



ADVANCED
SOCIAL
TECHNOLOGIES

PROGRAM BUDGETING ANALYSIS

*STRENGTHENING INSTITUTIONS TO IMPROVE PUBLIC
EXPENDITURE ACCOUNTABILITY*

PROJECT

ADVANCED SOCIAL TECHNOLOGIES

NON-GOVERNMENTAL ORGANIZATION

Armenia

2012

This paper is an updated version of the Program Budgeting Analysis developed and presented to the Armenian counterparts and together with the Benefit Incidence Analysis will try to consolidate some of the key budgeting information that will be helpful for decision making. In preparing this report the group of experts had analyzed budget information for three sectors and tried to present the required program budgeting information in line with the performance related data. The two above form the grounds for program budgeting analysis that aims at linking the policies with budgets.

The background and methodology parts of the report had been previously provided by the PBA report in 2010 and 2009. Thus, this paper will concentrate on presenting the data in tabular formats and highlighting the main trends.

PBA TABLES

The tables in this section present the data in thousand Armenian Drams, the AMD/USD exchange rate by years is presented below.

	2006	2007	2008	2009	2010	2011
AMD/USD rate (average) ¹	416.0	342.1	306.0	363.3	373.7	372.5

Recurrent and Development Spending by Facility Level, Amount – Education (1E)

Education	2009 (actual)	2010 (actual)	2011 (actual)	2012 (budgeted)
Primary school	24,602,373.8	25,185,908.9	29,373,065.9	26,912,756.3
Recurrent	20,850,346.8	23,353,365.0	26,460,071.9	24,175,980.5
Wages	0.0	0.0	0.0	0.0
Non-Wages	20,850,346.8	23,353,365.0	26,460,071.9	24,175,980.5
Capital	3,752,027.0	1,832,543.9	2,912,994.0	2,736,775.8
Domestic	3,481,374.9	1,720,270.8	2,455,076.9	1,991,639.0
Donor	270,652.2	112,273.2	457,917.1	745,136.8
Middle school	45,282,606.8	37,763,942.4	36,960,818.0	37,324,376.1
Recurrent	38,813,594.7	34,858,222.4	32,341,614.7	32,984,606.2
Wages	0.0	0.0	0.0	0.0
Non-Wages	38,813,594.7	34,858,222.4	32,341,614.7	32,984,606.2
Capital	6,469,012.1	2,905,720.0	4,619,203.4	4,339,769.9
Domestic	6,002,370.4	2,727,697.3	3,893,073.4	3,158,188.9
Donor	466,641.7	178,022.7	726,130.0	1,181,581.0
High school	20,317,876.4	16,561,412.6	19,616,677.0	23,350,999.2
Recurrent	15,442,242.8	15,001,538.9	15,690,633.2	21,131,930.5
Wages	0.0	0.0	0.0	0.0
Non-Wages	15,442,242.8	15,001,538.9	15,690,633.2	21,131,930.5

¹ Source: www.cba.am

Capital	4,875,633.6	1,559,873.7	3,926,043.8	2,219,068.7
Domestic	4,508,860.1	1,483,263.8	3,617,531.9	1,717,048.6
Donor	366,773.5	76,609.9	308,511.9	502,020.1
Initial vocational	1,889,000.8	2,485,495.3	2,265,345.5	1,983,202.7
Recurrent	1,889,000.8	1,880,982.8	1,978,931.4	1,983,202.7
Wages	0.0	0.0	0.0	0.0
Non-Wages	1,889,000.8	1,880,982.8	1,978,931.4	1,983,202.7
Capital	0.0	604,512.5	286,414.1	0.0
Domestic	0.0	0.0	0.0	0.0
Donor	0.0	604,512.5	286,414.1	0.0
Middle vocational	3,325,683.5	3,661,304.4	4,704,539.6	3,277,690.6
Recurrent	2,996,914.2	2,969,212.5	3,253,544.0	3,247,690.6
Wages	0.0	0.0	0.0	0.0
Non-Wages	2,996,914.2	2,969,212.5	3,253,544.0	3,247,690.6
Capital	328,769.3	692,091.9	1,450,995.6	30,000.0
Domestic	328,769.3	87,579.4	1,164,581.5	30,000.0
Donor	0.0	604,512.5	286,414.1	0.0
Higher professional	7,309,262.7	7,146,029.5	7,483,523.2	7,511,056.5
Recurrent	7,259,262.7	7,146,029.5	7,483,523.2	7,511,056.5
Wages	0.0	0.0	0.0	0.0
Non-Wages	7,259,262.7	7,146,029.5	7,483,523.2	7,511,056.5
Capital	50,000.0	0.0	0.0	0.0
Domestic	50,000.0	0.0	0.0	0.0
Donor	0.0	0.0	0.0	0.0
Post-graduate professional	557,263.5	584,895.7	643,775.2	662,065.4
Recurrent	557,263.5	584,895.7	643,775.2	662,065.4
Wages	0.0	0.0	0.0	0.0
Non-Wages	557,263.5	584,895.7	643,775.2	662,065.4
Capital	0.0	0.0	0.0	0.0
Domestic	0.0	0.0	0.0	0.0
Donor	0.0	0.0	0.0	0.0
Out-of school education	2,507,363.2	2,574,655.0	2,924,298.6	2,912,294.1
Recurrent	2,272,252.6	2,310,093.0	2,563,954.7	2,551,294.1
Wages	0.0	0.0	0.0	0.0
Non-Wages	2,272,252.6	2,310,093.0	2,563,954.7	2,551,294.1
Capital	235,110.6	264,562.0	360,343.9	361,000.0
Domestic	235,110.6	264,562.0	360,343.9	361,000.0
Donor	0.0	0.0	0.0	0.0
Additional education	847,246.4	828,465.7	1,075,019.1	1,154,175.0
Recurrent	847,246.4	828,465.7	1,075,019.1	1,154,175.0
Wages	0.0	0.0	0.0	0.0
Non-Wages	847,246.4	828,465.7	1,075,019.1	1,154,175.0
Capital	0.0	0.0	0.0	0.0
Domestic	0.0	0.0	0.0	0.0

Donor	0.0	0.0	0.0	0.0
Education Administration and Support Services	974,582.6	1,008,574.7	1,074,966.1	942,320.5
Recurrent	974,582.6	1,008,574.7	1,074,966.1	942,320.5
Wages	464,959.1	479,880.2	489,056.7	489,056.7
Non-Wages	509,623.5	528,694.5	585,909.4	453,263.8
Capital	0.0	0.0	0.0	0.0
Domestic	0.0	0.0	0.0	0.0
Donor	0.0	0.0	0.0	0.0

Recurrent and Development Spending by Facility Level, Amount – Health (1H)

Health, <i>AMD ,000</i>	2009	2010	2011	2012 (budgeted)
Public health primary (ambulatory-polyclinic) care services	19,391,285	19,061,600	21,306,328	22,490,488
Recurrent	18,249,509	18,383,799	21,306,328	22,490,488
Wages	-	-	-	-
Non-Wages	18,249,509	18,383,799	21,306,328	22,490,488
Capital	1,141,776	677,801	-	-
Domestic	1,141,776	677,801	-	-
Donor	-	-	-	-
Services of obstetrical-gynecological medical assistance	7,274,767	7,425,909	8,151,136	8,147,645
Recurrent	7,274,767	7,425,909	8,151,136	8,147,645
Wages	-	-	-	-
Non-Wages	7,274,767	7,425,909	8,151,136	8,147,645
Capital	-	-	-	-
Domestic	-	-	-	-
Donor	-	-	-	-
Hospital medical aid services	15,371,670	15,121,326	19,970,322	20,245,901
Recurrent	15,371,670	15,121,326	19,970,322	20,245,901
Wages	-	-	-	-
Non-Wages	15,371,670	15,121,326	19,970,322	20,245,901
Capital	-	-	-	-
Domestic	-	-	-	-
Donor	-	-	-	-
Public health services	2,853,611	2,776,361	2,958,017	3,069,445
Recurrent	2,853,611	2,776,361	2,958,017	3,069,445
Wages	-	-	-	-
Non-Wages	2,853,611	2,776,361	2,958,017	3,069,445
Capital	-	-	-	-
Domestic	-	-	-	-

Donor	-	-	-	-
Paramedical services and other supportive services	10,303,948	10,729,246	9,927,543	10,114,398
Recurrent	5,470,482	6,096,869	6,248,389	6,365,996
Wages	-	-	-	-
Non-Wages	5,470,482	6,096,869	6,248,389	6,365,996
Capital	4,833,466	4,632,377	3,679,153	3,748,402
Domestic	4,833,466	4,632,377	3,679,153	3,748,402
Donor	-	-	-	-
Policy Formulation and Administration	973,487	1,016,352	999,083	1,058,607
Recurrent	973,487	1,016,352	999,083	1,058,607
Wages	894,675	936,773	920,901	975,767
Non-Wages	78,812	79,579	78,182	82,840
Capital	-	-	-	-
Domestic	-	-	-	-
Donor	-	-	-	-

Recurrent and Development Spending by Facility Level, Amount – Water (1W)

Water,	2009	2010	2011	2012
AMD ,000		(actual)	(budgeted)	(budgeted)
Water Supply	11,882,703.4	13,479,311.0	17,172,788.3	16,475,952.1
Recurrent	1,443,564.9	2,915,084.1	2,169,362.4	3,952,347.1
Wages	0.0	0.0	0.0	0.0
Non-Wages	1,443,564.9	2,915,084.1	2,169,362.4	3,952,347.1
Capital	10,439,138.5	10,564,226.9	15,003,425.9	12,523,605.0
Domestic	0.0	0.0	0.0	0.0
Donor	10,439,138.5	10,564,226.9	15,003,425.9	12,523,605.0
Sewerage	603,914.4	2,952,325.2	3,582,706.8	1,221,615.5
Recurrent	0.0	174,467.3	154,847.9	0.0
Wages	0.0	0.0	0.0	0.0
Non-Wages	0.0	174,467.3	154,847.9	0.0
Capital	603,914.4	2,777,857.9	3,427,858.9	1,221,615.5
Domestic	0.0	0.0	0.0	0.0
Donor	603,914.4	2,777,857.9	3,427,858.9	1,221,615.5
Irrigation	10,616,493.6	15,916,844.0	12,725,188.7	14,894,514.1
Recurrent	7,064,457.7	6,893,680.7	5,829,231.5	5,861,888.5
Wages	0.0	0.0	0.0	0.0
Non-Wages	7,064,457.7	6,893,680.7	5,829,231.5	5,861,888.5
Capital	3,552,035.9	9,023,163.3	6,895,957.2	9,032,625.6
Domestic	82,954.3	0.0	0.0	0.0
Donor	3,469,081.5	9,023,163.3	6,895,957.2	9,032,625.6

