Number of apartments: 1081 Number of buildings: 12 Number of floors: 10 Total area in cooperative: 93488 Lifts: <input checked="" type="checkbox"/>	Cooperative includes commercial space <input type="checkbox"/> If yes, type and area:																																																														
<p>Services are provided by:</p> <table style="width:100%; border-collapse: collapse;"> <thead> <tr> <th style="width:60%;"></th> <th style="width:15%; text-align: center;">Coop employ- ees</th> <th style="width:15%; text-align: center;">Private compa- ny</th> <th style="width:10%; text-align: center;">City</th> </tr> </thead> <tbody> <tr> <td>Plumbing repairs</td> <td style="text-align: center;"><input checked="" type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td>Electric repairs</td> <td style="text-align: center;"><input checked="" type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td>Cleaning of stairwel</td> <td style="text-align: center;"><input checked="" type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td>Cleaning of land pl</td> <td style="text-align: center;"><input checked="" type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td>Painting of stairwell</td> <td style="text-align: center;"><input checked="" type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td>Repair broken glass</td> <td style="text-align: center;"><input checked="" type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td>Other <input style="width:50px;" type="text"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> </tbody> </table>		Coop employ- ees	Private compa- ny	City	Plumbing repairs	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Electric repairs	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Cleaning of stairwel	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Cleaning of land pl	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Painting of stairwell	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Repair broken glass	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Other <input style="width:50px;" type="text"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>Cooperative employees and salaries:</p> <table style="width:100%; border-collapse: collapse;"> <thead> <tr> <th style="width:60%;"></th> <th style="width:15%; text-align: center;">Number</th> <th style="width:25%; text-align: center;">Salary</th> </tr> </thead> <tbody> <tr> <td>Chair</td> <td style="text-align: center;">1</td> <td style="text-align: center;">5400</td> </tr> <tr> <td>Deputy Chair</td> <td style="text-align: center;">1</td> <td style="text-align: center;">4500</td> </tr> <tr> <td>Accountants</td> <td style="text-align: center;">3</td> <td style="text-align: center;">3600</td> </tr> <tr> <td>Electrician</td> <td style="text-align: center;">2</td> <td style="text-align: center;">3000</td> </tr> <tr> <td>Plumbers</td> <td style="text-align: center;">11</td> <td style="text-align: center;">3200</td> </tr> <tr> <td>Janitor</td> <td style="text-align: center;">6</td> <td style="text-align: center;">1950</td> </tr> <tr> <td>Carpenter</td> <td style="text-align: center;">1</td> <td style="text-align: center;">2550</td> </tr> <tr> <td>Other</td> <td style="text-align: center;">5</td> <td style="text-align: center;">3000</td> </tr> <tr style="border-top: 1px solid black;"> <td>Total</td> <td style="text-align: center;">30</td> <td style="text-align: center;">27200</td> </tr> </tbody> </table>		Number	Salary	Chair	1	5400	Deputy Chair	1	4500	Accountants	3	3600	Electrician	2	3000	Plumbers	11	3200	Janitor	6	1950	Carpenter	1	2550	Other	5	3000	Total	30	27200
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<p>Method of utility payments</p> <p>Coop- Provider Savings bank <input type="checkbox"/></p>	<p>Maintenance fee in coop 0 t/sq.m</p> <p>Cooperative sets the amount of fee <input checked="" type="checkbox"/></p>																																																														

ATTACHMENT B
NEWSLETTER



JOINT ICMA/USAID AND THE MINISTRY OF CONSTRUCTION PROGRAM FOR SETTING UP COOPERATIVES OF APARTMENT OWNERS IN KAZAKHSTAN

NEWSLETTER
June 30, 1995

++ Original in Russian Variant Word Format ++

On December 8-9, 1994, a seminar on the problems of forming cooperatives of apartment owners was held in Almaty. 48 delegates from the following 8 cities that signed the agreement about participation in the joint program attended the seminar:

Atyrau
Karaganda
Kokshetau (did not arrive because of weather conditions)
Pavlodar
Petrovavlovsk
Semipalatinsk
Taldykurgan, and
Shimkent.

A delegation from Bishkek, the capital of Kyrgyzstan, also participated in the seminar in order to borrow international and Kazakhstani experience in this area.

On April 13-14, 1995, a similar seminar (with 51 participants) was conducted in Almaty for all other oblast centers that decided to join the Cooperative Program, for example:

Akmola	Almaty
Aktau	Arkalyk
Aktyubinsk	Kostanai
Almaty	Uralsk

Bishkek and Osh (Kyrgyzstan) delegations also attended the seminar.

In this newsletter, ICMA (the International City/County Management Association) cooperative support-group informs the participants of the program about the situation with cooperatives of apartment owners (AOCs) in different cities and also about the work that has been carried out by ICMA for the successful completion of the program since the December seminar, especially since the date of our first (as of March 1, 1995) newsletter.

