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28 May 2018

NOTICE
DPRC-N(2019)0034 (INV)

DEPUTIES COMMITTEE
ARMENIA
INDIVIDUAL PARTNERSHIP ACTION PLAN
2019 ASSESSMENT

Note by the Acting Chairman

1. Please find attached the 2019 assessment of Armenia's participation in the Individual Partnership Action Plan (IPAP), which was agreed by the PCSC on 27th May 2019.
2. This document will now be released to Armenia and will serve as the basis for an exchange of views with Armenia at a meeting of the DPRC meeting on 6th June 2019 at 2.30 p.m.

(Signed) James APPATHURAI

1 Annex

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-1-



**ARMENIA INDIVIDUAL PARTNERSHIP ACTION PLAN
2019 ASSESSMENT**

EXECUTIVE SUMMARY

1. This document assesses the progress achieved by Armenia in the implementation of the objectives of the fifth and current NATO-Armenia IPAP for 2017-2019 (PO(2017)0156) agreed on 7 April 2017. Armenia joined the Partnership for Peace (PfP) in 1994 and has participated in the PfP Planning and Review Process (PARP) since 2002. Armenia adopted new Partnership Goals with NATO in June 2018 in the framework of the PARP Ministerial Guidance 2015. 27 new partnership goals for a 2024 target were agreed on 12 June 2018.

2. Over the past year, Armenia and NATO have maintained a good level of political and military dialogue including with high-level visits in Brussels and Yerevan. In particular, meetings were held between the Deputy Secretary General and Foreign Minister Mnatsakanyan and Defence Minister Tonoyan in December and June 2018 respectively, and Prime Minister Pashinyan participated in the Resolute Support Mission Brussels Summit Meeting in July 2018. Additionally, the Secretary General's Special Representative for the South Caucasus and Central Asia James Appathurai visited Yerevan during the NATO Week in March 2019.

3. Armenia actively participates in several NATO programmes and activities, including the PARP, Operational Capabilities and Concepts (OCC), the Defence Education Enhancement Programme (DEEP), the Building Integrity Programme (BI), and has indicated its readiness to participate, and possibly host, NATO exercises open to partners. Over the past year, Armenia participated in 55 events within the Partnership Cooperation Menu, including in areas like Operational Planning, Exercise Planning, NATO familiarisation, Non-Commissioned Officer (NCO) training, C3, and OCC Evaluators' training. Armenia also actively participated in the NATO-planned civil emergency exercise "SRBIJA 2018" in Serbia in 2018. The National Assembly of Armenia approved a National Action Plan on the implementation of UNSCR 1325 and WPS on 28 February 2019.

4. Armenia is an active and steady contributor to NATO-led operations. It has been contributing forces to KFOR since 2004, and, since June 2017, it has sent 41 personnel. Currently, Armenia contributes 121 personnel in Afghanistan for the Resolute Support Mission's Train, Advise (RSM) and Assist Command North at Camp Marmal, and at Camp Qasaba as part of a bilateral agreement between Germany and Armenia.

5. Armenia continues to participate in negotiations mediated by the Co-Chairs of the OSCE Minsk Group, Russia, France, and the United States, in order to achieve a negotiated settlement of the Nagorno-Karabakh conflict. Allies welcome the dialogue between Armenia and Azerbaijan, most notably meetings between Prime Minister Pashinyan and President Aliyev, including the 29 March 2019 meeting under the auspices of the Co-Chairs of the OSCE Minsk Group.

6. Armenia completed its transition from a semi-presidential to a parliamentary system in 2018, following the constitutional changes adopted by referendum in 2015. A

peaceful protest movement took place in Armenia in spring 2018, and led to the resignation of the newly elected Prime Minister Serzh Sargsyan (formerly President), and the election of a new Prime Minister, Nikol Pashinyan. By the end of the movement, the country had completed a complex legislative process, which culminated in the conduct of early parliamentary elections on 9 December 2018. Nikol Pashinyan, whose popularity was illustrated by a landslide victory, formed a new government by the end of January 2019. Priorities for the new government include the fight against corruption, redressing a stagnant economy, addressing high emigration and a risk of depopulation, and the ongoing Nagorno-Karabakh conflict.

