The Eastern Partnership Roadmap to the Vilnius Summit

An assessment of the roadmap implementation by the Eastern Partnership Civil Society Forum, co-ordinated by the Regional Environmental Centre, Moldova, and PASOS – Policy Association for an Open Society, October 2013

ARMENIA: Assessment May 2012 – October 2013

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Association Agreement stopped in its tracks

Half-hearted engagement with wider public by Armenian government and EU alike now compounded by major setback to European integration

Does the government engage with civil society on policymaking? Partially
Is policymaking participatory, e.g. public consultations on draft legislation? No
Does the government actively engage in triadology with EU and civil society? No

Is the process of drafting agreements between Armenia and the EU transparent with public consultations? No
Does the EU delegation actively engage in triadology with government and civil society? No
Does the EU delegation promote triadology talks with government and civil society? Partially

Positive developments:
- Completion of negotiations on Association Agreement and Deep and Comprehensive Free Trade Area Agreement
- Readmission agreement signed, and visa regime towards the EU liberalised unilaterally by Armenia
- Modernisation of border crossings with Georgia launched, and working agreement signed with FRONTEX
- National strategy for combating money laundering and terrorism financing approved

Negative developments:
- Announcement to join Customs Union overturning the progress in finalising Association Agreement
- No progress on the much needed reform of the judiciary
- Government representatives do not join civil society and EU for trilateral meetings
- No steps taken to eliminate government control of broadcast media

BEFORE THE political shock prompted by the agreement on 3 September 2013 of President Serzh Sargsyan to join the Customs Union with Russia, Belarus and Kazakhstan, there had been signs from state representatives that they recognised the need for civil society monitoring and policy engagement.

Nevertheless, government representatives did not take up the invitations to meetings with the EU delegation and civil society representatives. Similarly, the level of EU delegation engagement has not included any significant active efforts to bring government and civil society together, and the content and negotiations around the Association Agreement were clouded in secrecy.

Despite the lack of a consultative policymaking process, the Ministry of Justice initiated consultative meetings with civil society regarding implementation of the human rights strategy, and civil society was consulted on copyright legislation. Likewise, the finalising of the negotiations on the Association Agreement and the Deep and Comprehensive Free Trade Area Agreement was an important achievement.

Clear progress was achieved on border cooperation and readmission agreements, as well as on other areas, such as combating money-laundering, but the lack of public consultation and information on the EU-Armenia agreements has now been further compounded by the decision to join the Customs Union. Both agreements lacked participatory processes in policy-making, bypassing the public in Armenia.

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Government engagement with civil society

Although the government periodically organises, or participates in, meetings, seminars and workshops, the productiveness of this communication is not clear. Recommendations, analytical studies and other initiatives from civil society are not adopted, or acted upon, by the government.

There have been several meetings between the Deputy Minister of Foreign Affairs, Zohrab Mnatsakanyan, as well as other high level officials, with representatives of the Civil Society Forum and its National Platform. Various reports and policy papers have been submitted to the government by different civil society actors (Partnership for Open Society, Eurasia Partnership Foundation, Yerevan Press Club, and others). These documents have been received by government representatives, but there is scarce evidence that they have been used (no references, no citations, no activities in line with the recommendations).

However, positive dynamics have been evident, and the government has begun to question the mechanisms of co-operation. In meetings and seminars, state representatives have expressed a need for civil society monitoring and consultative inputs.

Developments in participatory policymaking

Since the roadmap was launched, there have been some initial openings in co-operation between the government and civil society, but no impact or policy influence has been evident to date. Co-operation remains at the level of information exchange.

Consultations are usually initiated from the side of civil society, and are not comprehensive, regular, or permanent. The Ministry of Justice initiated several consultative meetings with civil society regarding implementation of the human rights strategy, but there have been no examples of “classic” public consultation.

The implementation of the human rights strategy was shared with civil society, and there were discussions between government and civil society regarding the law on copyright.

There are ambitions from the side of civil society to exercise a watchdog function, namely monitoring policymaking and policy implementation procedures, but they are not realisable. There is neither enough clear and publicly available information nor timetables for each stage in the policymaking cycle.