ICMA TECHNICAL ASSISTANCE

A few words about **technical help** provided by ICMA in the program framework:

Right after the December seminar, recommendations worked out and approved by the participants were edited and discussed with MINSTROY and ZHILKOMKHOZ specialists, and then signed by the Minister of Construction, the Zhilkomkhoz deputy director, and ICMA director.

The following materials were included in the packages of documents sent to the participants of the December and April seminars:

- (1) Seminar Recommendations;
- (2) Proposals on development of a city program for formation and support of cooperatives (developed by the ICMA working group);
- (3) Sample Foundation Deed (developed by a group of leading Kazakhstani lawyers);
- (4) Sample Bylaws (drafted by the ICMA working group);
- (5) Integrated results of a survey of the participants; and,
- (6) Copies of the City Resolutions and Regulations on cooperatives from the cities of Semipalatinsk and Petropavlovsk.

ICMA working group and international experts wrote and dispatched to the cities an educational booklet called "A New Way of Owning, Managing and Maintaining Housing". The booklet is intended to provide residents with basic information about cooperatives.

At ICMA request, the advertising firm "Daks" prepared 1- and 13-minute promotional films to be shown on local TV channels for educational purposes. A 1-minute commercial includes the telephone numbers of our coordinators (resident liaisons) in the cities. A 13-minute film contains basic information about cooperatives and is designated for demonstration both on TV and during informal meetings with residents. Copies of the films were sent to all cities participating in the program.

On March 9-10, ICMA, together with the City administration of Semipalatinsk and the City Housing Department, conducted a seminar for the chairpersons of cooperatives, initiative groups of residents, City administration, and Housing Department officials (in all, 72 participants).

On March 14, 1995, together with the City administration of Petropavlovsk, ICMA conducted a seminar for cooperative chairpersons, members of cooperative executive boards, and initiative groups of residents. The seminar was also attended by officials of the city administration, municipal housing maintenance organizations and municipal communal agencies. A delegation from the city of Karaganda also participated in the work of the seminar. In all, there were 68 participants. At the Semipalatinsk and Petropavlovsk seminars, in addition to the regular ICMA cooperative team, Paul Mengert, ICMA\USAID expert, also made a presentation about the relationships between coops and property management companies.

On April 5-6 and then on May 18 in Taldykurgan and Aktyubinsk respectively, there were conducted workshops with the active participation of ICMA specialists. Those invited to the workshops (109 people) were familiarized with various cooperative models. In addition, there was a productive discussion of basic problems which the residents of the privatized buildings were facing and educational films about coops were shown.

As a result of the program, 11 oblast centers of Kazakhstan have already adopted detailed city resolutions on cooperatives of apartment owners, and 224 cooperatives have been formed in 5 oblast centers of Kazakhstan.

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As you probably know from our "Joint Program for Setting Up Cooperatives of Apartment Owners in Kazakhstan", ICMA was planning a **study tour of a group of cooperative organizers to the USA**. This tour was made on May 24 -June 26, 1995. The group included 17 Kazakhstani participants from 9 cities: resident liaisons, cooperative chairpersons, as well as City and housing maintenance officials, who had been very active in setting up and assisting AOCs. The tour participants developed their individual follow-on programs for their work with AOCs during 3 months following the tour. ICMA is intending to help the participants implement these programs.

ICMA invited representatives of Semipalatinsk and Pavlodar to participate in a study tour to Nizhny Novgorod and Moscow. The theme of the tour was granting housing allowances to low income families and organizing centers for housing allowances. We are convinced that the housing allowance program for Kazakhstan aiming at assisting low income families must be implemented concurrently with the cooperative formation and support program as an integral part of city administration programs in the framework of the Presidential New Housing Policy.

On May 22-23, with active ICMA participation a national workshop-seminar (42 participants from 13 Kazakhstani cities) on housing allowance programs for Kazakhstani cities was conducted in Semipalatinsk, the only Kazakhstani city having a center for housing allowances. Currently, Pavlodar and Karaganda are also planning such centers. W. Kaufman and R. Gaynor, ICMA resident advisers, are members of the government working group drafting the national program for housing allowances in Kazakhstan.

At the requests of City and housing maintenance officials, coop chairpersons, and resident liaisons, the ICMA working group has given 15 sets of coop materials (over 3,500 printed copies) to the project cities.

STATUS REPORT

In this part of the newsletter, we place a brief review that illuminates such questions, as:

- **What is the situation with the organization of cooperatives in the project cities;**
- **Where and how many cooperatives were formed;**
- **What do the city administrations do for the implementation of this program;**
- **What are the main obstacles and difficulties in the work of cooperatives;**
- **What bothers residents most of all, etc.**

City Resolutions and Regulations about cooperatives of apartment owners have been adopted in the following cities:

Petropavlovsk, Semipalatinsk, Kokshetau, Taldykurgan, Aktyubinsk, Pavlodar, Uralsk, and 4 other oblast centers.

Cooperatives of apartment owners have been registered as legal entities in the following cities:

Petropavlovsk - 113 AOCs;
Semipalatinsk - 40 AOCs;
Uralsk - 28 AOCs (plus 7 management companies on the basis of former housing maintenance organizations);
Aktyubinsk - 23 AOCs; and
Taldykurgan - 13 AOCs.

