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CENTRAL ASIAN REPUBLICS

BUSINESS ENVIRONMENT IMPROVEMENT PROJECT

SEMI-ANNUAL REPORT #1
OCTOBER 2006 – MARCH 2007

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The Business Environment Improvement project (BEI) is pleased to submit its first Semi-Annual report to USAID detailing progress and achievements for the period October 2006 - March 2007. The report is divided into two sections - the first discussing highlights from the period on a regional and country level and the second reporting on progress toward achieving specific work plan objectives. Also attached is the results table detailing the particular accomplishments during the period, their economic impact, when applicable, and their impact on the high-level indicators included in the Performance Monitoring Plan (PMP).

PROJECT HIGHLIGHTS

During the first half of the reporting period, BEI concerned itself largely with organizational issues such as opening project offices, hiring local staff and formally launching the Project in the three countries. By December 2006, BEI had two operating offices in each country: one in each capital (Astana, Bishkek, Dushanbe) and additional offices in key cities (Almaty, Osh, Khujand). Additionally, the Chief of Party and one Regional Technical Advisor were in place by October 2006 with the second Regional Technical Advisor and Regional Grants Manager in place by January 2007.

The BEI Work Plan was formally approved by USAID on January 16, 2007 but work in most areas had commenced as early as October 2006. In fact, BEI is pleased to report that it has already achieved several key successes in the region and is poised to deliver even more. These are discussed in more detail below.

BEI also submitted a draft PMP to USAID on February 2007 that proposes a list of indicators and intermediate results that both directly and indirectly lead to improvements in those World Bank Doing Business Indicators directly related to BEI's Scope of Work and to the business environment as a whole.

In fact, in order to better understand the World Bank Doing Business methodology, its measures and its relevance to the BEI project, BEI completed a validation of the six processes identified in Work Plan item RI (Regional). BEI is using this to identify those areas where the World Bank data may deviate from BEI's own findings and where Project resources can be best directed to realize wide-ranging impact. These findings will be discussed with USAID in the coming period to both identify work plan priorities and to inform decisions on the PMP.

As a further measure of the legal environment for doing business and to assist USAID in its annual reporting, BEI prepared a Commercial Law Inventory in all three countries based on the eleven (11) broad commercial law categories tracked by USAID in its Element Indicators (EIs). BEI plans to track changes to these laws or any new commercial laws that may result throughout the life of the Project. This should provide USAID information on changes in the commercial law framework resulting from its own interventions and those of others, including local governments. These lists can be found on the BEI website.

The BEI web site has been launched at www.bei-ca.net. The site is intended to facilitate information dissemination from the project to the public regarding current events, recent activity highlights, draft and enacted legal documents, and other information materials, as well as discussion amongst users of the site through the BEI Forum.

Finally, BEI completed a grant manual detailing the policies, procedures and guidelines of the BEI Grant Program and submitted it to USAID for review. All grant program documents are complete and a description of the program is now on the BEI website. BEI has already received expressions of interest from local organizations and hopes to begin reviewing grant applications as early as April.

KAZAKHSTAN

TECHNICAL

Regional activities

Though initial project documents and discussions with USAID anticipated BEI opening project offices in select cities of Kazakhstan (outside Almaty and Astana), BEI later proposed a more novel approach that involved contracting with established local partner organizations to deliver technical assistance to business associations and governments in cities and regions beyond their existing location. These partner organizations were those with whom the predecessor project (USAID Trade Facilitation and Investment – TFI) worked and who had proven themselves the most self-sufficient upon the completion of the TFI. Thus, there was an established working relationship and a proven track record that BEI could capitalize on to realize its objectives in the regions at a lower cost than maintaining project offices. Furthermore, these same partners would continue their activities after the conclusion of BEI. After some brief delays, in February BEI concluded agreements with three partners, one each in Ust-Kamenogorsk, Uralsk and Shymkent, and work has commenced. Given that the subcontracting arrangements are a new model for promoting reform in the Central Asia Region, delays in working out the specific details of the financing and partnership agreements were not completely unexpected. BEI believes the same model could work in other countries and allow it to significantly broaden its geographic spread and develop sustainable local capacity.

Continuing Relationships

To ensure effective continuation of successful TFI relationships, BEI reestablished contact with potential partners in Almaty and Astana, including with the Ministry of Industry and Trade, the Office of the General Prosecutor, the Center of Systematic Research in the President’s Administration, the Forum of Entrepreneurs, and the Association of Protection of the Rights of Businessmen of Astana, among many others. Each of these groups expressed their willingness to cooperate with BEI and joint activities with many have already begun as reflected in the work plan.

New Law “On Licensing”

As early as October 2006, BEI continued its support begun under TFI to the Forum of Entrepreneurs and a variety of other associations, including those representing the tourism, pharmaceutical and light industry sectors, to recommend improvements to the draft law “On Licensing” being discussed in Parliament. BEI is pleased to report that in January this year Parliament approved and the president signed the new law “On Licensing” that institutes a new concept on licensing and incorporates many of the recommendations of BEI and its partners. Some of these include:

- Reducing the number of licensed activities from 88 general and 651 sub-licenses to 99 general and 279 sub-licenses;
- Licensed activities can only be created by law, not ministerial decree;
- Licensing procedures are approved by the Government, not individual ministries/agencies;
- Approvals from multiple, often unnecessary government bodies are eliminated and any required approvals must be sought by the licensing agency, not the entrepreneur;
- Geographical restrictions on licenses were eliminated (licenses are now valid throughout the country);

- Duration of licenses in some cases was extended;
- Applications must be reviewed and decided in a specified period of time; if not, applicants are free to begin their activities.

BEI is now turning its attention to the implementation of key aspects of the new law which becomes effective in May 2007.

Elimination of Certification of Tourism Services

The other success achieved by BEI in Kazakhstan during this reporting period was the elimination of mandatory certification of services related to booking and selling airline tickets. This, too, is a continuation of work started under TFI and was in response to a decision of the Committee on Civil Aviation in late 2005. Certification of services is contrary to international practice and has shown to provide no market benefit. Additionally, the requirement on local tourism companies was particularly onerous and required some firms to spend as much as \$2,500 going through the entire process. At the same time, nearly all booking and ticket agents in Kazakhstan received voluntary international accreditation to access airline reservation networks, while the requirement of the State Committee provided no value and only raised the cost of doing business. Thanks to the efforts of the Kazakhstan Tourism Association, with BEI support, the decision was overturned by Parliament in December 2006. The decision impacts about 550 local companies. BEI received a letter of thanks from the Association for its help and ongoing support and expects to continue its work with BEI on improving the environment for tourism companies.

Contract Enforcement and Arbitration

BEI completed a study of contract enforcement and arbitration in Kazakhstan in March with the help of a short-term legal advisor, Mr. Brian Kemple. Mr. Kemple has been involved in commercial law reform in Central Asia for more than ten years and was instrumental in establishing the International Court of Arbitration in Kyrgyzstan in 2003. The report was submitted to USAID separately and will serve as a guide for BEI in determining its future activities to improve contract enforcement and promote arbitration in Kazakhstan. The report will also be made available to local counterparts and those who assisted in the study.

Tax Survey

BEI reached agreement with the Association of Tax Payers of Kazakhstan to conduct a survey of businesses on tax administration. The survey was requested by the Tax committee of the Ministry of Finance and they have agreed to use the results to undertake reforms in tax administration together with the association, Atamaken, the Forum of Entrepreneurs, BEI, and a number of other business associations. BEI hopes to begin the survey in April and present the results by mid-June. In a meeting in Astana in late March that included representatives of several business associations and BEI, the Tax Committee admitted that problems existed and that it was committed to addressing them in an open and transparent manner and fully supported the survey.

UPCOMING EVENTS

Coordination meeting with the Tax Committee, Association of Tax Payers of Kazakhstan, BEI and all interested associations to finalize agreements for conducting a survey of tax administration. The meeting is tentatively scheduled for April 20.

Roundtable with the General Prosecutor's Office and Forum of Entrepreneurs to discuss issues raised by entrepreneurs will be held in May.

Regional roundtables on problems with Expert Councils with the Forum of Entrepreneurs begin in May.

KYRGYZ REPUBLIC

GENERAL

Throughout the reporting period the political environment in the Kyrgyz Republic remained unstable and uncertain, causing some delays in BEI's activities, particularly at the national level. Changes in the Constitution were adopted in December 2006 that provided more powers to the President and diluted further separation of powers and co-equal branches of government that are necessary to create institutional checks on excessive power by a single branch or person. Prime Minister (PM) Kulov was replaced with Mr. Isabekov who was not expected to pursue increased power for the Office of the Prime Minister or closer alignment with Parliament. However, during the last week of March, the President accepted the resignation of Mr. Isabekov and the Government. President Bakiev then appointed Mr. Atambaev (the former Minister of Industry, Trade and Tourism under Prime Minister Kulov) as the Acting Prime Minister with the power to form a new Government. Given the project's previous experience with Mr. Atambaev, BEI believes he may provide new opportunities for reform. In particular, BEI would hope that Mr. Atambaev could be persuaded to revive the Supreme Economic Council, the body that former PM Kulov created (a TFI recommendation) to address major economic issues but which has since been inactive. BEI was providing support to the Council and had hoped it would be an effective mechanism to drive business environment reform. Since Mr. Kulov's departure, however, the future of the Council is in doubt.

During this reporting period, The Kyrgyz Republic also officially rejected a proposal to join the Heavily Indebted Poor Countries (HIPC) Program offered by the World Bank and the IMF. The decision will clearly set back BEI's efforts to address national-level reforms since HIPC would have required a commitment to address some major business environment issues.

The opposition, which now includes former PM Kulov, is putting increasing pressure on the government to follow through with promised reforms. Further demonstrations are planned in early April throughout the country and this has focused the government more on issues of political stability than of economic reform.

While reform progress within the executive branch has slowed, the President's Administration continues to express interest in reform ideas. Through discussions with the Deputy Head of the President's Administration, M. Sadyrkulovuyum, BEI offered support and provided detailed recommendations on a variety of initiatives. BEI will continue to pursue opportunities with the PA while the PM awaits approval from Parliament and a Government is formed.

While BEI will continue to advocate for change with all government counterparts, it is believed that real change must be driven by the private sector and future actions will focus on executing a cohesive leadership strategy with private sector champions. Additionally, BEI will look to work more closely with leaders of

local administrations who can positively influence their business environment without the direct involvement of the national authorities.

Despite these setbacks and inactivity on the part of the government, there was some notable progress on several fronts that is discussed in more detail below.

Investment Council to the President

In February 2007, the President created an Investment Council to help develop policies designed to improve the investment and business environment in the Republic. The Council will be supported by the European Bank for Reconstruction and Development (EBRD) and will comprise members of the local and international business community. At present, no one from the donor community is included in the Council, other than the EBRD, but the Secretariat of the Council expressed its willingness to include BEI in its working group and consider all its recommendations. Some of these include permit reform, inspections reform and a focus on removing barriers to tourism at Lake Issyk Kul prior to the start of the 2007 tourist season.

TECHNICAL

Inspections Reform

BEI is pleased to report that on March 27, 2007 the Kyrgyz Parliament adopted the long-awaited law “On Procedures for Conducting Inspections of Businesses” with all the recommendations made by the USAID TFI and LIME Projects and supported through the ongoing lobbying efforts of BEI. If signed by the President, the Law would introduce an entirely new approach to the conduct of inspections of businesses and their activities by government bodies in the Kyrgyz Republic. The law embodies the principle that laws and regulations should be in the best interest of citizens, businesses, and markets, and, as such, should seek and encourage compliance. By doing so, the law protects entrepreneurs from legal inconsistencies, limits inspections, places the burden of proving fault on the government, and allows entrepreneurs a chance to correct defects before fines can be assessed, among other positive provisions. Parliament went even further and expanded the Law to include tax inspections, which, given the reportedly onerous, excessive and intrusive nature of tax inspections, is viewed as a very positive improvement.

Once the Law is signed, BEI will seek to assist the Government to begin implementing its key provisions and begin the process of harmonizing the law with other laws, codes and regulations. The inspection provisions are cross-cutting and changes to a large number of legal acts are expected to be necessary to create a consistent legal regime. BEI also anticipates launching an extensive information dissemination campaign to inform the public of the new reforms.

Technical Regulation Reform

Thanks largely to the ongoing efforts of BEI staff and a local World Bank project, the Government adopted a resolution “On Accreditation” in November 2006 that creates an independent National Accreditation Body separate from the National Institute of Standards and Metrology. Prior to this decision, the function of accreditation of laboratories and certification bodies was combined in a single entity, which was contrary to international practice, created conflicts of interest and prevented Kyrgyzstan from achieving international recognition of its test and conformity assessment results. The decision will also benefit businesses that need certification and conformity assessment of their goods and services to access international markets.