Role of EU as catalyst to foster policy dialogue

The EU delegation to Armenia and the European Commission monitor developments in Armenia, but do not play an active role in terms of engagement in, and fostering of, government-civil society co-operation regarding policy dialogue.

The EU delegation does not influence the relations between the Civil Society Forum national platform and the government. When the platform communicates with the government, it is direct and unmediated.

One meeting about the Association Agreement was initiated by the EU delegation with the participation of the government and civil society. However, it was rather a presentation on the progress of negotiations rather than a forum. As the entire process of negotiations on the Association Agreement were secret, no policy drafts or agreement texts were made available to civil society or the wider public at any point during the negotiations.

No government representative participates in the meetings held between the EU delegation and the Armenian National Platform of the Civil Society Forum, although they are invited, so they cannot be called trilateral meetings. The meetings are not consultative, but discussions between the EU delegation and Armenian civil society.
POLITICAL ASSOCIATION AND ECONOMIC INTEGRATION

Implementation of common values and principles of liberty, democracy, respect for human rights and fundamental freedoms, and the rule of law

Democratic reform

- develop the Human Rights Defender's (Ombudsman) institution

There has been institutional, but not structural, progress in the Human Rights Defender’s office. Upon the initiative of the Ombudsman, the HRO office is refusing international financial support, which may result in continued structural weakness. The limited financing will also mean that the operation of regional offices and the rapid response unit may suffer. The HRO develops reports on several sectors, and the rapid response unit has been re-opened, with a hotline in operation.

- ensure electoral framework complies with international commitments

No changes were made to the Electoral Code. It is necessary to maintain an accurate voter registry, amend the Electoral Code with the aim of publication of a post-election registry of persons that cast their votes, establish an effective method for resolving electoral disputes, and create an electoral culture in which vote buying and the public perception that political influence shapes the results have been removed.

- develop/adapt laws for the judiciary to enhance its independence & impartiality

No progress was made in terms of increasing the independence of the judiciary. Political pressure from the executive has stalled reform.

- ensure progress of national Anti-Corruption Strategy

The Armenian Government’s most recent anti-corruption strategy paper and action plan for 2009-2012 did not yield any significant results. In July 2012, the President approved a new strategy and action plan for Justice Sector Reforms for 2012-2016, which addresses key problems in the judiciary, prosecutors’ office, and civil, criminal, and administrative legislation.

In January 2012, pursuant to the law on Public Service adopted in 2011, an Ethics Commission for High-Ranking Officials was established. The Commission collects and monitors the asset declarations of high-level officials. However, there are no criminal penalties for noncompliance or filing of false declarations.

- improve civil service system based on European norms and standards

There was progress in the reform of the civil service, including amendments to the Law on Public Service.

In 2012, the Civil Service Council agreed to draft a reform strategy which, when finalised in 2013, will address internal civil service reform and the current fragmentation of the public service.

Human rights

- ensure the independence of media by strengthening the independent regulatory body

The National Commission on Television and Radio (NCTR) and the Council for Public Television and Radio Company (PTRC) are controlled by the government, and no significant steps have been taken to give them independence from political control.
individual property rights

There has been a significant improvement in the rights of freedom of assembly after the adoption of the respective law in 2011. Although mechanisms still exist for the authorities to ban meetings, the cases of their use have become much rarer.

Although the number of victims of expropriation of property for state purposes has not increased in the past year, no progress was made in the protection of the right to property.

- ensure freedom of assembly &

- co-operate closely with OSCE and CoE to reform the police

The 2010-2011 Police Reform programme was launched in 2010. The second phase of reforms to be carried out in 2012-2014 is currently under development.

reform the penitentiary system in line with the CPT (Committee for the Prevention of Torture) recommendations

In the framework of the 2012-2016 Strategic Programme for Legal and Judicial Reforms in the Republic of Armenia, amendments are being introduced to the Criminal Procedure Code, Criminal code and Penitentiary system.

In February 2012, the Police and the Chamber of Advocates signed a memorandum of understanding and co-operation with the aim to guarantee the participation of a defence attorney in cases when it is prescribed as obligatory by law.