Policy Formulation and Administration	263,555.4	898,358.9	787,575.6	790,106.6
Recurrent	263,555.4	898,358.9	787,575.6	790,106.6
Wages	107,113.7	107,748.1	111,595.8	110,903.1
Non-Wages	156,441.7	790,610.8	675,979.8	679,203.5
Capital	0.0	0.0	0.0	0.0
Domestic	0.0	0.0	0.0	0.0
Donor	0.0	0.0	0.0	0.0
Water,		2010	2011	2012
AMD ,000	2009	(actual)	(estimated)	(estimated)
Total Water Expenditures	23,366,666.7	33,246,839.1	34,268,259.4	33,382,188.3
Recurrent	8,771,578.0	10,881,591.0	8,941,017.4	10,604,342.2
Wages	107,113.7	107,748.1	111,595.8	110,903.1
Non-Wages	8,664,464.3	10,773,842.9	8,829,421.6	10,493,439.1
Capital	14,595,088.8	22,365,248.1	25,327,242.0	22,777,846.1
Domestic	82,954.3	0.0	0.0	0.0
Donor	14,512,134.4	22,365,248.1	25,327,242.0	22,777,846.1

Recurrent and Development Spending by Facility Level, Percentage (%) – Education (2E)

Education	2009 (actual)	2010 (actual)	2011 (actual)	2012 (budgeted)
Primary school	24,602,373.8	25,185,908.9	29,373,065.9	26,912,756.3
% of Total				
Recurrent	84.7%	92.7%	90.1%	89.8%
Capital	15.3%	7.3%	9.9%	10.2%
% of Recurrent				
Wages	0.0%	0.0%	0.0%	0.0%
Non-Wages	100.0%	100.0%	100.0%	100.0%
Middle school	45,282,606.8	37,763,942.4	36,960,818.0	37,324,376.1
% of Total				
Recurrent	85.7%	92.3%	87.5%	88.4%
Capital	14.3%	7.7%	12.5%	11.6%
% of Recurrent				
Wages	0.0%	0.0%	0.0%	0.0%
Non-Wages	100.0%	100.0%	100.0%	100.0%
High school	20,317,876.4	16,561,412.6	19,616,677.0	23,350,999.2
% of Total				
Recurrent	76.0%	90.6%	80.0%	90.5%
Capital	24.0%	9.4%	20.0%	9.5%
% of Recurrent				
Wages	0.0%	0.0%	0.0%	0.0%
Non-Wages	100.0%	100.0%	100.0%	100.0%

Initial vocational	1,889,000.8	2,485,495.3	2,265,345.5	1,983,202.7
% of Total				
Recurrent	100.0%	75.7%	87.4%	100.0%
Capital	0.0%	24.3%	12.6%	0.0%
% of Recurrent				
Wages	0.0%	0.0%	0.0%	0.0%
Non-Wages	100.0%	100.0%	100.0%	100.0%
Middle vocational	3,325,683.5	3,661,304.4	4,704,539.6	3,277,690.6
% of Total				
Recurrent	90.1%	81.1%	69.2%	99.1%
Capital	9.9%	18.9%	30.8%	0.9%
% of Recurrent				
Wages	0.0%	0.0%	0.0%	0.0%
Non-Wages	100.0%	100.0%	100.0%	100.0%
Higher professional	7,309,262.7	7,146,029.5	7,483,523.2	7,511,056.5
% of Total				
Recurrent	99.3%	100.0%	100.0%	100.0%
Capital	0.7%	0.0%	0.0%	0.0%
% of Recurrent				
Wages	0.0%	0.0%	0.0%	0.0%
Non-Wages	100.0%	100.0%	100.0%	100.0%
Post-graduate professional	557,263.5	584,895.7	643,775.2	662,065.4
% of Total				
Recurrent	100.0%	100.0%	100.0%	100.0%
Capital	0.0%	0.0%	0.0%	0.0%
% of Recurrent				
Wages	0.0%	0.0%	0.0%	0.0%
Non-Wages	100.0%	100.0%	100.0%	100.0%
Out-of school education	2,507,363.2	2,574,655.0	2,924,298.6	2,912,294.1
% of Total				
Recurrent	90.6%	89.7%	87.7%	87.6%
Capital	9.4%	10.3%	12.3%	12.4%
% of Recurrent				
Wages	0.0%	0.0%	0.0%	0.0%
Non-Wages	100.0%	100.0%	100.0%	100.0%
Additional education	847,246.4	828,465.7	1,075,019.1	1,154,175.0
% of Total				
Recurrent	100.0%	100.0%	100.0%	100.0%
Capital	0.0%	0.0%	0.0%	0.0%
% of Recurrent				
Wages	0.0%	0.0%	0.0%	0.0%
Non-Wages	100.0%	100.0%	100.0%	100.0%

Education Administration and Support Services	974,582.6	1,008,574.7	1,074,966.1	942,320.5
% of Total				
Recurrent	100.0%	100.0%	100.0%	100.0%
Capital	0.0%	0.0%	0.0%	0.0%
% of Recurrent				
Wages	47.7%	47.6%	45.5%	51.9%
Non-Wages	52.3%	52.4%	54.5%	48.1%

Recurrent and Development Spending by Facility Level, Percentage (%) – Health (2H)

Health	2009	2010	2011	2012 (budgeted)
Public health primary (ambulatory-polyclinic)care services				
% of Total				
Recurrent	94.1	96.4	100	100
Capital	5.9	3.6	0	0
% of Recurrent				
Wages	0	0	0	0
Non-Wages	100	100	100	100
Services of obstetrical-gynecological medical assistance				
% of Total				
Recurrent	100	100	100	100
Capital	0	0	0	0
% of Recurrent				
Wages	0	0	0	0
Non-Wages	100	100	100	100
Hospital medical aid services				
% of Total				
Recurrent	100	100	100	100
Capital	0	0	0	0
% of Recurrent				
Wages	0	0	0	0
Non-Wages	100	100	100	100
Public health services				
% of Total				
Recurrent	100	100	100	100
Capital	0	0	0	0
% of Recurrent				
Wages	0	0	0	0
Non-Wages	100	100	100	100
Paramedical services and other supportive services				
% of Total				
Recurrent	53.1	56.8	62.9	62.9

Capital	46.9	43.2	37.1	37.1
% of Recurrent				
Wages	0	0.0	0	0
Non-Wages	100	100.0	100.0	100.0
Policy Formulation and Administration				
% of Total				
Recurrent	100	100	100	100
Capital				
% of Recurrent				
Wages	91.9	92.2	92.2	92.2
Non-Wages	8.1	7.8	7.8	7.8

Recurrent and Development Spending by Facility Level, Percentage (%) – Water (2W)

Water, %	2009	2010 (actual)	2011 (budgeted)	2012 (budgeted)
Water Supply				
% of Total				
Recurrent	12.1%	21.6%	12.6%	24.0%
Capital	87.9%	78.4%	87.4%	76.0%
% of Recurrent				
Wages	0.0%	0.0%	0.0%	0.0%
Non-Wages	100%	100%	100%	100%
Sewerage				
% of Total				
Recurrent	0.0%	5.9%	4.3%	0.0%
Capital	100.0%	94.1%	95.7%	100.0%
% of Recurrent				
Wages	-	0.0%	0.0%	#DIV/0!
Non-Wages	-	100%	100%	#DIV/0!
Irrigation				
% of Total				
Recurrent	66.5%	43.3%	45.8%	39.4%
Capital	33.5%	56.7%	54.2%	60.6%
% of Recurrent				
Wages	0.0%	0.0%	0.0%	0.0%
Non-Wages	100%	100%	100%	100%
Policy Formulation and Administration				
% of Total				
Recurrent	100.0%	100.0%	100.0%	100.0%
Capital	0.0%	0.0%	0.0%	0.0%
% of Recurrent				
Wages	40.6%	12.0%	14.2%	14.0%
Non-Wages	59%	88%	86%	86%

Recurrent and Development Spending by Sector, Amount – Education (3E)

	2009 (actual)	2010 (actual)	2011 (actual)	2012 (budgeted)
Total Education Expenditures	107,613,259.7	97,800,684.3	106,122,028.2	106,030,936.3
Recurrent	91,902,707.1	89,941,380.2	92,566,033.5	96,344,321.9
Wages	464,959.1	479,880.2	489,056.7	489,056.7
Non-Wages	91,437,748.0	89,461,500.0	92,076,976.8	95,855,265.2
Capital	15,710,552.6	7,859,304.1	13,555,994.7	9,686,614.4
Domestic	14,606,485.3	6,283,373.3	11,490,607.5	7,257,876.5
Donor	1,104,067.3	1,575,930.9	2,065,387.2	2,428,737.9

Recurrent and Development Spending by Sector, Amount – Health (3H)

	2009	2010	2011	2012 (budgeted)
Total Health Expenditures	56,168,768	56,130,794	63,312,428	65,126,483
Recurrent	50,193,526	50,820,616	59,633,275	61,378,081
Wages	894,675	936,773	920,901	975,767
Non-Wages	49,298,851	49,883,843	58,712,374	60,402,314
Capital	5,975,242	5,310,178	3,679,153	3,748,402
Domestic	5,975,242	5,310,178	3,679,153	3,748,402
Donor	-	-	-	-

Recurrent and Development Spending by Sector, Amount – Water (3W)

Water, AMD ,000	2009	2010 (actual)	2011 (estimated)	2012 (estimated)
Total Water Expenditures	23,366,666.7	33,246,839.1	34,268,259.4	33,382,188.3
Recurrent	8,771,578.0	10,881,591.0	8,941,017.4	10,604,342.2
Wages	107,113.7	107,748.1	111,595.8	110,903.1
Non-Wages	8,664,464.3	10,773,842.9	8,829,421.6	10,493,439.1
Capital	14,595,088.8	22,365,248.1	25,327,242.0	22,777,846.1
Domestic	82,954.3	0.0	0.0	0.0
Donor	14,512,134.4	22,365,248.1	25,327,242.0	22,777,846.1

Recurrent & Development Spending by Sector, Percent (%) – Education (4E)

	2009 (actual)	2010 (actual)	2011 (actual)	2012 (budgeted)
Total Education Expenditures	107,613,259.7	97,800,684.3	106,122,028.2	106,030,936.3
% of Total				
Recurrent	85.4%	92.0%	87.2%	90.9%
Capital	14.6%	8.0%	12.8%	9.1%
% of Recurrent				
Wages	0.5%	0.5%	0.5%	0.5%
Non-wages	99.5%	99.5%	99.5%	99.5%

Recurrent & Development Spending by Sector, Percent (%) – Health (4H)

	2009	2010	2011	2012 (budgeted)
Total Health Expenditures				
% of Total				
Recurrent	89.4	90.5	94.2	94.2
Capital	10.6	9.5	5.8	5.8
% of Recurrent				
Wages	1.8	1.8	1.5	1.6
Non-wages	98.2	98.2	98.5	98.4

Recurrent & Development Spending by Sector, Percent (%) – Water (4W)

Water, AMD ,000	2009	2010 (actual)	2011 (budgeted)	2012 (budgeted)
Total Water Expenditures				
% of Total				
Recurrent	37.5%	32.7%	26.1%	31.8%
Capital	62.5%	67.3%	73.9%	68.2%
% of Recurrent				
Wages	1.2%	1.0%	1.2%	1.0%
Non-wages	98.8%	99.0%	98.8%	99.0%

Sources of Spending by Sector, 2010 (5)

