



BUSINESS ENVIRONMENT IMPROVEMENT PROJECT

ANNUAL REPORT #1
OCTOBER 2006 – SEPTEMBER 2007

October 8, 2007

This report was produced for review by the United Agency for International Development. It was prepared by the USAID Business Environment Improvement Project implemented by The Pragma Corporation.

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Contract Number: 176-C-00-06-00007

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The Business Environment Improvement Project (BEI) is pleased to submit its first annual report to USAID detailing progress and achievements for the period October 2006 - September 2007. The report is divided into two sections – the first section discussing highlights from the period and a summary of BEI performance versus targets across indicators included in the Performance Monitoring Plan (PMP); and the second - reporting on progress toward achieving specific work plan objectives and performance versus targets details.

PROJECT HIGHLIGHTS

During the first contract year, BEI quickly established project offices, hired local staff and formally launched the project in all three countries. Where appropriate, work previously supported by USAID through the Trade Facilitation and Investment (TFI) or Legal Infrastructure for a Market Economy (LIME) Projects was continued and, such support to on-going reforms as the adoption of a new Law on Investment in Tajikistan, new Law on Licensing in Kazakhstan, and the Inspections Law in the Kyrgyz Republic, produced significant results.

In addition to promoting legal changes and government operational improvements, BEI increased USAID support to information dissemination activities to (1) build demand for reform in specific areas and (2) put information in the hands of individual entrepreneurs and representative organizations to empower independent protection of rights and a private sector check on government compliance with both existing laws and future reforms. Whether through an electronic information network in Tajikistan replicating BEI information including media, associations and business service providers that can reach over 8,000 entrepreneurs, plain-language guides and legal processes developed with private sector counterparts for government representatives and entrepreneurs, or published articles in newspapers in the Kyrgyz Republic that built demand for adoption and implementation of the Law on Inspections, use of information opportunities contributed to many results in the first year and will be increasingly important in future years.

PERFORMANCE VERSUS TARGETS SUMMARY

BEI is pleased to report that of the 35 project indicators, targets were met or surpassed for 33 for a total combined economic impact conservatively estimated at over \$146 million. The large impact in year 1 includes over \$110 million in cost reductions for entrepreneurs in the new Procurement Law in Kazakhstan. While future opportunities to support single reforms with such large individual impacts may be present, they cannot be predicted, so future year projected targets have not been adjusted.

Following are the summary results for 2007.

Indicator	Kazakhstan		Kyrgyz Republic		Tajikistan	
	2007		2007		2007	
	Target	Actual	Target	Actual	Target	Actual
PR2. BUSINESS ENVIRONMENT IMPACT						
Business Environment annual impact (in \$mln).	5.0	131.67	1.0	9.65	1.0	4.78
IR1. STRENGTHENED COMMERCIAL LAW FRAMEWORK						
Total number of new or amended commercial laws (annual).	3	3	2	2	4	7
IR2. IMPROVED REGULATORY PROCESSES						
Ratio of BEI-supported legal and administrative process improvements validated six months after the improvement takes effect to the total number of BEI-supported changes.	80%	100%	80%	100%	80%	80%

IR3. INCREASED CAPACITY FOR IMPROVEMENT AND PROPER IMPLEMENTATION OF THE LEGAL/REGULATORY ENVIRONMENT						
Number of institutionalized engagements of private sector or 3rd party service providers by government annually.	7	9	5	1	6	3
Number of laws, regulations or similar acts adopted using improved drafting procedures annually.*	4	5	2	2	0	6
IR4. IMPROVED CONTRACT ENFORCEMENT (KR ONLY)						
Number of cases resolved by the ICA.	n/a	n/a	10	12	n/a	n/a
Ratio of ICA revenues to operational costs.	n/a	n/a	36%	56%	n/a	n/a
A. INCREASED PRIVATE SECTOR CAPACITY						
Share of formal partners that have achieved reform success without direct BEI support.	30%	50%	30%	60%	10%	44%
B. STRENGTHENED TECHNICAL CAPACITY OF GOVERNMENT PARTNERS						
Number of government counterparts trained annually (participants).	50	117	40	122	35	51
C. INCREASED INFORMATION USE						
Number of independent service providers utilized by private sector and/or government partners annually.	3	9	4	4	2	11
Number of information products on business environment issues disseminated annually.	3	6	2	2	5	20
Number of media products on business environment issues disseminated annually.	10	13	10	25	10	14
D. EXPANDED GEOGRAPHIC COVERAGE						
Number of municipalities receiving BEI assistance either directly or through 3rd parties.	10	14	5	13	4	5

Note: * not restricted to adoption of and compliance with formal drafting procedures, but includes publication, public presentation, and opportunities for comment facilitated by BEI.

The only two targets not achieved were for institutionalized engagements in the Kyrgyz Republic and Tajikistan, due in large part to political uncertainty and government resistance. BEI will continue to promote increased institutionalization of public-private dialogue mechanisms in future years.

CONTEXT INDICATORS AND WORLD BANK DATA

CONTEXT INDICATORS

In accordance with the PMP, the following data is reported to provide additional information regarding the business environment.

Context Indicator	Kazakhstan		Kyrgyz Republic		Tajikistan	
	2006	2007	2006	2007	2006	2007
SME contribution to GDP	30.9%	N/R	43.6%	44.7%	41.6%	42.3%
Size of the informal economy as estimated by the World Bank	N/R	N/R	N/R	N/R	N/R	N/R
Gross foreign direct investment (FDI) in sectors outside of extracting industries such as oil and gas, mining, metals, power generation (USD millions / % GDP*)	4702.5 / 8.23%	8092.6 / 10.48%	185.9 / 7.56%	280.5 / 10.41%	104.4 / 4.52%	N/R
World Bank's "Doing Business" Country Ranking*	63	71	90	94	133	153
World Bank's Government Effectiveness indicator*	-0.58	-0.53	-0.89	-0.86	-1.10	-1.06

World Bank's Rule of Law indicator*	-0.79	-0.82	-1.07	-1.18	-1.00	-1.06
World Bank's Control of Corruption indicator*	-0.94	-0.92	-1.06	-1.09	-1.07	-0.91
World Bank's Regulatory Quality indicator*	-0.47	-0.42	-0.66	-0.57	-1.02	-0.98

Note: * Year indicates publication date of WB data. N/R = not reported.

For World Bank's "Doing Business Country Rankings, 1 is best and 178 is worst.

For World Bank's indicators, 2 is best and -2 is worst.

Data for SME contribution to GDP and FDI in non-extractive industries are taken from national statistics sources: the Ministry of Industry and Trade of Kazakhstan, National Bank of Kazakhstan, Kyrgyz National Statistical Committee, State Statistics Committee of Tajikistan, and State Committee for Investments and State Property Management of the Republic of Tajikistan. The Ministry of Industry and Trade of Kazakhstan reports it has no data for SME contribution to GDP for calendar years 2006 and 2007; this may be due to changes in the definition of "SME" that took place in 2006. The State Statistics Committee of Tajikistan is still preparing data for calendar years 2006 and 2007, and lacks data for FDI to several, non-extractive sectors in calendar 2005.

Recent data estimates for the size of the informal economy in Kazakhstan, the Kyrgyz Republic and Tajikistan are not available from the World Bank. The most-recent estimates for Kazakhstan and Tajikistan date from 2000, and are found in a 2002 World Bank publication that has not been repeated by that organization.

WORLD BANK DOING BUSINESS INDICATORS (PROJECT RESULT 1)

As indicated in the BEI Performance Monitoring Plan, BEI intended to use indicators within 5 processes tracked by the World Bank Doing Business team (starting a business, dealing with licenses, registering property, paying taxes, and enforcing contracts) and one process tracked by both the EBRD and the World Bank (inspections). Originally, improvement of process-specific rankings as annually published by the World Bank for the targeted processes in each country was considered for project evaluation. However, as rankings are based on country performance relative to other countries in the sample, use of raw underlying indicators (number of days, cost, etc) was determined to be a more reliable measure for evaluating country-specific improvement.

On the assumption that baseline data once established would remain constant, indicators published in 2007, based on 2006 data, were suggested as baseline figures from which the project would achieve at least an aggregate 25% improvement over 4 years.

In 2007, the baseline figures were as follows, with ranking by process taken from the World Bank Doing Business 2007 report (see 2007 country sheets attached as Appendix 1):

Indicator	Kazakhstan	Kyrgyz Republic	Tajikistan	Notes
Doing Business 2007 (2006 data)				
Starting a Business				
Rank	40	41	166	For World Bank "Doing Business" Indicators, an overall average net improvement of 25% is targeted for the life of the project. BEI will track these data as reported by the World Bank annually, but not set forward-looking yearly targets for individual processes.
Procedures (Number)	7	8	14	
Time (days)	20	21	67	
Cost (% GNI)	7.0	9.8	75.1	
Min Capital (% GNI)	23.1	0.5	378.6	
Dealing with Licenses				

Rank	119	143	85	
Procedures (Number)	32	20	18	
Time (days)	248	218	187	
Cost (% GNI)	35	510.4	154.7	
Registering Property				
Rank	76	31	40	
Procedures (Number)	8	7	6	
Time (days)	52	8	37	
Cost (% value)	1.8	1.9	2.0	
Paying Taxes				
Rank	66	150	154	
Payments (Number)	34	89	55	
Time (Hours)	156	204	224	
Total Tax Rate (% profit)	45.0	67.4	87.0	
Enforcing Contracts				
Rank	27	38	39	
Procedures (Number)	37	44	46	
Time (days)	183	140	257	
Cost (% debt)	11.5	12.0	10.3	
Inspections				
Inspections (Number)	11.65	13.93	11.64	Incl. fire, SES, police, environment, tax, customs and labor inspections. No exact data were available for the number of labor inspections per year; data est. taken from BEEPS graphs.
Time (hours)	16.92	58.47	17.08	
Bribes (% frequent)	23	52.8	21.3	

Note: PRI data is taken directly from the World Bank doing business reports. Baseline data is from the 2007 report (2006 data). Since the 2008 report has not been published, the summary table of World Bank data is the same as in the BEI PMP and not repeated here.

The rankings for these individual processes alone involve the analysis and quantification of cost and time requirements to complete over 18,000 individual procedures in over 175 countries.

During the contract year, BEI completed a robust validation of World Bank results using World Bank assumptions and methodology for the indicated processes. BEI provided the results to the World Bank, and while much of the BEI analysis was subsequently used by the World Bank in its 2008 report, and some indicators moved closer to BEI results, discrepancies remain between BEI and World Bank evaluations of the difficulty in doing business.

As indicated in the BEI validation report of World Bank Doing Business Indicators in Kazakhstan, the Kyrgyz Republic and Tajikistan, there are concerns about data quality and the relationship between the indicators and the real environment for entrepreneurs given assumptions underlying the Doing Business study that are necessary to facilitate cross-country comparisons. The recently released data for 2008 include many large changes in reported indicators that are not driven by significant changes in either the commercial law framework or government operations, but may be due to either changes in World Bank characterization of processes or overall data quality.

In addition to questions regarding the actual drivers of the changes in indicators from 2007 to 2008, the 2007 rankings for individual processes for each country have been retroactively changed. The rankings for individual processes actually published in the Doing Business 2007 report are different from what are listed as historical 2007 rankings published for comparison with the Doing Business 2008 report by the World Bank (See Appendix II, III).

The World Bank states that some methodology changes and the inclusion of 3 new countries have necessitated revision of historical information (Appendix IV). But neither explanation accounts for the large

discrepancy between rankings published in 2007 (and used in the PMP for a baseline) and figures published in 2008 as revised 2007 rankings.

Kazakhstan

	2007 rank (Published in DB 2007)	2007 rank (From WB DB Site 2008)	2008 rank (Published in DB 2008)	Change in rank (Reported in DB 2008)	Change in rank based on 2007 published rank
Starting a Business	40	48	57	-9	-17
Dealing with Licenses	119	173	173	0	-54
Registering Property	76	71	72	-1	+4
Paying Taxes	66	44	44	0	+22
Enforcing Contracts	27	28	28	0	-1

Kyrgyz Republic

	2007 rank (Published in DB 2007)	2007 rank (From WB DB Site 2008)	2008 rank (Published in DB 2008)	Change in rank (Reported in DB 2008)	Change in rank based on 2007 published rank
Starting a Business	41	45	49	-4	-8
Dealing with Licenses	143	150	152	-2	-9
Registering Property	31	7	16	-9	+15
Paying Taxes	150	153	152	+1	-2
Enforcing Contracts	38	31	32	-1	+6

Tajikistan

	2007 rank (Published in DB 2007)	2007 rank (From WB DB Site 2008)	2008 rank (Published in DB 2008)	Change in rank (Reported in DB 2008)	Change in rank based on 2007 published rank
Starting a Business	166	171	161	+10	+5
Dealing with Licenses	85	163	166	-3	-81
Registering Property	40	40	43	-3	-3
Paying Taxes	154	153	155	-2	-1
Enforcing Contracts	39	23	23	0	+16

The mutable history of the World Bank indicators raises difficulties for benchmarking and for the accuracy of the information. In Kazakhstan, for example, the World Bank reported an increase in the cost of construction permits from 2007 to 2008 of almost 6000%, but these increases seem to have been retroactively applied to 2007 to show 0 change in the Dealing with Licenses ranking for 2007 to 2008. In Tajikistan as well, a similar revision occurred in Dealing with Licenses.

There is also a revision in the paying taxes rank for Kazakhstan. The number of tax payments indicator, as reported by the World Bank from 2007 to 2008, decreased from 34 to 9, but due to a retroactive ranking

increase in 2008 for the 2007 ranking, the World Bank reported a ranking change of 0 from 2007 to 2008 instead of the 22 rank increase when compared with data actually published in the 2007 report.

In the Kyrgyz Republic, the number of steps to complete property registration and the time required was almost cut in half, but the cost increased. Rather than a ranking change reflecting the significant process impact from a rank of 31 in 2007 to 16 in 2008, the 2008 report uses a revised rank of 7 for 2007 for this process and overall decrease in ranking in 2008 of 9.

Without publication of the full details of the revised discrete indicators for every process and the revised ranking spreadsheet, it is impossible to know on what basis the ranking changes were made or if the revised history was corrected due to bad data in prior years or if environment changes are timed correctly with underlying legal changes in each country. This apparent change in data has consequences for evaluation of BEI success in promoting environment change since the multiple separate indicators within processes are used for project baselines and evaluation for PR 1, instead of the overall process rankings.

The table below compares published Doing Business 2007 indicators (PMP baselines) with published Doing Business 2008 indicators. Revised World Bank indicators for 2007 underlying the revised rankings for 2007 published in Doing Business 2008 are not available at this time, but since the rankings have changed, it is assumed that the underlying indicators, even if not republished, have changed. Therefore, the percentage change calculated below, if not consistent with 2007 – 2008 ranking changes by the World Bank, is not reliable and indicators may be subject to future revision or clarification by the World Bank.

Indicator	Kazakhstan			Kyrgyz Republic			Tajikistan			Notes
	DB 2007	DB 2008	Change (%)	DB 2007	DB 2008	Change (%)	DB 2007	DB 2008	Change (%)	
PRI. DOING BUSINESS PROCESSES										
Starting a Business										
Procedures (Number)	7	8	-14.29%	8	8	0.00%	14	13	7.14%	For World Bank Doing Business Indicators, an overall average net improvement of 25% is targeted for the life of the project. As indicated in the PMP, BEI will track these data as reported by the World Bank annually, but not set forward-looking yearly targets for individual processes. Baseline data are from the Doing Business 2007 report (2006 data) for World Bank Indicators and 2005 for BEEPS.
Time (days)	20	21	-5.00%	21	21	0.00%	67	49	26.87%	
Cost (% GNI)	7	7.6	-8.57%	9.8	8.8	10.20%	75.1	39.6	47.27%	
Min Capital (% GNI)	23.1	22.9	0.87%	0.5	0.5	0.00%	378.6	311	17.86%	
Dealing with Licenses										
Procedures (Number)	32	38	-18.75%	20	20	0.00%	18	32	-77.78%	
Time (days)	248	231	6.85%	218	291	-33.49%	187	191	-2.14%	
Cost (% GNI)	35	2,129.90	-5985.43%	510.4	555.4	-8.82%	154.7	1,991.90	-1187.59%	
Registering Property										
Procedures (Number)	8	8	0.00%	7	4	42.86%	6	6	0.00%	
Time (days)	52	52	0.00%	8	4	50.00%	37	37	0.00%	
Cost (% value)	1.8	0.9	50.00%	1.9	4.1	-115.79%	2	1.9	5.00%	
Paying Taxes										
Payments (Number)	34	9	73.53%	89	75	15.73%	55	54	1.82%	
Time (Hours)	156	271	-73.72%	204	202	0.98%	224	224	0.00%	
Total Tax Rate (%)	45	36.7	18.44%	67.4	61.4	8.90%	87	82.2	5.52%	
Enforcing Contracts										
Procedures (Number)	37	38	-2.70%	44	39	11.36%	46	34	26.09%	
Time (days)	183	230	-25.68%	140	177	-26.43%	257	295	-14.79%	
Cost (% debt)	11.5	22	-91.30%	12	22	-83.33%	10.3	20.5	-99.03%	
Inspections										
Inspections (Number)	11.65	NR		13.93	NR		11.64	NR		
Time (hours)	16.92	NR		58.47	NR		17.08	NR		
Bribes (% frequent)	23	NR		52.8	NR		21.3	NR		
Total Change (%)			-433.98%			-10.65%			-95.67%	

For World Bank Doing Business Indicators, an overall average net improvement of 25% is targeted for the life of the project. As indicated in the PMP, BEI will track these data as reported by the World Bank annually, but not set forward-looking yearly targets for individual processes. Baseline data are from the Doing Business 2007 report (2006 data) for World Bank Indicators and 2005 for BEEPS.

Incl. fire, SES, police, environment, tax, customs and labor inspections. No exact data were available for the number of labor inspections per year; data est. taken from 2005 BEEPS graphs.

Note: PRI data is taken directly from the published World Bank Doing Business reports. The Doing Business 2007 report is 2006 data and the Doing Business 2008 report is 2007 data.

NR = Not Reported. According to the EBRD, data for 2007 has been collected, but has not yet been published.

KAZAKHSTAN

GENERAL

The USAID Business Environment Improvement Project in Kazakhstan is co-financed by the Government of Kazakhstan and USAID as part of the Program for Economic Development (PED)—part of the Houston Initiative agreement between the United States and the Republic of Kazakhstan. The first project year was a logical extension to the TFI Project, continuing relationships with previous partners supported by USAID and encouraging them to undertake greater leadership roles in the developing network of partners in Kazakhstan. BEI opened offices in Almaty and Astana, but to provide greater geographic coverage, instead of opening additional offices, a series of subcontractors were identified around the country. In February, BEI concluded subcontracts with three primary partners, the Foundation for Informational Support of Society Development (FISSD) in Oskemen, Independent Association of Entrepreneurs of West-Kazakhstan Region (IAE-WKR) in Oral, and "SodBi" Business Incubator (SodBi) in Shymkent, to perform BEI activities in those cities in close collaboration with the BEI country offices. As indicated in the project results, the subcontractors have been successful partners, and BEI continues to evaluate the use of long-term subcontractors to refine the existing relationships as well as to determine whether the approach can be used successfully elsewhere.

During the contract year, in Kazakhstan, there were significant changes in the political environment, including the expanded structure and functions of Parliament and government changes. As a result, some BEI activities were delayed or refocused as indicated in the work plan, including broad support to national IT initiatives which are anticipated to be incorporated within support to specific process reforms in the future instead of as a stand-alone activity. Despite changes in government policy and staff that may occur from time to time, BEI continues to work closely with counterparts in Almaty, Astana, and regional administrations, including with the ministry of Industry and Trade and the Ministry of Justice.

