

Maria C. Andrade-Stern

Senior Contract Administrator

Direct Dial: (202) 261-5396

FAX: (202) 728-0231

mandrade@ui.urban.org

October 15, 2003

Mr. David Brown
Contracting Officer
United States Agency for International Development/Armenia
18 Marshall Baghramyan Avenue
Yerevan, 375019 Armenia

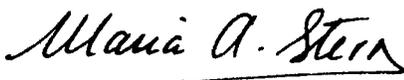
RE: Contract No. EEU-I-00-99-00015-00, TO No. 807
UI Project 06901-019, Armenia Local Governance Program, Phase II
Quarterly Task Order Progress and Cost Report, July to September 2003

Dear Mr. Brown:

Please find enclosed the *Quarterly Task Order Progress and Cost Report, July to September 2003, for the Armenia Local Government Program*. Sections F.5 and F.6 of our Local Government Assistance Initiative Indefinite Quantity Contract require this report.

Please direct any technical questions to Mr. Samuel Coxson, CoP, UI/Yerevan at +374 1-580-739 or by E-mail at scoxson@yahoo.com. Questions of a contractual nature should be addressed to me at (202) 261-5396.

Sincerely,



Maria C. Andrade-Stern

Enclosures

cc: Bella Markarian (USAID/Armenia)
Mike Keshishian (USAID/W)
Sam Coxson (UI/Yerevan/Armenia)
USAID Development Clearinghouse
IAC Deliverables File (06901-008)
IAC Chron File

**QUARTERLY TASK ORDER
PROGRESS AND COST
REPORT**

**ARMENIA LOCAL
GOVERNMENT PROGRAM,
PHASE II**

JULY TO SEPTEMBER 2003

Prepared for



Armenia Local Government Program, Phase II
United States Agency for International Development
Contract No. EEU-I-00-99-00015-00, Task Order No. 812

Prepared by

Samuel L. Coxson
The Urban Institute



THE URBAN INSTITUTE
2100 M Street, NW
Washington, DC 20037
(202) 833-7200
www.urban.org

October 2003
UI Project No. 06901-019

TABLE OF CONTENTS

I. HIGHLIGHTS	2
II. PROGRESS OF MAJOR ACTIVITIES	2
Interview and Selection of Five New Program Cities	2
Revised Implementation Plan Submitted to USAID	2
Economic Development Strategy Implementation Plan for Ijevan and Alaverdi Completed	3
Projects for Grant Funding Submitted by Ijevan and Alaverdi	3
III. DELIVERABLES	4
IV. PROBLEMS OR DELAYS AFFECTING TASK ORDER PERFORMANCE	4
V. WORK PLANNED FOR NEXT REPORTING PERIOD	4
VI. SPECIFIC ACTION REQUESTED	6

Attachment

Cost Report

QUARTERLY TASK ORDER PROGRESS AND COST REPORT
ARMENIA LOCAL GOVERNMENT PROGRAM, PHASE II
JULY TO SEPTEMBER 2003

Task Order No.: EEU-1-00-99-00015-00, Task Order No. 812

Date of Issuance: May 19, 2003

Amount Obligated Under Task Order: \$1,000, 000

Total Potential Task Order Amount: \$1, 899, 362

Dollars Expended To-date: \$144,378

Key Personnel: Samuel L. Coxson, 374 1 522-787,
slcoxson@yahoo.com

TASK ORDER NO. 812 DESCRIPTION

In May 2003, USAID contracted with UI to implement a two-year local government follow-on project in Armenia. The project provides deeper training and technical assistance designed to increase local government accountability, accessibility and responsiveness to citizens. The program also continues the TA in developing increased effectiveness and transparency at the local government level. There are, however, some important additional points, which are described below.

The Armenia Local Government Program Phase II is designed to meet USAID's strategic objective 2.1 "More Transparent, Accountable and Responsive Democratic Governance" as well as intermediate results objectives 3.0 through 3.2:

- IR 3.0 " More responsive and effective local government"
- IR 3.1 " More effective and transparent management"
- IR 3.2 " Government is more accessible"
- IR 3.2 " Legal framework supports decentralization"

The USAID Armenia Local Government Program continues as Phase II. Phase I and Phase II are very similar, although there are important differences. The Phase II program will cover several topics of municipal capacity building in much more detail than Phase I covered. This deepening of specific areas of capacity is an integral part of the five-component program:

Component 1. Municipal Management Systems (budgeting, asset management, citizen registry, land and property inventory, tax administration and performance management implementation in at least one local government service)

Component 2. Citizen Participation (household surveys, standing committee appointment, student-government days, ad hoc advisory committee appointments, local government newsletters and an information center for citizen inquiries).

Component 3. Community Based Economic Development Strategy with a grant component that allows up to \$10,000 for each city for economic development activities.

Component 4. Apartment Building Management (generally a continuation of apartment building management training efforts with a focus on ownership rights and duties and improvement of common areas and communal services).

Component 5. Policy Reform and Association Strengthening (focuses on increasing the sustainability of LGP related national level NGOs as well as collaboration on legislation that increases decentralization).

I. Highlights

- Interview and Selection of Five New Program Cities
- Revised Implementation Plan Submitted to USAID
- Economic Development Strategy Implementation Plan for Ijevan and Alaverdi Completed
- Projects for Grant Funding Submitted by Ijevan and Alaverdi

II. Progress of Major Activities

INTERVIEW AND SELECTION OF FIVE NEW PROGRAM CITIES

Local Government Program, Phase II (LGP-II) staff completed the interview of nine cities in six marzes and selected five. The five are all in different marzes to give the program the desired geographical representation. The five selected cities are: Abovian, Aparan, Ararat, Artik and Echmisdzin. These cities were submitted to USAID and approved for inclusion into the program. This selection brings the total program cities to the twelve specified in the terms of reference.