In addition, cooperatives in Karaganda, Kostanai, Aktau, and Kokshetau are being formed.

Campaigns aimed at informing residents of the cooperative program are being conducted in Semipalatinsk, Petropavlovsk, Taldykurgan, Karaganda, Kokshetau, Pavlodar, and some other cities. The informational process includes publications in newspapers, radio and TV interviews of representatives of municipal agencies and resident liaisons, demonstration of films provided by ICMA, conversations and meetings with residents, distribution of educational materials, etc.

Here are some examples of a positive experience accumulated by the city of **Semipalatinsk** during the implementation of the program.

- The program for setting up AOCs must be implemented concurrently with the program for restructuring municipal housing maintenance organizations. For this latter purpose, a 4-stage program for a transition to **deregulated maintenance fees and utility charges** was designed in the city. At the same time, the **program for the social protection** of the residents is being implemented. The city Center for Housing Allowances granting subsidies to low income Semipalatinsk residents has already processed over 5,000 applications and allocated subsidies to over 1,500 families.
- According to existing rates, the maintenance fee established by the City of Semipalatinsk is 5.98 tenge per 1 meters squared. Therefore, formation of coops becomes even more expedient: some cooperatives establish lower fees (1-1.5 tenge lower).
- Registration of coops is made by the City Department of Statistics. In Semipalatinsk, they register the coop **Foundation Deed** establishing the percentage shares of property owned by each apartment owner. The Foundation Deed, as well as the cooperative Bylaws, are notarized. The city grants certain privileges to cooperatives, including free registration and free opening of a bank account.
- **A group of cooperative support** at the City Department of Housing (headed by L. Eremenko) helps initiative groups of residents and coop chairpersons conduct meetings and get registered, it also provides samples of cooperative documents and other information to them.
- According to the head of the oblast administration, each of the first 20 registered cooperatives will be given **a grant in the amount of 50,000 tenge**.
- In light of transition to direct contractual relations between cooperatives and suppliers of utility and communal services, City Department of Housing is developing the sample **form of the agreement** between the vendor and the consumer of the services. The main purpose is to protect consumer rights and to increase the responsibility of the vendors. For the same purpose, a decision was made to consider and revise, if needed, the standards established earlier for **consumption** of utilities, which are too high to be reasonable.
- A few words about the problem of capital repairs of buildings. If a cooperative is formed in a building that requires a capital repair, a **letter of guarantee is issued** signed by the first deputy head of the city administration and confirming the City's obligation to make a capital repair in the building with municipal budgetary funds.

During our trips to Petropavlovsk and Semipalatinsk, the ICMA working group visited a number of coops. We believe it would be interesting for you to hear about one of these visits.

- **Cooperative "Gestia"** in the city of Petropavlovsk. The chairman of the Executive Board is Yu. A. Gusel'nikov. The cooperative was formed on the basis of a 9-story building with 56 apartments, and the common areas of 2,848 meters squared. On the first floor, there is a built-in store. The monthly maintenance fee is 2 tenge for 1 meter squared. One of today's difficulties of the cooperative is that the built-in store doesn't consider itself a member of the cooperative. It does not pay the share of

operational expenses¹ to the cooperative. Numerous negotiations between representatives of the coop Executive Board and the store managers were all vain. The main reason is the managers' disagreement with the size of their share of operational expenses - 8.43 tenge per 1 meters squared of the floor area. Obviously, the city administration should help the coop and store managers resolve this problem.

- The chairman of the Executive Board told us that the difficulties arise also when determining the boundaries of and rules for using the land parcel attached to the cooperative building. To address all these and many other issues, detailed legislation on cooperatives of apartment owners is needed. Obviously, even without such legislation in place, many problems could be resolved by local administrations, which will considerably facilitate the operation of cooperatives in the initial phase.
- The ICMA working group visited the cooperative office, as well as the maintenance shop located in the basement. The cooperative employs two workers for current maintenance and repairs. The maintenance shop is intended for small-scale repairs with the help of machine tools donated to the association by the chairman. The cooperative is currently maintaining the internal utility systems and planning to do more work on the replacement of pipes and other facilities.
- Talking about the problems, the chairman also mentioned a lack of capital repairs in the building and a lack of funds in the cooperative budget as a result of inflation and delays of wages. In addition, he mentioned that no law protects the rights of AOCs, and existing legislation had a lot of shortcomings.
- In a questionnaire for AOCs chairpersons completed at the request of ICMA coordinators, the chairman of "Gestia" cooperative put forth the following proposal:

With the purpose of repairing internal pipelines in apartment buildings which have been in operation during 10 years and more it is proposed to:

1. permit cooperatives of apartment owners formed in such buildings to be engaged in commercial activities; and
2. free such cooperative associations from all taxes provided that the sums earned due to such additional activities will be spent on maintenance and repairs of the building.

