

**ANNEX I TO FINANCING AGREEMENT N° ENI/2017/40664
TECHNICAL AND ADMINISTRATIVE PROVISIONS**

1. Title/basic act/ CRIS number	"Consolidation of the Justice System in Armenia" CRIS number: 2017/040-664, financed under European Neighbourhood Instrument			
2. Zone benefiting from the action/location	East Neighbourhood, Armenia The action shall be carried out at the following location: Armenia			
3. Programming document	Single Support Framework for EU support to Armenia 2017-2020			
4. Sector of concentration/ thematic area	Sector (3) - Strengthening Institutions and Good Governance			
5. Amounts concerned	Total estimated cost: EUR 4 000 000 Total amount of EU budget contribution: EUR 4 000 000 The contribution is for an amount of EUR 4 000 000 from the general budget of the European Union for 2018 subject to the availability of appropriations following the adoption of the relevant budget.			
6. Aid modality(ies) and implementation modality(ies)	Project Modality: Direct management: grants (call for proposal) and procurement of services			
7. DAC code(s)	Main DAC code: Legal and judicial development (15130). Sub-codes: Justice, law and order policy, planning and administration (15131); Judicial affairs (15134).			
8. Markers (from CRIS DAC form)	General policy objective	Not targeted	Significant objective	Main objective
	Participation development/good governance	<input type="checkbox"/>	<input type="checkbox"/>	x
	Aid to environment	x	<input type="checkbox"/>	<input type="checkbox"/>
	Gender equality (including Women In Development)	<input type="checkbox"/>	x	<input type="checkbox"/>
	Trade Development	x	<input type="checkbox"/>	<input type="checkbox"/>
	Reproductive, Maternal, New born and child health	x	<input type="checkbox"/>	<input type="checkbox"/>
	RIO Convention markers	Not targeted	Significant objective	Main objective
	Biological diversity	x	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	x	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	x	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation	x	<input type="checkbox"/>	<input type="checkbox"/>
9. Global Public Goods and Challenges (GPGC) thematic flagship	Human development, incl. decent work, social justice and culture			

SUMMARY

This programme aims to support Armenia's justice reform process and strengthen the independence, transparency, predictability, accountability and efficiency of the Armenian justice system in line with EU's best practices. In particular, it will seek (1) to support Armenia's justice reform process and (2) to increase the independence, accountability, predictability and efficiency of justice in line with EU Peer Review recommendations.

The programme will build on the past results of EU-funded projects and continue to support Armenia in its reform processes through providing technical assistance to the Ministry of Justice, the judiciary, the Prosecutor's Office, the Judicial department and the law enforcement agencies to improve the organisational, administrative, technical and resource management capacities, as well as the case management capacities.

It will also contribute to increasing the independence, accountability, predictability and efficiency of the justice system through enhancing the quality of judgements and efficiency of court proceedings, improving the governance of judiciary, as well as designing and implementing e-tools for automatization of standard processes, for collection and publishing information and statistical data and for enhancing anti-corruption measures.

The programme is in line with the Single Support Framework 2017-2020, Armenia Development Strategy 2014-2025 and the Government Programme 2017-2022. The proposed programme will support the Government of Armenia in the implementation of the envisioned Strategic Plan of Legal and Judicial Reforms of the Republic of Armenia for 2018-2022, as well as other key strategic documents related to the field of justice and human rights, included but not limited to National Strategy on Protection of Human Rights and Action Plan, Anti-Corruption Strategy and Action Plan for 2015-2018, and E-Governance Action Plan for 2014-2018.

The Programme builds on the findings of the TAIEX Peer Review on Reforms in Judiciary, Penitentiary and Prevention of Torture and Ill-Treatment in Armenia (6-10 March 2017) through focusing on the key areas highlighted in the report: independence of judiciary, implementation of anti-corruption measures (e.g. increasing the capacity of judges to write quality judgements, implementation of e-filing system, and promotion of e-justice with paperless courts), efficiency of judiciary and improved management of justice system.

The programme will be carried out through project modality (grant and procurement of services). The implementation of programme activities will be harmonised with those of the other Development Partners as well as Government's Reform Plans.

1. DESCRIPTION OF THE ACTION

1.1 Objectives/results

The action is aimed at increasing independence, transparency, efficiency and effectiveness of justice, through capacity building and exchange of experience between EU and Armenian institutions, as well as through development of e-Justice.

The **overall objective** is to support Armenia justice reform process and strengthening the independence, transparency, predictability, accountability and efficiency in the Armenian justice system in line with EU's best practices.

