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ADVANCED RURAL DEVELOPMENT INITIATIVE (ARDI)

COMMUNITY COMPETITIVENESS ASSESSMENT ALVANK



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INTRODUCTION



This report presents the results of the community competitiveness assessments conducted in the framework of the Advanced Rural Development Initiative (ARDI) program financed by the United States Agency for International Development. The ARDI project is implemented by Fuller Center For Housing Armenia (FCHA) in cooperation with Heifer International Armenian Branch Office (HA). The assessments are conducted using the methodology developed by HA. This is a part of series of assessments conducted in 20 rural communities.

ARDI sets out to increase rural employment by tackling constraints to rural economic development of communities in the Syunik, Vayots Dzor and Lori Marzes (provinces) of Armenia. The project forms partnerships with local governmental and non-governmental organizations (NGOs) to effectively and efficiently enhance value chains and increase incomes through participatory planning. ARDI builds the capacity of institutions and communities, promotes small businesses development and entrepreneurship and invests in select sustainable infrastructure and enterprise projects.

In the framework of the project 20 rural communities undergo community assessments which are aimed to identify the competitive advantages of target communities and high potential value chains in these areas. The evaluations are based on HA's Community Strategic Development Model (CSDM) Methodology and include strong community involvement. Based on the results of the community competitiveness assessments, 12 rural communities are eventually chosen for programmatic interventions and direct investment.

The community competitiveness assessments help us understand what resources a community has, how effective the community is in capitalizing its resources and evaluate the untapped potential of community to leverage its resources. Assessments also involve inventorying of all community assets including physical infrastructure and evaluations of the community environment for economic development, which we refer to as "enabling environment". As a result of the assessments a thorough image is created of the resources and capacities of a specific community.

The community competitiveness assessments and subsequent selection of communities in the framework of the ARDI program will be followed by more in-depth value chain assessments. These assessments will focus on the three main value chains targeted by the ARDI program namely dairy, fruit and rural tourism, and will identify the specifics and the potential of each value chain to create employment opportunities and community economic growth in targeted community clusters.

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1. METHODOLOGY

Traditional community development approaches have predominantly focused on community deficiencies and less on community strengths which often has contributed to lower impact and effectiveness of these initiatives.¹ Such an approach often also leads to narrow targeting of very specific community problems while missing more systematic solutions that may have resulted in more sustainable and effective outcomes.

With this in mind, Heifer Armenia developed the Community Strategic Development Model (CSDM) which is a unique approach to community development, combining the strengths of asset-based community development approaches with more traditional problem identification methods. Such a holistic approach allows identification of solutions that address existent issues effectively through factoring in the specific strengths of a community. Being fully participatory, HA's methodology allows:

- Effective collection of information on community resources and needs
- Identification and addressing/utilization of actual community problems and strengths, while avoiding the “perceived” vs. “real” problem trap
- Bottom-up community-driven development process along effective top-down planning approach and institutional and community capacity building.

HA's model involves four distinct steps, which are logical and organic continuation of each other. These steps facilitate the process of taking the communities from strength and problem identification, assessment of economic development enabling environment, strategizing community development patterns, professional assessment of those patterns in terms of economic feasibility and environmental impact, to development of specific projects and implementation.

The first step of the CSDM model involves Community Competitiveness Assessments (CCAs) which form the primary focus of this report. For the CCA's a series of thorough workshops are conducted which are led by external facilitators and include representative focus groups from the community. The focus groups are formed from 10 to 12 people from the community, who represent different interest groups including local governance bodies, schools, business sector, farmers etc. This enables capturing a broad information base with different perspectives. The four steps of the model are as follows:

- Assessment of Capacity/Resources and Enabling Environment
- Assessment and mapping of community Strategic Direction/Development pattern
- Development and Initiation of specific projects
- Management and evaluation

As a result, CCAs involve discussion, analysis and inventory of community capacities and resources, such as human, physical, capital, natural, financial resources, explores Health, Education, Knowledge, Skill, Ability (KSA) capacities of the community, as well as main (previous and current) production patterns, employment situation, infrastructure conditions and major projects implemented in the community by Governmental and Public organizations.

Once the status quo of community resources and capacities is identified the focus group evaluates utilization level of these resources as low, medium or high. This step identifies how efficient the community is in capitalizing community resources and identifies the potential of the community to leverage and capitalize further on these resources.

Assessments also focus on the enabling environment for economic development in the community. This is a crucial point in community competitiveness assessment process, as the environment (government and policy and ability of the community to reach other) is an overarching issue which directly influences all aspects of community development. Assessment of the environment is done through scoring with scores

¹ McKnight, John L. and John P. Kretzmann. 1993. Building Communities from the Inside Out: A Path Toward Finding and Mobilizing a Community's Assets. ACTA Publications: Chicago.

from one to five, “one” being the lowest and “five” the highest possible score. The scoring is done on selected features which can describe the level of environment supportiveness for community economic development. The features focus on variables, such as local government interest in strategies for community economic development, existing policies and their implementation, interactions between local government and business, existence and supportiveness of specialized economic and business support structures and also the (geographic) position of the community to play a positive role in the region. Communities that score high on these features are considered having enabling environment and having increased competitiveness and low risk for economic development initiatives.

As a result of the assessments a thorough image is created of the resources and capacities of a specific community. Communities that score high on the evaluated areas are considered competitive and communities which score high on enabling environment and score low in resource utilization are considered for economic development interventions and projects. This cross-referencing and cross-assessment allows better targeting of communities where ARDI interventions can have higher impact. This report presents the findings of community competitiveness assessment on Alvank community.