TECHNICAL

In Kazakhstan, BEI had a successful year facilitating business environment improvement both directly and via partners. Additionally, BEI laid the foundation for future years through establishment of a robust partnership network and building positive relationships within the Government of Kazakhstan. The overall business environment impact from BEI Year I is estimated at over \$131.67 million (see Business Environment Results Table); this is believed to be a very conservative estimate, as several activities that will likely result in more positive impact took place late in the project year are still in data-gathering stages.

Significant successes in Year I include the adoption of the new Law "On Procurement" reducing fees paid by bidders from 3% to 1% and the new Law "On Licensing" eliminating over 370 licenses. The reforms are expected to save entrepreneurs over \$110 million and \$9 million, respectively.

In cooperation with the USAID Kazakhstan Small Business Development Project (KSBD), BEI facilitated the selection of private sector and government representatives for a study tour to Poland to research regulatory policy and effective reform techniques for private sector led economic growth. During the Polish study tour, from June 24 to July 4, USAID and its KSBD and BEI Projects received extensive press-coverage (estimated to reach over five million people in Poland and worldwide). This trip resulted in a series of seminars, conducted by the Forum of Entrepreneurs of Kazakhstan (FEK) with BEI/KSBD support for government and private partners from Kazakhstan, the Kyrgyz Republic, and Republic of Tajikistan, and the information and experience gained will be used by partners in all three countries in the future.

BEI identified and began work with partners in Kazakhstan across 14 municipalities and 4 oblasts, including in the major cities of Almaty and Astana, Atyrau, Semey, Shymkent, Oral, and Oskemen, and several rural towns and regions surrounding those cities. Through these partnerships, BEI and partners were active in encouraging and participating in engagements with government partners. BEI can confirm 9 institutionalized engagements of the private sector or third-parties by government (see below IR 3.1).

BEI has worked extensively during Year 1 to provide the public, through website and partner distribution, with articles and materials to increase information use, raise awareness of business issues, and increase the profile of USAID and the BEI Project. Many information products have been developed as the direct result of changes and improvements, awareness of which must be promoted, while others have either informed or promoted changes in-progress at some level. During Year 1, 6 informational products (research and analyses) were distributed to the public, and 13 media products were published, designed to inform, educate, or guide businesspeople through processes, enabling them to better protect their rights (see below C.2 and C.3).

UPCOMING EVENTS

In October in Astana, BEI will hold a roundtable to present the results of research on tax administration problems with the Tax Committee of the Ministry of Finance, the Taxpayers Association, and other business associations.

Two (2) conferences are scheduled by association partners in October for Oskemen and Shymkent oblast government, business associations, and local state bodies, on “E-Government in the Region: the Development of E-Services” and on “Recommendations on Implementation of E-Akimat SKO”.

Five (5) seminars are planned for October and November in the cities of Shymkent, Oral, Oskemen, and two locations to be identified. These seminars are being led by partners, who will present economic impact assessment methodology to akimats, business associations, and state bodies.

Before the end of December, an additional 4 seminars on E-Akimat services are planned to be held by partners in Western Kazakhstani cities (Oral, Aktau, Aktobe, and Atyrau).

BEI will assist the FEK in organizing their 15th annual Congress of Entrepreneurs in Astana, tentatively scheduled for December 12th. This half-day forum is normally attended by the President of Kazakhstan and is an event where the FEK proposes new economic development activities for the country on behalf of the private sector.

KYRGYZ REPUBLIC

GENERAL

In the Kyrgyz Republic, BEI moved quickly to establish offices and continue relationships developed with private sector and government counterparts during predecessor TFI and LIME Projects.

During the contract year, a small measure of political stability returned to the Kyrgyz Republic, especially in the second half of the year following the appointment of Prime Minister Atambaev (the former Minister of Industry, Trade, and Tourism under PM Kulov, and the third PM this year). In September, the Supreme Court nullified amendments to the Constitution adopted since the revolution. The decision had no direct impact on BEI activities. On October 21, 2007, consistent with the Supreme Court decision, a referendum on a new draft Constitution and Code on Elections will be held.

The appointment of Prime Minister Atambaev, given the previous working relationship between the Prime Minister and BEI staff, presented a terrific opportunity for BEI to advance reform proposals as discussed in more detail below.

President Bakiev announced a plan for government re-organization that will involve the decentralization of power, separation of national and municipal functions, optimization of administrative and territorial divisions, and separation of policy-setting from immediate state and municipal property management. Oblast governors, as well as the mayors of Bishkek and Osh, have been directed to offer their suggestions on optimizing the structure and functions of governance at their level. BEI is actively pursuing opportunities to provide specific recommendations related to its activities and will work closely with the Urban Institute in this area.

The President has approved the Country Development Strategy (CDS) for 2007-2010 that calls for: increasing economic capacity, fighting corruption, and implementing reforms. The Government's commitment to the CDS is important to BEI's work as it obligates state bodies to improve legislation and regulations in areas of inspections and permitting, eliminate overlapping functions between state entities, improve law-making, increase information dissemination, improve registration procedures, and to increase transparency. The Ministry of Economic Development and Trade (MEDT) was delegated responsibility for implementing the CDS and will be an important partner for BEI going forward.

TECHNICAL

During Year 1, BEI and BEI-partners in the Kyrgyz Republic were successful facilitating reforms totaling over \$9.65 million in estimated impact, with several of those changes awaiting data or further study to more accurately assess their effects.

The most significant reform event in the Kyrgyz Republic was the adoption of the Law "Procedures for Conducting Inspections of Businesses" with provisions limiting inspections, information disclosure requirements, prohibiting the application of conflicting laws and regulations against businesses, and requiring a remedy period before sanctions can be applied. With BEI support and significant media attention, Prime Minister Atambaev created the high-level Inspections Commission to manage implementation of the law, eliminate redundant inspecting bodies, and ensure expected benefits of the new Law are delivered to businesses. The Prime Minister officially recognized the valuable support from USAID and BEI by presenting an honorary award to BEI Country Manager Nursulu Ahmetova and naming her, on behalf of the USAID BEI Project, an official counselor to the Prime Minister.

In addition to promoting implementation of the Inspections Law, BEI supported the challenge of an illegal resolution that would have resulted in the renting of Bishkek city residential housing land plots that are normally to be provided for free. Residential Condominium Corporations had already been charged an average of over \$189,000 each per month during the four months of the resolution, and challenging this illegal resolution has saved 296 of these businesses an estimated over \$2,273,000 annually in total.

In addition to direct BEI support to reforms, BEI expanded partner support to counterparts in 13 areas, including Bishkek and Osh to identify and eliminate barriers to business activity. However, at the sub-national level, establishment of permanent institutional dialogue bodies was difficult. BEI will continue to work with regional partners to encourage both ad hoc and more formalized consultation and public-private collaboration.

During the contract year, BEI continued support to the International Court of Arbitration (ICA) to encourage its financial sustainability and to assist in the promotion of alternative dispute resolution for commercial disputes. BEI provided both an international and a local expert to analyze the operations and structure of the ICA and to develop recommendations for business reform. The ICA began immediately

implementing the recommendations resulting in significant cost savings during the year. Additionally, the ICA applied for and was awarded a grant to cover its operational shortfall while it further implements the changes and markets its services to increase demand for arbitration and revenues for the organization as it strives for sustainability in the coming years.

UPCOMING EVENTS

In October, BEI will hold training for employees of the Ministry of Economic Development and Trade on economic impact analysis of normative legal acts. This training will present methodologies for conducting cost-benefit analysis during adoption of acts.

On October 26, 2007, BEI will hold a round-table for business associations on the Regulation “On Uniform Procedures for Conducting Inspections of Businesses by State Controlling Bodies” and the Uniform Roster of State Controlling Bodies.

On November 9, 2007, the third meeting of the Investment Council under the President will be held, during which BEI will present findings from the research conducted by BEI on the construction licensing and permits system.

TAJIKISTAN

GENERAL

In Tajikistan, BEI moved quickly to establish offices and continue relationships developed with private sector and government counterparts during predecessor TFI and LIME Projects. BEI activities in Tajikistan included continuing to support adoption of the Law “On Investments” and the Civil Code supported by USAID through the previous projects.

Work in late-2006 was briefly delayed due to the Presidential elections and government reorganization. The new State Committee on Investment and State Property Management was created, with the functions of enterprise support and protection transferred from the Antimonopoly Agency. BEI has established strong contacts with the State Committee and its departments (entrepreneurship support and investments). While other government offices are increasingly closed to US-supported activities, the State Committee remains one of the few open avenues for reform and BEI expects to collaborate closely with it in future years.

TECHNICAL HIGHLIGHTS

During Year I, in Tajikistan, BEI successfully facilitated reforms totaling over \$4.78 million in estimated impact, with several of those changes awaiting data or further study to more accurately assess their effects.

Of particular note are two significant results with substantial impact, the first of which is related to licensing. In collaboration with the World Bank, BEI developed a package of 34 normative legal acts to implement previous amendments to the Licensing Law, to harmonize other laws with the 2006 Licensing Law amendments, and to eliminate the 5 year limit on license validity. To date, 33 of the 34 acts have been adopted, including a new regulation of the Government eliminating a requirement that ground-transport service businesses obtain a business/professional license (unrelated to a “tag” issued during vehicle registration) for each individual transport vehicle in their fleets. Now, just one business license is required

of each business regardless of the size of its fleet. This will save the estimated 395 companies, each of which has an average of 30 vehicles, a total of \$964,535 annually.

The second significant result, led by partners from the construction industry, was the elimination of an unregistered (illegal) regulation imposed by the State Agency (formerly Committee) for Construction and Architecture, charging all construction applicants a fee for providing “state expertise in reviewing plans” of 15% of the total construction budget. Though the General Prosecutor Office cancelled the regulation, the State Agency for Construction and Architecture quickly responded by properly adopting and registering a new decision, but with a lower fee of 13%. The 2% reduction still provides substantial savings, estimated at over \$2,000,000 annually, and the new regulation was properly adopted and legally publicly registered.

Information dissemination is very important in Tajikistan because laws, regulations and procedures are frequently unpublished restricting the potential for voluntary compliance by both government and private sector actors and preventing citizens from independent assertion of their rights. BEI established an information network of over 130 voluntary intermediaries (media, associations, academics, service providers, and other organizations with private sector contact) that can disseminate electronic information to more than an estimated 8,000 individual businesses through secondary transmission by partners.

Through this network, during the contract year, BEI distributed over 30 information and media products, including “plain language” guides on legal process such as business registration and licensing that were developed by partners with BEI assistance. In many cases, such as with the guide to starting a business, BEI and the State Committee collaborated on the development and distribution of materials for government agencies involved in the process. In the second year, BEI will increase information dissemination through electronic media, radio, newspaper and television to build demand for improvement and to empower partners to independently protect their rights.

UPCOMING EVENTS

In late October, BEI will conduct a press conference for mass-media representatives to present the work of BEI and its partners in the Republic of Tajikistan during its first project year.

In November 2007, BEI will finalize and publish the “Legal and Process Analysis of De-registration and Re-registration”.

Following publication of the guide, BEI will conduct seminars on De-registration and Re-registration in GBAO, Sogd Oblast, and Khatlon.

WORK PLAN PROGRESS REPORT

REGIONAL - ADMINISTRATIVE			
<ul style="list-style-type: none"> • Locate and occupy suitable office space in all three countries of operation. - November 2006 - COMPLETED • Finalize PMP; Obtain USAID approval. - November 2006 - COMPLETED • Identify and hire local staff. - December 2006 - COMPLETED • Hold a project launch reception in Almaty, Bishkek and Dushanbe with participation of local partners, USAID and international organizations. - December 2006 - COMPLETED • Assess the state of association partners and cities and regions in each country to identify locations for possible satellite offices. Present recommendations to USAID CTO for approval. - February 2007 - COMPLETED • Launch project web site. - February 2007 - COMPLETED 			
Status & Comments			
October 2006 - September 2007	All activities were completed. All project offices are staffed and operational, the work plan is approved and the web site is on-line and operational.		
REGIONAL - TECHNICAL			
No.	Objective	Start Date	End Date
RI	Validation of World Bank Doing Business Processes	1 Nov 2006	30 Sep 2007
Intermediate Objectives	Study World Bank Methodology for each Doing Business Indicator listed below, review the assumptions, legislation and current practices in each country and either validate or identify any inconsistencies. Compare the results to international performance and identify whether and where reforms are necessary, what capacity may be required for operational improvements in regulatory bodies and then prioritize legal and process reforms within the framework of country-specific objectives. - March 2007 - COMPLETED		
IR1, IR2, IR4	<ul style="list-style-type: none"> • Business Registration (“Starting a Business”) • Deregistration (“Closing a Business”) • Tax Payments (“Paying Taxes”) • Land Site Acquisition (“Registering Property”) • Construction Licensing (“Dealing with Licenses”) • Contract Enforcement (“Enforcing a Contract”) 		
Status & Comments			
October 2006 - September 2007	In all three countries, BEI completed the analysis of the World Bank Doing Business Indicators. The legal base was reviewed and, through focus groups and interviews with entrepreneurs, utilizing World Bank assumptions, the processes were analyzed. BEI has completed detailed tables of all processes and an analysis of the viability of World Bank Doing Business Indicators as guides for BEI activities and applicability as a measure of performance. BEI is pursuing identified opportunities for reforms beyond the specific processes measured by the indicators and is using the indicators to evaluate processes beyond geographic criteria used by the World Bank.		
KAZAKHSTAN (KZ)			
No.	Objective	Start Date	End Date
KZ 01	Survey the Business Environment in Kazakhstan to Identify Priority Local-Level Constraints	1 Dec 2006	30 Sep 2007

	and with Private Sector Service Providers and Other Donors, Commission and Publicize Informational Analyses on Key Reform Initiatives to Promote Future Activities		
Intermediate Objectives IR1, IR2, IR3	<ul style="list-style-type: none"> Assist the Ministry of Industry and Trade and the Center for System Research under the President's Administration in redesign of the economic freedom rating tool to be used by the GoK in conducting its survey of economic freedom in each oblast. - January 2007 - COMPLETED Seek the support of the World Bank, EBRD and USAID to expand the biennial BEEPS survey to include all regions of KZ in 2007 and source the needed funds. - January 2007 - COMPLETED Conduct a study of the activities and effectiveness of Expert Councils called for under the law On Private Entrepreneurship and develop recommendations for improving the dialogue between business and Government when preparing normative legal acts. - February 2007 - COMPLETED Jointly with the World Bank and USAID conduct an oblast-level "Doing Business" Survey. This will first require sourcing needed funds and identifying a survey company and survey respondents in each region. - March 2007 - MOVED TO YEAR 2 Based on priority local-level constraints identified through the joint-surveys with the Government and key partners, take direct action or work through partners and dialogue bodies to develop recommendations for improvement - September 2007 - COMPLETED 		
	Status & Comments		
October 2006 - September 2007	<p>With the assistance of BEI, the Ministry of Industry and Trade and the Center for System Research under the President's Administration designed a rating tool that was approved by the President's Administration for use in the future by the government to evaluate economic freedom within each oblast.</p> <p>With the Forum of Entrepreneurs of Kazakhstan (FEK), within the framework of the Working Group under the Public Prosecutor's Office, BEI reviewed the activities and effectiveness of Expert Councils (ECs) created through the Law "On Private Entrepreneurship" and provided recommendations; these included an initiative for training EC members on Regulatory Impact Analysis (RIA) or a similar evaluation methodology, and law amendments to expand the functions of ECs, require Government incorporate opinions received, and remove accreditation requirements, among others. The results were consolidated and submitted to the Working Group under the Ministry of Industry and Trade. The Working Group sent these results to the President's Administration and the Government of Kazakhstan for their consideration as well. It is expected that the Government will hold a special session on the development of entrepreneurship later in the Fall of 2007 that will include discussion of increasing the effectiveness of Expert Councils beyond their current, poorly-functioning level.</p> <p>BEI's partner in Oral, the Independent Association of Entrepreneurs of West-Kazakhstan Region, provided the results of research on EC efficiency to the WKO Akimat (Oral) directly, with recommendations. As a result, the WKO Akimat adopted new rules for local Expert Councils, expanding the function of ECs to include discussion of local business problems and increasing the period for draft normative-legal act review to 10 days. BEI expects these changes to makes public-private dialog more effective and to raise the role of ECs in Oral. BEI will further monitor results from this change.</p> <p>The World Bank, USAID, IFC and BEI agreed to conduct a three-city sub-national survey in Kazakhstan as part of the World Bank / IFC Central Asia sub-national review. Survey activity is taking place in the cities of Astana, Oskemen, and Aktobe and the results are expected to be submitted to the World Bank / IFC in late October.</p>		
No.	Objective	Start Date	End Date
KZ 02	Expand the Partnership Mentor Program in the Kyrgyz Republic and Tajikistan using	1 Dec 2006	30 Sep 2007

