

Baseline Questionnaire— Community Profile

Vedi

GENERAL FEATURES OF COMMUNITY

Vedi is located in Ararat *marz* approximately 48 kilometers south of Yerevan on highway M-2.



General Executive Summary

The population of Vedi is 15,000, with 2,727 households. Vedi is located in the fertile Ararat Valley, and approximately 60 percent of its economic activity is devoted to agricultural activities.

The mayor of Vedi is serving his third term and has involved the local council and residents in community-wide problem solving and common efforts. The city regularly includes about five nongovernmental organizations (NGO) that are active in the city. Vedi is fairly well equipped with computers and uses software designed for Armenian local governments (the Information System Development Training Center's [ISDTC] Office Works). Additionally, the city has been working closely with international donors in an effort to improve its local economy and to adopt modern local government practices and reforms.

Over the past three years, the city's revenues and expenditures have been relatively stable, yet substantial revenues are needed to improve the infrastructure and services. The city has some internal controls in place, yet the procedures that would hinder individual corruption are weak and need to be strengthened.

The fee collection for public services needs to be reviewed and improved, particularly for solid waste. Though the city conducted a poll on satisfaction and more than 70 percent of the population polled stated a fair-to-good satisfaction level, the city's fee collection is relatively low at 60 percent. Additionally, the solid waste landfill operations need to be assessed for compliance with environmental regulations.

Public relations, media relations, and an attitude of service orientation have not been well understood and adopted in Vedi, though the city seems to have been more active in this area than many other Armenian cities. Vedi still needs to build on its activism and foster continued dialogue with its residents.

The local council has developed a set of rules of procedures for its operation. The council also needs to be more proactive in setting its policy and overseeing execution.

Table 1-1. Key Contacts

Position	Name	Telephone
Mayor	Varouzhan Barseghyan	(0234) 2-45-46; (091) 21-18-28
Deputy Mayor	Albert Saroyan	(0234) 2-32-44; (091) 54-10-80
Chief of Staff	Edik Kallakyan	(0234) 2-33-32

Table 1-2. General Information

Item	Number	Yes	No
Population, 2002 census	15,000		
Number of households	2,727		
Area (est.)	447 hectares		
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		
Local council	10	91	1	9
Staff of City Hall	23	74	8	26
Total	34	79	9	21

