

Sustaining rural services and infrastructure

Name: Anahit Ghazanchyan

Organisation: Development Principles NGO

Region/County/Country: Republic of Armenia

Contacts for communication: anahit_ghazanchyan@mail.ru, info@developmentprinciples.org

1. Infrastructure

Which of the following types of infrastructure are important in your rural community? Please rank in order of importance

Type of infrastructure	Please rank in order of importance from 1 to 10	In general terms what are the condition, sustainability and access to each in your rural community	Please state who is the MAIN provider of the infrastructure: central Government, members of the community or another provider?
Drinking Water supplies	10	Uneven distribution per communities, range from very poor (no infrastructure, water is delivered in tanks) to good (drinking water is available in the houses).	http://www.yerevandjur.am/en
Irrigation Water supplies	10	Uneven distribution per communities, range from very poor to good.	http://www.scws.am/en
Electricity supplies	10	In general, good for household needs. The problem is in relation to the power of the system for rural businesses needs.	http://ena.am/index.aspx?lang=2
Sewerage provision	8-10	There is no sewage infrastructure in the most of rural communities. Households are using outdoor toilets, and the businesses are building septic holes.	http://www.yerevandjur.am/en
Public lighting	7-10	Currently there is an ongoing initiative to improve public lighting. However, in majority of the rural locations there is no public lighting.	Local governance
Roads	10	Inter-communal roads are in very bad conditions. The government is fixing only the roads of state importance.	Central Government

Transport	8-10	Rural communities have access to the public transport only from nearby cities or towns. However, taxi service is very popular and available even in remote rural locations (on call).	http://mtcit.am/?lang=3&page_id=1&id=0&page_name=default#
Pavements	4	Pavements are available only along the roads of state importance that cross the villages.	Central and Local Government
Broadband and telecommunications	10	Currently most of rural communities have good coverage, except for boarder line communities with Turkey and Azerbaijan, when there is intervention of foreign companies to disturb the local signals.	http://mtcit.am/?lang=3&page_id=1&id=0&page_name=default# Currently there are several providers, no monopoly, but competition.
Rural economy related infrastructure (banks, markets and business facilities which could include cold storage and milk collection)	10	Ranging from very poor to good infrastructure. Includes also irrigation pipelines, watering points in the pastures, roads to the highland pastures.	International donors, businesses, private donors
We would be interested to know of providers other than the MAIN provider as well as any other comments you wish to make.			

2. Rural Services

Which of the following services are important in your rural community?

Rural Services	Please rank in order of importance from 1-12	Please state who is the main provider of the service: central Government, members of the community or another provider?
Education facilities – infant, kindergarten	12	Local Governance
Education facilities –primary and secondary school	12	Local Governance
Education facilities – higher education and university	12	http://edu.am/index.php/en
Health – Doctor and hospitals	12	Local Governance and http://www.moh.am/?lang=en
Shops	8-12	Private businesses
Social care – baby clinics, chiropody & other services	6-12	Local Governance and http://www.moh.am/?lang=en ; Private businesses
Dental provision	6-9	Private businesses
Youth services	9-12	http://www.minsportyouth.am/en/

Banks and financial services	8-10	Private businesses
Veterinary services	12	http://minagro.am/en/ http://snund.am/en/
Libraries	8-10	Local governance
Place to meet (village or community hall or centre)	8-10	Local governance
Other service	8-10	Postal services - state owned; Agriculture extension services - state-owned; Hairdressers - private
3. In general terms are services equally distributed, sustainable and accessible in your rural communities?		Yes or No?
		No
4. Where within the structure of the settlement are services generally located?	All facilities are generally located in the community center. Some of the facilities such as library, kindergarten, youth center, healthcare unit are located in the same building that houses local community administration.	
5. What main factor inhibits the better provision or threatens the future viability of rural services and infrastructure?	<ul style="list-style-type: none">• Lack of finance• Lack of community cohesion• Poor management skills• Bureaucratic leadership• Lack of qualified professionals• Migration of rural population• Corruption	
6. What main factor favours the provision, viability and improvement of rural services and infrastructure?	<ul style="list-style-type: none">• Community economic and social development• Better infrastructure in terms of roads, accessibility and affordability of the health and social services• Access to local and regional markets• Lack of corruption	

For the Country lead organisation:

Please provide the information below together with your summary of the information collected in Questions 1 to 6 above.