As these proposals were made by many coop representatives more than once, we decided to describe them here in more detail. In spite of the fact that the proposals are not in complete conformity to existing law, they deserve a lot of attention in the current economic situation, particularly, in the housing sector for the maintenance of which almost no funds are being allocated, and given the existing tax system. Certainly, an AOC will have to prove that the proceeds would be used for maintaining the property.

The main problems of cooperatives mentioned during numerous conversations and discussions are **a lack of money, a very bad condition of the housing stock and internal utility systems, and a lack of capital repairs in buildings.** Another bunch of problems is connected with a lack of relevant **legislation**, including local regulatory acts, which results in numerous conflicts and inhibits the progress in this sector. The lack of experience and skills in managing residential buildings and their engineering systems, **the insufficient competence** of AOC chairpersons affect the work of AOCs in the very first months of their existence. Many coop chairpersons complain also of the unwillingness of residents to cooperate and to assist the cooperative.

¹Please do not confuse "operational expenses", which include expenses pertaining to maintenance of a building, sweeping the common areas and the land parcel, maintaining utility pipes in the building, making minor repairs, etc., with the rental fee, which is set by the owner of premises.

Thus, **changing the mentality of the owners** is an important task of newly formed cooperatives.

One of the proposals given at the seminars in Petropavlovsk and Semipalatinsk by AOC chairpersons was the one about the need to set up a public organization that would unite existing cooperatives of apartment owners, i.e. the **association of cooperatives of apartment owners**, so that the cooperatives will be able to exchange information and experience, assist one another in resolving problems and act as an organized force in dealing with the state bodies, lobbying government and local administrations on questions concerning the interests of cooperatives.

OUR PLANS

We are planning to continue visiting project-cities . Our nearest plans (July-August 1995) include **workshops in Pavlodar and Kokshetau**. In these seminars, cooperative chairpersons, initiative resident groups, City and housing maintenance officials, as well as resident liaisons will participate.

In reply to AOC's chairpersons proposals, ICMA will go on coordinating the preparatory work on setting up city associations of cooperatives in the cities where a significant number of cooperatives have already been formed. ICMA has already sent materials necessary for registering such associations as legal entities and for obtaining grants from various donor organizations. ICMA is willing and is in a position to help AOC members in these cities to organize the associations and to receive the financial support.

ICMA is determined to continue to maintain its close relations with US study tour participants (See "Technical Assistance" Section). We will follow the implementation of the work plans made by the participants during the tour and take these plans into consideration when developing our own programs. In September, we are planning to have another meeting with the participants of the study tour in Almaty and, probably, in some other Kazakhstani city in order to discuss the work done during these three months, as well as our future cooperation.

ICMA is also intending to organize and conduct regional (i.e. attended by participants from several *oblasts*) **seminars on municipal housing allowance programs** together with the city administrations in the cities that will set up housing allowance centers. During the sessions, the experience of Moscow, Nizhny Novgorod, and Semipalatinsk in developing and implementing housing allowance programs will be discussed, and specific recommendations for the participating cities will be worked out.

ICMA would like to implement the cooperative program in close collaboration with the Ministry of Construction, its Housing Maintenance Department, as well as with all other ministries and departments concerned in order to create a more favorable legal, institutional, and financial framework for the formation and operation of AOCs in the country. A transfer of privatized housing to the non-subsidized regime and, hence, the formation of resident associations for the purpose of joint management and maintenance of this housing is an objective necessity, and everybody should understand it clearly.

ICMA working group will continue to develop informational and methodological materials and supply them to our resident-liaisons. The ICMA coordinators will stay in touch with specialists from city administrations and resident-liaisons and provide them with necessary help.

At the end of our newsletter, we would like to say, that for us, the ICMA group working on the program for the formation of cooperatives of apartment owners, it is very important to receive your comments and proposals on any aspect of this program. This exchange of information has been and will be very useful for us and, certainly, in the first place for you because we will be able to assist you more effectively.

ICMA working group:

Richard Gaynor, Director
V.K. Zhurin, Project Coordinator
V.V. Belyanin, Project Coordinator.

Our address:

480100, Almaty
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tel: (3272) 695424
tel/fax: (3272) 616511

ATTACHMENT C

GRANT INFORMATION FROM ALMATY

Association of Cooperatives NGO Proposal

Kazakhstan has made significant progress in privatizing its multi-apartment housing stock. Some government officials estimate that as much as 90% of former state housing is now privately owned. Progress has been slow, however, on shifting management and maintenance responsibilities from local administrations to new owners. Local administrations and enterprises continue to struggle with this maintenance burden and in most cases do not have the budget resources to clean stairwells and land plots let alone to do expensive capital repairs. Buildings and surrounding land plots are slowly deteriorating and in some cases have become unsanitary and unsafe.

In December, 1994, ICMA began a program to promote and support the formation of cooperatives of apartment owners.¹ The purpose of the program is to encourage resident groups to assume responsibility for the management and maintenance of their buildings and surrounding land plots. Once a cooperative is formed, residents pay monthly maintenance fees to the cooperative instead of paying city maintenance organizations. The cooperative then hires employees or contractors to clean and maintain its building.

