



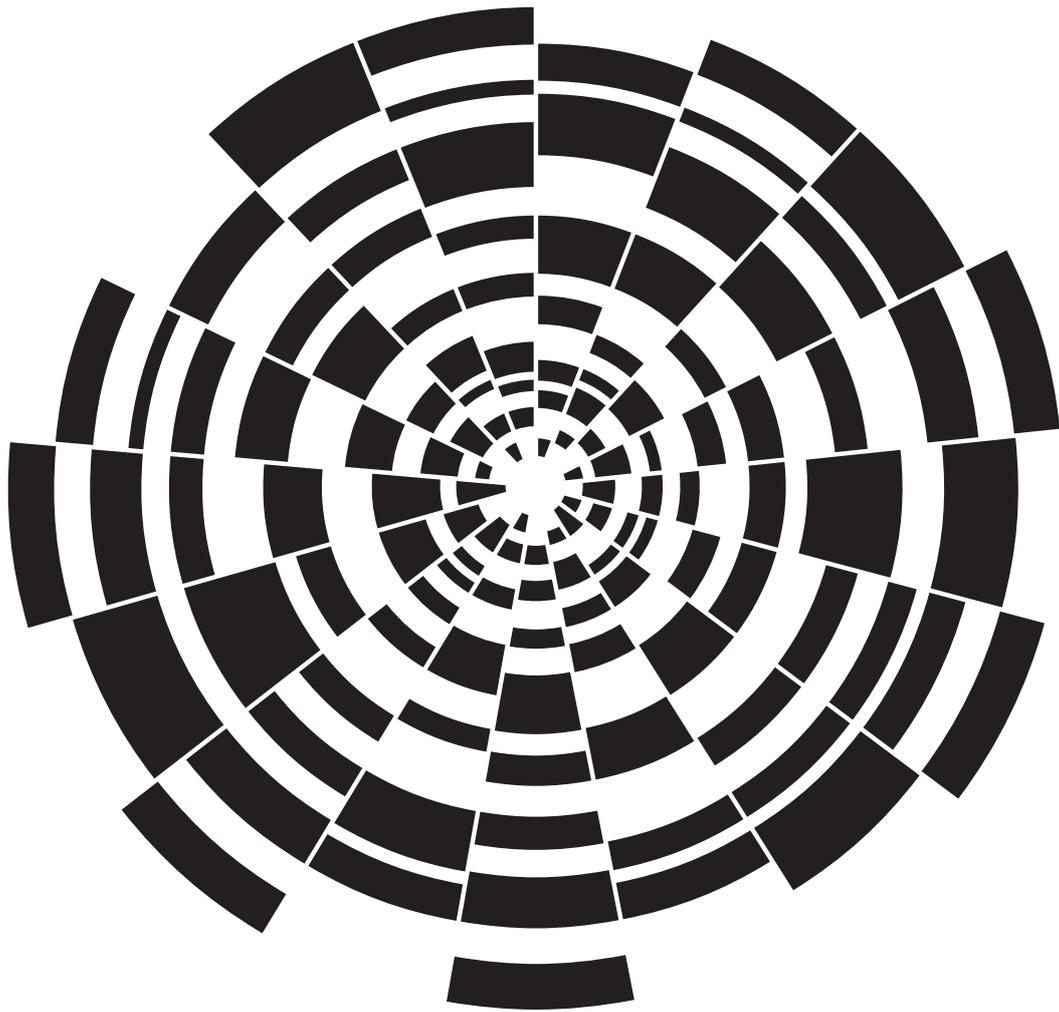
REPUBLIC OF ARMENIA

# SUSTAINABLE DEVELOPMENT GOALS

## VOLUNTARY NATIONAL REVIEW REPORT

<p><b>1</b> NO POVERTY</p> 	<p><b>2</b> ZERO HUNGER</p> 	<p><b>3</b> GOOD HEALTH AND WELL-BEING</p> 	<p><b>4</b> QUALITY EDUCATION</p> 	<p><b>5</b> GENDER EQUALITY</p> 	<p><b>6</b> CLEAN WATER AND SANITATION</p> 	<p><b>7</b> AFFORDABLE AND CLEAN ENERGY</p> 	<p><b>8</b> DECENT WORK AND ECONOMIC GROWTH</p> 	<p><b>9</b> INDUSTRY, INNOVATION AND INFRASTRUCTURE</p> 
<p><b>10</b> REDUCED INEQUALITIES</p> 	<p><b>11</b> SUSTAINABLE CITIES AND COMMUNITIES</p> 	<p><b>12</b> RESPONSIBLE CONSUMPTION AND PRODUCTION</p> 	<p><b>13</b> CLIMATE ACTION</p> 	<p><b>14</b> LIFE BELOW WATER</p> 	<p><b>15</b> LIFE ON LAND</p> 	<p><b>16</b> PEACE, JUSTICE AND STRONG INSTITUTIONS</p> 	<p><b>17</b> PARTNERSHIPS FOR THE GOALS</p> 	

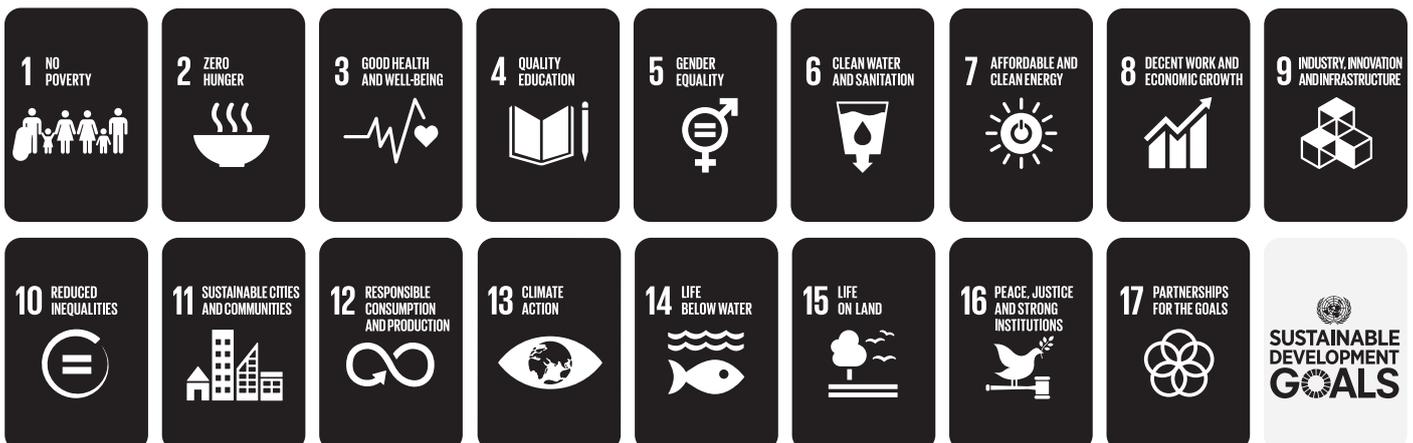




REPUBLIC OF ARMENIA

# SUSTAINABLE DEVELOPMENT GOALS

## VOLUNTARY NATIONAL REVIEW REPORT





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## Main messages

The Republic of Armenia, being a member of the United Nations and recognizing the principles of universal values, human rights protection, and democracy as inseparable parts of its state philosophy, is an active member of the United Nations community. A new ambitious sustainable development agenda formally adopted at the UN Headquarters in New York on September 2015 is a key global strategic document entitled “Transforming Our World: 2030 Agenda for Sustainable Development”. It consists of a Declaration, 17 Sustainable Development Goals (SDGs) and 169 targets, a section on means of implementation and revitalized global partnership, and a framework for follow-up and review.

When Armenia presented its first Voluntary National Review in July 2018, it was in the immediate aftermath of the non-violent Velvet Revolution of April-May. The first report primarily reflected on the success, achievements and drawbacks of the previous period. By contrast, this document, in addition to covering a similar scope from the past two years, also introduces a long-term transformational vision. While this year’s report pays particular attention to SDG 16, its breadth covers self-assessments of the entire SDG framework.

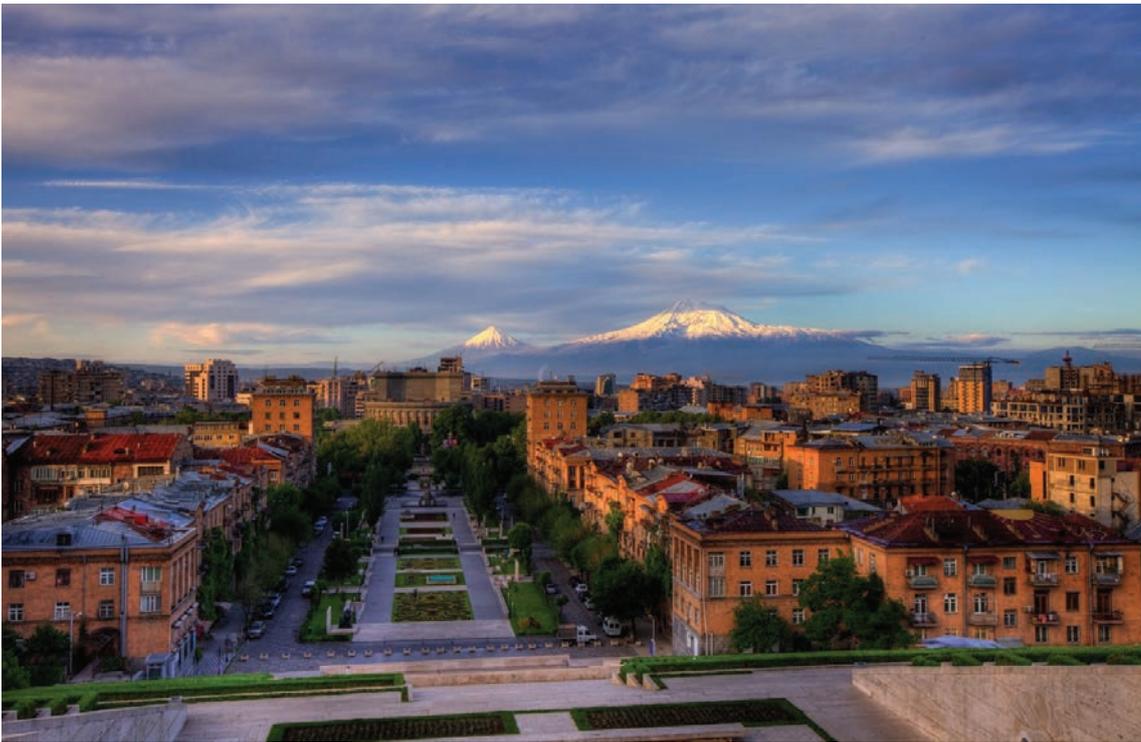
Since 2018, Armenia has launched a number of reforms in the areas of human rights protection, rule of law, combating corruption, fight against criminal subculture, improved public administration, and strategic planning, along with ambitious economic and social reforms. Empowered by a democratic mandate, a renewed sense of political will has been demonstrated with regard to the rule of law, tackling of corruption and strengthening of democratic institutions, as well as improvements in the legal frameworks, national strategy development and planning, effectiveness of public institutions and empowering of civil society.

In 2019, the Armenian economy grew by 7.6% - the highest rate of economic growth since 2008 – underpinned by growths in exports, tourism, and high-tech driven products and services. This extraordinary level of economic growth was driven by policy reforms stemming from a new generation of strategic planning processes targeting SMEs, industry, tourism, business environment, development of military industry and more.

In the social sphere, a number of reforms were introduced aimed at increasing wages of various public sector employees (teachers, doctors, rescue officers, etc). The benefits and pensions system was also expanded to increasing their effectiveness, improving living standards, as well as defining the amount of minimum pension, expanding healthcare services and relevant beneficiaries, enhancing of the educational environment, etc.

Armenia, considered to be country of emigration, has recorded a decrease in its emigration rate since 2017. Moreover, since 2018, the overall number of entries at border crossing points has exceeded exits, thus for the first time in over a decade, the net migration rate of Armenia is trending in the positive.

All these are necessary yet not sufficient initiatives addressing 5Ps of sustainable development - People, Planet, Prosperity, Peace, Partnership. There are a number of challenges that need to be addressed in order to fully implement the Sustainable Development Goals and targets, especially in the areas of judicial reforms, anti-discrimination legislative mechanisms, processes aimed at climate change mitigation, use of natural resources and energy diversification, and, indeed, the new and unprecedented socio-economic challenges posed by COVID-19.



In order to achieve the Sustainable Development Goals and ensure high quality of life and environment, the Government, attaching great importance to the process of strategic planning and the need to establish sectoral reform agendas, initiated the development of over 30 sectoral strategies, as well as the comprehensive Armenia Transformation Strategy 2020-2050. Among the sectoral strategies, about a dozen were approved in 2019 (anti-corruption reforms, human rights protection, judicial and legal reforms, penitentiary and probation sectors reforms, agriculture, public finance administration, tax system administration, gender policy implementation, Work Armenia), while other strategic papers are still in development.

Support for SDG achievement in Armenia lies at the heart of many bi-lateral agreements as well. Most notably, The Armenia-EU Comprehensive and Enhanced Partnership Agreement, signed on November 24, 2017 with its approved roadmap is currently in its implementation stage and comprises of several processes aimed at a number of reforms in different areas relevant to the 2030 Agenda, through its framework of SDG-aligned targets and indicators.

# Preface

The Economist named Armenia “the country of the year 2018” outlining Armenia as the country that had improved the most, partly due to its fundamental democratic reforms. Democratic transformation found its manifestation in the peaceful, non-violent Velvet Revolution in May 2018 demonstrating the high level of political maturity and legal consciousness of the Armenian society.

Armenia got this estimation also due to the special parliamentary elections in December 2018. According to OSCE, the snap parliamentary elections held on December 9, 2018 respected fundamental freedoms and enjoyed broad public trust.

During the past 2 years, the RA Government focused its activities on reinforcement of the rule of law, fight against corruption and promotion of democratic institutes. Armenia’s progress was also confirmed by the country’s position in various ratings of prominent international organizations such as the Freedom House, Gallup Institute, etc.

Armenia’s democratic transition was also reflected in the Democracy Index 2019 ranking of the Economist Intelligence Unit. According to this index, despite the decline in the average global score, Armenia saw notable improvements with regard to democratic reforms and scored 86th in the ranking improving its position by 17 points. V-Dem Institute in its 2020 report highlights Armenia as exhibiting the second biggest democratic gains on liberal democracy index.

In 2019, Armenia ranked 61st among the 167 countries in the overall Prosperity Index rankings of the Legatum Institute, a London-based think-tank. Since 2018, Armenia has moved up the rankings table by 7 places. This is Armenia’s highest ranking during the past 10 years.

According to Freedom Barometer, in 2019 Armenia improved its position by 7.21 against 2018 and scored a total of 60.14, ranking 35th among 45 countries; a year ago, it ranked 37th. Among bright examples of countries that showed considerable improvements in 2019, Armenia and North Macedonia are especially notable, the index says. In 2019, Armenia is rated “Free” in Freedom on the Net, Freedom House’s comprehensive study of internet freedom around the globe (76/100 score), improving its position by

5 against the previous year. Also, Armenia is rated “Partly Free” in Freedom in the World 2019 of the Freedom House (51/100 against 45/100 in 2018). Though Armenia received Democracy Percentage of only 33,3 out of 100 in the Freedom House’s Nations in Transit 2020 report, it should be noted that the US Embassy in Armenia praised Armenia’s impressive progress on its path to a democratic society, saying it achieved the largest two-year improvement of any country in the history of Freedom House’s Nations in Transit Democracy Score.

Armenia has improved its position by five in Gallup’s 2019 Global Law and Order Report which assesses efforts of different countries promoting just, peaceful and inclusive societies.

Armenia is committed to pursuing the goals specified by the 2030 Agenda, and the RA Government launches efforts to include the SDGs in RA’s sectoral reforms, as well as nationalize and localize them in national strategies and policy papers. So, a pilot project “Rule of Law and SDGs in Armenia’s Reform Agenda” implemented jointly by UNDP and the RA Ministry of Justice in 2019 with support of the National Armenia SDG Innovation Lab (<https://www.sdglab.am/en>) and the Statistical Committee of the Republic of Armenia (<https://armstat.am/en/>). As part of the project, global SDG 16 indicators were assessed in the context of Armenia and a survey on data collection, availability and interoperability was conducted to support the framing of nationalized SDG 16 indicators. Innovative approaches to ensure that statistical data can be collected automatically and aligned with the relevant targets of SDG 16 were also developed. Four areas of SDG 16 were at focus of the project, namely anti-corruption, judicial and legal reforms, human rights protection, penitentiary and probation sector strategies.

With regard to strategic harmonization of SDGs, the process of development of Armenia’s Transformation Strategy 2020-2050 should be emphasized. It is a document comprising a national idea that expresses the 2050 vision for Armenia and aims to implement the 16 mega goals during the coming 10 years, which is essential for Armenia’s ambition for transformation. The mentioned mega goals cover all SDGs apart from SDG 14 and additional goals such as the security of the country.

## Armenia's Transformation Strategy 2020-2050

The approach of Armenia's transformation strategy differs from the logic of all previous long-term strategies in that it implies not only the approaches and actions of the Government but involves also the private sector, civil society and all Armenian people, every person including the Diaspora. The strategy is expected to be a living document comprising the responses to challenges of the time.

Actions of the strategy are mostly reflected as mega goals that include the ambitious agenda of the SDGs,

and will be based on three interrelated elements of sustainable development: economic growth, social cohesion and protection of the environment. Like the SDGs, the mega goals also rely on each other and should be implemented based on a holistic approach. This is an unprecedented initiative, and its approaches have been approved by the civil society, business community, advisers and other stakeholders, and are regularly being discussed in various formats.

### Mega goals 2030

#### Mega goal 1

Educated and capable nation and citizen

SDG **4 9 5**

#### Mega goal 2

Protected Armenia

SDG **11 16**

#### Mega goal 3

Efficient and accountable public governance

SDG **16 17**

#### Mega goal 4

Healthy and secure nation and citizen

SDG **3 10**

#### Mega goal 5

Prosperous family with many children

SDG **1 5**

#### Mega goal 6

Armenia governed by rule of law

SDG **16**

#### Mega goal 7

Mass export of manufactured production

SDG **8 9 10**

#### Mega goal 8

Clean and green Armenia

SDG **7 13 15**

#### Mega goal 9

Rational territorial development

SDG **11 2 10**

#### Mega goal 10

Mass repatriation and integration

SDG **10 1 4 8 17**

#### Mega goal 11

Globally connected Armenia

SDG **9 11**

#### Mega goal 12

Productive and responsible farming

SDG **2 6 11 12**

#### Mega goal 13

Renewable energy accessible to public

SDG **7 13 15**

#### Mega goal 14

Business-attractive Armenia

SDG **8 9 16 17**

#### Mega goal 15

Knowledge-based (non-material) Armenia

SDG **4 8 9**

#### Mega goal 16

Recognized, respected and hospitable Armenia

SDG **4 9 16**

# Report methodology and development process

## Institutional framework

Back in 2015, a Council on the Sustainable Development Goals was established; vested with advisory functions, the Council aimed to ensure the decision-making and broad public participation in the national development programmes and issues for 17 SDGs included in the 2030 Agenda. In 2020, the Prime Minister's decision approved the new composition and rules of procedure of the Council, as well as the order of organization of competition for involvement and rotation of non-governmental organizations (NGOs) in the Council. This aimed to concentrate the Council's functions on SDGs and enhance the strategic planning processes, as well as involve NGOs in the Council through competition and rotation. The objectives of the Council are to define the priorities and trends for nationalization of the United Nations Sustainable Development Goals in the Republic of Armenia, specify them in the national strategic programmes and ensure the coordination and monitoring of the complex SDG implementation until 2030.

So, the institutional framework of SDG implementation was aligned with the “whole-of-government and whole-of-society” principle, because now, in addition to the Council members - representatives of the legislative and executive bodies, RA Human Rights Defender's office and UN Resident Coordinator's Office in Armenia, based on the meeting agenda and the scope of discussed issues, representatives of business associations, scientific and educational institutions,

representatives of trade unions, international organizations, experts and other stakeholders could also be invited and participate in the Council activities. With regard to the United Nations Conference on Sustainable Development Rio+20 and SDG target 4.7 (“4.7 by 2030 ensure all learners acquire knowledge and skills needed to promote sustainable development...”), the institutional platforms within the RA education systems should be emphasized. In particular, several scientific-educational institutions have established special units which are actively engaged in sustainable development activities. Thus, Yerevan State University has the Education and Science Center for Sustainable Development, the Armenian State Pedagogical University named after Kh. Abovian has the Chair of Ecology and Sustainable Development, and the RA NAS Center for Ecological-Noosphere Studies hosts the UNESCO Chair on Education for Sustainable Development.

On February 21, 2020, Eurasia International University organized a conference titled “Towards sustainable development 2030 agenda”. The participants approved the proposal of the Chair of Ecology and Sustainable Development of the Armenian State Pedagogical University named after Kh. Abovian to establish a network of higher education institutions operating in the area of sustainable development, using the vast experience of other countries in this sphere.

## Data collection

Data collection is one of the most difficult parts of work in conducting the VNR. In order to ensure the credibility of this report, data from various sources has been collected and analysed, including the following:

1. State statistics;
2. Sector-specific information from ministries and other state agencies;
3. Data from sector strategy papers

4. Data from the business community, civil society and other non-government stakeholders; this is essential in terms of both quantitative and qualitative data, for better understanding of fundamental issues and making the VNR development an inclusive process.

## Methodology and stakeholders

The report was prepared using several methods and approaches in particular desk-based research including document study, policy analysis, discussions, analysis of official statistics and different surveys, study of qualitative and quantitative data. The report was developed with involvement of almost all state bodies; moreover, it was announced on the Government's official website to invite wider outlook through internet, considering the challenges of hosting physical meetings and consultations posed by COVID-19. This enabled stakeholders and non-governmental organizations to submit proposals and special stories, for further inclusion in the report. At the same time, sectoral NGOs which have been included in the public councils adjunct to the ministries also took part in the process.

