



# Armenia: Water Supply and Sanitation Sector Project

Project Name	Water Supply and Sanitation Sector Project		
Project Number	40296-013		
Country / Economy	Armenia		
Project Status	Closed		
Project Type / Modality of Assistance	Loan		
Source of Funding / Amount	<div>Loan 2363-ARM: Water Supply and Sanitation Sector Project</div> <div>Asian Development FundUS\$ 36.00 million</div>		
Strategic Agendas	Environmentally sustainable growth		
Drivers of Change	Gender Equity and Mainstreaming Governance and capacity development		
Sector / Subsector	Water and other urban infrastructure and services / Urban sewerage - Urban water supply		
Gender	Some gender elements		
Description	Armenia is a mountainous landlocked country located in the southern Caucasus. It has a land area of approximately 28,700 square kilometers and shares land borders with Azerbaijan, Georgia, Iran, and Turkey. Based on National State Statistics Association estimates, the population was about 3.22 million in 2006 of which about 64% lives in urban areas and the remainder in rural villages. About half the urban population lives in Yerevan, the capital city. The population is forecast to grow at 0.3% per annum through 2015. For administrative purposes, Armenia is divided into 10 marzes (provinces) that are subdivided into districts, and consist of towns and villages. The proportion of the population living in poverty was 29.8% in 2005. Most of the country's poor lives in regional towns where the incidence of poverty is about 38%.		
Project Rationale and Linkage to Country/Regional Strategy	To improve people's living standards, the environment, public health, and economic opportunities, the Government of Armenia (the Government) is prioritizing improved delivery of water and sanitation (WSS) services. To address serious difficulties being faced by the majority of the population because of unsafe and unreliable water supply and inadequate sanitation facilities, the Government has mobilized financial resources, strengthened the legislative and regulatory framework, and restructured sector institutions. Since there is a considerable gap between the overall needs and available financial resources, the Government requested assistance from the Asian Development Bank (ADB) to prepare the proposed Project.		
Impact	Improved public health and environment in project towns and villages.		
Project Outcome			
Description of Outcome	Improved access to safe, reliable and sustainable water supply and sanitation services in about 16 project towns and up to 125 project villages managed on commercial principles and environmentally sound practices.		
Progress Toward Outcome	Project is physically completed and financial loan closing date is 20 February 2013. Outcomes have been successfully achieved with the following results: 1. 21 project towns are now benefiting from the project in terms of improved public health and environment. This is well above the original target of 16 project towns. 2. 600,000 people are now benefiting from the project in terms of improved public health and environment. This is also well above the original target of 576,000.		
Implementation Progress			
Description of Project Outputs	1. Rehabilitated, replaced, and expanded water supply and sewerage systems in project towns and villages. 2. Improved water services in project towns and villages. 3. Strengthened AWSC and institutionalized project villages not covered by AWSC. 4. Improved community management skills.		
Status of Implementation Progress (Outputs, Activities, and Issues)	Water and sewerage systems were rehabilitated and upgraded in 21 towns and 97 villages benefitting approximately 600,000 households Water and sewerage systems were rehabilitated and upgraded in 21 towns and 97 villages benefitting approximately 600,000 households On track 915 km of water supply pipes installed or upgraded in 2012 11,899 new households connected to water supply in 2012 10,327 new households connected to piped water supply in 2012 40,570 consumers with access to safe water supply of at least 12 hours per day in 2012 Achieved 100% 63,735 consumers with access to full level of water supply in 2012 Tracking well 128,933 customers in 2012 79% in 2012 35 achieved		
Geographical Location			
Safeguard Categories			
Environment	B		
Involuntary Resettlement	B		
Indigenous Peoples	C		
Summary of Environmental and Social Aspects			

