

Annex  
to the Protocol Decision No 38 of the  
sitting of the Government of the Republic  
of Armenia of 11 September 2014

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## **Abbreviations**

UN - United Nations

RA NSS – National Statistical Service of the Republic of Armenia

WB – World Bank

ADB - Armenian Development Bank

ACO - Armenian Customs Organisation

GDP - Gross domestic product

LSGB - Local self-government body

PEFA - Public expenditures and financial accountability

CSO - Civil society organisation

## INTRODUCTION

The United Nations Conference on Housing and Sustainable Urban Development /HABITAT III/ will take place in 2016, which will summarise the programmes having been implemented in the period of 1996 up to now, provide an opportunity to evaluate activities performed, indicate lessons learned and specify further actions.

After the independence in 1991, the Republic of Armenia, becoming a member of a number of international organisations, including United Nations, was actively involved in the activities of these reputable structures. During this period, Armenia has acceded to numerous declarations and conventions, as well as to such an important document as the Universal Declaration of Human Rights.

By acceding to international treaties on human rights, Armenia undertook relevant obligations with regard to the protection of human rights and fundamental freedoms, strengthening of democracy and increasing level of management.

The United Nations Habitat II Conference taken place in Istanbul in 1996, which addressed the themes of "Adequate shelter for all" and "Sustainable human settlements development", adopted a Declaration and Programme of Action, to which Armenia acceded as well.

At the Millennium Summit held in September 2000, Armenia, amongst other countries, signed the Millennium Declaration, whereby affirmed its commitment to ensure sustainable development, reduce poverty, ensure universal secondary education, promote gender equality and empower women, conservation of environment by 2015.

Five years after the Second United Nations Conference on Human Settlements (Habitat II) the United Nations General Assembly held a special session for an overall review of the implementation of the Habitat Agenda. Within the framework of this event, all the States Members of the United Nations adopted in June 2001 the United Nations Declaration on Cities and Other Human Settlements in the New Millennium,

which reaffirmed their will and commitment to fully implement the Istanbul Declaration on Human Settlements, in the spirit of the United Nations Millennium Declaration.

In this context, Armenia included among its priorities the improvement of housing conditions for the population, promotion of sustainable urban development, urban-rural linkage development, creation of decent jobs and livelihood for the population by 2015.

The key topics for the United Nations Habitat III Conference planned for 2016 are as follows:

- Demographic issues of settlements;
- Land management and urban planning;
- Environment and urbanisation;
- Governance and legislation;
- Urban economy;
- Housing and basic services.

With a view to ensuring the country's proper participation in the United Nations Habitat III Conference, an inter-agency working group was established by the Decision of the Prime Minister of the Republic of Armenia No 171-A of 10 March 2014, which elaborated the National Report of the Republic of Armenia.

Having regard to the key topics of Habitat III, the Report emphasises national problems relating to the issues, including presentation of programmes having been implemented by Armenia in the sectors of urban and housing development, economy, prevention of natural disasters, agriculture, transport, etc. and information on fulfilment of commitments undertaken by Armenia.

## Habitat III National Report

### 1. Demographic issues of settlements

#### 1.1 Managing over-urbanisation

As shown by corresponding statistical data, the level of urbanisation or the growth of urban population in Armenia is the result of processes going on for about hundred years. Pursuant to these data, from 1897 onwards, the percentage of urban population in Armenia has increased approximately 5 times (Table 1).

**Table 1.** Permanent population of the Republic of Armenia as of the beginning of the year, thousand people

Years	Total	of which		by percentage in relation to the total	
		urban	rural	urban	rural
1995	3753.5	2533.2	1220.3	67.5	32.5
2000	3803.4	2535.7	1267.7	66.7	33.3
2001*	3213.0	2066.0	1147.0	64.3	35.7
2011*	3018.1	1911.0	1107.1	63.3	36.7
2014	3017.4	1914.3	1103.1	63.4	36.6

\*According to the census.

Source: RA NSS

The growth of urban population in Armenia is closely preconditioned by the social and economic circumstances of the past period, particularly to the industrialisation, which resulted in the equalisation of the number of urban-rural population and also to the growth of urban population from the early 1960's. In the following years, the number of urban population has much more increased reaching its culmination in 1990 — 69.1 per cent, after which rural population began to grow to some extent, mainly as a result of closure of industrial enterprises and privatisation of lands in villages in early

1990's. However, currently urbanisation has reached dangerous scales, especially taking into account the fact that more than half of urban population (1 068.6 million people) is centralised in the capital of Yerevan.

The consistent introduction of multi-polar development principles aimed at neutralising the potential threats of uncontrollable urbanisation and forming more balanced resettlement system is preconditioned by the need to overcome both existing disparities of regional development and to undertake measures for the prevention of undesirable growth of population density in high seismic zones and, in particular, in the capital.

Master Resettlement Plan of the Republic of Armenia (hereinafter referred to as "the Plan") has been approved by the Decision of the Government of the Republic of Armenia No 610-N of 10 April 2003, which is an analytical urban development project document substantiating priority directions of the state urban development policy.

The main goal of the Plan is to identify preconditions for the selection of strategic directions for common urban development and improvement of the resettlement system derived from legislative acts of the Republic of Armenia, as well as social and economic and territorial development programmes by creating interrelated safe and healthy living environment, sustainable development of settlements and preservation of natural and historical and cultural heritage.

The main provisions of the Plan must be taken into account during the design of other urban development project documents, as well as the development of branch, state targeted and community social and economic and territorial development programmes in relation to urban development planning issues.

The Plan serves as a basis for public administration and local self-government bodies of the Republic of Armenia to establish and ensure the system of concerted and targeted actions in the urban development sector.

New requirements with regard to natural, geographic, demographic, social and economic, ecological factors that influence on urban development activities, as well as

those brought in line with the contemporary social and economic phase are taken into account in the Plan.

The Plan has been elaborated taking into account issues related to natural resource management and arrangement of urban development of areas, and multiple-factor analysis and comprehensive assessment of the area were conducted for achieving its main goal, that is creating urban development conditions contributing to common development of the Republic.

It is recommended to introduce a regime for restricting the development in intensively developed areas from the perspective of urban planning, which mainly derives from the risk of upsetting the ecological balance.

There are 48 urban communities in the Republic of Armenia.

89.6 % of the cities are located in intensively developed areas from the perspective of urban planning, whereas 10.4% — in less intensively developed area.

The most important objective of the Republic of Armenia is the targeted regulation of the territorial expansion of cities by fixing the maximum number of urban population and limiting the expansion of urban areas.

The Decree of the President of the Republic of Armenia "On approving the National Security Strategy of the Republic of Armenia" NH-37-N of 7 February 2007 provides for the creation of favourable environment for vital activities of the current and future generations among the factors and actions underlying fundamental values of the national security, and in terms of promoting new quality of life and creating moral and psychological atmosphere emphasises, among other factors, the sustainable urban development, including the formation of a harmonious living space and contribution to the proportionate distribution of territories for the population.

## **1.2 Managing rural-urban linkages**

866 communities out of 915 of the Republic of Armenia are rural, 49 are urban

(approximately 36.0% of the population of the country resides in villages), thus agriculture has strategically important significance for the development of rural areas as well. Two-thirds of the population reside in the capital of Yerevan and in three adjacent marzes — Armavir, Ararat and Kotayk. The remaining one-third of the population reside in sparsely populated and mountainous rural areas, where subsistence agriculture and land farming that ensure low income are an important source of livelihood. Currently, the largest proportion, i.e. 94 per cent of the gross agricultural output of Armenia is ensured by the private sector. 437.2 000 people are engaged in agricultural activities as of 2012, which comprises 37 per cent of the total employment of the country and 80 per cent of employment of rural settlements. In 2011, the proportion of products of plant and animal origin in the structure of the external trade turnover of the country comprised 18.6 per cent, and 17.8 per cent — only in the structure of exported products, whereas according to the data of 2012, these indicators were to a certain extent improved and comprised 19.9 and 22.6 per cent, respectively.

The significant part of income of rural population is generated through agricultural production and paid agriculture works. Two-thirds of the production of fruits and vegetables is centralised in Ararat Valley adjacent to Yerevan. Fresh products are placed on the local market for consumption, whereas some products which undergo processing in various canneries are mainly exported. Apricot, grapes, cherry, peach and plum, as well as potato and tomato are those main fruits and vegetables that are exported.

In the past ten years, the number of vineyards, wine and brandy factors have started to increase together with the export.

In the past 5-6 years, Armenia has made a notable progress in improving or restoring its central and rural roads. Most of the roads rehabilitation activities have been financed by international donor organisations, WB, ADB, MCC, etc. 2009. After adopting the Decision on stopping the activities of Rural Roads Rehabilitation Project (RRRP) within the framework of MCC, the Government of the Republic of Armenia

assumed responsibility to invest 16.1 million USD to complete the first package of works. Lifeline Roads Improvement Project funded by the World Bank has repaired about 447 km lifeline roads in 2009-2013, which ensure smooth and safe link between communities and main motorways throughout the year. The Project expanded access of rural communities to agricultural markets and social infrastructures, as well as increased non-farm income opportunities by improving conditions of rural roads. Lifeline Roads Network Improvement Project launched in 2013, which is also funded by the World Bank. Within the framework of the Project concerned, it is envisaged to repair 170 km lifeline roads.

Another large Programme aimed at the upgrading of road connection is "North-South Road Corridor", which envisages rehabilitation of the Agarak-Kapan-Yerevan-Bavra road.

The existence of an improved road network complying with international standards is emphasised in the development of regional relations.

Disproportionality in the development of network of motorways still exists in the Republic. Volumes of road construction are insufficient, sufficient attention is not paid to road construction in communities, especially in border regions, as well as construction of alternative roads for reasons of ensuring the security of transportation lines.

Channelling investments envisaged by the investment programme implemented by the concessionaire to the improvement and development of the Armenian railway infrastructures, as well as ensuring expected volumes of transport services and improving qualitative indicators are deemed to be key issues of the rail transport sector.

### **1.3 Addressing the needs of the youth**

According to the 2011 census of the Republic, 717 thousands out of 3.018.1 or 23.7 % of the permanent population comprise young population at the age of 18-30. 61.7 % or approximately 443 thousands of young population resides in cities.

Currently, the coverage of the three mobile service providers is close to 100 per cent. At the same time, Internet access in rural areas is at much lower level compared to Yerevan and other big cities, although situation shows some recent improvement.

"ARI TUN" programme was launched in 2009, the main goal of which is to make sure that Diaspora Armenian youth get acquainted with the Armenian history, culture, social life, spiritual and family traditions, to contribute to the formation of strong ties with homeland, to strengthen national self-determination, as well as to establish friendly relationships between Armenia and Diaspora. Within the framework of the Programme, more than 1700 young people of the Armenian origin from 36 countries of the world visited Armenia in the course of 2009-2013.

As of 1 January 2014, the number of unemployed in the Republic is 55.973, of which 13.064 or approximately 23.3% are unemployed young people. High level of poverty especially among the youth is a direct consequence of unemployment, which is shown in the Social Snapshot and Poverty in Armenia analytical report (Table 2) prepared on the basis of the results of Integrated Household Living Conditions Survey (hereinafter referred to as "IHLCS") conducted in 2012 by the RA NSS.

**Table 2.** Poverty incidence among the youth according to the 2012 IHLCS report, 2008 and 2012, by %

Age group	2008		2012		
	extremely poor	poor	extremely poor	poor	% among poor population
<b>18-19</b>	0.7	26.1	3.9	<b>34.5</b>	2.6
<b>20-24</b>	1.3	26.0	2.8	<b>33.4</b>	9.2
<b>25-29</b>	2.1	27.0	3.6	<b>32.7</b>	8.1

Source: RA NSS

Moreover, the level of poverty among the youth in 2012 is higher than the average level of the Republic for the same period, which comprises 32.4%.

- High level of poverty among the youth is largely preconditioned by a number of factors:
- lack of jobs, including high-paid jobs;
- unconscious selection of the profession;
- lack of information (where to find correct information);
- lack of motivation (lack of self-confidence or soviet stereotypes, expectation for the support of parents, acquaintance-relatives);
- lack of key skills to be competitive in the labour market (command of foreign languages, ability to learn, pro-activeness, communication, entrepreneurship, etc.);
- mismatch between self-evaluation and reality;
- lack of pro-activeness and innovative thinking (for instance for launching entrepreneurial activity).

Social and economic issues faced by the youth are also deemed to be factors that "promote" migration moods more strongly expressed among young urban dwellers. Thus, according to the results of the survey "Migration Moods of the youth of the

Republic and their influences on the consort and reproductive behaviour of the youth" conducted by the "National Institute of Labour and Social Researches" SNCO adjunct to the Ministry of Labour and Social Affairs of the Republic of Armenia, the external migration moods are chiefly spread among urban dwellers studying at professional education institutions of Yerevan. 53.4% of 268 students from among higher education institutions of the capital has expressed wish to achieve their future plans abroad (55.5% of students residing in Yerevan, 54% of those came from other cities of the Republic of Armenia and studying in Yerevan).

### 1. Responding to the needs of the elderly

Population ageing is also one of the challenges the Republic is facing. According to the UN classification, where the proportion of persons aged 65 years and over comprise up to 8 per cent of the population, the latter is deemed to be young, and ageing — if 8-12 per cent, and aged — if more than 12 per cent. As of the beginning of 2013, persons aged 65 years and over comprise 10.5 per cent among the population of the Republic of Armenia. After the collapse of the Soviet Union, the elderly in Armenia became more vulnerable, part of them lost their jobs, those taking care of the other part of elders left for migrant work and the rest, not having heirs, lost the opportunity to meet their vital social needs and faced the risk of social and psychological isolation and loneliness, preservation of physical existence.

According to the results of IHLCS conducted in 2012, 33.3% of elderly population aged 65 years and above is poor, which is high by 0.9% from the average poverty level of the Republic that is 32.4%.

**Table 3.** Poverty incidence among elderly population according to the 2012 IHLCS report (2008 and 2012, by %)

Age group	2008	2012
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	extremely poor	poor	extremely poor	poor	% among poor population
<b>65 years and above</b>	2.0	29.5	3.0	33.3	13.3

Source: RA NSS

Considering trends in population ageing and the need to take elderly population under protection as a vulnerable group, it is important that the State undertakes comprehensive measures targeted at the solution of their main issues.

The Republic of Armenia still back in 2002 adopted the Regional Implementation Strategy for the Madrid International Plan of Action on Ageing.

Emphasising issues of elderly population, Strategy on Ageing Issues and Social Protection of the Elderly Population and its Implementation Action Plan (hereinafter referred to as "the Strategy") elaborated by the Ministry of Labour and Social Affairs of the Republic of Armenia was approved by the Administrative Decision of the Government of the Republic of Armenia No 31 of 2 August 2012.

The Strategy is a long-term programme through which the economy, healthcare and social protection, labour market and education of the Republic of Armenia will be brought in conformity with demographic changes with a view to establishing society with equal opportunities for persons of all ages, where issues of elderly people will be overcome, their potential will be identified and decent life conditions will be provided.

The Action Plan of the Strategy clearly provides for measures aimed at solving the issues of the elderly in the field of social protection. They are as follows:

- demonstrate respectful attitude towards the old age, elaborate within the education system educational materials that promote tolerance towards the elderly and emphasise their positive role, envisage visits to Old People's Homes or Centres for the Elderly in school curricula, after visits arrange discussions on issues of the elderly with a view to abolishing stereotypes existing in the society and replace them with positive ideas;

- ensure social inclusion of the elderly in the community, improve social inclusion of the elderly people in the community life through promoting their active participation in the community life and developing relationships between generations;
- improve conditions enhancing quality of life and contributing to independent lifestyle, ensure sufficient health conditions and life quality of the elderly people through rendering health care services of a corresponding volume, type and quality, carry out assessment of needs of care institutions for the elderly by marzes, identify those settlements, where the organisation of care is more urgent;
- improve housing conditions of the elderly, increase the availability of housing in the earthquake zone, in particular make efforts towards transferring the elderly living in temporary shelters to houses with minimum conveniences;
- provide assistance to families with an elderly member, provide social assistance to and encourage through various means (moral and psychological, social advantages) those families, which do not have sufficient means of subsistence and where the elderly live.

### **1.5 Women's involvement in urban management**

Article 14 of the Constitution of the Republic of Armenia enshrines:

"All human beings shall be equal before the law. Discrimination on the ground of sex, race, colour, ethnic or social origin, genetic features, language, religion, ideology, political or any other opinion, belonging to a national minority, property status, birth, disability, age, or other personal or social circumstances, is prohibited".

In 1993, Armenia ratified **the UN Convention on the Elimination of All Forms of Discrimination against Women**, which provides an opportunity to improve the status of women in the society. This Document served as a basis for incorporating women's rights in the international system of human rights. It urges the authorities to protect

rights of women in all areas of public and private life, as well as accepts interrelations and inseparability of civil, cultural, economic and social rights.

2000. Women's Council adjunct to the Prime Minister of the Republic of Armenia operates in Armenia, the primary objective of which is to assist the implementation of political decisions of the Government of the Republic of Armenia aimed at anchoring of the gender equality at all levels of management, within the whole territory of the Republic of Armenia, as well as within all areas of life (Rules of Procedure of the Council approved by the Prime Minister of the Republic of Armenia on 1 March 2012).

2004. The Government of the Republic of Armenia adopted the National Action Plan “On the improvement of women’s status and the enhancement of their role in the society for the period of 2004-2010”.

The National Report of Armenia on the Millennium Development Goals was presented in 2005, wherein Armenia has been obliged to increase women's involvement in the composition of the National Assembly of the Republic of Armenia, ministers, deputy ministers, regional governors to more than 25%, whereas in the number of community heads — to more than 10% by 2015.

The Gender Policy Concept Paper was adopted by the Decision of the Government of the Republic of Armenia of 11 February 2010, which defines the primary directions of the state policy in relation to women and men and the general strategy, and is targeted at ensuring equal rights and opportunities in all areas of public life, irrespective of sex. In 2011, the Government of the Republic of Armenia approved the Strategy Programme of Gender Policy of the Republic of Armenia for the period of 2011-2015.

Armenia was one of the first to work out the Beijing+20 National Review in 2014 and to submit it to the UN Commission on the Status of Women, in which the implementation of the provisions of the Beijing Declaration and Platform for Action is thoroughly reflected.

The English version of the Report is available at the following website:  
[http://www.unwomen.org/~media/Headquarters/Attachments/Sections/CSW/59/National\\_reviews/Armenia\\_review\\_Beijing20.pdf](http://www.unwomen.org/~media/Headquarters/Attachments/Sections/CSW/59/National_reviews/Armenia_review_Beijing20.pdf)

On the initiative of the Women's Council headed by the Prime Minister, the "Best Women Entrepreneur" and "Best community for the solution of gender issues" Awards have been held for already three years. The Head of the Government grants certificates of honour to the winners in various categories. Certificates of honour of "Best community for the solution of gender issues" have also been bestowed by the Prime Minister on the heads of communities that have been declared as winners by the ratio of women and men in the composition of the community council. With a view to encouraging the entrepreneurial activities of women, to evaluating, promoting and supporting the achievements of women entrepreneurs at various branches of economy, special prizes have also been awarded by international organisations, particularly by the USAID "Enterprise development and Market Competitiveness Project", the OSCE, the International Finance Cooperation and the Asian Development Bank. The competition announced in the categories "Best journalist for coverage of gender-related problems", "Best TV report", "Best radio report" and "Best printed material" aim at covering interesting stories of successful businesswomen.

With the co-ordination of the Ministry of Territorial Administration of the Republic of Armenia, various international organisations implement programmes in communities targeting gender issues, particularly:

- "Capacity building of women for effective participation in the local self-government system in Armenia" Programme is being implemented with the support of the EU and the UN Development Programme, within the framework of which a manual on "Participatory democracy in the local self-government system" has been elaborated and which presented legal grounds of local self-government system of the Republic of Armenia, practice of Armenia and other countries in the elaboration and development of participatory democracy at the local level, main issues of equal participation of women and men in local self-government. The manual is envisaged for

heads of communities, members of Council of Elders, community servants, political parties and non-governmental organisations engaged in the development of local self-government system. Within the framework of this Programme, a conference on "Promoting Equal Rights and Equal Opportunities in Armenia: Women in Local Democracy Project" was conducted on 14-15 March 2014 with the participation of 35 women representatives of local self-government bodies (8 women representatives from urban communities).

- "Creating tools for gender mainstreaming at local level of Armenia" project has been implemented jointly with the Asian Development Bank and "Caucasus Institute Foundation" the aim of which is to make possible the local planning responsive to gender issues by creating tools and skills for gender analysis and the inclusion of gender issues in the local planning through merging central and local authorities, as well as the civil society. During the Project period, a manual has been elaborated with a view to teaching beneficiaries of planning touching upon gender issues, to teaching the core group of trainers (mainly members of the commissions on gender issues and of civil society organisations at regional level) to use the manual according to the educational module and to teach officials of local authorities to include Gender Action Plan in the local planning, as well as civil society organisations to have their contribution to this matter.

