DEVELOPING A NATIONAL STRATEGY FOR SANITATION IN ARMENIA

Principles for a sanitation strategy

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The need to develop a sanitation strategy
What investments are needed?
Options for market structure reforms
Steps for associated reform process
Reforming the sector financing arrangements
Next steps for developing a national strategy for sanitation
The need to develop sanitation strategy

• First generation reforms – improvement of water supply
• Second generation reforms – sanitation, wastewater treatment
• Decision of the 11th meeting of the NPD Steering Committee to develop principles for sanitation strategy in Armenia (2003)
• Approved in the 12th meeting of the NPD Steering Committee in Armenia (2004)
What type of investments are needed?

- **Achieve universal coverage with “improved” sanitation.** Universal sewerage will not be achievable: an improved on-site sanitation standard needs to be defined (and enforced) with strengthened faecal sludge management.

- **Invest in new wastewater treatment facilities**
  Emphasis should be placed on investing in wastewater treatment in areas of pollution “hotspots” and via decentralised and local treatment solutions with low energy consumption or with solutions that emphasise energy recovery.

- **Promote re-use of treated wastewater for irrigation and of (partially) treated faecal sludge from on-site sanitation**

- **Accompanying reforms and “software measures”** (such as demand promotion, support to planning at LSGB level, any institutional measures, etc.) will also generate costs.
Reform objectives and types of reforms covered

• **Generate economies of scale and scope** and reduce both investment and operational costs for the efficient delivery of sanitation services.

• **Move towards sustainable cost recovery for the sanitation sector**, by identifying how much funding can be mobilised from within the sector and how much external transfers are required.

• **Ensure equitable access by all** and identify solutions that work for the poorest and most remote communities.
Market structure reforms
Modes of supply

1. Water + sewerage from a WSC: all urban and a few villages
2. Water from a WSC and sewerage from LSGBs: 13 villages
3. Water and sewerage from LSGBs (4 villages, e.g. Nor Hachyn)
4. Water from a WSC and on-site sanitation
5. Water from LSGBs and on-site sanitation: most frequent (half of TUs)
6. Water from LSGB and on-site sanitation
Current structure: a fragmented market (2)
Steps for reform

• Systematic audit of the water and sanitation conditions of the 930 Territorial Units

If resources do not allow such inventory, a series of in-depth case studies on the existing situation for TUs in each of the 6 modes of supply would be useful to further define potential options. For modes 2 and 3, which are very rare, a detailed analysis of the situation in each village will be necessary.

• Introduce incentives (or obligations) for WSCs to serve new territorial units with sewerage services or to supervise the delivery of on-site sanitation services

• Foster inter-municipal cooperation for wastewater projects (and potentially other services, such as water, solid waste or other locally-provided services)
Reforming the sector’s financing arrangements
Generating additional revenues from service users

- **Domestic users**
  - Increase wastewater tariffs to cover a higher percentage of O&M costs so as to increase sustainability of service delivery
  - Modify tariff structures to alleviate the social impact of tariff increase

- **Non-Domestic users**
  - Consider introducing differentiated tariffs for non-domestic (and particularly industrial) users, with reasonable level of cross-subsidies with household tariffs
  - Introduce “extra strength” tariffs to reflect the pollution load that industrial users are discharging into the sewerage system

- **Self-Provision**
  - Investigate the drivers for household investments into on-site sanitation and design interventions to promote these investments
  - Organise faecal sludge management sector and start implementing scheduled emptying services for on-site sanitation
Mobilising public funding and improving the efficiency of funding

- Allocate a greater proportion of central government funds to sanitation through capital subsidies (this will require strong political will)

- Attract international donor funding in the form of soft loans and grants in a coordinated manner based on the national sanitation strategy

- Establishing the *Armenia National Sanitation Fund (ANSF)* to provide consolidated funding for:
  - Construction or rehabilitation of new sewerage networks and wastewater treatment facilities
  - Support to WSCs and LSGBs to strengthen faecal sludge management activities
Next steps:
Towards the development of national sanitation strategy (NSS)
Develop a strong information base on sanitation services

An inventory of water and sanitation management arrangements for each territorial unit in the country should be prepared to inform reforms of the sanitation sector.

- **Existing forms of sanitation services**: What services are provided in the locality (water, on-site sanitation, sewerage services) and by which legal entities?

- **For sewerage services**: What is the number of sewerage connections, the length and diameter of sewerage pipes and their state of repair? What are the costs of service provision and how are those costs financed? Etc.

- **For on-site services**: which types of on-site sanitation facilities are in place? How much did these facilities cost and who has paid for them? How much have households invested themselves and did they get any financial support for doing so?
Define a sanitation-specific national strategy with action plans

Key points to be developed in the strategy

• Present a summary evaluation of the national context and current problems (completed in 2014)

• Define targets in terms of sanitation coverage and levels of service at all steps of the value chain, based on a financial analysis of likely investment needs together with an evaluation of where funding is likely to come from

• Further define the legal and regulatory framework on sanitation, wastewater collection, sludge treatment, treated wastewater and sludge reuse

• Develop and adopt economic incentives for wastewater treatment process

• Revise the method for calculating charges related to the discharge of treated wastewater into surface water basins
Reflect the strategy into the legal and contractual frameworks

The national sanitation strategy will provide a basis for reforming the legal framework for sanitation i.e. developing a unified and comprehensive legal act to regulate the sanitation sector.

This could be done through a separate legal Act or through a new Chapter in the Water Code of the Republic of Armenia.

Approaches of EU WFD (for delineation of water bodies and assessment of sensitive water bodies) and EU UWWD (agglomerations approach) shall be incorporated in the strategy.
Thank you for your attention!