7. Since the implementation of constitutional changes completed in April 2018, the National Assembly has a much greater role in formulating the country's foreign policy and in its oversight of defence and security institutions. The Prime Minister, rather than the President, is now the Commander-in-Chief during wartime. An Armed Forces Development Plan 2019-2024, and State Program of Armaments and Military Equipment 2019-2024 were adopted in February 2018 to carry out a modernisation of the Armenian Armed Forces. The National Security Strategy of Armenia is currently being considered for review, but a specific timeline for this work has not yet been established.

8. The Armenian Armed Forces consist of the land forces, which include five army corps, and the air aviation and air defence forces. The military personnel strength of the armed forces was 39,011 in January 2019, including 20,047 professional soldiers and 18,964 conscripts, supported by 3,830 civilians. This represents a reduction of approximately 600 personnel since the 2017 PARP Assessment. The percentage of women in the Armenian Armed Forces is currently 12% of professional military personnel.

9. Armenia's defence budget is determined on an annual basis, with an additional financial forecast for the following three years. Defence expenditure in 2018 was AMD 227,751.03 million (US\$ 472.3 million). This amounts to 3.71% of the annual GDP, and an annual increase in real terms of 2.4% over 2017. Major equipment expenditure in 2018 was AMD 37,961.30 million (US\$ 78.7 million), which amounts to 16.7% of defence spending. For 2019, planned defence expenditure is AMD 257,748.73 million (estimated US\$ 513.0 million), which is estimated to represent an increase in real terms of 9% over 2018.

10. The Ministry of Defence completed the NATO Building Integrity Self-Assessment in March 2019. In parallel, the participation of representatives of the Armenian defence sector in capacity building activities continues, including efforts to embed the BI Discipline in existing educational programmes. Concurrently, Armenia continues to use the Defence Education Enhancement Programme (DEEP) for current reform efforts, focused on developing curricula and training for junior officers and NCOs. The First NATO Trust Fund in Armenia was launched in March 2018 with Germany as the Lead Nation.

11. In 2018, due to a fast moving political environment, a limited number of public diplomacy activities took place. However, a substantial NATO Week was eventually conducted in March 2019. The NATO Week included debates on NATO-Armenia partnership, round table discussions, a workshop on the implementation of UNSCR 1325 policies, and a Building Integrity (BI) key Leaders Engagement Day.

NATO RESTRICTED

Releasable to Armenia and North Macedonia

ANNEX 1

DPRC-N(2019)0034 (INV)

12. Armenia completed a multi-year project supported by the NATO Science for Peace and Security (SPS) Programme in 2018. The programme focused on the development of technology for low-cost fieldable sensors against chemical, biological, radiological and nuclear (CBRN) threats.

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INTRODUCTION

13. Armenia agreed its first Individual Partnership Action Plan (IPAP) with NATO in May 2005. The two sides updated the IPAP in 2009, 2011, 2014 and 2017. This assessment is based on the fifth and current NATO-Armenia IPAP for 2017-2019 (PO(2017)0156) agreed on 7 April 2017.

14. The assessment was developed on the basis of discussions held by an International Staff (IS) team from 27-29 March 2019, as well as on the Partnership for Peace Planning and Review Process (PARP) 2018 Partnership Goals (EAPC(C)D(2018)0001-REV1) agreed in June 2018 and on the 2018 Armenia PARP Assessment agreed in May 2019.

15. Armenia is an active Partner of the Alliance. Armenia joined the Partnership for Peace (PfP) in 1994 and has participated in the PARP since 2002. Armenia's participation within the Partnership Cooperation Menu has been steady, with 55 events each year over the past three years. These events included Mobile Training Teams, Expert Team Visits, as well as participation in courses and workshops at different NATO schools and bodies. The events covered, *inter alia*, Defence Planning, Exercise Planning, Information Security, CIMIC, Language Courses, Logistics, as well as OCC Evaluators' training.

16. Armenia is an active and steady contributor to NATO-led operations. It has been contributing forces to KFOR since 2004, and, since June 2017, it has sent 41 personnel (integrated in and supported by the US contingent/ Multinational Battlegroup East). For the first time, 4 women were included in the last rotation. Armenia has also contributed troops to NATO's presence in Afghanistan since early 2010. Armenia is the 16th largest troop-contributing nation to RSM and the 4th largest among non-NATO nations. Currently, Armenia contributes 121 personnel. Of these, 65 are deployed as part of the Resolute Support Mission's Train, Advise and Assist Command North at Camp Marmal. A further 56 are deployed at Camp Qasaba as part of a bilateral agreement between Germany and Armenia. One woman is also currently part of the Armenian RSM contingent.