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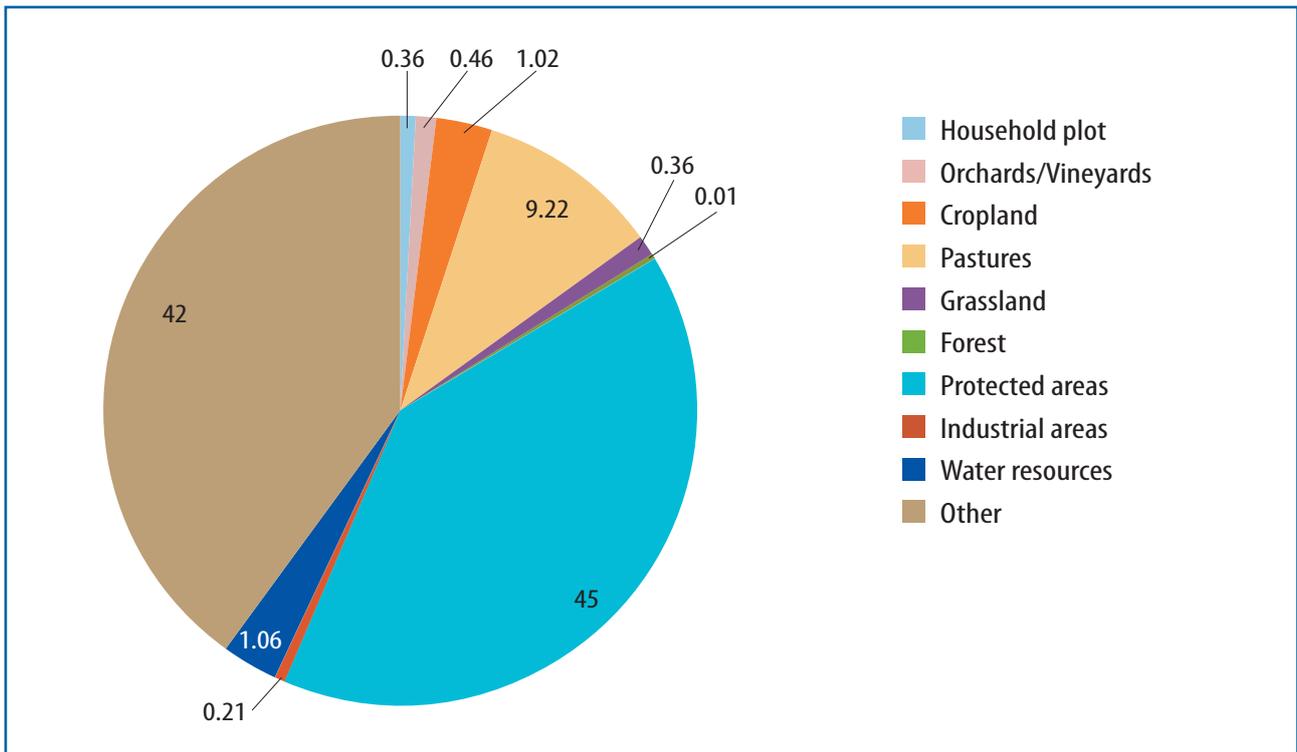
2. COMMUNITY PROFILE

Alvank (formerly Aldara) is located in the former Meghri Region of Syunik Marz not far from Meghri and 94 km from Kapan. The community is positioned close to the physical border between Armenia and Iran in the Syunik Marz /province. Alvank is located on 670 m above sea level altitude and has a mild climate. The neighboring communities are Shvanidzor (7 km), Nrnadzor (17 km), Meghri (12 km) and Araksashen (8 km).

2.1. Community Territory

The total surface area of Alvank covers an area 8598.98 ha of land which includes various land classifications. The official classifications of the community land as registered in the community register are presented in the following chart.

Figure 1 Community land Classification



Source: Alvank Community Land Register

A dominant share of Alvank's territory involves protected areas which make up about 45.18 percent of the total community territory. The remaining three large land classifications are cropland, pastures, orchards/vineyards and household plots covering about 1,02, 9,22, 0.46 and 0.36 percent or 88,12 ha, 793,25, 39.82 and 30.78 ha of the land respectively.

The mild climate in the community as well as relatively low altitude above the sea level allow to grow almost all kinds of fruits and vegetables cultivated in Armenia. Also the availability of large household plots, orchards/vineyards in the community provide the community members with the opportunity to cultivate orchards and produce good quality fruits.

2.2. Demographic Profile

Currently Alvank houses 130 families and has a de facto population of 398 people, of which 208 male and 190 are female.² Compared to de facto population figures of the community in 2001 which was 382 people the population of Alvank grew during the last decade despite the economic conditions and migration.

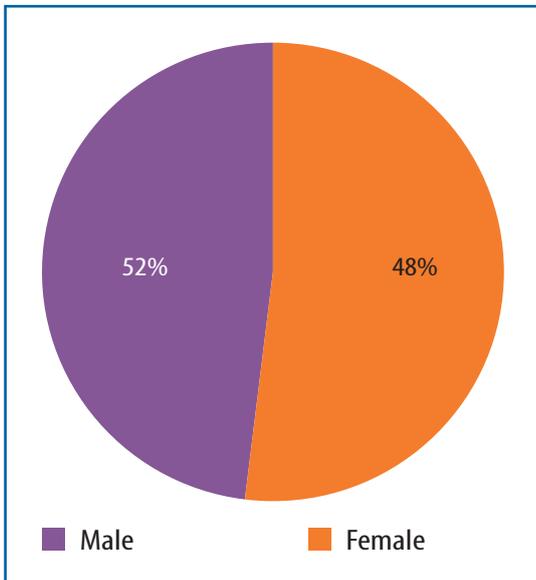


Figure 2 Gender Classification of the community

Source: CCA Workshop Data - Heifer Armenia Calculations

About 71 percent or 281 people of the population of Alvank are working age population aged 16-65. About 10.8 percent or 43 people of the total population are young individuals aged between 15-29 years old. This is a relatively low percentage compared to the Syunik Marz average as Marz level statistics reveal a 30.9 percent population share in this age group. Table 1 presents the age segmentation of young population groups at community and Marz level in more detail.

Table 1 De facto Population by Age (number and % of total population)

	15 - 19	20 - 24	25 - 29
Alvank	9 – 2.7%	26 – 6.5%	8 – 2%
Syunik province	9816 – 6.9%	13128 – 9.3%	12591 – 8.9%

Source: CCA Workshop Data - Heifer Armenia Calculations and NSS data³

The average share of the selected age groups of the total community population is quite below to marz level average. Alvank therefore does not have an above average percentage of young individuals in the community which could allow planning and implementation of youth specific (long term and sustainable) interventions by the ARDI program.

² Heifer Armenia database of official statistics provided by community centers.

³ National Statistical Service of RA (2003), Results of 2001 Population Census OF RA (Figures of Marz Lori), available at: www.armstat.am

2.3. Economic Profile

Results of community assessments point that horticulture and livestock are the main economic sectors of Alvank community. As presented in Table 2, the total average output of the Alvank in dairy sector is very small 19.2 tons of raw milk per year.

In comparison with other communities in Syunik Marz, Alvank produces quite small volumes of milk. Hundred percent of the produced milk and dairy products is consumed by household members.