Kazakhstani Associations			
Intermediate Objectives IR1, IR2, IR3	<ul style="list-style-type: none"> Support the continued expansion of the Partnership Mentoring Program into KG and TJ using KZ associations as mentors and facilitate regional coordination by the Congress of Business Associations of Central Asia and Russia (CBACAR). - September 2007 - COMPLETED Conduct at least two trainings each and continuing consultation by KZ associations as service providers for KG and TJ members of the regional association network. - September 2007 - COMPLETED Expand the usage of the partnership program network website and communication linkages to facilitate improved information exchange between partners, with a survey of 90% of association members in TJ, KR and KZ indicating they are familiar with the web site resource and 50% are using it for information exchange. - September 2007 - NOT COMPLETED 		
Status & Comments			
October 2006 - September 2007	<p>In June 2007 BEI's partner in Oskemen, the Foundation for Informational Support of Society Development, provided training in the Kyrgyz Republic to a mix of government and private partners in Bishkek and Osh. The trainings on the interaction between local authorities and business associations to improve the business environment and methodology on reducing administrative barriers were presented to approximately 30 participants at each city.</p> <p>In both the Kyrgyz Republic and Kazakhstan, the experiences of Kazakh partners and the development of lobbying by associations were used by BEI to build effective and successful relationships with private sector partners. However, local service providers in each country were used whenever possible with Kazakhstani partners providing targeted assistance when necessary. Given the different levels of development and local needs, regional coordination by CBACAR was not pursued.</p> <p>As indicated in KZ11, BEI, with KSBD, supported two seminars (Astana and Almaty) conducted by the Forum of Entrepreneurs of Kazakhstan in September for partners from Kazakhstan, the Kyrgyz Republic and Tajikistan, on the results from the Poland study tour and effective reform. The seminars included government officials, businesses, and business associations and covered topics such as: effectively working with the government, impact analysis, and other subjects relevant to BEI. BEI developed a draft guide on applying the Standard Cost Model (SCM) in Kazakhstan for determining regulatory compliance costs.</p> <p>While regional information sharing is important, association partners in the Kyrgyz Republic and Tajikistan expressed interest in country-specific information. BEI will continue to develop informational materials and work with association partners to dissemination information, but focus on a single regional portal was decided not to be appropriate at this time.</p>		
No.	Objective	Start Date	End Date
KZ 03	Strengthen and Expand the Partnership Network in Kazakhstan	1 Nov 2006	30 Sep 2007
Intermediate Objectives IR1, IR2, IR3	<ul style="list-style-type: none"> Identify and enter into subcontracting arrangements with key partners to continue and expand the Partner Program in Kazakhstan. - January 2007 - COMPLETED Contracted partners conduct a survey of existing partners and other associations to determine the main constraints faced in each region and identify areas for project-supported intervention. - March 2007 - COMPLETED Identify at least 10 partners who will continue efforts on removal of constraints and who will attract a minimum of one new partner to the program and ensure broad geographic coverage of project activities throughout the country. - May 2007 - COMPLETED Partners, with continued assistance from BEI as needed, remove a minimum of 10 constraints total. - September 2007 - COMPLETED As part of the Government's "E-Akimat" initiative, identify 3 cities (where key partners are located) and assist partners to prepare 		

	preliminary action plans on joint activity with state agencies to reengineer select administrative processes impacting local SMEs. - September 2007 - COMPLETED		
	Status & Comments		
October 2006 - September 2007	<p>BEI executed subcontracting agreements with the associations Independent Association of Entrepreneurs of West-Kazakhstan Region in Oral, Foundation for Informational Support of Society Development in Oskemen, and "SodBi" Business Incubator in Shymkent to conduct activities in those cities on behalf of BEI utilizing BEI methodologies and materials.</p> <p>Introductory meetings and press conferences to announce the launches were completed. In each of those three cities, as well as in Ziryansovsk, Ridder, Pavlodar, and Atyrau partners completed focus groups with entrepreneurs and have been highly proactive in recommending changes, and in blocking, or reversing regulations imposing undue burdens on entrepreneurs. The total number of constraints reduced by partners is twelve, 8 of these constraints were outside of Almaty/Astana, and 2 of those constraints were in rural areas; impact assessment is ongoing. Additional details are in the Business Environment Impact Table.</p> <p>Subcontractors Independent Association of Entrepreneurs of West-Kazakhstan Region, Foundation for Informational Support of Society Development, and "SodBi" Business Incubator in Oral, Oskemen, and Shymkent, respectively, led presentations of the project and training-seminars on BEI reform methodology. As a result, a total of 30 new cooperation agreements in 11 cities have been concluded. Expansion to rural areas such as those accessible to the partners in smaller cities positions BEI well for additional growth during future years. Partner organizations have moved forward strongly to survey their areas and identify and begin the process of eliminating the most-burdensome constraints on businesses.</p>		
No.	Objective	Start Date	End Date
KZ 04	Expand and Strengthen Opportunities for Public-Private Dialog on Issues Impacting Business	1 Nov 2006	30 Sep 2007
Intermediate Objectives IR1, IR2, IR3	<ul style="list-style-type: none"> • Together with the Ministry of Industry and Trade, analyze the results of the working group on De-bureaucratization and Removal of Administrative Barriers and make recommendations for improving its effectiveness as a reform coordination body. - February 2007 - COMPLETED • Participate in the international scientific and practical conference "On cooperation in experience of government authorities, non-governmental sector and business in solving social issues of the regions" in Pavlodar. - January 2007 - NOT COMPLETED • Reactivate the working group under the General Prosecutor's Office at the national level. - March 2007 - COMPLETED • Based on results of the study of Expert Councils (KZ 01) present recommendations for improving their effectiveness to the Government and publicize the results. - April 2007 - COMPLETED • Confirm existing Customs Consultative Councils and provide technical assistance as needed through partnership program members and by direct project action. - September 2007 (until award of USAID RTLC) - COMPLETED • Provide consultative assistance and other support as necessary to the Forum of Entrepreneurs to strengthen its participation in the legislative improvement working group under the Parliament. - September 2007 - COMPLETED • Subject to a positive impact from the national-level working group, determine the feasibility of establishing similar working groups under oblast prosecutor's offices involving local-level partners. - September 2007 - COMPLETED 		
	Status & Comments		
October 2006 - September 2007	In conjunction with the Ministry of Industry and Trade, BEI analyzed the results of the working group on De-bureaucratization and Removal of Administrative Barriers. BEI concluded that the body exists only in form and does not actually operate. On the basis of the analysis, BEI recommended to the Ministry to reactivate the group and offered support in doing so. However, the Ministry has requested time before		

	<p>restarting work and it is expected later in the year before the working group begins operation.</p> <p>BEI has confirmed that CCCs continue to function and through the Independent Association of Entrepreneurs of West-Kazakhstan Region, Foundation for Informational Support of Society Development, and "SodBi" Business Incubator, BEI continues to provide support as needed. Now that USAID has awarded a contract for the RTLK project, BEI anticipates transferring relationships to that project in the Fall of 2007.</p> <p>As indicated in KZ01, In conjunction with the Forum of Entrepreneurs of Kazakhstan (FEK), within the framework of the Working Group under the Public Prosecutor's Office, BEI has reviewed the activities and effectiveness of Expert Councils (ECs) created through the Law "On Private Entrepreneurship".</p> <p>Through agreement with the State Office of the Public Prosecutor, the national level working group has been reactivated. The joint work plan of the group has been developed and includes analysis of the activities of expert councils as indicated in KZ01, development of impact assessment and anti-corruption methodology in KZ11 and analysis of inspections of business activity under KZ08.</p>		
No.	Objective	Start Date	End Date
KZ 05	Streamlined Licensing Procedures and Reduction of Activities Subject to Regulation	1 Nov 2006	30 Jun 2007
Intermediate Objectives	<ul style="list-style-type: none"> Develop and submit specific recommendations to reduce the number of activities subject to licensing, eliminate duplication with other forms of permissions, and increase term of validity through partners participating in the working group in Parliament. - February 2007 - COMPLETED 		
IRI, IR2	<ul style="list-style-type: none"> Through STTA, assist in the development of an organizational change management implementation plan for the creation and operation of one-stop shops for licensing at the local level and publish a report on the findings*. - June 2007 - COMPLETED 		
Status & Comments			
October 2006 - September 2007	<p>Building on work started by TFI, BEI continued to support adoption of the Law "On Licensing" that was adopted by Parliament in January 2007. Consistent with BEI recommendations the Law considerably reduced the quantity of activities/sub-activities subject to licensing from 88 general and 651 specific to 99 general and only 279 specific. The new law has also cuts the time required to get a license and the documents required during the application process. Additional details are provided in the narrative section above and the Business Environment Impact Table. Implementation of key aspects of the new law became effective in August 2007, and BEI will monitor the overall impact.</p> <p>Through its local partners, the Independent Association of Entrepreneurs of West-Kazakhstan Region, Foundation for Informational Support of Society Development, and "SodBi" Business Incubator BEI supported round tables in its three subcontractor cities on the issue of creating single licensing bodies (one stop shops) as anticipated in the Law "On Licensing" and on problems related to obtaining licenses at the local level. In these cities working groups on licensing were created by local governments to identify problems. BEI used this opportunity, based on feedback received, to develop a set of recommendations for the Ministry of Economy and Budget Planning to help guide its own instructions to local governments on one-stop-shops. BEI continues to coordinate this work with the Government.</p>		
No.	Objective	Start Date	End Date
KZ 06	Improved Procedures and Capacity for SME Participation in Government Procurements	1 Nov 2006	30 Sep 2007
Intermediate Objectives	<ul style="list-style-type: none"> Together with interested partners, develop and submit recommendations for improvements to new Law "On Government Procurement" ensuring openness, transparency and fairness in the procurement process for SMEs, including clarification of the award procedure. - January 2007 - COMPLETED 		
IRI, IR3	<ul style="list-style-type: none"> Once the law is adopted, assist the Government in developing implementing regulations for state procurements most impacting SMEs. - 		

	<p>April 2007 - NOT COMPLETED (Law adopted in August 2007)</p> <ul style="list-style-type: none"> Based on new procedures, develop a manual for SMEs on how to participate in the procurement process and distribute the information via the Partnership Program network. - September 2007 - NOT COMPLETED (Law adopted in August 2007) 		
Status & Comments			
October 2006 - September 2007	<p>The law “On State Purchases”, including several BEI recommendations, was adopted in August 2007 and is expected to make the procurement process more transparent and open for SME; recommendations included increased process transparency through publishing of procurement plans and budgets, and recorded decision-making processes for monitoring, a reduction of the security and handling fee from 3% to 1% of contract budget amount, and inclusion of medicines into the government procurement processes. The adoption of the reduced security and handling fee alone is estimated to provide businesses participating in procurements with very significant financial savings (see Business Environment Impact Table). The long delay in adoption of this law prevented the advancement of several work plan items, but now that the law has been adopted, BEI expects to continue to support its implementation, and enhanced SME access to the procurement process, during the remainder of 2007 and in 2008.</p>		
No.	Objective	Start Date	End Date
KZ 07	Improved Procedures for Contract Enforcement	1 Oct 2006	30 Sep 2007
Intermediate Objectives	<ul style="list-style-type: none"> Validate through discussions with government and private sector counterparts the World Bank Doing Business summary of the cost of enforcing contracts in Kazakhstan and develop a report of the findings*. - February 2007 - COMPLETED Based on the project analysis, identify immediate opportunities for reducing time and financial costs associated with contract enforcement and prepare any appropriate recommendations regarding legal (including judicial) changes that may be beneficial. - May 2007 - COMPLETED Implement improvements where possible, including utilizing private sector partners to increase availability of information and advocate for further change. - September 2007 - COMPLETED 		
IRI, IR4			
Status & Comments			
October 2006 - September 2007	<p>With the assistance of a short-term expert, BEI completed an analysis of the current state of formal contract enforcement in Kazakhstan as well as the environment for alternative dispute resolution. Also, as noted in RI, BEI completed validation of the World Bank Doing Business results for contract enforcement. Given the findings and recommendations, especially considering the identified barriers to necessary fundamental judicial reform that is beyond the capacity of the Project to implement, BEI is reviewing options for non-judicial support to formal and alternative contract enforcement, including support in the development of contracts and to alternative dispute resolution bodies, both solutions that can help strengthen contracts as tools for entrepreneurs, but avoid currently insurmountable problems with government enforcement.</p> <p>BEI continues to promote and facilitate the use of Alternative Dispute Resolution (ADR), where possible, through targeted grants. The first grant was approved in July and awarded to the International Arbitration Court "IUS" to prepare a commentary to the Laws “On Arbitration” and “On Arbitration Courts” and to develop a set of recommended amendments to these laws to improve and expand the use of ADR in Kazakhstan. The commentary will be distributed nationwide in hard copy and electronic form and recommendations will be presented to the working group under the Supreme Court, in which IUS participates. A second grant is now under review for the publication and distribution of a regional arbitration journal “Arbitration Bulletin East & West”, which will promote information and understanding of ADR for practicing lawyers, businesses, academics, regional arbitration bodies and other judiciary bodies.</p>		
No.	Objective	Start Date	End Date
KZ 08	Reduction in the Number of Illegal Inspections	1 Oct 2006	30 Jun 2007

Intermediate Objectives IR1, IR2, IR3	<ul style="list-style-type: none"> Together with the General Prosecutor, analyze the effectiveness of inspection controls and the recent changes in the Law “On Private Entrepreneurship” regarding inspections and develop recommendations for reducing illegal and unwarranted inspections on business activities and publish a report on the findings*. - June 2007 - COMPLETED 		
	Status & Comments		
October 2006 - September 2007	<p>BEI completed an analysis of roundtable and focus group results conducted by local representatives of the Office of the Public Prosecutor, and local business development departments in the cities of Shymkent, Oskemen, and Oral. The analysis revealed that statistical data collection on registered inspections by the Prosecutor’s Office and of various inspecting bodies is incomplete and it is impossible to determine the extent of illegal inspections. The FEK, with help from BEI, has since submitted a request to all inspecting bodies to provide their statistics on inspections conducted in 2007. The FEK, BEI and the General Prosecutor’s office will review the data and then plan future activities based on the results.</p>		
No.	Objective	Start Date	End Date
KZ 09	Reduction in the Time and Cost Associated with Paying Taxes and Tax Administrative Procedures	1 Jan 2007	30 Jun 2007
Intermediate Objectives IR1, IR2	<ul style="list-style-type: none"> Through discussions with counterpart organizations, including the USAID Economic Policy Project and associations, validate the World Bank Doing Business summary of the costs of paying taxes in Kazakhstan, identify the major problems facing business and develop recommendations for presentation to the government and the USAID EPP and publish a report on the findings*. - June 2007 - COMPLETED 		
	Status & Comments		
October 2006 - September 2007	<p>As indicated in RI, BEI has completed validation of the World Bank Paying Taxes data. However, the information contained in the World Bank assessment is in summary fashion, especially regarding tax administration. The World Bank Paying Taxes report is heavily weighted on tax policy - the number of taxes and the rates charged for each, with tax spent summarized in total hours per year per tax. Based on initial review, the total official financial tax burden is relatively competitive and the time and costs of paying taxes presents few problems for entrepreneurs. However, other aspects of the tax regime not captured by the World Bank methodology, such as interaction with the tax inspectors and financial police, do present significant problems. BEI reached an agreement with the Association of Taxpayers of Kazakhstan, with the full support of the Tax Committee, to conduct a survey of businesses to further analyze the situation and develop a publishable report on the findings.</p> <p>BEI, along with the Association of Taxpayers of Kazakhstan, conducted the tax survey of 1200 businesses to further analyze the situation and develop a publishable report on the findings. The survey was co-financed by the Association of Taxpayers of Kazakhstan (27%) and BEI (73%) and was performed by the Center for the Study of Public Opinion (CION). Analysis of the results is being completed, and BEI and the Association of Taxpayers plan to conduct a roundtable in Astana to present the results, in October.</p>		
No.	Objective	Start Date	End Date
KZ 10	Support to National and Local Government IT Initiatives	1 Oct 2006	30 Sep 2007
Intermediate Objectives IR2, IR3	<ul style="list-style-type: none"> Review the priorities of the Agency on Information and Communication and select initiatives for joint activity based on their potential impact to SMEs. - December 2006 - NOT COMPLETED With STTA, conduct an analysis of the GoK national information strategy and identify any opportunities for improvement to facilitate current and future reforms. - March 2007 - COMPLETED Develop and submit recommendations for strategy improvement and e-government implementation at the national AIC conference. - March 2007 - COMPLETED 		

	<ul style="list-style-type: none"> • With STTA, work together with the AIC and select ministries to reengineer/streamline key administrative processes selected for conversion to electronic form based on a needs assessment. - NOT COMPLETED • Together with AIC staff and local experts, conduct trainings on e-government for local government and business partners. - June 2007 - NOT COMPLETED • Jointly with partner business associations, hold a contest for akimat websites that provide the greatest level of support to local entrepreneurs (availability, transparency, timeliness and accuracy of information). - September 2007 - NOT COMPLETED 		
Status & Comments			
October 2006 - September 2007	<p>BEI completed and submitted recommendations for the implementation of e-government initiatives at the national AIC conference in March 2007. The recommendations were based on the experience of introducing e-government services in East Kazakhstan Oblast and included the technique of development of administrative and technical rules, definitions, identification of administrative processes for reengineering and examples of reengineered processes.</p> <p>Due to repeated personnel changes in the Agency on Information and Communication and the recent announcement that the agency will be consolidated into a new government holding company “Samgau”, the remaining intermediate objectives in KZ10 will not be completed in the first project year as hoped. After numerous discussions with the Center of Competence within the AIC, it was agreed that BEI would assist in identifying the business services and processes that should be migrated to electronic format in the coming year in the context of priority process reforms. This activity needs to coincide with the plans of the AIC and other ministries and agencies, which often are not well coordinated. BEI still hopes to work with the AIC and the World Bank on the conversion of select business services to electronic format and to streamline them in the process. Given the restructuring and the likelihood that representatives of the agency will change again after parliamentary elections, BEI will address this further in October.</p> <p>Partners in Oskemen, Shymkent, and Oral have conducted focus-groups regarding local government web-sites, and developed and provided the resulting comments and recommendations to local governments, who are currently reviewing their reports. BEI plans to present findings on E-Akimats via a series of seminars provided by its partners, beginning in October.</p>		
No.	Objective	Start Date	End Date
KZ 11	Improved Law and Rulemaking Procedures at the National Level	1 Oct 2006	30 Sep 2007
Intermediate Objectives IR1, IR2, IR3	<ul style="list-style-type: none"> • Review the anti-corruption measures (Russian model) recently adopted for rule-making procedures at the national level and develop recommendations for improving their effectiveness and expanding their use. - December 2006 - COMPLETED • Conduct an analysis of regulatory impact assessment procedures and their practical application as required in the Law “On Private Entrepreneurship” and Law “On Normative Legal Acts”, including a review of example assessments. - March 2007 - COMPLETED • Based on the results of the analysis, and with the support of Government, develop a methodology for applying RIA and anti-corruption tools for select normative legal acts consistent with the requirements of law. - July 2007 - COMPLETED • Disseminate RIA information and specific recommendation for involvement of the private sector to Partnership Program members and government counterparts. - August 2007 - COMPLETED • Establish a research group with an existing partner, an educational institution and interested lawyers to receive training and apply the RIA methodology to analyze a current and/or newly adopted regulatory act and present its findings to the Government for review. - September 2007 - COMPLETED 		
Status & Comments			
October 2006 -	BEI has completed an assessment of the Russian anti-corruption diagnostic model, including analyses completed by local counterparts and		

