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CHEMONICS INTERNATIONAL INC.

PRIVATIZATION AND ECONOMIC RESTRUCTURING PROGRAM ADVISORY AND TRAINING SERVICES AND SUPPORT (PERPADVI)

FINAL REPORT

ROLL-OUT OF THE ENTERPRISE LAND SALES PROGRAM (ELS)

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TABLE OF CONTENTS

		Page
EXECUTIVE SUMMARY		i
SECTION I	INTRODUCTION	I-1
	A. Background	I-1
	B. Project Objectives and Results	I-1
	C. Report Purpose and Organization	I-2
SECTION II	PROJECT ENVIRONMENT AND CONTRACTOR STRATEGY	II-1
	A. Overview	II-1
	B. Implementation	II-1
SECTION III	ACCOMPLISHMENTS AND DELIVERABLES	III-1
	A. Deliverables: Constraints Encountered and Achievements	III-1
	B. Success Beyond the Deliverables	III-11
SECTION IV	LESSONS LEARNED AND RECOMMENDATIONS	IV-1
	A. Lessons Learned	IV-1
	B. General Recommendations	IV-2
	C. Conclusion	IV-4
SECTION V	FINANCIAL SUMMARY	V-1
ANNEX A	TIMETABLE OF ELS PROGRESS	A-1
ANNEX B	ELS PROJECT USE OF RUSSIAN PROFESSIONALS AND ORGANIZATIONS	B-1
ANNEX C	LAND TRANSFERS AND TRANSACTIONS IN PROCESS	C-1
ANNEX D	LAND AREA DATA	D-1
ANNEX E	SECONDARY LAND MARKET IN RUSSIA, 1997-2000	E-1
ANNEX F	RESALES	F-1
ANNEX G	ENTERPRISE LAND SALES MANUAL CONTENTS	G-1
ANNEX H	SPECIALISTS TRAINED BY ELS	H-1
ANNEX I	COMMERCIALIZATION OF ELS ENTITIES	I-1
ANNEX J	EXPATRIATE PHASE-OUT SCHEDULE	J-1

EXECUTIVE SUMMARY

The Enterprise Land Sales (ELS) program, a task order for Russia under the Privatization and Economic Restructuring Program Advisory and Training Services and Support (PERPADVI) contract, started September 1, 1995, and ended November 15, 1996. The purpose of the task order was to roll out pilot enterprise land activities conducted earlier in St. Petersburg and Nizhny Novgorod. The roll-out team was tasked with facilitating the government's sale to enterprise owners of the land on which their enterprises stand. Although presidential decrees allowing such sales had been passed, the provisions and procedures established by the decrees were not widely known.

This final report highlights the ELS task order purpose, history, environment, implementation plan, lessons learned, and recommendations for future activities. It consists of five sections. The first section provides important historical and background information about the task order. The second section describes the environment in which the task order was to take place and the contractor's strategy for meeting its objectives. The third section primarily describes the project deliverables, explaining how they were met and how obstacles were overcome. The fourth section contains the ELS team's recommendations and conclusions, and the fifth section provides a financial summary of expenditures. In preparing this report, input from the entire ELS team was solicited and used.

The legal foundation for the pilot project and roll out consisted of two decrees: Presidential Decree 1535 of July 1994, authorizing enterprise land sales, and Decree 478 of May 1995, establishing affordable prices and other enabling conditions for such sales. The pilot project in Nizhny Novgorod and St. Petersburg provided a workable methodology for facilitating enterprise land sales and proved that significant progress could be made with such sales. The challenge that faced the ELS team was convincing both buyers and sellers that enterprise land sales were legal and desirable.

Despite the presidential decrees, not all local governments in Russia were amenable to enterprise land sales. The political environment, particularly in the run up to the elections that President Yeltsin eventually won, was unstable. In this climate of uncertainty, many people speculated that if Mr. Yeltsin lost the election, all enterprise land sales would halt and those already made might even be reversed. Even so, the ELS team continued to make headway, altering the opinions of local governments and opening their eyes to the benefits of such sales. Although challenged by the difficult political and ideological climate, sales continued even through the election period and gained momentum after the elections.

The project was implemented from five hub offices, located in Moscow, St. Petersburg, Novosibirsk, Ekaterinburg, and Volgograd. The expatriate and local professionals comprising the ELS team were organized into discrete components, each with a specific task. The legal team ensured that the provisions to allow land sales were accepted by local governments. The training team created seminars for a spectrum of audiences, from governmental officials to enterprise managers to journalists. The expatriate team members advanced the training by passing as much relevant knowledge as possible to the task order's 97 local professionals. Although each task

3

force had its own assignment, the entire team worked together to establish a national organization that would become the driving force for enterprise land sales after the end of the task order. The lasting network we created is one of the most important products of this task order.

The selection of oblasts and enterprises with which to work was assisted by both USAID and the State Property Committee (GKI). The sites finally selected included many of those suggested by USAID supplemented with some sites suggested by GKI. In each oblast, local officials had to sign a formal protocol of relationships and activities before any ELS activities could begin. Moreover, the oblast had to contain enterprises that were both willing to privatize their land and able to make the purchase. If any one of these was absent — the signed protocols, cooperative and able enterprises — the oblast was not selected for ELS assistance.

The reasons for such strict selection criteria were the time frame for the task order and the deliverables defined by USAID. The ELS task order had eight deliverables. These are listed in Section II, which describes the team's approach to each one, the encountered difficulties (expected and unexpected), how the team overcame obstacles, and the outcome, which was success on all eight benchmarks. Indeed, the team did not just satisfy all the deliverables, it exceeded many of them and even achieved notable successes beyond the scope of the task order.

The recommendations of the ELS team include further USAID funding for ELS in other parts of Russia and preserving the network established by this task order. The ELS task order was very successful and the local advisors very well trained. Nonetheless, the task order only worked in five "hubs" and the surrounding "satellite" oblasts. Starting ELS activities throughout Russia would be useful and, judging from the good press the program received toward the end of the task order, welcome. Additional recommendations include establishing a mortgaging mechanism. The number of enterprise land sales would soar if enterprise managers could finance their purchases instead of having to gather all the money at once.

Enterprise land sales are a reality in Russia. The USAID-funded ELS task order facilitated 911 sales, exceeding the USAID benchmark of 600 sales. The ELS advisors, expatriate and local, legal team and training team, worked with enterprise managers and local officials to set the wheels in motion in 53 locations throughout Russia. Besides surpassing the benchmark for sales, the ELS team saw 185 secondary land sales completed by the end of the task order. This exceeded the benchmark for this deliverable by 65 resales. The ELS task order made those sales possible through working with local officials and enterprises, with well-timed seminars, and using well-trained ELS advisors. As the ELS project closed, several dozen cooperating companies and local advisors were set to continue ELS activities. Thus, the ELS team succeeded in accomplishing what had become the most important benchmark of all: we created a viable enterprise land market in which land brokers could charge for their services.

4

SECTION I
INTRODUCTION

A. Background

The inability of enterprises to purchase or own land they occupy is a serious impediment to shifting from a demand economy to a market economy. Recognizing that owning the land on which they operate is key to enterprises' ability to raise capital, modernize, and increase production, in July 1994, the Government of Russia issued Presidential Decree 1535. The decree authorized enterprises to purchase land from municipal and oblast governments. As part of its commitment to assist Russia's transition to a market economy, USAID launched the Enterprise Land Sales (ELS) program in September 1995.

The designers of the ELS program intended it to be an accelerated roll out of a pilot program begun in St. Petersburg and Nizhny Novgorod in December 1994. Roll out proceeded rapidly in St. Petersburg, which had been supportive of the pilot activities and wanted to continue broad application of the ELS program. The pilot project had also been completed in Nizhny Novgorod, laying the foundation for broader follow-on. In Nizhny Novgorod, however, municipal authorities determined that land should be sold for a higher price than had been established during the pilot, increasing the price threefold. In addition, the municipality decided it would not share land sale proceeds with the oblast according to the formula accepted for Russia. This precipitated a serious conflict between municipal and oblast administrations. The municipality's decision to raise prices and its conflict with the oblast guaranteed there would be very few sales. Nizhny Novgorod was therefore dropped as a roll-out location. Late in the ELS roll out, Nizhny Novgorod municipal authorities agreed to modify their approach, and a successful satellite entity was established.

The ELS task order was a logical step forward in Russian land reform. It reflected the priorities of the government sponsor, the State Property Committee (GKI), which recognized that a viable enterprise land market was vital to attracting investment from Russian and foreign sources. Without privatizing the land occupied by Russian enterprises, investors would be reluctant to invest in them. Enterprise managers and city administrations alike recognized that the primary benefit of the ELS effort was to lure critically needed outside investment and establish the foundations for a land and real estate market.

B. Project Objectives and Results

Chemonics International Inc. and its subcontractor Planning and Development Collaborative International (PADCO) were hired by USAID/Russia to conduct the roll-out of the ELS methodology. The task order was signed on September 1, 1995 with a completion date of August 30, 1996, and later modified to extend until November 15, 1996.

The main purpose of the task order was to apply the lessons of the pilot project in other regions of Russia, thereby establishing an enterprise land market supported by enabling legal and technical infrastructures and institutional and human resources. The task order required the ELS teams to complete land sales in 36 oblasts. Initially, it called for sales only in oblast capitals. Discussions with USAID, however, deemed this unreasonable for several reasons: (1) Most enterprises were located in oblast jurisdictions; (2) Many enterprises had capital addresses for

their headquarters but were located outside the city; and (3) Many enterprises had multiple land parcels both inside and outside the capital.

Under the task order, enterprise land sales took place in 53 locations (and sales and Transactions in Process[1] were accomplished in 63 locations) in the five ELS regions of St. Petersburg, Siberia, Urals, Volgograd, and Moscow. This broad distribution of sales was particularly important for the nationwide success of the program.

C. Report Purpose and Organization

This report was prepared according to the task order guidelines in Section X.7, "Reporting Requirements," of the USAID/GKI enterprise land sales task order. That section identified several general reporting categories and required a summary of accomplishments and deliverables. To best reflect the activities of the task order, the report is organized as follows: Section II describes the environment in which the task order activities took place and the contractor's strategy to address the task order objectives. Section III describes the status of the deliverables as of October 31, 1996, the task order's last week of operation. Section IV discusses the lessons learned and recommendations derived from implementation of the task order, while Section V provides a summary of the financial status of the task order at its conclusion.

[1] A Transaction in Process was one in which an enterprise had started the acquisition process but had not completed it before the end of the task order.

SECTION II
PROJECT ENVIRONMENT AND CONTRACTOR STRATEGY

A. Overview

Presidential Decree 1535, issued in July 1994, became the basis for the ELS pilot program by authorizing enterprises to purchase from municipal and oblast governments land that the state had allocated to them. Before the decree was issued, the land on which enterprises stood and other land the state allocated them could not be transferred to private hands. Similarly, Decree 478, enacted in May 1995, became the basis for the ELS roll out by establishing more affordable prices for enterprise land and authorizing the use of federal debt to pay part of the purchase price in certain circumstances. Specifically, this decree reduced the price for enterprise land from 200 to 10 times the land tax rate and allowed enterprises to deduct from the purchase price the annual federal budget subsidy no longer provided by the state.

The two decrees created conditions favorable to the development of a land market. They not only facilitated the purchase of enterprise land but also enhanced federal and local government budgets by assigning a percentage of the land sale purchase price to each participating agency. These included the municipal government, oblast government, several committees and offices involved in the process, and oblast and regional offices of the GKI.

In practice, however, the decrees did not create a wave of enterprise land privatization for several reasons. First, the decrees specified little about land sale procedures and lines of responsibility. In a politically stable system with a proactive legal environment, this ambiguity might create only minor problems. In Russia, where political uncertainties were enormous throughout the task order, the problems were serious. The ELS team faced a situation in which the laws and regulations governing enterprise land sales were sufficient, but their ambiguities allowed local administrations to oppose the process if they wished to do so. This tactic, although it could be challenged on legal grounds (and in several cases was successfully challenged), bought time for reluctant administrations that hoped the political situation would change or be clarified in their favor. In either case, the practice slowed the pace of land sales and created a cautious environment in which buyers, sellers, and other participants were afraid of making mistakes and inviting political repercussions.

Clarifying the intent, limits, and details of presidential decrees and local regulations became a critical task of the ELS team. Overcoming political uncertainty and often outright fear was the ELS team's greatest challenge and affected program strategy throughout implementation. A main task for the team was therefore to remove political uncertainty by providing assurances to enterprise buyers and administration sellers. They needed assurance that land sale procedures violated neither the letter nor spirit of any federal or local regulation or practice, so that land sale and ownership could not be challenged later on the basis of faulty, incomplete, or inaccurate procedures.

B. Implementation

B1. Contractor's Strategy

To implement the ELS task order and to meet all the deliverables, the ELS team focused on five components. These components often complemented each other, and successful

completion of the task order required achieving all of them. One component was the creation of a legal base to support enterprise land sales. The ELS team was prepared to defend all aspects of the enterprise land sale procedures because of the work and research done by its legal group. A second component was the establishment of a high-impact training program to create a conceptual base for land sales. This program allowed the project to educate a large portion of the many players involved in the enterprise land sale process. For the third component, ELS took training a step further and ensured on-the-job training for all 97 of the project's local professionals. This was accomplished by fielding competent, knowledgeable expatriate advisors and by stressing with those advisors the importance of transferring their knowledge to the local professionals. The fourth component entailed creating a national organizational structure through which land sales could be facilitated. The fifth component expanded the fourth component to use that national organization to continue activities after completion of the ELS task order.

B2. Oblast and Enterprise Site Selection

In selecting potential sites for hub and satellite offices, the ELS team carefully followed the guidance provided in the task order. The team contacted as many suggested hub and satellite location officials as practicable early in the program. As hub managers were fielded, they were responsible for visiting the satellites USAID listed and other locations that anecdotal evidence suggested were likely to be receptive sites.

Once potential locations were identified, the hub manager and team visited the appropriate administration officials. The purpose of these visits was to apply the criteria developed during the initial selection process to confirm the site's promise as an ELS area. Another purpose was to identify entities or individuals for ELS training and local representative candidates. In responsive locations, local administrators often made useful suggestions regarding potential satellite personnel or organizations. Visits to administrations helped determine whether local government officials and regional enterprise managers supported ELS reform, as evidenced by their willingness to sign an agreement with the hub manager regarding the program's local implementation and the local administration's participation. This and subsequent meetings determined whether the region had enough enterprises with the insight, interest, and potential financing to become enterprise landowners. (A timetable of these meetings is in Annex A.) Another important criterion was whether other USAID land projects had been or were currently being implemented. Clearly, related USAID projects would complement and support the ELS work and provide valuable guidance and information.

Early in the site selection process, the ELS legal team reviewed provisions governing land sales at the local level. They suggested improvements to the authorities based on legal provisions developed during the ELS pilot project. The response of local authorities to these suggestions was a significant selection factor for the program's hub teams. Later sales activity proved this factor very important to the success of the project. Land sales in sites that accepted the ELS legal and regulatory provisions were dramatically higher than in other sites.

As sites were selected, both USAID and GKI were kept informed through periodic reports and informal meetings, which GKI preferred. The sites resembled the USAID recommended list with a few exceptions. For example, no hub was established in the Russian far east city of Vladivostok for budgetary reasons. In addition, the anticipated Irkutsk hub was folded into another hub, Novosibirsk. Finally, in the last trimester of the task order, USAID and GKI approved ELS work in Moscow oblast. The ELS team, which had learned a great deal about the issues affecting ELS and land reform, was able to convince this key capital region to adopt

8

enterprise land sale policies and procedures more in line with those of other areas of the country. The Moscow oblast ELS hub office grew far larger than originally anticipated. It established 13 satellites and ultimately required a second hub manager, in effect creating a second Moscow hub.

The selection procedure was similar for each hub or satellite location. ELS teams visited both oblast and city officials to discuss mutual expectations and to have them sign a formal protocol governing relationships and activities. The ELS teams obtained the signature of the mayor for city participation, and of the chairman of the Local State Property Committee (KUGI) or vice-governor for oblast participation. The ELS program normally did not set up operations where it could not obtain both signatures.

Enterprise selection was based on several factors that varied with the location. The fundamental selection criterion was the enterprise's wish to privatize its land. This was a prerequisite and needed to be clearly affirmed by the enterprise general director or president. A second criterion, more difficult for enterprises to meet, was the ability to purchase the land. Enterprises that directly contacted the ELS program with requests for assistance were favored. In several cases, particularly active and interested Local Privatization Centers[1] contacted the ELS team to suggest enterprises. In other cases, banks referred enterprises to us for consideration. In all instances the ELS team followed up vigorously because such referrals, particularly a bank's recommendation, were promising in terms of the enterprise's financial stability. We also learned that the ELS seminar program was an effective tool for identifying eligible enterprises. In all cases, the team sought to select enterprises consistent with the selection criteria.

[1]Local offices of the Russian Privatization Center (RPC; see Annex B).

9

SECTION III
ACCOMPLISHMENTS AND DELIVERABLES

A. Deliverables: Constraints Encountered and Achievements

The task order called for eight deliverables:

1. Oblast and/or city administrations will transfer freehold title to no fewer than 600 enterprises in 36 oblast capitals.

2. For each city, an estimate of the land area held by eligible enterprises and an estimate of the potential size of the secondary land market (within a two-three year period) will be made.

3. No less than 20 percent of the enterprises receiving freehold title will sell or lease some of their land to third parties.

4. A fully tested rapid dissemination of enterprise land sales methodology will be designed and implemented during the roll-out period for use in subsequent ELS activities without USAID assistance.

5. No fewer than 65 Russian lawyers and real estate professionals will be fully trained and will be capable of implementing future enterprise land sales activities following their hands-on training and implementation of the roll-out methodology.

6. No fewer than 900 oblast and municipal officials, enterprise managers, and other real estate professionals will be trained in the application process for the transfer of freehold title.

7. Fifteen Russian organizations will be capable of implementing future enterprise land sales activities as evidenced by their ability to derive income from enterprise land privatization consulting services.

8. The gradual phase out of expatriate staff will take place during the life of the task order.

The main hurdle to accomplishing any of these deliverables was ideology. Land reform, of which enterprise land sale was a key element, was taking place amid the general reform of Russian institutions and society. Societal reform, and all the cultural implications attached to it, remains a struggle in Russia. Moving from communism to democracy, from central to local planning, and from social guarantees to self-reliance requires enormous changes in Russia's value systems. Policy changes do not always reflect the mind set of many Russians, especially those in positions of authority who have lived and believed for most of their lives in a pervasive system of government that provided direction for all aspects of life. Ownership of enterprise land (representing the means of production, previously a state responsibility) is perhaps the most controversial of all land reforms, and therefore requires the greatest, and most difficult, change in mind set. In the old system, land was treated as a social resource, not an economic asset. The ELS task order did a great deal to reverse this notion and to challenge entrenched beliefs. Since the task order's inception, ideologically based resistance to ELS seems to be diminishing in

10

Russia. However, it is still present and will have to be taken into account in future land reform efforts.

The following sections describe the ELS team's accomplishments for each of the deliverables and notes the problems encountered.