	Expenditures, 000 AMD	Percent of GDP	% Sector Expenses
Education, total	157,304,003	4.5%	100.0%
Government	96,224,753	2.8%	61.2%
<i>National</i>	96,224,753	2.8%	61.2%
<i>Provincial/Regional/State</i>	-	0.0%	0.0%
<i>Local/District</i>	-	0.0%	0.0%
Household	59,503,319	1.7%	37.8%
Donor/Foreign Assistance	1,575,931	0.0%	1.0%
Health, total	129,090,394	3.7%	100.0%
Government	56,130,794	1.6%	43.5%
<i>National</i>	56,130,794	1.6%	43.5%
<i>Provincial/Regional/State</i>	-	0.0%	0.0%
<i>Local/District</i>	-	0.0%	0.0%
Household	72,959,600	2.1%	56.5%
Donor/Foreign Assistance	-	0.0%	0.0%
Water, total	44,268,408.20	1.38%	100%
Government	10,881,591	0.34%	25%
<i>National</i>	10,881,591	0.34%	25%
<i>Provincial/Regional/State</i>	0	0.00%	0%
<i>Local/District</i>	0	0.00%	0%
Household	11,021,569	0.34%	25%

Donor/Foreign Assistance	22,365,248	0.70%	51%
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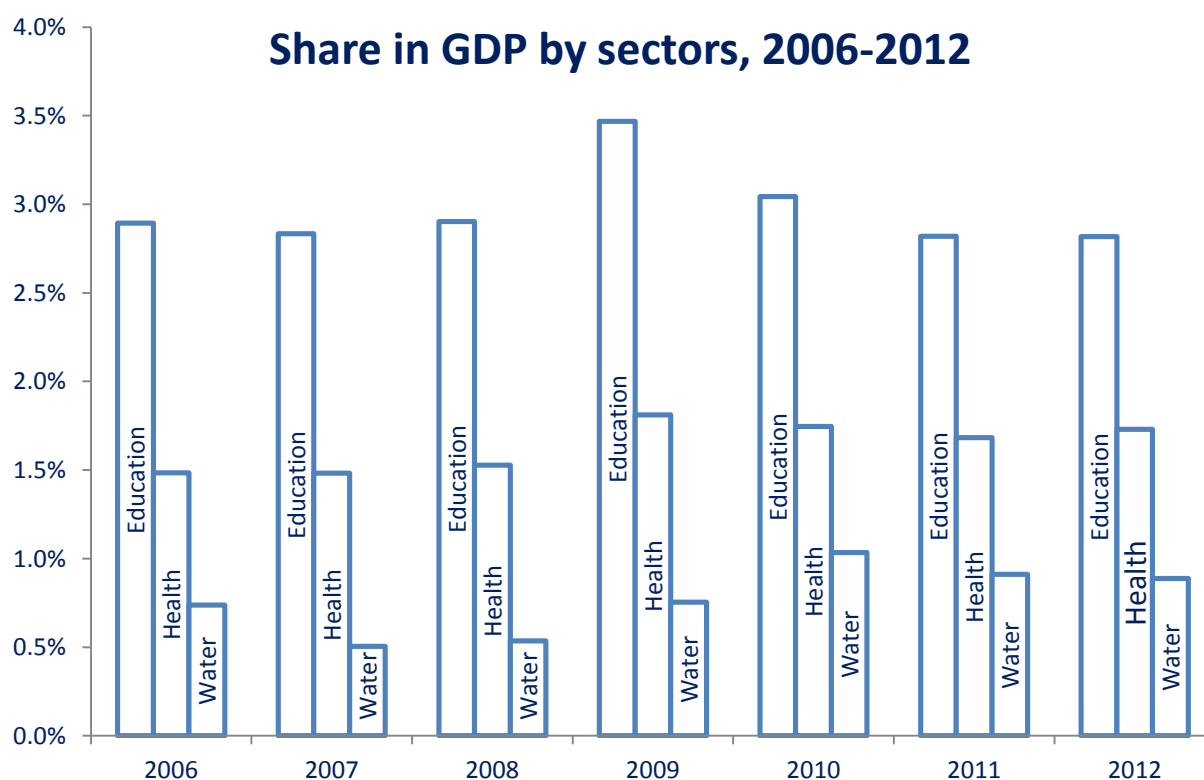
General Country Data (6)

	2006	2007	2008	2009	2010	2011
GDP (actual, in bln AMD)	2,656	3,149	3,568	3,142	3,502	3,817
Population	3,219,235	3,222,953	3,230,086	3,237,976	3,249,482	3,262,650

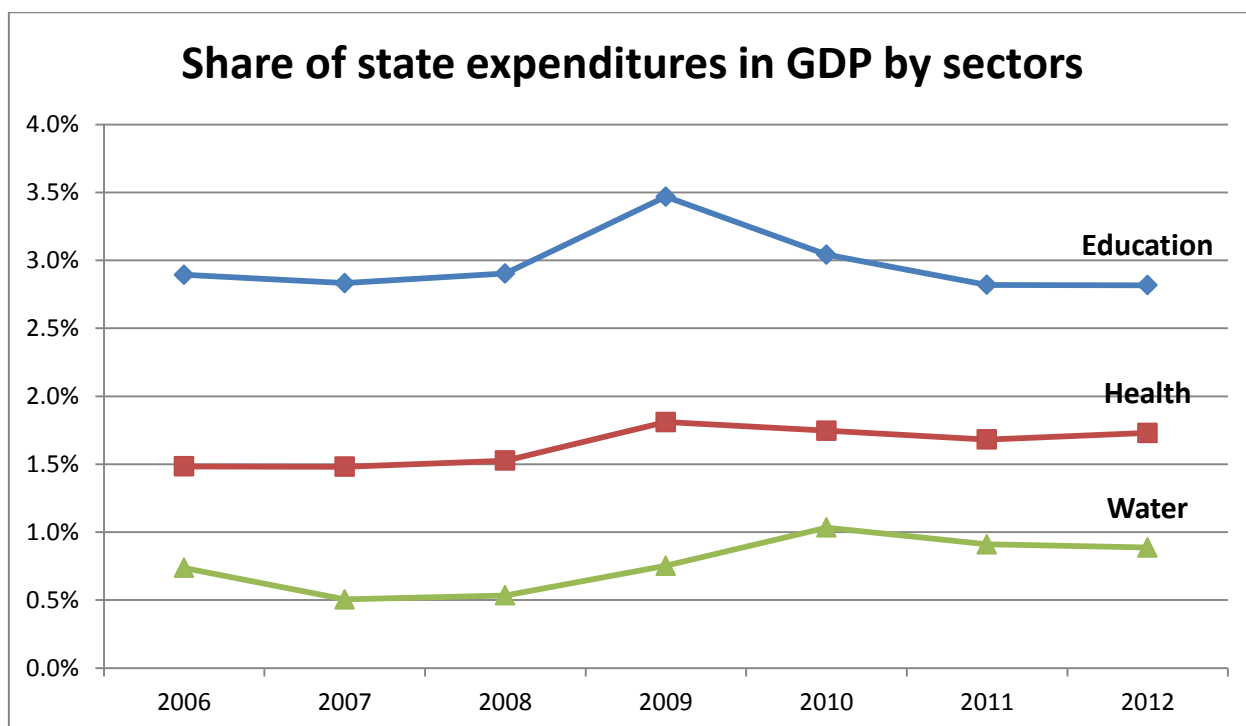
BRIEF DISCUSSION OF THE RESULTS

General trends

It is noticeable from the first glance that the positive trend of share in GDP of all three sectors in earlier years has been affected by the 2008-2009 crisis, where the GDP has declined by massive 14%. Taking into account the time lag (usually up to 1 year for significant setbacks and up to 3 years² for average ones) between the budget decisions and economic turnouts, it is naturally explained why the education sector expenditures peaked in 2009 (fixed expenditures relative to declined GDP) and then declined from 2010 onwards.



² The medium-term budget (MTEF) in Armenia is for three year horizon



In terms of the absolute numbers, the trends are presented in the table below.

Table 1. Sector expenditures in 2006-2012, in 000 AMD

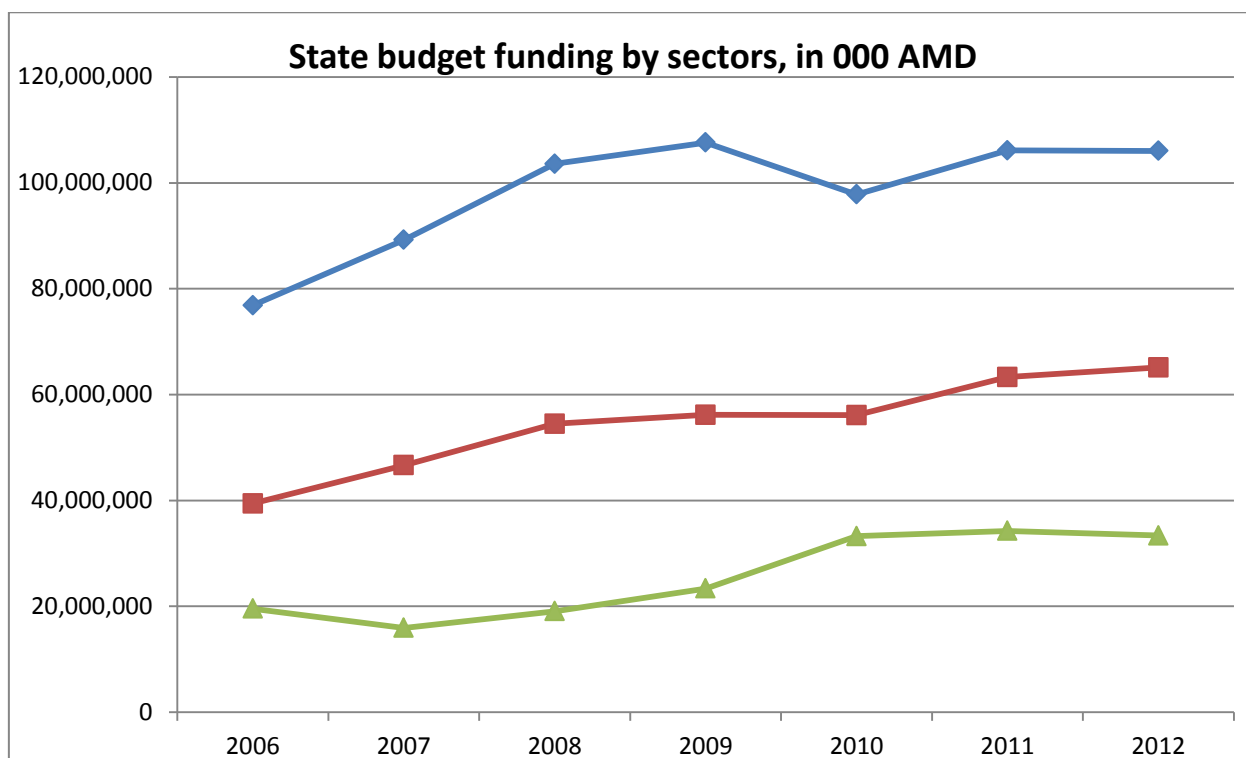
	2006	2007	2008	2009	2010	2011	2012
Education	76,863,635	89,218,379	103,584,546	107,613,260	97,800,684	106,122,028	106,030,936
Health	39,410,184	46,653,732	54,473,455	56,168,768	56,130,794	63,312,429	65,126,484
Water	19,571,878	15,917,289	19,076,058	23,366,667	33,246,839	34,268,259	33,382,188

As we observe, the 2006-2009 period was the period of significant increases of government expenditures especially in education and healthcare sectors. This was the period when the GDP was expanding by around 10% annually and keeping up the shares in GDP with such positive trends is also an important realization of pro-poor orientation of government expenditures.