Table 2 Main Agricultural Outputs of Alvank

Economic Sectors	Annual Agricultural output	Percentage Sold	Monetary Output (mln AMD)*
Animal Husbandry/raw milk	Milk 19.2 t	0%	0
Fruit	331,5t (persimmon 182, Dry persimmon 19,5, apricot 19, pomegranate 100, fig /dry fig 5, quince 6)	93%	179 (Persimmon 57.3mln, Dry persimmon 52.7, apricot 19 mln, pomegranate 36 mln, fig 11,3 mln, quince 3 mln)

*** The output calculations are based on average (retail) sells prices of specific products and reflect retail prices (actual milk and meat prices received by farmers are likely to be lower than official average retail prices AMD prices per kg/l: milk 200, persimmon 350, Dry Persimmon 3000, pomegranate 400, Dry Fig 2500, apricot 1000, quince 500,*

Source: CCA Workshop Data - Heifer Armenia Calculations

As mentioned already, the community has considerably large land area and very rich soil for horticulture production, mainly fruits. Community members have rich orchards and are cultivating different types of fruit. The mild climate and rich soil create favorable conditions for fruit production. Currently the community in average produces 331,5 t of fruit cumulatively per year. Next to apricots which are quite traditional for Armenia, Alvank also produces valuable sorts of pomegranates, persimmons, figs and quince. This generates a monetary output of around AMD 179 mln annually and points towards a big potential of the community to further develop the fruit value chain. The fruit value chain in more details is described in the latter chapter.

The community also produces very small amount of vegetables such as tomatoes, beans, aubergine and cucumber, hundred percent of the vegetables is consumed by household.

To identify possible alternative economic development directions, focus group members were also requested to highlight possible alternative economic sectors for their community. This includes sectors or fields of occupation which currently are not tapped into adequately. These sectors provide further opportunities for the community to capitalize existing resources, boost entrepreneurship and eventually generate higher community output. The following sectors were identified as high potential alternative sectors by community members:

- Beekeeping
- Livestock breeding
- Sheep breeding

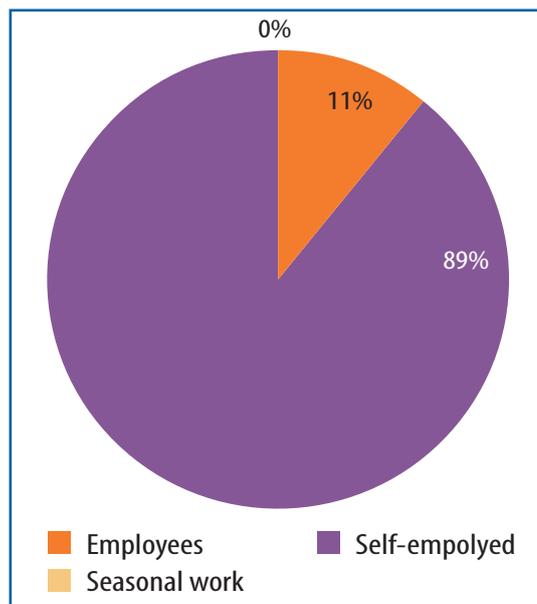
In response community members indicated to see potential for enhanced sheep and livestock breeding. As mentioned, the community has a vast territory of pastures and croplands can be suitable for breeding sheep and livestock.

2.4. Labor Force and Employment

Currently Alvank has a working age population of 281 people (de facto population between 16 and pension age 64). 32 individuals or about 11 percent of this group have permanent employment; this excludes the number of people who are self-employed and mainly involves civil servants and those who receive regular salary from private institutions/organizations, including teachers and staff of the local school and local military unit. The occupation of the working age population in terms of regular employment, self-employment and or seasonal work is illustrated in the following figure.

Figure 3 Occupation of Working Age population

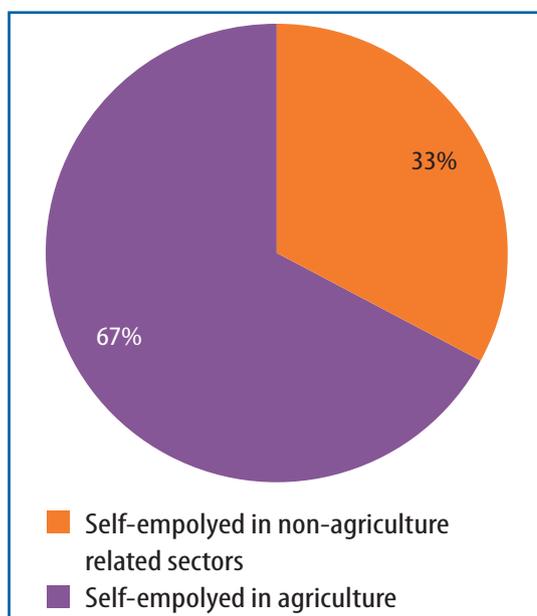
Source: CCA Workshop Data - Heifer Armenia Calculations



As illustrated above, Alvank doesn't have any inhabitant who is engaged in seasonal work. The community is mainly reliant on self-employment and entrepreneurship as there are no other job opportunities available. About 89 percent of working age population in Alvank are self-employed. Of this group just 33 percent are occupied in non-agriculture related and 67 percent are self-employed in agriculture related fields of occupation (See Figure 4).

Figure 4 Direction of Self Employment

Source: CCA Workshop Data - Heifer Armenia Calculations



The vast majority of the community population is self-employed in the agricultural sector. Self-employment however does necessary mean regular income; this is made even more obvious by the results of community consultations. The results of community consultations reveal that about 44.7 percent of the self-employed in agriculture have sufficient access to buyers in terms of regular sales with appropriate volumes and so the remaining majority is often mainly involved in subsistence farming. In terms of education, around 45 percent of the population of Alvank or 178 people have completed secondary education, and 9.8 percent or 39 people have completed secondary professional (college) and or university education.