## **1.6 Challenges experienced and lessons learnt in this area**

The urbanisation has resulted in a number of changes, which have risen to the challenges of national security. They include:

- disproportionate regional development;
- disproportionate distribution of the population and gradual emptying of border and high mountainous rural settlements (migration of the population);
- changes in the reproductive behaviour of the population and in the targets affecting them;

- social and economic issues of young people have affected their reproductive behaviour and targets. Thus, according to the 2011 National Youth Report of Armenia, especially due to economic hardships, married young people, among them 39.8 per cent males and 26.9 per cent females, renounced the idea of giving birth to next child. The economic component for renouncing marriage by unmarried young people comprises 33.6 and 7.6 per cent, respectively.
- large number of young population and those at the reproductive age included in migration (predominantly external) flows;
- underdevelopment of infrastructures and institutional structures, in particular, migration from remote rural settlements;
- low level of export;
- disproportionate development of rural areas;
- unfavourable demographic dynamics;
- outdated technologies in rural areas and absence of relevant infrastructures;
- high level of unemployment and poverty among young population (predominantly in rural areas);
- housing problems of young people, especially urban dwellers;
- ongoing growth of the number of elderly population and demographic ageing in the population age structure of the Republic, etc.

There exist the following issues relating to gender inequality:

- small number of women involved in state bodies of the Republic of Armenia;
- there still exists imbalanced representation of women in highest and chief positions of the civil service, where men comprise 89% and 65%, respectively. In junior positions, women comprise 62%, in leading positions — 31%, in chief positions — 21.3%, in highest positions — 8.3% in total.

- According to the data of the National Statistical Service of the Republic of Armenia, women comprise 70% of officially registered unemployed. High level of unemployment of women is also explained by the fact that branches of economy that are traditionally considered to be "male dominated areas", such as construction, transport, mining industry, metalworking, etc. have recently been developing. 36.8% in the sector of manufacturing industry, 2.6% in the construction (they are considered to be "male dominated areas"), etc.
- 81.2% of workers in the field of education, 83.2% in the field of healthcare are women (they are considered to be "female dominated areas");
- women comprise 20-25% of entrepreneurs, 36.2% of self-employed and only 10.3% of employers;
- women comprise 39.2% in the staff of marzpetarans.

Gender imbalance is also kept in management positions of local self-government bodies. In the entire period of replacements, no woman has ever been among 48 mayors, whereas out of 54 deputy mayors only one is a woman. Women manage only 2.6% of rural communities.

The Committee on the Elimination of All Forms of Discrimination against Women ensures follow-up to the implementation of its observations. Thus, after the submission of the Third and Forth Periodic Reports of the Republic of Armenia, the Committee on the Elimination of All Forms of Discrimination against Women, has made the following observations in relation to the Report of the Government of the Republic of Armenia:

- there is no comprehensive definition of discrimination within the legislation, gender-neutral approach prevails in the issue of equality between women and men, which practically does not contribute to the elimination of discrimination. The Committee encourages accelerating the adoption of the Law "On equal rights and equal opportunities".

- Different minimum legal age for marriage enshrined in the legislation of the Republic of Armenia (set at 17 for women, 18 for men) preserves, this time clearly highlighting that it constitutes "discrimination against women" and then the Committee consistently urges the State party to ensure that the minimum age of marriage is raised for women to 18";
- insufficient women's involvement at the decision-making level (stating that a 15 per cent quota for electoral lists under the proportional system is ineffective and it is necessary to raise it), as well as it is mentioned that "there is apparent lack of understanding of the concept of temporary special measures";
- there exist no national mechanism for ensuring gender equality;
- gender stereotypes are maintained;
- the issue of violence against women is touched upon stating that there is lack of shelters for victims of violence, there have been very few cases on domestic violence brought before the court, there is lack of statistics on main issues. The fact that "the Criminal Code does not define domestic violence as a separate crime and does not criminalise it as such" is mentioned as a drawback. Thus, the Committee considers it necessary to adopt a law addressing violence against women, which must also include domestic violence. It also urges to have in place sufficient number of shelters taking into account "the needs of rural women, women with disabilities and minority women";
- the Committee draws the attention of the State to address dropouts of girls from secondary education system. The Committee considers that girls who have dropped the school for various reasons must have an opportunity to re-enter the education system, thus the country is obliged to ensure all conditions necessary for that. An attention has been paid to the small percentage of women holding positions in doctoral studies.
- the reproductive behaviour of the population, in particular urban population due to high level of urbanisation.

## **1.7 Future challenges (issues that could be addressed by the New Urban Agenda)**

Demographic challenges faced by the Republic of Armenia, which will become much deeper in the future and which need to be addressed in the New Urban Agenda are as follows:

- for proportionate development of resettlement system, reconsider large urban groups and create effective conditions for the decentralisation and multi-polar development;
- carry out monitoring of the Master Resettlement Plan of the Republic of Armenia and review it based thereon;
- consistently replenish the database of spatial planning documents with a view to neutralising potential threats of uncontrollable urbanisation, overcoming disparities of regional development, forming more balanced resettlement system of the country;
- evade the overdevelopment of large cities by implementing a policy of intensification of the development of small- and medium-sized cities on territories that are chiefly seismically safe and not suitable for agriculture;
- make issues of harmonious development of the Republic and the settlements thereof the basis for urban development policy by creating necessary levers for channelling capital investments for the benefit of common interests of the society, uniting and encouraging private initiatives, especially in less developed areas, emphasise harmonious complementary development of urban and suburban areas, rural and urban settlements;
- with a view to improving the quality of rural life, focus efforts of the Government of the Republic of Armenia on the reduction of rural poverty, dramatic improvement of the quality of state services rendered, building of capacities of rural communities by making drinking water, gas, electricity, telecommunication, Internet, medical services accessible to the extent possible, as well as on the improvement of rural roads and modern transport networks;

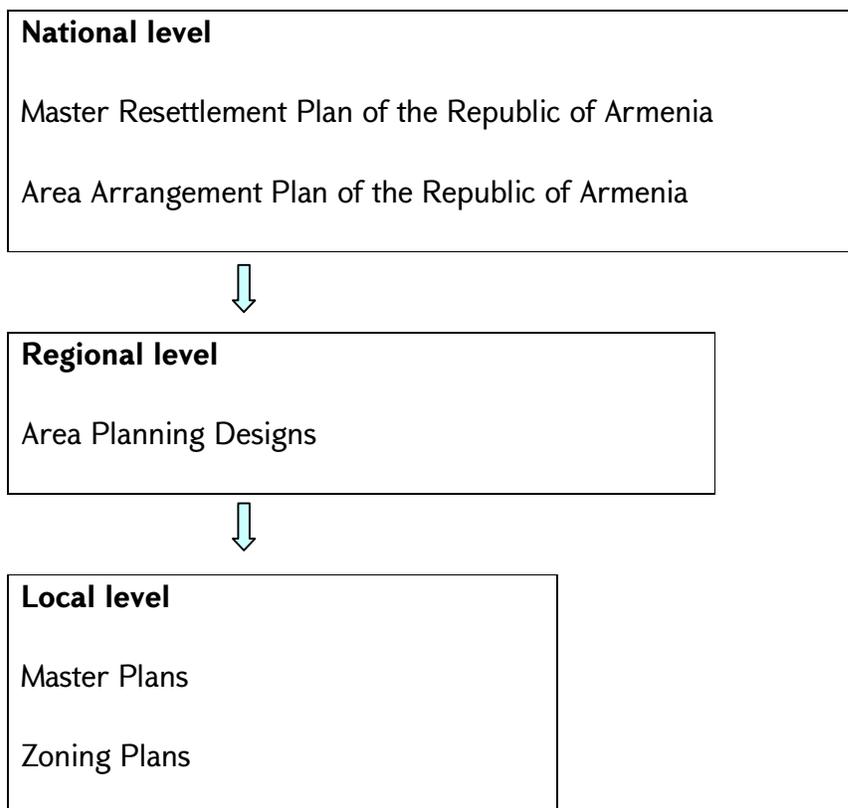
- public transport will be renewed and modernised. Intercity and intracity transport management system will be completely changed that will also increase the accessibility of social services for disabled persons and other groups with limited mobility, as well as mobility of labour force;
- the Government of the Republic of Armenia will continue to implement the policy of ensuring digital broadcasting of radio and television programmes within the territory of the Republic of Armenia. With a view to rendering quality services in the sector of telecommunication and postal services, international standards will be introduced;
- volumes of credits granted to the sector of agriculture at affordable rates will increase, measures aimed at ensuring access to finance for enterprises processing agricultural products will be carried out;
- target programmes for effective and sustainable land use in more unfavourable agricultural areas, especially in border and high mountainous areas will be implemented;
- system of agricultural counselling will be improved fostering the growth of labour productivity of those engaged in agriculture;
- safety measures will be developed based on analyses of various observations made for ensuring gender equality;
- the legislation will be revised in terms of gender-sensitive policy incorporating corresponding measures rectifying the situation;
- sources of financing of political parties will be used;
- ensure that women and men are equally represented in appointed positions;
- databank for women and men will be established;
- gender trainings will be promoted at all levels of education;

- special campaigns with a view to shaping favourable public opinion about women in politics will be conducted;
- ensure that women and men are equally represented in management bodies.

## **II. Land management and urban planning**

### **2.8 Ensuring sustainable urban planning and design**

According to the Law of the Republic of Armenia "On urban development", main issues of the Republic regarding the spatial development and measures aimed at the solution thereof are enshrined in planning documents at national, regional and local levels serving as a ground for the spatial development.



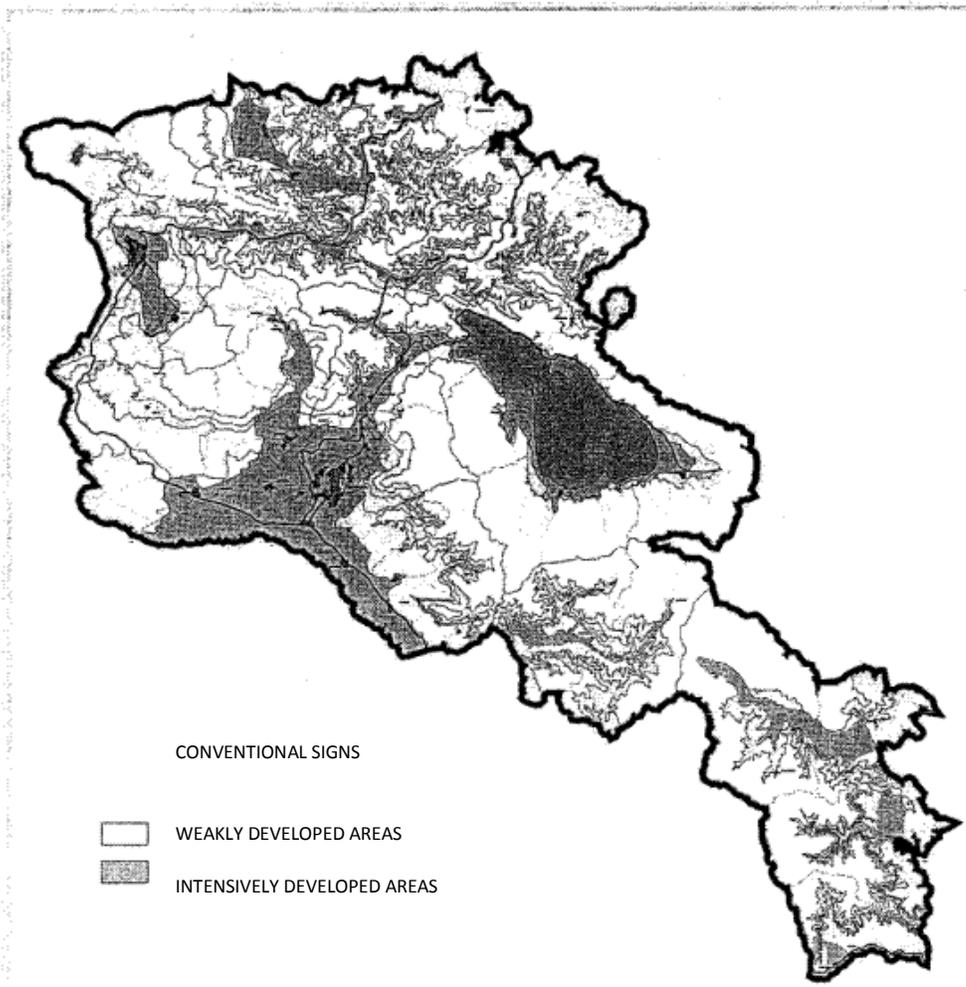
The spatial system of Armenia has been formed under the influence of factors inherent to the command economy and administrative methods of management of the

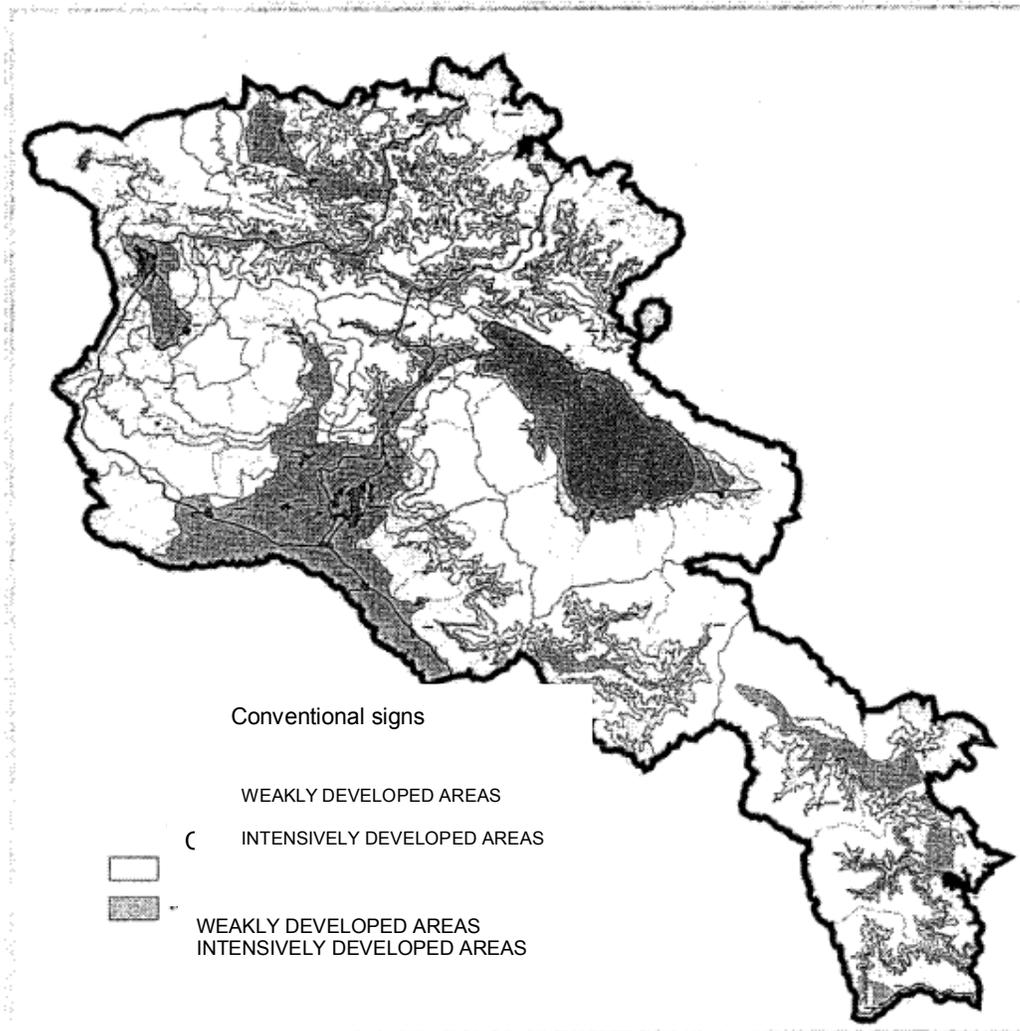
Soviet times, whereas the planning structure reflects the distribution and resettlement of production capacities, which were developing in conformity with the role that was given to Armenia in the USSR economic system.

Among documents at the national level, the Master Resettlement Plan of the Republic of Armenia was elaborated and approved in 2003.

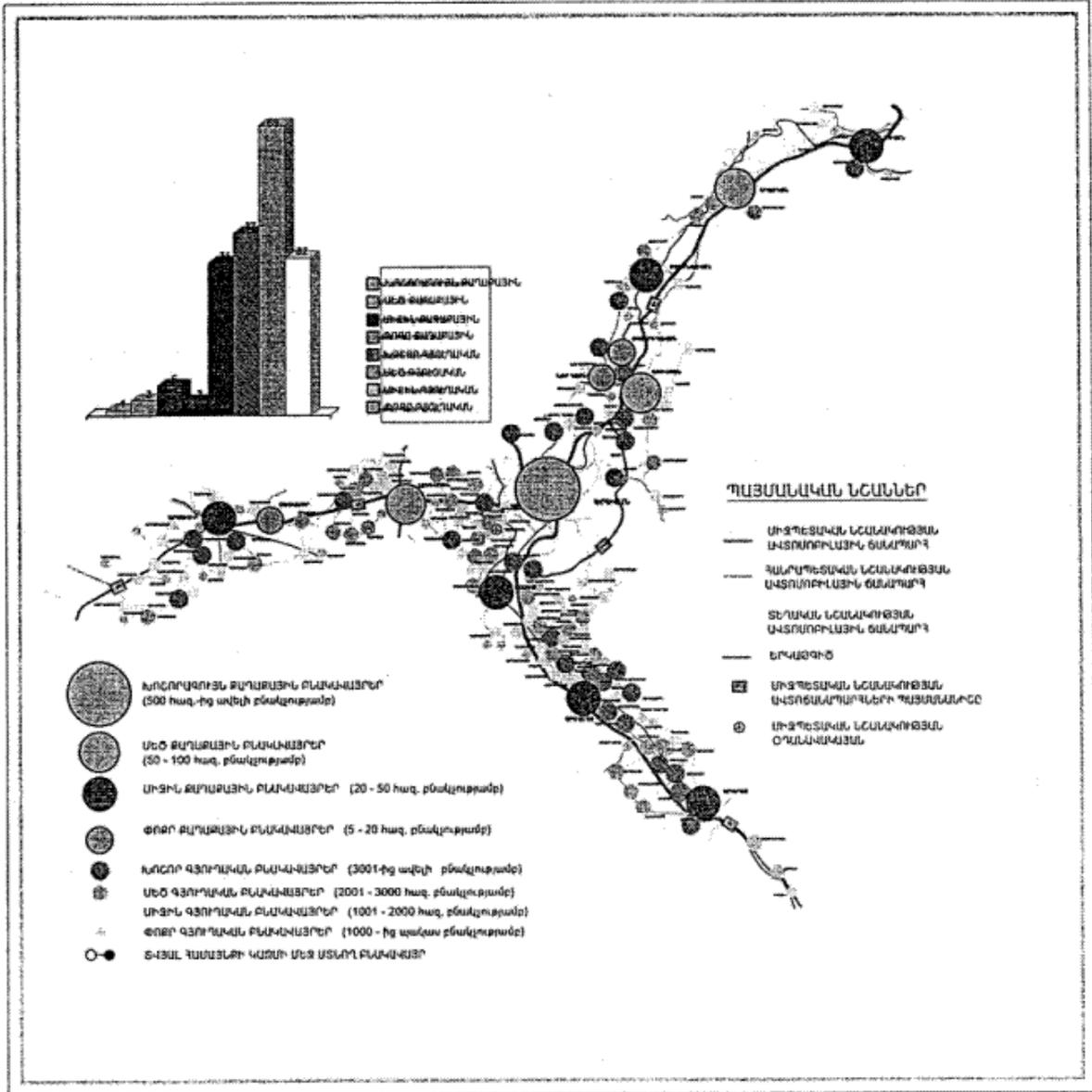
Among documents at the regional level, Area Planning Design of the water catchment basin of Lake Sevan (in 2004), the outline of the Area Planning Design for Shirak marz (in 2005), Area Planning Design for Vayots Dzor marz (in 2010) were elaborated.

Annex 1  
to the Programme of the Ministry of Urban Development  
of the Republic of Armenia envisaged by the provisions of  
the National Security Strategy of the Republic of Armenia





The Concept Paper on reforming the process of elaboration and approval of urban development project documents of communities (settlements) of the Republic of Armenia has been elaborated and approved by the Protocol Decision of the Government of the Republic of Armenia No 36 of 3 September 2009, which provides for complete establishment of a database for urban development project documents of communities of the Republic of Armenia through simplifying, clarifying the elaboration and approval processes thereof, establishing mechanisms ensuring safe and smooth development of settlements.



Until the end of 2011, draft Master Plans of Communities of the Republic of Armenia have been approved by the Government of the Republic of Armenia. Later on, the Laws of the Republic of Armenia "On urban development" and "On local self-government" enshrined provisions, according to which number one document of the utmost importance for communities (Master Plan) was approved by boards of community councils.

The procedure for elaboration, expert examination, agreement, approval of and amendment to Master Plans of Communities was approved by the Decision of the Government of the Republic of Armenia No 1920-N of 29 December 2011, which also includes a corresponding provision on approving the Master Plan.

According to the existing legislation, urban development project documents, as well as their design tasks are subject to be agreed with a number of public administration bodies. For optimising the process of agreement, an Inter-agency Commission has been established by the Decision of the Prime Minister of the Republic of Armenia No 1064-A of 22 December 2009, which participates in all phases of consideration of the said documents, and time frames for reaching an agreement have been significantly reduced.

The existence of Master Plans of Communities will largely contribute to the establishment and development of the local self-government institute, since due to decentralisation of management almost all types of activities in relation to obtaining authorisations for development are reserved to heads of communities.

