

Baseline Questionnaire— Community Profile

Meghri

GENERAL FEATURES OF COMMUNITY

Meghri is located in Syunik *marz* approximately 377 kilometers from Yerevan on highway M-2.



General Executive Summary

Meghri is as close as Armenia gets to Mediterranean conditions. With a significantly milder climate than the rest of the republic, the Meghri area produces fruits not found in other parts of Armenia.

Meghri is a rural community with a population of 4,800 in 1,360 households. Less than 1 percent of the population temporarily works and resides in other countries. Unemployment is low. Many residents work at the Agarak Copper-Molybdenum Combine, the largest employer in the area, and the Iranian gas supply pipeline, which is under construction. About 60 percent of the local economic activity is agricultural, while the next largest sector is small commercial activity (20 percent).

Mayor Misha Hovhannisyan is serving his third term. However, the turnover in council is significant, with 7 of the 11 council members newly elected. Meghri's administration is made up of 16 staff.

A review of 2003-2005 budgets indicates that Meghri's revenues increased by 53 percent. A substantial portion of the increase in revenues from 2003 to 2005 came from the sale of municipal assets. The city does not have a municipal asset management program, and the sale of such a large portion of the city's assets could be put in perspective if the city used an asset management plan.¹ The city has produced a budget in brief to make residents more aware of the budget's major revenue and expense categories and amounts. Although the local council does exercise oversight of the budget, stronger internal controls and local regulation over the sale and lease of municipal assets and procedures for procurement and the purchase of services should be established. The city has not established a funding source for its capital improvement plan.

Meghri's water and sewer services are provided by Armenia Water and Sewerage Company (AWSC), a national-government-owned and privately managed company.² Solid waste collection, street repair, street lighting, street cleaning, street repairs, the cemetery, and apartment building maintenance are performed by Meghri BTK, an

¹ An asset management plan would track costs and revenues, and provide the local council and mayor with a clear picture of which assets need to be kept and used and which assets should be leased or sold.

² In 2005, the AWSC entered into a 5-year management agreement with SAUR.

open joint stock company (OJSC)—the city owns 34 percent of the enterprise. The city also provides cultural and education services such as kindergarten, art and sports schools, a community center, and a library. The art school and kindergarten are partially financed by fees, and the rest through the city budget.

Meghri is served by one local newspaper but no local TV or radio stations. The city has assigned public relations responsibility to a staff member. The city has also established an information center and publishes a periodic newsletter.

The local government has not received training on Armenia’s freedom of information (FOI) law. However, the city staff is aware of the requirements of Armenia’s FOI law and processes citizen requests for information within the timeframes required by the law.

Most of the local council members have received formal training on the roles and responsibilities of council members. However, those recently elected have not received any training or orientation. The local council has established rules of procedures. But some of this effort is offset by the lack of prior notification to the public of council meetings and failure to post the minutes of meetings. There is no information board at City Hall for posting notifications of meetings or other announcements.

The local council has a room at City Hall where members can meet with constituents.

Table 1-1. Key Contacts

Position	Name	Telephone
Mayor	Misha Hovhannisyan	(2860) 3423
Deputy Mayor	Gahik Marbardzumyan	
Chief of Staff	Sirun Sargsyan	

Table 1-2. General Information

Item	Number	Yes	No
Population, 2002 census	4,800		
Number of households	1,360		
Area (est.)	7,771 hectares (19,200 acres)		
Certification of boundary			X
Term of mayor (1 st, 2nd, etc.)	3rd term		
Number of local council members	11		
Number of local council members reelected	4		

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

Office	No. of Males	Percent of Total	No. of Females	Percent of Total
Mayor	1	100	0	0
Local council	11	100	0	0
Staff of City Hall	8	50	8	50
Total	20	71	8	29