Figure 5 Community Education level

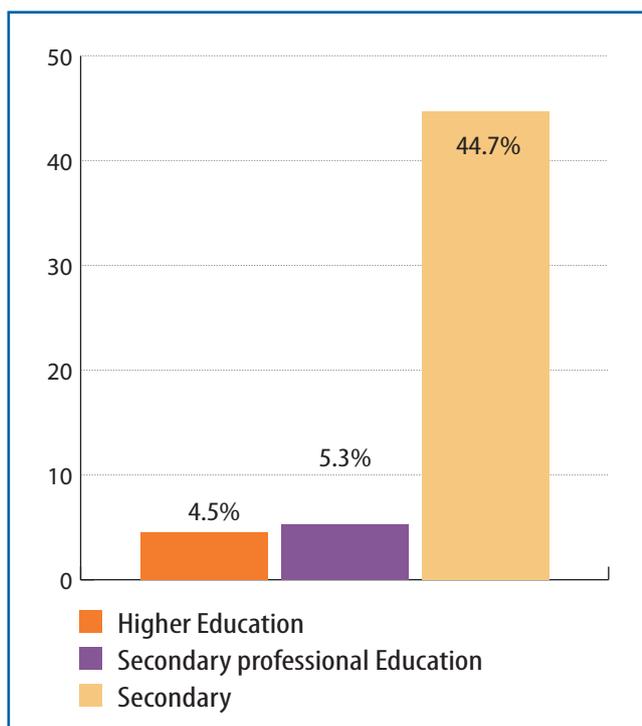
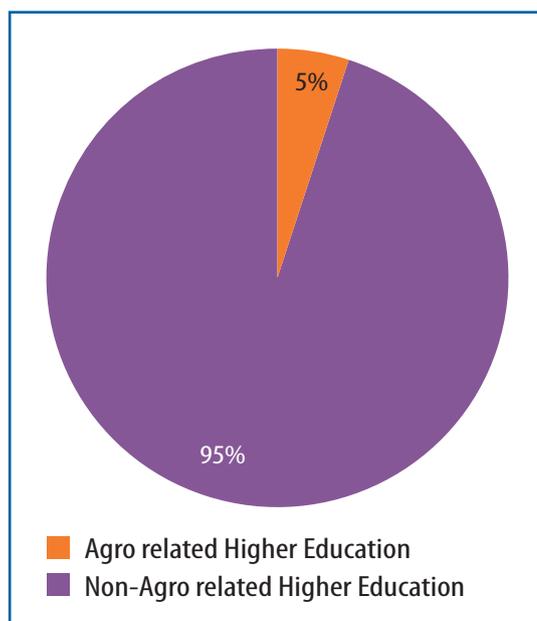


Figure 6 Field of Higher (Professional) Education



Source: CCA Workshop Data - Heifer Armenia calculations

Alvank has considerable human resources mostly in non-agriculture related fields. As presented in the figures above, of the population with professional education (secondary professional education and or higher education) about 5 percent has agriculture related education and the remaining 95 percent is educated in non-agriculture related fields. People who have non-agriculture related education are mainly educated in the fields of pedagogy, management and finance. The latter is particularly important for setting up/development of businesses and/or rural cooperatives where adequate financial management is crucial. There is no one who has formal tourism related education.

Table 3 Experts In non-agricultural and agriculture related fields.

Non-agricultural related	Number of Experts	Agricultural fields	Number of Experts
Finance	2	(Milk) technician	1
Engineering	0	Engineering	0
Management	0	Management	0
Tourism	0	Veterinarian	1
Other	35		

Source: CCA Workshop Data - Heifer Armenia calculations

With regard to agriculture related education and expertise, there is 1 milk technician and 1 veterinarian. It is important to mention that Alvank is getting veterinary services from neighboring villages. Provision of veterinary services in the community is significantly important for the development of a healthy cattle and animal husbandry. Though Alvank doesn't have considerable human resources both in agriculture and non- agriculture related fields but the vast majority possesses immense experience in agriculture sector and has a capacity to boost community development in horticulture sector. Many farmers have exemplary gardens and time to time professionals and farmers from other communities are visiting Alvank to learn about best practices.

2.5. Environmental Situation

This sub section of the assessment is mainly aimed at evaluating the exposure of the community to various kinds of environmental threats. Community members were given the opportunity to highlight the main issues that currently threaten the natural environment of the community and evaluate the impact level of these issues on Alvank's development. Focus group members highlighted the following issues as the main factors threatening the natural environment:

- Climate, as large risks of hail and absence of hail stations
- Frostbitten

As the main issue threatening the natural environment of the community, focus group members mentioned the large risks of hail and the fact that there are no hail stations in the nearby Alvank. Only about 0.1 ha of vineyards are covered with anti hail nets which have been installed by Shen NGO.

The second environmental issue relates to the severe climate in Meghri region. Late snowfall and freezing temperatures hit farmers of Alvank community hard. Sharp temperature drop, hail and heavy snow cause huge damage to the community's agricultural sector. Persimmon, apricot, pomegranate, fig and quince trees which are already in blossom are being affected by the onslaught of the cold front. The traditional protective measures are often useless against nature.

3. COMMUNITY RESOURCES

This section of the community assessments focuses on the resources and capacities of target communities in the three main target sectors/value chains of the ARDI program. This involves the Dairy, Fruit and Rural Tourism value chains. The results presented in this sub-section will allow us to narrow down the focus of community assessments and evaluate the potential of a community to or community cluster to receive ARDI specific investments.

Community resource assessments also involve evaluation of community infrastructural resources. This will include inventory of community infrastructure in terms of existence and condition of community infrastructure including but not limited to drinking and irrigation water systems, community and intra community roads, educational cultural and community governance buildings, community centers, IT and communication infrastructure, leisure and sport facilities, agricultural resources and technologies such as anti-hail systems and other infrastructure. An overview of the existent infrastructural assets of the Artsvanik community is provided in ANNEX 2 of this report.

3.1. Fruits Sector Capacity

Fruit production volumes in Alvank are relatively high. As it was already mentioned the community has a very rich soil and favorable location above the sea level, which contribute into possibility of growing fruit of higher value such as persimmons, quinces, figs and pomegranates, apart from the traditional apricots. Totally produced around 410 tons fresh fruits. Below figure illustrates average volumes and shares of the fruits produced.

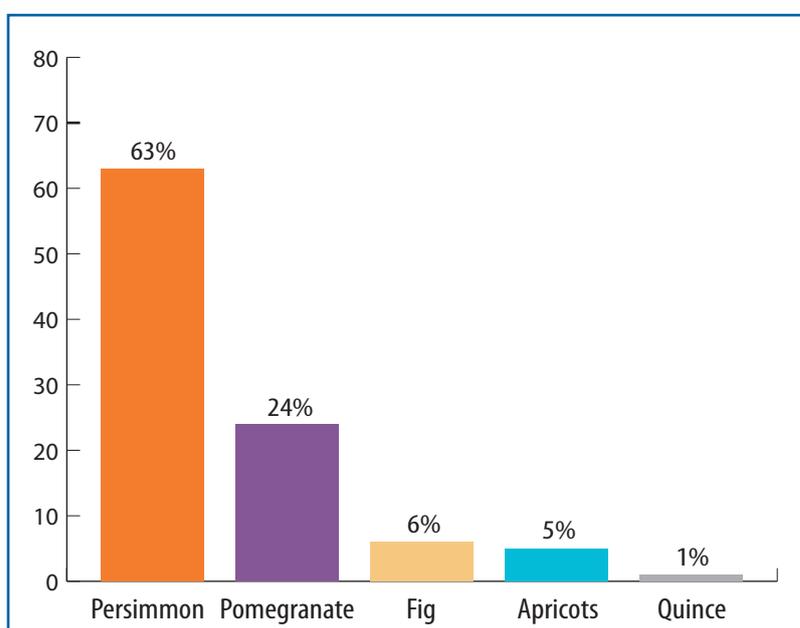


Figure 7 Types of Fruit Produced

Source: CCA Workshop Data - Heifer Armenia Calculations

The fruit that is produced by the farmers is mainly sold in the nearby markets to individual buyers. The fruit is also used for production of