1. Transfer title to 600 enterprises in 36 locations. Land title transfer became the focal point of the ELS program. This process was readily understood and easy to track and record. Although this deliverable evolved into a measurable goal in all periodic reports to USAID, ELS management never considered it as important as sustaining the network created to generate the 600 sales and produce the other task order deliverables. Without the network, this deliverable would never have been achieved.

Initially, serious doubts clouded the attainability of this ambitious goal. As stated above, land privatization clearly was, and remains, one of the last reforms in Russia that is deeply immersed in ideological trappings. Resistance the ELS team encountered to land sales seemed equally divided among local administrators who feared a loss of long-term revenue because of those sales, and administrators who believed that land was a public resource and should not belong to private individuals. In addition, areas with no prior exposure to the concept of private land ownership (areas other than the pilot cities of St. Petersburg and Nizhny Novgorod) typically had no local legal basis for such reform. Finally, the political sensitivity of land sales in an election year was another major impediment, because both buyers and administrators perceived risk in such transactions.

The ELS program overcame these obstacles primarily through an extensive and imaginative public education effort that focused on disseminating information locally to target land buyers and sellers. When local administrations were reluctant to cooperate, the program worked directly with local enterprises to create pressure groups for reform. Obstacles were further mitigated by emphasizing the development of local enabling regulations early in the project's dealings with local governments.

The ELS legal team virtually restructured the legal provisions governing land sales in Russia. New or revised legal provisions were presented and accepted at least in substance by 29 different oblasts of the Russian Federation. In the process, 26 specific provisions were drafted and 45 legal reviews of local oblast normative acts were written. This yielded a massive positive impact on the ability and willingness of enterprises to initiate land purchase applications. In the locations that accepted ELS legal advice, land sales averaged more than 22 per subject, while in locations that rejected ELS provisions, sales were almost nonexistent.

At the start of the project, enterprise land sales were slow. Once an ELS hub and satellite network was established, sales increased. The original goal of 600 sales was reached and then surpassed with two months remaining in the task order. The ELS network become so adept at managing sales that the effort required to reach this goal could be substantially reduced in the final two months to concentrate on secondary sales (Deliverable 3), which were far more difficult than the 600 primary sales.

By the task order's end, enterprise land sales totaled 961. In addition, the program generated a pipeline of 1,345 Transactions in Process (TIPs). Annex C contains a table summarizing the sales and TIPs by location, a list of all the enterprise purchasers, and graphic presentations of the progression of sales throughout the project. Although the ELS team was not

required under the task order to track TIP results, we learned early in the program that this pipeline factor was more significant than actual sales in measuring ELS performance. The TIP results were generated solely by the ELS network. In less than 12 months, beginning when the ELS network was set up, the teams averaged approximately 100 new enterprise sales actions each month, or five per working day, from day one of the task order.

2. Estimate land area held by eligible enterprises and the potential size of the secondary land market. On the surface this seemed the simplest of the deliverables because the project was setting up a national network capable of gathering data and covering broad local areas. In fact, this deliverable became one of the most difficult and the source of continuing frustration. Meeting it, however, taught us some useful lessons about development in Russia today.

The initial strategy for meeting this deliverable was to give it lower priority for the first several months of the program, allowing specialists in the field to become familiar with information sources and gain insights on which to base educated projections, particularly about potential secondary sale markets. Having established a presence and gained understanding of the dynamics of the local land market, data would then be readily gathered and accurate projections could be made based on field experience. This strategy and its underlying assumptions, while reasonable, proved unsatisfactory.

A number of obstacles materialized. Among these was the lack of reliable land-related data in most of the Russia's 88 oblasts. Even where reliable information exists, local organizations are reluctant to provide it to people outside the organization for fear of how that data might be used. In Russia, for example, information is closely associated with power and influence. In addition, suspicions of "outside" organizations such as the ELS network are never far from the surface in local areas in Russia, and the disposition to cooperate with outside entities is not well developed in most local organizations. Finally, distribution of information for the public good is not a widely recognized concept in Russia, especially in local administrations. Therefore, ELS program specialists' requests for land-related information often met with reluctance or outright refusal.

An even more troubling obstacle was the near universal concept that information sought by outside organizations required payment. The satellite entities, although eventually well known and even trusted locally, were expected to pay for basic public data. After the local ELS networks were in place and became aware of this issue, the teams took stock of the implications of having to purchase the data needed for this deliverable. The amount that satellites were asked to pay local organizations, such as oblast land committees or architecture committees, ranged from $50 in a town or city to $2,000 in an oblast. The commonplace nature of this practice was demonstrated in a meeting at ELS headquarters with the department director of a major ministry's national statistical service. He said that the data needed by the ELS team was not readily available but could be generated for a fee to be determined.[1] It became evident that the practice of paying for data was a reflection of the former central system and the realities of life in Russia, where government administrators typically earn far less than their formal responsibilities would normally command. None of the ELS Russian staff was surprised or concerned by this blatant practice, nor would they have objected to making such payments. When these issues were

[1] Perhaps it should be pointed out that Russians have the privilege of paying for this data, too, albeit at a lower price, and that information, under Russian law, is considered "owned" by the person "creating" it.

understood, it became clear that the budget would not allow the ELS team to pay for information, even if the team had agreed to do so.

Problems were also encountered in estimating potential secondary sales. The ELS team was asked to estimate secondary market movements in the context of a minuscule primary market. Clearly this is not possible through primary data analysis, the most desirable and reliable approach to such an exercise. Lacking nation-wide enterprise land sale data, the sole option was to develop careful assumptions, allow for changing events, and extrapolate data from the limited and questionable data in hand. No single credible projection could be developed to provide these estimates. The ELS team made certain assumptions and developed a set of projections that depended on the unfolding of key conditions. The assumptions and projections were based on inputs from ELS specialists around the country. There could be no more credible source than this network of practitioners, who represent the state of the art of enterprise land sales in Russia. This was the approach used in estimating potential secondary sales.

The data and projections required in Deliverable 2 are attached as Annex D and Annex E. ELS Russian specialists worked with credible Russian institutions such as the Leontief Center and GKI to produce and validate this information. These annexes reflect the level of skill attained by the Russian staff and their awareness of the complexity of the enterprise land reform issue.

The solution to the problem of estimating eligible land area appeared late in the ELS task order in the form of a database compiled by Roscomzem[2] (RCZ). This database included the most complete collection of information relevant to enterprise land area. RCZ gathered the data locally using the same labor-intensive data-gathering approach our ELS specialists would have had to use. Experience indicates that no more reliable information was available regarding eligible enterprise land parcel area than that contained in this database. The ELS team in Moscow was allowed to review this data only at the RCZ office. Under the guidance of an appropriate official, all relevant information in the database was identified and recorded. The information in Annex D was developed from that database.

Because this deliverable was based on reasonable assumptions and extrapolations from minimal data, controls on the approach and conclusions were necessary. Therefore, the ELS team made its conclusions available to several independent sources for comment, including the ELS hub managers and hub staffs, the Leontief Center, and GKI. In all cases these independent sources agreed with the task, approach, and conclusions.

3. Twenty percent of enterprises receiving title will sell or lease land to third parties. The task order called for secondary sales or leases to third parties of primary purchased enterprise land. From the outset of this task order, this deliverable was judged by ELS management and the city teams to be the most difficult. During initial briefings and subsequent meetings with USAID, the project officer seriously questioned whether this deliverable could be met. During a series of midterm review meetings, the USAID project officer suggested a more reasonable resale goal of 10 or even 5 percent. However, this proposal was never adopted. ELS management maintained serious concerns about meeting the original 20 percent resale mark until late in the program's implementation.

[2] The State Land Committee.

A major difficulty was that the goal presupposed a viable primary land market. To have an impact first on the primary land market and then to accomplish a significant portion of secondary sales from that market in a one-year period was, at the least, an ambitious goal. Even in well-developed Western land markets, most secondary transactions are leases. As the ELS program unfolded, our teams discovered that far more buyers purchased their enterprise land intending to lease it to a third party than with the intent to resell. This motivation conforms with the realities of secondary transactions in developed Western land markets. The teams also noted that when land purchases were followed by leasing agreements with third parties, multiple leases were often involved.

Another difficulty in achieving this deliverable was the lack of land brokering experience or skills in Russia. ELS management became aware early on that the teams would have to function with specialists who, unlike land brokers in Western settings, knew very little about generating markets where markets did not exist. The concept of proactive market development was simply lacking in Russia. ELS management addressed this need and in turn accomplished Deliverable 3 through imaginative uses of its expatriate staff.

To develop proactive skills among the ELS Russian specialists, two training programs were designed and implemented. Specially tailored training programs of two to five days were implemented within the regular ELS specialist training component. These programs, the "Dawson School" and the "Dixon School," so called because they were administered by two experienced expatriate commercial land brokers who had extensive real estate teaching and training experience, were carried out separately but were designed to complement each other. Every Russian in the ELS specialist network completed one and usually both training programs. The training covered the following topics:

- Assessing market potential
- Valuing property
- Identifying specific opportunities
- Obtaining information in the Russian context
- Identifying clients
- Developing sales sources

The goal of the training was to develop typical Western-type proactive land brokers who could look at any location in Russia and develop an approach for creating a land market there that would generate income over time. This goal was clearly achieved as evidenced by the team's successful conversion of initial land sales to secondary sales. Most importantly, these training programs exposed the Russian specialists to can-do, action-oriented broker techniques and legal approaches. From the beginning, ELS management recognized that to leave behind an ELS network capable of sustaining itself and competing commercially, independent, confident, self-starting Russian specialists would have to be created. The ELS teams issued highly sought certificates to specialists who graduated from these two "schools." The certificates were intended to acknowledge successful completion of the training and identify awardees as having skills truly unique in Russia.

Several unanticipated problems confronted the ELS teams in achieving this deliverable. First was the inherent difficulty in Russia of obtaining information, even from public sources. Second was the reluctance of Russian business owners to attract the interest of tax authorities in their affairs. Third was the absence of an efficient and reliable national land registration system.

These problems made it extremely difficult for the ELS network to assess its performance under this deliverable.

These problems were addressed in three ways. First, when it became evident (after nine months of program operation) that the teams would accomplish Deliverable 1 by a wide margin, project management modified the emphasis from primary to secondary sales. Secondary sales became a constant theme of communication between the ELS central office in Moscow and the field network. Second, ELS Moscow ensured that all ELS field specialists successfully completed the broker "schools" and understood the priority assigned to Deliverable 3. Third, ELS management called attention to the problem of obtaining information and alerted the field specialists to various techniques used successfully by other field specialists.

The net impact of these measures was an immediate increase in performance. Particularly useful was the progress achieved in obtaining information from local sources, not from administrations but from enterprises that had received assistance with primary sales. Obtaining this information required developing close, trusting relationships with enterprises whose directors were seldom initially comfortable giving us such data. By assuring them that the information would be made available only to project authorities and not to tax authorities, we were able to obtain reliable and relevant information.

By the end of the ELS task order, resales and leases in 17 locations amounted to 31 percent. In fact, the ELS team met the 20 percent resale and lease goal two months before the task order ended. The number of resales by location is listed in Annex F.

4. Design and implement an enterprise land sales methodology for use in future ELS activities without USAID assistance. ELS management considered this the key deliverable to which the other seven deliverables would contribute. It encompassed the issue of sustainability and the need to leave behind a functioning network that would continue ELS activities as a profit center in a larger commercial real estate entity. To ensure that sustainability would not receive low priority early in the task order, this issue was included as an agenda item in all regional meetings of ELS hub managers. It remained a topic of discussion in field communications from the central ELS office beginning in December 1995. Deliverable 4 was identified as the centerpiece of all ELS activities. Part of this focus was to ensure that expatriate hub managers identified their successors early and prepared from day one to transfer management of the hub system to them. The early and intense focus on this deliverable was one factor in meeting this most difficult goal successfully.

Another important factor in achieving this deliverable was the emphasis on land-related experience in recruiting personnel for ELS specialist training. Land-related experience was emphasized over "real estate" experience, which in Russia at the beginning of the task order usually meant apartment sales. A lesson learned early in the program was that the leap to ELS expertise proved much easier from a land knowledge base than from an apartment knowledge base. This emphasis served the program well as the task order progressed.

Equally important was the insistence that the Russian hub managers be given full responsibility for managing all aspects of the hub system, including budget and finance, and that high performance standards be met. Expectations and operating requirements did not change when the Russian managers replaced the expatriates. In part, this strategy ensured that ambitious goals were discussed continuously in communications between the ELS network and central

15

office. There was a continuing focus on Deliverables 1 and 3, and on the commercialization/sustainability of the hub network.

The most important contributor to this deliverable, however, was use of the network to move information between and within hub and satellite entities. This network, operating for the most part through the central ELS office, transferred new ideas, approaches, and strategies to the various ELS operating entities. All communications from the ELS network were reviewed by the ELS office in Moscow for their relevance to other ELS regions. Usually the Moscow office asked either the originating or receiving office(s) to contact the other directly to discuss an issue. As this approach became standard ELS procedure, regions often contacted other regions directly, keeping the Moscow office informed. This extensive exchange of information was not common in Russia, yet became a hallmark of ELS methodology; it was effective in providing insights and the confidence to experiment. Flexibility and innovation, the prime requirements for successful development programs in Russia, became common attributes of ELS field operations.

The hub system configuration functioned well and facilitated the exchange of ideas and information. Each hub was managed from a hub office (located in St. Petersburg, Novosibirsk, Ekaterinburg, Volgograd, and Moscow). Each hub office managed three (in Volgograd) to 13 (in Moscow) satellite offices. During the brief period when the Moscow hub oversaw 13 satellite activities, two Russian hub managers managed this large operation. On average, hubs were responsible for six satellite operations. Satellite entities related to regional hubs as the regional hubs related to the ELS central office in Moscow.

Over the life of the program the satellite offices developed the skills to provide ELS legal, technical, consulting, and training services to local enterprises and government administrations. The hub offices were responsible for overseeing development of these skills by either providing direct, on-the-job practical training or ensuring that appropriate training and/or experiences were provided through the ELS Moscow office. The aim of these activities was to produce satellite and hub ELS specialists capable of dealing with any situation relating to enterprise land sales. The unique skills they developed would then be available to market commercially when the task order was completed. The primary task was to develop skills valuable enough to be in demand after the ELS task order ended.

The strategy from the outset was to develop these skills among people who (a) already worked with a land-oriented real estate entity that could continue ELS services as a profit center, (b) would be absorbed by identified local organizations to continue providing ELS services, or (c) were interested in starting a new ELS-related entity when the formal ELS program ended. In each case, ELS services would be required to stand the test of the marketplace by competing for ELS work.

A product developed by ELS staff to respond to the requirements of this deliverable was the ELS manual. This document, a more refined and complete guide to enterprise land sales than that drafted under the pilot project effort, soon became the centerpiece of ELS operations. The manual provided all the information and instructions needed to complete the purchase or sale of enterprise parcels. (An English-language table of contents for this document is in Annex G.) This single document gave enterprises the legal and regulatory information, procedural guidance, local contact points, and transaction models and samples needed to purchase their land. It could not, of course, provide the hands-on guidance that our local staffs offered, but it gave users the results of experience, gathered over time, in the process and legal aspects of land privatization. Reprints of the ELS manual were always considered drafts and reproduced in small numbers. This allowed

16

for corrections and changes as statutes, practices, and regulations changed. As a result, the manual was always current and of maximum utility. It was in high demand during the ELS program. Over the life of the task order, the ELS teams distributed 14,410 copies of the manual.

Another important step toward sustainability was production of the ELS training package. This kit includes all the information necessary to conduct ELS seminars, including five supporting videos. Complete instructions are included for program organizers and presenters, including logistics and procedural details. Textual material is provided both in hard copy and on diskette so it can be changed as regulations, laws, and statutes are modified or enacted. The training package can be used by any interested organization to implement useful, high-impact ELS public information events. Before the task order was completed, the package was field-tested in the St. Petersburg region and judged by attendees to be extremely useful and easily transferable. Hub staff will continue to use the package in their post-task order commercial activities. The package was given to GKI, USAID, the Urban Institute, the Fund for Protection of Private Ownership, the Russian Guild of Realtors, Chemonics' Communications Task Order, the Russian Privatization Center, and each ELS hub office.

A final significant contributor to ELS sustainability occurred in the last month of task order implementation. Aware that the ELS hub and satellite entities were, or soon would be, operating independently and competing for business, the Moscow office provided all ELS entities with professional advice on marketing their services commercially. Attractive brochures were printed for each entity identifying it as a unique local resource and placing it in the context of the larger, nationwide ELS network. Each firm received 500 ELS brochures for local distribution.

The team's performance in meeting this ELS deliverable is the true success of this task order. Of the 39 ELS entities established, 36 are now operating commercially. Of these, 16 have earned income from ELS activities or have contracts to undertake such activities. Given the current state of the land market in Russia, it will be some time before these entities can earn full-time income solely from ELS activities. However, we anticipate that this time will come soon, as suggested by nearly 1,500 ELS TIPs being managed by our network at the close of the task order.

5. Train at least 65 Russian real estate professionals and lawyers to implement enterprise land sale activities. This deliverable is directly related to Deliverable 4, because the specialists required to operate a commercialized ELS network are products of ELS training. Training began with the arrival of expatriate counterparts early in the task order. Other expatriate staff visited the program occasionally to provide specific upgrade training opportunities to the Russian staff.

The expatriate hub and central office technicians had the task of establishing functioning technical units and field offices. These included hub offices in Novosibirsk, Ekaterinburg, Volgograd, and Moscow. The hub office in St. Petersburg was managed from the beginning by a Russian specialist because the one-year ELS pilot program had produced several Russian ELS specialists there. The most experienced of these specialists was assigned as hub manager for this task order. Russian staff were appointed to direct hub offices in five locations and the ELS central office legal issues and training programs.

The ELS training strategy was based on working directly with the expatriate experts for substantial periods. This work included setting up a real estate activity, contacting officials, establishing local agreements, setting up working groups to implement the program with local

17

administrations, selecting satellite locations and collaborating firms or individuals, examining local statutes and regulations, proposing legal provisions and revisions, and other preparatory program activities. Expatriate staff spent five to nine months with their Russian counterparts, who then assumed their duties. The Russian staff then managed the expansion of the ELS network, including the successful completion of the goals assigned in the task order.

Besides day-to-day, hands-on training provided by expatriate staff, several special training experiences were arranged for ELS specialists. These included the two broker "schools" mentioned above (attended by 151 specialists) and specific programs in mortgage lending, appraisal techniques, marketing of ELS commercial operations, and investment promotion. Three regional conferences were also held for hub managers and key hub staff, and one regional meeting was organized for the legal staff. These regional meetings served not only as information exchanges but also as staff development experiences for the Russian ELS specialists.

The ELS program trained 175 Russian specialists. Seven were full-time lawyers, two central and five regional, who served from hub offices. Initially it was assumed there would be a substantial need for attorney level of effort. Implementation experience showed this not to be the case, both in expatriate and local attorney level of effort. This was an interesting development, especially considering the fact that the ELS legal component was a pronounced success and recognized as such by GKI. Instead, the team re-programmed the level of effort to augment the real-estate skills transfer activities. The list of fully trained ELS specialists is attached as Annex H. The hub managers were asked to select specialists with the strongest ELS skills for special recognition by GKI. Ninety staff were "certified" in this manner.

