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| **LOCAL ECONOMIC**  **DEVELOPMENT PLAN**  Community: Alaverdi  Country: Republic of Armenia  *29.08.2018* |

**Preface from Mayor**

Alaverdi community joined Mayors for Economic Growth initiative based on the decision of the City Council of 10.07.2017. By joining the initiative the Community embarked on preparation of Local Economic Development Plan aimed at boosting economic growth, development and employment.

Economic development is among the key challenges we face. Regardless of how much we develop education and culture, sport and science, development of economy is essential for full development since it provides means for the advancement of other public sectors and infrastructures, creates jobs and contributes to well-being.

LED Plan of Alaverdi community is a document which is both a milestone for the activity of coming years and at the same time contains analyses about the community’s economic environment and various areas of community life.

This Plan is also a proposal addressed to international, donor and other organisations, businessmen, concerned individuals and legal entities for making investments in Alaverdi. Alaverdi Municipality expects that the objectives and advantages stated in the Plan will interest concerned entities and it is ready to mutually beneficial cooperation with all investors for sustainable development of Alaverdi.

During preparation of this document suggestions and remarks of various social groups of the population, businessmen, non-governmental and other organisations were taken into consideration. This Plan is the guide of our further steps and tasks and we are determined to bring them to life.

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1. **Executive Summary**

Local Economic Development Plan of Alaverdi Community was developed in the framework of Community’s membership of Mayors for Economic Growth initiative. The current economic situation of Alaverdi community, its strengths and weaknesses, opportunities and threats are presented in the Plan. It also includes activities that will lead to the development of priority sectors of the community economy.

According to the Community development vision defined in the Plan Alaverdi is a clean and prosperous community where people have equal opportunities, its residents do not wish to leave their town because they have jobs and stable social conditions. There is a responsible, liberal, law-abiding and demanding society, free economic zone, modern and open educational environment, lively sport and cultural life, and a desired corner for investors and tourists.

In order to achieve this vision the Community has set the following key objectives in the Plan: to have expanded heavy industry working with advanced technologies, to boost investments in the tourism sector increasing the number of community visitors to 300,000 in 2021, address irrigation and agricultural machinery problems thus increasing the area of cultivated land in the community by 30%. To achieve these goals it is envisaged to upgrade the existing factory of heavy industry with new technologies, create hiking trails, recreation areas, organise an international festival, rehabilitate irrigation systems, build new ones, create an agricultural machinery fleet, establish a market of agricultural products, develop people’s skills, etc.

The previous successful experience in the identified sectors of economy indicates that the stated activities have a short payback period in terms of finances.

Nevertheless, despite this fact, Alaverdi community budget alone cannot serve implementation of actions targeted at turning the stated objectives into reality due to actions not reserved to them by law on one hand and absence of adequate financial resources on the other. Due to this, funds required for the implementation of the activities are planned to be leveraged also from the state budget, donor organisations, various businesses and companies.

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15. **Abbreviations**

**SME -** Small and Medium Entrepreneurship

**SME DNC** – Small and Medium Entrepreneurship Development National Center

**MA** – Municipal administration

**UNESCO** - United Nations Educational, Scientific and Cultural Organisation

1. **Introduction to the Plan**

Alaverdi is a multi-settlement community. It comprises the town of Alaverdi and Akori, Kachachkut, Haghpat, Tsaghkashat and Jiliza villages. The Community center is Alaverdi.

It is situated in the north of the country, within the administrative boundaries of Lori Marz. The distance from regional center Vanadzor is 44 km, from Yerevan - around 167 km. Alaverdi Community has a favourable economic and geographic location. It borders the Republic of Georgia which is an essential advantage for export of any product to the neighbouring country. The major “vein” of railway communication of Armenia - Tbilisi-Yerevan railroad, the major highway for export and import transportation - M6 highway of Yerevan-Georgia, as well as the most water-abundant transboundary Debed River pass through the Community. In “Alaverdi” railway station - one of the two railway stations of Alaverdi, there are all the necessary conditions for rail loading and unloading.

Alaverdi Community occupies 295,134 square km area. Because of fragmented and complex relief the districts and settlements of the Community are quite far from each other.

As of 1 January 2017, the number of people registered in the Community was 24,227, of which 11,632 (48%) men and 12,595 (52%) women. 77.8% of the population is urban and 22.2 % is rural. The number of working age population is 11,861, of which 48.9% are men and 51.1% are women. The official unemployment rate is 1.9%, while the actual rate is over 35%. Employment for the population of Alaverdi Community is mainly provided by the industrial copper smelter belonging to ACP company, where around 600 people are employed.