September 2007	<p>Transparency International using the approach. Based on the analysis, BEI thinks that the model is not suitable for independent use, but should be incorporated into the overall impact assessment process, as one tool used amongst many in reviewing draft or existing laws and regulations. As such, BEI will include promotion of anti-corruption assessment with efforts to promote impact assessment in general in the future.</p> <p>The legal drafting process analysis was completed in July and presented to the Ministry of Justice for review and validation. This report is currently under review, and BEI expects to develop recommendations to facilitate the use of increased publication mechanisms and impact assessment in the drafting process.</p> <p>BEI supported the development of model impact assessment conducted by the South Kazakhstan Oblast branch of the Association on Support of Pharmaceutical Activity on drafts related to pharmaceutical activity. On the basis of the experience, BEI will develop further trainings on impact assessment methodology for government officials and business partner associations. In Oskemen, the FISSD has entered into a formal agreement with East Kazakhstan Technical University to conduct impact assessments on several laws including the Law “On Private Entrepreneurship” starting in October 2007.</p>		
No.	Objective	Start Date	End Date
KZ 12	Improved Process for Registering, Re-registering and De-registering a Business	1 Nov 2006	30 Jun 2007
Intermediate Objectives IRI, IR2	<ul style="list-style-type: none"> Obtain the agreement of the Ministry of Justice (MoJ) to review the procedures of the Public Access Centers (PACs) performing one-window registration of legal entities. - December 2006 - COMPLETED Based on approval of the MoJ, conduct a pilot review of the activities of the Almaty PAC as a pilot, using local STTA. - March 2007 - COMPLETED Present the findings and recommendations to the MoJ and others in Government and build demand for process reforms before PACs are introduced in other regions. - May 2007 - COMPLETED 		
Status & Comments			
October 2006 - September 2007	<p>Initial attempts to secure the agreement of the Ministry of Justice to conduct a joint assessment of PACs were delayed as TACIS was implementing a service delivery improvement project with the Agency for Civil Service Affairs in Astana and that the UNDP was conducting a survey into the activities of PACs. BEI met with these groups, as well as World Bank experts on E-government and the MOJ to discuss opportunities for cooperation and new initiatives. After detailed discussions with the Ministry of Justice, BEI conducted an analysis of the activities of PACs in six cities of Kazakhstan - Almaty, Shymkent, Astana, Pavlodar, Oral, and Oskemen by assessing the PACs' front-office procedures with clients who have recently gone through select processes. The services studied include (though not all are available in some PACs) registering, re-registering and closing a business; registering property; registering permanent land use; and registering land leases. Based on this assessment BEI developed current process maps of the PAC's front office procedures. These maps were incorporated into the final report to the Ministry, and will be valuable for improving procedures for each of the services studied. The completed report has been discussed with the Ministry and a full presentation of the PAC analysis is scheduled in Astana in October for the Government.</p>		
No.	Objective	Start Date	End Date
KZ 13	Reduce the Cost and Time Associated with Land Registration and Construction	1 Jan 2006	30 Sep 2007
Intermediate Objectives IRI, IR2, IR3	<ul style="list-style-type: none"> Perform an analysis using STTA of the process of land registration and small scale construction, including renovation, focusing attention on implementation of Government resolution No. 1313 and publish a report of the findings*. - March 2007 - COMPLETED As part of the same analysis, obtain agreement of relevant bodies to study the activities of PACs handling land registration, identify bottlenecks and develop process improvement recommendations. - July 2007 - COMPLETED Present recommendations through partners and direct project involvement in Government working groups and with the Prosecutor 		

	where possible. - September 2007 - COMPLETED		
	Status & Comments		
October 2006 - September 2007	<p>Preliminary review of the land registration and construction processes was completed through activities in RI - the validation of the World Bank Doing Business Indicators for those processes. However, given the limitations of the indicators much greater detail is required to develop actionable recommendations and analysis of the processes in reality. BEI partners IAE-WKR, FISSD, and SodBI in Oral, Oskemen, and Shymkent completed a secondary analysis, with recommendations, of the processes of land-valuation procedures, registration, and construction as executed by government agencies and, in some cases, the public access centers in these cities. The analysis of land registration required analysis beyond the activities of PACs since other government bodies are involved at the present time, and the BEI-supported analysis includes consideration of all involved government bodies.</p> <p>BEI partners FISSD, Trade Union of Employees of Small and Medium Businesses of Eastern Kazakhstan Oblast, Association of Professional Builders, and Department of Entrepreneurship of Zelenovskiy Ryon proposed recommendations to local government bodies to improve the timeliness and transparency of, and provide clear regulations for the process of land acquisition. As a result, new procedures for land acquisition were approved by the EKO Akimat and Zelyonovski Ryon, WKO (see Business Environment Impact Table). BEI partners conducted further presentations for local governments in September with recommendations on additional land-related constraint reductions.</p>		
KYRGYZ REPUBLIC (KG)			
No.	Objective	Start Date	End Date
KG 01	Strengthen Private Sector Participation in Policy Reform at the National and Local Level	1 Dec 2006	30 Sep 2007
Intermediate Objectives IR1, IR2, IR3	<ul style="list-style-type: none"> Support and encourage the work of the Supreme Economic Council (SEC) by providing material and consultancy support to the Secretariat of this body to develop agenda items, discussion materials, and feedback mechanisms to maximize the effectiveness of the SEC in shaping and ensuring implementation of national policies that affect SMEs. - September 2007 - NOT COMPLETED Identify at least three local Keneshes of different levels outside Bishkek and Osh with an interest in working together with the private sector to improve their local business environment. - March 2007 - COMPLETED With direct Project support or through local service providers, conduct focus groups, trainings and develop action plans for local Keneshes (or interested local authorities) for addressing local constraints to business development. - July 2007 - COMPLETED Local authorities successfully reduce at least one constraint validated by local businesses. - September 2007 - COMPLETED Through Partnership Program members and agreement with the new leadership in the General Prosecutor's Office, support continued activities of the Prosecutor's Working Groups in Bishkek, Osh and other regions. - September 2007 - COMPLETED Actively support Customs and private sector partners with on-going Customs Consultative Council activities in Osh and Bishkek. - September 2007 - COMPLETED Support interested business groups in providing expertise and other consultancy services to members of Parliament and other key decision makers on SME policy making. - September 2007 - COMPLETED Support implementing the existing government strategies for SME development and help modify them as necessary with the input from the private sector. Ensure that any new government strategies reflect the needs of the broader business community. - September 2007 - COMPLETED 		
	Status & Comments		
October 2006 - September 2007	<p>The Supreme Economic Council failed to resume its activities due to the unstable political situation and frequent changes of the Government. To increase public-private dialogue, BEI supported participation in the Investment Council (which is also supported by EBRD), Ministry-level</p>		

	<p>working groups, and through the President’s Administration and the Prime Minister’s Office.</p> <p>BEI concluded an agreement with the Osh Mayor to form a new public-private dialogue group called the Osh Mayor’s Public Expertise Council. The first meeting has occurred and other organizational tasks are underway. This new forum will allow businesses to raise issues to the Mayor’s attention that the Osh Prosecutor or the Osh Customs Consultative Council cannot resolve but that the Mayor has the power to resolve.</p> <p>As the part of regional outreach, BEI signed MOUs on implementation of partnership programs with six cities (Karakol, Bishkek, Jalalabat, Uzgen, Nookat and Kizilkia). Within these MOUs local authorities have appointed “Improving Government Processes and Normative-acts” (GPNI) specialists and covered all expanses concerning with their activities. These specialists, led by BEI, have conducted local focus groups with entrepreneurs to identify economic problems and implement new procedures for reform at the local level. Problems uncovered during focus groups include construction permitting, local inspections, land acquisition, and etc.</p> <p>BEI together with the Bishkek Business Club (BBC) and Customs Broker Association has resumed operation of the Consultative Council (CC) under the State Customs Committee and involved RTLC Project in activities of the CC.</p> <p>With active facilitation of the Project, the International Business Council, the Association of Communications Providers, and Union of Entrepreneurs of Kyrgyzstan signed a Memorandum of Cooperation with the General Prosecutor's Office and agreed to establish the Consultative Council under the General Prosecutor's Office. The first meeting of this CC supervised by the General Prosecutor of the KR is planned for early October 2007.</p> <p>Currently, BEI is reviewing the International Business Council’s (IBC) grant proposal to hold hearings in Parliament on the improvement of the business environment, and expects proposal approval in October 2007. The necessary amendments were made to Article 17 of the Law of KR “On Personalized (Individual) Accounting of Citizens of KR for Purposes of Mandatory State Social Insuring” through a Law dated July 31, 2007 (See KG02).</p> <p>As part of the implementation of Country Development Strategy (CDS), BEI supported the involvement of business associations dealing with restrictions of inspections, streamlining of the regulatory system, and reforming the tax administration system.</p>		
No.	Objective	Start Date	End Date
KG 02	Expansion of the Regional Partnership Program and Capacity for Sustainability Built within Business Advocacy Organizations at the National and Regional Levels	1 Jan 2007	30 Sep 2007
Intermediate Objectives IR1, IR2, IR3	<ul style="list-style-type: none"> • Operational review completed of partner associations by consulting subcontractor(s) and implementation of improved operational and management practices begins. - April 2007 - COMPLETED • Agreements concluded with at least 3 associations (pilot number) in different regions of the country committed to increasing advocacy skill and internal operations to join the Partnership Program Network. - February 2007 - COMPLETED • Private sector service providers (law firms and business consultancies) identified and agreements reached to provide support to network members on a multi-year declining subsidy basis. - January 2007 - NOT COMPLETED • Partner business associations complete training on RIC methodologies conducted by KZ association service providers that will allow them to begin RIC activities. - May 2007 (together with TJ 04) - COMPLETED • Legal representation services made available to associations and association members via services and marketing agreements with 		

	<p>association management and issues/results tracked by BEI. - May 2007 - NOT COMPLETED</p> <ul style="list-style-type: none"> • Courts recognize and accept professional specialized associations (e.g. Association of Customs Brokers, Kyrgyz Association of Appraisers and others) as experts for court proceedings. - September 2007 - NOT COMPLETED • Two partner business associations reduce at least one constraint. - September 2007 - COMPLETED • At least 75% of Partnership Program Network business association members through direct surveying report that they are aware of legal and consulting services available from designated service support providers and 75% of members report they are aware of advocacy activities of their association and the outcomes of those activities. - September 2007 - NOT COMPLETED 		
Status & Comments			
October 2006 - March 2007	<p>Association candidates underwent a diagnostic and operational review in April; and following this, 3 associations in South KR formed special agreements with BEI to participate in its partnership program, which will transform them over 18 months into strong advocates for their members' rights and interests. BEI also formed general agreements with 9 associations: 5 in the North and 4 in the South. Direct work with the partner associations will begin in October. This work will focus on training / assistance necessary for the associations to become champions of reform called for by Year 2 work plan objectives.</p> <p>BEI conducted two large roundtables in late June in Bishkek and Osh entitled "Cooperation of Government Authorities and Business Associations in Business Environment Improvement", which included presentations by BEI staff and BEI's Kazakh partner the Foundation for Informational Support of Society Development on methodologies for reducing regulatory barriers, and collaborative policymaking advantages. Participants included state and local government representatives, USAID, and business associations from Northern and Southern Kyrgyz Republic. As a result of these presentations and roundtables, BEI and representatives of city administrations signed MOUs on the implementation of partnership program trainings and joint activities (See KG01).</p> <p>BEI assisted the International Business Council and Union of Entrepreneurs of Kyrgyzstan to work with Parliament and reduce fines levied on employers for social payments from 25% to 5% of total annual business contributions, for cases where businesses provide incomplete or late data on employees (see Business Environment Impact Table). The necessary amendments were made to Article 17 of the Law of KR "On Personalized (Individual) Accounting of Citizens of KR for Purposes of Mandatory State Social Insuring" through a law dated July 31, 2007.</p>		
No.	Objective	Start Date	End Date
KG 03	Implementation of Improved Law and Rule Making Procedures	1 Dec 2007	30 Sep 2007
Intermediate Objectives IR1, IR2, IR3	<ul style="list-style-type: none"> • Seek support from the Legal Department of the Prime Minister's Office and the Ministry of Justice to implement recent changes to the drafting procedures of the Government (Reglament). - January 2007 - Expected date: April 2007 - COMPLETED • Develop a training program together with local lawyers and business groups that will select certain draft acts as well as existing acts (e.g. law On Control Marks, recent amendments to the Labor Code on sick days, construction permits) and subject them to a cost-benefit analysis, legal analysis, anti-corruption analysis and determine their consistency with SME policy. Involve STTA as needed and publish results*. - June 2006 - COMPLETED • Based on this experience, develop a training module to be used for Partnership Program trainings*. - July 2006 - COMPLETED • Provide ongoing support to the Legal Department in PM's office and the Ministry of Justice to ensure procedures are regularly followed. - September 2007 - COMPLETED • Jointly with interested parties, support changes to the law On Normative Legal Acts to introduce a hierarchy of laws, including the possibility to repeal an adopted act if it violates the procedures mentioned. - September 2007 - NOT COMPLETED 		
Status & Comments			

October 2006 - September 2007	<p>After delays due to Government changes, BEI reached an agreement with the Prime Minister Office's Legal Department in April that the Department would demand that the norms of the Government's Order of Proceedings (Reglament) be observed whenever ministries and agencies submitted draft normative legal acts for the Prime Minister's consideration. BEI is working with associations and through the Prosecutors' Working Groups to identify and challenge sub-normative acts developed and adopted in violation of the Law and Reglament.</p> <p>BEI reached an agreement with the Ministry of Labor and Social Protection to conduct a cost-benefit analysis, through a local partner, on draft amendments to Government Resolution #576 from August 14, 2006 "On Introduction and Payment of Compensation for Temporary Disabilities". BEI and a training expert have used the experience of this analysis to develop a comprehensive training course for lawyers and businesses. A training program and manual on cost-benefit analysis has been finalized and will be presented in early October to a number of private and public sector interested parties.</p> <p>BEI was successful in bringing together Prime Minister Atambayev with several business associations to discuss the "List of Goods Subject to Mandatory Control Marking" and the draft regulation "On Procedures for Receiving, Storing, Controlling, and Accounting for Control Marks." As a result of the discussions, the Prime Minister agreed to review the findings of an impact analysis of the law "On Control Marks" recently commissioned by BEI. It is hoped that this will lead to, at a minimum, a reduction in the list of Kyrgyz-made goods currently subject to control marks and later to the repeal of the entire law. BEI expects to publicize the finding of the cost-benefit analyses in the near future.</p> <p>The Commission on Implementation of Permits and Regulatory System issued a decision that the cost-benefit analysis manual applicable to normative legal acts would become the basis for the Government of KR methodology of regulatory impact analysis, with respect to regulatory impact on businesses.</p> <p>An agreement was reached with the Ministry of Justice and Ministry of Economic Development and Trade of KR to create a working group to develop amendments to the revised Law of KR "On Normative Legal Acts" so as to introduce a hierarchy of legislation. The working group activity is expected to commence in BEI Year 2.</p>		
No.	Objective	Start Date	End Date
KG 04	Reduction in the Burden of Tax Administration on SMEs	1 Mar 2006	30 Sep 2007
Intermediate Objectives IRI, IR2	<ul style="list-style-type: none"> • Following adoption of the new Tax Code, assist interested business groups, in consultation with the USAID Economic Policy Project, to formulate specific recommendations regarding implementing tax administration reform measures for submission to the Government. - March 2007 - NOT COMPLETED • Once new tax administration measures are adopted, support the CTC in its efforts to disseminate information, train businesses and develop feedback mechanisms in order to improve implementation of new procedures and protect the rights of businesses*. - September 2007 - NOT COMPLETED 		
Status & Comments			
October 2006 - September 2007	<p>BEI assisted the Bishkek Mayor's Office in implementation of the Prime Minister Order # 712-r of December 19, 2006 by explaining the procedure of obtaining a patent. Under BEI support, the Mayor's Office in cooperation with the Ministry of Industry, Trade and Tourism, Tax Committee, Social Fund, Light Industry Association and others conducted a number of public meetings with representatives of textile companies and radio programs with representatives of textile businesses from Bishkek and Chui province. Due to this work, there have been substantial increases in tax patent compliance rates. According to the data provided by Mayor's Office of Bishkek, during the past six months the number of sewing entrepreneurs working under a patent has increased to 18,028 individuals, a growth of 184% compared to the same period of 2006. The amount of dues collected for patents has increased by 276%, and sewing entrepreneurs have participated more in the</p>		

	<p>social insurance program of Social Fund; during last six last months 10,673 individuals purchased insurance, a number which is 60% of total sewing entrepreneurs working under patents. For comparison, only 14% of sewing entrepreneurs purchased social insurance last year.</p> <p>As part of the implementation of the Inspections Law, BEI will be working with counterpart state agencies to bring the tax administration provisions into compliance with the procedures of the new Inspections Law.</p>		
No.	Objective	Start Date	End Date
KG 05	Simplified Process for Issuance of Permits for Construction, Reconstruction and Renovation	1 Jan 2007	30 Sep 2007
Intermediate Objectives IRI, IR2	<ul style="list-style-type: none"> • Together with select partners conduct research into the legal and procedural requirements of the State Agency for Architecture and Construction (GosArhStroi) for construction and renovation in order to clearly demonstrate flaws in the policy and the process and publish an analytical report* that includes detailed process descriptions in layman’s terms to help generate demand for reform. - June 2007 - COMPLETED • Distribute the report among government and private sector counterparts and encourage the development of an agency action plan to reform the process. This would include presenting the findings to the Government’s Construction Permit Commission and the SEC. - September 2007 - COMPLETED 		
Status & Comments			
October 2006 - September 2007	<p>As indicated in KG01, BEI has completed the review and analysis of the World Bank Doing Business Indicator “Dealing with Licenses”. Based on the review, BEI arranged a public presentation of the findings at the Investment Council expert group meeting. Based on these findings, BEI, the Investment Council, and the Union of Entrepreneurs of Kyrgyzstan will develop specific recommendations on reforming construction licensing and permitting and will submit them for the Investment Council’s November meeting, which will be chaired by the President of the KR. BEI will compare the existing regime in the KR with “best in class” practices, and promote the best-possible reforms. After presenting the findings of the Analysis of Construction License and Permits System to the State Agency for Architecture and Construction, BEI will publicize them in electronic and printed media.</p>		
No.	Objective	Start Date	End Date
KG 06	Improved Rules and Procedures for the Inspection of Entrepreneurial Activities	1 Jan 2007	30 Sep 2007
Intermediate Objectives IRI, IR2	<ul style="list-style-type: none"> • Together with key committees and parliamentarians, encourage the adoption of the draft law on inspections of entrepreneurial activities. - December 2006 - COMPLETED • Conduct research on the problems that exist in the appeals process for a wrongful inspection and process for holding inspectors and agencies accountable for illegal inspections; develop recommendations for improving these processes and providing for liability of inspectors*. - March 2007 - COMPLETED • Identify 2 inspection agencies that would welcome technical assistance, including international STTA, to review and reform internal inspection procedures and processes, with or without a new inspection law. - March 2007 - NOT COMPLETED • Conclude MOUs with these agencies; develop process maps and produce an analytical report of the findings*. - June 2007 - NOT COMPLETED • Assist agencies to develop action plans for reform and implement them. - September 2007 - NOT COMPLETED • Upon adoption of the inspection law, work with government and private sector partners to develop implementing regulations for select agencies, e.g. tax inspection, sanitary inspection, fire inspection, etc., in accordance with principles and requirements of the new law. – September 2007 - NOT COMPLETED • Together with government and private sector partners, launch an information campaign on the new law and its implication for businesses. 		

