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**COMMUNITY-BASED ECONOMIC DEVELOPMENT STRATEGY FOR  
LOCAL GOVERNMENTS IN ARMENIA:  
A CASE STUDY FROM THE CITY OF IJEVAN**

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# **COMMUNITY-BASED ECONOMIC DEVELOPMENT STRATEGY FOR LOCAL GOVERNMENTS IN ARMENIA: A CASE STUDY FROM THE CITY OF IJEVAN**

## **EXECUTIVE SUMMARY**

In the last several years, there has been growing interest in expanding economic activity throughout Armenia. With the assistance of international donors and lenders, the Government of Armenia has prepared a national Poverty Reduction Strategy Paper (March 2001) and various ministerial action plans to encourage development of specific economic sectors (mineral extraction, computer programming, and others). In addition, donors have provided technical assistance to establish economic development planning models at the regional or marz level, and technical methodologies based on economic analyses, such as a proposal to coalesce rural areas into administratively and economically sustainable entities (inter-community unions).

Despite this focus on economic development (ED), there has been almost no guidance for municipal government officials on how to encourage economic growth at the local level. Until now, local governments have prepared only the 3-year development plans mandated by the Armenian Local Self-Government Law, and these generally have consisted of little more than a “wish-list” for capital projects to be funded by the national government and reflections of local election promises. The dearth of local economic planning has two primary causes: (1) local communities are not seen as independent economic entities, since municipalities have severely constrained revenue-generating power, even under the Local Self-Government Law, and (2) many Armenian policy makers and even international advisors fail to see how local-based economic activities can contribute to the well-being of the country as a whole.

This paper describes a project that created a model planning strategy for community-based economic development (CBED) for municipalities in Armenia. During 2002, the project was implemented on a pilot basis in the cities of Ijevan and Alaverdi by the Urban Institute for the USAID-sponsored Local Government Program. The goal of the project was to develop a strategic planning model and implementation tools that could be used by local officials, citizens and entrepreneurs, and that could be replicated in other cities.

The CBED model is aimed at cities with a population of greater than 5,000. Smaller units of local government may undertake the process, but the level of available resources will tend to limit actions that can be carried out solely at the local level, i.e., without dependence on funds or guidance from regional or national departments or agencies. The CBED strategy is an action-oriented effort designed to be undertaken completely by the initiating community.

### **Approach**

ED specialists stress that expansion of business activity already operating within a community is the most effective way to encourage local economic growth. The first and perhaps the most important step is to look within the community to see how existing and prospective efforts can be supported by local interested parties – local government, citizens, NGOs and businesses. The CBED strategy is thus truly community-based in that it emphasizes the need to coordinate the

efforts of all groups within the community and to leverage their resources whenever the opportunity to do so arises.

The following steps were taken to implement the project in each pilot city:

- Consultants met with the Mayor and other city officials to outline the project and its anticipated benefits
- A Steering Committee was established with public and private representation (Mayor's staff, local council, business leaders and community representatives)
- Research was conducted to ascertain baseline data on the community and its business activities
- Key economic issues and factors in the local business environment were identified through a questionnaire circulated throughout the local business community
- A SWOT analysis was performed
- The Steering Committee adopted an overall vision for ED in the city, along with critical strategic objectives needed to reach the vision and specific tasks necessary to meet each strategic objective
- The City adopted an Economic Development Action Plan for years 2003 – 2006, with assigned tasks for implementation and indicators of success

Three workshops were presented during the project: the first on development of an ED strategy, the vision for the program, and the SWOT analysis; the second on defining the critical strategic issues and indicators of success; and the third on finalization of tasks and activities for implementing the strategy.

This paper describes the Economic Development Action Plan adopted by the City of Ijevan. Specifically, it includes a narrative description of the project and the following information:

- the Baseline Study and local economic data, including survey results
- the vision statement
- the SWOT analysis
- the critical issues identified
- the action plan
- an implementation and monitoring plan
- materials and power points slides from each of the three workshops

### **Immediate and Intermediate Actions under the CBED Strategy**

During the SWOT analysis and the subsequent listing of critical issues, specific actions were identified that local officials and community members could work on immediately, emphasizing those that local groups could do on their own initiative. Other areas that are more dependent on external actions, such as marz and national government funding to rehabilitate major highways, or passing enabling legislation to support increased economic activity, were identified and made part of the near-future (3-5 years) plan.

## **Broader Policy Perspectives**

Promoting Local Independence. One of the goals of establishing an ED strategy was to demonstrate to the community that it need not sit idle until the national and regional governments established their economic development plans. Thus, the process of developing the strategy was part of a “mindset” change for local government officials – to encourage them to think of their community as an economic entity independent of the state and region.

Improving Chances for Capital Investment Funding. Another goal was to establish a tool that local government officials could use to seek capital investment funding. By incorporating the community’s capital investment needs and plans in the process, an ED strategy makes it more likely that national and regional investments will be consistent with local thinking.

Increased Likelihood of Donor Support. It is unrealistic to think Armenia will achieve economic stability and independence in the near future. Some donors have stressed that they could maximize their contribution to the economy of Armenia if their assistance were targeted to meet local as well as regional and national priorities. An improved CBED strategy, linked to a capital investment program, will clarify and strengthen a municipality’s requests for financial and technical support. By combining the CBED strategy with more detailed fiscal analysis, the community can make proposals that properly address issues of feasibility and sustainability.

## **1. OVERVIEW OF THE IJEVAN ECONOMIC DEVELOPMENT PROJECT**

### ***1.1 Background***

As a result of political and economic transformation, Local Government Units in Armenia need to adopt a strategic approach to municipal management and to develop activities to influence local economic development. The objective of the work described in this report was to present to municipal officials, citizens and entrepreneurs in the City of Ijevan, Armenia an Economic Development Strategy for the next 3 to 5 year period (2003 to 2006).

Key goals of the program were to increase the capacity of municipal officials, citizens and entrepreneurs in the City to use the strategic planning process to develop a long-term vision of City activities that will lead to growth of the local economy, and to prepare, implement and monitor the necessary action plan to achieve the vision.

The program to prepare the Economic Development Strategy was a co-operative effort between consultants from the USAID- funded Local Government Project, implemented by The Urban Institute, city officials and members of the community. The preparation of the ED Strategy was carried out during July and September 2002.

This document presents the following:

- Methodology used to prepare the Economic Development Strategy.
- Vision Statement for the City of Ijevan and targets that have to be attained to achieve the Vision.
- Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis.

- Critical Strategic Issues that need to be addressed to achieve the Vision.
- Tasks that need to be performed to address the Critical Strategic Issues.
- An Action Plan to complete the tasks that are necessary to solve the Critical Strategic Issues.

## ***1.2 What Is Local Economic Development?***

Definition—Among many definitions found, the most appropriate reads:

*“Local economic development is a process during which local government improves citizens’ quality of life, which creates a new community and stimulates economic progress.”*

Local government attains this goal by:

- Supporting the private sector, as it has a fundamental role in stimulating economic progress.
- Using local resources effectively.
- Promoting the creation of new jobs.
- Managing public funds effectively.

Local economic development is a predictable process, planned and implemented together by the private sector, public sector and local government from compatible actions and programs. It is a process that influences prosperity of the local government and the community. Therefore, the local government’s role is to enable the use existing resources in a variety of fields to foster economic development. There are several factors that increase the probability of a successful economic development strategy:

- Knowledge of strengths and weaknesses in the local economy and its hidden assets.
- Leadership that unites human resources, knowledge and funds of the local government, community and the private sector in order to meet common goals. Local government is not capable to succeed in economic development on its own. Therefore, cooperation among three sectors is required.
- Delivery of assistance and/or services in those areas where individual industries and institutions do not meet local government’s needs. Public sector efforts should not substitute the private sector in the area where the private sector wants and is capable of undertaking the necessary actions and investments.

## ***1.3 Who Supports Local Economic Development?***

Economic development is a result of cooperation among the following partners: public sector, private sector, and local government. Local governments are fundamental institutions supporting local economic development. They have the following roles in the economic development process:

- Leaders in development of comprehensive policies regarding local economies.
- Administrators of economic policies, programs, and projects.
- Initiators of economic development programs through distribution of public funds, investment incentives, creation and retention of a favorable economic environment

that stimulates growth in entrepreneurship, promotion of industry, small and medium businesses, local regulations.

Moreover, local governments are also responsible for the development of local infrastructure, municipal services and other elements related to the economic environment. Finally, local governments provide the private sector with important information about investment possibilities, regulations, services and available funds.

