



**SUPPORT FOR ECONOMIC GROWTH AND
INSTITUTIONAL REFORM IQC:
LEGAL AND INSTITUTIONAL REFORM SERVICES**

Contract No. PCE-I-00-97-00039-00

Quarterly Progress Report
April 1 - June 30, 2000

Submitted to:
U.S. Agency for International Development

Submitted by:



CHEMONICS INTERNATIONAL INC.



July 31, 2000

A

TABLE OF CONTENTS

Quarterly Progress Report	Page Number
Summary	
A. Consortium Management	1
B. Accomplishments During Reporting Period	
Egypt, Task Order No. 800	1
Dominican Republic, Task Order No. 801	3
Jordan, Task Order No.804	7
Indonesia, Task Order No. 806	9
Armenia, Task Order No.807	11
Indonesia, Task Order No.808	18
Kyrgyz Republic, Task Order No.809	18
Summary of Completed Task Orders	21
C. Task Order Financial Data	22
D. Technical Reports	22
Annex A	Financial Data of Task Orders
Annex B	Task Order Summary Chart.

**Chemonics Consortium
Quarterly Progress Report
APRIL 1 – JUNE 30, 2000**

SEGIR Indefinite Quantity Contract for Legal and Institutional Reform

USAID Contract No. PCE-I-00-97-00039-00

A. CONSORTIUM MANAGEMENT

Given the increasing difficulty of personnel recruitment based the IQC approved levels of compensation, Chemonics requests USAID's consideration to raise the prime contract's daily rate maximum amount from \$443.52 to \$470.77.

B. ACCOMPLISHMENTS DURING THE REPORTING PERIOD

B1. Active Task Orders

USAID/Egypt- Legal/Regulatory Assessment and Training for Competitive Utility Management, Task Order No. 800, April 27, 1998 – July 31, 2000, Ceiling Price \$2,370,645

Home Office (HO) Project Management Unit: James Baker, project supervisor; Jonathan Loew, project administrator; and, Lisa Chavez, assistant project administrator.

Task Order Objective

To encourage private investment in and to improve the efficiency of water utility services in Egypt.

Key Tasks to Meet Objective

Design and introduce components of a new legal and regulatory framework for the water and wastewater sector. Activities include assessing and evaluating the country's existing regulatory framework, comparing it with best practices in other countries, identifying needed revisions, and strategizing with policymakers to strengthen the sector.

Chemonics is also assisting to design and manage a competitive procurement process to include marketing, bid evaluation, and negotiation. In addition, Chemonics is providing training and invitational travel to cultivate support for policies that will foster the financial and managerial autonomy of local utilities.

Quarterly Progress Report

During the month of April, the LIR Egypt team conducted a Private Sector Participation (PSP) Workshop on April 19 and 20, 2000, designed to provide a commissioning of the new PSP Unit, established within the Ministry of Housing, Utilities, and Urban Communities (MHUUC), in advance of passage of the water and wastewater sector reform law and the issuance of the presidential decree. The workshop served as an introduction to the reform program in general, with particular emphasis on PSP. Minister Sulieman of MHUUC and the Minister of Local Government gave keynote addresses, and Mark Silverman presented the opening remarks for USAID. The audience of about 40 included 13 representatives of USAID. Representatives of MHUUC, other ministries, water utility chairmen, and contractors from the various institutional development projects in the sector made up the rest of the audience. April activities also included a continuation of work on the East Port Said pre-feasibility study, a cost and rate analysis, and an analysis of corporatization and corporate planning within the context of the new regulatory framework.

Many members of the Chemonics/IP3/Chemonics Egypt team returned to their home offices during May to continue work on their respective tasks and begin preparation of the final drafts of all project deliverables. The deliverables will be organized into four volumes:

Volume 1 - Regulatory Program, including an overview of the overall regulatory reform program, the draft law and decree and a description of the proposed regulatory body; all reports pertaining to these matters will be included in this volume.

Volume 2 - Private Sector Participation (PSP) Program, including a description of the PSP Unit being established in the Ministry of Housing Utilities and Urban Communities (MHUUC), and a review of the transaction assistance provided for the bulk water supply projects at the Suez Gulf and East Port Said industrial complexes; all PSP and related reports will be included in this volume.

Volume 3 - Corporatization Program, including the corporatization strategy, the cost and rate studies and the pilot tariff study conducted in Behira Governorate.

Volume 4 - Training Program, including all training materials, presentations and study materials presented at the various workshops held throughout Phase 1 and covering all of the topics covered in Volumes 1 through 3.

The target date for submission of all four volumes to the USAID Mission in Cairo is early August, 2000.

June project activities included a workshop on Private Sector Participation involving institutional development contractors as well as USAID and Government of Egypt officials. Also in June, most of the Egypt LIR team members assembled in Cairo to wrap-up report preparation in their assigned areas of specialty. With a few exceptions, the draft reports were completed and sent to Washington, DC for final read through and production by Chemonics' Publications Department during July, the final month of this task order.

Contract negotiations concerning LIR Egypt Phase II, the follow-on task order, are proceeding with an expected start date of August 1st. Two years in duration, Phase II will be a continuation of "Technical Assistance for Regulatory Reform and Private Participation in the Water and Wastewater Sector." Phase II will focus on three principal areas; (i) support to operationalize the Egyptian Water and wastewater Regulatory Board, (ii) support to operationalize the PSP unit and (iii) to provide transaction support for several pilot PSP projects. Another important feature of Phase II will be the role of the project team in acting as a coordinator with the ongoing Institutional Development (ID) projects in a number of utilities in Egypt. The coordination effort will be designed to enhance the ability of ID contractors to assist local utilities in dealing with the regulated sector environment being created under LIR Egypt Phases I and II. An important issue to be given major emphasis at the beginning of the new task order is the development of project screening criteria and the application of the criteria to the pipeline of projects under consideration by the Ministry.

USAID/Dominican Republic- Critical Assistance for GODR Policy Reform Efforts, Task Order No. 801, July 16, 1998 – October 5, 2000, Ceiling Price \$1,847,128

HO Project Management Unit: Susanna Mudge, project supervisor; Casey Hanewell, project manager; Victoria Taughner, project administrator; and, Margaret Francis, assistant project administrator.

