

# Baseline Questionnaire— Community Profile

## Akhtala

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### GENERAL FEATURES OF COMMUNITY

Akhtala is located in the Lori *marz* in northern Armenia. It is approximately 178 kilometers north of Yerevan on highway M-6, a main highway into Georgia, and 15 kilometers south of the Georgia border.



### General Executive Summary

Akhtala is a small rural city with a population of 3,035, of which approximately 17 percent (500) work in other countries. There are nearly 900 households. Although nearly 400 people are employed in mining and processing copper, the unemployment rate is about 50 percent. The economy is split between light and heavy industry, 35 percent, and small commercial, 40 percent. The remainder of its economy is in the agriculture, services, and transportation sectors. A railroad line serves the mining community.

Mayor Suren Tamazyan is in his third term, having been reelected in 2005. All five of the local council members have been reelected. There are five city staff members.

A review of fiscal years 2003-2005 revealed that the city exists on a very small budget. Its budget for 2005 was less than \$50,000.<sup>1</sup> A troubling trend is a decrease in revenues and tax collection, and consequently, expenditures for public services. For example, actual revenues for 2005 were only 56 percent of what they were in 2003. Tax collections show the same negative trend—collections in 2005 were only 79 percent of what they were in 2003. Part of the drop in revenues was because of the error rate of the land and property tax database, which currently averages a 30 percent error rate, and consequently reduces the collection of land and property taxes.

As a consequence of the downward trend of revenues, local public service delivery has also been reduced. Water and sewer services are provided by Armenia Water and Sewerage Company (AWSC), a national-government-owned and privately managed company.<sup>2</sup> Solid waste collection, street lighting, street cleaning and repairs, and landscaping are all contracted by the city with Dilva Ltd., a private company. The city does provide kindergarten and art school services to its youth and attempts to maintain nearly 900 apartment units.

Citizens in Akhtala have very limited access to information. There is no local TV or radio, but there is one *marz*-level newspaper in Akhtala. No employee or department

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<sup>1</sup> This calculation was based on one U.S. dollar equaling 450 Armenian drams.

<sup>2</sup> In 2005, AWSC contracted with SAUR, a French water -wastewater company, to provide management services.

is assigned public relations responsibility in the city. Nonetheless, some accessibility to public information is provided through an information board outside City Hall. Approximately 90 percent of citizen requests are processed in a timely manner, as stipulated in the law on freedom of information.

The local council has not received training on the role of local council members or developed strategic plans for the community.

**Table 1-1. Key Contacts**

Position	Name	Telephone
Mayor	Suren Tamazyan	(2535) 2-20-39
Deputy Mayor	None	
Chief of Staff	Anush Margaryan	(091) 58-32-95

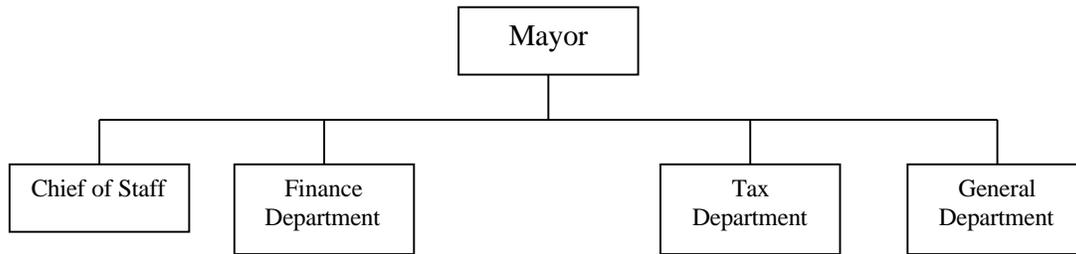
**Table 1-2. General Information**

Item	Number	Yes	No
Population 2002 census	3,035		
Number of households	896		
Area (est.)	486 hectares		
Certification of boundary			X
Term of mayor (1st, 2nd, etc)	3rd term		
Number of local council members	5		
Number of local council members reelected	5		

**Table 1-3. Gender Mix of Council and City Staff**

Office	No. of Males	Percent of Total	No. of Females	Percent of Total
Mayor	1	100	0	0
Local council	5	100	0	0
Staff of City Hall	1	20	4	80
Total	7	64	4	36

