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BUSINESS ENVIRONMENT IMPROVEMENT PROJECT

ANNUAL REPORT #4

OCTOBER 2009 – SEPTEMBER 2010

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ANNUAL REPORT #4
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The Business Environment Improvement project (BEI) is pleased to submit its fourth annual report to USAID detailing progress and achievements for the period October 2009 - September 2010. 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 section reporting on progress toward achieving specific work plan objectives and performance versus targets details. This report also represents a final report on activities within the Republic of Tajikistan and for PMP Project Results #1 and #2, which are not continued under the extended, fifth project year.

PROJECT HIGHLIGHTS

During the past project year BEI strengthened host country cooperation and deepened World Bank Doing Business (WBDB)-related reforms and host-country cooperation with the World Bank in Kazakhstan and the Republic of Tajikistan. Significant successes were achieved in both countries as they continued high-profile reforms of WBDB-measured processes. In the Kyrgyz Republic reform efforts began well, but were sidelined by the political and social crisis following the collapse of the Bakiev administration on April 7. Due to the World Bank's delay until November 2010 in issuing the new Doing Business 2011 Report, BEI's Year 4 Annual Report remains forward-looking with regards to how the World Bank will assess reform work over the past year.

All three countries have adopted new or amended laws and regulations at the national levels that represent steps forward and produce large financial savings for their business communities in areas outside of Doing Business measurement. Both Kazakhstan and the Republic of Tajikistan also adopted reforms with significant economic impact at the local level. Common themes from Year 3 of programs for licensing regulatory guillotines and new inspections regimes with modernized risk-management systems continue to develop and produce results in Kazakhstan.

In the Kyrgyz Republic, BEI has served as a primary source of urgent and expert advice for stabilizing the macroeconomic situation in the country, and the Project continues to closely coordinate with USAID and other donor organizations to assist the Transitional Government.

PERFORMANCE VERSUS TARGETS SUMMARY

PROJECT RESULT #1: WORLD BANK DOING BUSINESS INDICATORS

Doing Business 2007, based on 2006 data, provides the baseline figures from which the project will achieve at least an aggregate 25% improvement over 4 years. In calculating the 25% average improvement, the underlying variables are equally weighted and calculations are based on DB 2007 versus DB 2011 (2010 data expected to be published in 2010).

As the World Bank retroactively revises historic data each year to reflect methodological changes and other factors, the updated historic figures are provided in the table below.

The table below compares published Doing Business 2010 Report indicators over time, tracking change versus baseline (revised WBDB 2010 Report data for 2006), and percent variance to date versus baseline. Positive percent variance represents an improvement in the specific indicator. In the case of Tajikistan's "Protecting Investors" measurement, change against baseline increases from a value of zero (0) on the 10-point scale, and a percentage increase is provided against that scale of 60% and 50% for indicator values of 6 and 5, respectively. Due to the World Bank's delay in releasing the Doing Business 2011 Report, data for Year 4 remains blank.

Indicator	Kazakhstan					Kyrgyz Republic					Tajikistan					Notes
	2006	2008	2009	2010	Change	2006	2008	2009	2010	Change	2006	2008	2009	2010	Change	
PRI. DOING BUSINESS PROCESSES																
Starting a Business																
Procedures (Number)	8	8	7		12.50%	9	4	3		66.66%	14	13	12		14.28%	For World Bank "Doing Business" Indicators, an average net improvement of 25% is targeted for the life of the project for at least 5 of 9 indicators per country addressed by BEI as reflected by activities in the annual work plan. BEI will track these data as reported by the World Bank annually, but not set forward-looking annual targets for individual processes.
Time (days)	21	21	20		4.76%	21	15	11		47.61%	67	49	25		62.68%	
Cost (% GNI)	7	5.2	4.8		31.42%	10.7	7.4	5.2		51.40%	75.1	27.6	24.3		67.64%	
Min Capital (% GNI)	23.1	15.9	13.4		41.99%	0.5	0.4	0		100.00%	378.6	216.8	9.9		97.38%	
Total Indicator Change (average %)					22.67%					66.42%					60.50%	
Dealing with Construction Permits																
Procedures (Number)	38	38	37		2.63%	22	13	12		45.45%	33	33	32		3.03%	Final comparison data is expected to be published in fall 2010 in "Doing Business 2011".
Time (days)	231	231	211		8.65%	332	159	137		58.73%	221	381	250		-13.12%	
Cost (% GNI)	2350.7	1,431.8	119.7		94.90%	816.5	405.7	165.2		79.76%	2425.2	1,420.7	1,022.9		57.82%	
Total Indicator Change (average %)					35.39%					61.31%					15.91%	
Employing Workers																
Difficulty of Hiring Index	0	0	0		0.00%	33	33	33		0.00%	33	33	33		0.00%	Baseline data are from the Doing Business 2007 report (2006 data), as revised in 2009, for World Bank Indicators, and 2005 for BEEPS.
Rigidity of Hours Index	40	20	20		50.00%	40	20	20		50.00%	80	73	73		8.75%	
Difficulty of Redundancy Index	20	30	30		-50.00%	40	30	0		100.00%	40	40	40		0.00%	
Rigidity of Employment Index	20	17	17		15.00%	38	28	18		52.63%	51	49	49		3.92%	
Redundancy costs (weeks of salary)	9	9	9		0.00%	17	17	17		0.00%	22	30	30		-36.36%	
Total Indicator Change (average %)					3.00%					40.53%					-4.74%	
Registering Property																
Procedures (Number)	8	5	5		37.50%	7	7	4		42.85%	6	6	6		0.00%	Highlighted 2009 and 2010 indicator data represents areas of BEI's activity during Year 3 and 4 work, respectively; however change percentage is calculated over the
Time (days)	52	40	40		23.08%	8	8	5		37.50%	37	37	37		0.00%	
Cost (% value)	1.2	0.1	0.1		91.67%	1.9	3.9	2.8		-47.36%	1.9	1.8	4.6		-142.10%	
Total Indicator Change (average %)					50.75%					11.00%					-47.37%	
Getting Credit																
Legal Rights Index	5	5	5		0.00%	7	7	10		42.85%	3	3	3		0.00%	
Credit Information Index	4	6	6		50.00%	2	3	3		50.00%	0	0	0		0.00%	

														life of the BEI project.
Public Registry Coverage (% adults)	0	0	0	0.00%	0	0	0	0.00%	0	0	0	0.00%		
Private Registry Coverage (% adults)	5.5	25.6	29.5	436.36%	0.4	3.7	5.9	1375.00%	0	0	0	0.00%		
Total Indicator Change (average %)				121.59%				366.96%				12.50%		
Protecting Investors														
Disclosure Index	7	7	7	0.00%	8	8	8	0.00%	0	4	6	60.00%		
Director Liability Index	1	1	1	0.00%	1	7	7	600.00%	0	1	5	50.00%		
Shareholder Suits Index	9	9	9	0.00%	9	8	8	-11.11%	5	4	5	0.00%		
Investor Protection Index	5.7	5.7	5.7	0.00%	6	7.7	7.7	28.33%	1.7	3.3	5.3	211.76%		
Total Indicator Change (average %)				0.00%				159.86%				80.44%		
Paying Taxes														
Payments (Number)	9	9	9	0.00%	75	75	75	0.00%	54	54	54	0.00%		
Time (Hours)	271	271	271	0.00%	202	202	202	0.00%	224	224	224	0.00%		
Total Tax Rate (% profit)	44.4	41.7	35.9	19.14%	67.2	61.4	59.4	11.60%	82.1	85.5	85.9	-4.62%		
Total Indicator Change (average %)				6.38%				3.87%				-1.54%		
Enforcing Contracts														
Procedures (Number)	38	38	38	0.00%	39	39	39	0.00%	34	34	34	0.00%		
Time (days)	390	390	390	0.00%	260	260	260	0.00%	430	430	430	0.00%		
Cost (% debt)	22	22	22	0.00%	29	29	29	0.00%	25.5	25.5	25.5	0.00%		
Total Indicator Change (average %)				0.00%				0.00%				0.00%		
Closing a Business														
Time (years)	1.5	1.5	1.5	0.00%	4	4	4	0.00%	3	3	3	0.00%		
Cost (% of estate)	15	15	15	0.00%	15	15	15	0.00%	9	9	9	0.00%		
Recovery Rate (cents on the dollar)	39.3	40.6	40.6	3.30%	14.7	14.2	14.2	-3.40%	23.6	25.4	25.4	7.63%		
Total Indicator Change (average %)				1.10%				-1.33%				2.54%		
Total Change WBDB (average %, of nine indicators)				27.28%				86.83%				13.14%		
Note: PRI data is taken directly from the World Bank Doing Business reports. Baseline data is from the 2007 report (2006 data) as revised in 2009.														

Inspections (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.		
Inspections (Number)	11.65	NR	NR		NR	13.93	NR	NR		NR	11.64	NR	NR			NR
Time (hours)	16.92	NR	NR		NR	58.47	NR	NR		NR	17.08	NR	NR			NR
Bribes (% frequent)	23	NR	NR		NR	52.8	NR	NR		NR	21.3	NR	NR			NR

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

PROJECT RESULT #2: ECONOMIC IMPACT

The impact of individual reforms is presented in detail in the PR2 table. Following are the summary results for the 2009 – 2010 contract year.

Indicator	Kazakhstan		Kyrgyz Republic		Tajikistan	
	2010		2010		2010	
	Target	Actual	Target	Actual	Target	Actual
PR2. BUSINESS ENVIRONMENT IMPACT						
Business environment total annual impact not attributable to national Doing Business reforms (in \$mln) *	80	120.8	4.0	4.35	3.5	22.0
A: Business environment national-level, non-Doing Business annual impact (in \$mln)	50	86.4	3.2	4.35	3.0	13.2
B: Business environment sub-national level, non-Doing Business annual impact (in \$mln)	30	34.4	0.8	0.0	0.5	8.8

Note: BEI PR2 targets were sub-divided and specified to be reported as national not related to WBDB reforms and sub-national during the December 2008 PMP revision. 2008 impact includes WBDB-related reforms.

PR2 impact estimates are calculated anew each year, rather than cumulatively.

PR2 constraints reduced sooner than 6 months prior to September 2009 are validated preliminarily when possible

* Total of lines A and B, below

Indicator	2007	2008	2009	2010	Project Country Total
CUMULATIVE PR2 BUSINESS ENVIRONMENT IMPACT (millions USD)*					
Republic of Kazakhstan	131.67	289.90	209.40	120.80	751.77
Kyrgyz Republic	9.65	34.20	60.70	4.35	108.90
Republic of Tajikistan	4.78	249.77	23.00	22.00	299.55
Project Grand Totals	146.10	573.87	293.10	147.15	1,160.22

* Years 2009 and 2010 estimated PR2 totals not including impact estimates for improvements captured by PRI changes

GEOGRAPHIC COVERAGE

Geographic coverage details are presented in Appendix I (below). Follow are the summary results for the 2009 – 2010 contract year.

	Kazakhstan			Kyrgyz Republic			Tajikistan		
	2009	2010		2009	2010		2009	2010	
	Actual	Target	Actual	Actual	Target	Actual	Actual	Target	Actual
Contribution to USAID CAR MEASURES: EXPANDED GEOGRAPHIC COVERAGE									
Number of municipalities receiving BEI assistance	27	15	15	17	12	8	10	6	8

Yearly targets for BEI geographic coverage are developed between project and USAID on an annual basis, and are not specified in the PMP

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	2008	2009	2010	2006	2007	2008	2009	2010	2006	2007	2008	2009	2010
SME contribution to GDP*	40.5%	35.8%	34.6%	31.2%	31.1%	43.6%	44.7%	45.4%	42.6%	45.7%	41.6%	42.3%	43.5%	48.0%	49%
Gross foreign direct investment (FDI) in sectors outside of extracting industries such as oil and gas, mining, metals, power generation (USD millions / % GDP*)	4651.4 / 8.14%	8107.6 / 10.01%	12,927.2 / 12.45%	13,609.6 / 10.18%	14367.9 / 9.13%	185.9 / 7.56%	280.5 / 10.41%	382.2 / 10.04%	858.7 / 16.74%	653.6 / 14.30%	104.4 / 5.00%	NR	202.3 / 5.45%	358.7 / 8.72%	188.1 / 3.4%
World Bank's "Doing Business" Country Ranking*	63**	80***	64	63		90**	99***	80	41		133**	156***	164	152	
World Bank's Government Effectiveness indicator*	-0.57	-0.52	-0.58	-0.47		-0.87	-0.77	-0.75	-0.70		-1.07	-1.02	-0.97	-0.88	
World Bank's Rule of Law indicator*	-0.80	-0.91	-0.83	-0.78		-1.08	-1.23	-1.19	-1.26		-0.98	-1.06	-1.13	-1.12	
World Bank's Control of Corruption indicator*	-0.93	-0.88	-0.91	-0.95		-1.08	-1.10	-1.08	-1.06		-1.09	-0.93	-0.86	-0.99	
World Bank's Regulatory Quality indicator*	-0.45	-0.49	-0.45	-0.37		-0.72	-0.60	-0.40	-0.32		-1.03	-1.05	-1.02	-0.97	

Notes: World Bank data (Doing Business and Governance Indicators) from 2006, 2007 and 2008, revised in 2009 reports.

* Year indicates publication date of data, data lags one year and previous year's data revised based on current official estimates. N/R = not reported.

** As of 2007 DB rankings. After methodology changes in 2008, this ranking is no longer available for comparison purposes in current WB publications.

*** As of 2008 DB rankings. After methodology changes in 2009, this ranking is no longer available for comparison purposes in current WB publications.

For World Bank's "Doing Business" Country Rankings, 1 is best and 183 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 International Monetary Fund, Ministry of Industry and Trade of Kazakhstan, National Bank of Kazakhstan, Ministry of Economic Development and Trade 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. Kazakhstan has not consistently published data on the percent of SME contribution to GDP since 2006.

KAZAKHSTAN

GENERAL

BEI in Kazakhstan is co-financed jointly 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. During the 4th Project Year the Government of Kazakhstan (GoKZ) continued cooperation with the private sector and BEI to simplify the business environment, creating in spring of 2010 the Joint Coordination Council (JCC) under the President and GoKZ to assist in improving the business climate for SMEs, eliminating administrative barriers, and realizing the President’s “Strategic Plan for Development of the Republic of Kazakhstan until 2020” and program “Road Map of Business 2020”. BEI Country Director Sergey Pizikov was included in the JCC, which combines the functions of the previous, high-level Anti-Crisis Council and Commission on Administrative Barriers in which BEI participated.

The President also ordered in April 2010 for local (oblast) administrations to begin revising and optimizing all permitting documents and procedures in accordance with his instructions for government (at all levels) to reduce by the end of 2010 by 30% the administrative expenses for business operation (with an additional 30% by the end of 2014). Ongoing activities under the JCC include optimization of inspections systems based on improved risk-management principles, simplification of procedures for voluntary administrative liquidation of a business, and revision of licensing and permitting systems at both national and local levels, with reductions in the number of types of permits and licenses based on the guillotine method.

TECHNICAL

In Kazakhstan, BEI had a successful year facilitating business environment improvement both directly and via partners. BEI’s work with Government partners provided significant results this project year. The overall business environment impact (PR2) from BEI Year 4 is estimated at over \$122.1 million (see Business Environment Results Table), divided into \$34.4 million in sub-national impact and \$87.7 million national non-Doing Business impact. An additional \$27.7 million in estimated impact associated with WBDB-related reforms is presented for context purposes only.¹ This is believed to be a very conservative estimate, as several changes with anecdotally larger costs were assessed at lower levels or excluded from assessment due to lack of quality data.

Based on BEI’s approved 2009-2010 work plan, of 121 items expecting completion during this project year, 86.78% (105) have been completed, and the remaining 16 items have been rescheduled to the following project year or discontinued to accommodate official government partner work schedules.

Doing Business Activity

During Project Year 4 BEI continued efforts with ministerial working group on improving the Doing Business indicators for: Starting a Business, Dealing with Construction Permits, Registering Property, Protecting Investors, Getting Credit, and Closing a Business, as well as the umbrella expert group under Vice-Prime Minister Orynbaev directing the overall WBDB-related reform effort. Direct technical

¹ See Supplemental Project Result I (PR1) Economic Impact Table, below

assistance was provided by BEI to the Ministry of Justice, Ministry of Economic Development and Trade (MEDT), Construction Agency, Agency for Financial Control and Ministry of Finance. These efforts were bolstered by the first year of increased engagement in Kazakhstan from the World Bank Doing Business Reform Team, which developed its own reform memo with the Government, increased monitoring of reform efforts and positioned the Bank to take the lead on bankruptcy procedure improvements.

The World Bank has announced that the Doing Business 2011 Report will be available November 4, 2010, and not during September as previous reports were provided. This delays evaluation of improvement effects on KZ's indicators for Year 4 as well as and lagging impact from reforms adopted during BEI Year 3. Appropriate updates will be presented in the next quarterly report.

Following are short summaries of BEI-facilitated reforms in Kazakhstan during the 2009-2010 project year related to WBDB indicators. Due to the survey nature of the WBDB indicators, not all changes may be fully reflected in the Doing Business report even if they took place prior to the WB data-collection cut-off date of June 1. Though the WBDB records changes this year in multiple indicators, a portion of the relevant legal changes were enacted and implemented during the previous, 2007-2008 BEI project year, and are not reproduced here.

Starting Business 2009-2010

Law #239-IV of January 20, 2010, "*Amendments and additions to some legislative acts of the RK regarding simplification of state registration for legal entities, branches and representative offices*"; and Laws #257-IV and #258-IV of March 19, 2010, "*On state statistics*" and "*On modification and additions in some acts of Republic Kazakhstan concerning state statistics and taxation*" are designed to affect the measured Starting a Business (SaB) process in the following manner:

- 1) Reduce initial charter capital requirements for new businesses from 141,300 KZT (100 "Minimum Calculation Indexes" or about \$961) to 100 tenge (about \$0.68)
- 2) Eliminate **SaB procedure #2** (*Open bank account and deposit initial capital; pay registration fee into the account of the Ministry of Justice*)
- 3) Reduce time required for **SaB procedure #3** from 14 to 12 days (*State registration of legal entity, statistical, and tax registration with the local department of Ministry of Justice*)
- 4) Eliminate **SaB procedure #5** (*Notarize certificate of state registration and other post-registration documents*)

These changes eliminate 2 procedures, 4 days and 8,500 KZT in costs (about \$58), from the registration process based on World Bank evaluations, reducing time from 20 to 16 days and cost from about \$294 to \$236. The changes also remove about \$960 in charter capital costs.

Dealing with Construction Permits 2009-2010

Government Decree #1467 of September 29, 2009, "*On amendments and additions to Government Decree #425 of May 6, 2008, 'On Some measures for improving issuing construction permits for building'*"; Government Decree #1468 of September 29, 2009, "*Some issues of implementation of The Law RK 'On construction'*"; and Government Decree #1656 signed October 23, 2009 "*On adoption of rules for typing of buildings and constructions as technically complicated sites and on amendments to Government Decree of the Republic of Kazakhstan #918 of August 19, 2002*" are designed to affect the measured "Dealing with Construction Permits" (DwCP) process in the following manner:

- 1) Reduce the time required for **DwCP Procedure #1** from 20 to 10 days (*Request and obtain land allocation permit from Akim of Almaty City*)
- 2) Merge **DwCP Procedure #2, Procedure #3, Procedure #4** and **Procedure #7**, reducing total time from 17 to 8 days (*Request and obtain technical conditions from the water and sewage authority, Request and obtain technical conditions from the telephone authority, Request and obtain technical conditions from the electricity authority and Request and obtain architectural planning Assignment (APZ)*)
- 3) Eliminate **DwCP Procedure #5** (*Notarize documents*)
- 4) Reduce time required for **DwCP Procedure #14** from 30 to 15 days (*Request and obtain expert examination of project documentation*)
- 5) Reduce time required for **DwCP Procedure #16** from 14 to 7 days (*Request and obtain Rendering Building and Assembly Jobs Permit from the State Architectural Supervision Authorities*)
- 6) Eliminate **DwCP Procedure #31** (*Request acceptance of the building from Working Commission*)
- 7) Eliminate **DwCP Procedure #32** (*Receive inspection by the Working Commission*)
- 8) Eliminate **DwCP Procedure #33** (*Obtain Act from Working Commission*)
- 9) Eliminate **DwCP Procedure #36** (*Obtain Akimat approval of State Acceptance Commission decision*)

These changes eliminate 8 procedures, 84 days, and 29,663 KZT (about \$201) from the permitting process based on World Bank evaluations, reducing time from 211 to 127 days, and cost from 1.006 million to .976 million KZT (about \$6,643). Following discussions with and additional research work by World Bank Representative Igor Artemiev, these changes are expected to be considered in the DB 2011 Report, along with uncounted construction reforms from 2009.

Registering Property 2009-2010

Government Decree #393 of May 7, 2010 “*On additions and changes into some decisions of the Government of Republic Kazakhstan*” is designed to affect the measured “Registering Property” (RP) process in the following manner:

- 1) Reduce time required for **RP procedure #5** from 17 to 5 days (*Registration of the title at the Registration Service Committee*)

This change will eliminate 12 days time from the process from the registration process based on World Bank evaluations, reducing days required from 40 to 28.

During March 2010 the Government submitted to Parliament the draft Law “On Amendments and Changes in the Law On Joint-Stock Companies” created with assistance from BEI, the Agency for Financial Supervision (AFS) and World Bank. The new Law contains provisions on:

- the fiduciary duties and responsibilities of joint-stock company directors;
- reduction of the threshold for “large transactions” from 25% of the company's assets to 10%;
- approval and notification for major transactions and related-party transactions where the approval of an extraordinary meeting of shareholders is required;
- external appraisal of related-party transactions now required prior to approval of the transactions;

- a clear definition of directors' responsibilities and liabilities for company management;
- authorization for shareholders to file lawsuits against company directors and to claim damages and return profits, if it is possible to prove that the company had losses or failed to receive income due to deals concluded with inferior terms and conditions; and
- authorization for courts to recognize related-party transactions as invalid, if there is evidence that they damaged the company, and that they could be concluded on better terms without related-party interest.

The Law is expected to be adopted during the fall Parliament session as part of a package of legislature on mortgage, financial consumer rights protection, and investor's protection and it may improve Kazakhstan's "Protecting Investors" ranking by more than 20 places.

At the beginning of the project year BEI, together with the "First Credit Bureau", provided recommendations on the "Getting Credit" indicator to the working group under the AFS, and specifically regarding liberalization of loan procedures and the priority rights of secured creditors during bankruptcy and reorganization processes. Due to the financial-economic crises the recommendations on loan procedure liberalization have not found support among the Government and banking-sector working group members, however BEI's advice on secured creditors is supported by the AFS, Ministry of Finance, Insolvency Committee and Association of Financiers.

Based on BEI's recommendations to the Ministry of Finance's Insolvency Committee, the Government has decided to improve the insolvency system and adopted a joint GoKZ/World Bank reform plan for the work. This plan begins during September 2010 with a Report on Observance of Standards and Codes conducted jointly with the World Bank, preparation during 2010 of a concept for insolvency system reformation, adoption of a new law on corporate bankruptcy in 2011, and adoption of a law on individual insolvency by 2014. BEI successfully passed leadership of these reform efforts to the World Bank, and though it will provide recommendations on drafts developed to improve the Closing a Business indicator, expects to focus Project effort toward other areas.

Non-Doing Business Activity

In April, 2010, in cooperation with the Construction Agency (CA), BEI developed basic construction rules for Kazakhstan's oblasts, which were approved by the CA Head Mr. S.K. Nokin and entered effect in July 2010. These rules take precedence over local construction rules, which now must be amended for compliance. The 14 oblast construction departments have begun drafting changes to their local rules, which is expected to conclude in December 2010. The BEI Project is assisting with the development process, and at the CA's request provided seminars for SMEs and municipal governments, and monitoring in 14 regions on construction regulatory changes. Monitoring results will feed into recommendations for additional national-level construction process improvements, to be provided to the CA during the 5th project year.

BEI developed a methodological guide to the process for voluntary liquidation of a business, which was approved by the Government and distributed to the business community in July 2010. BEI's monitoring recommendations for streamlining improvements to the liquidation process were presented to the Ministry of Finance (MoF) and Ministry of Justice (MoJ) in January 2010, and have been incorporated into the new Law *On State Registration of Legal Entities*, now under review by Government with adoption expected by the end of 2010.

BEI, in cooperation with the USAID RTLC and EREC Projects, supported implementation of the Law *On amending certain legal acts of the Republic of Kazakhstan on private entrepreneurship #188* of July 17, 2009, by

assisting 32 inspecting bodies to develop their checklists and planning systems based on risk management principles. Of these, the most significant GoKZ bodies receiving BEI assistance include the:

- State Committee for Sanitary-Epidemiological Supervision of the Ministry of Healthcare,
- Tax Committee of the Ministry of Finance,
- Committee on Industry (Manufacturing) of the Ministry of Industry and Trade,
- Fire Security Committee of the Ministry of Emergency and Industrial Security,
- Construction, Housing and Public Utilities Agency (Construction Agency), and
- Financial Supervision Agency.

BEI also developed with the MEDT a core concept for a risk management system, which serves as the base for individual systems tailored to the needs of each inspecting body. During February 2010 the 48 state inspecting bodies adopted required reporting, checklist, and risk assessment criteria for conducting inspections of private entrepreneurship, and posted inspections schedules for 2010 on the website of the General Prosecutor.

The adoption of improved inspections systems represents a paradigm shift toward responsiveness by Kazakhstan's state bodies to the citizenry they serve. The Ministry of Economy and Budget Planning estimates that implementation of new risk-management systems, checklists, and other streamlined measures to reduce unwarranted inspections will eliminate half of state visits and reduce the time required for the remaining inspections of Kazakhstan's 825,000 entrepreneurs by 30%, saving over \$34.5 million USD per year, beginning March 2010 to April 2011. BEI will continue to assist the GoKZ with recommendations following monitoring of risk-management system and checklist implementation during Year 5.

To publicize changes, BEI conducted public seminars on the amendments and additions to the procedure of inspections of private entrepreneurship for representatives from state bodies and the private sector in the cities of Astana, Almaty, Oskemen, Pavlodar, Shymkent, Oral, Zhyrnyy, Ridder and Kokshetau between February and May 2010. BEI also monitored implementation of the new inspections system in Astana, Almaty, Oskemen, Pavlodar, Shymkent, and Oral cities on behalf of the MEDT and Committee on Legal Statistics and Special Accounting of the General Prosecutor. Based on monitoring results that showed the public to be widely unfamiliar with the inspections reforms, BEI developed the brochure *What should private entrepreneurs know about questions of inspections?*, which was presented to the media in July 2010 and distributed throughout Kazakhstan as well as on-line.

BEI continued licensing and permitting improvements during the 4th year, in conjunction with the USAID RTLC project and Government expert group. The draft Law *On Changes and Amendments to Some Acts Concerning Improvement of Permitting System* was passed to Parliament in June 2010 and is expected to be reviewed and accepted by the end of 2010. Once adopted, this law will reduce the number of licenses and permit types from 1015 to 684—a 33% reduction.

With the support of BEI, the Government has, however, moved forward with other, specific licensing reforms, including among others:

- Elimination of licensing for customs warehousing, brokering, and related customs activities, expected to save 374 entrepreneurs over \$3.9 million per year;
- Adoption of definitions and mechanisms into the legal base for creating a national electronic registry of licenses and an E-licensing system to reduce opportunities for corruption and speed application processes; and

- Amended licensing requirements for kindergartens, enabling these businesses to rent—rather than forcing them to buy outright—their operating premises, saving almost \$25 million for an estimated 936 new kindergartens per year.