Partnership Program

In the Kyrgyz Republic, the private sector represents a vital potential engine for change. As the government flounders on reform promises, BEI believes the private sector can articulate a clear reform path and lead the process forward. Building on the success of the Partnership Program in Kazakhstan and the successful partnering arrangements in the Kyrgyz Republic under TFI to support dialogue and advocacy, BEI has begun an assessment of associations to determine the best partners to undergo a course of transformational consulting that will turn them into sustainable, member-driven organizations of change that serve the needs and represent the interests of their members. An assessment of potential partners has already begun with the assistance of the Agriculture Association of Kyrgyzstan (AAK) in Osh, with results expected in April. Following the assessment, BEI will conclude formal agreements with a small group of associations to begin the development program. Later, and based on the demand and preferences of partners, BEI would then facilitate collaborative agreements with private sector service providers to assist in the delivery of needed services to associations and their members. This approach differs slightly than that anticipated in the work plan and, as such, requires reorganizing some of the intermediate objectives. These are proposed in the work plan update section below.

Public-Private Dialogue

BEI continues to monitor and support the development of public-private dialogue bodies to provide citizens with access to government decision makers and opportunities to address specific problems.

During the reporting period BEI has confirmed that the Customs Consultative Councils continue to operate without direct support and assistance from BEI, though we will continue to monitor their activities and provide support where necessary until the launch of the USAID RTLK.

With BEI's assistance, the Mayor of Osh created a public council to address issues of concern for the city's entrepreneurs with the first meeting taking place in early March. BEI also reached an agreement with the Bishkek Kenesh to provide support in dialogue activities and legal issues to benefit entrepreneurs.

In Bishkek, the General Prosecutor had proposed increasing the power and public visibility of the Prosecutor's Office Working Group to address illegal agency and ministerial acts. However, in March, the General Prosecutor resigned, leaving this particular initiative without a champion. BEI will actively work with the new General Prosecutor to promote the working group mechanism.

UPCOMING EVENTS

In April, opposition parties are expected to begin public demonstrations in protest against the current government and calling for early Presidential elections, creation of a coalition Government, constitutional reform and accelerated economic reforms. Calls for reform may help the adoption of some legal initiatives by the President but divert government attention from implementation.

In April, the President is expected to sign the Law "On Procedures for Conducting Inspections of Businesses".

In April, the first meeting of the Investment Council of the President is expected, with BEI participation.

In April – May, Parliament is expected to consider the Tax Code. Harmonization of the tax drafts with the Law "On Procedures for Conducting Inspections of Businesses" will be essential to avoid negating significant protections for entrepreneurs provided by the new Law.

On April 25-27, the President of the Republic of Kazakhstan is expected to visit the Kyrgyz Republic. The Ministry of Economic Development and Trade has requested BEI assistance to prepare for the Kyrgyz-Kazakh business forum.

TAJIKISTAN

GENERAL

Presidential elections were held in November 2006, leading to a period of relative government inaction until mid-January 2007 while the government structure was finalized and position assignments charged or filled. For BEI, this period caused a minor delay in activities as counterparts were uncertain of their positions, formal governmental activities were not taking place and new organizations had yet to be finalized. However, any delays were brief.

The elevation in power to a ministry-level body of TajikStandard raises concerns about the commitment of the government to transparency and reform. However, as BEI does not work directly with TajikStandard, a direct impact on project activities is not expected.

A new State Committee on Investment and State Property was created during the restructuring. The functions on enterprise support and protection, which were previously implemented by the Antimonopoly Agency, have been transferred to the Committee. While the body is new and still determining its role, preliminary meetings between BEI and representatives of the Committee, as well as BEI's review of the Committee's operational regulation, indicates opportunities for collaboration, especially in the area of reform and interaction between government and the private sector.

In addition to structural changes, personnel changes have resulted in reassignments of direct interest to BEI. First, Mr. Khudoerov, former Head of the Department on Constitutional Rights and Guarantees of Citizens within the Executive Apparatus of the President, has been named to the position of Minister of Justice. BEI continues to work with him on the development of the draft Law "On Enforcement" as discussed below.

Also, Mr. Murodov, former Senior Advisor of the President on Legal Issues, has been named as the Head of the Legal Department of the Executive Apparatus of the President, replacing Mr. Davalatov who has been reassigned to the Anti-corruption Department of Dushanbe. Work on promoting implementation of licensing reforms discussed below will be with Mr. Murodov's participation.

TECHNICAL

Law on Public Unions

In March 2007, operating largely without public notice, Parliament adopted the Law "On Public Associations". The Law has undergone a number of serious changes (both positive and negative) in comparison with previous versions widely scrutinized by the international community. This version, though, presents a number of major problems, including: (i) the restriction on the right to association if not a legal entity; (ii) introduction of a new legal form referred to as "a body of public initiative" that may result in violations of the international law and may also hamper local self-governance; (iii) restrictions on the right to association for foreign citizens and stateless persons; (iv) restrictions on establishing public associations; (v) complication of the registration procedure for foreign public associations, their branches and representative offices; (vi) restrictions on the rights of public associations; (vii) extremely broad and intrusive powers of government to monitor public associations; (viii) registration and restrictions of

activities of public associations based on territorial scope; and (ix) a broad range of justifications for denying registration of a public association that may subject applications to abuse of discretion during the registration process. As of the date of this report, the President has yet to sign the Law and has requested additional information from the Government, that may lead to changes before it is signed. However, in any version, the Law is not an improvement in the legal regime for associations.

Transparency

Government transparency remains a significant problem for citizens in Tajikistan. Not only is draft legislation rarely made available for comment, enacted laws and regulations are routinely not registered in the Ministry of Justice or published, and even other government bodies are frequently denied access to them. While some acts are available electronically through a number of government and private sources, the compilations are incomplete. Furthermore, access upon request is routinely denied to citizens, even when the act sets out mandatory government fees or approvals in common business processes. BEI is addressing this shortcoming through its activities in a number of ways.

BEI is working with its government counterparts, such as the Ministry of Justice, to have drafts published on an *existing* website rather than creating something new. Even when donors create new websites for specific purposes, they quickly fall into disuse since the government exercises no ownership or control over the system. For example, the website of the President of Tajikistan is fairly well supported and could be used by the government as a forum for public opinion, e.g. posting draft legislative acts. BEI has also started to populate the Project website with local laws, regulations and acts, both draft and adopted.

The World Bank is incorporating support to the Adlia legal database in its Public Sector Reform Project and is considering conducting an inventory of existing laws, regulations and other sub-normative acts to be placed there. While this might promote greater transparency, BEI hopes to gain World Bank support to use the inventory as the basis for a guillotine initiative to eliminate outdated laws and regulations. This could only be successful if championed at the highest levels of government, including by the President.

At the same time, given the lack of information about legal requirements by both the private sector and government representatives, the development and publication of plain language guides, compilations of model contracts, and other information initiatives take on greater importance. During the reporting period, BEI started a number of these initiatives with local experts.

To address the problem of an acute lack of information in Tajikistan and, as a consequence, the lack of discussion and debate of problems and reform strategies, BEI has created an information dissemination network made up of 50 information intermediates including associations, academics, media organizations, clinics, business service providers and other local parties interested in law, business and change. As intermediates, participants are expected to disseminate information provided by BEI to end-users as well as use the provided information for business or consulting purposes. By distributing routine information in the normal course of operations, as well as by charging cost-recovery fees for more detailed and voluminous technical information, the intermediates will be part of a network that can reach every citizen in Tajikistan and, over time, will be able to effectively function independent of donor or project support.

Judicial and Legislative Reforms

Under its Commercial Law Reform and TFI Projects USAID provided significant support to the development of a number of laws in Tajikistan, including the Economic Procedure Code, Civil Procedure Code, Civil Code, Enforcement Law, and the Law on Investment. As each of these laws in their own way contribute to an improved business environment BEI continues to promote their adoption. For example, the Economic Procedure Code, Civil Procedure Code and Enforcement Law are essential for establishing

rules, practices and guidelines for how cases are handled in economic courts and the courts of general jurisdiction and strengthening enforcement of court decisions.

During the reporting period the Economic Procedure Code was reviewed in the Lower Chamber of Parliament, while the Civil Procedure Code was approved by the Lower Chamber and is now under consideration by the High Chamber. BEI, together with GTZ is also providing support to the working group developing the Law “On Enforcement” which is expected to be completed in mid-2007.

BEI is also supporting amendments to the Civil Code with a parliamentary working group to improve the business environment and strengthen provisions for private contracts, contract enforcement and entrepreneurs’ access to finance.

Finally, the TFI-supported Law “On Investment” was passed by parliamentary committee to the Lower Chamber for consideration. BEI will continue to follow its progress.

Strengthening Associations

Strengthening the potential of local business associations and transferring skills to facilitate improvement of the business environment is one of key components of the Project. During the reporting period, BEI completed its assessment of associations and locally-based supporting service providers. BEI also completed a needs assessment of those associations and identified potential training providers in the Kyrgyz Republic and Kazakhstan to address those needs. However, given the challenges of incorporating regional elements into the training final agreements with partners and trainers have been delayed but should be concluded and training started in April.

Even before starting formal training, BEI has been actively involving associations and businesses in its dialogue forums, focus groups and working groups to ensure project activities are guided towards issues that are important for businesses and delivering solutions that solve the critical problems impairing business activity.

Inspections Reform

BEI initially intended to play an active role in supporting inspections reform in Tajikistan. However, after a series of discussions with the International Finance Corporation (IFC), the lead donor in inspection reform in Tajikistan, and learning of additional planned support for inspections reform from the World Bank under the Public Sector Reform Project, BEI sees little opportunity to add value in the present environment. BEI will, however, continue to facilitate the dissemination of inspections-related information to entrepreneurs as it is developed and will continue to engage with the IFC and World Bank and offer its assistance. BEI is recommending an amendment to the work plan to reflect this change.

Licensing Reform

BEI is pleased to report that it was chosen by the World Bank in late 2006 to assist the government in its efforts to reform the legal regime for licensing. This includes introducing amendments to the current law, harmonizing other laws and drafting procedures to implement the key provisions of the law (licensing regulations). The World Bank is assisting the government to implement a Private Sector Development Strategy, of which business environment improvement is a large part.

Throughout the period, BEI helped develop a package of amendments to 32 related laws and codes to bring them into compliance with the law “On Licensing Separate Types of Activity” adopted in 2006. BEI also prepared an amendment to the existing law that would eliminate the discretion of the Government to issue

licenses for less than five (5) years. All amendments have been presented to the Government, and to date, nine (9) amendments have been approved and sent to Parliament. The remaining twenty-three (23) are expected to be approved and sent to Parliament in April. BEI also prepared draft implementing regulations that are supported by the World Bank and should be adopted by June.

BEI will continue to work with the World Bank to facilitate effective implementation of the Law and increased knowledge of both government and private sector counterparts.

Cooperation with the Ministry of Justice

While BEI continues to develop mechanisms for direct public comment on draft legal acts, we will also pursue any opportunity to directly improve the legal regime. Through BEI's efforts, the Ministry of Justice, which provides legal review of draft laws and regulations during their development and prior to final registration, has agreed to allow the Project to comment on certain draft normative legal acts that may impact business activity. As a result, BEI had an opportunity to review several acts during the period and provide its commentary. For example, BEI reviewed the draft regulation of the Ministry of Transport and Communication "Rules of Conveyance of Passengers by Automobile Transports".

Because the rules conflicted with the Law "On Licensing Separate Types of Activity" BEI recommended that the Ministry reject registration and return the document for further changes consistent with licensing provisions, which the Ministry did.

BEI also reviewed the draft Order of the Ministry of Energy and Industry "On Approving Attached Reports on Results of Business Activity" which stipulates control over businesses in the energy sector. Based on its review, BEI recommended the Ministry return the draft for modifications due to contradictions with the Tax Code and the Law "On State Statistics". The Ministry of Justice agreed and denied registration, returning the order to the Ministry of Energy and Industry for modifications consistent with BEI recommendations.

UPCOMING EVENTS

In April, the Government of Tajikistan is expected to adopt and submit to Parliament the remaining 23 amendments presented by BEI and the World Bank harmonizing the legal framework with amendments to the Law "On Licensing Separates Types of Activity" as well as an amendment to the Law eliminating discretion to issue licenses for less than five (5) years.

On April 16, Joe Lowther of Emerging Markets Group will begin a two-week assignment for BEI in Dushanbe to assess the opportunities for and promote the introduction of international arbitration in Tajikistan.

In April, sessions of the Customs Consultative Councils in GBAO, Khatlon and Sogd are scheduled.

In May, the working group is expected to submit the final draft Law "On Legal and Normative Acts" to the Government for its consideration.

By May, the first session of the Sogd Oblast Council for Development is expected to be held.

By June, the Government is expected to adopt the implementing regulation for the Law "On Licensing Separates Types of Activity" presented by BEI and the World Bank.

By June, Parliament is expected to adopt amendments to the Civil Code.