Fundamental issues in local economic development are:

- Assistance in establishment of new businesses.
- Development retention and expansion of existing businesses.
- Attraction of new investors *because entrepreneurship is the engine of economic growth.*

The role of a local government in promoting economic development is limited by the State's economic strategy and economic priorities of the Marz authorities. However, local governments may actively influence their current and future prosperity through creation of conditions for new businesses, development of the existing ones, and attraction of outside investors. These conditions include:

- Local legal and tax system: the system should give financial incentives for the local private sector and outside investors; it should be stable and transparent.
- Land management: quick and reliable inventory of municipal resources, efficient solving of legal problems before sale, lease or establishment of a public private partnership, rational selection of land management methods and criteria that investors have to meet.
- Spatial planning: general spatial plan should clearly define principles of spatial policies in relation to the adopted economic development strategy and promoted businesses, environment preservation, development of local economic zones.
- Professional and transparent operation of the municipal office for local and outside investors, efficient procedures for formalities, easy access to information.
- Support of local government for civic initiatives and entrepreneurial operations.
- Active participation in aid programs which may result in strengthening a professional approach to operation, using international funds to finance infrastructure development in municipalities.

All of the above conditions are defined as a favorable economic environment that attracts investors. Successful investment projects create jobs, increase citizens' income and public funds and, improve the fiscal capacity of local governments. Therefore, the role of a local government in promoting economic development should achieve four objectives:

- Prosperity of the community
- Stable financial situation of the local government
- Delivery of quality public services
- Optimal utilization of geographical location, natural environment, cultural assets, etc.



The above-mentioned elements influence the economic environment that is evaluated by investors.

## 2. BACKGROUND INFORMATION ON TARVUSH MARZ AND IJEVAN CITY

Tables 1 and 2 below present background information on the Republic of Armenia, Tavush Marz and Ijevan City.

**Table 1: Republic of Armenia and Tavush Marz Background Information**

Republic of Armenia	Tavush Marz
<ul style="list-style-type: none"> <li>• Armenia is a land locked country sandwiched between Turkey to the west and Azerbaijan to the east, and Iran to the south and Georgia to the north.</li> <li>• The population is 3.2 million.</li> <li>• The country operates a presidential form of governance.</li> <li>• The Gross Domestic Product is approximately 1,160 billion drams (2001 estimate) (USD 2.1 billion).</li> <li>• Real GDP growth was 9.9 percent (January to September 2001).</li> <li>• The Consumer Price Index is 2.5 percent.</li> <li>• The exchange rate 1 USD = 550 drams.</li> <li>• Foreign Direct Investment (FDI) for the year 2000 was USD 120 million.</li> <li>• Government budgeted expenditure is approximately USD 450 million per year.</li> </ul>	<ul style="list-style-type: none"> <li>• Tavush Marz is located in the northeastern part of Armenia.</li> <li>• The province shares a border with Azerbaijan to the east and Georgia to the north.</li> <li>• The province hosts 156,000 inhabitants, including 63,000 urban residents and 93,000 rural residents.</li> <li>• The climate in Tavush is mild continental, with average maximum temperatures of 25C in summer and 8C in winter. The altitude of the province ranges from 650 m to 850 m. Precipitation is in the range of 600 to 750 mm/y.</li> <li>• Tavush’s mineral resources include a wide range of building materials, e.g., marble, basalt, granite, quartzite, bentonite, mineral paints, semiprecious stones, coal, dolomite, and gypsum. Most of which are utilized locally.</li> <li>• Tavush’s industrial potential is concentrated in the four largest cities: Ijevan (Capital) Dilijan, Berd, and Noyemberyan.</li> <li>• The province has 45 large and medium-sized enterprises involved in electronics, building materials, apparel, and food processing industries. Most of these have been privatized and currently operating at reduced capacity due to weak demand.</li> <li>• The aggregate production volume of the province in 1999 was approximately USD 5 million.</li> </ul>

**Table 2: Regional Administration and Ijevan City Background Information**

Regional Administration	Ijevan City
<p>Administratively, Tavush Marz is divided into:</p> <ul style="list-style-type: none"> <li>• The Marzpetaran (regional authority), responsible for servicing Communities’ needs and run by staff directly appointed by the National Government.</li> <li>• Kaghakapetarans or “Urban Communities” which are run by locally elected functionaries.</li> <li>• Gjughapetarans or “Rural Communities” also run locally elected people.</li> <li>• The administrative center of the Marz is Ijevan, a town that has always been one of the main industrial and cultural centers of the country.</li> </ul>	<ul style="list-style-type: none"> <li>• Ijevan is situated on the Agstev River. The river flows east into the main river catchments that support the Caspian Sea eco-system.</li> <li>• The climate is mild with snow falling only four or five times each winter.</li> <li>• The town’s name means “Inn” (Armenian) or ‘Karavanserai (Turkish).</li> <li>• The land upon which Ijevan now stands, has for many centuries been a crossroad for traders. A caravan route, one of the networks of routes that comprised the Great Silk Road, cut through the territory of present-day Ijevan.</li> </ul>

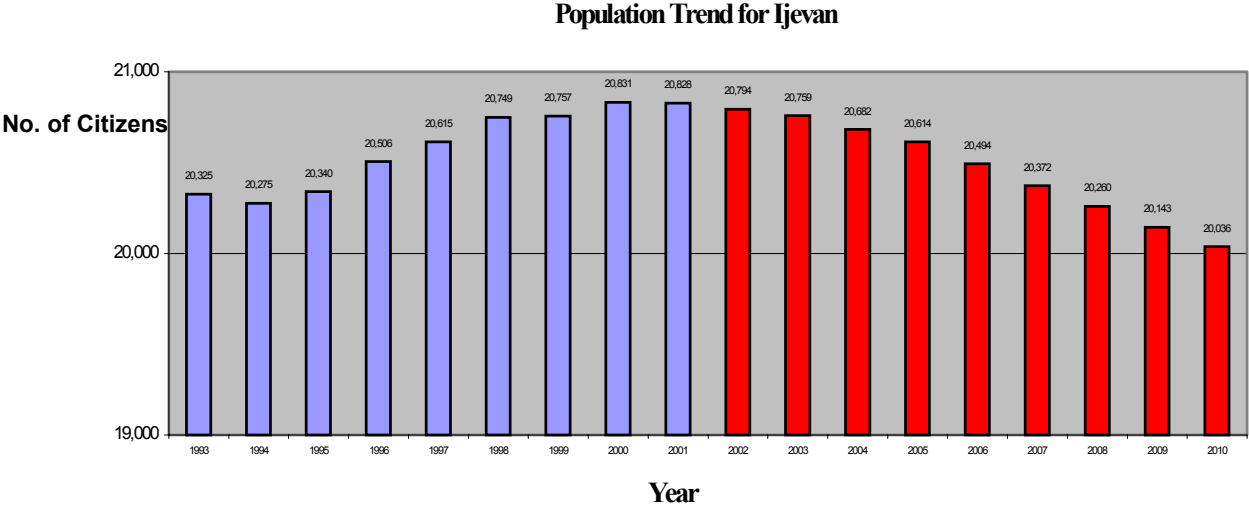
## 2.1 City Functions and Organizational Structure

Table 3 outlines the City’s functions and organizational structure.

**Table 3: Functions and Organizational Structure**

Ijevan City–Functions	Ijevan City–Organizational Structure
<ul style="list-style-type: none"> <li>• The Law on Local Self Government (signed by the President of Armenia, May 2002) describes the responsibilities (mandated and delegated) of local government units.</li> </ul>	<ul style="list-style-type: none"> <li>• The Mayor was re-elected in May 2002 for a three-year term. The Council comprises of 15 members elected for a three-year term. Council elections are scheduled for October 2002.</li> <li>• The Municipality has 26 full-time employees.</li> <li>• The City Hall operates the following departments: education (kindergartens), culture and sport, health (clinics), transport, trade and services, housing maintenance, public utilities and site improvement, territorial and urban development, financial, development of the local economy.</li> </ul>

The graph below presents the demographic trends for Ijevan. The analysis indicates that there will be a reduction in the population in Ijevan to approximately 20,036 persons.



**2.2 City Development Program and Budget**

The Mayor is responsible for preparing a three-year development program. The Mayor must submit the program to the newly elected council within three months after the council has assumed office.

The community budget is a financial plan of revenues and expenditures for a period of one year. The Council on an annual basis approves the budget. The budget consists of administrative and fund constituents.

The figures in Table 4 illustrate the budget (revenues and expenditures) for the period 2000 to 2002.