The **specific objectives** and results of the program are:

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Objective 1 – To support Armenia’s justice reform process

Result 1.1 Developed justice reform program in line with EU best practices and agreed by all stakeholders;

Result 1.2 Reinforced evidence-based policy making including through improved statistical data analysis and monitoring system.

Objective 2 – To increase the independence, accountability, predictability and efficiency of justice in line with the EU Peer Review recommendations

Result 2.1 Increased level of independence of justice system and further implementation of anti-corruption measures;

Result 2.2 Increased quality of judgements and efficiency of court proceedings;

Result 2.3 Improved governance of judiciary through better budgeting, management practices, and institutional set up;

Result 2.4 Enhanced transparency and efficiency of justice system, including judicial proceedings via provision of better quality public services and further development of e-Government and e-Justice tools.

1.2 Main activities

The planned activities include technical assistance to the Ministry of Justice, the judiciary, the penitentiary, the Prosecutor’s office, the Judicial department and the law enforcement agencies and other stakeholders provided through EU Member States’ institution(s) supporting the reform of Armenia justice system. Support will also be provided to develop e-Justice software solutions.

Component 1. Support Armenia’s justice reform process

The planned TA will assist with the preparation of a new, **deeper justice reform programme**, which is in line with EU’s best practices and is based on screening of judges and court procedures, more in depth information and court data analysis, as well as includes institutions such as prosecutors’ office, bailiffs, CES and attorneys.

In light of the preparation of deeper reform, the action will focus on development of technical solutions and relevant capacity in **collecting and analysing data** necessary for evidence-based policy making. With the EU’s support, the mechanism for regular statistical data collection, necessary for situation analysis and evidence-based policy making is established. The quality of statistics for Justice sector will be revised and systematised through various e-tools such as e-classification with statistical deviation recognition capacity.

The preparation, discussion and adoption of deeper reform programme will in addition provide valuable insights to planning further potential EU support to the justice sector.

Component 2. The independence, accountability, predictability and efficiency of justice

The envisioned activities under this component will build on the results of EU Budget Support activities and findings of the EU Peer Review as well as complement past technical assistance programmes (Council of Europe, Twinning, TAIEX, and service contracts).

Strengthening and increasing **independence of judiciary** remains a top EU priority in Armenia. The envisioned activities will include the implementation of EU Peer Review recommendations such as ensuring the full independence of courts through adopting necessary legal amendments, regulations, standard operation procedures and relevant training in line with the requirements of the reformed Constitution. Furthermore, the planned activities will include implementation of **anti-corruption measures** (e.g. promotion of e-justice with paperless courts).

The programme will promote and enhance knowledge exchange with the EU Member States’ counterparts and provide advice/coaching to judges/penitentiary officials to enhance their capacity to write **quality judgements**. The **efficiency of court proceedings** will be increased through

implementation of e-Justice solutions, as well as through promoting alternative dispute resolution as a mean to deflate litigation.

Through exchange of experience and know-how, the TA will also significantly contribute to improving the overall **governance of the judiciary**, in particular the organisational, procedural, administrative, technical and resource management capacities, and the case management capabilities.

In addition to support to the preparation of a reform package and capacity building activities, the programme, through a service contract, will further support the **efficiency, transparency and predictability of justice** through investing in technology and promoting the change to a full e-justice system by developing services such as e-filing for the submissions of claims and motions, e-platform to access decisions of Judicial self-governing bodies (including the ones of Court of Cassation), and other e-tools which aim at providing better services to the population, as well as support the implementation of anti-corruption measures.

1.3 Intervention logic

The EU is committed to supporting the development of Justice sector in Armenia. To further build on the extensive past support as well as the lessons learnt, the proposed programme will focus on building the capacity to **develop justice reform programme in line with EU standards**, as well as support designing of the technical solutions for collecting and analysing data necessary for **evidence-based policy making**. A credible justice reform plan in line with EU's best practices, taking into consideration the EU Peer Review recommendations¹, and agreed by all the relevant stakeholders will be developed and will be the basis for increasing the independence, transparency, predictability, accountability and efficiency in Armenian justice system.

To **increase the independence, predictability and efficiency of justice**, this program will concentrate on implementation of **organizational and procedural improvements** within the judiciary as well as **designing and upgrading necessary e-justice solutions**. Those components will be supported through a grant with a public body of an EU Member State, as well as through service contract for developing e-justice solutions. A team of experts led by EU Member State body will work with local counterparts to improve their organisational, administrative, technical and resource management, as well as case management capacities. The proposed programme will support experience exchange between servants of Judicial department and judges on practical issues of organization of work, communication strategy on justice and justice reform issues, as well as on use of default decision and written proceedings. E-tools such as e-filing and e-classification systems will be designed and introduced to automatize standard cumbersome procedures.