**Figure 1-1. Organization Chart of Local Government**

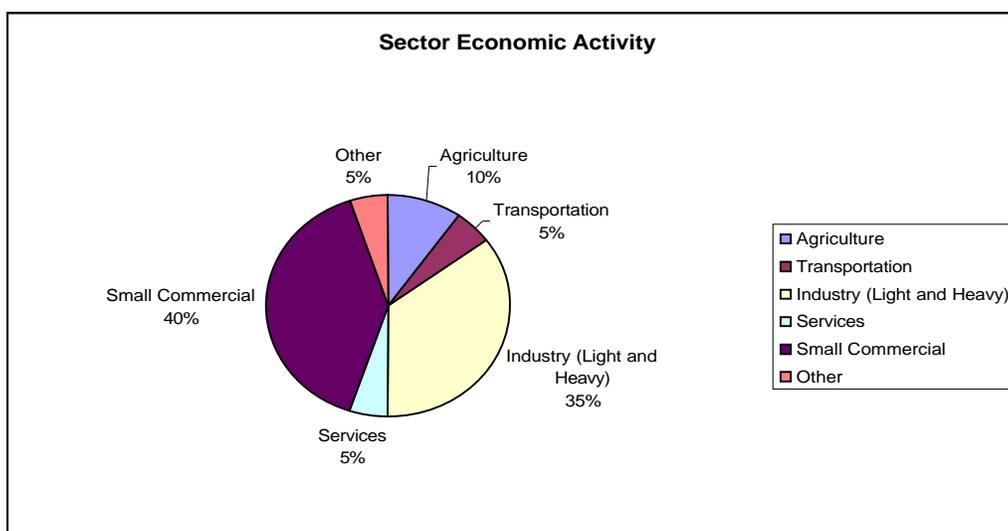


**Table 1-4. Economic Base of City**

Sector	Estimated Percentage of Local Activity
Agriculture	10
Transportation	5
Tourism	0
Industry (Light and Heavy)	35
Services	5
Small Commercial	40
Other	5
<b>Total</b>	<b>100</b>

The estimated unemployment rate for the city is 50 percent (people who own property are not considered unemployed). An estimated 500 residents (17 percent of the total population) are working in other countries temporarily.

**Figure 1-2. Akhtala Economic Activity by Sector**



**Table 1-5. Computer and Office Equipment of Local Government**

Equipment Type	Number	Yes	No
Notebook computers	0		X
Desktop computers	2		
Servers	1		
Networked			X
Copiers	1		
Fax machines	0		
Internet service			X

**Table 1-6. Computer Software in Use**

Software Function	Yes	No
Word processing	X	
Microsoft Excel	X	
Specialized budget		X
Oracle (tax collection)	X	
Geographic information systems (GIS)		X
Citizen registry		X
Office Works by the Information Systems Development Training Center (ISDTC)		X

**Table 1-7. USAID or Other Donor Programs Active in Community**

Donor	Type of Program
Eurasia Foundation	Regional Environmental Information Center
Save the Children	Potable water system repair
Greek Community	Road repair, reservoir Establishment of a park (Greek -Armenian Friendship Park)

**Table 1-8. Active Nongovernmental Organizations or Civil Society Organizations**

NGO or CSO	Type of Cooperation or Service with Local Government
Environmental biosustainability NGO	Environmental Information Center

CSO = civil society organization ; NGO = nongovernmental organization

**Table 1-9. How the City Receives Information about Adopted Legislation**

Source	Yes	No
IRTEK (Legal Information Center)		X
Union of Communities	X	
<i>Marzped</i>	X	
National Assembly Web site	X	
Newspapers, TV, etc.	X	

# COMPONENT TWO

## LOCAL GOVERNMENT FINANCIAL MANAGEMENT SYSTEMS

### Executive Summary

A review of fiscal years 2003-2005 revealed that the city exists on a very small budget. Its budget for 2005 was less than \$50,000.<sup>3</sup> In 2003, the city received an accumulated subvention<sup>4</sup> from previous years in the amount of 7,807,500 Armenian drams. Also in 2003, the city received 525,784 Armenian drams from the sale of municipal assets, which is why the 2003 budget of the city was much higher than in following years. In 2004 and 2005, the city budget returned to its normal size since there were no subventions from the national government.