1. **Process of Local Economic Development Plan Development**

Although the key actors of local economic development are businessmen and three-quarters of jobs in the world are created by the private sector, the local government also plays an important role. Thus, local economic development is more successful when it is based on state-community-private sector partnership. By attaching great importance to this partnership, Alaverdi Municipal Administration embarked on LED Plan development within Mayors for Economic Growth initiative during which meetings with active businessmen of the Community were held and suggestions and problems raised by them were discussed. The main problems raised by them related to high interest rates of loans and absence of adequate space to start a business.

Possible directions of local economic development, existing obstacles, actions aimed at elimination of those obstacles and their priorities were discussed with the businessmen. Alaverdi LED Plan was developed on the basis of the latter.

1. **Local Economic Analysis**
   1. **Analysis of Local Economic Structure**

Alaverdi used to be an industrial town with multi-sector economy where copper manufacturing played a pivotal role in the economy. Copper smelter belonging to ACP company still operates in Alaverdi community. Light industry of the town also used to have good traditions. Apparel manufacturing unit and textile factory provided jobs for 3,000 women. The issue of women’s employment was almost addressed. In the late 80's of the past century due to created social-economic difficulties and long-lasting blockades the apparel manufacturing unit and textile factory stopped functioning. They were later privatised and still stand idle.

According to the NNS data, 273 enterprises were registered in the Community in 2017 the number of which hasn’t changed significantly as compared to that of previous years.

Structural distribution of micro, small and large enterprises by their number is as follows:

* 249 micro enterprises,
* 23 small enterprises,
* 0 medium enterprises,
* 1 large enterprise.

The only large enterprise is the copper smelter where the number of employees has decreased by 11.6% since 2012. Currently negotiations about making investments in this sector are underway with ensuing creation of new jobs.

One of the developing sectors of Community economy is tourism. Steps have already been taken towards development of agrotourism (horse riding), ecotourism (birdwatching) and adventure tourism (rafting on Debed River) in the Community and in the region. There are many monuments of touristic interest in the Community including Sanahin and Haghpat monastery complexes listed as UNESCO World Heritage Sites and the historical (Stone) bridge of Sanahin. In 2017 the Community was visited by 200,000 tourists with only 10% of overnight stay. The number of overnight visitors is not big since service provision sector is not developed in the Community yet.

Year after year, in parallel with tourism, hotel and B&B business is also developing in the Community. There are 9 hotels and B&B’s the number of which has increased by 33.3% as compared to that in 2012.

The sector of agriculture is poorly developed in the Community. There is only 1 functioning agricultural company here. Poor development of the sector is mainly due to non-irrigation of Community lands (in a number of settlements irrigation systems are highly deteriorated and in the rest they are completely absent).

There is one medical center in the Community with the capacity of 60 beds where around 230 people work. In addition there are also more than a dozen other small medical organisations (medical ambulatory, primary health care center, disinfection center, etc.).

There are 17 companies under the Community subordination - kindergartens, schools of music, art, fine art, sports, wrestling, culture house, etc. There are 333 people employed in companies / organisations under the Community subordination which comprises 2.8% of working age population. A non-commercial community organisation with more than 50 employees performs garbage disposal and sanitary cleaning.

There are also a number of micro and small businesses in the Community - 10 processing companies (food and drinks production), 2 construction and 2 financial and insurance companies, 164 retail businesses, etc.

The number of large enterprises with more than 250 employees has remained the same.

Foundations have been laid for the development of IT sector - in some schools corresponding classrooms were opened.

The number of people working in mining industry has dropped (11.6%) but the number of those engaged in food industry and the number of B&B’s and those occupied there has increased by 33.3% and 12% respectively. In other sectors no significant changes have occurred.

**Table 1. Presentational Table for Private Sector Companies**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Type of economic activities** | **Number & % of businesses (per classification)** | | | |
| **Micro** | **Small** | **Medium** | **Large** |
| **Total businesses** |  |  |  |  |
| Agricultural production, forestry, fishing |  | 1/4.5% |  |  |
| Industrial manufacturing | 10/4% |  |  | 1/100% |
| Construction | 0 | 2/9% |  |  |
| Transportation, storage, postal and delivery services | 2/0.8% |  |  |  |
| Organisation of accommodation and food service facilities | 9/3.6% | 9/39% |  |  |
| Information technologies | 1/0.4% |  |  |  |
| Finances and insurance | 2/0.8% | 10/43% |  |  |
| Real estate business | 2/0.8% |  |  |  |
| Professional, scientific and technical activities (includes accounting, architecture, engineering, research, market research, veterinary services) | 2/0.8% |  |  |  |
| Administrative and support services (rental, leasing, employment, tourism and booking services, security and investigation services, administrative services) | 2/0.8% |  |  |  |
| Education | 31/12.4% |  |  |  |
| Health care and social service | 12/4.8% | 1/4.5% |  |  |
| Culture, sport, entertainment and recreation services | 10/4% |  |  |  |
| Other services | 166/66.8% |  |  |  |

|  |  |
| --- | --- |
| **STRENGTH** | **WEAKNESS** |
| 1. Rich historical and cultural heritage 2. Favourable climatic conditions 3. Developing hotel and B&B business 4. Rich experience in industrial manufacturing | 1. Poorly developed agriculture 2. Copper smelter working with outdated technologies 3. Ecological problems 4. Poorly developed sector of service provision |