WORK PLAN PROGRESS REPORT

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

KAZAKHSTAN (KZ)			
No.	Objective	Start Date	End Date
KZ 01	Survey the Business Environment in Kazakhstan to Identify Priority Local-Level Constraints and with Private Sector Service Providers and Other Donors, Commission and Publicize Informational Analyses on Key Reform Initiatives to Promote Future Activities	1 Dec 2006	30 Sep 2007
Intermediate Objectives IR1, IR2, IR3	<ul style="list-style-type: none"> Assist the Ministry of Industry and Trade and the Center for System Research under the President's Administration in redesign of the economic freedom rating tool to be used by the GoK in conducting its survey of economic freedom in each oblast - January 2007 - COMPLETED Seek the support of the World Bank, EBRD and USAID to expand the biennial BEEPS survey to include all regions of KZ in 2007 and source the needed funds – January 2007 - COMPLETED Conduct a study of the activities and effectiveness of Expert Councils called for under the law On Private Entrepreneurship and develop recommendations for improving the dialogue between business and Government when preparing normative legal acts – February 2007 - Expected date: August 2007 Jointly with the World Bank and USAID conduct an oblast-level “Doing Business” Survey. This will first require sourcing needed funds and identifying a survey company and survey respondents in each region. – March 2007 – Expected date: TBD with the World Bank Based on priority local-level constraints identified through the joint-surveys with the Government and key partners, take direct action or work through partners and dialogue bodies to develop recommendations for improvement – September 2007 		
Status & Comments			
October 2006 – March 2007	<p>With the assistance of BEI, the Ministry of Industry and Trade and the Center for System Research under the President's Administration has completed the design of the rating tool to be used to evaluate economic freedom within each oblast and it has been approved the President's Administration. The rating initiative will analyze processes similar to those measured by the Doing Bank approach, but rather than evaluating the legal regime, the ratings will focus on business perception of the various processes. The survey is expected to be conducted in July 2007.</p> <p>The World Bank did express an interest in pursuing an expanded BEEPS survey for Kazakhstan, but the next survey is not scheduled to take place until late 2007-early 2008. This opportunity will be revisited in the next project year.</p> <p>In conjunction with the Forum of Entrepreneurs of Kazakhstan (FEK), within the framework of the Working Group under the Public Prosecutor's Office, BEI has begun reviewing the activities and effectiveness of Expert Councils created through the Law “On Private Entrepreneurship”. The work is expected to be completed by August 2007. FEK received funding from CIPE to perform the study.</p> <p>The World Bank and USAID have agreed on a subnational Doing Business survey for Central Asia that will now include Tajikistan and Kyrgyzstan. BEI provided its recommendations for survey cities and has agreed to support the collection of data in Kazakhstan using its partner network. At the present time, discussions are still underway regarding the timing of the study.</p>		
No.	Objective	Start Date	End Date
KZ 02	Expand the Partnership Mentor Program in the Kyrgyz Republic and Tajikistan using Kazakhstani Associations	1 Dec 2006	30 Sep 2007
Intermediate Objectives	<ul style="list-style-type: none"> Support the continued expansion of the Partnership Mentoring Program into KG and TJ using KZ associations as mentors and facilitate regional coordination by the Congress of Business Associations of Central Asia and Russia (CBACAR) – Ongoing 		

IR1, IR2, IR3	<ul style="list-style-type: none"> Conduct at least two trainings each and continuing consultation by KZ associations as service providers for KG and TJ members of the regional association network – Ongoing Expand the usage of the partnership program network website and communication linkages to facilitate improved information exchange between partners, with a survey of 90% of association members in TJ, KR and KZ indicating they are familiar with the web site resource and 50% are using it for information exchange – September 2007 		
Status & Comments			
October 2006 – March 2007	As indicated in the reports for the Kyrgyz Republic and Tajikistan, BEI expects to finalize plans for regional trainings and support to partner associations in April 2007. The Associations of Astana and Karaganda have agreed to provide trainings as needed to counterparts in other countries. Once the final schedule and budgets are approved, trainings and follow-up support will commence.		
No.	Objective	Start Date	End Date
KZ 03	<i>Strengthen and Expand the Partnership Network in Kazakhstan</i>	<i>1 Nov 2006</i>	<i>30 Sep 2007</i>
Intermediate Objectives IR1, IR2, IR3	<ul style="list-style-type: none"> Identify and enter into subcontracting arrangements with key partners to continue and expand the Partner Program in Kazakhstan. January 2007 – COMPLETED February 2007 Contracted partners conduct a survey of existing partners and other associations to determine the main constraints faced in each region and identify areas for project-supported intervention - March 2007 – PARTIALLY COMPLETED Identify at least 10 partners who will continue efforts on removal of constraints and who will attract a minimum of one new partner to the program and ensure broad geographic coverage of project activities throughout the country - May 2007 Partners, with continued assistance from BEI as needed, remove a minimum of 10 constraints total – September 2007 As part of the Government’s “E-Akimat” initiative, identify 3 cities (where key partners are located) and assist partners to prepare preliminary action plans on joint activity with state agencies to reengineer select administrative processes impacting local SMEs - September 2007 		
Status & Comments			
October 2006 – March 2007	<p>BEI has executed subcontracting agreements with associations in Uralsk, Shymkent and Ust-Kamenogorsk to conduct activities in those cities on behalf of BEI utilizing BEI methodologies and materials. BEI experienced delays in concluding these agreements but given that these represent a new model for undertaking project activities some delays are not unexpected. Furthermore, partners agreed to undertake all the activities originally envisaged.</p> <p>Introductory meetings and press conferences to announce the launches have been completed. In each of those three cities, as well as in Ziryansovsk, Ridder, and Pavlodar, partners have completed focus groups with entrepreneurs and are in the process of identifying key barriers to business activity for further attention. BEI will support partner activities to identify and remove local-level business constraints as activities move forward during the next period.</p>		
No.	Objective	Start Date	End Date
KZ 04	<i>Expand and Strengthen Opportunities for Public-Private Dialog on Issues Impacting Business</i>	<i>1 Nov 2006</i>	<i>30 Sep 2007</i>
Intermediate Objectives IR1, IR2, IR3	<ul style="list-style-type: none"> Together with the Ministry of Industry and Trade, analyze the results of the working group on De-bureaucratization and Removal of Administrative Barriers and make recommendations for improving its effectiveness as a reform coordination body - February 2007 – COMPLETED Participate in the international scientific and practical conference “On cooperation in experience of government authorities, non-governmental sector and business in solving social issues of the regions” in Pavlodar - January 2007 – Expected date: TBD by 		

	<p>GoKZ</p> <ul style="list-style-type: none"> • Reactivate the working group under the General Prosecutor’s Office at the national level - March 2007 - COMPLETED • Based on results of the study of Expert Councils (KZ 01) present recommendations for improving their effectiveness to the Government and publicize the results – April 2007 – Expected date: August 2007 • Confirm existing Customs Consultative Councils and provide technical assistance as needed through partnership program members and by direct project action – Ongoing (until award of USAID RTLC) • Provide consultative assistance and other support as necessary to the Forum of Entrepreneurs to strengthen its participation in the legislative improvement working group under the Parliament – Ongoing • Subject to a positive impact from the national-level working group, determine the feasibility of establishing similar working groups under oblast prosecutor’s offices involving local-level partners – September 2007 		
	Status & Comments		
October 2006 – March 2007	<p>In conjunction with the Ministry of Industry and Trade, BEI has analyzed the results of the working group on De-bureaucratization and Removal of Administrative Barriers. BEI has concluded that the body exists only in form and does not actually operate. On the basis of the analysis, BEI has recommended to the Ministry to reactivate the group and offered support in doing so. However, the Ministry has requested time before restarting work and it is expected that it will be May 2007 before the working group begins operation.</p> <p>BEI has confirmed that CCCs continue to function and through partner organizations in Ust-Kamenogorsk, Shymkent and Uralsk, BEI continues to provide support as needed.</p> <p>The international scientific and practice conference planned in Pavlodar for January 2007 has been postponed by the Government. The new date for the conference remains to be determined. BEI will participate in the conference when it occurs.</p> <p>As indicated in KZ01, the analysis of the work of Expert Councils is expected to be completed in July 2007. Therefore, BEI will provide recommendations and publicize results in July and August 2007.</p> <p>Through agreement with the State Office of the Public Prosecutor, the national level working group has been reactivated. The joint work plan of the group has been developed and includes analysis of the activities of expert councils as indicated in KZ01, development of impact assessment and anti-corruption methodology in KZ11 and analysis of inspections of business activity under KZ08.</p> <p>As indicated in KZ06, BEI, together with KSBD, sponsored a roundtable in Almaty in January 2007 that was attended by entrepreneurs to discuss the draft law “On State Purchases”. As a result, BEI and the private sector representatives jointly developed an additional package of recommendations to the draft law which was submitted to the Government and to Parliament.</p>		
No.	Objective	Start Date	End Date
KZ 05	Streamlined Licensing Procedures and Reduction of Activities Subject to Regulation	1 Nov 2006	30 Jun 2007
Intermediate Objectives	<ul style="list-style-type: none"> • Develop and submit specific recommendations to reduce the number of activities subject to licensing, eliminate duplication with other forms of permissions, and increase term of validity through partners participating in the working group in Parliament –February 2007 - COMPLETED 		
IR1, IR2	<ul style="list-style-type: none"> • Through STTA, assist in the development of an organizational change management implementation plan for the creation and operation of one-stop shops for licensing at the local level and publish a report on the findings* – June 2007 		

Status & Comments			
October 2006 – March 2007	Continuing work started by TFI, BEI continued to support adoption of the Law “On Licensing” that was finally adopted by Parliament in January 2007. Consistent with BEI recommendations the Law considerably reduced the quantity of activities/sub-activities subject to licensing from 88/651 to 99/279. The new law has also cut the time required to get a license and the documents required during the application process. Additional details are provided in the narrative section above and the BEI Results Table. Additionally, BEI supported changes to the Law “On Use of Airspace and Activity of Aircraft of the Republic of Kazakhstan” and supported the elimination of mandatory certification of services that was required of travel agents for booking and sales of passenger tickets and freight traffic. The changes were approved by Parliament in December 2006 and impact over 500 local companies. Additional details are provided in the BEI Results Table.		
No.	Objective	Start Date	End Date
KZ 06	Improved Procedures and Capacity for SME Participation in Government Procurements	1 Nov 2006	30 Sep 2007
Intermediate Objectives IR1, IR3	<ul style="list-style-type: none"> • Together with interested partners, develop and submit recommendations for improvements to new Law “On Government Procurement” ensuring openness, transparency and fairness in the procurement process for SMEs, including clarification of the award procedure - January 2007 - COMPLETED • Once the law is adopted, assist the Government in developing implementing regulations for state procurements most impacting SMEs – April 2007 • Based on new procedures, develop a manual for SMEs on how to participate in the procurement process and distribute the information via the Partnership Program network – September 2007 		
Status & Comments			
October 2006 – March 2007	<p>As indicated in KZ04, BEI, together with KSBD, sponsored a roundtable in Almaty in January 2007 that was attended by Almaty city authorities, Agency on State Procurement, associations, entrepreneurs and the mass media to discuss the draft law “On State Purchases”. As a result of the roundtables, BEI and the private sector representatives jointly developed additional recommendations to the draft law which were submitted to the Government and to Parliament. BEI continues to monitor the draft law and promote incorporation of appropriate amendments. Final consideration of the draft is expected in April/May 2007.</p> <p>BEI also met with the World Bank consultant promoting reforms in State Procurement in Central Asia. The consultant had prepared a comprehensive review of the draft law and was quite critical of many of its provisions, particularly the use of the Commodity Exchange to handle certain procurements. The comments were provided to the Government and BEI passed them to its partners working directly with Parliament.</p>		
No.	Objective	Start Date	End Date
KZ 07	Improved Procedures for Contract Enforcement	1 Oct 2006	30 Sep 2007
Intermediate Objectives IR1, IR4	<ul style="list-style-type: none"> • Validate through discussions with government and private sector counterparts the World Bank Doing Business summary of the cost of enforcing contracts in Kazakhstan and develop a report of the findings* - February 2007 - COMPLETED • Based on the project analysis, identify immediate opportunities for reducing time and financial costs associated with contract enforcement and prepare any appropriate recommendations regarding legal (including judicial) changes that may be beneficial - May 2007 • Implement improvements where possible, including utilizing private sector partners to increase availability of information and advocate for further change – September 2007 		