homemade liquors and are sun dried. Mainly 25-30 percent produced persimmon and fig sold after drying, this provides more income, than sold in fresh form. There is currently two cooling/storage units presented in the community, but they belong to a sole entrepreneurs and other community members cannot benefit from it. Besides as in most of the communities of Meghri region, 10-25% of the produced pomegranate of Alvank community is cracked thus farmers are having serious problems with selling those pomegranates and consequently losing $\frac{1}{4}$ of their income. With regards to the fact that Alvank community is rather far from Yerevan and there are no manufacturers of natural juices, farmers emphasize the importance of having small plant to produce juice concentrate which will later be sold to big manufacturers.

The farmers recognize community's exceptionally favorable conditions for further developing the fruit production sector and growing their orchards. Alvank has a solid base of professionals ready to invest their time and knowledge and though lack the appropriate funds and resources.

Members of the community focus group indicated the following issues as the key issues hampering fruit production and sales in Alvank

- Lack of market access
- Far distance from the capital

- Climate, as large risks of hail and absence of hail stations
- Lack of related knowledge and experience

However the community has significant land resources and experience to produce high quality fruits.

3.2. Dairy sector capacity

As it was mentioned before in this report Livestock production is currently not the main economic sector in Alvank. About 100% of raw milk produced is used for the households own needs. There are only 16 milking cows in the entire community and their raw milk production volumes can hardly be considered as a base for further development of the dairy value chain.

Moreover, the community does not have any sector related infrastructure; there are currently no milk collection/cooling units. This is another reason why the community has so far not been concerned with developing this sector.

To conclude the community might have a potential to develop their dairy production and get engaged into respective value chain, however the overall interest of the community members to be engaged in the dairy farming and milk processing is making the dairy sector in this community less promising and decreases its potential.

3.3. Tourism Sector Capacity

Alvank currently attracts on average about 50 local Armenian tourists every year. These are either relatives or their friends who have emotional or other relationship with the village. Currently there are no B&Bs or any other formal accommodation services offered in Alvank. The nearest hotels and B&Bs are located in Meghri, which is 12km far from the community.

Alvank has a small number of historical and architectural monuments which may attract visitors. There are 9 small churches including Saint Nshan church.

Community members have some informal experience related to B&B services provision on a very irregular basis but currently there are no formal hospitality service providers in the community such as restaurants, hot water spas etc. There are also no established links with external tourism related markets and agencies which promote and link it with tourists. As the main issues hampering tourism development in the community focus group member indicated:

- Lack of information dissemination or lack of awareness of potential tourists about the touristic value of the community
- Distance from the capital
- Lack of essential infrastructure such as minimum required living conditions such as renovated bedroom and toilets etc.
- lack of training and sector related knowledge of community members on the tourism sector

Yet, despite the mentioned issues, community members believe that Alvank does have some potential for development of tourism in the community and this can serve as an alternative economic sector and income source for community members.

3.4. Score of Community Resources

This sub section presents the quantitative summary of Alvank's resource assessment as evaluated in the framework of the ARDI Program. The evaluations are mainly based on primary data collection through community consultations. The following table presents the scores of Alvank community regarding various general and value chain specific resources.

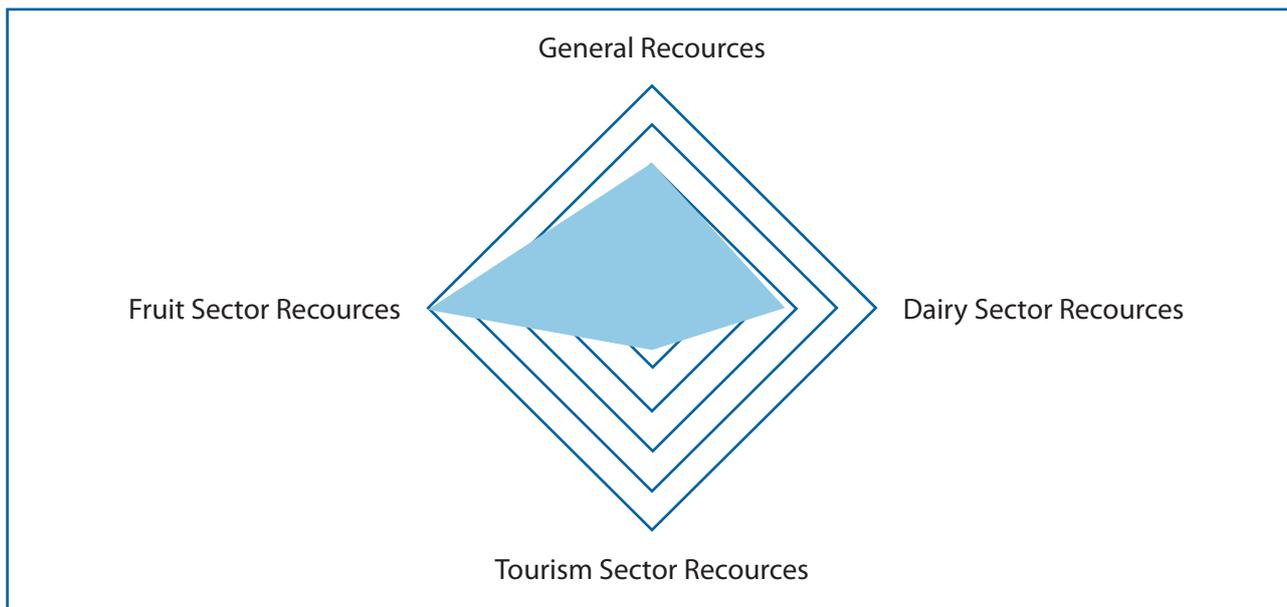
The maximum possible score on community resources is 200. The scoring is done based on mathematical assessments and ratios and expert evaluations. The scores are on a scale of 1 to 5, where 1 is low and 5 is maximum high. The weights add up to a total of 10 in each category where 1 is low and 10 is high. The exact appraisal approach and relevant description is provided in ANNEX 1.