Steps have been taken in rebuilding and repairing penitentiary institutions, and new medical equipment has been acquired.

Most recommendations by the Human Rights Defender regarding individual cases of violation of the right not to be tortured have been accepted by state bodies and implemented.

Amendments and changes to the law establishing the disciplinary code of the Police of Republic of Armenia have been approved.

At the end of 2013, the probation service will be created. It will be developed in parallel with the implementation of an updated model of alternative sentencing, which would allow for non-custodial sentencing concerning persons not considered a significant danger to society. This will resolve the problem of overcrowding of prisons, and will introduce a civilised alternative punishment system in the country.

- step up efforts to contribute to the peaceful solution of the Nagorno-Karabakh conflict

- support for confidence building

The solution of the conflict is subject to the talks within the framework of the OSCE Minsk group, co-chaired by France, the Russian Federation, and the United States. The Armenian government is not erecting obstacles to talks and confidence-building, but this is not sufficient as a contribution to a peaceful solution.

- continue encouraging people-to-people contacts

There has been a further deterioration in people-to-people contacts, although the discouragement comes from the side of Azerbaijan, not from the side of Armenia.

Conclusion of Association Agreement

- continue implementation of ENP Action Plan priorities and engagement in preparation of the Association Agenda, anticipating Agreement obligations, including regulatory approximation and capacity building

The implementation of the ENP Action Plan was progressing in accordance with the timeline, and the transition from the Action Plan...
to the Association Agenda was smooth by mid-2013. The negotiations on the Association Agreement started in February 2013. However, even before the 3 September statement by the President that Armenia would join the Customs Union, these processes had slowed down.

**Policy Objectives**

**Dialogue on essential elements’ of the Agreement**

The dialogue on so-called “essential elements” took place in different formats in accordance with the timetable, but with decreasing engagement as 2013 progressed.

The content of negotiations was not open to the public. The explanation given by both Armenian and EU negotiating parties was that the negotiations are still in progress, and that it is common practice to not disclose the content until the end of negotiations. Thus only technical information was disclosed, relating to issues such as which chapters are open, which chapters are closed, and how the parties evaluate the process.

**Policy Objectives**

**Encouraging international assistance to support core reforms covered by the Association Agreement**

The EU, following the 3 September statement on the Customs Union, withdrew its commitment to organise the Donor conference for Armenia.

**Establishment of Deep and Comprehensive Free Trade Area**

Negotiate a DCFTA as part of Association Agreement.

Continue trade-related reforms in the area of sanitary and phytosanitary measures (SPS) and strengthen administrative capacity in this regard

The Food Safety Strategy and its Action Plan were adopted by the government in 2011. High-level meetings took place in co-operation with the Ministry of Agriculture and the State Service for Food Safety Strategy. The strengthening of administrative capacity in this regard conducted in the framework of different instruments - TAIEX, twinning, budget support, and legislative improvements.

**Policy Objectives**

**Planning of institution strengthening (political association/economic integration; justice, liberty and security; DCFTA negotiations)**

In the sectors concerning political association/economic integration, justice, liberty and security, and DCFTA, measures for institution-strengthening, alongside legislative improvements and structural changes, were being planned and implemented.
The new laws on "Standardisation", "Technical Regulations", "Ensuring the unity of measurements" and "Accreditation" were developed and adopted by the National Assembly on 8 February 2012. The following reforms to the legislative framework - the "Amendments in the law of the Republic of Armenia on Standardisation", "Changes and Amendments in the law of the Republic of Armenia on Ensuring the unity of measurements", "Amendment in the law of the Republic of Armenia on State Fee", "Amendment and changes in the law of the Republic of Armenia on Accreditation", and "Changes and amendment in the law of the Republic of Armenia on Technical Regulations" were developed, and adopted by the National Assembly on 30 April 2013.

**POLICY OBJECTIVES**

Continue to strengthen intellectual property enforcement and make progress in the fight against piracy and counterfeiting. Continue strengthening administrative capacity in this regard.

Legislative and institutional reforms of enforcement authorities - customs, police, judiciary - are underway. Tools for reform have included twinning with the public administration of EU member states.