Status & Comments			
October 2006 – March 2007	With the assistance of a short-term expert, BEI completed an analysis of the current state of formal contract enforcement in Kazakhstan as well as the environment for alternative dispute resolution. Also, as noted in RI, BEI completed validation of the World Bank Doing Business results for contract enforcement. Given the findings and recommendations, especially considering the identified barriers to necessary fundamental judicial reform that is beyond the capacity of the Project to implement, BEI is reviewing options for non-judicial support to formal and alternative contract enforcement, including support in the development of contracts and to alternative dispute resolution bodies, both solutions that can help strengthen contracts as tools for entrepreneurs, but avoid currently insurmountable problems with government enforcement.		
No.	Objective	Start Date	End Date
KZ 08	<i>Reduction in the Number of Illegal Inspections</i>	<i>1 Oct 2006</i>	<i>30 Jun 2007</i>
Intermediate Objectives IR1, IR2, IR3	<ul style="list-style-type: none"> Together with the General Prosecutor, analyze the effectiveness of inspection controls and the recent changes in the Law “On Private Entrepreneurship” regarding inspections and develop recommendations for reducing illegal and unwarranted inspections on business activities and publish a report on the findings* - June 2007 		
Status & Comments			
October 2006 – March 2007	As indicated in KZ04, BEI has reached an agreement with the State Office of the Public Prosecutor and the national level working group has been reactivated. The joint working plan of the group includes analysis of inspections of business activity and a review of the Law “On Private Entrepreneurship”. BEI expects to complete the review and the published report by June 2007.		
No.	Objective	Start Date	End Date
KZ 09	<i>Reduction in the Time and Cost Associated with Paying Taxes and Tax Administrative Procedures</i>	<i>1 Jan 2007</i>	<i>30 Jun 2007</i>
Intermediate Objectives IR1, IR2	<ul style="list-style-type: none"> Through discussions with counterpart organizations, including the USAID Economic Policy Project and associations, validate the World Bank Doing Business summary of the costs of paying taxes in Kazakhstan, identify the major problems facing business and develop recommendations for presentation to the government and the USAID EPP and publish a report on the findings*. – June 2007 		
Status & Comments			
October 2006 – March 2007	As indicated in RI, BEI has completed validation of the World Bank Paying Taxes data. However, the information contained in the World Bank assessment is in summary fashion, especially regarding tax administration. The World Bank Paying Taxes report is heavily weighted on tax policy – the number of taxes and the rates charged for each, with tax spent summarized in total hours per year per tax. Based on initial review, the total official financial tax burden is relatively competitive and the time and costs of paying taxes presents few problems for entrepreneurs. However, other aspects of the tax regime not captured by the World Bank methodology, such as interaction with the tax inspectors and financial police, do present significant problems. BEI has reached as agreement with the Association of Taxpayers of Kazakhstan, with the full support of the Tax Committee, to conduct a survey of businesses to further analyze the situation and develop a publishable report on the findings. BEI hopes to conduct the survey in May and have the results by June.		
No.	Objective	Start Date	End Date
KZ 10	<i>Support to National and Local Government IT Initiatives</i>	<i>1 Oct 2006</i>	<i>30 Sep 2007</i>
Intermediate Objectives	<ul style="list-style-type: none"> Review the priorities of the Agency on Informatization and Communication and select initiatives for joint activity based on their potential impact to SMEs - December 2006 – Expected date: May 2007 		

IR2, IR3	<ul style="list-style-type: none"> • With STTA, conduct an analysis of the GoK national information strategy and identify any opportunities for improvement to facilitate current and future reforms – March 2007 – Expected date: May 2007 • Develop and submit recommendations for strategy improvement and e-government implementation at the national AIC conference – March 2007 - COMPLETED • With STTA, work together with the AIC and select ministries to reengineer/streamline key administrative processes selected for conversion to electronic form based on a needs assessment. 2007 in accordance with the plan of the AIC. • Together with AIC staff and local experts, conduct trainings on e-government for local government and business partners - June 2007, Ongoing • Jointly with partner business associations, hold a contest for akimat websites that provide the greatest level of support to local entrepreneurs (availability, transparency, timeliness and accuracy of information) Sept 2007 		
Status & Comments			
October 2006 – March 2007	<p>BEI completed and submitted recommendations for the implementation of e-government initiatives at the national AIC conference in March 2007. The recommendations were based on the experience of introducing e-government services in East Kazakhstan and included the technique of development of administrative and technical rules, definitions, identification of administrative processes for reengineering and examples of reengineered processes.</p> <p>Due to personnel changes within the Agency on Informatization and Communications, the identification of joint initiatives is delayed until May 2007. It is also expected that agreement will be reached for a joint review of the information strategy at that time upon which future targeted or pilot support to key agencies can be provided to streamline essential processes.</p>		
No.	Objective	Start Date	End Date
KZ 11	<i>Improved Law and Rulemaking Procedures at the National Level</i>	<i>1 Oct 2006</i>	<i>30 Sep 2007</i>
Intermediate Objectives IR1, IR2, IR3	<ul style="list-style-type: none"> • Review the anti-corruption measures (Russian model) recently adopted for rule-making procedures at the national level and develop recommendations for improving their effectiveness and expanding their use - December 2006 - COMPLETED • Conduct an analysis of regulatory impact assessment procedures and their practical application as required in the Law “On Private Entrepreneurship” and Law “On Normative Legal Acts”, including a review of example assessments – March 2007 – Expected date: July 2007 • Based on the results of the analysis, and with the support of Government, develop a methodology for applying RIA and anti-corruption tools for select normative legal acts consistent with the requirements of law. - July 2007 • Disseminate RIA information and specific recommendation for involvement of the private sector to Partnership Program members and government counterparts – August 2007 • Establish a research group with an existing partner, an educational institution and interested lawyers to receive training and apply the RIA methodology to analyze a current and/or newly adopted regulatory act and present its findings to the Government for review - September 2007 		
Status & Comments			
October 2006 – March 2007	<p>BEI has completed an assessment of the Russian anti-corruption diagnostic, including analyses completed by local counterparts and Transparency International using the approach. Based on the analysis, BEI thinks that the model is not suitable for independent use, but should be incorporated into the overall impact assessment process, as one tool used amongst many in reviewing draft or existing laws and regulations. As such, BEI will include promotion of anti-corruption assessment with efforts to promote impact assessment in general.</p>		

	<p>As indicated in KZ04, analysis of the Law “On Private Entrepreneurship” is included in the activities to be conducted with the Prosecutor’s Office Working Group. Through agreement with the Public Prosecutor, the analysis is planned to be completed by July 2007.</p> <p>BEI supported the development of model impact assessment conducted by the South Kazakhstan Oblast branch of the Association on Support of Pharmaceutical Activity on drafts related to pharmaceutical activity. On the basis of the experience, BEI will develop further trainings on impact assessment methodology for government officials and business partner associations. In Ust-Kamenogorsk, the BEI partner association has entered into a formal agreement with East Kazakhstan Technical University to conduct impact assessments on several laws including the Law “On Private Entrepreneurship” starting in October 2007.</p>		
No.	Objective	Start Date	End Date
KZ 12	Improved Process for Registering, Re-registering and De-registering a Business	1 Nov 2006	30 Jun 2007
Intermediate Objectives IR1, IR2	<ul style="list-style-type: none"> Obtain the agreement of the Ministry of Justice to review the procedures of the Public Access Centers performing one-window registration of legal entities - December 2006 - COMPLETED Based on approval of the MoJ, conduct a pilot review of the activities of the Almaty PAC as a pilot, using local STTA - March 2007 – Expected date: June 2007 Present the findings and recommendations to the MoJ and others in Government and build demand for process reforms before PACs are introduced in other regions - May 2007 – Expected date: June 2007 		
Status & Comments			
October 2006 – March 2007	<p>Initial attempts to secure the agreement of the Ministry of Justice to conduct a joint assessment of PACs were unsuccessful and delayed execution of the assessment. The Ministry staff initially expressed an interest in the assessment but later, after consulting the Minister directly, declined the offer of assistance.</p> <p>BEI later discovered that TACIS was implementing a service delivery improvement project with the Agency for Civil Service Affairs in Astana and that UNDP was conducting a survey into the activities of PACs. BEI met with these groups, as well as World Bank experts on E-government and the Ministry of Justice to discuss opportunities for cooperation and new initiatives. As a result, the Ministry of Justice has asked BEI to consider assisting it in implementing some initiatives to streamline select government services. BEI plans follow-up meetings in April to determine where to target its assistance and how.</p>		
No.	Objective	Start Date	End Date
KZ 13	Reduce the Cost and Time Associated with Land Registration and Construction	1 Jan 2006	30 Sep 2007
Intermediate Objectives IR1, IR2, IR3	<ul style="list-style-type: none"> Perform an analysis using STTA of the process of land registration and small scale construction, including renovation, focusing attention on implementation of Government resolution No. 1313 and publish a report of the findings* - March 2007 – Expected date: July 2007 As part of the same analysis, obtain agreement of relevant bodies to study the activities of PACs handling land registration, identify bottlenecks and develop process improvement recommendations. - July 2007 Present recommendations through partners and direct project involvement in Government working groups and with the Prosecutor where possible – September 2007 		
Status & Comments			
October 2006 – March 2007	<p>Preliminary review of the land registration and construction processes was completed through activities in R1 – the validation of the World Bank Doing Business Indicators for those processes. However, given the limitations of the indicators much greater detail is required to develop actionable recommendations and analysis of the processes in reality. BEI has agreed with key partners in Uralsk, Ust-Kamenogorsk,</p>		

	and Shymkent to conduct an assessment of the details of the processes in their areas and work with BEI to develop a publishable analysis. It is expected that the analysis will be completed in July 2007.		
	Based on BEI review, analysis of land registration will require analysis beyond the activities of PACs since other government bodies are involved at the present time. BEI-support analysis will include consideration of all involved government bodies.		
KYRGYZ REPUBLIC (KG)			
No.	Objective		
KG 01	Strengthen Private Sector Participation in Policy Reform at the National and Local Level	1 Dec 2006	30 Sept 2007
Intermediate Objectives IR1, IR2, IR3	<ul style="list-style-type: none"> • Support and encourage the work of the Supreme Economic Council (SEC) by providing material and consultancy support to the Secretariat of this body to develop agenda items, discussion materials, and feedback mechanisms to maximize the effectiveness of the SEC in shaping and ensuring implementation of national policies that affect SMEs. – Ongoing • Identify at least three local Keneshes of different levels outside Bishkek and Osh with an interest in working together with the private sector to improve their local business environment. – March 2007 - COMPLETED • With direct Project support or through local service providers, conduct focus groups, trainings and develop action plans for local keneshes (or interested local authorities) for addressing local constraints to business development. – July 2007 • Local authorities successfully reduce at least one constraint validated by local businesses. – September 2007 • Through Partnership Program members and agreement with the new leadership in the General Prosecutor’s Office, support continued activities of the Prosecutor’s Working Groups in Bishkek, Osh and other regions – Ongoing • Actively support Customs and private sector partners with on-going Customs Consultative Council activities in Osh and Bishkek. – Ongoing (and in cooperation with USAID RTLC) • Support interested business groups in providing expertise and other consultancy services to members of Parliament and other key decision makers on SME policy making - Ongoing • Support implementing the existing government strategies for SME development and help modify them as necessary with the input from the private sector. Ensure that any new government strategies reflect the needs of the broader business community. – Ongoing 		
Status & Comments			
October 2006 – March 2007	<p>BEI intended to build on the development of the Supreme Economic Council supported by the previous TFI Project. In fact, BEI attended the first several meeting of the Council and had obtained preliminary approval from Kulov to provide material and technical assistance to the body. However, due to political changes in the Government, including the replacement of PM Kulov, who was a champion of the SEC, it is uncertain if the body will continue. In light of the uncertainty, BEI is actively exploring other opportunities to increase public-private dialogue in policy making, including through the Investment Council, recently created and supported by EBRD, Ministry-level working groups and through the President’s Administration.</p> <p>BEI and the Secretariat of the Investment Council have agreed to collaborate to prepare for the first Council meeting expected to be held in April. BEI plans to provide recommendations on the conduct of the Council and on some specific reform measures it should consider.</p> <p>In Osh, BEI concluded an agreement with the Osh Mayor to form a new public-private dialogue group called the Osh Mayor’s Public Expertise Council. The first meeting has occurred and other organizational tasks are underway. This new forum will allow businesses to raise issues to the Mayor’s attention that the Osh Prosecutor or the Osh Customs Consultative Council cannot resolve but that the Mayor has the power to resolve.</p>		