Table 4 Alvank Community Resources (on a scale of 1-5) *Source:* CCA Workshop Data - Heifer Armenia Calculations

Indicator	Score	Weight	Weighted Score
General Community Capacity			
Community Educational level	2	3	6
Community vitality	3	3	9
Community infrastructure (existence and condition of roads, water, energy sewage etc.)	3	2	6
Community Natural resources	2	2	4
Total Score General Community capacity			25
Dairy sector capacity			
Milk Production (Milk production/per capita)	1	1	1
Milk Productivity (Milk production/animal head ratio etc.)	2	2	4
Fodder Availability (Animal/pasture)	5	3	15
Dairy sector related experience and infrastructure	1	4	4
Total Score Dairy Sector Capacity			24
Fruits sector capacity			
Ability to produce quality fruit	1	1	1
Fruit quality	4	3	12
Existence of Fruit infrastructure (hail centers etc.)	3	2	6
Fruit sector related experience and knowledge	4	4	16
Total Score Fruit Sector Capacity			35
Tourism Sector Capacity			
Tourism related resources as natural, cultural etc.	1	3	3
Current tourist visits to the community	2	2	4
Existence of tourism infrastructure (B&Bs, restaurants, spas etc.)	1	3	3
Existence of tourism related experience and knowledge	1	2	2
Total Score Tourism Sector Capacity			12
Total Score Community Resources			96

The highest scores of Alvank regarding Community Resources relate to fruits sector capacity and general community resources with the scores of 25 and 35 respectively. The fruit sector capacities of the community scored the highest regarding value chain specific areas. Alvank has a high score on quality fruit production volumes and scores low on fruit value chain related infrastructure. There is a huge knowledge and experiences in fruit sector available in the community. The next highest score of the community related to the dairy sector. In relation to dairy sector Alvank scores relatively high for fodder per capita but the number of livestock is just 58 and there are just a few farmers in Alvank thus it is not developed in Alvank at all. The total weighted score of Alvank on community resources is 96. The following figure presents a visual illustration of the community resources in the four indicated areas.

Figure 8 Alvank Resource Map



4. RESOURCE UTILIZATION

As a main part of HA's community assessment model, this subsection of the assessment focuses on evaluating the utilization level of community resources. Evaluating utilization levels will allow us to better understand the need of the community for programmatic interventions in the evaluated areas.

The following table presents the resource utilization scores of Alvank community regarding various general and value chain specific resources. The scoring is again done based on objective mathematical assessments and ratios and expert evaluations. The utilization scores involve a scale of 1 to 5, where 1 is low and 5 is the maximum high. Consequently, low weighted scores on resource utilization indicate that resources of the community in a specific field are under-utilized. The included weights add up to a total of 10 in each category, where 1 is again low and 10 is high

Table 5 Alvank Community Resources Utilization (on a scale of 1-5)

Indicator	Score	Weight	Weighted Score
Dairy sector capacity			
Utilization of fodder base (Animal/pasture on a scale of 5-1)	1	3	3
Milk collection level (production/collection on a scale of 1-5)	1	4	4
Community milk Productivity	2	1	2
Overall dairy sector resource utilization *	1	2	2
Total Dairy Sector (Max 50)			11
Fruits sector capacity			
Utilization of quality production capacity	4	3	12
Current sells of quality fruit production	4	3	12
Professional Fruit processing	1	2	2
Overall fruit sector resource utilization	2	2	4
Total Fruit Sector (Max 50)			30
Tourism sector capacity			
Use of natural, cultural and other resources for community development)	1	4	4
Revenue generation through hospitality services (as B&Bs, restaurants, etc.)	1	3	3
Professional use of tourism related Knowledge and HR capacity	1	2	2
Overall Tourism sector resource utilization	1	1	1
Total Tourism Sector (Max 50)			10
Total Score Resource Utilization			51

* The general evaluations of each sector involve expert evaluation of various components of influence to sector capacity and its utilization. Regarding the dairy sector for example knowledge and experience of the community in this specific sector, willingness of the community to invest in the sector and other such factors were taken into account.

Source: CCA Workshop Data - Heifer Armenia Calculations

The total resource utilization score of Alvank community was 51 out of 150. The lowest score of the community in this regard related to the tourism sector resource utilization as similar to many other rural communities in Armenia there is hardly any economic activity in this sector. Natural, cultural and other resources of the community with touristic value are not being utilized for commercial purposes. With a total weighted score of 10, tourism sector is the most under-utilized sector of the community evaluated in this framework.

The second underutilized sector of the community is the dairy sector which scored 11. This can be explained by the fact that Alvank has just 16 milking cows and farmers are mostly involved in fruits sector.

The last sector with a score of 30 is the fruits sector. This involved utilization of production capacities regarding high quality (marketable) fruit. As discussed in section 3.1, the capacities of Alvank regarding high quality fruit production are high, again due to natural climatic and geographical conditions and a rich soil. Therefore so far the community mostly capitalized on production of valuable and high quality fruit. However there is still a potential to further develop fruit value chain, because the community hardly has any fruit value chain related infrastructure and cannot fully benefit from the fruit that is produced.

5. ENABLING ENVIRONMENT



A very important factor for community development and consequently a focus point of the community competitiveness assessment is the environment. Enabling environment is an overarching factor that involves a set of broad issues which directly influence all aspects of community development. The factors assessed by our model involve five main indicators that assess the environment from different specific perspectives relevant to the ARDI program. These factors involve:

- Willingness of community members and local officials to commit and invest resources (time and money) in community development.
- Willingness of community members to cooperate with one another towards common gain and development.
- Coverage of the community by other development projects/initiatives.
- Linkage of community with existent (business) support structures, both public and private.
- Position of the community to serve surrounding communities

These factors are assessed by focus group members on a scale of one to five where one is the worst score and “five” the best. The total maximum score on enabling environment is 100. Communities that score high on these features are considered having enabling environment on the features that are of crucial importance for the ARDI program. Moreover these factors all have certain weights which to some degree stress the importance of each specific factor to the program. The following table presents the scores of Alvank in relation to the mentioned indicators and the total weighted score of the community regarding enabling environment

Table 6 Alvank’s Enabling Environment

Source: CCA Workshop Data - Heifer Armenia Calculations

Indicators	Score (1-5)	Weight	Weighted Score
Willingness of community members and officials to invest and activity participate in the program	4	6	24
Willingness of community members to cooperate towards common gain and development	3	4	12
Coverage of the community by other development projects/ initiatives.	3	1	3
Linkage of community with existent (business) support structures	2	1	2
Position of the community to serve surrounding communities	4	8	32
Total Score Enabling Environment			73

The total score of Alvank on enabling environment is 73. The highest score (32) involved the position of the community to serve as a community cluster and thus to contribute to the development of nearby communities as well. The second highest score (24) of the community in this area relates to the motivation of the community to invest resources and actively participate in the program. This was also made obvious during community assessment sessions and focus group discussions as community members participated very actively in these meetings as focus group members and observers.

