



**EC/FAO Food Security Programme - Phase II**  
*'Food Security Information for Action'*

Programme Workplan for the Republic of Armenia

<b>Donor:</b>	European Commission
<b>Implementing Agency:</b>	FAO
<b>Proposed Funding:</b>	€ 253,731 \$ 340,000 (Exchange rate US\$ / EURO = 1.34;
<b>Duration:</b>	3 years
<b>Starting date:</b>	1 April 2005

*Building on the achievements of Phase I, the Programme will continue strengthening national capacity in the collection, management and dissemination of food security information. It will assist the government in a) improving the present methodologies for data collection, b) enhancing collaboration among national institutions to improve access and sharing of data and c) providing assistance in food security analysis.*

*The Programme will focus on the following specific aspects, which were prioritized by the GoA and the EC-FSP:*

- 1. Establish information system capacity for the management of food security, crop monitoring and early warning data through the implementation of the GIEWS Workstation and other FAO tools*
- 2. Provide methodological assistance for the preparation and implementation of the agricultural census (this activity is subject to the availability of funds to undertake the census)*
- 3. Provide further training for the analysis of the Household Budget Survey and advise on methods to determine the Dietary Energy Supplies (DES) of national foods*

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# 1. Background

Armenia is a land-locked, low-income food deficit country, in transition from a centrally planned to a market economy. In Armenia, this implies that during the privatization process, land holdings have been atomised (332 000 with average holdings of 1.3 ha spread over up to 5 non contiguous plots), the necessary institutions for regulating a market are still inadequate. Moreover, the collection and use of information is not appropriate for a market economy and needs to be focused, streamlined and properly disseminated. Technical assistance in analysis is necessary in all areas and some government services/ministries need technical equipment and basic training in their use.

GDP growth has been significant in recent years, and poverty reduction has moved apace, but the rural areas are lagging behind, and in four marzes, poverty has actually increased since 1996. All major stakeholders view rural development as the key poverty reduction challenge at this stage.

Agricultural and rural development policies are poorly defined: FAO developed a strategy in 2002 which was never implemented. Two years later the MoA developed another strategy, which is loosely linked with the one of the PRSP. The PRSP agricultural strategy is to be revised in September/October 2005/2006.

# 2. Problems to Be Addressed

Despite the significant progress made in the recent years to address food security and poverty issues and the increased capacity of national institutions to support government decisions with adequate information, gaps still remain in the way in which information is collected, processed and exchanged in the country. The content of the quarterly food security bulletin produced by the NSS with inputs from other government institutions, though considered useful by stakeholders and businessmen, needs sharper focus, less statistics and more analysis.

Data collection capacity is limited due to budget constraints and some of the collected information may no longer be relevant to the current needs. Data collections via local administrations and via (small) sample surveys co-exist. In particular, the way in which the agricultural sector is currently monitored needs to be restructured in order to ensure a better quality of information and an adequate system for managing and analyzing data. Disaggregated data at sub-national level is often not available and/or not adequately stored and disseminated. In particular, price (producer wholesale and retail) and agricultural data on individual fruit and vegetable crops are in high demand by various stakeholders.

The agricultural census is a high priority for the MoA, the NSS and most stakeholders, excluding the World Bank. It is well over 10 years that the last census was carried out, and since then the structure of farms and agricultural production has changed radically; consequently agricultural data is no longer reliable. However, funds have not yet been allocated and the GoA proposed to proceed with the preparation of the census - including assistance in preparing the related legislation for submission to Parliament and development of the methodology for the census - while the funds are being found. There is a need for more thorough costing of the census. The agricultural census will help resolve the significant discrepancies in the agricultural data provided by the MoA and the NSS and provide a solid basis for analysis and planning.

The analytical capacity is uneven and generally weak. Data management capacity is unbalanced among the national institutions and the level of computerization is low in some cases. Inter-governmental data exchange is not efficient and the country lacks a suitable institutional and technical network for approaching this problem.