**Table 4: Ijevan City Budget ('00, 01, 02) Expenditure by Economic Classification**

<b>Economic classification</b>	<b>Actual 2000</b> (‘000 AMD)	<b>Actual 2001</b> (‘000 AMD)	<b>2001/2000</b> %	<b>Projected 2002</b> (1,000 AMD)	<b>2002/2001</b> %	<b>2000</b> %	<b>2001</b> %	<b>2002</b> %
Salaries	9,277.60	21,711.20	234.02	42,926.60	197.72	19.91	24.44	34.37
Social security	3,325.20	10,502.80	315.85	17,873.20	170.18	7.14	11.82	14.31
Office supply	664.00	988.00	148.80	1,716.10	173.69	1.42	1.11	1.37
Property and equipment	0.00	8,269.50		2,684.70	32.47	0.00	9.31	2.15
Food	369.10	0.00		280.00		0.79	0.00	0.22
Purchase other products	0.00	0.00		1,200.00		0.00	0.00	0.96
Business trip	78.90	0.00		1,441.50		0.17	0.00	1.15
Maintenance cars	1,540.20	287.40	18.66	500.00	173.97	3.31	0.32	0.40
Telephone bills	2,240.00	1,902.00	84.91	567.40	29.83	4.81	2.14	0.45
Borrowed cars	0.00	1,090.00		2,000.00	183.49	0.00	1.23	1.60
Electricity	6,120.00	2,595.20	42.41	5,292.70	203.94	13.13	2.92	4.24
Distance calls	0.00	597.10		600.00	100.49	0.00	0.67	0.48
Outside business trips	0.00	249.30		0.00		0.00	0.28	0.00
Purchase of equipment	267.00	0.00		0.00		0.57	0.00	0.00
Fees	0.00	0.00		140.00		0.00	0.00	0.11
Water and sewage fees	510.00	1,490.00	292.16	1,980.00	132.89	1.09	1.68	1.59
Representative costs	0.00	425.00		0.00		0.00	0.48	0.00
Other expenses	3,030.70	18,311.50	604.20	11,667.50	63.72	6.50	20.61	9.34
Capital repair	3,396.80	1,264.00	37.21	7,263.50	574.64	7.29	1.42	5.82
Other utility expenses	15,780.10	19,165.10	121.45	26,758.80	139.62	33.86	21.57	21.43
<b>Total expenditures</b>	<b>46,599.60</b>	<b>88,848.10</b>	<b>190.66</b>	<b>124,892.00</b>	<b>140.57</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

### **2.3 Major Communication Routes**

The distance from Yerevan (Capital City of Armenia) is 150 km. The main road from Yerevan to Dilijan is often closed during the winter months. A 2 km tunnel is being refurbished to reduce transportation time during winter.

The 60 km road linking Armenia and Georgia is in an extremely poor situation. Currently donor organizations (Lincey Foundation) are funding the repair of the road. The end of 2002 will complete road repairs. Travel time to the Georgian border will be one hour.

The railroad networks that connect Ijevan with Yerevan, Georgia and Azerbaijan are in a reasonable state of repair. The railroad system does not operate because of the security situation on the borders. Freight arrives at the Armenian border from Georgia on the train and is then transferred to trucks for distribution in Armenia.

#### **2.4 Summary of Business Survey**

The Steering Committee using consultants from the USAID funded Local Government Program conducted a Business Survey. Below is a summary of the survey:

- The interviewees represent varying types of business activity including: tourism services, municipal services, agriculture services and trade. In addition the size of the companies varied from a few (1 to employees to approximately 200).
- Clients of the companies were individual customers, companies and public sector.
- The main market for businesses is the local market (Ijevan, Tavush Marz and Armenia). According to the survey about 61 percent of sales are in the local market. The survey results illustrated that local business had very limited export sales. Sales in the CIS were < 1 percent.
- The companies surveyed indicated that they were planning to increase the number of employees over a three-year period.
- The companies have plans for new capital investments in the future. The respondents noted that new capital investments were dependent on the availability of finance and product demand.
- The respondents indicated that the three most positive things about the City of Ijevan as a place to do business were:
  - Skilled human resources
  - Suitable environment to develop tourism
  - Supportive local self-government
- The most negative things about the city of Ijevan as the place to do business were:
  - High taxation (local and corporate)
  - Poor financial condition of citizens (low disposable income)
  - Lack of capital

#### **2.5 Business Expansion Constraints**

Foreign investments in Armenia are minimal because there are few attractive business propositions. Unhealthy large share of the business is operating in the gray economy (approximately 30 to 40 percent of business transactions are in the gray economy).

Growth of the local economy, especially in Ijevan has come from private business and because of the limited availability of capital to finance expansion business growth is weak. Newly established firms are operating a sub-optimal level. Production equipment is in a poor state of repair.

### 3. METHODOLOGY FOR PREPARING THE ECONOMIC DEVELOPMENT STRATEGY

On 19/07/02 the Ijevan City Council passed a regulation that instructed the Mayor to set up a Steering Committee to prepare and implement an Economic Development Action Plan. Table 5 presents the members of the Steering Committee.

**Table 5: Members of Economic Development Strategy Steering Committee**

Steering Committee Members	Committee Position
Varuzhan Nersisyan	Chairman of the Committee, Mayor of Ijevan
Ararat Paronyan	Head of the Trade, Transport and Service Department
Astghik Eganyan	Operator of the Information Analytical Center
Elmira Aghasaryan	Director of “Avandujt” Closed Joint Stock Company
Boris Gevorgyan	Member of the Community Council
Kagik Mardanyan	Member of the Community Council
Nikolay Harutyunyan	Member of the Community Council
Ruben Tigranyan	Member of the Community Council
Garik Sukoyan	Member of the Community Council
Mekhak Sayadyan	Member of the Community Council
Manya Blbulyan	Trader
Valer Melikbekyan	Trader
Susanna Aghbalyan	Trader
Vrezh Nersisyan	Director of the Mech. Factory of Ijevan Open Joint Stock Company
Garnik Sargsyan	Employee of the Winery Open Joint Stock Company
Grisha Sargsyan	Company Director

The Steering Committee performed the following tasks:

- Gathered data to prepare Baseline Report on the current status of the economy in Ijevan. The report was prepared using consultants from the USAID funded Local Government Project. The report presented an analysis of current economic activity and the key strategic issues that constrain the growth of the local economy. These are:
  - Inadequate financial services and limited access to capital
  - Poor quality of infrastructure including: roads, rail, water services, waste collection and telecommunications
  - Weak markets in Armenia for products
  - High transport costs to export products

- Out dated production plant/equipment to produce marketable products
  - Low fiscal capacity of local government
  - Incoherent tax administration procedures
- Attended a workshop to define the Vision for the City and perform a Strengths, Weaknesses, Opportunities and Threats (SWOT) Analysis. The workshop was held in Ijevan on July 19, 2002 and all Steering Committee members attended. The participants were divided into two working groups and performed two tasks. The first task was to agree on the Vision for the City and the second task was to carry out the SWOT analysis. The results of the workshop are presented in Sections 4 and 5
  - Attended a workshop to determine the Critical Strategic Issues that need to be addressed to achieve the Vision. The workshop was held in Ijevan on August 26, 2002 and all Steering Committee members attended. The goal of the workshop was to determine those critical issues that need to be addressed to achieve the Vision. Participants were divided into two working groups. Each group prepared a set of issues. The issues were then rationalized in a joint session to finalize the Critical Strategic Issues that form the core of the Strategy. The results of the workshop are presented in Section 6.
  - Attended a workshop to define the Tasks that need to be performed to solve the Critical Strategic Issues and prepare the Strategy Document and Action Plan. The workshop was held in Ijevan on September 3, 2002 and all Steering Committee members attended. The goal of the workshop was to define the tasks that have to be performed to solve each Strategic Issue. Participants were divided into two working groups. Each group prepared a set of tasks for each Critical Strategic Issue. The tasks were then ranked in a joint session to finalize all the tasks necessary to solve the Critical Strategic Issues. The results of the workshop are presented in Section 6.

Following the successful completion of the above the Steering Committee and with the assistance of the consultants from USAID funded Local Government Project prepared the Strategy Document and Action Plan.

#### **4. VISION STATEMENT**

The Steering Committee proposed the following Vision Statement:

**Table 6: Vision Statement**

<p><b>IJEVAN AS A PROSPEROUS COMMUNITY WITH A FINANCIALLY SECURE POPULATION, STRONG LOCAL GOVERNMENT, ECOLOGICALLY SAFE INDUSTRY AND DEVELOPED TOURISM, CULTURE AND BUSINESS SECTOR</b></p>
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The Steering Committee wished to articulate the following in the Vision Statement:

- “The need for good environmental management in Ijevan to sustain not only tourism but also to recognize the need to develop a diversified economy that creates employment opportunities for all citizens and ensures that quality public services are delivered by the local government.”
- The Vision expresses the general strategic goal: A prosperous community with a financially secure population. At the same time the Vision presents the general strategy of how the community should achieve the goal. The general strategy includes four specific strategic goals. These are:
  - Strengthened local government to deliver better services
  - Developed and healthy private sector
  - Developed and vibrant tourism industry
  - Secure and clean environment

The general strategic and specific strategic goals have been assigned targets ensure-to-ensure that the Vision is achieved. These are presented in Table 7.