**POLICY OBJECTIVES**

Close dialogue on the reform agenda between Armenia and the EU (in regular Co-operation Committees, Trade Subcommittee)

Intensive dialogue took place before the U-turn by the President on 3 September 2013. Meetings of Trade Subcommittees take place on a yearly basis, clarifying economic approaches and bilateral relations.

Negotiations on DCFTA as part of the Association Agreement were completed on 24 July 2013.

**ENHANCE MOBILITY IN A SECURE AND WELL-MANAGED ENVIRONMENT**

Enhanced Mobility Visa facilitation and readmission agreements

**POLICY OBJECTIVES**

Enhanced justice and home affairs co-operation in line with the provisions of the ENP Action Plans

The visa facilitation and readmission agreements were signed at the beginning of 2012. The approval process is currently underway, with approval on the Armenian side anticipated to be completed before the Vilnius summit.

**POLICY OBJECTIVES**

Launching of visa dialogue and negotiation of visa liberalisation action plans

Effective implementation of the visa facilitation and readmission agreements Strengthening justice and home affairs

Armenia has liberalised its visa regime towards EU citizens unilaterally. Although there are certain expectations of the EU, it is not clear when preparatory steps will start towards a visa liberalisation action plan being launched by the EU.

In general, the processes related to visa facilitation and readmission agreements, with the perspective of visa liberalisation, are considered to be positive and effective by both parties. There are no major shortcomings in this respect. At the same time, the Armenian side needs to take particular care to address concerns on the EU side about migration risks.
Implementation of existing Mobility Partnerships and possible launching of new ones

**POLICY OBJECTIVES** Continuous commitment to the implementation of the MP and active involvement in its activities

On 22 March 2013, in the framework of the Mobility Partnership, a target initiative was launched in Yerevan with the inception seminar of the programme, “Capacity building in migration management in Armenia, focusing on integration measures”. The governing body of the programme – Office Français de l’Immigration et de l’Intégration (OFII - French agency in charge of migration and welcoming foreign people) opened its permanent representation in Yerevan.

On 8 April 2013, a roundtable for media, non-governmental and other organisations interested in the issue, “Prevention of irregular migration from Armenia to Belgium, directed by enhancing awareness among potential migrants”, was held in Yerevan.

At the opening conference of the new three-year EU-funded project, “Targeted Initiatives for Armenia”, which was launched on 22 March 2013, the Armenian Deputy Minister of the Diaspora, David Karapetian, noted that repatriation and reintegration projects were extremely important for Armenia, as two-thirds of the Armenian people live abroad and migration flows are very active.

**Mobility in a well-managed & secure environment**

**Asylum**

**POLICY OBJECTIVES** Pursue modernisation of national asylum system in line with international and EU standards, including an IDP protection system

Amendments are being prepared to the Criminal Code in order to eliminate the inconsistency between the Law "On Refugees and Asylum" and the Criminal Code, as well as to ensure that the requirements of the "Refugee Status" 1951 Convention and the law "On Refugees and asylum" are met.

The IDP (internally displaced persons) protection system is not included in the ENP Action Plan 2012-2013.

An action plan proceeding from the EU-Armenia readmission agreement was approved by the Prime Minister’s Decision 1228-A (adopted on 12 December 2012, entered into force on 13 December 2012, not published).

The management of re-integration was defined as an important issue in the “Concept for studying and prevention of irregular migration originating from the Republic of Armenia”.

**Fight against irregular migration, including readmission**

**POLICY OBJECTIVES** Conclude and implement readmission agreement with the EU

The readmission agreement was signed in spring 2013. Its approval by the National Assembly is anticipated in the second half of the year.

**POLICY OBJECTIVES** Adopt measures aimed at the sustainable reintegration of returning citizens;

introduce biometric passports and ID cards in second half of 2012, and ensure security of breeder documents

Although biometric passports and ID cards have been issued since 2012, the issuance of old passports is also continuing, and it is not clear when the issuing of old passports will stop.
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**Policy Objectives**

**Legal migration and enhancing the link between migration and development**

Partner countries to establish a comprehensive migration policy, including measures aimed at addressing the brain drain, social security, recognitions of skills and qualifications, integration of migrants, fighting racism and xenophobia, maintaining relations with diasporas.