The report also includes the data of the SDG national reporting platform, with available SDG data for global indicators. The analysis is based on 2018

and 2019 data, partially also 2020. In a number of cases, however, a longer period has been examined to produce the indicators more comprehensively, including the timeframe of 2015-2019 available on the national SDG platform for 164 available indicators. It should be noted that the RA Statistical Committee launches the National Reporting Platform (NRP) for SDG indicators (<http://sdg.armstat.am/>) which is a tool to disseminate and communicate national statistics and related information to the global SDG indicators providing the SDG progress monitoring framework. In addition, the RA Law on Official Statistics (HO-194-N) was adopted on March 21, 2018, which is fully based on the fundamental principles of UN official statistics. (The RA Law on Official Statistics is developed on the basis of the Generic Law on Official Statistics for Eastern Europe, Caucasus and Central Asia ([https://www.unece.org/fileadmin/DAM/stats/publications/2016/ECECESSTAT20163\\_E.pdf](https://www.unece.org/fileadmin/DAM/stats/publications/2016/ECECESSTAT20163_E.pdf))).

## The report aims to

1. Identify the level of achievement per each SDGs and associated targets;
2. Present accomplishments and best practice;
3. Identify gaps and challenges;
4. Reveal the connection between SDGs;
5. Analyse established issues;
6. Outline follow-up actions;
7. Describe the current situation in comparison to the gaps of the previous report of 2018;
8. In view of the global spread and negative impact of coronavirus, present the situation in Armenia and actions taken to tackle it.

## Process of implementation of sustainable development goals

The SDGs match with the strategic development targets and approaches of the countries since they are universally agreed visions the realization of which will ensure a better landscape and life. Likewise, the SDGs and their targets in Armenia mostly match the processes of strategic planning and their implementation.

In order to present the implementation and interaction of SDGs more substantially, the SDGs in this report are categorized under the 5Ps:

- Development of human capital (People);
- Accessibility of infrastructures and provision of economic growth (Prosperity);
- Protection of environment and climate change mitigation (Planet);
- Fight against corruption, human rights protection and justice (Peace);
- Cooperation for the implementation of the sustainable development goals (Partnership).

# Development of human capital (People)

Armenia attaches huge importance to the role of human capital development. This is the reason the Government boosts the public spending in this direction.

The state budget 2020 has envisaged around 13% rise in social spending and allocations for human capital development (although the situation concerning COVID-19 will change these numbers). In particular:

- Spending for social protection sphere is increased by 20% against 2017, by 18% against 2018 and by 8% against 2019;
- The healthcare sphere will get 37% more as compared to 2017, 43% more compared to 2018, and 15% more compared to 2019;
- Allocations for education have been added by 30% against 2017, 32% against 2018 and 25% against 2019.

It is worth noting that with regard to the human capital development not only efforts aimed at the implementation of SDGs specified in this section are important; the progress on other SDGs implementation is also vital to overcoming poverty, improve the quality of education, and make the healthcare more accessible - all these issues are related to the level of development of relevant infrastructures, economic growth rates, availability of state and municipal funds, fight against corruption, etc.

In this context, the Republic of Armenia in addition to establishment of sustainable mechanisms and targeted policy for human capital development within the country, prioritizes return of own nationals from abroad, as well as development of policy and mechanisms for transfer of intellectual potential, knowledge and skills of Armenian diaspora, required for the country's economic and social modernization and transformation into a knowledge and innovation based economy.

1 NO POVERTY



## End poverty in all its forms everywhere

### Ending poverty

Despite the continuous decline of the poverty rate in Armenia during the past years, poverty still remains a serious challenge and a primary battle area for the country's social policy. Indeed, poverty cannot be

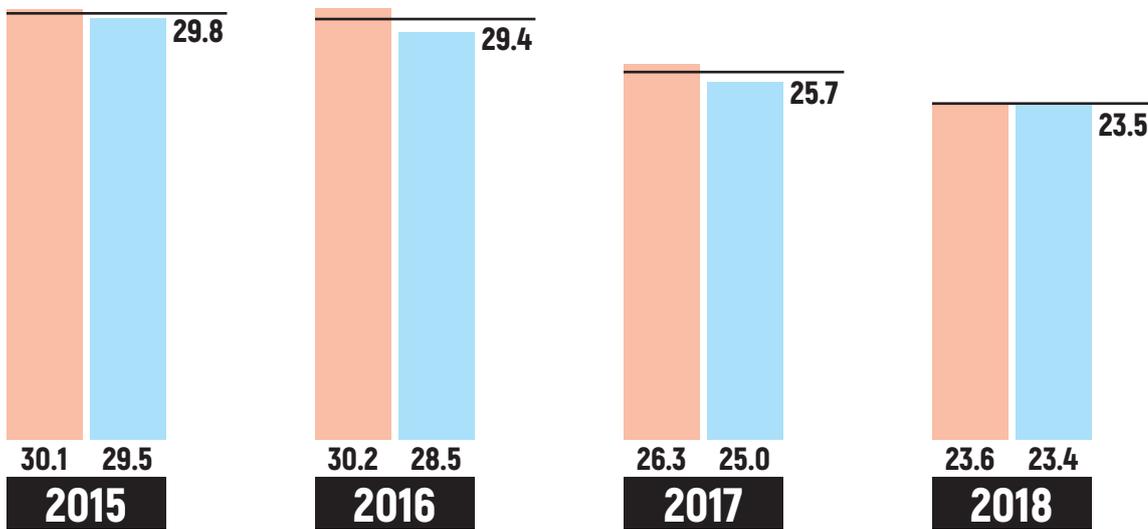
combated by mere application of the state governance tools; it requires joint efforts of the whole population, Diaspora, and international partners.

### Indicators

In considering the poverty indicators, it needs to be emphasized that many countries have different units of measurement for poverty indicators. The indicator mentioned in target 1 of SDG 1 is currently measured

as people living on less than \$1.25 a day, which differs from Armenia, using multi dimensional poverty calculation (upper line is \$2.9, lower line is \$1.2).

## Proportion of population living below the national poverty line, by sex



The 2018 report said that 30% of population still lived below the poverty line, and children were in the most vulnerable group; the level of disproportional regional development is high in this regard. According to the data of the RA Statistical Committee, in 2018, the poverty rate estimate was 23.5%, constituting a fall of 2.2 percentage points compared to 2017, and of 4.1 percentage points compared to 2008 (27.6%), which was a big achievement. Among the total 23.5% share of poor population, 1.0% were extremely poor and 9.6% were moderately poor (excluding the extremely poor), while the remaining 12.9% were just poor.

Over 2008-2018, poverty rate in urban and rural communities decreased by 2.7 and 6.2 percentage points, respectively. The capital city Yerevan had the lowest poverty rate in the country (19.9%), which was 1.5 times lower than in other urban communities. Comparison of 2008 and 2018 data shows that poverty in Yerevan fell by 0.2 percentage points, while in other urban communities which had the highest poverty rate it fell by 5.5 percentage points. In terms of urban/rural differences of welfare, majority of the poor (65.8%) were urban residents.

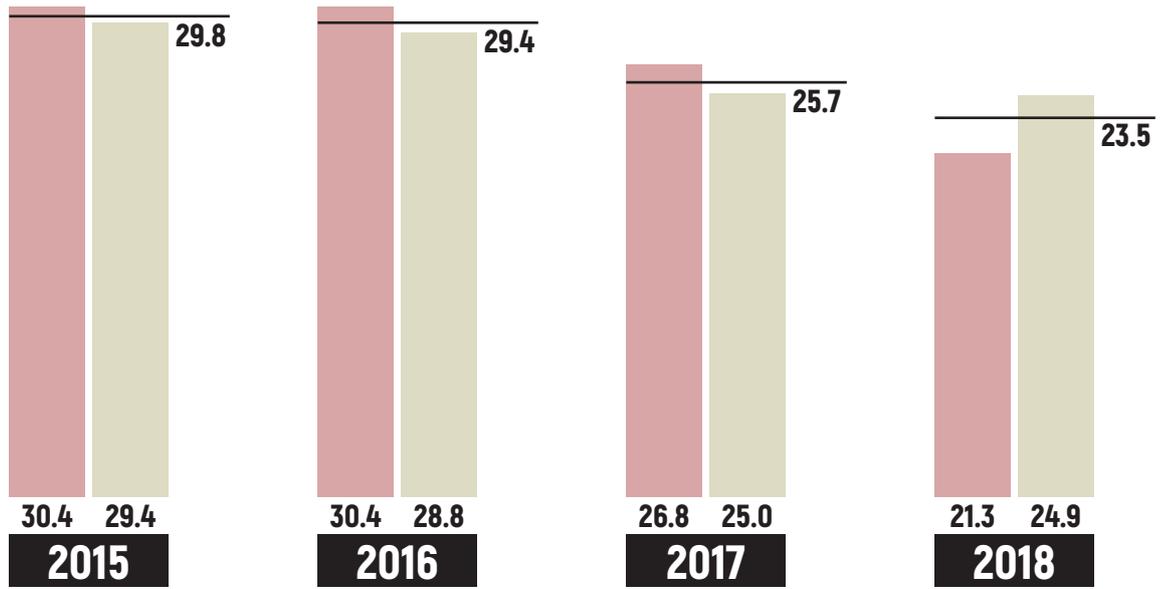
Both in the 2018 report and now the poverty rate among children aged 0-5 and 6-9 is higher than in other age groups, and they still remain the most vulnerable group. The assessment of multidimensional poverty complements the analysis on monetary poverty. The share of multi-dimensionally poor population, that is, the share deprived in at least one dimension, in 2018 was 23.6%, with most deprivations visible in housing and labor (Armstat 2019). 61.6 percent of children are deprived in two or more dimensions. The number was as high as 74.9 percent in rural areas, while it is 52 percent in urban

settings. Children are mostly deprived in utilities, housing, and leisure.

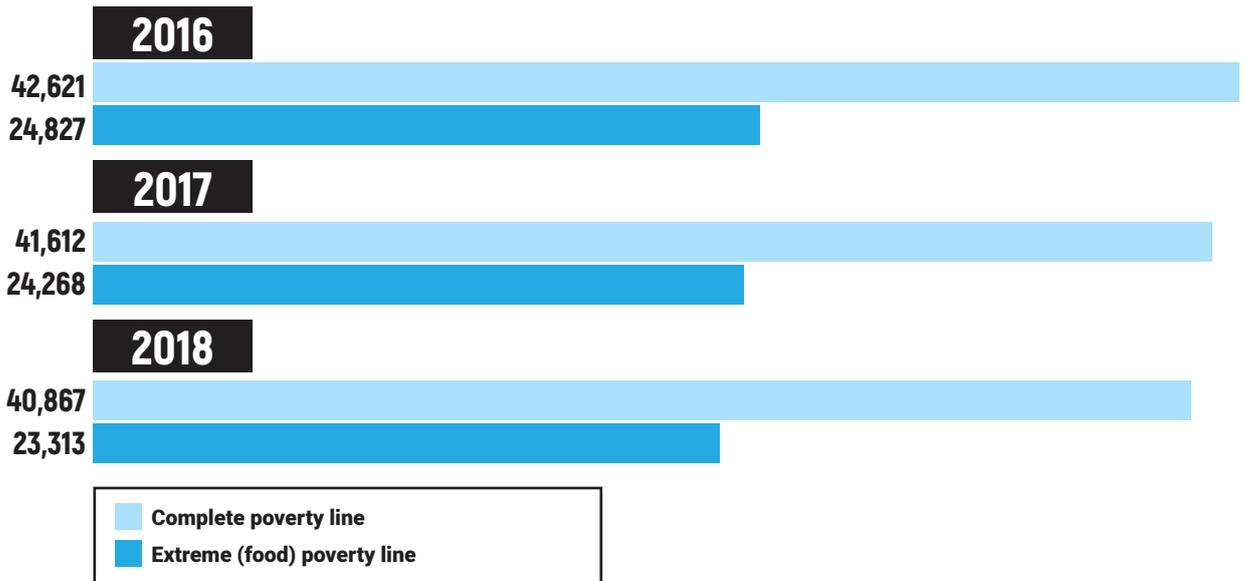
The report of the Statistical Committee says that Armenia needs 63.2 billion AMD or an amount equal to 1.1% of GDP in addition to the funds already allocated for social assistance assuming that the social assistance will be efficiently addressed to the poor only. Eradication of extreme poverty would require 1 billion AMD, or 0.02% of GDP, in addition to social assistance already allotted to the extremely poor, and with efficient targeting. International practice shows that public spending on education and health in Armenia were 2.3% and 1.6% of GDP in 2020, respectively; which is lower than the average among ECA countries. Social protection expenditures around 6.9% of GDP in 2020 are also low in comparison to countries in the ECA region. The highest proportion of spending goes to pensions and less than one-third goes to social assistance, thus labour market programmes and social services needs more attention. Therefore there is a need to make more efforts on human capital development financing.

The estimated poverty gap in 2018 was 4.2% compared to 4.4% in 2017, whereas the estimated poverty severity (inequality of consumption among the poor) was 1.1% compared to 1.2% in 2017. In 2018, poverty rate in urban communities was higher than in rural communities; it fell by 0.1 percentage points against 2017 and made 24.9%. At the same time, the poverty rate in rural communities decreased by 5.5 percentage points making 21.3%. Poverty and high unemployment rate, together with lack of social inclusion are one of the root causes for high outward migration rate, affecting not only the economic situation but demographic situation as well.

**Proportion of population living below the national poverty line, by region**



**Extreme (food) poverty and complete poverty lines (monthly average) AMD**



Gini coefficient is the indicator characterizing the living standards of population; aggregate income inequality increased from 0.359 in 2017 to 0.360 in 2018, while consumption inequality increased from

0.289 in 2017 to 0.298 in 2018. This shows that the population inequality (polarization) in Armenia is deeper in distribution of income than consumption.

**Gini coefficient**

	2016	2017	2018
Income inequality	0.375	0.359	0.36
Consumption inequality	0.286	0.289	0.298

In 2018-2019, the RA mostly focused on social assistance, combined assistance and targeted channeling of the current programmes in order to overcome poverty. This includes the following:

- Increasing the amount of lump-sum childbirth benefit for the first and second child, raising it to 300,000 AMD (600 USD); this indicator shows the biggest growth during the recent years; the figure rose 6 times for the first child and doubled for the second child;
- Process of providing orphanage graduates with housing purchase certificates;
- Assistance programmes for livestock farming (cattle-breeding, sheep breeding, pigsty, goat breeding, poultry farming) targeted at non-competitive people on the labour market;
- Legislative definition of the concept of minimum pension, which is made equivalent to the extreme poverty line.
- The Government has provided housing purchase certificates for up to 3.6 billion Armenian Drams to 300 beneficiaries of refugee families from Azerbaijan who were facing housing issues in the past 30 years in frame of the second phase of the programme.
- Provision of assistive devices to persons with disabilities using a voucher system;
- Development of the “ambulance” programme for the provision of in-kind support to vulnerable families;
- Moreover, considering that the improvement of the demographic situation of the country has been declared a key government priority, a package of inter-linked interventions was adopted, effective as of 2020, including:
  - Six-time increase of the lump sum child birth benefit for the first child from 50,000 AMD (105 USD) to 300,000 AMD (632 USD) and two-fold increase for the second child from 150,000 AMD (316 USD) to 300,000 AMD with the aim to cover preliminary expenses related to child birth;
  - Increase of the child care benefit under 2 years old for working mothers by around 41% from 18,000 AMD to 25,500 AMD (in line with the extreme poverty line);
  - Expansion of the child care grant to non-working mothers in rural areas at the amount of 25,500 AMD per month until the child turns 2;
  - Provision of to support young families with and without children to improve the housing conditions, including through provision of lump-sum monetary assistance and down-payment in the regions by the state.
  - All of these aimed at increasing coverage of vulnerable groups by the social protection system and programmes.

# End hunger, achieve food security and improved nutrition and promote sustainable agriculture



## Sustainable development of agriculture

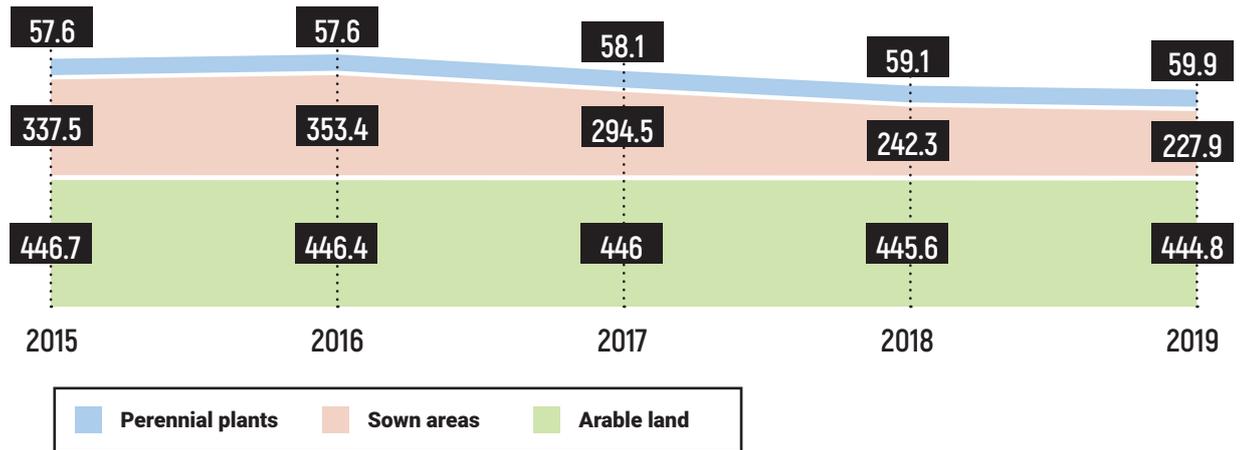
Over the past decade, the agriculture growth rates have seen significant fluctuations. Still, the agriculture has maintained its key importance with regard

to employment and revenues of the rural population, as well as local food supply; also, it is a source for food and beverages export expansion.

## Indicators

- According to the Strategy of the Main Directions Ensuring Economic Development in Agricultural Sector of the Republic of Armenia for 2020-2030, value created by an average farm in 2018 was worth 2.82 million AMD. According to strategic planning, this value is expected to triple by 2029 amounting to 7.45 million AMD.
- According to the above-mentioned strategy, the average income per farm in Armenia was 0.640 mln AMD in 2019. It is expected to total 2.0 mln AMD in 2024, and 5 mln AMD in 2029.

### Areas of the arable lands, sown areas of agricultural crops and perennial plants in RA



### Implemented actions

The issue of targeted and efficient use of agricultural lands, in particular, arable lands and perennial plant areas is increasingly getting much importance in Armenia. Over the past years, the purposeful use of arable lands has significantly decreased, and the Government will undertake active steps to utilise the unused arable lands purposefully, through development of corresponding incentives and mechanisms.

In 2018, farms have introduced drip irrigation systems in 164 ha areas, while in 2019 this area got

1.75 times larger (280 ha).

In 2019, the RA Government launched the programme for subsidizing interest rates for loans thus helping economic entities in pedigree stockbreeding; as a result, hundreds of cattle were purchased.

According to the state agricultural assistance report submitted to the Eurasian Economic Commission, Armenia’s state assistance in the sphere of agriculture totalled 9.3 billion AMD in 2018.

### Ending hunger, achieving food security and improved nutrition

The RA Government and the United Nations World Food Programme (WFP) stepped up its cooperation with the following common goals:

- to end hunger in Armenia by 2030, achieve food security and improved nutrition;
- to strengthen the means of implementation and

revitalize the global partnership for sustainable development.

To achieve its goal in Armenia, WFP and its strategic partners focus their efforts on implementation of programmes and initiatives aimed at:

- enhancing food security and nutrition;

### Grape fields in Areni, Vayots Dzor province, Armenia

Armenpress News Agency



- strengthening national capacities and systems

WFP will continue investing in human capital to further improve health, education, social protection and productivity in Armenia, primarily but not exclusively via its School Feeding Programme platform. WFP is also investing in Food Value Chains so as to stimulate access and availability of nutritious foods and stimulate local economy, as well as investing in nutrition education and launch social behaviour change communication with the Government and partners to increase awareness of and demand for adequate healthy diets behaviours. Finally, WFP aims to support increased resilience to shocks be it price shocks on food commodities, natural or man-made disasters or any type of shocks including pandemics (such as COVID-19) hampering the access to food and nutrition security for the population residing in Armenia.

In order to maintain the genetic diversity of seeds, cultivated plants and farmed and domesticated animals and their related wild species (Target 2.5) by 2020, the RA Government has circulated the draft bill on genetically modified organisms; also, the scientific centers have genetic banks aimed to preserve the seeds of cultivated plants, their related wild species and other aboriginal plants.

The Food and Agriculture Organization of the United Nations (FAO) in Armenia implemented the "Grape genetic resources conservation and sustainable use in Armenia" project within the framework of which 1.36 hectares of collection vineyard for local grapes varieties have been established.

In order to preserve the genetic resources of fauna, "RA cat-

tle-breeding development programme for 2019-2024" and "State assistance programme for sheep-breeding and goat breeding in the Republic of Armenia for 2019-2023" are implemented; they have already helped the economic entities to purchase 375 heads of large pedigree cattle and 203 heads of small cattle. There is also the "Programme for preservation and improvement of genetic fund of livestock breeds in Eastern Europe". The programme mainly aims to preserve and improve the gene stock of Brown Caucasian breed in the country. To this end, stock-taking of the current Brown Caucasian breed is planned, along with creation of a database and further development of a concept for coordinated breeding.