Environmental Aspects	The Project is unlikely to cause any adverse environmental impacts because (i) potential negative impacts associated with the design, construction, and operation of the proposed subproject activities are likely to be temporary and localized in extent, and can be mitigated to acceptable levels using proven technology and management measures; (ii) an environmental management and monitoring plan was prepared to ensure environmentally sustainable implementation of the subprojects.
Involuntary Resettlement	An initial resettlement due diligence screening shows that the project will not have any resettlement issues. All possible resettlement needs were assessed in accordance with ADB's Involuntary Resettlement Policy (1995) and were evaluated in terms of the proposed construction to see if any people, land, businesses, crops, or other items of value would be affected by the Project.
Indigenous Peoples	An initial social assessment was out during project processing, covering potential subprojects. Detailed socioeconomic evaluation of 125 communities and 16 towns has been conducted and six consultation meetings were held, including site visits with one town and five communities. Extensive research on the remaining project areas has also been conducted. These consultations confirmed that all people living in the project area are ethnic Armenian so there is no indigenous peoples' issue.

#### Stakeholder Communication, Participation, and Consultation

During Project Design	Stakeholder analysis has been conducted during project preparation through public participation and consultation with key stakeholders. Stakeholder consultations and focus group discussions were conducted with 120 people in the subproject town and each subproject community during April-May 2007. Issues discussed included qualitative aspects of poverty in subproject communities; gender issues; benefits of improved water services (especially to the poor and women); and willingness of involvement in design, monitoring, and evaluation activities for the Project. During these consultation exercises, community members also voiced their key environmental concerns and ideas on improving sanitation.
During Project Implementation	Based on the public consultations, focus group discussion, and rapid participatory appraisal, a participation strategy has been developed to (i) promote active participation of the beneficiary and affected population in project planning, implementation, and monitoring and evaluation; (ii) promote active participation of the stakeholders in the implementation of the capacity building program on the effective management of water resources and water systems in the project communities; (iii) enhance project benefits to the beneficiary populations; (iv) obtain their support for the Project; and (v) raise their social acceptance of the user fees.

#### Business Opportunities

Consulting Services	Inputs of 1,120 person-months of national consultants are planned for project implementation and management support to the PCU and PMU. The selection and engagement of these consulting services will be in accordance with the quality and cost-based selection method of ADB's Guidelines on the Use of Consultants (2007, as amended from time to time).
Procurement	All procurement financed under the Project will be carried out in accordance with ADB's Procurement Guidelines (2007, as amended from time to time). Contracts for civil works estimated to cost more than \$1 million equivalent and contracts for goods estimated to cost more than \$500,000 equivalent will be procured using international competitive bidding (ICB). Civil works contracts estimated to cost \$1 million equivalent or less will be procured through national competitive bidding (NCB). Goods contracts estimated to cost between \$100,000 and \$500,000 equivalent will be procured through NCB. Goods contracts estimated to cost less than \$100,000 equivalent will be carried out through shopping procedures. Goods valued below \$10,000 may be purchased directly from the supplier.

Responsible ADB Officer	Llorens, Cesar
Responsible ADB Department	Central and West Asia Department
Responsible ADB Division	Urban Development and Water Division, CWRD
Executing Agencies	State Comm of Wtr Sys of Min of Territorial Admin Gagik Khachatryan SCWS@NETSYS.AM 13A, Vardanants Street 0010 Yerevan, Republic of Armenia

#### Timetable

Concept Clearance	25 Jul 2006
Fact Finding	01 Jun 2007 to 17 Jun 2007
MRM	17 Jul 2007
Approval	31 Oct 2007
Last Review Mission	-
PDS Creation Date	18 Jan 2008
Last PDS Update	27 Mar 2013

## Loan 2363-ARM

Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
31 Oct 2007	18 Dec 2007	28 May 2008	30 Jun 2013	-	20 Feb 2013

Financing Plan			Loan Utilization			
	Total (Amount in US\$ million)		Date	ADB	Others	Net Percentage
Project Cost	45.00		Cumulative Contract Awards			
ADB	36.00		17 Jun 2022	36.32	0.00	100%
Counterpart	9.00		Cumulative Disbursements			
Cofinancing	0.00		17 Jun 2022	36.32	0.00	100%

Status of Covenants						
Category	Sector	Safeguards	Social	Financial	Economic	Others
Rating	Satisfactory	Satisfactory	Satisfactory	Satisfactory	-	Satisfactory

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Project Page	<a href="https://www.adb.org/projects/40296-013/main">https://www.adb.org/projects/40296-013/main</a>
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