In fall 2009 the Ministry of Justice began implementation with BEI assistance of amendments to Resolution #840 *On Approval of the Rules of Organization of Legislative Activities by the Authorized Bodies of the Republic of Kazakhstan*, which effectively lay the foundation for analysis of benefits and costs for stakeholders, including entrepreneurs, from proposed regulations. The Resolution provides recommended methods for Government bodies to calculate financial and economic impact assessments of direct and indirect costs to national and local budget, regulating bodies, the income of individuals and businesses, as well as any other economic effects for implementing regulating acts. However, the Government has not yet provided specific instructions for Regulatory Impact Analysis (RIA) under Resolution #840, as RIA has not remained a consistent priority for the GoKZ.

From May 3-7, 2010, BEI sponsored a study tour to Rome, Italy, for two GoKZ representatives, with BEI Country Director Sergey Pizikov, to attend a training conference on international practice in implementation of Regulatory Impact Analysis. Representatives from the MEDT and Ministry of Industry and Innovation were trained during sessions provided by internationally recognized RIA experts Mr. Scott Jacobs, Dr. Andrea Renda and Mr. Cesar Cordova from Jacobs & Associates, and Mr. Wim Jansen from the Ministry of Finance of the Netherlands. Following this study tour and additional training by BEI on the practical implementation of impact analysis, the Government adopted a plan for gradual introduction of RIA use when drafting business regulations. Further steps have been slower than anticipated however, as the cooperation of the Government is needed to introduce RIA for the activities of regulating bodies at the national and sub-national levels and for expert groups: which will include development of relevant methodologies and trainings, with BEI assistance, during Project Year 5.

On June 24, 2010, the draft Law *On improving entrepreneurship regulation transparency by restricting rule-making by state bodies under the subordination of Government (ministries, committees and agencies)*, developed with BEI assistance, was approved by the Government and sent to Parliament. This law will limit the power of Government ministries to develop legal acts regulating entrepreneurship themselves, without the approval of the Government or Parliament. Adoption by Parliament is expected during fall 2010.

Sub-National Activity

At the end of March 2010, BEI's subcontractors in Kazakhstan (individual entrepreneur Zhanna Aleksandrova in Pavlodar, the Fund for Informational Support for Society Development (FIPRO) in Oskemen, association "Center of Small Business" in Oral, and Business Incubator SodBI in Shymkent) completed activities as called for by their 2009-2010 work plans and finished their contracts with BEI. The subcontracts performed BEI activities in Astana, Oskemen, Oral, Pavlodar, Shymkent and surrounding regions in close collaboration with the BEI country offices and facilitated with local administrations successful remove of oblast-level administrative barriers during the past year totaling over \$16 million USD per year in estimated impact. These partners, equipped with the knowledge and methodologies received through BEI, will continue work along the lines set up by their cooperation with the Project. BEI expects to continue to technically support each subcontractor as partners in their ongoing local business environment improvement efforts throughout Project year 5, including subcontracting several local partners anew.

At the request of MEDT, BEI began assisting the Government and the Forum and Entrepreneurs of Kazakhstan with an additional local-level licensing and permitting guillotine patterned from and supported by the national expert group on licensing reform. Between May and August 2010 BEI worked with the Atyrau and Mangystau Oblast Akimats to review and optimize local-level licensing and permitting procedures. The review has identified the numbers of permit and license types for businesses (108 permits in Mangystau oblast and 333 in Atyrau Oblast), and BEI continues to assist the Government with developing

recommended standards for issuing regional and local licenses and permits, and broader recommendations for streamlining local level issuance procedures (such as to reduce time required for issuing permits, developing procedure process maps, implement streamlined “one-shop-stop” window services in state bodies, eliminate notary requirements and illegal documents, and etc.). BEI’s recommendations and draft standards were presented to MEDT in August and September, and are expected to be adopted by the end of 2010. During 2011, following adoption of the Law on Licenses and Permits, the Government will pursue additional removal of unnecessary local licenses and permits not eliminated by the new Law.

During Project Year 4, BEI and its partners conducted monitoring in the cities of Astana, Almaty, Oral, Oskemen, Shymkent for the Ministry of Justice of implementation by Public Service Centers (PSCs) of changes to legislation regulating registration of legal entities and property. Monitoring results were presented in May to the GoKZ and to regional seminars of PSC employees in the cities of Karaganda and Almaty, and show improvements in PSC work in providing information and reducing the number of processes, but also problems in high turnover and a lack of professionalism and professional training in the skills of PSC staff. BEI is developing a report with recommendations for further PSC improvements including on:

- opening specialized educational institutions for PSC staff,
- training PSC employees in ethics and communication,
- developing electronic training manuals,
- creating electronic document archives, and
- increasing the number of regular PSC employees.

This report with recommendations is expected to be presented to the GoKZ, local akimats, PSCs, regional departments and private sector partners, during fall 2010.

UPCOMING EVENTS

Seminars on construction issues are planned in cooperation with the Construction Agency for local construction bodies and companies in Pavlodar, Karaganda and Kokshetau during October 2010

A series of round tables on implementation of amendments to the Law on Licensing and Permits is planned for Almaty, Atyrau, Aktau, Oskemen, Oral and Shymkent during November-December 2010

Regional seminar co-organized with the Ministry of Justice is planned in western Kazakhstan (cities of Aktau and Aktobe) on improving the quantity of Public Service Center services during November 2010

KYRGYZ REPUBLIC

GENERAL

During the first half of BEI’s 4th project year the Kyrgyz Republic passed the first stage of public administration reforms called for by the reorganization of the Government and President’s Administration announced October 20, 2009. Accordingly the Government was streamlined and the President established the Central Agency for Development, Investment and Innovations (CADII), responsible for the development of economic policy, and by virtue of their position a key contact for BEI.

During March opposition political parties and the Government held a series of meetings, first on March 17 with about 3,000 public attendees, and then on March 23 and 24 for 742 selected delegates. These meetings directly raised issues between the opposition and Government, particularly economic complaints regarding increased tariffs for electricity, hot water, and mobile communications.

Following violence surrounding April 7 and 8 opposition protests, former President Bakiev resigned and was replaced on April 8 by an Interim Government of the Kyrgyz Republic (GoKR) headed by Head of the Executive Committee of the People's Assembly, Roza Otunbaeva. The Interim GoKR planned to operate for six months, allowing for adoption of a new constitution and arrangement of presidential and parliamentary elections. The Interim GoKR was headed by Roza Otunbaeva, with Almazbek Atambaev as her first deputy and responsible for the economic sector. Other deputies were: Temir Sariiev as Minister of Finance, responsible for finance and credit; Omurbek Tekebaev, responsible for reforms; Azimbek Beknazarov, coordinator of prosecution bodies and courts; Ismail Isakov as Minister of Defense and coordinator of enforcement agencies; and Elmira Ibraimova as Publicity and Media Coordinator.

As its first acts, the GoKR dissolved the previous Government, Parliament and the President's bodies of the Central Agency for Development, Investments and Innovations, President's Secretariat and Office, and suspended the Central Elections Committee. Government and Parliament authorities are exercised by the GoKR itself; however local and state administrations are not affected, barring other, specific orders.

By decree of the GoKR of April 27, a new constitution was drafted and adopted by referendum on June 27. Following adoption of the new constitution, the Interim GoKR was replaced by a Transitional GoKR with Roza Otunbaeva as President until December 2011, and parliamentary elections scheduled for October 2010.

TECHNICAL

On April 13, 2010, USAID/CAR issued a Notice to Proceed (NTP) instructing BEI to immediately cease implementation of its approved work plan in the Kyrgyz Republic, and during the period of KR political transition, exercise the priorities of USAID assistance to the authorities in Kyrgyzstan in meeting the immediate needs of the population and providing for the stability and planning of the GoKR. This and subsequent NTPs were superseded by a revised BEI work plan for assistance to the Interim and Transitional GoKR during July 2010.

Overall business environment impact from BEI Year 4 is estimated at \$4.35 million (see Business Environment Results Table) from streamlining of the national tax patent payment system. Disruptions from the crises in KR prevented BEI from further reforms at the local level to meet the target of \$0.8 million in local-level impact called for by its PMP.

Based on BEI's approved 2009-2010 work plan, revised in July 2010, of 20 items expecting completion by this report date, 75% (15) have been completed, and the remaining 5 items have been rescheduled to the following project year or discontinued to accommodate shifting Interim GoKR work needs.

With BEI's focus shifted in accordance with the NTP to assisting the GoKR in basic stability and crisis economic planning, most but not all reform initiatives begun under the Bakiev administration were suspended, including efforts under the Government's February 12, 2010, *Action Plan on Doing Business*, which continued 3rd-phase work on all 10 DB indicators. On May 3, 2010, Decree #48 of the Interim Government (IG), BEI Country Director Nursulu Ahmetova was appointed *Adviser on Economic Policy to the First Deputy Head of the KR Interim Government*, continuing the close collaborative relationship between BEI and the GoKR begun during the Bakiev administration.

Both the Interim and Transitional GoKR requested BEI's urgent assistance in advising them on diverse economic and stabilization issues, including in several areas of reform work begun during the Bakiev

administration. Below a brief timeline of these requests is provided, with further expansion on points of work later in this text.

Requests for BEI assistance from the Interim Government of KR, approved by USAID, include:

- April 15, 2010
 - BEI analysis of the draft Interim Government (IG) decree #12 "On Declaring a moratorium relating to the protection of private, public, municipal and other forms of property" of April 9, 2010, which suspended government property registration functions.
 - BEI continue assistance for inspections-related reform work with the Ministry of Economic Regulation begun during the Bakiev administration, specifically in revising documents for the KR inspections risk-management systems and the list of KR controlling (inspecting) bodies.
 - BEI urgent assistance to the MER on action plans for macroeconomic policy and other related areas, for the formation of the plan *On Priority Measures of the Interim Government of the Kyrgyz Republic on Stabilization of the Socio-Economic Situation in the Country until 2011*. This activity was further expanded by additional requests into a public-private expert group including 11 BEI-funded experts to assist the IG in economic stabilization planning.
- April 16
 - BEI comments on and assistance in finalizing the new reglament (rules, procedures) of the IG.
- April 26
 - Particular BEI assistance to Government reform of customs administration rules, specifically regarding closing loopholes and methods for circumvention of the customs system that may be ongoing, and for assistance in subsequent publicity steps for these reforms. This work was closely coordinated with USAID to leverage other customs-related program resources and subordinated to macroeconomic planning work and advice on KR budget issues. Though the RTLC project remains active in customs areas, Executive Head of the KR State Customs Service, Mr. Kuban Kulmatov, approached BEI to provide this assistance due to the experience of Project experts in the licensing and permitting system reviews, and BEI Country Manager Nursulu Ahmetova's experience with WTO accession processes.
 - BEI assistance to the Economic Department of the IG regarding natural gas supplies and broader energy security in KR, domestic access to gasoline for citizens and reducing all possible fuel access costs to prevent macroeconomic instability. This activity was closely coordinated with USAID, PA Consulting and the Kyrgyz Energy Advisory Services Project, and subordinated to macroeconomic planning work.
- April 28
 - BEI analysis for the Deputy Minister of Labor, Employment and Migration Mr. Melis Djunushaliev of the situation regarding KR migrants in Kazakhstan and Russia, and similarly for Head of the Financial Department of the IG Ms. Zina Asankojoeva consultations on the cases of deported KR migrants from Kazakhstan, and their claims for compensation from the IG.
 - BEI assistance to the Executive Mayor of Bishkek Mr. Isa Omurkulov for reforms to the structure of the Mayor's Office, as a continuation of previously planned work supporting government structure reform.
 - BEI review of the feasibility of and consultations on the process for authority delegation from Gosstroi to the Bishkek Mayors Office, as begun prior to the April 7 events.

- May 5
 - BEI assistance to the MER in crafting and implementing a media campaign to inform the public of the macroeconomic strategy of the IG, encourage input, build trust in KR macroeconomic plans and stabilize the business environment. The proposed media campaign covered economic reforms undertaken and proposed by the Interim Government in areas of economy and business, including points on economic stabilization, inspections and tourism.
- May 6
 - BEI co-financing with the Investment Council of a round table titled “Rehabilitation of business activity and further improvement of business environment” for members of the IG and representatives from business associations. This planned round-table did not take place and was postponed until after the October 2010 elections.
- May 11
 - BEI assistance for creation of a cross-cutting economic planning expert group to advise the IG. This expert group would subsume the working group developing the Macroeconomic Stabilization Plan and combine competing advisory groups to encourage the long-term stability of economic governance and stability planning by the IG.
- May 17
 - BEI review of and verbal comments on the legal and macroeconomic implications of eliminating the KR Development Fund, for the 1st Deputy Head of the IG Mr. Atambaev, Head of the Finance Department of the IG Office Zina Asankojoeva, and Deputy Minister of the Finance Erik Usualiev.
- June 1
 - BEI recommendations on the structure of the Government, including the classification of government bodies. This work was built as appropriate on previous comments and recommendations on Government structure provided by international STTA Mr. Christian Filipov.

Doing Business Activity

Following results of the WB Doing Business 2010 Report, BEI and the expert group on DB reforms assisted the Bakiev government to develop its implementation plan for Phase 3 WBDB reforms, the Government’s *Action Plan on Doing Business* approved in Resolution #101 of February 12, 2010, which continued work on all 10 indicators. Implementation of the Action Plan was suspended following the collapse of the Bakiev government and in light of the immediate stabilization needs of the Interim GoKR.

In January 2010, the Doing Business Reform Team in Washington responded positively, in part, to an official KR Government request for assistance supporting indicator reform efforts in 2010-2011. Several issues remain under consideration by WB experts in advance of the 2011 Report, and BEI assisted the Ministry of Economic Regulation (MER) and the Investment Council under the KR President in negotiations and consultations with WB experts on adjustments data not included in the 2009-2010 report and methodology, for all indicators.

The World Bank has announced that the Doing Business 2011 Report will be available November 4, 2010, and not during September as previous reports were provided. This delays evaluation of the effects on KR’s indicators of the country’s political and stability crisis and lagging impact from reforms adopted during BEI Year 3.

BEI assisted the MER to develop a draft Resolution on maintaining the results achieved in implementing the one-stop shop in construction, starting business and other indicators, taking into account the index of economic freedom, corruption and WBDB. The draft regulation will be sent for Government approval in October 2010.

Efforts by the MER to resume construction reform follow work with the Bakiev administration that resulted in the signing on January 29, 2010, the technical regulation Law "On the Safety of Construction", Parliament adoption in March of similar laws "On Fire" and "On the Safety of Construction Materials", Parliament review of the Law "On the Security of Buildings and Structures", and BEI recommendations for further streamlining the construction permitting document-handling procedures. Implementation of the signed technical regulation Law will take place after it takes effect in February 2011, and further review and adoption of these construction improvements was suspended as of April 7. Efforts in this area will represent some of the first efforts resumed with Gosstroy and the MER once the Interim GoKR has capacity for the work.

In June, BEI reviewed the government plan to transfer property registration functions from the State Register Service to the Ministry of Justice, and the creation of a State Agency on Land Planning. BEI submitted its comments to the Government on June 14, regarding the legal and macroeconomic implications for this change, and the GoKR cancelled both the transfer of functions and creation of the Agency on Land Planning. BEI continues to work on taxation issues as part of the transfer of insurance premium administration from the Social Fund to the State Tax Service, however the EREC Project has resumed responsibility for other tax-related reform efforts with the Transitional GoKR.

Non-Doing Business Activity

During April, the interim KR Government announced decree GoKR #12 "On Declaring a moratorium relating to the protection of private, public, municipal and other forms of property", which declared a moratorium on the functions of registration of real estate and movable property throughout KR. The GoKR requested BEI analyze and comment on the moratorium regarding its expected impact on the business environment. This moratorium was at least in part an attempt to reign in widespread looting and attempts at business and property takeovers that plagued the KR following the events of April 7. BEI provided its comments on April 22, in which it objected to the sweeping, undifferentiated nature of the registration ban, and the moratorium itself was repealed by decree of the Government on April 30, 2010.

During April and June, following GoKR request, BEI assisted in developing the "Rules of the Provisional Government of the Kyrgyz Republic" (the Interim GoKR regulation) and the GoKR's new Commission on Streamlining the Government Regulation System. BEI provided advice on establishing the Presidium, amendments to draft rules of the GoKR, and on the decision-making procedures for the interim Government, which were adopted in part. Continued work on the KR Government structure is expected to build as appropriate on comments and recommendations provided by BEI international STTA Mr. Christian Filipov during 2008. Due to the volume of documents in need of review, this activity is expected to complete after the October 2010 parliamentary elections.

In April, BEI resumed inspections-related reform work previously undertaken with the Ministry of Economic Regulation, including revision of documents for the KR inspections risk-management systems, introduction of business risk categories (high, medium, and low-risk) and the list of KR controlling (inspecting) bodies. For this work, BEI assisted in preparation of GoKR Decree #35 of May 13 "On limitation of the inspections conducted by the law enforcement, tax and other authorized bodies entitled to conduct inspections of businesses," which is estimated through the new RMS and reduced numbers of inspectorates to decrease inspections activity per year by 70%. The GoKR, in Order #24-p of August 11, 2010, also established an interagency working commission for optimizing inspections and controlling

functions by combining and eliminating redundant state bodies. The Interagency commission will continue work through fall 2010.

On April 15, the GoKR requested BEI provide urgent assistance to develop the KR Plan for Macroeconomic Stabilization, and to provide associated macroeconomic and policy advice. BEI dedicated local expert, Mr. Ulan Sarbanov, to lead efforts to assist the GoKR Economic Department working groups and coordinate other, related specific GoKR requests. The resulting combined plan "On priority measures of the Interim Government of the Kyrgyz Republic on stabilization of the socio-economic situation in the country until 2011", and its associated GoKR resolution and reference document were approved by the Chairman of the GoKR on April 15. This plan represents steps toward the gradual stabilization of the economic situation in KR and the restoration of key macroeconomic indicators, and was prepared with input from Government agencies, private sector and donor projects, in close cooperation with USAID. BEI also assisted the GoKR with implementing resolutions and associated information campaigns to support stabilization planning.

Work on the Macroeconomic Stabilization Plan was expanded in May with BEI facilitation of a cross-cutting economic planning expert group to advise the IG. This group consists of experts from the former Central Agency for Development, Investment and Innovations and previous working groups under ministries and the GoKR itself. The combined group is designed to limit appearances of undue influence by one or another internal GoKR personality, which is an important aspect to the long-term stability of economic governance planning by the IG.

As part of the Macroeconomic Stabilization Plan, BEI was specifically requested on April 26, and approved by USAID, to assist GoKR budget and revenue planning and advise on anti-corruption measures for customs administration rules. BEI facilitated this section of the Plan in coordination with the RTLC project, Customs Department, and the Apparel Association "Legprom", and provided additional expert advice through international STTA Mr. Aleksi Aleksishvili. The USAID RTLC Project is continuing assistance to the GoKR in Customs and trade areas.

As a result of the April social upheavals and dissolution of Parliament, adoption of several draft laws and regulations was suspended pending election of a new Parliament in October 2010. These NLA were at varying stages of adoption and will all be returned to the new Government for review following the October 2010 Parliamentary elections, beginning their processing again. NLA affected include the:

1. Draft Law of KR #1721-IV *On Technical Regulations "On Safety of Buildings and Structures"*, passed in its second reading by Parliament with the help of BEI and Gosstroi on March 11, 2010. BEI assisted in finalizing revisions for its third reading, which was originally planned for April;
2. Draft Law #1672-IV *Technical Regulation "On Fire Safety"* prepared with BEI assistance to the Ministry of Emergencies, adopted by Parliament on February 11, 2010, but not signed by the President due to the crisis;
3. Draft Government Resolution prepared by the State Registration Service and BEI supporting the *Law On the State Registration of Rights to Immovable Property and Transactions with it regarding information provision by local registration authorities, including the on-line system*;
4. Draft Law *On Amendments and Additions to the KR Law "On the Order of Inspections of Entrepreneurship"*;
5. Draft Law *On Introducing Amendments to the Air Code of the Kyrgyz Republic*;
6. Draft Law *On Introducing Amendments to the Law of the Kyrgyz Republic "On Seeds"*;
7. Draft Law *"On Introducing Amendments and Additions to Certain Decisions of Government of the Kyrgyz Republic"*;

8. Draft Government Resolution *On the Draft Law of the Kyrgyz Republic “On Introducing Amendments and Additions to the Law of the Kyrgyz Republic ‘On Ensuring Uniformity of Measurements’”*;
9. Draft Government Resolution *On the Draft Law of the Kyrgyz Republic “On Introducing Amendments and Additions to the Law of the Kyrgyz Republic ‘On Pharmaceuticals’”*;
10. Draft Government Resolution *On the Draft Law of the Kyrgyz Republic “On Introducing Amendments and Additions to the Resolution of Government of the Kyrgyz Republic as of September 8, 2006, # 639 ‘On Approving Regulation about the Manner of Working for Foreigners and Individuals without Citizenship on the Territory of the Kyrgyz Republic and Regulation on Manner of Employing Citizens of the Kyrgyz Republic Abroad’”*;
11. Draft Law *On Introducing Amendments and Additions to the Law of the Kyrgyz Republic “On the Health Protection of Citizens of the Kyrgyz Republic”*;
12. Draft Law *On Introducing Amendments and Additions to the Law of the Kyrgyz Republic “On Real Estate Brokering in the Kyrgyz Republic”*;
13. Draft Government Resolution *On the Draft Law of the Kyrgyz Republic “On Introducing Amendments and Additions to the Law of the Kyrgyz Republic ‘On Restricting Monopolies and Developing and Protecting Competition’”*;
14. Justification Note to Draft Law *On Introducing Amendment to the Law of the Kyrgyz Republic “On Vehicle Transport Roads”*;
15. Draft Government Resolution *On the Draft Law of the Kyrgyz Republic “On Introducing Amendment to Administrative Liability Code of the Kyrgyz Republic”*;
16. Draft Government Resolution *On the Draft Law of the Kyrgyz Republic “On Introducing Addition to the Law of the Kyrgyz Republic ‘On Pledge’”*;
17. Draft Government Resolution *On the Draft Laws of the Kyrgyz Republic “On Introducing Amendments to the Law of the Kyrgyz Republic ‘On Road Traffic in the Kyrgyz Republic’ and ‘On Introducing Additions to the Law of the Kyrgyz Republic ‘On Pledge’”*;
18. Draft Government Resolution *On Draft Law of the Kyrgyz Republic “On Introducing Amendments and Additions to the Law of the Kyrgyz Republic ‘On Private Detective and Security Activity in the Kyrgyz Republic’”*; and
19. Draft Law *On Introducing Amendments to Law of the Kyrgyz Republic ‘On Advertisement’*.

Sub-National Activity

Between October 2009 and April 2010, BEI continued support for Ministry of Justice implementation of their “one-stop-shop” database. BEI streamlined database operations and legal entity registration processes in 7 regional MoJ departments, and provided recommendations to reduce registration and statistics processing times, and to prevent state bodies from exercising permissive power over business stamps. BEI expected these recommendations to reduce business registration to 3 steps taking 5 days and 430 som (about \$10) per applicant, however adoption was placed on hold following the April social upheavals, and has not yet been resumed.

During March, under agreement with the Speaker of the KR Parliament, BEI provided a series of four-day long seminars to 153 parliament member participants. Seminars covered the “Theory and Practice of Implementing RIA for Regulation of Businesses” and the “Basis of Implementing RIA for Regulation of

Businesses”. This Parliament, however, was dissolved immediately after the formation of the Interim Government, in April.

Beginning in May, BEI resumed assistance to the Mayor’s Office of Bishkek City regarding reforms to the structure of the Mayor’s Office, including continuing facilitation begun prior to April 7 for the delegation of architecture and construction permitting functions from Gosstroï to the Mayor’s Office. Consultations in these areas are now ongoing.

During June, BEI began providing expert consultation on macroeconomic and legal policy for the MER to stabilize and support economic growth in Southern Kyrgyzstan. The BEI Osh office in particular facilitated active participation by the business communities in the Management Board in charge of Osh and Jalal-abad rehabilitation. Consultations in this area are ongoing with the GoKR and business community, and BEI’s recommendations were incorporated into the GoKR’s Urgent Economic Activities for the Technical Government plan.

UPCOMING EVENTS

- BEI will assist with donors conference on raising funds to help Kyrgyzstan, planned to take place in Astana, Kazakhstan during October 2010

TAJIKISTAN

GENERAL

During the 4th project year the Republic of Tajikistan (RT) continued economic reforms and support to private sector development begun as part of the 2009 “200 Days of Reforms” campaign. This support includes improving streamlined procedures for business registration, obtaining construction permits, joint stock company and investor legislation and improving legislation of free economic zones as major examples. The two-year moratorium on business inspections ended on July 29, and the inspectorates have resumed operations and the extraction of unofficial payments.

The President and Government of Tajikistan assigned each ministry to lead one of the reforms directions in order to strengthen ongoing reform efforts. Though the World Bank awaits stronger implementation in several key areas improved in 2009 before reflecting them in Doing Business, the President of RT remarked highly on reform results during his January 2010 entrepreneurs’ meeting, as well as the role of the public-private Consultative Council on Improving the Investment Climate, and active implementation role of the State Committee on Investments and State Property Management of RT (SCISPM), international organizations and private sector.

TECHNICAL

BEI had a successful year in RT facilitating business environment improvement both directly and via partners. BEI’s economic impact for the project year comes from a pair of reforms not related to the Doing Business process. Overall business environment impact from BEI Year 4 is estimated at \$22 million (see Business Environment Results Table), with \$13.2 million in sub-national impact results from increasing the quality certificate validity period for canned and bottled goods in the Sughd region, and \$8.8 million in national non-Doing Business impact from streamlined statistics reporting requirements on SMEs and rural farmers. These are believed to be conservative estimates, as information restrictions continue to reduce

available data for more complete estimations. Based on BEI's approved 2009-2010 work plan, of 61 items expecting completion by this report-date, 80.33% (49) have been completed. Work with remaining items, and especially those involving facilitation of reforms adoptions, have been coordinated with USAID/Dushanbe and passed to partner projects and organizations, such as GTZ and the World Bank.

Though the BEI project has been continued in Kazakhstan and the Kyrgyz Republic for a 5th year, this 4th-year report marks the conclusion of USAID assistance to the Republic of Tajikistan through the BEI Project. As such it includes additional elaboration on RT reform efforts in-progress within the Government and Parliament and on other projects expected to continue work in those areas where applicable. Due to the nature of the Doing Business survey, some reforms facilitated by BEI may not be fully counted by the World Bank until the 2012 Report, issued in fall 2011.

Doing Business Activity

Collaboration with the Government of Tajikistan on needed changes under the "200 Days of Reforms" campaign continued in fall of 2009 and 2010, though not all Government bodies responded as quickly as the President desired. The RT campaign was aimed at improving the business and investment climate, international rating of Tajikistan in the World Bank Doing Business global survey, and in focusing attention on macro-economic sustainability via monetary, credit, taxation, and budgetary policy reform, sectoral economic development (including of the SME sector), and improved conditions for foreign and domestic investment. The end goal for all reform efforts was to support the labor market and attract as many new jobs as possible to it.

On May 29, 2010, the Government adopted a new "Plan of further measures of the Government of the Republic of Tajikistan on improving investment climate and indicators of the Republic of Tajikistan in international ratings", designed to focus government attention more strongly on results for the reform campaign. The Plan contained actions for work on improve the World Bank Doing Business indicators of "Starting a Business", "Dealing with Construction Permits", "Getting Credit", "Paying Taxes" and "Trading across Borders". BEI focused the indicators of "Starting a Business", "Dealing with Construction Permits", "Getting Credit", "Paying Taxes", "Closing a Business", and "Protecting Investors".