The crop monitoring and forecasting working group, set up in Phase I is not functioning and inter-ministerial collaboration remains difficult. In addition, technical problems in getting representative information on food security from the Household budget survey need to be addressed. Advice is needed to evaluate the minimum DES and to select and analyze poverty indicators.

### **3. Previous and Ongoing Assistance**

The PRSP is an ongoing process, in which the government and the stakeholders, - particularly UNDP - are deeply involved.

The EC provides budget assistance (about € 10 million per annum) to the Ministry of Finance, provided that agreed conditionalities are met. At present the conditionalities are that certain targets in the sectors of food security and poverty reduction (preparation of the quarterly food security bulletin), market and institutional reform (procurement laws and procedures), social security (relating to welfare of children in childcare institutions), agricultural sector (detailed indicators of animal health), land reclamation, reduction of waterlogging and pest control be achieved.

The World Bank is about to start implementing a major \$20 million, 4-year Rural Economy and Community Development Project. Its main areas of intervention are i) to provide finance for rural credit and leasing and small grants to be won in competition for innovative agricultural businesses (\$ 7 000 000); ii) Strengthening agricultural advisory/extension system and the seed market (US\$ 3,000,000) by financing and expanding the staff in 10 well equipped Marz Agricultural Support Centres; iii) financing community development projects (US\$ 7,000,000: US\$ 70,000 per community x 100 communities) to improve rural infrastructure: e.g. roads, irrigation or storage facilities.

Collection of agricultural data is not included nor planned in the TOR of these marz centres, although in practice they do provide the MoA with some information.

Armenia is one of the 16 countries eligible for the US financed Millenium Challenge Account (MCC or MCA). This is grant money, under which Armenia has requested \$ 175 million for a) irrigation rehabilitation (\$120m) and b) road rehabilitation (\$45m) and the balance for administration and running costs. The request is still to be approved, and implementation of activities is expected to start in 2006. The existence of this grant raises the question if the \$ 2,5million required for the agricultural census could come from this source.

UNDP is operational in the social security issues but increasingly also in rural issues, as rural poverty alleviation is lagging. It is also carrying out a pro-poor assessment of agricultural strategies. Any activities in areas of agricultural policy or PRSP should be closely coordinated with UNDP, to avoid duplication.

FAO has both ongoing and pipeline TCPs in Armenia. Ongoing projects address sustainable mountain development, pest control and land consolidation and, in a regional context, food safety, training in agricultural biotechnology and bee-keeping. Pipeline projects include forestry and seed projects, and three project proposals which could be relevant to this programme: a) support to the MoA in technical areas, b) communication and technology management, c) technical assistance to the NSS for the agricultural census programme development.

### **4. Objectives of the Programme in the Country**

The input foreseen in this phase of the Programme intends to strengthen national capacity in the analysis and publishing of food insecurity and vulnerability information by continuing to support the NSS and extending the assistance to other relevant stakeholders. The mission undertaken in July 2005 showed that the support provided during Phase I was appreciated by the Government of Armenia but needs to be consolidated through additional training, methodological support and wider involvement of those institutions that generate and manage food security-related information. The approach of the Programme in this respect is to:

1. Improve access and quality of the information by strengthening communication and data exchange among key national institutions. This objective involves the delivery of software tools (GIEWS Workstation, CountrySTAT, AgrimetShell) and standardizing core datasets to enhance compatibility among information systems.
2. Provide analytical tools - as software / guidelines – and training to build capacity in better analyzing food insecurity and vulnerability indicators and improving early warning, needs assessments and planning of interventions.

3. Provide assistance in the preparation of the agricultural census as a tool for acquiring reliable information on the agricultural situation and as a decision support tool for better plan agricultural policies.