	In particular, how can businesses use the new law and regulations to protect their rights*. - September 2007 - COMPLETED		
	Status & Comments		
October 2006 - September 2007	<p>As a result of BEI's active involvement with the Coalition of Business for Fair Taxation and Inspections, the President signed into law the LIME/TFI/BEI-supported draft Law, "On Procedures for Conducting Inspections of Businesses", with all recommendations, which introduces an entirely new approach to the conduct of inspections of businesses and their activities by government bodies in the Kyrgyz Republic. The Prime Minister also signed, as instructed by a July 2nd Presidential decree, a resolution on the implementation of the Law; this resolution created a special commission to develop the necessary acts and additional recommendations to effectively implement the new inspections law.</p> <p>With BEI's support, experts have developed the Regulation on Uniform Procedures for Conducting Inspections, suggestions on the Roster of State Controlling Bodies, and amendments to legislative acts to bring them into compliance with the new Inspections Law. A new government resolution on inspections that establishes a single, uniform form for the Inspection Authorization has been drafted at the initiative of the new Prime Minister and sent to all ministries and agencies for comment. The meeting of the Special Commission for approval of this regulation will be held in October.</p> <p>Following the activity on implementation of the new Inspections Law, BEI will, pursuant to an agreement reached with the Prime Minister, identify and select two state controlling bodies to receive BEI's technical assistance. This activity is now tentatively expected during November 2007. Appropriate MOU's with these agencies will be signed to provide for the timing and scope of the analysis. This activity is expected to take place in 2008.</p> <p>BEI commissioned the BIG Consulting Company to develop a brochure on the new procedures for inspections of businesses. This brochure has been circulated among business associations and posted at BEI's and counterparts' websites. It was also shared with the President and Government partners during meetings, and he has commended the product; feedback from users is also positive, as they indicate the brochure is very clear.</p>		
No.	Objective	Start Date	End Date
KG 07	Improved Business Licensing and Permit Policy with Effective Implementation	1 Dec 2007	30 Sep 2007
Intermediate Objectives IRI, IR2	<ul style="list-style-type: none"> Identify private sector counterparts that can participate in research on licensing and lead the lobbying efforts. - December 2006 - COMPLETED Conduct research to get statistics that clearly show how the licensing and permitting system is flawed and then prepare an analytical report* and presentations that can explain the benefit of the new draft law to legislators. - February 2007- COMPLETED Engage parliamentarians with presentations and discussions to facilitate passage. - March 2007 - COMPLETED Work with government institutions to form agreements about drafting new regulations that meet the terms of the new law. - April 2007 - NOT COMPLETED Upon adoption of the Licensing Law, work with government and private sector partners to develop implementing regulations for various licensing activities. - September 2007 - NOT COMPLETED Together with government and private sector partners, launch an information campaign on the new law and its implication for businesses. In particular, how can businesses use the new law and regulations to protect their rights*. - September 2007 - NOT COMPLETED 		
	Status & Comments		
October 2006 - September 2007	As the result of a closed tender to eligible business associations, the public foundation "Civil Initiative for Internet Policy" was selected to conduct research and analysis, and prepare a report on, the licensing and permitting system. Recommendations include continued promotion of the draft Licensing Law developed under TFI, introduction of the "Guillotine" principle to reduce the number of license-demanding		

	<p>activities, adopt related legislation based on RIA finding, and to introduce judicial proceedings into the process of revocation of licenses. This report was completed and is being finalized for presentation in late October to Parliament and the Government.</p> <p>BEI is assisting in the development of the draft law on streamlining the permits and regulatory system, pursuant to which the entire licensing and permits system will be subject to a review for compliance with regulatory impact analysis criteria. The draft law also introduces the concept of the “Guillotine” for the first time. Due to this, lobbying for the draft Law “On Licensing” has been temporarily postponed, as has work with government institutions on drafting new regulations for this law.</p> <p>At the initiative of the Investment Council under the President of the KR and directly facilitated by BEI, President Bakiev signed the decree “On Certain Measures to Streamline Permits and the Regulatory System in the Kyrgyz Republic” on July 23, 2007. As a result, BEI expects to work closely with the Investment Council in defining particular reform tasks for the 2008 project year.</p>		
No.	Objective	Start Date	End Date
KG 08	Streamlined Process of Deregistration of Business Entities	1 Jan 2007	30 Sep 2007
Intermediate Objectives IRI, IR2	<ul style="list-style-type: none"> Promote the adoption of the draft law On Registration of Legal Entities that includes provisions for improving the deregistration process. - September 2007 - NOT COMPLETED - MOVED TO YEAR 2 Based on the analysis of procedures of deregistration (Regional Objective) prepare recommendations for the Ministry of Justice to streamline the process. - April 2007 - NOT COMPLETED Assist the Ministry of Justice to implement new legal procedures for deregistration or improvements based on BEI recommendations to existing procedures. - September 2007 - NOT COMPLETED 		
Status & Comments			
October 2006 - September 2007	<p>The USAID-supported Law “On Registration of Legal Entities” is pending in Government due to delays in determining the level of financial support the Government will receive from the World Bank. BEI made recommendation to move forward with registration reform, in particular deregistration, while the law remains under consideration. Based on the Government’s analysis, the Ministry of Justice expects to initiate lobbying to pass the revised Registration Law taking into account BEI’s recommendations.</p> <p>BEI and the Ministry of Justice signed a Memorandum of Cooperation in July to analyze the processes of registration, re-registration, and de-registration of businesses. Pursuant to this Memorandum the parties studied the current situation of registration, re-registration and deregistration of businesses, and prepared recommendations, including on simplifying and improving the processes of registration and force de-registration of businesses. BEI and the Moj are analyzing the database of State Roster of Legal Entities (SRLE) to improve it and are preparing a Scope of Work for local IT experts who will improve the database and information-sharing among agency rosters involved in the process. A cost-benefit analysis of registration, re-registration, and deregistration of businesses under the one-stop-shop principle is also being prepared.</p> <p>BEI completed an analysis of the World Bank Doing Business Indicator “Closing a Business”. While this process includes a court-ordered deregistration step, the process itself is actually bankruptcy and liquidation, not administrative deregistration. The results of the review will be used to promote improvements in liquidation, where possible.</p>		
No.	Objective	Start Date	End Date
KG 09	Improved Implementation of the law on Fundamentals of Technical Regulation	1 Dec 2007	30 Sep 2007

Intermediate Objectives IR2	<ul style="list-style-type: none"> Continue to provide limited support to the World Bank Project “Reduction of Technical Barriers to Entrepreneurship and Trade” to help drive full implementation of the key principles of the law On the Fundamentals of Technical Regulation and to advance the reform process as it affects the business environment for SMEs. - September 2007 - COMPLETED 		
Status & Comments			
October 2006 - September 2007	<p>Pending launch of the USAID RTLC Project, BEI continued to provide USAID support to technical regulations reform in close collaboration with the World Bank. BEI assisted in lobbying the Government to accept the international practice of having an independent accreditation body and provided direct assistance to World Bank consultants to advance technical regulation reforms. BEI also provided comments to the draft technical regulations on food safety addressing issues such as compliance with the Law “On the Fundamentals of Technical Regulation” and provided recommendations to avoid the creation of new barriers to business activity. BEI continues to monitor and participate in the working group to promote positive implementation of the regulations and prevent negative amendments to the Law.</p> <p>The World Bank and USAID (TFI/BEI) supported Resolution “On Accreditation” was adopted. The Resolution creates a separate and independent National Accreditation Body (NAB), divides standards/technical regulation functions and activities, eliminates conflicts of interest, and is consistent with international best practices. The Resolution is another step towards full implementation of the Law “On the Fundamentals of Technical Regulation” and the establishment of an internationally recognized conformity assessment system in the Kyrgyz Republic.</p> <p>At the request of the World Bank Reducing Technical Barriers for Entrepreneurship and Trade Project (RTBET) and the Technical Regulation Department of the MEDT, BEI prepared comments to proposed amendments to the Law “On the Fundamentals of Technical Regulation”. BEI’s recommendations included opposing the reintroduction of mandatory standards for services, which are contrary to obligations under the TBT Agreement, and the creation of an Agency of Technical Regulation under NISM, that would duplicate activities already performed by MEDT. Based on the recommendations, the Technical Regulation Commission submitted an official letter to Parliament detailing its concerns and objections.</p>		
No.	Objective	Start Date	End Date
KG 10	International Court of Arbitration (ICA) Becomes a Self-Sustaining Venue for Dispute Resolution	1 Dec 2006	30 Sep 2007
Intermediate Objectives IR4	<ul style="list-style-type: none"> Assume grant from Eurasia Foundation will cover ICA operating expenses into early 2007. Assist USAID to conduct a financial audit of the ICA. - December 2006 - COMPLETED Provide a business consultant to conduct a review of the operations of the ICA and develop a report with specific recommendations to reduce costs, increase revenues, and transition to become self-sustaining. - January 2007 - COMPLETED Present the report along with conditionality’s for further financial support to the Board of Trustees of the ICA for approval. - January 2007 - COMPLETED Monitor ICA’s implementation of the recommendations and provide support with technical assistance, including outreach activities aimed at raising awareness, interest and, ultimately, revenue. Provide STTA as needed. - September 2007 - COMPLETED 		
Status & Comments			
October 2006 - September 2007	<p>The grant from the Eurasia Foundation covered ICA operating expenses through February 2007. BEI covered salaries and operating expenses of the ICA during March and April, in the amounts established by Eurasia, through a short-term grant approved by USAID.</p> <p>BEI retained two (2) consultants who conducted an analysis of the operations and activities of the ICA. The first consultant, a local expert,</p>		

	<p>reviewed the structural and operational activity of the ICA. An international consultant conducted both an environmental and a secondary operational review to determine the demand for arbitration and the viability of the ICA. Final recommendations from both consultants were presented to the ICA and were accepted; details included plans to reduce operations costs, reduce staff, relocate to more cost-effective office space, increase revenues through additional products (negotiations, seminars, trainings, etc.), hire an executive director, work actively with business associations, and promote and fund-raise for the ICA. During the year, the ICA began implementation of these recommendations, resulting in significant cost savings and an increased organizational focus on building a sustainable enterprise.</p> <p>The ICA submitted a grant application to BEI in July requesting funding for its continuing operational shortfall (revenues minus expenses) to provide additional time to implement the consultants' recommendations. Based on the consultants' analysis and a further review of ICA operations including significantly reduced operational costs and steps to implement other recommendations provided by USAID, BEI determined that the ICA had taken some positive steps toward sustainability. Based on the progress to date and the expectation of further improvements, a grant of \$25,646 was approved in August. BEI is continuing to monitor the ICA, will provide additional assistance as necessary and appropriate, and will take other steps to promote alternative dispute resolution in the Kyrgyz Republic.</p>		
No.	Objective	Start Date	End Date
KG II	Migrate Financial Responsibility for Maintaining the Database of Judicial Opinions and Resolutions to the Supreme Court or Other Suitable Budgetary Sources	1 Jan 2007	30 Sep 2007
Intermediate Objectives IRI	<ul style="list-style-type: none"> Support the maintenance of the existing judicial database where it concerns decisions on commercial and administrative issues from selected courts (37 existing pilot courts). - January 2007 - COMPLETED Ensure the placement of the aforementioned judicial database on the Supreme Court's web site, which is publicly available. - February 2007 - COMPLETED Prepare a regular (TBD) summary and short explanation of new judicial decisions for the benefit of the business community with assistance from a local partner (e.g. Toktom or Advisor); distribute through the local partner and other information sources (associations, publications, websites, etc.). - March 2007 - COMPLETED Investigate to what extent the database of judicial opinions is being used, particularly each search function, and perform a cost/benefit analysis of every feature of the database. Determine what the ramifications would be if USAID ceased funding and the database stopped working. - April 2007 - COMPLETED Work with the Supreme Court to prepare a budget that assumes full (or partial) financial responsibility for continuation of the database. Include projections in budgets for the next budget cycles. - September 2007 - COMPLETED Work with the Supreme Court and parliamentarians to create a requirement in law that courts must make all decisions, subject to reasonable and clear privacy requirements, publicly available through the Internet and must allocate budget funds for this purpose. - September 2007 - COMPLETED 		
	Status & Comments		
October 2006 - September 2007	<p>On June 29, 2006, a Memorandum of Understanding was signed between USAID and the Supreme Court providing the court system with the money and equipment necessary to support the archiving and publication of judicial opinions. The MOU calls for the Supreme Court to assume significant financial responsibilities in its budget. BEI will continue to monitor the outcomes and report accordingly.</p> <p>On September 12, 2007, the Judicial Reform Committee of the Parliament agreed with the President's objections expressed in the Law "On Supreme Court and Local Courts", thus solidifying the requirements for the provision of public access to judicial opinions and for allocation of budget funds necessary to keep the system functional. The Judicial Opinions Database (JODB) was provided for publishing on the Supreme</p>		

	<p>Court's website (www.supremecourt.kg). The Court is addressing technical issues to make the website publically accessible. While those issues are being addressed, the JODB is being hosted at the Toktom Legal Library and is publically accessible through www.bdsa.toktom.kg. BEI will monitor the site periodically to determine continued accessibility and the usage rate of the JODB.</p> <p>BEI has agreed with the Central Asian Legal Library (CALL) to conduct reviews of legal judgments. To date, it has completed the Reference Compilation (reviews) on court practices for September 2006. Reference information has been posted to CALL's website, published in issue #37 of Normative Acts of the Kyrgyz Republic periodical dated September 14, 2007, and distributed via email among business associations. An additional two Reference Compilations are under development.</p> <p>BEI will collaborate with the future USAID Judicial Strengthening Project to transition support to the new project for database and judicial summary development, management and publication. BEI had planned to conduct a tender for long-term management of the JODB, but will continue short-term support to allow the new project to decide on the best management approach in a broader program of judicial support.</p>		
TAJIKISTAN (TJ)			
No.	Objective	Start Date	End Date
TJ 01	Develop Private Sector Advisory Committee (PSAC) to BEI and Information Dissemination Network	1 Oct 2006	30 Sep 2007
Intermediate Objectives IR1, IR2, IR3, IR4	<ul style="list-style-type: none"> • With the assistance of Internews and other media-supporting organizations, conduct a roundtable of local media organizations to present the BEI Project and seek input in the development of a public outreach strategy potentially involving newspapers, television, radio, electronic distribution of materials, Partnership Network, and other counterparts. - December 2006 - COMPLETED • Identify and secure commitment of key leading business, academic, and NGO representatives to participate in an advisory committee to the BEI Project to provide input on project initiatives, including assistance with validation of World Bank process maps and effective information dissemination. - January 2007 - COMPLETED • Develop a list of information dissemination counterparts, including the Partnership Network, media (radio, television, newspapers), universities, other associations, and NGOs, to create an organized conduit for publication of project-related and project-support information, including as indicated in TJ12, throughout Tajikistan. - April 2007 - COMPLETED 		
Status & Comments			
October 2006 - September 2007	<p>The original BEI concept for a PSAC was to have a standing group that could advise the project and provide feedback on all issues. However, after further investigation of similar previous initiatives in the country, it was decided that issue-specific groups would be more effective given the range of issues BEI addresses. In-person focus and discussion groups combined with frequent information dissemination and feedback from the information network are expected to provide the same level of guidance, but allow for issue specification where necessary. For this reason, objective 2 is marked completed as modified.</p> <p>BEI conducted meetings with Internews and other donors to develop the strategy for working with the media and conducted a round table on January 19, 2007 with 11 media representatives to introduce the project and gain the support of media organizations in information dissemination.</p> <p>In addition to utilizing public input for development of the media strategy, BEI completed roundtables and focus groups with private sector representatives to validate WB process maps (R1) and to identify opportunities for improvement in the process beyond problems measured by the WB methodology. BEI will continue to seek guidance from the private sector, but decided groups formed to address specific issues as needed was more effective than a standing committee on all issues.</p>		

	Utilizing existing counterparts such as business associations, legal and business support centers, law firms and business consultancies, BEI established an electronic information dissemination network with over 50 information intermediaries agreeing to disseminate news, legal drafts, laws and regulations, guides and other business related information BEI is supplying. Through the network, it is estimated that BEI can reach over 8,000 individual entrepreneurs with periodic mailings. End-user feedback will be routinely monitored to ensure information is being disseminated and to evaluate its usefulness.		
No.	Objective	Start Date	End Date
TJ 02	Simplification of Business Registration Procedures	1 Oct 2006	30 Sep 2007
Intermediate Objectives IR2	<ul style="list-style-type: none"> • In collaboration with other donors, including the World Bank, and with the assistance of private sector partners and service providers, create and publish through private sector, NGOs, and government partners a plain-language guide to business registration including sample documents, process map, costs, and assistance information*. - April 2007 - COMPLETED • Based on proposed business registration reforms, review the National IT Strategy and analysis conducted by other counterparts, including the World Bank, and identify any new recommendations or issues for further consultation with donors and through donors the government and other stakeholders. - April 2007 - COMPLETED • Based on identified areas for improvement in the registration system not dependent on computerization, including increased publication of information regarding the existing process, support efforts by collaborating donors, the private sector and government partners to implement improvements. - September 2007 - COMPLETED 		
Status & Comments			
October 2006 - September 2007	<p>BEI completed the first analysis of the registration process and has developed a Plain-Language Guide on Starting a Business, disseminated it through the informational network, and placed it on project and partners' websites. Also the State Committee for Investment and State Property Management of RT distributed this guide on CD among all Government structures. BEI is planning for the next year to follow-up on the guide by developing analysis of legal normative acts regarding business registration, analysis on voluntary re-registration of legal entities, and analysis on voluntary liquidation of legal entities in RT.</p> <p>Based on discussions with the World Bank, BEI understands it is providing coordinated support to the Government to increase the use of information technology and leveraging existing resources to increase connectivity. At the present time, resources within the government are scarce and any spot investments are unlikely to produce benefits for entrepreneurs. BEI has recommended to multiple WB missions that any IT investments should leverage existing resources and not build artificial tools that the Government will not incorporate or develop beyond assistance levels. Based on BEI review of resources, strategies and plans, BEI recommends that any investment should accompany a rationalization of government function and drastic divestment of unnecessary control and associated bodies that further burdens its limited resources.</p> <p>BEI has completed the analysis of the registration process and determined that the process itself is not necessarily a limiting factor in either business activity or legalization. However, a lack of information about the process, and the way steps are executed such as undue discretion by the Ministry of Justice in reviewing applications and unnecessary legal review by notaries impose additional costs. Also, facilitators that are able to circumvent the process on behalf of clients are able to register any legal entity much more quickly than the WB analysis indicates. But, a charter capital requirement that is 379% of per capita GNI for domestic businesses, especially when approximately 80 countries have no such requirement, stands out as a particularly illogical and unhelpful barrier to business activity, which BEI plans to address.</p>		
No.	Objective	Start Date	End Date

TJ 03	Law on Normative Legal Acts and Increased Legal Transparency	1 Oct 2006	30 Sep 2007
<p>Intermediate objectives</p> <p>IR1, IR2, IR3</p>	<ul style="list-style-type: none"> • Submit recommendations to the Government regarding the Law on Normative legal Acts including publication of draft laws and increased dialogue between Government, Parliament and the private sector as well as provisions allowing for future implementation of regulatory impact assessment in the regulatory drafting process. - February 2007 - COMPLETED • Based on the review of the National IT Strategy (TJ02) and other donor technology infrastructure analysis conducted for TJ02, develop recommendations related to information systems related to the legislative and regulatory drafting processes and access to adopted normative legal acts by the public and coordinate future systems strategies with other donors, including the World Bank. - March 2007 - COMPLETED • Through direct advocacy and support of private sector partners, encourage adoption of the Law of Normative Legal Acts by Parliament. - May 2007 - COMPLETED • Conduct seminars and other information initiatives with government and private sector counterparts to increase knowledge of legal resources and new drafting procedures and create demand for publication of drafts as well as more detailed future regulatory impact analysis. - September 2007 - COMPLETED • Create a working group with government and private sector counterparts to develop amendments to the regulations of the Government and the Parliament and the implement strategy to institutionalize public involvement in the drafting processes pursuant to provisions of the Law on Normative Legal Acts. - September 2007 - NOT COMPLETED 		
Status & Comments			
<p>October 2006 - September 2007</p>	<p>BEI submitted recommendations to the Ministry of Justice and the governmental working groups developing amendments to the Law “On Normative Legal Acts” and has continued to promote changes that would require publication of drafts for comment utilizing existing government resources.</p> <p>Through meetings with the World Bank and other donors, BEI has encouraged the immediate publication of drafts and existing laws and regulations utilizing existing infrastructure while other donors continue to promote the development of more advanced legal databases and further IT development within the government.</p> <p>The Legal Department of the President distributed the draft of the Law “On Normative and Legal Acts” in late May to 14 ministers and 3 state committees for a one-month review period. However, BEI’s recommendations to the Ministry of Justice to solicit public comment via publication of draft laws and regulations on the existing website of the President of Tajikistan, to allow 30 days for comment, and to allow for comment either to drafters or to the Ministry of Justice, were not accepted.</p> <p>To date, six responses of “no comment” have been received from Government reviewers. Although the period for government agency comment has run out, the Legal Department is expected to submit the draft to Parliament when it reconvenes. Based on provisions adopted by Parliament BEI will identify future opportunities, and at the same time, will continue working with private sector partners to increase understanding of and demand for greater transparency in the drafting process.</p>		
No.	Objective	Start Date	End Date
TJ 04	Expand and Strengthen Regional Partnership Network	1 Oct 2006	30 Sep 2007
<p>Intermediate objectives</p> <p>IR1, IR2, IR3</p>	<ul style="list-style-type: none"> • Private sector service providers (law firms and business consultancies) identified and agreements reached to provide support to network members on a multi-year declining subsidy basis. - January 2007 - COMPLETED • Agreements concluded with 8 associations in Sogd oblast, RRS, Khatlon oblast, GBAO and Dushanbe committed to increasing advocacy skill and internal operations to join the Partnership Program Network. - January 2007 - COMPLETED 		