**Update migration profiles**

Ensure effective implementation of the National Action Plan 2012-2016, including strengthening the capacities of the State Migration Service and developing an information system for registering migration flows; enhance co-operation in the framework of the EU-Armenia Mobility Partnership.

There is a comprehensive policy on migration in Armenia. In December 2010, the government adopted the Concept for the Policy of State Regulation of Migration in the Republic of Armenia. On 10 November 2011, the government approved the implementation of the State Migration Policy Concept 2012-2016 Action Plan.

The government has also adopted the Concept on Studying and Preventing Irregular Migration Originating from the Republic of Armenia. The goals and objectives defined by the Concept will be achieved through establishing close co-operation in the framework of a number of projects:

- An EU-funded project on “Strengthening Evidence-Based Management of Labour Migration in Armenia”, implemented by the International Center for Human Development (ICHD) and the International Organization for Migration (IOM) – with an overall budget of € 2.45 million.
- “Preventing Irregular Migration from Armenia to the Kingdom of Belgium by Raising Awareness of Potential Migrants”, a project supported by the Kingdom of Belgium and implemented by ICHD.
- “Post-Arrival Assistance to Armenian Returnees from the Netherlands” project, which supported the Repatriation and Departure Service of the Ministry of Justice of the Netherlands and implemented by ICHD.

- “Technical Assistance to the Armenian Government to Initiate Labour Migration Arrangements” implemented with the support of IOM.

**Fight against trafficking in human beings**

**Policy Objectives**

Partner countries to adopt the legislative, policy and institutional framework and ensure its effective implementation, ratify and fully implement the relevant international conventions.

Implement Third National Plan 2010-2012 on trafficking.

The third National Plan 2010-2012 on trafficking was implemented in accordance with the timetable, with special attention paid to the prevention of trafficking, and to training of relevant actors. Many of the elements, such as training of officials and judges, and awareness-raising, have been transferred to the fourth National plan as a continuing action.

**Policy Objectives**


Armenia has not yet ratified the Convention, signed on 29 September 2010.

**Integrated Border Management**

**Policy Objectives**


The process had an active start in 2011, when the action plan was adopted, but the subsequent process of implementation has been less intensive.
The government started an ambitious project on the modernisation of Bagrata, Bavra, and Gogavan border crossing-points between Armenia and Georgia in accordance with the Integrated Border Management (IBM) standards (approximate value of €61 million).

A grant of €12 million from the EU Neighbourhood Investment Facility was approved, combined with loans by the European Investment Bank (EIB) and the European Bank for Reconstruction and Development (EBRD). Further support was provided through the Eastern Partnership Integrated Border Management Flagship initiative. In February, Armenia and FRONTEX signed a Working Arrangement.

**Fight against organised crime**

*Policy Objectives*

**Partner countries to adopt the legislative, policy and institutional framework and ensure its effective implementation**

Legislative improvements are currently under consultation with international experts and relevant state bodies inside Armenia.

**Policy Objectives**

**Strengthen capacities of law enforcement authorities to fight organised crime, while ensuring appropriate data protection safeguards**

Capacity-strengthening trainings are organised periodically with the support of international organisations, such as the Organization for Security and Co-operation in Europe (OSCE). The Police officers’ guide was developed in accordance with EU standards.

**Policy Objectives**

**Enhance the fight against organised crime in accordance with the National Strategy and the National Programme for fighting against terrorism**

The implementation of the National Strategy of fighting organised crime is in accordance with the government’s decision of 26 April 2012:

“The National Programme Provisions implementation schedule”.

**Fight against financial crime, including terrorist financing**

*Policy Objectives*

Partner countries to adopt the legislative, policy and institutional framework and ensure its effective implementation


*Policy Objectives*

Establish/strengthen Financial Intelligence Units and foster their co-operation with the FIUs of the EU MS

The Financial Monitoring Center was established in 2005 as a separate unit in the structure of the Central bank of Armenia. FMC has signed memoranda of understanding with FIUs of a number of countries, including several EU member states.