To allow enhanced monitoring of the administration of justice, both as a measure for anti-corruption, as well as a tool to increase public awareness on judicial activities, the proposed programme will support the design and implementation of a **monitoring system** which will include developing an e-platform which allows access to all decisions of Judicial self-governing bodies, including the ones of Court of Cassation and provides access to statistical data and potential deviations.

2. Implementation

The envisaged assistance to the Republic of Armenia is deemed to follow the conditions and procedures set out by the restrictive measures adopted pursuant to Article 215 TFEU².

¹ *Peer Review on Reforms in Judiciary, Penitentiary and Prevention of Torture and Ill-Treatment in Armenia* carried out in March 2017

² https://eeas.europa.eu/headquarters/headquarters-homepage/8442/consolidated-list-sanctions_en

2.1 Implementation modalities

Grants: call for proposals “Consolidation of the Justice System in Armenia (direct management)”

(a) Objectives of the grants, fields of intervention, priorities of the year and expected results

Linked to the specific objectives of the proposed programme, this Call for Proposals aims at supporting the Armenian justice reform process and improving the overall governance of judiciary with the focus on better budgeting, management practices, institutional set up, and human resources. It will also support increasing the independence and efficiency of justice, including through facilitating the efficiency of court proceedings and improving the quality of judgements (inter alia through extensive coaching by senior advisors), as well as enhancing the monitoring system.

Furthermore, the expected results will also include Cross-cutting issues, related to: Adoption of the Programme and the Measures, and CPT recommendations; Separation of powers (executive, legislative and judicial); Cooperation with civil society organisations; Zero-tolerance against corruption; etc.

(b) Eligibility conditions

In order to be eligible for a grant, the applicant must:

- Be a competent Government Department, Public body, or relevant mandated body of a Government
- Department or public body authority of a European Union Member State in the fields related to this action
- Be established in a Member State of the European Union
- Be directly responsible for the preparation and management of the action with the co-applicant(s) and affiliated entity (ies), not acting as an intermediary

Subject to information to be published in the call for proposals, the indicative amount of the EU contribution per grant is EUR 2,200,000 and the grants may be awarded to sole beneficiaries and to consortia of beneficiaries (coordinator and co-beneficiaries). The indicative duration of the grant (its implementation period) is 24 months.

(c) Essential selection and award criteria

The essential selection criteria are financial and operational capacity of the applicant.

The essential award criteria are relevance of the proposed action to the objectives of the call; design, effectiveness, feasibility, sustainability and cost-effectiveness of the action.

(d) Maximum rate of co-financing

The maximum possible rate of co-financing for grants under this call is 80% of the eligible costs of the action.

In accordance with Articles 192 of Regulation (EU, Euratom) No 966/2012, if full funding is essential for the action to be carried out, the maximum possible rate of co-financing may be increased up to 100 %. The essentiality of full funding will be justified by the Commission's authorising officer responsible in the award decision, in respect of the principles of equal treatment and sound financial management.

(e) Indicative timing to launch the call

Third quarter of 2018

Procurement (direct management)

Subject in generic terms, if possible	Type (works, supplies, services)	Indicative number of contracts	Indicative trimester of launch of the procedure
Support for development of e-justice software solutions	Service	2-3	Q3 2018 – Q4 2019
Assistance for launching the grant	Service	1	Q1 2018
Audit and evaluation	Service	1-2	Q2 2018, 2019
Communication and Visibility	Service	1	Q1 2018

2.2 Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply.

The Commission's authorising officer responsible may extend the geographical eligibility in accordance with Article 9(2)(b) of Regulation (EU) No 236/2014 on the basis of urgency or of unavailability of products and services in the markets of the countries concerned, or in other duly substantiated cases where the eligibility rules would make the realisation of this action impossible or exceedingly difficult.

2.3 Indicative budget

	EU contribution (amount in EUR)
2.3.1. Call for proposals "Consolidation of Justice system in Armenia" (direct management)	2,200,000
2.3.2. Procurement	1,500,000
2.3.3 Evaluation, 2.3.4 Audit	150,000
2.3.5 Communication and visibility	100,000
2.3.6 Contingencies	50,000
Totals	4,000,000

2.4 Organisational set-up and responsibilities

Oversight of the overall programme will be entrusted to a Steering Committee co-chaired by the Ministry of Justice and Ministry of Economic Development and Investments. Among others, the Steering Committee will include the staff of the Government, Judicial department, representative of judiciary suggested by the Court of Cassation, the EU Delegation, the Chamber of Advocates, and representatives of other relevant governmental and non-governmental actors and International Organisations such as WB, UNDP, GIZ. This set up will ensure a structured policy and technical dialogue and close coordination among all stakeholders during implementation.