A. Settlements	Please state the % of population for each of these settlements in your Country?	Do you regard this category of settlement as rural? Please state yes or no
----------------	---	--

Cities	35,8%	NO (Yerevan city)
Towns	63,6%	YES
Small town sometimes called a Market town	NA	In Armenia those are towns.
Villages	36,4%	YES
Scattered residences/hamlet	NA	NA
State other	NA	NA
Total	100%	

Note that for the purposes of this survey a small town or village should not have a population of more than 10,000.

Other comments:

B. Please provide case studies and examples, positive and negative, in provision of infrastructure and rural services. If appropriate, please name the project and donors if any.

- WB, Government of Armenia, Heifer International – CARMAC program - Community infrastructure rehabilitation, Pasture management, Agricultural machinery provision
<http://www.worldbank.org/en/country/armenia/projects>
- IFAD – Infrastructure and Rural Finance Support Programme – rehabilitation of gaz, potable and irrigation water infrastructure in rural areas
<https://operations.ifad.org/web/ifad/operations/country/home/tags/armenia>
- ADB - North-South Road Corridor Investment Program – New roads construction
<https://www.adb.org/projects/armenia>
- EBRD – rural finance and women entrepreneurship development
<http://www.ebrd.com/armenia.html>
- USAID – ARDI-PRP program – Rural Economic development <https://www.usaid.gov/armenia>
(please see Annex 1 for content)

C. What does your analysis imply for future action by rural people, service providers, governments and the European institutions?

Rural infrastructure and services have crucial role in community social, economic and cultural aspects. Especially important is the rural economic infrastructure, which help to create employment and prevent migration. It is noteworthy to mention that the decisive factor is well-trained, educated and dedicated human resources, without them proper use of rural infrastructure and services cannot be sustainable. Besides, the economic development should be also balanced by other development opportunities (personal and social) so that the rural inhabitants, especially youth, will have motivation to retain in their communities.

Please try to carry out this work by the end of March. If it will not be complete until April please let us know.

Thank you

Annex: ADVANCED RURAL DEVELOPMENT INITIATIVE PROGRAM (ARDI)

ARDI is a 5-year program launched in September 2013. The program is implemented by NGO consortium of Heifer International and Fuller Centre for Housing Armenia. The program aims to increase rural employment by tackling constraints to rural economic development of select rural communities in the Syunik, Vayots Dzor and Lori marzes (provinces) of Armenia. The program will support interventions in **three main rural economic sectors/Value Chains** involving ***Dairy Processing, Fruit Processing and Rural Tourism***.

The program will directly enhance the ability of more than 5,000 people from 51 rural communities of Armenia to utilize the opportunities and advantages available for economic development. Inhabitants of 51 rural communities will be able to benefit from the capital intensive hard investments that are placed in the 12 target communities/clusters. Moreover, ARDI will build the capacity of at least 500 (potential) entrepreneurs specifically youth and women regarding/in terms of entrepreneurship related knowledge and skills. Entrepreneurs will learn about the existent opportunities for starting their own businesses and will be supported in developing their businesses through adequate (sector specific) trainings, consultancy services and targeted investments by the program. Cumulatively, during the project life time around 125 startup companies will be created of which 100 will be youth business startups.

The program will additionally support 15 existing businesses, including rural (farmer's) cooperatives that can help to enhance the economic base of the communities and create additional employment opportunities. Cumulatively, over 1,000 short and long term rural jobs will be created as a result of the ARDI program.

The Cooperative Agreement was signed on September 10, 2013.

Program Implementation Phases

In order to realize the program objectives, ARDI has a comprehensive, and yet, clear program design and methodology. This encompasses the implementation of a targeted and interrelated set of interventions that can be categorized under six intervention groups involving: *Community Competitiveness Analysis, Value-chain Assessments, Non-Financial Support Services, Financial Support Services, Infrastructural Development, and Environmental Protection* as an overarching group of interventions.

Community Competitiveness Analysis: Using the Heifer International methodology, ARDI identifies and maps the competitive advantages of communities, existent marketing opportunities and underserved markets related to the competitive areas.

Value Chain (VC) Assessments: ARDI identifies specific issues in the high potential VCs of target community. Based on the results of these assessments communities develop operational plans to address the main constraints of each VC.

Non-Financial Support: The program offers technical assistance in the form of consultancy and trainings on topics related to entrepreneurship and small business development, as well as build the capacity of VC players to reach markets.

Financial Support: ARDI invests in economic activities that contribute to local economic growth and employment. This includes small grants in support of community based economic activities of youth and women startups and capital investments to support cooperative approaches.

Infrastructural Development and Environmental Protection: The program improves community infrastructure and creates increased construction employment taking into account potential adverse environmental impact of program activities.