* 1. **Local Cooperation**

There are no business associations in the Community due to which there is no cooperation between enterprises. “Tumanyan Ashkharh” travel office operating in the Community (“Lori” Tourism Development Foundation) establishes some cooperation with adjacent communities of Alaverdi, Akhtala, Odzun, Tumanyan, Dsegh and the hotels, B&B’s, restaurants and public food facilities of those communities thus boosting their advancement. The Community Mayor regularly organises meetings with business companies and financial institutions, discusses the necessity of improving community services, potential sources of financing with the purpose of maximising the attractiveness for making investments in the sectors of tourism, manufacturing and agriculture. There are branches of 5 banks and 2 financial institutions in the Community which trigger local businesses to engage in new activities, promotes creation of new businesses as well as close cooperation with the business community for implementation of new projects financed by those banks in a number of sectors like SME’s, trade, agriculture, services, etc.

**Table 2. Assessment of Local Cooperation**

|  |  |  |  |
| --- | --- | --- | --- |
| **Title and/or Function (area/theme on which it works)** | **Institutions/ Persons involved** | **Achievements** | **Assessment: useful or not useful** |
| Finances and insurance | Commercial banks  Insurance companies | Planning stage/Implementation of projects | Useful |
| “Tumanyan Ashkharh” travel office | Communities, hotels, guest houses, restaurants and food service facilities | Implementation of projects, provision of services | Useful |

|  |  |
| --- | --- |
| **STRENGTH** | **WEAKNESS** |
| 1. Commercial banks - SME cooperation 2. “Tumanyan Ashkharh” travel office | 1. Absence of business associations in the Community 2. Infrequent meetings of the Community Mayor with the business environment |

* 1. **Business-friendly, Transparent and Corruption-Free Administration**

Apart from the Community Mayor’s meetings there is no other format of cooperation aimed at improvement of business environment towards business needs. There is no economic development council or a separate unit in the Municipality but since 2017 there has been a person in charge of economic development. Through the latter or other staff members of the Municipality information about national or donor programmes for business support submitted to the Municipality becomes accessible to the Community population. In particular, Community residents are informed about available programmes from announcements disseminated by the local TV company, billboards, social media and the Community's official website. The corresponding specialist of the Municipality also provides support in the development of business plans.

All the tenders announced by the Municipal Administration are published on relevant websites and all parties concerned can participate in the opening of bids. Community meetings are open for the public. Satisfactory conditions are created in the Community to be aware of community meetings and discussions, participate in them and come up with suggestions. To that end the official website of the Community, “Tumanyanakan ashkharh” (Tumanyan's World) newspaper, local “Ankyun+3” (Corner+3) TV company are used where detailed coverage of the activities performed by the Administration are presented. All the sessions of the Community Council are live streamed.

**Table 3. Growth Sectors (Sub-sectors) & their Challenges**

|  |  |
| --- | --- |
| **(Growth) Sector**  **(sub-sectors)** | **Main challenges likely requiring business support assistance** |
| Heavy industry | 1. Absence of modern technologies 2. Ecological problems |
| Tourism | 1. Unsatisfactory level of garbage disposal (lack of necessary machinery and resources) 2. Absence of guiding road signs 3. Poor condition of roads leading to main tourist destinations 4. Absence of tourist maps of the community |
| Agriculture | 1. Poor condition of irrigation pipelines or absence thereof 2. Extremely poor condition of roads linking rural districts and settlements, inter-village roads, and roads linking rural districts with pastures |

|  |  |
| --- | --- |
| **STRENGTH** | **WEAKNESS** |
| 1. Transparent competitive framework 2. Access to available information | 1. Absence of community development council or unit in the Municipality 2. Absence of other sources of information provision 3. Absence of means for the improvement of business environment |

* 1. **Access to Finance**

Information about existing financial resources for business development is not collected and provided to businesses. Enterprises expect to be provided with the list of potential sources of financial resources.