## 5. Expected Outcomes at the End of the Programme

The following outcomes are expected to be achieved at the end of the Programme Phase II:

1. *Improved management of data collection*: the MoA will be in a better position to handle complex data collection operations such as the agricultural census which mobilizes massive human and financial resources. The technical assistance provided for the design and preparation of the census will result in a more effective census and a sounder baseline data on which to base analysis and agricultural strategies.
2. *Increased national capacity to manage food security information*: the Programme will build national capacity in maintaining and disseminating food security related databases. Digital information will be better organized and standardized and more advanced and effective means to disseminate information - through information system outputs and/or improved bulletins - will be available.
3. *Enhanced analytical capacity to better understand food security and early warning issues*: The following achievements are foreseen in this area:
  - a. A more efficient crop monitoring and forecasting system will be available and trained staff will be responsible for i) producing timely and sound forecasts ii) maintaining the system and the iii) efficiently disseminating information
  - b. Capacity in HBS processing, analysis and report writing will be available. The DES of national Armenian foodstuff will be determined and used in HBS analysis.
  - c. Quarterly food security bulletins are better focused and user oriented.
4. *Strengthened technical dialogue among national institutions*: an institutional network for food security data management and exchange will have been established among ministries which need to collaborate on food security (NSS, MoA and Hydromet). This network will facilitate proper coordination among technical units in the relevant ministries and will ensure compatibility and harmonization of the data managed by the individual stakeholders.

## 6. Results, Activities and Inputs

The effort made during the first part of year 1 was focused on a) ensuring continuity of the activities started in Phase I in support to the NSS, b) understanding and documenting the current food security situation of the country, which resulted in the compilation of the country profile, and c) preparing the country workplan. This last activity implied extensive consultations with FAO officers, other UN agencies, the EC Delegation in Armenia and several other national and international stakeholders. The three areas of intervention proposed in this workplan were clearly identified as priority by the majority of the consulted people.

The activities envisaged in the present workplan are consistent with the overall logical framework defined in the EC-FAO Food Security Overall Programme Document. Most of the foreseen interventions fall in the domain of the "Specific Objective 1: Improve availability and quality of relevant food security information" because the gaps identified in this area considerably affect the food security formulation process. The elimination of these gaps is a priority for the government and EC-FSP, which are in favour of using programme resources in this direction. However, there is also a direct and indirect contribution to the other two programme objectives, in particular with regard to the "Specific Objective 2: Reinforce capacity in formulating food security policies, strategies and programming based on food insecurity and vulnerability information".

The areas of intervention (AOI) for the EC-FAO Food Security Programme have been identified as follows:

1. Establish information system capacity for the management of food security, crop monitoring and early warning data through the implementation of the GIEWS Workstation and other FAO tools. The MoA, the NSS and the Hydromet will be the direct beneficiaries of this activity. The Programme will improve the existing data storage and management systems by introducing standardized tools that will ease the data maintenance and facilitate data exchange and standardization. The storage, analysis and dissemination of spatial and non-spatial information will be implemented through the GIEWS Workstation and other specialized software applications for the administration of the database (CountrySTAT, AgrometShell). A wide range of information layers will be provided to support food security analysis and crop forecasts, with special regard to satellite images (SPOT Vegetation products) that will be supplied to the GoA on a regular basis. Other tools to improve on the current analysis of meteorological information for weather and crop forecasts will be provided, as necessary. An efficient data exchange system will be setup to regulate the traffic of data among national institutions and other stakeholders. This system will include tools for giving access to information in accordance with the privileges granted by the responsible institutions. The working group for crop monitoring and forecasting, established in Phase I, and revived under this activity will work as a cohesive element to enable proper coordination of the activities and to monitor progress during the programme lifetime. Training will be provided as need through ad-hoc missions, national and regional workshops and on-the-job training in order to create expertise in food security data management, analysis and presentation to decision makers.
2. Provide assistance for the costing of different options of agricultural census, as well as methodological assistance for its preparation and implementation (methodological assistance component of this activity is subject to the availability of funds to undertake the census). The objective is a) to establish the cost of the most suitable option for agricultural census and b) to provide the government of Armenia with the means to implement a methodically sound agricultural census. The census, when completed, will provide up-to-date baseline data on agriculture on which the government and stakeholders can base food security strategy, interventions and decision making. Provided funds are mobilized by the GoA, technical assistance will be provided to the NSS and MoA to plan and carry out the preparatory groundwork, to develop the questionnaire and to train trainers in implementing a pilot census. Following analysis of the pilot, any necessary adjustments to the questionnaire will be made prior to implementing the whole census. FAO staff or skilled consultants will undertake missions to Armenia to train, work with and supervise the national staff in each of the major steps necessary to ensure professional data collection (and later, analysis).
3. Provide further training for the analysis of the Household Budget Survey (HBS) and advise on methods to determine the Dietary Energy Supplies (DES) of national foods. The HBS is a key document for food security and poverty analysis and the contribution of the Programme to this activity will build on training well received under Phase I. In this Phase, the NSS-HBS team will receive technical assistance in data processing, statistical estimation and in using report writing tools (1 week on-the-job training) and will participate in a regional workshop with representatives of other CIS programme countries, to be organised by ESSA in Rome or a third country. This workshop will bring together producers and users of indicators of food consumption information and will help to maximize information on household consumption from the HBS. It will also stimulate inter-country dialog on food security issues.