Alvank scores 12 regarding the willingness of community members to cooperate towards common gain and development. The ability to work with each other is important in case cooperative approaches such as milk producer or fruit processing cooperatives are to be established in the community. The community has limited links to existent (business) support structures specifically there are a few credit organizations operating in Alvank. Currently a few other development programs are being implemented in the community.

6. CONCLUSIONS

Alvank is one of the communities located in Meghri region of Syunik Marz of Armenia. The community houses 398 residents of which the vast majority is involved in fruit production thus it is the main source of income for community inhabitants.

The total competitiveness assessment score of Alvank was 118. In general, the community scored relatively high on community resources and enabling environment and relatively low on the resource utilization. Regarding general community resources, the community among others scored high on community education level and community vitality which relates to the relatively large population of young individuals that can get involved and contribute to the development of the community.

In terms of sector or value chain specific resources Alvank scored the highest on fruit sector capacity (35) which involved relatively good climate and geographical conditions as well as rich soil, suitable for high quality fruit production. Dairy and Tourism sectors scored relatively low with respective scores of 24 and 12. Dairy sector is not developed in Alvank at all because people are mostly involved in agriculture sector. Tourism sector is also not developed in Alvank as community is located quite far from the capital and has extremely poor sector related infrastructure.

Alvank scored relatively high on enabling environment. Though the community has relatively limited links with existent business support structures and is not sufficiently covered by development organizations, the community is very well positioned to serve as a cluster center, as it is located very close to the highway, which could connect surrounding communities with the regional centers such as Meghri and Agarak. Most importantly the community is situated very close to Armenian Iranian border and can serve as a collection and consolidation center for farmers from nearby communities. The position of the community to serve surrounding communities has a large importance to ARDI program as the potential impact of the investments made by the program in a community is very much dependent on the ability of the community to serve surrounding communities and contribute to the development of these communities as well.

7. ANNEX 1: APPRAISAL APPROACH

Community Resources	
Indicator	Appraisal Measures
General Community Capacity	
Community Educational level	Level of education and agricultural targeting of education as percentage of population with Secondary professional and Higher education on a scale of 1-5 where [0-5%=1] – [5-10%=2] – [10-20%=3] – [20-40%=4] – [40%+=5]
Community vitality (number of people aged 15-29/community population)	Number of people aged 15-29/community population) on a scale of 1-5 where [0-5%=1] – [5-10%=2] – [10-20%=3] – [20-40%=4] – [40%+=5]
Community infrastructure (existence and condition of roads, water, energy sewage etc.)	Existence and condition of infrastructure as water, energy sewage etc.) on a scale of 1-5 where [no-infrastructure=1] – [inadequate infrastructure=2] – [Usable quality infrastructure=3] – [good quality infrastructure=4] – [excellent infrastructure=5]
Community Natural resources (stone, diamond and other precious metal reserves etc.)	Accumulated score of various resources such as forests, stone, diamond and other precious metal reserves etc.) on a scale of 1-5 where [no resources =1] – [forest and water=1] – [Stone mines=1] – [Precious metals=1] – [fossil fuel reserves as coal=1]
Dairy sector capacity	
Milk Production	(Milk production/per capita) on scale of 1-5 where [0-0.2=1] – [0.21-0.4=2] – [0.41-0.6=3] – [0.61-0.8=4] – [0.81+=5]
Milk Productivity	(Milk production/animal head ratio etc.) on scale of 1-5 where [0 - 1=1] – [1 - 1.5 =2] – [1.5-2=3] [2.1—2.5=4] – [2.5+=5]
Fodder Availability	(Animal/pasture ratio on scale of 1-5 where [0 - 1=1] – [1- 2 =2] – [2-3=3] [3-4=4] – [4+=5]
Dairy sector related experience and infrastructure	Accumulated score of various resources as educate people and people with professional experience on scale of 1-5 [Milk technicians =1] – [Vets =1] – [Experience in the sector=1] – [Consolidation units=1] – [processing plants=1]
Fruits sector capacity	
Ability to produce quality fruit	Quantity of quality fruit production in tons per capita on scale of 1-5 where [0 - 1=1] – [1 - 1.5 =2] – [1.5-2=3] – [2.1-2.5=4] – [2.5+=5]
Fruit quality	Share of high quality fruit of the total fruit production scale on a scale of 1-5 where [0-10%=1] – [10-20%=2] – [20-40%=3] – [40-80%=4] – [80-100%=5]
Existence of Fruit infrastructure	Hail centers and consolidation units etc. on scale of 1-5 in terms of perceptual coverage [0-10%=1] – [10-20%=2] – [20-40%=3] – [40-80%=4] – [80-100%=5]

Fruit sector related experience and knowledge	Existence of educated people and people with professional experience in this sector including landscape experts etc.
Tourism Sector Capacity	
Tourism related resources as natural, cultural etc.	Existence of attractive natural environments, culinary specialties, hospitality of the people etc. on scale of 1-5.
Current tourist visits to the community	Number of visitors visiting the community annually (international and locals) on scale of 1-5 where [0 - 10=1] – [10 - 100 =2] – [100-200=3] – [200-400=4] – [400+=5]
Existence of tourism infrastructure (B&Bs, restaurants, spas etc.	Existence of B&Bs, hotels, restaurants, spas etc. on scale of 1-5 where existence of all different services is one extra point so only B&B and or hotel =1 points, Restaurants = 1 points, Spas =1 points, leisure possibilities/night life =1 and if all of these points exists 5 points.
Existence of tourism related experience and knowledge	Previous formal and informal experience with tourism service delivery on a scale of 1-5 where only informal hospitality is 1, informal paid hospitality is 2, formal experience as registered business is 3, formal with established links to local tour operators is 4 and formal with established links with international tour operators is 5.