ICMA launched its program with a seminar in Almaty attended by representatives of 8 Kazakhstan cities: Petropavlovsk, Semipalatinsk, Pavlodar, Kokchetau, Taldykurgan, Chimkent, and Atyrau. Representatives of the City of Bishkek, Kyrgyzstan also attended. All participating cities signed agreements promising: to commit city resources and staff to the program; to simplify registration procedures for cooperatives; and to create financial and other incentives for residents who form cooperatives.

Results of the program have been particularly strong in the cities of Petropavlovsk (96 cooperatives), Semipalatinsk (20 cooperatives), and Taldykurgan (15 cooperatives). The city of Kochetau has adopted a city resolution establishing the legal basis for the program, and has started recruiting resident groups. The City of Karaganda has also begun to recruit interested residents. This process will obviously be long and difficult since most Kazakhstanis are accustomed to having state agencies or enterprises maintain their housing and do not yet think of their buildings as their property.

¹ICMA uses the term "cooperative of apartment owners" because it is the term used in Article 21 of the Housing Code of the Republic of Kazakhstan. Residents groups are sometimes called "condominium associations" or "resident associations." For purposes of this memorandum there is no difference between these types of resident groups.

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BENEFITS OF COOPERATIVES

The principal goal of the cooperative program is to improve living conditions by encouraging residents to assume responsibility for maintaining their apartments and buildings. The transfer of responsibilities is one of the centerpieces of President Nazarbayev's new Housing Policy adopted in September, 1993 and is inevitable given the transition to a market economy and the related downsizing of government agencies and budgets. The formation of cooperatives will also have benefits beyond the housing sector by encouraging development of small enterprises to provide maintenance, management and other services to new cooperatives. Cooperatives are beginning to serve as private employers and a few private maintenance companies have emerged. These newly formed businesses will provide employment opportunities to former state employees and other unemployed workers. Cooperatives will also provide residents with a model of democratic processes and encourage independent decision making and initiative.

NEED FOR ASSOCIATION OF COOPERATIVES

Many residents and members of newly formed cooperatives expressed an interest in forming a local non-governmental association (NGO) to support newly-formed cooperatives. Initially, the NGO/Association would:

- * provide training to city personnel and residents
- * help organize new resident groups
- * supply training materials and other documentation to new cooperatives
- * facilitate the registration process for new cooperatives
- * establish a mechanism (like monthly meetings and newsletters) for exchange of ideas
- * work with city and government officials on necessary policy and legislation

Such associations are necessary because most local administrations do not have sufficient staff or resources to commit to the cooperative program. This problem is particularly acute during the initial phase of cooperative formation when the process is very time consuming and labor intensive, often requiring visits to each individual resident to discuss the benefits and procedures for forming cooperatives. It is also important to create a non-governmental certificate for cooperatives since cooperative and governmental interests may vary.

Each cooperative would initially be a member of the association. The intent would be to form such associations in individual cities then to link them in a national association. The national association would provide a vehicle for members throughout Kazakhstan to exchange ideas and experiences.

SAMPLE STAFFING AND BUDGET

Following is a sample budget for an association in one city assuming a grant of \$10,000 over two years and showing the largest anticipated expenses. Specific proposals and budgets would have to be developed for the association in each individual city. Staffing and other needs will vary depending on the size of the city, the percentage of housing in the multi-family housing stock and other variables. Efforts would be made to have cities provide premises and 2 phone lines for the association.

Computer, printer, modem, e-mail link, software	\$2,500
2 Employees @ \$100/month for 2 years	4,800
Copy machine	2,000
Misc. operating expenses (paper, office supplies, etc.)	<u>700</u>
Total	\$10,000

Associations would develop a plan to become self-financing over time by charging fees for membership and services. As an example, an association could charge individual cooperatives a small fee to use the association's computer for accounting and record keeping. An Association could also charge a small fee for use of its copying machine. All money earned by the Association would be used to support further association activities.

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ATTACHMENT D
PROPOSED AGENDA

**Training Program on Housing Associations and Residential
Maintenance for Participants from Kazakhstan and Kyrgyzstan**

Revised Weekly Outline of Activities

Arrival Week: May 25-29, 1995

Thursday, May 25

- Arrival in Washington DC, transfer to hotel, accommodation

Day 1, Friday, May 26,

Theme: Orientation and process

Training objective: To provide the participants with essential information on program design, its objectives, and administrative issues; to introduce CHF and its program partner organizations; to explain the "participant training and workshop" format; providing "Training Participant's Handbook" containing relevant information about the program and the United States

am: Ice-breaker; participants introduce themselves; CHF and its partners introduced to participants; program design and objectives discussed; administrative issues discussed

lunch break activity: familiarizing participants with the immediate vicinity of the hotel, information on metro/bus system, demonstration of tickets acquisition;

pm: Entry questionnaire taken; identification of issues of concern in Kazakhstan and Kyrgyzstan by individual participants; identification of individual interests and goals within the program context; sub-division of participants into smaller groups (if appropriate); monitoring and evaluation systems explained