Figure 1-1. Organization Chart of Local Government

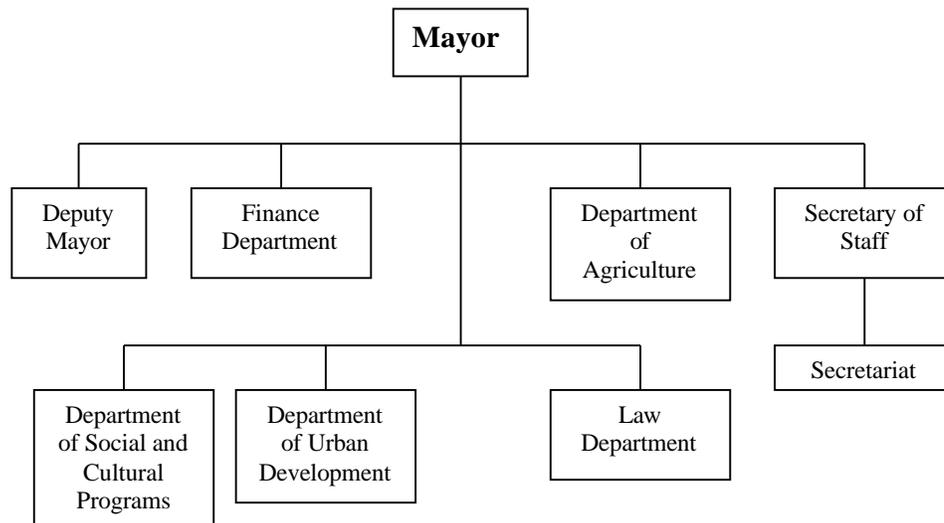


Table 1-4. Economic Base of City

Sector	Estimated Percentage of Local Activity
Agriculture	60
Transportation	5
Tourism	5
Industry (Light and Heavy)	5
Services	5
Small Commercial	20
Other	0
Total	100

The estimated unemployment rate for the city is 6.5 percent. An estimated 30 residents (less than one percent of the total population) work in other countries, primarily Russia.

Figure 1-2. Meghri Economic Activity by Sector

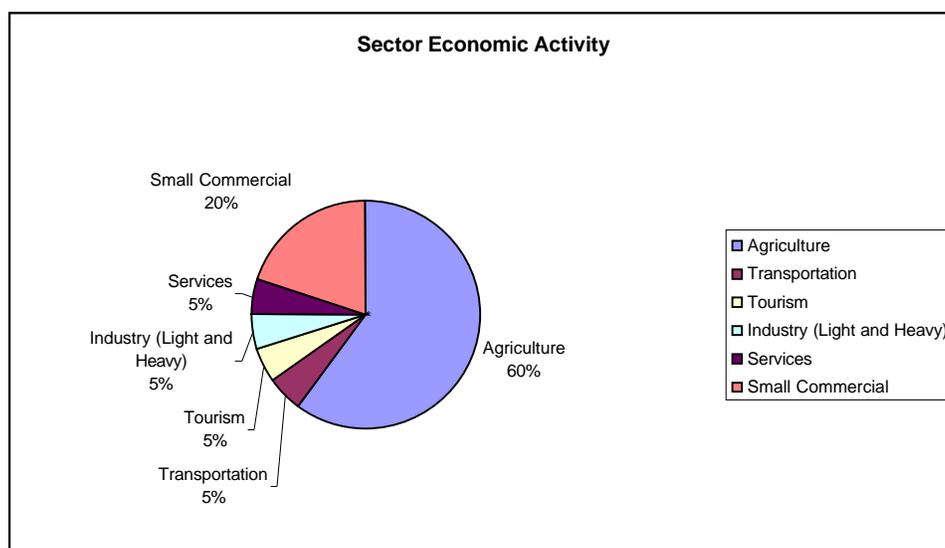


Table 1-5. Computer and Office Equipment of Local Government

Equipment Type	Number	Yes	No
Notebook computers			X
Desktop computers	3		
Servers	0		
Networked			X
Copiers	0		
Fax machines	0		
Internet service		X	

Table 1-6. Computer Software in Use

Software Function	Yes	No
Word processing	X	
Microsoft Excel	X	
Specialized budget		X
Oracle (tax collection)	X	
Geographic information systems (GIS)		X

Software Function	Yes	No
Citizen registry	X	
Office Works by the Information Systems Development Training Center (ISDTC)	X	

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

Donor	Type of Program
World Food Programme (WFP)	Creek cleanup
Save the children	Kindergarten renovation
Eurasia Foundation	Civil society organization (CSO) assistance

USAID = United States Agency for International Development

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

NGO or CSO	Type of Cooperation or Service with Local Government
Veterans Council	Consultative
Women's organization	Consultative
Health organization	Consultative
Arevik -Meghri 1	Consultative
Teachers of Meghri	Consultative

CSO = civil society organization ; NGO = nongovernmental organization

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

Source	Yes	No
IRTEK (Legal Information Center)		X
LGU associations	X	
<i>Marzped</i>	X	
National Assembly		X
Other (newspapers, TV, etc.)	X	

LGU = local government unit

COMPONENT TWO

LOCAL GOVERNMENT FINANCIAL MANAGEMENT SYSTEMS

Executive Summary

A review of 2003-2005 budget years shows that Meghri's revenues increased by 53 percent. A substantial portion of the increase in revenues came from the sale of municipal assets. The city does not have a municipal asset management program, and the sale of such a large portion of the city's assets could be put in perspective if the city used an asset management plan.³ The city has produced a budget in brief to make residents more aware of the budget's major revenue and expense categories and amounts. Although the local council does exercise oversight of the budget, stronger internal controls and local regulation over the sale and lease of municipal assets, and procedures for procurement and the purchase of services should be established. The city has not established a funding source for its capital improvement plan.