Task Order Objective

Design and implement economic policy reforms that alleviate poverty and improve the competitive position of the Dominican Republic (DR), which in turn promotes sustainable economic growth.

Key Tasks to Meet Objective

Provide critical assistance to the Government of the DR's policy reform efforts by: (1) providing strategic technical assistance on economic policy reform; (2) organizing two study tours on pension reform, and import and export procedures (3) organizing forums to discuss the topic of competitiveness and what it means for the DR and defining next

steps; and (4) providing specific assistance in trade agreement compliance and intellectual property rights.

A November 1999 amendment incorporated additional activities in support of a national competitive initiative in the Dominican Republic. The new activities focus on improving the national competitive capacity of the private sector and the standard of living in the DR. The five new activities include: 1) design and implementation of a national competitive strategy; 2) diagnosis, design, and implementation of a competitive strategy for the Santiago region; 3) analysis, design, and implementation of a pilot cluster activity; 4) strengthen CAMPE/INTEC (a local NGO) capacity to address competitiveness and policy issues impacting the micro and small enterprise sector; and, 5) support competitiveness follow-up and other activities.

Current Status/Program Funding

As the project faced an overall shortfall in funding, on April 4, 2000, presentations were conducted for Mr. Richard Steelman (Desk Officer in USAID/Washington) and Mr. Donnie Harrington (USAID/DR General Development Officer) to inform them of how project funding had been spent to date and to fortify the argument for the need for additional funding in the future. To further assist USAID in long-term planning in the face of Mission-wide budgetary shortfalls, in the first week of May, Chemonics presented to USAID/Dominican Republic detailed estimates of past and future counterpart contributions (both in-cash and in-kind) for the Competitiveness Project. Estimates were subsequently forward by USAID/Dominican Republic to USAID/Washington for presentation to Congress. Information will be used to guide upcoming strategic assistance negotiations between the U.S. and Dominican governments.

Throughout the month of June, Chemonics and its subcontractors worked to coordinate final activities for the months of June and July. Chemonics home-office employee, Victoria Taugner, is currently working on an Internet web site designed for information-dissemination purposes. Chemonics is hoping to launch—and publicize—the web site by late July or early August. Further, to facilitate project closeout, Chemonics requested that CTO Luis Gonzalez approve a no-cost, 60-day extension of the project, as permitted by the umbrella LIR IQC contract. This extension would enable Chemonics and its subcontractors to finalize administrative and technical activities during the months of August and September.

Quarterly Progress Report

National Competitiveness Strategy

In April, a milestone in the national project implementation was reached when the final Strategic Vision, adopted by the National Vision and Strategy Group, was completed and distributed to: the presidential candidates, Government, Congress, the Supreme Court,

business associations, universities, regional organizations, religious organizations, NGOs, international organizations and economic editors of newspapers and TV stations in the Dominican Republic. Antonio Rodriguez, with assistance from key stakeholders in the Competitiveness Activity, made a presentation to presidential candidate, Hipólito Mejía, on April 10th. The presentation was a success and Mr. Mejía expressed that there would be no problem incorporating the vision and competitive strategy as part of his government's development program.

On May 16, much to the surprise of domestic and international actors alike, leading presidential candidate Hipólito Mejía received enough votes to win the presidential elections outright during the first round of voting. Further, the President announced that he would be dealing with matters relating to macroeconomic policy. As a result, local consultant Antonio Rodriguez-Mansfield accelerated the strategic-planning process. Moreover, the Vision Group began interfacing with officials of the newly elected party in order to get them more involved in the strategy design process. On May 18, the Vision Group held a meeting to define the strategic lines of action in policy reforms, investment programs and projects to be included in the national strategy paper and prepared a ranking of the fifteen most important strategic actions and projects in order of priority.

In June, local consultant Antonio Rodríguez Mansfield accelerated the strategic-planning process in preparation of final component activities. On June 29, the drafting committee of the Vision Group developed a preliminary outline of the national competitiveness strategy paper, a draft document to be discussed and approved in early July by the Vision Group. In addition, the Vision Group carried out preparatory work to give a presentation to the newly elected President by the beginning of July and to promote their support and attendance at the plenary meeting of the Competitiveness Group. Further, plans were made with local associations and provincial committees to conduct regional presentations of the national strategy in the cities of Santiago, Barahona and La Romana (northern, southern and eastern regions of the country, respectively) during the last week of July.

Santiago Regional Competitiveness Initiative

In April, Kevin Murphy of J.E. Austin submitted the competitiveness assessment of Santiago. The findings presented in the Santiago Assessment were taken from the Spanish-language diagnostic containing: a summary of the findings of *Santiago en Cifras*, the first comprehensive statistical analysis carried out as part of the Santiago Assessment; an analysis of the principal clusters in Santiago: cigars, construction and textiles/free zone; and a compendium of three case studies on industries/companies in Santiago.

During the month of May, APEDI, the principal counterpart for the Santiago initiative, elected a new Board of Directors. Manuel José Cabral, former President of the Board and leader of the competitiveness initiative, was replaced by Felix García. The final delivery date for the local competitiveness strategy was pushed back from mid-May to mid-June.

To assist in the completion of the strategy, Chemonics and J.E. Austin hired several local and international consultants to carry out short-term assignments.

Also in May, J.E. Austin submitted via Chemonics to USAID and all relevant counterpart institutions a *Competitiveness Benchmark of the Dominican Republic*. This study, which contains more than fifty tables containing data culled from various external sources, ranks the Dominican Republic with against other countries in numerous economic, financial, political and social categories. The benchmark was distributed for use as a planning tool by all involved in the competitiveness program.

During June, J.E. Austin consultant Kevin Murphy and local consultant Angel Castillo prepared the final Regional Competitiveness Strategy. Mr. Murphy and local counterparts focused on the local tobacco, textile, construction and health care clusters to be discussed in detail in the final regional strategy paper. A rough draft of the regional strategy was submitted to Chemonics on June 22. Additionally, local counterpart APEDI (Association for Development) made preparations for the final presentation of the regional strategy to be held in Santiago on July 7.