However, as we see in the years after the crisis, the government could not keep the preceding trends and those sectors had in fact declined in real terms. As we see in table below, the GDP was really expanding at high rates, while keeping the inflation at low levels in the period up to the crisis. And the situation changed significantly afterwards, which must have had its negative impact on expenditure levels in real terms.

Table 2. GDP and inflation data in 2003-2011

	2005	2006	2007	2008	2009	2010	2011
Real GDP growth	13.9	13.2	13.7	6.9	-14.1	2.1	4.6
Inflation	0.6	2.9	4.4	9.0	3.4	8.2	7.7

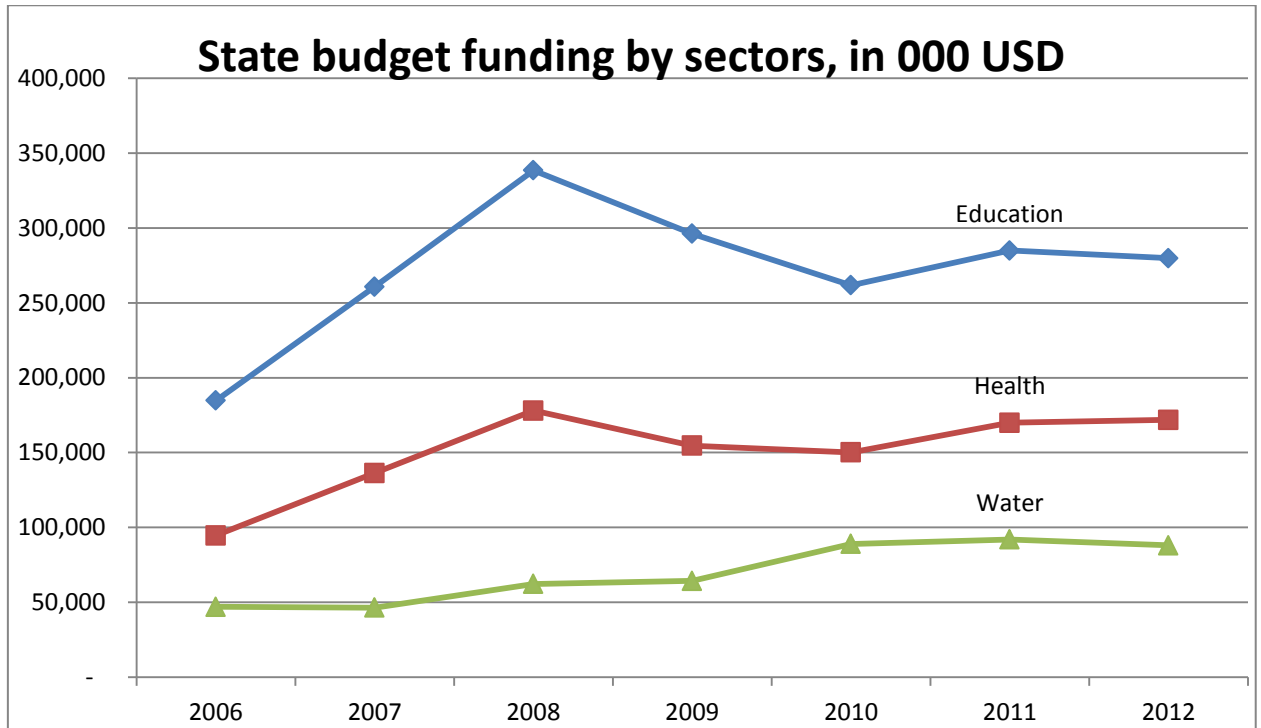


We can also present the same table in USD to enable international comparison.

Table 3. Sector expenditures in 2006-2012, in 000 USD

	2006	2007	2008	2009	2010	2011	2012
Education	184,768	260,796	338,512	296,210	261,709	284,891	279,795
Health	94,736	136,375	178,018	154,607	150,203	169,966	171,856
Water	47,048	46,528	62,340	64,318	88,967	91,995	88,089

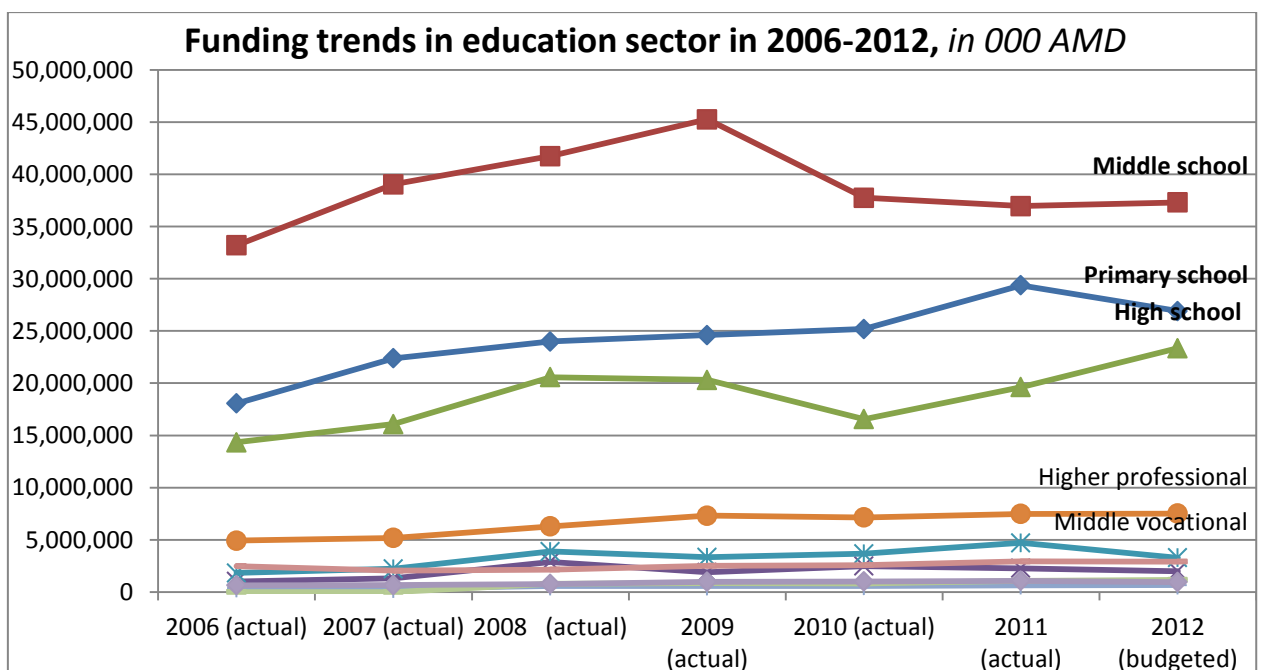
It is important to mention that the USD exchange rate for the Armenian Dram has turned its pre-crisis trend and the Dram started to depreciate after the March 2009. This is why we see a huge drop in education and health expenditures in 2009 in USD values. The table does not show the same pattern for the water sector but this is explained by significant increase of donor funding for that sector, e.g. 14.5 bln. Drams in 2009 and 25 bln. Drams in 2011 vs. 5 bln. Drams in 2007 for donor funding. Such huge increase of donor funding for capital expenditure purposes has compensated the stable pattern of government water sector expenditures for recurrent expenditures (mostly, operating subsidies to water supplier operators). More details of the above are presented in the annexes.



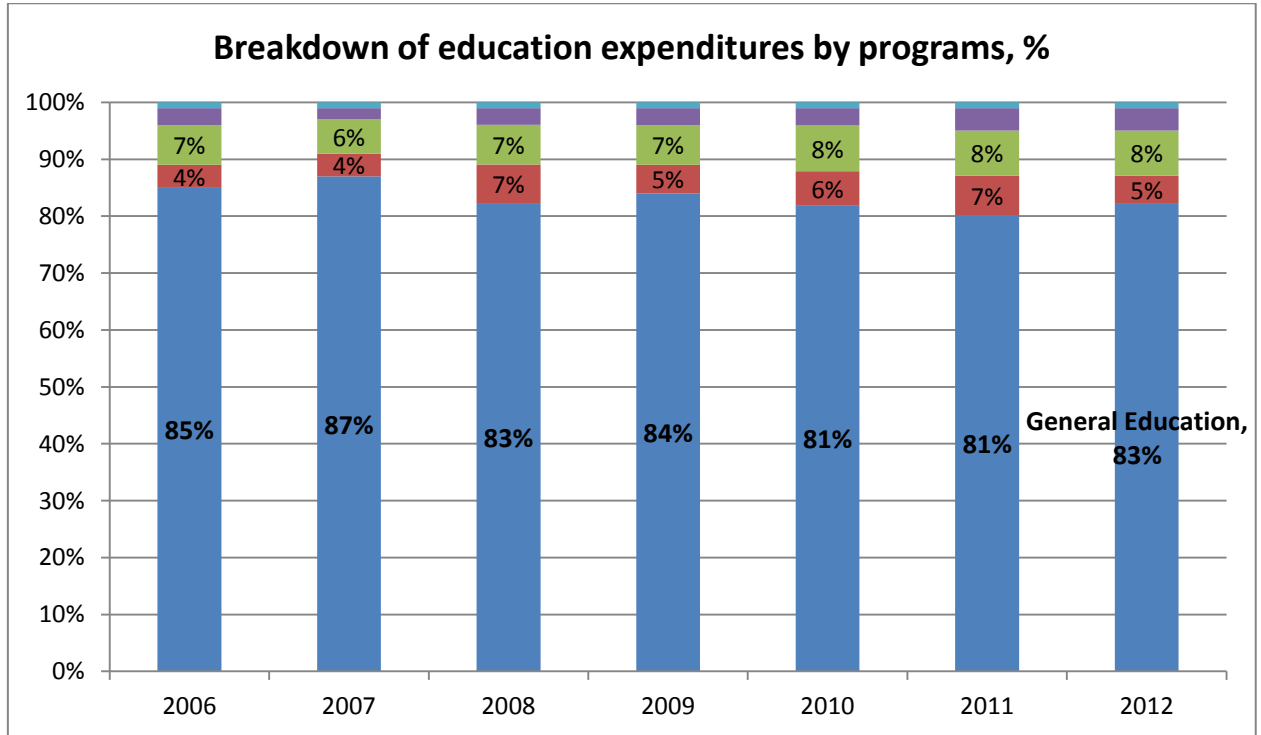
We observe a similar trendline for education and health sectors peaking in 2008 and then declining with some recovery in 2011. The water sector behaves in a different manner as it is more dependent on donor funding (on capital expenditures side) and the expenditure pattern in that sector is less affected by the 2008/2009 crisis.

Education

The trends in education sector are presented below in various tables and graphs.



In terms of program shares in total education expenditures the situation for the last decade is quite stable. The lion's share in the education budget still goes to the schools. Using the GDN methodology of the program structure (for international comparison) we receive the general education expenditures floating around 80-90% in the whole observed period.