Currently, 42 out of 49 urban communities of the Republic of Armenia have approved Master Plans (Byureghavan of Kotayk marz of the Republic of Armenia, Kajaran and Dastakert of Syunik marz of the Republic of Armenia, Ayrum of Tavush marz of the Republic of Armenia, Vanadzor, Spitak and Shamlugh communities of Lori marz of the Republic of Armenia are exceptions), and 30 — out of 866 rural communities.

With a view to making the process of elaborating Master Plans of Communities easier, seminars were held in marzes with the participation of heads of communities and other responsible persons.

The Law of the Republic of Armenia "On urban development" defines that territorial administration and local self-government bodies are obliged to inform natural and legal persons about other changes planned in the environment for vital activity, area zoning and urban development by means of publications in mass media, public consultations and presentations of programmes and projects.

The procedure for awareness-raising on changes planned in the environment for vital activity and the participation of the representatives of the public in consultations on urban development programmes and projects and in the adoption of decisions was approved by the Decision of the Government of the Republic of Armenia No 660 of 28 October 1998.

## **2.9 Spatial planning and addressing urban sprawl**

With a view to preventing urban land management, including cases of wrong development of areas, every settlement — urban or rural — must have urban development project documents. This issue is regulated in the Republic of Armenia by the Land Code of the Republic of Armenia, the Law of the Republic of Armenia "On urban development" and other legal acts deriving therefrom, based on which urban development project documents are elaborated and further serve as a guideline for spatial distribution of community lands.

Area planning outline and design are elaborated in accordance with the provisions defined by the Resettlement Master Plan of the Republic of Armenia for marzes of the Republic of Armenia, groups of administrative units or their separate parts and, through urban development planning, they define the basic provisions and conditions for territorial arrangement of other necessary factors aimed at their targeted use and sustainable development, preservation of natural and historic and cultural heritage, as well as creating favourable spatial environment for vital activity.

Urban development activities within administrative borders of communities are regulated by the Master Plan of the Community (Settlement) and the urban development zoning plan (hereinafter referred to as "urban development project documents").

According to the requirements of Article 14.3 of the Law of the Republic of Armenia "On urban development", Master Plan of the Community (Settlement) is elaborated for all lands included within the administrative borders of the community.

The Master Plan, being an urban development project (spatial planning) document of a strategic nature, defines:

- a. primary directions of spatial development of communities;
- b. provisions of use of lands being objects of urban development activities, mandatory requirements and limitations;
- c. primary (up to 5 years), medium-term (5-10 years) and perspective (10-15 years) stages for development of lands;
- d. designated use of land parcels included within administrative borders of communities and/or the alteration thereof by fulfilling legislative requirements of the legislation.

The Decision of the Government of the Republic of Armenia No 792-N of 26 June 2009 has defined the procedure for proposing objects of special regulation of urban development activities, separating their areas and carrying out urban development activities in these areas.

General principles of planning are as follows:

- a. balance between the development and nature conservation;
- b. social cohesion and diversity of functions;
- c. cost-effective management of areas;

According to Article 26 of the Law of the Republic of Armenia "On urban development", the state inspection control over urban development activities within the territory of the Republic of Armenia is carried out by the State Urban Development Inspectorate. Moreover, the State Urban Development Inspectorate controls the fulfilment of requirements of legal acts in the sector of urban development activities, of urban development (including urban development project or planning) documents, technical regulatory documents with a view to excluding cases of wrong development in urban areas. The State Urban Development Inspectorate operates pursuant to the Law of the Republic of Armenia "On oversight

and control of urban development activities", which also contains provisions on ensuring the fulfilment of the requirements of urban development project documents within the framework of control of urban development activities.

## **2.10 Enhancing urban and rural food production**

In recent years in Armenia, territorial disparities have been increasing, which is mainly manifested by significant growth in the proportion of Yerevan in the structure of GDP. Urban communities have appeared in relatively unfavourable conditions due to weak economic relations and geographic remoteness from Yerevan.

Marzes differ from each other and from Yerevan by the level of involvement in the economic life of the Republic. The business environment is not fully established and developed, the unemployment rate is rather high. In terms of business activity and economic competition, the difference in levels of productivity creates unequal conditions for economic entities.

Disproportionate regional development of Armenia creates unfavourable social, demographic conditions especially for settlements located far from the centre, those located in border, high mountainous settlements and those having unfavourable climate conditions.

Due to the efforts made by economic entities in agriculture and of the policy being implemented, essential positive shifts have been recorded in the production of potatoes, vegetables, field-cultivated plants, fruits, vines, meat and milk, which have to a certain extent increased the level of self-sufficiency of the country with items of subsistence.

In the tourism sector Armenia has much unused potential both as a tool for the implementation of territorial policy and a phenomenon fostering economic growth at the expense of rendering high-quality services. In recent years, as a result of certain activities having been carried out in this respect, a number of Decisions of the Government of the Republic of Armenia, such as Decisions No 948-N of 28 July 2005,

No 1064-N of 18 September 2008, No 848-N of 15 August 2009, No 973-N of 28 July 2011 have been adopted, according to which several cities of the Republic such as Tsaghkadzor, Jermuk, Tatev, Goris, etc. have been declared as tourism centres and relevant Action Plans have been developed in this regard.

## **2.11 Urban mobility**

Effective and accurate design and planning of urban and rural communities are of great significance for ensuring urban mobility, accessibility of goods and services.

Mobility is deemed as one of the essential components of the concept of urban development, as not only it promotes the convenience of residing in urban settlements in terms of reduction of car traffic and environmental pollution, but also ensures convenient transportation of persons and goods thus contributing to the development of economic potential.

Urban mobility is the basis for secure accessibility of the main functions (goods, services, such as employment, education, healthcare services, shops) and contributes to the process of people's participation in social life.

Besides, accessible cities promote the transition to more secure means of transport and make a greater number of people yield the use of private cars to trains, buses, bicycle lanes and side-walks. Across the time it has become obvious that the transition to private cars proves costly and has an adverse effect on the environment.

During the last years Armenia made a significant progress with regard to the improvement and restoration of central and rural roads funded by international donor organisations.

Expansion of road and street network of Yerevan city, building of road junctions, new by-pass and transit roads at various levels are among the continuous projects being carried out with the aim of unloading the road network of the capital. For the purpose of ensuring the safety of pedestrian traffic and preventing interruption of transport

flows, these annual projects have provided for building of elevated pedestrian crossings, as well as performance of works aimed at operation and maintenance thereof.

But the concept of mobility is more than a mere type of transportation means that we make use of. The urban development should have as its central goal overcoming the obstacles existing between people and the area, which may be carried out through the legal acts regulating the drafting of urban development project documents and the competently drafted urban development project documents , in particular, through the procedure for drafting, expert examination, coordination, approval and modification of the master plan for the communities (settlements) of the Republic of Armenia, that defines the main directions of spatial development of communities, the designated use of the land parcels included in the administrative borders of communities and the changes thereof, other requirements and restrictions prescribed by legislation.

By optimising the urban population density and ensuring smoother (more flexible) land zoning, we make urban settlements more comfortable for the citizens, and the proximity of goods and services becomes the advantage of urban settlements, promoting the implementation of investment programmes by creating greater opportunities for urban development.

Compact, accurately designed cities can also be environmentally cleaner and have minimum adverse effect on the environment and the psychology of the population.

In an environment characterised by scarcity of many components, growing our urban space in a sustainable and desirable way is very important and necessary for our standard of living in order to ensure that the cities of the future are accurately planned, secure and accessible to all.

## **2.12 Improving technical capacity to plan and manage cities**

With the aim of improving technical capacities to plan and manage Yerevan city, a series of novelty technical mechanisms are applied, including automated projection systems, geoinformation systems, earth remote sensing data received from satellite and aviation devices, accurate measurement devices, etc. These aim at addressing the issues related to municipal facilities, as well as reducing the time spent, providing electronic archiving, carrying out analyses and exercising supervision.

In the process of drafting the master plan of Yerevan, elaborating new road junctions, considering development areas and discussing numerous other urban development issues, the three-dimensional model of Yerevan, panoramic photos shot from human head height or from bird's eye view have been widely used that allow for comparing the designs with the reality and observing the circumstances that are impossible to take into account in the process of planning.

Today, it is impossible to imagine the development of Yerevan city without the application of contemporary systems, and continuous activities and measures are carried out to expand and develop it.

Modernisation of management systems aims not only at the effective management and identification of the issues of municipal facilities but also at providing contact between the population and the municipal authorities through electronic services. In this context, importance is attached to introduction and continuous modernisation of the e-Pass system. The latter is a continuing process that is directed to maintenance and development of an electronic system of document circulation at Yerevan Municipality and the institutions acting under the subordination thereof. The e-Pass system is designed for providing electronic circuit of the applications and documents received by citizens and legal persons from the "One-stop shop" office.

For the purpose of raising the quality of service at "One-stop shop" offices, as well as for ensuring the transparency of the activities, video cameras have been installed that ensure live web-casting from [www.yerevan.am](http://www.yerevan.am) site.

The official website of Yerevan Municipality is also an active mechanism not only in terms of provision of information to the population regarding the programmes and activities being carried out in the capital but also of receiving on-line answers to questions relating to various areas, as well as obtaining information regarding the required documents. Electronic option for issuing a construction permission, electronic options for issuing licences in various areas, opportunities for electronic payment of property tax and various other taxes and duties are available on the official website of Yerevan.

Introduction of these mechanisms and expansion of the opportunities promote the improved quality of the services being provided by Yerevan Municipality, saving of time and assurance of transparency.

High capacity fibre optic transmission links — 3G, LTE, Wi-Fi — accessible and rapidly growing in the city, are a prerequisite and a great motivation for development. Based on the indicator of equipment with transmission links Yerevan occupies quite a high horizontal rank in the world.

### **2.13 Challenges experienced and lessons learnt in this area**

Hard climatic conditions and economic management ways accepted during the soviet era have obviously caused disproportionate spatial development in Armenia: on the one hand, unjustified concentration of population in the capital, at lowlands and at some regions in highlands; on the other hand, degradation of a number of settlements (Annex No 1). As a result, we have inherited a spatial system which is characterised by centralised development. More than half of the urban population of the Republic, significant portion of the economic potential, the overwhelming majority of the principal functions, the most essential organisations, scientific and cultural institutions are centralised in Yerevan (Annex No 2).

As a result of improper selection of urban areas, at the time of natural disasters we are not insured against undesirable consequences, as was the case with the destructive earthquake of 1988.

At present, urban development project documents are not provided to the significant majority of the communities of the Republic, as a result of which the phenomena, like spontaneous building, improper selection of areas and other events, are inevitable. Elimination of the consequences of the latter is almost impossible.

The difficulties in formation of markets for realisation of agricultural produce are the result of the low effective demand in local market, as well as of the scarcity of the infrastructures for buyers and sellers of agricultural produce, delayed process of the formation thereof and the exporting difficulties.

Small farm enterprises are still a serious impediment to the effective development of agricultural production. Currently, one farm enterprise manages in average 1.4ha of land types, of which 1.1 ha are arable lands.

In order to produce common consumption products, a shift should be made from introduction of technologies to technologically developed industry;

Availability of non-contemporary technologies in the production that have low productivity and operational effectiveness, as well as high level of energy consumption

The goals of economic development require substantial growth of the variety of high-value services, the quality whereof will correspond to international standards;

Alongside with global developments, the development of the area of information technologies in the country is the prerequisite for the global growth in all the sectors of economy and establishment of knowledge-based economy.

## **2.14 Challenges and issues in these areas that could be addressed by a New Urban Agenda**

All the communities of the Republic of Armenia are to be provided with urban development project documents in order to eliminate the deficiencies present in this area. By the Law of the Republic of Armenia "On urban development" the deadline for this process is set on 1 January 2016.

Substantial reduction of differences in actual incomes of the population in marzes, increased economic, cultural activity of cities:

- addressing technology gaps and raising the level of productivity in marzes;
- introducing information technologies in all spheres of social life and enhancing capacities for using them;
- enhancing the cooperation between the state and private sectors in marzes, raising the level of accessibility of infrastructures;
- promoting and developing in marzes the small and medium-sized entrepreneurship and tourism, by way of focusing the resources on the management of economic growth. Support to the establishment of branches of popular local and international brands in Yerevan;
- enhancing support for entrepreneurship in marzes by public administration and local self-government bodies, introducing an appropriate monitoring system;
- establishing branches of state higher education institutions in marzes, building innovation systems, creating innovation infrastructures (in particular, technology parks, business incubators and industrial parks). Economic, scientific and technical potential and industrial traditions will be viewed as primary conditions:
- developing mechanisms for financing development programmes in marzes; establishing territorial development corporations and formation of a local tax base alongside with the development of business, bond issuance;
- developing large-scale territorial programmes, involving private investors and implementing a programme within the scope of the cooperation between the state and the private sector aimed at development of infrastructures;

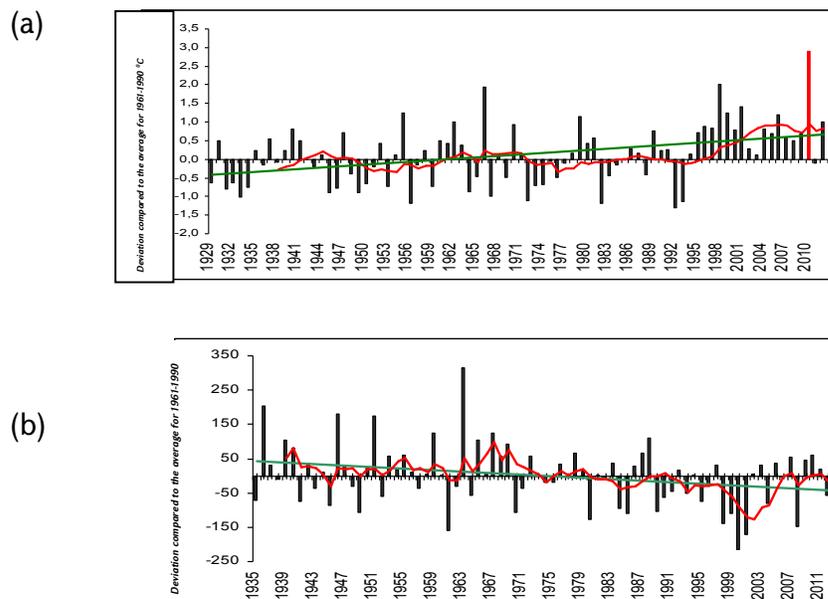
- establishing ecologically clean small industrial enterprises processing agricultural products (for example, small factories processing agricultural products or packaging, freezing and storing the food produced therefrom);
- shift from the resource-consuming development stage (according to the classification of the World Economic Forum) to investment development stage, in the process of which it is necessary to invest resources for introduction of advanced and energy-efficient technologies that will allow for achieving diversified production;
- on a long-term basis, shift to knowledge-based development stage providing availability of inventions being commercialised, innovative technologies and new competitive products at developed markets;
- high level of productivity at mineral and chemical industries and creation of higher added value, large centres operating based on high technologies;
- development of the IT industry in the country and ranking Armenia on the world IT map as country with developed IT industry, Armenian well-known competitive trademark;
- availability of entities of SMEs with the capacities to respond to technological developments and absorb investments;
- building a profile of the country that provides quality and high-value services in the region;
- identifying Armenia as an organised leisure centre;
- extension of services, including those related to tourism, being provided in the marzes of the Republic of Armenia, and involvement of the brands popular in this area.

### **III. Environment and urbanisation**

#### **3.15 Addressing climate change**

In accordance with the First National Communication of the Republic of Armenia "On climate change", based on the most optimistic scenario in the territory of the Republic of Armenia, preliminary estimations have shown that average annual air temperature will increase for 1,7<sup>0</sup>C in 2100, and precipitations will reduce by 10%. At the time of preparing the Second National Communication of the Republic of Armenia "On climate change" (2006), the average annual temperature, as compared to the average of 1961-1991, had already increased by 0.85<sup>0</sup>C and overall precipitations had reduced by 6%. As of 2012, deviation of the annual average air temperature reached +1.03 degree and reduction of precipitation — 10%.

**Figure.** Deviations of average annual air temperature (a) and precipitations (b) compared to the average for 1961-1990, as of 2012



The submitted data prove that more pessimistic predictions of climate change turn into reality.

**Participation of the Republic of Armenia in the UN Framework Convention on Climate Change** The Republic of Armenia ratified the UN Framework Convention on Climate Change in May 1993, and regularly honours its international commitments

based on its status of a developing country. In 1998, the Republic of Armenia presented the First National Communication "On climate change" in the Conference of Parties to the Convention on Climate Change, and in 2010, the First National Communication was submitted. In 2002, the Republic of Armenia also ratified the Kyoto Protocol to the Convention on Climate Change.

The objective of the Convention is to reduce greenhouse gas emissions so that their concentrations in the atmosphere would not exceed the dangerous threshold and the climate change would not obtain irrevocable and uncontrolled nature, and to allow ecosystems to adapt to climate change.

Though the only objective of the Convention is the mitigation of climate change by reducing greenhouse gas emissions, the second and essential issue is considered to be the adaptation to the predicted climate change.

The official position of the Republic of Armenia regarding its engagement in the realisation of the objective of the Convention is expressed in the Note Verbale of the Republic of Armenia on association with the Copenhagen Accords adopted at the 15th session of the Conference of Parties to the Convention. In accordance with the Note Verbale, with regard to settlements, improvement of energy efficiency in buildings and constructions, expansion of electrical transport, increase of the natural gas share in road transport fuel, decrease in methane emissions from solid municipal waste and waste water are envisaged for reducing greenhouse gas emissions.

Though based on its status of a developing country, the Republic of Armenia has no commitments regarding the quantitative reduction of greenhouse gas emissions, but in this field it has expressed willingness to undertake voluntary commitments for implementing programmes on limitation of greenhouse gas emissions under the concept of "Low Carbon Development" in case of appropriate financial and technological support by developed countries.

One of the programmes for reduction of greenhouse gas emissions (as is common to call it: "mitigation of climate change" ) at settlements is the "Armenia: Improving the

energy efficiency of urban heating and hot water supply" (2005-2013) project, financed by the Global Environment Facility (GEF), supported by the United Nations Development Programme (UNDP) and coordinated by the Ministry of Nature Protection of the Republic of Armenia, as a result of which centralised heating system has been built in Avan district of Yerevan by involving foreign private capital. At present 30 buildings are connected to the system. Within the framework of the project solar water heaters have been installed in a number of other systems, due to which greenhouse gas emissions and consumption of natural gas have been reduced.

In present, the following projects are in the process of implementation by the same organisations:

- (a) UNDP-GEF project on "Improving energy efficiency of buildings" (2010-2015) and
- (b) "Green urban lighting" project (UNDP-GEF).

With the financial support of the World Bank and the GEF, the project on "Improving energy efficiency of buildings" is in the process of implementation under the coordination of the Ministry of Energy and Natural Resources of the Republic of Armenia, by the Renewable Resources and Energy Efficiency Fund of Armenia (R2E2).

Within the framework of the clean development mechanism of the Kyoto Protocol, the following projects have been implemented: (a) "Nubarashen Landfill gas capture and power generation CDM project", as a result of which the biogas is collected and combusted from 7 ha area of the landfill to reduce the methane (considered to be a greenhouse gas) emissions to the atmosphere, and (b) "Lusakert biogas plant: methane capture and combustion from poultry manure treatment CDM project", as a result of which biogas is captured from poultry manure and electricity and thermal energy are produced by cogeneration, preventing methane emissions to the atmosphere and release of bad odour into the air basin of the settlements.

Three cities (Aparan, Hrazdan, Tsaghkadzor) of the Republic of Armenia have joined the "Covenant of Mayors" Initiative launched for the cities of the European Union. According to this document, the mayors, having signed it, are obliged, by 2020, to

reduce greenhouse gas emissions by 20% in their cities. Currently, the European Union finances a project aimed at urging other cities to join the mentioned Covenant.

At the same time, the researches show that due to climate change, when the climate pattern of the given area changes, the morbidity dynamics of population undergoes a change. It occurs due to the temperature pattern, for example, prolonged extremely hot periods (heat waves), or cold weather. Recent studies prove that the predicted climate change, as a consequence of the increased frequency and duration of heat waves (when average monthly temperature reaches 29°C, and average daily temperature is 30°C and more) in the territory of the Republic of Armenia, contributes to the growth of morbidity (in particular, cardiovascular diseases) and mortality. It is worth mentioning that the impact of heat waves intensifies in particular in Yerevan, as growth of air temperature caused by the climate change is doubled by the “heat island” effect specific to large cities that causes growth of temperature by 3-4 degrees at the centre of Yerevan.

### **3.16 Disaster risk reduction**

The achievements of the Government of the Republic of Armenia, the authorised body, local self-government bodies (including those of large cities) and territorial public administration bodies in the field of disaster risk, particularly seismic risk reduction are:

- the policy in the field of disaster risk reduction is worked out based on the issues of disaster risk reduction in the country and the ways for addressing them.
- The Government of the Republic of Armenia adopted the Decision No 281-N "On approving the National Strategy for disaster risk reduction in the Republic of Armenia and the Action Plan for implementation of the National Strategy for disaster risk reduction" on 7 March 2012.
- The Decision of the Government of the Republic of Armenia No 1351 "On including seismic hazard assessment maps in the development programmes for marzes and

settlements of the Republic of Armenia, envisaging actions for seismic risk reduction aimed at prevention of emergency situations, and repealing the Decision of the Government of the Republic of Armenia No 261-N of 7 March 2012" was adopted on 25 October 2012. This legal act regulates the inclusion of seismic hazard assessment maps in the development programmes for marzes and settlements of the Republic of Armenia and implementation of measures for seismic risk reduction aimed at prevention of emergency situations.