During the year several World Bank Doing Business Reform Team missions visited RT to observe ongoing reforms and assess results for the Doing Business 2011 report. These occurred during February, May, June and July, 2010, and generated additional media and community attention for reform efforts as well as continued high-level contact between the DB Team and the Government of RT that will aid future WB reform work in the country. The DB Team has verified implementation in practice of 2009 reforms not counted during the 2010 Report.

The World Bank has announced that the Doing Business 2011 Report will be available November 4, 2010, and not during September as previous reports were provided. This delays evaluation of improvement effects on RT's indicators for Year 4 as well as and lagging impact from reforms adopted during BEI Year 3.

Following are short summaries of BEI-facilitated business environment changes in the Republic of Tajikistan during the 2009-2010 project year expected to produce improvements to the WBDB indicators. Due to the survey nature of the WBDB indicators, not all changes may be fully observed yet in implementation even if they took place prior to the WB data-collection cut-off date of June 1.

Dealing with Construction Permits 2009-2010

Government Regulation #531 of October 1, 2009 *On the connection rules to engineering networks and use of public services*, Law #589 of January 12, 2010 *On Amendments to the Law of RT 'On Ecological Expertise'*, Law

#590 of January 12, 2010 *On Amendments to the Administrative Code of RT*, and Government Regulation #105 of February 27, 2010, *On amendments to Government regulations: 'On preparation, registration, transfer, replacement and about cancellation of the certificate of the land usage rights and certificate of the land share', 'On preparation, registration and transfer of the sanitary and epidemiologic conclusion', and 'On the State fire inspection in RT'* are designed to influence the Doing Business “Dealing with Construction Permits” (DwCP) process as follows:

- 1) Eliminate **DwCP step #2** (*Request and obtain fire safety clearance from state anti-fire agency under Ministry of Domestic Affairs*)
- 2) Eliminate **DwCP step #3** (*Request and obtain environmental approval*)
- 3) Eliminate **DwCP step #4** (*Request and obtain Sanitary Hygienic Service approval from state Sanitary Hygienic Service under Ministry of Health*)
- 4) Merge **DwCP step #5** (*Request and obtain clearance from State Electric Agency (Barki Tojik)*) and **DwCP step #6** (*Request and obtain project clearance from the Water and Sewage Agency of Dushanbe*) using streamlined processes into a single request and receipt. Expected title of new step is “*Request and obtain technical conditions and architectural and planning tasks*”, and reduce time and cost required for new step from 20 to 15 days and from 2,270 to 500 TJS
- 5) Eliminate **DwCP step #7** (*Request and obtain project clearance from Ministry of Transport and Communications*)
- 6) Eliminate **DwCP step #8** (*Request and obtain project clearance from State Auto inspection (GAI)*)
- 7) Reduce time and cost required for **DwCP step #9** from 45 to 20 days and from 22,474 to 8,495 TJS (*Request and obtain approval of project design drawings by the State Department Expertise of Construction Projects*)
- 8) Reduce time and cost required for **DwCP step #10** from 10 to 5 days and from 229 to 0 TJS (*Request and obtain final project clearance from the Construction and Architecture Department*)
- 9) Eliminate **DwCP step #11** (*Receive a periodic inspection from Sanitary Hygienic Service (SES)*)
- 10) Eliminate **DwCP step #12** (*Receive periodic inspection from Fire Safety Agency*)
- 11) Eliminate **DwCP step #14** (*Receive electricity inspection*)
- 12) Reduce time required for **DwCP step #15** from 13 to 5 days (*connect to electricity*)
- 13) Eliminate **DwCP step #17** (*Receive inspection from water services*)
- 14) Reduce time required for **DwCP step #18** from 29 to 5 days (*Connect to water*)
- 15) Eliminate **DwCP step #19** (*Receive a periodic inspection from the Ministry of Environmental Protection*)
- 16) Eliminate **DwCP step #22** (*Receive a periodic inspection from the Prosecutor’s Office*)
- 17) Eliminate **DwCP step #23** (*Receive a periodic inspection from the Labor Authority*)
- 18) Eliminate **DwCP step #24** (*Receive a periodic inspection from the Tax Authority*)
- 19) Eliminate **DwCP step #25** (*Receive a periodic inspection from the Ministry of Transportation and Communications / GAI*)
- 20) Reduce time for **DwCP step #26** from 15 to 10 days (*Request and receive a decision by Review Commission*)

- 21) Eliminate **DwCP step #27** (*Request State Acceptance Commission decision*)
- 22) Eliminate **DwCP step #28** (*Receive inspection by the State Acceptance Commission*)
- 23) Reduce time required for **DwCP step #29** from 43 to 30 days (*Obtain decision of the State Acceptance Commission/ final decision of the Mayor*)
- 24) Eliminate **DwCP step #30** (*Request telephone services (Voluntary)*)
- 25) Eliminate **DwCP step #31** (*Receive inspection from the Department of Project Adjustment and Technical Inspection of Dushanbe Telephone Service (station) of the open joint stock company Tajiktelecom and connect to telephone line (Voluntary)*)

In summary these changes are intended to reduce the number of procedures from 32 to 14, time from 250 to 194 days, and cost from 25,780 to 10,822 TJS, saving about \$3,430, as measured by the World Bank.

Getting Credit 2009-2010

Government Regulation # 62 of February 12, 2010, amending the Regulation "On Licensing of Separate Types of Activities" is designed to influence the Doing Business "Getting Credit" (GC) process as follows:

- 1) Enable creation of private credit bureaus, increasing private credit bureau coverage from zero.

The WBDB 2010 report did not assess changes during BEI's 3rd Project Year, citing a need for the establishment of a functioning credit bureau as enabled by the Law *On Credit Histories* of March 2009. With the adoption of Resolution #62, the final legal piece needed for licensing of a functional private credit bureau is complete, and on April 19, 2010, the First Credit Bureau opened its doors. Now that a credit information bureau is operational, BEI-facilitated changes are expected to improve the Credit Information Index from 0 to 6 in time for the Doing Business 2012 Report.

Protecting Investors 2009-2010

The Law #585 dated January 12, 2010, On Amendments and changes to the Law 'On Joint Stock Companies' is designed to influence the Doing Business "Protecting Investors" (PI) rank as follows:

- 1) Increase the **PI rating: "Immediate disclosure to the public and/or shareholders"** from 0 to 2
- 2) Increase the **PI rating: "Disclosures in published periodic filings"** from 0 to 1
- 3) Increase the **PI rating: "Shareholders owning 10% or less of Buyer's shares can inspect transaction documents before filing suit"** from 0 to 2
- 4) Increase the **PI rating: "Shareholder plaintiff's ability to hold the approving body (the CEO or board of directors) liable for damage to the company"** from 0 to 1

In summary these changes are intended to improve RT's measurement for the Extent of Disclosure Index from 6 to 9, the Extent of Director Liability Index from 5 to 6 and Shareholder suits index from 5 to 7.

The streamlined business registration process launched on July 2009 with the Law *On State Registration of Legal Entities and Individual Entrepreneurs* required additional measures during the past year in order to improve the registration system and harmonize all relevant NLAs with new Law. With BEI's assistance, 14 of 28 needed legal and normative acts were approved by the Government in amended form and the remainder is under review and approval. BEI expects adoption of the NLAs by the end of 2010. Despite

delays in Government adoption of the harmonization amendments, the World Bank indicates significant improvements to Starting a Business based on 2009 changes to be reflected in the Doing Business 2011 Report

The Tax Committee in collaboration with the World Bank and BEI developed a “Tax Administration Development Program for the Period to 2015”, which partially incorporates BEI’s recommendations on tax administration. BEI’s recommendations were provided to the Governmental working group under the Ministry of Economic Development and Trade, and include simplification of tax administration by reducing the number of tax reports and payments. The new Program is now under review and comment, but its implementation is expected to require a new Tax Code, into which the Government will fold BEI’s recommendations, delaying their implementation.

BEI, in collaboration with the SCISPM, provided the WBDB team with data from a number of completed bankruptcy cases and implementation of the Law “On Insolvency (Bankruptcy)” adopted in 2009. The WBDB team did not consider previous BEI assisted reforms in Closing a Business sufficient as no bankruptcy practice existed in RT. These data are expected to justify reflection of the improved Closing a Business practice in Tajikistan for the DB 2011 Report.

Non-Doing Business Activity

An IFC-led working group for reforming the permissive system presented August 18 and 19, 2010, for BEE Working Group members and private sector representatives, the draft Law “On the Permissive System” for public discussion. BEI assisted the IFC with comments and recommendations for the draft Law, which include clarification of procedures for obtaining permits, terms and period of permit issuance and the liabilities of both sides (public and private sectors), among others. According to the draft law, the number of permits is to be reduced from about 600 to 90. Work in this area is expected to continue under IFC guidance through 2011.

The SCISPM is still considering the draft Law “On amendments into the Law of RT ‘On licensing of separate types of activities’”, developed with BEI assistance, which will eliminate licenses for 11 types of activities, including: evaluation and audit services, tourism, patent attorneys, and production of audio and visual products, among others. The SCISPM now plans to submit this draft law and its justifications to the Government in late 2010 to be reviewed in conjunction with the draft Law “On the Permissive System”. Adoption is expected to receive additional support from the IFC, Association of Builders of Tajikistan, Dushanbe Center of Entrepreneurs and Union of Pharmaceutical Commercial Organizations.

During June 2010 the Construction Agency submitted to the Government the draft City Planning Code developed with BEI assistance. This new Code is expected to be adopted in winter 2010, and to receive additional support during adoption from World Bank, DIFD, UNDP and the Association of Builders of Tajikistan.

A new draft Law “Free Economic Zones in the Republic of Tajikistan”, which includes expanded tax and customs privileges for SEZ participants, simplified processes for registration, permitting, and reviewing investment plans, and provides for creation of public councils observing SEZ transparency was submitted by the Ministry of Economic Development and Trade to the Government in August, 2010. Adoption of the draft law is expected in winter 2010, and it is supported additionally by the OSCE, USAID/RTL Project, GTZ. FEZ “Sughd” registered during summer its first four companies, which are preparing for operations. These four companies are Tajik-Russian and Tajik-Polish joint ventures totaling over \$24 million in foreign investment into SEZ “Sughd”.

BEI succeeded in adding the issue of canceling Value Added Tax for imported agricultural inputs to the agenda for the October 2010 session of the President’s Consultative Council on Improving the Investment Climate. This will include presentation of the VAT analysis developed by the Agribusiness Association of

Tajikistan with BEI technical and grants support in its final, updated form. The analysis recommends canceling VAT on imported agricultural inputs such as seeds, fertilizers, crop protection products, spare parts for agricultural machinery and etc. Removal of the VAT is intended to increase agricultural industry effectiveness, for which VAT removal is tentatively estimated at saving farmers over \$6 million USD annually. VAT removal will be supported during the October meeting by the USAID/Productive Agriculture Project.

Sub-National Activity

The Union of Business Associations of Sughd Oblast completed the draft Business Agenda “Program on Support of Development of Entrepreneurship in Sughd Oblast for 2010-2012”, in accordance with its grant from BEI and the OSCE, and submitted the Agenda for local administration review and approval. The Business Agenda includes analysis of support for and development of entrepreneurship in Sughd Oblast, constraints on and measures to improve entrepreneurship development, and an action plan for oblast stakeholders. According to the Department on Investments and State Property Management of Sughd Oblast, the draft Agenda will be distributed among local oblast administration departments for comments and will be adopted by the end of 2010. The Union of Business Associations of Sughd Oblast will continue support for adoption and implementation of the Business Agenda.

BEI TAJIKISTAN FOLLOW-ON WORK FORECAST

Year 4 Work Plan Objective	Activities Status September 30 2010	Suggested Follow-on Activities	Expected Involved Follow-on Organizations
TJ 01: Facilitate Implementation of Investor Protection Reforms	Law “On Investments” under review by Government, ongoing support to working group on reforming the permitting system	Additional support as needed for review and adoption by Parliament of the Law “On Investments”. Post-adoption review and monitoring	World Bank, NASMB and AmCham, UNDP
TJ 02: Improve Construction Regulation Legislation	City Planning Code under review by Government	Additional support as needed for review and adoption by Parliament of the City Planning Code. Post-adoption implementation monitoring, future legal drafting of refinements, computer equipment support	World Bank, DIFD, UNDP, Association of Builders of Tajikistan
TJ 03: Reduce Time and Cost Required to Pay Taxes	Amendments to the Tax Code under review by Government working group. Adoption of the Tax Code amendments may be delayed to incorporate them within a new Tax Code called for by the Tax Committee and World Bank strategy document calling for tax administration simplification.	Post-adoption implementation monitoring of Tax Code amendments. Legal drafting of a new Tax Code in line with the Tax Committee and World Bank developed “Strategy of Reforming Tax Administration in the Republic of Tajikistan for 2010-2012 years”.	NASMB, Chamber of Tax Consultants of Tajikistan, WB Project, IFC
TJ 04: Reduce Cost and	Amendments to legal and	Post-adoption monitoring	European Commission

Time Required to Register or Close a Business	normative acts to harmonization with the new Law "On State registration of legal entities and individual entrepreneurs" under review by Government. 14 out of 28 developed amendments approved and the remainder under consideration with adoption expected by close of 2010	(bankruptcy); legal drafting and implementation support (business registration - Statistics body and pension fund); legal drafting and implementation support (Dekhan farm business registration harmonization)	and NASMB (business registration implementation only).
TJ 05: Support Implementation of the Licensing Law and Regulations	BEI recommendations accepted into IFC drafts associated with licensing, permitting guillotine implementation. Draft Law "On amendments to the Law 'On licensing of separate types of activities'" under review by the SCISPM	IFC guillotine monitoring and implementation, adoption of Law of Permits and Law "On amendments to the Law 'On licensing of separate types of activities'", and information outreach support	IFC, Association of Builders of Tajikistan, Dushanbe Center of Entrepreneurs, Union of Pharmaceutical Commercial Organizations
TJ 06: Improve Current Legislation Regarding Special Economic Zones	The Law "Free Economic Zones in the Republic of Tajikistan" under review by Government as of August 18, 2010	Post-adoption implementation, harmonization legislative work regarding permits issuance	OSCE, USAID/RTL Project, GTZ
TJ 07: Introduction of Business Agenda to Public and Private Sectors	Regional Business Agenda under consideration by the Department on Investments and State Property Management of Sughd Oblast and other appropriate administration structures	Post-adoption implementation support, monitoring	OSCE, Union of Business Associations of Sughd Oblast

BEI MEDIA ACTIVITY

BEI has worked extensively during Year 4 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 the year, the BEI Information Network decreased slightly (by 4) to 1,425 intermediaries passing information to an estimated 31,000 end-users. BEI information intermediaries include government bodies, international organizations, public unions, consulting groups, associations, media, and individual entrepreneurs throughout the three BEI countries.

	Kazakhstan	Kyrgyz Republic	Republic of Tajikistan	Total
Intermediaries	110	1,000	315	1,429
End-users	10,000	7,000	14,000	31,000

Media Activity by Country

	Media Activity 2006-2010			Media Activity 2009-2010		
	TV and Radio	Printed	Electronic	TV and Radio	Printed	Electronic
Kazakhstan	38	183	123	5	55	5
Kyrgyz Republic	66	109	285	48	67	66
Tajikistan	29	57	35	14	25	22

BEI YEAR 4 WORK PLAN PROGRESS REPORT

	Responsibility	Resources				2009			2010							Status		
		RTA (IG)	RTA (OM)	STTA	Media	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul		Aug	Sep
REPUBLIC OF KAZAKHSTAN																		
KZ 01: Implementation and Monitoring for WB "Starting Business" Reforms																		
1 Monitor and assist in implementation of regional changes to the Law on State Registration of Legal Entities, according to Law #54-IV of 2009																		
1	With partners, monitor implementation of Law #54-IV and develop a resulting report with roadmaps of process for registering legal entities in practice	PSP, Moj				P												X
2	Present monitoring report and recommendations to a Moj Seminar for PSC directors, akimat chiefs, and DoJ registering department heads	BEI, Moj																X
3	Inform media and business community of monitoring results and recommendations	BEI, Moj			X													X
4	With PSPs, develop a "Guide to Starting Your Business in Kazakhstan" including updated procedures, and distribute	BEI, PSP			X													X
2 Further improve and implement legislation governing registration of a legal entity																		
1	Draft legal amendment and NLA package is adopted by Parliament, and President	Gov, Parl, Pres																X
2	Assist Moj to develop a package of implementing NLAs and new state standards and regulations in accordance with amended law	BEI, Moj																X
3	Facilitate Government adoption of revised, implementing NLAs as needed	BEI																X
4	Inform WB about the changes and respond as needed to WB request and questions	BEI																X
5	Inform media and business community of reforms in starting a	BEI																X

	Responsibility	Resources				2009			2010									Status
		RTA (IG)	RTA (OM)	STTA	Media	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	
7	Based on the Construction Agency analysis, assist in developing standard construction rules for the oblasts and amendments and changes to NLA on construction	BEI, Gov																X
8	Inform the business community, media about changes	BEI, PSP			X													X
2 Facilitate implementation of construction-related licensing system reforms																		
1	With Construction Agency, analyze current construction-related licensing system in KZ	BEI, Gov																X
2	Identify licenses to be eliminated and develop new qualifying requirements for Construction Licenses	BEI, Gov																X
3	Submit recommendations and new requirements to the MEBP and the Expert Group on Licensing	BEI, Gov																X
4	Government reviews and approves amendments and changes to NLA on licensing	Gov															10	O
5	Inform the business community, media about changes	BEI, PSP															11	O
3 Facilitate implementation at the local level of amendments and changes to the construction permitting system																		
1	If requested along with PSP to support local authorities to develop local construction rules based on new national legislation	BEI, local Gov, PSP																X
2	With PSP develop new process map on construction permits based on new construction rules and disseminate	BEI, PSP																X
3	Inform the local business community, media about changes	BEI, PSP				X												X
4 Monitor implementation of amendments and changes to the construction permitting system																		
1	Develop monitoring questionnaire for the new process map on construction permitting in cooperation with the Construction Agency	BEI																X

		Responsibility	Resources				2009			2010									Status	
			RTA (IG)	RTA (OM)	STTA	Media	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep		
2	Conduct monitoring on amendments and changes on construction process in cities (Almaty, Shymkent, Oskemen, Uralsk, Pavlodar)	BEI																		X
3	Analysis of results of the surveys and prepare report	BEI																		X
4	As requested by Construction Agency, perform extended monitoring of changes to construction processes in all 16 administrative regions of Kazakhstan	BEI, Gov																		P
5	Develop intermediate monitoring reports on individual oblasts and final monitoring report for Construction Agency	BEI																		O
KZ 03: Improve Credit Bureau Information, Access, and Data Quality (Getting Credit)																				
1	Develop improvements to legislation affecting the Depth of Credit Information Index																			
1	Working group reviews NLAs affected by amendments on laws on loans, collateral, and bankruptcy, drafts amended NLA package and accompanying regulations, and submits to Government	BEI, WG					P													X
2	Facilitate as needed Government approval of draft NLA package and regulation	BEI																		X
3	Inform WB and DB respondents about changes	BEI																		X
4	Respond as needed to WB requests and questions to clarify issue for future DB process assessment	BEI																		X
5	If AFS requested BEI develop and publish guide how to use the credit information	BEI			X															X
2	Monitor the enforcement of legislation on lending, collateral, and bankruptcy, and the draft Law on protection of data																			
1	Prepare participating PSPs as needed with BIP monitoring and survey methodology	BEI	X																	X
2	Survey and evaluate the compliance with legislation in 5-6 regions of Kazakhstan	BEI, PSP																		X
3	Develop and publish a report on monitoring findings	BEI																		X

	Responsibility	Resources				2009			2010									Status	
		RTA (IG)	RTA (OM)	STTA	Media	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep		
4	Present research findings to Government and Parliament and lobby for resolution of unresolved issues	BEI, PSP																	X
KZ 04: Monitor Improvements to Property Registration and PSC Processes																			
1	Publicize reforms to the process for registering real estate rights and transactions																		
1	Inform media and business community about WB DB rating results report	BEI			X														X
2	Conduct info-campaign on property registration and recommended improvements according to developed plan for print, radio, TV	BEI, MoJ			X														X
3	Assist PSP to develop, update and publish brochures on property registration in Kazakhstan	BEI, PSP			X														X
2	Monitor implementation of changes to the process for Registration of Real Property																		
1	Develop property registration monitoring plan and survey questionnaires, and prepare PSP participants as needed	BEI, PSP																	X
2	Conduct private- and public-sector monitoring survey of reform implementation in at least 5 major cities	BEI, PSP			X														X
3	Monitor implementation of new procedures in registering departments of the Ministry of Justice in regional cities and PSCs	BEI, GoK																	X
4	Develop monitoring report with recommendations for further improvements and present to public and MoJ	BEI, PSP			X														X
5	Develop roadmap guide to the reformed procedure for registering real-estate and distribute through partners	PSP, BEI																	X
6	In cooperation with the MoJ, develop an action plan for implementing monitoring recommendations	BEI, MoJ																	X
7	Publish monitoring results and roadmap in mass media, websites of Ministries and business associations	BEI, MoJ			X														P

	Responsibility	Resources				2009			2010									Status
		RTA (IG)	RTA (OM)	STTA	Media	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	
3 Monitor implementation of BEI recommendations for PSCs operations and support continued improvements to PSCs																		
1	Develop joint PSC monitoring plan with the MoJ	BEI, MoJ																X
2	With the MoJ, monitor PSC reform implementation in the cities of Almaty, Astana, Oskemen, Shymkent, and Uralsk	BEI, MoJ																X
3	Prepare report and recommendations based on the results of monitoring	BEI, MoJ																X
4	Present monitoring results and recommendations at a seminar for the MoJ and PSC directors	BEI, MoJ																X
5	Present monitoring results and recommendations at regional round tables with PSPs	BEI, MoJ				X												X
KZ 05: Improve Procedures for Voluntary Administrative Liquidation of Legal Entities																		
1 Monitor improvements to the Tax Code on liquidation of legal entities																		
1	Summarize monitoring results for the process of voluntary liquidation of legal entities and prepare final monitoring report	BEI, C																X
2	Present monitoring report and facilitate acceptance of process recommendations by the Ministry of Finance and Ministry of Justice, and Government	BEI, PSP																X
2 Develop NLAs and rules to simplify the voluntary liquidation process																		
1	Facilitate reconciliation and approval process in the Government of recommended changes to NLAs and rules for the voluntary liquidation process between the MoJ and MoF	BEI, PSP																X
2	Inform WB and DB respondents about changes	BEI																X
3	Respond as needed to WB requests and questions to clarify issue for future DB process assessment	BEI																X

	Responsibility	Resources				2009			2010									Status	
		RTA (IG)	RTA (OM)	STTA	Media	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep		
4	Disseminate information on final changes to NLAs and rules for voluntary liquidation to public and media	BEI, Gov, PSP																	X
3 Develop and distribute methodological guide to the process of voluntary liquidation of legal entities																			
1	Develop with PSP a draft methodological guide to the current process of voluntary liquidation	BEI, PSP																	X
2	Present and facilitate final approval of the draft methodological guide with the Ministry of Justice and Ministry of Finance	BEI, Gov, PSP																	X
3	Disseminate the final methodological guide through private and Government partners	BEI, PSP, Gov																	X
4 Monitor implementation of changes to the process of voluntary liquidation of a legal entity between MoJ and MoF																			
1	Develop with ministries and PSPs monitoring plan for voluntary liquidation process changes	BEI, Gov, PSP																	X
2	Monitor implementation of changes to the process of voluntary liquidation of a legal entity and develop report on results	BEI, PSP																	X
3	Present monitoring report and any recommendations as needed to the Government, public, and media	BEI			X														X
KZ 06: Implement the Amended Law on Private Entrepreneurship in its Part that Relates to Inspections																			
1 Support the Government of Kazakhstan's introduction of Risk Management Principles (RMP) into the process of inspections by state bodies and coordinate EREC and RTLC project assistance in parallel assistance																			
1	Prepare presentation on international experience with RMS for government regulation of entrepreneurship	BEI					P												X
2	With GoKZ, identify priority inspecting bodies grouped by technical commonality requiring assistance to develop their inspections planning based on RMP	BEI, MEBP					P												X

	Responsibility	Resources				2009			2010									Status
		RTA (IG)	RTA (OM)	STTA	Media	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	
3	Facilitate Government conference and follow-on media communication on Risk Management Systems to encourage development and incorporation of RMP into the work practice of inspecting bodies and raise public knowledge of reform efforts	BEI, MIT				P												X
4	Facilitate the creation of working groups on the development and incorporation of RMP into the work of inspecting bodies	BEI, EREC, RTLC				P												X
5	As needed, advise selected ministerial inspecting body WGs on the development of criteria to be used to assess the risk level for entities and/or activities in their areas of competence	BEI, MIT, EREC, RTLC				P												X
6	Assist government bodies to group types of entities and/or activities into three major risk groups according to the risk type using developed risk level assessment criteria	BEI, MIT, EREC, RTLC				P												X
2	With EREC and RTLC projects, Implement RMP-based approach to inspections planning through the approval of NLAs																	
1	As needed, provide assistance to development of NLAs incorporating developed risk-level assessment criteria and implementing RMP in inspections bodies, and coordinate parallel assistance for RMS revision by EREC and RTLC	BEI, EREC, RTLC																X
2	Assist the GoKZ in facilitating public discussions and consultations with the private sector and government stakeholders on draft NLAs	BEI, PSP																X
3	Facilitate final revision of draft NLAs based on feedback, submission to MEBP for assessment	BEI, Gov																X
4	Facilitate MEBP, Government approval of draft NLA implementing RMP in inspecting bodies	BEI																X
3	Assist government inspecting bodies to develop and introduce check-lists for the process of inspection																	
1	Prepare and present international experience regarding the use of check-lists in inspections	BEI				P												X

	Responsibility	Resources				2009			2010									Status
		RTA (IG)	RTA (OM)	STTA	Media	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	
2	Develop instructions on the elaboration of check-lists and a draft check-list model and present to government inspecting bodies	Gov, BEI				P												X
3	As needed, assist inspecting bodies in developing their check-lists, and coordinate parallel assistance by EREC and RTLC	BEI, EREC, RTLC				P												X
4	Facilitate as needed public discussion and review of inspecting body draft check-lists	BEI, MEBP																X
5	As needed, assist the Entrepreneurship Development Department of the Ministry of Economy and Budget Planning, to review the check-lists developed by inspecting bodies, and inspecting bodies to revise and approve final versions based on feedback	BEI																X
6	With GoKZ and PSP, organize media campaign to inform on results of RMP introduction and check-list development	BEI, Gov, PSP																X
4 Monitor implementation and strengthen private-sector knowledge of improvements following the Law on Private Entrepreneurship and other inspections regulations																		
1	In cooperation with MEBP and PSPs, develop inspections assessment surveys	BEI, MEBP, PSP																X
2	Conduct inspections monitoring survey, analyze the data and develop joint recommendations with the MEBP	BEI, MEBP, PSP																X
3	Present monitoring results and recommendations to the public and media	BEI, MEBP, PSP			X													X
4	Facilitate the education of businesses on the application of the regulations on inspections through round tables, seminars, information campaigns, press conferences, and brochures	BEI, PSP																X
KZ 07: Improve Licensing and Permitting Systems																		
I Implement Licensing Guillotine reforms																		
1	Facilitate as needed Government approval of the licensing Expert	BEI																X