In the framework of United Nations Development Programme (UNDP) "Integrated Support to Rural Development: Building Resilient communities" project (2015-2020) support was provided to the local population of 45 bordering settlements of Tavush marz stimulating self-employment in agricultural sector (small greenhouses, fruit dryers, wineries, fruit orchards), developing new models for alternative income generating opportunities and strengthening livelihoods. The Project pioneered an innovative model of community asset management through community development funds. Overall, over 400 jobs were created through establishing over 42 ha of new orchards, 126 greenhouses, 40 small agriprocessing units, collection centers and agrimachinery pools, vegetable seedling production, legume production, and horticulture development centers, and livelihoods strengthened through introducing 34 ha of drip irrigation systems, constructing over 30 km of energy-saving street lighting systems, repaired irrigation system on 71 ha of land, and reconstructing a drinking water system.

# Ensure healthy lives and promote well-being for all at all ages

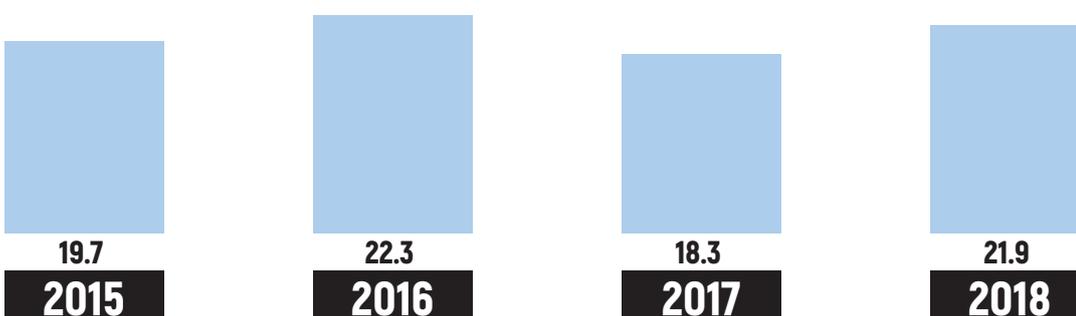


## Healthy life and well-being

According to the statistical data, cases of maternal mortality in 2017-2019 did not exceed 12, ranging between 3 and 12, while the maternal mortality rate for a three-year period (2016-2018) did not exceed 20 per 100.000 live births. IN 2015, the maternal mortality rate made 11.9/100000. This is lower than

the CIS states index but higher than average figures in Europe (The recent available data shows the following maternal mortality rates in 2015: CIS: 16.8 per 100.000 live births, Europe: 10 per 100.000 live births, EU: 4 per 100.000 live births).

**Maternal mortality ratio (average three-year indicator)(per 100000 live births)**



Though indirect reasons for maternal death are prevailing in the maternal death structure (for instance, severe extragenital pathologies), there remain maternal death cases that could have been prevented. These cases identified inadequate preparedness to organize and deliver medical aid, drawbacks related to early diagnosis and referral, other organizational and procedural flaws.

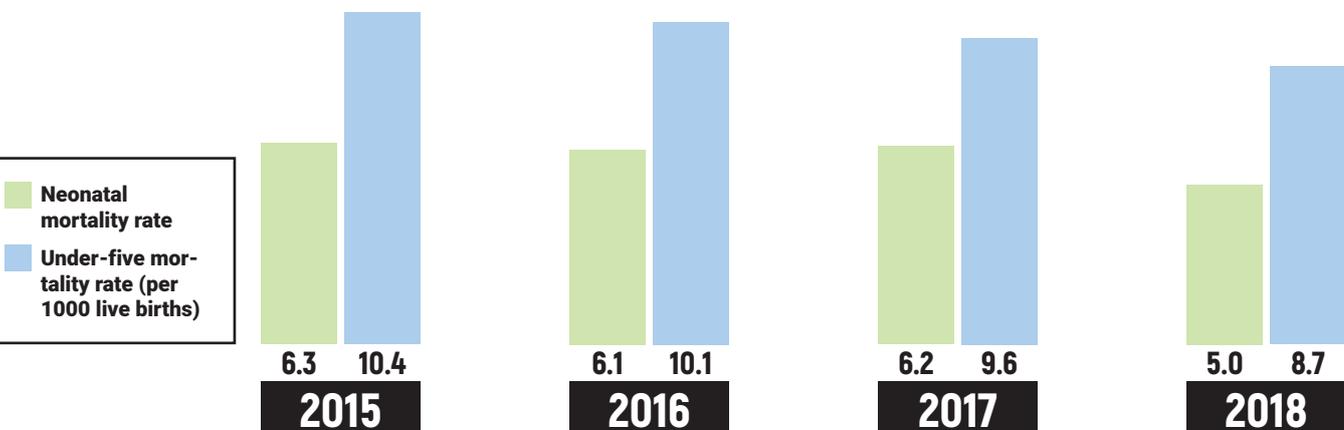
In order to address the above-mentioned problems, the following activities have been carried out within current programmes in 2018-2019:

- Modernization of maternity services, increased cost-efficiency of allotments within the state order and quality of medical aid, optimization of the number of maternity hospitals.
- Increased financial flows and improved quality of services due to structural and staff reforms and resource redistribution.
- Assessment of the infrastructures, staff and equipment, as well as capacities of maternity hospital medical organizations which caused review of levels of maternity organizations, with specified functions and criteria.
- Reviewed mandatory conditions and requirements for delivery of maternity services, defined criteria for maternity medical organizations in terms of preparedness to deliver emergency medical aid, as a mandatory requirement for reducing maternity mortality.

- Defined monitoring for application of adopted guidelines and practices.
- In order to prevent maternal mortality and improve the quality of managing hard obstetric cases, the Minister of Healthcare ordered to assign regional maternity medical organizations to the 3rd tier maternal organizations of Yerevan city, to provide them with organizational and methodological assistance, clinical guidelines, and enable visits to discuss the “hanging by a thread” cases.
- Improved knowledge and testing for medical workers, obstetrician-gynecologists in regional in-patient maternity departments; medical workers who scored less than 75 per cent took a second test.
- In March 2020, the Government approved the 2020-2023 programme for improving the birth rate stipulated by healthcare factors and actions ensuring its implementation aimed at prenatal care, reproductive health of adolescents and youth, improved medical aid in maternity in-patient departments, as well as reduction of maternal death and perinatal losses, infertility treatment, including the expansion of the scope of medical aid and beneficiaries through use of assisted reproductive technologies.

2018-2019 saw steady decline in neonatal mortality rates and mortality rates of children under five.

### Mortality rate



So, according to the data published by the Statistical Committee, the mortality rate of children under five made 8.7% in 2018 as compared to 9.6% in 2017; in January-December 2019 it made 7.6% (absolute number of 276) as compared to 8.7% of the same period in 2018 (absolute number of 317). The same trend is maintained with regard to neonatal mortality rate: in 2015-2017 it has decreased as well, though at a lower rate (6.3% in 2015, 6.1% in 2016, 6.1% in 2017). This index has declined for over one point per mile in 2018 (5%).

In order to improve children's health and reduce the mortality rates a number of programme activities have been implemented, in particular:

- Expansion of medical aid delivered within the state order framework. In particular, previously, free hospital treatment was available to children under 7 years of age; instead, now it covers all children under 18 thus significantly improving the accessibility and quality of hospital medical care for children;
- Several medical services involving up-to-date and expensive technologies have been added to the list of state-funded free medical care, which were previously provided on paid basis;
- In addition to the "urgent" emergency service that transported infants and kids from regional medical facilities by reanimobiles, an emergency aviation service was launched in 2019 to transport children from remote regions for emergency medical care;
- Several other programmes focused on the improvement of neonatal care, including practices and guidelines developed in cooperation with the Armenian Association of Neonatal Medicine, training of staff of almost all maternity hospitals, purchase of equipment, introduction of 24/7 quick response and consultation system.
- With support of UNICEF, five maternity facilities of the republic have been equipped with necessary units for intensive neonatal care. These actions allowed to ensure beneficial treatment for sick and premature babies, in particular, those born with brain pathologies, very low birth-weight babies, and reduce neonatal mortality.
- At least 90% vaccination coverage of children was ensured due to the National Programme of Immunization.
- The legal framework of the sphere was improved, in particular, the order of organization of free neonatal medical aid and care, the order of free in-patient medical aid and service for children, characteristics and assessment criteria for children's in-patient services, by tiers, were approved and reviewed.

Other spheres of the healthcare system also saw certain achievements, in particular:

- The scope of beneficiaries eligible for receiving medical care and service free of charge and under privileged conditions guaranteed by the state, as well as the list of delivered services have been expanded;
- Professional development trainings have been conducted for medical workers;
- A programme for emergency surgeries for acute myocardial infarction (coronary stenting) is introduced, provided to the whole population free of charge; also, a programme for treatment of acute or subacute ischemic stroke (including intravenous thrombolysis therapy with Alteplase) is introduced and provided to population free of charge as well;
- Surgery, radiation therapy and service for treatment of malignant diseases is now free of charge for the whole population, replacing the previous co-payment principle;
- In 2019 the delivery of out-of-hospital palliative care service was launched within the state-placed order;
- The number of emergency teams was increased, and sanitary aviation service was introduced in 2019 in order to improve the preparedness of the emergency care system and boost the emergency response, availability and quality of medical aid services;
- Heading towards the Healthy Life ideology, huge progress is recorded in terms of curbing the

harmful impact of the secondhand smoke through regulation of the legislative framework. Cultural revolution towards smoking behavior is occurring, and this will help cut the number of smokers, thus reducing the NCD morbidity and mortality rates as well;

- With the IOM and UNAIDS support public health campaign to improve prevention and detection of HIV/AIDS among Armenian urban labour migrants and mobile populations in all phases of the migration cycle through behavioral changes was launched.

One of the challenges identified in the 2018 report still remains the low number of people applying to the primary health care facilities for disease treatment. In 2018, 32.7% of patients applied for the primary health care (PHC) services for medical consultation or treatment; this figure made 30.7% among residents of other cities, 39.4% in case of rural population, while Yerevan residents amounted to 29.1%. In comparison to the previous year, fewer patients in other cities and Yerevan have applied for medical consultation or treatment, while the figure increased among the rural residents (in 2017 the figures were 33.5%, 35.7% and 34.3%, respectively)

## 4 QUALITY EDUCATION



# Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

## Inclusive and quality education

It is not accidental that the first mega goal of Armenia's Transformation Strategy is to have educated and capable nation and citizen. Armenia attaches great importance to education and tries to bring to the world all innovations created in our country, which is small yet rich in human capital.

A vivid example is the TUMO Center for Creative

Technologies which is a free education center. Established in Armenia in 2011 which specializes in technology and design. The opening of TUMO centers worldwide comes to prove that the geographic location or abundance of natural resources are not the key success indicators in the modern world; it is the human potential, concept, idea which go beyond boundaries that really matter. Armenia has become



**TUMO Center for Creative Technologies, Yerevan**

a country generating innovative ideas; Tumo has already started exporting its concept to countries like France, Lebanon and Germany, to be joined by Albania soon. This is a positive example of not only SDG 4, but also SDG 9, SDG 8 and SDG 17.

Another special example is the educational programme of establishing Armath Engineering Laboratories which has also launched the process of exporting the Armenian model of technology education all over the world. The main purpose of the programme is to strengthen the basis of technical education, help the schoolchildren with professional orientation, develop workforce skilled in technology to secure Armenia's progressive development.

The Government supports the installation of Armath labs. As of January 1, 2019, Armenia had 225 engineering labs, while by the end of 2019 their number totaled 575, i.e. increased by over 155%.

One of the important projects that has significant impact with regard to Armenia's educational sector is Teach for Armenia. This programme proves that all children have the right to explore their potential and get quality education regardless of their place of origin. Participants of the Teach for Armenia's Leadership Development Programme go to remote villages to teach in schools that lack teachers.

Ayb School unconditionally takes a special place within the educational system of Armenia. Its philosophy is reflected in the school's motto – "Comprehend and Create". Ayb School is a new learning

environment, where national ideas provide inspiration for the development of unique educational technologies and highest achievements of modern teaching are implemented to improve competitiveness of Armenian education. Fab Lab workshop laboratory, where students put theory into practice, opened at Ayb on the initiative of the Massachusetts Institute of Technology.

Armenia's city of Dilijan hosts the internationally renowned UWC college. UWC has 18 schools and colleges on 4 continents mostly comprising the age group of 16-19. UWC (United World Colleges) is a programme which provides the opportunity to study in one of 17 colleges in the world for two years and to become a part of cultural exchange, unrepeatably experience, and high quality education.

On May 6, 2020, the RA National Assembly passed the RA Law on amending the RA Law on Preschool Education. Its core principles include equal opportunities for education and care guaranteeing the right for equal, accessible and available preschool education for everybody through providing equal opportunities, reasonably tailored quality inclusiveness and accessibility. The law also prescribes mandatory licensing of childcare and development centers which allows to control the delivered services, providing quality education complying with the age-specific features of child development. Introduction of alternative, cost-effective model of preschool education will expand the network of preschool services, with special attention given to children of underprivileged families in small rural settlements.

## Implemented actions

Introduction of universal inclusive education, School Feeding Programme, reimbursement of fees for school textbooks for children from underprivileged families, as well as programmes aimed at reimbursement of teachers transferred to state general education schools in mountainous and high

mountainous frontier settlements, reimbursement of transportation costs for teachers and children in rural settlements of the regions (located 5 or more kilometers away from school) have continued through 2018 and 2019.

## General education

In order to modernize and improve the quality of content of general education, the RA Ministry of Education, Science, Culture and Sport has started the

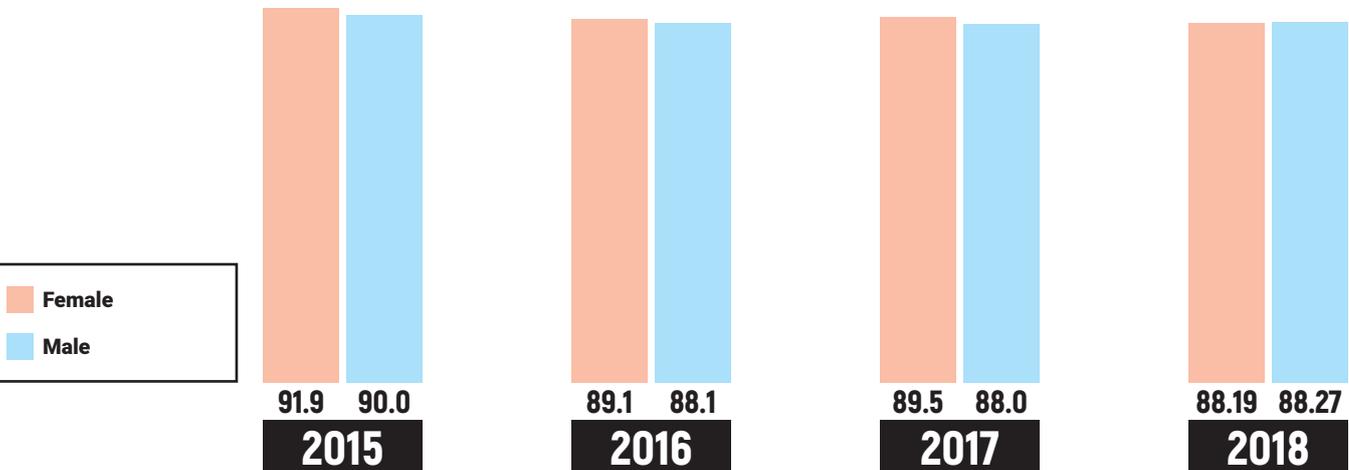
process of revision of the state curriculum and subject standards by expert groups.

## Indicators

In academic year of 2018-2019, 98.80% of students recorded positive tests in exams at elementary school, 98.76% in basic and 99.38% in high school exams.

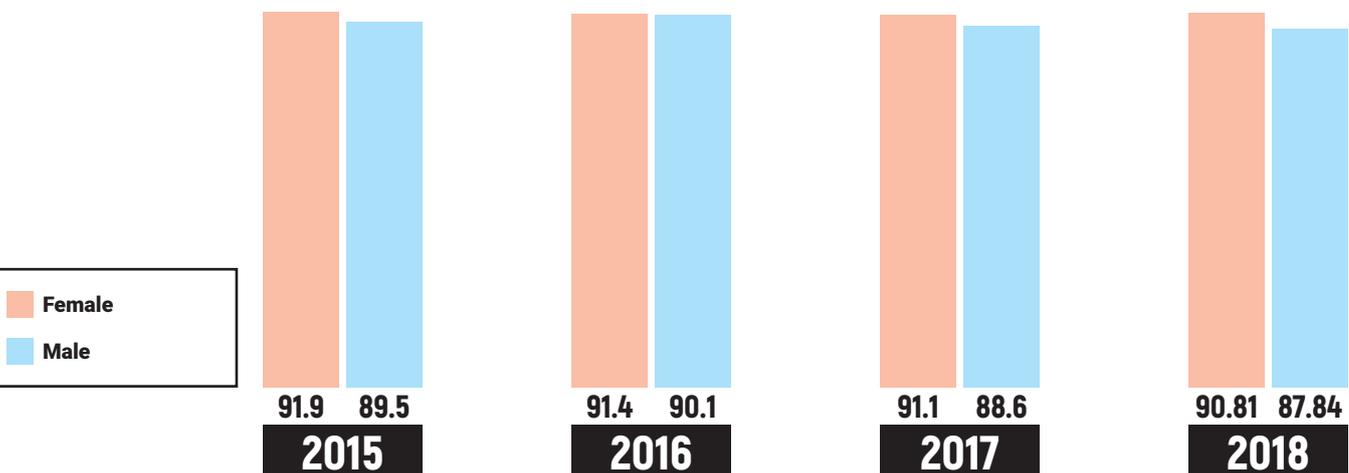
According to the data of the Statistical Committee, the proportion of children at the end of primary achieving at least a minimum proficiency level in reading and mathematics made 88.24% in 2018 (boys 88.27%, girls 88.19%).

### Proportion of children at the end of primary achieving at least a minimum proficiency level in reading and mathematics



According to the UNESCO Institute for Statistics, one year before the official primary entry age made the participation rate in organized learning (by sex), 47.5% in 2018 (boys 45.8%, girls 49.5%).

### Proportion of children at the end of lower secondary achieving at least a minimum proficiency level in reading and mathematics



According to the RA Statistical Committee, gross enrollment of children aged 3-5 in preschool institutions made 58.4% in 2018 % (boys 56.5%, girls 60.5%).

Overall, in 2018 the enrollment in the vocational education system made 54.6% among the population subject to education.

Transfer to the universal inclusive education system ensures steady decline in the number of general education schools providing separate inclusive education and children with special needs attending them. As of June 2019, 17 out of 23 special general education schools in Armenia were operating.

## Education enrollment and gender parity

The formal education indicators among the population subject to education in 2018 are as follows:

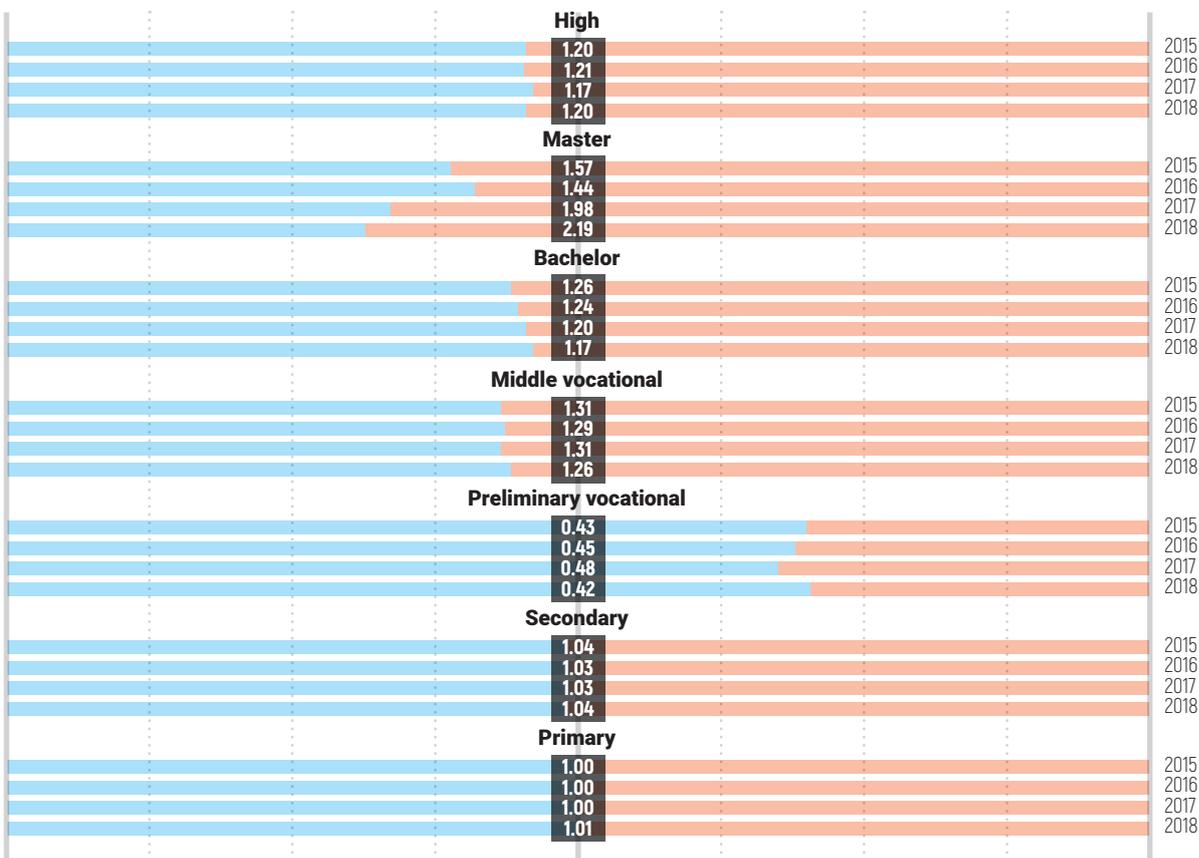
- The proportion of students enrolled in the primary vocational education system made 6.7%,
- Proportion of students enrolled in the secondary vocational education system made 11.7%. Gross enrollment rate of students in educational institutions providing higher professional education made 38.3%, gross enrollment rate of students in educational institutions implementing educational programmes of the first level of tertiary education made 52.2%, and the gross enrollment rate of students in educational institutions and scientific organizations implementing educational programmes of the second level of tertiary education made 14.1%.