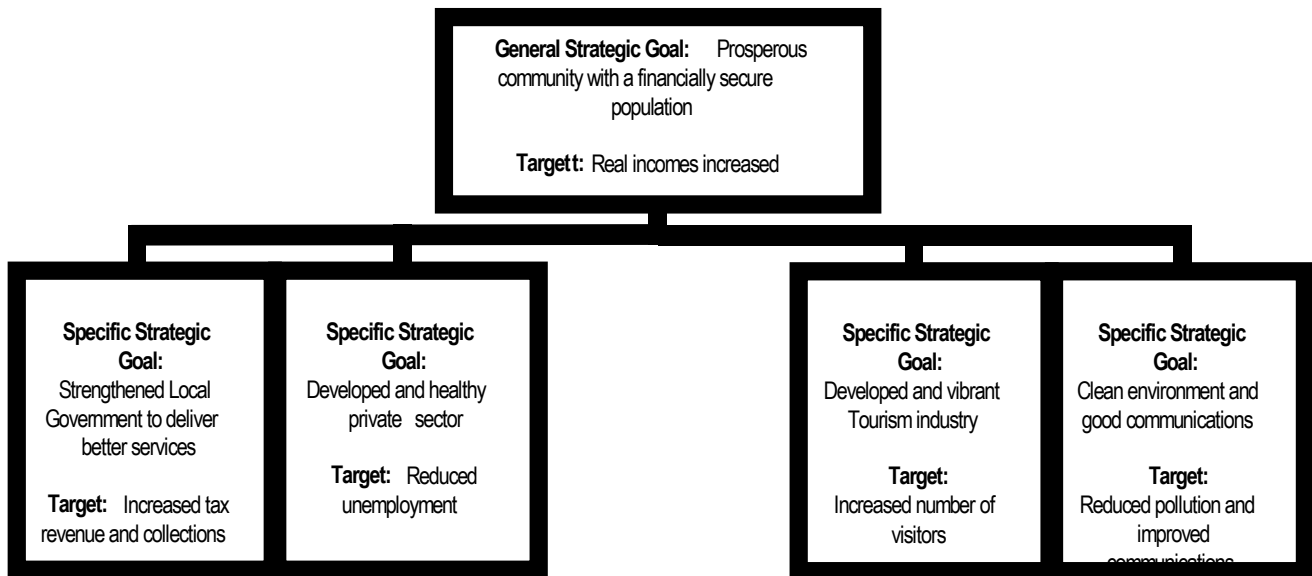
**Table 7: Targets for General and Specific Strategic Goals**

<b>General Strategic Goal</b>	<b>Specific Strategic Goals</b>	<b>Targets</b>
Prosperous community with a financially secure population		Real incomes increased
	Strengthened Local Government to deliver better services	Increase in tax revenue and collection
	Developed and healthy private sector	Reduced unemployment
	Developed and vibrant tourism industry	Increased number of visitors
	Clean environment and good communications	Reduced pollution and improved communications

Schematic 1 presents a summary of how the Vision can be interpreted to define the general and specific strategic goals of the Economic Development Strategy and Action Plan.



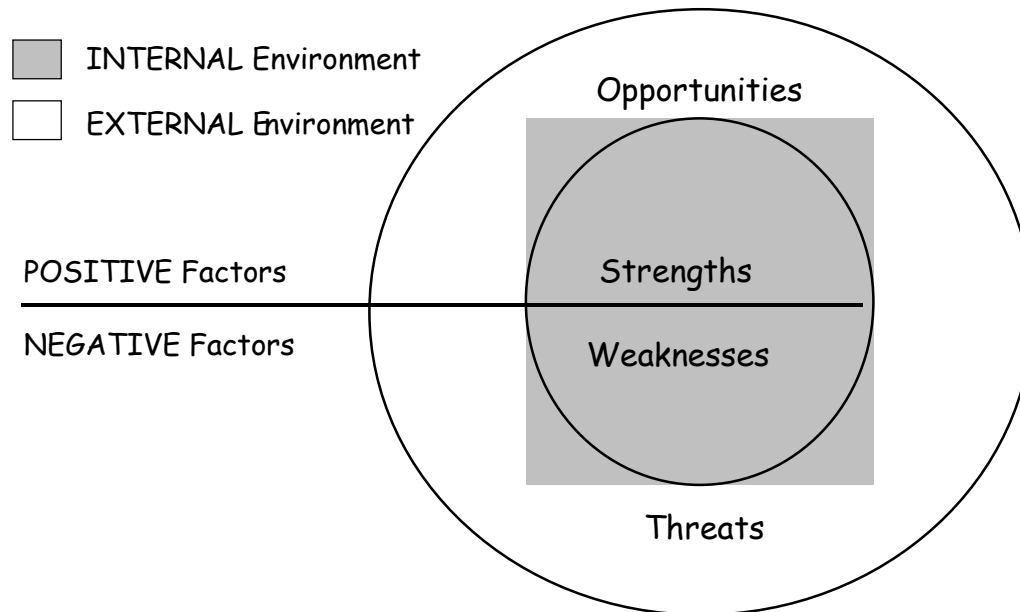
**Schematic 1: General and Specific Strategic Goals of Economic Development Strategy**



**5. SWOT ANALYSIS**

Below is a short description of the Strengths, Weaknesses, Opportunities and Threats (SWOT) Analysis.

**Schematic 2: Description of SWOT Analysis**



Schematic 2 above illustrate the strategy development format for analyzing factors that affect a city’s ability to realize its vision for the economic future. It was used in the following way:

- Identification of the forces and conditions that will help realize the vision, i.e., the positive factors.
- Identification of the forces and conditions that will make it more difficult to realize the vision, i.e., the negative factors.

A SWOT Analysis assesses current Strengths (assets and advantages) and weaknesses (liabilities and problems) of the community. The strengths and weaknesses are the positive and negative assessments of the present. Opportunities (possibilities and benefits) and Threats (dangers and unintended consequences) are the positive and negative assessments of the future and generally represent external influences.

The analysis established an objective perspective that individuals and groups may not otherwise identify due to their special interests. The SWOT was strengthened using data-driven from the Baseline Report. Perceptions were important in the analysis and were systematically gathered and augmented with factual information about the community.

The identification of weaknesses and threats was the first step in finding solutions. The strengths identified are the resources upon which Ijevan can build the solutions.

To successfully perform the SWOT Analysis the Steering Committee was divided into two working groups. Each group completed a SWOT Analysis. Tables 8 and 9 present the results of the SWOT analysis after combining the issues from each of the groups and ranking them by majority vote.

**Table 8: Results of SWOT Analysis from Steering Committee Workshop –Strengths and Weaknesses**

<b>STRENGTHS</b>	<b>WEAKNESSES</b>
<ul style="list-style-type: none"> <li>• Trust toward local government and strong local leadership. A strong leadership of the Local Government exists; an attempt should be made to co-opt a representative from the Municipality to Tavush Marz strategy (British Government funded Economic Development of Tavush Marz to start in October 2002).</li> <li>• Business heritage. Over the past few years, the small and medium enterprise sectors, especially commercial and service enterprises have grown. Local employers are now considering establishing a Business Forum to represent their interests.</li> <li>• Human resources. Adequately trained staff is available in the City; additionally the City has good education centers that can help to improve skills.</li> </ul>	<ul style="list-style-type: none"> <li>• Lack of communication infrastructure. Roads and rail are in poor state of repair. Telecommunications are also in a poor state of repair. This may discourage potential external investors.</li> <li>• Limited access to capital. Access to funds may limit the development of the private sector.</li> <li>• Drinking water supply infrequent. The poor quality water services may limit the attractiveness of the City as a place for investment.</li> <li>• The abuse of central government powers (too centralized governance). There is a perception in the community that the central government including Marz government exercises significant control over local government affairs.</li> </ul>

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> <li>• Favorable climate and some natural resources. The City has an attractive setting: (a large areas of forests, lakes and river water resources). The air is relatively clean. This creates good opportunities for the development of tourism and economy utilizing local resources. A favorable geographic location and good access opportunities are additional strengths.</li> </ul>	