The seismic hazard assessment maps are drawn based on the sample form of the Terms of Reference issued by the "Seismic protection service agency" of the Ministry of Emergency Situations of the Republic of Armenia and, after approval in the prescribed manner, are provided free of charge to the relevant marzpets and heads of communities by the Ministry of Emergency Situations of the Republic of Armenia.

In terms of seismic hazard assessment, particular importance is attached to multi-apartment residential units, where more than half of the population of the Republic resides.

Inclusion of seismic hazard assessment maps in economic development programmes will allow for paying particular attention to the areas with high and average seismic hazard and planning and taking appropriate measures for seismic risk reduction at marz and community levels.

### **3.17 Reducing traffic congestion**

There is a high density of transportation means in the capital, in particular at the centre that causes traffic overload and congestion. Unloading of road and street network of Yerevan city is a priority issue and the programmes aimed at addressing it have a continuous nature.

In this respect, expansion of the road and street network of Yerevan city, building of transport junctions, new by-pass and transit roads at various levels are underway. For the purpose of increasing road capacity, unloading traffic areas overloaded with

stopped and parked transportation means, the Decision of the Government of the Republic of Armenia No 1293-N of 10 October 2012 "On establishing the procedure for organising parking sites in the territory of the Republic of Armenia" has been adopted.

For the purpose of reducing traffic congestion, legislative reforms have been made, in particular, the operating lifetime of minibuses has been reduced up to 12 years, while for buses, the operating lifetime is set for up to 15 years, legal acts regulating the sphere of operation of regular passenger transportation have provided for provisions that encourage the involvement of high-capacity buses in regular traffic services. For the purpose of reducing traffic congestion and improving the quality of passenger service in Yerevan, the new transport network for Yerevan city has been approved where, owing to the optimisation of traffic routes, a great number of minibus services have been replaced with bus services.

Besides, the Road Safety Strategy was adopted in 2013 that aimed at ensuring the establishment of an international road safety system complying with the international requirements that will guarantee the management of risks caused by political, economic and emergency situations and those of other nature, will reduce the number of injuries and casualties related to road traffic, expenses for transport operations, as well as favourable conditions will be created for economic operators for their activities, and high-quality transportation services will be provided to the society.

It is envisaged to improve and modernise the legal framework arising from the strategy, develop the road network, provide quality services, improve railway and air transport infrastructures and bring them in line with the international standards.

The provision of inter-marz bus and minibus services in the administrative area of the capital has been limited; their terminal points and itineraries have been regulated which has resulted in unloading, to a considerable degree, of the central streets of the capital.

For the purpose of addressing the issue of regulation of parking sites in the capital, appropriate legislative acts have been drafted and adopted, including relevant decisions of the Government of the Republic of Armenia and the Council of Elders of Yerevan.

Continuous actions are carried out for regulation, furnishing, maintenance and operation of public transport stops. For the purpose of management of passenger flow, as well as traffic flow at public transport stops, electronic timetables have been operational since 2013.

Together with the Police of the Republic of Armenia, measures are taken for improving traffic management in the capital. In order to ensure traffic management and road safety, considerable modifications have been made to the traffic management schemes of a number of streets of the capital.

Activities related to introduction of technical means (traffic lights, road signs, pavement markings, etc.) for road traffic management in Yerevan and to application of modern equipment are carried out on a continuous basis.

### **3.18 Air pollution**

Management of atmospheric air protection in the Republic of Armenia is carried out upon the Law of the Republic of Armenia "On the protection of atmospheric air", adopted in 1994, and secondary legislation acts ensuring the implementation of the Law.

For the purpose of updating the Law and preventing certain adverse impacts on atmospheric air, amendments have been made to the Law for the recent years (the last amendment was made in 2011). As a result of these amendments, specifically, it has been prohibited to carry relevant goods by vehicles without non-transparent dust covers; measures have been determined for preventing dust emissions from construction sites, from buildings being reconstructed or newly built, it has been prohibited to burn stubbles, areas with crop residues and dried vegetation, as well as

the vegetation of pastures and hayfields in agricultural, close to forest, forest lands and specially protected natural areas, the threshold for regulation of emissions from organisations has been raised for ten times for the purpose of minimising the administrative action and reducing corruption risks , as well as making the relevant activities more targeted.

At present, 1466 organisations, with more than 3850 sources of emission, are engaged in the field of state record taking and regulation of emissions. They include almost all the emissions made from immovable sources in the Republic, and state supervision is exercised over them.

For the purpose of reduction of vehicle emissions, the Government of the Republic of Armenia has adopted a concept paper and an action plan, the use of leaded gasoline and import of vehicles having no neutralisers for vehicle emissions has been prohibited. For the recent years, permissible quantity for concentration of sulphur in gasoline and diesel oil has been decreased for ten times. Year by year, use of natural compressed gas has been increased through reduction of the use of gasoline. All these actions resulted in considerable limitation of harmful vehicle emissions.

Since 2004, activities have been carried out for introduction of the principle of territorial and technological regulation of emissions of hazardous substances. Principles for determining the share of vehicle emissions in the background pollution of atmosphere in settlements have been worked out.

During 2007-2013, a number of Government decisions were adopted that clarified the management of the atmospheric air protection and made it more transparent. In particular, the relations of the organisations possessing immovable sources of pollution and state authorised bodies acting in the field of atmospheric air protection have been established in the process of state registration of economic operators, the lowest threshold for registrations have been clarified. For the purpose of updating legal acts in force in the field of regulation of emissions and filling the gaps in the legal framework, the procedure for working out and approving emission limit values for organisations has also been approved. This procedure also envisaged introduction

of electronic management of this field, that allowed, on the one hand, for simplifying the procedure for submission of projects and obtaining permissions for emissions, minimised the administrative action and reduced corruption risks, on the other hand, made both environmental activities of economic operators and state supervision over those activities more transparent.

The procedure for forecasting, warning and response to dangerous hydro-meteorological phenomena related to the excess pollution of the atmosphere, climate change and conditions of the ozone layer has been adopted.

The methods for measurement of atmospheric emissions of hazardous substances from thermal power plants operating by natural gas have been determined.

The determination and evaluation of the level of pollution of atmospheric air, atmospheric precipitations are carried out by the "Environmental Impact Monitoring Centre" SNCO. The quality monitoring over atmospheric air in near- ground layer is carried out in the cities of Yerevan, Gyumri, Vanadzor, Alaverdi, Hrazdan and Ararat. Monitoring is carried out through three-ply hybrid network that includes three various observation networks for air quality control — automated, aspirated (active sampling) and passive sampling.

Within the framework of the Cooperation Programme for Monitoring and Evaluation of the Long-Range Transmissions of Air Pollutants in Europe (EMEP), with the support of the Government of Norway, an international station for the first-level observation of transboundary air pollution has been created and has been operational since 2008. Measurement data made at the station are submitted to the Chemical Coordinating Centre (Norway, Oslo).

For the purpose of improving the atmospheric air quality, it has been envisaged to work out a mechanism for introducing the best available technologies, as well as to promote the expansion of electrical transport.

### **3.19 Challenges experienced and lessons learnt in this area**

The following is expected by the programme adopted by the Decision of the Government of the Republic of Armenia No 281-N of 7 March 2012:

(1) availability of a policy for implementation of activities aimed at reduction of disaster risks, institutional capacity building, provision of a common legislative framework, clear determination of the functions of all the actors in disaster risks, reduction and elimination of disaster risks;

(2) determination of clear-cut powers, requirements of the international norms, functions and duties harmonised thereto in the field of reduction of disaster risks among the public administration bodies, territorial and local self-government bodies, organisations;

(3) availability of an integrated educational system in the strategy for reduction of disaster risks, established and developed capacity for disaster risk knowledge in the programmes for development of the country, including of the development of separate spheres, established culture for safety and disaster resistance among the population, introduction of the grounds for establishing disaster resistant community.

The Decision of the Government of the Republic of Armenia No 1351-N of 25 October 2012 regulates the following issues in the field of earthquake protection:

(1) the communities of the Republic are not fully provided with seismic hazard maps:

a. The integrated area assessment layout of the master plans design for the communities of the Republic of Armenia displays the areas that are unfavourable for development due to natural and human-induced dangerous phenomena and land use for other purposes, that is, the areas are zoned taking into account the seismic resistance of buildings and constructions existing in conditions of the current seismic hazard.

b. In its turn, the seismic hazard map is a document specifying the seismic control that presupposes carrying out of measures for protecting the population and the areas, a requirement for ensuring seismic safety, a necessity for reduction of seismic

risk. Based on the above-mentioned, it is important to include the seismic hazard assessment maps in master plans of the communities.

c. The graphical part of land zoning and land use scheme design displays earthquake protection-related and other type of restrictions to the use of land parcels, and the text part specifies the nature and justifications of seismic protection-related restrictions to land use. The seismic hazard assessment maps display seismic hazard zones, and namely this map (not the seismic hazard zoning maps) contains seismic protection-related restrictions, while the text part of the map, i.e. the explanation note, specifies the nature and justification of seismic protection-related restrictions.

(2) Harmonisation of MDPs with the PRSP and sector-specific strategies is one of the main principles and basic provisions for implementation of development programmes for marzes of the Republic of Armenia. In the process of elaboration and implementation of a marz development programme, the MDP-s are based on the PRSP of the Republic of Armenia and state sector-specific strategies — the Sustainable Development Programme and the Integrated Programme for Seismic Risk Reduction in the Territory of the Republic of Armenia.

a. Stating in the Sustainable Development Programme that after the Spitak destructive earthquake of 1988 the seismic conditions throughout the whole territory of the Republic of Armenia have been revised, the seismic risk assessment, and in accordance therewith, the planning of seismic risk reduction measures become a necessity.

b. It is specified in the Integrated Programme for Seismic Risk Reduction in the Territory of the Republic of Armenia included in the sector-specific strategy, that one of the basic outcomes of the programme would be the seismic risk reduction, aimed at the safety of the population and the sustainable development of the state, which may be achieved through development and implementation of mutually complementary programmes in three basic directions, of which in the field of seismic hazard assessment, the final outcome is the mapping of seismic hazard .

### **3.20 Future challenges and issues in these areas that could be addressed by a New Urban Agenda**

- Financing the drawing of seismic hazard maps of marzes and communities;
- financing the inclusion of seismic vulnerability reduction measures in development programmes of marzes and settlements.

The issue of financial support for drawing seismic hazard assessment maps and carrying out seismic vulnerability reduction measures has been included in point 6 of the Decision of the Government of the Republic of Armenia No 1351-N of 25 October 2012 which presupposes periodical and comprehensive submission of the issue to the Ministry of Finance of the Republic of Armenia, as well as search for alternative sources of financing.

The issues relating to climate change result in a considerable vulnerability against which adaptation measures are to be implemented:

- due to climate change, the vulnerability of settlements and infrastructures is expressed by frequency and intensification of river floods, inundation, phenomena of heavy shower, landslides and meteorological hazardous conditions;
- infrastructures and settlements in the territory of the Republic of Armenia are already subjected to high risk and the risk level will increase alongside with the forecast climate changes;
- adaptation proposals are to be based on the so-called "no regret" measures, and ecosystem approach should be applied, that is, natural ecosystems are to be restored in such risk districts;
- it is appropriate to include an insurance system in adaptation measures that, in addition to direct compensation for damage, will create stimulating environment for taking reliable and perspective steps to reduce disaster risk.

Adaptation measures of urban development nature aimed at the healthcare of the population shall include:

- creation of favourable temperature conditions at buildings and premises, in particular, through heat insulation and air-conditioning;
- development of design and construction norms and standards in accordance with the future climate conditions;
- accessibility of water supply and clean water, installation of drinking water fountains at crowded places;
- expansion of green areas at urban communities, building the culture of green agriculture.

The Decision of the Government of the Republic of Armenia No 1594-N of 10 November 2011 "On approving the list of measures aimed at honouring the commitments of the Republic of Armenia arising from the Environmental Convention of the Republic of Armenia" assigns to develop Nationally Appropriate Mitigation Actions (NAMA) and Concept for Ecosystem-Based Approach for Climate Change Adaptation and National Adaptation Programme (NAP) and submit them to the consideration of the Government of the Republic of Armenia in 2015.

It is necessary to include the above-mentioned and other mitigation and adaptation measures in the specified project documents (NAMA and NAP).

#### **IV. Urban governance and legislation**

##### **4.21. Improving urban legislation**

Amendments have been made to a number of laws and secondary legislation acts within the framework of implementation of the concept for reforming the process of drafting and approving urban development project documents for the communities (settlements) of the Republic of Armenia, approved by the Protocol Decision of the Government of the Republic of Armenia No 36 of 3 September 2009. The Laws of the

Republic of Armenia "On making amendments and supplements to the Law of the Republic of Armenia "On urban development"", "On making amendments and supplements to the Law of the Republic of Armenia "On local self-government"", "On making amendments and supplements to the Land Code of the Republic of Armenia", "On making amendments and supplements to the Law of the Republic of Armenia "On local self-government in Yerevan city", "On making amendments and supplements to the Administrative Offences Code of the Republic of Armenia", "On making amendments and supplements to the Law of the Republic of Armenia "On state duty"" were adopted in 2011.

In particular, the Law of the Republic of Armenia "On urban development" has regulated the procedures for approving the master plans of the communities and modifying the designated use of lands, has also envisaged a number of provisions establishing site development procedures aimed at optimising the permissions for design and construction.

Almost all the legislative acts referring in detail to urban development procedures have been revised.

The issue of improvement of business environment in Armenia, consistent regulation of site development procedures in the area of construction, reduction of the steps, time limits and expenditures required for obtaining permissions are among the essential components of the policy being implemented in the area of urban development. For the purpose of regulation of the above-mentioned issues, on 3 March 2011, the Government of the Republic of Armenia adopted the Decision No 257-N "On regulating the procedures for development of construction objects of the Republic of Armenia and making amendments and supplements to a number of decisions of the Government of the Republic of Armenia". The norms prescribed by the Decisions of the Government of the Republic of Armenia No 1473-N of 29 August 2002, No 812 of 21 December 1998, No 711-N of 6 May 2010, No 660 of 28 October 1998, No 91 of 2 February 2002, No 626-N of 8 May 2003 have been adopted by the same Decision that has reduced, to a considerable degree, the number, duration and

cost of the site development procedures. Construction objects are classified into categories based on their risk level according to which the site development procedures are regulated on a simple to complex basis.

In 2011, the Ministry of Urban Development of the Republic of Armenia initiated the process of introducing the electronic system of permissions in the area of construction. Introduction of the system will considerably enhance the quality of service for entities performing site development functions, the transparency of the process, as well as will reduce corruption risks, ensure the controllability (including, by interested users) over authorisation procedures during the whole process of implementation. The electronic means for submission of applications for licensing has also become operational.

The concept for the Law of the Republic of Armenia "On the site development of Yerevan downtown" (subpoint 1 of point 19) has been approved by the Protocol Decision of the Government of the Republic of Armenia No 9 of 7 March 2013, and it is highly expected that it will prevent the trends of over-urbanisation of "the downtown" by setting building density limits, prescribing through financial/economic means such conditions that will allow for directing the investment initiatives of the entities involved in development activities to other areas of Yerevan where the need for progressive development of the city is more apparent and preferable.

As a result of the cooperation between the Government of the Republic of Armenia and the Asian Development Bank, within the framework of the Sustainable Urban Development Investment Programme, policy development and consultation technical support (TS) is provided to four cities of Armenia — Gyumri, Vanadzor, Dilijan and Jermuk — to work out urban development/investment plans (UDIP). Urban Development Investment Programmes will focus on such development and policy-making challenges that relate to urban transportation, water supply and wastewater collection, solid waste management, central heating based on the districts, housing, economic development, logistics, tourism and lighting. UDIPs will last 10 years; the

urban investment plans and improvements within the framework of the Urban Development Investment Programme will be specified and determined.

The Decree of the President of the Republic of Armenia "On public administration in Yerevan city" (NH-727 of 6 May 1997) has established the procedure for exercising public administration in Yerevan city.

Pursuant to point 1.1 of the Decree, the relations in the field of public administration in Yerevan city have been regulated by the Constitution of the Republic of Armenia, the laws, the specified Decree and other legal acts.

Pursuant to point 1.2 of the Decree, public administration in Yerevan have been ensured through implementation in the territory of Yerevan of the territorial policy of the Government and coordination of the activities of territorial services of the republican executive bodies.

Pursuant to point 1.4 of the Decree, public administration in Yerevan have been exercised based on harmonisation of the state, Yerevan city and district community interests, as well as on the cooperation and mutually agreed activities of the Mayor of Yerevan and republican executive bodies, as well as the territorial services of the republican executive bodies in Yerevan city.

Pursuant to Article 108 of the Constitution of the Republic of Armenia adopted by referendum of 2005, Yerevan is a community. In Yerevan city, the specifics of local self-government and of formation of local self-government bodies shall be defined by law. Direct or indirect election of the Mayor of Yerevan may be called by law.

Pursuant to the Law of the Republic of Armenia "On local self-government in Yerevan city", adopted in 2008:

- Yerevan is a community, a commune of Yerevan residents.
- Yerevan is a legal entity, has the right of ownership and other property rights.
- Yerevan has a budget, as well as a seal bearing the representation of the Coat of Arms of the Republic of Armenia and its name.

- Local self-governance in Yerevan is based upon the principles prescribed by the Law of the Republic of Armenia "On local self-government" ensuring the proportional development of all the administrative districts of Yerevan.
- The administrative borders of Yerevan shall be defined by the Law of the Republic of Armenia "Administrative territorial division of the Republic of Armenia".
- Yerevan has an official website: [www.yerevan.am](http://www.yerevan.am)

The local self-government bodies of Yerevan are:

- (1) Yerevan Council of Elders,
- (2) the Mayor of Yerevan.

The Ministry of Territorial Administration of the Republic of Armenia carries out the territorial administration of Yerevan. The Ministry of Territorial Administration of the Republic of Armenia shall exercise the powers vested in marzpets by other laws, legal acts of the Republic of Armenia, insofar as they are without prejudice to this Law.

The Council of Elders is the highest local self-governing body in Yerevan that exercises supervision over the activities of the Mayor. The Council of Elders, in exercising their powers upon the Constitution and the law of the Republic of Armenia, shall be independent and act in favour and on behalf of Yerevan.

The Council of Elders is composed of 65 members. The Mayor of Yerevan is a member of the Council of Elders. The Council of Elders shall be elected as prescribed by the Electoral Code of the Republic of Armenia. The elections of the Mayor shall be held during the session of the Council of Elders. The Mayor shall be elected for the whole period of powers of the Council of Elders having elected him or her.

The powers of the Council of Elders and of the Mayor are defined by the Law of the Republic of Armenia "On local self-government in Yerevan city" and other laws, pursuant to which the Council of Elders shall issue decisions and communications, and the Mayor shall issue decisions and orders within the scope of the competences reserved thereto by laws.

The Mayor, shall, for the purpose of submitting to the consideration of the legislative bodies, put into circulation draft laws of the Republic of Armenia, draft decisions of the Government of the Republic of Armenia and draft decisions of the Prime Minister of the Republic of Armenia, worked out by the staff of Yerevan Municipality and aimed at improvement of the legislation regulating local self-government, as well as relating to the interests of Yerevan.

#### **4.22. Decentralisation and strengthening of local authorities**

After the adoption of the Law of the Republic of Armenia "On the elections of local self-government bodies" in May 1996 and of the Law of the Republic of Armenia "On local self-government" in July 1996, as a result of the elections of the local self-government bodies held in November the process of the establishment of the local self-government system was launched.

On 11 May 2001, Armenia signed the European Charter of Local Self-Government that was ratified on 25 January 2002 and entered into force on 1 May. For the purpose of honouring the undertaken commitments and carrying out the requirements within the framework of the European Charter of Local Self-Government, a new law of the Republic of Armenia "On local self-government" has been drafted that was adopted by the National Assembly of the Republic of Armenia on 7 May 2002.

As a result of the constitutional reforms of 2005 aimed at improvement, democratisation of the local self-government system, bringing the legislation in line with the principles of the European Charter of Local Self-Government, as well as at being guided with the recommendations and assignments worked out within the scope of the cooperation of the Republic of Armenia with the CoE, with the adoption of a number of legal acts appropriate supplements and amendments have been made, in particular, Yerevan city was granted a status of a community (Article 108 of the Constitution of the Republic of Armenia), within the scope of which the Ministry of Territorial Administration of the Republic of Armenia has drafted and submitted to the consideration of the Government of the Republic of Armenia the Law of the Republic of Armenia "On local self-government in Yerevan city", as well as 22 more draft laws circulated together with this draft law.

The Law of the Republic of Armenia "On the self-government in Yerevan city" was adopted on 26 December 2008 that defined the characteristics of establishment of local self-government, territorial administration and local self-government bodies of

Yerevan city (hereinafter referred to as "Yerevan"). In particular, the scope of the competences of the Mayor of Yerevan has been extended.

The scarcity of the population and resources of the communities, and poor capacities hamper the capacity building in communities, effective and targeted use of the limited financial resources and smooth development of the local self-government system.