Tax collections showed the same negative trend—collections in 2005 were only 79 percent of what they were in 2003. Part of the drop in revenues was because of the error rate of the land and property tax database, which currently averages a 30 percent error rate and consequently reduces the collection of land and property taxes.

The city did not borrow money during the 3-year period. The level of citizen participation in or access to the budget development process is minimal, partly because the city does not produce or distribute a budget in brief or facilitate public participation in the budget process.

**Table 2-1. Revenues and Expenditures, 2003-2005—Planned**

Fiscal Year	Revenues (AMD)	Per Capita Revenues* (AMD)	Expenditures (AMD)	Per Capita Expenditures* (AMD)*
2005	30,604,800	10,084	31,064,400	10,236
2004	34,229,300	11,278	34,229,300	11,278
2003	34,423,900	11,342	34,423,900	11,342

AMD = Armenian drams

Budget figures include both operating and capital budgets. Budget figures not adjusted for inflation.

\* Based on census population

<sup>3</sup> This calculation was based on one U.S. dollar equaling 450 Armenian drams.

<sup>4</sup> Subventions are national government grants for capital projects.

**Table 2-2. Revenues and Expenditures, 2003-2005—Actual**

Fiscal Year	Revenues (AMD)	Per Capita Revenues* (AMD)	Expenditures (AMD)	Per Capita Expenditures* (AMD)
2005	19,323,500	6,367	19,557,700	6,444
2004	17,281,483	5,694	24,974,928	8,229
2003	34,624,960	11,409	25,965,041	8,555

AMD = Armenian drams

Budget figures include both operating and capital budgets. Budget figures not adjusted for inflation.

\* Based on census population figures .

**Table 2-3. Property Tax Collections, 2003-2005**

Fiscal Year	Property Tax (AMD)	Per Capita* (AMD)
2005	2,503,500	825
2004	3,321,200	1,094
2003	3,183,500	1,049

AMD = Armenian drams

Budget figures not adjusted for inflation. \* Based on census population figures.

**Table 2-4. Property Tax Collection Process**

Activity	Amount	Description
Percentage error in property tax data	30%	Average error in personal and legal property tax database
Who collects the property tax?		Department of Tax Collection
Tax collection commissions		Not applicable
Tax collection problems		Overcoming the database error and developing a concerted method of collection enforcement

**Table 2-5. Budget Process**

Activity	Amount	Yes	No
Borrowed money from a bank			X
Had citizen participation in the formation of the budget			X
Had citizen participation in the adoption of the budget			X
Produced a budget in brief			X
Had funding for projects in the community development plan			X

**Table 2-6. Asset Management**

Activity	Amount	Yes	No
Asset management plan developed			X
Local legislation regulating sale or lease of property			X
Public announcement of sale or lease of property		X	
Sale or lease of municipal property	5,000 AMD lease	X	
Number of responses received	2		
Real estate market information for the sale or lease of property			X

AMD = Armenian drams

**Table 2-7. Anticorruption Effort**

Activity	Description
Who do citizens report suspected corruption to?	Mayor
Have there been any reports of possible corruption?	No
Were procurement bids published?	No
Are the advertisements in locations and in ways to solicit the maximum number of competitive offers?	No
How many bids are sought?	Two
Are bid evaluation committees staffed with professionals to review offers?	By department heads
Are the winning bids announced publicly?	No
What are the most useful criteria used by the city for accepting an offer for goods or services?	Lowest price in procurement, highest price in leasing and selling municipal assets
Is an internal control system in place?	No
Who is the internal auditor and who does he report to?	None exists
How is the collection of cash handled?	Through the finance office

# COMPONENT THREE

## PUBLIC SERVICE DELIVERY

### Executive Summary

As a consequence of the downward trend of revenues, local public service delivery has also been reduced. Water and sewer services are provided by Armenia Water and Sewerage Company (AWSC), a national-government-owned and privately managed company.<sup>5</sup>

Solid waste collection and street cleaning is done by a contract of the city with Dilva Ltd., a private company. Street lighting is provided by Electrasants, a closed joint stock company. The city did not repair streets in 2004 or 2005. The city does provide kindergarten and art school services to its youth and attempts to maintain nearly 900 apartment units.