Figure 1-1. Organization Chart of Local Government

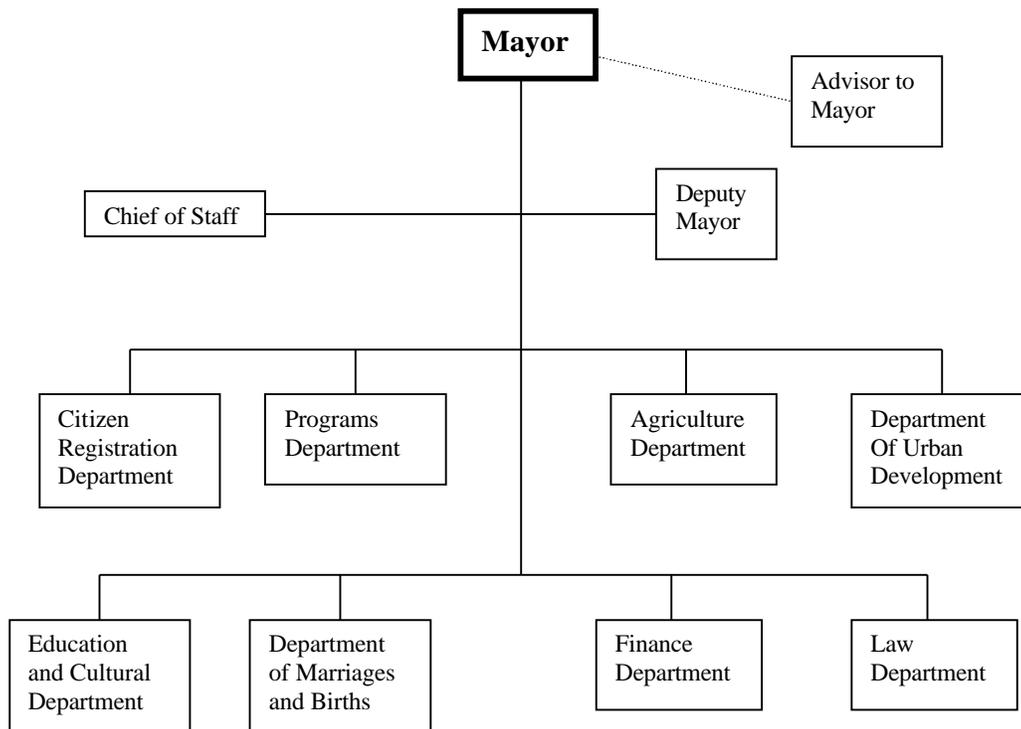


Table 1-4. Economic Base of City

Sector	Estimated Percentage of Local Activity
Agriculture	60
Transportation	5
Tourism	0
Industry (Light and Heavy)	10
Services	5
Small Commercial	5
Other	15
Total	100

The estimated unemployment rate for the city is 15 percent. The estimated number of residents working in other countries (primarily Russia) is 2,000.

Figure 1-2. Vedi Economic Activity by Sector

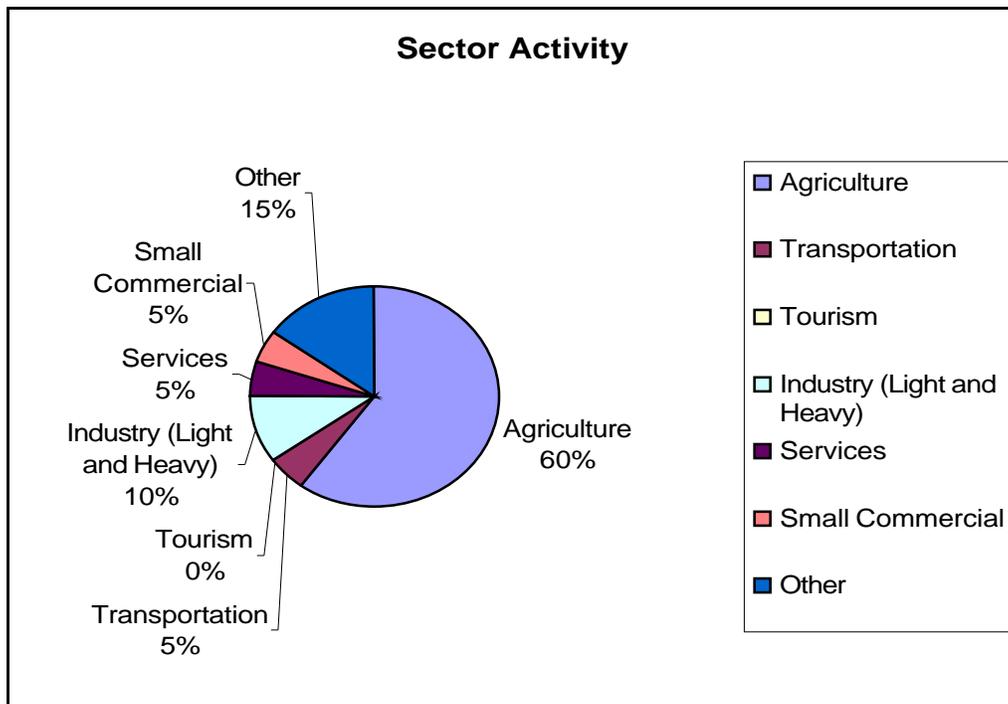


Table 1-5. Computer and Office Equipment of Local Government

Equipment Type	Number	Yes	No
Notebook computers	0		
Desktop computers	11		
Servers	1		
Networked		X	
Copiers	2		
Fax machines	1		
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	