Pilot Cluster Demonstration Activity

On April 13th, David Rabkin, Monitor's internet expert, came to the Dominican Republic to speak with the cluster working groups about the challenges and opportunities presented by the internet. He shared with the groups what other *hortofruticula* producers and processors are doing to bring their products to the worldwide web market. As a follow-on, the Monitor consultants implemented a short survey for the cluster community of producers and processors and other business and civic leaders.

In the first week of May, cluster members held a meeting to discuss the logistics for future events and focused on producing the final cluster report. Towards the latter part of the month, cluster members were busy publicizing the final presentations. Monitor consultants and cluster members helped facilitate publicity by publishing four newspaper articles in addition to participating in an in-depth interview with *Mercado* magazine, the leading business magazine in the country. Monitor staff also filmed an hour-long TV spot with cluster members that aired on May 29, in addition to a short spot for a morning television program and radio program.

Between June 1 and June 8, Monitor Company carried out a series of final cluster presentations throughout the country. The main presentation was held on June 1 in Santo Domingo. Cluster members gave a clear and motivating presentation of the vision and analysis gained over previous months to a crowd of over 125 people; five television channels and numerous reporters were also present. The regional presentations were given by different Cluster members throughout the country and were also very highly received. Specific locations for the regional presentations included: Jarabacoa (June 5), San Francisco de Macoris (June 6), San Juan de la Maguana (June 6), Barahona (June 7)

and Santiago (June 7). With the conclusion of the presentations, Monitor terminated its full-time presence in the country.

Competitiveness Issues for Micro and Small Enterprises

Over the last few months, CAMPE continued to work closely with the Monitor consultants on developing the tools and understanding the methodology necessary to assist local clusters. In addition, CAMPE Director, Claudio Adams, worked closely with the press to publicize ongoing competitiveness issues affecting micro and small enterprises.

Follow-on Competitiveness Activities

No activities were conducted in April due to the shortfall in obligated funds. In May, both Chemonics and USAID conducted initial discussions with the U.S. Bureau of the Census in preparation for a training event to take place within the Central Bank of the Dominican Republic in July-August 2000. Finally, in June, Chemonics signed a fixed-price contract with the Census Bureau to conduct a seminar on sampling and surveying techniques from July 17 to August 4 at the Central Bank of the Dominican Republic. Topics to be presented include statistical methods, stratified and clustered sampling and case studies of sample designs done in other countries. Census Bureau staff member, Armando Levinson, will carry out the 3-week course.

USAID/Jordan – Technical Support and Assessment of Training Needs and Training for Procurement and Project Management Personnel of the Ministry of Water and Irrigation, Task Order No. 804, February 25, 1999 – March 31, 2001, Ceiling Price \$799,482

HO Project Management Unit: Peter Bittner, project supervisor; Kim Nilson, project administrator; and, Sarah Nelson, assistant project administrator.

Task Order Objective

Enable the Water Authority of Jordan (WAJ), a division of the Ministry of Water and Irrigation (MWI), to better implement Host-Country Contracts (HCC) funded by USAID. By providing long-term technical support to the WAJ, the project is designed to improve the overall contract management efficiency of water-related procurement projects.

Key Tasks to Meet Objective

Planning and implementation of USAID-funded Host Country Contracts (HCC), under the direction of, and reporting to, the WAJ Secretary General.

Quarterly Progress Report

In the month of April, the Technical Advisor primarily focused on working with the Training Coordinating Committee (TCC) and preparing for the evaluation of the Procurement and Project Management Training Course. Assistance was provided to TCC members to develop Scopes of Work to conduct Training Needs Assessments (TNA) for the MWI, JVA, and WAJ. The Training Needs Assessments will be the first of their kind to be conducted by MWI staff. The Technical Advisor also assisted the TCC in developing an Annual Training Plan, which is to be presented to the Minister each year based on the findings of the TNAs.

As a follow up to the Procurement and Project Management Training conducted in September 1999 and February 2000, the evaluation of the training program was scheduled for the first week of May. To prepare for the evaluation, the Technical Advisor worked with USAID throughout April to finalize the evaluation methodology and to coordinate the evaluation schedule with members of WAJ and MWI staff to be interviewed and the TCC.

Based on the Technical Advisor's recommendations, negotiations for Stage II (final design) activities for the Aqaba Water/Wastewater Project were started between WAJ and Montgomery Watson. Also during this period, the Technical Advisor has recommended that all concerned parties involved in the Wadi Mousa Wastewater project meet to agree on a timeline in which to finish the numerous outstanding activities.

During May, the Technical Advisor devoted considerable time to assisting and advising the Training Coordinating Committee (TCC) in completing their training needs assessment and quarterly report, as well as beginning work on the Annual Training Plan. The Training Plan will contain all training, planned and completed, beginning January 1, 2000.

As a follow up to the Procurement and Project Management Training, the evaluation of the course was conducted May 2-3, 2000. The evaluation methodology was prepared by Terence Driscoll, the team leader for the training activity. Modules II - V only were a part of the evaluation, as Module I was an overview for higher level staff in the Ministry. For each Module, five people were interviewed about how the training assisted them in their daily work and how they applied their knowledge to more effectively accomplish tasks. A report summarizing the findings of the evaluation and outlining the interviews from the Ministry staff members was prepared and submitted to USAID.

An exit interview with HE Minister Kamel Mahadin and USAID was conducted on May 17, 2000, during which the Minister expressed that he was pleased with the outcome of the training and suggested that additional training be done in the northern and southern governorates. Based on the outcome of the evaluation and the meeting with the Minister, Chemonics submitted a draft amendment that included three additional sessions of the

Procurement and Project Management training course (one each in Amman, Aqaba, and Irbid), two sessions of a Value Engineering course, and the preparation and training for a draft Policy and Procedures Manual for the WAJ. The materials were taken under advisement by USAID.