	<p>Building on the previous TFI-supported national-level Prosecutor's Working Group, the General Prosecutor had decided to raise the status and visibility of the group by assuming direct leadership. However, the General Prosecutor resigned in March, leaving its future uncertain. BEI will continue to advocate for the group with the next General Prosecutor given the effectiveness of the group in the past. Pending the launch of the RTLC Project, Customs is continuing Consultative Council meetings. BEI continues to work with associations including the Bishkek Business Club (BBC) and the Customs Broker Association to raise issues of importance to entrepreneurs. A new regulation of the Council has been adopted that ensures financial sustainability of the CCC Secretariat and Mr. Kydyrbaev, Executive Director of the BBC, was elected Co-Chairman of the Council.</p>		
No.	Objective		
KG 02	Expansion of the Regional Partnership Program and Capacity for Sustainability Built within Business Advocacy Organizations at the National and Regional Levels	1 Jan 2007	30 Sept 2007
Intermediate Objectives IR1, IR2, IR3	<ul style="list-style-type: none"> Operational review completed of partner associations by consulting subcontractor(s) and implementation of improved operational and management practices begins – April 2007 Agreements concluded with at least 3 associations (pilot number) in different regions of the country committed to increasing advocacy skill and internal operations to join the Partnership Program Network – February 2007 – Estimated date: April 2007 Private sector service providers (law firms and business consultancies) identified and agreements reached to provide support to network members on a multi-year declining subsidy basis – January 2007 – Estimated date: May 2007 Partner business associations complete training on RIC methodologies conducted by KZ association service providers that will allow them to begin RIC activities. – May 2007 (together with TJ 04) Legal representation services made available to associations and association members via services and marketing agreements with association management and issues/results tracked by BEI – May 2007 Courts recognize and accept professional specialized associations (e.g. Association of Customs Brokers, Kyrgyz Association of Appraisers and others) as experts for court proceedings – Ongoing Two partner business associations reduce at least one constraint – September 2007 At least 75% of Partnership Program Network business association members through direct surveying report that they are aware of legal and consulting services available from designated service support providers and 75% of members report they are aware of advocacy activities of their association and the outcomes of those activities – September 2007 		
	Status & Comments		
October 2006 – March 2007	<p>Based on evolution of the Partnership Program, the timing of planned activities has been rearranged to reflect the order in which they are occurring. Currently, association candidates are undergoing a diagnostic and operational review (formerly the 3rd objective) that will conclude in early April. Following the diagnostic, at least 3 associations in Northern KR and 3 associations in South KR are expected to form agreements with BEI (2nd task) to participate in the Partnership Program, which will transform them over an 18 month time period to become very strong advocates for their members' rights and interests. Following this selection, BEI will begin the first module of transformation and simultaneously work with the associations to identify desirable law firms, business consultancies, arbitration courts, and other services based on association and member demand that would be the most suitable. BEI will then facilitate the conclusion of agreements between the associations and firms, where necessary, by the end of May 2007 (formerly 1st task) while the first training modules are being delivered.</p> <p>Advanced advocacy training, including RIC methodology training, is not expected to begin until September or beyond, as they are advanced topics and several other foundational trainings must occur beforehand. However, BEI still intends for the participating associations to remove constraints via other advocacy methods that will be completed in initial trainings with Partnership Program members before September.</p>		

No.	Objective		
KG 03	Implementation of Improved Law and Rule Making Procedures	1 Dec 2007	30 Sept 2007
Intermediate Objectives IR1, IR2, IR3	<ul style="list-style-type: none"> Seek support from the Legal Department of the Prime Minister's Office and the Ministry of Justice to implement recent changes to the drafting procedures of the Government (Reglament). – January 2007 – Expected date: April 2007 Develop a training program together with local lawyers and business groups that will select certain draft acts as well as existing acts (e.g. law On Control Marks, recent amendments to the Labor Code on sick days, construction permits) and subject them to a cost-benefit analysis, legal analysis, anti-corruption analysis and determine their consistency with SME policy. Involve STTA as needed and publish results*. – June 2006 Based on this experience, develop a training module to be used for Partnership Program trainings*. – July 2006 Provide ongoing support to the Legal Department in PM's office and the Ministry of Justice to ensure procedures are regularly followed. – Ongoing Jointly with interested parties, support changes to the law On Normative Legal Acts to introduce a hierarchy of laws, including the possibility to repeal an adopted act if it violates the procedures mentioned. - Ongoing 		
Status & Comments			
October 2006 – March 2007	<p>BEI had concluded an agreement with the Head of the Legal Department in the Prime Minister's Office to implement new drafting procedures consistent with the TFI-supported Reglament. However, due to changes in the Government, and the replacement of the Head of the Legal Department, it is necessary to form a new relationship and conclude a new agreement with the office. The new Head is expected to be named in April and BEI will pursue the issue at that time.</p> <p>Given the uncertainty of the nomination, BEI is working with associations and through the Prosecutors' Working Groups to identify and challenge sub-normative acts developed and adopted in violation of the Law and Reglament.</p> <p>BEI reached an agreement with the Ministry of Labor and Social Protection to conduct a cost-benefit analysis on draft amendments to Government Resolution #576 from August 14, 2006 "On Introduction and Payment of Compensation for Temporary Disabilities" which is currently under consideration. To build private sector understanding of analysis techniques, BEI will work closely with the Ministry to identify and select a local partner to perform the analysis with BEI support. The analysis is expected to be completed by the end of May. Once developed, BEI will use the experience to develop a comprehensive training course for lawyers and businesses involving a training expert.</p>		
No.	Objective	Start Date	End Date
KG 04	Reduction in the Burden of Tax Administration on SMEs	1 Mar 2006	30 Sept 2007
Intermediate Objectives IR1, IR2	<ul style="list-style-type: none"> Following adoption of the new Tax Code, assist interested business groups, in consultation with the USAID Economic Policy Project, to formulate specific recommendations regarding implementing tax administration reform measures for submission to the Government. – March 2007 – Estimated date: August 2007 Once new tax administration measures are adopted, support the CTC in its efforts to disseminate information, train businesses and develop feedback mechanisms in order to improve implementation of new procedures and protect the rights of businesses* – Ongoing 		
Status & Comments			
October 2006 – March 2007	<p>BEI is assisting the Bishkek Mayor's Office in implementation of the Prime Minister Order # 712-r of December 19, 2006. According to the Order, the Mayor's Office, in cooperation with the Ministry of Industry, Trade and Tourism, Tax Committee, Social Fund, Light Industry Association and others, should identify reasons why companies engaged in light industry are reluctant to get a tax patent and prepare recommendations for the Government to eliminate existing obstacles or disincentives to legalization. To date, public meetings have been held</p>		

	<p>in four (4) districts of Bishkek through which 89 companies took part. City representatives used the meetings to explain the procedures and advantages of legalization as well as receive information from the private sector regarding barriers. Some identified issues include low knowledge of requirements among the business community, fear to legalize due to potential changes in one of the draft Tax Codes, including elimination of the patent system, and a low VAT threshold. As a result of these meetings, BEI helped the Mayor's Office develop recommendations to address the issues which were sent to the Ministry of Economic Development and Trade.</p> <p>To promote harmony between any changes to the Tax Code and reforms in progress in the areas of inspections, registration and legal drafting, as well to encourage discussion, BEI has agreed with private sector experts to support public hearings that are expected to be held by parliamentarians on changes to the tax system.</p> <p>Once the President signs the new Law "On Procedures for Conducting Inspections of Businesses", harmonization of provisions in the draft Tax Codes with the Law will be essential to preserve protections for entrepreneurs.</p> <p>In March, the Government retained the Institute of Social and Economic Research to prepare a conceptual framework for tax reform in the future. Both directly and through private sector partners, BEI expects to use this conceptual framework to drive greater change in the implementing regulations for any Tax Code that is eventually adopted.</p>		
No.	Objective		
KG 05	<i>Simplified Process for Issuance of Permits for Construction, Reconstruction and Renovation</i>	<i>1 Jan 2007</i>	<i>30 Sept 2007</i>
Intermediate Objectives IR1, IR2	<ul style="list-style-type: none"> • Together with select partners conduct research into the legal and procedural requirements of the State Agency for Architecture and Construction (GosArhStroi) for construction and renovation in order to clearly demonstrate flaws in the policy and the process and publish an analytical report* that includes detailed process descriptions in layman's terms to help generate demand for reform. – June 2007 • Distribute the report among government and private sector counterparts and encourage the development of an agency action plan to reform the process. This would include presenting the findings to the Government's Construction Permit Commission and the SEC. – August 2007, Ongoing 		
Status & Comments			
October 2006 – March 2007	<p>As indicated in RI, BEI has completed the review and analysis of the World Bank Doing Business Indicator "Dealing with Licenses", which, although referring to licensing, is more closely related to a construction permitting process. Based on the review, BEI is in the process of identifying key partners to conduct more detailed research and analysis of aspects of the process excluded from consideration in the World Bank methodology.</p> <p>A key benefit of the World Bank results is the ability to compare the existing regime in the KR with "best in class" practices. Future analysis in this area will include consideration of not improvement from the existing situation, but promotion of "best in class" reforms.</p> <p>Inspections, including construction inspections, were identified by entrepreneurs as a particularly intrusive government activity. Attention to inspections by the Director of GosArchStroi and stated intentions to make inspections more rigorous is cause for concern. BEI will work with partners to continue to develop the analysis and will use the analysis and its subsequent publication to encourage substantial reforms.</p>		

No.	Objective		
KG 06	Improved Rules and Procedures for the Inspection of Entrepreneurial Activities	1 Jan 2007	30 Sept 2007
Intermediate Objectives IR1, IR2	<ul style="list-style-type: none"> • Together with key committees and parliamentarians, encourage the adoption of the draft law on inspections of entrepreneurial activities – December 2006 - COMPLETED • Conduct research on the problems that exist in the appeals process for a wrongful inspection and process for holding inspectors and agencies accountable for illegal inspections; develop recommendations for improving these processes and providing for liability of inspectors*. – March 2007 – Expected date: May 2007 • Identify 2 inspection agencies that would welcome technical assistance, including international STTA, to review and reform internal inspection procedures and processes, with or without a new inspection law. – March 2007 – Expected date: May 2007 • Conclude MOUs with these agencies; develop process maps and produce an analytical report of the findings*. – June 2007 • Assist agencies to develop action plans for reform and implement them. - Ongoing • Upon adoption of the inspection law, work with government and private sector partners to develop implementing regulations for select agencies, e.g. tax inspection, sanitary inspection, fire inspection, etc., in accordance with principles and requirements of the new law – September 2007 • Together with government and private sector partners, launch an information campaign on the new law and its implication for businesses. In particular, how can businesses use the new law and regulations to protect their rights*. – September 2007 		
Status & Comments			
October 2006 – March 2007	<p>In March, Parliament adopted the LIME/TFI/BEI supported Law “On Procedures for Conducting Inspections of Businesses” with all recommendations. If signed by the President, the Law would introduce an entirely new approach to the conduct of inspections of businesses and their activities by government bodies in the Kyrgyz Republic. The law embodies the principle that laws and regulations should be in the best interest of citizens, businesses, and markets, and, as such, should seek and encourage compliance. By doing so, the law protects entrepreneurs from legal inconsistencies, limits inspections, places the burden of proving fault on the government, and allows entrepreneurs a chance to correct defects before fines can be assessed, among other positive provisions. Parliament went even further and expanded the Law to include tax inspections, which, given the reportedly onerous, excessive and intrusive nature of tax inspections, is viewed as a very positive improvement.</p> <p>Once the Law is signed, BEI will seek to assist the Government to begin implementing its key provisions and begin the process of harmonizing the law with other laws, codes and regulations. The inspection provisions are cross-cutting and changes to a large number of legal acts are expected to be necessary to create a consistent legal regime. BEI also anticipates launching an extensive information dissemination campaign to inform the public of the new reforms.</p> <p>BEI is the process of selecting a private sector partner to conduct necessary research on the inspection environment to facilitate the identification of all acts requiring harmonization and identify other issues that will be important to address in detail in the implementation process, including the appeals and processes to remedy misconduct by inspectors.</p> <p>A new government resolution on inspections has been drafted on the initiative of the new Prime Minister and sent to all ministries and agencies for comment. The resolution would establish a single uniform form of the Inspection Authorization and require that all inspections be conducted only based on a Government order. Given that the new Law was based by Parliament, it is anticipated at a new regulation consistent with the Law will need to be developed.</p>		

No.	Objective		
KG 07	Improved Business Licensing and Permit Policy with Effective Implementation	1 Dec 2007	30 Sept 2007
Intermediate Objectives IR1, IR2	<ul style="list-style-type: none"> Identify private sector counterparts that can participate in research on licensing and lead the lobbying efforts. – December 2006 - COMPLETED Conduct research to get statistics that clearly show how the licensing and permitting system is flawed and then prepare an analytical report* and presentations that can explain the benefit of the new draft law to legislators. – February 2007 – Expected date: May 2007 Engage parliamentarians with presentations and discussions to facilitate passage. – March 2007 - COMPLETED Work with government institutions to form agreements about drafting new regulations that meet the terms of the new law – April 2007 Upon adoption of the Licensing Law, work with government and private sector partners to develop implementing regulations for various licensing activities. – September 2007 and beyond, if needed. Together with government and private sector partners, launch an information campaign on the new law and its implication for businesses. In particular, how can businesses use the new law and regulations to protect their rights*. – September 2007 and beyond, if needed 		
Status & Comments			
October 2006 – March 2007	<p>BEI has issued a closed tender to the Bishkek Business Club, Investment Round Table, and GIIPP to conduct the research and analysis on the licensing and permitting system. Based on factors the Government is currently considering, BEI believes the analysis must contain statistics and other hard data demonstrating flaws in the existing regime and the impact on economic growth. The final tender award is expected at the beginning of April. The Law “On Licensing” is currently in Parliament awaiting consideration. In that the companion Law “On Procedure for Conducting Inspections of Businesses” has been adopted by Parliament, it is hoped this draft will be considered in the near future.</p> <p>BEI provided support to the Ministry of Economic Development and Trade to further reduce the Unified List of Permits by eliminating 13 permits and organizing the list into classifications that will increase transparency, clarity and usefulness for businesses. A final Government decision on the new list is expected in April.</p> <p>Working from drafts originally developed in most cases by working groups under the previous matrix supported by USAID Projects, including TFI and LIME, UNDP presented draft acts to the Government on a number of legal issues, including some that are already in Parliament. Following a request from the Government for comment, BEI identified areas where many previous USAID-supported changes were missing and identified laws that were already under consideration.</p>		
No.	Objective		
KG 08	Streamlined Process of Deregistration of Business Entities	1 Jan 2007	30 Sept 2007
Intermediate Objectives IR1, IR2	<ul style="list-style-type: none"> Promote the adoption of the draft law On Registration of Legal Entities that includes provisions for improving the deregistration process. – Ongoing Based on the analysis of procedures of deregistration (Regional Objective) prepare recommendations for the Ministry of Justice to streamline the process. – April 2007 Assist the Ministry of Justice to implement new legal procedures for deregistration or improvements based on BEI recommendations to existing procedures. – Ongoing 		