6. Train at least 900 government officials, enterprise managers, and other real estate professionals in transferring land to enterprise owners. Work on this deliverable led to a program that became a major component of the overall ELS effort. The ELS seminar program was originally designed to provide technical training for Russian professionals. It was not anticipated to become the primary source of enterprise land sales and insights invaluable to developing strategies for other elements of the program. The seminar program taught the teams how difficult moving information around this country of 11 time zones was. One lesson was that, to prepare the ground for acceptance and processing of enterprise land sales, the teams had to repeat the ELS message many times in each location. As mentioned in other sections of this report, the team also learned how difficult it was to bring new information to local settings and have that information accepted without resistance. Finally, ELS teams learned that without a direct approach to potential buyers and local administrations, the teams had little chance of developing the land buyer base needed to accomplish Deliverables 1 and 3.

ELS developed teams in due course that could deliver seminars effectively, as and where needed, with remarkable efficiency. As a result, 41 seminars were presented instead of the targeted 10. ELS teams presented several types of seminars. For example, some seminars were designed for administration officials, while others were for selected audiences, targeted to address identified obstacles to enterprise land sales. Stock central office seminars were avoided in favor of those designed to meet the specific needs of the regional hub managers. The efficiency of the seminars generated impressive economies of scale. ELS teams provided tailored seminars to far-flung audiences with short lead time at an average cost of $22 per attendee. This specialized training was provided to 8,130 Russians in 56 locations (41 through the formal seminar series mentioned above and 15 others through local ELS initiatives or at the request of local governments) over a 10-month period. Duplicating this efficiency at the same low cost would be difficult for any training organization.

18

This series of diverse seminars served a variety of purposes, for example:

- Attendees realized that land reform was approved by the government and was taking place throughout Russia.
- Enterprise owners and local administrators were able to discuss land issues frankly and objectively, airing their problems in a neutral setting.
- The success land privatization enjoyed in other parts of the country was noted and publicized.
- Local media coverage of issues increased dramatically after each seminar.
- Land purchase applications were often generated on the spot.
- Local ELS offices gained immediate credibility and were clearly identified.
- The ELS manual could be distributed directly to target groups.
- Significant pressure on hesitant administrations to process applications was generated.
- Localities exchanged information and views often for the first time (a common reaction from participants was "thank you for bringing us together").
- Complex legal issues were clarified on the spot by credible ELS legal experts.
- The economic benefits of enterprise land privatization for administrations as well as enterprises were explained, often for the first time.

There was no better way to support the goals of the task order than through this series of programs. As noted above, an important advantage of the ELS seminar series was the opportunity each program afforded to place the ELS manual directly in the hands of the ideal target group. The participants in these programs were those most in need of detailed guidance in processing land purchases and most likely to use the information. Leaving the manual in their hands was sometimes all that was needed to generate land purchase applications.

Perhaps the best measure of the importance of these programs was that they were implemented through local initiative without the direct involvement or financing of the ELS central office and its training staff. During the last three months of the task order a pattern of local program implementation became apparent. The value of the seminars was recognized at the local level equally by ELS local entities, local administrations, and local enterprise managers. Even at the end of the ELS program, seminars were scheduled in various locations of the country as part of commercial operations of former ELS regional entities.

Observation and abundant feedback clearly indicated that enterprises attending ELS seminars often applied to purchase enterprise land. Encouraging land sales was obviously a key objective of the seminars, which were highly cost effective in achieving this objective. For example, all expenses associated with ELS seminar delivery totaled $220,129. Assuming that nearly all the 1,500 ELS TIPs were generated through seminars, each application cost $147. If we also assume that only 30 percent of actual sales arose from seminar-generated applications, this produces an additional 277 applications generated through seminars, for a total of 1,777, resulting in a cost for each application of $124. However, we know that 40 percent of seminar participants were not enterprise managers or owners, indicating that the efficiency of these seminars was even greater than this figure indicates. The total sum of $124 produced not only one land purchase application, but also provided training in ELS procedures for local administrators who were to process that application.

7. Fifteen Russian organizations will be capable of implementing enterprise land sales activities and will be able to earn income from enterprise land privatization services. An

19

independent, viable ELS network requires independent individual components. These components were the satellite offices.

Thirty-nine satellite and hub offices established by the ELS program were operating commercially as the task order approached completion. These commercialized operations are listed in Annex I. Of these, 16 were earning income from ELS-related activities (or had contracts to do so) before the task order ended. In addition, satellite offices were set up through local initiative, without funding from the ELS program, in Sverdlovsk, Tyumen, Perm, Chelyabinsk, and Smolensk oblasts. These independent initiatives arose from the need to provide a wider net of ELS service coverage in certain locations. Although the ELS reporting system weakened with the separation of field entities from the ELS program, evidence strongly suggests that more ELS facilities were operating independently than the Moscow office was aware. Final input from hub and satellite staff during the last week of ELS implementation indicated a total of 57 ELS entities in 34 different locations, including the 39 mentioned above, all capable of deriving income from ELS activities. These additional commercial-ready ELS entities were not included in Annex I because there was not enough time to evaluate their status thoroughly.

The South Russia (Volgograd) region produced one of the more striking examples of income earned through ELS entities. After separating from the ELS program, the entire Volgograd ELS network established a regional enterprise called "ATIS." This enterprise specialized in ELS consulting and advisory services. ATIS was one of the most active ELS components in secondary market development. Its ELS personnel attended both broker schools. Within weeks of separating from the ELS program, ATIS was negotiating a land purchase for an interested buyer and had been approached by a second client to provide similar services. The first of these transactions was completed, and the second was nearing completion by the end of November 1996.

8. A gradual phase out of expatriate staff will take place during the ELS task order. From the beginning of the task order the intent of ELS management was to "Russianize" the ELS program. Russian managers and technical people needed to be brought into responsible program positions as soon as possible. These people would manage ELS entities and activities that continued beyond the task order. The earlier they assumed their positions, the more experience they would gain in preparing for post-task order responsibilities.

As with any program the size and complexity of ELS, changing circumstances dictated variations in the phasing out of expatriates. In extenuating circumstances and with the concurrence of USAID, some expatriates received short extensions. Nevertheless, of the 14 short- and long-term expatriates, only three were substantively involved during the task order's last five months. One was the chief of party, another was the field office administrator, and the third was a technical expert whose departure date was extended because his starting date had been delayed.

The most important testimony to expatriate phase out follows. Responding to frequent and persistent requests from GKI to extend the life of the task order, USAID asked the ELS team to extend the task order for an additional 2.5 months. USAID advised that no more funds were available; so it had to be a no-cost extension. Only 35.5 additional days of expatriate level of effort, to be funded from project savings, were approved for this extension. A chart of the phase-out schedule of ELS expatriate specialists is provided as Annex J.

B. Accomplishments Beyond the Deliverables

The following examples provide further information on the impact of the ELS program.

- The satellite firm in Syktyvkar, Corporation IFC, privatized its own enterprise land immediately after leaving the ELS program. It realized the benefits of land ownership as a result of its ELS training and involvement.

- The South Russia ELS hub gained significant distinction in the region. The oblast TV station filmed the ELS Transition Conference on October 21, 1996, and documented the formation of ATIS. The station ran a 20-minute news story on the November 4, 1996 meeting and on the hub's commercial progress. The next day, two clients came to ATIS requesting services as a direct result of the TV program. The ELS program has had a similar high profile in many locations where it has generated this type of media attention.

- As part of its regional commercialization, the South Russia hub network launched a real estate newspaper called "Volgograd Real Estate." It has published numerous issues and has a circulation of more than 5,000.

- Sales and application data for one year indicate that all regional hubs are likely to reach the high performance levels of the original pilot St. Petersburg hub over an identical operating period. This suggests that the ELS roll-out methodology is very effective.

- A commercial business school in Kaliningrad obtained a copy of the ELS manual from an ELS seminar participant. The school removed the ELS cover, substituted its own cover, and sold the manual through several of its business courses for 100,000 rubles (about $20). This gives a sense of the market value of the manual.

- A difficult region in which to initiate ELS activities was the Moscow oblast. A strict policy against land sales by the administration and an extremely high normative price in the event sales are proposed makes this a frustrating area for land reform. However, given the visibility of land issues in the region, toward the end of the task order the Moscow office attempted to soften the administration's position on land sales and to educate many enterprise owners on relevant land issues. The hub office was surprised to be approached during the last days of the task order by five enterprise owners who intended to take legal action against the oblast administration for preventing them from buying their land even at the high normative price established. All such legal actions known to us resulted in victories for the enterprises, as will most certainly be the case in Moscow oblast. If so, the gates will be open to a massive new wave of land sales. The ELS task order educated and emboldened enterprises to act in their own self-interest. The results are likely to be dramatic, and the commercialized Moscow ELS hub entity will earn money by advising enterprises in this legal action. They also will earn income from processing the sales when these legal actions are resolved.

- Despite the difficult situation in Moscow oblast, the commercialized ELS entities are working in the region to identify lease opportunities and broker the transactions. They are also already providing "highest and best" land use advice as well as performing appraisals.

21

- Nearly all commercialized ELS entities plan to use, or are already using, training seminars to attract clients. This trend indicates that the high profile of the ELS training program was well-deserved.

- At least 12 ELS satellites have emerged at the local level without ELS funding. Most of these satellites were established at the request of local administrations that saw the advantages of institutionalized ELS assistance. Most were organized by ELS satellites who wanted to extend their outreach in the oblast. This compounded the "spin-off" effect of the overall ELS effort, and increased the likelihood that enterprise land sales will continue in local areas because of demand from enterprises in that region.

- Several commercialized satellite entities have expanded their activities, using their real estate base to identify other opportunities. The Volgograd hub office is a prime example. It has developed a short-term business development strategy leading to identification of land investment opportunities. They are working on investment possibilities in seven sectors, all relating to appropriate use of real estate assets. This is an encouraging indication that the emphasis on proactive approaches was absorbed by the network.

- The satellite office in Kaliningrad is one of the commercialized ELS entities. It was commercialized despite its removal from the ELS network during implementation, after it became clear that the oblast administration would not commit to land privatization regardless of ELS leadership and persistence in the region. In the process, however, the satellite office generated more than 40 application requests, providing a solid basis for commercial activity once political problems in Kaliningrad are resolved. Even after this satellite stopped receiving ELS funding, it continued to follow developments in the program, participated in related ELS activities, and maintained its contacts with the hub and ELS office in Moscow. The office is confident that it knows enough about the political problems related to land privatization to deal directly with oblast officials on this issue. Draft legal provisions submitted by the office to oblast officials before ELS ended were met with support, representing a significant change of attitude among administration officials, who seem to be feeling the pressure of oblast enterprises.

- The Russian Credit Bank, one of the top 10 Russian banks and headquartered in the Moscow region, recognized early on the potentially diverse use of the ELS network. The bank requested recommendations of enterprises for possible internal investment. ELS Moscow provided a list of worthy enterprises, some of which were under serious consideration for investment by the bank at the time the ELS project ended. This type of brokering has implications for the long-term sustainability of the ELS network and is likely to become another service provided by ELS entities, simply because they are the first to know and recognize potentially successful enterprises at the local level.

- All skills development training during the last quarter of the ELS program was organized to minimize budget outlay. In light of budgetary restraints, the training took place only in Moscow or at hub centers. Attendees traveling from satellite locations had to pay their own way or find sponsors for hotel costs, meals, etc. Nevertheless, these programs were well or fully attended, as were the two broker training programs offered to the entire ELS specialist staff. Every eligible staff member attended those programs, handling associated costs on their own. This testifies to the relevance of these programs

72

and to the obvious enthusiasm generated within the ELS organization for continuing the ELS effort commercially.

- In the final week of the task order GKI awarded 90 certificates to various ELS specialists around the country. They were people that GKI was willing to identify as having unique and important skills in land sales management. These certificates will be great assets to the recipients for marketing their services commercially. They also demonstrate GKI's perspective on the ELS program's success in producing competent Russian land specialists, one of the task order's primary deliverables.

- GKI asked ELS management to conduct an additional seminar in the Russian far east (an area in which ELS did not work) after the ELS program formally ended. The Moscow ELS management made special arrangements with USAID and GKI to implement this program, demonstrating its flexibility and ability to innovate while expanding its impact in Russia.

- The ELS specialist responsible for Ekaterinburg, as well as the ELS hub manager, were persistent in their efforts to engage the mayor's support of the program. The mayor initially opposed land sales. The ELS team thought the city, through the mayor, could be turned around to understand and accept the benefits of land reform, specifically enterprise land sales. Progress was made and by the program's end, the first sale took place, with 32 TIPs. The ELS specialist responsible for the city was asked by the mayor, who is now an ELS advocate, to serve as acting chairman of the land committee, the key land policy organ for the city. It is a major victory in the Ural region that an ELS specialist now is developing land policy in Ekaterinburg where opposition to land reform was strong when ELS efforts began.

- Immediately after privatizing its land through the ELS program, Positron, a large firm, entered the secondary land market by selling part of its land and leasing other parts. This was the first secondary commercial land market activity to take place in the now-active St. Petersburg region. The ELS action in this case contributed directly to establishing a secondary and therefore a true land market in the region.

- GKI several times requested our legal advice concerning the practical effect and improvement of land privatization regulations. The last request for advice resulted in a recommendation from the ELS legal team regarding a needed general presidential decree that would synthesize and rationalize all existing related regulations and would correct obvious flaws in them as identified through ELS experience. GKI accepted our legal recommendations and started circulating a draft version of a new ukase to other appropriate government organizations. Mr. Andrei Lazarevsky of GKI informed us that this version had already been accepted in substance by at least one ministry. It is possible that the impact the ELS project had on land privatization in Russia will be compounded by the release of a presidential decree, "On Approval of Land Sale Procedures, and Development of Land Relations and the Land Market."

23

SECTION IV
LESSONS LEARNED AND RECOMMENDATIONS

Implementing this complex and extensive task order in five very different regions of Russia provided ample opportunity for gaining insight regarding enterprise land sales. At this point in Russia's transition, development efforts must operate within a climate of uncertainty and change. To succeed, they must be designed to include flexibility and innovation.

A. Lessons Learned

Although a strategic plan is necessary in any effort as large as ELS, in practical terms, detailed short-term planning is often of marginal utility. Great emphasis should be placed on maintaining day-to-day flexibility, anticipating change and unforseen obstacles, and maintaining program momentum despite obstacles.

The ELS experience created the stimulating environment that is a catalyst for innovation. ELS management and teams used a variety of methods to overcome obstacles to the project. Distilling all the experiences, ELS management found that the best way to deal with these difficulties is to provide staff, particularly managers, with appropriate technical knowledge and the ability to function within and understand the complex, often contradictory environment in which the ELS program had to work, particularly as it moved out of the capitals into less populated areas. In addition, problems were mitigated by recruiting relatively young persons, whose disposition toward flexibility and innovation was likely to be higher than that of their older counterparts.

In the end, ELS management found that operations should favor action with the intent to minimize mistakes and emphasize "learning by doing." This was the strategy to create the experience upon which ELS teams would develop flexible approaches.

The lessons during the project can be divided into two broad areas: political and practical. Both involve the need for flexibility as described above.

A1. Political

Political considerations played a far more critical role in attitudes and decision making in Russia than originally anticipated. Understanding the relationships between politics and practices and various aspects of daily life is crucial to the success of future activities.

Underestimating the influence of political considerations on the ELS program was easy initially, particularly at the local level, which is the strongest point of political reference in Russia. National politics are important only outside Moscow because of their local ramifications. For ELS, the greatest resistance to land privatization came from local political structures such as oblast dumas and administration committees, which feared that land privatization would create a loss of control over land and its use as a budget enhancement. Other government organs such as architecture committees saw their traditional role as overseers and managers of property threatened. Nevertheless, these committees are relinquishing power and influence sometimes to the benefit of other, newer administrative entities. Government units seldom relinquish power

24

easily. The goal of ELS activities was to take land out of the control of these power- and control-conscious groups. This continues to be a source of problems for the ELS operatives in Russia.

A2. Practical

Land-related experience. Individuals with land-related experience make more effective ELS specialists than those with only "real estate" (apartment sales) experience. Initial experience demonstrated that traditional real estate brokers, basically apartment sellers, were not interested in expanding their interest to land. A frequently heard complaint was that land was "too complicated," "took too much time to deal with," and that "it is much easier to earn money selling flats." As a result, we began seeking people with direct land experience as potential specialists for ELS training. They included surveyors, appraisers, land engineers, construction engineers, and architects. They were interested in the ELS subject matter and proved to be quick learners. It seemed easier to make the leap to ELS expertise from land-knowledge than from apartment/flat broker knowledge.

Economic pressure groups. Enterprise owners form a potentially powerful group. Their economic influence and power should be harnessed politically. Enterprises, particularly as they grow and expand, wield enormous local influence. Now the influence is largely economic, but it need not be restricted to that.

In most ELS locations, some form of mutual interest among enterprise owners seemed to develop, for example, during seminar programs or in the course of our consulting and advisory contacts. Enterprises employ people, pay taxes, and create ancillary work through construction, transportation, and other services. The smaller private enterprises (those interested in purchasing their land) form the backbone of the economy in any developed country. They are the sector that continues to expand the employment base. That will become their role in Russia as well, though this role is not yet recognized. By banding together, with committed and insightful leadership, enterprise owners can become a force for change and support to land reform. Changes in and drafting of legislation and regulations should be a normal part of the combined activities of enterprise owners and managers.

B. General Recommendations

The accomplishments of the ELS team had a significant impact on land reform in Russia and on establishing a commercial land market. Further activities advanced and/or supported by USAID would immediately add to and enhance this impact. We strongly recommend that USAID take the initiative to ensure that post-ELS project activities take place.

Implement a scaled-down version of the ELS roll-out in selected regions of Russia, particularly the far east. Implementing the ELS program in five regions of the country over 14.5 months provided valuable experience in setting up a high-impact, regionally based development program. Hub managers required from three to six months to establish a fully functioning hub and satellite system. In the process we learned valuable lessons about finding effective satellite firms, recruiting specialists, locating and identifying promising specialists, providing logistics, leveraging resources, reaching and influencing enterprise managers and local administration officials, and forming optimal organizations. The net result was that the trained ELS specialists, particularly the hub managers, could establish and launch ELS hubs in approximately six weeks, including the critical aspect of ensuring that various hub entities were

25

capable of commercial operations following the organizational period. This meant that in half the time required by the original ELS program trained Russian specialists could now replicate the program in any location. The implications are that twice the number of successful ELS hubs can be set up from the beginning for the same relative costs as the original program, or successful ELS hubs can be set up in a given number in half the time originally required. These are significant budgetary and organizational advantages to the sponsor organization. The benefit to Russia in creating more ELS hubs through a proven and replicable system is substantial. Such a follow-up program can be budget-driven; it can be designed to produce defined results based on available funds. As a result of the ELS success, little funding and time are now required to establish a new hub in the far east or any other location deemed appropriate by USAID and GKI, thereby leveraging the substantial original investment.