For the purpose of more optimal and targeted use of financial resources of the community and effective exercise of own and state delegated powers, in 2011, the Government of the Republic of Armenia approved the draft protocol decision of the Government of the Republic of Armenia "On approving the concept for enlargement of communities and establishment of inter-community unions". In the process of implementation of the provisions of the concept we will achieve the consolidation of human resources, raised effectiveness of the community management, consolidation of infrastructures and raised effectiveness of the provision of services, reduction of the number of communities lacking infrastructures, extension of the scope of the powers vested in the communities by law, creation of favourable conditions for further decentralisation, expansion of the opportunities for implementation of national programmes, creation of legal grounds for building a balanced and multi-polar model of territorial organisation and resettlement system.

The principles of enlargement of communities are:

- economic appropriateness,
- an opportunity for provision of services to the population,
- provision and access to public services for the population,
- availability of human resources,
- provision of independence to local self-government bodies,
- access to inter-community transportation communication,
- ensuring the participation of the population;

- optimising the administration institution;
- extension of the scope of the powers being delegated;
- creation of equal conditions for access to natural resources (soil, forest, water, mineral resources, recreation) for the communities being newly established;
- availability of at least one relatively large settlement.

#### **4.23 Improving participation and human rights protection in urban development**

The principles of human rights protection and of the establishment of democracy are enshrined by the Constitution of the Republic of Armenia, and the legal guarantees for the application thereof — by the relevant legislation and other legal acts. With a view to implementing reforms in the legal framework of the Republic of Armenia, a number of important documents have been adopted in the course of recent years, including the policy aimed at the development of CSO community, in particular – the establishment of institutional system of public participation at national and local government levels.

With a view to improving the exercise of human rights and fundamental freedoms, the following have been adopted: the new Criminal Code of the Republic of Armenia (2003), the new Labour Code of the Republic of Armenia (2004), the Judicial Code of the Republic of Armenia (2007), laws of the Republic of Armenia “On Human rights defender” (2003), “On freedom of information” (2003), and numerous other legal acts.

The development of public participation is underway both on national and local levels and has the same progress and challenges. Public participation is ensured through local public administration bodies and is anchored to the democratic principle of community policy making and implementation within the framework of legal acts effective at national level, as well as the principle of raising and addressing community

related issues. Legal grounds for public participation at local self-government level are stipulated by the law of the Republic of Armenia “On local self-government” and are also defined in the regulations of separate communities. Forms of direct democracy at local level include as well:

- local referendum;
- public initiative;
- commission of citizens;
- community meeting;
- public hearings;
- public awareness, etc.

In 2013 Armenia ratified the Additional Protocol to the European Charter of Local Self-Government on the right to participate in the affairs of a local authority (Utrecht protocol), which aims at bringing into the framework of the Charter the right of everyone to participate in the affairs of a local authority. Based on this, amendments have been made to the Law of the Republic of Armenia “On local self-government”, pursuing the goal of strengthening local democracy and participation of citizens in local government. The role of citizens in participatory activities involves awareness of public processes, active civil initiatives and participation, sharing viewpoints, and participating in decision making processes.

Public discussions are defined as a process carried out in urban or rural communities through which residents are informed on the changes planned and have an influence on the decisions. The discussions are held in the environment of respect for the right of participants to free and equal expression. The representatives of the society have the right to submit comments, proposals, alternative projects, and programmes, justified by legal and regulatory acts; to submit the promulgated urban development programmes and projects for independent expert examination at their own expense;

to appeal through judicial procedure actions of the public administration authorities and local self-government bodies and officials.

It should be noted that conduct of public hearings is a mandatory condition in the procedures for approving urban development project documents established by legislation. Urban development project documents are a means of state and legal regulation. Hence, discussions related to spacial planning bear technical and political character in terms of the distribution, format and operation of programmes, projects and models, as well as of the fulfilment of state political goals and obligations with regard thereto. For the recent years, the establishment of democratic order has also been among the changes in urban development objectives and priorities, which highlights the importance of ensuring public participation in decision-making processes, in particular, in project and design stages of the changes envisaged in the direct environment of the citizens at local level.

Forms and procedures of public participation are stipulated by the laws of the Republic of Armenia “On self-government”, “On legal acts”, in the field of urban development – by the Law of the Republic of Armenia “On urban development”, by the Decision of the Government of the Republic of Armenia No1920-N of 29 December 2011, by the Decision of the Government of the Republic of Armenia No 660 of 28 October 1998 “On establishing the procedure for awareness on changes planned in the environment for vital activity and participation of the representatives of the society in the discussion of urban development programmes and projects, and adoption of decisions”, and in the manner prescribed by other legal acts.

The International Conference on “Participatory democracy at local level” was launched on 19 June 2013. The Conference was attended by Herwig van Staa, president of the Congress of local and regional authorities of the Council of Europe, by presidents and members of both the chamber of local authorities and the chamber of regions of the Congress, as well as by interested state bodies of Armenia, representatives of non-governmental organisations, international and local experts. Discussions on the following topics were held during the Conference: “Is local

democracy possible today without direct participation?”, “Participatory model: combining direct and representative democracy”, “E-democracy: new forms of civil participation”. The conference presented a unique opportunity to reflect on the latest developments of direct and participatory democracy, and on the possibilities which allow for renewing and updating democratic procedures in our countries. At the end of the Conference, common conclusions were drawn by Herwig van Staa, president of the Congress of local and regional authorities of the Council of Europe, which were documented as “Yerevan conclusions” and presented at the session of the Bureau of the Congress.

#### **4.24 Enhancing urban safety and security**

The "Safe city" project has been worked out for the purpose of making Yerevan a safer and more secure place for the population and tourists, keeping public order, preventing and immediately disclosing incidents. It envisages not only placing of video monitoring and other devices catching and transmitting signals, but also integrating the existing technical means in one system, likewise improving this area.

The system was introduced in Yerevan in 2010. Though initially 10 cameras were in operational, however, the effectiveness of the project was obvious. Currently, the number of cameras reaches 2000. These are installed at crowded places - squares, parks, gardens, streets, crossways, stations, the underground, etc.

Since 2012, a video monitoring centre has been operational at Yerevan Municipality. At various places of the capital, emergency response officers exercise twenty-four-hour control from this centre that is also a centre for emergency situations management and twenty-four-hour hot line service.

At the initial stage of introduction of the system, the existing resources have been used, but in cooperation with the private sector, various systems were connected to the "Safe city" project (systems of devices for disclosure of road traffic offences, systems of devices for regulation and supervision of the operation of the public

transport, systems of monitoring devices for parking sites of Yerevan city, systems of cameras for Yerevan underground monitoring, as well as those placed based on "On-Line Yerevan" tourist programme).

The system of ambulance service, fire-fighting alarm systems of public and education facilities, other systems relating to the safety and security of the population are also involved in the "Safe city" project.

Introduction of safety systems in one environment, their robotised intellectual analysis and transfer of addressed information to relevant bodies are the main principle of the "Safe Yerevan" project the implementation and constant development whereof is underway in Yerevan.

The achievements of the Government of the Republic of Armenia, the Ministry of Emergency Situations of the Republic of Armenia, local self-government bodies (including those of large cities) and state territorial administration bodies in the area of urban security and safety:

The policy of seismic risk reduction of Yerevan city is implemented pursuant to the Decision of the Government of the Republic No 392 of 7 June 1999 "An integrated programme for seismic risk reduction in the territory of Yerevan."

#### **4.25 Improving social inclusion and equity**

For the purpose of effective administration, the municipal authorities of Yerevan also cooperate with non state public institutions in some areas to ensure their social participation in the processes of adoption of decisions, as well as implementation of joint social programmes by applying all the possible resources.

In particular, seven non-governmental organisations intensively carrying out activities in Yerevan city — that are considered to be social partners and are actively engaged both in the preparation of the annual programme and in the processes of performance of works — are included in the composition of the "Yerevan city

commission on issues affecting persons with disabilities", set up by the relevant decision of the Mayor of Yerevan.

For addressing the issues affecting persons with disabilities joint activities are carried out for building of ramps, access to urban transport, installation of traffic lights with sound signals for groups with limited mobility, creation of parking sites for persons with disabilities, implementation of inclusive education at school and pre-school institutions and to other directions.

Joint projects are carried out within the scope of the programmes for creation of charitable canteens for the needy elderly citizens and day care centres for the elderly, as well as for implementation of temporary housing and social assistance programmes for persons left without shelter.

Temporary housing and social assistance programmes are carried out for persons released from penitentiary institutions and left without shelters.

Social assistance programmes are periodically carried out for Syrian Armenians or the refugees residing in the capital as a consequence of wars.

The targeted implementation of the programmes, upholding of the principles of social equity and effectiveness have been taken into account in the process of carrying out above-mentioned activities.

#### **4.26 Challenges experienced and lessons learnt in this area**

In the territory of the Republic of Armenia Yerevan city is subject to the greatest seismic risk. Yerevan can, once again, as in the past, be subject to a strong earthquake of 7.0 magnitude that corresponds to 9-10 degrees on MSK-64 intensity scale. In case of failure to substantially reduce the level of seismic risk of the capital by a special state programme, the number of victims and losses will reach such scales that there will be no way for provision of effective help to the population and for elimination of destructions.

After the Spitak earthquake of 1988 the seismic conditions of the territory of the Republic of Armenia were revised, as a result of which the earthquake seismic impact assessment moved up by 1-2 points on the seismic scale. The major part of multi-apartment residential units had been build before 1990 and after revising the seismic conditions of the Republic it turned out that they failed to comply with the requirements of the current earthquake-resistance construction norms. Due to these circumstances the importance of persistent implementation of measures aimed at the seismic resistance and safety of buildings and constructions is highlighted.

Seismic risk reduction in the capital city of Yerevan is a separate, independent and highly important issue for the following basic reasons:

- (1) centralisation of the considerable part of the population in Yerevan city;
- (2) centralisation of the public administration bodies in Yerevan city;
- (3) considerably low level of seismic resistance of buildings and constructions as compared to the actual seismic hazard;
- (4) location of hazardous industries within the territory of the city;
- (5) insufficient level of preparedness of the population and governing bodies for seismic risk reduction.

The main objective of the integrated programme of seismic risk reduction in the territory of Yerevan is the seismic risk reduction in the territory of Yerevan for ensuring the required level of safety of the population and sustainable development of the city.

The programme is a basis for including seismic risk reduction measures in development programmes of Yerevan city and its administrative districts, and addresses three main issues:

- (1) seismic hazard assessment;
- (2) seismic risk assessment;
- (3) seismic risk reduction.

Current seismic hazard reduction is the prediction of location, intensity and time of the probable strong seismic event ( $1 \geq 7$  points based on the MSK-64 intensity scale) in the territory of Yerevan or at a risky distance therefrom.

Seismic risk assessment is a complex issue and all the objective and subjective factors should be taken into account for addressing it. To address this issue, seismic hazard maps of various scales are drawn for the territory of Yerevan that take into account the ratio of the seismic hazard affecting the risk magnitude to the seismic resistance of buildings and constructions. Accurate assessment of seismic risk will allow for working out effective action plans for the reduction thereof.

#### **4.27 Challenges and issues in these areas that could be addressed by a New Urban Agenda**

Seismic risk assessment presupposes addressing of the following issues:

- (1) assessment of vulnerability of buildings and drawing of destruction risk maps for buildings in case of various earthquake scenarios;
- (2) seismic vulnerability assessment of important and special significance objects;
- (3) assessment of casualties in case of various earthquake scenarios;
- (4) risk assessment for natural and human-induced phenomena caused by secondary seismic hazard;
- (5) seismic risk assessment of infrastructures of the city (water supply and sewage system, power supply lines with 6 kV and higher voltage, medium-pressure gas piping systems, etc);
- (6) assessment of external life support systems (water supply, electric power supply, gas supply, telecommunication, railway, roads, etc.) of the city in terms of their seismic vulnerability, time and social significance;
- (7) seismic risk assessment of the territory of the city;

(8) submission of specific proposals for seismic risk reduction.

Seismic risk reductions presuppose addressing of the following issues:

- (1) adoption of regulatory documents providing a legal ground for risk reduction;
- (2) establishment of the Seismic Risk Reduction Management Centre of the Ministry of Emergency Situation of the Republic of Armenia;
- (3) creation of an early warning system of Yerevan city;
- (4) development and implementation of funded mid-term expenditure programmes (typical residential units, schools, healthcare institutions and other buildings) for seismic vulnerability reduction of the territory of Yerevan city that will involve enhancement of seismic resistance of buildings and constructions based on the risk level, reduction of the seismic vulnerability of infrastructures and life support systems, effective land use;
- (5) selection, localisation and development of new, low-cost and effective technologies for reinforcement of a great number of typical buildings, also by using precast structures;
- (6) reduction of earthquake-induced secondary effects (fire, landslides, emissions of toxic substances to the atmosphere and aquatic environment, destruction of railway and highways, damages, etc.);
- (7) development of a long-term programme for prevention of seismic risk increase of the territory of Yerevan city, which will involve provision of seismic resistance of constructions to be built, prevention of illegalities reducing seismic resistance of buildings, application of urban development norms, decentralisation of hazardous facilities from the capital, automatic growth of the city, thus also prevention of the seismic risk increase;
- (8) preparation (training) of the population;
- (9) preparation of Yerevan Municipality for risk management;

- (10) enhancement of medical readiness;
- (11) development of the immediate response engineer forces;
- (12) assurance of the readiness of rescuers;
- (13) creation of an insurance system;
- (14) prevention of the population emigration (migration).

The risk of the programme is based on the following factors:

- (1) change of the policy of the Government of the Republic of Armenia and Yerevan Municipality as regards the priority of the seismic risk reduction programme in the territory of Armenia;
- (2) lack of state financing and donors for the implementation of the programme.

## **V. Urban economy**

### **5.28 Improving municipal/local finance**

For establishment of budget system and regulation of budgetary process of the Republic of Armenia, the Law of the Republic of Armenia "On budgetary system of the Republic of Armenia" was adopted in 1997, which regulates the development, discussion, approval and implementation of budgets, as well as approval of annual reports thereof by local self-government bodies.

For determination of the types and permissible amounts of local duties and fees, the Law of the Republic of Armenia "On local duties and fees" was adopted on 9 January of 1998. This Law created a ground for local entrepreneurship, as well as for economic and political autonomy, since the rates of local duties, within the limits prescribed by law, is being determined by the community council upon submission of the head of the community prior to the approval of the annual budget of the community.

The concept for "local duties and fees" was elaborated in 2012, which clearly defined and specified the definitions for "local duties" and "local fees", identified the drawbacks and gaps of the legislation of the Republic of Armenia, manifested equal approach while defining the types and rates of local duties and fees, as well as specified the powers of the local self-government bodies with this respect, based on which amendments and supplements to the laws of the Republic of Armenia pertaining to local duties and fees will be brought forward or a new draft law "On local duties and fees" will be elaborated.

Capital investments, being made at the expense of state budget and other sources, have been significantly reallocated between the marzes and Yerevan in recent years, for the purpose of mitigating disparities of territorial development. Particularly, if 87,7% of the capital investments made in the country in 2007 has been made in

Yerevan, and 13.3 %-in marzes, then in 2012 that indicator comprised 53.5% and 46.5% respectively.

Financial equalisation is one of the most significant functions of the budgetary policy of the state, which is aimed at mitigation of polarisation between communities having different financial capacities, as well as reinforcing and improving financial capacities of the communities. The Government provides some funds to the communities having weak financial capacities in the manner prescribed by law, which are being spent by the community for the purpose of exercise of powers vested in it.

For the purpose of ensuring harmonious development of the communities of the Republic of Armenia the administrative budget revenues are merely being replenished by funds lacking concrete directions of expenditure according to the Law of the Republic of Armenia “On financial equalisation”.

The Law of the Republic of Armenia “On financial equalisation” was adopted by the National Assembly and entered into force on 1 January 1999.

Following the entry into force of this Law the total amount of subsidy provided to the communities of the Republic of Armenia with the principle of financial equalisation in the period from 2002 to 2011 for each year (accounting year) has been calculated 4% of the total actual income of the consolidated budget (for the previous year), which is specified in Article 58(2) of the Law of the Republic of Armenia “On local self-governance” which runs as follows:

"Total amount of subsidies provided to the communities, with the principle of financial equalisation, for the given year from the state budget (including compensation sums provided to the communities by the state for the given year according to Article 67 of the Law of the Republic of Armenia “On local self-governance”) shall be calculated no less than 4 percent taking into account the total actual income of the consolidated budget of the Republic of Armenia for the second budget year preceding the given year".

***Each year the minimum total amount of subsidies is determined by the Law of the Republic of Armenia "On state budget".***

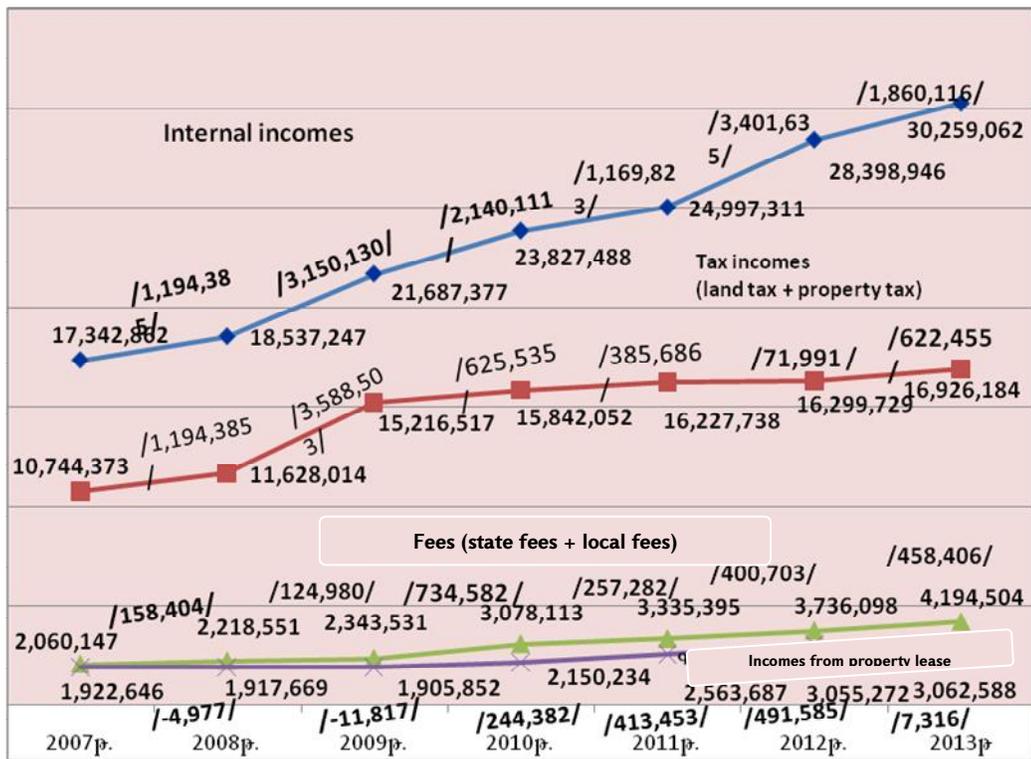
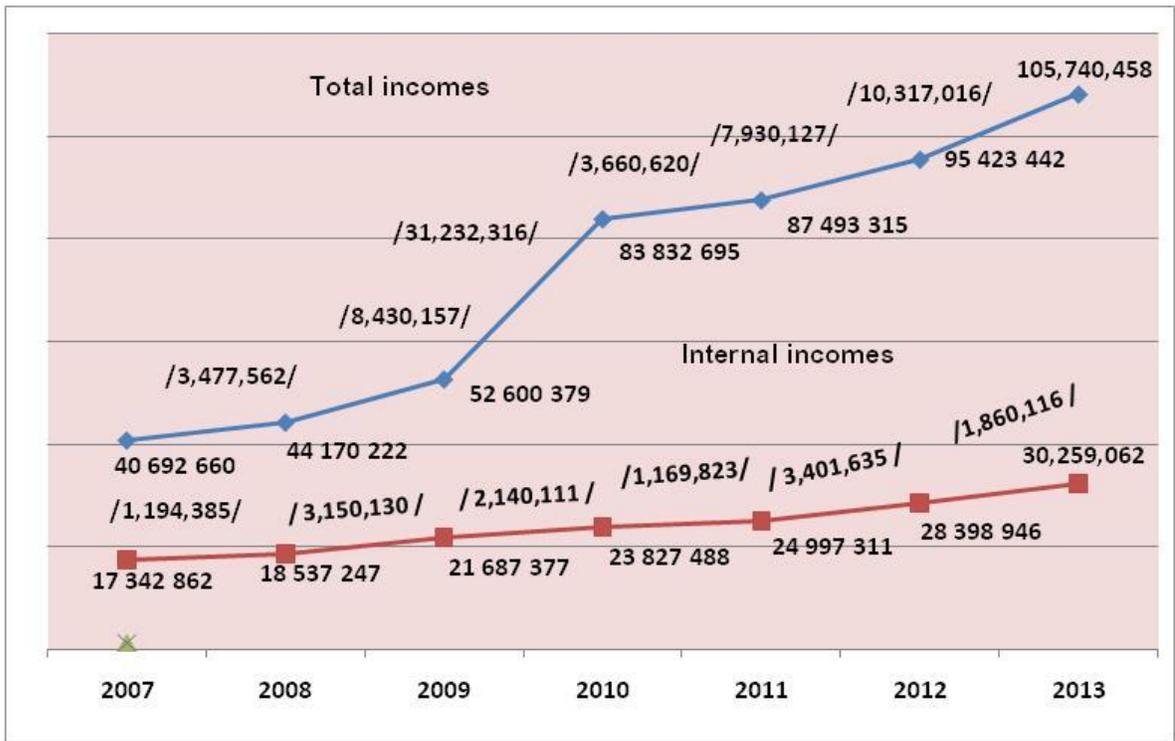
Since 2000 the subsidies for financial equalisation has kept increasing year after year. Total amount of subsidies for financial equalisation provided from the state budget of the Republic of Armenia in 2007 comprised 17,980,335 thousand drams. From 2008 to 2010 this indicator has regularly increased totalling to respectively 21,336,000 thousand drams for 2008, 27,837,140 thousand drams for 2009 and 32,488,063 thousand drams for 2010. The volume of subsidies for financial equalisation provided to the community budgets from the state budget for the year 2011 has remained in the same level as it was in 2010 — 32,488,063 thousand drams, though the volume of subsidies for the year 2011 has comprised 4,6% of the actual income of the consolidated budget for the previous year. Thus the minimum threshold of 4% has been exceeded for the first time. This approach has been used during calculation of the total amount of subsidy for the year 2012, preserving the total amount of subsidy — 32,488,063 thousand drams. In this case the volume of subsidies has comprised nearly 4.1% of the actual income of the consolidated budget for the previous year. Total amount of subsidies for financial equalisation for the year 2013 comprises 36,244,000 thousand drams, which is 3,755,937 thousand drams more in comparison with the indicator for the year 2012. Generally, the amount of subsidies for financial equalisation provided to the communities of the Republic of Armenia from the state budget of the Republic of Armenia has increased by 18,263,665 thousand drams or nearly two times. The amount of subsidy envisaged for the year 2014 comprises 39,011,842 thousand drams.