Resource Utilization	
Indicator	Appraisal Measures
Dairy Sector	
Utilization of fodder base	Ratio of number of animals divided by the existent pasture and grassland – minus 1.8 On a scale of 1-5 where [0 - 0.5=5] – [0.5 - 1 =4] – [2 - 3=3] [3-4=2] – [4+=1]
Milk collection level (production/ collection)	Raw milk production and regular collection ratio in percentage on a scale of 1-5 where [0-10%=1] – [10-20%=2] – [20-40%=3] [40-80%=4] – [80-100%=5]
Milk Productivity	Milk productivity compared to maximum productivity of Caucasian Grey (local breed of cows in Armenia which is 3.5. On a scale of 1-5 where [0 – 0.2=1] – [0.2- 0.5 =2] – [0.5-0.8=3] – [0.8-1=4] – [1+=5]
Overall dairy sector resource utilization	Independents expert evaluation of various components of influence to sector capacity and its utilization.
Fruits Sector Capacity	
Utilization of quality production capacity	Percentage of quality production compared to actual production of fruits on a scale of 1-5 where [0-10%=1] – [10-20%=2] – [20-40%=3] – [40-80%=4] – [80-100%=5]
Current sales of quality fruit production	Percentage of quality production sales compared to actual production of high quality fruits on a scale of 1-5 where [0-10%=1] – [10-20%=2] – [20-40%=3] – [40-80%=4] – [80-100%=5]

Professional Fruit processing	Professional (of farm) processing of fruit in the community as drying, juicing etc. where [0-10%=1] – [10-20%=2] – [20-40%=3] – [40-80%=4] – [80-100%=5]
Overall fruit sector resource utilization	Independents expert evaluation of various components of influence to sector capacity and its utilization.
Tourism Sector Capacity	
Use of natural, cultural and other resources for community development.)	Regularity of tourist visits to the natural cultural and other resources of the community where very rare=1, rare 2, occasionally =3, often is 4 and very often is 5.
Revenue generation through hospitality services (as B&Bs, restaurants, etc.)	Contribution of tourism to community income generation on a scale of 1-5 where [0-10%=1] – [10-20%=2] – [20-40%=3] – [40-80%=4] – [80-100%=5]
Professional use of tourism related Knowledge and HR capacity	Number of people working and utilizing their tourism related experience in this sector as percentage of total community population where [0-10%=1] – [10-20%=2] – [20-40%=3] – [40-80%=4] – [80-100%=5]
Overall Tourism sector resource utilization	Independents expert evaluation of various components of influence to sector capacity and its utilization.

8. ANNEX 2: INFRASTRUCTURAL INVENTORY

Economic infrastructure – including industrial areas and buildings suitable for the production, storage, processing factories, stores, food service outlets, markets, hotels, guest houses, mines and mining, etc.

Infrastructure	Operating / non operating	Belongs to (private-public)	Production capacity, if applicable.	Inner community / Outside of community (5 km radius)
Stores	don't operate	public	-	inner community
Building close to the village administration	doesn't operate	public	-	inner community 40x10 m ²
Garages	don't operate	public	-	inner community
Old school building	doesn't operate	public	-	inner community
Cattle	doesn't operate	public	-	inner community
Stores - 2	don't operate	public	-	inner community

Transport infrastructure, including roads (intra and inter), bridges, tunnels, traffic direction, traffic lights, community transport, car service centers, gas stations, etc.

Infrastructure	Operating / non operating	Belongs to (private-public)	Inner community / Outside of community (15 km radius)	Comments
Roads	operate	public	inner community	length 4.6 km, in a good condition
Bridges- 2	operate	public	outside of community	length 1-2 km
Traffic directions	operate	public	outside of community	-
Road lighting	operate	public	inner community	-

Energy infrastructure – including electrical substations, hydropower stations, network, gasification/natural gas coverage, gas substations, services, etc.

Infrastructure	Operating / non operating	Belongs to (private-public)	Coverage (%)	Comments
Electrical substations- 2	operate	public	100%	Meghri branch
Network	operate	public	100%	-

Water infrastructure - including drinking and irrigation water network, sewerage, water drafting stations, drainage systems, water pumping stations, water meters, drainage systems, expansion basins, torrents, etc.

Infrastructure	Operating / non operating	Coverage (%)	Comments
Drinking water network	operates	100%	-
Irrigation water network	operates	100%	Waged by pumps

Drinking water chloroforming station	operates	100%	-
Expansion basins	operates	100%	Water is waged by pump

Telecommunications infrastructure – post office, fixed/landline telephone, mobile, Internet, TV, television towers, and so on.

Infrastructure	Operating / non operating	Coverage (%)	Comments
Post office	operates	100%	-
Fixed telephone	operates	-	used by 3-4 families
Mobile communication	operates	100%	available all operators
Television	operates	100%	satellite
Internet	operates	50-60 %	VivaCell-MTS, Orange Armenia

Waste management infrastructure – organized waste management, centralized garbage shedding areas, biogas production, etc.

Infrastructure	Operating / non operating	Comments
Centralized garbage shedding site	operates	1-2 km away from the village

Geological infrastructure – hail stations, weather forecast stations and so on.

Infrastructure	Operating / non operating	Comments
-	-	-

Management infrastructure – village administration, police, fire station and so on.

Infrastructure	Operating / non operating	Comments
Village administration	operates	is under the community control

Social infrastructure – community ambulance, hospitals, schools, kindergartens, gym, community center, museum, library, etc.

Infrastructure	Operating / non operating	Belongs to (private-public)	Comments
Medical center	operates	public	belongs to Ministry of Health

Inactive list of infrastructure, which can be used for the purposes of program.

Infrastructure	Condition (good, bad, medium)	Availability of other infrastructure				Usage possibility rating (1-5)	Comments
		water	gas	Electricity	Road		
Building close the village administration	good	there is	there isn't	there is	there is	5	On the first floor
Garage	bad	there is	there isn't	there is	there is	3	Soviet times
Old school building	bad	there is	there isn't	there is	there is	4	-
Barn	bad	there is	there isn't	there is	there is	4	-
Markets	medium	there is	there isn't	there is	there is	3	-

ARDI is a 5-year program funded by the US Agency for International Development. Launched in September 2013; the program aims to increase rural employment by tackling constraints to rural economic development of communities in the Syunik, Vayots Dzor and Lori Marzes (provinces) of Armenia. The program will support interventions in three main rural economic sectors/Value Chains involving Dairy Processing, Fruit Processing and Rural Tourism.