17. Armenia also provides 32 personnel and 1 military observer to UNIFIL (Lebanon) and 1 staff officer to MINUSMA (Mali). Following discussion with NATO staff on a possible contribution to the NATO Iraq Mission (for instructors on maintenance of Soviet-era armoured vehicles), Defence Minister Tonoyan requested further information on the nature of the contribution. There is also an ongoing discussion with the European Union on a possible Armenian contribution to an EU operation in Africa.

18. On 8 February 2019, the Armenian MOD announced that a group of 83 persons consisting of humanitarian deminers and doctors had arrived in Aleppo, Syria, to provide humanitarian support to the ethnic Armenian community. The mission benefitted from Russian airlift support.

CHAPTER 1: POLITICAL AND SECURITY ISSUES

Cooperation with European and Euro-Atlantic Structures and Institutions, and Relations with Neighbours

19. Armenia has maintained a good level of political dialogue with NATO over the past year. NATO Deputy Secretary General Rose Gottemoeller met with Defence Minister Davit Tonoyan in June 2018 and with Foreign Minister Mnatsakanyan in December 2018 in the margins of RSM meetings. Prime Minister Pashinyan attended the RSM meeting during the Brussels Summit in July 2018. The NATO Secretary General's Special Representative for the South Caucasus and Central Asia James Appathurai and Special Representative for Women Peace and Security Claire Hutchinson visited Armenia in March 2019 during the NATO Week. The Chief of General Staff of the Armenian Armed Forces, Lt Gen Hakobyan, and his Deputy, took part in meetings of the Military Committee in Chiefs of Staff session in RSM format in 2018. Armenia also maintains close contact with the NATO Liaison Office for the South Caucasus.

20. Relations between Armenia and the European Union are intensifying. Armenia sees deeper cooperation with the EU as a means to make Armenia more attractive to foreign investors and as an engine for its domestic reform agenda. Armenia signed a new Comprehensive and Enhanced Partnership Agreement (CEPA) with the European Union on 24 November 2017 and the Armenian National Assembly ratified it on 11 April 2018. Armenia is developing a roadmap on CEPA implementation, expected to be approved at the European Council in June 2019. Approximately 80% of the provisions in the CEPA Agreement directly dependent on Armenian efforts are already fully applied. The remaining 20% depend on ratifications by EU Member States of the CEPA and, so far, only 10 Member States have ratified the Agreement. The Agreement includes the creation of an EU-Armenia civil society platform to monitor implementation of the CEPA, it increases cooperation on fighting crime and terrorism, provides for further 'harmonization' in environmental standards, and health and safety of consumers, and enhances connectivity and investment opportunities for both sides.

21. Negotiations on a visa liberalisation agreement have started under the CEPA framework. Groundwork - such as creating the conditions for well-managed and secure mobility, was laid during 2018, which allowed the negotiations to start in January 2019. Negotiations, however, are moving slowly and Armenia is now engaging with each EU Member State bilaterally to move the process forward.

22. EU financial assistance to Armenia for 2018-2022 will amount to around EUR 160 million and focus on economic development, innovation, rule of law, business environment, electoral assistance, and connectivity.

23. The High Representative of the Union for Foreign Affairs and Security Policy and Vice President of the Commission Federica Mogherini declared in July 2018 that the EU was ready to use Europe's External Investment Plan to incentivise private investment in strategic sectors of the Armenian economy. The EU has also continued the European Partnership Programme for the peaceful settlement of the conflict over Nagorno-Karabakh

NATO RESTRICTED
Releasable to Armenia and North Macedonia

ANNEX 1
DPRC-N(2019)0034 (INV)

(EPNK) until April 2019. The total budget for this third and last phase of the programme (2016-2019) was 4,732,120 EUR.

24. Armenia continues to participate in negotiations mediated by the Co-Chairs of the OSCE Minsk Group, Russia, France, and the United States, in order to achieve a negotiated settlement of the Nagorno-Karabakh conflict. Armenia has also committed in its IPAP to discuss with NATO the peaceful settlement of the conflict, while taking into account the mediating role of the OSCE Minsk Group Co-Chairs in ongoing negotiations. Allies welcome the dialogue between Armenia and Azerbaijan, most notably meetings between Prime Minister Pashinyan and President Aliyev, including the 29 March 2019 meeting under the auspices of the Co-Chairs of the OSCE Minsk Group.