During June, the Technical Advisor assisted and advised the Training Coordinating Committee (TCC) in completing their training needs assessment and quarterly report, as well as finishing work on their Annual Training Plan. The Technical Advisor also worked with the TCC with regard to scheduling the proposed training modules to take place this fall, pending approval of an amendment submitted on June 21, 2000. The amendment included three additional sessions of Modules II and III in the northern and southern governorates, two sessions of training in Value Engineering, and the preparation and training for a draft Policy and Procedures Manual. The amendment materials are currently being reviewed by USAID.

The Technical Advisor designed a Cost Database program for compiling cost data from several contracts. The program compiles cost data from current and completed projects to be used in preparing engineering estimates for new projects and calculates average unit item costs for local contractors and for international contractors separately. Previously, WAJ relied on data from the Public Works Tendering Directorate, which is not readily available as an in-house database for WAJ. The database structure was submitted at the June Host Country Monthly Meeting and was approved. A team was assigned to gather and enter data and the Technical Advisor will assist and advise the team as necessary.

In fulfillment of *Item 5, Project Indicators* in the Work Plan for this activity, the Technical Advisor prepared a draft Performance Evaluation of Specific Consulting Engineers and Construction Contractors involved in USAID-funded host country contracting projects. The report is based on 14 months of observations and discussions with the WAJ and USAID staff and evaluates both engineering consultants and construction contractors on the work performed on each project. The report is undergoing revisions and will soon be released as a final document.

USAID/Indonesia – Technical Assistance for the Second Water Efficiency Team (WET II), Task Order No. 806, June 1, 1999 – August 31, 2000, Ceiling Price \$1,420,000

HO Project Management Unit: John Strattner, project supervisor; and, Rekha Lal, assistant project administrator.

Task Order Objective

Provide technical assistance to financially troubled water enterprises (referred to as PDAMs), that have been hard-hit by the monetary and economic crisis in Indonesia, to help them achieve positive cash flows.

Key Tasks to Meet Objective

Perform technical and administrative audits of selected enterprises and assist in the preparation of a workable financial recovery action plan (FRAP) for each weak water enterprise. The financial recovery action plans, in conjunction with the PDAM Rescue Program, will ultimately lead to more efficient administration, an improved water policy environment, and stronger institutional structures capable of promoting and sustaining private sector development.

Quarterly Progress Report

The Chemonics Indonesia Water Efficiency Team continued its work with several water utilities during this quarter. In April, WET team members traveled to the cities of Pakalongan, Batang, Sawahlunto, Jember, and Jombang where they met with PDAM (water utility) officials to review operational issues, and develop programs for improving efficiency and cost recovery. In May, the members traveled to the cities of Jember, Jombang, Pekalongan, Batang, Belitung, Asahan, Kendari, Banjarmasin, Yogya, Pacitan, and Lampung. In June, the team traveled to the cities of Bali, Asahan, Surabaya, and Yogyakarta.

Chief of party Bennett Parton traveled to Manado with Mr. Chris Milligen, head of the USAID Mission's Office of Urban Environmental Management, to meet with the mayor and other local officials to discuss the current status of the competitive tender prepared by WET for a concession contract to manage the water system there. Officials assured the project team and USAID that they remained committed to an open and transparent tender process to attract private investment.

During this reporting period, the project was extended to August 31, 2000, and the ceiling price and obligated amount were increased to \$1,420,000.

USAID/Armenia – Armenia Rule of Law Commercial Law Activity, Task Order No. 807, August 12, 1999 – August 11, 2002, Ceiling Price \$4,658,463

HO Project Management Unit: William Slocum, project supervisor; Jennifer Hancock, project administrator; and Airika Smith, assistant project administrator.

Task Order Objective

Continued development of a legal system that better supports democratic and market reforms.

Key Tasks to Meet Objective

Strengthen Armenia's legal foundations and judicial system by: focusing on constitutional amendments; implementing new laws related to rule of law / administration of justice; enacting and implementing key commercial laws; and, training judges, lawyers, court executors, and government officials in the provisions of the laws and their respective roles.

Background

Chemonics and its subcontractor, the International Development Law Institute (IDLI), were awarded the USAID/Armenia Rule of Law/Commercial Law delivery order in August 1999. Chemonics' work under this delivery order builds upon the work that AMEX International conducted in a predecessor project.

Chemonics' activities under this delivery order consist of the following components: (1) drafting/passage of laws; (2) institutional development; (3) training delivery; and, (4) public awareness. The project primarily addresses Strategic Objective (SO) 2.2, Laws are Enforced and Adjudicated Impartially, and SO 1.3, Growth of Competitive Private Sector. Chemonics' activities will be conducted in close coordination with those of the other USAID grantees and contractors working in support the same Strategic Objectives.

The overall objective of the Chemonics/USAID Armenia Rule of Law/Commercial Law Project, as set forth in the referenced delivery order and the project's Year One Work Plan drafted pursuant to the delivery order, is the continued development of a legal system that better supports democratic and market reforms. The key tasks to meet this objective are to strengthen Armenia's legal foundations and judicial system by: focusing on constitutional amendments; implementing new laws related to rule of law/administration of justice; enacting and implementing key commercial laws; and training judges, lawyers, court executors, and government officials in the provisions of the laws and their respective roles.

