

# ARMENIA

## Socio-economic indicators

	2002	2005
<b>Income and poverty</b>		
• GDP (million, constant 2000 USD)	2 370	3 401
• Annual GDP growth rate 2002-2005 (%)		12.6
• GDP per capita (PPP, constant 2000 international dollars)	3 008	4 484
• Poverty rate (% of pop. below USD 2/day)	31.3 <sup>a</sup>	
<b>Demography</b>		
• Population (million inhabitants)	3.05	3.02
• Urban population (%)	64.7	64.1
<b>Economic structure (as % of GDP)</b>		
• Agriculture	26.0	20.5
• Industry	35.1	44.3
• Services	39.0	35.2
<b>Exports (% of total exports)</b>		
• Agricultural products		12.7
• Fuels and mining products		12.7
• Manufactures		69.3
<b>Financial flows</b>		
• FDI (inward flows as % of GDP)	6.1	5.8
• ODA (% of GNI)	11.9	7.1

a) or closest available year.

Data based on PPP, constant 1993 international dollars.

**Note:** An international dollar has the same purchasing power over GDP as the USD has in the United States.

The poverty rate is the percentage of the population living on less than USD 2.15 a day at 1993 international prices.

**Source:** UNCTAD, World Bank, WTO.

## Environmental priorities

While a new National Environmental Action Plan (NEAP) is in the process of being prepared, the **1998 NEAP** is the most recent strategic document laying out environmental priorities. It identifies a broad number of environmental issues to be tackled through different policy levers:

- National policy and programme development (integrated water resources management, water supply and sanitation, integrated land use, waste management, forestry and biodiversity, transport).
- Legal and regulatory reform (legal framework, economic instruments, national protected areas system).
- Institutional strengthening (ministry environment, environmental monitoring and enforcement agencies).
- Priority Investments (in watershed and land management, forestry and biodiversity, water supply and sanitation, solid waste management).
- Environmental awareness and education.

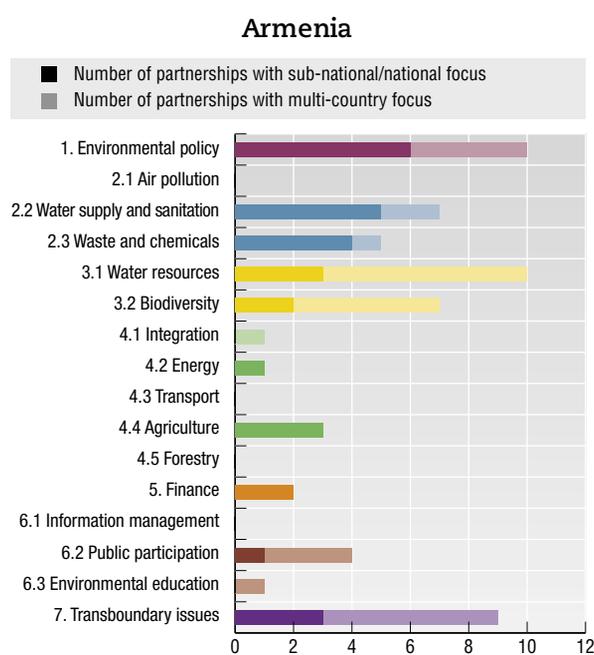
The **2003 PRSP** identifies, from a poverty reduction perspective, the following environmental priority areas:

- Forest resources management.
- Land degradation, including desertification.
- Water resources, including Lake Sevan.
- Municipal and hazardous industrial waste.

## International co-operation

Armenia's main environmental co-operation partners include Global Environmental Facility (GEF), World Bank, UNDP, UNEP, UNECE, UNIDO, OSCE, OECD/EAP Task Force, EU TACIS, REC Caucasus, WWF, and several bilateral donors such as Germany, USAID, Japan, Sweden (SIDA), Canada, Austria, Denmark, Norway and Czech Republic. It also has bilateral co-operation programmes with some neighbouring countries like Georgia, Iran and the Russian Federation. In November 2006 the European Neighbourhood Policy Agreement was signed between Armenia and the EU, which widens perspectives for bilateral co-operation with EU member countries.