Status & Comments			
October 2006 – March 2007	<p>The TFI-supported Law “On Registration of Legal Entities” is pending in Government due to delays in determining the level of financial support the Government will receive from the World Bank. BEI has recommended to moving forward with registration reform, in particular deregistration, while the issue is under consideration.</p> <p>Through agreement with the Bishkek City Department under the Ministry of Justice, BEI is currently analyzing the process for de-registration to identify improvements that can be made without legislative changes. The recommendations for streamlining are expected to be completed and presented in June 2007. It should be noted that BEI completed analysis of the World Bank Doing Business Indicator “Closing a Business”. While this process includes a court-ordered deregistration step, the process itself is actually bankruptcy and liquidation, not deregistration, and thus provides limited insight into the process for voluntary, non-bankruptcy, deregistration.</p> <p>Upon the request of the Prime Minister’s Office, BEI provided comments to UNDP-prepared draft Law “On Business Registration”. This draft was based on the previous TFI-supported draft with some alterations. Further UNDP implementation assistance is not anticipated.</p>		
No.	Objective		
KG 09	Improved Implementation of the law on Fundamentals of Technical Regulation	1 Dec 2007	30 Sept 2007
Intermediate Objectives	<ul style="list-style-type: none"> Continue to provide limited support to the World Bank Project “Reduction of Technical Barriers to Entrepreneurship and Trade” to help drive full implementation of the key principles of the law On the Fundamentals of Technical Regulation and to advance the reform process as it affects the business environment for SMEs. - Ongoing 		
IR2			
Status & Comments			
October 2006 – March 2007	<p>Until RTLC is launched, BEI is continuing to provide USAID support to technical regulations reform in close collaboration with the World Bank. BEI has assisted in lobbying the Government to accept the international practice of having an independent accreditation body and provided direct assistance to World Bank Consultants brought in to advance technical regulation reforms. BEI also provided comments to the draft technical regulations on Food Safety addressing issues such as compliance with the Law “On the Fundamentals of Technical Regulation” and avoiding creating new barriers for business activities.</p> <p>BEI continues to monitor and participate in the working group to promote positive implementing regulations and prevent negative amendments to the Law.</p> <p>The World Bank, TFI and BEI-supported Resolution “On Accreditation” was adopted during the reporting period. The Resolution creates a separate and independent National Accreditation Body (NAB) that will divide activities and eliminate conflicts of interest, and is consistent with international best practice. The resolution is another step in the implementation of the law On Technical Regulation and the establishment of an internationally recognized conformity assessment system in the Kyrgyz Republic.</p>		
No.	Objective		
KG 10	International Court of Arbitration (ICA) Becomes a Self-Sustaining Venue for Dispute Resolution	1 Dec 2006	30 Sept 2007
Intermediate Objectives	<ul style="list-style-type: none"> Assume grant from Eurasia Foundation will cover ICA operating expenses into early 2007. Assist USAID to conduct a financial audit of the ICA. – December 2006 - COMPLETED Provide a business consultant to conduct a review of the operations of the ICA and develop a report with specific recommendations to 		

IR4	<p>reduce costs, increase revenues, and transition to become self-sustaining. – January 2007 – Expected date: April 2007</p> <ul style="list-style-type: none"> • Present the report along with conditionalities for further financial support to the Board of Trustees of the ICA for approval. – January 2007 – Expected date: April 2007 • Monitor ICA’s implementation of the recommendations and provide support with technical assistance, including outreach activities aimed at raising awareness, interest and, ultimately, revenue. Provide STTA as needed. - Ongoing 		
Status & Comments			
October 2006 – March 2007	<p>The grant from the Eurasia Foundation covered ICA operating expenses through February 2007 and BEI has covered salaries and operating expenses through March in the amounts established by Eurasia.</p> <p>BEI has also retained two (2) consultants who are reviewing the activities of the ICA. The first consultant, a local expert, is reviewing the structural and operational activity of the ICA. An international consultant has arrived in Bishkek and is conducting both an environment and an additional operational review to determine the demand for arbitration and the viability of the ICA. Final recommendations from both consultants are expected in early April for USAID and BEI. At that time, it is expected that a final strategy will be determined regarding future support to the ICA in the context of a sustainability plan if it is reasonably possible.</p> <p>BEI did experience some delays in identifying and hiring suitable consultants. However, given the importance of the review and its likely conclusions, BEI sought only highly qualified consultants with proven experience and excellent credentials, which were difficult to find in a short period of time.</p>		
No.	Objective		
KG II	Migrate Financial Responsibility for Maintaining the Database of Judicial Opinions and Resolutions to the Supreme Court or Other Suitable Budgetary Sources	1 Jan 2007	30 Sept 2007
Intermediate Objectives IR1	<ul style="list-style-type: none"> • Support the maintenance of the existing judicial database where it concerns decisions on commercial and administrative issues from selected courts (37 existing pilot courts). – January 2007 – Expected date: April 2007 • Ensure the placement of the aforementioned judicial database on the Supreme Court’s web site, which is publicly available – February 2007 – Expected date: May 2007 • Prepare a regular (TBD) summary and short explanation of new judicial decisions for the benefit of the business community with assistance from a local partner (e.g. Toktom or Advisor); distribute through the local partner and other information sources (associations, publications, websites, etc.) - March 2007 – Expected date: July 2007 • Investigate to what extent the database of judicial opinions is being used, particularly each search function, and perform a cost/benefit analysis of every feature of the database. Determine what the ramifications would be if USAID ceased funding and the database stopped working. – April 2007 • Work with the Supreme Court to prepare a budget that assumes full (or partial) financial responsibility for continuation of the database. Include projections in budgets for the next budget cycles. – September 2007 (possibly earlier depending on the budget cycle) • Work with the Supreme Court and parliamentarians to create a requirement in law that courts must make all decisions, subject to reasonable and clear privacy requirements, publicly available through the Internet and must allocate budget funds for this purpose. – September 2007 		
Status & Comments			
October 2006 – March 2007	Initial discussions with the Supreme Court indicated that the total cost of support requested was much higher than anticipated, resulting in a delay finalizing the Memorandum of Understanding on continued support. The current draft MOU under consideration of the parties		

	<p>provides that the Supreme Court agrees to allocate budget funds in the next fiscal year to maintain the database and the internet site providing public access, and to conduct a public tender to transfer database rights to a 3rd party. BEI is also working with the Supreme Court to address the financing issue and to develop amendments to the Law “On the Supreme Court and Local Courts” to provide public access to judicial opinions.</p> <p>BEI has preliminarily agreed with the Central Asian Legal Library to conduct reviews of judgments. The first review is anticipated in April.</p>		
TAJKISTAN (TJ)			
No.	Objective	Start Date	End Date
<i>Tj 01</i>	<i>Develop Private Sector Advisory Committee (PSAC) to BEI and Information Dissemination Network</i>	<i>1 Oct 2006</i>	<i>30 Sep 2007</i>
Intermediate Objectives IR1, IR2, IR3, IR4	<ul style="list-style-type: none"> • With the assistance of Internews and other media-supporting organizations, conduct a roundtable of local media organizations to present the BEI Project and seek input in the development of a public outreach strategy potentially involving newspapers, television, radio, electronic distribution of materials, Partnership Network, and other counterparts – December 2006 - COMPLETED • Identify and secure commitment of key leading business, academic, and NGO representatives to participate in an advisory committee to the BEI Project to provide input on project initiatives, including assistance with validation of World Bank process maps and effective information dissemination – January 2007 – COMPLETED (modified) • Develop a list of information dissemination counterparts, including the Partnership Network, media (radio, television, newspapers), universities, other associations, and NGOs, to create an organized conduit for publication of project-related and project-support information, including as indicated in TJ12, throughout Tajikistan – April 2007 - COMPLETED 		
Status & Comments			
October 2006 – March 2007	<p>The original BEI concept for a PSAC was to have a standing group that could advise the project and provide feedback on all issues. However, after further investigation of similar previous initiatives in the country, it was decided that issue-specific groups would be more effective given the range of issues BEI addresses. In-person focus and discussion groups combined with frequent information dissemination and feedback from the information network are expected to provide the same level of guidance, but allow for issue specification where necessary. For this reason, objective 2 is marked completed as modified.</p> <p>BEI conducted meetings with Internews and other donors to develop the strategy for working with the media and conducted a round table on January 19, 2007 with 11 media representatives to introduce the project and gain the support of media organizations in information dissemination.</p> <p>In addition to utilizing public input for development of the media strategy, BEI completed roundtables and focus groups with private sector representatives to validate WB process maps (R1) and to identify opportunities for improvement in the process beyond problems measured by the WB methodology. BEI will continue to seek guidance from the private sector, but decided groups formed to address specific issues as needed was more effective than a standing committee on all issues.</p> <p>Utilizing existing counterparts such as business associations, legal and business support centers, law firms and business consultancies, BEI established an electronic information dissemination network with over 50 information intermediaries agreeing to disseminate news, legal drafts, laws and regulations, guides and other business related information BEI is supplying. Through the network, it is estimated that BEI can reach over 8,000 individual entrepreneurs with periodic mailings. End-user feedback will be routinely monitored to ensure information is being disseminated and to evaluate its usefulness.</p>		

No.	Objective	Start Date	End Date
TJ 02	Simplification of Business Registration Procedures	1 Oct 2006	30 Sep 2007
Intermediate Objectives IR2	<ul style="list-style-type: none"> • In collaboration with other donors, including the World Bank, and with the assistance of private sector partners and service providers, create and publish through private sector, NGOs, and government partners a plain-language guide to business registration including sample documents, process map, costs, and assistance information* – April 2007 • Based on proposed business registration reforms, review the National IT Strategy and analysis conducted by other counterparts, including the World Bank, and identify any new recommendations or issues for further consultation with donors and through donors the government and other stakeholders – April 2007 - COMPLETED • Based on identified areas for improvement in the registration system not dependent on computerization, including increased publication of information regarding the existing process, support efforts by collaborating donors, the private sector and government partners to implement improvements – September 2007 		
Status & Comments			
October 2006 – March 2007	<p>BEI completed the first analysis of the registration process and has identified a private sector counterpart to develop the plain language guide expanding on information contained in the existing analysis. To provide more weight to the guide as a representation of the official process and empower entrepreneurs to reference the guide in interaction with government actions, BEI has had preliminary positive discussions with the new State Committee on Investment and State Property and the Ministry of Justice about letters of endorsement that would be published with the guide.</p> <p>Based on discussions with the World Bank, BEI understands it is providing coordinated support to the Government to increase the use of information technology and leveraging existing resources to increase connectivity. At the present time, resources within the government are scarce and any spot investments are unlikely to produce benefits for entrepreneurs. BEI has recommended to multiple WB missions that any IT investments should leverage existing resources and not build artificial tools that the Government will not incorporate or develop beyond assistance levels. Based on BEI review of resources, strategies and plans, BEI recommends that any investment should accompany a rationalization of government function and drastic divestment of unnecessary control and associated bodies that further burdens its limited resources.</p> <p>BEI has completed the analysis of the registration process and determined that the process itself is not necessarily a limiting factor in either business activity or legalization. However, a lack of information about the process, and the way steps are executed such as undue discretion by the Ministry of Justice in reviewing applications and unnecessary legal review by notaries impose additional costs. Also, facilitators that are able to circumvent the process on behalf of clients are able to register any legal entity much more quickly than the WB analysis indicates. But, a charter capital requirement that is 379% of per capita GNI for domestic businesses, especially when approximately 80 countries have no such requirement, stands out as a particularly illogical and unhelpful barrier to business activity, which BEI plans to address.</p>		
No.	Objective	Start Date	End Date
TJ 03	Law on Normative Legal Acts and Increased Legal Transparency	1 Oct 2006	30 Sep 2007
Intermediate objectives IR1, IR2, IR3	<ul style="list-style-type: none"> • Submit recommendations to the Government regarding the Law on Normative legal Acts including publication of draft laws and increased dialogue between Government, Parliament and the private sector as well as provisions allowing for future implementation of regulatory impact assessment in the regulatory drafting process – February 2007 - COMPLETED • Based on the review of the National IT Strategy (TJ02) and other donor technology infrastructure analysis conducted for TJ02, develop recommendations related to information systems related to the legislative and regulatory drafting processes and access to adopted 		