**Table 9: Results of SWOT Analysis from Steering Committee Workshop–Opportunities and Threats**

OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> <li>• Donor and foreign investment possibilities. The availability of the resources (technical assistance and grants) could help in the development of the City as an attractive place for business.</li> <li>• Tourism development. Recreational facilities and historical sites exist in the City and surrounding area. Additionally, land in proximity of water resources is available for tourism development. Local privately owned farms are agro-tourism assets.</li> <li>• Highway reconstruction. The upgrading of the roads between the City, Dilijan, Vanadzor and Yerevan will reduce transportation time and allow more commercial activity in the City.</li> <li>• Business growth through investment in skills and equipment. Because of the entrepreneurial heritage in the City there is potential that through capital investment projects businesses will grow.</li> </ul>	<ul style="list-style-type: none"> <li>• Natural disasters. The area is prone to natural disasters such as earthquakes. These phenomena may deter potential investors.</li> <li>• War threats (Security on Armenia/Azerbaijan border). The security situation with neighboring Azerbaijan may be a disincentive to investors.</li> <li>• Emigration. Because of the poor state of the Armenian economy there may an out-wood migration of skills from the City and the country to economically more active areas.</li> <li>• Deforestation. The poor management on the forests by State Agencies has led to significant deforestation. This may constrain investment in the forestry product business (low security of raw materials).</li> </ul>

## 6. CRITICAL STRATEGIC ISSUES AND ASSOCIATED PROGRAMS

Following the successful completion of the Vision and SWOT Workshop the Steering Committee held two further workshops to identify the Critical Strategic Issues, Programs and Tasks that need to be addressed to achieve the Strategic Goals and Vision. Tables 10, 11 and 12 present the results of the final two workshops.

**Table 10: Programs to Achieve Strategic Goals and Vision**

<b>Program: Improvement of Social Public Services</b>	<b>Program: Development of a City Marketing Activities</b>
<p>Suggested tasks are:</p> <ul style="list-style-type: none"> <li>— Upgrade service delivery in education, specifically higher education to ensure appropriate skills for the local economy</li> <li>— Upgrade health-care services</li> <li>— Improve cultural/sport activities in City</li> </ul>	<p>Suggested tasks are:</p> <ul style="list-style-type: none"> <li>— Establish City Hall Marketing Unit</li> <li>— Establish programs to promote the city of Ijevan as a place for investment</li> <li>— Develop sound cooperation with donors (access to grant capital)</li> </ul>

**Table 11: Programs to Achieve Strategic Goals and Vision**

<b>Program: Support the Development of the Private Sector</b>	<b>Program: Development of Tourism</b>
<p>Suggested tasks are:</p> <ul style="list-style-type: none"> <li>— Form a Business Association to represent the interests of business</li> <li>— Train business owners and employees in modern business practices</li> <li>— Rationalize both local and national tax codes</li> <li>— Strengthen labor market skills</li> </ul>	<p>Suggested tasks are:</p> <ul style="list-style-type: none"> <li>— Determine the tourist and the product</li> <li>— Rejuvenate of the City Main Street for increased economic activity</li> <li>— Improve specific tourist attractions (historical sites, shrines, fishing and hiking routes, etc.)</li> <li>— Improve tourist services (accommodation, ablution facilities, restaurants, etc.)</li> <li>— Develop marketing brochure(s) to promote tourism products</li> </ul>

**Table 12: Programs to Achieve Strategic Goals and Vision**

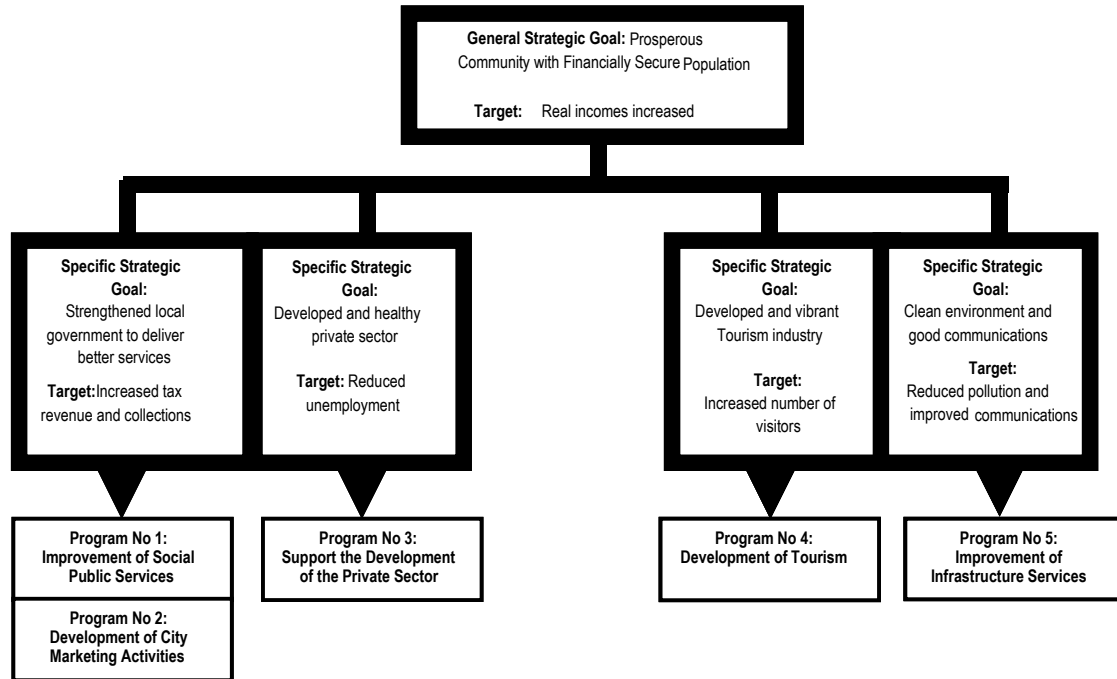
<b>Program: Improvement of Related Infrastructure Services</b>
<p>Suggested tasks are:</p> <ul style="list-style-type: none"> <li>— Upgrade the delivery of water and sewage services</li> <li>— Upgrade garbage collection and disposal services</li> <li>— Improve general infrastructure specifically roads and urban transport in the City</li> <li>— Improve general telecommunications infrastructure</li> </ul>

The Steering Committee recommended to the consultants that the above Critical Strategic Issues and associated programs be used to prepare the Action Plans to complete the programs during the period 2003 and 2006.

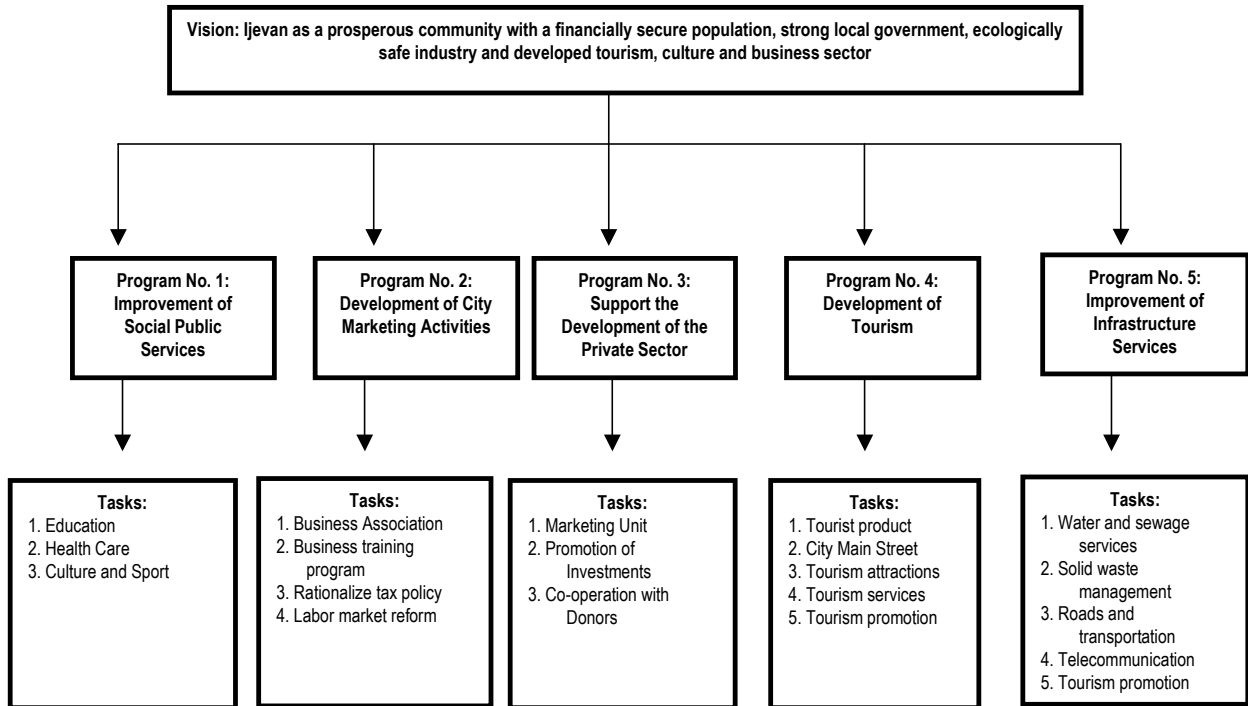
Schematic 3 presents the general strategy, specific strategic goals and programs required to achieve the Vision.