The two other programs that receive some noticeable funding are the vocational and high education programs with 4-7% and 6-8%. The average portions are also presented in the table below.

Table 4. Breakdown of education sector expenditures in programs internationally comparable for GDN project purposes

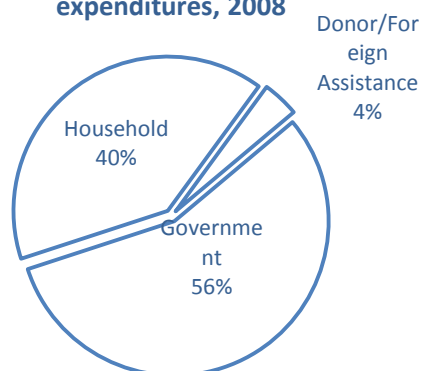
	2006	2007	2008	2009	2010	2011	2012	Annual average
General Education	85%	87%	83%	84%	81%	81%	83%	84%
Initial and Middle Vocational Education	4%	4%	7%	5%	6%	7%	5%	5%
Higher and Post-graduate Education	7%	6%	7%	7%	8%	8%	8%	7%
Out-of school and Additional Education	3%	2%	3%	3%	3%	4%	4%	3%
Education Administration and Support Services	1%	1%	1%	1%	1%	1%	1%	1%
In Total Public Expenditures	15.94%	14.06%	12.78%	11.38%	11.38%	10.63%	10.15%	12.69%

In GDP	2.89%	2.83%	2.90%	3.47%	3.04%	2.82%	2.82%	2.99%
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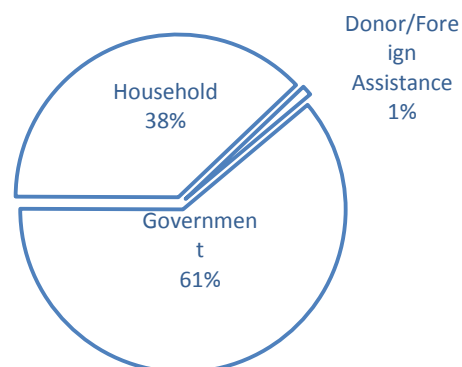
Thus, it is obvious that in terms of financial allocations the priorities within the education sector programs remain quite stable over the period.

In terms of total sector expenditures and its breakdown, there is some relative stability in its structure between the 2008 and 2010³. As in 2008, the government plays the biggest role with relatively small donor contribution.

Breakdown of total education expenditures, 2008



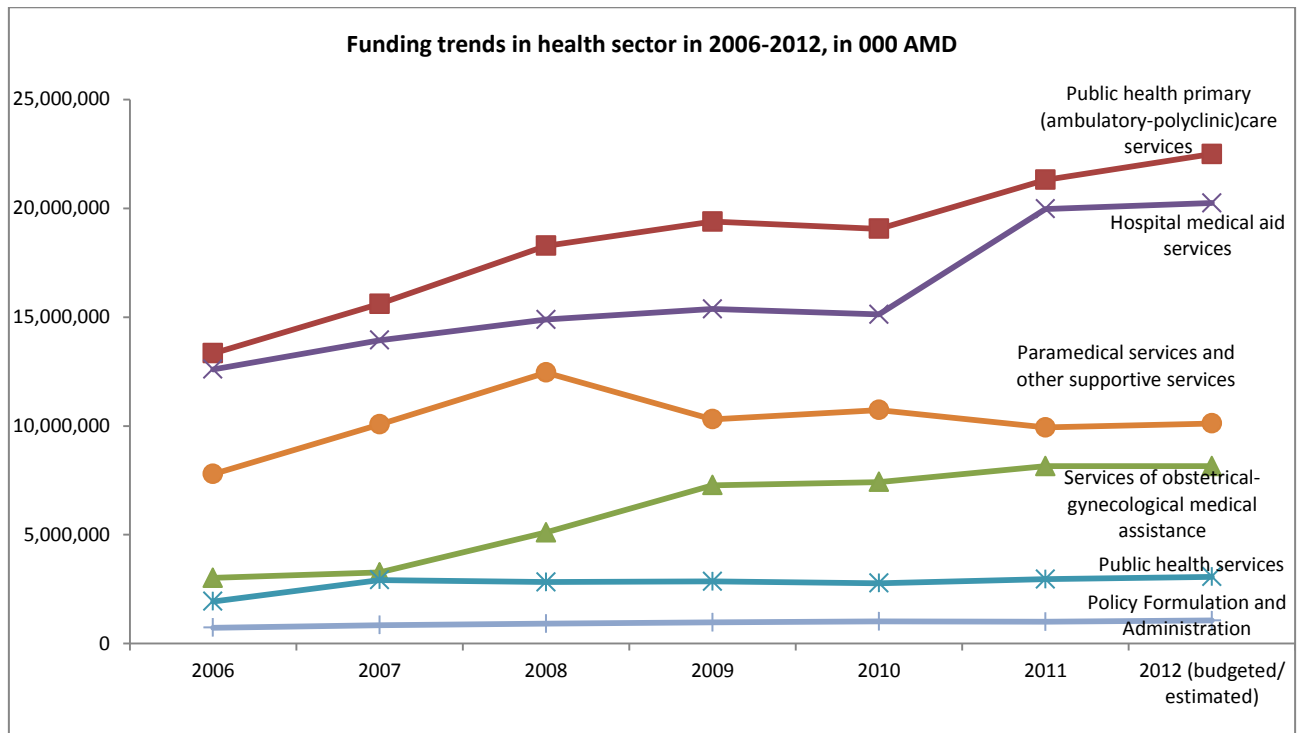
Breakdown of total education expenditures, 2010



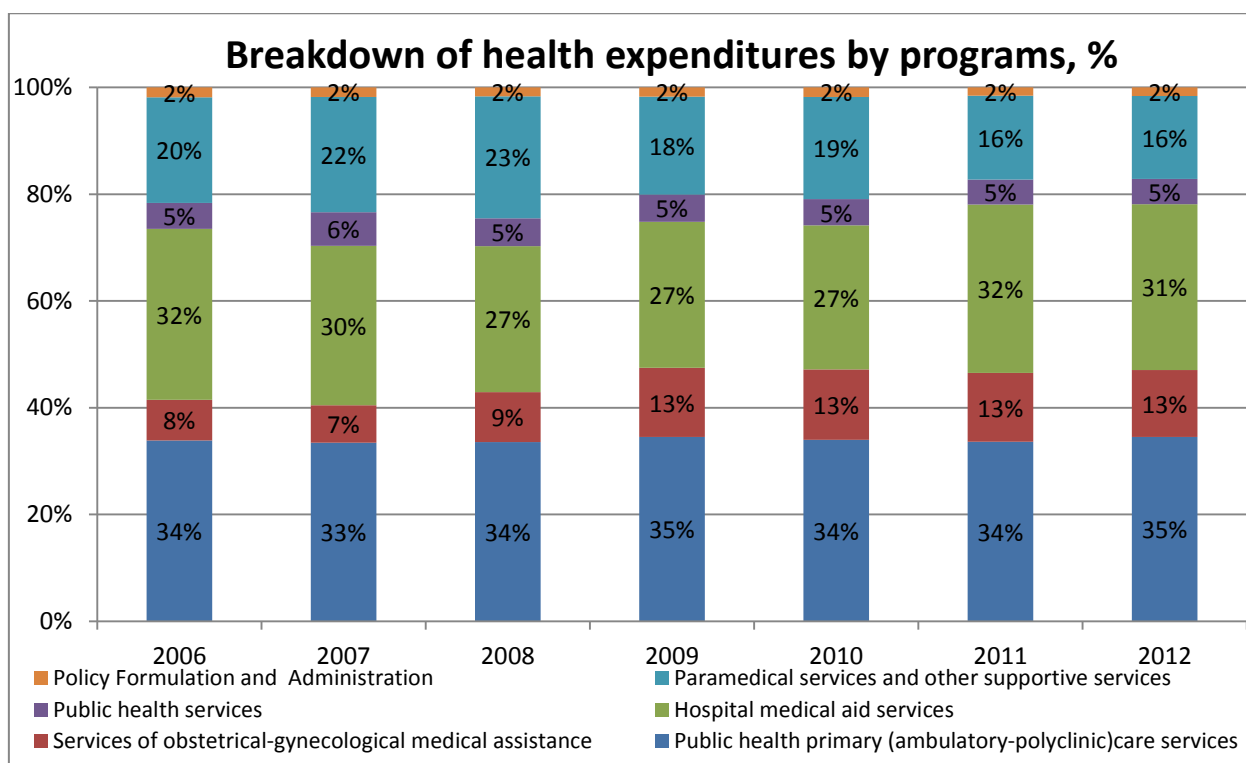
³ The calculations are made for these years as those are the periods when AST had performed household surveys that enable collection of estimates of HH expenditures

Health

The trends in health sector are presented below in tables and graphs.



The program structure in the health sector is less concentrated than in the education sector. However, similar to the education one, the internal fluctuations between the shares of the two biggest programs are also quite stable for the whole observed period. Meanwhile, as it was mentioned in our preceding analytical papers (see AST reports on cost effectiveness and benefit incidence) the obstetrical-gynecological services program received high attention since 2009 when the financial allocations for that program more than doubled. This got its reflection in the share in total healthcare funding, whereby the allocations increased from 8% in 2006 to 13% in 2009 and remained at that level since then.

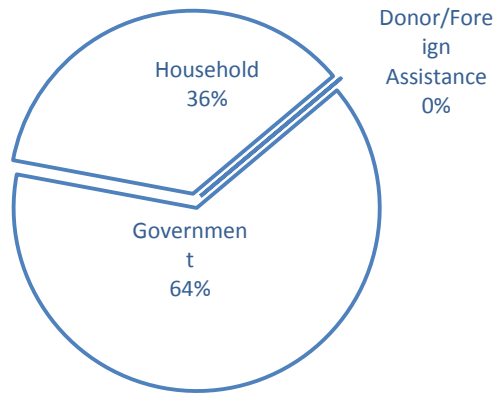


Nevertheless, unlike the education sector, we see a shift in the total sector expenditure breakdown by significant increase of households' expenditures in the overall structure. This paper (and the household survey) did not elaborate on the factual reasons for such shift but several factors may have played that role, such as:

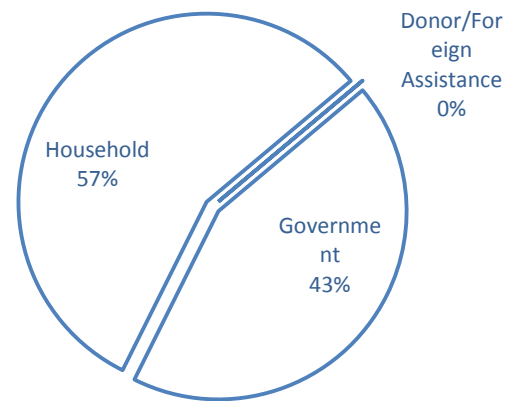
- After the crisis period, the expenditures for the health sector (in absolute terms) remained relatively stable. However, the prices for many imported healthcare goods and services might have increased due to significant depreciation of the local currency (around 20%). Unlike the education sector, where prices for imports and USD rate play only indirect role, the healthcare sector is more dependent on international prices as many items are being imported.
- The government has announced and gradually moves towards co-funding schemes for hospital healthcare system. This may have played a very important role and weight in shifting the costs more towards the households. In fact, the government keeps only the primary healthcare system under its financial umbrella, while gradually shifting the hospital healthcare burden towards the households and this trend should have its impact on the structure. This trend, most probably, will continue over the next years⁴.