**Table 4**

2000-2013	<b>Total amount of subsidy</b>	Minimum amount of subsidy provided to communities having no more than 300 residents/ thousand drams
2000	5,194,319	1,500
2001	6,801,926	1,500
2002	11,571,733	1,500
2003	9,159,808	1,500
2004	10,696,000	1,500
2005	13,752,000	1,500
2006	14,668,000	1,500
2007	17,980,335	2,000
2008	21,336,000	2,000
2009	27,837,140	2,000
2010	32,488,063	3,500
2011	32,488,063	3,500
2012	32,488,063	3,500
2013	36,244,000	3,500
2014	39,011,842	3,500

Starting from 2008 the level of internal income of the community budgets for each year has been increasing year by year.

As compared to 2007 total incomes in 2013 have increased by 161.7% or by 65,337,515 thousand drams. The increase amounted to 13,389,644 thousand drams or 79.4%, thus internal incomes have increased by nearly 1,8 times. As compared to 2007 the indicator of land tax have increased by 859,141 thousand drams (26%), property tax — by 5,303,051 thousand drams (71%), local duties — by 2,250,454 thousand drams (181.2%), incomes from lease of property — by 1,139,418 thousand drams (59.2%).



The communities began to make more expenditures year by year alongside with the increase of incomes, thus the expenditures of administrative and fund budgets increased.

The funds of the administrative budget of the communities are mainly directed to provision of general services, whereas those of the fund budget — to making capital expenditures.

The communities have implemented a series of investment programmes at the expense of internal incomes, which have been mainly targeted at the following services: pre-school education, garbage disposal, road illumination and repair, water supply and so on.

Communities participate in co-financing of activities, implemented within the framework of the investment programmes, at their own expense, which are mainly implemented by means of funds from international donor organisations and are targeted at construction and reconstruction of community infrastructures (water supply, gasification, reconstruction of roads and so on).

The National Assembly of the Republic of Armenia adopted the Law of the Republic of Armenia “On making amendments and supplements to the Land Code of the Republic of Armenia”, which is targeted at securing participation in the investment programmes in case of implementation of social and charity programmes by means investment of state and community owned lands, and in case of a proposal to implement large-scale programmes it will be possible to directly support to implementation of such programmes through direct sale of state and community owned lands in the manner prescribed by law. Since the adoption of the Law, the Government of the Republic of Armenia has already approved two investment programmes proposed by the communities, one of which has been successfully implemented and the other is currently in progress.

Current legislation of the Republic of Armenia and particularly, the laws of the Republic of Armenia "On budget system" and “On local self-governance” enable the

communities to take out credits and loans both from the state budget and from commercial banks. The head of the community may conclude a contract for receiving credit or issue community securities upon the decision made by the Community Council and upon the consent of the state authorised body for making investments aimed at improvement of social infrastructures of the community.

The process of inclusion of state owned lands located out of administrative borders of the communities into administrative borders of the communities was implemented in 2009-2010. Consequently, the provision of Article 4 of the Law of the Republic of Armenia “On local self-governance” pursuant to which local self-governance is implemented throughout the whole territory of the Republic of Armenia, was realised. As a result of those reforms the resource and investment opportunities of the communities have significantly increased.

The laws of the Republic of Armenia “On property tax” and “On land tax” enable the communities to establish a privilege of up to 10 percent for those taxes in the community budget. This is a tool, which can be used by the communities in implementing investment programmes.

The principle of unity of local self-governance ensured the opportunity to implement financial and effective policy, which is a realistic policy ensuring life-supporting and convenience of the residents of Yerevan through the principle of proportionality where the expenditures made and improvement of investment are targeted at the whole city and primarily at the administrative units previously considered as suburban.

From the perspective of regulation of the financial sector and as a result of targeted execution of the decisions of the Yerevan Council of Elders and the Mayor of Yerevan, the financial benefits of the city have significantly increased. The main sources of formation of incomes of the city are the tax incomes and duties (property tax, land tax, local duties), official grants (subsidy, subvention) other incomes (vested powers, land charges), fees for land, dividends, local fees and so on).

As a consequence of a consistent policy, activities to modernise the programmes of income accounting and collection have been carried out, particularly an interrelated programme between the on-line payment collection system and existing treasury computer programme has been developed, which makes it possible to exclude the human factor in the process of income accounting, whereas as a result of cooperation with private companies the software based automated system for lease of land in the community of Yerevan has been upgraded.

The dynamics of the revenues of Yerevan for the recent years indicates, that the process of local self-governance has positively influenced on the efficiency of collection of internal incomes. Particularly, internal incomes for the year 2010 comprised 12 billion 529 million drams, whereas in 2014 it is envisaged to collect 19 billion 918 million drams.

Each year the annual budget expenditures of Yerevan are being directed to ensuring current activities and stable development of the city. The directions thereof are in conformity with the four-year and annual programmes. In that context, both the selected priorities of ensuring continuation of repair works of gardens, yard areas, playgrounds, highways and streets, ramps, elevated crossings and pre-school, sport, cultural organisations, under the subordination of the capital city, as well as implementation of new programmes such as reconstruction of inclined roofs, renovation of entrances of block of flats and so on are maintained.

The budget expenditures of the capital city for the year 2010 comprised 52 billion 846 million drams, whereas the expenditures in 2014 is envisaged to comprise 69 billion 492 million drams.

Accountability process is being periodically improved. In 2013 at the initiative of Yerevan Municipality and with direct and practical support from the World Bank analytical works of the assessment of expenditures and financial accountability of the Municipality were carried out. This is, in fact, the first and best practice in assessing the financial management system of Yerevan Municipality. As a result of that assessment a booklet comprised of a report titled "The city of Yerevan: public

expenditures and financial accountability performance review (PEFA)" was published, which was one of the first in the region and as for Yerevan, it became one of the cities in the region and within the framework of CIS, which was granted PEFA status of accountability assessment.

A new procedure for discussion of the draft budget of the city of Yerevan has been developed and is being implemented for ensuring the transparency of performed financial activities of Yerevan and for making them more visible for the public as well as for ensuring the participation of any interested person, organisation or institution in the stages of planning and designing of that procedure, according to which the draft budget of the city of Yerevan prior to submission to the discussion of the Council of Elders is firstly submitted to the Governing Board of the annual budget and four-year development programme of the community of Yerevan functioning adjunct to Yerevan Municipality, after which the draft budget is submitted to public discussions in press and on the official website of Yerevan Municipality, open hearings take place, the results of which are summarised during the session of the Governing Board of the budget.

The policy ensuring the transparency of financial activities of Yerevan Municipality is ongoing and targeted.

Particularly, the interactive budget of the capital city has been presented to public on the official website of Yerevan Municipality and is already exploited and being updated on a daily basis, which is a unique tool for any resident. The exploitation of this information interactive tool makes it possible to have a clear idea about the financial activities of the capital city with regard to programmes implemented in all sectors and the expenditures thereof. Thus the interactive budget is a transparent daily report of Yerevan Municipality the governing body of the city.

The strategy for administration of finances of the capital city has been documented upon the relevant decision of the Mayor of Yerevan, in which the strategy for reform in administration system of public finances was approved. This document comprises a

list of arrangements based on which it is envisaged to cooperate with the World Bank and other partners by attracting funds for implementation of reforms in the sector.

### **5.29 Strengthening and improving access to housing finance**

At present sufficient conditions for exercising right to housing enshrined in the Constitution of the Republic of Armenia have been established in the Republic and according to the legislation of the Republic of Armenia housing relations shall be mainly regulated by market mechanisms. Particularly, the legislation of the Republic of Armenia fully entitles the citizens to purchase, lease and build apartments, receive mortgage loans for purchasing or building apartments, privatise leased state-owned apartments in the manner prescribed by the law and so on. Preconditions have also been created for mortgage improvement: legislative framework has been established, 96% of the housing stock constitutes private property, a new housing construction market is being developed, as well as demand in housing is increasing in primary market.

Attaching importance to the role and significance of the young people in success of the country, the state has implemented a number of programmes aimed at provision of affordable housing through mortgage loans to young families and young specialists in need of improvement of housing conditions.

Within the framework of the programme, banks and credit organisations provide loans to young families for acquiring apartments, and the state provides financial assistance to the borrower in the process of repayment of the loan. The financial assistance of the state is reflected by direct and indirect partial subsidisation of interests. In total, the state aid to a young family comprises over 4 percentage points.

Alongside with that, the state has also initiated a programme of providing affordable housing through mortgage loans to state servants.

Implementation of the above mentioned programmes will contribute to ensuring availability of funding for housing construction and creating more favourable conditions for boosting the volumes thereof.

### **5.30 Support to local economic development**

Overwhelming majority of the population, economic resources and qualified workforce in Armenia are mainly centralised in Yerevan. This creates a serious obstacle for proportional and local economic development. Overcoming such disproportion is essential from the perspective of using the potential of stable economic growth of the country to the maximum extent possible.

In this respect, the necessity in local economic development has become much more imperative in recent years. The reforms and programmes adopted by the Government of the Republic of Armenia in this respect primarily refer to establishment of dynamic and competitive small and medium enterprises (SME) and provision of ongoing support to the existing entities. It must in its turn contribute to effective implementation of the export policy adopted by the Government.

Thus, support has been provided to the existing and new SME entities operating in the directions of development of local economy through:

- credit guarantees;
- support to entrepreneurship of beginner businessmen,
- to construction of industrial systems,
- through information, advisory and educational support.

5.2% of SME entities that received support in 2013 operate in the city of Yerevan, whereas 94.8% — in the marzes of the Republic of Armenia mainly in remote and border rural and urban communities.

Regional and community local economic development programmes were implemented

within the framework of programme direction "**Local Economic Development**" in 2013.

Particularly, 100 (one hundred) communities have been mapped in all marzes of the Republic (10 communities in each marz). For the purpose of identifying economic potential of the communities, studies have been conducted in 19 communities — communities of Ijevan, Gandzakhar, Getahovit and Berd of Tavush marz, communities of Areni, Aghavnadzor and Rind of Vayots Dzor Marz, communities of Lchashen, Chkalovka and Norashen of Gegharkunik marz, community of Azatan of Shirak marz, communities of Stepanavan of Lori marz, communities of Khndzoresk, Hartashen and Nerqin Khndzoresk of Syunik marz and communities of Pokr Vedi, Lusarat and Yeghegnavan of Ararat marz. Nearly 180 economic initiatives in the fields of livestock farming, tourism, gardening processing of agricultural products, improvement of infrastructures and wine-making have been identified during the study and presented to the interested parties. The results of local economic analyses of the above mentioned communities have been elaborated and published.

25 programmes have been initiated in marzes of Gegharkunik, Lori, Kotayk, Syunik, Tavush, Ararat, Aragatsotn, Vayots Dzor and Yerevan within the framework of programme direction "**Support to entrepreneurship of beginner businessmen**".

Programme direction "**Development of local products and promotion of local trademarks**" is mainly aimed at identification of economic potential of the communities, improvement of the quality of local products, development and promotion of new local trademarks in markets. Works for establishing a training centre of cheese making aimed at fostering cheese making in the community clusters of Lchashen, Chkalovka and Norashen of Gegharkunik marz and promoting it in markets, as well as for supporting to success of local trademark have started. In particular, a series of technological courses will be implemented and a technical booklet for cheese making will be developed and published, as well as equipment necessary for the training center of cheese making will be purchased.

A five year programme "**Cooperation for the sake of prosperity of the**

**communities"**, the programmes "**(B&B) support to improvement of guest houses**" and "**Support to construction of greenhouses**" are being implemented. In particular, the works of construction of correspondingly 17 and 12 greenhouses, as well as the works of preliminary cultivation and preparation of land in the communities of Ptghavan and Tavush have been accomplished, whereas as for the improvement of guest houses, three target places have been chosen — communities of Areni, Aghavnadzor and Rind in Vayots Dzor marz, the city of Ijevan of Tavush marz and the communities of Sanahin, Odzun, Dsegh and Haghpat in Lori marz.

**Table 5**

DIRECTION OF SUPPORT	QUANTITY OF SUPPORT		
	2011	2012	2013
Information and advisory support	3588	7398	15647
Educational support	-	515	521
Support to entrepreneurship of beginner businessmen	95	209	462
Provision of credit guarantees to new and existing SME entities	28	150	243
<sup>1</sup> Support within the framework of the activities of the communication centre of Enterprise Europe network	69	191	243
Support to construction of industrial systems	-	44	127
Number of communities involved in the local economic development programme	-	5	19
Number of infrastructure programmes of community relevance	-	5	4
Number of agricultural equipment sold	-	-	230
<b>Total</b>	<b>3780</b>	<b>8507</b>	<b>17243</b>

The strategy of industrial policy in the Republic of Armenia for exportation is also in the stage of implementation, which is aimed at development and improvement of new promoting sectors for economic growth by improving the exported sectors or those

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<sup>1</sup>Enterprise Europe network

having potential to be exported.

11 promising sectors from the perspective of exportation have been specified in the strategy while the sector-specific strategies of 4 of them (cognac production, pharmaceuticals, precision engineering and wine-making) and the action plans ensuring their implementation are now in the stage of implementation.

### **5.31 Creating decent jobs and livelihoods**

Creation of new, high quality and well-paid jobs is one of the key priorities of the Government of the Republic of Armenia, aimed at ensuring decent incomes for a wider range of population. The carrier of the policy aimed at widening of employment opportunities must not be agricultural and exportable sector of the economy. Ensuring high productivity must be a determining factor in this.

In this respect, activities are being carried out aimed at the following:

- Ensuring dissociation of the economy — increasing the proportion of exportable sectors in the structure of the economy, developing production infrastructures;
- Implementation of modern industrial policies and those of fostering exportation aimed at creation of jobs with effective use of cooperation platform of the private sector;
- Continuous improvement of business and investment environment, ensuring equal conditions of competition for all;
- Radical modification of the quality control system for outputs produced in the economy and operation of new infrastructures;
- Ensuring accessibility, availability of financial resources and diversity of financial instruments for businessmen, including beginner businessmen;
- Development of involvement of innovative technologies;
- Involving foreign transnational companies by ensuring creation of high productivity

jobs, identifying new markets and promoting competition;

- Modernisation of agriculture and supporting to development of agribusiness;
- Proportionate regional development through ensuring progressive growth of economic activity of marzes as compared with Yerevan and establishment of a convenient village.

In particular, it is envisaged to create new well-paid jobs in agricultural sector within the framework of investment programmes of the following companies:

**Table 6.**

INVESTEMENT PROGRAMMES	SECTOR	JOBS BEING CREATED
Construction of a processing plant of polymetals	Mining industry	2013 Nearly 75 jobs have been created with a monthly average salary of AMD 270 000, whereas in 2014 it is envisaged to bring the number of jobs up to 105.
Construction of a greenhouse farm, with an area of 5 hectare, in Kotayk marz	Greenhouse farm	Nearly 120 new jobs will be created.
Construction of a greenhouse farm, with an area of 3 hectare, in Kotayk marz	Greenhouse farm	Nearly 60 new jobs will be created.
Production of aluminium foil	Industry	It is envisaged to re-equip the factory within the framework of the investment programme with the use of new modern technologies. 55 new jobs will be created.
Construction of a greenhouse farm, with a surface of 10.7 square metres, in Kotayk marz	Greenhouse farm	Nearly 20 new jobs will be created.

Organisation of production of single-use syringes	Organisation of production	As a result of implementation of an investment programme nearly 70 jobs will be created in 2014, 120 jobs — in 2015 and 2016 with a monthly average salary of AMD 120-150 000.
Construction of a new industrial complex	Extraction of precious metals	It is envisaged to create nearly 130 new jobs.
Re-equipment of the fusion plant	Metallurgy, industry	Re-equipment works were completed by the end of 2013. Nearly 300 new jobs will be created.
Exploitation of Teghut copper molybdenum mine and production of concentrates of copper and molybdenum	Mining industry	More than 1000 temporary jobs created by the organization in construction sector during the period from 2008 to 2014 will be substituted by permanent jobs in the same number with a monthly average salary of AMD 150 000.
Purchase of Italian, French and Bulgarian equipment by the company	Production of wine, vodka and Armenian cognac	Nearly 30 new jobs will be created.
Mining industry	Industry	During the coming 3 years it is envisaged to carry out construction works equivalent to nearly 270 million USD within the framework of the first stage of the investment programme, whereas for construction of the mine another 400 million USD will be spent. Nearly 550 workers will be engaged in construction works and as a result of reopening of the mine 500 new jobs will be created.

In parallel to development of tourism, construction of new hotel complexes and resort houses is envisaged in this sector which will also foster proportionate regional development and creation of jobs. Thus, launched and envisaged investment programmes presuppose the following: “HYATTPLACE” hotel of “HYATT” group in Yerevan, “Royal Plaza” hotel in Yerevan, “North Avenue” hotel in Yerevan, “Imperial Palace” (IPH) hotel in Yerevan, “Golden Palace” hotel in Tsaghkadzor, “National” hotel in Yerevan, “Qefo” hotel in Haghpat, reconstruction of the former health resort of the Ministry of Agriculture, “Crown Plaza” hotel in Yerevan, a hotel of “WindHam” network in Yerevan, a hotel of “Ramada” network of “WindHam” group in Yerevan, construction of a new building of “Marriott” hotel comprising of 33 guest rooms, a hotel in Jermuk which intends to attract renowned international “HYATT” network, “Armenia 2” health resort in Jermuk, new building of “Regine” hotel in Yerevan, “Respublika” hotel in Yerevan, reconstruction of “Jermuk” hotel in Jermuk, a hotel of “IBIS” network of “Accor” group in Yerevan, a hotel of “HowardJohnson” network of “Windham” group in Yerevan in the territory of the airport.

### **5.32 Integrating the urban economy into national development policy**

The rate of economic growth in Armenia in recent decade has been very high, which has resulted in substantial reduction of poverty. However, the economy of Armenia is still ailing, prosperity and contentment of a large proportion of population is low and as for the business, it is non-competitive in international markets. The economic growth is mainly based on few non-productive and non-exportable branches.

Though the country has consistently and successfully implemented the first generation reforms, which have created significant grounds for further growth and development, however, they constitute only a part of our route. The second generation reforms launched are much more ambitious and should ensure greater results.

It is necessary to build up an economy integrated into international markets, competitive and ensuring high productivity. High productivity will guarantee attraction

of additional capital flows and liberalisation of the economy will become unalterable and permanent. It is not a simple issue at all, though it is a precondition for national security and existence.

The strategy for economic growth is aimed at progressive growth of per capita gross domestic product (hereinafter referred to as “GDP”) in a possibly short period pursuing the goal of ensuring that the standards of living referring to income of the population of Armenia are equal to those existing in countries that have accessed European Union (hereinafter referred to as “EU”) during the recent years.

The policy being implemented in business and investment environment is aimed at enhancing the level of attractiveness and competitiveness thus classifying Armenia in the group of countries with high level of competitiveness.

By the end of the 20th century it was formed a new economic direction in the world which is the target of present global competition. Armenia can be involved in that competition as it has human potential which is the main precondition for the new economy.

### **5.33 Challenges experienced and lessons learnt in this area**

- Increase in dependence on external sources while satisfying domestic demand.
- Strengthening of resource-consuming behaviour and securing economic growth at the cost of non-exportable sectors.
- The tendency for higher rate of increase in the volumes of importation as compared to that of exportation and low level of diversification of exportation.
- Deepening of the gap of technological, productivity and innovative development level.
- Present disproportionate regional development.