## Number of registered partnerships

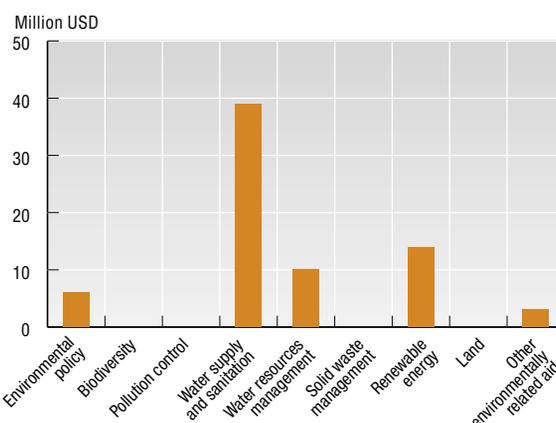


**Note:** The chart includes only the partnerships registered in the EECCA Partnerships Database as of 31 March 2007.

**Source:** EECCA Partnerships Database.

## International assistance for environment

### Environment-related ODA/OA to Armenia, 2003-05



**Source:** OECD DAC Aid Activity database, donors and IFIs reporting.

### Implementation highlight

#### WATER RESOURCES MANAGEMENT

Water sector reforms were launched in 2001. Since 2003, a Water Resources Agency has been set up within the Ministry of Nature Protection and five basin management bodies established. WRM functions have been distributed among the Water Resources Agency, the State Water Committee, the Independent Regulatory Commission and the Ministry of Economy and Finance. A Water Policy and a National Water Programme have been approved, and more than 50 regulations issued. A package of actions has contributed to gradually increasing the water level in Lake Sevan by 180 cm in four years.

**Source:** Ministry of Nature Protection of Armenia.

## Policy matrix

The following two pages summarise actions taken by the Government of Armenia that contribute to achieving the objectives of the EECCA Environment Strategy. Unless otherwise stated, information is taken from the EAP Task Force Questionnaire. Accordingly, the period covered is June 2003-June 2006 for qualitative information and 2002-2005 for quantitative information.

The other sources referred to in the matrix are:

- (1) Report to the Convention on Biological Diversity.
- (2) Report to the Aarhus Convention.
- (3) Main text of this report (see thematic chapters for sources consulted).
- (4) Additional information provided by the Ministry of Nature Protection.

Considerable efforts were made to bring out relevant information, but the policy matrix is not exhaustive.

## ARMENIA ENVIRONMENTAL

	<b>Institutional strengthening</b> (re-organisation, system creation, staffing, training, equipment)	<b>Planning</b> (SoE monitoring, analyses, targets, action plans, performance monitoring)	<b>Command-and-control instruments</b> (bans, direct regulation, permitting)
<b>Air pollution</b>	<ul style="list-style-type: none"> <li>7 air monitoring stations refurbished, for a total of 13</li> </ul>	<ul style="list-style-type: none"> <li>Nr of pollutants for which concentrations monitored increased from 5 to 13</li> <li>Nr of pollutants for which emissions monitored increased from 6 to 10</li> <li>Concept on environmental monitoring approved (4)</li> </ul>	<ul style="list-style-type: none"> <li>Regulation on fuel quality standards for unleaded gasoline and diesel approved</li> <li>Regulation on emission standards approved</li> <li>Import of cars without catalytic converters banned (3)</li> </ul>
<b>Water supply and sanitation</b>			
<b>Waste and chemicals</b>	<ul style="list-style-type: none"> <li>SNCO Waste Research Center (4)</li> <li>Agriculture extension workers trained on management/storage of organic manure</li> </ul>	<ul style="list-style-type: none"> <li>Waste Law approved</li> <li>Chemicals management strategy formulated</li> <li>Strategy to promote organic farming formulated</li> <li>POPs Implementation Plan submitted to Stockholm convention secretariat (3)</li> </ul>	<ul style="list-style-type: none"> <li>List of hazardous wastes approved (3)</li> <li>List of forbidden hazardous wastes approved (3)</li> </ul>
<b>Water resources</b>	<ul style="list-style-type: none"> <li>Nr of staff doubled (to 60) with the establishment of 5 territorial bodies of basin management</li> <li>Water cadastre created (4)</li> </ul>	<ul style="list-style-type: none"> <li>IWRM principles implemented (4)</li> <li>Nr of water parameters monitored increased from 28 to 47</li> </ul>	<ul style="list-style-type: none"> <li>Permitting system reformed to include public awareness and participation</li> </ul>
<b>Biodiversity</b>		<ul style="list-style-type: none"> <li>Inventories of high plant and vertebrate animal species in 2 national parks (1)</li> <li>List of vegetal and animal invasive alien species developed (3)</li> <li>Biosafety Protocol ratified (3)</li> </ul>	<ul style="list-style-type: none"> <li>Khor-Virap conservation area in the process of being established (1)</li> <li>Compensation rates for damaged caused to flora and fauna species as a result of non-compliance with environmental legislation established (4)</li> </ul>
<b>Integration into key economic sectors</b>	<ul style="list-style-type: none"> <li>Agriculture ministry staff trained in environmental issues</li> <li>Ozone Centre established at the Ministry for Nature Protection(4)</li> <li>Ministry of Nature Protection designated as national CDM agency (4)</li> <li>Forestry agency (Armforest SNO) transferred from Ministry of Nature Protection to Ministry of Agriculture (4)</li> </ul>	<ul style="list-style-type: none"> <li>Environmental targets introduced in latest agriculture strategy</li> <li>SEA legislation adopted (3)</li> <li>SEA pilot project implemented (3)</li> <li>Law on energy savings and renewables passed (3)</li> <li>CDM memorandum concluded with Denmark (4)</li> <li>National forest policy, strategy and plan approved (1)</li> <li>Forest Code passed</li> <li>Concept and measures plan on reduction of car emissions approved (4)</li> </ul>	<ul style="list-style-type: none"> <li>Performance-based energy codes in the process of introduction</li> <li>Afforestation programs subjected to EIA</li> </ul>
<b>Cross-cutting</b>	<ul style="list-style-type: none"> <li>Budget of MoE increased 4 times</li> <li>Salary of dept. heads and sr. specialists tripled</li> <li>Inspectorates asked to focus on priority sectors</li> <li>Regular meetings with judiciary staff</li> <li>Judicial staff trained in environment (3)</li> <li>Inter-agency body on ESD created (3)</li> </ul>	<ul style="list-style-type: none"> <li>Integration of environmental issues into national development strategies significantly improved</li> <li>Legal basis for self-monitoring established (3)</li> </ul>	<ul style="list-style-type: none"> <li>Reform of environmental quality standards started (3)</li> <li>Law on environmental control passed (3)</li> <li>Administrative fines increased (3)</li> </ul>