	<ul style="list-style-type: none"> Operational review completed of partner associations by consulting subcontractor and implementation of improved operational and management practices begins. - April 2007 - COMPLETED Partner business associations complete training on RIC methodologies conducted by KZ association service providers that will allow them to begin RIC activities. - May 2007 - COMPLETED Legal representation services made available to associations and association members via services and marketing agreements with association management and issues/results tracked by BEI. - May 2007 - COMPLETED Six partner business associations reduce at least one constraint. - September 2007 - COMPLETED At least 75% of Partnership Program Network business association members through direct surveying report that they are aware of legal and consulting services available from designated service support providers and 75% of members report they are aware of advocacy activities of their association and the outcomes of those activities. - September 2007 - COMPLETED 		
Status & Comments			
October 2006 - September 2007	<p>During the first contract year, BEI established partnerships with 15 associations throughout Tajikistan and began both an association training program and on-going individual consultations with associations' representatives. BEI evaluated associations and reviewed results and comments of other projects, which supported business association development in Tajikistan. Based on the analysis, BEI decided to assist significantly in the area of internal operational development as a means to improve the capacity of the partners to effectively meet the members' needs. Three trainings were conducted in the first contract year that positively affected the financial management and financial sustainability of business associations, their marketing and operations, and development of partnerships with the public sector. BEI assisted business associations in the elimination of 4 constraints (see Business Environment Impact Table). Associations also established contacts and partnerships with business and legal consulting companies.</p> <p>Based on the capability assessment of service providers in the Kyrgyz Republic and Kazakhstan, it was decided to use a combination of providers from all 3 countries. Given the complexity of needs matching and opportunities to utilize regional providers, the final agreements are briefly delayed.</p> <p>Associations have actively cooperated with BEI in implementation of analysis and in developing plain-language guides, which have led to increases in membership bases and the number of fee-based services. BEI-partner business associations are actively cooperating with business associations from Kazakhstan and Kyrgyzstan within the frame of mentoring and joint project implementations.</p> <p>With BEI support, the partner association, the Sogd Oblast Professional Trade Union, was successful in advocating with the Ministry of Justice for the elimination of the notary requirement that sales contracts be accompanied with a certificate of "no tax debts" during notarization. Details are included in the Business Environment Impact Table.</p>		
No.	Objective	Start date	End date
TJ 05	Promote Legalization of Private Notary Services	1 Oct 2006	30 Sep 2007
Intermediate Objectives	<ul style="list-style-type: none"> Convene focus group of representatives of the government and private sector to evaluate current barriers to notarization, demand for private sector reform and willingness of government to adopt and implement a system of private notary services. - January 2007 - COMPLETED Based on agreement of all parties, create working group with the government and private sector to develop the draft Law "On amendments to the Law 'On Notary'". - March 2007 - NOT COMPLETED With the assistance of international experts and/or private sector analysts, develop an assessment of proposed amendments for working 		
IRI, IR2			

	<p>group and circulation through the information network. - July 2007 - NOT COMPLETED</p> <ul style="list-style-type: none"> Based on fist draft of amendments to the Law “On Notary” and analysis, facilitate public round table discussions regarding the draft law with the participation of representatives from government bodies and the private sector to identify further improvements and build demand for adoption and implementation. - September 2007 - NOT COMPLETED 		
Status & Comments			
October 2006 - September 2007	<p>BEI conducted a series of meetings with government and private sector representatives as well as notary experts. Problems caused by the existing notary system have also been identified in R.I. As a branch of the Ministry of Justice, public notaries are government agents, the number is severely limited, and government benefit from notary overreach creates an incentive to impose official and unofficial costs across all processes. Notaries only work when the government does, resulting in limited access to notary services. Also, notaries perform legal review of agreements and documents, not just attestation to identity or copy verification, often requiring citizens to use specific paper sold by the notary and to change contract terms to which parties previously agreed. This raises costs for citizens, delays the formation of agreements and the completion of documents necessary for almost every business process and creates opportunities for direct government interference in almost every private contract and the private right of contract in general.</p> <p>As a result of personnel changes, including the Minister, in the Ministry of Justice, BEI has been asked by the Minister to delay publicized work in this area until the government has an opportunity to review the situation. However, BEI has reached an agreement in principle with the Ministry and an outside expert expected to be employed by the Ministry to develop recommendations and reforms in this area and to provide consultation to both parties and further support the analysis and implementation efforts. It isn't necessarily expected that a working group will be formally created at his point, but if there is a positive decision from the Government, there is a possibility for creating a working group to further develop changes in current legislation in the area of notary.</p> <p>BEI supported the National Association of Small and Medium Business to conduct an analysis on private notary, which was completed in September and submitted to the State Committee for Investments and State Property Management for lobbying to the Government and Parliament of RT. Future activities in this area will be based on realistic opportunities that are presented.</p>		
No.	Objective	Start Date	End Date
TJ 06	Support IFC Inspections Reform Program	1 Oct 2006	30 Sep 2007
Intermediate Objectives IR2, IR3	<ul style="list-style-type: none"> Jointly with IFC, identify areas for collaboration and complementary support at the implementation level. - November 2006 - COMPLETED Based on agreement with IFC, through service providers as well as private sector and government counterparts, support information dissemination efforts regarding improved inspection procedures including the development and publication, through the information network, of “plain language” information regarding inspection procedures, inspector responsibilities and entrepreneur’s rights*. - July 2007 - REMOVED Through feedback and monitoring conducted by IFC and private sector counterparts, monitor government compliance with and private sector understanding of new inspection provisions and coordinate any remedial support with IFC and the private sector. - September 2007 - REMOVED 		
Status & Comments			
October 2006 - September 2007	<p>BEI has provided recommendations and comments to IFC regarding inspections provisions, but both IFC and the World Bank directly through its Public Sector Reform Project are supporting targeted inspections reforms in Tajikistan. At this time, it is not anticipated that BEI would be involved in additional inspections work beyond monitoring the situation and continuing to be available for collaboration. In the event the IFC and World Bank reforms produce results, BEI would identify opportunities to expand on their activities with additional</p>		

	<p>inspectorates in future years. As with all information BEI obtains, inspections-related information is disseminated to the private sector as acquired.</p> <p>Based on agreement with the BEI CTO, future work in this area was left to IFC.</p>		
No.	Objective	Start Date	End Date
TJ 07	Improved Procedures for Contract Enforcement	1 Oct 2006	30 Sep 2007
Intermediate Objectives IR1, IR2, IR4	<ul style="list-style-type: none"> Through private sector, NGO, and government counterparts, identify the most commonly used business contracts and, through private sector counterparts, including service providers, develop a package of most commonly used business contracts, and distribute through the Partnership Program, to law firms, other business associations, other projects, and directly through BEI information portals. - May 2007 - COMPLETED Based on the project analyses, including validation of the World Bank contract enforcement process, identify immediate opportunities for reducing time and financial costs associated with contract enforcement and prepare any appropriate recommendations regarding legal (including judicial) changes that may be beneficial*. - May 2007 - COMPLETED Implement improvements where possible, including utilizing private sector partners to increase availability of information and advocate for further change. - September 2007 - COMPLETED 		
Status & Comments			
October 2006 - September 2007	<p>With BEI support, the National Association of Small and Medium Businesses of Tajikistan completed the compilation of over 100 samples of “Most Commonly Used Business Contracts”. The collection was published with the Guide to Starting Business via the BEI Information Network, web site, and at the BEI/AmCham in June. Results are being monitored to determine if it is necessary to conduct additional work in this area.</p> <p>BEI has completed its analysis of the World Bank Doing Business Indicator for Contract Enforcement. The Economic Procedure Code and the Civil Procedure Code have been reviewed by BEI and GTZ and are currently in Parliament. BEI and GTZ continue to work together to advocate for their adoption. The working group supported by BEI under the Ministry of Justice in January began developing the Law “On Enforcement” that will govern the enforcement of court judgments by enforcement officers, and possibly arbitration decisions once arbitration decisions are recognized by official courts.</p> <p>The working group developing the draft Law “On Enforcement” met with the expert provided by GTZ and reached agreement on the first 40 articles of the draft law “On Enforcement”. Discussions are continuing on the remaining 37 articles. BEI submitted its comments to the Working Group involved in the development of draft law. The majority of BEI’s comments have been taken into consideration by the Working Group.</p>		
No.	Objective	Start Date	End Date
TJ 08	With Private Sector Service Providers, Commission and Publicize Informational Analyses on Key Reform Initiatives to Promote Future Activities	1 Oct 2006	30 Sep 2007
Intermediate Objectives IR1, IR2, IR3	<ul style="list-style-type: none"> With local service providers, NGOs, and international experts, complete a detailed legal and business analysis of the 1961 Hague Convention Abolishing the Requirement of Legalization of Foreign Public Documents and the costs and benefits to Tajikistan of the Convention*. - February 2007 - COMPLETED With local service providers, NGOs, and international experts, complete a detailed legal and business analysis of the New York 		

	<p>Arbitration Convention and the benefits for Tajik businesses from signing into the Convention*. - April 2007 - COMPLETED</p> <ul style="list-style-type: none"> • With local service providers, NGOs, and international experts, complete a detailed legal and business analysis of Regulatory Impact Analysis and the costs, benefits and methods of effective implementation in Tajikistan*. - May 2007 – MOVED TO YEAR 2 • With local service providers, NGOs, and international experts, complete a detailed legal and business analysis of property rights (real and personal), and methods of improving establishment and protection of property as a necessary element of economic growth*. - July 2007 - COMPLETED • With local service providers, NGOs, and international experts, complete a detailed legal and business analysis of the potential to effectively initiate a guillotine project under the coordination of the Executive Office during the 2007-2008 contract year. - August 2007 - COMPLETED • Through direct action, dissemination by media counterparts, including radio, newspaper, association newsletters, public roundtables, internet distribution and academic journals, disseminate information regarding the analyses and promote increased government interest and private sector demand for specific near-future reforms. - September 2007 - COMPLETED 		
Status & Comments			
October 2006 - September 2007	<p>BEI has completed the scope of work and identified a local expert to conduct an analysis of the impact of joining the 1961 Hague Convention; the work was completed and BEI distributed the analysis to the Government and presented it for discussion at a roundtable attended by 20 representatives of Parliament, the Government, consulting companies, and business associations. Participants expressed interest but requested additional information on other international agreements. These will be added to the report and then distributed to all participants, the private sector, and through the BEI information network to enhance understanding of the issues, build demand, and evaluate the potential for future reforms.</p> <p>BEI has developed a “Guide to the Construction Permitting Process and Guide to Public Organization Activity” based on the new Law “On Public Organizations”. The guide was published online in September and distributed through the BEI information network and to the State Committee for Investments and State property Management of RT and the Agency for Architecture and Constructing of RT.</p> <p>Based on agreements with the Open Society Institute, which is providing technical assistance in the development of draft laws on arbitration courts and on international arbitration, BEI supported an international expert who visited Tajikistan in April and May 2007 and developed an analysis and report regarding joining the New York Arbitration Convention. The analysis, report and identified additional background reading materials, were distributed by BEI and OSI to the private sector, and appropriate government and Parliamentary representatives. Together, BEI and OSI continue to promote adoption of the Convention and necessary legal changes to build demand from the private sector.</p>		
No.	Objective	Start Date	End Date
TJ 09	Improved Transparency of Government Procurement Process and Increased Capacity of Private Sector Entities to Participate in Tenders	1 Oct 2006	30 Sep 2007
Intermediate Objectives IR1, IR2	<ul style="list-style-type: none"> • Through collaboration with the World Bank, review existing laws and regulations governing government procurement procedures and develop analytical process maps for the process as described by law and by entrepreneurs and define areas of collaboration with the World Bank. - March 2007 - COMPLETED • To increase private business participation in state procurements, in collaboration with the World Bank, prepare a “plain-language” guide to the procurement process (legislation, forms, procedures etc.) for dissemination by media counterparts, including radio, newspapers, association newsletters, public roundtables, internet distribution, academic journals and business consultancies*. - September 2007 - NOT COMPLETED 		

		Status & Comments	
October 2006 - September 2007		<p>Through discussions with the World Bank and the Agency on State Purchases, BEI has provided comments to draft regulations currently under development that will further implement new procurement procedures. BEI also identified additional regulations and amendments that will be necessary for a harmonized procurement system and presented those recommendations to the World Bank team. As the process is currently incomplete pending adoption of the regulations, further detailed analysis of the existing process or publication of descriptive material is not possible at this time. BEI will continue to assist the development process where possible and will develop information material for the private sector once the procedures are finalized.</p> <p>The Ministry of Justice submitted for BEI consideration drafts of sub-normative acts on procurement, and BEI reviewed and submitted comments. In total BEI reviewed 13 sub-normative acts, and BEI offered support for their adoption. Once the final procedures are adopted and analyzed the Guide to the Procurement Process may be developed in year 2 based on private sector demand.</p>	
No.	Objective	Start Date	End Date
TJ 10	Support to Regional Councils and Governments - Public Private Dialogue	1 Oct 2006	30 Sep 2007
Intermediate Objectives IR1, IR2, IR3	<ul style="list-style-type: none"> • Confirmation of counterparts continuing support to operational public-private working groups. - December 2006 - COMPLETED • Confirmation of Customs Consultative Councils in Khorog (GBAO/Afghanistan/China/Kyrgyz Republic), Khujand, Kurgan-Tube, and Dushanbe. - December 2006 - COMPLETED • Through the Partnership Network or BEI direct action, form agreements with government and private sector in Kurgan-Tube and start reform activities. - February 2007 - COMPLETED • Form agreement with government of Dushanbe and Center of Entrepreneurs Support to improve legal environment in Dushanbe. - March 2007 - COMPLETED • Obtain commitment of regional Prosecutor's office to engage project and eventually private sector on issues related to illegal and burdensome regulations. - May 2007 - COMPLETED • Through Partnership Network and direct project consultation, provide support to existing and new dialogue forums, track results, and encourage broader participation. - September 2007 - COMPLETED 		
		Status & Comments	
October 2006 - September 2007		<p>BEI received commitments from Customs Consultative Councils and existing public-private dialogue bodies in GBAO, Sogd and Khatlon to continue activities between government and the private sector. Sogd, Dushanbe, and Kanibadam have additionally agreed to engage the private sector in discussion on the identification and elimination of barriers to business activity and broader policy discussions. BEI is supporting their efforts by encouraging the development of best practice standard operating procedures and formally adopting them.</p> <p>BEI expanded its presence in Khatlon oblast and assisted the Khatlon Customs Department to establish a Customs Consultative Council, the first session of which was arranged in April. Similarly, BEI continued support and cooperation with the other, existing Custom Consultative Council and Working Group of GBAO. A joint session on cross border trade with this group was arranged in April and again in August; results are detailed in the Business Environment Impact Table.</p> <p>The first organizational meeting of the Council for Social-Economic Development of Kanibadam was held on March 27, 2007 with participation of local authorities, private sector representatives, and other local experts. In the first meeting, participants approved the regulation of the Council, which was developed with the assistance of BEI and selected the Chairman, Secretary and working groups of the Council. Working groups were created covering all sectors of the Kanibadam economy, including private sector farming, medicine and</p>	

	<p>education. BEI will work with Council representatives to identify and address issues of business development in the region.</p> <p>The draft programs for economic development for Dushanbe for 2007-2015 and the national program on development of small and medium businesses until 2015 were distributed to the private sector with BEI support and the government accepted comments from interested associations including recommendations to eliminate a proposed ban on motor vehicle traffic.</p> <p>BEI has secured preliminary agreement from the State Office of the Public Prosecutor to cooperate with BEI regarding the elimination of illegal regulations. As a result of this agreement, with assistance from BEI, several business associations submitted letters to the General Prosecutor Office (GPO) urging consideration of canceling an illegal act of the State Committee for Architecture and Construction. The General Prosecutor Office issued a resolution canceling the illegal act, which is expected to bring significant saving to construction companies. Associations, with BEI assistance and in collaboration of General Prosecutor Office, will try to cancel other illegal non-registered acts from other Ministries and Agencies. BEI expects the formal creation of a working group with the GPO during Year 2.</p> <p>BEI is in touch with local and regional administrations of Khujand, Sogd Oblast and Dushanbe on creation of Expert Commissions for Economic Development. These Commissions are expected to collaborate with local and regional administrations and strengthen public-private dialogue through their support.</p>		
No.	Objective	Start Date	End Date
TJ 11	Increase Access to Legal Information	1 Oct 2006	30 Sep 2007
<p>Intermediate Objectives</p> <p>IR1, IR2, IR3</p>	<ul style="list-style-type: none"> • Conduct inventory and analysis of currently existing public databases and web sites by the government (inc. Parliament and WTO inquiry point). - January 2007 - COMPLETED • Finalize agreement with information network members, including journal publishers, academic institutions (inc. Tajik State Law Faculty “State and Law”), and associations (inc. Panjshanbe Market Entrepreneurs, Association of Entrepreneurs of Sogd oblast, Milal-Inter “Today and Tomorrow”, Public Union Kafolat “Adliya” database, and Association of Young Lawyers) to disseminate legal information including expert commentary on issues of business interest and texts of draft and adopted laws to all possible citizens. - March 2007 - COMPLETED • Through information dissemination network and subcontracts with analysts and publishers, facilitate distribution of legal thought and opinion articles. - September 2007 - COMPLETED • Work in collaboration with the World Bank to create and implement information systems within government and for interface with the private sector for document sharing and a single information site for adopted and (future) draft laws, regulations and other sub-normative acts. - September 2007 - NOT COMPLETED 		
	Status & Comments		
October 2006 - September 2007	<p>BEI completed the inventory of existing public information databases and website leading to the recommendations for utilizing existing resources in amendments to the Law “On Normative Legal Acts” (TJ03).</p> <p>A problem has been revealed that there is no consolidated point of access for existing laws and regulations, and many continue to be considered secret by the government despite routine application by the private sector. BEI will continue to work directly with other donors, such as the World Bank Public Reform Project, to encourage the registration, collection and publication of all legal documents.</p> <p>Through activities in TJ01, BEI has secured the agreement of publishing organizations to disseminate analytical articles developed by or on behalf of BEI. This network of 134 organizations reaches more than an estimated 8000 people in Tajikistan. Additionally, draft and enacted</p>		

	laws, regulations other normative legal acts, and analysis and guides to assist entrepreneurs have been placed on the BEI web site and a forum established where entrepreneurs can leave their comments and suggestions or place questions for BEI consultants and other forum users to answer.		
No.	Objective	Start Date	End Date
TJ 12	Facilitate Implementation of Law “On Licensing” and Dissemination of Information about New Licensing Regime	1 Oct 2006	30 Sep 2007
Intermediate Objectives IR1, IR2	<ul style="list-style-type: none"> • In collaboration with the World Bank and IFC, review and submit recommendations to the Government regarding the implementing regulations on licensing. - March 2007 - COMPLETED • To increase private sector understanding of the licensing system, with the assistance of private sector partners and service providers, create and publish through the information network, including private sector representatives, Partnership Network, NGOs, other projects/donors, and government partners a “plain-language” guide to licensing including sample documents, process map, costs, and assistance information*. - June 2007 - COMPLETED • On the basis of the “plain-language guide”, conduct trainings for entrepreneurs and government bodies on implementation of licensing legislation. - August 2007 - COMPLETED 		
	Status & Comments		
October 2006 - September 2007	<p>Through discussions and agreement between BEI, the World Bank, and representatives of the President’s Administration, BEI developed amendments to 34 normative legal acts (33 laws and a regulation) necessary to harmonize the legal framework with amendments to the Law “On Licensing” for 2006. To date the total number of adopted BEI-drafted normative acts on licensing is 33 out of 34, including the regulation of the Government, eliminating opportunities for corruption and legal obligations placed on entrepreneurs caused by conflicting legal requirement. Amendments to the licensing law adopted extend the validity of licenses to no less than 5 years, reducing the frequency of government contacts for renewal, with associated costs and opportunities for corruption. Redundant licensing requirements for transport companies have also been eliminated, reducing an estimated over 11,500 licensing transactions and associated costs (see Business Environment Impact Table).</p> <p>BEI conducted or supported a series of roundtables in Dushanbe, Khujand, and Khorog with representatives of the private sector to make them aware of changes in the licensing system and solicited feedback regarding the draft regulation.</p> <p>BEI has developed a “Manual on the Licensing Process”, distributed it through the BEI information-network, and conducted seminars on the topic in Khujand, Dushanbe, Shaartuz, Kurgantube, and Khorog for 27 public and 140 private sector representatives. BEI also distributed the "Guide on Licensing Legislation for Entrepreneurs" for 17 ministries of the Government of RT in CD format.</p>		