- Non-adequate development of educational, physical, financial infrastructures and domestic savings.
- The framework of economic policy neither involves scenario predictions towards long-term goals set nor predicts impact of external shocks on economic policy and growth.
- According to international rating classifications Armenia lags behind the countries newly accessed to the EU due to the indexes of economic liberalisation, engagement in entrepreneurial activity, global competition and corruption perceptions.
- Neglecting marketing practice in the matters of strategic planning in business circles, effective management of staff, financial means and quality, as well as in the matters of promotion of goods and services in the market continues to impede the increase in business competition.
- Certain international markets are still difficult to be accessed because of the lack of high quality goods and services and free trade arrangement.

### **5.34 Challenges and issues in these areas that could be addressed by a New Urban Agenda**

- Within the context of worldwide global developments Armenia is able to ensure proper level of competition under conditions of implementation of clearly developed industrial policy effective throughout the entire chain. It will grant an opportunity to establish and strengthen the reputation of Armenia as a developed industrial country.
- The scope of economic policy must be supplemented by microeconomic predictions which will make it possible to evaluate the impact of implemented different programmes on economic growth and structural changes thereof more clearly.
- Within the objectives of economic growth the increase in the number of services creating higher added value and requiring hard technological solutions and

knowledge is the precondition for proper structural adjustment of the economy. In Armenia they will be directed to financial, advisory, medical and tourism sectors.

- Non-contemporary technologies having low productivity and operational effectiveness, as well as energy consumption must be substituted by new ones.

- The goals of economic development require substantial growth of the variety of high-value services, the quality whereof will correspond to international standards.

- Alongside with global developments, the development of the sector of information technologies (IT) in the country is the prerequisite for the global growth in all the sectors of economy and establishment of knowledge-based economy.

- Armenia has unimproved greater opportunities in tourism sector both as an implementation tool for regional policy and as a result contributing to economic growth due to provision of quality services.

- With a view to continuously maintaining high competitiveness, relevant institutional, procedural mechanisms and tools must be introduced contributing to identification and analysis of the factors impeding the improvement of business and investment environment.

- Enhancement of public awareness through development of concept of medium-term restrictions (“the price” of reforms) and long-term advantages as well as through periodically published research works.

- Evaluation of the potential of the sectors of the economy and adoption of priorities, enhancement of investment effectiveness and attraction of foreign high-quality capital simply by cooperating with local and foreign investors and assigning innovative direction to the economy.

- Increasing the volume of local and foreign investment (with law tax qualifications), involving large world organisations, promotion of activities of SME and start-up entities in IT sector.

- Introduction of new instruments of financial assistance to SME, assistance in creation of modern infrastructures: network of incubators, technoparks, innovation centers in Gyumri and in the vicinities of Yerevan.
- Development and implementation of sector-specific programmes aimed at assisting to SME pursuing the goal of improvement of the quality of products and services and bringing them in compliance with the international standards as well as enhancement of the opportunities of their exportation.
- Support in expansion of financial intermediation, particularly, by means of increasing the extent of granting of mortgage and consumption loans, availability and accessibility of financial resources, as well as support in introduction and improvement of leasing tools and attraction of foreign banking capital.
- Support in expansion of the fields of application of insurance services.
- Commercialisation of scientific-educational outcome and expansion of export of the services, implementation of a commercialisation programme through cooperation between the state and the private sector.
- Extension of the tourist season, territorial development of tourism, development of sanatory, winter, rural, event, educational, scientific and medical tourism and ensuring cooperation between the state and the private sector for the purpose of combination thereof with traditional historical-cultural educational tourism.
- Active participation in international and regional programmes aimed at creation of new tourism routes (Wine Road, Great Silk Road and so on).
- Formation of policy framework for integration into world markets, clear definition of development targets.
- Success of the institute of cooperation between the state and the private sector.
- Elimination of obstacles for Armenian goods to access external markets, including establishment of modern testing laboratories that comply with international standards,

introduction of conformity assessment modules, direct application of European standards in the Republic of Armenia through the assessment method.

## **VI. Housing and basic services**

### **6.35 Slum upgrading and prevention**

The Government, right upon the first days of independence of Armenia, along with other problems faced the problem of provision of housing to refugee families and families left without shelter as a result of man-made and natural disasters (earthquake, landslides, rockfall, military actions and so on). The families appeared in the status of shelterless were housed in temporary shelters adjusted for living, in shacks or public premises.

Based on the result of the review of the housing problems of the families left without shelter as a result of man-made and natural disasters, a programmatic approach of assistance to solution of those problems was elaborated by the state.

A number of programmes were adopted since 2000, with a particular stress by the Government, international donor organisations and the public on the problems of provision of housing to families left without shelter within the framework of programmes aimed at elimination of consequences of Spitak earthquake.

In the period from 2000 to 2012 nearly 20 thousand families were granted the opportunity to improve their housing conditions within the framework of the adopted programmes. Notwithstanding the implemented programmes the solution of the major problem is far from being satisfactory and the polarisation of provision of housing is now more dramatically expressed.

At first glance, there is no pressing need for housing in the Republic of Armenia. The indicator of housing per capita with total area of housing stock is equal to 30.9 sq.m as of 1 January 2013, including 26.2 sq.m for urban areas and 39.0 sq.m for rural settlements. These indicators are comparable to those of a number of Eastern European countries.

According to data of the 2001 census, nearly 16 thousand households (or the 1.8 % of the households of the Republic) reside in shacks and buildings adjusted for living. Moreover, nearly 8.5 thousand households from the total number of households residing in shacks and buildings adjusted for living or 60.7% reside in urban areas. At the same time, 30 thousand families are in need of improvement of housing conditions. However, according to expert evaluations now there are nearly 30 thousand shelterless families in the Republic.

The lack of affordable, decent and properly maintained apartments has a number of negative consequences and giving importance to the solution of the housing problem of shelterless families also from the perspective of prevention of social risks, the Government adopted a strategic programme for formation of social housing stock and the timetable of measures ensuring the implementation thereof.

It is envisaged by the programme to consider the establishment of the institute of social housing stock as a preferable way of implementation of the constitutional norm of the right to improvement of housing conditions of families, included in different groups and unable to improve their housing conditions at their own expense.

The programme covers the period extending from 2014-2025 and can serve as the main strategic document providing strategic guideline for elaboration of mid-term and long- term programme documents and as one of the important steps of arrangement of assistance being provided to the families appeared in the status of shelterless due to different reasons, and to families included in different social groups.

Moreover, for the purpose of avoiding high expectations of the population in need of housing and building trust towards implementation of programmes aimed at satisfying housing demand, a progressive and targeted problem solution approach is envisaged to be applied by the programme by means of separating the target groups from the total clarified number of families in need of improvement of housing conditions in the Republic and considering the problem of the families included in those groups within the framework of government intervention on a priority basis.

However, improvement of housing conditions of persons included in target groups, particularly, of persons (families) socially disadvantaged as well as included in special groups is not yet the solution of their major problem which is conditioned by their loneliness, disability, lack of custodial care and other reasons.

In this case, apart from granting opportunity for improving the housing conditions, it is important to provide integrated social services adequate to social needs of persons (families) socially disadvantaged as well as included in special groups in need of living space, where the provision of living space is considered as a type of social assistance including it in the package of social services adequate to their needs.

### **6.36 Improving access to adequate housing**

Housing policy is directly interrelated with the policies in social sectors and serves for the implementation of social goals and enhancement of prosperity of the population, and with this respect clear distinction of the role of all entities involved in the process of improvement of housing conditions, namely that of public administration and local self-government bodies, private entities, legal and natural persons, is important. Moreover, government intervention touches upon the aspects of housing construction, housing allocation and preservation of housing stock.

The policy of housing provision is chronologically classified into two main stages:

First stage - 1991-2000, the process of housing provision was being implemented through assignment of apartments constructed out of the direct funds of housing construction. Yet due to the subsequent shortage in budgetary funding, the construction pace decreased considerably and in 2000 a mere 62 thousand square metres of housing space was put into operation as against 849 thousand square meters of 1991. In the light of established market relations, effective implementation of housing policy required considerable changes in the directions of housing policy concerning the goals, selection of means of implementation thereof in the context of socio-economic conditions created in the Republic.

Second stage - starting from 2000, an approach of shifting from direct financing of construction to targeted financial assistance, complying with the market relations, underlay a number of adopted programmes, for it proved inexpedient for the state to engage in direct funding of housing construction in the situation where 1 square meter of constructed space was three times more expensive than the supply price of the same space on the housing market.

That approach has promoted the development of housing market and the establishment of housing construction business. A drastic increase in the pace of housing construction through private investments was registered in the recent years, though in case of high market prices of newly constructed apartments they are not affordable and do not satisfy the domestic demand (the price balance of mid-class apartments in comparison with the averaged annual incomes of households is within the range of 15-25).

### **6.37 Ensuring sustainable access to safe drinking water**

During the recent years the availability of centralised water supply has been improved since 2008, especially in rural settlements. The data specified in Table 7 evidence that the availability of centralised water supply in rural settlements has been improved by 1,3 percentage points against 2008 and has reached 93,7 percent in 2011.

As of 2011 the problem of households using imported water was solved. Thus, if in 2008 1,1 percent of the households used imported water, according to the data of 2011, the portion of such households reached 0.

Table 7. Accessibility of drinking water from 2008-2011, percent

Main source of water	Total, Republic of Armenia				In urban areas				In rural areas			
	2008	2009	2010	2011	2008	2009	2010	2011	2008	2009	2010	2011
Centralised	97.1	97.5	97.5	97.5	99.4	99.6	99.5	99.5	92.4	93.6	93.5	93.7

Main source of water	Total, Republic of Armenia				In urban areas				In rural areas			
	2008	2009	2010	2011	2008	2009	2010	2011	2008	2009	2010	2011
water supply												
up to 1 hour	0.7	0.4	0.5	0.1	0.2	0.2	0.3	0.1	1.9	1.0	0.9	0.1
From 1 to 5 hours	31.3	30.0	26.6	18.6	31.2	26.8	23.7	16.4	31.4	36.5	32.4	23.3
From 6 to 12 hours	28.7	17.5	20.1	22.6	32.5	19.3	22.5	24.0	20.5	13.8	15.2	19.6
From 13 to 23 hours	5.7	3.8	4.3	5.5	5.9	4.9	3.9	5.3	5.3	1.4	5.2	5.8
24 hours	33.7	48.3	48.5	53.2	30.2	48.8	49.6	54.2	40.9	47.3	46.3	51.2
Water well, spring	1.2	1.6	1.4	1.3	0.1	0.2	0.2	0.1	3.2	4.3	3.6	3.6
Private system of water supply	0.6	0.5	1.0	1.1	0.2	0.2	0.3	0.4	1.2	1.3	2.5	2.6
Imported water	1.1	0.3	0.1	0.0	0.2	0.0	0.0	0.0	3.0	0.6	0.4	0.0
Other sources	0.1	0.1	-	0.1	0.1	0.0	-	0.0	0.2	0.2	-	0.1

Source: RA NSS

According to the results of the research, the daily average duration of water supply in comparison with 2008 has improved by nearly 3,6 hours, totalling to 16 hours and has reached the target for 2012 defined by Sustainable Development Programme.

At the same time, the duration of water supply at present can be still characterised by regional disproportion. Thus, the daily average duration of water supply in 9 cities out of 36 supplied by "Armenian Water and Sewerage Company" CJSC in 2012 was below 12 hours. The daily average duration of water supply in rural settlements is also characterised by disproportion. Thus, the daily average duration of water supply in rural settlements supplied by "Armenian Water and Sewerage Company" CJSC was 14.6 hours, while, as it is clear from the table, the daily average duration of water supply for 1/4 of rural population has been 5 hours and less.

According to "Republic of Armenia Perspective Development Strategic Programme for 2012-2025" approved by the Decision of the Government of the Republic of Armenia No 442-N of 27 March 2014, the system of drinking water will remain among

the priorities of state investment programmes. The level of yearly investment for the whole period covered by the programme will make 0.4% of GDP.

The investment policy will be aimed at enhancement of effectiveness of the systems of drinking water, particularly, focusing on the issue of water loss reduction. It is important to reconstruct the sewerage system of major settlements and construct waste water treatment facilities.

Separate approach will be facilitated within the framework of investment policy towards nearly 560 rural communities, where water supply and waste water collection is not being carried out by specialised entities having an authorisation for provision of water supply services. Inclusion of those communities into the investment programmes of the Government will be conditioned by inclusion thereof into the service area of the new or existing specialised entities having an authorisation for provision of water supply services. At the same time, neither the problem of water supply of those communities inclusion of which into the service area of the specialised entities providing water supply services is technically difficult or economically advantageous, will be neglected.

The tariff policy will be aimed at gradual increase of the level of covering costs during the period covered by the programme taking into account the accessibility for the group of households with the lowest income. A maximum threshold of affordable cost of water supply and waste water collection will be established and in case of provision of services with higher costs as compared to them, the difference will be subsidised by the state.

### **6.38 Ensuring sustainable access to basic sanitation and drainage**

Based on the requirements of actions provided for in Habitat Agenda "Global Plan of Action: Implementation Strategies", Chapter "C" Part 5, points 136 and 138, legislative, institutional reforms have been implemented and a number of measures have been carried out in the Republic for developing and implementing national and

local strategies aimed at preventing pollution of the environment, including soils and ground water, and thereby reducing the negative impact on human health and the environment, as well as for ensuring ecologically favourable, safe conditions for citizens.

Relations pertaining to garbage collection and sanitation in the Republic are regulated by the Constitution of the Republic of Armenia, Laws of the Republic of Armenia "On local self-government", "On local self-government in the city of Yerevan", "On wastes", "On garbage collection and sanitation", "On environmental and nature use fees", "On rates of environmental fees", "On local duties and fees" and other legal acts.

The Law of the Republic of Armenia "On wastes" (2004) regulates relations pertaining to collection, transportation, storage, treatment, utilisation, disposal of wastes, reduction of volumes thereof and other relations pertaining to them, as well as legal and economic grounds for prevention of the negative impact on human health and the environment, and defines the main functions in the field of waste management and the rights and obligations of entities.

The Law of the Republic of Armenia "On garbage collection and sanitation" defines the principles of organisation of the process of garbage collection and sanitation, the garbage collection fee, the procedure for exercising the powers by local self-government bodies in the fields of organising garbage collection and sanitation.

Under the legislation of the Republic of Armenia garbage collection and sanitation is organised by the head of the community, local self-government bodies issue permissions for waste emplacement sites and exercise control over the garbage collection. The authorised body in the field of waste management is the Ministry of Nature Protection of the Republic of Armenia within the structure of which State Environmental Inspectorate, Waste and Atmospheric Emissions Management Agency and "Waste Research Center" SNCO operate. The Ministry of Healthcare of the Republic of Armenia defines the sanitary and hygienic requirements, exercises control over them. Formation of new landfills in the Republic falls under the scope of responsibility of the Ministry of Urban Development of the Republic of Armenia.

A number of documents have been adopted in the Republic aimed at ensuring reforms as regards waste collection and emplacement. In particular, the list of measures ensuring the implementation of the EU-Armenia actions for 2009-2012 was approved by the Executive Order of the President of the Republic of Armenia No NK-68-A of 6 May 2009, in which point 149 provides for inventory of waste emplacement sites existing in the Republic of Armenia, creation of a database, planning of waste recycling capacities, design and construction of new waste emplacement sites, as well as closure of existing sites.

Also, the "Manual on Design and Operation of Landfills" for the use on the territory of the Republic of Armenia was developed by the Ministry of Urban Development of the Republic of Armenia and was approved by Order of the Minister No 321-A of 29 December 2009.

In 2010-2011 the Main Scheme of Allocation of Landfills in the Lake Sevan Basin was developed by the Ministry of Urban Development of the Republic of Armenia and approved by Protocol Decision of the Government of the Republic of Armenia No 22 in its session on 10 June 2011.

Beside, a number of projects have been implemented in the Republic with the support of international organisations.

- Integrated Sustainable Municipal Solid Waste Management Plan in marzes of Ararat and Vayots Dzor of the Republic of Armenia (EU/TACIS), 2004, Ministry of Urban Development of the Republic of Armenia;
- strengthening of Integrated Waste Management in Armenia (UNDP and Ministry of Nature Protection of the Republic of Armenia, 2006);
- development of Waste Management Plan and Landfill Reconstruction for the city of Meghri (UNDP and the municipality of the city of Meghri, 2006);
- the municipal waste management services and infrastructure in Eastern Europe, Caucasus and Central Asia, Case study for Lori marz of the Republic of Armenia, (OECD, 2007);

- Regional Policy Report on the European Neighbourhood Policy and Waste Management for Armenia – Azerbaijan – Georgia, (USAID, 2007);
- Local Government Management Project Phase III: Waste Management Strategy Development (USAID, 2007);
- Nubarashen MDW Landfill Gas Capture and Power Generation Project in Yerevan, (Shimizu Corporation, 2009)
- Advisory Study on the Solid Waste Management in the city of Yerevan through Private Sector Participation (WB/Fichtner GmbH & Co. KG);
- advisory services on municipal solid waste management system development for the City of Yerevan through private sector participation (WB/Integrated Skills, 2010).

Despite the implemented activities, there still exists a need to address issues regarding the further operation and conservation of about 60 communal landfills (about 250 hectares) built during the Soviet period and currently not corresponding to the requirements of modern urban construction, sanitary and hygienic and environmental norms, as well as issues regarding the closure of about 500 landfills created or spontaneously formed in the course of years that occupy significant area and create serious ecological and sanitary problems.

The implementation of the following is underway:

- A programme has been launched, funded by the European Bank of Reconstruction and Development (EBRD), for the creation of a regional landfill and a marz garbage collection system in the marz of Kotayk of the Republic of Armenia (Decree of the President of the Republic of Armenia No NH-33-N of 21 February 2011), within the framework of which investment studies and investment recommendations are completed for the construction of a regional landfill and a marz garbage collection system complying with modern norms and standards in the marz of Kotayk of the Republic of Armenia. Currently negotiations are underway concerning the implementation of the investment phase of the project.

- Integrated Solid Waste Management Project for the city of Vanadzor and 17 adjacent communities in Lori marz of the Republic of Armenia has been developed with the support of the KFW with a recommendation for the creation of a new regional landfill.
- The EU funded "ENPI East Waste Governance Project" has been implemented in Lori Marz of the Republic of Armenia, within the framework of which a waste management project proposal has been developed for Lori marz of the Republic of Armenia.
- The "Development of National Strategy for Solid Waste Management in Armenia" Project by the Asian Bank of Development is now in the final phase within the framework of which a strategy of waste management in the Republic has been developed, including a recommendation for the construction of 5 sanitary landfills and 9 reloading stations. Currently this is under discussion.

**Table 8**

Proportion of population having access to sewerage, % of households having toilets with running water, % against the total number of households	1996	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
- <i>total</i>	64.1	63.3	62.8	58.8	60.2	61.6	65.1	66.1	67.0	66.7	69.1	69.2	69.6	68
- <i>in urban settlements</i>	83.1	82.2	82.2	82.2	84.9	79.0	83.3	90.1	90.4	91.1	63.5	96.1	96.4	95.9
- <i>in rural settlements</i>	12.8	17.7	24.6	22.5	22.3	12.8	17.7	19.1	21.1	19.0	21.4	16.4	17.0	13.0

Source: RA NSS

The construction of new wastewater collection systems are planned to start from 2016. At present about 99% of population in Gyumri has access to the wastewater collection system, but this system is in a poor state, particularly, after the disastrous earthquake in 1988 the pipeline was damaged and very often causes stoppages.

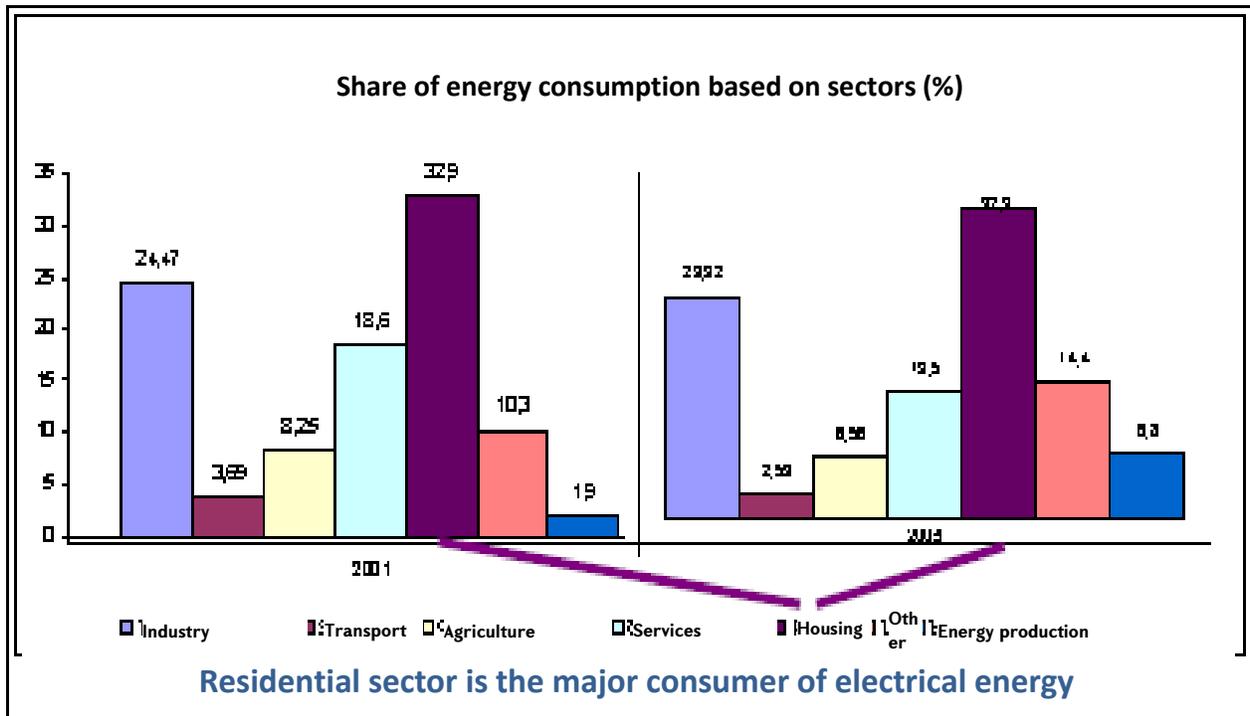
### **6.39 Improving access to ecologically clean domestic energy**

Major part of energy in Armenia is generated from the fuel imported from Russia, including gas and nuclear fuel. Gas is imported also through a pipeline from Iran which was constructed in 2006. The Metsamor Nuclear Power Plant generates 43% of electrical energy of the country, 31% is generated by hydro power plants, and 26% is generated by thermal power stations.