Quarterly Progress Report

The following are the project's accomplishments during the month of April 2000:

- Short-term consultant, Professor Herman Schwartz of American University, agreed to comment on a draft of basic provisions for a conceptual framework of constitutional reforms. The draft had been prepared by the Head of the National Assembly's Legal Department, Vladimir Nazaryan. Professor Schwartz's comments were furnished to the Field Office at the end of April and submitted for translation into Armenian.
- A report on inconsistencies in rule of law legislation was prepared and submitted on April 13, 2000.
- A memorandum was submitted to the Mission explaining the current situation with Armenia's existing Joint-Stock Company Law and provisions of the Civil Code concerning Joint-Stock Companies and Limited Liability Companies and on the need to either modify the existing law or draft a new one.
- Short-term expert Edith Khachatourian gave a presentation on the draft Law on registration of Legal Entities to journalists at a seminar organized by the Academy for Educational Development (AED).
- The Armenian Democratic Forum (ADF) was selected as the survey company to conduct a survey on the registration process for the project's registration indicator, and met with the ADF to discuss issues related to the survey.
- Short-term government procurement law expert Jeanmarie Meyer responded to follow-up questions submitted by the Head of the National Assembly's Legal Department, Vladimir Nazaryan, on Ms. Meyer's earlier comments.
- A three-day workshop for judges on commercial law was conducted with the Judicial Training Center (JTC) the weekend of April 7-9. Approximately 30 people attended.
- The implementation of the public awareness plan continued. The project team planned the first public awareness trainings, to be conducted by the project's public awareness specialist William Adams, scheduled for early May.
- Short-term expert Ms. Khachatourian gave a presentation on registration of legal entities on April 21. The next presentation, on May 19, will be on the court system, by Mher Khachatryan, the Chairman of the Criminal and Military Chamber of the Court of Cassation.

- The first grants competition for a legal resource center was announced on April 15. Two seminars were held for applicants; the first attended by 26 people, the second by 22 people. Applications are due by May 19.
- The LIR Armenia team met with Mr. Nazaryan to plan assistance to the National Assembly in reviewing Armenian rule of law legislation for inconsistencies. Mr. Nazaryan repeated that he welcomes Chemonics' assistance in this area, but only after the National Assembly has documents ready for comment. Together with representatives from RONCO, the project team also met with the Head of the newly created Department of Insolvency Affairs, Vachagan Tatevosyan, to discuss technical assistance in developing Armenia's Public Auction Law. Team members attended meetings of the Government's Administrative Law Committee on April 10 and April 14. The Committee prepared a draft concept paper, based on the earliest administrative law concept paper, which it submitted to the Minister of Justice for his concurrence.

The following are the project's accomplishments during the month of May 2000:

- Short-term consultant, Professor Herman Schwartz of American University, provided a draft of basic provisions for a conceptual framework of constitutional reforms. The draft was submitted to the Head of the National Assembly's Legal Department, Vladimir Nazaryan, and to all the local lawyers designated to work with the Venice Commission of the Council of Europe.
- Project team members met with the Head of the Government's Legal Department, Manuk Topuzyan, to discuss the Law on Registration of Legal Entities. Mr. Topuzyan said that the Government's draft of this law is circulating within the Government, and he indicated that it incorporated most of the comments provided by Chemonics' short-term expert, Edith Khachatourian. Mr. Topuzyan was optimistic that the law would be enacted by the end of the year.
- Continued the project's efforts to identify a counterpart with whom to work on the Joint-Stock Company Law and Limited Liability Company Law.
- Short-term expert, Jeanmarie Meyer, commented on the revised draft of the Government Procurement Law. The comments were submitted to Mr. Nazaryan and to the Ministry of Finance and Economy. The National Assembly adopted the law on first reading on May 3.
- Professor Ronald Cuming of the University of Saskatchewan, Canada worked with the members of the Project's collateral law working group providing comments on issues involving basic principles of secured transactions. Professor Cuming started working with the Project on adapting the Albanian model to

Armenia's legal framework and will continue working on the law, providing advice, and responding to questions from counterparts, as well as assisting with drafting implementing regulations for the collateral registry over the next five months.

- Project members continued coordinating with RONCO on the Public Auction Law. RONCO prepared a rough draft of a law, a set of guidelines of what a public auction law should contain, and materials.
- At the request of the Department of Insolvency in the Ministry of Justice, Hovhannes Manukyan, the Chairman of the Court of Appeal on Economic Cases, and Samson Davoyan, the Director of the Institute on Management and Reform, prepared a curriculum for training of bankruptcy administrators by the Department. This curriculum development activity was funded by the Project. The curriculum was approved by the Department. Project team members met with Mr. Manukyan and Mr. Davoyan to discuss training logistics (training site, materials, number and selection of participants). Further meetings are expected in June.
- Conducted several meetings on bankruptcy, including several meetings with the Mission and with IBTCI, the USAID contractor implementing the privatization activity, and met with the World Bank to discuss possible donor support to resolve the deadlock on the bankruptcy issue. A roundtable discussion with major local players was proposed and is currently being explored.
- Completed translating Armenia's laws on copyrights, trademarks/service and distributed to all interested parties.
- Completed the translation into Armenian of the administrative legislation of Lithuania and the American Bar Association's Model Act Creating a State Central Hearing Agency, updated the Russian translation of the General Administrative Code of Georgia as finally enacted, and submitted the translations to the Government's Administrative Law Committee in early May.
- Attended meetings of the Government's Administrative Law Committee on May 12 and May 19.
- Worked with the Council of Court Chairmen (CCC) to send the Chairman of the Court of Cassation, Henrik Danielyan, to the United States at the end of May for visits to various courts. Training was to be coordinated by the Project's short-term expert, Bob Lipscher and Chemonics' internal training department. The trip, unfortunately, had to be cancelled because of the sudden fatal illness of Mr. Danielyan's elderly mother. The study tour is being rescheduled for a later date.