REVISED IMPLEMENTATION PLAN SUBMITTED TO USAID

In July, the draft implementation plan was presented to USAID for approval. That plan was reviewed and several recommendations to clarify the plan were made by USAID. These recommendations were incorporated into a redraft of the plan and submitted in early September. The Democracy and Governance committee is reviewing the revised submission.



ECONOMIC DEVELOPMENT STRATEGY IMPLEMENTATION PLAN FOR IJEVAN AND ALAVERDI COMPLETED

During LGP-I both Ijevan and Alaverdi had completed their economic development strategies, but had not completed the implementation plan. In early August and September LGP-II staff met with both cities and assisted in the completion of the strategy implementation plans. During this process each city identified three projects that they submitted to LGP-II and USAID for grant fund consideration.

PROJECTS FOR GRANT FUNDING SUBMITTED BY IJEVAN AND ALAVERDI

The City of Ijevan selected three potential projects to implement as part of its economic development strategy. After a two-day workshop, assisted by LGP-II staff, the city selected the following to request grant funding for:

1. Tourism Development—City Solid Waste and Litter Cleanup
-This proposed activity would fund the purchase of a used garbage truck to pick up trash and street sweepings in the downtown area. (Estimated Cost \$14,000)
2. Downtown Commercial Center
-This proposed activity would fund the construction of a downtown building that would allow the city to remove unsightly kiosks and booths. (Estimated Cost \$18,000)
3. Establishment of a Business Information and Service Center
-This proposed activity would fund the establishment of a business support center that would increase the support for local entrepreneurs to gain training, access to funding and credit and network among other micro and small businesses. (Estimated Cost \$10,000)

One of these options will be selected for up to \$10,000 of grant funding. Local match by the receiving organization must be at least ten percent.

Similarly, the City of Alaverdi has selected three potential projects to implement as part of its economic development strategy. After a two-day workshop, assisted by LGP-II staff, the city refined its strategy implementation plan and selected the following activities to request funding for:

1. Tourism Development—Solid Waste and Litter Cleanup
-This activity would manufacture solid waste containers and litter trash cans for the pick up and removal of trash and litter throughout the city. (\$10,000)
2. Sports and Health Complex
-This activity would renovate a sports school to create entertainment and exercise activities for a fee. (\$10,000)

3. Establishment of a Business Information and Service Center

-This proposed activity would fund the establishment of a business support center that would increase the support for local entrepreneurs to gain training, access to funding and credit and network among other micro and small businesses. (Estimated Cost \$10,000)

III. Deliverables

- Revised Implementation Plan
- Completed Economic Development Strategy and Implementation Plan for Ijevan and Alaverdi

IV. Problems or Delays Affecting Task Order Performance

None at this time.

V. Work Planned for Next Reporting Period

During the next quarter LGP-II will continue the work started in several program cities as well as begin work in the five new cities. The initial step will be to provide the cities with at least one new computer and standard LGP-II software.¹ Following this the cities will receive training on the software and hardware. Planned work during the next quarter is described in more detail under the following project components.

Component 1

Work has started and will continue with the implementation of a performance management activity in Sisian. This activity will continue in Sisian until the city has established a performance management (PM) system in one service; the city has selected solid waste collection. The PM system will be completed by the end of the fourth quarter. It will also have been started in at least two other cities determined based on city staff readiness and LGP-II staff availability.

Concurrent work on asset management has been started in Jermuk. The objective of this activity is to carry the asset management work that has been done through to the full plan (currently the city has only the inventory without an analysis of disposition, plan for disposition and asset use).

¹ This software is developed by the Information Development and Training Center (IDTC) for the citizen registry and office works. The City Finance Officers Association (CFOA) will load and monitor the entry of budget and financial management software.



Component 2

Participatory urban assessments (PUA) have been updated in the seven carry-over cities. In addition to the updated information, the PUAs have selected new or reelected neighborhood representatives. These neighborhood gatherings are called citizen action groups (CAG) and representatives from the citizen action groups serve on a committee appointed by the mayor to advise the city on citywide and neighborhood issues including but not limited to the annual budget and capital investment plan.

Component 3

In addition to the economic development strategy implementation plan completion in Alaverdi and Ijevan, LGP-II staff has carried out preliminary information gathering for conducting strategy workshops in Vanadzor. Additionally, LGP-II anticipates approval of one of the proposed activities for grant funding by USAID for Alaverdi and Ijevan. LGP-II staff will assist with and monitor the implementation of the grant activity.

Component 4

Training for condominium associations and their registration has been started in three cities, Sisian, Alaverdi and Sevan. Fourteen associations will be registered and trained in apartment building management. Further, LGP-II will work with the National Association of Condominium Owners to establish a data bank on all condominium associations, their management and fee collection activities.

Component 5

LGP-II is working with the following associations in an effort to influence national legislation, decrees, regulations to increase decentralization and greater autonomy for local governments:

- City Finance Officers Association
- Armenian Councilors Association
- Information Development and Training Center
- National Association of Condominium Owners
- Union of Communities

Currently LGP-II staff is assisting the City Finance Officers Association is working with central government committees and the Committees of the National Assembly to amend the Equalization Law (provides for transfers to local governments). And the State Tax Service to quickly transfer land and property tax collection to local governments.

LGP-II staff is working with the Information Development and Training Center to persuade the Central Election Commission to adopt the software developed for cited by the IDTC. This software is capable of producing an accurate voter registration list when kept up to date.

VI. Specific Action Requested

None at this time.