Day 2, Saturday, May 27

- Visit Washington - all day, organized bus tour of the city including the White House, Capitol Hill, major monuments, Arlington Cemetery, and other points of interests; group accompanied by an escort-interpreter

Day 3, Sunday: May 28

- Free day. Rest and recuperation

Week 1: May 29 - June 2/3, 1995

Day 4, Monday: May 29 (CHF/Meridian House International)

Theme: Cross-cultural orientation

Training objective: To allow to develop an understanding of the United States, its political system, the economy, the people, and the core cultural traditions and values

am: Cultural protocol; characteristic American values and behaviors: time management, competition, directness and openness, accountability, responsibility, taking the initiative; written materials in Russian covering essential topics will be provided;

pm: Review of participants' observations, communication styles.

evening activity: National Symphony Orchestra concert on the West Lawn of the US Capitol; group accompanied by a CHF staff person and/or escort interpreter

Day 5, Tuesday: May 30 (CHF)

Theme: Types of residential associations

Training objective: To provide an overview of types of housing management organizations in the US, similarities and



Cooperative Housing Foundation

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differences in their structure and mode of operation, and legal ramifications; commentary by the participants on situation in their home countries;

- am: Condominium associations, cooperatives, homeowner associations, rental properties; Organizational structure, internal rules and regulations; discussion of applicability of a particular model to conditions in the participants' home countries;
- pm: Management of homeowner organization; CHF experience of working with condominium and homeowner associations in Central and Eastern European countries (Poland, Hungary, Bulgaria, Russia)

Day 6, Wednesday, May 31 (by CHF/NAHC)

Theme: Organizational structure of residential associations

Training objective: To discuss the roles and responsibilities of association's officers, and gain practical exposure and understanding of issues involved through observation and contact with a successful managing organization

- am: Roles and responsibilities of the Board, and the executive committee; discussion of examples of actions to be taken, procedures to be followed, legal documents applicable; individual and/or collective responsibilities. Site visit: where: Greenbelt Homes, Inc., Greenbelt, MD, who: G. Overdurff, General Manager, objective: continuation of discussion of intra-board relations, as well as relations between the board and association members as applied by Greenbelt Homes
- pm: Site Visit: where: walking from hotel to "Broadmoor Cooperative Apartments", 3601 Connecticut Ave., N.W., who: J. Morrison, General Manager, objective: practical application of rules by a local condominium association; discussion of issues of internal relationships within the board, and the board's relations with members with the cooperative's officers; particular focus: commercial space management and associated issues
- evening activity: visiting and relaxation at the National ZOO, group accompanied by CHF staff person and/or escort interpreter

Day 7, Thursday, June 1 (by CHF/NAHC)

Theme: National level support organizations; structure, roles; relations with associated members and private management and maintenance firms

Training objective: To familiarize participants with the types of representative organizations (association of associations), their structure, functions, types of services offered to member organizations

- am: Roles and responsibilities secondary level organizations (associations of housing cooperatives, homeowner associations, etc.); advantages of participation, types of services offered to members
- pm: Site Visit-1: where: 1614 King St., Alexandria, VA, who: H. Levy, President of NAHC, objective: to examine the relations between NAHC and its members, and types of support services offered by NAHC to its member organizations; Site Visit-2: where: "Potomac Village" Cooperative, in Alexandria, VA, who: general manager, objective: to discuss the group's relations with NAHC, extent of use of programs offered by it and advantages or disadvantages of membership
- evening activity: visiting historical Alexandria, walk to the Torpedo Factory and the waterfront area; group accompanied by a CHF staff person and/or escort interpreter

Day 8, Friday, June 2 (by CHF/NAHC)

Theme: Preparation for training of trainers

Training objective: To introduce the concept of "training of trainers"; to discuss applicability of models observed, materials used, and learning methods and techniques applied in the course of training

- am: Explaining of "training of trainers" concept within the program context; setting up groups of participants to work together throughout the course; discussion of preliminary examples of activities to be undertaken by participants; planning of presentation of results during the concluding week of the program
- pm: Weekly wrap-up and evaluation of sessions; testing of participants' understanding of basic concepts and issues introduced during the week; discussion of participants' observations and getting their feedback. Suggestions as to weekend activities

Day 9, Saturday, June 3

- Visiting National Gallery of Art, Hirshhorn Museum, Freer Gallery of Art, National Air and Space Museum (in smaller groups depending on individual interests); group accompanied by a CHF staff person and/or escort interpreter

Day 10, Sunday: June 4

- Visiting the historic city of Annapolis, MD; a trip arranged with and accompanied by Mrs. Barget, volunteer

Week 2: June 5 - 10/11, 1995

Day 11, Monday: June 5 (by CHF/Womack)

Theme: Financial planning and management

Training objective: To provide an understanding of basic concepts and issues of financial aspects of housing management using examples provided by the trainer including material developed and used in the course of CHF program with housing cooperatives in Poland