25. Russia is Armenia's main security and economic partner, but economic ties with the West continue to grow. The two countries maintain close political relations. Armenia is a member of the Eurasian Economic Union (EAEU)¹ and of the Collective Security Treaty Organization (CSTO). Since taking office in May 2018, Prime Minister Pashinyan has sought to reassure Russia of the domestic nature of the "revolution" and Armenia's determination to remain committed to its geopolitical obligations. Armenia maintains a combined joint group of forces and a regional combined air defence system with the Russian Federation. The forces can be operationally activated during wartime, or in case of a direct threat to both parties, and cannot be used for third purposes. The commander of the joint group of forces is stationed in Armenia, and appointed by Armenia with the consent of Russia. The joint group of forces does not have any troops permanently assigned. A detachment of the Russian Air Force is permanently stationed in Armenia, and maintains air policing of Armenian airspace jointly with Armenian air defence forces. In addition, Armenia also maintains an undisclosed number of surface-to-surface missiles. Armenia also received a loan from Russia of USD 200 million for weapons purchase in the period of 2015-2017, and has been granted an additional loan of USD 100 million for 2018-2022. Approximately 4500 Russian border guards control Armenia's international borders with Turkey and Iran.

26. Armenia continues to develop its bilateral partnerships with a number of individual CIS countries, the EU and its Member States, individual Allies, as well as other states. It also pursues cooperation in the framework of the UN and the OSCE.

27. Armenia continues to maintain good relations with Georgia and there is currently a positive dynamic between the two countries. Georgian President Zurabishvili visited Armenia and met with Armenian President Sarkissian in March 2019. This was followed by two meetings between the Prime Ministers of both countries in which they emphasised the importance of bilateral relations and the relevance of holding frequent informal and formal meetings. The focus is currently on strengthening economic, political, and judicial cooperation. A bilateral Parliamentary Committee on Economic Issues met in spring 2019 after a break of several years. Armenia was also engaged in the large-scale joint Georgian Armed Forces–US Army Europe Noble Partner 2018 military exercise in Georgia in August

¹ Since 1 January 2019, Armenia holds the chairmanship of the bodies of the Eurasian Economic Union: the Supreme Eurasian Economic Council, the Eurasian Intergovernmental Council, and the Council of the Eurasian Economic Commission.

2018. Armenian parliamentarians have also participated in a workshop in Tbilisi in February 2019 dedicated to Justice Reform. Little progress, however, has been made over the past years towards an agreement on border delimitation.

28. The current NATO-Armenia IPAP restates that “Armenia remains determined to normalise relations with Turkey without preconditions.” However, relations with Turkey remain unchanged. In February 2018, President Sargsyan formally withdrew Armenia from the 2009 “Protocol on the Establishment of Diplomatic Relations” and the “Protocol on the Development of Relations” with Turkey. Prime Minister Pashinyan has reiterated this position.

29. Armenia traditionally maintains good relations with Iran. Prime Minister Pashinyan visited Tehran in February 2019. During the visit, he and President Rouhani signed two economic cooperation agreements. Prime Minister Pashinyan also suggested that Armenia become a transit country for Iranian gas. Trade between Iran and Armenia hit 364 million in 2018, a record high since Armenia’s independence. Iran’s exports to Armenia accounted for 269 million of the total sum. An interim Agreement enabling the formation of a free trade area between the Eurasian Economic Union (EAEU) and the Islamic Republic of Iran was signed in May 2018 during the Astana Economic Forum. The return of possible sanctions on trade with Iran would be a serious impediment to the further deepening of economic relations between the two countries.

Democracy, Judicial Reforms, Fight against Corruption, Rule of Law and Human Rights

Democratic Reforms

30. Armenia has successfully completed its transition from a semi-presidential to a parliamentary system following the constitutional changes adopted by referendum in 2015. In the current institutional set-up, the Prime Minister is responsible for domestic, foreign and security policy, and heads the Security Council (formerly the National Security Council), the National Security Service, the State Protection Service and the Police.

31. On 2 March 2018, the National Assembly elected Armen Sarkissian President, after the end of President Serzh Sargsyan’s second presidential term.