The Committee will meet at least twice a year to review the progress made and decide on any proposed modification to the programme.

This process should result in strengthening the coordination between Government, the donor community and non-state actors in this area.

2.5 Performance monitoring and reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (outputs and direct outcomes) as measured by corresponding indicators, using as reference the logframe matrix (for project modality) or the list of result indicators (for budget support). The report shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action implementation.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

2.6 Evaluation

Having regard to the importance of the action, a final or ex-post evaluation will be carried out for this action or its components contracted by the Commission.

It will be carried out for accountability and learning purposes at various levels (including for policy revision), taking into account in particular the fact that the good implementation of this project coupled with clear political will of the government to carry on deeper justice reform, explored during this project may lay foundation for a more extensive programme in justice sector.

The Commission shall inform the implementing partner at least 1 month in advance of the dates foreseen for the evaluation missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

The evaluation reports shall be shared with the partner country and other key stakeholders. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, in agreement with the partner country, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the project.

Indicatively, one contract for evaluation services shall be concluded under a framework contract in the last quarter of implementation.

2.7. Audit

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments for one or several contracts or agreements.

Indicatively, one contract for audit services shall be concluded under a framework contract in June 2022.

The financing of the audit shall be covered by another measure constituting a financing decision.

2.8. Communication and visibility

Communication and visibility of the EU is a legal obligation for all external actions funded by the EU.

This action shall contain communication and visibility measures which shall be based on a specific Communication and Visibility Plan of the Action, to be elaborated at the start of implementation and supported with the budget indicated in section 5.5 above.

In terms of legal obligations on communication and visibility, the measures shall be implemented by the Commission, the partner country, contractors, grant beneficiaries and/or entrusted entities. Appropriate contractual obligations shall be included in, respectively, the financing agreement, procurement and grant contracts, and delegation agreements.

The Communication and Visibility Manual for European Union External Action shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations shall be included in the financing agreements or delegation agreements.

With regards to the Neighbourhood East, all EU-supported actions shall be aimed at increasing the awareness level of the target audiences on the connections, the outcome, and the final practical benefits for citizens of EU assistance provided in the framework of this action. Visibility actions should also promote transparency and accountability on the use of funds.

Outreaching/awareness raising activities will play a crucial part in the implementation of the action, in the case of budget support the national government shall ensure that the visibility of the EU contribution is given appropriate media coverage. The implementation of the communication activities shall be the responsibility of the implementing organisations, and shall be funded from the amounts allocated to the Action.

All necessary measures will be taken to publicise the fact that the action has received funding from the EU in line with the Communication and Visibility Manual for EU External Actions. Additional Visibility Guidelines developed by the Commission (European Neighbourhood Policy and Enlargement Negotiations) will be strictly adhered to.

Where relevant, the provisions of the Financial and Administrative Framework Agreement concluded between the European Union and the selected international organisations shall apply.

It is the responsibility of the implementing organisation to keep the EU Delegations and, where relevant, DG NEAR, fully informed of the planning and implementation of the appropriate milestones specific visibility and communication activities.

The implementing organisation shall report on its visibility and communication actions, as well as the results of the overall action to the relevant monitoring committees.

This action will be communicated externally as part of a wider context of EU support to the country, and where relevant to the Eastern Partnership region in order to enhance the effectiveness of communication activities and to reduce fragmentation in the area of EU communication.

The implementing organisation shall coordinate all communication activities with EU Delegations as well as regional communication initiatives funded by the European Commission to the extent possible. All communication strategies developed as part of this action shall ensure they are in line with the priorities and objectives of regional communication initiatives supported by the European Commission and in line with the relevant EU Delegation's communication strategy under the "EU4Armenia" umbrella initiative.



3. Preconditions

NA

ANNEXES

Logframe

APPENDIX - INDICATIVE LOGFRAME MATRIX (FOR PROJECT MODALITY)

The activities, the expected outputs and all the indicators, targets and baselines included in the logframe matrix are indicative and may be updated during the implementation of the action without an amendment to the financing decision. The indicative logframe matrix will evolve during the lifetime of the action: new lines will be added for listing the activities as well as new columns for intermediary targets (milestones) when it is relevant and for reporting purpose on the achievement of results as measured by indicators.