Evaluation: ARDI applies sound performance monitoring and evaluation approaches which serve as critical instruments for program management.

2.2 Program Objectives

The Local Economic Development component increases the use of best practices and methodologies among stakeholders for building rural community-based economic development and entrepreneurship through:

- ✓ Identification and promotion of community competitive advantages
- ✓ Promotion of market access
- ✓ Promotion of entrepreneurship
- ✓ Promotion of good governance.

The Small Scale Infrastructure development component applies participatory eight-step Infrastructural Planning and Implementation (IPI) methodology to:

- ✓ Improve community infrastructure and promote increased construction employment

The Rural Environmental Protection component identifies solutions to mitigate environmental pressures on the community and thus contributes to the sustainability of community economy, through:

- ✓ Increased awareness and knowledge of environmental issues in the target communities and respective mitigation measures.

2.3 Program Components

Component 1 In order to enhance the competitiveness of the target communities, ARDI will identify communities' competitive advantages and establish action plans to support and promote community enterprises. ARDI applies Heifer's Community Strategic Development Model (CSDM), which focuses on capitalizing community strengths and leads to systematic solutions that have the potential to produce more sustainable and effective outcomes. Through comprehensive assessments, ARDI:

- Collects information about community resources and needs
- Identifies and addresses the real problems and promotes strengths of the community
- Leads a participatory community-driven planning and development process.

Based on the community competitiveness analysis conducted in 20 rural communities in the selected Marzes, 12 communities with highest potential for economic growth and job creation will be selected.

Subsequently, in the selected communities, VC assessments will be conducted on (environmental conservation oriented) high potential VCs that best tap into the advantages of communities. The VC assessments will identify the specific issues that business in the target communities have regarding market access and tailored solutions will be developed to address the identified issues in each VC. ARDI will work with communities on improving forward and backward linkages in the VCs, improving the physical and non-physical connection of rural businesses to markets through construction, access to information, and communication.

The next logical step is to stimulate entrepreneurship. ARDI will provide different levels of program activities including: 1) activities to create and maintain entrepreneurial culture; 2) training on entrepreneurship; 3) specific training programs for individuals who wish to create their own business or engage in entrepreneurial activities in the identified competitive areas, and 4) create an enabling environment through provision of (ongoing) technical and financial support services.

The quality of local economic governance very much affects the other action areas of the program and is therefore considered in all stages of program development. Sound economic governance is often characterized as an essential governance functions that facilitates trade and expands participation in markets. To address this issue the program will set out to enhance dialogue and information sharing on the issues faced by rural businesses, develop public and private cooperation and partnerships aimed at tackling the issues raised and build the capacity of national and Local Self Governance bodies (LSGs).

Component 2 aims at improving community infrastructure in 12 communities/clusters to ensure sustainable access of community enterprises to markets; enhanced productive capacities and create increased construction related employment in the target communities.

Community infrastructure and assets can include economic infrastructure such as markets, roads, irrigation systems, disaster protection structures, etc. that will contribute to the development of the community as a whole. The implemented small scale infrastructural projects will provide immediate employment opportunities for local labor, and where necessary, include a local workforce development services that will facilitate the acquisition of practical/employable skills from the target communities.

Almost all of these interventions will involve some construction activities such as site-clearing, excavation, pipe laying, equipment installation, structure erection and soil grading, leveling, and compacting. Such activities can have potentially adverse environmental impact and therefore special attention will be paid to sound environmental evaluations that will identify such potential issues, and if necessary, suggest potential mitigation measures.

ARDI applies eight-step Infrastructural Planning and Implementation (IPI) methodology, which takes into account best practices regarding implementation of similar projects aimed at improving small scale infrastructure. Next to the environmental aspects of projects, the adopted IPI model prioritizes the promotion of active engagement of local population in all stages of the projects, including planning, management and implementation, construction, operation, and maintenance.

Component 3 aims at addressing any underlying threats to the environment, while implementing the program and working with farmers, processors and communities to increase the efficiency and profitability of their operations. The program will involve an expert to conduct environmental assessment which will help to identify the negative environmental externalities that are created by the program interventions and enhance the positive impact ARDI has on the environment. The program will look for creative and innovative ways to help the community enterprises deal with the byproducts of the production process and other negative externalities.

For this purpose, the program will pay a great attention to environmental aspects through all activities and stages of program implementation. ARDI will conduct Environmental Impact Analysis for specific interventions and will prepare environmental risk mitigation plans to monitor and reduce potential negative impact, as well as will integrate environmental protection best practices into the program scope.