Five branches of banks and two branches of financial institutions operate in the Community. Banks operating in the Community provide loans to small and medium-sized enterprises of up to 100 million AMD (interest rate - 14%) with mortgage and 10 million AMD (interest rate - 21%) without mortgage. With the purpose of boosting agricultural development commercial banks offer agricultural loans at the interest rate of 5-6%. There are credit organisations in the Community that provide loans of up to 2 million AMD (at annual interest rate of 24%).

In the framework of Support to Start-up Businesses project of SME DNC financial support is possible in the form of lending of up to 5.0 million AMD with a maximum repayment period of 5 years, at the interest rate of 10%.

**Table 4. Access to Finance**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Institution/donor (including banks and other credit organisations)** | **Potential customers / beneficiaries** | **Preferred economic sectors/activity** | **Minimum and maximum amount required** | **Requirements**  **(mortgage, etc.)** |
| Commercial banks | SME  Community residents | Manufacturing, trade and service provision | Up to 100 mln. AMD  Up to 10 mln. AMD | Mortgage,  Guarantor |
| Credit organisations | SME  Community residents | Manufacturing, trade and service provision | Up to 2 mln. AMD | Mortgage,  Guarantor |
| SME DNC | NGOs, SME  Community residents | Tourism | Up to 5 mln. AMD | Business idea, experience, skills, knowledge and material resources |

| **STRENGTH** | **WEAKNESS** |
| --- | --- |
| 1. A big number of financial institutions that offer almost the entire spectrum of financial services available in the market | 1. No comprehensive information about sources of financing 2. Lending restrictions for start-up businesses 3. Very high interest rates of loans |

* 1. **Land and Infrastructure**

There is certain demand for workspace, land and infrastructures in the Community. The demand comes from enterprises of various sectors and size who want workspace with common facilities. In order to meet this demand the Municipal Administration started to register public and private buildings and constructions available and not used in the Community, as well as it plans to build a market in 2018 which will enable to sell out agricultural products (to develop agriculture). The Municipality does not have a list of unoccupied spaces and buildings with relevant descriptions to present to existing businesses and investors. But all the unoccupied spaces available in the Community need renovation and essential improvement of utility infrastructures. Businesses often lack adequate financial means for space rental and/or their renovation. The demand for irrigable land is also high in the Community.

**Table 5. Private Sector Needs in Area of Land and Infrastructure**

|  |  |  |
| --- | --- | --- |
| **Expressed private sector needs by type of infrastructure** | **Existing Provision in this segment** | **Indicative future requirements (within 6 years)** |
| Workspace for a company or individual entrepreneur | Unimproved workspaces | Improvement of available spaces |
| Irrigation of agricultural lands | 253.41 ha of non-irrigated lands | Rehabilitation of irrigation systems and construction of new systems |
| Business incubator (< 10 start-up /micro businesses, > 10 start-up /micro businesses) | None |  |
| Business/ Industrial park (fleet) | None |  |

|  |  |
| --- | --- |
| **STRENGTH** | **WEAKNESS** |
| 1. Availability of information about unoccupied spaces in the Community 2. Readiness of the Municipality to cooperate | 1. Deteriorated condition of available spaces 2. Poor condition of irrigation systems and/or complete absence thereof |

* 1. **Regulatory and Institutional Framework**

Service provision office for the residents is established in the Municipality as a result of which the services provided by the latter have improved. In particular, construction permit is issued within a short period (3 business days) and advertisement permits are issued within 5 business days. Despite recorded progress there are still some obstacles mainly associated with inaccuracies in databases. We work every day to correct those inaccuracies. The local authorities do not provide any deductions of local taxes and fees for start-up businesses

**Table 6. Regulatory and Institutional Framework**

|  |  |  |  |
| --- | --- | --- | --- |
| **Agreed Regulatory Challenges** | **High/ Low Negative Impact** | **Main public agency involved** | **Scope for local mitigation/improvement (details)** |
| Residents’ service provision office | low | MA | Quality improvement of provided services |
| Tax policy | high | MA  State Revenue Committee | Support to start-up businesses |
| Procedure of document circulation | low | MA | Possibility of online submission of documents |

| **STRENGTH** | **WEAKNESS** |
| --- | --- |
| 1. Residents’ service provision office  2. Equal conditions for accessibility | 1. Non-flexible system of local taxes and duties  2. Regulations are mostly beyond MA authority |

* 1. **Skills and Human Capital, Inclusiveness**

Pursuant to the Armenian legislation jurisdiction of the municipality in the field of education is restricted to preschool education and extracurricular activities. In 4 educational institutions (1 university, 2 colleges and 1 vocational school) education is moderately localised. Particularly in the copper smelter - the only large enterprise of the Community - specialists of high demand are trained.

Despite the fact that there are 3 vocational and 1 higher education institutions, there is still the challenge of workforce development in the Community.