	Responsibility	Resources				2009			2010							Status			
		RTA (IG)	RTA (OM)	STTA	Media	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul		Aug	Sep	
		Group guillotine results																	
2	Assist the Government to develop and adopt implementing regulations for changes and amendments to Laws and NLAs based on the Expert Group's guillotine results	BEI, Gov																	X
2	Develop refined Law on Licenses and Permits, and new Concept of Regulation (licensing, permissions, and etc.)																		
1	With MEBP and WG, develop a draft Law on Licenses and Permits (or amendments to existing Law on Licensing) and submit to Government	BEI, WG, MEBP		X															X
2	Present and facilitate public discussions of the draft Law on Licenses and Permits (or Concept of Regulation)	BEI, MEBP																	X
3	Facilitate as needed Government, Parliament, and Presidential approval for the final draft Law on Licenses and Permits (or new Concept of Regulation)	BEI		X															D
4	Monitor implementation of the new Law on Licenses and Permits and develop report for presentation to MEBP	BEI, PSP																	D
3	Organize oblast-level permissive system guillotine review																		
1	Develop permissive system guillotine review methodological training materials, examples, and presentation for oblast administrations	BEI, MEBP																	X
2	Organize and provide a national training seminar in Astana for oblast administrations on the process for permissive system review using the national model	BEI, MEBP, Gov																	X
3	Facilitate as needed development of permissive document inventories for all KZ oblast-level administrative regions	BEI, MEBP, Gov																	X
4	Support creation of oblast-level Expert Groups for permissive system review, based on the national EG, and assist development of oblast EG work schedules as needed	BEI, Gov																	X
5	With the national EG, monitor the review and implementation process of the oblast EGs, and facilitate as needed	BEI, Gov, EG																12	O
6	With EG and WG on permissive reform, assist in drafting template	BEI, EG, WG,																	D

	Responsibility	Resources				2009			2010							Status		
		RTA (IG)	RTA (OM)	STTA	Media	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul		Aug	Sep
	amendments limiting oblast-level permissive powers to defined areas, in preparation for government finalization following the oblast-level document review	Gov																
	Conduct informational campaign on the new Law on licenses and 4 permits																	
1	Develop public-private information campaign with MEBP and PSP	BEI, PSP, MEBP																X
2	Conduct national seminar for all stakeholders on the draft Law on Licenses and Permits, (base Concept), and international experiences in this area, to support parliamentary passage of the Law	BEI, MEBP, PSP		X	X													X
3	Conduct informational campaign to advocate for adoption of new Law on Licensing through roundtables, articles and legal publications, and advertisement	BEI, MEBP			X													X
4	Celebrate and publicize success of new amendments to Law and regulations	BEI, PSP, MEBP			X													O
KZ 08: Enhance Investor Protections																		
1	Analyze the Law "On Joint Stock Companies" and relevant legal acts with investor protection in mind and recommend amendments as needed																	
1	Jointly with AFS and expert group prepare draft recommendations legislative amendments on the fiduciary duties and liabilities of directors of JSCs, and submit to Government	BEI, AFS, EG					P											X
2	Facilitate as needed Government, Parliament, and Presidential approval of draft amendments to the Law on JSCs and related legal acts	BEI, AFS, Gov																O
3	Conduct media advocacy campaign to highlight changes and support adoption of amendments to the Law on Joint Stock Companies and relevant legal acts	BEI, PSP			X													O
4	Organize and conduct post-reform information media campaign	BEI, PSP, AFS			X													O
5	Inform WB of changes and respond as needed to WB follow-up	BEI																O

	Responsibility	Resources				2009			2010							Status		
		RTA (IG)	RTA (OM)	STTA	Media	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul		Aug	Sep
requests																		
6	Validate improvements for WBDB indicator impact and review for further implementation assistance	BEI															11	O
2 Monitor implementation of changes to the Law "On Joint Stock Companies"																		
1	Jointly with AFS and the expert group, organize monitoring surveys on the implementation of the changes for the Law on JSCs	BEI																X
2	Prepare recommendations based on the results of the surveys and present to AFS and expert group	BEI																X
3	Incorporate recommendations as feasible into revisions of the amended Law on JSC and related legal acts, or otherwise facilitate implementation	BEI																X
KZ 09: Improve Government Legal Drafting and Rule Making Regulating Entrepreneurship																		
1 Support the Government of Kazakhstan to develop a RIA Methodology based on BIP																		
1	Facilitate as needed Government discussions on RIA to encourage development and incorporation of RIA into the work practice of state body expert councils in drafting their NLAs	BEI																D
2	Develop joint recommendation with the MoJ for updating the KZ RIA methodology	BEI, MoJ																D
3	As needed, recruit expert and provide drafts and recommendations on the RIA methodology to the MoJ, ministries and PSP, and finalize documents based on discussions with all partners	BEI, MoJ, C																D
4	Present the revised GoK RIA Methodology and facilitate Government adoption as needed	BEI, MoJ																D
2 Implement the GoK RIA Methodology in drafting processes																		
1	As needed, provide assistance to the development of NLAs incorporating the new RIA Methodology	BEI, MoJ																D

	Responsibility	Resources				2009			2010							Status		
		RTA (IG)	RTA (OM)	STTA	Media	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul		Aug	Sep
2	Facilitate public discussions and consultations with the private sector and government stakeholders on draft NLAs	BEI, Gov, MoJ, PSP																D
3	If feasible, facilitate study tour for 2 government employees to Rome for an international seminar on RIA use and implementation	BEI, MoJ, MEBP																X
4	Facilitate Government finalization of draft NLAs, and MoJ review and approval process, as needed	BEI, Gov																D
5	Organize a media campaign to present the results of NLA development and RIA implementation	BEI, MoJ, PSP																D
6	In cooperation with the MoJ, develop trainings on RIA for state bodies and private sector organizations	BEI, MoJ, PSP																D
7	Educate PSPs and members of Expert Councils on RIA methodology in the regions	BEI, MoJ, PSP																D
4	Improve entrepreneurship regulation transparency by restricting independent rule-making by state bodies																	
1	Assist MEBP to develop a draft concept regarding restriction of the rights of the state bodies under the GoK to independently adopt NLA regulating entrepreneurship activity, and present to Government	BEI, MEBP	X															X
2	Facilitate as needed Governmental approval of the concept for the draft law	BEI, MEBP																X
3	Assists MEBP to develop the draft law restricting the rights of state bodies under the GoK to independently adopt NLA regulating entrepreneurship activity, and submit to Government	BEI, MEBP																X
4	Facilitate as needed Government, Parliament, and Presidential approval of the draft Law	BEI, MEBP	X														10	O
5	Organize media and disseminate information to publicize the changes	BEI, MEBP, PSP																X
KYRGYZ REPUBLIC																		
KR 01: Implement and Monitor WBDB-Related Reforms																		

	Responsibility	Resources				2009			2010									Status
		RTA (IG)	RTA (OM)	STTA	Media	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	
1 Improve legislation on collateral, bankruptcy to improve Getting Credit ranking																		
1	Provide recommendations for the GoKR action plan on improvement of "Getting Credit" in the DB 2011 Report, to improve access to credit and market development of credit information	BEI, PSP																X
2 Improve legislation on investor protections																		
1	Provide recommendations for the GoKR action plan on improvement of "Protecting Investors" in the DB 2011 Report	BEI, WB																X
2	Develop amendments to legislation in coordination with WBDB experts to address shortfalls as needed in collateral, bankruptcy regulation of legal rights (pledge)	BEI, WG, WB																X
3	Assist as needed WB consultations to the GoKR on the methodology for the "Protecting Investors" indicator and improvement of investors' rights protections during court processes	BEI, WB																X
3 Implement reforms for the Starting a Business WBDB indicator																		
1	Provide consultancy services and monitor operation of the State Registering Service "Starting Business"-related WBDB reforms	BEI, WB																X
2	Advise GoKR as needed on the transfer of business registry state functions from the Moj to the State Registering Service	BEI, WB																X
4 Facilitate and monitor GoKR plan for improving country ranking in WBDB 2011 Report																		
1	Develop and submit recommendations for the Plan of the Government of the Kyrgyz Republic to Improve the International Ranking of the World Bank "Doing Business-2011" Report (all relevant indicators)	BEI																X
KR 02: Improve Procedures for Construction Permitting, Oversight, and Planning																		
1	Provide continuity of reforms in the construction industry in adopting new regulatory legal acts in the construction industry.																	

	Responsibility	Resources				2009			2010							Status			
		RTA (IG)	RTA (OM)	STTA	Media	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul		Aug	Sep	
1	Review existing construction approval and permission documents and develop recommended construction reforms and further improvements to the permitting system, including oversight, expertise, and technical regulation of construction	BEI																X	
2	Facilitate drafting of amended NLA to implement improved processes and permitting systems reforming the construction process																	D	
2 Assist the Government in development of a City Planning Code and Concept																			
1	Develop the City Planning Code Concept with best international practice and BEI recommendations to enhance previous, successful construction reforms	BEI, WG, PSP				9												X	
3 If Government pursues administrative decentralization initiative, facilitate implementation of pilot "One Stop Shop" in construction within the Bishkek Mayor's office																			
1	Provide technical (consulting, methodical) assistance as needed to local Bishkek City authorities for delegation of construction permitting authority from Gosstroj to the Bishkek Mayor's Office	BEI																D	
KR 03: Optimize Permitting and Rule-Making Systems																			
2 Develop the Code on Licenses and Permits																			
1	Develop a draft Concept on Licenses and Permits, and submit to Government	BEI, WG																10	O
5 Jointly with MoJ create a state NLA register																			
1	Develop regulations on the State Register of KR NLAs, and submit to Government	BEI, MoJ				9												X	
2	Facilitate as needed Government adoption of the regulation on the State Register of NLAs	BEI, MoJ																X	

	Responsibility	Resources				2009			2010									Status
		RTA (IG)	RTA (OM)	STTA	Media	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	
3	Assist in formation of the State Register of KR NLAs	BEI				9												X
KR 04: Implement New Procedures for Inspections of Businesses																		
1	Improve legislation regulating the procedure for conducting inspections																	
1	Present and promote amendments to representatives of the KR Government office	BEI																X
2	Advise GoKR as needed on inspection risk-management systems and the list of KR controlling bodies	BEI, PSP																X
2	Pilot Project I: Facilitate transfer of the administration of insurance premiums from the Social Fund to the KR State Tax Service																	
1	Assist in the development and implementation of common approaches and mechanisms of taxes administration and social insurance premiums.	BEI, Gov																D
2	Facilitate simplification and harmonization of reporting forms for insurance premiums with the reporting on income taxes	BEI, Gov																D
3	Develop and facilitate introduction, with the Interagency Commission on transfer of Administration of Insurance Premiums, of amendments and additions to tax legislation and legislation on social state insurance as required for the transfer	BEI, Gov																D
KR 05: Provide Ad-hoc Economic Stabilization Assistance to the Government																		
1	As approved by USAID, respond to ad-hoc GoKR requests for assistance in areas affecting economic stability																	
1	Provide assistance as needed for licensing and permitting, business inspections, Doing Business indices reforms, construction permits, the national social insurance system, tax administration, risk management systems, and general stabilization of the economic situation	BEI		X	X													X
REPUBLIC OF TAJIKISTAN																		

	Responsibility	Resources				2009			2010									Status
		RTA (IG)	RTA (OM)	STTA	Media	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	
TJ 01: Facilitate Implementation of Investor Protection Reforms																		
1 Support PSP and SCISPM implementation and monitoring of "200 Days of Reforms" program																		
1	With properly prepared PSPs, conduct monitoring of 200 Days of Reforms program implementation and develop summary report	BEI, PSP																X
2	Present monitoring summary report to SCISPM	BEI																X
3	Formalize media campaign plans with PSP and SCISPM to inform private sector about results of 200 Days of Reform program	BEI, PSP, SCISPM			X													X
4	Support SCISPM and PSP in conducting media campaign	BEI, PSP, SCISPM																X
5	Inform WBDB team regarding changes	BEI																X
6	Monitor and evaluate effectiveness of media campaign	BEI, PSP, SCISPM			X													X
2 Facilitate implementation of other various reforms given in "200 Days of Reforms" program																		
1	Support the working group on reforming the permitting system in Tajikistan created by SCISPM with the IFC	BEI, WG, SCISPM				P												X
2	Support the working group on implementing reforms to the Starting a Business indicator called for by the "200 Days of Reforms" campaign (further details in section TJ04)	BEI, WG, SCIPSM				P												X
3	Support the working group on implementing reforms to the Getting Credit indicator called for by the "200 Days of Reforms" campaign	BEI, WG, SCISPM				P												X
4	Inform the media and WBDB team on the results of the WG activities	BEI																X
3 Improve legislation regulating investor activities																		
1	Inventory legislation regulating investor activities	BEI, SCISPM				P												X

	Responsibility	Resources				2009			2010							Status		
		RTA (IG)	RTA (OM)	STTA	Media	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul		Aug	Sep
2	Develop and present to SCISPM an analysis on improving the Law "On Investments"	BEI, EG,				P												X
3	Working group under the SCISPM reviews and approves analysis with recommendations	SCISPM																X
4	BEI and WG develop amendment package based on the analysis to improve regulation of investor activities and submit to SCISPM for approval	BEI, WG																X
5	Facilitate as needed SCISPM, Government, Parliament, and Presidential approval and revisions process for amendment package	SCISPM																X
6	Inform the WBDB team regarding changes	BEI																D
7	Inform through Media about changes in legislation	BEI			X													D
TJ 02: Improve Construction Regulation Legislation																		
1	Develop improved City Planning Code based on best international practice																	
1	With assistance of experts, working group develops City Planning Code and submits to Government for review	WG, C		X														X
2	Facilitate as needed Governmental review of draft Code and any WG revisions	BEI, WG																X
3	Facilitate as needed Government, Parliament, Presidential approval of final CPC version	BEI																X
4	Inform WBDB team regarding changes	BEI																D
5	Respond as needed to WB requests and questions to clarify issue for future DB process assessment	BEI																D
6	Inform through media	BEI, PSP			X													D
TJ 03: Reduce Time and Cost Required to Pay Taxes																		
1	Improve tax legislation to reduce tax burden																	

	Responsibility	Resources				2009			2010							Status		
		RTA (IG)	RTA (OM)	STTA	Media	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul		Aug	Sep
1	Based on previously developed analysis, develop draft Law of RT "On amendments to Tax Code of RT", and submit to SCISPM	WG				P												X
2	Based on received feedback update Draft and submit to Government for consideration	WG																X
3	Facilitate as needed Government, Parliament, and Presidential approval of draft amendments to Tax Code	BEI																X
4	Inform WBDB team and media about changes	BEI			X													D
5	Respond as needed to WB requests and questions to clarify issue for future DB process assessment	BEI																D
TJ 04: Reduce Cost and Time Required to Register or Close a Business																		
1	Conclude implementation of amendments in accordance with the Law "On State registration of legal entities and individual entrepreneurs"																	
1	Develop draft packages of amended implementing NLAs and submit to Government	BEI, WG, TC				P												X
2	Facilitate as needed Government, Parliament, and Presidential approval of package of drafts	Gov																X
2	Monitor implementation of the Law "On State registration of legal entities and individual entrepreneurs"																	
1	Conduct educational seminars, and other high-impact information promotion activities, in the regions and introduce the private sector to the reforms	BEI, SCISPM, PSP																X
2	Develop and distribute among registration points in RT posters with all necessary information with regard to registration	BEI, PSP, SCISPM																X
3	Conduct monitoring of the implementation of the Law in registration bodies and draft report on findings with recommendations for improvements, submit to SCISPM	BEI, PSP																X
4	Facilitate SCISPM acceptance of recommendations and further	BEI																X

	Responsibility	Resources				2009			2010							Status		
		RTA (IG)	RTA (OM)	STTA	Media	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul		Aug	Sep
	implementation as needed																	
5	Inform media with regard to the Law's implementation	BEI, PSP			X													X
3	Conduct monitoring of implementation of the Law "On Insolvency (Bankruptcy)" within the "200 days of reforms" program implementation																	
1	In close collaboration with PSP, conduct implementation monitoring of the Law "On insolvency (bankruptcy)", develop monitoring report, and submit to SCISPM	BEI, PSP				P												X
2	Conduct media campaign and inform PSPs and public sector about results	BEI, PSP				P												X
TJ 05: Support Implementation of the Licensing Law and Regulations																		
1	Amend legislation to reducing number of licensing activities																	
1	Assist existing working group under the SCISPM to develop an analysis with recommendations for further reducing the number of licensing activities, and submit to SCISPM	BEI, SCISPM																X
2	SCSISPM reviews and accepts recommendations	SCISPM																X
3	Develop draft amendments to existing licensing legislation (Law) and submit to SCISPM for review	WG																X
4	Facilitate as needed SCISPM, Government, Parliament, and Presidential approval of draft amendment package	BEI																X
5	Inform media	BEI			X													D
TJ 06: Improve Current Legislation Regarding Special Economic Zones																		
1	Develop draft amendments to the Law on Special Economic Zones																	
1	WG under the MEDT develops draft amendments to the Law "On Special Economic Zones" based on previously developed legal analysis, BEI encourages WG to consult with and involve appropriate experts and donor projects on international environmental and labor norms	WG																X

	Responsibility	Resources				2009			2010									Status
		RTA (IG)	RTA (OM)	STTA	Media	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	
	for SEZ operation, and sends to Government for review																	
2	Government reviews draft law on amendments, WG revises as needed, and resubmits	Gov, WG				P												X
3	Facilitate Government, Parliament, and Presidential review and acceptance processes as needed	WG, BEI																X
4	Inform media	BEI			X													D
2 Provide assistance to improve local SEZ administration																		
1	Develop a "Plan of Initial Measures to Improving SEZ 'Sughd' Activities"	BEI				P												X
2	In collaboration with OSCE and based on Plan, assist SEZ Sughd administration to conduct educational seminars for its executive staff in improving their skills and knowledge, encourage as consultation with and inclusion of material from appropriate experts and donor projects on international environmental and labor norms for SEZ operation	BEI, SEZ, OSCE																X
3	Facilitate contacts as needed between SEZ "Sughd" administration and private sector and international organizations capable of providing ongoing advice, including regarding relevant environmental and labor issues	BEI																X
4	Monitor and develop evaluation report on improvements in the administration of the SEZ	BEI																X
5	Submit draft monitoring evaluation report to Government and SEZ administration, including recommendations for future improvements	BEI																X
TJ 07: Introduction of Business Agenda to Public and Private Sectors																		
1	Facilitate creation of a working group for developing the Regional Business Agenda for Sughd Region																	

	Responsibility	Resources				2009			2010							Status		
		RTA (IG)	RTA (OM)	STTA	Media	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul		Aug	Sep
1	Assess with PSPs, Department on Investments and State Property Management of Sughd region and other regional government authorities needs for private-sector support strategic programs under the Expert Council on Economic Development of Sughd Region	BEI, DISPM, PSP				P												X
2	Facilitate creation and training of a working group on developing the Regional Business Agenda under the Expert Council's 'Expert Group on Private Sector Development, Market Infrastructures and Investments' and the Department on Investments and State Property Management of Sughd Region	BEI, EC, DISPM																X
2 Develop the Regional Business Agenda																		
1	Organize focus groups in selected geographic areas and identify existing obstacles in business development	WG																X
2	Conduct surveys on existing data, collect and gather new information from local authorities, international organizations and private sector and coordinate joint activities with other organizations involved in Sughd, such as the OSCE and other USAID and CIDA projects as appropriate	WG																X
3	Analyze collected information and draft Regional Business Agenda	BEI, WG																X
4	Present draft Regional Business Agenda to Consultative Council of Business Associations, Public organizations and Department on Investments and State Property Management of Sughd region, and update based on feedback	WG																X
5	Submit draft Regional Business Agenda to the Expert Council on Economic Development under the Chairman of Sughd region, which approves Agenda	EC																X
3 Prepare PSP for implementation monitoring of the Regional Business Agenda																		
1	Distribute approved Regional Business Agenda among private sector partners and appropriate local authorities by districts	BEI, PSP																D

		Responsibility	Resources				2009			2010							Status		
			RTA (IG)	RTA (OM)	STTA	Media	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul		Aug	Sep
2	Conduct a media and information distribution campaign on the Agenda	BEI, PSP				X													D
3	Facilitate development of a PSP implementation-monitoring campaign covering the period of the Agenda	BEI, PSP																	D

BEI 2009 – 2010 WORK PLAN TABLE OF ABBREVIATIONS

Within the BEI Work Plan abbreviations are used extensively to identify actors within the listed activities. The “Resource” column identifies the initials of BEI’s long-term expert Regional Technical Advisors during the year: Ed Beaman (EB), Olga Moreva (OM), and Krassen Stanchev (KS). The “responsibility” column identifies the primary actors required to fulfill each activity (BEI, Government, specific ministry or agency, other counterpart, local consultant / expert / subcontractor, and etc.). The STTA column identifies use of international experts (short term).

Common abbreviations are:

X – Completed activity (Status)

O – Ongoing activity (Status)

AFC – Association of Financial Consultants (KZ)

AIC – Agency for Informatization and Connection (KZ)

AkA – Almaty akimat (KZ)

AoT – Association of Taxpayers (KZ)

BA – business associations

BIP - best international practice

C – contracted expert consultant (local or international, individual or company)

CDS – Country Development Strategy (KR)

DB - Doing Business

DSSEO – Department of State Sanitary and Epidemiological Oversight (KR)

FEK – Forum of Entrepreneurs of Kazakhstan

GoK – Government of Kazakhstan

Gov – Government (Office of the Government)

KR – Kyrgyz Republic

KZ – Kazakhstan

LGRP – USAID Local Governance Reform Project/Urban

LRP – USAID Land Reform Project

LK – Local Khukumat (RT)

MEBP – Ministry of Economy and Budget Planning

MEDT – Ministry of Economic Development and Trade (KR)

MIT – Ministry of Industry and Trade

MoJ – Ministry of Justice

N – Not-completed activity scheduled this period (Status)

D – Delayed activity in need of rescheduling (Status)

NASMB – National Association of Small and Medium Businesses (RT)

NLA – normative legal act

NSC – National Statistical Committee (KR)

Parl – Parliament

PCC – Presidents Consultative Council (RT)

PO – Prosecutor’s Office

PM – Prime Minister

Pres – President

PSA – public service announcement

PSC - public service center

PSP - private sector partner

RIA – Regulatory Impact Assessment

RT – Republic of Tajikistan

SACA – State Agency for Construction and Architecture (KR)

SCISPM – State Committee on Investment and State Property Management (RT)

SCTC – State Committee on Taxes and Charges (KR)

SEZ – Special Economic Zone (RT)

SOW – scope of work

TC – Tax Committee

TOT – training-of-trainers

WB - World Bank

WG – working group

SUPPLEMENTAL PROJECT RESULT I (PRI) ECONOMIC IMPACT TABLE

(Estimated economic impact for PRI results provided for illustrative purposes only and not included in PR2 totals.)

REPUBLIC OF KAZAKHSTAN														
No.	Initiative / City	Date Completed	Partner or Direct	Problem Details	Recommendations	Result	Impact Assumptions and Calculation	Reductions		% GNIPC	Total Combined Impact (\$)	Monitoring Ratio	Attribution (WB DBI)	National / Sub-national Change
								Steps	Days					
1	Streamlined process for obtaining construction permits / Astana, KZ	September, 2009	Partner - Construction and Housing Services Agency of Kazakhstan	The new rules for processing and issuing data for construction projects, and the rules for permitting procedures for new or modified structures, both approved in Decree #425 of May 6, 2008, contained omissions and shortcomings that led to corruption and wasted time during permit applications.	The Construction and Housing Services Agency of Kazakhstan, with BEI assistance, prepared an analysis and set of recommendations for amending and improving Government's Decree #425 of May 6, 2008, to address shortcomings.	The recommendations were supported and included in the Prime Minister's Government Decree #1467 of September 29, 2009, "On amendments to Government Decree of RK of May 6, 2008". The changes reduce time for obtaining land-plot permits for construction from 20 to 10 days for medium and large businesses (small business already had a 10-day term), eliminate mandatory notarization of documents certifying ownership for changing existing construction, and introduce a new, simplified system for obtaining permits via one window that reduces utility technical condition processing time from 17 to 8 days including filing time from 8 to 2 days. Processing time for obtaining a building and assembly jobs permit was also reduced from 14 to 7 calendar days per permit.	According to data from the Statistics Agency, in 2009 there were 763 medium and 220 large construction companies (983 total), each of which are expected to obtain a land-plot permit at least once a year, incurring costs in time of an estimated average of \$50 per day for involved employees. The reduced time required saves 10 days, or \$500 per process, with an estimated total impact of $983 \times \$500 = \$491,500$ USD. According to the Statistics Agency, in 2008 there were 1,636 construction permits issued for changes to existing construction objects (remodeling and permit extensions), each of these required an average of three pages of notarized ownership documents, at a minimum of 918 KZT per page. Estimated impact for removing this requirement is therefore $1,636 \times 918 \times 3 = 4,505,544$ KZT, or about \$30,650 USD (at 147 KZT/USD). During 2008 8,051 permits for new construction were issued, each of which required obtaining permits from at least electrical, telephone, and water suppliers, and an architecture-planning document, requiring a total of 8 days filing and pickup time for all three at a daily salary of about \$50. Using the one-window filing system time for the three documents is reduced to one filing cycle of 2 days, saving an estimated $6 \times \$50 \times 8,051 = \$2,415,300$. Total estimated economic impact from these changes is $\$491,500 + \$30,650 + \$2,415,300 = \$2,937,450$ USD. Average GNIPC is 4.48%.	4	26	4.48%	\$2,937,450	100%	Dealing with Construction Permits	National