**Table 3-1. Basic Services Provided by the City**

Mandatory Service	Service Provider	Approximate No. of People Served	Number of Employees	Funding Source
Kindergarten (1)	City budget org.	45	14	92% budget; 8% fee
Art school	City budget org.	22	4	78% budget; 22% fee
Solid waste collection	Dilva Ltd., a private enterprise	48% of the city	6	100% fee
Street cleaning	Dilva Ltd.	Entire city	Same as above	100% budget
Landscaping				
Street repair				
Street lighting	Electratsants, CJSC	Entire city		100% budget

CJSC = closed joint stock company

**Table 3-2. Environmental Operations**

Service or Activity	Cited or Fined	Not Cited or Fined
Water treatment and supply		X
Wastewater collection		X
Solid waste collection		X

<sup>5</sup> AWSC contracted with SAUR, a French water -wastewater company, to provide management services in 2005.

**Table 3-3. Collection Rates for Services**

<b>Service</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>Remarks</b>
Apartment building maintenance	0	0	0	No fees charged, but in-kind services accepted
Solid waste collection	20%	25%	25%	

# COMPONENT FOUR

## STRENGTHENING LOCAL GOVERNMENT PUBLIC RELATIONS

### Executive Summary

Citizens in Akhtala have very limited access to information. There is no local TV or radio, but one *marz*-level newspaper is distributed in Akhtala. No employee or department is assigned public relations responsibility in the city. Nonetheless, some access to public information is provided through an information board outside of City Hall. Approximately 90 percent of citizen requests are processed in a timely manner, as stipulated in the law on freedom of information.

**Table 4-1. Access to Local Media**

Media Type	Yes	No
Television		X
Radio		X
Newspaper—local		X

**Table 4-2. Local Government Public Relations Responsibility and Capacity**

Activity	Amount	Yes	No
Established public relations responsibility			X
Aware of the freedom of information (FOI) law			X
Received training on FOI law			X
Established an information center			X
Track citizen requests for information, service, or complaint		X	
Manual tracking system		X	
Average monthly inquiries, service requests, and complaints	5		
Timely response to FOI requests	90%		
City has an information board		X	
City Hall has a directory			X
City staff access to citizens (TV, public meetings, etc.)			X
City produces a newsletter for residents			X

Activity	Amount	Yes	No
City presents the budget to citizens		X	
Youth involvement in local government activities			X
City collaborates with local nongovernmental organizations (NGOs)			X
City Hall office numbers published or otherwise made available to citizens		X	

FOI = freedom of information; NGO = nongovernmental organization

# COMPONENT FIVE

## ASSISTANCE TO LOCAL COUNCILS

### Executive Summary

Akhtala’s small five-member city council has adopted a set of guidelines of rules of procedures for conducting a city council meeting. However, the council has received no training on its roles and responsibilities. Although council meetings are open to the public, there is little active citizen participation in the meetings.

**Table 5-1. Local Council Composition and Contact Numbers**

Council Member	Gender	Contact Information
1. Albert Khalachyan	M	(02535) 2157
2. Albert Sosinyan	M	(02535) 2727
3. Aram Margaryan	M	(02535) 2620
4. Nikolay Zelikov	M	(02535) 2747
5. Samvel Atanesyan	M	(02535) 2909

**Table 5-2. Council Training and Selected Practices**

Item or Activity	Yes	No
Are established rules of procedures in place?	X	
Have council members received training on the role and responsibilities of the council?		X
Do newly elected council members receive training?		X
Do council members receive meeting agendas 3 days prior to public meetings?		X
Are meeting agendas and time and place publicized prior to the meetings?		X
Do citizens actively participate in council meetings?		X
Are minutes of council meetings open to public?	X	
Does the council participate in the strategic planning for the city?		X
Does the council conduct service oversight hearings?	X	
Have council members participated in publicizing issues?		X
Are council members knowledgeable of city operations?	X	

Item or Activity	Yes	No
Does the council receive legal guidance on passing local laws?		X
Do council members meet with constituents regularly?	X	
Is there a place at city hall where council members can meet with constituents?		X
Has the council used advisory committees, focus groups, or special problem workgroups?		X
Does City Hall have a place for council members to receive mail or other communications?		X