Tourism sector developing year after year in the Community has given rise to a high demand for tour guides and service providers with the knowledge of foreign languages. Workforce development is required in almost all sectors. As per the data provided by Alaverdi Territorial Employment Center there are 453 registered unemployed people (2.5 % of the number of actual residents) in the Community, of which 7.7% are with higher education and 39.3% are with vocational education. The Employment Center conducts some training but it does not cooperate with the private sector. Considering the fact that the majority of the unemployed in the Community are not registered in the Territorial Employment Center, one can conclude that they have already lost any motivation to acquire new qualification and lost any hope to get a job.

There is discrepancy between workforce supply and demand. Coordination between municipal administration, business, educational and training institutions is at low level.

**Table 7.1. Skills Situation**

|  |  |  |  |
| --- | --- | --- | --- |
| **Sector**  (According to Table 1) | **Current Skills Situation**  (e.g. significant/slight shortage/mismatch/ excess to demand) | **Projected Future Situation**  (e.g. significant/slight shortage/mismatch/ excess to demand) | **Possible Directions for Action** |
| Agricultural production, forestry, fishing | Excess to demand | Slight shortage | Investments, rehabilitation of irrigation system and construction of a new irrigation system, professional training on horticulture and farming |
| Industrial manufacturing | Excess to demand | Slight shortage | Investments and expansion of existing businesses, addressing environmental problems by means of introduction of new technologies |
| Construction | Mismatch | Slight shortage | Investment projects |
| Transportation, storage, postal and delivery services | Slight shortage | Slight shortage | Investment projects |
| Organisation of accommodation and food service facilities | Mismatch | Slight shortage | Investment projects, organisation of foreign language courses |
| Information technologies | Mismatch | Slight shortage | Investment projects |
| Finances and insurance | Excess to demand | Slight shortage |  |
| Real estate business | Excess to demand | Slight shortage |  |
| Professional, scientific and technical activities | Excess to demand | Slight shortage |  |
| Administrative and support services | Mismatch | Slight shortage |  |
| Education | Excess to demand | Slight shortage | Reforms necessary in the sector |
| Health care and social service | Mismatch | Slight shortage | Trainings, investment projects |
| Culture, sport, entertainment and recreation services | Mismatch | Slight shortage | Investment projects |
| Other services | Mismatch | Slight shortage | Investment projects |

**Table 7.2. How the Local Area is Organised to Balance Required Skills and Employment Opportunities – System Analysis**

|  |  |  |  |
| --- | --- | --- | --- |
| **Strengths in Current Ways of Working** | **Degree of Importance (1-5)** | **Weaknesses in Current Ways of Working** | **Degree of Importance (1-5)** |
| Availability of Territorial Employment Center | 5 | No vacancy announcements | 5 |
| Requirements presented by employers | 5 | Non-transparency of presenting the demand | 5 |
| Vocational trainings and extension activities | 5 | Irregular organisation | 5 |
| Existence of vocational and higher educational institutions | 5 | Mismatch between trained human resources and the demand | 5 |
| **Possible Improved Ways of Working** | | | |
| Cooperation between the Employment Center and employers. | | | |
| Coordination between municipal administration, business, educational and training institutions. | | | |

* 1. **External Positioning and Marketing**

The main sectors of economic development of Alaverdi Community are manufacturing industry, agriculture and tourism.

Rich interior of the earth of the Community and the region give an opportunity for expansion of activities of the copper smelter.

Year after year Alaverdi is becoming an attractive place for residence, work and tourism. The Municipality improves infrastructures, increases green areas, establishes parks and gardens, playgrounds and sports grounds. The existing museum and historical-cultural monuments of the Community, improvement of service provision at the hotels and guest houses, annual festival organised in the Community have resulted in gradual increase of tourist flow. “Tumanyan Ashkharh” travel office had its great role in the development of tourism.

Location of the Community is important from the perspective of business development and attracting new businesses. The Community borders Georgia (distance from the border is 43 km) (approximately 300 km from the border of the Russian Federation) which is a significant advantage for export of any product to neighboring countries.

The Community does not have a developed brand, slogan and community marketing strategy, moreover, no community marketing campaigns are carried out.