The gender parity indicator among students in 2018 was as follows:

- Elementary education level: 1.01
- Basic education level: 1.01
- Higher level: 1.2
- Secondary education level: 1.04
- Preliminary vocational education level: 0.42
- Middle vocational education level: 1.26
- First level of tertiary education: 1.17
- Second level of tertiary education: 2.19.

As already mentioned in 2018 VNR report, general education in Armenia is accessible for everyone, both girls and boys, but uneven distribution still remains a challenge. The gender parity indicator in 2018-2019 academic year has made 1.04 in general education schools.

## Gender parity index



There is a significant disparity in the enrollment of the poor and non-poor, which is a serious challenge for overcoming poverty as well. High costs of tertiary education and particularly their affordability still raise concerns; this is the main reason explaining why students from poor households drop out upon completion of the secondary school.

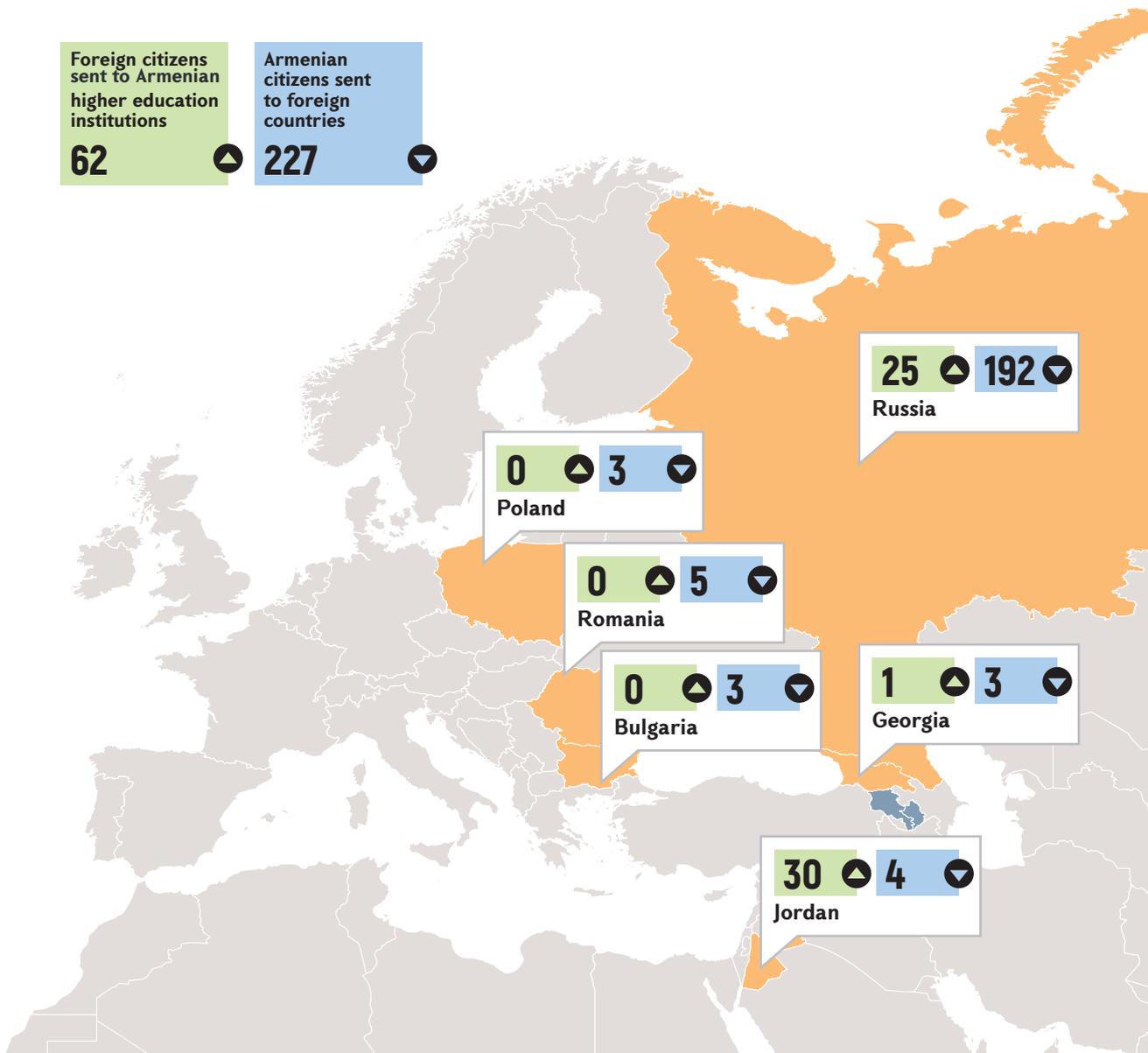
Though the country has adopted a national action plan to provide inclusiveness of the general education system, there still exist gaps with regard to the physical environment, availability of learning materials, application of national standards, design principles ensuring entrance of children with disabilities.

### Higher education

One of positive initiatives of the higher education system funding is the law passed in 2020, according to which the state will compensate the tuition fees for employed graduate students majoring in professions specified by the government by income tax return. This mechanism will provide an opportunity to promote the affordability of lifelong professional education or change thereof.

In order to implement the 4.b target (by 2020 substantially expand globally the number of scholarships for enrollment in higher education), RA put much effort towards boosting the number of RA citizens who were sent to foreign higher education institutions and returned to Armenia from foreign higher education institutions within the framework of interstate agreements in 2019-2020, and the

### Number of citizens sent to higher education institutions according to interstate agreements, by countries (academic year of 2019-2020)



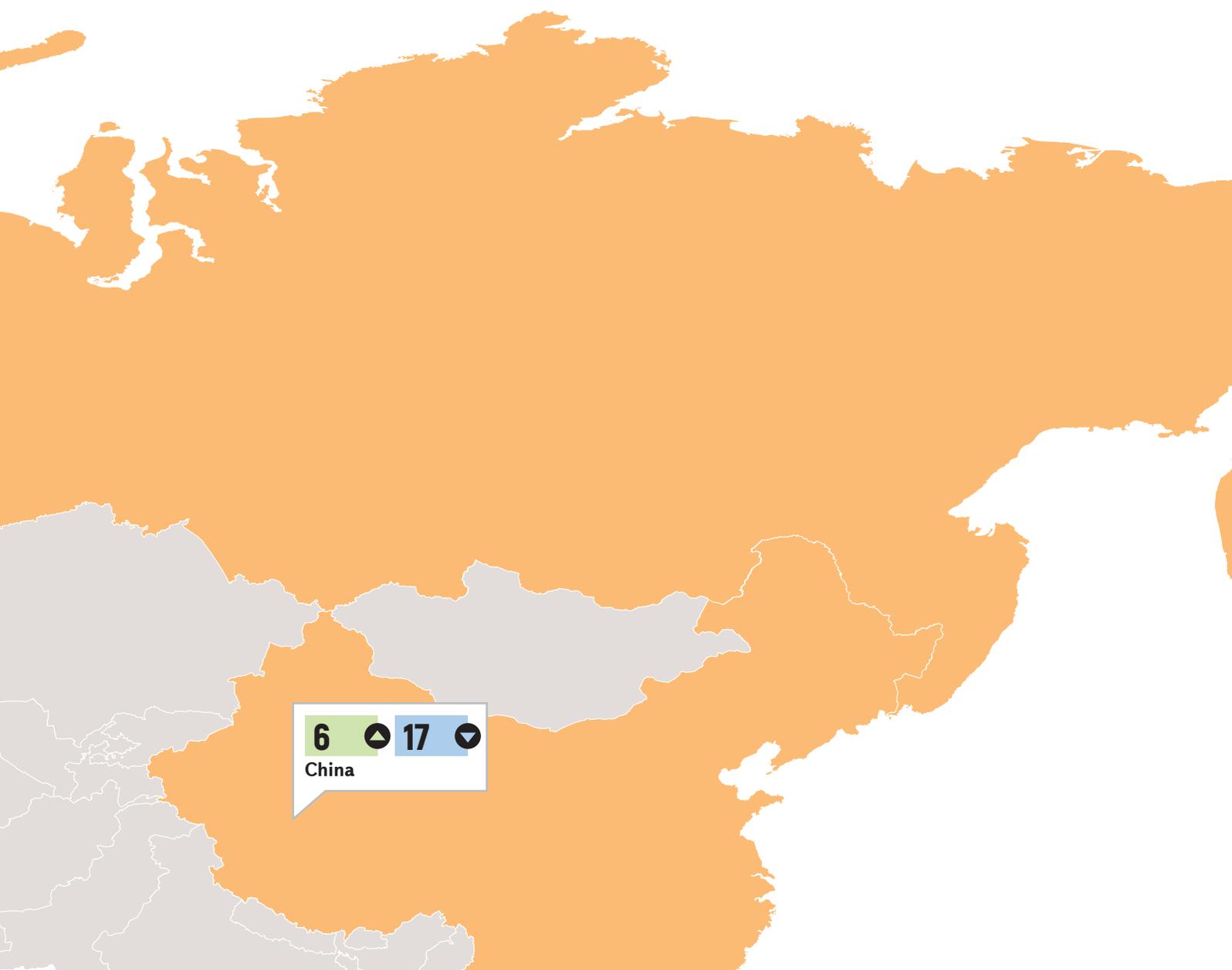
scholarships provided to them. As of January 2020, 74 Armenian students are studying in 17 European countries by Erasmus+ programme. As of January 2020, 101 scholarships for 12 countries are provided for tertiary and postgraduate education in Arme-

nia within the framework of interstate agreements, and 109 students from Armenia will have the opportunity to study in these countries. Interstate agreements enable also the university staff to participate in training programmes.

## Distance learning as a challenge of education available to all

Taking into account that distance learning as manifestation of formal and non-formal education is currently widely used not only in Armenia but also worldwide, actions are taken to provide access to e-education across the whole territory of Armenia. Also, it should be emphasized that certain steps have already been taken both in Armenia and worldwide in this direction due to current spread

of coronavirus, to ensure consistency of formal education. In particular, different classes organized by educational institutions through various telecommunication channels, development and broadcasting of TV programmes, lectures, homework and other learning activities are made available in Armenia through PC and mobile applications.



# Accessibility of infrastructures and provision of economic growth (Prosperity)

According to the government programme, during the coming five years RA Government will focus its efforts on building export-oriented, competitive and inclusive economy which meets the criteria of high technologies, industry, and environment. Therefore, provision of economic development and availability of relevant infrastructures are a priority for the Government.

Reforms implemented during the past two years resulted in the increased share of expenditure for infrastructures, in particular,

roads; significant high rate of economic growth has been registered, export and economic activity indices in separate sectors have grown.

It should be noted that availability of proper infrastructures not only allows to provide high economic indices, but also boosts the accessibility of education and healthcare, helps reduce poverty and expand employment opportunities.

## 7 AFFORDABLE AND CLEAN ENERGY



# Ensure access to affordable, reliable, sustainable and modern energy for all

## Affordable, reliable, sustainable and modern energy

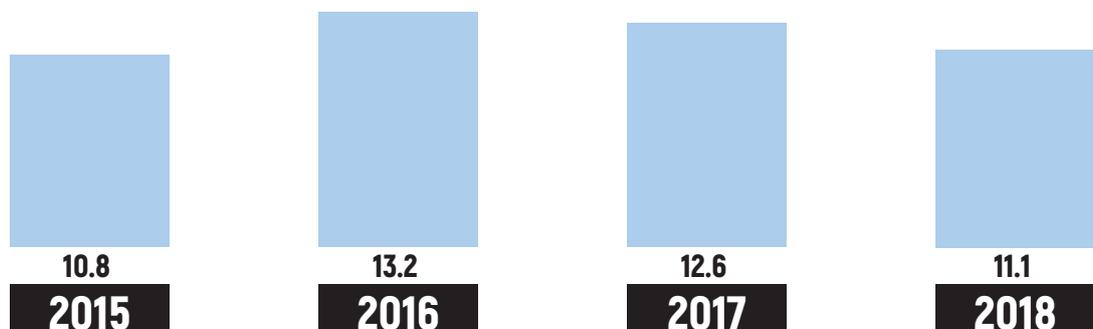
Armenia has limited energy resources and can meet only 35 percent of the total demand for energy from domestic resources. The main sources of energy that are traditionally used in Armenia are: oil products, natural gas, nuclear energy, hydropower and coal. Armenia has no confirmed oil or natural gas reserves, and is thus highly dependent on imported energy resources. It imports oil and oil products from Georgia, Iran and Russia. Natural gas is imported from Russia through Georgia (with a limited volume of natural gas imported from Iran in a gas for electricity swap arrangement) and nuclear fuel is imported from Russia. In addition, Armenia has low levels of energy efficiency compared to developed countries. Hydro and a small amount of lignite are

the only domestic sources of energy which are exploited for electricity generation and contribute a share of 6 percent and 0.03 percent and of the total primary energy supply, respectively.

The total installed capacity of energy production in Armenia's energy sector is approximately 2,993 MW. Accessibility of electric power consumption in Armenia is estimated to be 99%.

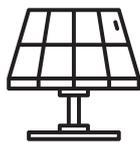
According to the statistical data of the recent five years, the winter peak in Armenia's electric power energy system is 1300 MW, and the summer peak makes 1040 MW. Recently the divergence between the winter and summer peaks is considerably reduced.

## Renewable energy share in the total final energy consumption



Armenia lacks fossil fuel energy resources; instead, its nature is rich in what is considered to be alternative energy resources, namely the wind, sun, and water. Armenia has quite large potential in the sphere of renewable energy and energy efficiency, but our country relies heavily on imported energy sources. So, the development of renewable energy is a serious challenge in Armenia, and certain actions with various international partners are launched now in this direction.

Certain success is secured in the solar energy sphere. Works related to the construction a solar photovoltaic power plant with an installed capacity of 55 MW located in Masrik settlement in Gegharkunik region, approved by the RA Government, are continued. The Government approved the Masdar Armenia Programme investment project planning the two-stage construction of 2 solar photovoltaic stations with a total capacity of 400 MW in Aragatsotn and Kotayk regions in Armenia.



**Solar**

Armenia has serious potential for solar energy



Solar energy per 1sqm – 1700 kWh



Exceeds the European average index twice



Number of sunny days - about 300



Number of sunny hours per year – about 3000



**Wind**

Is one of the developing areas with serious potential in Armenia



450 GW rated power



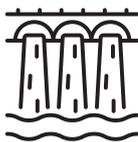
1.26 billion kWh production potential per year



Only 2,91 MW of the entire potential is currently realized.



3 wind farms are operating, 2 are under construction with 5.32 MW anticipated power.



**Hydro**

Historically the hydro energy was one of the main sources of electricity production in Armenia.



Currently operate:

- **Sevan-Hrazdan Cascade**
- **Vorotan Cascade**
- **187 small Hydroelectric Power Stations with total 1324.4 MW power rate.**



**Geothermal**

Studies have been conducted in "Jermabgyur" and "Karkar" territories.



Rated power 31-54 MW



Rated production per year 244-436 GW per hour.



No operating stations.



**Biomass**

The potential of biogas per year in Armenia is 135 million cubic meters.



The potential of the production of bioethanol has been rated approximately 30000 tons which is the 10% of the average annual volume of gasoline consumed in Armenia.

Data sources: [www.minenergy.am](http://www.minenergy.am), Armenia Renewable Resources And Energy Efficiency Fund's website – [www.r2e2.am](http://www.r2e2.am), Armenian Energy Agency's website – [www.energyagency.am](http://www.energyagency.am)

The strategic energy development programme envisages to increase the share of the solar energy production up to 15% or 1.8 billion kW/hour by 2030.

## Hydropower

Small hydroelectric power stations are also a source of alternative energy in Armenia. According to licenses issued by 01.04.2020, there are 187 small hydroelectric power stations that produce electric power, with a total installed capacity of around 374 MW. Construction of another 26 small hydroelectric power stations is underway. Despite the positive - from energy perspective - dynamics of alternative energy sources development, it should be noted that environmental experts views the construction of hydroelectric power stations as a source of environmental problems, in particular, a risk factor for water ecosystem and natural habitat. The SDG 6 specifies the legislative restrictions for construction of hydroelectric power stations, basing on environmental concerns.

## Energy saving and energy efficiency

Alongside the increasing volume of alternative sources for energy production, it should be noted that energy efficiency and energy saving measures are also important elements of preservation of environment and green economy. The Armenia-EU

Comprehensive and Enhanced Partnership Agreement is an important agenda of energy saving reforms that specifies a number of requirements subject to approximation to EU criteria. In addition, the process of development of a new RA national programme 2021-2030 on energy saving and renewable energy is launched; this is already the 4th similar complex of actions.

According to the Energy Development Strategy for Armenia up to 2036, Armenia's energy system should be as follows by 2036:

- Self-sufficient and export-oriented, highly reliable electric energy system equipped with modern technologies and infrastructures;
- Economic and reasonable use of renewable energy resources, in compliance with all environmental criteria;
- Ensure maximum possible growth of the share of renewable energy in the energy balance,
- Implementation of large-scale energy saving and energy efficiency events;
- Introduction of energy saving and energy efficiency technologies in transition to green and knowledge-based economy;
- Development of atomic energy for peaceful purposes, in particular, construction of new nuclear power generating unit(s) in Armenia;
- Creation of new energy production capacities with high coefficient of efficiency.



# Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

## Economic growth

The year 2019 happened to be the first year of full-fledged activities of post-revolutionary government, and the latter managed to secure the highest level of economic growth of 7.6% since 2008 which is the highest figure among the EEU states, all neighbouring countries and European region countries.

### Gross domestic product, constant prices, percent change

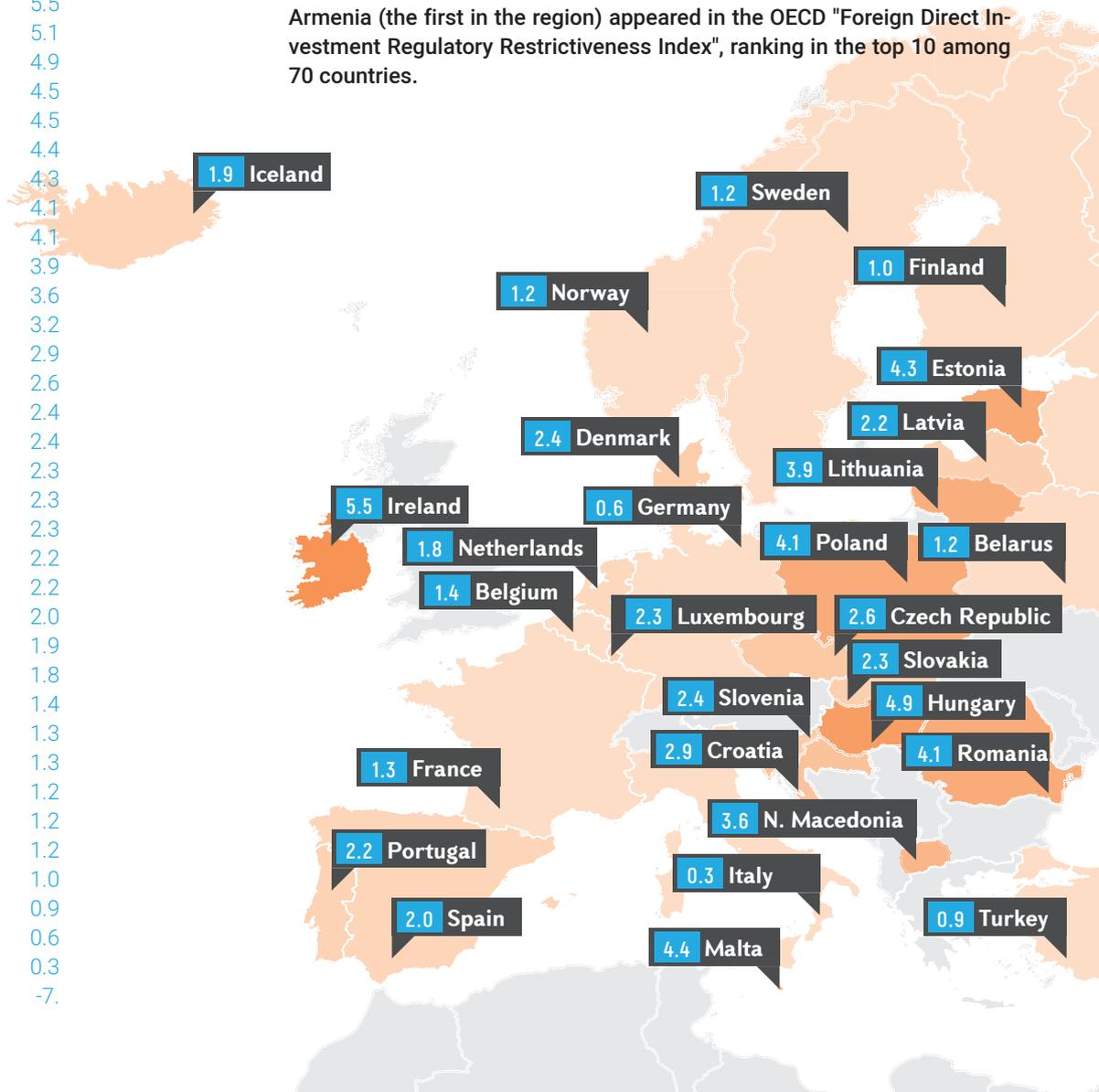
International Monetary Fund, World Economic Outlook Database, April 2020

Country	2019
Armenia	7.6
Ireland	5.5
Georgia	5.1
Hungary	4.9
Kazakhstan	4.5
Kyrgyz Republic	4.5
Malta	4.4
Estonia	4.3
Poland	4.1
Romania	4.1
Lithuania	3.9
North Macedonia	3.6
Cyprus	3.2
Croatia	2.9
Czech Republic	2.6
Slovenia	2.4
Denmark	2.4
Luxembourg	2.3
Slovak Republic	2.3
Azerbaijan	2.3
Latvia	2.2
Portugal	2.2
Spain	2.0
Iceland	1.9
Netherlands	1.8
Belgium	1.4
Russia	1.3
France	1.3
Sweden	1.2
Belarus	1.2
Norway	1.2
Finland	1.0
Turkey	0.9
Germany	0.6
Italy	0.3
Islamic Republic of Iran	-7.