- am: Overview of financial management; corporate budget sheet and statement of revenues and expenses; preparation of basic documents, discussion of applicable techniques
- pm: (Continuation) The operating budget, operating revenue sources, operating expenses, replacement reserves, cash management and investments

Day 12, Tuesday, June 6 (by CHF/Womack)

Theme: Property management and maintenance

Training objective: To continue discussion of financial issues involved in property management and maintenance including effective use of both residential and commercial space, management of inventories, revenue collection procedures; observation and practical application discussed with officers of a homeowner association

- am: Management by associations: Overview of members' financial obligations, collection process, foreclosure, and resales; Management by private firms
- pm: Guest speaker: A. Reicher from UHAB of NY, objective: community assistance programs in residential management and maintenance, practical application of rules pertaining to relations between the managers and renters; special focus: sweat-equity
- evening activity: 8:00-10:30 pm at the J. Kennedy Center for the Performing Arts Opera House, musical "Crazy for you" by G. Gershwin; group accompanied by a CHF staff person and/or escort interpreter

Day 13, Wednesday, June 7 (by CHF/Womack)

Theme: Private management and maintenance firm perspective

Training objective: to familiarize the participants with issues of private management firm's organization and operation

- am: Structure of a private management and maintenance company (marketing and management), contracting for services (various approaches); staffing; roles and responsibilities vis-a-vis homeowner associations
- pm: Guest speaker: J. Gallagher of Polinger, Shannon & Luchs of Chevy Chase, MD, objective: continuation of overview of maintenance issues; discussion of options: self-management versus the professional management

company; renovation fund, its role in association's finances; mobilization of funds for repairs and renovations

Day 14, Thursday, June 8 (by Howard University, at campus)

Theme: Conflict resolution and management

Training objective: To familiarize participants with techniques which may be effectively applied in reconciling different individual goals and financial resources of housing association members; discussing applicability of concepts in work within the association's board and in work with individual members

am: Consensus building, and effective collaboration techniques; discussion of examples of their practical application in work with members of housing associations/projects in the US

lunch break: walk around the HU campus

pm: Mediation and dispute resolution techniques, their practical application through observation and discussion of model/sample situations;

evening activity: "Artful Evening" at the Phillips Collection, 1600 Connecticut Ave, NW, 5:00-8:30, art exhibit and jazz music evening; group accompanied by CHF staff person and/or escort/interpreter

Day 15, Friday, June 9 (by Howard University, at campus/ CHF)

Theme: Developing consensus and mediation skills; preparation for module 4

Training objective: Exposure to skills and techniques used in conflict resolution as applied to homeowner associations; discussion of previously observed situations through site visits and discussion with visiting associations' officers

am: Continuation of sessions: consensus building, and effective collaboration techniques; discussion of examples of their practical application in HU programs with participation of housing groups in the US

pm: Weekly wrap-up by CHF; testing of participants' understanding of basic concepts and issues during the past weeks; identification of issues for further elaboration; evaluation of sessions by the participants and getting their feedback; preparation for Week 3 travel

Day 16, Saturday, June 10

- Travel to Atlanta, GA. Transfer to hotel, accommodation. Group accompanied by escort-interpreter

Day 17, Sunday, June 11

- Visiting tour of the city of Atlanta and its major points of interest: City Hall, Cyclorama of the Battle of Atlanta of 1864, ride on New Georgia Railroad, a restored vintage steam train that circles the inner city; group accompanied by escort-interpreter

Week 3: June 12 - 17/18, 1995

Day 18, Monday, June 12 (SAHC/ G&A Management Corporation, Atlanta, GA)

Theme: Private management and maintenance services

Training objective: To observe and experience hands-on training by an organization which both manages, and provides maintenance services to homeowner associations, as well as gives skills improvement courses for other managing groups (both in Atlanta, GA, and nationwide); to gain exposure to work in community settings different from metropolitan Washington, DC,

am: Introduction of participants to the hosting organization, introduction of the SAHC to participants; explaining the Association's structure and role in relation to member organizations; familiarizing the participants with types of support activities/services offered

lunch break: walk along Peachtree Road, downtown Atlanta

pm: Site Visit: where: G&A Management Corporation, 3071 Peachtree Road, NE, Atlanta, who: A. Miller, M. Cooper Stiggers, Presidents, objective: observation of operations of a privately held firm collaborating with

SAHC, discussion of activities and inner mechanisms with the organization's representatives, observe their relations to members and discuss practical issues relating to the group's operations
evening activity: visiting the future site of the Olympics 1996; group accompanied by escort/ interpreter

Day 19, Tuesday, June 13 (SAHC, Atlanta, GA)