**Table 8. How the Local Area is Perceived by Its Citizens**

|  |  |  |  |
| --- | --- | --- | --- |
| **Likes/Perceived Strengths in the Image we Project Externally** | **Degree of Importance (1-5)** | **Dislikes/Perceived Weaknesses in the Image we Project Externally** | **Degree of Importance (1-5)** |
| Geographic location of the community | 5 | Poor infrastructures of the villages | 4 |
| Improving infrastructures | 4 | Difficulties with consumption of local production | 5 |
| International festival organised in the Community | 5 | Absence of tour packages | 5 |
| Transparent and adequate governance | 5 | Community-private sector partnership | 5 |
| **Possible Actions that could easily be Considered** | | | **Led by** |
| Use networks in the country and with twin towns by the Community Mayor to establish new markets and possibilities of business partnerships | | | MA |
| Organise business forums | | | MA |

| **STRENGTH** | **WEAKNESS** |
| --- | --- |
| 1. Geographic location 2. Improving infrastructures 3. Prerequisites necessary for tourism development in the Community | 1. Absence of a Community marketing strategy 2. Lack of public-private partnership |

1. **SWOT Analysis**

|  |  |  |  |
| --- | --- | --- | --- |
| **Strengths** | | **Weaknesses** | |
| * Rich historical and cultural heritage including Sanahin and Haghpat monastery complexes listed as UNESCO World Heritage Sites and the historical (Stone) bridge of Sanahin. * Favourable opportunities for the development of ecotourism, adventure tourism and agrotourism due to climatic conditions (green areas, forests) of the Community * Rich sports and cultural traditions * Experience and traditions of industrial infrastructures and manufacturing * Armenia-Georgia interstate highway passes through the Community due to which constant link with the regional center and the capital is ensured by buses and minibuses * Tbilisi-Yerevan railroad - the major “vein” of railway communication of Armenia - passes through the Community * Friendly and hospitable people which ensures high level of public safety | | * Poor condition of roads, especially those leading to places of touristic interest * Mismatch between jobs offered in the job market and professional qualifications of those in search of jobs * Absence of irrigation systems in rural areas * Absence of jobs and recreation areas for the youth * Non-flexible system of local taxes and duties * Poorly developed agriculture * Migration of the youth and intellectual brain drain * Poor condition of centralised drainage and sewerage system of Alaverdi and complete absence thereof in rural communities * High level of depreciation of housing stock and communications | |
| **Opportunities** | **Threats** | |
| * Existence of twin towns * Existence of the travel office * Existence of place of interest for tourists (rich historical-cultural heritage) * Availability of forests rich with ornamental trees, berries and medicinal herbs which will allow to organise forest therapies and thus boost tourism development * Favourable climatic conditions * Favourable geographic location * Real perspective of organising multi-sector and diversified economy * Availability of household waste dumps and perspective of its classification and processing | * Ecological problems, absence of utilisation of manufacturing emissions * Poor property and technical base of service providing organisations as well as morally and physically depreciated stock of capital assets * Poor MA-private sector partnership * Risks of floods due to poor condition of storm drains or complete absence thereof * Risk of landslides (residential area of Kachachkut village is situated on landslide tongues) * Geographic location (risk of falling rocks typical of mountainous area) | |

1. **Vision and Objectives**

**Vision**

Alaverdi is a clean and prosperous community where people have equal opportunities, its residents do not wish to leave their town because they have jobs and stable social conditions. There is a responsible, liberal, law-abiding and demanding society, free economic zone, modern and open educational environment, lively sport and cultural life, and a desired corner for investors and tourists.

**Strategic Goals**

1. Ensure development of mining industry, agriculture and tourism
2. Improved public systems and infrastructures contributing to the development of the Community
3. Boost and leverage local and foreign investments, state funding and other activities
4. Improved social-economic conditions for the population

**Key objectives**

1. Boost investments in tourism sector
2. Address problems related to irrigation and agricultural machinery in the Community

**Action Plan**

**Table 9. Action Plan**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Building blocks** | **Key Objectives** | **Actions /**  **Projects ideas** | **Duration**  **(start/finish)** | **Partners**  **involved** | **Estimated costs** | **Monitoring indicators/ Output indicators and targets** | **Outcomes /**  **Result indicators and targets** |
| Skills and Human Capital  Land and Infrastructure, External Positioning and Marketing | 1. Boost investments in tourism sector | 1.1. Organisation of trainings, capacity building and advancement opportunities | 01.01.2019-31.12.2020 |  |  |  | Increase the number of tourists visiting the Community to 300,000 in 2021 |
| 1.2. Creation of hiking trails and recreation areas | 01.01.2019-31.12.2020 |  |  | Two recreation areas and hiking trails of over 10 km-long will be created | Over 20 new jobs created |
| 1.3. Organisation of an international festival | 01.08.2018-01.12.2018; 01.08.2020-01.12.2020 |  |  | One festival will be organised in 2018 and one in 2020 |  |
| Land and Infrastructure | 2. Address problems related to irrigation and agricultural machinery in the Community | 2.1. Rehabilitation of irrigation systems and construction of new systems | 01.01.2019-31.12.2020 |  |  | 1.5 km-long irrigation system will be rehabilitated and 2 km-long system will be constructed | Increase of cultivated land areas by 30% |
| 2.2. Establishment of agricultural machinery fleet | 01.01.2019-31.12.2020 |  |  | Agricultural machinery fleet with 4 pieces of machinery |
| 2.3.Construction of an agricultural market | 01.09.2018-01.01.2019 |  |  | Agricultural market with 15 stands |