Armenia's economic growth in the reporting year was coupled with sectoral structural improvement, low inflation, and stable financial indicators.

A 5-year strategy for industry policy has been developed which plans to promote, in the medium-term perspective, the development of industry in Armenia, boost productivity and competitiveness, encourage private initiative in local and international target markets, introduction of more productive technologies and expansion of innovative ideas. In order to boost the import of equipment alone, the Government privileged 18 investment programmes in 2019, which will bring along investments worth 95 billion AMD and create about 1226 jobs. It should be noted that at the intergovernmental session of Armenia and the Investment, Enterprise and Development Commission of the United Nations Conference on Trade and Development (UNCTAD) (Geneva) the report on Investment Policy Review of Armenia was presented, to be followed by a specific action plan and a reform road map.

Armenia (the first in the region) appeared in the OECD "Foreign Direct Investment Regulatory Restrictiveness Index", ranking in the top 10 among 70 countries.



In order to enhance and employ the creative potential of Armenian citizens, the Investment Support Center foundation organizes trainings aimed at business capacity building in various

regions of the Republic of Armenia, which have helped establish 82 new SME entities in 2019.

## Employment and Productivity

Agriculture remains a significant employer in Armenia and accounts for almost 30 percent of employment in 2018. In the services sector, most workers are in public sector-related employment such as public administration, education and health, which account for 16.2 percent of employment, or in trade, which accounts for 10.4 percent of employment. More modern services sectors such as ICT, finance, real estate, and professional and business services account for only 1.2 percent of total employment.

Agriculture, the single largest sector of employment, provides the lowest earnings; modern business services, which employ very few people, provide the highest earnings. Mirroring the pattern in labor productivity, most workers are employed in low

earning sectors. Female employment in industry sector is the lowest among the sectors, accounting for 44,100, more than three times less than male employment in the same sector.

Agriculture, trade, transportation and tourism employ many people in Armenia but contribute comparatively less to its total value added, which translates into lower levels of value added per worker. Labor productivity in these sectors is only likely to increase if the workers take up work in higher productivity sectors such as manufacturing, ICT and modern business services. The Armenian Government intends to increase the role of high-tech industry in the future based on the Government Programme and Armenian Transformation strategy 2020-2050 .

## Global and regional trade agreements and economic integration

Armenia has been a member of the World Trade Organization since 1999. Armenia has been a member of Russian-led Eurasian Economic Union since 2015 and has free trade agreements with CIS countries, Georgia, Iran, China, Viet Nam, Singapore and Serbia. Negotiations on free trade agreement with Egypt, Israel, Chile and India are underway.

Armenia was included in the European Neighborhood Policy in 2004 and in the Eastern Partnership in 2009. Furthermore, Armenia and the EU signed a Comprehensive and Expanded Partnership Agreement (CEPA) in 2017, which provisionally applies since June 2018.

Armenia also qualifies to export its products under the EU's Generalized System of Preferences (GSP) and the U.S. Generalized System of Preferences (GSP) programme, which provides beneficiary trading status with Canada, Japan, Norway, and Switzer-

land. This means Armenia has access to these markets at 0% or reduced tariff rates.

Armenia benefits from the EU's Generalized Scheme of Preferences plus (GSP+), which is a special incentive arrangement for sustainable development and good governance. More than 96% of EU imports eligible for GSP+ preferences from Armenia enter the EU with zero duties.

/// It is worth noting that according to the State Statistical Committee's data on SME, the number of SME entities grew by 9187 in 2018 in comparison with 2017, making a total of 68654 units, and the number of their wage-earners (employees) increased by 44778 amounting to 212963. Also, the gross value added created by economic entities grew by 46557.5 million AMD making a total of 1417779.9 million AMD, or 60% of the gross value added created by economic entities and 23.6% of the GDP in RA.



The largest economic growth in 2018 was registered in the housing and public catering sphere, rising by 26.5% against the previous year, which reflected the important figure of 14.7% growth of the number of tourists visiting Armenia in 2019.

Export of goods and services from Armenia increased by 10.3% in 2019.

The high-tech industry recorded around 30% turnover growth in 2019, including the computer engineering, electronics, microelectronics and other high-tech spheres.

Due to pursued policy, international rating agencies have assessed the registered economic indicators and sectoral policies and improved Armenia's sovereign ranking; in particular, Fitch upgraded it to "BB-" and Moody's to "Ba3".

During the period between May 2018 and end of 2019 over 87,000 additional jobs have emerged (created and made official). The unemployment rate in 2019 in Armenia decreased by 1.5 percentage points compared to the same period in 2018, while the employment rate grew by 1.4 percentage points.

## Employment and decent work

Despite the decreasing number of unemployed registered with the State Employment Agency, the unemployment rate in the country still raises concerns. So, in December 2019 the number of unemployed registered in the agency made 61766 compared to 64643 in 2018; of which, in particular, unemployed females aged 16-19 totaled 424 in 2018 and 362 in 2019; unemployed females aged 20-24 made 3254 in 2018 and 3022 in 2019; unemployed females aged 25-29 made 5878 in 2018 and 5379 in 2019; unemployed females aged over 30 made 33591 in 2018 and 32211 in 2019.

Since early 2019, 13513 people were employed of which 3138 found jobs through programmes ensuring stable employment (in 2018, 11966 people were employed of which 1962 found jobs through programmes ensuring stable employment).

2453 people with disabilities are registered as unemployed in the territorial units of the State Employment Agency, of which 426 were involved in employment programmes during 2019. In 2019, the Government of the Republic of Armenia, social partners and ILO signed the Decent Work Country Programme which defines the cooperation priorities between the ILO and the Republic of Armenia, main outcomes and implementation strategies for 2019-2023. Three key priorities of the programme aim to further develop mechanisms of regulating labour relations, improve employment policy and enhance employability of women and men, and to strengthen social dialogue and collective bargaining at all levels.

Investment programmes in 2018-2019 created more than 5000 new jobs.

Though Armenia regressed by 6 points in the Doing Business 2020 report compared to 2019, ranking 47th among 190 countries, it has overall registered progress by 5 subindices. According to the report, with regard to construction permits, Armenia strengthened construction quality control by imposing stricter qualification requirements for architects and engineers; it strengthened minority investor protection, made paying taxes easier by extending value added tax cash refunds to cases of capital investment; Armenia made exporting faster by allowing the online submission of customs declarations. Among challenges, contract amendments as another source of delays during the execution of the contract are mentioned. A simple change order delays execution of the works by as long as four months in Armenia, the report says.

Also, a number of strategies were developed in 2019 such as the 5-year Strategy for Industry Policy, SME Development Strategy, Tourism Strategy, Strategy for Improvement of Business Environment.

Another key initiative launched in 2019 is the adoption of the Work Armenia strategy which focuses on the development of human capital, continuous improvement of people's living standards by enhancement of employment and institutional reforms, through work and professional self-realization.

The strategy envisages efficient involvement of employers in vocational education and training processes, enhanced competitiveness and better opportunities for realization of the graduates, development of efficient and targeted employment programmes, capacity building of those delivering employment services, change of motivation caused by the system of benefits, promotion of the role of the institute of trade unions, collection and analy-

### Clothing factory in Yerevan, Armenia

*Press office of the Government of Armenia*



sis of data required for the development of evidence-based employment policy, etc.

In 2020 the programme of cooperation between the private sector and higher education institutions for specialist training was launched. The project aims to develop and implement joint education/training programmes that have already proven successful between the higher education institutions and technological companies, with involvement of professionals from private companies.

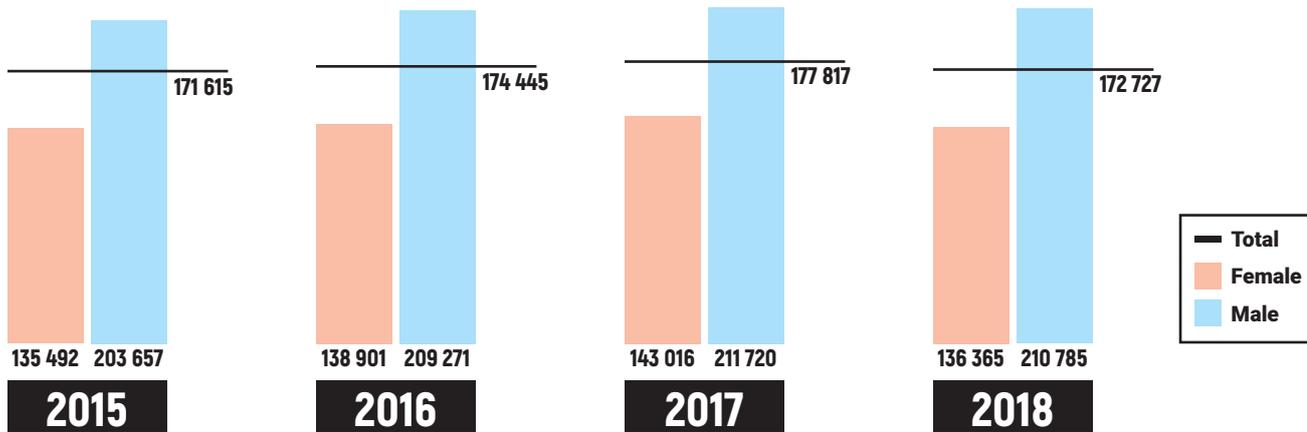
The average monthly nominal salary in Armenia rose by 5.8% in 2019. The threshold of the minimal monthly salary considerably grew (by 23.6%) as of January 1, 2020, amounting to 68000 AMD instead of the previous 55000 AMD.

In 2019 legal acts expanding the scope of state oversight over the implementation of the labour legislation requirements were adopted; a number of short-term professional training programmes were conducted.



**The cotton factory in Maralik, Shirak province, Armenia**  
Photolure Agency

### Average monthly nominal wages (AMD)



Currently the draft decision of the RA Government on approval of the employment strategy of the Republic of Armenia for 2019-2023 has been developed and submitted for discussion. The document views young people as the primary beneficiaries, and special actions are planned to provide them with jobs.

In order to boost employment among the youth, the state employment regulation programmes involved 7130 people in 2019, of which young people aged 16-29 accounted for 23.1% or 1644.

In 2019 the Government of Armenia proceeded with the reforms to strengthen work permit issuance system to ensure adequate migrant rights protection, prevention of trafficking and labour exploitation. Easy to use and efficient system of work permit issuance is expected to stimulate inflow of investments and development of businesses in Armenia.



# Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

## Inclusive and sustainable industry

Economic growth in manufacturing industry made 12% in 2019, thus becoming the leading branch of economy - for the first time since 2008 - with 12.1% in GDP structure. The draft 5-year strategy for industry policy has been developed which plans to promote, in the medium-term perspective, the development of industry in Armenia, boost productivity and competitiveness, encourage private initiative in local and international target markets, introduction of more productive technologies and expansion of innovative ideas.

Armenia's Manufacturing Value Added (MVA) has grown significantly in the last decade. Between 2009 and 2018, MVA increased from US\$ 805.9 million to US\$ 1,346.7 million in constant US\$ 2010 terms, demonstrating stability of the country's growth trajectory. At the same time, MVA growth has been complemented by economic growth, implying that there is a strong link between industrialization and economic development.

## Infrastructure

In order to create resilient infrastructures Armenia launched large-scale road construction in 2019. In 2018-2019, large-scale works for renovation and reconstruction of interstate and national roads have been carried out in Armenia; the process of implementation of current summer and winter maintenance of concrete roads and artificial facilities for vehicles is clarified. In 2019, 460 kms of road have been renovated and reconstructed; earlier such work took 3 years. This figure is expected to reach 500 kms in 2020. Funding allocated for road construction by the 2020 budget has increased by 64% compared to 2017, by 104% compared to 2018 and by 91% compared to 2019, amounting to 110.2 billion AMD.



**Yeghvard-Ashtarak highway, Armenia**  
Andranik Keshishyan

## Investment climate and business regulations

Armenia's position in the annual survey on the ease of doing business around the world conducted by the World Bank has remained unchanged, despite reporting an improvement in the country's investment climate. In the latest Doing Business survey completed in May 2019, Armenia was ranked 47th among 190 nations.

There were improvements in taxation and export procedures, construction quality control and minority investor protections. As a result, the country's overall Doing Business score went up from 73.2 to 74.5, demonstrating a positive development towards narrowing the gap with the global regulatory frontier.

## Innovation

Development of high technologies is one of strategic directions in the Republic of Armenia. That is why, despite the change and optimization of the Government structure, a new ministry of High-Tech Industry was established, vested with the mission to regulate the sectoral problems and make Armenia an industrialized high-tech country.

Armenia is the regional leader in IT and high-tech industry due to its competitive labor force, share in GDP and constant growth in the number of companies and generated revenue. According to the "ICT Business in Armenia" report the overall income of the "Software and Services" and "Internet Service Provider" segments has reached 922.3 million US dollars in 2018, more than 20 percent higher than previous year. The income of the industry reached 2.8% or 99.1 million USD in Armenia's GDP. In 2018, the number of "Software and Services" companies in Armenia reached about 800, providing an unprecedented growth of 23% compared with 2017. The share of local and foreign companies is 52.5 percent and 31 percent, respectively. Almost 80 percent of these companies are located in Yerevan. In 2018, the number of people employed in the ICT sector reached 19,552, recording 27 percent growth compared with 2017. Technical workforce productivity reached US\$ 50,070 per worker. The average salary is about US\$ 845, one of the highest amongst all economic sectors. In 2018, the export volumes of the ICT field increased by 7 percent, forming 363.9 million US dollars and the share in the total volume of exports reached 16 percent in 2017, which indicates the growing importance of the field for the economy of Armenia. However, to unlock the full potential of IT and high-tech industry, challenges need to be addressed, including the low level of education in science and technology. Furthermore, to harness the national strength in the global market, Armenia should develop the comprehensive and complete high-tech and digitalisation strategy which is currently on its way.

Armenia still produces globally competitive scientific researches in selected areas (physics and astronomy ranking 40th in the world by h-index value), but the transformation of scientific knowledge into commercial opportunities lags behind (only 5.3% of high tech exports in manufacturing exports). Armenia needs to invest more resources in building innovation and technology ecosystems in comparative terms (only 0.24% of gross expenditures on R&D in GDP). Strategic efficiency shall take priority over operating efficiency. The former requires investing much larger resources in the emerging patterns of technological shifts.

In 2018 the Government approved the concept paper for creation of Engineering City aiming to boost the development of engineering and high technologies in Armenia.

The Engineering City programme consists of two major components: infrastructures that comprise engineering business accelerator, co-working spaces, engineering center, premises for 35-40 companies to be accommodated in the engineering city, and the content: laboratories, workshop, small-scale sampling production workshop (jointly used laboratories), incubation, trainings, etc for newly estab-

## Indicators and development trends of the sphere of internet access services

Indicator	2015	2019	Growth
Turnover	\$117M	\$308M	263%
Number of employees	8,000	16,000	200%
Number of companies	412	1,268	308%
Annual taxes paid	\$23M	\$65M	279%
Export	>75%	>75%	-
High-tech / GDP	1.1%	2.3%	209%
Export, high-tech / total	5.9%	8.9%	151%
Turnover/ per person	\$15K	\$19K	131%
Women employment rate (%)	34%	38%	112%

The Government committed to modernize the economy of Armenia, with a focus on high-tech industry, and develop the innovation ecosystem establishing contacts and cooperation opportunities with international partners and Diaspora.

With regard to the number, turnover and employees of companies engaged in innovation, the table (9.1) below is presenting some statistical achievements in 2015-2019. In order to facilitate the development of new solutions, product creation and service delivery, as well as introduce technologies, promote and commercialize innovation in the private sector, the RA Ministry of High-Tech Industry introduced the grants programme "From concept to business" in 2019. During the first stage of the programme grants were given to innovators, high-tech startups, tech entrepreneurs, to identify new promising technologies, concepts, innovative solutions and support their development. The next stage of the "From concept to business" grants programme will be held by the end of 2020, with over 888 million AMD to be invested in Armenia's engineering and innovative ecosystem development.

lished companies (acceleration process), and a basic System Engineering chair with its curricula (within the National Polytechnic University of Armenia).

In 2019, an agreement was reached with Draper Venture Network granting the startups and entrepreneurs access to one of Silicon Valley's top entrepreneur training programmes at Draper University. With this, Armenia will be able to connect to the world's leading technological centers employing the potential of the Diaspora which in its turn will establish new connections for Armenian entrepreneurs and expand the geography and opportunities of cooperation with global tech titans.

In 2019 international school UWC Dilijan hosted the Neruzh programme of technological startups from Diaspora. The 4-day event brought together 80 participants representing 47 selected tech startups from 17 countries worldwide.

The second Global Innovation Forum took place in October 2019, set to explore the impact of Artificial Intelligence (AI) on science and society from the scientific, technological, and industrial perspectives.

DigiTec Expo, which has been organized consecutively for fifteen years, is the largest technological exhibition of the region with around 80 000 visitors and international delegations visiting Armenia to attend the exhibition. DigiTec brings together and reflects the technological potential, achievements and the future of Armenia. Here the visitors get to know the global trends of tech development

while the companies, no matter how small or big, experienced or newbies, demonstrate their innovative solutions.

Yerevan hosted DigiTec Expo 2019 on October 6-9, 2019, with participation of 17 Armenian startups and 25 engineering companies.



**World Congress of Innovation Technology 2019, Yerevan, Armenia**

When talking about the success in the high-tech industry it should indeed be mentioned that it was Armenia that hosted the World Congress on Information Technology (WCIT) in October 2019, the largest information technologies event in the world. Over 2500 experts from 70 countries, along with ministerial delegations from 20 countries arrived in Armenia to attend the Congress. High level of organization of the event placed Armenia in the most prominent mass media worldwide who named it a high tech country.

Here are some statistical indicators presenting the positive dynamics of internet access in the Republic of Armenia. In particular, as of January 1, 2020 the incoming international IP traffic transmit ca-

pability to Armenia's territory has grown by 54.2% against the previous year. The average market price



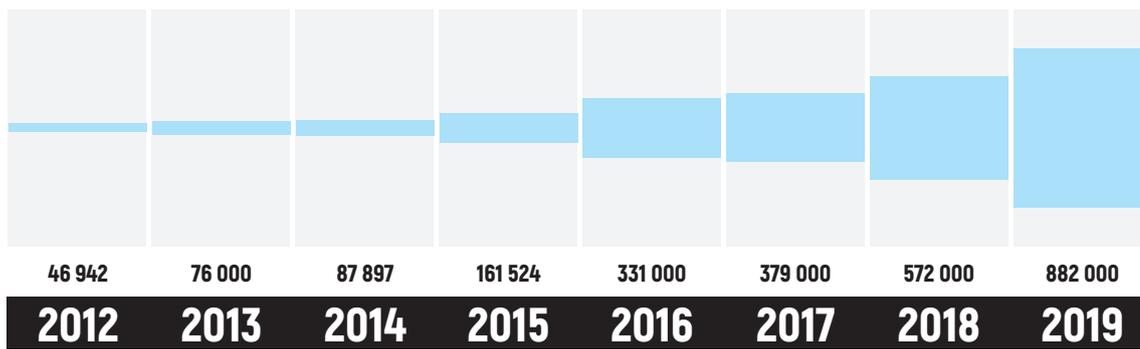
**Digitec, 2019**  
*Photolure Agency*



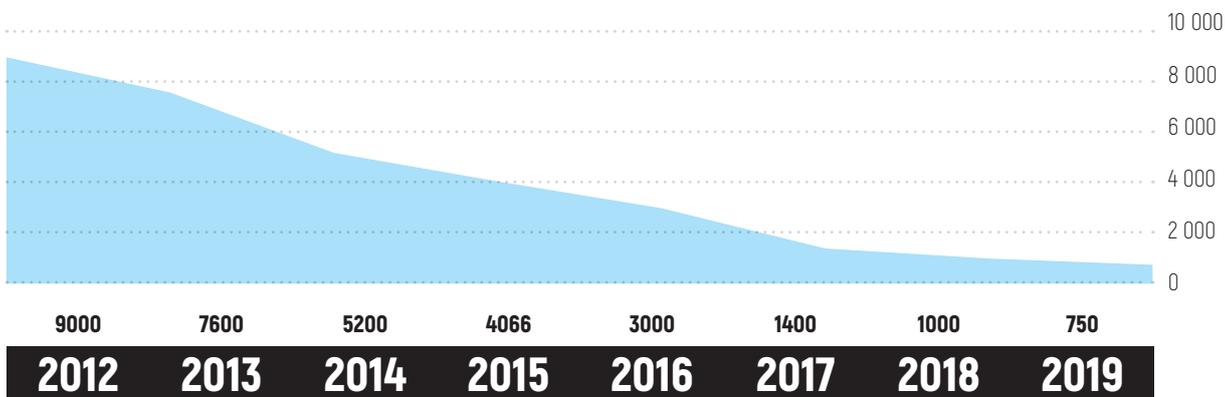
**Global Innovation Forum, 2019**  
*Photolure Agency*

for 1Mbps speed channel bandwidth went down by 25% compared to 2018, the number of subscribers made 3 087 291 (consistent with the number of Armenia's population) in 2019, increasing by around 6.7 per cent in comparison with the previous year. Also, the broadband internet access services have also grown, along with high-speed mobile internet access services, and the number of end users of broadband internet access.