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

Fiscal Year	Revenues (AMD)	Per Capita Revenues* (AMD)	Expenditures (AMD)	Per Capita Expenditures* (AMD)
2005	55,575,100	11,578	55,575,100	11,578
2004	49,204,700	10,251	49,204,700	10,251
2003	49,482,200	10,309	52,823,200	11,005

AMD = Armenian drams

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

* Based on census population

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

Fiscal Year	Revenues (AMD)	Per Capita Revenues* (AMD)	Expenditures (AMD)	Per Capita Expenditures* (AMD)
2005	69,068,400	14,389	67,988,400	14,164
2004	44,451,300	9,261	46,417,400	9,670
2003	45,092,400	9,394	43,216,400	9,003

AMD = Armenian drams

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

* Based on census population figures.

³ An asset management plan would track costs and revenues and provide the local council and mayor with a clear picture of which assets need to be kept and used and which assets need to be leased or sold.

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

Fiscal Year	Property Tax (AMD)	Per Capita* (AMD)
2005	8,224,700	1,713
2004	8,234,700	1,716
2003	5,489,300	1,144

AMD = Armenian drams

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

Table 2-4. Property Tax Collection Process

Activity	Amount	Description
Percentage error in property tax data	2%	
Who collects the property tax ?		Municipal Finance Department
Tax collection commissions	10%	The city has contracted with one individual to collect land and property taxes.
Tax collection problems		None

Table 2-5. Budget Process

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

Table 2-6. Asset Management

Activity	Amount	Yes	No
Asset management plan developed			X
Local legislation regulating the sale or lease of property		X	
Public announcement of sale or lease of property		X	
Sale or lease of municipal property (4 sales and 8 leases total)	3,106,914 AMD in annual leases; 12,782,000 AMD in asset sales		

Activity	Amount	Yes	No
Number of responses received	3		
City has real estate market information for sale or lease of property			X

AMD = Armenian drams

Table 2-7. Anticorruption Effort

Activity	Description
Who do citizens report suspected corruption to?	<i>Marzped</i>
Have there been any reports of possible corruption ?	No
Are procurement bids published?	No, unless they exceed 1,000,000 AMD
Are the advertisements posted in locations and in ways to solicit the maximum number of competitive offers?	No
How many bids are sought ?	Three
Are bid evaluation committees staffed with professionals to review offers?	Yes, department heads
Are the winning bids announced publicly?	No
What is the most useful criterion used by the city for accepting an offer for goods or services ?	Highest price for sale or lease of property and lowest for procurements
Is an internal control system in place ?	No
Who is the internal auditor and who does he report to?	No internal auditor
How is the collection of cash handled?	The municipality does not collect cash . Cash deposits made directly to the appropriate account in Armsavingsbank and Ardshinvestbank

COMPONENT THREE

PUBLIC SERVICE DELIVERY

Executive Summary

Meghri’s water and sewer services are provided by Armenia Water and Sewerage Company (AWSC), a national-government-owned and privately managed company.⁴ Solid waste collection, street cleaning, landscaping, and cemetery and apartment building maintenance are handled by Meghri BTK, 34-percent city-owned enterprise. Street lighting is maintained by the Meghri branch of the “Hay Hec” company, CJSC (closed joint stock company).

The city provides cultural and education services such as kindergarten, art and sports schools, a community center, and a library. The art school and kindergarten are partially financed by fees, and the rest through the city budget.

Table 3-1. Basic Services Provided by the City

Mandatory Service	Service Provider	Approximate No. of People Served	Number of Employees	Funding Source
Kindergarten (1)	City budget org.	130	36	91% budget; 9% fee
Art school (1)	City budget org.	155	35	63% budget; 37% fee
Sports school (1)	City budget org.	138	10	100% budget
Community center	City budget org.	Entire city	10	100% budget
Library	City budget org.	Entire city	14	100% budget
Solid waste collection	Meghri BTK, OJSC	2,500	8*	40% budget; 60% fee
Street cleaning Landscaping Street repair Street lighting Cemetery	Meghri BTK, OJSC	Entire city	8	100% budget
Apartment building maintenance	City department	722 apartments	8	Funded by national government transfers to date

OJSC = open joint stock company

* Meghri BTK has a total of 8 employees and is 34% city owned.