2	Simplified state expertise and review of project construction documents / Astana, KZ	October, 2009	BEI, Kazakhstan Construction and Housing Services Agency	The rules for preliminary project justifications (technical-economic) and project documentation examinations for construction projects according to Decree #918 of August 19, 2002, created unnecessary administrative barriers and led to opportunities for corruption during the permitting process for construction.	The Kazakhstan Construction and Housing Services Agency, in cooperation with BEI, prepared a number of recommendations on amending Government Decree #918 of August 19, 2002, to address these shortfalls.	The recommendations were accepted by the working group on the WB "Doing Business" report and incorporated into Government Decree #1656 "On the approval of the building facilities to technically difficult objects category and on the amendments to the Government Decree #918 of August 19, 2002", of October 23, 2009. The examination period for medium and large enterprises (small already had 15 days) is decreased from 45 to 15 days. The mandatory state examination for compliance with required city agencies (minimum the Office of Emergency Situations and the Sanitary and Disease Supervision departments) was eliminated. The list of technically "not sophisticated" civil facilities was extended (including warehouses), simplifying their state examination, and permitting procedures for such facilities was streamlined, reducing the time for state expertise from 45 to 15 days.	According to the State Statistics Agency in 2009 there are 763 medium and 220 large construction companies, in which employees tasked with permitting earn an estimated average of about \$50 per day. Each of these companies prepares project documentation at least once per year, with mandatory state examination following at the new, reduced rate, saving about $983 \times 30 \times \$50 = \$1,474,500$ USD. During 2008 State Expertise was performed on 11,976 new construction starts, requiring a minimum coordination with two departments taking 5 working days each. Estimated impact is therefore $10 \times \$50 \times 11,976 = \$5,988,000$ per year. During 2008 319 constructions were defined with a "warehouse" classification (the category with available data), so conservatively estimated economic impact for simplified state examination would be $30 \times \$50 \times 319 = \$478,500$. Total estimated impact for these changes is $\$1,474,500 + \$5,988,000 + \$478,500 = \$7,941,000$ per year. GNIPC is 19%.	2	70	19.00%	\$7,941,000	100%	Dealing with Construction Permits	National
3	Streamlined registration of legal entities, branches and representative offices / Astana, KZ	January, 2010	Direct	Public Service Center (PSC) implementation law and regulations provide for registration of small businesses to take no longer 3 working days following application with all necessary documents, using the "one-stop-shop" streamlined processes principle. In practice the Ministry of Justice, according to their handling instructions, completed document processing within 5 working days, not counting additional processing by other state agencies. Applicants were further required to submit bank proof of charter capital, amounting to about 100 MCI (about \$961.22) and making the money no longer available for business operation.	The BEI project, in cooperation with the Committee on Registration and Legal Assistance, recommended simplification of business registration to the Starting a Business working group under the Ministry of Justice, including simplification of processing and reduction of times, and elimination of charter capital requirements.	The Government accepted BEI's recommendations and Parliament adopted them in part (reducing charter capital rather than eliminating it). Law #239-IV "On introducing the amendments and additions to some legislative acts of the Republic of Kazakhstan regarding simplification of state registration for legal entities, branches and representative offices" was adopted and signed by the President on January 20, 2010. This Law streamlines Ministry of Justice processing and reduces application processing times from 3-5 working days to 1 working day (not including state statistics' and tax authorities' registration). The Law also provides a reduction in required charter capital amounts for small businesses (LLPs) from 100 MCI to 100 KZT (about \$0.68 USD), and for all other business from 100 MCI to 10 MCI (about \$96).	Based on the WB DB project calculation method, and taking into account that according to the Ministry of Justice and Statistics Department the number of registered businesses in Kazakhstan in 2008 was 283,744, in 2009 was about 298,028, with an estimated minimum 14,284 new business registrations during 2009. Registration time within the MoJ is reduced from an average of 4 days processing to 1 day processing, saving 3 days at an estimated average entrepreneur's daily salary of \$35. Estimated annual impact is therefore $4 \times 14,284 \times \$35 = \$1,999,760$. According to the Statistics Agency, during 2008 there were 203,142 registered small businesses, and during 2009, 213,454 registered small businesses, with an estimated minimum 10,312 new small business registrations during 2009. Registration for medium and large businesses are therefore estimated at $14,284 - 10,312 = 3,972$ registrations. Charter capital requirements for each small businesses registration are reduced from 141,300 KZT (about \$961.22) to 100 KZT (about \$68), saving \$960.54. Charter capital requirements for all other business registrations are reduced to about \$96.12, saving \$865.10. Estimated annual impact is therefore $(10,312 \times \$960.54) + (3,972 \times \$865.10) = \$13,341,265.68$. Total estimated impact is $\$1,999,760 + \$13,341,265.68 = \$15,341,025.68$ per year. GNIPC is 17.49%.	0	3	17.49%	\$15,341,025.68	100%	Starting a Business	National

4	Streamlined document requirements for construction permits / Almaty, KZ	May, 2010	Direct	As part of the process to obtain a construction permit in Kazakhstan, entrepreneurs were required to provide to the Construction Agency a signed, blank contract between the owner and his construction company, and to provide a notarized copy of the certificate from the Seismological and Geodesy in Constructions body--among other documents. These two redundant requirements consumed additional time and money by both the owner and contractor during the construction permitting process.	BEI, in partnership with the Construction Agency, identified these two required documents as redundant and recommend the requirements be eliminated.	The Head of the Construction Agency approved this recommendations and signed Decision of the Construction Agency Chairman # 92 of March 9, 2010, which eliminated the document requirements	According to the State Statistics Agency there were 9,605 construction permits issued during 2009. For each permit both property owners and their contractor were required to make a special visit the Construction Agency and sign a blank contract, taking 1 day on average. The average daily wage for SMEs in construction is \$50. Estimated impact for eliminating this requirement is therefore $(9,605 \times \$50 \times (1 + 1)) = \$960,500$ USD savings split between owner and contractor. Notarization of the certificate from the Seismological and geodesy in Construction took place only in regions where such certificates were required, and during 2009 there were 6,524 permits issued in such regions of Kazakhstan. Each notarization cost 918 KZT (about \$6.24) on average and required 1 days time. Estimated impact is therefore $(6,524 \times (\$6.24 + (\$50 \times 1 \text{ day}))) = \$366,909.76$. Total estimated impact for these changes is \$1,327,409.76. GNIPC is 0.86%.	2	2	0.86%	\$1,327,409.76	100%	Dealing with Construction Permits	National
5	Reduced time required for registration of real estate / Astana, KZ	June 2010	Direct	Registration of claims for ownership of commercial real estate consisting of a single structure took between 10 and 15 days, delaying use of the property. The governmental order of Republic Kazakhstan from May, 7th, 2010 № 393 «About entering of additions and changes into some decisions of the Government of Republic Kazakhstan» reconsiders terms of registration of the commercial real estate. The decision, term of registration of the rights to an uninhabited premise in an apartment house, an uninhabited structure, the property uninhabited complex, consisting of one object, is reduced with 15 (and for the commercial real estate consisting of one object – from 10 days) till 5 working days.	The BEI project, in cooperation with the Committee on Registration and Legal Assistance, recommended simplifying the process and reducing the processing time for real estate registration to the Property Registration Working Group under the Ministry of Justice.	The Government accepted BEI's recommendations in part and adopted processing time reductions for property registrations in Government Order #393 of May 7, 2010, "About entering of additions and changes into some decisions of the Government of Republic Kazakhstan", which reduces registration times for an uninhabited apartment house, structure, or complex consisting of a single structure from 15 days (10 days for commercial property) to a maximum of 5 working days.	The Government of Kazakhstan Ministry of Justice, which handles property registrations, does not separate statistics for commercial real estate. As such no reliable data exists for the number of annual property registrations affected by this change, and impact estimates must remain To Be Determined.	1	10	TBD	TBD	100%	Registering Property	National
6	Streamlined registration of legal entities, branches and representative offices / Astana, KZ	June 2010	Direct	As part of business registration, entrepreneurs in Kazakhstan were required to submit their statistics department registration card as part of application processing by the Ministry of Justice. Application processing by the Moj took 3 days in practice, however additional processing of the statistics card by the State Statistics Agency took at least an additional day, delaying registration.	The BEI project, in cooperation with the Committee on Registration and Legal Assistance, recommended to the Starting a Business working group under the Ministry of Justice that the statistics card be eliminated as a requirement for legal entity registration, to simplify and speed processing.	The Government accepted BEI's recommendations and the President signed them on March 19, 2010, as Law #257-IV "On State Statistics" and #258-IV "On introducing amendments and additions to some legislative acts of the Republic of Kazakhstan regarding state statistics and taxation". These laws streamline Ministry of Justice processing and eliminate the requirement for the state statistics card and its registration with the State Statistics Agency.	According to the Ministry of Justice and Statistics Agency, there were an estimated 10,312 new business registrations during 2009. Registration time is now reduced from at least 4 working days to 3 working days, at an estimated average entrepreneur's wage of \$22.34 per day. Estimated annual impact is therefore $(10,312 \times (\$22.34 \times 1 \text{ day})) = \$230,370.08$ USD. GNIPC is 0.36%.	0	1	0.36%	\$230,370.08	100%	Starting a Business	National

REPUBLIC OF TAJIKISTAN

No.	Initiative / City	Date Completed	Partner or Direct	Problem Details	Recommendations	Result	Impact Assumptions and Calculation	Reductions		% GNIPC	Total Combined Impact (\$)	Monitoring Ratio	Attribution (VB DBI)	National / Sub-national Change
								Steps	Days					
1	Introduction of streamlined processes for business registration / Dushanbe, RT	July, 2009	Partner - National Association of Small and Medium Business (NASMB)	The process for registration of legal entities in Tajikistan was more difficult than for registering individual entrepreneurs; requiring businesses undergo 12 steps over 25 days according to WBDB estimates. Though charter capital requirements were removed in 2009 and some simplification applied, the process remained difficult and time-consuming.	Beginning in 2007 the BEI Project analyzed the process of business registration, and based on extensive public research developed an analysis on re-registration, deregistration and the formation of charter capital that advocated for simplification of business registration. BEI's recommendations were submitted to the SCISPM and directly to the Executive Office of the President of RT.	Following submission of BEI's recommendations, the Government began in 2008 work with BEI, the private sector and other international organizations in 2008 on Law #508 "On State Registration of Legal Entities and Individual Entrepreneurs" of May 19, 2009. This Law introduction "one-stop-shop" business registration via tax authority offices and eliminated several notarizations of documents, requirements on initial charter capital, submission of organization charters, and other improvements. These changes are designed to reduce the amount of time required for business registration from 25 days to 5, the number of procedures from 12 to 3, and the number of documents required from 10 to 6, based on the WBDB model. Details of this PRI calculation were delayed from BEI year 3 reporting to obtain sufficient data. Impact for reduction of charter capital requirements were reported in BEI's year 3 report.	According to Tax Committee data, during 2008 there were 1,024 legal entity registrations, of which 331 were registered in rural areas (or 32.3%). Since the introduction of "one-stop shop" registration, in the 7 months from July 1, 2009, to February 1, 2010, there were 2,452 legal entity registrations (350 per month), of which an estimated 793 were rural registrations (113 per month). Estimated number of registrations for 1 year following changes is therefore 4,203 total of which 1,356 are rural. The official registration cost was reduced from about \$128 to \$120 USD. According to RT business association data each rural registering business incurred additional transport costs of about \$42 when traveling between government offices, and paid about \$114 in unofficial facilitation fees. Each registration document cost on average \$7.20 USD in legal preparation fees. Estimated total impact from business registration streamline is therefore $(4,203 \times \$8) + (1,356 \times \$42) + (4,203 \times \$114) + (4,203 \times (10 - 6 \text{ documents}) \times \$7.20) = \$690,764.40$ USD. GNIPC is 27.76%.	9	20	27.76%	\$690,764.40	100%	Starting a Business	National

BUSINESS ENVIRONMENT IMPACT TABLE (PR2)

REPUBLIC OF KAZAKHSTAN														
No.	Initiative / City	Date Completed	Partner or Direct	Problem Details	Recommendations	Result	Impact Assumptions and Calculation	Reductions		% GNIPC	Total Combined Impact (\$)	Monitoring Ratio	Attribution (WB DBI)	National / Sub-national Change
								Steps	Days					
1	Streamlined process for putting construction facilities in operation / Almaty, KZ	September, 2009	Partner - Kazakhstan Construction and Housing Services Agency (Construction Agency)	The final step for completion of construction in Kazakhstan is approval for use of the building, or "operation". State Decree #1328 of October 15, 2001, specified that state agencies may require a working commission to review acceptance of the constructed facility prior to putting it into operation--a step that incurred additional time and cost for the entrepreneur on putting the facility into operation by the acceptance commission, thus, impeding the time of the construction process, ultimately affecting its final cost. Due to the power of state authorities to decide whether or not the commission is needed, it served as a source of corruption.	The Kazakhstan Construction and Housing Services Agency, in cooperation with BEI, analyzed this step and recommended it be changed by amending the by-law acts that regulate the process for accepting construction facilities into operation.	The recommendations for eliminating this barrier were unanimously supported and included in State Decree #1468 of September 29, 2009, "On amending the State Decree of RK of October 15, 2001, and Decree # 635 of June 27, 2005, and declaring certain decisions of the Government of the RK null and void". These changes enable the owner of a constructed facility to decide whether a working commission is needed without involving state officials. The owners of technically non-sophisticated facilities built without state investment are expected to benefit the most from the removal of the commission requirement, which was unnecessary for such constructions.	In 2008, 27,066 residential and 4,167 non-residential properties were completed that were technically non-sophisticated and without state investment. The preparation process for a working commission to put a construction facility in operation took between 7 and 20 days (average 13, rounded down), at an average estimated salary of \$50 per day. Further, during the working commission process a mandatory state control inspection of engineering systems is required, at owner's expense of an average of 15,000 KZT (about \$100). Estimated annual impact for removing the commission requirement is therefore $31,233 \times (\$100 + (13 \times \$50)) = \$23,424,750$ per year. GNIPC is 12.22%.	2	13	12.22%	\$23,424,750	100%	Process reform outside "Dealing with Construction Permits" assumptions as measured by WB	National
2	Improved licensing procedures for alcoholic beverages wholesale and/or retail sales storage (excluding storage at the place of production) / Oral, KZ	October, 2009	Partner - Association "The Center of Small Business"	A licensee in Oral for alcoholic beverages wholesale and retail sales storage would be fully informed of Entrepreneurship and Industry Department document and inspection requirements, but not those of other local state bodies, such as the Emergency Department (ED) and the Sanitary and Epidemiological Control Department (SECD). Multiple document filings and inspections increased the time and costs for entrepreneurs during licensing. Rural applicants suffered further delays, as they underwent repeated, duplicative authorization by their local departments as requested by the oblast state bodies,	BEI's partner, the Association "Center of Small Business" recommended several steps to eliminate this barrier and streamline the license application process, including for the Entrepreneurship and Industry Department to revise the process and have requests sent directly to the oblast Sanitary and Epidemiological Control Departments, bypassing local offices.	The recommendations were accepted and in letter #11D-3-2-3412 of November 20, 2009, the Deputy Head of Department indicated that the regional authority (oblast) offices are no longer required to be intermediaries between district offices, and detailing streamlined document-handling measures. These changes save between 2 and 3 days time during application, and decrease the chances of license refusal and forfeiture of the licensing fee. The time required for communication between rural sanitary and epidemiological departments and the central Entrepreneurship and Industry Department for rural applications was reduced an average of 3 days by elimination an intermediate step involving the oblast Sanitary and Epidemiological Department.	During 2009 approximately 129 licensing applicants were recorded by the Entrepreneurship and Industry Department, each of whom would save a minimum 2 working days under the new process. The average salary of an entrepreneur in WKO is about \$25.70 USD per day according to the Statistics Agency of West Kazakhstan. Therefore, $2 \text{ days} \times \$25.70 \text{ USD} \times 129 \text{ people} = \$6,630.60 \text{ USD}$. For the 58 rural entrepreneurs who apply per year, a further 3 days are saved, or $3 \text{ days} \times \$25.70 \text{ USD} \times 58 = \$4,471.80$ per year. Total estimated annual impact is therefore $\$4,471.80 + \$6,630.60 = \$11,102.40$ USD per year. GNIPC is 1.05%.	0	2	1.05%	\$11,102.40	100%	n/a	Sub-national

				taking an additional 3 days time.											
3	Improved registration licensing rights for kindergartens / Astana, KZ	December, 2009	Direct	Organizations implementing general curriculum for pre-school education program (kindergartens) were required to own properties, or business premises, in order to submit for licensing. This requirement greatly increased the costs for opening a kindergarten, over renting suitable facilities.	During review of all permitting documents of the Ministry of Education and Science, BEI and the permitting system expert group proposed simplification of qualification requirements to allow entrepreneurs rent facilities. This recommendation was included in the list of all EG recommendations, which was further presented during the meeting with Vice-Prime Minister, Mr. Akhmetov.	Government Decree # 2020 of RK dated December 5, 2009, was issued, amending Government Decree # 452, subparagraph 7, paragraph 1, of June 2, 2007, to permit kindergartens to rent their premises of operation.	Based on data from the Ministry of Education, during 2010 there will be an estimated 936 new "mini" kindergartens (under 26 students at about 100 square meters), 33% (309) of which will be in Almaty and Astana. The average cost of a 100 square meter premises is estimated to be about \$200,000 in Almaty/Astana, with a \$50,000 down-payment and about 18% of the remainder per year (\$27,000, first year). In the remainder of the country a premises is estimated to cost about \$59,000, with a \$14,750 down-payment and \$7,965 per year. Rent for a similar facility is estimated at \$2,000 USD per month (\$24,000 per year) in Almaty/Astana, and at \$750 per month in the remainder of Kazakhstan. Estimated economic impact is therefore $(309 \times \$50,000) + (309 \times (\$27,000 - \$24,000)) + (627 \times \$14,750) + (627 \times (\$7,965 - \$9,000)) = \$24,976,305$ per year. GNIPC is 434.61%.	1	0	434.61%	\$24,976,305	100%	n/a	National	
4	Streamlined procedures for obtaining import and export permits / Astana, KZ	December, 2009	Direct	A business that needed to acquire licensing for import/export of goods sent an application to the Ministry of Industry and Trade (MIT), which forwarded it for harmonization with other state bodies. This process was delayed due to a lack of processing time constraints for the application review, and in practice the state bodies responded at their own discretion, taking an average of 30 working days, or 10 working days for small businesses.	During review of all permitting documents of the MIT, the BEI and RTLC projects with the permitting system expert group proposed simplified qualification requirements and processing time constraints to reduce time for issuing licenses on import and export of goods. These recommendations were included in the list of all EG recommendations, which was further presented during meetings with Vice-Prime Minister, Mr. Akhmetov.	Government Decree # 1919 of November 24, 2009, amended Decree # 578 of June 12, 2008, "On approval of the Rules of Licensing of export and import of goods, including the products under the export control". The amended decree sets processing limits of 5 days for small businesses and 15 days for all other import-export applications, and specified document handling by state bodies.	During 2009 MIT issued 1,697 import and export licenses for all business types. Each application took a minimum of 10 working days to complete for small businesses, which suffered operating income loss of at least \$100 USD per day. Under amended regulation this processing time is reduced to 5 days. No data exists to estimate the higher daily loss of medium and large businesses. Estimated minimum annual impact is therefore $5 \text{ days} \times \$100 \times 1,697 = \$848,500$. GNIPC is 8.14%.	0	5	8.14%	\$848,500	100%	n/a	National	

5	Improved inspection system for private entrepreneurship / Astana, KZ	March, 2010	Direct	Kazakhstan lacked a unified, modern inspection system able to prioritize inspector activities by risk and therefore one that imposed frequent and burdensome inspections by officials seeking violations to extract penalty payments. This behavior served as a major barrier deterring entrepreneurship and cost businesses time and money to comply with inspector whims.	BEI, in conjunction with the Expert Group under the Prime Minister and the MEBP, developed recommendations in the Concept on Inspections that would modernize the KZ inspections system and introduce rational risk-assessment criteria, standardized inspections checklists, and inspections planning provisions for the 44 state agencies with inspecting powers.	On July 17, 2009, Government Decree # 188-IV "On amending certain legal acts of the Republic of Kazakhstan on private entrepreneurship" amended the law "On private Entrepreneurship" and initiated implementation processes assisted by BEI and other USAID projects with specific knowledge in technical areas. The amended law provides for centralized registration of inspections, step-by-step procedures for conducting inspections to protect entrepreneurs' rights, and development of criteria for risk assessment and inspector checklists. A joint order for 23 state bodies, establishing key criteria for risk assessment and checklists, was prepared in February 2010 and posted on the website of the MEBP, along with inspections principles for 19 of these state bodies and the inspections schedules, posted on the website of the General Prosecutor. Entrepreneurs may now, themselves, assess their risk for inspections and take measures to reduce risks. Government implementation of inspection regimes is streamlined greatly and made more efficient and transparent, reducing opportunities for corruption.	According to estimates and monitoring by the MEBP the total number of inspections will decrease by 50% with the implementation of the new inspections regime. The MEBP identifies 288,881 inspections during 2007, the last year of reliable data due to presidential inspections moratoriums in 2008 and 2009, for an estimated reduction of 144,440 inspections. Each inspection requires an average of 2 persons for 4 working days, at a salary of \$23 per day. Under the streamlined inspections process and checklist, each remaining inspection is expected to take on average 30% less time. Estimated economic impact for streamlined and improved inspections is therefore (144,440 inspections x 2 persons x 4 days x \$23) + (144,440 remaining inspections x 2 persons x 4 day x \$23 x 30%) = \$34,550,048 USD. GNIPC is 1.94%. This PR2 result was first reported in the BEI Year 3 Annual Report, with impact estimates pending completion of the MEBP monitoring.	1	3	1.94%	\$34,550,048	80%	n/a	National
6	Streamlined process for obtaining local alcohol products sales license / oblast cities excepting Almaty, KZ	January, 2010	Direct	According to the Law "On Licensing" alcohol sales licensee are to submit all documents at their local licensing department, which is then responsible for harmonizing approvals with other agencies. However 2008 monitoring showed this "one-stop-shop" functioned only in the city of Almaty, and in practice entrepreneurs still had to submit their harmonization documents themselves to the Fire Security and Sanitary and Epidemiological Control Departments, taking an additional 10 working days.	The BEI project presented these monitoring results to the MEBP, and together developed recommendations on implementing the "one-stop-shop" principle and model rules on issuing permissive documents. These recommendations were submitted to the Government and presented in fall 2009 to representatives of Kazakhstan's oblast akimats in accordance with the GoK's permitting system action plan.	BEI and MEBP recommendations were incorporated into Decree #1100 of November 27, 2008, and the action plan on the Concept for Permitting System Improvement in Kazakhstan During 2009-2011 was developed in fall 2009 to provide model standards and regulations for providing public services. BEI and MEBP recommendations were presented to regional Akimats for improving their Licensing Departments' operation, and the majority of the Licensing Departments have already implemented streamlined process for obtaining alcohol sales licenses, eliminating independent harmonization by entrepreneurs.	During the period 2007 - 2009 an average of 6,120 licenses per year for alcohol sales were awarded in regions outside of Almaty. Harmonization by entrepreneurs themselves with the Fire Security, and Sanitary and Epidemiological Control Departments took an additional 10 working days. The average monthly salary of regional entrepreneurs in this sector is about \$13.60 per day, and during the additional time each store forfeited an average of \$272 per day in sales. Estimated impact for implementation of streamlined processes for this license is therefore 10 days x (\$13.60 + \$272) x 6,120 = \$17,478,720. GNIPC is 46.52%.	2	10	46.52%	\$17,478,720	100%	n/a	Sub-national

7	Streamlined Sanitary and Epidemiological Department burdens on business construction and land use / Oskemen, KZ	March, 2010	Partner - Fund for Informational Support of Society Development, East Kazakhstan Trade Union of Small and Medium Businesses, Association of Builders of East Kazakhstan	Oskemen entrepreneurs seeking to acquire land use construction permits were required to submit property deeds and obtain technical conclusions and approvals from the city Sanitary and Epidemiological Department via an involved and time-consuming (and therefore expensive) process of reviews.	Based on Government Decree #1100 of November 27, 2008, BEI and its partners recommended, in October 2009, application of a total review of all permissive documents issued by the city of Oskemen Akimat, affecting all entrepreneurs who operate under licenses or permits in the city, to identify and recommend for elimination or revision permissive procedures not in accordance with national regulations	The Akim of Oskemen supported initiation of this review and elimination process and organized an expert group of Akimat bodies, local business representatives and BEI's partners. The expert group's reviewed 29 documents and modified or eliminated 10, with results incorporated in Decree of the Deputy Akim of Oskemen #4-15 of March 1, 2010, approving their recommendations and an implementation action plan, and ordering the city departments to draft the necessary NLAs to eliminate or revise a list of permissive documents. This work and the final decree was further widely published in regional and city print and television media, and online.	Decree #4-15 eliminated the Sanitary and Epidemiological Department (SED) requirement for deed submission during the construction permission process. During 2009 there were 5,030 land ownership permits for business use issued, each taking 1 day to obtain with an estimated daily salary for entrepreneurs of \$35. Estimated annual impact is $5,030 \times 1 \times \$35 = \$176,050$. The SED conclusion on land plot cadastres, required prior to business construction, is also eliminated. Each conclusion took an average of 15 working days of repeated contact with the Department. Estimated annual impact is $5,030 \times 15 \times \$35 = \$2,640,750$. The Decree also established additional a new, streamlined procedure for official land plot construction approval, reducing time for obtaining remaining permissions from the SED by a further average 34 working days per application, during which entrepreneurs would be fully occupied by the SED review process. Estimated annual impact is $5,030 \times 34 \times \$35 = \$5,814,680$. Total estimated impact is \$8,631,480 per year. GNIPC is 27.95%.	2	50	27.95%	\$8,631,480	100%	n/a	Sub-national
8	Elimination of duplicative advertising license requirement / Oskemen, KZ	March, 2010	Partners - Fund for Informational Support of Society Development, EK Trade Union of Small and Medium Businesses, Association of Builders of East Kazakhstan	Entrepreneurs in Oskemen city were required to submit Kazakh-language translated versions of their city Architecture Department advertisement architectural documents to the Culture and Language Development Department, prior to receiving permission for outdoor advertisement constructions. This despite the presence of both departments in the same building, costing additional money and time in repeated visits to the Culture Department.	Based on Government Decree #1100 of November 27, 2008, BEI and its partners recommended, in October 2009, application of a total review of all permissive documents issued by the city of Oskemen Akimat, affecting all entrepreneurs who operate under licenses or permits in the city, to identify and recommend for elimination or revision permissive procedures not in accordance with national regulations	The Akim of Oskemen supported initiation of this review and elimination process and organized an expert group of Akimat bodies, local business representatives and BEI's partners. The expert group's reviewed 29 documents and modified or eliminated 10, with results incorporated in Decree of the Deputy Akim of Oskemen #4-15 of March 1, 2010, approving their recommendations and an implementation action plan, and ordering the city departments to draft the necessary NLAs to eliminate or revise a list of permissive documents. The Decree eliminated the duplicative Culture and Language Development Department passport by requiring the City Architecture Department to translate the entrepreneur's documents into Kazakh and provide them directly to Culture Department.	City of Oskemen entrepreneurs applied an average of about 800 times per year for construction of outdoor advertising objects (billboards, etc.). Each application required an average of 5 days of repeated visits to the Culture Department to resolve translation issues and other corrections with the entrepreneur, at an average salary of \$35 per day. Under the streamlined arrangements this process is handled internally with the City Architecture Department, saving an estimated $800 \times 5 \times \$35 = \$140,000$ USD annually. GNIPC is 2.85%.	1	5	2.85%	\$140,000	100%	n/a	Sub-national