- Team members attended the first of the regular spring series of trainings for judges organized by the Judicial Training Center (JTC). The JTC submitted to the Project a proposal and budget for training for judges' assistants and CCC staff, which the Project was reviewing as of the end of the month. The training is scheduled to commence in mid-June. The Project also made plans to have its subcontractor, the International Development Law Institute (IDLI), conduct a half-day training in mid-June for the JTC Director and staff on curriculum development. This training was initially to have been conducted in mid-May, but the JTC Director was unable to attend, necessitating the rescheduling.
- Held the first international training workshops, conducted by our subcontractor-International Development Law Institute (IDLI), on commercial law for judges. The training took place in Tsaghkadzor from May 11 to May 14 and included 37 judges, advocates, professors, and lawyers from various state agencies. IDLI's First Deputy Director, William Loris, acted as facilitator. The international trainer was Teit Johansen, a lawyer from Denmark. The two local trainers were Vladimir Nazaryan and Arman Mkrtumyan, the Chairman of the Court of Cassation's Chamber for Civil and Economic Cases. The training covered various commercial law matters, both Armenian and international, including options for conducting business, the Vienna Convention on the International Sale of Goods, and arbitration.
- Continued the implementation of its public awareness plan. The Project's Public Awareness Specialist, William Adams, conducted public awareness trainings in Yerevan on May 2 for Court Chairmen and on May 3 for public information officers (PIOs), including Court Chiefs of Staff. The World Bank's Public Affairs Specialist, Vigen Sargsyan, participated in the two trainings and provided an overview of the results of the World Bank's recently-conducted survey of public attitudes towards legal reform.
- Project team members continued to coordinate with AED the presentation of trainings for journalists on legal issues. On May 19, Mher Khachatryan, the Chairman of the Criminal and Military Chamber of the Court of Cassation, gave a presentation on the court system.
- On May 25, the Project submitted its performance and monitoring evaluation plan to the Mission. Baseline data on company registration and on licensing await the completion of surveys by the Armenian Democratic Forum.
- In response to the Project's first grants competition, announced on April 15, for a legal resource center, the Project received 35 applications by the due date of May 19. Two of the applications were ineligible due to the applicant's status. A Grants Committee was formed and its members worked on evaluating the applications.

The following are the project's accomplishments during the month of June 2000:

- The project prepared a memorandum to Fred Claps, the Market Reform Advisor at the USAID/Armenia Mission, on the Law on Registration of Legal Entities.
- The Government Procurement Law, on which the project had previously commented, was adopted by the National Assembly on second reading on June 5 and signed by the President of the Republic on June 19; it will take effect on August 21.
- Project team members met with representatives of EU/TACIS and the Ministry of Finance and Economy to discuss implementing the second part of the MOU signed among the parties.
- Project members continued coordinating with RONCO on the Public Auction Law. RONCO requested a meeting with Deputy Minister of Justice Gevorg Malkhasyan to discuss technical assistance on the Public Auction Law, which had not yet taken place as of the end of the month.
- At the request of the Department of Insolvency in the Ministry of Justice, Hovhannes Manukyan, the Chairman of the Court of Appeal on Economic Cases, and Samson Davoyan, the Director of the Institute on Management and Reform, had previously prepared a curriculum for training of bankruptcy administrators by the Department. This curriculum development activity was funded by the Project and short-term expert, Gary Kelly, provided comments to the Mission on this curriculum. The final version is expected by mid-July.
- The first meeting of the Bankruptcy Sub-Group of the Association of Judges of the Republic of Armenia took place on June 16, which Project team members attended.
- Minister of Justice Davit Harutyunyan provided the project the draft Law on Legal Acts for comment. The project put the draft in for translation and began searching for an appropriate expert to comment on the draft.
- The project's subcontractor, the International Development Law Institute (IDLI), conducted a half-day training in mid-June for the JTC Director and staff on curriculum development.
- At the end of the month, project team members met with Hamlet Navasardyan, the Head of the Service. He felt the most pressing need for the Service was exposure to international experience, preferably through a study tour for the

Service's Department Heads. The Project will begin work on planning a study tour for the Fall.

- The project continued implementing its plan to address legislative drafting needs, chiefly by having IDLI to conduct its workshop on legislative drafting skills from June 10-13 in Tsaghkadzor. The 32 participants included lawyers from nearly all Ministries and agencies, the National Assembly, and the Government. According to the participants, this particular training activity was the first ever conducted for governmental lawyers. One of the benefits of the training noted by the participants was that lawyers working in different state agencies met each other. The participants expressed a desire for additional training activities and meetings, which the Project hopes and expects to do. The Project is currently planning to conduct the first follow-up seminar for the same group, to discuss the draft Law on Legal Acts, on August 18, to be presented by Deputy Minister of Justice Gevorg Malkhasyan and the Head of the President's Department of State and Legal Affairs, Vrezh Gasparyan.
- A Request for Expressions of Interest was prepared and sent out on June 19 for sending two professors from Yerevan State University Law Faculty to the US in the Fall 2000 semester to study skills development courses such as trial advocacy, legal research and writing, and appellate advocacy.
- The project sent one YSU Assistant Professor, Davit Karapetyan, to attend IDLI's 5-week Enterprise and Investment Lawyers' Course in Rome, Italy, from June 5 to July 7.
- Project team members continued to coordinate with AED the presentation of trainings for journalists on legal issues. On June 16, Anatoly Matevosyan, a judge on the Commercial Court of Appeal, gave a presentation on bankruptcy.
- The project's performance and monitoring evaluation plan, submitted to the Mission on May 25, was approved by the Mission on June 21.
- In response to the project's first grants competition, announced on April 15, for a legal resource center, the project received 35 applications by the due date of May 19. The Committee selected 5 applicants for partial and conditional funding and requested further information. One of the applicants subsequently withdrew. As of the end of the month, the Committee was waiting for additional information from the four remaining selected applicants, preparatory to auditing their financial and administrative systems.

USAID/Indonesia- Water Efficiency Team Technology for Establishment of Re-rating (WETTER), Delivery Order No. 808, September 30, 1999 – March 31, 2000, Ceiling Price \$59,790

HO Project Management Unit: John Strattner, project supervisor; and, Rekha Lal, assistant project administrator.

Task Order Objective: The primary objective of this task order is to provide re-rating assistance to targeted water enterprises (PDAMs). Re-rating is the process of increasing water flow through a particular system. The technical assistance is designed to help promote efficient urban water enterprise management, strengthen local government self-sufficiency, improve community health, and develop a sustainable nationwide re-rating capability.

Key Tasks to Meet Objective: The technical assistance will help increase efficient urban water enterprise management, local government self-sufficiency, community health, and professional technical operation of water production plants by establishing a nationwide sustainable re-rating capability. The capability will be established in both a semi-governmental and a non-governmental organization, supporting US-AEP's intermediate objective to increase the stock of urban infrastructure.

Quarterly Progress Report

During this reporting period, the delivery order end date was extended to July 31, 2000 and project received full funding.