Schematic 4 presents the Vision, the programs and tasks that need to be performed to achieve the Vision.

**Schematic 3: General Strategic Goal, Specific Strategic Goals and Programs**



**Schematic 4: Vision, Programs and Tasks**



**7. ACTION PLAN**

Table 13 below presents the Programs that form the core of the elements of the Action Plan.

**Table 13: Action Plan Programs**

<ul style="list-style-type: none"> <li>• <b>Improvement of Social Public Services</b></li> <li>• <b>Development of a City Marketing Activities</b></li> <li>• <b>Support the Development of the Private Sector</b></li> <li>• <b>Development of Tourism</b></li> <li>• <b>Improvement Infrastructure Services</b></li> </ul>
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The following Tables (14 to 32) present a description of each program task and key activities that need to be performed to complete each task and the corresponding program.

**Table 14: Program 1—Improvement of Social Public Services**

- Goal: Strengthened local government to deliver better services
- Target: Increased tax revenues and collection

**Task 1.1:**  
Upgrade service delivery in education, specifically higher education to ensure appropriate skills for the local economy

<b>Coordinator:</b>	<b>City Hall Department:</b>

**Sources of funds:**  
Donor Agencies, Business community, City Budget

**Task description:**  
For Ijevan to be an attractive location for new investment there is a need to ensure that higher education facilities provide good quality services and ensure that appropriate skills enter the labor market.  
  
This task describes the activities required to upgrade higher education service delivery. This task is not under direct control of the local government, therefore the local government and business community must initiate programs with agencies and institutions.

No.	Activities	Targets/Results	2003	2004	2005	2006
1	Undertake a skills diagnosis and an analysis of the current curricula for appropriateness to labor market needs.	Diagnosis completed and curricula assessed	■			
2	Prepare a plan to upgrade service delivery in higher education. Prioritize low/greatest benefit and high cost projects.	Plan and prioritization completed		■		
3	Secure funding for low cost projects (Projects that can be implemented in the short-term and have significant impact in improving services).	Funding secured		■		
4	Implement low cost projects. Secure funding for high cost projects.	Low cost projects implemented. Funding secured			■	

**Table 15: Program 1—Improvement of Social Public Services**

- Goal: Strengthened local government to deliver better services
- Target: Increased tax revenues and collection

<b>Task 1.2:</b>
Upgrade health-care services

<b>Coordinator:</b>	<b>City Hall Department:</b>

<b>Sources of funds:</b>
Donor Agencies, Business community, City Budget

<b>Task description:</b>
For Ijevan to be an attractive location for new investment there is a need to ensure that health-care units are able to deliver quality health-care services.
This task describes the activities required to upgrade health-care services. This task is not under direct control of the local government, therefore the local government and business community must initiate programs with agencies and institutions.

No	Activities	Targets/Results	2003	2004	2005	2006
1	Undertake diagnosis of healthcare facilities. Prepare a report on issues that need to be addressed to ensure a healthy workforce.	Diagnosis completed. Report prepared.	■			
2	Hold a seminar with the appropriate agencies and ministry to improve health-care services. Prepare action plan and prioritize projects.	Plan and projects prioritized.		■		
3	Secure funding for low cost projects (Projects that can be implemented in the short-term and have significant impact in improving services).	Funding secured.			■	
4	Implement low cost projects.	Low cost project implemented.				■



**Table 16: Program 1—Improvement of Social Public Services**

- **Goal: Strengthened local government to deliver better services**
- **Target: Increased tax revenues and collection**

**Task 1.3:**  
Improve cultural activities in City

<b>Coordinator:</b>	<b>City Hall Department:</b>

**Sources of funds:**

Donor Agencies, Business community, City Budget

**Task description:**

For Ijevan to be an attractive location for new investment there is a need to ensure that health-care units are able to deliver quality health-care services.

This task describes the activities required to upgrade health-care services. This task is not under direct control of the local government, therefore the local government and business community must initiate programs with agencies and institutions.

No.	Activities	Targets/Results	2003	2004	2005	2006
1	List all historical and current/sport activities and organization involved in delivering the activity.	List prepared.	■			
2	Hold a seminar with organizations to discuss improved delivery of cultural activities. Prepare action plan.	Seminar completed and action plan prepared.		■		
3	Rank cultural activities and select one (e.g., folk dancing etc.) for city anniversary celebrations.	Event selected.		■		
4	Secure finance from sponsors and donor organizations.	Funding secured.		■		
5	Hold event to attract visitors to city.	Event held.			■	

**Table 17: Program 2—Development of City Marketing Activities**

**Goal: Strengthened local government to deliver better services**

**Target: Increased tax revenues and collections**

<b>Task 2.1:</b>
Establish a City Marketing Unit

<b>Coordinator:</b>	<b>City Hall Department:</b>

<b>Sources of funds:</b>
City Budget

<b>Task description:</b>
To promote the City Ijevan as an attractive location for new investment there is a need for the City to create a Marketing Unit to prepare the necessary materials, to market the City and maintain a strong relationship with the donor community, business community and local government. The unit will be responsible for creating the image of the City as well as promoting the products.
This task describes the activities required to create the Marketing Unit.

No.	Activities	Targets/Results	2003	2004	2005	2006
1	Hold seminar to determine functions/roles/responsibilities of City Marketing Unit and determine the budget.	Functions and budget determined.	■			
2	Obtain the approval of Council to create a Marketing Unit.	Council approval.		■		
3	Finalize annual budget.	Functions listed and budget approved.		■		
4	Recruit Marketing Specialist to manage unit.	Specialist recruited.			■	

**Table 18: Program 2—Development of City Marketing Activities**

**Goal: Strengthened local government to deliver better services**

**Target: Increased tax revenues and collections**

<b>Task 2.2:</b>
Establish programs to promote the City as a place for investment

<b>Coordinator:</b>	<b>City Hall Department:</b>

<b>Sources of funds:</b>
Donor Agencies, Business community, City Budget

<b>Task description:</b>
To effectively promote the City as an attractive location for new investment it is necessary to prepare specific programs for potential investors.
This task describes the activities required to develop such programs.

No.	Activities	Targets/Results	2003	2004	2005	2006
1	Set up a City Promotion Committee to develop programs using specific themes (tourism, SME, High Street, buildings, historical sites etc) that promote the environment, character and benefits of Ijevan as a place for investment.	Committee formed and themes selected.		■		
2	Prepare budget to develop the specific themes and related promotional materials.	Themes developed and budget finalized.		■		
3	Set up out reach time-line with key dates to promote the City.	Out reach time-line set.		■		

**Table 19: Program 2—Development of City Marketing Activities**

**Goal: Strengthened local government to deliver better services**

**Target: Increased tax revenues and collections**

<b>Task 2.3:</b>
Develop sound co-operation with donors

<b>Coordinator:</b>	<b>City Hall Department:</b>

<b>Sources of funds:</b>
Donor Agencies, Business community, City Budget

<b>Task description:</b>
To effectively promote the City as an attractive location for new investment it important that the City and Business Community maintain sound co-operation with Donor Organizations.
This task describes the activities required to develop such programs.

No.	Activities	Targets/Results	2003	2004	2005	2006
1	Marketing specialist to list all Donor organizations operating and projects being undertaken in Armenia.	List completed	■			
2	Hold a seminar with Donor organizations to promote city as a ‘Good Partner’ for co-operation.	Seminar held	■			
3	Update list and monitor Donor activity on a regular basis.	List updated and Donor activity monitored		■		

**Table 20: Program 3—Support the Development of the Private Sector**

*Goal: Developed and healthy private sector*

**Target: Reduced unemployment**

<b>Task 3.1:</b>
Form a Business Association to represent the interests of business.

<b>Coordinator:</b>	<b>City Hall Department:</b>

<b>Sources of funds:</b>
Donor Grants (USAID, DFID, SDA, GTZ, EU-Tacis)

<b>Task description:</b>
To develop a successful business sector in Ijevan it is necessary for the business community to form an association with the authority to represent their interests and to assist in the implementation of this program.
This task describes the activities required to form the “Business Association”.