Preserve the network as an entity. The ELS network is a valuable, functioning resource. Ensuring its continuation is important for long-term sustainability. Several approaches to ensure sustainability are available. One is to design a small project to monitor and assist the new offices. Another important step is to use resources to help achieve long-term success, such as the Fund for Preservation of Private Ownership. This Russian Fund has recognized the value of the ELS network and is seeking an approach to working with it as a national entity. In the interest of land reform in Russia, this network, which could become an effective pressure group for continuing reforms, be preserved, coordinated, and continued. The ELS program has produced a unique national network of land specialists. This network is capable of intensifying its focus on enterprise land sales and/or diversifying into related land market or investment activities. This network was of great value in moving information and advice from one region to another. Russia is not blessed with many such networks that can disseminate technical information nationally. The value, uniqueness, and efficiency of this network was amply demonstrated over the last year of the project.

Maintain public information flow through seminars and training. Recent history and prevalent attitudes toward information makes information dissemination difficult, especially across Russia's huge expanse. One cannot assume information is received and accepted through standard media channels. Information from outside is often distrusted and sometimes difficult to acquire. The most effective communication regime is persistent repetition of the same message at local levels. Frequent specialized, local seminars are necessary as part of an active, flexible training system that responds to local needs and organizations.

Establish a reliable land registration system. Given the state of confidence in events in Russia, concern remains even among the most optimistic enterprises that spending money on property (usually the largest expenditure to date for these enterprises) is safe. Concerns about potential political upheavals and their impact on the private sector always lurk below the surface. As mentioned earlier, during the presidential elections land sales dropped significantly. This was a direct result of political uncertainty. Interested land buyers hesitated to risk the possibility of the election favoring a President inclined to give the administration power to take back the land they had bought. This problem was compounded for enterprise land buyers who could not produce legal documentation that would verify their right to and authority over the land they purchased.

Although nascent registration systems have been established in several cities, the necessary federal legislation, rules and regulations have yet to be enacted. Without secure land tenure, the results of the ELS program will always be threatened by political extremism. It is important that

26

USAID leverage its already considerable investment in land reform toward oblast and local initiatives to introduced title registration throughout the country.

Develop a program to establish mortgage-type financing. We are certain that access to reasonable long-term financing for enterprise land purchase would dramatically increase sales. Interestingly, when describing their biggest problems, enterprises do not cite the absence of investors. They usually cite the absence of available funding. This is not to say that they regard outside investment as unimportant, but it is not seen as the necessary ingredient for land purchase. They typically wish to purchase land to, among other things, attract investors. But they seldom state that they seek investors to purchase land. Investors are seen as the means to expand business and growth, not to acquire land.

C. Conclusion

The ELS network established under this task order is unique and invaluable. It has the potential to support future land reform activities. The ELS task order was vastly successful on a national scale because of the cross-fertilization of ideas from one region in Russia to another. Members of the ELS network informed each other about successful approaches, innovations, changes, and suggestions. Interaction among ELS components was active, useful, and efficient. A great deal of reliance was placed on this internal communications network as the task order unfolded. Preserving the network to support mutual interests and activities would be wise for those interested in advancing ELS issues and development. It could, for example, serve as an effective referral network for land transactions and land-related investment opportunities. Whatever future use is made of this established network can only benefit Russia.

The network was effective because the ELS project had enormous impact on Russia and on the land market. Because the ELS message reached so many people through activities in 63 locations and the media coverage accompanying the outreach was so substantial, the ELS program has in some areas broken and in other seriously weakened resistance to land privatization in Russia. This resistance usually stemmed from traditional attitudes toward land reforms and from skepticism about the potential of reforms. The ELS project was well timed to have such an impact throughout Russia. The environment in Russia was ready for the message and for such an intensive program. Additionally, the project was performed quickly and efficiently. Overall, the USAID-funded ELS task order was a good idea, well conceived, well timed, and beneficial to land market development in Russia.

27

SECTION V
FINANCIAL SUMMARY

Following is a summary by major line item of final expenditures compared to budgeted amounts.

Item	Budgeted	Expended	Remainder
Labor			
FDR Professionals	$1,659,138.45	$1,635,373.00	$23,765.42
FDR LOE	1,975.49	1,851.22	24.27
Local Professionals	$2,339,756.54	$2,183,397.58	$156,358.97
Local LOE	15,793.30	14,916.07	877.23
Total Labor $$	$3,998,895.00	$3,818,770.61	$180,124.39
Total LOE	17.668.79	16,767.29	901.50
Travel	$354,421.00	$351,237.47	$3,183.53
Hotel	$407,175.86	$326,041.32	$81,134.54
Per Diem	$342,784.14	$318,040.42	$23,422.72
ODCs	$1,124,355.00	$1,128,400.46	($4,045.46)
Commodities	$99,112.00	$99,311.01	($199.01)
Media	$56,711.00	$43,260.61	$13,450.39
Total	$6,383,454.00	$6,085,061.90	$298,392.10

ANNEX A
TIMETABLE OF ELS PROGRESS

Hub Region/City	Date of First Visit				Date Protocol Signed		Satellite Office Date Opened	Date Resolutions Received		Date ELS Review of Resolution Complete	Training Seminars	
	KUGI	KUMI	Vice Governor	Mayor/ Vice Mayor	Oblast/Kral/ Republic	City		Oblast/Kral/ Republic	City		Date	Nos. Admin./Ent. Mgr.
MOSCOW HUB												
TVER	09/22/95	09/21/95	10/12/95	09/15/95	02/01/96	10/24/95	11/29/95	10/12/95	10/15/95	10/20/95		
YAROSLAVL	10/09/95	10/10/95	10/09/95	10/09/95	02/02/96		02/29/96	10/15/95	10/17/95	10/26/95	08/15/96	52/131
VLADIMIR	11/22/95	10/04/95	11/22/95	12/07/95	11/01/95	12/07/95	01/15/96	11/22/95	11/22/95	11/26/95	04/03/96	53/150
((RYAZAN))	12/23/95	12/01/95	11/23/95	12/01/95	11/23/95	12/01/95		12/01/95	11/23/95	11/28/95		
IVANOVO	12/06/95	12/06/95	12/06/95	12/15/95	12/15/95	12/15/95	12/26/95	12/15/95	12/15/95	12/23/95	01/24/96	174/276
KALUGA	01/12/96	02/05/96	01/12/96	01/12/96	01/12/96	02/16/96	03/05/96	01/12/96	02/07/96	03/05/96	03/05/96	150/220
TULA	12/13/95	12/25/95	02/22/96		02/29/96	01/24/96	03/06/96	02/22/96	02/22/96	02/27/96	03/28/96	190/163
NIZHNY NOVGOROD	PILOT PROJECT						06/03/96	05/20/95	05/20/95	06/30/95		
SMOLENSK	01/16/96	01/16/96	01/16/96	01/16/96	06/28/96		02/01/96	01/16/96	02/08/96	01/31/96	09/03/96	51/81
(BELGOROD)	04/30/96		04/30/96					04/30/96				
(BRYANSK)												
(KURSK)												
(LIPETSK)	04/26/96		04/26/96									
(TAMBOV)	04/24/96											
(((VORONEZH)))	02/08/96	02/08/96	02/08/96		09/06/96		08/09/96	02/08/96	02/08/96	08/20/96		
((OREL))	02/01/96	02/02/96	02/01/96	02/02/96	02/21/96		03/29/96	02/05/96	02/05/96	02/19/96	03/22/96	155/236
SYKTYVKAR	03/28/96	04/11/96	03/28/96	04/11/96	05/16/96	04/12/96		03/29/96			08/27/96	8/44
KIROV	02/29/96	02/29/96	02/29/96	02/29/96	03/27/96		03/28/96	02/29/96	02/29/96	03/18/96	05/14/96	77/158
SARANSK	02/28/96	02/28/96	02/28/96	02/28/96	05/17/96	02/29/96	07/15/96					
(KAZAN)	04/08/96		04/08/96		05/22/96		07/23/96	04/08/96		04/15/96		
((PENZA))	03/06/96	03/06/96	03/06/96	03/06/96	03/25/96	03/20/96		03/29/96				
MOSKOVSK. OBL	12/22/95		12/22/95		03/14/96			03/29/96		04/05/96		
EKATERINBURG HUB												
CHELYABINSK	11/27/95	11/28/95	11/27/95	11/28/95	11/28/95	11/28/95	01/03/96	12/05/95	12/05/95	01/12/96	02/15/96	108/56
EKATERINBURG	N/A	01/10/96	N/A	12/04/95	N/A	01/15/96	11/13/95	N/A	N/A	N/A	Jan/Mar	120/140
SVERDLOVS OBL.	12/13/95	N/A	12/13/95	N/A	07/22/96	N/A	04/08/96	01/08/96	N/A	01/22/96	N/A	N/A
ORENBURG	11/28/95	11/29/95	11/28/95	01/23/96	in effect	01/23/96	03/11/96	12/05/95	12/05/95		05/30/96	15/28
PERM	12/18/95	12/19/95	12/18/95	12/19/95	12/19/95	12/19/95	01/29/96	12/19/95	12/19/95	02/19/96	03/13/96	105/85
KURGAN	02/21/96	02/20/96	02/21/96	02/20/96	02/21/96	02/20/96	03/01/96	02/28/96	02/27/96	03/11/96	03/27/96	100/80

29

TYUMEN	01/18/96	02/07/96	01/19/96		01/19/96	02/08/96	04/15/96	02/06/96	N/A		03/21/96	148/162
ST. PETERSBURG HUB												
LENINGRADSKAYA OBL	09/21/95		09/21/95		11/01/95		11/15/95	09/21/95		10/16/95	03/27/96	91/78
(VYBORG)											04/25/96	75/108
ST. PETERSBURG	PILOT PROJECT					04/11/96	04/12/96		12/18/95	PILOT	01/23/96	(SP)* 31
((MURMANSK))	10/31/95	10/30/95	10/31/95	10/31/95	11/02/95		01/17/96	10/31/95	11/01/95			
((KALININGRAD))	10/18/95	10/20/95	10/18/95	10/11/95	11/04/95	11/17/95	11/21/95	10/18/95	04/18/96	10/23/95	01/12/96	(SP)* 56
NOVGOROD	09/15/95	09/15/95	09/15/95	11/18/95	11/21/95	11/21/95	11/23/95	09/15/95	04/18/96	10/10/95	05/15/96	128/112
PSKOV	10/25/95	10/25/95	10/25/95	05/23/95	11/17/95	11/22/95	11/23/95	04/08/96	05/15/96	05/15/96	12/22/95	(SP)* 35
(VELIKIE LUKI)											03/19/96	40/31
((PETROZAVODSK))	10/12/95		10/13/95					10/12/95	10/12/95			
VOLOGDA	12/26/95	12/27/95	01/16/96	12/27/95	12/27/95	12/27/95	12/27/95	12/26/95	12/27/95	01/24/96	02/16/96	(SP)* 138
((ARKHANGELSK))	11/21/95		11/21/95		12/06/95			11/23/95				
NOVOSIBIRSK HUB												
NOVOSIBIRSK	11/21/95	11/20/95	11/21/95	12/15/95	12/13/95		12/01/95	11/25/95	N/A	01/12/96	02/07/96	83/121
KRASNOYARSK	01/16/96	01/16/96	01/16/96	01/17/96	01/18/96	01/18/96	01/22/96	01/18/96	01/18/96	02/19/96	05/24/96	125/241
KEMEROVO	01/23/96	01/23/96	01/23/96	01/24/96		01/25/96	01/25/96		01/23/96	02/15/96		
IRKUTSK	01/31/96	01/31/96	01/31/96	01/31/96	02/20/96	02/20/96	02/21/96	02/20/96	02/20/96	02/26/96	05/31/96	63/99
BARNAUL	11/23/95	11/23/95	11/23/95	11/23/95	12/15/95	12/13/95	02/22/96	11/24/95	11/24/95	02/12/96	04/11/96	98/309
TOMSK	11/30/95	12/01/95	11/30/95	11/30/95	11/30/95	12/07/95	12/15/95	11/30/95	11/30/95	02/09/96	05/28/96	51/41
OMSK	12/06/95	12/06/95	12/06/96	12/06/95		12/06/95	03/07/96	02/08/96	12/06/95	02/19/96	08/29/96	81/190
VOLGOGRAD HUB												
((ASTRAKHAN))	03/27/96	03/27/96	03/27/96	03/27/96				03/27/96	03/27/96	04/30/96		
((KRASNODAR))	04/07/96	04/08/96	04/07/96	04/08/96	04/09/96	04/08/96	04/09/96	04/15/96	04/15/96	05/15/96		
ROSTOV-ON-DON	04/03/96	04/03/96	04/04/96	04/03/96	04/04/96	04/04/96	04/05/96	04/16/96	04/16/96	04/29/96	08/01/96	50/157
TAGANROG		(this is Rostov-na-Donu oblast)									05/15/96	88/155
SAMARA	03/05/96	03/05/96	03/05/96	03/05/96	05/06/96	05/06/96	05/15/976	03/05/96	03/05/96	05/28/96	07/18/96	52/201
SARATOV	03/08/96	03/08/96	03/08/96	03/08/96	04/30/96	02/07/96	04/30/96	04/30/96	04/30/96	04/21/96	05/30/96	147/120
VOLGOGRAD	02/18/96	02/19/96	02/19/96	02/19/96	02/28/96		02/18/96	02/01/96	02/01/96	02/15/96	04/11/96	136/180
* - special program			( ) - will not emplement ELS in these locations							Adm/mgr		3074/4157
((( ))) - program restarted			(( ))- ELS de-emphasize in this location							Total:	41	7227

ANNEX B
ELS PROJECT USE OF RUSSIAN PROFESSIONALS AND ORGANIZATIONS

Throughout the task order, ELS project management felt that its most important goal was to develop a methodology for initiating and managing enterprise land sales, a methodology that would endure after the task order ended. The project therefore placed a great deal of emphasis on finding substantial Russian entities with which to develop ELS relationships that would continue beyond USAID funding. The intent in developing these relationships was to ensure that responsible organizations would continue supporting the ELS network and process, not because USAID funding was available but because it was in the organizations' interest to do so. A summary of the relationships established or attempted in this process follows.

State Property Committee (GKI). GKI is the Russian government organization responsible for the management and sale of enterprise land. As such, it was the ELS project's key government policy contact. GKI also cosponsored the task order with USAID. As the project's primary host government monitoring organization, GKI provided practical guidance as the task order unfolded. Initially, some confusion existed concerning the type of relationship the project was to have with GKI. Early in the task order, USAID advised project management to contact GKI only through USAID. This procedure made it difficult for the ELS team to organize and carry out its work. USAID eventually revised this guidance and allowed direct contact with GKI as needed to move forward quickly with implementation. This proved a wise decision since frequent, sometimes daily contact with GKI made the project's operational problems, especially in local areas, much easier to manage.

Once the ELS team established a straight-forward working relationship with GKI, it received clearer guidance from the agency on what the Russian authorities expected of the ELS program. The team also received much fuller support from GKI when local problems required federal involvement for solution. This far more productive relationship was the result of GKI understanding what the project team was doing as the task order unfolded and due to the agency's timely participation in discussions of task order strategy and medium-term plans. When GKI understood how much the task order had accomplished in its first few months and that many enterprise land sales had taken place, its interest in and support of the project dramatically increased. In addition, involving GKI in ELS training seminars brought them into project operations in a fundamental way, allowing for easy and frequent communications.

During the task order, GKI became a solid champion and strong advocate of the ELS team and mission. This made the last half of the task order work much more effective. A direct, strong, and cooperative relationship with GKI enhanced the overall performance of the ELS team. Without such a relationship the project could not have achieved the success that it did.

A practical result of this working relationship was the trust GKI placed in the ELS team to undertake serious, high-impact work. For example, GKI asked the team to draft the text for a new presidential decree. This was done and submitted to GKI. The draft was fully considered and has substantively influenced the official draft now under circulation among concerned ministries. This ELS input will influence land reform in Russia perhaps for years to come, even though it will never be attributed to the task order. The ELS Transition Meeting that marked the phasing down of

the task order also reflected the productive relationship established with this important Russian organization. The public description of the impact of ELS's "brilliant" work was most gratifying, particularly because it referred to the fact that the ELS network would continue beyond the task order, "one of the few times this has been done in Russia."

Russian Privatization Center (RPC). The project team initially felt that RPC would be the logical organization to continue the ELS program and inherit the ELS network. We also recognized that we should work with the RPC local offices, some of which were in areas where ELS would carry out its program. The procedure developed to accomplish this was to have substantive discussions with the RPC central management in Moscow, then organize a seminar for RPC field staff to introduce them to the ELS program, concepts, and strategy. Finally, the ELS team invited the partnership to help it implement its work. These steps led to a formal agreement between ELS and RPC headquarters outlining a cooperative ELS support effort; a national seminar implemented by ELS but funded by RPC for selected RPC local staff (LPC) from various regions of Russia; and local agreements between ELS hub offices and LPC offices on cooperation in specific ELS locations.

As expected, practical this cooperative program achieved mixed results. In some places, such as Rostov-on-Don and Krasnayarsk, the LPC offices were great assets to ELS efforts. In others, even where local agreements applied, assistance was minimal. On balance, the cooperative effort was worth making. In the process, however, the ELS team determined that RPC was not an entity that could carry on the substantial ELS work in progress. The team was gratified at the glowing tribute paid by RPC to the ELS program at the ELS Transition Meeting. This indicated that RPC also felt that its relationship with ELS was productive. Indeed, the ELS program provided significant training to selected LPC staff in land reform and enterprise land sales. This training will continue to influence LPC work in the field as long as that program continues.

Russian Guild of Realtors. The Russian Guild of Realtors seemed to be a natural ally to be cultivated by the ELS program. Early in the task order's implementation several meetings were arranged at guild and ELS headquarters to discuss possible cooperation. From the outset the guild was receptive and willing to cooperate with and support the ELS effort. However, practical ways to use the guild and its network were not immediately forthcoming. As often happens in such field relationships, the guild was busy with its national and international programs and had its own operating agenda. Nevertheless, the guild provided useful assistance in several areas. These included introductions to Russian professionals for consideration as ELS specialists, identification of persons within the guild field network who could (and did) prove to be assets to ELS field efforts, identification of areas and regions that could be fruitful for implementation of ELS programs, distribution of the ELS manual at selected guild programs, participation in ELS strategy meetings that needed to take into account resources already in place around Russia, serving as sounding board for implementation ideas, introduction of the ELS program to various audiences attending guild public events and meetings, and related efforts at mutual support.

The guild was a useful asset to the ELS program and well worth the effort invested in developing a relationship. However, by its nature it is not an entity that could or would continue the work of the ELS national network.

Russian Society of Appraisers. The project repeatedly tried to establish a cooperative working relationship with the Russian Society of Appraisers. The ELS team organized several meetings with the society to discuss mutual interests and develop a strategy for mutual cooperation.

While the society expressed interest and was always available for discussions, little of substance emerged from these contacts. When follow up by the society was expected, it usually did not occur. In due course the ELS team determined that the society was not interested in a closer relationship with the program and contact with the society diminished.

Other relationships. The ELS team pursued relationships with several other donor organizations and USAID programs with the potential to give the program useful support. These contacts attempted to leverage resources or add new dimensions to the work of the ELS team. Among those contacted were the Ford Foundation, USAID Communications project, Urban Institute, and the Barents mortgage lending task order.