In addition, a nutrition specialist (from HQ or a consultant) will visit Armenia for one week to work together with the Armenian Nutrition Institute and an Armenian nutritionist, to help the HBS in the methodology of determining the DES of national and traditional foods, not easily categorized. The national consultant used could be the national consultant currently drafting the nutrition profile.

The table below shows how the above areas of intervention relate to the Programme logical framework:

Specific Objectives	Results	Outputs	Areas of Intervention
1 - Improve availability and quality of relevant food security information	A - Collection of food insecurity and vulnerability data and information is improved or strengthened	1.A.1 – Food insecurity and vulnerability data and information are improved	2,3
		1.A.2 – Food insecurity and vulnerability data and information management are strengthened	1
	B - Analysis of food insecurity and vulnerability data and information is strengthened	1.B.1 - National and regional capacity to analyze food insecurity and vulnerability data is strengthened	1, 3
		1.B.2 - Capacity of using environmental monitoring tools and data for food security assessment are strengthened	1
		1.B.3 - GIEWS Workstation is established at global and national levels and capacity in its use is strengthened	1
		1.B.4 - National and regional capacity for food security assessment is reinforced	1, 2, 3
2 - Reinforcing capacity in formulating food security policies, strategies and programming based on food insecurity and vulnerability information	A - National and local capacity to produce and use information for policy making are reviewed and updated	2.A.1 – Gaps in national and local capacity to produce and use information for policy making are identified	3
		2.B.1 - Response mechanisms to crises and food security policy formation are improved	1
	B - National and local capacity to produce multi-sector food security information is strengthened	2.B.2 - National institutional structures and systems are reviewed	1
		2.C.1 - Integrated food insecurity and vulnerability data and information dissemination systems are strengthened	1
	D - Capacity to formulate appropriate food security policies in different contexts using adequate information is increased	2.D.1 - Methodological approaches for integrated use for household, food insecurity and vulnerability data are strengthened	
		2.D.2 - Guidelines to switch from rehabilitation to development using appropriate data and information are prepared	
		2.D.3 - Awareness to embody gender aspects in policies using gender disaggregated information is increased	
		2.D.4 - Capacity to formulate food security and rural development policies in countries with natural resources under pressure is increased	
2.D.5 - Support to selected countries in preparing strategies and operational plans for food security agricultural and rural development is provided			
3 - Raise awareness of governments, local actors and international community, on impact of food insecurity & poverty	A - Causes of food insecurity and vulnerability are better understood	3.A.1 - National context analysis of food insecurity and vulnerability are better understood	1
		3.B.1 - Good practices in food security, vulnerability, institution building and networking are identified, analyzed and disseminated at national level	
	B - Good practices in food security, poverty and rural development, institution building and networking are identified, analysed and disseminated	3.B.2 - Good practices in food security, poverty and rural development are disseminated	
		3.C.1 - Dialogue and exchange of experience among international community are facilitated	
		3.C.2 - Improved information in qualitative and quantitative terms is provided to the GDPRD	