No.	Activities	Targets/Results	2003	2004	2005	2006
1	Hold seminar with interested parties to form the Business Association. Approve a Charter and action plan.	Association, Charter and action plan approved.	■			
2	Prepare a business plan; targeting specific programs (training) and that also includes the strengthening of the relationship between the business community and local government.	Business plan approved.	■			
3	Secure finance for the Association.	Finance secured.	■			
4	Monitor implementation of business plan.	Monitoring program.		■	■	■

**Table 21: Program 3—Support The Development of The Private Sector**

*Goal: Developed and healthy private sector*

**Target: Reduced unemployment**

<b>Task 3.2:</b>
Train business owners and employees in modern business practices

<b>Coordinator:</b>	<b>City Hall Department:</b>

<b>Sources of funds:</b>
Donor Grants (USAID, DFID, SDA, GTZ, EU-Tacis)

<b>Task description:</b>
To develop a vibrant small and medium enterprise sector in Ijevan it is important to train business owners and employees in modern business practices (finance, marketing, product development, etc).
This task describes the activities required to prepare the marketing and promotional material.

No.	Activities	Targets/Results	2003	2004	2005	2006
1	Using the business association lists all active businesses including: sole traders, small, medium, and large enterprises operating in Ijevan. Determine training needs.	List and needs completed	■			
2	Prepare training plan for each business sub-sector including: finance, marketing and product packaging and how to access capital (grants/bank facilities).	Training plan completed	■			
3	Secure finance to conduct training program.	Finance secured	■			
4	Conduct training program.	Training completed	■			

**Table 22: Program 3—Support the Development of the Private Sector**

*Goal: Developed and healthy private sector*

**Target: Reduced unemployment**

<b>Task 3.3:</b>
Rationalize both local and national tax codes

<b>Coordinator:</b>	<b>City Hall Department:</b>

<b>Sources of funds:</b>
Business community

<b>Task description:</b>
To improve the business climate the business community must work with central and local governments to rationalize tax codes and reduce taxes.
This task describes the activities required to work with above institutions to rationalize tax codes, etc.

No.	Activities	Targets/Results	2003	2004	2005	2006
1	Using the Business Association hold a seminar on tax issues. List all taxes (and codes) paid by business to central government and local government.	Taxes and codes listed	■			
2	Form a Task Force to prepare a proposal to rationalize taxes and codes.	Task Force formed and proposal prepared	■			
3	Set up a series of meetings with local and central government officials to present the proposal and arguments for change.	Meetings completed	■			

**Table 23: Program 3—Support the Development of the Private Sector**

*Goal: Developed and healthy private sector*

**Target: Reduced unemployment**

<b>Task 3.4:</b>
Strengthen labor market skills

<b>Coordinator:</b>	<b>City Hall Department:</b>

<b>Sources of funds:</b>
Donor Agencies, Business community, City Budget

<b>Task description:</b>
To improve the business climate there is a need to strengthen the labor market skills in Ijevan.  This task describes the activities required to work with the above institutions to rationalize tax codes, etc.

No.	Activities	Targets/Results	2003	2004	2005	2006
1	Using the Business Association hold a seminar to perform skills analysis and determine future needs.	Analysis completed	■			
2	Prepare a plan to support a program to “Add new skills to the labor market”.	Plan prepared	■			
3	Secure finance for training of specific target groups and businesses.	Finance secured.	■			
4	Commence “new skills training” program.	Training completed.		■		



**Table 24: Program 4—Development of Tourism**

*Goal: Developed and vibrant Tourism industry*

**Target: Increased number of visitors**

<b>Task 4.1:</b>
Determine the tourist and the product

<b>Coordinator:</b>	<b>City Hall Department:</b>

<b>Sources of funds:</b>
City Budget and Donor Organizations (USAID, Soros, DFID, SDA, etc.)

<b>Task description:</b>
To develop the tourism sector it is important to determine “Who the tourist is?” the product(s) the tourist requires and what type of tourist the City wishes to attract (e.g., high income foreign tourists, backpackers, etc.)
This task describes the activities required to better develop a tourist product and select the sector.

No.	Activities	Targets/Results	2003	2004	2005	2006
1	Hold workshops in Ijevan with local groups and in Yerevan with tour operators to define “Who is the Tourist and Expectations”.	Tourist and expectations defined	■			
2	City and local tourist business to define the product to suite the tourist.	Products defined	■			
3	Prepare an Action Plan to develop specific tourist products.	Action Plan prepared	■			
4	Plan implemented and monitored.	Refurbishment completed	■			

**Table 25: Program 4—Development of Tourism**

**Goal: Developed and vibrant Tourism industry**

**Target: Increased number of visitors**

<b>Task 4.2:</b>
Rejuvenate the High Street (Yerevanian Street) as a center to attract tourists

<b>Coordinator:</b>	<b>City Hall Department:</b>

<b>Sources of funds:</b>
City Budget, Donor Organizations Private Sector (Business/Individuals)

<b>Task description:</b>
To develop the tourism sector it is important to have well serviced High Street with adequate facilities to accommodate tourists. Such facilities include: pavements, street lighting, roads, pedestrian walkways, parks, cafes, restaurants, shops, and parking, markets and ablution services.
This task describes the activities required to rejuvenate the High Street (Yerevanian Street) in the Kentron District.

No.	Activities	Targets/Results	2003	2004	2005	2006
1.	Hold workshop to discuss conceptual ideas and options on “How to improve the City center/Yerevanian Street and what it should look like in the future”.	Concepts discussed and decisions made	■			
2	Prepare a short-term Action Plan and secure finance for specific actions.	Action Plan completed and finance secured	■			
3	Repair pavements, street lighting, parks, toilets, roads and parking facilities for cars and buses.	Infrastructure repaired	■	■	■	
4	Refurbish services including: markets (fresh produce and handicrafts) and cafés, etc.	Services refurbished	■	■	■	

**Table 26: Program 4—Development of Tourism**

*Goal: Developed and vibrant Tourism industry*

**Target: Increased number of visitors**

<b>Task 4.3:</b>
Improve specific tourist attractions (historical sites, recreational areas, hiking routes, etc.)

<b>Coordinator:</b>	<b>City Hall Department:</b>

<b>Sources of funds:</b>
City Budget, Ministry of Culture, Private Sector, Donor Grants

<b>Task description:</b>
To develop the tourism sector it is important to have the tourist attractions documented, categorized and in a reasonable state of repair.
This task describes the activities required to improve the tourist attractions in and around the City. This task will have to be coordinated with other state agencies (Ministry of Culture, etc.) and the Armenian Apostolic Church.

No.	Activities	Targets/Results	2003	2004	2005	2006
1	List attractions including: historical sites, shrines, recreational areas etc. Determine quality status and responsible organization.	List completed. Quality status determined	■			
2	Rank those facilities that have potential to attract tourists.	Ranking completed	■			
3	Prioritize those facilities that if upgraded will have be key facilities and attractions.	Facilities and attractions prioritized		■		
4	Work with relevant State Agencies, Ministries, etc., to secure finance to improve facilities and attractions.	Tourist attractions improved		■	■	

**Table 27: Program 4—Development of Tourism**

*Goal: Developed and vibrant Tourism industry*

**Target: Increased number of visitors**

<b>Task 4.4:</b>
Improve specific services for tourists (accommodation, ablution facilities, restaurants, taxi and transport).

<b>Coordinator:</b>	<b>City Hall Department:</b>

<b>Sources of funds:</b>
City Budget, Ministry of Culture, Private Sector, Donor Grants

<b>Task description:</b>
To develop the tourism sector it is important to have quality services available for tourists (e.g., accommodation–bed and breakfast units, hotels, etc.).
This task describes the activities required to improve the services for tourists in and around the City.

No.	Activities	Targets/Results	2003	2004	2005	2006
1	Hold workshop with interested parties to define standards and list services to be provided to tourists.	Standards defined. List completed. Quality status determined	■			
2	Rank those services in terms of standards that are available for tourists.	Ranking completed	■			
3	Prepare Action Plan and prioritize those facilities that if upgraded will be of suitable standard for tourists.	Services prioritized		■		
4	Work with relevant parties, etc., to secure finance to improve services.	Tourist services improved		■	■	

**Table 28: Program 4—Development of Tourism**

**Goal: Developed and vibrant Tourism industry**

**Target: Increased number of visitors**

<b>Task 4.5:</b>
Develop a marketing brochure(s)

<b>Coordinator:</b>	<b>City Hall Department:</b>

<b>Sources of funds:</b>
City Budget, Ministry of Culture, Private Sector, Donor Grants

<b>Task description:</b>
To develop the tourism sector it is important to have quality marketing and promotional material(s) that clearly target the specific tourist(s) defined in Program 4, Task 1.
This task describes the activities required to prepare the marketing and promotional material.