The Ford Foundation program seemed a promising candidate for continuing some or all of the ELS network following the task order. Indeed, the ELS team exchanged ideas with the foundation and submitted two proposals in this regard. At one point the foundation seriously considered funding some post-project ELS activities, but in the end the organization's headquarters opted for more "socially oriented" activities in Russia.

The USAID-funded mortgage task order being implemented by the Barents Group was a natural ally for the ELS program because a major impediment to land sales has been the absence of mortgage possibilities for buyers. In cooperation with Barents the ELS team identified some banks working with ELS enterprises who were interested in starting mortgage-type services. However, USAID directed the team to confine its activities to deliverables and to pass any mortgage developments it generated to Barents. The Barents program profited greatly from ELS introducing them and assisting throughout their program in the St. Petersburg region.

USAID has assigned the Urban Institute a task within one of its three task orders to support completed land-related task orders, of which ELS is one. Accordingly, the institute must "widen and deepen" the impact of such task orders when they end. We have worked closely with the institute to ensure its understanding of the ELS program history, accomplishments, and potential for further development. In this process ELS has included the institute in planning and implementing a final ELS seminar to take place in Vladivostok in mid-November at the request of GKI. ELS has also briefed the institute on three occasions about the substance and potential of the ELS network. The ELS team has also introduced the institute to the Fund for Preservation of Private Ownership (described below) and encouraged the two organizations to cooperate and coordinate in future activities relating to continuation of activities of the ELS network.

The USAID Communications project, also implemented by Chemonics, was a major asset to ELS efforts. After determining whether and how the two projects could cooperate to mutual benefit, the Communication's team assisted with a number of ELS activities. These included advertising commercializing ELS firms; conducting public education seminars; assisting with video production, brochure design, and printing; conducting a joint ELS Transition Meeting conference; and coordinating with entities offering future ELS support. The Communications project provided the ELS program with more meaningful cooperation and support than any other USAID-funded project.

The ELS team also attempted to contact the Russian/US Chamber of Commerce, Adam Smith Institute, and nearly all the Western real estate organizations registered and active in Russia. In each case, ELS tried to identify contributions these entities might make to the ELS effort. For various reasons cooperation was impossible or considered unlikely to be fruitful.

Fund for the Preservation of Private Ownership. This program (also known as the Chubais Fund) was just beginning to develop during implementation of this task order. Because it is the creation of one of the most influential persons in Russia (Anatoly Chubais, chief of staff to president Yeltsin), the likelihood that it will play a significant development role and be taken seriously in Russia is high. The ELS team met with this group several times to discuss its taking on the role of maintaining the ELS network after termination of USAID funding. The fund was interested in this possibility. Tentatively, the fund expects to leverage funding to hire two persons with travel and communications resources to keep the ELS network functioning as a coordinated group of individual specialists. This would include establishing a newsletter, establishing a referral service, dispensing information, maintaining current contact lists, tracking performance, etc. The ELS team has a high degree of confidence that this fund program will be implemented and contribute a valuable service to the goal of preserving and using the ELS network in its commercialized form. We regret only that completion of the task order prevents additional input from ELS management.

Individual contacts. During the last half of the task order the project team maintained close contacts and substantive coordination with two Russian individuals. These persons, Andrei Lazaresky (senior RPC official and liaison to GKI) and Boris Mints (Head, Interregional Privatization Coordination Department and a senior GKI official) were directly responsible for and involved in ELS-related activities. Their contributions to the direction and effectiveness of the ELS team were significant. Mr. Mints has moved to a more senior post within the office of the president under president Yeltsin's chief of staff. In this capacity he will have broad responsibility for privatization in general. In this capacity he will certainly have impact on post-task order ELS-type activities. This augers well for continuing ELS efforts by the existing ELS network. Mr. Lazaresky will continue his role in coordinating all outside programs relating to land reform and privatization. In this capacity he also can contribute to continuing activities and impact of the ELS network. Both individuals offered highly positive assessments of the ELS program and impact during the ELS Transition Meeting. They will undoubtedly seek opportunities to continue to use the resources developed through the ELS program.

ANNEX C
LAND TRANSFERS AND TRANSACTIONS IN PROCESS

Summary of Transfers to Date and Transactions in Process

No. Enterprise Land Transfers to Date	Transactions in Process	Place of Enterprise (City)
7	13	Vladimir
25	29	Vladimir oblast
1	19	Ivanovo
1	25	Ivanovo oblast
5	34	Yaroslavl
5	11	Yaroslavl oblast
9	19	Tver
11	21	Tver oblast
6	27	Kaluga
3		Kaluga oblast
10	14	Nizhny Novgorod
10	11	Nizhny Novgorod oblast
19	31	Tula
11	50	Tula oblast
	23	Smolensk
7	11	Smolensk oblast
27	12	Kirov
3	5	Kirov oblast
	17	Orel oblast
	6	Saransk
5	24	Syktyvkar
165	**402**	**Moscow Hub**
54	142	Leningradskaya obl.
284	54	St. Petersburg
10	33	Novgorod
47	27	Novgorod oblast
17	95	Pskov
8	48	Pskov oblast
16	23	Vologda
7	1	Vologda oblast
	34	Kaliningrad
	5	Kaliningrad oblast
443	**462**	**St. Petersburg Hub**
11	46	Volgograd
8	25	Rostov-on-Don
7	4	Rostov-on-Don oblast
5	12	Taganrog
6	12	Saratov
15	20	Samara
	5	Astrakhan
	5	Krasnodar
52	**129**	**Volgograd Hub**

35

No. Enterprise Land Transfers to Date	Transactions in Process	Place of Enterprise (City)
21	7	Chelyabinsk
12	6	Chelyabinsk oblast
2	51	Perm
16	33	Perm oblast
1	32	Ekaterinburg
39	22	Sverdlovskaya obl.
30	23	Tyumen
7	15	Tyumen oblast
13	13	Kurgan
16	14	Kurgan oblast
49	12	Orenburg
206	**228**	**Ekaterinburg Hub**
1	1	Tomsk
1		Tomsk oblast
15	33	Krasnoyarsk
12	19	Krasnoyarsk krai
	15	Irkutsk
8	8	Irkutsk oblast
6	3	Kemerovo
39	9	Kemerovo oblast
	3	Novosibirsk
9	12	Novosibirsk oblast
1	10	Barnaul
3	4	Altaisky krai
	7	Omsk
95	**124**	**Novosibirsk Hub**

Total: 961 1345

Total locations (sales): 53
Total locations (sales plus transactions in process) 63

36

Purchasers of Enterprise Parcels under ELS

No.	NAME OF ENTERPRISE	PLACE OF ENTERPRISE
TOTAL SALES MOSCOW HUB:		165
YAROSLAVL AND OBLAST		
1	AOOT "Ruskhleb"	Yaroslavl
2	AOOT "YarPivo"	
3	AOOT "Yarrestovratsia"	
4	AOZT "Orgtechnika"	
5	AO "Rospechat"	
1	AOOT "Autovakzal" (Myshkin city)	Yaroslavl oblast
2	AOOT "Yarrestovratsia" (Tutaev city)	
3	AOOT "Yaroslavich"	
4	AOOT "Autovokzal" (Poshekhonia town)	
5	AO "Nekrasovsky molochny zavod"	
SMOLENSK AND OBLAST		
1	AOOT "Stroimekhanizatsia" (Bryansk branch)	Smolensk oblast
2	AOOT "Gagarinstroi"	
3-7	AOOT "Dorogobuzh"	
IVANOVO AND OBLAST		
1	RSU-2	Ivanovo
1	Ivanovskoje PMK-11	Ivanovo oblast
KALUGA		
1	TOO "Sandra"	Kaluga
2	TOO "Mayak"	
3	TOO "Temp"	
4	TOO "Kometa"	
5	TOO "Fantazia"	
6	TOO "Kristall"	
1	TOO "Firma Regina"	Kaluga oblast
2-3	TOO "Kalugageologia"	
TVER AND OBLAST		
1	"Volga" Restaurant	Tver
2-3	AOOT "Volzhsky Pekar"	
4	AOZT "Tverpivo"	
5	"Otrada"	
6	AO "Tverskoy kombinat khleboproductov"	
7	TOO Cafe #1	
8	Cafe #1	
9	Magazin #1 "Sporttovary"	

37

No.	NAME OF ENTERPRISE	PLACE OF ENTERPRISE
1	AOOT "V.Volotsky steclozavod 9 January"	Tver oblast
2-3	AO "V. Volotsky khlebokombinat"	
4	AOOT "Zubtsovagrostroi"	
5	TOO OKOP "Rusj"	
6	AOOT "ORT"	
7	TOO "Ogonyok"	
8	AOZT "Rembyttechnika"	
9	TOO "Torgovyi Dom Rusj"	
10	TOO "Byryuza"	
11	TOO "Komissinno-commerchesky magazin"	
VLADIMIR AND OBLAST		
1	AO "Vladimir chemical factory"	Vladimir
2	AO "Promtara"	
3	Vladimir foil factory	
4	AO Profile	
5	AOZT "Svet"	
6	AOZT "Fabrika khudozhestvennoi upakovki"	
7	AOOT "Vladimirsky khimzavod"	
1	Gorodischenskaya finishing factory	Vladimir oblast
2	AO "Red Chemist"	
3	AO "Red Echo"	
4	Housing building company	
5	Vyaznikovsky bread factory	
6	AO Veterinarny medicine	
7	AOOT "Khlebopriyemnoe predpriyatie"	
8-9	AO "Gorodistchenskaja otdelichnaja fabrica"	
10	AO Zavod steclovolocna "Krasny Khimick"	
11-12	AO Steclozavod "Krasnoje Ekho"	
13	AO "Domostroitelny Kombinat"	
14	TOO "Verbovchanka"	
15	TOO "Olimpia"	
16	Magazin # 43	
17	AO "Retrasljator"	
18	TOO "Kolonok"	
19	Magazin # 27	
20	Stolovaja # 1	
21	AO "reconstructsia"	
22	Magazin # 27	
23	Stekolny zavod "Krasny October"	

No.	NAME OF ENTERPRISE	PLACE OF ENTERPRISE
24	TOO "Kniga"	
25	"Mesherakhleb"	
TULA AND OBLAST		
1	AOZT "AKID"	Tula
2	AO "Centrgaz"	
3	TOO "Tulsky Khlebokombinat"	
4	TOO "Konus"	
5-7	AK "Tulamashzavod"	
8	TOO Shop #5 "Lira"	
9	TOO Parikmakherskaya "Charodeika"	
10	AOOT "Bogatyr"	
11-16	TOO "Tulsky Khlebokombinat"	
17	AOOT "Tulastroikonstrutsia"	
18	TOO "Magazin" # 121	
19	"Predprijatie Sakharova"	
1-4	AO "Bolokhovsky zavod santekhzagotovok"	Tula oblast
5-8	AOZT "AKID" ("KARTON")	
9-11	AOZT "AKID"	
NIZHNIY NOVGOROD AND OBLAST		
1	TOO UPTK "Nizhegorodnechernozemstroi"	Nizhniy Novogorod
2	AOOT "Sormovich"	
3-10	AOOT "Transavtomatika"	
1	OOO "Gipur"	
2	OOO "Nizhegorodets"	
3	Stolyarnaya Masterskaya	
4-5	URSZH BON	
6	OOO "Norsi Petencial"	
7	OOO "Siluet"	
8-9	AO "Pavlovsky zavod metalloizdely"	
10	TOO "Yelochka"	
KIROV AND OBLAST		
1	AOOT "Kirovklhoztorg"	Kirov
2	AO "Otdelstroy"	
3-4	AO "Baranochno-Sukharny kombinat"	
5	AO "Kirovkhleb"	
6	AO Obuvnaja fabrika "Temp"	
7	Shveinaya fabrica "Zarya"	
8-9	AO "Kirovlestekhsnab"	
10	Kirovsky margarinovy zavod	

No.	NAME OF ENTERPRISE	PLACE OF ENTERPRISE
11	Kirovsky shinnyi zavod	
12	AO "PKTI Tjazhmash"	
13-26	AO "Obshepit"	
27	AO "Fizpribor"	
1-2	OAO "Slobodskaya shveinaja fabrika"	Kirov oblast
3	AO "Vyatsko-Polyansky Khlebokombinat"	
SYKTYVKAR AND KOMI REPUBLIC		
1	"Komi kniga"	Syktyvkar
2	Komiglavsnab	
3	AO "Komiglabvsnab"	
4	Corporation "IFK"	
5	PSU "Komimestproma"	

TOTAL SALES ST. PETERSBURG HUB:		
ST. PETERSBURG		443
1	DSK-4	
2-3	Positron	
4-5	LOMO	
6-8	Foil-Rolling Works	
9-10	Electrosila	
11	Terminal	
12-13	Chernov	
14	Pigment	
15	Reverans	
16	Runo	
17-18	Petmol	
19-284	*	
LENINGRADSKAYA OBLAST		
1-3	Vyborgsetesnast	
4	Boksitogorsk Beverages Plant	
5	Seige company	
6	Bank "St. Petersburg"	
7	Spetstonnelstroy	
8	Vyborg bakery plant	
9	SovavtoSanktPetersburg	
10	PMK-141	
11	Naina	
12	Era	
13	Pella	

40

No.	NAME OF ENTERPRISE	PLACE OF ENTERPRISE
14	Azart	
15-27	Pikalyovsky Glinozem	
28-30	Nadezhda	
31	Germes	
32	Toiks	
33-34	Amaks	
35	Siluette	
36-51	Vinnitsky KLPH	
52	Priozersky DOZ	
53	Komsomolets	
54	Tikhvinsky bread plant	
NOVGOROD AND OBLAST		
1	Avtoremontniy Plant	
2	Novgorodstalkonstruktsiya	Novgorod
3-6	Transvit	
7-9	Novgorodstroy	
10	Akron	
1-3	Fang	
4	Laktis	Novgorod oblast
5	Furniture Plant	
6-7	Okulovkales	
8	Trikotazh	
9-11	Borovichskiy Khleb	
12	Siluet	
13-15	Univermag	
16	A shop (Staraya Russa)	
17-18	Starorussky Khleb	
19	Podarki	
20	Mig	
21	Novgorodoblkommunenergo	
22-26	Adept	
27	Parfinsky plywood plant	
28	Podberyozsky plant	
29-32	Borovichy fireproof materials works	
33	A shop (Staraya Russa)	
34	A shop (Malaya Vishera)	
35	A store (Staraya Russa)	
36	A store (Staraya Russa)	
37	Spottovary (Staraya Russa)	

No.	NAME OF ENTERPRISE	PLACE OF ENTERPRISE
38	Novgorodtorgtechnika	
39	Princessa	
40	Detsky Mir (Staraya Russa)	
41-43	Borovichy fireproof materials works	
44	Store Teremok	
45	Store Decor	
46	AGRO	
47	Volna	
PSKOV AND OBLAST		
1	Liubiatovo	
2	Cafe "Mechta"	Pskov
3-5	Pskovreconstructcia	
6	Pskovkhleboproduct	
7	Pskovkhleb	
8	Nefteproduct	
9-10	City telephone station	
11	Photoshop	
12-13	City telephone station	
14	Orbita-service	
15	Alva	
16	Sprinks	
17	Polyplast	
1	Lokna Mebel	
2	Center of non-traditional medicine	Pskov oblast
3	Store Svetlana	
4	"Brigantina"	
5	Restourant "Nevel"	
6	Hotel Uyut	
7	Municipal baths	
8	Lada	
VOLOGDA AND OBLAST		
1	Remontno-Stroitelnye raboty	
2	Vologodsky Khlebokombinat	Vologda
3	"Galkinsky" store	
4	Vologdoavtoremont	
5	Hairdresser's "Rositsa"	
6	Chetnikov	
7	Promtovary	
8	Ruspromsevice	

42

No.	NAME OF ENTERPRISE	PLACE OF ENTERPRISE
9-10	Rosgasstroy	
11	Stol	
12	Soyuz	
13	Status	
14	Vologda knitting factory	
15	Kolos	
16	Vologdaelectrotrans	
1	Selelektro	
2	SokolKhleb	Vologda oblast
3	Totemsky Maslozavod	
4	Image	
5	TOO "Igla"	
6	AO "Juvelirnaja Torgovlja Ugo-Zapada"	
7	TOO "Vologda-Russ"	

TOTAL SALES EKATERINBURG HUB:		
CHELYABINSK AND OBLAST		
1	AOZT "Molodezhnay Moda"	
2-3	AO "UralNiistromproekt"	206
4	TOO "KIVI"	
5	AO "Central Rynok"	Chelyabinsk
6	AO "Tractorzavodsky Rynok"	
7	TOO "PKB Mestnoye"	
8-9	ZAO "Teo-Prakt"	
10	TOO B127	
11	TOO "Galanterieya"	
12	AOOT Chelyabinskaya shveynaya fabrika "Siluet"	
13	Chelyabinformsystema	
14	Chelyabinsky Instrumentalny Zavod	
15	TOO "Marsic" #54 Shop	
16	AOZT #4 Greengrocery	
17-18	Bank "Chelindbank"	
19	"Znanie" Society Org'n	
20	"Yuzhuralnerudstroi"	
21	AO "Armatura"	
1	Magazin #3	
2	Magazin #6	
3	ST "MZHK metzavoda"	
4	TOO "Magnitogorskgorremstroi"	Chelyabinsk oblast

No.	NAME OF ENTERPRISE	PLACE OF ENTERPRISE
5	TOO "Uralsky"	
6	TOO "Ogonyok-Plus"	
7-8	AOZT "Raduzhye"	
9-12	OAO "Prokatmontazh"	
PERM AND OBLAST		
1	OAO "Permsky Oblunivermag"	
2	Individual Private Enterprise	
1	TOO "Selhozimiya"	
2	AOOT "Permtranszhelezobeton"	Perm
3	AOOT "Predpriyatie Promyshlennogo Zheleznodorozhnogo Transporta"	
4	AOOT "Sigma"	Perm oblast
5	AO "Ritm"	
6	AOOT "Uralsvyazinform"	
7	AO "Poisk-2"	
8	AO "Sivinsky Agrosnab"	
9	AOOT "Hosiery Factory"	
10-11	AOOT "Krasnokamskagrosnab"	
12	AOOT "Predpriyatie Promyshlennogo Zheleznodorozhnogo Transporta"	
13	ICHP v. Octjabrsky	
14	ICHP v.Sars	
15	ICHP v.Komsomolsky	
16	Krasnokamsky Meat Processing Plant	
EKATERINBURG AND SVERDLOVSKAYA OBLAST		
1	AOOT "Verchneisetsky Metallurgichesky Zavod"	
1	AOOT "Uralelectromed"	
2-3	AOOT "Saldinsky Metallurgichesky Zavod"	
4	OAO "Verhnepishminsky Hlebokombinat"	Ekaterinburg
5	AOO "Berezovskaya Kovrovaya Fabrica"	
6-8	Krasnoufimsk Furniture Factory	
9	Electromekhanichesky zavod	
10	OOO "Dmitriev"	
11	AO "Uralmetallurgmontazh	
12	AOOT "Zavod svarnykh metalloconstructsii"	
13	AO "Verkhisetski metallurgichesky zavod"	
14-17	TOO "Nizhnesaldinskoje"	
18	TOO "Vybor"	
19	TOO "Stella"	
20	AOZT "Elena"	
21	OOO "Raduga"	