Software Function	Yes	No
Geographic Information System (GIS)		X
Citizen registry	X	
Office Works by Information Systems Development Training Center (SDTC)	X	

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

Donor	Type of Program
Eurasia Foundation	Community communication network
UNDP (United Nations Development Programme)	Budget reform—performance budget
REDAM (European Project for Regional Development of Armenia)	Economic development

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
Students of Vedi	Consultative

CSO = civil society organizations; NGO = nongovernmental organization

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

Source	Yes	No
IRTEK (Legal Information Center)	X	
Union of Communities	X	
<i>Marzped</i>	X	
National Assembly Web site	X	

COMPONENT TWO

LOCAL GOVERNMENT FINANCIAL MANAGEMENT SYSTEMS

Executive Summary

Vedi is one of five cities to receive extensive United Nations Development Programme (UNDP) training and technical assistance on performance budgets. Consequently, the budgeting system is in transition from the traditional line item system to a more encompassing one.

Other than slightly overspending in 2003, the city has kept spending under revenues to provide a slight hedge against unexpected expenditures. In 2005, the city provided substantial subventions for capital projects (90,000,000 Armenian drams). Land and property tax collections are growing slowly, reflecting the agricultural nature of the land. Vedi has not taken out any long-term loans or issued municipal bonds.

The city does not have an asset management plan but does follow the Armenian laws on procurement and sale of municipal property. The internal controls of the city are weak because the persons carrying out procurement and other financial transactions report directly to the mayor.

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

Fiscal Year	Revenues in AMD	Per Capita Revenues* (AMD)	Expenditures in AMD	Per Capita Expenditures (AMD)
2005	230,918,400	15,395	230,918,400	15,395
2004	119,588,200	7,973	119,588,200	7,973
2003	146,150,000	9,743	146,450,000	9,763

AMD = Armenian drams.

Budget numbers Include both operating and capita l budgets. Budget figures not adjusted for inflation.

* Based on census population figures.

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

Fiscal Year	Revenues in AMD	Per Capita Revenues* (AMD)	Expenditures in AMD	Per Capita Expenditures (AMD)
2005	219,803,100	14,653	208,240,600	13,883
2004	100,232,700	6,688	96,812,800	6,454
2003	99,707,300	6,647	100,732,900	6,716

AMD = Armenian drams.

Budget numbers Include both operating and capital budgets . Budget figures have not been adjusted for inflation .

* Based on census population figures.

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

Fiscal Year	Property Tax (AMD)	Per Capita* (AMD)
2005	9,028,300	602
2004	8,127,400	542
2003	8,302,800	555

AMD = Armenian drams.

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

* Based on census population figures.

Table 2-4. Property Tax Collection Process

Activity	Amount	Description
Percentage error in property tax data	3%	Vehicle information accounts for the error factor
Who collects the property tax ?		Finance Department
Tax collection commissions	Not applicable	
Tax collection problems		Method of payment causes some arrears

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
Produce 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 regulation sale or lease of property		X	
Public announcement of sale or lease of property		X	
Sale or lease of municipal property	17,225,000 AMD	X	
How many responses were received	80 responses		
Does city have 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?	Mayor
Have there been any reports of possible corruption?	No
Are procurement bids published?	Yes
Are the advertisements posted in locations and in ways to solicit the maximum number of competitive offers?	No, national newspaper <i>Hayastani Hanrapetutyun</i>
How many bids are sought?	Minimum of two
Are bid evaluation committees staffed with professionals to review offers?	Yes, relevant department specialists review the bids; no independent reviewers
Are the winning bids announced publicly?	Yes
What is the most useful criterion used by the city for accepting an offer for goods or services?	Price and quality
Is an internal control system in place?	Yes, advisor to mayor and ad hoc committees
Who is the internal auditor and who does he report to?	Advisor reports to mayor
How is the collection of cash handled?	City handles cash payments of tax collections, fees, and charges

COMPONENT THREE

PUBLIC SERVICE DELIVERY

Executive Summary

Water and wastewater services are provided by the Armenia Water and Sewerage Company (AWSC) based on a 10-year contract. Of the school fee collections, the city collects between 80 and 95 percent of the fee portion of funds for various educational services.