	<p>normative legal acts by the public and coordinate future systems strategies with other donors, including the World Bank – March 2007 - COMPLETED</p> <ul style="list-style-type: none"> • Through direct advocacy and support of private sector partners, encourage adoption of the Law of Normative Legal Acts by Parliament - May 2007 • Conduct seminars and other information initiatives with government and private sector counterparts to increase knowledge of legal resources and new drafting procedures and create demand for publication of drafts as well as more detailed future regulatory impact analysis – September 2007 • Create a working group with government and private sector counterparts to develop amendments to the regulations of the Government and the Parliament and the implement strategy to institutionalize public involvement in the drafting processes pursuant to provisions of the Law on Normative Legal Acts – September 2007 		
Status & Comments			
October 2006 – March 2007	<p>BEI has submitted recommendations to the Ministry of Justice and the governmental working groups developing amendments to the Law “On Normative Legal Acts” to require publication of draft laws and regulations on the existing website of the President of Tajikistan, to allow 30 days for comment, and to allow for comment either to drafters or to the Ministry of Justice. The Government is currently considering the recommendations and BEI will continue to lobby for their adoption.</p> <p>Through meetings with the World Bank and other donors, BEI has encouraged the immediate publication of drafts and existing laws and regulations utilizing existing infrastructure while other donors continue to promote the development of more advanced legal databases and further IT development within the government.</p>		
No.	Objective	Start Date	End Date
TJ 04	Expand and Strengthen Regional Partnership Network	1 Oct 2006	30 Sep 2007
<p>Intermediate objectives</p> <p>IR1, IR2, IR3</p>	<ul style="list-style-type: none"> • Private sector service providers (law firms and business consultancies) identified and agreements reached to provide support to network members on a multi-year declining subsidy basis – January 2007 – Expected date: April 2007 • Agreements concluded with 8 associations in Sogd oblast, RRS, Khatlon oblast, GBAO and Dushanbe committed to increasing advocacy skill and internal operations to join the Partnership Program Network – January 2007 - COMPLETED • Operational review completed of partner associations by consulting subcontractor and implementation of improved operational and management practices begins – April 2007 • Partner business associations complete training on RIC methodologies conducted by KZ association service providers that will allow them to begin RIC activities. – May 2007 • Legal representation services made available to associations and association members via services and marketing agreements with association management and issues/results tracked by BEI – May 2007 • Six partner business associations reduce at least one constraint – September 2007 • At least 75% of Partnership Program Network business association members through direct surveying report that they are aware of legal and consulting services available from designated service support providers and 75% of members report they are aware of advocacy activities of their association and the outcomes of those activities – September 2007 		

Status & Comments			
October 2006 – March 2007	<p>BEI has completed the assessment and identification of both potential partnership members and service providers within Tajikistan, Kazakhstan, and the Kyrgyz Republic. Preliminary agreements have been reached with 12 associations and will be finalized once the training schedule is completed in April 2007. Based on the capacity of existing donor-supported service providers and materials to be developed by BEI for distribution, formal long-term subsidy of fees may not be necessary.</p> <p>Based on the capability assessment of service providers in the Kyrgyz Republic and Kazakhstan, it was decided to use a combination of providers from all 3 countries. Given the complexity of needs matching and opportunities to utilize regional providers, the final agreements are briefly delayed but are expected to be concluded in April.</p> <p>With BEI support, the partner association, the Sogd Oblast Professional Trade Union, was successful in advocating with the Ministry of Justice for the elimination of the notary requirement that sales contracts be accompanied with a certificate of “no tax debts” during notarization. Details are included in the BEI Results Table.</p>		
No.	Objective	Start date	End date
TJ 05	Promote Legalization of Private Notary Services	1 Oct 2006	30 Sep 2007
Intermediate Objectives	<ul style="list-style-type: none"> • Convene focus group of representatives of the government and private sector to evaluate current barriers to notarization, demand for private sector reform and willingness of government to adopt and implement a system of private notary services – January 2007 - COMPLETED 		
IR1, IR2	<ul style="list-style-type: none"> • Based on agreement of all parties, create working group with the government and private sector to develop the draft Law “On amendments to the Law ‘On Notary’” – March 2007 – COMPLETED (modified) • With the assistance of international experts and/or private sector analysts, develop an assessment of proposed amendments for working group and circulation through the information network - July 2007 • Based on fist draft of amendments to the Law “On Notary” and analysis, facilitate public round table discussions regarding the draft law with the participation of representatives from government bodies and the private sector to identify further improvements and build demand for adoption and implementation - September 2007 		
Status & Comments			
October 2006 – March 2007	<p>BEI has conducted a series of meetings with government and private sector representatives as well as notary experts. Problems caused by the existing notary system have also been identified in R1. As a branch of the Ministry of Justice, public notaries are government agents, the number is severely limited, and government benefit from notary overreach creates an incentive to impose official and unofficial costs across all processes. Notaries only work when the government does, resulting in limited access to notary services. Also, notaries perform legal review of agreements and documents, not just attestation to identity or copy verification, often requiring citizens to use specific paper sold by the notary and to change contract terms to which parties previously agreed. This raises costs for citizens, delays the formation of agreements and the completion of documents necessary for almost every business process and creates opportunities for direct government interference in almost every private contract and the private right of contract in general.</p> <p>As a result of personnel changes, including the Minister, in the Ministry of Justice, BEI has been asked by the Minister to delay publicized work in this area until the government has an opportunity to review the situation. However, BEI has reached an agreement in principle with the Ministry and an outside expert expected to be employed by the Ministry to develop recommendations and reforms in this area and to provide consultation to both parties and further support the analysis and implementation efforts. It isn’t necessarily expected that a working group will be formally created at his point, but as BEI continues to consult with the expert who is performing the work, objective 2 is marked as complete. Is it expected that the work will be finalized in 60 – 90 days.</p>		

No.	Objective	Start Date	End Date
TJ 06	Support IFC Inspections Reform Program	1 Oct 2006	30 Sep 2007
Intermediate Objectives IR2, IR3	<ul style="list-style-type: none"> Jointly with IFC, identify areas for collaboration and complementary support at the implementation level – November 2006 - COMPLETED Based on agreement with IFC, through service providers as well as private sector and government counterparts, support information dissemination efforts regarding improved inspection procedures including the development and publication, through the information network, of “plain language” information regarding inspection procedures, inspector responsibilities and entrepreneur’s rights* – July 2007 Through feedback and monitoring conducted by IFC and private sector counterparts, monitor government compliance with and private sector understanding of new inspection provisions and coordinate any remedial support with IFC and the private sector – September 2007 		
Status & Comments			
October 2006 – March 2007	<p>BEI has provided recommendations and comments to IFC regarding inspections provisions, but both IFC and the World Bank directly through its Public Sector Reform Project are supporting targeted inspections reforms in Tajikistan. At this time, it is not anticipated that BEI would be involved in additional inspections work beyond monitoring the situation and continuing to be available for collaboration. In the event the IFC and World Bank reforms produce results, BEI would identify opportunities to expand on their activities with additional inspectorates in future years. As with all information BEI obtains, inspections-related information is disseminated to the private sector as acquired.</p> <p>Note: Work plan amendment requested Based on existing resources devoted to this area by other donors, BEI recommends and requests the CTO for approval to eliminate this objective from the work plan but to continue monitoring the situation to identify possible future interventions.</p>		
No.	Objective	Start Date	End Date
TJ 07	Improved Procedures for Contract Enforcement	1 Oct 2006	30 Sep 2007
Intermediate Objectives IR1, IR2, IR4	<ul style="list-style-type: none"> Through private sector, NGO, and government counterparts, identify the most commonly used business contracts and, through private sector counterparts, including service providers, develop a package of most commonly used business contracts, and distribute through the Partnership Program, to law firms, other business associations, other projects, and directly through BEI information portals – May 2007 Based on the project analyses, including validation of the World Bank contract enforcement process, identify immediate opportunities for reducing time and financial costs associated with contract enforcement and prepare any appropriate recommendations regarding legal (including judicial) changes that may be beneficial* - May 2007 Implement improvements where possible, including utilizing private sector partners to increase availability of information and advocate for further change – September 2007 		
Status & Comments			
October 2006 – March 2007	<p>BEI has contracted with a local association to identify and compile a database of the most commonly used business contracts. It is expected that 100-150 contract samples will be included. The work is expected to be completed in April. Once completed, the compilation will be published through the information network, to consultants and law firms, and the results will be monitored to determine if it would be beneficial to further develop alternative clauses and more detailed user commentary.</p> <p>BEI has completed its analysis of the World Bank Doing Business Indicator for Contract Enforcement. The Economic Procedure Code and</p>		

	the Civil Procedure Code have been reviewed by BEI and GTZ and are currently in Parliament. BEI and GTZ continue to work together to advocate for their adoption. The working group supported by BEI under the Ministry of Justice in January began developing the Law “On Enforcement” that will govern the enforcement of court judgments by enforcement officers, and possibly arbitration decisions once arbitration decisions are recognized by official courts. Existing procedures in the Civil Procedure Code are remnants of the Soviet legal system and do not provide sufficient provisions for public sales of assets or rapid sale of depreciating assets to satisfy judgments.		
No.	Objective	Start Date	End Date
TJ 08	With Private Sector Service Providers, Commission and Publicize Informational Analyses on Key Reform Initiatives to Promote Future Activities	1 Oct 2006	30 Sep 2007
Intermediate Objectives IR1, IR2, IR3	<ul style="list-style-type: none"> • With local service providers, NGOs, and international experts, complete a detailed legal and business analysis of the 1961 Hague Convention Abolishing the Requirement of Legalization of Foreign Public Documents and the costs and benefits to Tajikistan of the Convention*– February 2007 – Expected date: April 2007 • With local service providers, NGOs, and international experts, complete a detailed legal and business analysis of the New York Arbitration Convention and the benefits for Tajik businesses from signing into the Convention* – April 2007 • With local service providers, NGOs, and international experts, complete a detailed legal and business analysis of Regulatory Impact Analysis and the costs, benefits and methods of effective implementation in Tajikistan* – May 2007 • With local service providers, NGOs, and international experts, complete a detailed legal and business analysis of property rights (real and personal), and methods of improving establishment and protection of property as a necessary element of economic growth* – July 2007 • With local service providers, NGOs, and international experts, complete a detailed legal and business analysis of the potential to effectively initiate a guillotine project under the coordination of the Executive Office during the 2007-2008 contract year – August 2007 • Through direct action, dissemination by media counterparts, including radio, newspaper, association newsletters, public roundtables, internet distribution and academic journals, disseminate information regarding the analyses and promote increased government interest and private sector demand for specific near-future reforms – September 2007 		
Status & Comments			
October 2006 – March 2007	<p>BEI has completed the scope of work and identified a local expert to conduct an analysis of the impact of joining the 1961 Hague Convention and the work is expected to be completed in April. It is not expected that the analysis will produce immediate changes, but BEI will disseminate the analysis through the information network to build understanding of the issues, build demand, and evaluate the potential for future reforms.</p> <p>Based on agreements with the Open Society Institute, which is providing technical assistance in the development of draft laws on arbitration courts and on international arbitration, BEI has agreed with an international expert who will visit Tajikistan in April and May 2007 to complete an analysis and report regarding joining the New York Arbitration Convention. The analysis, report and identified additional background reading materials, once completed, will be distributed by BEI and OSI to the private sector, and government representatives, including parliamentarians, currently considering the issue. Together, BEI and OSI will promote adoption of the Convention and necessary legal changes as well as build demand from the private sector, highlighting the potential investor impact and any identified impact on growth.</p>		