44

No.	NAME OF ENTERPRISE	PLACE OF ENTERPRISE
22	AOZT "Rosopttorg"	
23	PO PMK-1	
24	TOO "Energoservice"	
25	TOO "Nadezhda"	
26	TOO "GASEKS"	
27	TOO "Alpari plus"	
28	AOZT "TNV-Ural"	
29	TOO "Grant"	
30	TOO "Ludmila"	
31	TOO "Ryabinushka"	
32	Torgovy Dom Orbita	
33	TOO "Grin"	
34	TOO "Blits"	
35	Cooperative Teplotechnic	
36	TOO "Gorpromstroi"	
37	TOO "Sprint"	
38	PKTO "Doan"	
39	Cooperative Ural	
TYUMEN AND OBLAST		
1	TOO "Istochnik"	
2	AO "Metalist"	
3	TETS-3	
4-5	TOO "Yantar"	Tyumen
6	AOZT "Miropol"	
7	AOZT "Selskaya Torgorvlya"	
8-10	TOO "Tyumenobubtorg"	
11	TOO "PTF Odezhda"	
12	TOO "Selena"	
13	TOO "Tyumen akkumulyatorny zavod""	
14-15	TOO "KIF Start"	
16	AOZT "Malvinka"	
17-18	TOO "TPF Galantereja"	
19	TOO "Spektr"	
20-21	AOZT "Tyumenprodtorg"	
22	AO "Tyumenoblstroi"	
23	TOO "IPF SibNA"	
24	TOO "Stroitel-2"	
25	AO "Diaspra"	
26	AOZT "Tyumenstroimaterialy"	

45

No.	NAME OF ENTERPRISE	PLACE OF ENTERPRISE
27	ICHP "Druzhba"	
28	AOZT "TZMOI"	
29	AO "Komplectizdelii"	
30	AO "Tumenoblstroi"	
1-2	TOO "Pishmaavtodor"	
3	TOO "Sapryek"	
4	AO "PMK-7"	
5	TOO "Avtokolonna 1319"	Tyumen oblast
6	TOO "Urman"	
7	TOO "Uvatmekhstroj"	
KURGAN AND OBLAST		
1	AOOT "Universam"	
2	AOOT "Velomototekhnika"	
3	TOO "Informcenter"	
4	AOOT "AB&AC"	Kurgan
5	AO "Modus"	
6	AO "Karavai"	
7	PTR "Odezhda"	
8	TOO "Univermag"	
9-10	AO "Lesostrimaterialy"	
11	AO "KamAZAutocenter"	
12	AO "Emis Plant"	
13	AO "Zauralteks"	
1-3	AO "Avtoremontnoye Predpriyatie"	
4	AO "Elektrod Plant"	
5	AO "Selstri-2"	
6	OOO "Obozobondarny"	Kurgan oblast
7	AO "Impuls"	
8-16	AOOT "AB&AC"	
ORENBURG AND OBLAST		
1	AGOZT "Yut"	
2	TOO "Universam 92"	
3	TOO "Merkuriy"	
4	TOO "Forshtadt"	Orenburg
5	TOO "Tkani"	
6	TOO "Ivan da Marya"	
7	TOO "Dom Odezhdy"	
8	TOO "Podarki"	
9	TOO Magazin "Luch"	

46

No.	NAME OF ENTERPRISE	PLACE OF ENTERPRISE
10	TOO "Yelegant"	
11	TOO Torgovy Dom "Voskhod"	
12	TOO "Salyut"	
13	AO "Orenburg" Restorant	
14	TOO "Mechta"	
15	TOO "Astoria"	
16	TOO "Yubileiny"	
17	AOOT "Orenburgsky" Meat Processing Plant	
18	AOOT "Avtokolonna 1825"	
19	TOO "Sever" Shop	
20	AOZT "Orenburg" Restourant	
21	TOO "Strela"	
22	TOO "Vostochny"	
23	TOO "Vostorg"	
24	TOO "Choping complex"	
25	TOO "Khoztovary"	
26	AO "Vilram"	
27	TII "Volna"	
28	TOO "Komitent"	
29	TOO "Energia Shop"	
30	TOO "Chaika Shop"	
31	TOO "Nika Shop"	
32	TOO "Rodnichok Shop"	
33	TOO "Evrasia"	
34	TOO "Khosjajushka"	
35	TOO "Irina"	
36	TOO "Tysycha Melochei"	
37	TOO "Rostok"	
38	TOO "Beregovoi"	
39	TOO "Siluet"	
40	TOO "Lotos"	
41	AOOT "Druzhba"	
42-49	**	

TOTAL SALES NOVOSIBIRSK HUB:		
TOMSK AND OBLAST		
1	Farmzavod	
1	Remzavod	
KRASNOYARSK CITY AND KRAI		95

41

No.	NAME OF ENTERPRISE	PLACE OF ENTERPRISE
1	"Detsky Mir"-1	
2	"Detsky Mir"-2	Tomsk
3	VIA-1	Tomsk oblast
4	VIA-2	
5	TOO "Siluet"	Krasnoyarsk
6	TOO "Mechta"	
7	TOO "Romashka"	
8	TOO "Zenith"	
9	AO "Fang"	
10	AOOT "Pikra"	
11	AOOT "Kompleks restoranov Krasnoyarsk"	
12	AO "Pikra"	
13	TOO "Konditerskaja Fabrica"	
14	TOO "PMK-10"	
15	TOO "Magazin #56"	
1	"MANS"	
2	"Dom Kupriana"	
3	"Kraskultopt"	
4	A/O "Achinskaya Conditerskaya Fabrika-1"	
5	A/O "Achinskaya Conditerskaya Fabrika-2"	Krasnoyarsk krai
6	AOOT "Achinskaya PMK"	
7	AO "Zubr"	
8	AO "Energetika i Ecologia"	
9	AOZT "Cristal"	
10	Torgovyi dom "Chaika"	
11	Konovalova N.A.	
12	TOO "Vostok"	
NOVOSIBIRSK AND OBLAST		
1-2	AO "Kors"	
3	AO "Savor"	
4	AO "Sibirskoje"	
5	AO "Sibtechgaz"	
6	Chastnyi predprinimatel	Novosibirsk oblast
7	AO "Vega"	
8	AO "Metcom"	
9	AO "Montazhrtesurs"	
IRKUTSK AND IOBLAST		
1	"Montazhspetsstroi"	
2	"Angarskstroimaterialy"	

No.	NAME OF ENTERPRISE	PLACE OF ENTERPRISE
3	AO "Sosnovgeo"	
4	AO "Mekha Sibiri"	
5	AO "UPK Montazhspetsstroi"	Irkutsk oblast
6	AO "OVTI"	
7	AO "Irkutskoe ATP"	
8	AO "Drozhzhevoi zavod"	
KEMEROVO CITY AND OBLAST		
1	"Kuzbasspetstrans"	
2	"Prodpromtorg"	
3	"Stroitel"	
4	"Primex"	
5	"Merkutii"	Kemerovo
6	"Kemerovo Trade House"	
1	"Medius"	
2	"Kemerovo Stroimaterialy"	
3	"Kuzbasspechat"	
4	"Kuzbassbakaleya"	
5	"Kaorit"	Kemerovo oblast
6	"Kemerovomebel"	
7	"Melkorn"	
8	"Kuzbassenergo"	
9	"Khlebokombinat"	
10	"Myasokombinat"	
11	"Tabachnaya Fabrika"	
12	"Shachtstroi Upravlenie"	
13	AO "Kommunenergo"	
14	AOOT "Sibirski Kolos"	
15	AO "Goreleckrosetj"	
16	AO "Magazin #1"	
17	AO "Iskra"	
18	AO "Mak"	
19	TOO "Zarja"	
20	TOO "Zorjushka"	
21	TOO "Ariadna"	
22-23	AOOT "Aljans"	
24	TOO "Chaika"	
25	TOO "Zarja"	
26-27	AOOT "Avangard"	
28	TOO "Vesna"	

No.	NAME OF ENTERPRISE	PLACE OF ENTERPRISE
29-30	TOO "AZS"	
31	AO "Sibkon"	
32	AO "Sibirsky Razrez"	
33-39	**	
BARNAUL AND ALTAISKY KRAI		
1	Kuchuksulfat	
1	TOO "Nadezhda"	
2	Chastnyi predpronomatel Volkov	
3	Chastnyi predpronomatel Lemeshko	

TOTAL SALES VOLGOGRAD HUB:		
VOLGOGRAD AND OBLAST		
1	Stock Company URMR	
2-3	Kachalinski Silo	
4	RSU-1	
5	Volsksantekhmontazh	52
6	Leninski Elevator (Silo)	
7	GBI-1	Volgograd
8-10	Small holdings	
11	"Nizhnjaa Volga"	
SAMARA AND OBLAST		
1	Magazine 257	
2	Volgasantechmontage	
3	Shop "Kalinka"	
4	Cafe "Fakel"	
5	"Fontan"	
6	"Kirovets"	Samara
7	"Iskusstvo"	
8	"Druzhba"	
9	"Skazka"	
10	"Metallurg"	
11	"Neptun"	
12	"Producty"	
13	"16 steps"	
14-15	Samarsky metallurgic plant	
ROSTOV NA DONU AND OBLAST		
1	Rodon	
2-3	Promzernoproject	
4	Perepletny Tsekh	

50

No.	NAME OF ENTERPRISE	PLACE OF ENTERPRISE
5-8	"Moda"	
1	KSV	
2	BTL-1	Rostov Na Donu
3	Dimal	
4	Magnolia	
5	Ital. Ltd.	
6	Rostovvneshprom	Taganrog
7	Kazachek	Taganrog
8-10	BTKTS	Taganrog
11	"Lider"	Taganrog
12	"Novocherkassk"	Taganrog
SARATOV AND OBLAST		Shakhty
1	"Spetsavto	Bataisk
2	"Yantarnoe	
3	"Neftemash"	
4	"Saratov Tabacco Factory"	
5	"Sarryba"	
6	"Montazhlegmash"	Saratov

GRAND TOTAL:	961

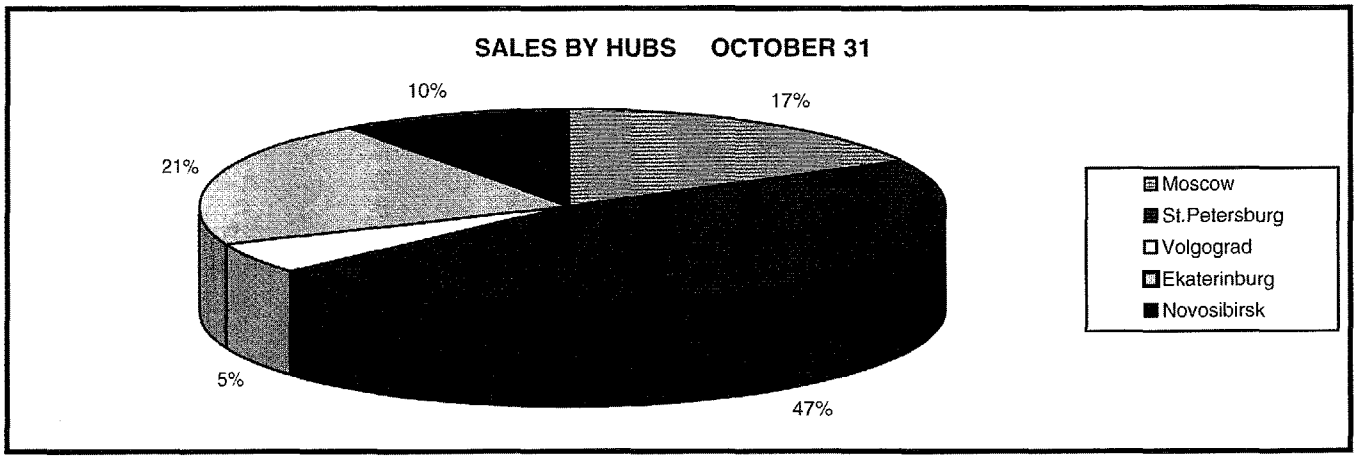
* By direction of St. Petersburg KUMI, only confirmed land parcel sales were provided to the ELS team. In some instances ELS independently identified parcel buyers; time and labor constraints did not permit indentification of all buyers.

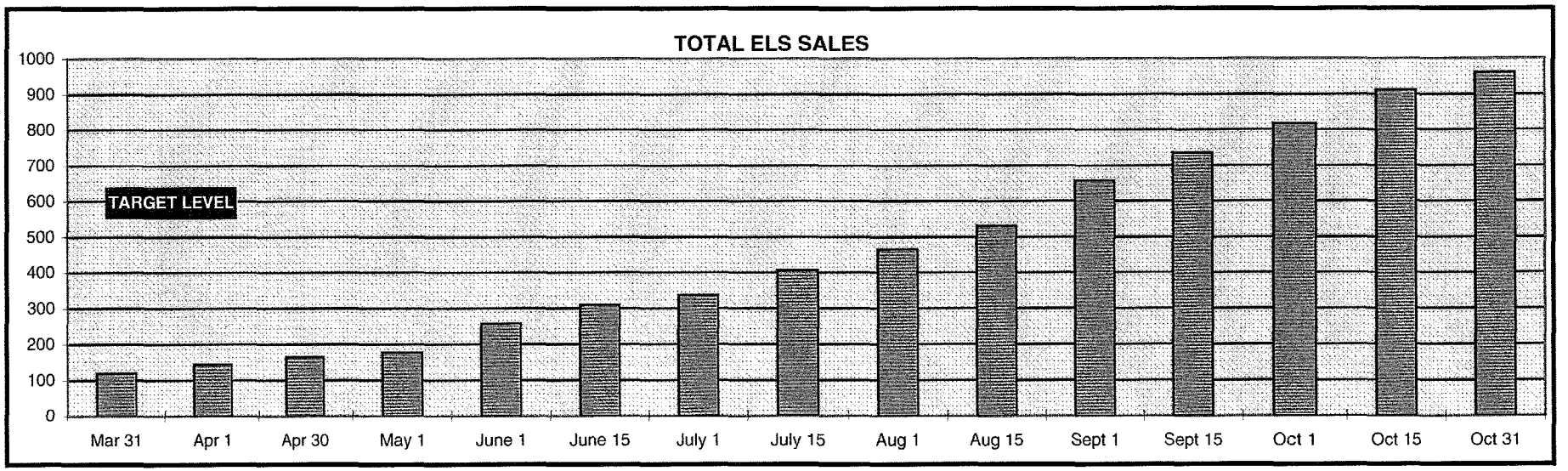
** Due to technical difficulties during the final two weeks of the task order, names of land parcel buyers from Ekaterinburg (8) and Novosibirsk (7) were lost in transmission.