PERFORMANCE VERSUS TARGETS – SUB-INDICATORS

KAZAKHSTAN

IR 1.1	Number of new or amended commercial laws	Target 3	Result 3
	<u>Law</u>	<u>Date</u>	
1	Law #209-III "On Changes and Additions to Certain Legal Acts of the Republic of Kazakhstan Dealing with Technical Regulation Issues"	December 29, 2006	
2	Law #303-III "On Government Procurement"	July 21, 2007	
3	Law № 214-III "On Licensing"	January 11, 2007	
IR 2.1	Ratio of BEI-supported legal and administrative improvements validated six months after the improvement takes effect to the total number of BEI supported improvements (From PR 2 Table)	Target 80%	Result 100%
IR 3.1	Number of institutionalized engagements of private sector or 3rd party service providers by government	Target 7	Result 9
	<u>Engagement</u>	<u>Dates</u>	
1	Working Group on Administrative Barriers Reduction, Zyryanovsk	April 2007, May 2007, July 2007	
2	East Kazakhstan Akimat Office's Commission on Administrative Barriers, Oskemen	May 2007, July 2007, August 2007	
3	Working Group on Administrative Barriers Reduction, Ridder	May 2007, June 2007, July 2007	
4	Ridder Mayor's Office Expert Council on Entrepreneurship Development Problems	February 2007, March 2007, April 2007	
5	Zyryanovsk Mayor's Office Expert Council on Entrepreneurship Development Problems	March 2007, April 2007, July 2007	
6	Customs Consultative Council under EKO Customs Control Department	July 2007, August 2007, September 2007	
7	Expert Council of Atyrau Department of Economic and Corruption-Related Crimes	July 2007, August 2007, September 2007	
8	Expert Council for Justice Department of Atyrau Oblast	July 2007, August 2007, September 2007	
9	Customs Consultative Council in Oral	March 2007, August 2007, September 2007	
IR 3.2	Number of laws, regulations or similar acts adopted using improved drafting procedures	Target 4	Result 5
	<u>Law</u>	<u>Date</u>	
1	Law #209-III "On Changes and Additions to Certain Legal Acts of the Republic of Kazakhstan Dealing with Technical Regulation Issues"	December 29, 2006	
2	Law № 214-III "On Licensing"	January 11, 2007	
3	Law #235-III "On Changes and Additions to Certain Legal Acts of the Republic of Kazakhstan Dealing with Financial Accounting and Reporting"	February 28, 2007	
4	Law # 303-III "On Government Procurement"	July 21, 2007	
5	New Law # 310-III "On State Registration of Titles to Real Property and Transactions with it"	August 9, 2007	
A	Share of formal partners that have achieved reform success without direct BEI support	Target 30%	Result 50%
	<u>Partner</u>	<u>BEI Support</u>	
1	Department of Entrepreneurship of Zelenovskiy District, WKR	No direct financial support	
2	Akimat of Ridder city	No direct financial support	
3	"Kommersant" public union of entrepreneurs	No direct financial support	

4	Board of directors of Association of Professional Builders	No direct financial support
5	Trade Union of Employees of Small and Medium Businesses of East Kazakhstan Oblast	No direct financial support
6	Foundation for Informational Support of Society Development	
7	"Forum of Entrepreneurs of Kazakhstan" association (FEK)	
8	"SodBi" Business Incubator	
9	Independent Association of Entrepreneurs of West-Kazakhstan Region (IAE-WKR)	
10	Kazakhstan Tourism Association	

B		Target	Result
Number of government counterparts trained annually		50	117
			<u>Govt.</u>
	<u>Training</u>	<u>Date</u>	<u>Participants</u>
1	"Administrative Barrier Decrease Methodology"	May 2007	1
2	Grant program training presentation to expert council in Pavlodar	May 2007	3
3	"Administrative Barrier Decrease Methodology"	May 2007	4
4	"Administrative Barrier Decrease Methodology"	June 2007	10
5	"The Public Control Zone"	July 2007	9
6	"About Collaboration in Administrative Barrier Decrease"	July 2007	11
7	"On Drafting of Process Diagrams" - Molodezhnoye	July 2007	1
8	"On Drafting of Process Diagrams" - Semey	July 2007	1
9	"On Improving Kazakhstan's WB Doing Business Rankings"	May 2007	4
10	"On Improving Kazakhstan's WB Doing Business Rankings"	June 2007	4
11	"Administrative Barrier Decrease Methodology"	May 2007	7
12	"Analyses and Proposals on Improvement of Expert Council's Work on Entrepreneurship Issues"	April 2007	4
13	"Presentation of Working-Group Results on 'One-Window' Introduction for Licensing of Medical Activity, with Regards to Law 'On Licensing'"	June 2007	2
14	"Results of Focus-group Work on Revealing Problem Processes"	June 2007	2
15	"Results of Analysis and Monitoring of Expert Councils on Entrepreneurship Problems"	July 2007	3
16	"Recommendations to Government Bodies on 'Land Tenure Rights Registration' Process Reformation"	August 2007	5
17	"Results of Monitoring of Expert Councils on Entrepreneurship Problems"	August 2007	2
18	"Recommendations to Government Bodies on "Legal Persons Registration" Process Reform"	September 2007	5
19	"Presentation of Proposals from 'WKO Mayor's Office Official Website: Comments and Recommendations' Business Community Poll"	September 2007	5
20	"Presentation of Analysis of Current Legislation on Bankruptcy"	September 2007	8
21	"The Evaluation of Expert Councils' Activity & Recommendations to the Government"	September 2007	25
22	"The Evaluation of Expert Councils' Activity & Recommendations to the Government"	September 2007	1

C.1		Target	Result
Number of independent service providers utilized by private sector and/or government partners annually		3	9
	<u>Recipient Partner</u>	<u>Service Provider</u>	
1	"SodBI" Business Incubator	Hobdabergenova Rayhan Rzabaevna, consultant	
2	"SodBI" Business Incubator	Sociological Resource Center	
3	"SodBI" Business Incubator	Anasova Kalamkas, consultant	
4	"SodBI" Business Incubator	Farida Sharafutdinova, consultant	
5	Zhambyl Province-level Center for Small Business Public Union	Kim Pavel Prokofyevich, consultant	
6	Independent Association of Entrepreneurs of West-Kazakhstan Region	Suleymenova S.S., consultant	
7	Foundation for Informational Support of Society Development	Anna Tretyak, consultant	

8	Foundation for Informational Support of Society Development	A. V. Chuyenko, expert consultant
9	Foundation for Informational Support of Society Development	Technical Library of East Kazakhstan

C.2 Number of information products on business environment issues disseminated annually		Target 3	Result 6
	<u>Product</u>	<u>Provider</u>	<u>Date</u>
1	"Status of Contract Law and Enforcement in Kazakhstan"	BEI	March 2007
2	Table of proposed recommendations and amendments to draft law "On State Procurement"	Forum of Entrepreneurs	January 2007
3	Report on "Effectiveness of Expert Councils in Kazakhstan"	Forum of Entrepreneurs	September 2007
4	"BEI Project Recommendations on Bankruptcy Law in Kazakhstan"	Taipov D., Aydarkhanov B	September 2007
5	"Comparative Table on Bankruptcy Laws in KZ, KR, and RF"	Taipov D., Aydarkhanov B.	September 2007
6	"KZ Narrative to the Recommendations on the Law on Bankruptcy"	Taipov D., Aydarkhanov B.	September 2007

C.3 Number of media products on business environment issues disseminated annually		Target 10	Result 13	
	<u>Product</u>	<u>Provider</u>	<u>Date</u>	<u>Distribution</u>
1	Public comments on the law "On Licensing"	BEI	February 2007	Internet
2	Press release "Cancellation of Mandatory Service Certification"	BEI	April 2007	Internet
3	"Decreasing Factors for SMEs"	Farida Sharafutdinova, "The Shymkent Panorama" newspaper	August 2007	newspaper
4	"Under Close Cooperation"	Serik Aidossov, BEI	July 2007	newspaper
5	"Private Trader Consolidates Position"	Asylzhan Mamytbekov, Deputy Akim of South-Kazakhstan Region	July 2007	newspaper
6	"From Reality Until Ideal"	Serik Aidossov, BEI	June 2007	newspaper
7	"Reduction of Administrative Barriers for Business - Strategy for Kazakhstan Economic Development in the Future"	Elmira Sugurbekova, SodBi	June 2007	newspaper
8	"Presentation of BEI Project and WKO Partners"	BEI and Independent Association of Entrepreneurs of West-Kazakhstan Region	April 2007	Internet
9	Report on "Problems and Concerns with Tax Accounts, and Explanations from WKB of JSC 'Kazpost' Regarding Sending Accounts by Post"	Independent Association of Entrepreneurs of West-Kazakhstan Region	June 2007	newspaper, Internet
10	Results of WKO roundtables on problem processes	Independent Association of Entrepreneurs of West-Kazakhstan Region	July 2007	newspaper, Internet
11	"Research Results of Expert-Councils in WKO, Recommendations, and Results of Associated Round-Tables"	Independent Association of Entrepreneurs of West-Kazakhstan Region	July 2007	newspaper, Internet
12	Instruction on land allocation	BEI and the Foundation for Informational Support of Society Development	June 2007	brochure
13	"It's Easy to Obtain a License According to The New Rule"	Zaure Abdiraman - BEI	March 2007	newspaper

D	Number of municipalities receiving BEI assistance either directly or through 3rd parties	Target 10	Result 14
	<u>Municipality</u>	<u>Activity</u>	
1	Oskemen, East Kazakhstan Oblast	Partnership with Foundation for Informational Support of Society Development	
2	Ridder, East Kazakhstan Oblast	Partnership with akimat of the city of Ridder	
3	Zyryanovsk, East Kazakhstan Oblast	Partnership with the akimat of the city of Zyryanovsk	
4	Molodezhnoye village, East Kazakhstan Oblast	Partnership with akimat of Ulan Rayon	
5	Pavlodar, Pavlodar Oblast	Partnership with Association "Forum of Entrepreneurs"	
6	Shymkent, South Kazakhstan Oblast	Partnership with "SodBi" Business Incubator	
7	Kyzyl-Orda, Kyzylordinskaya Oblast	Partnership with Kyzyl-Orda Branch of Small Entrepreneurship Development Fund	
8	Taraz, Zhambyl Oblast	Partnership with Zhambyl Branch of Small Entrepreneurship Development Fund	
9	Oral, West Kazakhstan Oblast	Partnership with Independent Association of Entrepreneurs of West-Kazakhstan Region (IAE-WKR)	
10	Peresmetnoe Village, West Kazakhstan Oblast	Partnership with state department "Department of Entrepreneurship of Zelenovskiy Rayon, WKO"	
11	Atyrau, Atyrauskaya Oblast	Partnership with Alliance of Entrepreneurs and Employers of Atyrau Region	
12	Almaty, Almatinskaya Oblast	Partnership with Kazakhstan Tourism Association	
13	Astana, Akmolinskaya Oblast	Direct work with Ministry of Industry and Trade	
14	Semipalatinsk, East Kazakhstan Oblast	Partnership with Social Enterprise "Adilet"	

KYRGYZ REPUBLIC

IR 1.1	Number of new or amended commercial laws	Target 2	Result 2
	<u>Law</u>	<u>Date</u>	
1	Law of KR "On Procedures for Conducting Inspections of Businesses"	May 25, 2007	
2	Law of KR "On Amendments and Additions to Law of KR 'On Personalized (Individual) Accounting for Citizens of the Kyrgyz Republic for Purposes of Mandatory State Social Insurance'"	July 31, 2007	
IR 2.1	Ratio of BEI-supported legal and administrative improvements validated six months after the improvement takes effect to the total number of BEI supported improvements (From PR 2 Table)	Target 80%	Result 100%
IR 3.1	Number of institutionalized engagements of private sector or 3rd party service providers by government	Target 5	Result 1
	<u>Engagement</u>	<u>Dates</u>	
1	State Customs Committee of KR, Bishkek	March 2007, June 2007, July 2007	
IR 3.2	Number of laws, regulations or similar acts adopted using improved drafting procedures	Target 2	Result 2
	<u>Law</u>	<u>Date</u>	
1	Law of KR "On Procedures for Conducting Inspections of Businesses"	May 25, 2007	
2	Law of KR "On Amendments and Additions to Law of KR 'On Personalized (Individual) Accounting for Citizens of the Kyrgyz Republic for Purposes of Mandatory State Social Insurance'"	July 31, 2007	

IR	Number of cases resolved by the ICA.	Target	Result
4.1	(Data from ICA for 9 months: October to June.)	10	12
	<u>Month</u>		<u>Cases Resolved</u>
1	October 2006		1
2	December 2006		5
3	January 2007		1
4	February 2007		1
5	March 2007		1
6	May 2007		2
7	June 2007		1
IR	Ratio of ICA revenues to operational costs.	Target	Result
4.2	(Data from ICA for 9 months: October to June.)	36%	56%
	Revenue: \$28,987.65 (grants from USAID excluded)		
	Expenses: \$51,405.31		
A	Share of formal partners that have achieved reform success without direct BEI support	Target	Result
		30%	60%
	<u>Partner</u>		<u>BEI Support</u>
1	Bishkek Business Club		No direct financial support
2	Tax Consultants Association (CTC)		No direct financial support
3	International Business Council		No direct financial support
4	Union of Entrepreneurs of KR		
5	Association of Kazakhstani Investors		
B	Number of government counterparts trained annually	Target	Result
		40	122
	<u>Training</u>	<u>Date</u>	<u>Govt. Participants</u>
1	"Interaction Between Local Authorities and Business Associations in the Improvement of the Business Environment" – Bishkek	June 2007	12
2	"Interaction Between Local Authorities and Business Associations in the Improvement of the Business Environment" – Osh	June 2007	16
3	Introduction with 2nd stage of Module 0	August 2007	4
4	Review of focus-group results and training for 2nd-round focus-groups	August 2007	3
5	"Analysis of Regulatory Impact, as a Tool to Evaluate Normative Acts" – Bishkek	June 2007	12
6	"Analysis of Regulatory Impact, as a Tool to Evaluate Normative Acts" – Osh	June 2007	16
7	"Working Groups - Element of Technology for Cooperation between Business and Government" - Osh	June 2007	12
8	"Working Groups - Element of Technology for Cooperation between Business and Government" – Bishkek	June 2007	16
9	"Methodology on Reducing Administrative Barriers" – Osh	June 2007	12
10	"Methodology on Reducing Administrative Barriers" – Bishkek	June 2007	16
11	"Legal, Financial, and Economic Consequences in Applying the Law on Marking Goods with Control (Latent) Marks and By-laws Directed for its Realization"	June 2007	3
C.1	Number of independent service providers utilized by private sector and/or government partners annually	Target	Result
		4	4
	<u>Recipient</u>		<u>Service Provider</u>
1	BEI's partners on the Inspections Law		BIG Consulting Company
2	International Court of Arbitration		Center of Training and Consulting
3	Government Tax Inspectorate		Chamber of Tax Consultants
4	Parliament and BEI's partner-organizations		Mr. Slepchenko, consultant

C.2	Number of information products on business environment issues disseminated annually	Target 2	Result 2
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	<u>Product</u>	<u>Provider</u>	<u>Date</u>
1	"Analysis of Operational Activity of the ICA"	Erkin Djamanbaev	April 2007
2	"Analytical Report to Determine the Responsibility of State Control Bodies and their Officers in the Conduct of Inspections, and the Existing Procedures for Appealing Actions Thereof"	Nurlan Alymbaev	May 2007

C.3	Number of media products on business environment issues disseminated annually	Target 10	Result 25
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	<u>Product</u>	<u>Provider</u>	<u>Date</u>	<u>Distribution</u>
1	Press release "Business and State will Jointly Establish Order"	BEI	June 2007	Internet
2	Press release "Expert Group Responsible for the Development of Mechanisms for Implementing the Inspections Law Discussed Action Plan"	BEI	June 2007	Internet
3	Article "Behave, Please"	Evgeny Denisenko	July 2007	Newspaper, Internet
4	Article "To Make It by September"	Larisa Li	July 2007	newspaper, Internet
5	Press conference "On the Adopted Law on Inspections of Businesses"	BEI, Member of Parliament Mr. Babanov, business sector parties, and representative from the President's Office	June 2007	Newspaper, radio, Internet
6	"Survey of International Courts of Arbitration: Lessons Learned for the Kyrgyz Republic"	Joseph Lowther	April 2007	Internet
7	"Analysis and Comparative Table on Compliance of the Tax Code Drafts, Drafted by Government, Business, and the Law on Inspections"	Kim Tatiayna	May 2007	Internet
8	Brochure "What Does an Entrepreneur Have to Know: Law on Inspection of Enterprises"	BIG Consultants	August 2007	brochure, Internet
9	Manual on cost-benefit analysis for normative legal acts	Mr. Slepchenko	August 2007	Internet
10	Press release "The 1st Meeting of the Investment Council under President of the Kyrgyz Republic Held in House of Government"	BEI	May 2007	Internet
11	Press release "From Now on Citizens will Have the Right to Access to Reliable, Faithful, and Timely Information of State Bodies"	BEI	May 2007	Internet
12	Press release "Kyrgyz Business Associations Addressed President of the Kyrgyz Republic Calling for Him to Sign the Law on Procedure for Conducting Inspections of Businesses"	BEI	May 2007	Internet
13	Press release "General Prosecutor's Office and Business Community Agreed upon Collaboration"	BEI	June 2007	Internet
14	Press release "Memorandum of Understanding Signed Between the Supreme Court of the Kyrgyz Republic and the United States Agency for International Development (USAID)"	BEI	June 2007	Internet
15	Press release "Investment Council under President of Kyrgyz Republic Held Second Meeting"	BEI	August 2007	Internet
16	Press release "Kurmanbek Bakiev signed a Decree on Business Environment Improvement"	BEI	July 2007	Internet
17	Press release "Memorandum of Understanding	BEI	July 2007	Internet

between Ministry of Justice of the Kyrgyz Republic and USAID Business Environment Improvement Project"

18	Article "Two Players on Business Ground"	"MSN" (Moya Stolitsa Nobosti) Newspaper	July 2007	newspaper, Internet
19	Article "In the Name of the Law - Bona Fides Presumption"	"Vecherny Bishkek" newspaper	July 2007	newspaper, Internet
20	Article "Cancer Ward"	"Vecherny Bishkek" newspaper	July 2007	newspaper, Internet
21	Article "Inspect But Trust - Businesses are Deemed to be Acting in Good Faith"	"MK-Kyrgyzstan" (Moscovsky Komsomolets v Kyrgyzstane) newspaper	July 2007	newspaper, Internet
22	Article "New Law on Inspections"	Jamagul Myrzaeva	July 2007	Internet
23	Press release "President of the Kyrgyz Republic Signed the Decree 'On Certain Measures to Streamline a Permits Regulatory System in the Kyrgyz Republic'"	BEI	July 2007	Internet
24	Cost-benefit analysis on procedures of marking products with latent stamps (marks) in Kyrgyz Republic	BEI	August 2007	Internet
25	Analysis of construction permitting and regulation in the KR	BEI	September 2007	Internet