Based on the requirements of points 145 and 146 of Part 5 of Chapter "C" of Habitat Agenda "Global Plan of Action: Implementation Strategies", based on the perspective

of sustainable energy use, efficiency of energy use in human settlements and economic sustainability, the Government of the Republic of Armenia considers energy efficiency as a priority measure for energy security, increase of economic competition and reduction of negative impact on the environment.

**Picture 1. Sectoral consumption of electrical energy in Armenia**



A major part of multi-apartment buildings were built during the Soviet period 35-60 years ago without considerations of energy efficiency. The residential sector consumes about 44% of the total end use electricity of the country and 37% of the thermal energy, which is 3-5 times higher than in the European Union countries and ranges from 320 to 690 kWh/m years.

Based on the fact that 40% of the energy saving potential in the Republic, according to implemented studies, belongs to the building stock, legislative and institutional reforms have been implemented and a number of measures have been undertaken by the Government of the Republic of Armenia aimed at development and implementation of strategies for the energy efficiency and energy saving of buildings.

- The issues of energy efficiency and energy saving of buildings are regulated by the Laws of the Republic of Armenia "On energy", "On state technical oversight in the energy sector and energy consumption field", "On energy saving and renewable energy", "On urban development", "On technical regulation" and a number of secondary legislative acts.
- The Law of the Republic of Armenia "On energy" (2001) regulates the relations between state bodies, legal persons operating in the relevant field of energy sector and consumers of electricity, thermal energy and natural gas in the Republic of Armenia.
- The Law of the Republic of Armenia "On state technical oversight in the energy sector and energy consumption field" (2004) regulates relations pertaining to the rules and procedures of technical oversight over conversion, distribution and consumption of electrical and thermal energy and natural gas, as well as defines the scopes and objectives of the state technical oversight through monitoring.
- The Law of the Republic of Armenia "On energy saving and renewable energy" (2004) defines the principles of state policy for energy efficiency and renewable energy development and implementation mechanisms, as well as the provisions for ensuring security and reliability of the system in the energy sector.
- Since 2004 the Republic of Armenia is involved in the European Neighbourhood Policy (ENP), and the ENP Action Plan, approved in 2006, is targeted to harmonisation of the legislation, norms and standards of the Republic of Armenia to the EU standards.
- "Procedure for carrying out energy audit" has been approved by Decision of the Government of the Republic of Armenia No 1399-N of 31 August 2006.
- "National Program on Energy Saving and Renewable Energy of the Republic of Armenia" was approved by Protocol Decision of the Government of the Republic of Armenia No 2 of 18 January 2007, whereby the inter-sectoral potential of energy

efficiency and renewable energy in Armenian economy was evaluated and recommendations were proposed on measures of effective use of that potential.

- The Action Plan of the Government of the Republic of Armenia aimed at implementation of the "National Program on Energy Saving and Renewable Energy of the Republic of Armenia" was approved by Protocol Decision No 43 of 4 November 2010 which defined the provisions for the formation of state policy in the energy saving and energy efficiency sector and clearly identified the implementation measures, including development of new norms and standards.

- The Statute of the Ministry of Urban Development of the Republic of Armenia was amended by Decision of the Government of the Republic of Armenia No 225-N of 14 March 2013 to include functions of improving the legislative framework as regards energy saving and energy efficiency, developing normative and technical documents and programmes aimed at enhancement of energy saving and energy efficiency of buildings, as well as applying energy saving technologies in constructions.

Given the energy security and the need for social and economic reforms, as well as the requirements of Chapter "E. International Cooperation and Coordination" of Habitat Agenda "Global Plan of Action: Implementation Strategies" a number of projects, with the support of international organisations, have been implemented in the Republic aimed at improvement of energy efficiency of buildings. In particular:

In 2007 "Armenia: Building Energy Efficiency Market Assessment" programme was implemented with the support of the USAID, which resulted in assessment of the energy efficiency potential in buildings, capacities of local manufacturers of energy efficient construction materials and proposal of relevant recommendations.

The World Bank financed Urban Heating project is implemented since 2007 by the Armenia Renewable Resources and Energy Efficiency Fund targeted to the use of clean, efficient, safe and affordable heating technologies in multi-apartment buildings and schools of the Republic.

In 2005-2010 the project "Armenia: Improving the energy efficiency of urban heating and hot water supply" was implemented by the United Nations Development Programme (UNDP) with the support of the Global Environment Facility (GEF) within the framework of which assessment of current state of heat supply systems, analysis of the strategy implementation processes for heat supply in residential settlements of the Republic of Armenia, institutional and legislative amendments were carried out, pilot projects aimed at recovery of centralised heat supply with the use of small capacity installations through combined production of electrical and thermal energy were implemented.

Starting from 2010 "Improving energy efficiency of buildings" project is implemented by the Ministry of Urban Development of the Republic of Armenia and the Ministry of Nature Protection of the Republic of Armenia with the support of UN Development Programme and Global Environment Facility which resulted in implementation of activities for the improvement of the legal and normative-technical framework, development of a database of thermo-insulating building materials, development of a catalogue of multi-use exemplary designs for energy efficient individual residential houses, development of the Advisory handbook on technical solutions for thermal insulation of envelopes of buildings (approved by Order of Minister of Urban Development No 343 of 6 November 2013). With the support of this project currently two pilot projects with the use of energy efficient and energy saving measures are in the phase of implementation in newly built buildings in Akhuryan community of Shirak marz of the Republic of Armenia and in a multi-apartment building located in No 6 D. Varouzhan block, Avan administrative district, Yerevan. The project is anticipated to be completed in 2015.

"Improving Energy Efficiency in Residential Buildings" case study project is implemented by the Ministry of Urban Development of the Republic of Armenia with the support of the European Bank of Reconstruction and Development within the framework of which studies have been carried out and a strategy report has been developed on the results of evaluation of and proposals for overcoming the

impediments to the improvement of energy efficiency. Currently the future action plan and time schedule of the project are under discussion.

With the assistance of its partner banks, the European Bank for Reconstruction and Development (EBRD) has launched a new credit line, meant for Armenian private businesses of all sectors that intend to make investments in energy efficiency and renewable energy projects. This credit line is part of the Armenian Sustainable Energy Financing Facility (ArmSEFF) which has officially been launched in September 2010.

The IFC implements the Armenia Sustainable Energy Financing Project which aims to establish a sustainable market for energy efficiency and renewable energy investments and contribute to Armenia's energy self-sufficiency through activities and cooperation with local and international financial institutions.

The Black Sea Basin Joint Operational Programme 2007-2013 for Energy Efficiency Plan is currently implemented to promote transboundary cooperation, economic and social development aimed at improvement of energy efficiency of buildings and exchange of knowledge and experience.

#### **6.40 Improving access to sustainable means of transport**

During the last years certain activities have been implemented targeted to urban mobility, organisation and improvement of traffic, reduction of traffic congestion and making public transport accessible for the population of the capital.

In 2013 the Ministry of Transport and Communication of the Republic of Armenia identified the measure of "Upgrading and modernising general-purpose transport" as priority aimed at implementation of programmes for the improvement of inter-marz (inter-city), intra-marz and intra-city transportation systems management to further result in improvement of access to social services and enhancement of labour mobility, including for disabled persons and people with limited mobility, as well as aimed at making amendments in the legislation regulating the transportation sector, in particular, making relevant amendments in the competition conditions for the

selection of organisations carrying out regular passenger transport operations by general-purpose motor vehicles in the Republic of Armenia. Within the framework of implementing the priority measure draft laws of the Republic of Armenia have been elaborated "On making amendments and supplements to the Law of the Republic of Armenia "On road transport vehicles"", "On making amendments and supplements to the Code of the Republic of Armenia on Administrative Offences" and "On making amendments and supplements to the Law of the Republic of Armenia "On State duty"".

For the purpose of ensuring and improving the level of access to means of transportation the legislative framework regulating the transportation sector has been reviewed and respective amendments have been made in legal acts regulating the fields of regular passenger transportation operations, cargo transportation operations and operation of passenger transportation services by taxi motor vehicles.

The legislative package, regulating the fields of regular passenger transportation operations and cargo transportation operations, has been adopted at first reading, and the legislative package, regulating operations of passenger transportation services by taxi motor vehicles, has been adopted at second reading.

For the purpose of promoting the upgrading of motor vehicle fleet of organisations carrying out passenger transportation operations and for improving the quality and safety of passenger transportation services, as well as for making more transparent the competitions for selecting the organisations, amendments have been introduced into Decision of the Government of the Republic of Armenia No 762 of 16 August 2001 "On approving the procedure for holding competitions to select organisations carrying out regular passenger transportation operations by general-purpose road transport vehicles".

With a view to develop the transport system, extensive legislative reforms were implemented by the Ministry during the last five years which resulted in simplification and reduction of procedures regulating transport operations, enhancement of safety and improvement of quality in cargo and passenger transportation sectors, reduction

of undue administrative action and expenses, improvement of the business environment.

In 2011 another important achievement was the introduction in the Republic of Armenia of the system of control devices (digital tachographs) in compliance with the requirements of the "Agreement Concerning the Work of Crews of Vehicles Engaged in International Road Transport", which enabled organisations and drivers engaged in cargo transportation operations to have free access to the European Union countries.

For improving the conditions of infrastructures of "Hayavtokayaran" closed joint-stock company and raising the quality of their passenger services, activities are underway for transferring "Hayavtokayaran" CJSC for operation under a concession contract or lease agreement. To this end the specification for the process of improvement of operation of "Hayavtokayaran" CJSC, modernisation of the road station system and acquisition of management services and the initial functional specification have been approved. Currently an expert group and an evaluation commission have been established by the Ministry of Transport and Communication of the Republic of Armenia that process the transfer of the company under a concession contract.

#### **6.41 Challenges experienced and lessons learnt in these areas**

Despite the above-mentioned activities aimed at energy security and energy saving of buildings there are still problems, conditioned by the scarcity of legislative, institutional, social-economic and awareness measures that constitute an obstacle for attracting large scale investments in the market targeted to energy efficiency.

For eliminating the mentioned problems, currently:

- The 2<sup>nd</sup> phase Action Plan of the Government of the Republic of Armenia aimed at implementation of the "National Program on Energy Saving and Renewable Energy of the Republic of Armenia" is now under development;

- The draft decision of the Government of the Republic of Armenia "On application of measures aimed at enhancement of energy saving and energy efficiency in facilities constructed (reconstructed, renovated) at the expense of state funds" has been included in the 2014 Action Plan of activities of the Government of the Republic of Armenia;

- The draft law of the Republic of Armenia "On site development of the Small Centre of Yerevan" and the legislative package on making amendments in a number of laws have been submitted for discussion to the Government of the Republic of Armenia recommending, as a mandatory requirement, to ensure compliance with the minimum requirements of modern energy efficient construction technologies in the course of design and construction works, as well as use of energy saving and ecologically clean construction materials. The mentioned legislative package proposes also to supplement the Law of the Republic of Armenia "On urban development" with provisions on energy saving, energy efficiency and renewable energy in the urban development sector.

Based on the outcomes resulting from the adoption of the above-mentioned legal acts and action programmes following from them, as well as from on-going and anticipated programmes supported by international institutions, it is planned to improve the energy security of the Republic, to enhance the energy efficiency and energy saving potential of the housing stock and to reduce negative impacts on the environment.

In fact, programmes with social orientation are considered to be the most complicated ones in terms of their realisation. Here, in addition to the issues of mere coordination and implementation of activities there arise the issues of raising funds. Assistance in attracting investors and supporting public-private partnership (PPP) in processes of implementation of programmes aimed at formation and development of social housing stock is considered of prime importance, taking into account the factor of insufficiency of state funds necessary for the creation of social housing stock.

#### **6.42. Future challenges and issues in these areas that could be addressed by a New Urban Agenda**

Administrative reforms carried out in the area of drinking water will continue to enhance the level of participation of the private sector. The Government will promote the enlargement of service areas of specialised organisations having the authorisation to provide water supply and wastewater services, as well as the creation of new specialized organisations to provide water supply services in rural communities left beyond the service areas of operating specialized organisations. To this end a comprehensive evaluation will be carried out to assess the water supply system of the country, including in rural communities not having access to services.

Given the high market prices for newly built apartments in the Republic, with a view to ensure favourable conditions for increasing the amounts of financing for housing construction the Government has recognized as priority the implementation of programmes — through the creation of a social housing stock within the framework of public-private partnership — aimed at exercising the constitutional right of families included in various social groups and having no possibility to improve their housing conditions at the account of own resources.

Within the framework of newly developed social housing stock much importance is attached to diverse housing of persons included in various social groups that will enable ensuring their integration in the society by mitigating their social isolation, and will increase the interest of private investors in creating social housing stock contributing both to mitigation of the burden of the State in this regard and development of the construction sector in the Republic.

An important prerequisite for economy development is the development of the transportation system and reduction of transportation services costs. The process of modernisation of the transportation sector, upgrading and technical equipment of the motor vehicle fleet, as well as improvement of the legislative framework regulating the sector has an ongoing character.

Legislative reforms implemented for the purpose of ensuring and raising accessibility of transportation means are anticipated to result in improvement of conditions for sector regulation and start-up of business activities, and elimination of current problems with simultaneous amendment of regulatory framework so as to enable organisations and persons to engage in these activities without undue administrative action and expenses. The offences will be more clearly defined and the measures of liability prescribed for them will be made more severe; furthermore, the efficiency of the application thereof will be enhanced. Besides, the “one-stop shop” principle will be introduced for the receipt and submission of documents in the licensing process.

## **VII. Indicators**

- **Percentage of people living in slums**

According to expert evaluations currently there are about 30 thousand families in the Republic with no shelter, from which — according to the data of the Census of 2011 — 16 thousand households (or 2% of the total number of households of the Republic) live in slums and constructions adjusted for residence. Moreover, from the total number of households living in slums and constructions adjusted for residence about 8.5 thousand households live in urban settlements.

- **Percentage of urban population with access to adequate housing**

Accessibility to adequate housing for the urban population in the Republic makes 97.77%.

- **Percentage of people residing in urban areas with access to safe drinking water**

In the capital water is distributed to customers through a 1964 km long distribution network and daily regulation reservoirs (DRR) with 223,5 thousand cubic meters in

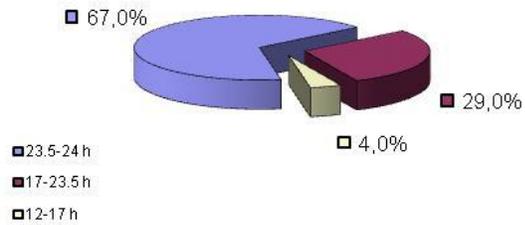
capacity. The water supply system of Yerevan has nine water springs, 103 water catchment structures, 81 artesian wells, 5 major pumping stations, 29 borehole wells and 700 km long water main.

Average duration of water supply provided to residents in Yerevan during a day in 2014 was 94.8% or 22.76 hours.

The minimum duration of water supply is 12 hours; moreover, to a significant number of customers, that is 67.0%, water is supplied 24 hours, 29.0% receive water from 17.0 to 23.5 hours, and 4.0% — from 12.0 to 17.0 hours.

The proportion of people residing in urban areas with access to drinking water equals to 99.5 %, in rural areas —93.7 %.

Customers, having installed individual water meters, currently make 97.75% instead of previous 89.7%.



In 2006-2013 (during seven contractual years) water pipelines of 50-800mm diameter with 83km of total length and sewer pipes of 200-1200mm diameter with 11.7km of total length were constructed and reconstructed. From 566 currently existing booster pumping stations 315 were reconstructed, 276 novel type self-regulatory and 39 variable speed drive booster pumps were installed. They enable regulating the network pressure in the given water supply area and ensure 24-hour water supply in multi-storey buildings.

**Table 8**

Proportion of population having permanent access to safe drinking water, % of households having centralised water supply, % against the total number of households	1996	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
- <i>total</i>	88.1	87.6	84.7	84.1	87.3	88.9	89.4	91.3	94.1	97.0	97.6	97.0	97.5	96.6
- <i>in urban settlements</i>	96.1	95.4	94.2	96.7	97.7	96.5	97.9	98.1	98.8	99.4	99.6	99.5	99.5	99.6
- <i>in rural settlements</i>	64.6	64.4	64.7	64.7	71.3	74.0	72.8	78.0	84.8	92.4	93.6	93.5	93.7	90.8

- **Percentage of people residing in urban areas with access to regular waste collection**

The proportion of people residing in urban areas with access to adequate sanitation conditions equals to 95.5% and 13% in rural areas. In urban settlements regular garbage collection is accessible to 100% of people.

Up to 2014 garbage collection and sanitation activities in the capital were carried out by specialised organisations, with the use of special vehicles and machinery, providing services to private households with about 1.2 million residents and 17648 economic entities. The mentioned activities are carried out every day, in accordance with the Law of the Republic of Armenia "On garbage collection and sanitation".

As of January 2014, the total surface area of streets, squares, bridges, pavements, yard areas and other constructions to be provided with sanitation in Yerevan makes 24.348.634 square meters.

In 2014 activities of garbage collection and sanitation in the capital will be carried out by "Ecogroup" LTD and consortium of "LL Milieuconsult AB" company, as well as "Sanitech" company (Lebanon).

Based on the evaluation of risks, and given the experience in the sector and existing problems, it was found appropriate to divide the garbage collection sector into Eastern and Western areas:

(1) Garbage collection and sanitation, including in winter months, in the Eastern area of Yerevan (Arabkir, Avan, Erebuni, Kanaker-Zeytun, Nork-Marash, Nor Nork and Nubarashen administrative districts);

(2) Garbage collection and sanitation, including in winter months, in the Western area of Yerevan (Ajapnyak, Davitashen, Kentron, Malatia-Sebastia and Shengavit administrative districts).

Yerevan Municipality has entered into contracts with the above-mentioned companies for a term of 10 (ten) years.

The purpose of attracting new operators in sanitation and garbage collection activities in Yerevan is to:

- attract private investments into the sector;
- introduce international modern experience;
- modernise and equip with new vehicles and machinery;
- introduce modern systems of management and oversight;
- ensure accessibility of information with the use of state-of-the-art equipment.

Implementation of the project will ensure high quality and effective provision of services.

Activities of new operators for sanitation and garbage collection (including in winter months) in the administrative district of Yerevan will start from 1 April 2014 and will result in ensuring in the capital sanitation and garbage collection complying with international standards with the use of relevant equipment, and appropriate new waste containers will be placed in public and yard areas.

- **Percentage of people residing in urban areas with access to clean domestic energy**

Currently the electric power system completely meets the internal market demand for electrical energy and preserves a certain potential for export of energy.

Distribution and sale of electrical energy is implemented by a private company, and is generated by six individual major producers, one wind power plant, two co-generation plants and several private small hydro power plants and micro-plants.

86 small hydro power plants have been put into operation after 2008 the total nominal capacity of which amounts to 169.2 MW, and annual production of electrical energy amounts to 524.11 million kWh. As of 1 January 2014 electrical energy was generated by 154 small hydro power plants, the total nominal capacity of which amounted to about 260 MW, and annual production of electrical energy by small hydro power plants amounted to 720 million kWh.

The proportion of people residing in urban and rural settlements with access to clean domestic energy equals to 100%.

- **Percentage of people residing in urban areas with access to public transport**

Proportion of people living in urban and rural communities that have access to public transport is 100%.

As a result of introduction of the new a transport network for regular intra-city passenger transport operations, the process of organising passenger transport operations in the centre of Yerevan has been modified to reduce the number of minibuses and increase the role of the underground and trolleybuses in intra-city

passenger transportations. The new transport network is designed to have 76 minibus services, 68 bus services and 10 trolleybus services.

Though 422 new city buses of various models were imported into the capital in 2012-2014 contributing to a significant increase in bus services, the share of bus services in the total volume of passenger transport operations still remains low amounting to about 32.5%.

In fact, 82 minibus services operate in the city of Yerevan five of which are anticipated to be replaced with bus services. Minibus services are equipped with about 1700 minibuses of various models.

The analysis of Yerevan ground electrical transport operation undertaken in recent years has shown that the number of passengers using trolleybuses has grown to a certain extent. Despite this fact, the share of passengers using trolleybus services in the total volume of intra-city passenger transportations still remains low amounting to about 2.5%.