

## Data Sheet

<b>USAID Mission:</b>	Armenia
<b>Program Title:</b>	Energy Sector Reform
<b>Pillar:</b>	Economic Growth, Agriculture and Trade
<b>Strategic Objective:</b>	111-0150
<b>Proposed FY 2004 Obligation:</b>	\$9,900,000 FSA
<b>Prior Year Unobligated:</b>	\$7,439,000 FSA
<b>Proposed FY 2005 Obligation:</b>	\$8,900,000 FSA
<b>Year of Initial Obligation:</b>	FY 1999
<b>Year of Final Obligation:</b>	FY 2008

**Summary:** USAID's energy and water sector program includes training and technical assistance to: achieve energy security not based on unsafe nuclear power; provide critical economic infrastructure for growth and jobs; and ensure reliable and affordable access to essential utilities for all Armenians. USAID's program provides technical assistance to foster the development of water and energy utility governing bodies and the delivery of safe, reliable, affordable, and accessible public utilities. The program supports President Bush's sustainable development initiatives for clean energy, water for the poor, and global climate change.

### Inputs, Outputs, Activities:

#### FY 2004 Program:

Improved Performance of Institutions for Sustainable Energy and Water Management (\$2,240,000 FSA, \$2,657,600 FSA carryover). USAID will provide technical assistance, training, and commodities support to selected private sector and Government of Armenia (GOAM) counterparts, energy and water service companies, condominium associations, NGOs, and other civil society stakeholder organizations. Technical assistance and training will strengthen the Natural Monopolies Regulatory Commission's capacity to maintain cost-based tariffs and to formulate and effectively monitor enforcement of the power market and its members. USAID will support legislative and institutional strengthening for effective and balanced water management at the national and basin levels. Principal contractors: PA Consulting (Prime) and Associates in Rural Development (Prime).

Improved Delivery of Heat and Water Supply (\$5,055,000 FSA, \$3,916,710 FSA carryover, \$141,750 FSA prior year recoveries). In order to improve the quality of services delivered to customers, USAID will continue collaborating with the World Bank and coordinating its assistance to the GOAM. USAID support will continue supplying a limited number of water meters to wholesale water supply companies. USAID will provide technical assistance to enhance accounting and customer billing and information systems. Wholesale water suppliers will be better able to effectively manage bulk water supplied to irrigation and drinking water distribution companies and to gauge their readiness to develop enhanced commercial operations in support of eventual privatization. USAID will also continue its assistance to energy sector companies in the areas of customer billing and information systems as well as use of international accounting standards. Principal contractors/grantees include Associates in Rural Development and Development Alternatives, Inc.

Increased Energy Security (\$2,605,000 FSA, \$722,500 FSA carryover). USAID will provide technical assistance, training, and commodity support to facilitate efficient and environmentally sound energy and heat supply systems management. Working with key GOAM and other sector stakeholders, USAID will help to put in place policies promoting environmentally sound energy use. USAID support will facilitate development of energy efficiency projects, minimizing expensive new generation investments. Increasing Armenia's energy security also involves developing the country's substantial renewable energy resources. USAID will assist in successful demonstration of how these resources can contribute to the country's

energy security. Principal contractors: PA Consulting (Prime), Advanced Engineering Associates International (Sub), National Renewable Energy Laboratory (Sub).

**FY 2005 Program:**

Improved Performance of Institutions for Sustainable Energy and Water Management (\$1,840,000 FSA). USAID will provide assistance to energy and water management regulatory institutions to further strengthen their abilities to enhance effective resource management and commercial operation in the private sector as well as promote public access to information and participation in decision-making proceedings. USAID plans to provide technical assistance to a civil society “watchdog” consortium of GOAM regulatory and management bodies. Transmission, dispatch, and settlements operations will establish independent governance structures to mitigate political interference. USAID will work with condominium associations and other private heating consumers to increase their cooperation with local and national governments to develop heating systems policies. Implementers: to be determined.

Improved Delivery of Heat and Water Supply (\$4,655,000 FSA). USAID will support the pilot deployment of various heat supply alternatives, such as central heating rehabilitation and modernization, co-generation, small heat-only boilers for apartment blocks, and conversion to direct natural gas. The pilots will determine cost, management, and environmental benefits in different residential and commercial scenarios. Customer information, billing, collection, and service capabilities of municipal organizations, condos, and similar private entities will be supported. USAID plans to assist Armenian entities responsible for promulgating health, safety and environmental standards in heat and energy supply to assess which technologies best meet these objectives. USAID will work with water supply companies to improve financial and customer information management systems and to support the establishment of required implementation standards. Implementers: to be determined.

Increased Energy Security (\$2,405,000 FSA). USAID will continue technical assistance, training, and commodity support to private and public institutions to make the management of energy and heat supply systems more efficient and environmentally sound. Program resources will focus on institutions that provide services using energy resources, commit to improve transparency and governance, and provide technical assistance to identify and implement activities that reduce waste, manage demand growth, increase supply, and improve the quality of service delivery. Implementers: to be determined.

**Performance and Results:** USAID's policy activities contributed to increased efficiency and transparent operation of the energy and water sectors. With the completion of the privatization of the electricity distribution company in 2003, electric sector collected-income as a percent of approved revenue-requirement exceeded the 2003 target of 89%, reaching 92%. Use of USAID-provided electricity meters and the data acquisition system reduced financial losses by nearly 70%, from \$49 million in 2002 to \$15 million in 2003. USAID energy efficiency pilot projects achieved demonstrated savings of 1.98 MW as a foundation for future expansion of energy efficiency development. USAID work in renewable energy led to the completion of the Armenia Wind Atlas in March 2003. This atlas identifies wind resources for future development with results provided to all local counterparts and interested donors.