D		Target	Result
Number of municipalities receiving BEI assistance either directly or through 3rd parties		5	13
	<u>Municipality</u>	<u>Activity</u>	
1	Karakol city, Issyk-Kul Oblast	Partnership with Karakol Mayor's Office	
2	Uzgen city, Osh Oblast	Partnership with Uzgen Mayor's Office	
3	Nookat city, Osh Oblast	Partnership with Nookat Mayor's Office	
4	Osh city, Osh Oblast	Partnership with Osh Mayor's Office	
5	Jalalabad city, Jalalabad Oblast	Partnership with Jalalabad Mayor's Office	
6	Kizilkia city, Batken Oblast	Partnership with Kizilkia Mayor's Office	
7	Bishkek city, Chui Oblast	Partnership with Bishkek Mayor's Office	
8	Talas city, Talas Oblast	Partnership with Talas Mayor's Office	
9	Tokmok city, Chui Oblast	Partnership with Tokmok Mayor's Office	
10	Karabalta city, Chui Oblast	Partnership with Karabalta Mayor's Office	
11	Balykchy city, Issyk-Kul Oblast	Partnership with Balykchy Mayor's Office	
12	Batken city, Batken Oblast	Partnership with association "Bios Echo"	
13	Karasu city, Osh Oblast	Partnership with association "Ishker"	

TAJKISTAN

IR 1.1		Target	Result
Number of new or amended commercial laws		4	7
	<u>Law</u>	<u>Date</u>	
1	Law #247 "On Changes into the Civil Code Part I"	May 12, 2007	
2	Package of 32 amendments harmonizing law with the "Law On Licensing of Separate Types of Activity": Law #252 "On Changes into the Law On Weapons", #261 "On Changes into the Law On Land Utilization", #262 "On Changes into the Law On Estimation", #263 "On Changes into the Law On Manufacturing and Safe Treatment with Pesticides", #264 "On Changes into the Law On Iodized Salt", #267 "On Changes into the Law On Cinema", #268 "On Changes into the Law On Museums and Museum's Fund", #269 "On Changes into the Law On Folk Medicine", #270 "On Changes into the Law On Pharmaceuticals", #276 "On Changes into the Law On Advertising", #278 "On Changes into the Law On State Regulation of Production and Operation with Ethyl and Alcohol", #281 "On Changes into the Law On State Regulation of	May 12 to July 30, 2007	

Production and Operation with Ethyl and Alcohol", #283 "On Changes into the Law On Seed Growing", #285 "On Changes into the Law On Hydro-meteorological Activity", #297 "On Changes into the Law On Drugs, Psychotropic's and Precursors", #299 "On Changes into the Law On Police", #307 "On Changes into the Law On Certification and Standardization", #313 "On Changes into the Law On Construction", #316 "On Changes into the Law On Banks and Bank Activity in Tajikistan", #317 "On Changes into the Law On Micro-financial Organizations", #314 "On Changes into the Law On Currency Control", #315 "On Changes into the Law On Foreign Economic Activity", #318 "On Changes into the Law On the National Bank", #322 "On Changes into the Law On Postal Service", #323 "On Changes into the Air Code", #325 "On Changes into the Law On Employment Assistance", #327 "On Changes into the Law On State Regulation on Support to the Fecundity of Agricultural Land", #328 "On Changes into the Law On Ecological Assessment", #330 "On Changes into the Law On Biologic Appraisal", #334 "On Changes into the Law On Higher Professional Education", and #335 "On Changes into the Law On Science"

3	Law #265 "On Changes into the Law On Atmospheric Air Protection"	May 12, 2007
4	Law # 260 "On Investment"	May 12, 2007
5	Law #271 "On Amnesty of Legal Entities of the Republic of Tajikistan Due to Property Legalization"	May 16, 2007
6	Law #277 "On Changes into the Law On Licensing of Separate Types of Activity"	June 13, 2007
7	Law #282 "On Changes into the Law on Industrial Safety of Dangerous Manufacturing Entities"	June 13, 2007

		Target	Result
IR 2.1	Ratio of BEI-supported legal and administrative improvements validated six months after the improvement takes effect to the total number of BEI supported improvements	80%	80%

		Target	Result
IR 3.1	Number of institutionalized engagements of private sector or 3rd party service providers by government	6	3

	<u>Engagement</u>	<u>Dates</u>
1	Tax Consultative Council of Sogd Oblast	October 2006, April 2007, May 2007
2	Permanent Working Group with Regional Administration of GBAO	October 2006, April 2007, August 2007
3	Customs Consultative Council of GBAO	October 2006, April 2007, August 2007

		Target	Result
IR 3.2	Number of laws, regulations or similar acts adopted using improved drafting procedures	0	6

	<u>Law</u>	<u>Date</u>
1	Law #234 "On Trade Marks and Service Trade Marks"	May 3, 2007
2	Law #247 "On Changes into the Civil Code Part I"	May 12, 2007
3	Package of 32 amendments harmonizing law with the "Law On Licensing of Separate Types of Activity": Law #252 "On Changes into the Law On Weapons", #261 "On Changes into the Law On Land Utilization", #262 "On Changes into the Law On Estimation", #263 "On Changes into the Law On Manufacturing and Safe Treatment with Pesticides", #264 "On Changes into the Law On Iodized Salt", #267 "On Changes into the Law On Cinema", #268 "On Changes into the Law On Museums and Museum's Fund", #269 "On Changes into the Law On Folk Medicine", #270 "On Changes into the Law On Pharmaceuticals", #276 "On Changes into the Law On Advertising", #278 "On Changes into the Law On State Regulation of Production and Operation with	May 12 to July 30, 2007

Ethyl and Alcohol", #281 "On Changes into the Law On State Regulation of Production and Operation with Ethyl and Alcohol", #283 "On Changes into the Law On Seed Growing", #285 "On Changes into the Law On Hydro meteorological Activity", #297 "On Changes into the Law On Drugs, Psychotropic's and Precursors", #299 "On Changes into the Law On Police", #307 "On Changes into the Law On Certification and Standardization", #313 "On Changes into the Law On Construction", #316 "On Changes into the Law On Banks and Bank Activity in Tajikistan", #317 "On Changes into the Law On Micro financial Organizations", #314 "On Changes into the Law On Currency Control", #315 "On Changes into the Law On Foreign Economic Activity", #318 "On Changes into the Law On the National Bank", #322 "On Changes into the Law On Postal Service", #323 "On Changes into the Air Code", #325 "On Changes into the Law On Employment Assistance", #327 "On Changes into the Law On State Regulation on Support to the Fecundity of Agricultural Land", #328 "On Changes into the Law On Ecological Assessment", #330 "On Changes into the Law On Biologic Appraisal", #334 "On Changes into the Law On Higher Professional Education", and #335 "On Changes into the Law On Science"

4	Law # 260 "On Investment"	May 12, 2007
5	Law #277 "On Changes into the Law On Licensing of Separate Types of Activity"	June 13, 2007
6	Government of RT regulation #172 "On Confirmation of Regulation on Licensing of Separate Types of Activities (in New Edition)"	April 3, 2007

A	Share of formal partners that have achieved reform success without direct BEI support	Target 10%	Result 44%
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	<u>Partner</u>	<u>BEI Support</u>
1	Association of Market Entrepreneurs "Panjshanbe"	No direct financial support
2	Agrobusiness Association of Tajikistan	No direct financial support
3	Association of Entrepreneurs of Sogd Oblast	No direct financial support
4	Association of Entrepreneurs and Mountain-farmers "Milal-Inter"	No direct financial support
5	Association of Entrepreneurs of Sogd Oblast	
6	Association of Construction Companies "Sokhtmonchiyon"	
7	Dushanbe Center for Support and Development of Entrepreneurship	
8	National Association of Small and Medium Business	
9	Professional Union of Construction Industry and Construction Materials Employees of Sogd Oblast	

B	Number of government counterparts trained annually	Target 35	Result 51
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	<u>Training</u>	<u>Date</u>	<u>Govt. Participants</u>
1	"Explanation of the Legislation RT on Licensing"	July 2007	13
2	"Social Partnership"	May 2007	1
3	"Doing Business – Paying Taxes and Dealing with Licenses"	January 2007	1
4	"Doing Business – Paying Taxes and Dealing with Licenses"	March 2007	5
5	"Problems in Gasoline Stations"	April 2007	7
6	"Licensing Procedures"-Khorog	June 2007	10
7	"Licensing Procedures"-Dushanbe	June 2007	5
8	Seminar with notary offices of Sogd Oblast	August 2007	1
9	Seminar with public organizations' representatives on new edition of law "On Public Organizations"	August 2007	2
10	Explanation of the legislation of RT on licensing	August 2007	6

C.1	Number of independent service providers utilized by private sector and/or government partners annually	Target 2	Result 11
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	<u>Recipient</u>	<u>Provider</u>
1	State Committee for Investment and State Property	Law firm "Legal Consulting Group"

2	Management of RT State Committee for Investment and State Property Management of RT	National Association of Small and Medium Business
3	Ministry of Finance of RT	"Audit-Consulting" LLC
4	Governmental working group that developed the draft-law "On Amendments to Civil Code"	Individual Entrepreneur Obidov Narzikul, Translator
5	Governmental working group that developed the draft-law "On Legal Normative Acts"	Russian and Tajik Slavonic University- Deputy Dean of Law faculty- Abdukhamitov Valijon
6	Partner business associations developing "Association Development Manual"	Eraj Makhmadaliev, consultant
7	Business Associations, for training "Financial Management and Financial and Financial Sustainability of Business Associations"	Association of Scientific and Technical Intelligencia, Business Consulting LLC
8	State Committee for Investments and State Property Management of RT	Emerging Market Group, Ltd (Joseph Lowther)
9	Government and Parliament of RT	Samadov Navruz, lawyer
10	Ministry of Justice of RT	Bakhtiyor Samadov, Tajik State National University in Khujand
11	Several business associations of entrepreneurs	LLC "A Media" - Shamsiddin Karimov

C.2 Number of information products on business environment issues disseminated annually		Target 5	Result 20
	<u>Product</u>	<u>Provider</u>	<u>Date</u>
1	"Detailed Legal and Business Analysis of the New York Arbitration Convention and the Benefits for Tajik Businesses from Signing into the Convention"	BEI International STTA-Joseph Lowther	July 2007
2	"Detailed Legal and Business Analysis of the 1961 Hague Convention Abolishing the Requirement of Legalization of Foreign Public Documents, and the Costs and Benefits to Tajikistan of the Convention"	BEI STTA- Firuz Sulaymonov	April 2007
3	Detailed legal and business analysis of property rights	BEI STTA Bakhtiyor Samadov	September 2007
4	Private notary analysis	National Association of Small and Medium Business	September 2007
5	Analysis comments to draft of instruction of Ministry of Energy and Industry of RT "On Affirmation of Monthly Operative Information by the Results of Enterprises' Activities of Different Types of Property"	BEI	March 2007
6	Analysis comments to draft instructions on terms of conducting controls on entrepreneurs in RT by centers of sanitary and epidemiological control	BEI	April 2007
7	Analysis comments to draft regulations on transportation of passengers by motor transport	BEI	January 2007
8	Analysis comments to draft law of RT "On Credit Histories"	BEI	June 2007
9	Analysis comments to draft Government of RT decision "On Terms of Issuing Patent and Certificates for Physical Persons Implementing Individual Entrepreneurship Activities"	BEI	May 2007
10	Analysis comments to draft amendments to "Civil Code of RT"	BEI	December 2006
11	Analysis comments to draft amendments to "Civil Code of RT", in Tajik	BEI	April 2007
12	Analysis comments to draft law of RT "On Legal Normative Acts"	BEI	February 2007
13	Analysis comments to draft "Program of Social Economic Development of Dushanbe for the Years 2007-2015"	BEI	January 2007

14	Analysis comments to law of RT "On Enforcement"	Finka MLF	March 2007
15	Recommendations to draft law "On Amendments and Additions to Law on Licensing of Separate Types of Activity"	BEI	March 2007
16	Recommendations to 32 laws "On Amendments to 32 Laws Harmonizing with New Law on Licensing of Separate Types of Activities"	BEI	March 2007
17	Recommendations to "Regulation on Licensing of Separate Types of Activity" in new edition	BEI	March 2007
18	"Detailed Legal and Business Analysis of the Potential to Effectively Initiate a Guillotine Project"	BEI	September 2007
19	"Detailed Legal Analysis of the Legislation of the Legal Entity"	BEI	September 2007
20	Comments on two regulations of RT "On Procedures for State Procurements" and "Terms of Giving to Procurement Organizations the Status of 'Qualified Procurement Organization'"	BEI	September 2007

C.3 Number of media products on business environment issues disseminated annually			Target 10	Result 14
	<u>Product</u>	<u>Provider</u>	<u>Date</u>	<u>Distribution</u>
1	"Plain-Language Guide on Starting a Business"	Legal Consulting Group LLC (LCG)	May 2007	Internet, electronic
2	CD of "Plain Language Guide to Starting a Business"	BEI	June 2007	CD
3	"Most Commonly Used Business Contracts"	National Association of Small and Medium Business	June 2007	Internet, electronic
4	Article "Entrepreneurship in the Republic of Tajikistan"	Shamsiddin Karimov-Economist	August 2007	newspaper, electronic
5	"Plain-Language Guide on Construction Activity"	National Association of Small and Medium Business	September 2007	print, electronic, Internet
6	General Informational Guidelines About Licensing Processes	BEI	July 2007	print, electronic, Internet
7	General provision of public organizations activities in Tajikistan - guideline	BEI	August 2007	print, electronic, Internet
8	Newsletter on "Elimination of Notary Requirement of Certificate of No Tax-debt from Property Buyers and Elimination of Notary Requirements for Certificates of Lack of Public Utilities Debts from Property Sellers"	BEI	April 2007	electronic, Internet
9	Success story on "Elimination of Process Requiring Annual Re-registration with the Tax Inspectorate of Tajikistan for Individual Entrepreneurs who Operate under Licenses"	BEI	April 2007	electronic, Internet
10	Analysis on social tax payment, and proposals on changes in the legislation of the Republic of Tajikistan regarding social tax payment	BEI	May 2007	electronic, Internet
11	Article "Who Needs Such Tax?"	National Association of Small and Medium Business	August 2007	newspaper, electronic, Internet
12	Article "Taxes – Next Changes or How We are Reducing Poverty"	National Association of Small and Medium Business	September 2007	Newspaper, electronic, Internet
13	"Guide on Licensing Legislation for Entrepreneurs"	BEI	July 2007	CD

D	Number of municipalities receiving BEI assistance either directly or through 3rd parties	Target 4	Result 5
	<u>Municipality</u>	<u>Activity</u>	
1	Khujand city, Sogd Oblast	Partnership with Regional Tax Department of Sogd Oblast	
2	Kanibadam city, Sogd Oblast	Partnership with Chairman of Kanibadam city	
3	Khorog city, Gorno-Badakhshan Autonomous Oblast (GBAO)	Partnership with Association "Milal-Inter"	
4	Kurgan-tube city, Khatlon Oblast	Arrangement of Custom Consultative Council of Khatlon Oblast	
5	Dushanbe city, Kulyabskaya Oblast	Partnership with State Investment Committee	

APPENDIX III (DOING BUSINESS 2007-2008 – WEB)

Kazakhstan



Region: Eastern Europe & Central Asia
Income category: Lower middle income
Population: 15,308,084
GNI per capita (US\$): 3,790.00

Ease of...	Doing Business 2008 rank	Doing Business 2007 rank	Change in rank
Doing Business	71
Starting a Business	57	48	-9
Dealing with Licenses	173	173	0
Employing Workers	22	23	+1
Registering Property	72	71	-1
Getting Credit	48	45	-3
Protecting Investors	51	49	-2
Paying Taxes	44	44	0
Trading Across Borders	178	177	-1
Enforcing Contracts	28	28	0
Closing a Business	100	103	+3

Note: *Doing Business 2007* rankings are being recalculated to reflect changes to the methodology and the addition of three new countries.

Kyrgyz Republic



Region: Eastern Europe & Central Asia
Income category: Low income
Population: 5,199,755
GNI per capita (US\$): 490.00

Ease of...	Doing Business 2008 rank	Doing Business 2007 rank	Change in rank
Doing Business	94
Starting a Business	49	45	-4
Dealing with Licenses	152	150	-2
Employing Workers	74	75	+1
Registering Property	16	7	-9
Getting Credit	68	62	-6
Protecting Investors	33	32	-1
Paying Taxes	152	153	+1
Trading Across Borders	177	176	-1
Enforcing Contracts	32	31	-1
Closing a Business	128	131	+3

Note: *Doing Business 2007* rankings are being recalculated to reflect changes to the methodology and the addition of three new countries.

Tajikistan



Region: Eastern Europe & Central Asia

Income category: Low income

Population: 6,639,837

GNI per capita (US\$): 390.00

Ease of...	Doing Business 2008 rank	Doing Business 2007 rank	Change in rank
Doing Business	153
Starting a Business	161	171	+10
Dealing with Licenses	166	163	-3
Employing Workers	125	126	+1
Registering Property	43	40	-3
Getting Credit	135	132	-3
Protecting Investors	176	175	-1
Paying Taxes	155	153	-2
Trading Across Borders	176	175	-1
Enforcing Contracts	23	23	0
Closing a Business	99	102	+3

Note: *Doing Business 2007* rankings are being recalculated to reflect changes to the methodology and the addition of three new countries.

Doing Business

Changes to the Methodology in 2007

The methodology for three of the *Doing Business* topics -- dealing with licenses, employing workers and enforcing contracts -- improved in 2007. For dealing with licenses, three changes were made. First, the case study now applies to builders that are fully licensed and insured at the start of the project. As a result, procedures that involve insuring or licensing the construction business are no longer counted. Second, inspections are now assumed to take one day to complete even where there is a delay between the request for an inspection and its occurrence. This change was made to eliminate discretion in interpreting the time that respondents report for inspections. Third, preconstruction inspections were added to the list of procedures; these affect mainly countries in the former Soviet Union. The first two changes reduce the number of procedures and delays associated with the case study; the third increases them.

For employing workers, improvements were made to align the *Doing Business* methodology with International Labour Organization (ILO) conventions. It is now possible for an economy to receive the highest score on the ease of employing workers -- indicating the most flexible labor regulations -- and comply with all 187 ILO conventions. Two main changes were made. First, the calculation of firing costs was modified so that eight or fewer weeks of salary now receives a score of 0 for purposes of calculating the rankings on the ease of employing workers. Second, restrictions on night work such as higher overtime premiums or limitations on scheduling work hours are no longer coded as rigidities. Both changes result in more flexibility in employment regulations as coded in *Doing Business*.

For enforcing contracts, the list of procedures was revised to accommodate procedural differences between civil and common law. For example, in civil law countries the judge appoints an independent expert, while in common law countries parties send the court a list of their expert witnesses. Two assumptions were added, on attaching the defendant's goods prior to judgment and on providing expert opinions. To indicate the overall efficiency of court procedures, one procedure is now subtracted for countries that have specialized commercial courts and one procedure for countries that allow electronic filing of court cases. Finally, the cost indicator now includes all fees for enforcing judgments.

[View changes to the methodology, 2004-2006.](#)

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