No.	Objective	Start Date	End Date
TJ 09	Improved Transparency of Government Procurement Process and Increased Capacity of Private Sector Entities to Participate in Tenders	1 Oct 2006	30 Sep 2007
Intermediate Objectives IR1, IR2	<ul style="list-style-type: none"> Through collaboration with the World Bank, review existing laws and regulations governing government procurement procedures and develop analytical process maps for the process as described by law and by entrepreneurs and define areas of collaboration with the World Bank – March 2007 - COMPLETED To increase private business participation in state procurements, in collaboration with the World Bank, prepare a “plain-language” guide to the procurement process (legislation, forms, procedures etc.) for dissemination by media counterparts, including radio, newspapers, association newsletters, public roundtables, internet distribution, academic journals and business consultancies* – September 2007 		
Status & Comments			
October 2006 – March 2007	<p>NOTE: In TJ09, the first intermediate objective was marked with a report for distribution rather than the second. Instead, it is through the second objective that a publication will be developed.</p> <p>Through discussions with the World Bank and the Agency on State Purchases, BEI has provided comments to draft regulations currently under development that will further implement new procurement procedures. BEI also identified additional regulations and amendments that will be necessary for a harmonized procurement system and presented those recommendations to the World Bank team. As the process is currently incomplete pending adoption of the regulations, further detailed analysis of the existing process or publication of descriptive material is not possible at this time. BEI will continue to assist the development process where possible and will develop information material for the private sector once the procedures are finalized.</p>		
No.	Objective	Start Date	End Date
TJ 10	Support to Regional Councils and Governments - Public Private Dialogue	1 Oct 2006	30 Sep 2007
Intermediate Objectives IR1, IR2, IR3	<ul style="list-style-type: none"> Confirmation of counterparts continuing support to operational public-private working groups – December 2006 - COMPLETED Confirmation of Customs Consultative Councils in Khorog (GBAO/Afghanistan/China/Kyrgyz Republic), Khujand, Kurgan-Tube, and Dushanbe – December 2006 - COMPLETED Through the Partnership Network or BEI direct action, form agreements with government and private sector in Kurgan-Tube and start reform activities – February 2007 - COMPLETED Form agreement with government of Dushanbe and Center of Entrepreneurs Support to improve legal environment in Dushanbe – March 2007 - COMPLETED Obtain commitment of regional Prosecutor’s office to engage project and eventually private sector on issues related to illegal and burdensome regulations – May 2007 - COMPLETED Through Partnership Network and direct project consultation, provide support to existing and new dialogue forums, track results, and encourage broader participation – September 2007 		
Status & Comments			
October 2006 – March 2007	<p>BEI has received commitments from Customs Consultative Councils and existing public-private dialogue bodies in GBAO, Sogd and Khatlon to continue activities between government and the private sector. Sogd, Dushanbe, and Kanibadam have additionally agreed to engage the private sector in discussion and the identification and elimination of barriers to business activity and broader policy discussions. BEI is supporting their efforts by encouraging the development of best practice standard operating procedures and formally adopting them.</p>		

	<p>The first organizational meeting of the Council for Social-Economic Development of Kanibadam was held on March 27, 2007 with participation of local authorities, private sector representatives, and other local experts. In the first meeting, participants approved the regulation of Council, which was developed with the assistance of BEI and selected the Chairman, Secretary and working groups of the Council. Working groups were created covering all sectors of the Kanibadam economy, including private sector farming, medicine and education. BEI will work with Council representatives to identify and address issues of business development in the region.</p> <p>The draft programs for economic development for Dushanbe for 2007-2015 and the national program on development of small and medium businesses until 2015 were distributed to the private sector with BEI support and the government accepted comments from interested associations including recommendations to eliminate a proposed ban on motor vehicle traffic.</p> <p>BEI has secured preliminary agreement from the State Office of the Public Prosecutor to cooperate with BEI regarding the elimination of illegal regulations. While it is unlikely a public group will be created, the openness of the Prosecutor to work with BEI and the private sector will be beneficial.</p>		
No.	Objective	Start Date	End Date
TJ 11	Increase Access to Legal Information	1 Oct 2006	30 Sep 2007
Intermediate Objectives IR1, IR2, IR3	<ul style="list-style-type: none"> • Conduct inventory and analysis of currently existing public databases and web sites by the government (inc. Parliament and WTO inquiry point) - January 2007 - COMPLETED • Finalize agreement with information network members, including journal publishers, academic institutions (inc. Tajik State Law Faculty “State and Law”), and associations (inc. Panjshanbe Market Entrepreneurs, Association of Entrepreneurs of Sogd oblast, Milal-Inter “Today and Tomorrow”, Public Union Kafolat “Adliya” database, and Association of Young Lawyers) to disseminate legal information including expert commentary on issues of business interest and texts of draft and adopted laws to all possible citizens – March 2007 - COMPLETED • Through information dissemination network and subcontracts with analysts and publishers, facilitate distribution of legal thought and opinion articles – September 2007 • Work in collaboration with the World Bank to create and implement information systems within government and for interface with the private sector for document sharing and a single information site for adopted and (future) draft laws, regulations and other sub-normative acts – September 2007 		
Status & Comments			
October 2006 – March 2007	<p>BEI completed the inventory of existing public information databases and website leading to the recommendations for utilizing existing resources in amendments to the Law “On Normative Legal Acts” (TJ03).</p> <p>The problem has been revealed that there is no consolidated point of access for existing laws and regulations and many continue to be considered secret by the government despite routine application by the private sector. BEI will continue to work directly with other donors, such as the World Bank Public Reform Project to encourage the registration, collection and publication of all legal documents.</p> <p>Through activities in TJ01, BEI has secured the agreement of publishing organizations to disseminate analytical articles developed by or on behalf of BEI.</p>		

No.	Objective	Start Date	End Date
TJ 12	Facilitate Implementation of Law “On Licensing” and Dissemination of Information about New Licensing Regime	1 Oct 2006	30 Sep 2007
Intermediate Objectives IR1, IR2	<ul style="list-style-type: none"> In collaboration with the World Bank and IFC, review and submit recommendations to the Government regarding the implementing regulations on licensing - March 2007 - COMPLETED To increase private sector understanding of the licensing system, with the assistance of private sector partners and service providers, create and publish through the information network, including private sector representatives, Partnership Network, NGOs, other projects/donors, and government partners a “plain-language” guide to licensing including sample documents, process map, costs, and assistance information* – June 2007 On the basis of the “plain-language guide”, conduct trainings for entrepreneurs and government bodies on implementation of licensing legislation – August 2007 		
Status & Comments			
October 2006 – March 2007	<p>Through discussions and agreement between BEI, the World Bank, and representatives of the President’s Administration, BEI has developed amendments to 32 laws and codes necessary to harmonize the legal framework with amendments to the Law “On Licensing” for 2006. BEI has also developed amendments to the regulation of the government implementing the 2006 law. Finally, the World Bank and BEI have developed an amendment to the existing law to eliminate the power of the government to issue licenses for less than five (5) years in duration. To day, nine (9) drafts have been approved by Government and submitted to Parliament, with the remaining twenty-three (23) expected to be submitted in April.</p> <p>BEI conducted or supported a series of roundtables in Dushanbe, Khujand, and Khorog with representatives of the private sector to make them aware of changes in the licensing system and solicit feedback regarding the draft regulation.</p>		

**USAID Business Environment Improvement Project (BEI)
Implemented by the Pragma Corporation
Results Table (Master)**

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 (Broad)						Attribution (WB DBI)						
								Steps	Days				SME %GDP	Informal Economy	Government Effectiveness	Rule of Law	Control of Corruption	Regulatory Quality	FDI	Starting a Business	Dealing with Licensing	Registering Property	Paying Taxes	Enforcing Contracts	Closing a Business
1	Elimination of obligatory certification of tourism booking services / Almaty, KZ	Jan-07	Partner	In accordance with the Resolution "On Obligatory Certification of Goods" No. 376 of April 20, 2005, tourism companies selling airline tickets were subject to mandatory government certification of their services. Companies were required to fund the travel expenses of government certifying agents and spent up to 2 months compiling all necessary documents to obtain certification.	The Kazakhstan Tourism Association, with the support of BEI, recommended the requirement be eliminated and developed language incorporated in the Law "On Changes and Amendments to Certain Legal Acts Related to Technical Regulation" No. 209-111 of December 29, 2006.	With the adoption of the Law, amendments have been made to the Law "On Utilization of the Airspace and Aviation Activity in the Republic of Kazakhstan" eliminating the certification requirement for services in civil aviation.	According to statistical data, there are 550 tourism companies in Kazakhstan that were subject to the requirement. However, companies reported that the requirements were so excessive and costly, only 6 companies completed the certification process, at a cost of up to \$2,500 each, while the remaining incurred only the cost of preparing the necessary documents in the form required by the Committee on Civil Aviation. This cost was estimated by the association at three weeks for a person earning \$500/month, or \$375 per company. Eliminating the requirement saved businesses from unnecessary expenses and government intrusion into activities as				\$221,250		x		x		x	x							
2	Adoption of new Law "On Licensing" / Astana, KZ	Jan-07	Partner	Under the licensing regime, there are 89 general and 651 sub-licenses required. Licensing required approvals from multiple, often unnecessary government bodies, the duration of the license was often limited, ministries included restrictions, and the geographical scope was restricted. All conditions that increased costs for businesses and delayed the applications process.	BEI supported the Forum of Entrepreneurs in developing and presenting recommendations to the Government regarding amendments to the Law "On Licensing" to reduce the number of activities covered by licenses and eliminate the indicated barriers.	On January 11, 2007, the new Law "On Licensing" was adopted that indicates the following: licenses can only be created by laws; the number of sub-licenses has been reduced to 279 with a total of 99 general licenses; applications must be evaluated within a specific period of time; the Government rather than individual ministries and agencies is responsible for approving requirements and forms; and, unless specifically stated by the Government, all licenses are valid throughout the country.	At the present time, the total impact is impossible to quantify due to the scope and scale of the change. However, BEI will monitor with private sector partners to facilitate effective and beneficial implementation and evaluation of impact.				\$0		x	x	x	x	x	x							
Kyrgyz Republic																									
No.	Initiative / City	Date Completed	Partner or Direct	Problem Details	Recommendations	Result	Impact Assumptions and Calculation	Reductions		% GNIPC	Total Combined Impact (\$)	Monitoring Ratio	Attribution (Broad)						Attribution (WB DBI)						
								Steps	Days				SME %GDP	Informal Economy	Government Effectiveness	Rule of Law	Control of Corruption	Regulatory Quality	FDI	Starting a Business	Dealing with Licensing	Registering Property	Paying Taxes	Enforcing Contracts	Closing a Business
1	Adoption of Resolution "On Accreditation" / Bishkek, KR	Nov-07	Direct	Contrary to WTO requirements and the Law "On the Fundamentals of Technical Regulation", the National Institute of Standards and Metrology (NISM) continued to perform accreditation activities, maintaining the combination of accreditation, state supervision, rule making, and conformity assessment. NISM also continued to use outdated accreditation practices.	With the World Bank, BEI continued to support the creation of an independent National Accreditation Body (NAB) separate from NISM and adoption of the international standard ISO/IEC17011 that provides unified, internationally recognized accreditation procedures.	The Government Resolution "On Accreditation" was adopted on November 16, 2006. The Resolution separates accreditation functions from NISM and adopts the ISO/IEC standard for accreditation.	Creation of an independent accreditation body reduces conflicts of interests, is consistent with best practices and promotes movement towards achieving international mutual recognition of conformity assessment results performed in Kyrgyzstan that will have indirect benefits for businesses requiring certification and conformity assessment of goods and services. The economic impact of this decision cannot be clearly calculated at this time.				\$0				x		x	x	x						
2	Elimination of illegal decision on granting land / Bishkek, KR	Feb-07	Direct	On February 1, 2007, the Bishkek Kengesh adopted Decision #297 that allowed for fees for granting of land for construction of cooperatives. However, the Decision is contrary to the Land Code that requires land be given free of charge. Any land given under this decision would have been considered illegal under the Land Code.	Upon request from the Bishkek City Department of Justice, BEI conducted a legal analysis of the Decision and recommended it not be registered and be returned to the drafters due to conflicts with the Land Code.	On March 9, 2007, the Department of Justice accepted the recommendation and issued Order #2 rejecting registration and returning the Decision. Elimination of the Decision avoided the risk of illegal allocations of land that would have jeopardized future owners as well as maintained legal consistency and avoided illegal costs to grantees.	Economic impact cannot be clearly calculated at this time, but grantees will save costs and risks to land rights and are avoided.				\$0				x	x	x	x							
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 (Broad)						Attribution (WB DBI)						
								Steps	Days				SME %GDP	Informal Economy	Government Effectiveness	Rule of Law	Control of Corruption	Regulatory Quality	FDI	Starting a Business	Dealing with Licensing	Registering Property	Paying Taxes	Enforcing Contracts	Closing a Business
1	Elimination of notary requirement of certificate of no-tax debt from property buyers / Khujand, TJ	Mar-07	Partner	Before notarizing property sales contracts, state notaries in Sogd Oblast were requiring parties to provide a certificate from the State Tax Inspectorate establishing that the property is free from tax debts. This requirement conflicts with national regulations regarding property transactions and we imposing additional costs and property transaction delays for private parties.	Notary services are conducted by the Regional Department of Justice as all notaries are public employees. The Sogd Oblast Professional Trade Union together with BEI recommended to the Department to eliminate the requirement as it was in direct contravention of the Instruction "On Accomplishing Notary Procedures in State Notary Services" No. 1 of January 6 2006.	The Department agreed with the recommendations and issued a public letter indicating the termination of the procedure. BEI has redistributed the result through the information network and is monitoring the results with the Union.	In 2006, 7,716 contracts for sales of property were notarized in Sogd Oblast. While there was no official fee for the letter from the tax inspectorate, entrepreneurs reported that bribes of TJS 10 - 25 were typically required. Entrepreneurs also had to provide their tax identification number, property technical passports and all receipts of prior tax payments when requesting the letter. The requirement imposed 3 steps on the entrepreneurs - 2 visits to the tax inspectorate and a return trip to the notary office, in addition to compiling all necessary documents. Taking an average cost of TJS 10, total economic impact is estimated at TJS 77,160 (\$23,000 USD) annually.	3	2	0.90%	\$23,000		x		x		x	x							

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