⁴ There is, however, one additional aspect to the future trends that must be mentioned, which is that the government will compensate medical insurance for the civil/public servants. This system is introduced in 2012 budget so the impact of that on the structure is yet to be monitored.

Breakdown of total health expenditures, 2008

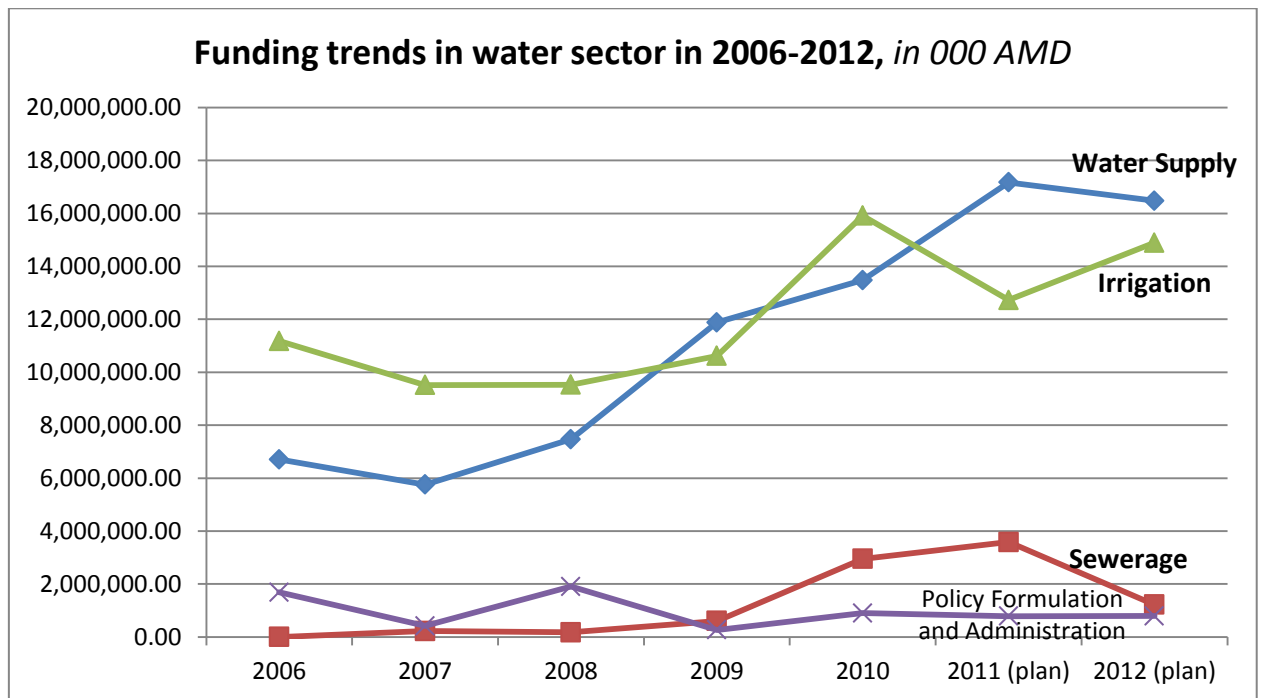


Breakdown of total health expenditures, 2010



Water

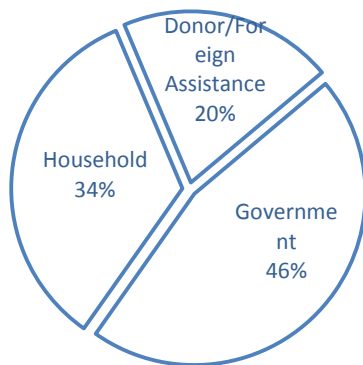
The graph below illustrates the significant increase in the water sector expenditures over the last years.



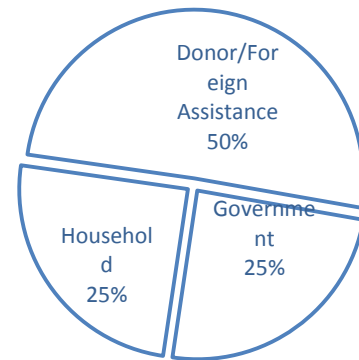
Interestingly, the water supply and irrigation expenditures seem to be competing severely and the pattern indicates about high prioritization of both policies in the water sector.

The pie charts below reflect the breakdown of the sector expenditures and we observe that the main player in the sector is the donor funding, as mentioned in earlier parts of this report.

Breakdown of total water expenditures, 2008



Breakdown of total water expenditures, 2010



It is very important to mention that there is a big difference in the breakdown of this sector's expenditure compositions vs. the education and health ones. The donors played big role previously too, but in 2010 their share has reached the half of the total expenditures! The increase is observed both in absolute and relative terms. And the donor funding is directed to capital expenditures. The donor funding is mostly concessional. This is very illustrative on the adopted policy for the sector.

Another significant variation for the pie charts above vs. the ones for education and health sectors is that the households data is brought from the official statistical sources of the private water suppliers (fee collections) rather than from household surveys. The difference in the data by these two sources is quite noticeable and several reasons may play a role in that variation, such as the overestimate of the households, discrepancy in the total number of population between the real numbers and census estimates (that we used for the estimate of the households expenditures using the census de facto population size), absence of relevant data (e.g. the bottled water consumption) in water suppliers statistics while households could have add those numbers too, etc.

ANNEXES

Annex A-1: Education

Education , in 000 AMD	2006 (actual)	2007 (actual)	2008 (actual)	2009 (actual)	2010 (actual)	2011 (actual)	2012 (budgeted)
Primary school	18,051,920.8	22,382,146.8	23,989,314.8	24,602,373.8	25,185,908.9	29,373,065.9	26,912,756.3
Recurrent	13,410,087.8	15,931,044.5	17,106,666.4	20,850,346.8	23,353,365.0	26,460,071.9	24,175,980.5
Wages	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-Wages	13,410,087.8	15,931,044.5	17,106,666.4	20,850,346.8	23,353,365.0	26,460,071.9	24,175,980.5
Capital	4,641,833.1	6,451,102.3	6,882,648.4	3,752,027.0	1,832,543.9	2,912,994.0	2,736,775.8
Domestic	2,084,200.2	4,441,856.5	6,470,544.4	3,481,374.9	1,720,270.8	2,455,076.9	1,991,639.0
Donor	2,557,632.9	2,009,245.8	412,104.0	270,652.2	112,273.2	457,917.1	745,136.8
Middle school	33,211,459.2	39,046,286.5	41,747,362.6	45,282,606.8	37,763,942.4	36,960,818.0	37,324,376.1
Recurrent	24,443,552.3	28,071,706.0	31,430,062.6	38,813,594.7	34,858,222.4	32,341,614.7	32,984,606.2
Wages	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-Wages	24,443,552.3	28,071,706.0	31,430,062.6	38,813,594.7	34,858,222.4	32,341,614.7	32,984,606.2
Capital	8,767,906.9	10,974,580.5	10,317,300.1	6,469,012.1	2,905,720.0	4,619,203.4	4,339,769.9
Domestic	3,936,822.6	7,314,882.8	9,566,682.0	6,002,370.4	2,727,697.3	3,893,073.4	3,158,188.9
Donor	4,831,084.3	3,659,697.7	750,618.1	466,641.7	178,022.7	726,130.0	1,181,581.0
High school	14,331,816.3	16,083,180.0	20,580,923.7	20,317,876.4	16,561,412.6	19,616,677.0	23,350,999.2
Recurrent	10,549,582.0	11,564,235.1	12,595,781.4	15,442,242.8	15,001,538.9	15,690,633.2	21,131,930.5
Wages	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-Wages	10,549,582.0	11,564,235.1	12,595,781.4	15,442,242.8	15,001,538.9	15,690,633.2	21,131,930.5
Capital	3,782,234.4	4,518,944.9	7,985,142.3	4,875,633.6	1,559,873.7	3,926,043.8	2,219,068.7
Domestic	1,698,237.2	3,012,010.6	6,019,248.5	4,508,860.1	1,483,263.8	3,617,531.9	1,717,048.6
Donor	2,083,997.2	1,506,934.3	1,965,893.8	366,773.5	76,609.9	308,511.9	502,020.1
Initial vocational	1,014,485.6	1,292,177.1	2,874,658.6	1,889,000.8	2,485,495.3	2,265,345.5	1,983,202.7
Recurrent	1,014,485.6	1,282,477.1	1,540,613.4	1,889,000.8	1,880,982.8	1,978,931.4	1,983,202.7
Wages	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-Wages	1,014,485.6	1,282,477.1	1,540,613.4	1,889,000.8	1,880,982.8	1,978,931.4	1,983,202.7
Capital	0.0	9,700.0	1,334,045.2	0.0	604,512.5	286,414.1	0.0

Domestic	0.0	9,700.0	0.0	0.0	0.0	0.0	0.0
Donor	0.0	0.0	1,334,045.2	0.0	604,512.5	286,414.1	0.0
Middle vocational	1,827,555.9	2,216,663.3	3,876,509.4	3,325,683.5	3,661,304.4	4,704,539.6	3,277,690.6
Recurrent	1,756,555.9	2,128,185.8	2,443,573.1	2,996,914.2	2,969,212.5	3,253,544.0	3,247,690.6
Wages	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-Wages	1,756,555.9	2,128,185.8	2,443,573.1	2,996,914.2	2,969,212.5	3,253,544.0	3,247,690.6
Capital	71,000.0	88,477.5	1,432,936.3	328,769.3	692,091.9	1,450,995.6	30,000.0
Domestic	71,000.0	88,477.5	98,891.1	328,769.3	87,579.4	1,164,581.5	30,000.0
Donor	0.0	0.0	1,334,045.2	0.0	604,512.5	286,414.1	0.0
Higher professional	4,923,438.2	5,175,607.2	6,277,105.4	7,309,262.7	7,146,029.5	7,483,523.2	7,511,056.5
Recurrent	4,626,438.2	5,048,113.5	6,244,667.2	7,259,262.7	7,146,029.5	7,483,523.2	7,511,056.5
Wages	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-Wages	4,626,438.2	5,048,113.5	6,244,667.2	7,259,262.7	7,146,029.5	7,483,523.2	7,511,056.5
Capital	297,000.0	127,493.8	32,438.2	50,000.0	0.0	0.0	0.0
Domestic	297,000.0	127,493.8	32,438.2	50,000.0	0.0	0.0	0.0
Donor	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Post-graduate professional	378,971.1	322,798.9	561,386.9	557,263.5	584,895.7	643,775.2	662,065.4
Recurrent	378,971.1	316,055.2	561,386.9	557,263.5	584,895.7	643,775.2	662,065.4
Wages	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-Wages	378,971.1	316,055.2	561,386.9	557,263.5	584,895.7	643,775.2	662,065.4
Capital	0.0	6,743.6	0.0	0.0	0.0	0.0	0.0
Domestic	0.0	6,743.6	0.0	0.0	0.0	0.0	0.0
Donor	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Out-of school education	2,477,118.5	2,037,266.5	2,146,181.3	2,507,363.2	2,574,655.0	2,924,298.6	2,912,294.1
Recurrent	999,368.5	1,220,526.8	1,685,687.3	2,272,252.6	2,310,093.0	2,563,954.7	2,551,294.1
Wages	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-Wages	999,368.5	1,220,526.8	1,685,687.3	2,272,252.6	2,310,093.0	2,563,954.7	2,551,294.1
Capital	1,477,750.0	816,739.7	460,494.0	235,110.6	264,562.0	360,343.9	361,000.0
Domestic	1,477,750.0	816,739.7	460,494.0	235,110.6	264,562.0	360,343.9	361,000.0