51

ELS SALES

OCTOBER 31

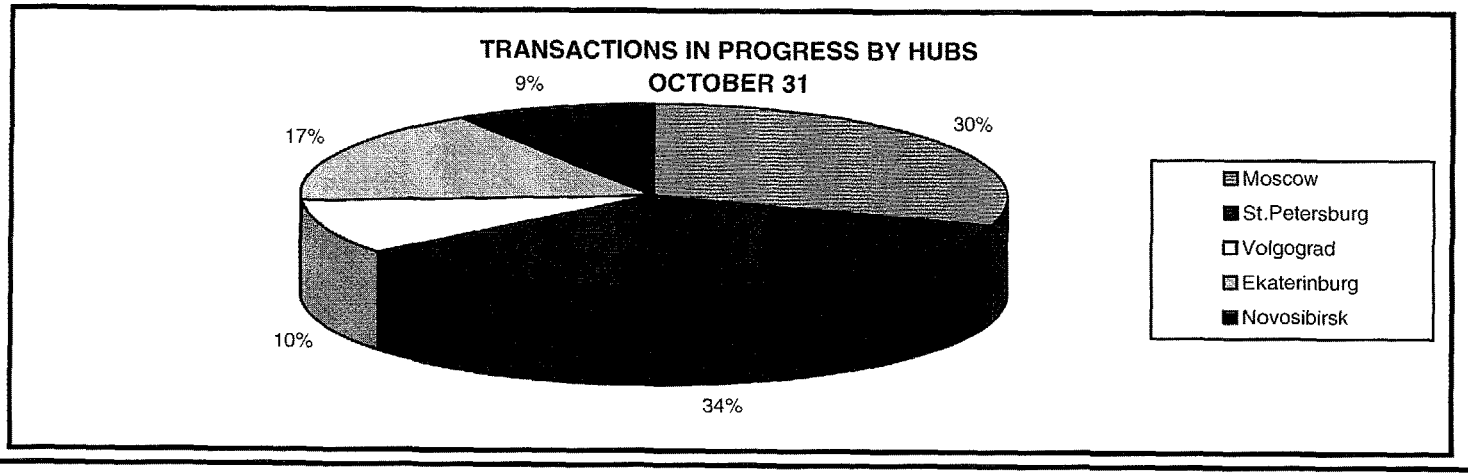


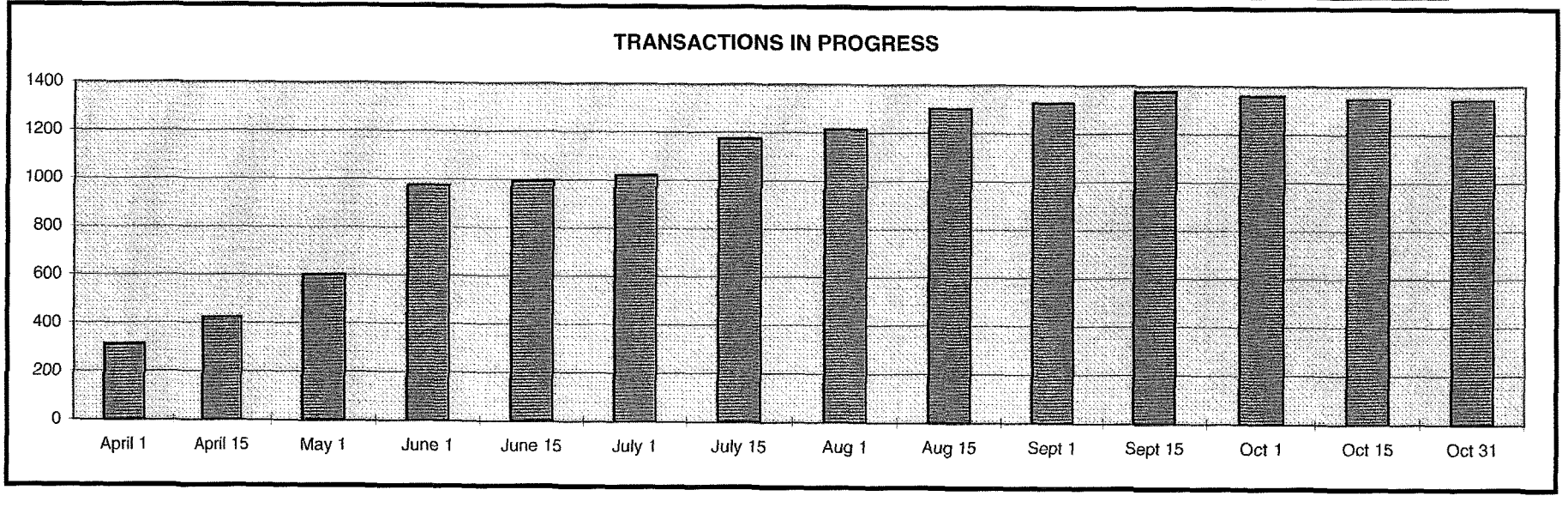


52

TRANSACTIONS IN PROGRESS

OCTOBER 31

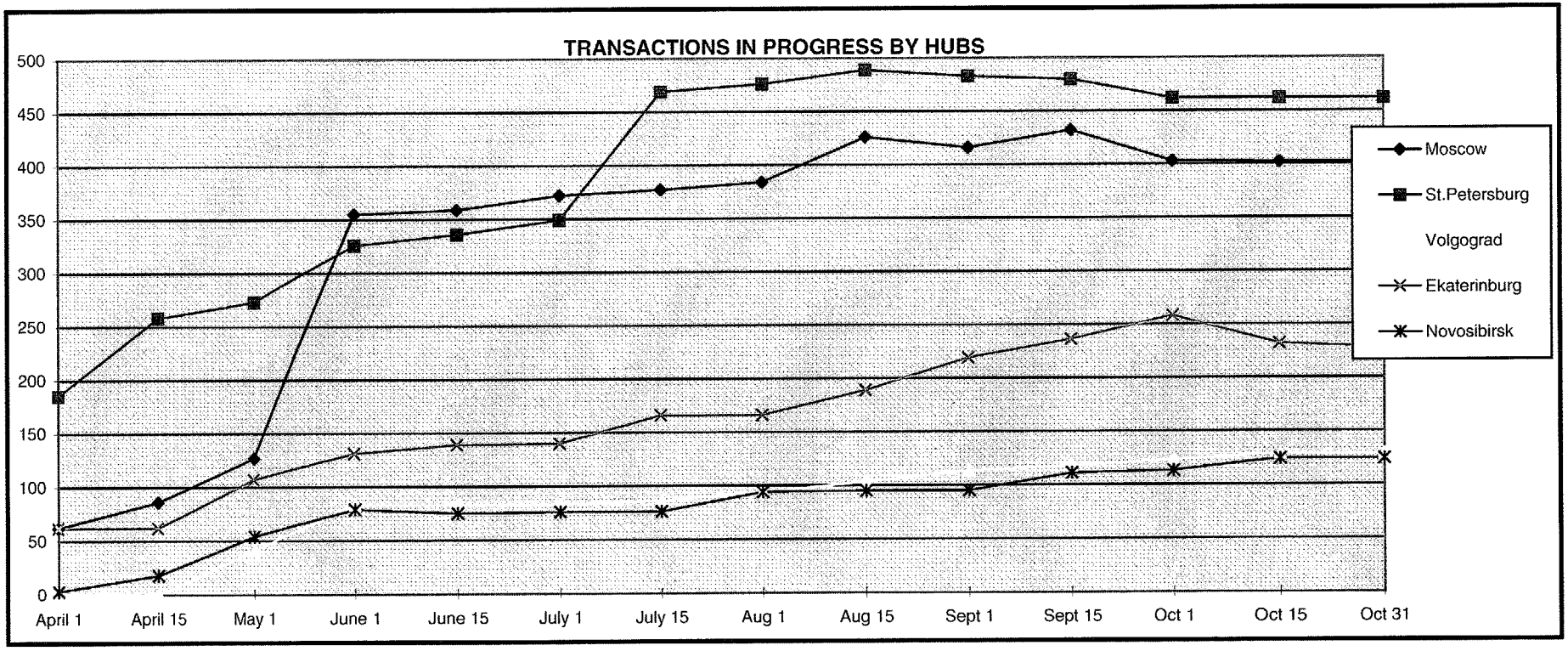




TRANSACTIONS IN PROGRESS

OCTOBER 31

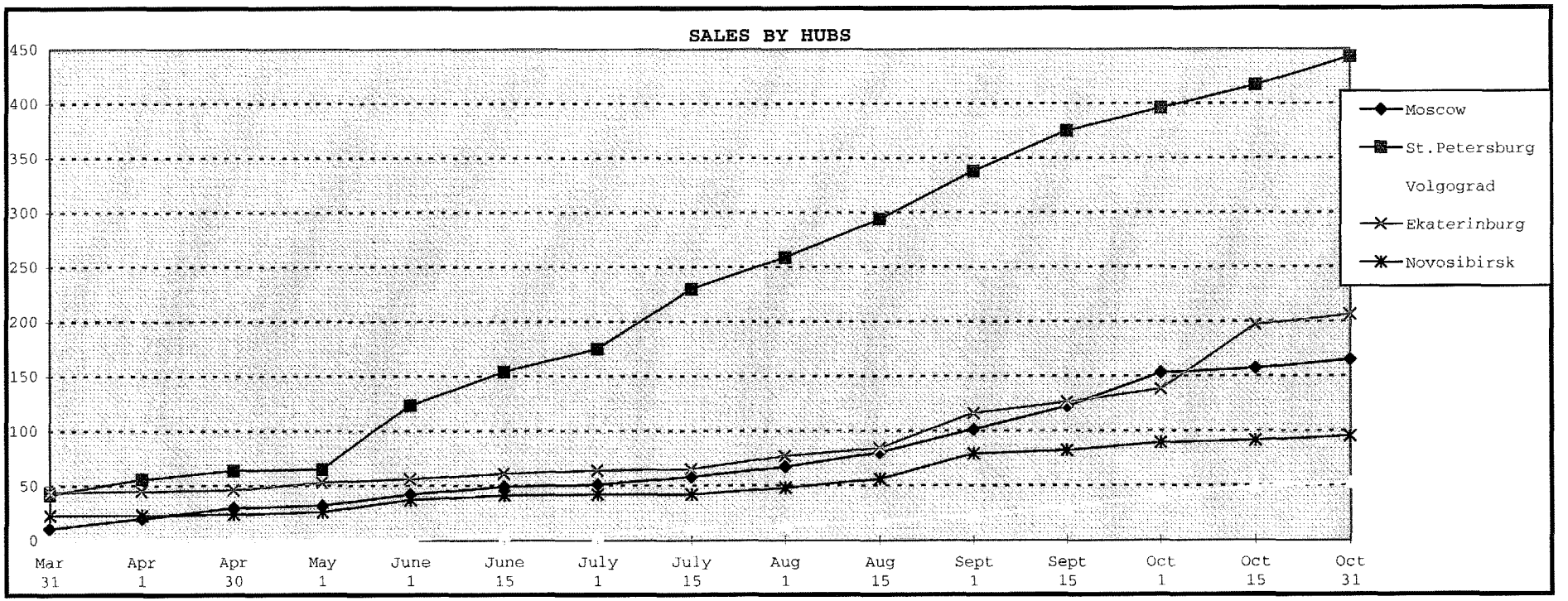
	April 1	April 15	May 1	June 1	June 15	July 1	July 15	Aug 1	Aug 15	Sept 1	Sept 15	Oct 1	Oct 15	Oct 31
Moscow	62	86	127	355	359	372	377	384	426	416	432	403	402	402
St.Petersburg	185	258	273	326	336	349	469	476	489	483	480	462	462	462
Volgograd	0	0	41	83	83	83	86	94	103	113	118	123	129	129
Ekaterinburg	62	62	107	131	139	140	166	166	189	219	236	258	232	228
Novosibirsk	3	18	54	79	75	76	76	94	95	95	111	113	124	124
TOTAL	**312**	**424**	**602**	**974**	**992**	**1020**	**1174**	**1214**	**1302**	**1326**	**1377**	**1359**	**1349**	**1345**



ELS SALES

OCTOBER 31

	Mar 31	Apr 1	Apr 30	May 1	June 1	June 15	July 1	July 15	Aug 1	Aug 15	Sept 1	Sept 15	Oct 1	Oct 15	Oct 31
Moscow	11	20	30	32	42	49	51	58	67	80	101	122	153	157	165
St.Petersburg	42	56	64	65	123	154	175	230	259	294	338	375	396	417	443
Volgograd	0	0	0	0	0	5	5	11	14	17	23	30	41	49	52
Ekaterinburg	44	45	46	53	56	61	64	65	77	84	116	126	138	197	206
Novosibirsk	23	23	24	26	37	41	42	42	48	56	79	82	89	91	95
TOTAL:	**120**	**144**	**164**	**176**	**258**	**310**	**337**	**406**	**465**	**531**	**657**	**735**	**817**	**911**	**961**



ANNEX D
LAND AREA DATA

As explained fully in Section II, with rare exceptions information about the area of land privatized could not be obtained directly because it did not exist, would not be given without substantial payment, was unreliable where it was available, or was incomplete. Attempts to gather the data continued throughout the project, and each ELS biweekly field report described progress on the task. The project team also sought to obtain the requisite data from official sources such as Roskomzem, GKI, Goskomstat, and Property Management Committees and Land Committees in oblasts and krais. The project team made little progress in breaching the various barriers to obtaining this data. Late in the task order, and amid attempts to generate the data by extrapolation, the project was advised that Roskomzem had just collected and compiled such data and was offering an opportunity to review it unofficially. We took advantage of the opportunity, gathered the data from the new database, and present it in the table below. The table shows the eligible land area under privatized enterprises in 36 locations served and tracked by the ELS program. In each case the figures are for total land area, including land in the oblast capital.

Area of Land under Privatized Enterprises in 36 Locations

Region (oblast)	Area of Oblast (000 ha)	Area of Land under Enterprises (000 ha)
1. Vladimir	2,912.2	118.0
2. Kaluga	2,978.1	24.1
3. Ivanovo	2,342.5	81.8
4. Moscow	4,586.9	261.7
5. Kirov	12,035.8	38.6
6. Komi Republic	43,417.0	253.5
7. Tula	2,567.9	60.2
8. Tver	8,420.4	56.6
9. Nizhny Novorod	7,462.7	125.2
10. Yaroslavl	3,620.1	34.7
11. Smolensk	4,977.9	55.6
12. Leningrad Oblast	8,384.3	364.1
13. St. Petersburg (city)	60.6	12.0
14. Novgorod	5,445.4	47.7
15. Pskov	5,540.0	76.7
16. Vologda	14,452.7	117.5
17. Kaliningrad	1,512.5	100.5
18. Volgograd	11,287.7	693.3
19. Rostov	10,096.7	87.2
20. Saratov	10,123.9	180.4
21. Samara	5,359.5	66.1
22. Astrakhan	5,284.4	443.2
23. Krasnodar Krai	7,546.4	196.3

56

24. Chelyabinsk	8,852.9	301.1
25. Perm	12,745.3	66.0
26. Sverdlovsk	19,431.5	416.8
27. Tyumen	16,006.9	44.4
28. Kurgan	7,148.8	26.6
29. Orenburg	12,369.2	207.9
30. Novosibirsk	17,775.6	82.6
31. Tomsk	31,439.1	68.7
32. Krasnoyarsk Krai	72,367.1	188.8
33. Irkutsk	75,273.6	576.6
34. Kemerovo	9,573.2	133.0
35. Altai Krai	16,798.8	73.8
36. Omsk	14,118.5	35.1
Total		57,164.0
Average		158.8

57

ANNEX E
SECONDARY LAND MARKET IN RUSSIA, 1997-2000

As explained in Section II, the gathering and analysis of data, and its validation by outside organizations and hub managers, was entirely done by Russian staff. The quality of the results presented testifies to the competence attained by the ELS-trained Russian staff.

I. Prerequisites for the Forecast

Forecasting development of a secondary land market in Russia over the period 1997-2000 should be based on the evaluation of three main indexes:

- Actual primary land market developments in 1994-1996
- Actual secondary land market developments in 1995-1996
- Forecast of primary land market development in 1997-2000

The logic of the analysis is as follows. First, the data on actual primary land and on actual secondary land sales were analyzed. Second, considering this data, as well as analysis of the main factors influencing the land privatization process, a forecast of primary land market development for 1997-2000 was developed. Third, having analyzed the secondary land market formed by 1996, prepared a forecast of primary land market development for 1997-2000, and obtained from ELS experts an assessment of the share of secondary land market contained in the primary land market, a forecast of secondary market development was generated. This logic considered various influences on development of the privatization process in different regions of Russia and required considering several scenarios.

II. Actual Primary Land Market Developments

Presidential Decree No. 1535, adopted in July 1994, gave enterprises a legal basis for land privatization. The initial period for the extrapolated forecast therefore is only two years. However, Presidential Decree No. 478 of May 11, 1995, provided economic means and incentives for enterprise land privatization by significantly reducing the purchase price of enterprise land. The practical period for an extrapolated forecast then is a little more than one year. Given such a short period, it is difficult to obtain much information about primary land market development. Because the available period for gathering primary data was so short, to make the forecast more reliable, average figures were calculated for the 36 oblasts of the Russian Federation[1] in which the ELS program operated. Analyzing trends based on review of individual oblasts over such a short period would be highly misleading; analyzing averages of the 36 oblasts would be more realistic and more useful.

The results of enterprise land privatization vary between regions. The same variation is typical of those krais and oblasts where the ELS project worked. Based on primary data collected by ELS specialists in 36 oblasts, enterprises purchased a total of 3,129.1 hectares (ha). The largest purchase, 862.3 ha, was in Vladimirskaya oblast, while in some oblasts (Orlovskaya,

[1] USAID specified the 36 oblasts for the ELS task order.

58

Moskovskaya, and others) no land sale transactions took place despite the efforts of the ELS project. The average for the 36 oblasts was 86.9 ha. If the land privatization in Vladimirskaya oblast was anomalous, then calculating the average privatized land space excluding Vladimirskaya would be permissible. In this case, the average would be 64.8 ha per oblast. On the other hand, the results in Vladimirskaya may reflect a process where both objective and subjective factors (e.g., role of local administrations) were extremely favorable for privatization. In that case, ignoring the results would obviously be wrong. Since it is impossible to know if Vladimirskaya was an anomaly, a range of figures should be used. Therefore, in 1995-1996 each oblast privatized 65-87 ha of enterprise land parcels.

Further, privatized land space should be estimated separately for 1995 and 1996, permitting a determination of trends in primary land market development. In some regions (Orenburgskaya, Saratovskaya, and Vladimirskaya), most land parcels were privatized in 1995, almost immediately after issuance of Presidential Decree No. 478. In other regions, most land parcels were privatized in 1996. Analysis shows that the results in both years were similar, which means that in each oblast an average of 32-44 ha were privatized in 1995 and 32-44 ha were privatized in 1996. These average figures will be used to forecast primary land market development for 1997-2000.

III. Estimating Factors of Development

The same factors that determined land privatization rates in 1995-1996 will influence the future dynamics of primary land market development. These factors are:

- Legislative and normative basis for land privatization processes
- Unfavorable economic situation of privatized enterprises
- Lack of real and practical incentives for enterprises to purchase land
- Policy of administrations of a number of oblasts that opposed land privatization

The extent to which these factors will influence land privatization in future must be considered.

Legislation. If approved by the State Duma of the Russian Federation, the State Program of Privatization will establish all legal procedures connected with enterprise land privatization. If so, the current legislative-normative base would be set in national law. Delay in adopting the Federation Land Code may retard land sale rates, but while the current president is in power, there is no reason to assume adoption of a Land Code that would contradict the normative-legislative base of privatization under which enterprise land sales are operating.

Confrontation will likely continue between the president and the federation government, on one hand, and the State Duma, on the other hand, regarding privatization generally and land privatization in particular. This requires a multi-variant scenario of normative-legislation development for enterprise land privatization.

Economics. Economic stabilization, which the government has promised often, has not materialized. Nobody can accurately project when and how quickly general economic growth in Russia can be expected. However, if the State Duma finally adopts the State Program of Privatization, then the normative price of the land purchase will amount to a multiplier of 10 times the land tax, creating more favorable economic conditions for land sales to all eligible buyers. From the above, several possible economic scenarios clearly must also be forecast.

Incentives. Investments did not rise significantly after the Yeltsin presidential election win. Foreign investments in Russia remain much less those in, for example, Hungary. In other words, the investment climate in Russia continues to be unfavorable. Realistically, normal enterprises are more likely to take steps to privatize land only when a reasonable possibility of investor interest exists. The opposite strategy, where an enterprise buys land and then looks for an investor, will therefore continue to be less likely. Due to the uncertainty of the investment market in Russia, incentives for land privatization are not likely to improve soon.

Policies. In some oblasts, political considerations and the personal will of local administrations have impeded land privatization. In others, lack of information about land privatization was a serious obstacle. One common reality has been weak executive power in Russia, particularly regarding the execution and control of presidential decrees. In this respect, poor implementation of Presidential Decrees No. 1535 and No. 478 illustrate the fact that the Russian state system functions poorly, affecting enterprise land sales. Considering the new Chief of the President's Administration announced intention to improve the vertical structure of executive power in Russia, this situation could improve. If so, the number of land sales would go up in those regions where local authorities earlier prevented sales. As with the other factors, variation in development of the primary market can be expected in terms of this political factor.

IV. Predictions on Market Development

Based on the variability of the four factors affecting land privatization, five possible scenarios can be formulated (Table 1). These scenarios are:

- Pessimistic
- Low moderate
- Moderate
- High moderate
- Optimistic

For each scenario, ELS experts identified coefficients for every year (Table 2). Each coefficient represents the ratio of the total expected land area privatized by enterprises in a given year to the total area of eligible land in 1996. Based on these five possibilities, it is possible to project the total land space that will be privatized by enterprises during each year of the analyzed period for an average oblast (Table 3).

Knowing how much land was privatized in an oblast on average (64-87 hectares) by the end of 1996, and assuming how much land will be privatized in each following year (Table 3), it is possible to forecast how much land will be privatized by the end of the specific year in the average oblast (Table 4).

Two facts are relevant to the secondary land market. The first is the analysis of actual area of secondary land sale transactions in 1996, which shows that its share of the primary land market area is 0.1 percent for an average oblast. The second is that in well developed western countries, the share of secondary land area on the market at any time averages 5 percent of total available area. Assuming favorable development of all four factors described above, by 2000 Russia will have a land market similar to land markets in well developed countries. This means that secondary land sales should reach about 5 percent of the area of eligible land.

However, because Russia's market is new and therefore a more active and dynamic, even more active development of a secondary market can be assumed. ELS specialists estimate that with favorable circumstances the secondary market will reach 7 percent of eligible land area in Russia by the year 2000.

Having two initial figures of 0.1 percent in 1996 and an estimated 7 percent in 2000, and considering each of the four development factors discussed above, results for all suggested variants can be calculated (Table 5). Then, knowing how much land enterprises will privatized by the end of each year (Table 4), and considering the data described in Table 5, secondary market development can be predicted for an average oblast (Table 6).

Using this formula, the possible range of secondary market size for an average Russian oblast will be 7.1–13.4 hectares in 1997, 8.0–623.0 ha in 1998, 8.1–2,687.8 ha in 1999, and 6.2–4,368.9 ha in 2000. For each year, the smaller figures correspond to pessimistic predictions, the larger ones to optimistic predictions. Depending on which scenario is present, the dynamics of land privatization will be determined. When assessing the figures provided, it is important to remember that these conclusions must be based on the opinion of ELS and other real estate experts. This is necessary because the initial base for the extrapolated forecast is extremely small. The use of experts' assessments using the limited primary data available is the only reasonable way to develop this data today in Russia. This must be a rolling forecast, to be adjusted based on which of the (currently unpredictable) development scenarios prevail.