9	Streamlined involvement of the Emergency Situations Management Department in construction projects / Oskemen, KZ	March, 2010	Partners - Fund for Informational Support of Society Development, EK Trade Union of Small and Medium Businesses, Association of Builders of East Kazakhstan	Entrepreneurs were required, when passing through the land approval process for construction, to harmonize their plans with the Emergency Situations Management Department (ESMD), which also participated in the state committee reviewing applications for land plots. Both these contacts were unnecessary and consumed additional time.	Based on Government Decree #1100 of November 27, 2008, BEI and its partners recommended, in October 2009, application of a total review of all permissive documents issued by the city of Oskemen Akimat, affecting all entrepreneurs who operate under licenses or permits in the city, to identify and recommend for elimination or revision permissive procedures not in accordance with national regulations	The Akim of Oskemen supported initiation of this review and elimination process and organized an expert group of Akimat bodies, local business representatives and BEI's partners. The expert group's reviewed 29 documents and modified or eliminated 10, with results incorporated in Decree of the Deputy Akim of Oskemen #4-15 of March 1, 2010, approving their recommendations and an implementation action plan, and ordering the city departments to draft the necessary NLAs to eliminate or revise a list of permissive documents. Eliminated were the ESMD's involvement in document review and committee participation during land allocation.	About 1,500 applications for land plot allocation for business construction were filed in 2009 by Oskemen entrepreneurs. Each application took 12 days to harmonize plans with the ESMD and a further 5 days working with the ESMD in the Committee on Allocation of Land Plots, at an average entrepreneur's salary of \$35 per day. Elimination of both has an estimated impact of $(12 + 5) \times 1500 \times \$35 = \$892,500$ USD annually. GNIPC is 9.69%.	2	17	9.69%	\$892,500	100%	n/a	Sub-national
10	Elimination of construction document review and harmonization with the Department of Natural Resources and Land Utilization for regular projects / Oskemen, KZ	March, 2010	Partners - Fund for Informational Support of Society Development, EK Trade Union of Small and Medium Businesses, Association of Builders of East Kazakhstan	Previously entrepreneurs applying for construction projects, regardless of their type, were required to undergo document review and harmonization with the Department of Natural Resources and Land Utilization (DNRLU). This was an involved process, taking a great deal of time whether or not the project had any environmental implications.	Based on Government Decree #1100 of November 27, 2008, BEI and its partners recommended, in October 2009, application of a total review of all permissive documents issued by the city of Oskemen Akimat, affecting all entrepreneurs who operate under licenses or permits in the city, to identify and recommend for elimination or revision permissive procedures not in accordance with national regulations	The Akim of Oskemen supported initiation of this review and elimination process and organized an expert group of Akimat bodies, local business representatives and BEI's partners. The expert group's reviewed 29 documents and modified or eliminated 10, with results incorporated in Decree of the Deputy Akim of Oskemen #4-15 of March 1, 2010, approving their recommendations and an implementation action plan, and ordering the city departments to draft the necessary NLAs to eliminate or revise a list of permissive documents. This Decree eliminates the requirement to undergo DNRLU review unless the construction project is classified as providing an environment impact threat-- in practice almost all SME construction projects.	During 2009 there were about 2,500 business construction projects in the city of Oskemen that underwent DNRLU review unnecessarily, taking 25 days of work with entrepreneurs, at an average daily salary of \$35. Estimated impact for elimination is $2,500 \times 25 \times \$35 = \$2,187,500$. GNIPC is 14.25%.	1	25	14.25%	\$2,187,500	100%	n/a	Sub-national
11	Streamlining of excavation plan reviews by the Internal Affairs Department of Oskemen commission / Oskemen, KZ	March, 2010	Partners - Fund for Informational Support of Society Development, EK Trade Union of Small and Medium Businesses, Association of Builders of East Kazakhstan	During the land plot acquisition process some entrepreneurs were required to undergo review of their excavation plans by an Internal Affairs Department of Oskemen commission, which would need to be specially formed and to perform certain required inspections of the land plot. This procedure heavily involved the entrepreneur's time and delayed land acquisition.	Based on Government Decree #1100 of November 27, 2008, BEI and its partners recommended, in October 2009, application of a total review of all permissive documents issued by the city of Oskemen Akimat, affecting all entrepreneurs who operate under licenses or permits in the city, to identify and recommend for elimination or revision permissive procedures not in accordance with national regulations	The Akim of Oskemen supported initiation of this review and elimination process and organized an expert group of Akimat bodies, local business representatives and BEI's partners. The expert group's reviewed 29 documents and modified or eliminated 10, with results incorporated in Decree of the Deputy Akim of Oskemen #4-15 of March 1, 2010, approving their recommendations and an implementation action plan, and ordering the city departments to draft the necessary NLAs to eliminate or revise a list of permissive documents. This Decree establishes a permanent Internal Affairs commission to review land plot applications and removes the requirement to make on-site inspections during reviews.	During 2009 approximately 750 entrepreneurs were required to undergo special harmonization of their excavation plans by the Internal Affairs Department of Oskemen commission, an involved process taking an average of 4 days, at an entrepreneur's average salary of \$35 per day. Estimated impact for streamlining the process and removing inspections is therefore $750 \times 4 \times \$35 = \$105,000$ per year. GNIPC is 2.28%.	1	4	2.28%	\$105,000	100%	n/a	Sub-national

12	Streamlining of building repurposing procedures / Oskemen, KZ	March, 2010	Partners - Fund for Informational Support of Society Development, EK Trade Union of Small and Medium Businesses, Association of Builders of East Kazakhstan	Entrepreneurs wishing to repurpose their buildings (such as during loan applications) are required according to the National Land Use Code to identify the new purpose with the city administration. Oskemen however had a system that required re-doing land plot building documentation at extensive extra cost in time to the entrepreneur.	Based on Government Decree #1100 of November 27, 2008, BEI and its partners recommended, in October 2009, application of a total review of all permissive documents issued by the city of Oskemen Akimat, affecting all entrepreneurs who operate under licenses or permits in the city, to identify and recommend for elimination or revision permissive procedures not in accordance with national regulations	The Akim of Oskemen supported initiation of this review and elimination process and organized an expert group of Akimat bodies, local business representatives and BEI's partners. The expert group's reviewed 29 documents and modified or eliminated 10, with results incorporated in Decree of the Deputy Akim of Oskemen #4-15 of March 1, 2010, approving their recommendations and an implementation action plan, and ordering the city departments to draft the necessary NLAs to eliminate or revise a list of permissive documents. Under the Decree each land plot now has only one purpose: for building, and the type and use of the building no longer need to be specified, eliminating the need to redo documentation.	Each year an average of 1,450 small business developers were forced to redo their documentation for a repurpose of their land plot, taking an estimated average of 7 days of document preparation and 11 days of contact between a business representative and government bodies, at an average salary of \$35 per day. Estimated annual impact for this change is 1,450 x (7 + 11) x \$35 = \$913,500 USD. GNIPC is 10.26%.	1	18	10.26%	\$913,500	100%	n/a	Sub-national
13	Streamlined process for obtaining Sanitary and Epidemiological conclusions during construction / Oskemen, KZ	March, 2010	Partners - Fund for Informational Support of Society Development, EK Trade Union of Small and Medium Businesses, Association of Builders of East Kazakhstan	During the process for acquisition of land plots for business construction entrepreneurs are required to undergo building and utility construction evaluation and obtain conclusions on their plans from the Sanitary and Epidemiological Control Department of Oskemen (SECD). This process was long and involved, costing entrepreneurs an excessive amount of time.	Based on Government Decree #1100 of November 27, 2008, BEI and its partners recommended, in October 2009, application of a total review of all permissive documents issued by the city of Oskemen Akimat, affecting all entrepreneurs who operate under licenses or permits in the city, to identify and recommend for elimination or revision permissive procedures not in accordance with national regulations	The Akim of Oskemen supported initiation of this review and elimination process and organized an expert group of Akimat bodies, local business representatives and BEI's partners. The expert group's reviewed 29 documents and modified or eliminated 10, with results incorporated in Decree of the Deputy Akim of Oskemen #4-15 of March 1, 2010, approving their recommendations and an implementation action plan, and ordering the city departments to draft the necessary NLAs to eliminate or revise a list of permissive documents. This decree stipulates a revised, streamlined process for SECD conclusions on building and utility construction evaluations for construction.	During 2009 about 3,400 entrepreneurs were required to undergo harmonization of building and utility construction evaluation conclusions with the SECD, taking 15 days time at an average salary of \$35 per day. The new, streamlined process reduces time required for SECD conclusions to 10 days, saving 5 days time. Estimated impact is 3,400 x 5 x \$35 = \$595,000 USD. GNIPC is 2.85%.	0	5	2.85%	\$595,000	100%	n/a	Sub-national
14	Streamlined process for obtaining telecommunications technical conditions during land plot acquisition / Oskemen, KZ	March, 2010	Partners - Fund for Informational Support of Society Development, EK Trade Union of Small and Medium Businesses, Association of Builders of East Kazakhstan	During the land allocation process for construction, entrepreneurs in Oskemen were required to harmonize and obtain approval of their technical plans with the telephony company regarding telecommunications cabling connections and safety during construction. This process was long and involved, costing entrepreneurs an excessive amount of time.	Based on Government Decree #1100 of November 27, 2008, BEI and its partners recommended, in October 2009, application of a total review of all permissive documents issued by the city of Oskemen Akimat, affecting all entrepreneurs who operate under licenses or permits in the city, to identify and recommend for elimination or revision permissive procedures not in accordance with national regulations	The Akim of Oskemen supported initiation of this review and elimination process and organized an expert group of Akimat bodies, local business representatives and BEI's partners. The expert group's reviewed 29 documents and modified or eliminated 10, with results incorporated in Decree of the Deputy Akim of Oskemen #4-15 of March 1, 2010, approving their recommendations and an implementation action plan, and ordering the city departments to draft the necessary NLAs to eliminate or revise a list of permissive documents. This Decree streamlines the process for approving telecommunications cabling connections and safety plans for construction.	Streamlining the harmonization approvals process for obtaining technical conditions relating to telecommunications cabling connections and safety during construction is expected to effect an average of 1,900 entrepreneurs per year, saving them 5 days time each, at an average salary of \$35 per day. Estimated impact is therefore 1,900 x 5 x \$35 = \$332,500 USD per year. GNIPC is 2.85%.	0	5	2.85%	\$332,500	100%	n/a	Sub-national

15	Streamlined document requirements for water and sewer connections / Oskemen, KZ	March, 2010	Partners - Fund for Informational Support of Society Development, EK Trade Union of Small and Medium Businesses, Association of Builders of East Kazakhstan	Entrepreneurs in Oskemen seeking to connect their new buildings to city water and sewer lines were required to prepare and submit a series of technical documents, in a time-consuming process.	Based on Government Decree #1100 of November 27, 2008, BEI and its partners recommended, in October 2009, application of a total review of all permissive documents issued by the city of Oskemen Akimat, affecting all entrepreneurs who operate under licenses or permits in the city, to identify and recommend for elimination or revision permissive procedures not in accordance with national regulations	The Akim of Oskemen supported initiation of this review and elimination process and organized an expert group of Akimat bodies, local business representatives and BEI's partners. The expert group's reviewed 29 documents and modified or eliminated 10, with results incorporated in Decree of the Deputy Akim of Oskemen #4-15 of March 1, 2010, approving their recommendations and an implementation action plan, and ordering the city departments to draft the necessary NLAs to eliminate or revise a list of permissive documents. This Decree reduces the number of documents required to be prepared and submitted along with water and sewer connection requests when constructing a building.	During 2009 about 1,100 entrepreneurs filed requests to connect to city water and sewer utilities. Under the streamlined document requirements each entrepreneur will save an average of 5 days time in document preparation, at an average salary of \$35 per day. Estimated economic impact per year is $5 \times 1,100 \times \$35 = \$192,500$ annually. GNIPC is 2.85%.	0	5	2.85%	\$192,500	100%	n/a	Sub-national
16	Streamlined re-registration of legal entities / Shymkent, KZ	November, 2009	Partner - Business Incubator SodBI	According to the KZ law On State Registration of Legal Entities, entrepreneurs re-registering their business were required to submit original tax registration documents. This tax registration document, however, does not need to be changed or used unless in cases of business name or legal form change. Re-registrations to change or receive a business identification number (BIN) make up 70% of requests and do not make use of the tax document. During the re-registration process approximately 50% of applicant's documents were lost or confused, demanding expensive steps consuming 1-5 days to replace (or return if possible). According to the Law on National Identification Numbers #223-III of January 2007, all businesses in Kazakhstan are required to re-register and receive new identification numbers by August 13, 2010, implying that many would needlessly have to go through document replacement procedures costing time.	BEI's partner, after hearing grievances from local businesses, raised the issue of lost documents during the forced re-registration process with the Department of Justice of South Kazakhstan Oblast.	The Department of Justice instructed Public Service Center (PSC) employees involved in this process to accept copies as well as originals for appropriate documents based on the complexity of the re-registration services requested (new identification number, name change, etc.). In practice this means new business identification number (BIN) requests do not require that original documents be submitted during re-registration. From November 2009 copies are accepted for re-registration of legal entity identification numbers.	South Kazakhstan Oblast PSCs report that from November 2009 a total of 12,800 businesses no longer need to submit tax registration documents during re-registration. Of these, 50% have now avoided document loss and replacement, taking an average of 3 working days at an average salary of \$30 per day to restore them. Estimated annual impact is therefore $\$30 \times 3 \text{ days} \times (12,800 \times 50\%) = \$576,000$ per year. GNIPC is 1.46%.	1	3	1.46%	\$576,000	100%	n/a	Sub-national

17	Streamlined process for obtaining information on outstanding tax debts / Shymkent, KZ	January, 2010	Partner - Business Incubator SodBI	According to the Tax Code, article 598, taxpayers may file a request for information on any tax or state fund debts outstanding, and should receive a response within 3-5 working days. In practice, however, entrepreneurs wait 5-10 working days to obtain such certificates, because the tax authorities required an additional "Act of Reconciliation" permission document (and its acquisition steps) before they would release information to the business. The additional time required to obtain this extraneous document cost businesses time and money, especially when submitting state tenders.	BEI's partner, Business Incubator SodBI, submitted this issue to the Tax Department of South Kazakhstan Oblast and discussed entrepreneur's concerns regarding the wasted step. This problem was also raised during inventory of permitting documents issued in Shymkent.	According to the Tax Department of South Kazakhstan Oblast, as of January 2010 this process was reviewed and the additional Act of Reconciliation document eliminated. The elimination of this document in practice is monitored and confirmed as of 2010 by the Prosecutor's Office of SKO. Reduction in delays for obtaining the statement on tax and state fund debts improves the ability for businesses to participate in state tenders in a timely manner.	According to the SKO Tax Department, during 2009 there were 8,152 debt statements issued for businesses for the purpose of participating in state tenders, or 78% of total applications, for an estimated total number of debt statements of 10,451 per year. Each statement required 2 days entrepreneur's time to complete the application and pick it up, at an average salary of \$30 per day. Estimated impact is therefore 10,451 x 2 x \$30 = \$627,060 per year. GNIPC is 0.98%.	1	2	0.98%	\$627,060.00	100%	n/a	Sub-national
18	Extended document validity during voluntary liquidation of a business / Pavlodar, KZ	January, 2010	Partner - IE Zhanna Alexandrova	The Department of Customs Control of Pavlodar previously issued a document on "Absence of Customs Tax Debt and Outstanding Trade Transactions" for foreign traders, requiring 30 days to process. This period of time was unduly lengthy and for businesses not engaged in foreign trade, an unnecessary step required during liquidation. Furthermore, the issued Customs certificate was valid for only 30 days following issuance, during which time entrepreneurs were required to complete all other liquidation processes or they had to resubmit and obtain a new Customs certificate--costing additional time--during which they were not able to operate a business.	BEI and the Entrepreneurship and Industry Department of Pavlodar Oblast, following discussions with entrepreneurs, formally requested the Customs Department and Akimat revise the procedure to ease processing burdens on liquidating businesses.	The Entrepreneurship and Industry Department of Pavlodar received letters from the Tax Committee, Justice Department, and Customs Control Department, and Public Service Center of Pavlodar on December 23-24, 2009, confirming that according to the Customs Control Department the certificate is now to be issued within 15 working days, and making the time-frame indefinite for validity of the certificate.	An estimated 120 businesses voluntarily request liquidation per year in Pavlodar Oblast. Of these applicants, half (60 per year) were unable to complete the full liquidation process within the 30-day validity window of the certificate, and had to reapply. According to the Entrepreneurship and Industry Department, the estimated annual salary for these entrepreneurs is about \$50 per day. Estimated impact for these changes is therefore 30 days x 60 repeat applicants x \$50 = \$90,000 USD. GNIPC is 24.43%.	0	30	24.43%	\$90,000	100%	n/a	Sub-national
19	Streamlined process for obtaining construction technical condition permitting documents / Pavlodar, KZ	March, 2010	Partner - IE Zhanna Alexandrova	Entrepreneurs in Pavlodar city were required to obtain technical conditions for construction projects via an excessively long process taking an average of 5 months, during which no project work was permitted. This onerous delay greatly affected business construction due to the narrow building	BEI's partner, following public input on construction processes with the Department of Entrepreneurship and Industry of Pavlodar (DEI). Forwarded recommendations addressing these issues to the Akim of Pavlodar.	The Akim of Pavlodar, in Protocol #01-09/8 of March 3, 2010, adopted BEI's recommendations to simplify the process for obtaining technical conditions (including utility connections), limiting time frames to 5 working days and issuing them based on the "one-window" principle along with the Architecture Planning Assignment documents from the Department of Architecture and Urban Planning.	Entrepreneurs in Pavlodar previously had to pause building work for an average of 150 calendar days, but normally kept workers on contract in order to immediately resume work once documents were issued. Now technical conditions will be issued in 5 days time, saving 145 days each for 200 projects per year. Each day of delay cost an average of \$50. A further 10 trips to utility companies, costing about \$40 total, were also necessary to coordinate documents for each project. Estimated impact is therefore	0	145	118.73%	\$1,458,000	100%	Process reform outside "Dealing with Construction Permits" assumptions as measured by WB	Sub-national

				season permitted by the region's harsh weather.			(200 × 145 × \$50) + (200 × \$40) = \$1,458,000 annually. GNIPC is 118.73%.								
20	Eliminated requirements to obtain excavation permission orders for projects not affecting urban facilities / Pavlodar, KZ	March, 2010	Partner - IE Zhanna Alexandrova	The Department of Transport, Housing and Communal Services, and Roads of Pavlodar required entrepreneurs to obtain an order permitting excavation on land plots regardless of whether the planned excavation would affect urban facilities (sidewalks, roads, easements, etc.). Obtaining this order took 30 calendar days and contact with 14 different departments. This delay affected business construction due to the narrow building season permitted by the region's harsh weather.	BEI's partner, following public input on construction processes with the Department of Entrepreneurship and Industry of Pavlodar (DEI). Forwarded recommendations addressing these issues to the Akim of Pavlodar.	The Akim of Pavlodar, in Protocol #01-09/8 of March 3, 2010, adopted BEI's recommendations to simplify the process for issuing excavation orders, and the Construction Control Authority ordered the Department of Transport, Housing and Communal Services, and Roads, as of March 1, 2010, to only require excavation orders when an entrepreneur's plan affects urban facilities.	Obtaining the order permitting excavation took on average 30 calendar days, and 200 entrepreneurs per year required this order, at an average cost of \$50 per day. They were each forced to visit 14 different state bodies at a cost of about \$56 in total. Under the new instructions an estimated 30% of these excavation projects (60) will not touch urban objects and will not need to undergo this process. Estimated impact is therefore (60 × 30 × \$50) + (60 × \$56) = \$93,360 per year. GNIPC is 25.34%.	I	30	25.24%	\$93,360	100%	Process reform outside "Dealing with Construction Permits" assumptions as measured by WB	Sub-national	
21	Improved process of putting constructed facilities in operation / Pavlodar, KZ	March, 2010	Partner - IE Zhanna Alexandrova	During the last stage of construction, entrepreneurs were required to themselves organize and transport the building commission determining if his structure could be put into use, and to do so at a time of the commission's convenience and at the entrepreneur's personal expense.	BEI's partner, following public input on construction processes with the Department of Entrepreneurship and Industry of Pavlodar (DEI). Forwarded recommendations addressing these issues to the Akim of Pavlodar.	The Akim of Pavlodar, in Protocol #01-09/8 of March 3, 2010, adopted BEI's recommendations and ordered the Department of Architecture and Urban Planning to provide organization for the acceptance committee in accordance with the <i>Law on Architecture, Urban Planning, and Construction Activity in the Republic of Kazakhstan</i> article 25 point 13, and to accomplish final review of buildings in one day according to a regular weekly schedule.	Arranging for inspection by the acceptance committee took on average 5 working days at an average daily cost of \$50, and transport for its members cost \$20, for each of the 200 buildings per year that undergo this process. Under the new process review will be completed in 1 day, saving 4, and transport costs are assumed by the Architecture Department. Estimated impact is therefore (4 × \$50 × 200) + (200 × \$20) = \$44,000 per year. GNIPC is 3.58%.	0	4	3.58%	\$44,000	100%	Process reform outside "Dealing with Construction Permits" assumptions as measured by WB	Sub-national	
22	Eliminated notary requirements for property assessment licenses / Astana, KZ	April, 2010	Direct	As part of Kazakhstan's licensing requirements, entrepreneurs wishing to work in the field of property assessment were required to obtain licenses from the Ministry of Justice, and to present a package of documents notarized at the applicant's cost while obtaining that license.	BEI, as part of the Expert Group under the Government of Kazakhstan on Optimization of Licensing Procedures recommended to the Ministry of Justice to simplify the eligibility requirements and reduce the cost of licensing for for property assessment entrepreneurs.	The Ministry accepted BEI's recommendations and on April 15, 2010 the Prime Minister signed Government Degree #318, which amends Government Resolution #419 of dated May 25, 2007, "Issues of licensing and qualification requirements for the assessment of property (excluding intellectual property)". In the amendment the requirement for mandatory notarization of documents during licensing was eliminated.	During 2008 the Ministry of Justice issued a total of 234 licenses for property assessment work. Each license required a minimum of 5 documents notarized at a minimum cost of 700 KZT (or about \$4.76) and requiring 1 day's time for document drop-off and pickup. The average daily wage for entrepreneurs in this area is \$23. Estimated annual impact, is therefore (234 × 1 day × \$23) + (234 × 5 × \$4.76) = \$10,951.2 USD. Estimated GNIPC is 0.76%.	I	I	0.76%	\$10,951	100%	n/a	National	

23	Streamlined licensing for liquidation and processing of surplus ammunition, weapons, military equipment and special tools / Astana, KZ	April, 2010	Direct	As part of Kazakhstan's licensing requirements, entrepreneurs wishing to work in the field of liquidation (destruction, recycling, disposal) and processing of surplus ammunition, weapons, military equipment and special tools, required special approvals obtained by the entrepreneur himself from the state Sanitary and Epidemiological Control Department, Environmental Protection body, and Industrial and Fire Safety body. This process required multiple visits to the different Government bodies, taking average of 30 working days to complete and delaying licensing.	BEI, as part of the Expert Group under the Government of Kazakhstan on Optimization of Licensing Procedures recommended to the Ministry of Justice and involved Government bodies to streamline the approval process.	On April 2, 2010, in Government Resolution #278 the Prime Minister amended the procedure for obtaining statements from the Sanitary and Epidemiological Control Department, Environmental Protection body, and Industrial and Fire Safety body during licensing for the liquidation (destruction, recycling, disposal) and processing of surplus ammunition, weapons, military equipment and special tools. The new process requires the Ministry of Justice to obtain the necessary statements directly from all other Government bodies upon license application, and to complete all processing within 30 days.	Licensing for liquidation and processing of surplus ammunition, weapons, military equipment and special tools previously took 30 days for the MoJ and an additional minimum 30 working days for entrepreneurs to obtain themselves statements from other Government bodies. Under one-window implementation with the MoJ, this time is reduced by 30 working days for the 7 entrepreneurs licensed per year, at an average daily wage of \$25 in this area. Total estimated impact is therefore (7 x 30 x \$25) = \$5,250. GNIPC is 12.21%.	3	30	12.21%	\$5,250	100%	n/a	National
24	Elimination of licensing for customs-related activities / Astana, KZ	July, 2010	Direct	Entrepreneurs in Kazakhstan engaged in import/export activities were required to obtain a special, specific license for operation of customs warehouses and other customs activity required by law during the transit of goods. This license added additional costs for entrepreneurs--both those operating in the customs sphere and those importing or exporting products.	During review of all Ministry of Finance permitting documents, BEI and the permitting system expert group proposed canceling licensing of customs activity and all associated license subtypes (customs warehouses, customs shelter warehouses, customs carriers and customs brokers). These recommendations were included in the list of all EG recommendations, which were presented to Vice-Prime Minister Akhmetov.	The Government accepted BEI's recommendations and in Law #297-IV of June 30, 2010, eliminated customs-related activity licensing (including licensing subtypes) called for previously by the Law "On Licensing", paragraph #35.	Based on Customs Control Committee statistics, during 2007-2008 there were issued licenses for: 37 customs warehouse (9,000 Euro each for the smallest-sized facility), 5 customs shelter warehouses (5,000 Euro), 46 customs carriers (8,000 Euro) and 286 customs brokers (5,000 Euro). Each license took an average of 30 working days to obtain from the Committee, at an average cost to each entrepreneur of \$100 per day in lost wages and revenue. Estimated economic impact (at \$1.31 USD per Euro average exchange rate) is therefore (37 x 9,000 Euro) + (5 x 5,000 Euro) + (46 x 8,000 Euro) + (286 x 5,000 Euro) + (374 x \$100 x 30 days) = \$2,824,360 + \$1,122,000 = \$3,946,360 per year. GNIPC is 171.86%.	1	30	171.86%	\$3,946,360	100%	n/a	National
25	Introduction of E-licensing and an electronic register of licenses / Astana, KZ	July, 2010	Direct	Kazakhstan lacked the necessary legal base for electronic tracking and issuance of licenses. This necessitated lengthier license application processes requiring entrepreneurs to submit to government officials their physical documents--often with extra-legal "facilitation" payments to ensure processing attention. The absence of a registry of licenses made it difficult to determine independently how many and to whom licenses were issued.	During review of all permitting documents, BEI proposed the introduction of E-licensing services and creation of an electronic register for all licenses. This recommendation was included in the list of all EG recommendations for Government.	Parliament adopted BEI's recommendations in Law # 337-IV of July 15, 2010, "About entering of additions and changes in legislation of Republic of Kazakhstan", which amends the Law "On licensing" to include definition of a state electronic register of licenses (quantity of licenses issued, suspended, renewed, expired the licenses) and E-licensing procedures.	Implementation of E-licensing will reduce contact between entrepreneurs and government officials, and the opportunity for corruption that exists during licensing applications. The Ministry of Economy and Budget Planning estimates that each of the 21,070 license applicants per year pays, at minimum, \$100 in extra facilitative payments to ensure timely processing. Under E-licensing, applicants will also be able to track the process and make timely corrections if needed. Full implementation of this change awaits development of the necessary electronic infrastructure, and as such, a complete impact estimate remains To Be Determined.	0	0	TBD	TBD	n/a	n/a	National

26	Elimination of notary requirements and streamlining of forest utilization licensing / Astana, KZ	July, 2010	Direct	Licenses for forest utilization required additional notary attestation of documents, increasing the costs to entrepreneurs. Furthermore, the licensing process did not check for application errors during receipt, and only denied licenses, forcing time-consuming resubmissions of applications.	BEI and the Akimat of Almaty recommended Government oblige state bodies to check the completeness and correctness of application document packages at the moment of receipt, and to eliminate the redundant requirement for additional notary attestation of application documents.	The Government accepted BEI's recommendations and in Government Decree #580 of June 17, 2010, amended the application process for forest utilization to eliminate notary attestation of documents and to require officials to review application completeness during acceptance.	According to the Ministry of Economy and Budget Planning each year an average of 26 licenses for forest utilization are issued, costing 4,000 KZT (about \$27.21) each in notary fees. Estimated annual impact for is therefore (26 x \$27.21) = \$707.48 USD per year. GNIPC is 0.44%.	1	0	0.44%	\$707.48	100%	n/a	National
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KYRGYZ REPUBLIC

1	Streamlining of tax patent processing system / Bishkek, KR	January, 2010	Direct	The KR tax patent system provides micro-entrepreneurs a method to pay taxes without filling time-consuming forms. However, previously operating under patents required monthly contact between the entrepreneur and tax committee staff, and long waits in lines. In practice, entrepreneurs paid facilitators to speed patent acquisition, increasing their costs significantly and enabling falsification of forms.	BEI recommended the tax patent issuance process be altered to support acquisition of reliable statistics. This demands use of an enhanced form of patent including all information sections and simplified contact with Tax Committee staff to reduce the possibility of falsification. Simplified contact was recommended through "one window" payments along with social fund obligations, and patent issuance via convenient electronic terminals.	The Tax Committee approved BEI's recommendations and as of January 29, 2010, began issuing patents in their new form showing the location of each business and providing electronic terminals in major shopping centers throughout KR. Patents are now issued for one year, but must be stamped at a payment terminal each month.	According to data from the Tax Service, following introduction of streamlined patent issuance, patent use increased 25% over 2009. Average patent use per month in 2010 is 47,295 patents. Under the previous system each patent required waiting in line for half a day, at an average salary of \$24 per day. Half of patent users are estimated to simply pay unofficially an average extra 150 som (about \$3.33) to bypass that wait. Estimated impact for the streamlined system is therefore ((47,295 x .5 x \$24 x .5) + (47,295 x .5 x \$3.33)) x 12 = \$4,350,192 per year. GNIPC is 12.41%.	0	6	12.41%	\$4,350,192	100%	n/a	National
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REPUBLIC OF TAJIKISTAN