Donor	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Additional education	0.0	0.0	771,963.3	847,246.4	828,465.7	1,075,019.1	1,154,175.0
Recurrent	0.0	0.0	769,153.3	847,246.4	828,465.7	1,075,019.1	1,154,175.0
Wages	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-Wages	0.0	0.0	769,153.3	847,246.4	828,465.7	1,075,019.1	1,154,175.0
Capital	0.0	0.0	2,810.0	0.0	0.0	0.0	0.0
Domestic	0.0	0.0	2,810.0	0.0	0.0	0.0	0.0
Donor	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Education Administration and Support Services	646,869.3	662,253.0	759,140.0	974,582.6	1,008,574.7	1,074,966.1	942,320.5
Recurrent	605,416.3	586,359.6	736,285.1	974,582.6	1,008,574.7	1,074,966.1	942,320.5
Wages	295,734.4	306,691.8	385,398.2	464,959.1	479,880.2	489,056.7	489,056.7
Non-Wages	309,681.9	279,667.8	350,886.9	509,623.5	528,694.5	585,909.4	453,263.8
Capital	41,453.0	75,893.4	22,854.9	0.0	0.0	0.0	0.0
Domestic	41,453.0	75,893.4	22,854.9	0.0	0.0	0.0	0.0
Donor	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Costs	76,863,635.0	89,218,379.2	103,584,546.0	107,613,259.7	97,800,684.3	106,122,028.2	106,030,936.3

Recurrent and Capital Spending by Facility Level, Percentage (%) – Education (2E) , in 000 AMD

Education	2006 (actual)	2007 (actual)	2008 (actual)	2009 (actual)	2010 (actual)	2011 (actual)	2012 (budgeted)
Primary school	18,051,920.8	22,382,146.8	23,989,314.8	24,602,373.8	25,185,908.9	29,373,065.9	26,912,756.3
% of Total							
Recurrent	74.3%	71.2%	71.3%	84.7%	92.7%	90.1%	89.8%
Capital	25.7%	28.8%	28.7%	15.3%	7.3%	9.9%	10.2%
% of Recurrent							
Wages	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Non-Wages	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Middle school	33,211,459.2	39,046,286.5	41,747,362.6	45,282,606.8	37,763,942.4	36,960,818.0	37,324,376.1
% of Total							
Recurrent	73.6%	71.9%	75.3%	85.7%	92.3%	87.5%	88.4%
Capital	26.4%	28.1%	24.7%	14.3%	7.7%	12.5%	11.6%
% of Recurrent							
Wages	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Non-Wages	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
High school	14,331,816.3	16,083,180.0	20,580,923.7	20,317,876.4	16,561,412.6	19,616,677.0	23,350,999.2
% of Total							
Recurrent	73.6%	71.9%	61.2%	76.0%	90.6%	80.0%	90.5%
Capital	26.4%	28.1%	38.8%	24.0%	9.4%	20.0%	9.5%
% of Recurrent							
Wages	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Non-Wages	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Initial vocational	1,014,485.6	1,292,177.1	2,874,658.6	1,889,000.8	2,485,495.3	2,265,345.5	1,983,202.7
% of Total							
Recurrent	100.0%	99.2%	53.6%	100.0%	75.7%	87.4%	100.0%
Capital	0.0%	0.8%	46.4%	0.0%	24.3%	12.6%	0.0%
% of Recurrent							
Wages	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Non-Wages	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Middle vocational	1,827,555.9	2,216,663.3	3,876,509.4	3,325,683.5	3,661,304.4	4,704,539.6	3,277,690.6
% of Total							
Recurrent	96.1%	96.0%	63.0%	90.1%	81.1%	69.2%	99.1%
Capital	3.9%	4.0%	37.0%	9.9%	18.9%	30.8%	0.9%
% of Recurrent							
Wages	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Non-Wages	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Higher professional	4,923,438.2	5,175,607.2	6,277,105.4	7,309,262.7	7,146,029.5	7,483,523.2	7,511,056.5

% of Total							
Recurrent	94.0%	97.5%	99.5%	99.3%	100.0%	100.0%	100.0%
Capital	6.0%	2.5%	0.5%	0.7%	0.0%	0.0%	0.0%
% of Recurrent							
Wages	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Non-Wages	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Post-graduate professional	378,971.1	322,798.9	561,386.9	557,263.5	584,895.7	643,775.2	662,065.4
% of Total							
Recurrent	100.0%	97.9%	100.0%	100.0%	100.0%	100.0%	100.0%
Capital	0.0%	2.1%	0.0%	0.0%	0.0%	0.0%	0.0%
% of Recurrent							
Wages	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Non-Wages	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Out-of school education	2,477,118.5	2,037,266.5	2,146,181.3	2,507,363.2	2,574,655.0	2,924,298.6	2,912,294.1
% of Total							
Recurrent	40.3%	59.9%	78.5%	90.6%	89.7%	87.7%	87.6%
Capital	59.7%	40.1%	21.5%	9.4%	10.3%	12.3%	12.4%
% of Recurrent							
Wages	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Non-Wages	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Additional education	0.0	0.0	771,963.3	847,246.4	828,465.7	1,075,019.1	1,154,175.0
% of Total							
Recurrent			99.6%	100.0%	100.0%	100.0%	100.0%
Capital			0.4%	0.0%	0.0%	0.0%	0.0%
% of Recurrent							
Wages			0.0%	0.0%	0.0%	0.0%	0.0%
Non-Wages			100.0%	100.0%	100.0%	100.0%	100.0%
Education Administration and Support Services	646,869.3	662,253.0	759,140.0	974,582.6	1,008,574.7	1,074,966.1	942,320.5
% of Total							

Recurrent	93.6%	88.5%	97.0%	100.0%	100.0%	100.0%	100.0%
Capital	6.4%	11.5%	3.0%	0.0%	0.0%	0.0%	0.0%
% of Recurrent							
Wages	48.8%	52.3%	52.3%	47.7%	47.6%	45.5%	51.9%
Non-Wages	51.2%	47.7%	47.7%	52.3%	52.4%	54.5%	48.1%

Recurrent and Capital Spending by Sector, Amount – Education (3E), in 000 AMD

	2006 (actual)	2007 (actual)	2008 (actual)	2009 (actual)	2010 (actual)	2011 (actual)	2012 (budgeted)
Total Education Expenditures	76,863,635.0	89,218,379.2	103,584,546.0	107,613,259.7	97,800,684.3	106,122,028.2	106,030,936.3
Recurrent	57,784,457.6	66,148,703.6	75,113,876.6	91,902,707.1	89,941,380.2	92,566,033.5	96,344,321.9
Wages	295,734.4	306,691.8	385,398.2	464,959.1	479,880.2	489,056.7	489,056.7
Non-Wages	57,488,723.2	65,842,011.8	74,728,478.4	91,437,748.0	89,461,500.0	92,076,976.8	95,855,265.2
Capital	19,079,177.4	23,069,675.6	28,470,669.4	15,710,552.6	7,859,304.1	13,555,994.7	9,686,614.4
Domestic	9,606,463.0	15,893,797.8	22,673,963.1	14,606,485.3	6,283,373.3	11,490,607.5	7,257,876.5
Donor	9,472,714.4	7,175,877.8	5,796,706.3	1,104,067.3	1,575,930.9	2,065,387.2	2,428,737.9

Recurrent and Capital Spending by Sector, Percent (%) – Education (4E) , in 000 AMD

	2006 (actual)	2007 (actual)	2008 (actual)	2009 (actual)	2010 (actual)	2011 (actual)	2012 (budgeted)
Total Education	76,863,635.0	89,218,379.2	103,584,546.0	107,613,259.7	97,800,684.3	106,122,028.2	106,030,936.3
% of Total							
Recurrent	75.2%	74.1%	72.5%	85.4%	92.0%	87.2%	90.9%
Capital	24.8%	25.9%	27.5%	14.6%	8.0%	12.8%	9.1%
% of Recurrent							
Wages	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%
Non-wages	99.5%	99.5%	99.5%	99.5%	99.5%	99.5%	99.5%

Annex A-2: Health

Health, <i>AMD ,000</i>	2006	2007	2008	2009	2010	2011	2012 (budgeted/ estimated)
Public health primary (ambulatory-polyclinic)care services	13,336,353	15,606,114	18,280,513	19,391,285	19,061,600	21,306,328	22,490,488
Recurrent	13,336,353	15,606,114	18,280,513	18,249,509	18,383,799	21,306,328	22,490,488
Wages	-	-	-	-	-	-	-
Non-Wages	13,336,353	15,606,114	18,280,513	18,249,509	18,383,799	21,306,328	22,490,488
Capital	-	-	-	1,141,776	677,801	-	-
Domestic	-	-	-	1,141,776	677,801	-	-
Donor	-	-	-	-	-	-	-
Services of obstetrical- gynecological medical assistance	3,015,199	3,266,005	5,108,887	7,274,767	7,425,909	8,151,136	8,147,645
Recurrent	3,015,199	3,266,005	5,108,887	7,274,767	7,425,909	8,151,136	8,147,645
Wages	-	-	-	-	-	-	-
Non-Wages	3,015,199	3,266,005	5,108,887	7,274,767	7,425,909	8,151,136	8,147,645
Capital	-	-	-	-	-	-	-
Domestic	-	-	-	-	-	-	-
Donor	-	-	-	-	-	-	-
Hospital medical aid services	12,604,188	13,941,868	14,889,779	15,371,670	15,121,326	19,970,322	20,245,901
Recurrent	12,109,188	13,151,868	14,889,779	15,371,670	15,121,326	19,970,322	20,245,901
Wages	-	-	-	-	-	-	-
Non-Wages	12,109,188	13,151,868	14,889,779	15,371,670	15,121,326	19,970,322	20,245,901
Capital	495,000	790,000	-	-	-	-	-
Domestic	495,000	790,000	-	-	-	-	-
Donor	-	-	-	-	-	-	-