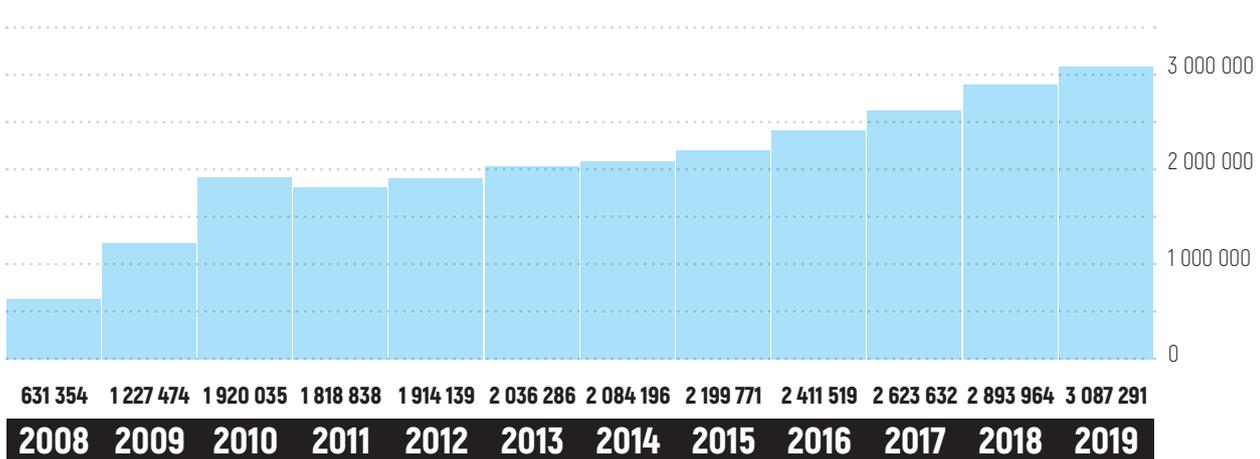
### International IP transit service traffic bandwidth (Mbit/s)



### International IP transit service tariff dynamics



### The number of users with internet accessibility from 2008-2019



In order to provide high-speed broadband internet in all Armenian settlements and create telecommunication network available to citizens and businesses across the whole territory of the country, as well as further expand telecommunications, business, education and scientific, cultural and entertainment facilities based on the essential infrastructures, the Government programme plans to develop and submit by 20.11.2020 to Government's consideration the national broadband mobile and fixed high-speed internet access strategy.

Armenia has a developed mobile phone market and modern digitalized communication lines across the country; yet minimal fixed broadband infrastructure and connectivity in rural areas is leaving a significant number of the most marginalized segments of the population without internet access. Armenia ranked 78th out of 144 countries on the United Nations Conference on Trade and Development (UNCTAD) B2C E-Commerce Index 2019, indicating the need for better conditions to support online commerce.



# Make cities and human settlements inclusive, safe, resilient and sustainable

## Inclusive, safe, resilient and sustainable cities

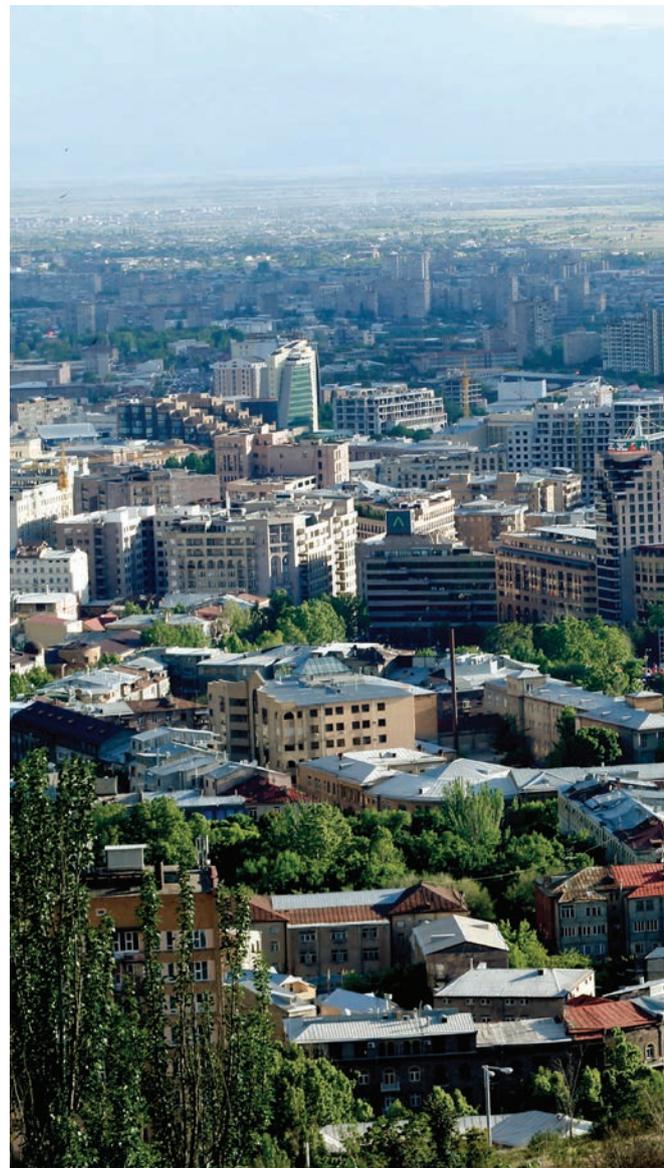
Discrepancies in the country's territorial socio-economic development are deviations of social and economic development levels, which result in hampering the economic growth and sustainable human development both on separate territories and nationwide. Natural climatic conditions of Armenia's territories, impending natural and anthropogenic hazards, disproportionate distribution of production capacities and natural resources, discrepancies of economic development, social, demographic and cultural disparities have stipulated the imbalance of the territorial units' development level. Economic development is particularly centered in Yerevan and very few regions (mostly in Syunik and Kotayk); this has resulted in vivid disparities with regard to the living standards/poverty of population and human development characteristics in the country's territories.

Brief analysis of the features of Armenia's territorial development identifies the following challenges which call for the need to pursue targeted policy of territorial development:

- Deepening of territorial disparities with regard to economic development;
- Deepening of territorial imbalance in terms of social development and living standards/poverty;
- Need for improvement, accessibility and increased efficiency of infrastructures and municipal and public services delivered in the territories, particularly in rural areas;
- Need to implement reforms of the territorial administration system, in particular, expand inter-community cooperation and enlarge the communities;
- Need for capacity to manage and regulate labour migration flows at community level;
- Insufficient capacities, high vulnerability of communities in terms of disaster preparedness;
- Need for capacity-building for the territorial administration and local government bodies in the area of disaster risk reduction;

- Need for financial and institutional capacity-building for the territorial administration and local government bodies.
- Yerevan's environmental problems related to the lack of green territories, significant increase number of transport units, garbage and household waste, etc.

Measures aimed at addressing the above-mentioned challenges include rechanneling of both state and especially private investments from Yerevan to other territories, namely other cities and rural settlements of Armenia in order to encourage and promote the establishment of territorial "growth poles". Various programmes with assistance of different international partners are implemented aiming



to enhance the economic growth in RA territories, stimulate return migration and diaspora engagement to help mitigate the territorial discrepancies with regard to living standards, employment and human development. Communities will establish local groups for actions, to lead the process of strategy development for their relevant communities with involvement of community members and categorize the priorities of the development programmes.

The formed groups will help identify the economic issues of the community, programmes will be drafted, and funding for these programmes will be provided, for both business initiatives and small infrastructure programmes.

In order to make the cities universally accessible, secure, inclusive and available, 2401 access ramps have been constructed and renovated in crossroads of districts, busy spots, public spaces and recreation areas of the capital city. Yellow tactile pavings for the visually impaired people are placed in 32 spots in Yerevan.

The framework of this goal has specified a significant increase, by 2020, of the number of cities and other human settlements that adopt and implement integrated strategies and plans aimed at inclusion, efficiency of resources, climate change mitigation and adaptation, disaster resilience, comprehensive

disaster risk management at all levels, in harmony with the Sendai Framework for Disaster Risk Reduction 2015-2030.

In order to accomplish this target, in accordance with the Government's decision on approval of the National Disaster Risk Management Strategy and the action plan for its implementation, and the practical guide on disaster risk management on local level, 207 communities engaged in activities to identify the impending hazards, community vulnerability and capacities, and over 20 Armenian cities joined the UN Making Cities Resilient campaign.

Currently several programmes on climate change, renewable energy and energy efficiency are underway addressing the issues of climate change mitigation, increased efficiency and resilience of resource use, as well as mobilizing adolescents and communities for climate action; these programmes include the Green Cities and De-Risking and Scaling-up Investment in Energy Efficient Building Retrofits projects funded by the Green Climate Fund and the Adolescents as agents of climate action project funded by ADA and implemented by UNICEF. The RA Ministry of Nature Protection is represented in the supreme decision-making bodies in 9 international environmental conventions ratified by the Republic of Armenia. For the first time Armenia became member of the Green Climate Fund.



# Fight against corruption, human rights protection and justice (Peace)

The non-violent, “Velvet” people’s revolution and the subsequent pursuit of justice, rule of law and fight against corruption put Armenia’s democratic image in the focus of the international mass media; in some international rating agencies the country’s ranking was improved and in some cases even reached a leading position.

Armenia registered significant progress in the Democracy Index 2019, Corruption Perceptions Index 2020. Constant improvement of the democratic institutes, free exercise of human rights, and improvement of the living standards of the population in the given period have always been in the key focus of the Government’s activities. The Government has

adopted strategic planning processes with regard to the public administration system, human rights protection, judicial and legal reforms, fight against corruption, reform of the penitentiary sphere, which will serve as a basis for implementation of medium-term reforms.

However, the country still has much to do with regard to institutional mechanisms of legal equality, ensuring gender equality, protection of human rights, guarantees for full integration of people with disabilities into social life, the issue of their employment, judicial and police reforms, and public administration reform implementation.

**5** GENDER  
EQUALITY



## Achieve gender equality and empower all women and girls

### Gender equality, empowerment of women and girls

Statistics on gender distribution that can inform state policy is very important in order to promote equal rights and equal opportunities for women and men. It is necessary in order to assess and analyze the status of women and men in the economic, social, and political spheres of the country.

Armenia takes appropriate measures and tailored counter-trafficking policy towards prevention of trafficking in persons and detection victims of trafficking. The Government has approved the national programme for organizing the fight against trafficking and exploitation during 2020-2022, which is the sixth national programme.

The 2018 report indicated that despite considerable achievements, there are concerns with regard to the provision of legal equality of women and men in Armenia.

1. In 2018, women were 1.7 times more likely to be out of the labour force than men and the gender gap (GG) in activity rate was 40.8%. The GG is especially high in the 25 to 49 age group (68.1%-73.0%), mainly due to women’s unequal participation in unpaid care and domestic work.
2. In contrast, 8.9% GG among youth of 15-24 age group is due to the massive involvement of youth in education, regardless of sex.
3. In 2018, 53% of women aged 15-75 had no job and did not seek a job, mainly being engaged in unpaid household activities.
4. Level of participation of the workforce in the labour market in the Republic of Armenia is higher among men than women. 68.8% of male and 47.2% of female population aged 15 to 75 are employed or seeking a job.
5. Number of men occupying managerial positions is 2.8 times greater than the number of women.
6. Gender pay gap made 35.3%. In 2018 the difference between average nominal monthly earnings of women and men decreased by 8.3% points compared to 2017. In 2018, women’s average earnings amounted to 64.7% of men’s earnings, i.e. the gender pay gap is estimated to be 35.3% in Armenia.
7. Both women and men are mostly paid workers. Majority of employers and own-account workers are men. Whereas among contributing family workers women’s share is twice higher than men’s.
8. 31.3% of country’s employed people are working in the agricultural sphere, of which women

account for 52.9%. This makes them an important actor of agricultural development, while in case of informal employment they have no social guarantees.

9. women's involvement in community decision-making still remains low (1.8% among heads of community, and 10.7% among members of the community council) (Women and Men in Armenia, 2019, Statistical Booklet):

Achieving gender equality and empowering women and girls is constantly in the focus of attention of the RA Government and civil society. Along with further promotion of expansion and full application of women's capacities, the achievements of 2018-2019 should be mentioned here:

- In 2018, the Republic of Armenia became member of the United Nations Commission on the Status of Women, reaffirming Armenia's commitment to support the global efforts for gender equality, enhancement of opportunities and empowerment of women in various aspects of social life and to contribute, on the national level, to the annual sessions of the Commission.
- In March 2019, the Permanent Representative of Armenia was elected as the Chair of the 64th and the 65th sessions of the UN Commission on the Status of Women for the period 2020-2021.
- In February 2019, the RA Government approved the national programme for 2019-2023 action plan and programme implementation timeframe to implement the provisions of the United Nations Security Council Resolution 1325 on Women, Peace, and Security, with a special focus on economic and social development issues of women in frontier communities, and provision of special protection of displaced women and girls.
- On June 7, 2019 a Memorandum of Understanding was signed between the RA Ministry of Labour and Social Affairs, Hayastan All-Armenian Fund and Women's Support Center to prevent domestic violence and provide methodological assistance. The cooperation will result in provision of complex and quality assistance to survivors of domestic violence in regions of Armenia.
- Since 2020, all regions have support centers for survivors of domestic violence where about 1800 victims of domestic violence get necessary services, in compliance with requirements specified by the law. Also, there are two state-funded shelters providing social services specified by the law to about 60 victims of domestic violence and, if necessary, children under their care.
- In 2019, the RA Government approved the Gender Policy Strategy and the Action Plan for 2019-2023, defining the priority directions of gender policy and aiming to create favourable conditions for exercising rights and opportunities of women and men in all aspects of social life, also taking into consideration the international commitments of the Republic of Armenia.
- In 2019, "Council Ensuring Equal Rights and Opportunities for Women and Men" chaired by the deputy prime minister was set up at the RA Prime Minister, as an institutional and national mechanism for gender policy implementation.
- In 2019, gender-responsive budgeting elements and indicators have been added to the Medium-Term Expenditure Framework of the RA Ministry of Labour and Social Affairs and the budget statement for 2020, while in 2020, gender-sensitive indicators have been added to the budget programmes of RA state departments. In 2019 number of municipalities ensured gender-responsive budgeting with support from UN Women/UNDP and GIZ.
- In 2019, the RA Government approved the order of managing the account number for temporary assistance to victims of domestic violence. According to the governmental decision, victims of domestic violence will get financial support starting January 1, 2020.
- In 2019, the RA governmental decision on defining the order of centralized registration of domestic violence cases was issued. According to it, for the first time in Armenia cases of domestic violence will be registered in a centralized manner. This will include not only the exact number of cases but also provide a clear picture of the types of violence and their territorial distribution.
- In 2018-2019, the RA Ministry of Justice developed and circulated the bill on provision of ensuring equality before the law. It aims to ensure equal treatment towards every person and citizen, equal opportunities, without discrimination, for exercising their rights, freedoms and duties. This draft law defines the concept and types of discrimination, legal subjects and frameworks of legal equality and protected grounds, as well as the status, goals and principles of activities of the legal equality council. In case the bill on equality is passed, the Human Rights Defender will be vested with a new function of maintaining human rights in the legal equality area and restoring the rights of people who suffered discrimination. Also, the mandate of the Human Rights Defender will be expanded to include consideration of complaints against not only the state institutions but private companies as well.

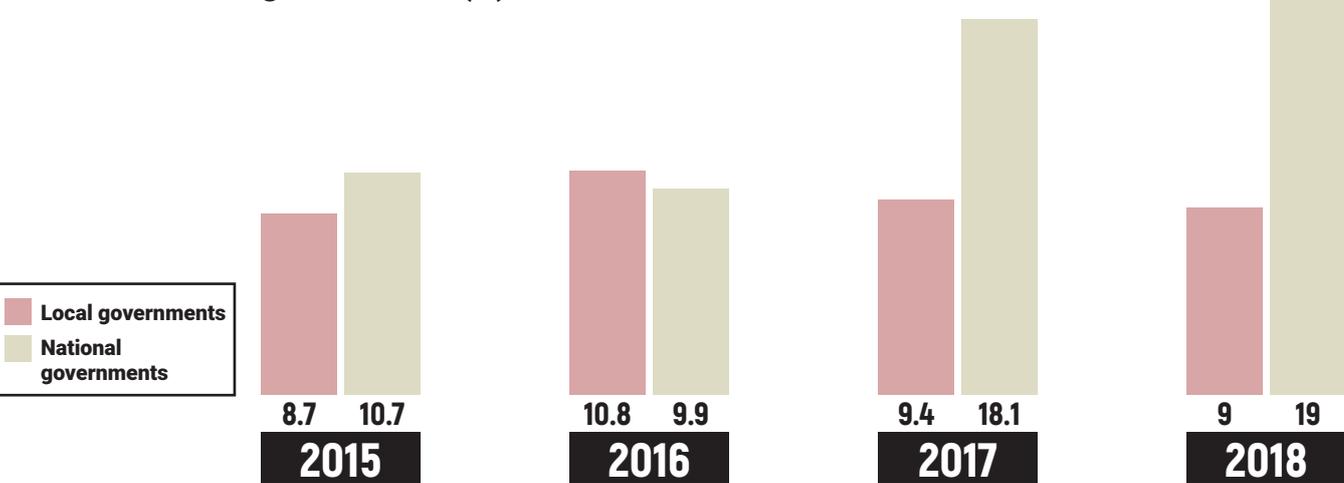
- In 2018-2019, with support of the Armenian Representative office of the American Bar Association and the USAID, the staff of the Human Rights Defender implemented the Promoting Human Rights Protection in Armenia for All project. Within the project framework guidelines and awareness-raising video materials were published on the rights of domestic violence survivors, an online training course on prevention of domestic violence was developed, and 24 working discussions on human rights, including women’s human rights and prevention of domestic violence were held. These materials were accessible also for persons with disabilities.
- Since 2019, UNDP Armenia in cooperation with ISTC Foundation (Innovative Solutions and Technologies Center Foundation), Enterprise Incubator Foundation, Girls in Tech Armenia, Armenia National SDG Innovation Lab, UNHCR Armenia, and UNICEF Armenia is implementing Accelerator #5 (ACC #5). The programme sets

out to empower women and girls living in Armenia by delivering tech and business training courses, as well as helping them to come up with startup projects.

The role of women in the political life is another important indicator for assessing the equality of women and men. Women in Armenia had the right to vote and be elected back in 1919 when three female MPs were elected to the 80-seat parliament during the first parliamentary elections. Back then, the 19th Amendment to the United States Constitution gave women the right to vote for the first time.

During the snap parliamentary elections in December 2018 women’s share was a progress both in terms of candidates and the number of elected MPs. Women’s participation in the parliamentary elections in December 2018 exceeded the legislative quota of 25% amounting to 32%. Currently women are represented by 24% of the RA National Assembly.

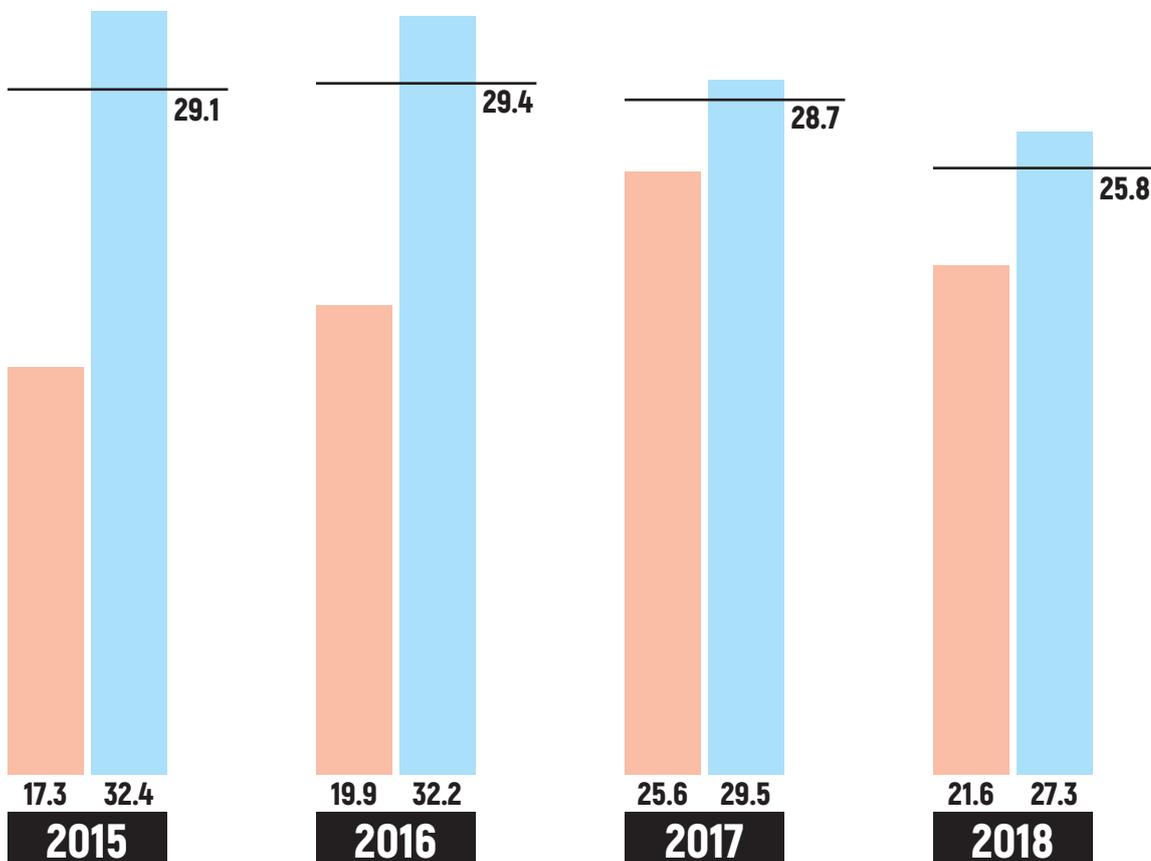
### Proportion of seats held by women in national parliaments and local governments (%)



The total number of members of the community councils is 3849, 389 of which are women. 9 out of 502 municipalities of Armenia have female leaders. In addition, 24 settlements of the enlarged communities have female administrative leaders. The first female city mayor was elected in October 2018; this is an important achievement with regard to the increased role of women in the local government system.