Theme: Field experience with cooperative and condominium association

Training objective: Hands-on training and a first-hand experience with various cooperative and other housing associations

am: Cooperatives/Condominium Projects' Operation; discussion of management styles suited for specific type of organization; preventive maintenance, planning for major renovation/rehabilitation

pm: Site visits: where: "Brandywine Townhouses", 85 Mt. Zion Rd., 30354 Atlanta, and "Wildwood" cooperative, 405 Sairburn Rd., SE, 30331 Atlanta, objective: to explore relationships of the cooperatives with local businesses, local authorities, financial institutions, other organizations (contracting mechanisms, loan procedures)

evening activity: shopping in downtown Atlanta

Day 20, Wednesday, June 14 (SAHC/ Housing Authority of Columbus, GA)

Theme: Field experience with community-based organizations

Training objective: Exposure to unique community housing organization, Habitat Chapter in Atlanta

am: Final/closing session with SAHC; discussion of programs of assistance to tenants and owners of rental properties

pm: Travel by vans to Columbus, GA, visiting points of interest between Atlanta and Columbus (group will be accompanied by Mr. S. Keene, of the Housing Authority of Columbus); accommodation

evening activity: walk through the downtown Columbus, GA; home visit with Mr. Keene

Day 21, Thursday, June 15 (Housing Authority of Columbus, GA)

Theme: Public and private sector partnerships for housing management

Training objective: To provide exposure to housing management issues in a smaller size city setting; to explore the local government's responsibilities and assistance to local housing organizations; to discuss applicability of concepts and techniques used by organizations previously met in the course of the program

am: Introduction of participants to the hosting organization, introduction of the Housing Authority of the City of Columbus to participants; explaining the role of the Authority in relation to management by independent housing groups; discussing examples of programs implemented with local groups

lunch break: meeting with local press/TV

pm: Site Visit: where: objective: discussion of practical issues with a local group providing professional property management services, operation and types of services offered, relations with clients, resolution of issues

Day 22, Friday, June 16 (Housing Authority of Columbus, GA)

Theme: Understanding diverse approaches to housing management and residential programs

Training objective: Exposure to practical issues of property management by associations, cooperatives and other common interest groups in a smaller community; to programs of promoting private sector involvement in property management

am: Discussion of various community programs offered by the Housing Authority, assistance to renters, new programs initiatives, procedures; examining programs of promotion of private business involvement in management and maintenance

pm: Continuation of activity with local groups managing housing projects (condominium, homeowner association, privately owned buildings)

Day 23, Saturday, June 17

- Return to Washington, DC. Accommodation. Free day, Rest and Recuperation

Day 24, Sunday, June 18

- Visiting Georgetown: walk along the waterfront and M Street; Georgetown Park; Georgetown University Campus; group accompanied by a CHF staff person and/or escort/interpreter

Week 4: June 19 - 25, 1995

Day 25, Monday, June 19 (CHF)

Theme: Internal debriefing; Resource generation for management and maintenance

Training objective: Reports from participants on their experience and training, commenting on the training content, format, lessons learned and their application in home country setting

am: Debriefing after return from sites; feedback and observations by participants: lessons learned, materials and sample documents gathered

pm: Resource generation for management and maintenance, with particular attention to resource mobilization techniques applied by low/moderate income housing projects; Site Visit: where: National Cooperative Bank, Washington, DC; who: officers working with cooperatives and/or homeowner associations, objective: discussion of bank's processes and procedures involved in loans for home improvement and maintenance

evening activity: home visit with CHF staff person (may require dividing the group into smaller ones)

Day 26, Tuesday, June 20 (CHF/NAHC)

Theme: Training of Trainers Workshop; Presentations by participants; training on sample projects by participants

Training objective: To introduce training techniques; discussion of applicability of specific concepts, materials, documents in home countries

am: Application of lessons learned during the US training in home setting; presentation of results of collaborative effort by participants, discussion of presentation and their analysis in the context of applicability in future training

pm: Training of Trainers (continuation): application of lessons learned during the US training in home setting; reporting on and discussion of specific examples of issues/cases identified during Week 1 and worked on during the course of the program

evening activity: home visit with CHF staff person (may require dividing the group into smaller ones)

Day 27, Wednesday, June 21 (CHF/NAHC)

Theme: Presentations by participants; training on sample projects by participants

Training objective: To introduce training techniques; discussion of applicability of specific concepts, materials, documents in home countries

am: Training of Trainers (continuation). Application of lessons learned during the US training in home setting; presentation of results of collaborative effort by participants, discussion of presentation and their analysis in the context of applicability in future training (2 groups of five)

pm: Continuation of presentations by participants (two groups of five)

Day 28, Thursday, June 22 (CHF)

Theme: Training of Trainers continued

Training objective: critique and analysis of colleagues' presentations; applicability of specific concepts, materials, documents for use in home country

- am: Discussion of training experience, identification of the most useful topics, visits, materials, evaluation of individual meetings/sessions; distribution of verified list of contacts made; Follow-on planning and identification of further training needs;
- pm: Exit questionnaires; pre-departure issues;

Day 29, Friday, June 23 (CHF)

- am: Program closing, with representatives of program partners and invited guests; get together with CHF staff
- pm: Free time

Day 30, Saturday, June 24

Departure from the US