## POLICY MATRIX

Market-related instruments (property rights, tariffs, charges, taxes, deposit-refund schemes, trading)	Information-related instruments (labelling, information disclosure, public participation, education, technical advice)	Direct provision of services (investment programmes, funding)	
<ul style="list-style-type: none"> <li>• Pollution charge for SO<sub>2</sub> tripled</li> <li>• Pollution charge for NO<sub>x</sub> doubled</li> <li>• Gas tariff for households increased by 16%</li> <li>• Taxes for petrol and diesel <b>decreased</b> by 15%</li> <li>• Extension of gas metering continued (4)</li> <li>• Water tariff for households increased from 30-120 to 120-172 lcu/m<sup>3</sup></li> <li>• Water meters installed for all water consumers (4)</li> </ul>		<ul style="list-style-type: none"> <li>• Expenditures in urban transport programmes increased by 5% in nominal terms</li> </ul>	<p><b>Air pollution</b></p> <p><b>Water supply and sanitation</b></p>
	<ul style="list-style-type: none"> <li>• Theatre performances on POPs were prepared and organised for children (4)</li> </ul>	<ul style="list-style-type: none"> <li>• % of industrial (including hazardous) waste collected in Yerevan increased from 85% to 98%</li> <li>• Municipal waste collected increased 7 times to 85 000 m<sup>3</sup></li> <li>• Landfill upgraded (3)</li> <li>• Programme to improve agrochemicals management established</li> </ul>	<p><b>Waste and chemicals</b></p>
<ul style="list-style-type: none"> <li>• Maximum water tariff for all users increased by 43%</li> </ul>	<ul style="list-style-type: none"> <li>• General advice on environmental management provided to farmers</li> </ul>	<ul style="list-style-type: none"> <li>• Programme to improve water-efficiency in irrigation established</li> </ul>	<p><b>Water resources</b></p>
		<ul style="list-style-type: none"> <li>• Expenditures in protected areas increased by 63% from 2002 to 2005 and by 351% to 2006 (4)</li> </ul>	<p><b>Biodiversity</b></p>
	<ul style="list-style-type: none"> <li>• Guide on CDM published (4)</li> <li>• Lessons on climate change and ozone layer held in schools and information disseminated through mass-media (4)</li> </ul>	<ul style="list-style-type: none"> <li>• Energy savings and renewables fund established (3)</li> <li>• Two CDM projects sent to UNFCCC committee and approved (4)</li> </ul>	<p><b>Integration into key economic sectors</b></p>
<ul style="list-style-type: none"> <li>• Amount collected by environmental levies increased by 23% from 2002 to 2005 and by 67% to 2006 (4)</li> <li>• Nr of parameters subject to pollution charges reduced (3)</li> </ul>	<ul style="list-style-type: none"> <li>• Ministry of Nature Protection unit for relations with the public re-established</li> <li>• Training programmes on public participation available for members of judiciary</li> <li>• Guide on accessing environmental information under elaboration (4)</li> <li>• SoE report disseminated electronically (3)</li> <li>• Environmental education textbook(s) developed (3)</li> <li>• 6 Aarhus centres created (4)</li> </ul>	<ul style="list-style-type: none"> <li>• Proceedings from environmental levies earmarked for environmental programmes increased from 9 to 25%</li> <li>• 3 environmental funds created, administering 400 million lcu (4)</li> <li>• Law adopted stipulating that, starting in 2008, public expenditures in environmental projects/programmes will not be less than the environmental taxes collected the previous fiscal year (4)</li> </ul>	<p><b>Cross-cutting</b></p>