Local Government Finances: Armenia

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Territorial Administrative Division

- *Area:* **29,800** sq. km
- *Population* : **3.2 mln**.

- **10 regions**

- Capital **Yerevan**

- **915** communities (49 urban and 866 rural)

Regions

- State Government

- Governors- appointed by the Government

- State Budget

Communities

- Local Self-Government

- Local authorities (Head of community and community council)- directly elected (except Yerevan)

- Local Budget

Main Cities

City	Pop
Yerevan	1,104,900
Gyumri	147,700
Vanadzor	104,971
Kapan	45,500
Armavir	33,629
Artashat	25,308
Ashtarak	21,588
Ararat	20,702
Sevan	23,134
Dilijan	15,656
Jermuk	6,200
Tsakhkadzor	1,610
Total	1,550,898

Average size of municipalities

Country	% of municipalities below 1000 residents	Average Population	Average Area (sq. KM)
Armenia	48.0	3578	31

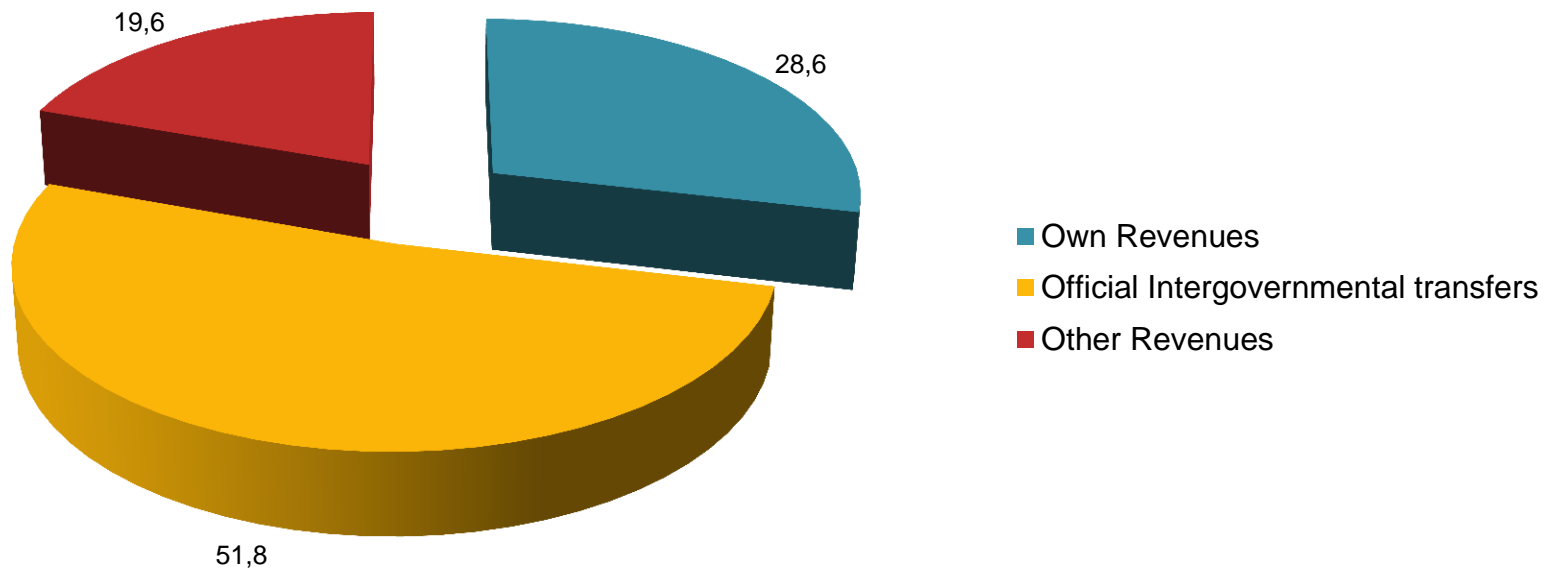| The number of residents	Number of municipalities (%)
Less than 1000	442 (48%)
Less than 300	197 (23%)

Local Budget Revenues: Administrative Budget

1. Tax revenues
   - local taxes (land tax and property tax)
   - shares from state taxes and mandatory payments
   - penalties and fines.
2. Charges, which include state and local ones.
3. Official intergovernmental transfers (subsidies and financial equalization grants)
4. Other revenues (land and property leasing, local fees, etc.)
5. Deficit funding resources (credits from the state budget and/or other municipalities, unused revenues of the administrative budget from the beginning of the year).

Local Budget Revenues: Capital Budget

1. Official transfers (subsidies),

2. Deficit funding resources (loans from the state budget and other sources),

3. Other revenues (unused revenues of the capital budget from the beginning of the year, as well as allocations to the capital budget from the reserved funds of the administrative budget, etc.)

Structure of Local Budget Revenues in Armenia (2013)

19,6

28,6

51,8

- Own Revenues
- Official Intergovernmental transfers
- Other Revenues

Ongoing Reforms

- Consolidation of municipalities
- New financial equalization system (more attention to smaller/weaker municipalities, consideration of expenditure needs)

Thank You & Questions?