The executive power also witnesses steady growth of the number of women in managerial positions, with the exception of 2018. However, though only 1 out of 12 ministers in the government is female as of April 2020, it should be noted that since 2018 there is progress with regard to the number of female deputy ministers (11). Appointments of women in police units and departments positions also come to prove the increased involvement of women in all aspects of public life.

## Proportion of women in managerial positions (%)



## Global Gender Gap Report



Armenia ranks 98th in the Global Gender Gap report 2020 scoring 0.684, which means that its ranking has remained the same since 2018 (no assessment took place in 2019), but the score has increased by 0.006. Armenia performed best with the Educational Attainment (0.998) and Health and Survival (0.948) dimensions, and worst with the Political Empowerment (0.118). According to the report, Armenia ranks 150th among the 153 countries with regard to

sex ratio at birth subindex and this does raise concerns. Although the sex-at-birth (SRB) ratio in Armenia decreased from 115 boys/100 girls (2010) to 110 boys/100 girls (2019), which is a progress, but there is need to make a lot of efforts in this regard

Therefore, there still remain challenges with regard to implementation of this SDG which should be addressed in the near future.

## 10 REDUCED INEQUALITIES



# Reduce inequality within and among countries

## Reducing inequality

Reducing inequality is one of the Government's targets in Armenia, while provision of equal conditions in all spheres for vulnerable groups is still a challenge for the country.

As of 31.12.2019, 192013 people with disabilities are registered in the republican database for registration of people with disabilities, 8623 of which are children with disabilities. The number of people with disabilities has increased by 3553 compared to the previous year. During 2019 the first-ever expertise was organized for 15859 people (their number increased by 4140 against 2018), and 32722 people underwent re-expertise (the figure decreased by 3729 against 2018).

The amended draft law on the rights of people with disabilities was developed in 2019 and put into circulation now, in order to provide favourable conditions for exercising the rights and freedoms of people with disabilities, ensure their equal participation in social life and efficient social integration. The bill specifies provisions related to the ban on discrimination, the right for independent life and integration into community, reasonable adjustments, accessibility, and universal design.

At the same time, the RA draft law on the Assessment of Personality Functioning has been developed and put into circulation, in order to introduce personality functioning assessment system for people with disabilities and create, on its basis, a legal framework for service delivery. The model of assessing a person's functional capacity aims to consider the functionality degree, activity and participation of people with disabilities and the impact of environmental factors, and determine each person's individual services package.

The Republic of Armenia highly prioritizes the return and sustainable reintegration of Armenians from

abroad. In March 2020, the Government adopted a programme of primary assistance for the reintegration of nationals returning to the Republic of Armenia, which foresees provision housing subsidies, as well as information and referral support. The Concept of Migration Management of Armenia in line with Armenian Transformation Strategy prioritizes mass return and repatriation of Armenian nationals. During 2018 and 2019 more than 3000 Armenian nationals returned Armenia with the support of international organizations.

The draft decision of the RA Government on approval of 2020-2024 Action Plan on transformation of care services for people with disabilities and the implementation timeframe is being developed. This bill aims to provide the right of people with disabilities, including those with mental and intellectual disabilities, to independent life, and also provide delivery of alternative, community-based services to people who live in round-the-clock care institutions, preventing admission of people with disabilities into large round-the-clock care institutions. These services should be available to every person with disabilities, regardless of their type of disability, place of residence, sex, etc.

Armenia has also taken certain measures to exercise and protect the rights of children and especially those in the most vulnerable groups, children without parental care. In particular, basing on the RA Law on amending the Family Code of the Republic of Armenia adopted in December 2017, which fundamentally changed the foster family care institute serving for care and upbringing of children left without parental care, the RA Government passed a number of decisions in 2019 in order to improve the children care institute. In particular, they referred to the orders of selection, registration of people willing to become foster parents, organization of child care and upbringing in the foster family, training, quali-

fication and retraining of people willing to become foster parents, the order and amount of funds to be paid on a monthly basis to the foster family, etc.

It should be noted that the mandatory processes of training, qualification and retraining of foster parents minimize the chance that a non-specialized body would select as foster parents people who lack the relevant knowledge and practical skills required to become one: In particular, a positive step is the introduction of specialized, crisis and holiday foster families which provides targeted care and upbringing for children without parental care who face some health and family problems.

Some measures are implemented with regard to

adoption institute. In particular, in 2019 the content and requirements of the preparatory training programme for adoptive parents was approved; the order of registration of citizens of the Republic of Armenia permanently residing in the Republic of Armenia who are willing to adopt a child, children subject to adoption, provision of information about children subject to adoption to people who are willing to adopt has been circulated.

Several legal acts related to the organization of care of the elderly people in foster families, provision of social assistance to families with elderly members with diseases, delivery of care services through home visits to people with mental health problems, etc. have been drafted.

## Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels

**16** PEACE, JUSTICE AND STRONG INSTITUTIONS



### Access to justice, protection of human rights

A major task faced by a democratic and lawful state is to guarantee, provide and protect the rule of law, rights and freedoms of persons and citizens, and enforce the democratic institutions.

Over the past two years, the RA Government took considerable actions towards implementation of these goals.

In particular, the protection of human rights is the goal for Armenia the accomplishment of which should call for joint efforts of all public governance bodies. In this regard, strategic planning and envisioning of specific actions are crucial for the establishment of rights-based policy.

The Government formed in 2018 declared the de-

velopment and implementation of institutional and coordinated policy for provision and protection of human rights as its key priority. In this context, in December 2019 the RA Government approved the National Strategy for Human Rights Protection and the Action Plan for 2020-2022. It addresses the following directions of human rights protection: right to life, prohibition of torture, right to a fair trial, freedom of assembly and information, right to health, provision of protection of rights of women and children, ban on discrimination, protection of children's rights.

In this context, the following directions of the Action Plan can be singled out:

1. provision of institutional mechanisms of legal

equality and protection of rights,

2. prevention of gender-based violence and effective protection of the rights of victims, education on human rights;
3. efficient mechanisms for protection of rights of people with disabilities, beneficiaries of closed and semi-closed institutions, as well as children without parental care;
4. establishment and development of available juvenile justice systems, with creation of united statistical system for registration and record of their cases;
5. introduction of efficient and adequate mechanisms for protection of rights from hate speech in compliance with the international criteria.

Following the Velvet Revolution, the RA Government set a primary goal of reforming the justice system,

## Combating corruption

The RA Government has defined the following fundamental milestones of its activities: more targeted and institutional fight against corruption, public denouncement of corruption and building a society without corruption. In October 2019, the Government approved the anti-corruption reform programme and the action plan for 2019-2022.

The anti-corruption strategy aims to create and improve efficient and feasible frameworks for integrity, transparency, participation within the public administration system, establish universal rules for combating corruption in the public governance system, as well as introduce the institutional model of tackling corruption.

In addition to strategic approaches, it should be emphasized that Armenia has improved its rating in the Corruption Perceptions Index, ranking 77th in 2019 instead of the 105th in 2018. 90 per cent of people in Armenia believe corruption is a serious problem, says the survey carried out by Transparency International Anti-Corruption Center among 1500 respondents in October-December 2019.

Also, according to the analysis based on the data of the Department for Combating Corruption Crimes of the RA Prosecutor General's Office, the proceedings on corruption cases filed to RA authorized bodies have increased by 95 or 4,7% in 2019 compared to 2018. The total number of such cases made 2083, while the number of criminal cases decreased by the same 4,7% or 70 totaling 1399. During the reported period, corruption and other criminal proceedings are initiated against former presidents, ministers, deputy ministers and other high-ranking officials. The principle of justice and equality before the law also touched some officials of the current Govern-

ment, now working or already dismissed.

focusing on both the judicial and legal sector and the urgency of comprehensive anti-corruption changes. In this context, the RA Government approved in October 2019 the Strategy for Judicial and Legal Reforms and the Action Plan for 2019-2023. A separate action plan was envisaged for introduction and development of e-justice tools.

Primary directions of the Strategy include the following:

1. reinforce the independence, integrity and accountability of the justice system;
2. through efficient use of electronic toolset, reduce the time for trial and cut judicial expenses;
3. improve and expand the accessibility of public services and public awareness in the sphere of justice, as well as the delivery of services meeting the needs of people.

ment, now working or already dismissed.

An essential condition for free exercise of human rights is the reinforcement of public trust towards the government and law enforcement system; this was manifested in identifying and voicing, by citizens, the previously veiled problems, violations and crimes. These indices demonstrate that the level of public support and trust towards the law-enforcement bodies in exposure of corruption crimes is still high. At the same time, reports of potential displays of corruption by mass media increasingly grew in number, and the law-enforcement bodies began to combat corruption pro-actively. In particular, in 2018 25 similar media reports resulted in proceedings, while in 2019 the figure grew to 47, or by 88% more. In 2018, 532 cases of detecting data on crime, material traces and consequences of crime by investigation body, investigator, prosecutor during exercise of their duties, were revealed, while in 2019 the number of such cases made 1020, increasing by about 92%.

Unprecedented results are registered with regard to detection and recovery of damage caused to the state by crimes. In particular, with regard to the criminal cases investigated during the mentioned period, the vast majority of which are corruption cases, the damage caused to the state or communities is roughly estimated (i.e. the amount may be altered during the investigation) at about 105.7 billion AMD in comparison to about 85 billion AMD registered in 2018. Damage worth of 12.4 billion AMD has been recovered.

It is noteworthy that the damage caused to the state or communities revealed during investigation of criminal cases in 2018-2019 amounting to 190.7 billion AMD is over 5.2 times more than the total

amount of damage identified in 2009-2017 which makes 36.5 billion AMD. The recovered damage worth of 4.2 billion AMD exceeds the total result of previous 9 years by 19 billion AMD or about 90%.

On April 23, 2020, the Government approved the RA police reforms strategy and its action plan for

2020-2022. The programme aims to transform the police making it resilient to today's challenges, professional and technically well-equipped, honest and respected, and create a new image of a police officer typical of democratic law and order, launch a new patrol service and universal operative management center.

## Effective, accountable and inclusive institutions

With regard to creation of efficient, accountable and inclusive institutes on all levels, the Baseline Measurement Report by SIGMA, a prominent public administration expert initiative covering the 2018-2019 public administration reforms conducted should be mentioned. The report analysed the six key areas of public administration in the Republic of Armenia (the strategic framework of public administration reform; policy development and co-ordination; public service and human resource management; accountability; service delivery; and public financial management). The paper highlighted the progress and identified the drawbacks. Based on this analysis, the strategy of public administration reforms was developed to address the identified shortcomings and ensure better efficiency of the public administration system.

Within the SDG 16 implementation toolset, the Open Government Partnership initiative needs to be pointed out. Its 4th Action Plan was launched in 2018 to ensure open, inclusive, accountable and participatory governance and provide mutual trust between the government and the citizens. The 4th Action Plan comprises 11 commitments selected through open competition, 7 of which are citizen proposals. The Action Plan aims to eliminate inequality and corruption, return the property and financial resources taken away from the state and establish reforms based on accountable, transparent, participatory principles. This project featured the process of identifying the beneficial owners, and Armenia joined the Beneficial Ownership Leadership Group.

# Protection of environment and tackling climate change (Planet)

The key focus of the environmental management and climate change policy in the given period was the complex preservation and restoration of the environment and natural resources. Large-scale work has been done in 2019 in the area of environmental management, in partnership with global and regional international structures and within the framework of international conventions and initiatives. Forest restoration activities in specially protected nature areas has been carried out in 2019, along with technical equipment and re-equipment processes.

In order to promote the efficiency of water resources management, well liquidation and conservation works and activities aimed at reducing water losses have been accomplished in 2019.

However, this sphere still faces a number of challenges, in particular, the large share of mining industry, deforestation and reduced areas of arable lands, risk of tailing dumps.

## Ensure availability and sustainable management of water and sanitation for all

### Water management

Bearing in mind that many branches of economy rely heavily on water resources, the efficiency of water resources management is particularly important. Though the renewable fresh water resources do not directly indicate water deficit in the water resource balance, however, the country's resources of renew-

able fresh water are under pressure due to high levels of water release and water use in many sectors of economic activity, particularly in the agricultural sphere.

86% of the total use of fresh water belongs to agri-

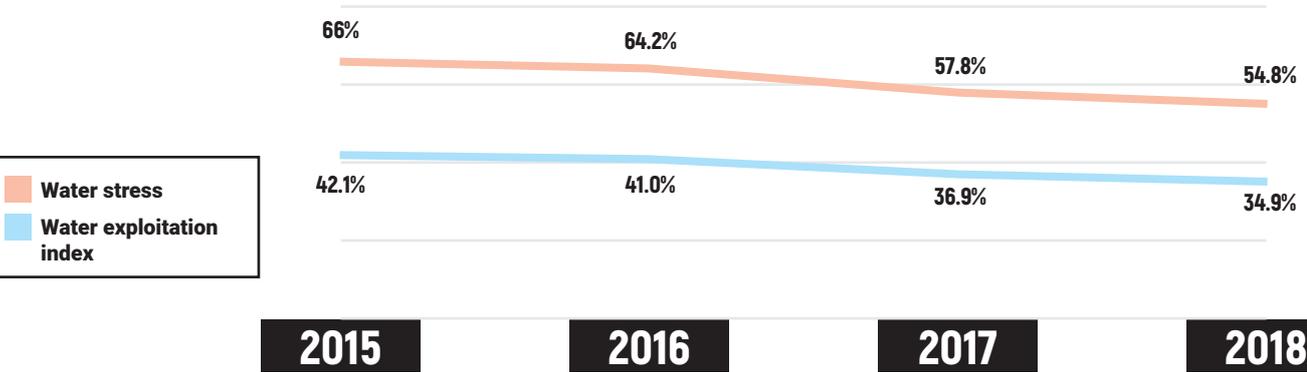


culture and fish industry, with over 70% of it going to irrigation. Huge volumes of water release and water use, especially in the agricultural sector, have resulted in water stress and environmental problems.

Armenia does not lack water resources, and still, it faces tough water stress because of high demands of centralized water supply (61%) and agriculture (34%) (in 2018, water stress made 54.8%). The to-

tal water release in two sectors in 2018 accounted for 95% of the country's annual fresh water release. However, due to insufficient water management Armenia has long faced severe water stress. In 2018, the water exploitation index made 34.9%. This means that almost half of Armenia's renewable fresh water resources (41.3%) was released to meet the water demands of people and economy.

### Water stress and exploitation index, 2015-2018



The Government of Armenia committed to enhance the water sector reforms by bringing together efforts of public and private sectors aiming to improve the delivered services and eliminate the disparities of water availability and affordability between rural and urban regions.

Within the framework of activities to boost the efficiency of water resources management 8 wells were liquidated and 43 were conserved in Ararat and Armavir regions in 2019. At the expense of water users, another 28 wells were conserved. Valve system was installed on 20 wells. 3017.8l/second water flow was saved. Basing on the Water Code amendments, the list of rivers where construction of hydroelectric power plants is banned is already developed, to be published by the end of 2020.

With regard to water resources, the condition of Armenia's largest lake, Lake Sevan should be emphasized. In late 2018, level of Lake Sevan made 1900.39 m above sea level, its volume made 38.04 billion m<sup>3</sup>, area made 1277.46 km<sup>2</sup>. In 2019, the amount of water released from Lake Sevan has been the least over the past 5 years; water release was by 26,140 million m<sup>3</sup> less than the limit set by legislation (170 million m<sup>3</sup>). As of late 2019, 143,857

million m<sup>3</sup> of water was released from the lake for irrigation purposes, which is by 56,076 million m<sup>3</sup> less than the previous year's amount for the same period.

11 thousand young fish of summer type trout with average weight of 22.5 g and 40 thousand young fish of Gegharkunik species with average weight of 3.5 g were released into Lake Sevan. For the first time, the programme of koghak (Capoeta sevangi) species population recovery is launched, and up-to-date methods were employed for thorough examination and assessment of the lake shore territories located at up to 1901,5 m altitude.

Lake Sevan is the main link of water resources management which plays a key role not only in adjacent areas of energy, agricultural, and environment, but also in mere provision of water demand, in particular, for the Ararat Valley needs; this has a negative impact on ecological and hydrological conditions of the lake. Also, environmentalists raise concerns over the pollution and swamping risks of Lake Sevan. In particular, according to ecology experts, the 2019 algal bloom in Lake Sevan was worrisome since the blue lake had turned green. This issue is linked to the lake swamping as well, and active

steps need to be taken to prevent it.

In 2019, the RA Government issued a decision on approval of the concept paper on introduction of water-saving technologies and the action plan. This decision approved relevant activities on the use of progressive water-saving technologies that allow to minimize volumes of used water, reduce water

losses, and help preserve water resources, restore degraded ecosystems, promote continuous and efficient use of water resources, and provision of sustainable management. Amendments introduced into various legal acts specified the concept of “recreation areas”, legal framework was established for defining the requirements to preserve water resources in recreation areas; territories where construction



**Sevan lake, Gegharkunik province, Armenia**

of hydropower stations is banned were specified.

In 2016-2018, the Ararat, Southern and Akhuryan water basin management plans were approved. The development of Hrazdan and Sevan water basin management plans is currently underway, along with the amendments package for Akhuryan water basin management plan. They will define the criteria for preservation of river and lake ecosystems located within these water basin management areas. The development of the management plans will be finalized in 2020.

The level of water measurement has improved in the service area of the drinking water supplier company, 890884 water measurement devices are installed at the end users, the number of which is by 7752 more than in 2018. The water measurement rate is 99,5%. Different programmes to tackle the issue of water

supply are carried out in communities with poor water supply, with co-payment of the state budget and communities, and with support of donor organizations.

The Government's decision on clarification and simplification of the process of water use permit issuance is being drafted; since 2017, the establishment and improvement of the new unified information system of the state water cadastre is launched; currently the data input and testing works are underway. The localization of the information system of the state water cadastre of RA and Ararat water basin is finalized, including the water use permits issued by the Ministry of Nature Protection. The geoinformation data of water users registered in the information system of the state water cadaster have been updated and integrated with the ARCGIS geoinformation system.

## 12 RESPONSIBLE CONSUMPTION AND PRODUCTION



# Ensure sustainable consumption and production patterns

## Production

The international practice shows that the development of other branches of economy and intense use of technologies in the agricultural sphere result in reduction of the number of economic entities, enlargement of land plots per one household and decreasing number of employees due to increased work productivity. In Armenia, these agricultural patterns are not so vivid yet. Therefore, the need for diversification of the economic activity and development of cooperation on voluntary basis gain importance in the agrarian sector. Currently, the expansion of market infrastructures and sectoral services and increased competitiveness should facilitate the effective economic activity on small land plots.

The Government of the Republic of Armenia will consistently pursue actions in order to develop rural infrastructures, improve irrigation systems and ensure land amelioration, pasture inundation, introduce diversified hail protection systems, provide centralized fight against crop pests.

Efficient organization of agricultural production is seriously hampered by small size of farms. Currently one farm has an average of 1.48 ha of agricultural land plots (according to the data of the 2014 Agricultural Census in RA), including 1.0 ha of arable land. It should be noted that the number of farms with up to 0.5 ha of land accounts for only 42% of individual households (farms) in Armenia, while the number of households that possess up to 1 ha of land makes around 60% of total households. According to the data of the Agricultural Census, approximately 42% of households manage about 5% of agricultural lands in Armenia, while about 60% of households handle about 15% of lands. This demonstrates the small scale of individual households (farms) in Armenia, which hinders the implementation of efficient economic activity and application of

technologies.

Provision of food security is a key aspect prescribed in numerous international and national legal acts. To this end, the 2020-2030 Strategy for Development of Agriculture is adopted, envisaging transition from traditional to intensive agriculture and promotion of digital agriculture through introduction of digital technologies; also, the 2017-2021 action plan of the concept paper ensuring food security in the Republic of Armenia was adopted. It aims to provide physical and economic availability of food products complying with the health norms for all groups of population, provide the necessary amount and replenishment of a variety of food products subject to storage in the material reserve, as well as create prerequisites to survive unfavourable adjustments of external and internal markets and potential negative consequences of emergencies, ensure food security and food independence during emergencies and martial law, and prevent food crisis.

Consumption. Armenia ensures high level of self-sufficiency in terms of potatoes, main agricultural crops, fruits, grape, lamb, eggs, fish, above-average level of self-sufficiency with regard to beef and milk and dairy products, while in terms of grain and leguminous crops, vegetable oil, poultry and pork, the level of self-sufficiency still remains low. It is worth noting that the cultivation of idle lands would provide an opportunity to boost the level of country's self-sufficiency with regard to agricultural products, including grain and leguminous crops.

Overall, the agriculture registered 4.2% decline in gross production in 2019 compared to the previous year; 7.7% in plant-growing and 1.2% in cattle farming. The share of agricultural production in the country's total export made 28.9% in 2018.