*Policy Objectives*

Partner countries to ratify relevant conventions preventing radicalisation and recruitment for terrorist activities

Continue to implement the National Strategy 2010-2013 for Combating Money Laundering and Terrorism Financing, including by consolidating technical and human resources

Following the adoption of the National Strategy for Combating Money Laundering and Terrorism Financing for 2010-2013, amendments were prepared to 17 laws on provisions relating to ML/FT and submitted to the government.

A strategic assessment of ML/FT risks in the country was initiated. A methodology was developed, based on the Financial Action Task Force (FATF) reference documents, and trainings were conducted for the judiciary, law enforcement officials, and reporting entities.

Tackling illicit drugs

**POLICY OBJECTIVES**

Partner countries to adopt and implement national drug policies and integrated drug action plans

**Implement 2010-2012 National Programme for Combating Drug Addiction and Trafficking in Narcotic Drugs**

Armenia reiterated its willingness to establish close co-operation with the European Monitoring Centre for Drugs and Drug Addiction (EMCDDA).

By the executive order of the President, on 30 January 2010 an Interagency Commission on Combating Drug Addiction and Illicit Traffic in Narcotic Drugs was established. The Monitoring Centre for Narcotic Drugs and Drug Addiction was established in 2011 under the National Institute of Health.

Armenia continues to develop and implement an integrated border management regime, improving its ability to detect illegal narcotics shipments.

**Law enforcement cooperation**

**POLICY OBJECTIVES**

Partner countries to establish an appropriate coordination mechanism between national agencies

In particular: Enhance cooperation with EUROPOL

To date, there has been no co-operation with EUROPOL.

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SECTOR CO-OPERATION

Promote participation in EU programmes and facilitate the conclusion of general protocols to be followed by specific Memoranda of Understanding (MoU) with Partner Countries

**POLICY OBJECTIVES**

Partner countries need to make informed decisions about their participation in programmes, in consultation with the EU.

Armenia to consider negotiating protocols to the Partnership and Co-operation Agreement as a first step, providing the legal basis for participation in EU programmes.

Armenia to consider negotiating memoranda of understanding for individual programmes where appropriate.

In April 2012, Armenia expressed its interest to participate in the broad range of programmes open to partner countries of the European Neighbourhood Policy.

In 2012 the EU and Armenia signed the Protocol to the Partnership and Co-operation Agreement on the general principles for the participation of Armenia in EU programmes.

The year 2012 marked the opening to Armenia of access to EU programmes relevant to the Eastern Partnership countries, and the applicable agreement was signed in December 2012.

**POLICY OBJECTIVES**

Promote Partner Countries’ participation in the work of EU agencies

EUROPOL - No co-operation yet.

FRONTEX - a working agreement between Armenia and FRONTEX was signed in February 2012.

Armenian officials have regularly participated in CEPOL (European Police College) trainings in the UK, and CEPOL lecturers have been invited to Armenia.

Energy

Promote energy security and sustainability, notably through infrastructure, energy efficiency and renewables

**POLICY OBJECTIVES**

EaP countries to continue developing and sustaining strategic oil stocks

EaP countries to pursue electricity tariff reforms, implement measures to ensure full cost-recovery, strengthen capacity and independence of regulators, and set up appropriate legislative frameworks.

Defining, and reforming, all kind of tariffs of the public utilities, including electricity, lies within the jurisdiction of an independent body – the Republic of Armenia Public Services Regulatory Commission. It implements capacity-strengthening and appropriate legal requirements.

**POLICY OBJECTIVES**

Pursue policies conducive to electricity grids interconnections with neighbouring countries


The Armenia-Georgia high-voltage electricity grid programme is in the development phase, and the Iran-Armenia high-voltage electricity grid in its construction phase.

Armenia has applied for membership in E5P, which will enable Armenia to better implement the 2010 Action Plan of the National Plan on Energy Saving and the Roadmap on energy efficiency (the Eastern Europe Energy Efficiency and Environmental Partnership (“E5P”) unites the Eastern Partnership countries, European Commission and other bilateral donors).

