



***FUTURE WORK ON ECONOMIC
DIMENSION OF WATER MANAGEMENT
REFORM IN ARMENIA***

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What could be issues for follow-up

The environmental and economic value of water resources:

- Assessment of the use value of water resources would be crucial to support the revision of current water prices;
- Water has environmental and economic value when used and even when not used (Article 5 of the Water Code of Armenia);
- At the moment this principle is not fully implemented due to insufficient knowledge on environmental and economic value of water in Armenia



Components of the scoping exercise

- Assess the environmental and economic value of water:
 - *Assessment of environmental value of the water when it is not used (water is left in the natural environment and supports the ecosystem, promotes eco-tourism e.g. Jermuk hydrological Reserve);*
 - *Assessment of economic value of 1 m³ of water in case of use by different economic sectors (recent World Bank study in Ararat valley indicates that provision of 1m³ of water to irrigation generates more profit for the economy than providing it to fish-farming)*



Mains steps

- Review the international approaches
- Link it to the Armenian specifics
- Tool for decision-makers in terms of water efficiency
- Pilot area will be selected for the assessment of environmental and economic values



The main expected outcome

- Allocation efficiency (Article 76 of the Water Code);
- Adequate water pricing (Article 76 of the Water Code);
- Consideration of environmental externalities (Article 5 of the Water Code)