No.	Activities	Targets/Results	2003	2004	2005	2006
1	List accommodation facilities, sites, recreational areas, etc.	List completed	■			
2	Rank facilities and sites with specific codes to reflect standards and access, etc.	Ranking completed. Codes allocated		■		
3	Prepare draft of brochure(s) including photographs of sites and facilities.	Draft brochure completed	■			
4	Secure finance and invest to improve facilities and attractions.	Facilities and attraction improved	■			
5	Publish brochures and promotional materials.	Promotional material published		■		

**Table 29: Program 5—Improving Infrastructure Services**

*Goal: Clean environment and good communications*

**Target: Reduced pollution and improved communications**

<b>Task 5.1:</b>
Upgrade the delivery of water and sewage services

<b>Coordinator:</b>	<b>City Hall Department:</b>

<b>Sources of funds:</b>
Donor Agencies, Business community, City Budget

<b>Task description:</b>
For Ijevan to be an attractive location for new investment and tourists it is necessary for the community to improve the water and sewage services to acceptable standards.
This task describes the activities required to upgrade the water and sewage services, however the City has to gain the support of the local water company to perform this task.

No.	Activities	Targets/Results	2003	2004	2005	2006
1	Perform diagnosis of major problems in water supply and the treatment of sewage. List low cost/high impact improvements.	Diagnosis complete	■			
2	Hold a seminar with the Water Company and present results of diagnosis. Prepare an Action Plan for three years. Prioritize projects into low cost/high impact and long term.	Action Plan and prioritization approved		■		
3	Water Company implements Action Plan.	Plan operationalized		■		
4	City prepares and implements a plan to monitor the progress of the Action Plan.	Monitoring plan implemented		■		

**Table 30: Program 5—Improving Infrastructure Services**

*Goal: Clean environment and good communications*

**Target: Reduced pollution and improved communications**

<b>Task 5.2:</b>
Upgrade the delivery of garbage collection and disposal and prioritize projects for low, medium and large investment.

<b>Coordinator:</b>	<b>City Hall Department:</b>

<b>Sources of funds:</b>
Donor Agencies, Business community, City Budget

<b>Task description:</b>
For Ijevan to be an attractive location for new investment and tourists it is necessary for the City to improve the collection and disposal of garbage services.
This task describes the activities required to upgrade the collection and disposal of garbage.

No.	Activities	Targets/Results	2003	2004	2005	2006
1	Prepare diagnosis of current practices and problems. Prepare an action for short and long term improvements.	Diagnosis completed and Action Plan prepared	■			
2	Change agreements with current company operating garbage services in the city.	Agreement changed	■			
3	Implement short-term Action Plan and monitoring system.	Short-term plan completed		■		
4	Secure funding to implement long-term Action Plan.	Funding secured			■	

**Table 31: Program 5—Improving Infrastructure Services**

*Goal: Clean environment and good communications*

**Target: Reduced pollution and improved communications**

<b>Task 5.3:</b>
Improve general infrastructure specifically roads and urban transport in the City

<b>Coordinator:</b>	<b>City Hall Department:</b>

<b>Sources of funds:</b>
City Budget and Grants from Regional/Central Government

<b>Task description:</b>
To develop city as an attractive place for investment it is important to have the basic infrastructure in a reasonable state of repair. Such facilities include: pavements, street lighting, roads, pedestrian walkways, urban transport and ablution services.
This task describes the activities required to improve the quality of the general infrastructure in the districts.

No.	Activities	Targets/Results	2003	2004	2005	2006
1	Inventory roads and condition. Create a database.	Database created	■			
2	Establish a short-term Action Plan and general plan for the future.	Short- and long-term plans approved		■		
3	Implement short-term plan and secure funding for long-term Action Plan.	Additional services provided		■		
4	Monitor plans.	Monitoring plan implemented		■		



**Table 31: Program 5—Improving Infrastructure Services**

*Goal: Clean environment and good communications*

**Target: Reduced pollution and improved communications**

<b>Task 5.4:</b>
Improve general telecommunications infrastructure

<b>Coordinator:</b>	<b>City Hall Department:</b>

<b>Sources of funds:</b>
City Budget and Grants from Regional/Central Government

<b>Task description:</b>
To attract investors to the City it is important that telecommunications are of sufficient standard within the City and to/from the City.
This task describes the activities required to improve the quality of the telecommunications.

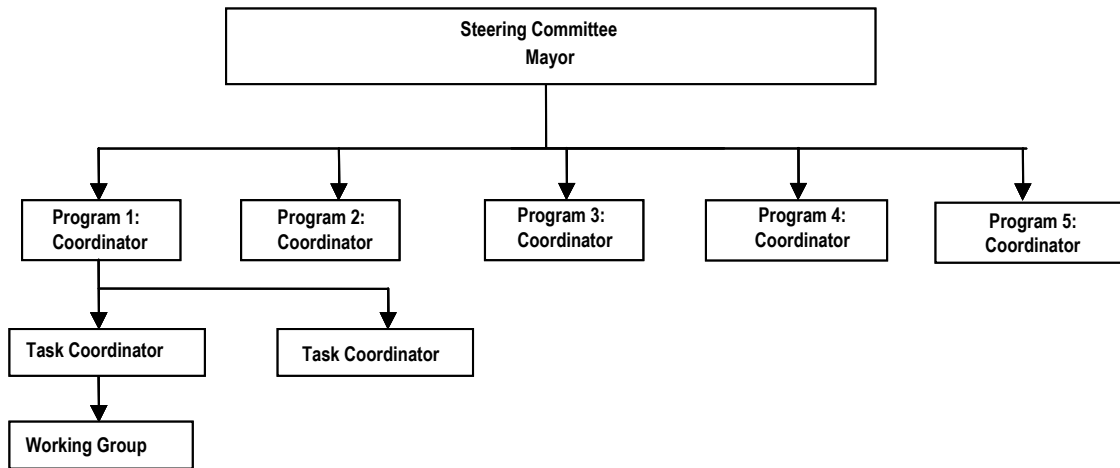
No.	Activities	Targets/Results	2003	2004	2005	2006
1	Perform a diagnosis of the major problems.	Diagnosis completed.	■			
2	Hold a seminar with responsible agency/company to resolve problems. Develop and agree Action Plan.	Seminar completed and Action Plan prepared.		■		
3	Implementation of plan by Agency/Company.	Plan implemented.		■		
4	Implementation of monitoring plan by City.	Monitoring plan implemented.		■		

## 8. IMPLEMENTATION AND MONITORING

### 8.1 Organizational Structure

To successfully implement the Action Plan there is a need have an organization and structure. The Steering Committee recommended that City Hall officials take on the role of implementing coordinators. Schematic 5 presents the proposed organizational structure.

**Schematic 5: Organizational Structure for Implementation of Action Plan**



### 8.2 Implementation Process

The following process should be carried out to successfully implement the Action Plan.

**Working Group Formation**—To carry out the Tasks it is necessary to form working groups. The Program Coordinator will be responsible for the formation of the working group. The working group should comprise 3-4 members from the City Hall and the community. The objective of the working group is to assist the Task Coordinator to prepare the necessary projects to complete the task.

**Project Preparation**—For each task, specific projects will be prepared to not only better define the projects but to secure the necessary finance. The Program Coordinator and Task Coordinator will be responsible for preparing the project(s).

**Project Approval and Finance**—The Mayor, with authority from the Council, and Program Coordinator will be responsible for approving and securing the finance for the specific project. There are numerous sources of finance each with specific criteria. To successfully obtain finance all parties will have to understand how the specific project(s) will have to be tailored to meet financing institutions project selection criteria. The Mayor and Program Coordinator will have to meet potential financing institutions to better understand and financing criteria.

**Implementation Startup**—The Program and Task Coordinators will be responsible for commencing the implementation of each program.

**Monitoring and Reporting**—The Task Coordinator will be responsible for preparing the necessary progress reports on the implementation of the programs and presenting them to the Steering Committee. The Mayor and Steering Committee will present periodic reports to the Council on the programs’ progress.

**Project Completion**—The Program and Task Coordinators are responsible for preparing the final reports and closing the project after completion.

**8.3 Monitoring**

The monitoring plan should be developed by the Program Coordinators and approved by the Steering Committee. Key dates for project start up and completion should be agreed upon. A suggested format for the monitoring plan is presented in Table 33 below.

**Table 32: Format for Monitoring Plan, including Example**

**Program No.: 1**

**Program Title:** Improvement of Social Public Services

**Program Goal:** Strengthen local government to deliver better services

No.	Task	Years of Task Implementation															
		2003 Year				2004 Year				2005 Year				2006 Year			
		1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
1.1	Upgrade service delivery in education, specifically higher education to ensure appropriate skills for the local economy		*					*				*				*	
1.2	Upgrade health-care services				*				*				*				*
1.3	Improve cultural activities in City			*				*				*				*	