**Table 10. Internal Monitoring Plan of Actions presented in Table 9**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Actions / Projects ideas** | **Duration (start/finish)** | **Expected results**  **1st-6th months** | **Expected results**  **6-12th months** | **Expected results**  **12-18th months** | **Expected results**  **18-24th months** |
| 1.1. Organisation of trainings, capacity building and advancement opportunities | 01.01.2019-31.12.2020 | One training conducted with 5 participants trained | One training conducted with 10 participants trained | One training conducted with 10 participants trained | One training conducted with 10 participants trained |
| 1.2. Creation of hiking trails and recreation areas | 01.01.2019-31.12.2020 | A group comprised of 5 members was formed to deal with selection of hiking destinations and mapping | 5 km-long trails established | 5 km-long trails established | 2 trails established |
| 1.3. Organisation of an international festival | 01.08.2018-01.12.2018; 01.08.2020-01.12.2020 | - | - | “Theatrical Lori” international festival held | - |
| 2.1. Rehabilitation of irrigation systems and construction of new systems | 01.01.2019-31.12.2020 | - | 0.4 km-long irrigation system rehabilitated | 1.1 km-long irrigation system rehabilitated | 2 km-long irrigation system constructed |
| 2.2. Establishment of agricultural machinery fleet | 01.01.2019-31.12.2020 | - | - | 4 pieces of machinery purchased | - |
| 2.3.Construction of an agricultural market | 01.09.2018-01.01.2019 | Agricultural market with 15 stands will be constructed | - | - | - |

1. **Financing Scheme**

**Table 12. Financing Scheme**

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| --- | --- | --- | --- | --- | --- | --- | --- |
| **Actions** | **Estimated costs** | **Source of financing** | | | | **Funding gaps** | **Remarks** |
| **Local budget** | **Upper level budgets** | **Business** | **Donors** |
| 1. Boost investments in tourism sector | 64,910,000 | V | V | V | V | V |  |
| 2. Address problems related to irrigation and agricultural machinery in the Community | 169,500,000 | V | V | V | V | V | Projects with a total cost of approximately 10 million AMD will be implemented by Alaverdi Municipal Administration |

**ANNEXES**

**Հավելված 1. Գործողությունների նկարագրություն**

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| **Գործողությունների նկարագրություն** | |
| **Անվանում** | Արահետների, հանգստյան գոտիների ստեղծում |
| **Առաջատար գործընկեր** |  |
| **Մասնակից գործընկերներ** |  |
| **Մեկնարկի ամսաթիվ** |  |
| **Տևողություն** | 01.01.2019-31.12.2020թթ. |
| **Ընդհանուր գնահատված ծախս** |  |
| 1. **Կապիտալ ծախսեր (եթե կան)** |  |
| 1. **Այլ ծախսեր (եթե կան)** |  |
| **Ֆինանսավորման աղբյուրներ (եթե հայտնի են)** |  |
| **Արդյունք (անհրաժեշտության դեպքում՝ ցուցիչներ)** | Կստեղծվեն 2 հանգստի գոտիներ և ավելի քան 10 կմ երկարությամբ արահետներ |
| **Վերջնարդյունք՝ ցուցանիշներով** | Ստեղծված ավելի քան 20 նոր աշխատատեղ |
| **Պլանավորված նպատակներ, որոնց իրագործմանը նպաստելու է գործողության իրականացումը** | Խթանել զբոսաշրջության ոլորտում ներդրումները |
| **Գործողությանն առնչվող հիմնասյուները** | Հմտություններ և մարդկային կապիտալ  Հող և ենթակառուցվածքներ, Արտաքին դիրքավորում և մարքեթինգ |