1	Increased validity period for quality certification of canned goods export / Khujand, RT	December, 2009	Partner - "Golden Valley" association of fruit and vegetables processors, Union of Business Associations of Sughd Oblast	Fruit and vegetable processors in Sughd Oblast were required to obtain a "certificate of conformity" for the quality of their products from the Standardization Center prior to exporting. Certificate of conformity, however, was only valid for 3 months, despite technology and production standards that enables 3-year guarantees at a level of quality. The short period of validity prevented timely export due to other transport and clearance approvals from importing countries and forced Tajik producers to sell at reduced rates in foreign markets compared to similar countries in the region that have longer quality certificates, in order to avoid additional re-certifications.	BEI and partners analyzed the situation and recommended actions to Department of Investments and State Property Management of Sughd Oblast and the Center for Standardization, Certification, Metrology and Trade Inspection of Sughd Oblast. Based on the presentation of issues, the GoRT's attention on improving exports under the "200 Days of Reforms" program, and the agreement of GoRT representatives, BEI's partners sent official letter #21K on November 24, 2009, to the Center with a request to change the certificate situation.	Based on the presentation and official request the Center for Standardization, Certification, Metrology and Trade Inspection of Sughd Oblast responded in official letter #1/589 of December 3, 2009, that they will increase the period of certificate validity from 3 months to 1 year for the fruits and vegetables highlighted by BEI's partners, and will review certificates for other products further based on producer storage conditions.	There are 12 Sughd Oblast exporting companies affected by the increased certificate period, which export annually 26 million liters of canned products selling at an average of \$1.50 per liter to foreign distributors, or \$39 million in total. Each certificate costs 0.9% of sale price, or a yearly total of \$351,000 in direct fees for one certificate per product. However in practice document processing and shipping delays required the producers to obtain an average of 2 certificates per product shipment, incurring an additional \$351,000 in fees for re-certification. Producers of similar products from other countries with more time available to negotiate sales contracts are able to command \$2-3 per product liter. Tajik producers estimate that the 1-year certificate will enable them to obtain the \$2 price in foreign markets, increasing their income by \$.50 x 26 million = \$13 million, but imposing an additional \$117,000 in resulting certification fees. Total estimated impact per year is therefore \$351,000 + \$13,000,000 - \$117,000 = \$13,234,000 annual savings. GNIPC is 1,850.45%.	1	5	1850.45%	\$13,234,000	100%	n/a	Sub-national
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2	Streamlined statistics reporting requirements on SMEs and Dekhkan farmers / Dushanbe, RT	January, 2010	Partner - Union of Business Associations of Sughd Oblast, Association of Builders of Tajikistan	Entrepreneurs in Tajikistan were required to often submit reports to the State Statistics body. These statistical reports were required most frequently from SMEs, and included filling out unnecessary and time-consuming forms. The burden of filing these forms was further intensified by the requirement that the entrepreneur submit forms in person to their local statistics department, which in rural areas often required a lengthy drive.	For implementation of the President's "200 Days of Reform", item #19 regarding simplification of statistic reports, the State Statistics Committee formed a working group with BEI participation to reduce reporting burdens. Based on private sector feedback the working group recommended reducing the number of statistics forms, combining some forms and submissions times, and introducing electronic submission of forms.	The State Statistics Committee accepted the working group's recommendations in many areas, and effective January 1, 2010, eliminated several reporting forms for SMEs, reducing the burden from 5 quarterly forms to 1 form. Starting from 2011 dekhkan farmers will submit only 2 reporting forms instead of 5 previously, and other statistics reporting will be further simplified.	<p>Reporting by dekhkan farmers is reduced from 5 reports (3 monthly and 2 quarterly) to 2 forms (1 monthly and 1 semi-annually), effective January 1, 2011. On average each quarter every farmer took 4 working days, and each additional month 1 working day (8 total), to complete and file statistics forms. The new form requirements amount to 2 working days and 1 additional working day on each of the remaining 10 months. Estimated time savings for Dekhkan farmers is therefore ((4 days x 4 quarters) + 8 days) - ((2 days x 2 halves) + 10 days) = 10 days saved per year.</p> <p>For SMEs the eliminated and combined forms reduce time from 5 forms taking 3 working days total per quarter to 1 form taking 1 day per quarter. SMEs are therefore estimated to save (3 days x 4 quarters) - (1 day x 4 quarters) = 8 saved days per year.</p> <p>According to the State Statistics Committee the average monthly salary for dekhkan farmers is about 12 somoni per day, and there are 31,928 dekhkan farmers regularly reporting statistics data. The average daily wage for SME entrepreneurs is about 39 somoni per day, for 110,265 SMEs regularly reporting data. Estimated total impact for this change is therefore (110,265 x 8 days x 39 somoni) + (31,928 x 10 days x 12 somoni) = 38,234,040 somoni, or about \$8,769,275 USD at 4.36 somoni/USD. GNIPC is 10.35%.</p>	0	8	10.35%	\$8,769,275	100%	n/a	National
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BEI CASE STUDIES (2009 – 2010)

Case Study Kazakhstan- Improvement of Business Inspections Systems

Background and Case History

Business inspections in Kazakhstan prior to July 2009 were regulated by a wide range of normative-legal acts: 7 different codes, 67 laws and numerous government decrees issued by the 48 different official bodies empowered to inspect private entrepreneurship. There was no uniform requirement to register all inspections, and an estimated 80% of inspections were motivated by the search for defects in order to extract fines or bribes from entrepreneurs. In this environment, the constant threat of official inspection, harassment and administrative punishment served as a significant barrier to business activity, as it cost time and money to comply with inspector whims and frequently drove less dedicated businesspeople from the market.

Kazakhstan lacked a unified, modern inspection system able to prioritize inspector activities by risk and balance the dual needs of society to minimize risky behavior while maximizing economic activity. Kazakhstan's inspections system was based on older, Soviet models for controlling entrepreneurship, in which risk is managed by inspecting all businesses as frequently as possible—an unreasonable burden on both government and entrepreneurs even if it were physically feasible.

BEI, in cooperation with the Forum of Entrepreneurs of Kazakhstan (FEK), performed a survey of inspectors and businesses regarding the inspection system and presented the resulting report to the Ministry of Economic Development and Trade in January 2008. BEI and the FEK identified serious issues with the business inspections system that could only be addressed by amending the Law on Private Entrepreneurship, and requested the Government adopt a moratorium on business inspections to provide business a respite while amendments were drafted. This moratorium was adopted by decree of the President on February 21, 2008, and extended on February 17, 2009, to last through June of 2009.

Throughout 2008, BEI expert Igor Gutan drafted a new Concept “On amending certain legal acts of the Republic of Kazakhstan on private entrepreneurship” that was to serve as the base for amending the Law on Private Entrepreneurship. This Concept was presented to the Government in September 2008 and called for a completely new system of inspections, in which each inspection would be transparently scheduled and tracked, conducted according to a set and publicly available checklist of possible violations, and planned by application of a risk-management system that divides businesses into high, medium and low risk of violation.

On March 10, 2009, the Government created an Anticrisis Council with one of its first priorities being improvement of business inspections systems. The Council's working groups and the Ministry of Economic Development and Trade drafted the law “On amending certain legal acts of the Republic of Kazakhstan on private entrepreneurship”, which was signed as #188-IV on July 17, 2009.

In parallel, BEI led discussion of problems in the inspections system was conducted with entrepreneurs, the MEDT, FEK and other relevant state bodies at both national and local levels. These discussions took the form for the first time in Kazakhstan of a national, organized media and publicity campaign of round tables, seminars and publications in mass media to advocate for addressing the inspections situation in the country, and to inform the public when the Law was signed.

During the fall and winter of 2009, BEI, in conjunction with other donors and projects such as the USAID/RTL and EREC projects, assisted the Government of Kazakhstan to develop a model risk-management system (RMS) and help each inspectorate to draft their own, specific RMS and inspections

checklists for their area of expertise. BEI also assisted the Prosecutor's Office to prepare for the inspections registrations that would follow, to hold the inspectorates accountable for their behavior. By February 2010, all 23 inspecting bodies working with BEI had in place their specific RMS and checklists, prepared to comply with the law.

Reform Results

On July 17, 2009, Government Decree #188-IV "On amending certain legal acts of the Republic of Kazakhstan on private entrepreneurship" amended the law "On Private Entrepreneurship" and initiated implementation processes assisted by BEI and other USAID projects with specific knowledge in inspectorate technical areas.

The amended law provides for centralized registration of inspections, step-by-step procedures for conducting inspections to protect entrepreneurs' rights, and development of criteria for risk assessment and inspector checklists. A joint order for 23 state bodies, establishing key criteria for risk assessment and checklists, was issued by the Ministry of Economy and Budget Planning in February 2010, along with inspections principles for 19 of these state bodies and their inspections schedules, posted on the website of the General Prosecutor. Kazakhstani entrepreneurs may now, themselves, assess their risk for inspections and take steps to reduce risks. The Government implementation of inspection regimes is also streamlined greatly and made more efficient and transparent, reducing opportunities for corruption.

The new inspections system contains many improvements, including:

1. Sets common inspections procedures for all state bodies;
2. Shrinks the number of inspecting bodies exempt from registering statistics with the State Statistics Body;
3. Requires definition of a consolidated inspections schedule posted in the Committee on Legal Statistics of the General Prosecutor of Kazakhstan;
4. Defines the types of inspections;
5. Introduces a system of risk assessment by which private entrepreneurship companies are separated according to groups of high, medium and low risk of regulatory violation and public safety, and requires the frequency of inspections to be determined on this basis;
6. Mandates registration of inspections with the Committee on Legal Statistics of the General Prosecutor of Kazakhstan and its local departments, and prohibits withdrawal of inspections registration documents;
7. Defines maximum time-frames for a single inspection to be 30 days for large business, 20 days for medium businesses, and 10 days for small businesses;
8. Requires written notification to the private entrepreneur of an inspection at least at 30 days in advance, including indication of the duration and the subject of inspection;
9. Enables legal audio and video recording of the inspections process by entrepreneurs;
10. Permits the involvement of third-party inspections participants to represent the rights and interests of entrepreneurs;
11. Recognizes the invalidity of inspections results through courts in cases of significant violation of procedures by inspectors;
12. Introduces a fixed checklist of inspections items for each inspectorate; and

13. Defines rules for determining the results of inspections, including any administrative penalties.

Estimated Impact

According to estimates and monitoring by the MEBP the total number of inspections will decrease by 50% with the implementation of the new inspections regime and its improved risk-management system. The MEBP identifies **288,881** registered² inspections by all 48 inspecting bodies during 2007—the last year of reliable data due to presidential inspections moratoriums in 2008 and 2009. Each business inspection requires an average of **2 persons for 4 working days, at an average salary of \$23 per day.**

Impact for reducing the number of inspections is estimated to be **(288,881 inspections x 50%) x (2 x 4 days x \$23/day) = \$26,576,960 per year.**

Additionally, using the streamlined inspections process and checklist, each remaining inspection is expected to take on **average 30% less time.**

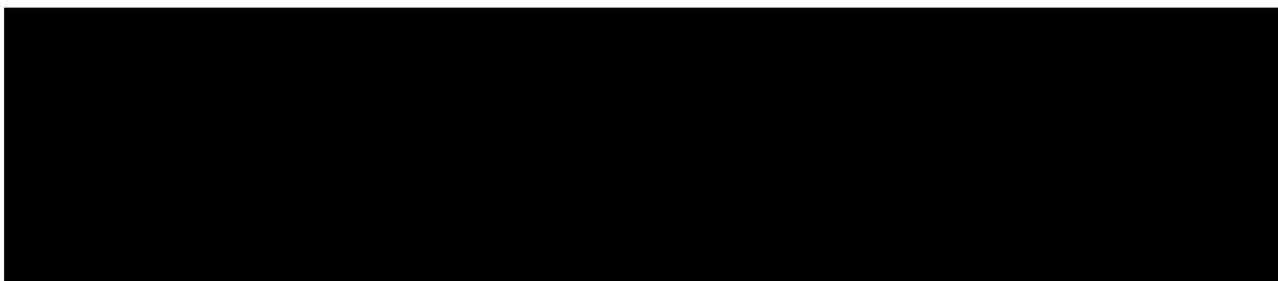
Estimated economic impact for streamlined inspections is therefore **(288,881 inspections x 50%) x (2 x 4 days x \$23/day x 30%) = \$7,973,088 per year.**

Total annual impact for the improved inspections system is **\$34,550,048.**

Net Present Value of Reforms

A forward-looking net-present value of reforms calculation becomes more challenging the more complex a system, the more absent data becomes, and the longer a projection is made. It is offered here to provide an additional perspective on reform impact. Calculation assumes several things: that SME inspection rates grow in proportion with GDP, and that the current Kazakhstan inflation rate of 7.62%³ remains a fixed deflator over the time period. Expected future reforms incorporating electronic statistics data submission are not included.

The net present value of the cost savings outlined above totals **\$423,928,216.77 USD** for a 5 years period.



Additional Government of Kazakhstan Stakeholder Impact

Legal and regulatory reform changes such as improvements to Kazakhstan's inspections systems are primarily oriented toward benefiting the producing sector of the economy—the small, medium and large enterprises who provide tax and other revenue for the regulatory state and its employees. In the improvement of business inspections systems, the primary objective was to increase efficiency of

² Registered inspections are those inspections complying with law and recorded by the Prosecutor's Office. Estimates of additional, unregistered inspections activity are as high as twice registered inspections.

³ International Monetary Fund, World Economic Outlook Database October 2010

inspections systems without increasing scope of inspections activities, under the assumption that the level of safety resulting from current inspections is an acceptable baseline. From this baseline not only can the efficiency gains of reduced inspections needs be assessed for businesses, but also for the inspecting bodies themselves. Improved business inspections systems decrease the amount from the general state budget needed by each inspectorate to implement their inspections plans.

According to estimates and monitoring by the MEBP the total number of inspections will decrease by 50% with the implementation of the new inspections regime and its improved risk-management system. The MEBP identifies **288,881** inspections by all 48 inspecting bodies during 2007—the last year of reliable data due to presidential inspections moratoriums in 2008 and 2009. Each business inspection requires 1 inspector to expend an average of **2 working days preparation, 4 working days inspecting and 2 working days filing inspection results at an average government employee salary of \$23.65 per day.**

Impact for reducing the number of inspections is estimated to be **(288,881 inspections x 50%) x (2 + 2 + 4 days x \$23.65/day) = \$27,328,142.60 per year.**

Additionally, using the streamlined inspections process and checklist, each remaining inspection is expected to take on **average 30% less time.**

Estimated economic impact for streamlined inspections is therefore **(288,881 inspections x 50%) x (4 days x \$23.65/day x 30%) = \$4,099,221.39 per year.**

Total annual impact in terms of Government inspecting bodies budget savings for the improved inspections system is **\$31,427,363.99.**

The above savings for inspecting body budgets are not, however, likely to translate into savings for the producing sectors of the economy. More likely savings in inspectorate budgets (in the form of reduced staff needs, and bonuses) will be incorporated into higher base salaries for inspectors and administrators, or re-directed at the national level into areas requiring additional funds. In this regard, Government stakeholder savings and entrepreneur savings must remain separate impact estimates.

Case Study Kyrgyz Republic – Streamlined Issuance of Tax Patents

Background and Case History

A tax patent in the Kyrgyz Republic is a document issued by the tax services body that specifies a taxpayer's right to engage in certain types of economic activities while making a specific tax payment. The forms for the patent and the order of their issuance are established by the Kyrgyz Republic Tax Committee, and issued forms are retained for a period of time according to the Tax Code. The tax patent was established to be a simplified form for declaring individual income and the payment of income taxes based on patent use for different types of activities established by the Government.⁴ The patent system was enacted during a time when the Government sought to organize previously disorganized trade and entrepreneurship operating in the shadow economy, such as within marketplaces and commercial kiosks. The intent was to extend registration, taxation and legality to all these traders, as a simplified form of taxation and tax filing.

The previous patent issuance system was based on personal contacts between the entrepreneur and Tax Service staff—contacts that became a conduit for corruption. In order pay for their tax patent the entrepreneur had to come to one of the Tax Service offices and wait in two lines: the first line to pay for the patent at a cash desk and the second line to the office of the Tax Service's expert who would sign and issues it the patent. Mostly entrepreneurs did not have time and they utilized services provided illegally by the Tax Services staff, who could help entrepreneurs receive the patent without losing time waiting in lines. New tax patents are issued each month on a new patent blank and each entrepreneur could purchase only one patent at a time, but could then display photocopies of it at more then one sales outlet. Additional Tax Service staff "services" available for bribers included falsification of the dates of issuance of a patent if an entrepreneur exceeded their validity times.

As part of efforts to reduce the shadow economy in Kyrgyzstan, BEI project experts recommended the following:

- Development of a new type of tax patent (in the form of book), which would contain all the necessary data,
- Retain records on issued patents and entrepreneurs doing business on the basis of tax patents,
- Consolidate of patents and insurance policies into one state body, and
- Install electronic terminals to receive payments for tax patents, removing the need for entrepreneurs to visit the Tax Services offices.

Reform Results

The Tax Committee approved BEI's recommendations⁵, and as of January 29, 2010, began issuing patents in their new form showing the address of each business, and for a 1-year validity period. The Tax Committee provides electronic terminals in major shopping centers throughout the Kyrgyz Republic, at which tax patent recipients may purchase payment stamps monthly.

⁴ Decree of the President of KR #MG-244 of July 30, 1996

⁵ No number is available for this decision.

The Tax Services installed the new terminals as pilots within large retail outlets in Kyrgyzstan (Dordoi , Osh Bazaar , Kudaibergen , Kara-Suu , etc.) and shopping centers of Bishkek (ZUM Aichurek, Beta Stores, Dordoi Plaza , Madina, Vefa, etc.), and OJSC “Asia Universal Bank” has installed additional payment terminals at large retail bazaars as: Dordoi, Madina and Kara-Suu. The State Tax Services issues the new "name" patents showing the place of business activities in order to avoid their repeated use in other sales outlets. Name patents are issued for one year and can be optionally paid for their entire validity period, but will still need to be stamped every month.

These refinements to the tax patent system simplify tax accounting for small business entrepreneurs, reduce forgery possibilities due to identifying statistics features on name patents, and reduce corruption and unofficial fees for patent services, by removing physical contact between patent recipients and Tax Service staff.

Estimated Impact

According to the State Tax Service, as a result of the introduction of the new tax patent payment system the use of voluntary patents increased 25% in 2010 over 2009, and during January-March 2009 there were an average of 47,295 tax patents issued per month throughout Kyrgyzstan.

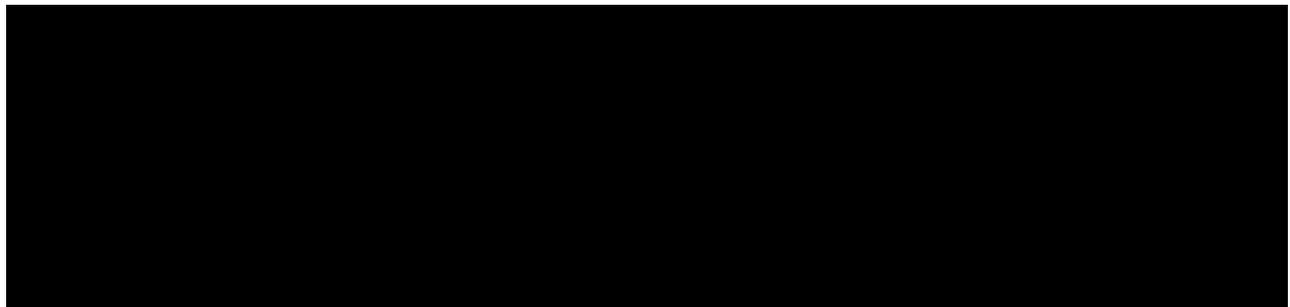
Under the previous system each patent required waiting in line for half a day, at an average salary of \$24 per day. Half of patent users are estimated to simply pay an extra unofficial facilitation fee of an average 150 som (about \$3.33) to bypass that wait.

Estimated impact for the streamlined tax patent issuance system is therefore $((47,295 \times 50\% \times \$24/\text{day} \times 50\% \text{ of a day}) + (47,295 \times 50\% \times \$3.33)) \times 12 = \mathbf{\$4,350,192}$ per year.

Net Present Value of Reforms

A forward-looking net-present value of reforms calculation becomes more challenging the more complex a system, the more absent data becomes, and the longer a projection is made. It is offered here to provide an additional perspective on reform impact. Calculation assumes several things: that SME tax patent use under the new KR Government continues, that the KR economy overall recovers under more stable administrations, and that the current KR inflation rate of 8.84%⁶ remains a fixed deflator over the time period. Expected future reforms incorporating electronic statistics data submission are not included.

The net present value of the cost savings outlined above totals **\$86,902,489.26 USD** for a 5 years period.



⁶ International Monetary Fund, World Economic Outlook Database October 2010

Case Study Tajikistan - Streamlined Statistics Reporting Requirements for SMEs and Dekhkan Farmers

Background and Case History

Entrepreneurs in the Republic of Tajikistan were required to submit several, frequent burdensome reports on their businesses and activities to the State Statistics body. These statistical reports were required most frequently from SMEs and “dekhkan” farmer (small-scale farmers), and included filling out unnecessary and time-consuming forms.

Statistics information on small and medium enterprises is crucial for government in any country to evaluate its business environment, and to identify strategies and plans for national and local economic governance decisions. Statistic reporting, however, must be balanced between comprehensiveness and accuracy on one hand, and excessive time consumption and burdensome details on the other. Small “dekhkan” farmers were hit particularly hard by Tajikistan’s statistics reporting demands, as they not only were required to make more frequent filings, but the forms were required to be submitted in person, often taking the farmers a full day’s travel time to reach one of the 63 administrative centers (cities and district centers) housing the statistics office assigned to their residence.⁷ Businesses also found statistics reporting requirements to be burdensome, and entrepreneurs took issue with the frequency and time required to comply with reporting requirements during discussions between the Statistics Body and business associations, and in feedback to the Government and the USAID Business Environment Improvement (BEI) Project.

As part of implementation for the Governmental "200 Days of Reform" Program adopted with BEI assistance on July 2, 2009, point #19 of the Program called for simplification of statistics reporting by entrepreneurs. The Statistics Agency (formerly called the State Statistics Committee) formed a working group with the participation of the BEI Project, a number of business associations and representatives from the public sector to review the statistics filing requirements, form complexity and overall reporting burdens. Based on this review and private sector feedback, the working group recommended reducing the number of statistics forms, revising the types of information required, combining some forms and submission times, and introducing electronic submission of forms.

Reform results

BEI and the working group developed new reporting rules, combined forms, reduced the number of forms and frequency of their filing, and called for the Agency to further streamline statistics reporting in 2010 and 2011. The State Statistics Committee accepted the working group's recommendations in many areas, and in Decision of the Methodological Council #15 of November 9, 2009, eliminated several reporting forms for small and medium entrepreneurs beginning in January 2010, and for dekhkan farmers beginning in January 2011. The new statistics requirements reduce reporting by SMEs from 5 forms each quarter taking a total of at least 12 working days total to complete, to one form requiring only one day to complete each quarter. Dekhkan farmers benefit more, though their revised schedule begins only in 2011: their reporting burden is reduced from 3 monthly forms and 2 quarterly forms taking at least 24 working days total per year, to only one monthly form and one semi-annual form, requiring 14 working days total per year.

The Government of Tajikistan and the Statistics Agency understands the importance of further simplifying statistical reporting forms and committed to continue its work in revising statistics reporting, and in particular to develop and implement further form simplifications and electronic form submission with the assistance of international donors and Tajikistan’s business associations.

⁷ See Exhibit 1: Republic of Tajikistan Administrative Districts

Estimated Impact

Reporting by dekhkan farmers is reduced from 5 reports (3 monthly and 2 quarterly) to 2 forms (1 monthly and 1 semi-annually), effective January 1, 2011. On average every month it took 1 working day (12 in total) with an additional 3 working days every quarter (also 12 in total) for each dekhkan farmer to complete and file statistical forms. The new forms will require 2 working days every 6 months (4 total) and 1 working day on each of the remaining 10 months. Estimated time savings for each dekhkan farmer is therefore $((3 \text{ days} \times 4) + 12 \text{ days}) - ((2 \text{ days} \times 2) + 10 \text{ days}) = 10 \text{ days saved per year per farmer}$.

For small and medium entrepreneurs, the eliminated and combined forms reduce time from 5 forms taking 3 working days total per quarter (12 total) to 1 form taking 1 day per quarter (4 total). Small and medium enterprises are therefore estimated to save $(3 \text{ days} \times 4) - (1 \text{ day} \times 4) = 8 \text{ saved days per year per SME}$.

According to the State Statistics Committee the average monthly salary for dekhkan farmers is about 12 somoni per day (about \$2.75, at 4.36 somoni/USD), and there are 31,928 dekhkan farmers regularly reporting statistical data. The average daily wage for entrepreneurs is about 39 somoni per day (about \$8.95), and there are 110,265 Small and Medium Entrepreneurs regularly reporting statistical data. Estimated SME impact for the revised statistics reporting schedules is therefore:

$(110,265 \text{ SMEs} \times 8 \text{ days/SME} \times \$8.95/\text{day}) = \mathbf{\$7,894,974 \text{ USD}}$.

And for dekhkan farmers:

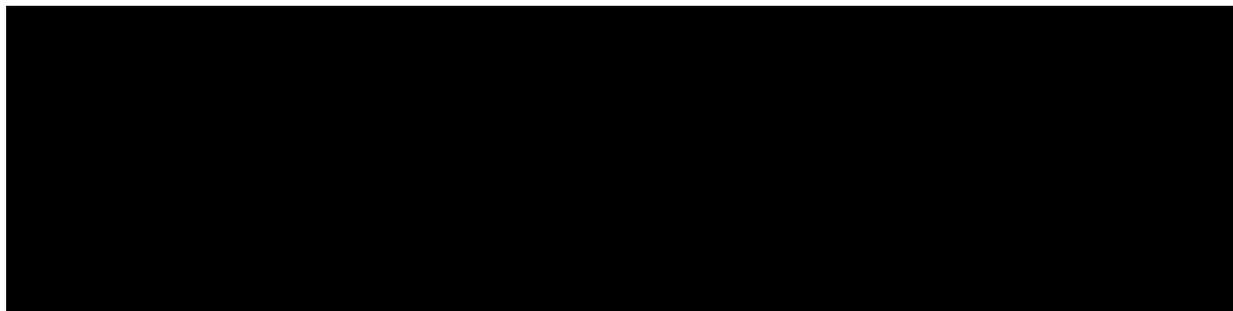
$(31,928 \text{ farmers} \times 10 \text{ days/farmer} \times \$2.75 \text{ somoni/day}) = \mathbf{\$878,020 \text{ USD}}$.

Total estimated impact for both changes in a single year is **\$8,772,994 USD**.