	Intervention logic	Indicators	Baselines (incl. reference year)	Targets (incl. reference year)	Sources and means of verification	Assumptions
Overall objective: Impact	To support Armenia justice reform process and strengthening the independence, transparency, predictability, accountability and efficiency in the Armenian justice system in line with EU's best practices.	1. World Economic Forum "Worldwide Governance Indicator on Rule of Law"*** 2. User satisfaction and legal needs surveys 3. CEPEJ report (relevant indicators to be selected) and 2017 Peer Review recommendation	1. 43 (2015) 2. 2017 user satisfaction survey - EU financed Justice Monitoring Project 3. 2016 CEPEJ report's indicators and 2017 Peer Review	1. Improved percentile rank by at least 3 points 2. Increased satisfaction 3. Improvement, To be defined during initial implementation stage of the action	1. Worldwide Governance Indicators; 2. Surveys by the Ministry of Justice based on the methodology and guidelines elaborated by the EU financed Justice Monitoring Project 3. CEPEJ report	Political willingness to implement proposed measures; Local ownership of the involved Armenian institutions
Specific objective(s): Outcome(s)	1. To support Armenia's justice reform process	1. Implementation rate of the Justice Reform Programme and/or its operational plans	1. Currently no approved new Justice Reform Programme and M&E system in place	1. New justice Reform Programme is in place, M&E system is functional.	1. Regular monitoring reports of the MoJ	Political willingness and consensus to agree on a set of reforms for the Armenian justice system; M&E system will be put in place
Specific objective(s): Outcome(s)	2. To increase the independence, accountability, predictability and efficiency of justice in line with the EU Peer Review recommendations	1. Rate of implementation of EU Peer Review ³ recommendations;	1.(0)	1. Significant progress	Report of the evaluation mission;	Commitment by the judiciary to implement the recommendations

³ Peer Review on Reforms in Judiciary, Penitentiary and Prevention of Torture and Ill-Treatment in Armenia carried out in March 2017

Outputs	1.1. Developed Justice Reform Programme in line with EU best practices and agreed by all stakeholders	Justice reform programme and action plan(s) containing specific measures, indicators and targets has been adopted	No programme and action plan(s)	Programme and action plan(s) adopted	Relevant government decision;	Political will to adopt the programme, stakeholders are consulted in time
Outputs	1.2. Reinforced evidence-based policy making through improvement of statistical data analysis and monitoring system	1. Statistics for Justice sector is revised and systematised 2. Regular and standardised Court monitoring reports and satisfaction surveys publicly available	1. Most of the data is fragmented and not automatized 2. No standardised reports and/or surveys publicly available	1. 90% of data is generated via e-tools 2. Reports and surveys published annually	Reports and surveys published by the Ministry of Justice; Report of the evaluation mission	Commitment to implement new tools and methods
Outputs	2.1 Increased level of independence of justice system and further implementation of anti-corruption measures	1. Global Competitiveness Report Indicator on Judicial Independence	1. 101 (2016-2017)	1. Improved ranking	2. Global Competitiveness Report	Reforms are implemented
Outputs	2.2. Increased quality of judgements and efficiency of court proceedings	1. Number of default judgements; 2. Number of written procedures (and necessary legislation); 3. Number of claims sent electronically; 4. Clearance rate, case disposition time and number of pending cases;	1. (0) 2. (0) and lack of legislation 3. 0 4. Statistic currently not available	1. Scope for application of default judgements is defined and for defined cases all judgments are based on default ones. 2. Scope of cases for written procedure is defined and for defined cases written procedure is used. 3. At least 33% annually 4. Backlog has decreased by 20% compared to the baseline by the end of the project (last six months compared to initial six months)	Report of the evaluation mission; Official statistics and reports by the MoJ and Judicial department on the performance of courts; Reports by the EU and other international donor organisations.	Commitment by the judiciary to implement tools and methods to expedite court proceedings
Outputs	2.3. Improved governance of judiciary through better budgeting, management practices, and institutional set up	1. Quality of the judicial processes Index;	1.11.5 (out of 18) in 2017	1. Improved score	1. The World Bank Doing Business Index	Political willingness
Outputs	2.4. Enhanced transparency and efficiency of justice system, including judicial proceedings via provision of better quality public services and further development of e-Government and e-Justice tools	1. Decisions of judicial self-governing bodies are fully published 2. E-classification system with statistical deviation recognition capacity is established	1. The acts are published only partially without search or classification opportunity; 2. The system currently does not exist.	1. All the acts are published with search possibility and classification; 2. The e-classification system is in place and its compulsory usage is ensured by legislation.	Report of the evaluation mission.	The Judiciary, the Ministry of Justice and civil society are cooperative

As