USAID/Kyrgyz Republic - Support for Economic Growth and Institutional Reform Project (Legal and Institutional Reform) - Kyrgyz Republic Land Reform, Delivery Order No. 809, September 30, 1999 – September 30, 2000, Ceiling Price \$1,133,188

HO Project Management Unit: Thomas Fattori, project supervisor; and, Lawrence Cox, project administrator, and Marisa Hines, assistant project administrator.

Task Order Objective: To assist in establishing the institutional infrastructure for private land ownership.

Key Tasks to Meet Objective: First, implement rural and urban land reform that involves developing a legal infrastructure including water law issues and monitoring the implementation process. Second, emphasize the land market and the dissemination of information. A cohesive program will be developed to implement a program with the necessary subject matter to the proper audiences using the appropriate delivery mechanisms. Third, privatization and post-privatization programs will be created to improve small and medium agribusiness by researching current issues and providing marketing information. Public outreach is crucial in order to provide the general citizenry

and commercial users of the law with the knowledge needed to utilize their legal rights and to combat the public apathy exhibited toward legal and economic reform.

Quarterly Progress Report

The following progress was made in each of the five major project components during the period April – June 2000:

Component 1: Implementation of Land Reform

The core sections of the Land Rights Implementation Manual were published in both Kyrgyz and Russian in an initial run of 1500 copies. All fifteen hundred copies were either used in the Land Rights Workshop or have been distributed to the project's governmental partners and to other donors and agricultural associations. The core subjects are: principal players and classifications of land in Kyrgyzstan; and mechanisms of land reform.

Component 2: Land Market Development

Eleven Land Rights Workshops were conducted during this quarter for farmers and rural land-related professionals in villages in Osh, Chui, Issyk-kul and Djalal-Abad oblasts. Average attendance was 54 participants. Representatives of the Kyrgyz Land Tenure Center (assisted by the British Know How Fund), the Osh oblast Center for Land and Agrarian Reform (CLAR) and representatives from Djalal-Abad oblast attended and received full sets of seminar materials for their own project use.

Written evaluations were developed and collected from all seminar participants in order to assess the effectiveness of both the instructors and of the seminar itself. The results of the evaluations verified the value of the Project's in-house training of trainers; our training specialists uniformly received high marks. Most importantly, we were able to verify that the workshops provided information that the participants wanted and needed in an understandable, practical format. Participants in all eleven workshops were actively involved and requested more information on other land-related topics.

As a follow-on to the workshops, the Project published and distributed the third issue of the Land Rights Bulletin, which included a Water Law subsection to seminar attendees and other interested parties.

Component 3: Water Use Law and Regulations

The Consensus Building Workshop related to water rights and use was conducted on 27-28 April 2000 in the project's training hall. It was well attended by the leading water use specialists and stakeholders, notably by representatives of the Department of Water Resources of the Ministry of Agriculture, the Chairman of the Agricultural Complex

Committee of the parliament, and representatives of the Institute of Water and Irrigation. An edited transcript was made of the proceedings and was made available in both Russian and English to the participants of the follow-on Water Policy Roundtable held in the first week of June. The greatest value of the consensus workshop was to actively involve participants of all backgrounds in an exchange of viewpoints on the major issues of water use in Kyrgyzstan.

During the first week of June, the project team conducted the Water Roundtable, building on the foundation of the Water Policy Consensus Building workshop held in April. Participants included a delegation of academic experts from Montana; representatives from other related international donor projects; government representatives; and water/legal specialists from Djalal-Abad, Chui, Osh and Naukat oblasts. The Roundtable included working group discussions on such topics as: primary and secondary impact of water sector reform, the necessity and feasibility of institutional and regulatory reform and policies for allocating specific and quantifiable water rights.

Component 4: Privatization and Post-privatization

The Project initiated its post privatization work in April, during a trip to Osh oblast. The objective was to identify the farmers and agro-business leaders who are to be the subjects of the study and to design a research format to assess their successes and failures. Meetings were held with ACDI/Voca, Mercy Corps International, and other international donors to identify the candidates for interviews and to solicit their advice regarding post privatization needs. In May the KLR research team conducted a survey in Osh oblast to assess successes and failures of previously identified farmers and agro-business leaders who are the subjects of the project's post-privatization study. In June the team then investigated market conditions related to these successes and failures. Recommendations and proposals for intervention to augment the progress of the targeted farmers are forthcoming.

Component 5: Urban Land Market

During this quarter, the KLR project team gathered materials relating to the elements of the incipient market in urban real estate. In April, the project attorney conducted a survey of real estate practices in the core southern oblasts; this was followed by a series of Bishkek based interviews and spot research in other key oblasts.

The KLR team also met with representatives from Gosregister to review a policy paper concerning the development of the real property market that was later sent to the President. The project team also met with the Deputy Chairman of the State Property Fund to determine the Property Fund's interest in the urban land market, which concluded with their declaration of extreme interest in the valuation of real properties and enterprise property as well as the possibility of property auctions.

In addition, the Chamber of Tax Advisors has agreed to cooperate with the KLR project in the organization of a seminar on the methodology of real property appraisal and will later author a specialist paper on taxes affecting farmers.

B2. Summary of Completed Task Orders

West Bank/Gaza: Drafting Accounting and Auditing Standards Legislation, Task Order No. 802, September 1, 1998 – February 26, 1999, Ceiling Price \$56,642

HO Project Management Unit: Catherine Hall, project supervisor.

Task Order Objective

Write legislation that defines the authority of the Palestinian Financial Accounting Foundation (PFAF), the Financial Accounting Standards Boards (FASB), and the Palestinian Association of Professional Accountants (PAFA).

Tasks Completed to Meet Objective

Working in conjunction with a steering committee of Palestinian accountants, the project team drafted legislation designed to establish a self-regulating accounting and auditing sector and to promote the use of internationally accepted accounting standards. The Minister of Finance submitted the proposed legislation to the Minister of Justice, where it is being reviewed. Once the wording of the legislation is finalized by the Ministry of Justice, it will be passed on to the Palestinian Legislative Council for action.