Net Present Value of Reforms

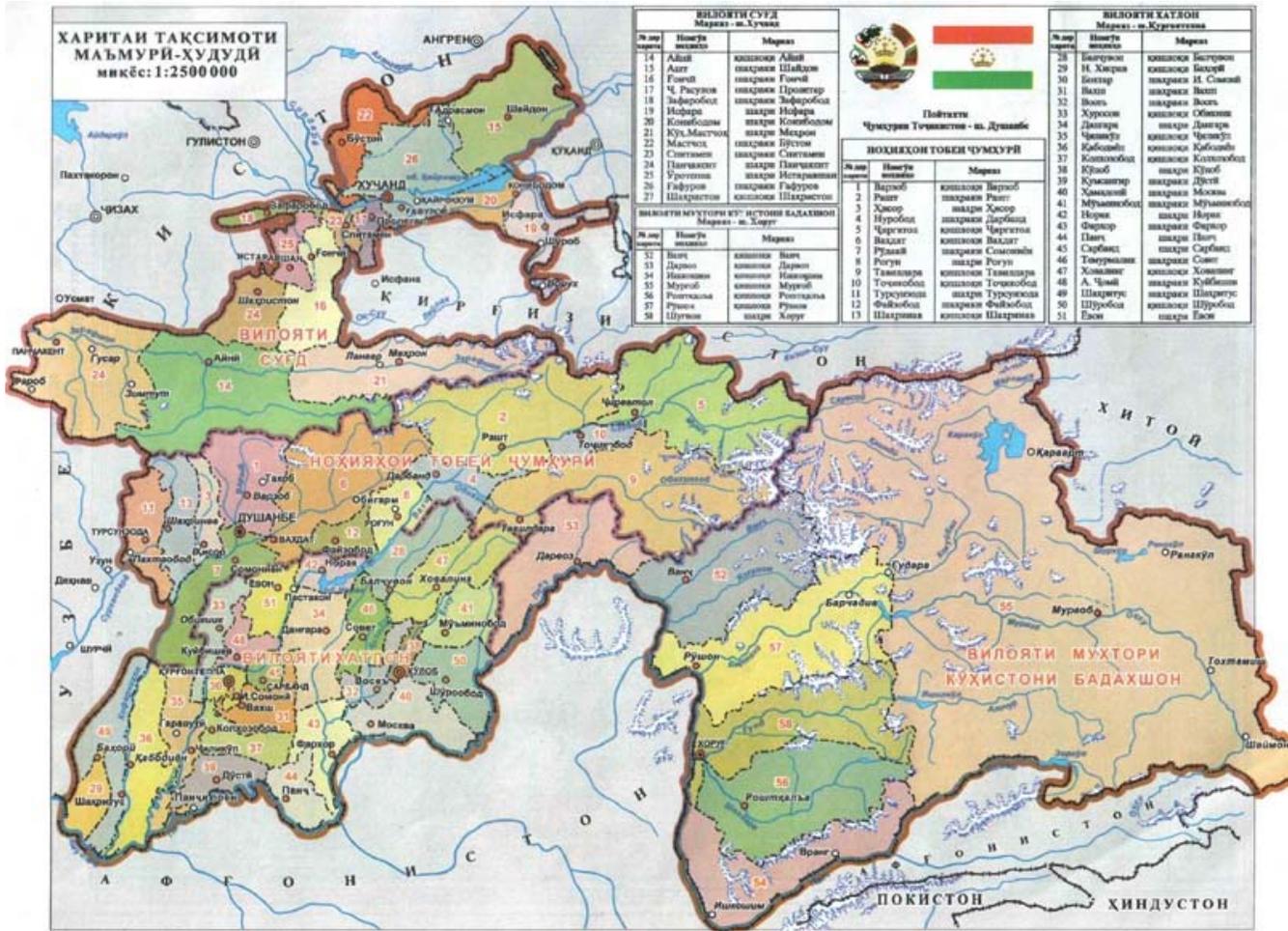
A forward-looking net-present value of reforms calculation becomes more challenging the more complex a system, the more absent data becomes, and the longer a projection is made. It is offered here to provide an additional perspective on reform impact. Calculation assumes several things: that SME and dekhkan farmer registration continues to grow at a rate equal to forecasted RT GDP growth, and that the current Tajik inflation rate of 7.39%⁸ remains a fixed deflator over the time period. Expected future reforms incorporating electronic statistics data submission are not included.

The net present value of the cost savings outlined above totals **\$108,465,296.61 USD** for a 5 years period.



⁸ International Monetary Fund, World Economic Outlook Database October 2010

RT Case Exhibit 2 - Republic of Tajikistan Administrative Districts



Administrative centers (red dots on map) in Tajikistan are often located a substantial distance from rural dekhkan farmers, increasing the filing burden for statistics forms as each entrepreneur must file physically and in person. (Official map only available in Tajik.)

APPENDIX I: BEI MUNICIPALITY COVERAGE (2009 – 2010)

No.	Kazakhstan Number of municipalities receiving BEI assistance either directly or through 3rd parties	Target 15	Result 15
1	Astana, Akmolinskaya Oblast - Partnership with the Ministry of Economy and Budget Planning		
2	Almaty, Almatinskaya Oblast - Partnership with Akimat of Almaty City		
3	Kokchetav, Akmolinskaya Oblast - Partnership with Association of Entrepreneurs of Akmola Oblast		
4	Karaganda, Karagandinskaya Oblast - Partnership with Association of Entrepreneurs of Karaganda Oblast		
5	Oral, West Kazakhstan Oblast - Partnership with Enterprise and Industry Department of West-Kazakhstan Oblast		
6	Aktau, Mangistauskaya Oblast – Partnership with Enterprise and Industry Department of Mangistau Oblast		
7	Pavlodar, Pavlodarskaya Oblast – Partnership with Enterprise and Industry Department of Pavlodarskaya Oblast		
8	Oskemen, East Kazakhstan Oblast - Partnership with Akimat of East-Kazakhstan Oblast		
9	Ridder, East Kazakhstan Oblast - Partnership with Akimat of the city of Ridder		
10	Zyryanovsk, East Kazakhstan Oblast - Partnership with Akimat of the city of Zyryanovsk		
11	Molodezhnoye, East Kazakhstan Oblast - Partnership with Akimat of Ulan Region		
12	Shymkent, South Kazakhstan Oblast - Partnership with Akimat of South Kazakhstan Oblast		
13	Kyzyl-Orda, Kyzylordinskaya Oblast - Partnership with Enterprise and Industry Department of Kyzylordinskaya Oblast		
14	Taraz, Zhambyl Oblast - Partnership with Social and Business Corporation "Ontustyk"		
15	Petropavlovsk, North Kazakhstan Oblast – Training on construction regulatory changes		

Kyrgyz Republic		Target	Result
No.	Number of municipalities receiving BEI assistance either directly or through 3rd parties	12	8
1	Bishkek city, Chui Oblast - partnership with Bishkek Mayor's Office		
2	Osh city, Osh Oblast - partnership with Osh Mayor's Office		
3	Osh Oblast – Workshops on the new Tax Code		
4	Jalalabat city, Jalalabat Oblast - partnership with association of entrepreneurs of Jalalabat oblast		
5	Jalalabad Oblast - trainings on reforms to the Tax Code		
6	Karabalta city, Chui Oblast - partnership with Union of Entrepreneurs of Kyrgyzstan		
7	Tokmok city, Chui Oblast - partnership with Union of Entrepreneurs of Kyrgyzstan		
8	Cholpon-ata City, Issyk-Kul Oblast - trainings on reforms to the Tax Code		
Republic of Tajikistan		Target	Result
No.	Number of municipalities receiving BEI assistance either directly or through 3rd parties	6	8
1	Khujand City, Sogd Oblast - partnership with the Council of Business Associations and Department on Investment and State Property Management of Sogd Oblast		
2	Khorog City, Gorno-Badakhshan Autonomous Oblast (GBAO) - Trainings on reforms in insolvency (bankruptcy) systems		
3	Kurgantube, Khatlon Oblast - Trainings on reforms in insolvency (bankruptcy) systems		
4	Dushanbe City, Khatlon Oblast - partnership with the Council of Business Associations and Public Unions of RT		
5	Kulyab City, Sogd Oblast - Trainings on reforms in insolvency (bankruptcy) systems		
6	Istaravshan City, Sogd Oblast - Trainings on streamlined business registration system		
7	Isfara City, Sogd oblast - Trainings on streamlined business registration system		
8	Tursunzade City, Gissar Republican Administrative District – trainings on streamlined business registration system		

APPENDIX II: BEI PARTICIPANT TRAINING REPORT (2009 – 2010)

Training Program Data					
Training Program Name:	Business Environment Improvement Project				
USAID Managing Activity (Funding Contract):	176-C-00-06-00007				
USAID Strategic Objective:	Strategic Objective 1.3, Improved Environment for the Growth of Small and Medium-sized Enterprises, and specifically Intermediate Result 1.3.3, Improved Implementation of Laws and Regulations				
Field of Study:	Business Legal and Regulatory Simplification/Reform				
Training Type:	Multiple				
Training Location:	Multiple				
Program Start Date:	10/01/2006				
Program End Date:	09/31/2010				
Program Status:	Ongoing				
Training Provider (Name, City, State, & Country):	Multiple				
Name of the Prime Contractor for the Activity:	Business Environment Improvement Project, implemented by the Pragma Corporation				
Street Address and country of the contractor.	17 Nauryzbai Batyr, Office 211, Almaty 050004, Kazakhstan				
TRAINING COMPONENTS: If the Training Program has multiple events, Please list all components:					
Component Name	Training Type	Training Provider (Name, City, State, & Country)	Start Date	End Date	Full-Time Equiv.
Round table "Changes and Amendments to the Law on Private Entrepreneurship"	Training presentation	Samoilov A.G., Oskemen, Kazakhstan	10/2/09	10/2/09	2.5 hours
Round table "Monitoring PSC Property and Business Registration"	Training presentation	Samoilov A.G., Oskemen, Kazakhstan	10/14/09	10/14/09	.5 hour
Round table "Monitoring PSC Property and Business Registration"	Training presentation	Samoilov A.G., Ridder, Kazakhstan	10/20/09	10/20/09	1 hour
Round table "Monitoring PSC Property and Business Registration"	Training presentation	Samoilov A.G., Ziryansovsk, Kazakhstan	10/23/09	10/23/09	1 hour
Round table "Local Level Permitting Document Reduction"	Training presentation	Samoilov A.G., Oskemen, Kazakhstan	10/23/09	10/23/09	1 hour
Presentation "Risk Management System in Traffic Safety Sphere"	Training presentation	Samoilov A.G., Oskemen, Kazakhstan	11/09/09	11/09/09	1.5 hours
Training "Guillotine Methodology for Optimizing Permitting Procedures"	Classroom	Samoilov A.G., Oskemen, Kazakhstan	11/10/09	11/10/09	1 hour

Focus Group on Construction Reforms	Training presentation	Samoilov A.G., Oskemen, Kazakhstan	11/20/09	11/20/09	2 hours
Round table on final recommendations in construction	Training presentation	Samoilov A.G., Oskemen, Kazakhstan	12/20/09	12/20/09	2 hours
Round table on permissive system reform	Training presentation	Shpuling T., Shymkent, Kazakhstan	10/12/09	10/12/09	1.5 hours
Seminar on explanation of Tax Code	Training Seminar	Shpuling T., Shymkent, Kazakhstan	10/15/09	10/15/09	2 hours
Seminar on informational systems of Tax Code	Training Seminar	Shpuling T., Shymkent, Kazakhstan	11/5/09	11/5/09	2 hours
Seminar on tax collection enforcement changes	Training Seminar	Shpuling T., Shymkent, Kazakhstan	12/3/09	12/3/09	2 hours
Presentation of monitoring results on business registration and liquidation practice	Training presentation	Shpuling T., Shymkent, Kazakhstan	12/10/09	12/10/09	1 hour
Round Table on business registration and liquidation practice	Training presentation	Shpuling T., Shymkent, Kazakhstan	12/10/09	12/10/09	1 hour
Round Table on reforming permitting system	Training presentation	Shpuling T., Shymkent, Kazakhstan	12/23/09	12/23/09	1 hour
Seminar on applied methods for permitting documents reduction	Training Seminar	Shpuling T., Shymkent, Kazakhstan	12/23/09	12/23/09	2 hours
Round Table on Risk Management System	Training presentation	Prodedovich V., Almaty, Kazakhstan	10/22/09	10/22/09	2 hours
Focus Group on (re-)registration and voluntary liquidation of legal entities processes	Training presentation	Alexandrova Zh., Pavlodar, Kazakhstan	10/30/09	10/30/09	1.5 hours
Round Table on (re-)registration and liquidation of legal entities	Training presentation	Alexandrova Zh., Pavlodar, Kazakhstan	12/2/09	12/2/09	1.5 hours
Round Table on retail of alcohol production licensing results	Training presentation	Makhmudova Sh., Oral, Kazakhstan	10/15/09	10/15/09	2 hours
Focus Group on risk management system in traffic safety sphere	Training presentation	Makhmudova Sh., Oral, Kazakhstan	11/12/09	11/12/09	2 hours
Seminar on tax policy: "Informational systems of Tax Code of RK"	Training Seminar	Makhmudova Sh., Oral, Kazakhstan	11/19/09	11/19/09	2 hours
Round Table on risk management in labor legislation	Training presentation	Makhmudova Sh., Oral, Kazakhstan	11/24/09	11/24/09	2 hours
Round table on risk management in technical regulation	Training presentation	Makhmudova Sh., Oral, Kazakhstan	11/25/09	11/25/09	2.5 hours
Round Table on the introduction of risk management assessment in the control of legal narcotic drugs, psychotropic substances and precursors	Training presentation	Makhmudova Sh., Oral, Kazakhstan	12/1/09	12/1/09	2 hours
"New System of State Registration of Legal Entities and Individual Entrepreneurs"	Training Seminar	BEI, Dushanbe, Republic of Tajikistan	10/15/09	10/15/09	4 hours
Reforms of construction legislation	Training Seminar	BEI, Kurgantube, Republic of Tajikistan	10/21/09	21 October 2009	4 hours
"New System of State Registration of Legal Entities and Individual Entrepreneurs"	Training Seminar	BEI, Tursunzade, Republic of Tajikistan	10/23/09	10/23/09	4 hours
"New System of State Registration of Legal Entities and Individual Entrepreneurs"	Training Seminar	BEI, Khujand, Republic of Tajikistan	10/27/09	10/27/09	4 hours

Individual Entrepreneurs"					
"New System of State Registration of Legal Entities and Individual Entrepreneurs"	Training Seminar	BEI, Isfara, Republic of Tajikistan	10/28/09	10/28/09	4 hours
"New System of State Registration of Legal Entities and Individual Entrepreneurs"	Training Seminar	BEI, Istaravshan, Republic of Tajikistan	10/29/09	10/29/09	4 hours
"New System of State Registration of Legal Entities and Individual Entrepreneurs"	Training Seminar	BEI, Kurgan-Tube, Republic of Tajikistan	11/9/09	11/9/09	4 hours
"New System of State Registration of Legal Entities and Individual Entrepreneurs"	Training Seminar	BEI, Kulyab, Republic of Tajikistan	11/10/09	11/10/09	4 hours
"New System of State Registration of Legal Entities and Individual Entrepreneurs"	Training Seminar	BEI, Khorog, Republic of Tajikistan	11/18/09	11/18/09	4 hours
Strategic planning and management	Training Seminar	BEI, Khujand, Republic of Tajikistan	12/21/09	12/23/09	24 hours
Workshop on the New Tax Code amendments	Training Seminar	BEI, EREC, BEE, and STS, Cholpon-Ata, Kyrgyz Republic	10/19/09	10/20/09	10 hours
Workshop on the New Tax Code amendments	Training Seminar	BEI, EREC, and SCTC, Osh, Kyrgyz Republic	10/26/09	10/27/09	10 hours
Workshop on the New Tax Code amendments	Training Seminar	BEI, EREC, SCTC, Jalal-Abad, Kyrgyz Republic	10/28/09	10/29/09	10 hours
Workshop on the New Tax Code amendments	Training Seminar	BEI, EREC, SCTC, Bishkek, Kyrgyz Republic	11/12/09	11/12/09	5 hours
Round table on the New Tax Code amendments	Training presentation	BEI, EREC, SCTC, Bishkek, Kyrgyz Republic	11/17/09	11/17/09	5 hours
Round table on normative legal acts, rule making techniques, issues of systematization, codification and incorporation, the State Register of NLA's, and RIA.	Training presentation	Office of the President KR, Government office, Bishkek, Kyrgyz Republic	10/08/09	10/08/09	8 hours
Regulatory impact analysis of the regulatory legal acts	Training Seminar	BEI, Management Academy under the KR President, Osh, Kyrgyz Republic	10/15/09	10/17/09	24 hours
Regulatory Impact Analysis of the regulatory legal acts	Training Seminar	BEI, Management Academy under the KR President, Bishkek, Kyrgyz Republic	11/18/09	11/20/09	24 hours
Seminar on implementing the principle of "One Stop Shop" for issuing construction permits	Training Seminar	BEI, Gosstroy, Bishkek, Kyrgyz Republic	10/15/09	10/15/09	5 hours
"International building code. Applicability to Kyrgyzstan"	Training Seminar	BEI, Gosstroy KR, MER, Bishkek, Kyrgyz Republic	12/7/09	12/7/09	11 hours
Round Table on construction "One stop shop"	Training presentation	BEI and GTZ, Jalal-Abad, Kyrgyz Republic	9/29/09	9/29/09	3 hours
Property registration problems in entrepreneurial activity	Training Presentation	Samoilov A.G., Oskemen, Kazakhstan	01/21/10	01/21/10	2 hours
Residential housing allocations for entrepreneurial activity	Training Presentation	Samoilov A.G., Oskemen, Kazakhstan	01/29/10	01/29/10	1 hour
Protection of entrepreneurs' rights during inspections	Training Presentation	Samoilov A.G., Oskemen, Kazakhstan	03/16/10	03/16/10	2 hours
Round table on permitting system inventory	Training Presentation	Samoilov A.G., Shymkent, Kazakhstan	01/13/10	01/13/10	2 hours
"Risk assessment and RIA"	Training Seminar	Shpuling T., Shymkent, Kazakhstan	02/03/10	02/03/10	2 hours
"Tax Code norms for vehicles and emissions"	Training Seminar	Shpuling T., Shymkent, Kazakhstan	02/12/10	02/12/10	2 hours

“Tax reporting for individual entrepreneurs and subsoil users”	Training Seminar	Shpuling T., Shymkent, Kazakhstan	02/19/10	02/19/10	2 hours
Business registration process changes in legislation of RoK	Training Presentation	Shpuling T., Shymkent, Kazakhstan	02/26/10	02/26/10	1 hour
Property registration process changes in legislation of RoK	Training Presentation	Shpuling T., Shymkent, Kazakhstan	02/26/10	02/26/10	1 hour
Liquidation procedure of individual proprietorships and juridical persons	Classroom	S. Kalmenov, Shymkent, Kazakhstan	03/03/10	03/03/10	2 hours
Changes in local permitting document use practice and inventory procedure	Training Presentation	Shpuling T., Shymkent, Kazakhstan	03/11/10	03/11/10	1 hour
Seminar on tax rates and periods, and tax declaration procedures	Training Seminar	S. Kalmenov, Shymkent, Kazakhstan	03/17/10	03/17/10	2 hours
Changes in construction permitting documents	Training Presentation	Shpuling T., Shymkent, Kazakhstan	03/29/10	03/29/10	2 hours
Seminar on construction regulatory changes	Training Seminar	Shpuling T., Shymkent, Kazakhstan	03/30/10	03/30/10	2 hours
"Inspections based on RMS and Concept on optimization of permission system"	Training Presentation	BEI, Almaty, Kazakhstan	01/20/10	01/20/10	5 hours
Administrative barriers reduction for obtaining construction permits and putting construction objects in operation	Training Presentation	Zh. Alexandrova, Pavlodar, Kazakhstan	02/16/10	02/16/10	2 hours
Technical regulation of metrology in the framework of customs union	Training Presentation	Sh. Makhmudova, Oral, Kazakhstan	02/11/10	02/11/10	2 hours
Industrial development of Uralsk and entrepreneurship	Training Presentation	Sh. Makhmudova, Oral, Kazakhstan	02/11/10	02/11/10	2 hours
Seminar on construction regulatory changes	Training Seminar	BEI, Petropavlovsk, Kazakhstan	03/18/10	03/18/10	2 hours
"Theory and practice of Regulatory Impact Analysis techniques with state regulation of business activities"	Training Seminar	BEI, Bishkek, Kyrgyz Republic	03/10/10	03/13/10	3 hours
"Theory and practice of Regulatory Impact Analysis techniques with state regulation of business activities"	Training Seminar	BEI, Bishkek, Kyrgyz Republic	03/17/10	03/20/10	4 hours
"Basics of use of Regulatory Impact Analysis techniques with state regulation of business"	Training Seminar	BEI, Bishkek, Kyrgyz Republic	03/16/10	03/16/10	2 hours
Training on explanation of reforms in insolvency (bankruptcy)	Training Seminar	BEI, Khujand, Republic of Tajikistan	01/08/10	01/08/10	8 hours
Training on explanation of reforms in insolvency (bankruptcy)	Training Seminar	BEI, Khorog, Republic of Tajikistan	01/18/10	01/18/10	8 hours
Training on explanation of reforms in insolvency (bankruptcy)	Training Seminar	BEI, Kulyab, Republic of Tajikistan	01/20/10	01/20/10	8 hours
Training on explanation of reforms in insolvency (bankruptcy)	Training Seminar	BEI, Kurgan-Tube, Republic of Tajikistan	01/22/10	01/22/10	8 hours
Training on explanation of reforms in insolvency (bankruptcy)	Training Seminar	BEI, Dushanbe, Republic of Tajikistan	01/25/10	01/25/10	8 hours
“Obtaining construction permits in the Republic of Tajikistan”	Training Seminar	BEI, Dushanbe, Republic of Tajikistan	5/6/2010	5/6/2010	4 hours
“Session on enacted inspections moratoria”	Training Presentation	Marketing Communications Agency,	5/13/2010	5/13/2010	2 hours

		Bishkek, Kyrgyz Republic			
“Session on GoKR priority economic stabilization steps”	Training Presentation	Marketing Communications Agency, Bishkek, Kyrgyz Republic	5/28/2010	5/28/2010	1.5 hours
“Session on the KR travel season and security”	Training Presentation	Marketing Communications Agency, Bishkek, Kyrgyz Republic	6/4/2010	6/4/2010	1.5 hours
Seminar on optimization the permission system on local level	Training Seminar	BEI, Astana, Kazakhstan	5/4/2010	5/4/2010	4 hours
Seminar on optimization the permission system on local level	Training Seminar	BEI, Astana, Kazakhstan	5/12/2010	5/12/2010	4 hours
Seminar on optimization the permission system on local level	Training Seminar	BEI, Atyrau, Kazakhstan	5/20/2010	5/20/2010	2 hours
Seminar on optimization the permission system on local level	Training Seminar	BEI, Aktau, Kazakhstan	5/21/2010	5/21/2010	3 hours
Seminar on construction regulatory changes	Training Seminar	BEI, Astana, Kazakhstan	5/31/2010	5/31/2010	5 hours
Seminar on optimization the permission system on local level	Training Seminar	BEI, Almaty, Kazakhstan	6/10/2010	6/10/2010	2 hours
“Applied Regulatory Impact Analysis”	Study Tour Seminar	Jacobs Associates, Rome, Italy	5/2/2010	5/9/2010	40 hours
Regional Seminar on PSC Activity Improvement (Karagandy, Kostanay, Pavlodar, North Kazakhstan Oblast and Astana City)	Training Presentation	BEI, Karaganda, Kazakhstan	5/21/2010	5/21/2010	3.5 hours
Regional Seminar on PSC Activity Improvement (East Kazakhstan, South Kazakhstan, Almaty City)	Training Presentation	BEI, Almaty, Kazakhstan	6/18/2010	6/18/2010	3 hours
Seminar on Construction Regulatory Changes	Training Seminar	BEI, Oskemen, Kazakhstan	7/9/2010	7/9/2010	4 hours
Seminar on Construction Regulatory Changes	Training Seminar	BEI, Aktau, Kazakhstan	7/13/2010	7/13/2010	4 hours
Seminar on Construction Regulatory Changes	Training Seminar	BEI, Oral, Kazakhstan	7/15/2010	7/15/2010	4 hours

FUNDING DATA: (Line-1: Amount Budgeted; Line-2: Amount Spent)

USAID			Host Country Government			Provider			Private		
Instruction	Trainee	Travel	Instruction	Trainee	Travel	Instruction	Trainee	Travel	Instruction	Trainee	Travel
<i>(All trainings not listed below have no separate, budgeted cost elements, and were provided as part of other work.)</i>											
\$0			\$0			\$0			\$0		
\$0			\$0			\$0			\$0		
Round table on final recommendations in construction											
\$133.33											
\$133.33											
Press briefing on permissive system reform											

\$133.33												
\$133.33												
Presentation of monitoring results on Business Registration and Liquidation Practices												
\$100												
\$100												
Round Table on reforming permitting system												
\$133.33												
\$133.33												
Seminar on applied methods for permitting documents reduction												
\$233.33												
\$233.33												
Focus Group on (re-)registration and voluntary liquidation of legal entities processes												
\$100												
\$100												
Round Table on (re-)registration and liquidation of legal entities												
\$100												
\$100												
Seminar "New System of State Registration of Legal Entities and Individual Entrepreneurs" in Dushanbe												
\$228.20												
\$228.20												
Seminar "New System of State Registration of Legal Entities and Individual Entrepreneurs" in Tursunzade												
\$228.20												
\$228.20												
Seminar "New System of State Registration of Legal Entities and Individual Entrepreneurs" in Khujand												
\$228.20												
\$228.20												
Seminar "New System of State Registration of Legal Entities and Individual Entrepreneurs" in Isfara												

\$228.20												
\$228.20												
Seminar "New System of State Registration of Legal Entities and Individual Entrepreneurs" in Istaravshan												
\$228.20												
\$228.20												
Seminar "New System of State Registration of Legal Entities and Individual Entrepreneurs" in Kurgan-Tube												
\$228.20												
\$228.20												
Seminar "New System of State Registration of Legal Entities and Individual Entrepreneurs" in Kulyab												
\$228.20												
\$228.20												
Seminar "New System of State Registration of Legal Entities and Individual Entrepreneurs" in Khorog												
\$228.20												
\$228.20												
Workshop on the new Tax Code amendments in Cholpon-Ata												
\$ 9.62												
\$ 9.62												
Workshop on the new Tax Code amendments in Osh												
\$1004.03												
\$1004.03												
Workshop on the new Tax Code amendments in Jalal-Abad												
\$1004.03												
\$1004.03												
Workshop on the New Tax Code amendments in Bishkek												
\$156.56												
\$156.56												
Round table on the New Tax Code amendments												

\$156.56												
\$156.56												
Round table on normative legal acts, rule making techniques, issues of systematization, codification and incorporation, the State Register of NLA's, and RIA.												
\$2,700.00												
\$2,700.00												
Seminar on "Implementing the principle of "One Stop Shop" for issuing construction permits												
\$1,322.17												
\$1,322.17												
"International building code. Applicability to Kyrgyzstan"												
\$1,361.60												
\$1,361.60												
Property registration problems in entrepreneurial activity												
\$476.19												
\$476.19												
Residential housing allocations for entrepreneurial activity												
\$476.19												
\$476.19												
Seminar on risk assessment and RIA												
\$238.04												
\$238.04												
Business registration process changes in legislation of RoK												
\$102.04												
\$102.04												
Property registration process changes in legislation of RoK												
\$102.04												
\$102.04												
Changes in local permitting document use practice and inventory procedure												
\$102.04												

\$102.04												
Changes in construction permitting documents												
\$102.04												
\$102.04												
"Inspections based on RMS and Concept on optimization of permission system"												
\$725.48												
\$725.48												
Administrative barriers reduction for obtaining construction permits and putting construction objects in operation												
\$102.04												
\$102.04												
"Theory and practice of Regulatory Impact Analysis techniques with state regulation of business activities"												
\$675												
\$675												
"Theory and practice of Regulatory Impact Analysis techniques with state regulation of business activities"												
\$1023												
\$1023												
"Basics of use of Regulatory Impact Analysis techniques with state regulation of business"												
\$1464												
\$1464												
"Applied Regulatory Impact Analysis"												
\$14,300.00	\$950.00	\$5,700.00										
\$14,300.00	\$950.00	\$5,700.00										

For In-Country Programs Only	
# of Males Attended	# of Females Attended
2223	1241

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