# Take urgent action to combat climate change and its impacts

13 CLIMATE ACTION



Combating climate change. With its ambitious agenda of climate change response, Armenia puts efforts towards low-carbon development, increased share of renewable energy, promotion of energy saving, preservation and expansion of forest areas, and also promotion of electric vehicles.

In 2018-2019, the concept paper of the law of the Republic of Armenia on chemicals was developed and passed in order to ensure safe, in terms of human health and preservation of environment, use of chemicals, based upon the Government's decision on regulation of legal relations linked to the use of hazardous waste, its collection, transportation, storage, treatment, recycling, disposal, removal, neutralization, placement and burial.

In order to implement the provisions of Stockholm

**Dilijan National Park, Tavush province, Armenia**

Convention on Persistent Organic Pollutants (POP) aimed to protect the environment and the population from the impact of POPs and particularly dioxins and furans emerging from open burning, a bill was drafted envisaging administrative liability and tough sanctions for burning of production or consumption waste at waste utilization facilities, specially designated places or unauthorized landfills.

A guideline on asbestos-containing waste management has been developed defining safe conditions for the use, collection, transportation, placement of asbestos-containing waste, in order to prevent its harmful impact on the environment and human health.

An information database on 44 abandoned/unclaimed areas with subsoil use waste and 5 closed



tailing dumps is created in Armenia; the minister issued an order to approve their list and description. Up today, the subsoil use waste accumulated in the tailing dumps was categorized as Class 5 hazard, i.e. was not considered dangerous. In 2020, by the ministerial order, the tailings and sludge resulting from concentration of the nonferrous metal ore are categorized as Class 4 hazard.

According to the regulation of the RA Tax Code effective starting January 1, 2021, subsoil users shall pay environmental tax for non-recurring placement or storage of subsoil use waste in tailing dumps, waste banks, stripping areas and(or) similar locations.

A legislative package is passed banning in RA the production of materials that deplete the ozone layer, as well as import of such materials from countries which have not joined the Kigali Amendment to the Montreal Protocol on Substances that Deplete the Ozone Layer, export and transit transportation to these countries.

A legislative initiative aimed at gradual reduction of single-use plastic bags is passed, banning the sale of plastic bags below 50 microns of thickness starting 2022.

Within the framework of EU-UNDP regional "EU4Climate" project which aims for legislative approximation with EU acquis on measurement, reporting and verification (MRV) systems. Workshops and study tours will be organized to enhance the countries' MRV capacities.

During the 24th Conference of the Parties to the United Nations Framework Convention on Climate Change on December 11, 2018 the Master Agreement between the Republic of Armenia and the Green Climate Fund (GCF) was signed in Katowice.

Activities aimed at increasing the energy efficiency, reduction of GHG emissions were carried out within the framework of the 21,420,000 USD "De-Risking and Scaling-up Investment in Energy Efficient Building Retrofits" project funded by the Green Climate Fund and implemented by the United Nations Development Programme, with coordination of the Ministry of Nature Protection.

Reduction of GHG emissions of vehicles is also important in combating climate change; it will also help reduce the air pollution. To this end, purchase and use of electric cars is encouraged. Privileged tax regime for purchase and promotion of electric cars in the country provided favourable conditions for reducing air pollution by mobile sources, as well as for easing Armenia's energy dependence. In addition to mentioned positive impact, the increased use of electric bikes (including motorbikes) will also help reduce traffic jams and promote safe traffic. In 2019, 145 electric cars and 523 electric bikes and motorbikes were imported to Armenia which is way too more than in 2018 when only 12 electric cars were imported.

Children, adolescent girls and boys are agents of change around the world and they are actively engaged in proposing solutions on how to slow down climate change and environmental degradation, and create socially and environmentally sustainable communities. The three-year "Adolescents as agents of climate action in their communities" project implemented by UNICEF and funded by ADA jointly with Ministries of Education, Science, Culture and Sport, Territorial Administration and Infrastructure and Environment, aims for adolescent girls and boys and communities to take action on climate change mitigation, adaptation, impact reduction and early warning through education, enhanced local governance, human and institutional capacity development, in line with the sustainable development goals.



**Gosh lake, Tavush province, Armenia**

*Andranik Keshishyan*

# Conserve and sustainably use the oceans, seas and marine resources for sustainable development



Since Armenia is a landlocked country, the SDG 14 does not address it directly. Therefore, this SDG is not a goal subject to nationalization. However, it should be noted that Armenia pays special attention to fish resources management, preservation of fish

species and combating illegal fishing. In particular, the state budget allocates 7,624.3 thousand AMD annually for recording fish and crayfish resources in Lake Sevan and its basin.

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# Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss



## Sustainable forest management

In 2019, the state budget for the first time allotted 424 million AMD to "Hayantar" SNCO for afforestation and reforestation activities. The funds were used to purchase forest equipment; large-scale forest restoration works have been done. The Government launched the programme for restoration of 45 ha of forest area in Yerevan's "Nork Forests" territory. Legislative amendments defined stricter sanctions and liabilities for forest-related violations; export, with corresponding commodity codes, of firewood and timber to third countries was banned. State funding and international cooperation provided technical equipment to "Hayantar" SNCO and Specially Protected Nature Areas (SPNA).

monitoring is underway, to allow real-time oversight of forest workers' activities.

During 2019, reforestation and afforestation work has been done on 2620 ha in forestry branches of Hayantar SNCO of the Committee of Forest, of which afforestation accounted for 172 hectares, and reforestation made 2448 ha.

The order of the Minister of Nature Protection approved the allowed amounts and periods for hunting animals in 2019-2020. For the first time, upon suggestion of the Ministry of Nature Protection, the Hydrology Institute of the National Academy of Sciences purchased a modern echo sounder.

Introduction of electronic system for environmental

## Combating Desertification

With support of the UN Convention to Combat Desertification and funding of the Republic of Korea,

the Implementation of Land Degradation Neutrality concept in Ararat valley of Armenia pilot project

developed by the initiative of the RA Ministry of Nature Protection was launched in Armenia in August 2018. The project comprises three components: drip irrigation, biohumus utilization, and hedgerow planting to protect the fields. The 7th national report

on Implementation of the UN Convention to Combat Desertification in Armenia has been developed and submitted online to the Secretariat of the UN Convention to Combat Desertification through PRAIS 3 portal.

## Terrestrial ecosystems and biodiversity

In Armenia, invasive species are most dense in anthropogenic habitats, and recently also in endangered ecosystems caused by climate change. The most vulnerable areas include the agricultural lands, forests and water ecosystems. In order to address the mentioned issues, the draft laws on fauna and flora are currently being developed, defining the concepts of invasive alien species of flora and fauna, provisions on study of prevalence of invasive plant and animal species, on implementation of preventive measures for their import and use, and black list compilation.

Tree planting implemented in different formats is also of great environmental importance. In 2020, the Government of Armenia committed to a key programme, with its peak planned on October 10, 2020: on the 10th day of the 10th month Armenia had planned to have 10 million trees planted, which, as the Armenian Prime Minister put it, would symbolize the unity of the statehood of the Republic of Armenia and approximately 10 million Armenians worldwide. However, the situation caused by the spread of coronavirus postponed this until the end of 2021. At the same time, about 2 million willows are to be planted by the end of May 2020 in Armenian highlands in order to protect the river banks.

Despite concerns voiced by some environmentalists over the scale of such tree planting initiative, the Government is, however, resolute in its decision to implement the programme.



**Prime Minister's speech at Global Innovation Forum, 2019**

Another environmental challenge in Armenia is the preservation and safety of the biodiversity. To this end, several measures need to be taken, among which, with EU support, the provision of comprehensive legislative framework and increased efficiency of biodiversity protection within CEPA is planned.

## Cooperation for implementation of the sustainable development goals (Partnership)

Armenia is engaged in active cooperation with international structures (EU, World Bank, European Investment Bank, European Bank for Reconstruction and Development, Asian Development Bank), and tries to boost the efforts of the civil society and private sector aimed at implementation of the sustainable development goals.

Though Armenia regularly enjoys international financial assistance to implement the SDGs, the VNR

2018 report states the low level of FDI in Armenia, naming it a challenge, despite great progress towards economic liberalization. The progress was mentioned in the UNCTAD World Investment Report 2019 where FDI increased in Armenia in 2018 totaling 254 million USD which is more than in 2017. The FDI rate is extremely important in terms of overcoming poverty, creation of jobs, and ensuring sustainable economic growth.

# Strengthen the means of implementation and revitalize the global partnership for sustainable development

17 PARTNERSHIPS FOR THE GOALS



Guided by the 17th SDG of 2030 Agenda, Armenia develops and deepens its cooperation framework with international organizations and agencies, directing joint efforts towards accomplishments of all SDG targets.

## Cooperation with United Nations



The leading partner for SDG nationalisation and localisation is UN with its different agencies (UNDP, UNFPA, UNHCR, UNICEF, UNIDO, UNWFP, etc.) and the Development assistance framework (DAF). The DAF 2016-2020 covers the following areas:

1. Equitable, sustainable economic development and poverty reduction (SDG 1, SDG 2, SDG 4, SDG 6, SDG 8, SDG 9, SDG 11),
2. Democratic governance (SDG 16),
3. Social services and inclusion (SDG 1, SDG 2, SDG 3, SDG 4, SDG 5, SDG 9, SDG 10),
4. Environmental sustainability and resilience-building (SDG 7, SDG 12, SDG 13, SDG 15).

It is worth to mention that currently there is an ongoing process of designing the new DAF for 2021-2025, which will unite the UN agencies' role and involvement on SDG cooperation with the Government of Armenia.



## Armenia-EU Comprehensive and Enhanced Partnership Agreement

Sustainable development is fundamental for the Armenia-EU Comprehensive and Enhanced Partnership Agreement (CEPA) signed between the European Union and the Republic of Armenia in 2017. This is first of all reflected in the approximation of various sectoral instructions and regulations. Below you can see in brief the link between the impact expected due to the implementation of Armenia's obligations under CEPA and the 2030 Agenda.

- **More jobs.** Application of the agreement will facilitate the creation of more jobs due to the improvement of investment climate, better opportunities for entrepreneurship, and development of clean, alternative sources of energy, thus promoting sustainable and predictable business environment in compliance with the EU and international criteria and enhancing the trade of products and services. Creation of more jobs is linked to SDG 7, SDG 8, SDG 9, SDG 10, SDG 11 and SDG 12; also, it is related to the achievement of SDGs 1, 2, 6 and 13 addressing a number of social and environmental issues.
- **Fairer rules.** Implementation of the agreement will directly benefit the citizens, including through introduction of fairer rules, in particular, in the area of competition and public procurement, ensuring the implementation of SDGs 12.7, 12.c and 16. Rules without bias, dishonesty or injustice will be introduced; the right to intellectual property will be better protected, which is also covered by targets of SDGs 3, 9, 16 and 17.1.
- **Better value for money.** Application of the agreement also addresses the establishment of more transparent procedures of public pro-

curement, resulting in non-discriminatory procedures for tenders and public subsidies (SDGs 10, 16, 12.7, 12.c). Access to more affordable energy will be ensured due to economic liberalization and provision of larger competition in the area of electric power (SDG 7). The reduction of unnecessary barriers will offer the consumers wider choice of products and lower prices (SDGs 2, 10, 12).

- **Increased protection and security.** Combating organized crime and terrorism which is listed under the political dialogue component envisaged by CEPA is closely linked to SDGs 4.7, 5.2, 16.1, 16.4, 16.a, while provision of nuclear security relates to SDGs 11, 12.4 and 12.5. Provision of consumers' protection through improved quality of production and system standards is closely related to SDGs 3.9, 6.1, 6.2, 7.1, 11, 12.4 and 12.5. Better migration management and enhanced and facilitated mobility of population is also important concerning SDG 10.7, which envisages cooperation on migration management, including visa policy, border

management, as well as migration information systems and asylum issues.

- **Cleaner environment.** The agreement will help remove obstacles to trade concerning goods and services of particular relevance for climate change mitigation (sustainable renewable energy and energy-efficient products), to enhance a sustainable use of natural resources and the conservation of biodiversity. This is essential with regard to SDG 2030 Agenda and particularly SDGs 6, 12, 13, 14 and 15.
- **Better education and research opportunities.** Improved quality of education and expansion of research opportunities are directly linked to the SDG 2030 Agenda and particularly SDGs 3.b, 4, 7.a, 9.5, 9.b, 14.a and 17.
- **Strengthened democracy and human rights.** Some of CEPA obligations refer to strengthening of democracy, equal justice, establishment of impartial, accountable and inclusive institute on all levels, which are the bases of the SDG 16.



### Cooperation with USAID covers the following areas

- Democracy, human rights protection and administration system reforms (SDG 16, SDG 10, SDG 5).
- Healthcare and social protection (SDG 3, SDG 4, SDG 2).
- Inclusive and sustainable economic growth (SDG 8, SDG 4, SDG 7, SDG 11, SDG 9, SDG 15).



### Armenia's cooperation framework with the World Bank envisages the following

- Enhance competitiveness of export-oriented companies (SDG 8), (SDG 1, SDG 2, SDG 3, SDG 4, SDG 10, SDG 16),
- Development of human capital and equality (SDG 11, SDG 12, SDG 13).
- Sustainable management of environment and natural resources (SDG 11, SDG 12, SDG 13).



### The European Investment Bank supports the Armenian Government in modernization and development activities in the following spheres

- Transport (SDG9, SDG 11)
- SME (SDG 8),
- Water supply (SDG 9, SDG 6, SDG 11),
- Energy (SDG 9, SDG 6, SDG 11),
- Infrastructures (SDG 9, SDG 6, SDG 11).



**Programmes implemented with assistance of the European Bank of Reconstruction and Development include the following:**

- Strengthening of sustainable infrastructures (SDG 7, SDG 8, SDG 9, SDG 11),
- Infrastructures; industry, trade and agribusiness (SDG 7, SDG 8, SDG 9, SDG 11).



**Cooperation framework with the Asian Development Bank comprises the following:**

- Investments in priority infrastructures (SDG 7, SDG 8, SDG 9, SDG 11),
- Improved targeted services (SDG 2, SDG 3, SDG 7, SDG 8, SDG 9, SDG 11, SDG 13, SDG 15),
- Enhanced regional cooperation and integration (SDG 8, SDG 7, SDG 11).



**Cooperation with KfW covers the following areas:**

- Development of irrigation system (SDG 6),
- Drinking water (SDG 6),
- Energy (SDG 7, SDG 8),
- Agricultural insurance (SDG 8, SDG 12),
- Sustainable management of environment and natural resources (SDG 13, SDG 15),
- SME funding, including energy saving and renewable energy (SDG 7, SDG 8).



**Eurasian Development Bank**

**Cooperation in the following sphere is planned with the Eurasian Development Bank:**

- Development of infrastructures (SDG 7),
- Energy sphere programmes, including renewable energy (SDG 7),
- Agroindustry (SDG 8),
- High-tech (SDG 8),
- Social sphere (SDG 1, SDG 2, SDG 3, SDG 4).

The National Armenia SDG Innovation Lab, a first of its kind joint venture between the RA Government and the United Nations, is greatly contributing to the process of implementation of the SDGs. The Lab, operated under the leadership of UNDP and the RA Deputy Prime Minister's Office, facilitates the implementation of the SDGs by offering innovative solutions and platforms for cooperation between various stakeholders from the Armenian state, the United Nations Country Team, the private sector academia, diaspora organizations, civil society, citizens and many others.

# Actions of the Republic of Armenia to mitigate coronavirus impact

The COVID-19 pandemic is the hardest healthcare crisis nowadays and the biggest challenge the global world has faced since the World War II. Knowing no borders and no nationalities, the virus spread across all continents.

The Republic of Armenia also suffers from healthcare and socio-economic negative consequences of the global coronavirus outbreak. The first case of coronavirus was registered in Armenia on March 1, and then the disease spread. On March 16, the country declared a 30-day state of emergency which was later extended for another 30 days up until May 14, and then again until June 13. The state of emergency mostly aimed to hinder the spread of the new coronavirus disease (COVID-19) across the country by banning gatherings and strikes and imposing restrictions on organization of and participation in public events. In particular, concerts, exhibitions, theatre performances and sports, cultural, education, entertainment events, festivities and memorial events, including but not limited to birthday parties, wedding (engagement) parties, funerals and other events involving more than 20 people are banned by the order of the Commandant's Office.

The Government took several healthcare actions to combat the coronavirus. In particular, efforts focused not only on isolation and treatment of patients and updating of medical equipment, including artificial lung ventilators, corresponding personal protective equipment, masks and other means, provision of adequate additional remuneration of doctors, relevant retraining, but also disinfection activities (including the public transport), tracing and isolation of persons who have been in contact with the COVID-19-positive patients, ensuring proper conditions with respect to human rights for these people by accommodating them in hotels and providing with quality and safe food.

Starting March 26, 2020, in addition to the healthcare and preventive measures taken against the coronavirus, the RA Government launched a number of actions to offset the socio-economic consequences of the coronavirus. These measures mostly aimed at the following:

- Ensure sustainable and continuous economic development, supporting individual economic entities in various sectors to address the liquidity-related risks expected due to the spread of coronavirus,
- Targeted support to the agricultural sphere,

high-tech sphere, micro-entrepreneurs, etc,

- Assistance to people who lost their jobs because of coronavirus, support to workers of affected spheres,
- Support to special groups, in particular, in particular, socially vulnerable groups, students, families with children, pregnant women etc.

The Government passed 19 decisions to implement the following measures mitigating the coronavirus consequences:

1. Targeted co-financing, refinancing of loans and interest rate subsidies,
2. Subsidizing of various agricultural loans for individual economic entities, SMEs and natural persons operating in the agricultural sphere,
3. Assistance for maintaining the jobs through lump sum grants,
4. Assistance to micro-entrepreneurs,
5. Assistance to economic entities in the sphere of high technologies,
6. Compensation of university tuition fees of students, as well as subsidies for student loans,
7. Lump-sum assistance to people who lost their jobs,
8. Assistance to unemployed families with children,
9. Assistance to beneficiary families,
10. Compensation, to certain degree, of public utility fees (gas, water, electricity) to all users below the specified consumption threshold,
11. Support to workers of the affected spheres.

Also, the National Assembly MPs initiated the approval of some bills targeted at mitigation of economic consequences of the coronavirus. In particular, the penalty rate for unpaid tax liability has been cut twice, and expenditures (depreciation deductions) for investments can now be made not within the set minimum period, but be decided at one's own discretion (for at least one year).

# Follow-up actions and challenges

Full implementation of the 2030 Agenda requires enormous efforts, resources, capacities, and will. The total potential of the state and private sectors, civil society and the Diaspora need to be put together to address the anticipated challenges.

Despite the description of the peaceful, non-violent Velvet Revolution and the subsequent progress, the report accommodates also the SDG-related challenges and further steps, drawbacks and barriers in Armenia that need to be overcome. The COVID-19

pandemic will also pose a threat to the socio-economic security of the Armenian society and economy, its people and communities, deepening already existing inequalities, vulnerabilities and deprivations. The COVID-19 pandemic and the measures to contain its spread are causing major economic and fiscal impacts on Armenia's economy, hampering the country's progress towards sustainable development, as well as reverting gains in many areas. This sector will highlight the specific challenges as well.



To secure economic development, Armenia, being a landlocked country lacking natural resources, with unfavourable geographic position and small territory should pay significant attention to the development of science. In particular, with regard to the share of internal expenses for research and development in GDP, one can state that the situation in Armenia's scientific sphere is quite troublesome because it is still impossible to provide steady high shares of funding for research and development from internal sources for scientific and technical activities in Armenia.

## Share of gross expenditure in GDP for scientific and technical activities and research and development in 2014-2018

	2014	2015	2016	2017	2018
Scientific and technical activities	0.24	0.25	0.24	0.22	0.18
Gross expenditure for research and development	0.24	0.25	0.23	0.23	0.19

Continuous public administration reforms are crucial for Armenia, taking into consideration the Baseline Measurement Report that was developed in 2018 and published in 2019 by SIGMA expert group. The report assessed the six key areas of Armenia's public administration system; based on this analysis, comprehensive public administration reforms should be implemented.



Among the challenges of SDG 16, the implementation of judicial reforms can be mentioned; to this end, the strategy of judicial and legal reforms was adopted. Based on the strategy, numerous measures addressing short-term and urgent, long-term and vital issues are planned. They aim for system reforms, to improve the verification framework of qualification of judge nominees, introduce grounds and procedures for disciplinary liability of judges in compliance with the international criteria, improve the public perception of the role of judicial authorities and boost trust towards them, increase the remuneration of judges and their staff, reduce the workload of courts and ensure reasonable time for trial, etc.



Armenia has over 871 registered mines containing about 60 types of mineral resources, 43 of them engage in metal mining. For decades, the tailing dumps of metal mining pose a danger for environment; they can cause environmental hazard and health risks for the population. Besides, if mixed with the surface waters and irrigation networks, they will cause heavy metal pollution of irrigation water. Therefore, proper tackling of this issue should be a serious future-oriented challenge.



Another issue is environmental education and awareness-raising on sustainable development. Though certain steps are taken in this direction, the environmental experts voice increased need for more intense activities, since most actions in this regard are implemented with participation of the civil society.

Though Armenia has ratified various international documents, improved its national legislation, specifying the country's commitments to ensure gender equality, protection of women's rights, protection of women from all kinds of violence and discrimination, and to increase the role of women in all aspects of public life, the gender stereotypes, however, along with gender-based discrimination still remain an urgent problem. The educational system is not devoid of gender stereotypes and discrimination either. The RA Law on ensuring legal equality aiming to provide equal treatment of every person and citizen, equal opportunities, without discrimination, for exercising their rights, freedoms and duties, is not yet approved. Armenia should enhance its efforts to overcome gender stereotypes across Armenian society. The country shall also strengthen the legislative and policy framework to advance women's political and economic participation.