Indonesia: Scenario Development, Task Order No. 805, May 5, 1999 – June 20, 1999, Ceiling Price \$43,733

HO Project Management Unit: Robert Buergenthal, project supervisor.

Task Order Objective

Provide technical assistance to an Indonesian working group of noted leaders and technical specialists convening on May 10-12, 1999. The Indonesian working group will review plans, discuss approaches, and decide on a workplan for a national dialogue on issues and problems confronting Indonesia as it negotiates the highly sensitive and delicate political transition through the current election and post election periods.

Tasks Completed to Meet Objective

Chemonics fielded two specialists in scenario development and one Indonesia expert to participate and present options at an inaugural national conference on consensus building. The Chemonics team also met with the Working Group to discuss future objectives.

C. TASK ORDER FINANCIAL DATA

This information is included in Annex A of the report.

D. TECHNICAL REPORTS

There are no technical reports for this period.

ANNEX A
FINANCIAL INFORMATION FOR ACTIVE TASK ORDERS

USAID/Egypt

Legal/Regulatory Assessment and Training for Competitive Utility Management
Task Order No. 800

Ceiling Price:	\$2,370,645
Obligated Amount:	\$2,370,645
Costs Incurred This Period (thru 5/00):	\$ 348,366
Costs Incurred to Date (thru 5/00):	\$1,944,030

USAID/Dominican Republic

Critical Assistance for GODR Policy Reform Efforts
Task Order No. 801

Ceiling Price:	\$1,847,128
Obligated Amount:	\$1,447,180
Costs Incurred This Period (thru 5/00):	\$ 112,814
Costs Incurred to Date (thru 5/00):	\$ 955,881

USAID/Jordan

Technical Support and Assessment of Training Needs and Training for Procurements and Project
Management Personnel of the Ministry of Water and Irrigation
Task Order No. 804

Ceiling Price:	\$799,482
Obligated Amount:	\$799,482
Costs Incurred This Period (thru 5/00):	\$ 56,944
Costs Incurred to Date (thru 5/00):	\$579,720

USAID/Indonesia

WET II
Task Order No. 806

Ceiling Price:	\$1,420,000
Obligated Amount:	\$1,420,000
Costs Incurred This Period (thru 5/00):	\$ 22,765
Costs Incurred to Date (thru 5/00):	\$1,037,853

USAID/Armenia
Armenia Rule of Law Commercial Law Activity
Task Order No. 807

Ceiling Price:	\$4,658,463
Obligated Amount:	\$1,500,000
Costs Incurred This Period (thru 5/00):	\$ 232,672
Costs Incurred to Date (thru 5/00):	\$1,012,313

USAID/Indonesia
WETTER
Task Order No. 808

Ceiling Price:	\$59,790
Obligated Amount:	\$59,790
Costs Incurred This Period (thru 5/00):	\$ 811
Costs Incurred to Date (thru 5/00):	\$56,272

USAID/Kyrgyz
Land Reform: Kyrgyz Republic
Task Order No. 809

Ceiling Price:	\$1,133,188
Obligated Amount:	\$1,133,188
Costs Incurred This Period (thru 5/00):	\$ 132,076
Costs Incurred to Date (thru 5/00):	\$ 397,450

ANNEX B

Task Order Summary Chart

LEGAL AND INSTITUTIONAL REFORM TASK ORDER SUMMARY
USAID Contract No. PCE-I-00-97-00039-00

Updated: August 1, 2000

Sr. Manager Robert Buergethal, x7468
Project Mgr. Anne Maschino, x7509
Asst. Proj. Adm.: Catherine Burke, x7554

CO: Mark Walther
CTO: Grant Morrill

IQ Ceiling: \$26,000,000
Eff. Date: August 5, 1997
Compl. Date: August 4, 2002

Task Order No. & Country	Title	Effective Date	Completion Date	Ceiling Price	Obligated Amount	USAID
800 - Egypt	Legal/Regulatory Assessment and Training for Competitive Utility Management	27-Apr-98	31-Jul-00	\$2,370,645	\$2,370,645	CO: William Reynolds USAID/Egypt CTO: Tim Alexander USAID/Egypt
801- Dominican Republic	Critical Assistance for GODR Policy Re Efforts	16-Jul-98	5-Oct-00	\$1,847,128	\$1,447,180	CO: Clem Bucher USAID/Haiti CTO: Luis Gonzales USAID/DR
802 - West Bank/ Gaza	Drafting of Accounting and Auditing Legislation	1-Sep-98	26-Feb-99	\$56,642	\$56,642	CO: Tim Beans USAID/WB-Gaza CTO: Courtney Blair USAID/WB-Gaza
804 - Jordan	Technical Support and Assessment of Training Needs and Training for Procurement and Project Management Personnel of the Ministry of Water and Irrigation	25-Feb-99	31-Mar-01	\$799,482	\$799,482	CO: Jeffrey Bell USAID/Jordan CTO: Eric Peterson USAID/Jordan
805 - Indonesia	Legal and Institutional Reform (Scenario Development)	5-May-99	20-Jun-99	\$43,733	\$43,733	CO: Thomas Stephens USAID/Indonesia CTO: Dennis Wendel USAID/Indonesia
806 - Indonesia	WET II	1-Jun-99	31-Aug-00	\$1,420,000	\$1,420,000	CO: Thomas Stephens USAID/Indonesia CTO: James Woodcock USAID/Indonesia
807 - Armenia	Armenia Rule of Law Commercial Law Activity	12-Aug-99	11-Aug-02	\$4,658,463	\$1,500,000	CO: Carlton Bennett USAID/Georgia CTO: Benjamin Allen USAID/Armenia
808 - Indonesia	WETTER	30-Sep-99	31-Jul-00	\$59,790	\$59,790	CO: Thomas Stephens USAID/Indonesia CTO: James Woodcock USAID/Indonesia
809 - Kyrgyz Republic	Land Reform: Kyrgyz Republic	9/30/99	9/30/00	\$1,133,188	\$1,133,188	CO: Marcus Johnson USAID/Almaty CTO: James Neeley USAID/Almaty

GRAND TOTAL: \$12,389,071 \$8,830,660