Public health services	1,934,555	2,921,995	2,829,200	2,853,611	2,776,361	2,958,017	3,069,445
Recurrent	1,909,555	2,224,738	2,829,200	2,853,611	2,776,361	2,958,017	3,069,445
Wages	-	-	-	-	-	-	-
Non-Wages	1,909,555	2,224,738	2,829,200	2,853,611	2,776,361	2,958,017	3,069,445
Capital	25,000	697,257	-	-	-	-	-
Domestic	25,000	697,257	-	-	-	-	-
Donor			-	-	-	-	-
Paramedical services and other supportive services	7,789,352	10,073,645	12,454,542	10,303,948	10,729,246	9,927,543	10,114,398
Recurrent	2,819,313	4,388,214	5,007,286	5,470,482	6,096,869	6,248,389	6,365,996
Wages	-	-	-	-	-	-	-
Non-Wages	2,819,313	4,388,214	5,007,286	5,470,482	6,096,869	6,248,389	6,365,996
Capital	4,970,040	5,685,431	7,447,256	4,833,466	4,632,377	3,679,153	3,748,402
Domestic	4,970,040	5,685,431	7,447,256	4,833,466	4,632,377	3,679,153	3,748,402
Donor	-	-	-	-	-	-	-
Policy Formulation and Administration	730,537	844,105	910,534	973,487	1,016,352	999,083	1,058,607
Recurrent	730,537	838,746	910,534	973,487	1,016,352	999,083	1,058,607
Wages	466,623	624,510	817,801	894,675	936,773	920,901	975,767
Non-Wages	263,914	214,237	92,734	78,812	79,579	78,182	82,840
Capital	-	5,359	-	-	-	-	-
Domestic	-	5,359	-	-	-	-	-
Donor	-	-	-	-	-	-	-

Health	2006	2007	2008	2009	2010	2011	2012
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Public health primary (ambulatory-polyclinic)care services							(budgeted/ estimated)
% of Total							
Recurrent	100	100	100	94.1	96.4	100	100
Capital	0	0	0	5.9	3.6	0	0
% of Recurrent							
Wages	0	0	0	0	0	0	0
Non-Wages	100	100	100	100	100	100	100
Services of obstetrical- gynecological medical assistance							
% of Total							
Recurrent	100	100	100	100	100	100	100
Capital	0	0	0	0	0	0	0
% of Recurrent							
Wages	0	0	0	0	0	0	0
Non-Wages	100	100	100	100	100	100	100
Hospital medical aid services							
% of Total							
Recurrent	96.1	94.3	100	100	100	100	100
Capital	3.9	5.7	0	0	0	0	0
% of Recurrent							
Wages	0	0	0	0	0	0	0
Non-Wages	100	100	100	100	100	100	100
Public health services							
% of Total							
Recurrent	98.7	76.1	100	100	100	100	100
Capital	1.3	23.9	0	0	0	0	0

% of Recurrent							
Wages	0	0	0	0	0	0	0
Non-Wages	100	100	100	100	100	100	100
Paramedical services and other supportive services							
% of Total							
Recurrent	36.2	43.6	40.2	53.1	56.8	62.9	62.9
Capital	63.8	56.4	59.8	46.9	43.2	37.1	37.1
% of Recurrent							
Wages	0	0	0	0	0.0	0	0
Non-Wages	100	100	100	100	100.0	100.0	100.0
Policy Formulation and Administration							
% of Total							
Recurrent	100.0	99.4	100	100	100	100	100
Capital		0.6					
% of Recurrent							
Wages	63.9	74.5	89.8	91.9	92.2	92.2	92.2
Non-Wages	36.1	25.5	10.2	8.1	7.8	7.8	7.8

**Recurrent and Development Spending by Sector, Amount – Health
(3H)**

	2006	2007	2008	2009	2010	2011	2012 (budgeted/ estimated)
Total Health	39,410,184	46,653,731	54,473,456	56,168,768	56,130,794	63,312,428	65,126,483

Expenditures							
Recurrent	33,920,154	39,481,044	47,026,200	50,193,526	50,820,616	59,633,275	61,378,081
Wages	466,623	624,510	817,801	894,675	936,773	920,901	975,767
Non-Wages	33,453,531	38,856,534	46,208,399	49,298,851	49,883,843	58,712,374	60,402,314
Capital	5,490,030	7,172,687	7,447,256	5,975,242	5,310,178	3,679,153	3,748,402
Domestic	5,490,030	7,172,687	7,447,256	5,975,242	5,310,178	3,679,153	3,748,402
Donor	-	-	-	-	-	-	-

Recurrent & Development Spending by Sector, Percent (%) – Health (4H)

	2006	2007	2008	2009	2010	2011	2012 (budgeted/ estimated)
% of Total							
Recurrent	86.1	84.6	86.3	89.4	90.5	94.2	94.2
Capital	13.9	15.4	13.7	10.6	9.5	5.8	5.8
% of Recurrent							
Wages	1.4	1.6	1.7	1.8	1.8	1.5	1.6
Non-wages	98.6	98.4	98.3	98.2	98.2	98.5	98.4

Annex A-3: Water

Water, AMD ,000	2006	2007	2008	2009	2010 (actual)	2011 (budgeted)	2012 (budgeted)
Water Supply	6,708,356.1	5,759,138.1	7,469,630.0	11,882,703.4	13,479,311.0	17,172,788.3	16,475,952.1
Recurrent	3,494,723.2	2,491,258.9	2,641,732.8	1,443,564.9	2,915,084.1	2,169,362.4	3,952,347.1
Wages	1,002,862.3	669,813.3	590,240.8	0.0	0.0	0.0	0.0
Non-Wages	2,491,860.9	1,821,445.6	2,051,492.0	1,443,564.9	2,915,084.1	2,169,362.4	3,952,347.1
Capital	3,213,632.9	3,267,879.2	4,827,897.2	10,439,138.5	10,564,226.9	15,003,425.9	12,523,605.0
Domestic	425,450.4	482,409.1	725,550.2	0.0	0.0	0.0	0.0
Donor	2,788,182.5	2,785,470.1	4,102,347.0	10,439,138.5	10,564,226.9	15,003,425.9	12,523,605.0
Sewerage	0.0	223,115.2	174,801.8	603,914.4	2,952,325.2	3,582,706.8	1,221,615.5
Recurrent	0.0	79,468.2	0.0	0.0	174,467.3	154,847.9	0.0
Wages	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-Wages	0.0	79,468.2	0.0	0.0	174,467.3	154,847.9	0.0
Capital	0.0	143,647.0	174,801.8	603,914.4	2,777,857.9	3,427,858.9	1,221,615.5
Domestic	0.0	0.0	31,154.8	0.0	0.0	0.0	0.0
Donor	0.0	143,647.0	143,647.0	603,914.4	2,777,857.9	3,427,858.9	1,221,615.5
Irrigation	11,177,385.7	9,515,139.8	9,529,956.8	10,616,493.6	15,916,844.0	12,725,188.7	14,894,514.1
Recurrent	4,743,372.7	6,059,797.3	5,782,903.9	7,064,457.7	6,893,680.7	5,829,231.5	5,861,888.5
Wages	195,542.9	120,892.4	0.0	0.0	0.0	0.0	0.0
Non-Wages	4,547,829.8	5,938,904.9	5,782,903.9	7,064,457.7	6,893,680.7	5,829,231.5	5,861,888.5
Capital	6,434,013.0	3,455,342.4	3,747,052.9	3,552,035.9	9,023,163.3	6,895,957.2	9,032,625.6
Domestic	1,199,510.6	1,448,543.4	2,153,314.3	82,954.3	0.0	0.0	0.0
Donor	5,234,502.4	2,006,799.0	1,593,738.6	3,469,081.5	9,023,163.3	6,895,957.2	9,032,625.6
Policy Formulation and Administration	1,686,136.5	419,896.0	1,901,669.3	263,555.4	898,358.9	787,575.6	790,106.6
Recurrent	1,447,326.5	417,546.0	597,684.3	263,555.4	898,358.9	787,575.6	790,106.6

Wages	67,143.6	83,501.9	100,171.9	107,113.7	107,748.1	111,595.8	110,903.1
Non-Wages	1,380,182.9	334,044.1	497,512.4	156,441.7	790,610.8	675,979.8	679,203.5
Capital	238,810.0	2,350.0	1,303,985.0	0.0	0.0	0.0	0.0
Domestic	238,810.0	2,350.0	1,303,985.0	0.0	0.0	0.0	0.0
Donor	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Water, %	2006	2007	2008	2009	2010 (actual)	2011 (budgeted)	2012 (budgeted)
Water Supply							
% of Total							
Recurrent	52.1	43.3	35.4	12.1%	21.6%	12.6%	24.0%
Capital	47.9	56.7	64.6	87.9%	78.4%	87.4%	76.0%
% of Recurrent							
Wages	28.7	26.9	22.3	0.0%	0.0%	0.0%	0.0%
Non-Wages	71.3	73.1	77.7	100%	100%	100%	100%
Sewerage							
% of Total							
Recurrent	-	-	0	0.0%	5.9%	4.3%	0.0%
Capital	-	-	100	100.0%	94.1%	95.7%	100.0%
% of Recurrent							
Wages	-	-	-	-	0.0%	0.0%	#DIV/0!
Non-Wages	-	-	-	-	100%	100%	#DIV/0!
Irrigation							
% of Total							
Recurrent	42.4	63.7	60.7	66.5%	43.3%	45.8%	39.4%
Capital	57.6	36.3	39.3	33.5%	56.7%	54.2%	60.6%
% of Recurrent							
Wages	4.1	2	0	0.0%	0.0%	0.0%	0.0%
Non-Wages	95.9	98	100	100%	100%	100%	100%
Policy Formulation and Administration							

% of Total							
Recurrent	85.8	99.4	31.4	100.0%	100.0%	100.0%	100.0%
Capital	14.2	0.6	68.6	0.0%	0.0%	0.0%	0.0%
% of Recurrent							
Wages	4.6	20	16.8	40.6%	12.0%	14.2%	14.0%
Non-Wages	95.4	80	83.2	59%	88%	86%	86%

Water, AMD ,000	2006	2007	2008	2009	2010 (actual)	2011 (estimated)	2012 (estimated)
Total Water Expenditures	19,571,878.3	15,917,289.1	19,076,057.9	23,366,666.7	33,246,839.1	34,268,259.4	33,382,188.3
Recurrent	9,685,422.4	9,048,070.4	9,022,321.0	8,771,578.0	10,881,591.0	8,941,017.4	10,604,342.2
Wages	1,265,548.8	874,207.6	690,412.7	107,113.7	107,748.1	111,595.8	110,903.1
Non-Wages	8,419,873.6	8,173,862.8	8,331,908.3	8,664,464.3	10,773,842.9	8,829,421.6	10,493,439.1
Capital	9,886,455.9	6,869,218.6	10,053,736.9	14,595,088.8	22,365,248.1	25,327,242.0	22,777,846.1
Domestic	1,863,771.0	1,933,302.5	4,214,004.3	82,954.3	0.0	0.0	0.0
Donor	8,022,684.9	4,935,916.1	5,839,732.6	14,512,134.4	22,365,248.1	25,327,242.0	22,777,846.1

Water, AMD ,000	2006	2007	2008	2009	2010 (actual)	2011 (budgeted)	2012 (budgeted)
Total Water Expenditures							
% of Total							
Recurrent	49.5%	56.8%	47.3%	37.5%	32.7%	26.1%	31.8%
Capital	50.5%	43.2%	52.7%	62.5%	67.3%	73.9%	68.2%
% of Recurrent							
Wages	13.1%	9.7%	7.7%	1.2%	1.0%	1.2%	1.0%
Non-wages	86.9%	90.3%	92.3%	98.8%	99.0%	98.8%	99.0%