There has also been progress on the Action Plan and roadmap concerning the construction of the Black Sea Electricity Transmission Line.
Enhance levels of nuclear safety

**POLICY OBJECTIVES**

Approximation of a regulatory framework for nuclear safety

Upgrade safety standards of existing NPPs (Nuclear Power Plant), in co-operation, where appropriate, with other IFIs (notably EBRD)

Implementation of a Joint Declaration on comprehensive risk and safety assessments of nuclear plants (stress tests)

Stress tests are being conducted and the first results will be ready at the end of 2013.

Since the results of the test, conducted in 2012, have not yet been disclosed, it is too early to specify the exact time of the closure of the Medzamor nuclear power plant. The report on the stress test results is in the process of review and reassessment, and will be presented to the EU at the end of 2013, according to Aida Avetisyan, the Department Head of the State Committee of Nuclear Safety.²

Environment and climate change

**POLICY OBJECTIVES**

Work on approximating environmental legislation, especially in view of new Association Agreements

The project, “Strengthening the Ministry of Nature Protection in the Introduction of Integrated Pollution and Control”, aims to create a partnership between the pollution prevention and environmental compliance control authorities of Germany, Spain and Armenia. The project is implemented by the Deutsche Gesellschaft Für Internationale Zusammenarbeit (GIZ).

The European Neighbourhood Partnership Instrument (ENPI)-Shared Environmental Information System (SEIS) project in Armenia aims to promote the protection of the environment in the ENPI countries.

Transport

Conclusion and implementation of Aviation Agreements

**POLICY OBJECTIVES**

Regulatory approximation through gradual implementation of EU aviation legislation, including in the following areas: aviation safety, aviation security, consumer protection (such as passenger rights), environment (noise), social aspects, air traffic management, market access related issues such as slots and ground handling and airport charges.

The Aviation agreement between Armenia and the EU was signed in 2008, which required corresponding legislative changes that are currently being put in place.

The Aviation Safety Twinning Project (Strengthening the capacity of the Armenian General Department of Civil Aviation (GDCA) in the integration and enforcement of European safety standards, and harmonisation with EU aviation safety regulations) was implemented in 2010-2012.

Co-operation on macroeconomic and financial stability issues

**POLICY OBJECTIVES**

The core objectives are:

1) Promote macroeconomic stability including price stability, sustainability of public finances and balance of payments positions

The government aims to create high-productivity jobs through further business reforms, financial deepening, export promotion, modernisation of public administration and governance, and infrastructure and human capacity development. Business climate reforms have continued.

Further fiscal consolidation is aimed at stabilising the debt level. In the medium term, it is envisaged that the deficit will be lowered to 2% of GDP - supported by annual revenue increases of 0.3% of GDP.

² [http://www.a1plus.am/am/social/2013/07/10/atom](http://www.a1plus.am/am/social/2013/07/10/atom)
2) Implement appropriate structural reforms

The directions and objectives of the government’s reform programme are enhancing the competitiveness of the country—the competitiveness of the economy, capacity-building for human capital and economic institutions. The experience of the crisis revealed that the main precondition for sustainable development of the economy is an effective structure for the economy based on the development of export-oriented sectors.

3) Implement appropriate reforms and regulation in the financial sector

As a result of ongoing pension reforms, a multi-pillar pension system will be established in Armenia, anchored in the existing PAYG (pay-as-you-go) system which will be complemented by two new components: mandatory and voluntary funded components.

Tax reforms associated with the pension reforms have been introduced through the tax legislation. From 1 January 2013, the previous income tax (levied at 0%, 10% and 20% rates) and the mandatory social insurance contribution (at AMD 7000, and 15%, 5% applicable rates) have been replaced by a unified income tax rate.

The ENP Action Plan provisions regarding accomplishment of the legislation on the rights of migrant workers, integrated system of social services, and reforms of the pension system, have been implemented.

TAIEX and twinning projects are being implemented in order to enhance the consulting and technical assistance for capacity development.

On 6 September 2012, there was the official launch in Yerevan of the twinning project, “Support the State Migration Service for Strengthening of Migration Management in Armenia”. The project twins Armenia with Poland.