Table 1. Scenarios for Primary Land Market Development Depending on Correlation of Four Factors

Scenario	Factor**			
	Legislation	Economics	Incentives	Policy
Pessimistic	-	-	-	-
Low moderate	+	-	-	-
Moderate	+	+	-	-
High moderate	+	+	+	-
Optimistic	+	+	+	+

** Sign "-" means that in 1997-2000 the factor will not change, and "+" means that the factor changes to the positive side for land privatization.

Table 2. Coefficients (Indexes) Used to Estimate the Primary Land Market in 1997-2000 in Comparison to 1996

Scenario	Year			
	1997	1998	1999	2000
Pessimistic	0.9	0.7	0.5	0.3
Low moderate	1.0	0.9	0.8	0.7
Moderate	1.1	1.2	1.3	1.4
High moderate	1.5	1.8	2.0	2.5
Optimistic	2.0	3.0	4.0	5.0

61

Table 3. Predicted Total Land Space (in Hectares) Purchased by Enterprises in an Average Oblast

Scenario	1997	1998	1999	2000
Pessimistic	27-40	22-31	16-22	10-13
Low moderate	32-44	29-40	26-35	22-31
Moderate	35-48	38-53	42-57	45-62
High moderate	48-66	58-79	64-88	80-110
Optimistic	64-87	96-132	128-176	160-220

Table 4. Predicted Total Enterprise Land Privatized (in Hectares) for an Average Oblast, 1997-2000

Scenario	1997	1998	1999	2000
Pessimistic	91-128	113-159	129-181	139-194
Low moderate	96-132	125-172	151-207	173-238
Moderate	99-136	137-189	179-246	224-306
High moderate	112-154	170-233	234-321	314-431
Optimistic	128-174	224-306	352-482	512-702
All	91-174	113-306	129-482	139-702

Table 5. Estimated Secondary Land Market as Percent of Primary Land Market

Scenario	1997	1998	1999	2000
Pessimistic	0.09	0.08	0.07	0.05
Low moderate	0.3	0.8	1.3	1.8
Moderate	0.4	1.5	2.5	3.5
High moderate	0.7	2.2	3.8	5.3
Optimistic	1.0	3.0	5.0	7.0

Table 6. Estimated Total Privatized Enterprise Land(in Hectares) Moving to Secondary Market for an Average Oblast, 1997-2000

Scenario	1997	1998	1999	2000
Pessimistic	0.08-0.11	0.09-0.13	0.09-0.13	0.07-1.0
Low moderate	0.3-0.40	1.0-1.4	2.0-2.7	3.1-4.3
Moderate	0.4-0.5	2.0-2.8	4.5-6.2	7.8-10.7
High moderate	1.1-1.5	5.1-7.0	11.7-16.0	22.0-30.2
Optimistic	1.3-1.7	6.7-9.2	17.6-24.1	35.8-49.1
All	0.08-1.7	0.09-9.2	0.09-24.1	0.07-49.1

62

ANNEX F
RESALES

Under Deliverable 3, the ELS program was required to show that at least 20 percent of the enterprises receiving land title had sold or leased some of their land to third parties. The project exceeded this requirement with resales reaching 31 percent of the total.

Location	No. of Resales
St. Petersburg	78
Vologda	21
Pskov	11
Pskov oblast	7
Novgorod	2
Chelyabinsk	4
Kurgan	6
Sverdlovskaya oblast	1
Novosibirskaja oblast	4
Altaisky krai	1
Kemerovo oblast	3
Volgograd	2
Samara	7
Saratov	1
Yaroslavl	7
Vladimir oblast	7
Kirov	1
Total	**185**

ANNEX G
ENTERPRISE LAND SALES MANUAL CONTENTS

Overview .....

1. Background

1.1 Real Estate Market Development in Russia .....
1.2 Legal Foundation for Enterprise Land Sales .....
1.3 Benefits to Local Governments From Enterprise Land Sales .....
1.4 Benefits to Enterprises From Land Purchases.....
1.5 Land That May Not Be Privatized .....
1.6 Master Plan of the City.....
1.7 Federal Guarantees of Owner's Rights.....
1.8 Normative Price of Land and Real Estate Taxation.....
1.9 Title Registration System.....

2. The Enterprise Land Sale Process

2.1 Local Regulations.....
2.2 Steps in the Enterprise Land Sale Process.....
2.2.1 Property Fund.....
2.2.2 Application Documents.....
2.2.3 Registration of the Application.....
2.2.4 Calculation of the Sale Price of the Land Parcel.....
2.2.5 Conclusions from Technical Committees.....
2.2.6 Drafting the Buy-Sell Agreement.....
2.2.7 Signing the Buy-Sell Agreement.....
2.2.8 Payment of the Purchase Price.....
2.2.9 Issuance of the Certificate of Ownership and Registration in the Title Registration System.....

3. Information for Enterprises

3.1 Forms of Legal Land Possession and Occupancy.....
3.1.1 Perpetual Permanent Use.....
3.1.2 Long-Term Lease.....
3.2 Purchasing a Land Parcel.....
3.2.1 Selecting Enterprise Land to Purchase.....
3.2.2 Necessary Documents.....
3.2.3 Boundary Information and Encroachments.....
3.2.4 Third-Party Claims.....
3.2.5 Financing the Land Purchase.....
3.3 Preparation of Technical Land Documents.....
3.3.1 Types of Land Documents.....
3.3.2 The Land Boundary Draft.....

3.4 Determining Land Value.....
3.5 Selling and Leasing Land to Others.....
3.6 Contracting to Sell Buildings After the Land is Privatized. .....

Appendixes

1. Regulation for Selling Land Parcels.....
2. Application Form.....
3. Certificate of Sale Price.....
4. Committee for Land Resources and Land Management Conclusions.....
5. Architecture and Planning Committee Conclusions.....
6. Buy-Sell Agreement for a Land Parcel.....
7. Certificate of the Ownership Right to Land (Endorsed at the Federal Level).....
8. Presidential Decree No. 1535 (excerpts) .....
9. Presidential Decree NO. 478 (excerpts) .....
10. Case Study: *Zavod Plastmassovykh Izdelyi*.....
11. Land Parcel Purchasing Procedure Chart.....
12. Federal Title Registration Forms.....
13. The Fundamentals of Real Estate.....

ANNEX H
SPECIALISTS TRAINED BY ELS

Deliverable 5 required that no fewer than 65 Russian lawyers and real estate professionals be trained in enterprise land sales. The ELS program exceeded this benchmark, training 175 professionals in 39 locations, distributed as shown in the following table.

Location	Number of Professionals Trained
Moscow core office	6
Moscow hub	33
St. Petersburg hub	26
Ekaterinburg hub	63
Novosibirsk hub	36
Volgograd hub	11
Total	**175**

No.	NAME OF TRAINED PROFESSIONALS	CITY
MOSCOW HUB Total:		**39**
1	Arikainen A.	Core
2	Dmitriev D.	
3	Zadorov O.	
4	Podushkin A.	
5	Trepykhalin A.	
6	Yolkin S.	
1	Gerasimov G.	Moscow
2	Isaeva J.	
3	Marinin S.	
4	Nazarova A.	
5	Salashin S.	
6	Solovyov V.	
7	Turlaev P.	
8	Yermolenko D.	
1	Baskakov S.	Tver
2	Kaminsky V.	
1	Matuzevich V.	Smolensk
2	Moiseev V.	
1	Lebedeva G.	Yaroslavl
2	Verkhovets S.	
1	Lipatov T.	Ivanovo
2	Pereverzev E.	

No.	NAME OF TRAINED PROFESSIONALS	CITY
NOVOSIBIRSK HUB Total:		**36**
1	Karpov V.	Novosibirsk
2	Lantyukhov A.	
3	Mamatov A.	
4	Mzhelsky M.	
5	Tupiko I.	
6	Shevchenko A.	
7	Tambovtceva A.	
1	Slastenkov A.	Kemerovo
1	Kabalin I.	Krasnoyarsk
2	Loyko V.	
3	Zubkovskaya L.	
1	Akulova A.	Irkutsk
2	Baranova N.	
3	Fedoseeva N.	
4	Martynov I.	
5	Rizman O	
1	Bortnikova G.	Barnaul
2	Brovchuk V.	
3	Guseletova G.	
4	Iliakhina G.	
5	Malkov G.	
6	Vasilyeva Z.	

No.	NAME OF TRAINED PROFESSIONALS	CITY
1	Sheblova V.	Vladimir
2	Ubozhenko V.	
1	Belov E.	Tula
2	Vinogradova M.	
1	Averin Y.	Kaluga
2	Ovchinnikov A.	
1	Belorybkin S.	Kirov
2	Kolomenskiy D.	
1	Makeev V.	Orel
2	Orekhov N.	
3	Vvedensky L.	
1	Chernov V.	Kazan
2	Dimiev A.	
1	Kulyasov V.	Saransk
2	Mashtanova N.	
1	Smertanin V.	Voronezh
2	Krutchenko A.	
EKATERINBURG HUB Total:		**63**
1	Burkov A.	Ekaterinburg
2	Khaikin V.	
3	Koukoushkin V.	
4	Kruglov V.	
5	Militsen S.	
6	Nikitin A.	
7	Pietkevich T.	
8	Reznichenko P.	
9	Zhitnuhina O.	
10	Reva S.	
11	Shirinkina T.	
12	Konstantinov K.	
13	Takhtobin A.	
14	Bondarev D.	
15	Volkova N.	
16	Sabzhanov O.	
17	Menshikova T.	
18	Kovalenko L.	
19	Rybyakova N.	
20	Lobyntseva E.	
21	Sharypov A.	
22	Titova N.	
23	Smagina O.	
24	Deryugina N.	
1	Artemyev V.	Kurgan

No.	NAME OF TRAINED PROFESSIONALS	CITY
1	Krychinsky P.	Omsk
2	Brazhnikov M.	
3	Elovenko N.	
4	Puzikov P.	
5	Redkin M.	
6	Shamshin N.	
7	Anisimov V/	
8	Yumasheva O.	
9	Gaikalov S.	
10	Lolaev A.	
11	Zheleznova V.	
1	Fisher V.	Tomsk
2	Kravtsov V.	
3	Philimonova L.	
VOLGOGRAD HUB Total:		**11**
1	Afanasyeva L.	Volgograd
2	Beschastniy P.	
3	Golubsova N.	
4	Bondar M.	
5	Mironov A.	
6	Golov O.	
1	Ohotskaya M.	Krasnodar
2	Lebedintseva E.	
1	Korinevsky A.	Rostov on Don
1	Lysov A.	Saratov
1	Kiselman V.	Samara
1	Federov V.	Chelyabinsk
2	Khalezina I.	
3	Kozhevnikov M.	
4	Kubardin A.	
5	Shevchenko V.	
6	Surnakin P.	
7	Vlasov I.	
8	Veksel V.	
9	Zyryanov A.	
10	Ponomareva O.	
1	Trubin A.	Orenburg
2	Syemkin V.	
3	Zlobina O.	
ST. PETERBURG HUB Total:		**26**
1	Kurochkina N.	St. Peterburg
2	Maslennikov N.	
3	Miagkov V.	

67

No.	NAME OF TRAINED PROFESSIONALS	CITY
2	Egorov A.	
3	Ostanin A.	
4	Vilms P.	
5	Vyrodov Y.	
6	Zhigachev A.	
7	Galaktionov B.	
1	Bekshansky A.	Perm
2	Blokhin I.	
3	Dmitriev G.	
4	Gorbunov V.	
5	Kolpakov A.	
6	Subotin A.	
7	Tarakanov A.	
8	Yezhikova G.	
9	Ogorodnikov S.	
10	Kopanev A.	
11	Putin Y	
1	Butsov G.	Tyumen
2	Vakulenko V.	
3	Zagvyazinsky V.	
4	Gradoboyeva N.	
5	Ponomarenko T.	
6	Vlasova L.	
7	Smirnov Y.	
8	Smirnov A.	

No.	NAME OF TRAINED PROFESSIONALS	CITY
4	Nosov S.	
5	Pago E.	
6	Petrovich M.	
7	Pakhomova O.	
8	Kostenko S.	
9	Kuznetsov A.	
10	Polezhaeva L.	
11	Galkin M.	
1	Victorov M.	Leningr. obl.
2	Afonkin A.	
3	Golubeva E.	
4	Monakhov A.	
1	Drozdov A.	Vologda
2	Ruchaev Y.	
1	Ivanov I.	Pskov
2	Kharchevnikov N.	
3	Zhuravlyova S.	
1	Baraboshin A.	Novgorod
2	Kostenko N.	
1	Shashin A.	Kalilningrad
2	Budkina Y.	
3	Tronin E.	
1	Kuchenkov A.	Murmansk

68

ANNEX I
COMMERCIALIZATION OF ELS ENTITIES

In 34 locations where ELS operated, 57 entities cooperated with the program (Table 1). Thirty-nine of those entities (Table 2) commercialized their operations under ELS.

Table 1. List of Cooperating Entities

No./name of organizations under training	Type	Location
A/O Titan	Real Estate	Tver
A/O Center INA	Real Estate	Smolensk
TOO Lego	Real Estate	Yaroslavl
Investment Company Short	Real Estate	Ivanovo
TOO ARPP	Appraisal	Vladimir
Kaluzhsky Fondovy Dom	Consulting	Kaluga
Tula Real Estate	Real Estate	Tula
Kirov Department of anticrisis management of enterprises	Law firm	Kirov
AO Orlovsky Fondovyi Dom	Real Estate	Orel
OOO Center of expertise and appraisal	Real Estate	Kazan
AO Voronezh Real Estate Agrncy	Real Estate	Voronezh
"Chekni"	Real Estate	N.Novgorod
Investment Company Corporation IFK	Consulting	Sykyvkar
Progal (IMCA)	Real Estate	St. Petersburg
Gradostroitel	Consulting	St. Petersburg
Perspectiva	Real Estate	St. Petersburg
LenAlp	Real Estate	St. Petersburg
Skin	Survey	St. Petersburg
Baltic Group for Valuation of Fixed Assets	Real Estate	Kaliningrad
Morning Star	Real Estate	Novgorod
IMCA-Pskov	Real Estate	Pskov
Vologda commercial construction company (VINDA)	Real Estate	Vologda
Privatization Assisting Bank	Consulting	Chelyabinsk
PromStroyProekt/Southern Urals	Consulting	Chelyabinsk
Kurgan City Architecture Committee	Regulatory	Kurgan
TOO"Komplex"	Consulting	Kurgan
Expertise and Appraisal Center	Consulting	Kurgan
Ural Fund Center	Consulting	Ekaterinburg
Tektonics	Real Estate	Ekaterinburg
Land Reform Center	Consulting	Ekaterinburg
AOZT Lear Ltd.	Consulting	Ekaterinburg
AO Continent	Consulting	Ekaterinburg
AOZT NPTsOM	Real Estate	Ekaterinburg
Russian Law	Law firm	Ekaterinburg

No./name of organizations under training	Type	Location
Management Consulting Agency	Law firm	Ekaterinburg
Ural Center of Independent Appraisal	Real Estate	Ekaterinburg
Zemlja Consulting	Consulting	Ekaterinburg
UralStroyNIIProekt	Consulting	Ekaterinburg
Western-Ural Institute of Expertise, Appraisal and Auditing	Consulting	Perm
AO Torgovy Dom Nedvizhimost	Real Estate	Perm
Real Estate of Pricamja	Real Estate	Perm
Arkady Kopanev	Law firm	Perm
AOZT Masterskaya Proektirovshik	Consulting	Tyumen
State Enterprise "Land"	Regulatory/Survey	Orenburg
Saion	Appraisal	Volgograd
Istina	Law firm	Volgograd
ATIS	Real Estate	Volgograd
Neocon	Appraisal	Rostov-on-Don
OOO "Povolzhskoje Appraisal Agency"	Appraisal	Saratov
Dux	Real Estate	Samara
Siberian Appraisal Center	Real Estate	Novosibirsk
Tenderny Center	Real Estate	Barnaul
Tsniipromzdanii	Appraisal	Kemerovo
Audit-Delo	Auditing	Irkutsk
Ledon	Real Estate	Omsk
Expert Appraisal Agency	Appraisal	Omsk
Krasnoyarsk Promstroiniiproekt	Appraisal	Krasnoyarsk

Table 2. Entities Commercialized under ELS

Location	Name of Enterprise
Voronezh	AO Voronezh Real Estate Agency
Vladimir	ZAO "Agency for work with Privatized Enterprises"
Ivanovo	Investment company 'Short"
Yaroslavl	TOO "LEGO"
Tver	TOO "TITAN"
Kaluga	Kaluzhsky Fondovy Dom
Nizhny Novgorod	Firm "Checkni"
Tula	Tula Real Estate
Smolensk	AO "Center INA"
Kirov	Kirov Department of anticrisis management of enterprises
Orel	AO Orlovsky Fondovyi Dom
Saransk	LPC
Syktyvkar	Corporation "IFK"
St. Petersburg	Perspectiva
St. Petersburg	Gradostroitel
St. Petersburg	IMCA
Leningradskaja oblast	Lenalp-Estate

10

Location	Name of Enterprise
Novgorod	"Morning Star"
Pskov	IMCA-Pskov
Vologda	"VINDA"
Kaliningrad	Euro-Baltiiskaja corporation "Land and Real Estate
Volgograd	AOZT "ATIS"
Rostov-on-Don	"NEOCOM"
Saratov	OOO "Povolzhskoje Appraisal Agency"
Samara	OOO "DUX"
Cheljabinsk	PromStroyProekt/Southern Urals
Perm	ZAO "Real Estate of Pricamja"
Ekaterinburg	"Zemlya Consulting"
Ekaterinburg	OOO "Lear Ltd."
Ekaterinburg	Tektonics
Tyumen	AOZT Masterskaya Proektirovshik
Kurgan	Expertise and Appraisal Center
Orenburg	State Enterprise "Land"
Krasnoyarsk	Krasnoyarsk Promstroiniiproekt
Irkutsk	Audit-Delo
Kemerovo	Tsniipromzdanii
Novosibirsk	Expertise and Appraisal Center
Barnaul	Tenderny Center
Omsk	Expert Appraisal Agency

71

ANNEX J
EXPATRIATE PHASE-OUT SCHEDULE

Expatriate	Date Departed
Laura Davis, Legal Specialist	October 22, 1995
Larry Morgan, Interim COP	November 6, 1995
Scott Whitman, Logistics Specialist	December 21, 1995
Scott Bolls,Hub Manager, Novosibirsk	January 26, 1996
Al Victors, Hub Manager Advisor	February 27, 1996
Howard Prim, Hub Manager, Moscow I	March 27, 1996
Jon Abrams, Training Manager	June 13, 1996
Alex Gamota, Hub Manager, Ekaterinburg	June 21, 1996
Robert Dawson, Hub Manager, Novosibirsk	June 20, 1996
Gere Gaige, Hub Manager, Volgograd	June 14, 1996
Larry Patterson, Legal Specialist	July 23, 1996
Steve Dixon, Hub Manager, Moscow	August 8, 1996
Louis Faoro, COP	November 8,1996
Wendy Sutton, Field Office Administrator	November 14,1996

72