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| **Գործողությունների նկարագրություն** | |
| **Անվանում** | Միջազգային փառատոնի կազմակերպում |
| **Առաջատար գործընկեր** |  |
| **Մասնակից գործընկերներ** |  |
| **Մեկնարկի ամսաթիվ** |  |
| **Տևողություն** | 01.08.2018-01.12.2018թթ.,  01.08.2020-01.12.2020թթ. |
| **Ընդհանուր գնահատված ծախս** |  |
| 1. **Կապիտալ ծախսեր (եթե կան)** |  |
| 1. **Այլ ծախսեր (եթե կան)** |  |
| **Ֆինանսավորման աղբյուրներ (եթե հայտնի են)** |  |
| **Արդյունք (անհրաժեշտության դեպքում՝ ցուցիչներ)** | 2018 և 2020 թվականներին կկազմակերպվի մեկ փառատոն |
| **Վերջնարդյունք՝ ցուցանիշներով** |  |
| **Պլանավորված նպատակներ, որոնց իրագործմանը նպաստելու է գործողության իրականացումը** | Խթանել զբոսաշրջության ոլորտում ներդրումները |
| **Գործողությանն առնչվող հիմնասյուները** | Հմտություններ և մարդկային կապիտալ  Հող և ենթակառուցվածքներ, Արտաքին դիրքավորում և մարքեթինգ |

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| **Գործողությունների նկարագրություն** | |
| **Անվանում** | Ոռոգման համակարգերի վերանորոգում, նոր ոռոգման համակարգերի կառուցում |
| **Առաջատար գործընկեր** |  |
| **Մասնակից գործընկերներ** |  |
| **Մեկնարկի ամսաթիվ** |  |
| **Տևողություն** | 01.01.2019-31.12.2020թթ. |
| **Ընդհանուր գնահատված ծախս** |  |
| 1. **Կապիտալ ծախսեր (եթե կան)** |  |
| 1. **Այլ ծախսեր (եթե կան)** |  |
| **Ֆինանսավորման աղբյուրներ (եթե հայտնի են)** |  |
| **Արդյունք (անհրաժեշտության դեպքում՝ ցուցիչներ)** | Կվերանորոգվի և կկառուցվի համապատասխանաբար 1,5կմ և 2 կմ երկարությամբ ոռոգման համակարգեր |
| **Վերջնարդյունք՝ ցուցանիշներով** | Մշակվող հողերի ծավալի մեծացում 30%-ով |
| **Պլանավորված նպատակներ, որոնց իրագործմանը նպաստելու է գործողության իրականացումը** | Լուծել համայնքում ոռոգման և գյուղտեխնիկայի խնդիրները |
| **Գործողությանն առնչվող հիմնասյուները** | Հող և ենթակառուցվածքներ |

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| **Գործողությունների նկարագրություն** | |
| **Անվանում** | Գյուղատնտեսական տեխնիկայի պարկի ստեղծում |
| **Առաջատար գործընկեր** |  |
| **Մասնակից գործընկերներ** |  |
| **Մեկնարկի ամսաթիվ** |  |
| **Տևողություն** | 01.01.2019-31.12.2020թթ. |
| **Ընդհանուր գնահատված ծախս** |  |
| 1. **Կապիտալ ծախսեր (եթե կան)** |  |
| 1. **Այլ ծախսեր (եթե կան)** |  |
| **Ֆինանսավորման աղբյուրներ (եթե հայտնի են)** |  |
| **Արդյունք (անհրաժեշտության դեպքում՝ ցուցիչներ)** | Գյուղտեխնիկայի պարկ 4 անուն տեխնիկայով |
| **Վերջնարդյունք՝ ցուցանիշներով** | Մշակվող հողերի ծավալի մեծացում 30%-ով |
| **Պլանավորված նպատակներ, որոնց իրագործմանը նպաստելու է գործողության իրականացումը** | Լուծել համայնքում ոռոգման և գյուղտեխնիկայի խնդիրները |
| **Գործողությանն առնչվող հիմնասյուները** | Հող և ենթակառուցվածքներ |

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| **Գործողությունների նկարագրություն** | |
| **Անվանում** | Գյուղմթերքի շուկայի կառուցում |
| **Առաջատար գործընկեր** |  |
| **Մասնակից գործընկերներ** |  |
| **Մեկնարկի ամսաթիվ** |  |
| **Տևողություն** | 01.09.2018-01.01.2019թթ |
| **Ընդհանուր գնահատված ծախս** |  |
| 1. **Կապիտալ ծախսեր (եթե կան)** |  |
| 1. **Այլ ծախսեր (եթե կան)** |  |
| **Ֆինանսավորման աղբյուրներ (եթե հայտնի են)** |  |
| **Արդյունք (անհրաժեշտության դեպքում՝ ցուցիչներ)** | Գյուղմթերքի շուկայի առկայություն 15 տաղավարներով |
| **Վերջնարդյունք՝ ցուցանիշներով** | Մշակվող հողերի ծավալի մեծացում 30/%-ով |
| **Պլանավորված նպատակներ, որոնց իրագործմանը նպաստելու է գործողության իրականացումը** | Լուծել համայնքում ոռոգման և գյուղտեխնիկայի խնդիրները |
| **Գործողությանն առնչվող հիմնասյուները** | Հող և ենթակառուցվածքներ |