



Institute for Applied Environmental Economics

Hogeveenseweg 24, NL 2631 PH Nootdorp, The Netherlands
Tel.: (+31)-15-310 67 38; Fax: (+31)-15-380 12 18; E-mail: tme@tme.nu; URL: www.tme.nu

Support to a National Policy Dialogue on Financing Strategy for Rural Water Supply and Sanitation in Armenia

Minutes of the Fourth Meeting of the Steering Committee

*Congress Hotel, Combined Meeting Room
March 11, 2008, Yerevan, Armenia*

Members of the Steering Committee:

Ministries, Departments and Organizations

G. Khachatryan	First Deputy Chairman, State Committee of Water System of the RA Ministry of Territorial Administration (SC Chairman)
V. Narimanyan	Deputy Head of Water Resources Management Agency of RA Ministry of Nature Protection
A. Martusevich	Environment Directorate, Environment & Globalisation Division, OECD EAP Task Force Secretariat
R. Enderlein	UNECE
D. Dorogan	EU commission, Unit ENV D2, Water and Marine Environment Protection
H. Yesayan	Head of Water Economy Programs Division, Ministry of Finance and Economy
A. Arshakyan	Head of Tariff Policy Department, Public Services Regulatory Commission of RA
Y. Poghosyan	RA State Statistics Board Member
E. Pirumyan	Ministry of Nature Protection, Water Resources Management Agency, Head of Division
A. Malkhasyan	PR Director, Armenian Water and Sewerage CJSC
A. Hovsepyan	Board Member, Country Water Partnership NGO, GWP Armenia
E. Anakhasyan	Armenian Women for Health and Healthy Environment NGO
J. Jantzen	Director, Institute for Applied Environmental Economics (TME)

International Organizations

A. Khachanyan	Project Assistant, KfW Armenia office
M. Vardanyan	Environment and Natural Resources Specialist, USAID Armenia
A. Sax	Senior Analyst, EBRD RO Yerevan
A. Simonyan	Environmental and Social Impact Officer, Millennium Challenge Account – Armenia
A. Martirosyan	Program Analyst for Environmental Portfolio, UNDP Armenia
H. Ghazaryan	Office Coordinator of REC Caucasus Armenian Branch

Invitees

M. Mkrtumyan	Head of Financial-Economic, Calculation and Realization Department, SCWS
V. Tonoyan	Institutional Specialist, JICA Project on Rural Water Supply and Discharge
A. Barseghyan	ADB Armenian Office Representative
A. Kharazyan	Expert/TME



Institute for Applied Environmental Economics

Hogeveenseweg 24, NL 2631 PH Nootdorp, The Netherlands
Tel.: (+31)-15-310 67 38; Fax: (+31)-15-380 12 18; E-mail: tme@tme.nu; URL: www.tme.nu

AGENDA OF THE MEETING

- 11:00 – 11:15 Registration of participants
11:15 – 11:45 Welcome and Opening Address

Session I: Water Supply and Sanitation

- 11:45 – 12:25 Financing Strategy for Rural Water Supply and Sanitation in Armenia:
Introduction of the Policy Packages (Part I)
12:25 – 12:45 Q&A, Discussions
12:45 – 13:20 Financing Strategy for Rural Water Supply and Sanitation in Armenia:
Introduction of the Policy Packages (Part II)
13:20 – 13:40 Q&A, Discussions, Conclusions
13:40 – 13:50 Role of the National Policy Dialogue in Developing the Finance Strategy
13:50 – 14:00 Concluding Remarks by the Chair

Session II: Organizational Issues

- 15:00 – 15:20 Transfer of Responsibility for the National Policy Dialogue from SCWS/OECD to
WRMA/UNECE

Session III: Integrated Water Resource Management (IWRM)

- 15:40 – 16:00 Policy Dialogue on Integrated Water Resources Management and the Role and
Function of the Steering Group on IWRM
16:00 – 16:20 IWRM – Activities at the National and Basin Levels in Armenia
16:20 – 17:00 General Discussions and Conclusions

Session 1 – chaired by Mr Khachatryan, SCWS

Discussion, recommendations and decisions made under Session 1 of the Agenda:

1. Take into consideration the consultant's report on "NATIONAL POLICY DIALOGUE ON FINANCING STRATEGY FOR RURAL WATER SUPPLY AND SANITATION IN ARMENIA, Draft Final Report". The following changes are proposed:
 - The grant of KfW of € 3.9 mln should not be regarded as part of finance of the scenarios as this money is earmarked for management contracts (of which the expenditures are not included in the FS);
 - To consider that renovation and optimization of the current network may be more expensive than the mentioned AMD 27 billion in the report, due to additional expenditures needed for optimization;
 - To mention that "Nature" forms an important input in water supply (which will be further developed in the continuation of the work of the SC on Integrated Water Resources Management);
 - In the final report to add a section on potential costs of sanitation.



Institute for Applied Environmental Economics

Hogeveenseweg 24, NL 2631 PH Nootdorp, The Netherlands
Tel.: (+31)-15-310 67 38; Fax: (+31)-15-380 12 18; E-mail: tme@tme.nu; URL: www.tme.nu

The SG meeting acknowledges that:

2. The Minimal Water Supply Standards are adopted by the SC and will be submitted to the relevant governmental body. Legal status will be decided within the further discussions;
3. For sound decision-making it will be needed to develop and maintain a database on rural WSS infrastructure and services in Armenia for which the Statistical Office will help to develop formats and implementation (as also needed for improved statistics);
4. In the calculations presented in the draft final report the capital expenditures are included in the assessment of the potential needed water tariff increases (75% in MWSS, 100% in POLICY);
5. For the implementation of the financial strategy it should be considered to set up a WSS sector programmes/plan(s) implementation units. It is expedient to approach various donors which may wish to financially support establishing of such a unit.

The SG meeting:

7. Envisages a period until 31 March 2008 for submission of additional proposals and remarks concerning the draft final report;
8. Informs that all documents regarding the Steering Committee meetings are posted on the following web site: http://www.tme.nu/english/Arm_Steering_Committee.htm

Sessions 2 and 3 – chaired by Mr Narimanyan (new Chair)

Session 2: Transfer of responsibility from OECD to UNECE as strategic partner of Armenia on the NPD

According to the "Common Understanding on the National Policy Dialogue", the responsibilities for the dialogue process have been transferred from the State Committee of Water System (Ministry of Territorial Administration) with OECD as strategic partner to the Water Resources Management Agency (Ministry of Nature Protection) with UNECE as strategic partner.

Respectively, Mr Narimanyan, Deputy Head of the Water Resources Management Agency, has become new Chair of the Steering Group to be established to guide, and provide a platform for the NPD on IWRM issues, while Mr. Yura Pepanyan will be nominated as a Member of the new Steering Group.

1. The Minister of Nature Protection has invited other ministries and agencies as well as competent NGOs to become members of the new Steering Group.
2. The meeting of the newly established Steering Group on IWRM issues was tentatively scheduled to take place on 29-30 May 2008 in Yerevan. The agenda for the meeting will be finalized by mid-April.



Institute for Applied Environmental Economics

Hogeveenseweg 24, NL 2631 PH Nootdorp, The Netherlands
Tel.: (+31)-15-310 67 38; Fax: (+31)-15-380 12 18; E-mail: tme@tme.nu; URL: www.tme.nu

Session 3: IWRM issues of the policy dialogue

The Steering Group:

1. Considered the draft "Roadmap on the National Policy Dialogue on integrated water resources management", dated 30 July 2007, and recommended updates to it, taken into account the results of the work done in 2007
2. Noted that issues related to "payments for ecosystem services" and "climate change adaptation measures" could also be taken up, as appropriate
3. Recommended that the new Steering Group should finally approve the Roadmap.

Gagik Khachatryan

Chairman of the Steering Committee
First Deputy Chairman of State Committee
of Water System of the RA
Ministry of Territorial Administration

Volodya Narimanyan

New Chairman of the Steering Committee
Deputy head of the Water Resources Management Agency
Ministry of Nature Protection of the RA



State Committee of Water System
of the Republic of Armenia
Ministry of Territorial Administration

EUWI
EUROPEAN WATER INSTITUTE

OECD

EAP Task Force