⁴ In 2005, the AWSC entered into a 5-year management agreement with the French company, SAUR.

Table 3-2. Environmental Operations

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

Table 3-3. Collection Rates for Services

Service	2003	2004	2005	Remarks
Apartment building maintenance	0	0	0	There are no condominium associations active in collection of fees
Solid waste collection	50%	45%	50%	Although private enterprise is collecting solid waste, it appears that the city is funding at least half the operation

COMPONENT FOUR

STRENGTHENING LOCAL GOVERNMENT PUBLIC RELATIONS

Executive Summary

Meghri is served by one local newspaper but no local TV or radio stations. The city has assigned public relations responsibility to a staff member. The city has also established an information center and publishes a periodic newsletter.

The local government has not received training on Armenia’s freedom of information (FOI) law. However, the city staff is aware of the FOI law requirements and processes citizen requests for information within the timeframes required by the law. Council sessions are open to citizens, and citizens are encouraged to participate in the meetings, and especially the annual budget adoption process.

Table 4-1. Access to Local Media

Media Type	Yes	No
Television		X
Radio		X
Newspaper, local (<i>Hzor Syunik</i>)	X	

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

Activity	Amount	Yes	No
Established public relations responsibility		X	
Aware of the freedom of information (FOI) law		X	
Received training on FOI law			X
Established an information center		X	
Track citizen requests for information, service , or complaint		X	
Manual tracking system		X	
Average monthly inquiries, service requests , and complaints	20		
Timely response to FOI Requests	100%		
City has an information board			X
City Hall has a directory			X

Activity	Amount	Yes	No
City staff has access to citizens (TV, public meetings, etc.)		X	
City produces a newsletter for residents		X	
City presents the budget to citizens		X	
Youth involvement in local government activities			X
City collaborates with local nongovernmental organizations (NGOs)		X	
City Hall office numbers are published or otherwise made available to citizens		X	

FOI = freedom of information; NGO = nongovernmental organization

COMPONENT FIVE

ASSISTANCE TO LOCAL COUNCILS

Executive Summary

Most of the local council members have received formal training on the roles and responsibilities of council members. However, those recently elected have not received any training or orientation. The local council has established rules of procedures. But some of this effort is offset by the lack of prior notification to the public of meetings and failure to post minutes of the meetings. There is no information board at City Hall for posting notifications of meetings or other announcements.

The local council has a room at City Hall where members can meet with constituents.

Table 5-1. Local Council Composition and Contact Numbers

Council Member	Gender	Contact Information
1. David Aleksanyan	M	(0260) 3332
2. Harutyun Babayan	M	(0260) 2746
3. Stepan Grigoryan	M	(0260) 3473
4. David Zakaryan	M	(0260) 3256
5. Anastas Khachatryan	M	(0260) 3759
6. Razmik Khudyan	M	(0260) 3224
7. Sahak Hambardzumyan	M	(0260) 2905
8. Hamik Harutyunyan	M	(0260) 3056
9. Aleksan Hovhannisyan	M	(0260) 3275
10. Garegin Sargsyan	M	(0260) 3909
11. Aleksan Ohanjanyan	M	(0260) 3266

Table 5-2. Council Training and Selected Practices

Item or Activity	Yes	No
Are established rules of procedure s in place?	X	
Have council members received training on the role and responsibilities of the council?	X	
Do newly elected council members receive any training ?		X
Do council members receive meeting agendas 3 days prior to public meetings?	X	
Are meeting agendas and time and place publicized prior to the meetings ?		X
Do citizens actively participate in council meetings ?		X
Are minutes of council meetings open to the public?		X
Does the council participate in the strategic planning for the city ?		X
Does the council conduct service oversight hearings ?	X	
Have council members participated in publicizing issues?		X
Are council members knowledgeable of city operations ?	X	
Does the council receive legal guidance on passing local laws ?	X	
Do council members meet with constituents regularly ?	X	
Is there a place at City Hall where council members can meet with constituents?	X	
Has the council used advisory committees, focus groups , or special problem workgroups		X
Does City Hall have a place for council members to receive mail or other communications		X