Collections for solid waste have been improving but still need further work. The collection rate for the schools and for apartment building maintenance reflects a large vulnerable part of the population.

Although the city has not been fined for its solid waste collection and landfill operations, this is due more to the lack of enforcement by the Ministry of Environmental Protection than to the type of landfill operations carried out. A review of the environmental impact of solid waste is needed and areas for improvement identified in an action plan.

Table 3-1. Basic Services Provided by the City

Mandatory Service	Service Provider	Approximate No. of People Served	Number of Employees	Funding Source
Kindergarten (3)	City budget org.	260	54	19% fee and 81% budget
Art school (1)	City budget org.	230	25	10% fee and 90% budget
Music school (1)	City Budget org.	150	26	36% fee and 64% budget
Sports school (1)	City budget org.	242	14	100% budget
Cemetery	City budget org.	15,000	1	100% budget
Library	City budget org.	15,000	11	100% budget
Community center	City budget org.	15,000	6	100% budget
Solid waste collection Street cleaning Landscaping Storm drainage Street repair Street lighting	City enterprise	Entire city	34	100% budget
Apartment building maintenance	City enterprise	Large apartment buildings in city	Same as enterprise	Fees

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	80%	80%	80%	
All schools	80-95% of fee portion	80-95% of fee portion	80-95% of fee portion	
Solid waste collection	30%	40%	60%	

COMPONENT FOUR

STRENGTHENING LOCAL GOVERNMENT PUBLIC RELATIONS

Executive Summary

Vedi has a fairly active staff, local council, and citizenry. The city has access to a local, private TV station. There are no local radio stations or newspapers. The city staff and local council have received training on the Freedom of Information Law (FOI). The city has also identified a specific person who has public relations responsibilities. The communication process is manual, where complaints and requests for information and inquiries are tracked on paper. However, according to staff, 90 percent of the complaints and requests for service are responded to in the timeframe called for in the FOI law. An estimated 10 percent of the inquiries, complaints, or requests for service are forwarded on to a central government ministry or agency.

Table 4-1. Access to Local Media

Media Type	Yes	No
Television	X	
Radio		X
Newspaper;		X

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

Activity	Amount	Yes	No
Established public relations responsibility		X	
Aware of the 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	25		
Timely response to FOI requests	90%		
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 published or otherwise made available to citizens			X

FOI = freedom of information; NGO = nongovernmental organization

COMPONENT FIVE

ASSISTANCE TO LOCAL COUNCILS

Executive Summary

The Vedi council has received some training in recent years, but with the turnover of council members, much of the benefits of the training have been lost. Also, the Vedi local council does have rules of procedures for the council to follow in various areas of council responsibilities. Council members meet with their constituents almost daily and do have a room at city hall designated for local council members to meet with constituents.

Table 5-1. Local Council Composition and Contact Numbers

Council Member	Gender	Contact Information
1. Tamara Danielyan	F	0234 2-30-30
2. Edik Abrahamyan	M	0234-2-30-50
3. Tigran Avetisyan	M	0234-2-12-66
4. Armen Gevorgyan	M	0234-2-44-95
5. Perchik Shaboyan	M	0234-2-25-57
6. Vahram Shahinyan	M	0234-2-12-56
7. Varazdat Muradyan	M	0234-2-11-03
8. Andreas Sargsyan	M	0234-2-31-59
9. Tovmas Galstyan	M	0234-2-39-07
10. Arman Arakelyan	M	0234-2-27-24
11. Aramais Safaryan	M	0234-2-27-75

Table 5-2. Council Training and Selected Practices

Item or Activity	Yes	No
Are established rules of procedures 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	

Item or Activity	Yes	No
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 meeting open to public ?	X	
Does the council participate in the strategic planning for the city?	X	
Does 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