32. A peaceful protest movement took place in Armenia in spring 2018, and led to the resignation of the newly elected Prime Minister Serzh Sargsyan (formerly President), and the election of a new Prime Minister Nikol Pashinyan. By the end of the movement, the country had completed a complex legislative process, which culminated in the conduct of early parliamentary elections on 9 December 2018.

33. The OSCE ODIHR Statement of Preliminary Findings concluded that the elections were “held with respect for fundamental freedoms and enjoyed broad public trust that needs to be preserved through further electoral reforms. Open political debate, including in the media, contributed to a vibrant campaign, although cases of inflammatory rhetoric online were of concern. The general absence of electoral malfeasance, including of vote-buying and pressure on voters, allowed for genuine competition.” This assessment shows

progress achieved when contrasted with the April 2017 Election Observation Mission's final report which stated that "despite welcomed reforms of the legal framework and the introduction of new technologies to reduce the incidents of electoral irregularities, the elections were tainted by credible information about vote-buying, and pressure on civil servants and employees of private companies."

34. Nikol Pashinyan, whose popularity was illustrated by a landslide victory, formed a new government by the end of January 2019. Priorities for the new government include the fight against corruption, redressing a stagnant economy, addressing high emigration and a risk of depopulation, and the ongoing Nagorno Karabakh conflict. The National Assembly approved the Government's programme in mid-February 2019. Opposition and civil society experts have argued that the programme is too vague and lacks concrete actions. Nonetheless, the democratic nature of the electoral process has granted renewed legitimacy to the Armenian leadership, and increased support in the Government. Going forward, legislative work in the National Assembly is expected to be more dynamic and conclusive. Moreover, consultations with external experts, including civil society, is clearly encouraged. Several ministries are now actively using an e-platform (www.e-draft.am), previously set up by the European Union in 2017, to consult widely during the development of draft legislation.

Judicial Reforms

35. Over the past 18 months, the accountability of judges and independence and transparency of the judiciary remained an issue according to past GRECO reports; however, recent progress towards reforming the judiciary has taken place. A Draft 2019-2024 Strategy for Judicial and Legal Reforms and Action Plan deriving from it will act as a comprehensive programme ensuring the continuity of the judicial and legal reforms. The Strategy and Plan have so far focused on continuous professional development and training programmes for judges and officers of the court.

36. The Council of Europe concluded a project named "Support to the implementation of the judicial reform in Armenia" in December 2018. The achievements of the project include improved accountability of judges and functioning of the judicial self-governing bodies, improved application of the arbitration, and enhanced knowledge of court users of their rights and obligations. Following completion of this project, the Council of Europe launched a follow-up project in January 2019.

37. During a speech held in Yerevan on 10 April 2018, Prime Minister Pashinyan reaffirmed that the Armenian government had abandoned the alleged policy of imposing orders or interfering in the work of the Judiciary.

Fighting Corruption

38. Fighting corruption is one of the key priorities of the new government. Prime Minister Pashinyan launched a series of investigations to prosecute systemic government corruption. The investigations of the National Security Service, State Revenue Committee and State Investigative Service were primarily directed against selected former officials and their relatives. The new government also pledged to crack down on tax evasion. As a

result, state revenues increased by 14 percent in 2018. A report issued by Armenia's Prosecutor General's Office says the number of investigations of corruption launched by law enforcement agencies in the country during the first half of 2018 (786 cases) is more than double the number launched in the first half of 2017 (380 cases). Armenia enhanced its cooperation with the local chapter of Transparency International (TI) and scored 35 (best score is 100) and ranked 105th out of 180 (best place is 1) in the Corruption Perception Index 2018.

39. A new Anti-Corruption Strategy and Action Plan for 2019-2022 was developed in December 2018, and subsequently uploaded onto "www.e-draft.am" for consultation. The government received over 150 suggestions from over 50 NGOs and is currently working on a final revision, which will also incorporate comments received from the Council of Europe and Transparency International (TI). The feedback from Transparency International claimed the government did not offer enough time for consultation and that the Strategy lacked a clear goal. TI encouraged more issues to be included in the document, such as performance indicators, and procedures for monitoring the implementation of the Action Plan.

40. In its First Compliance Report on Armenia, GRECO concluded that Armenia has implemented satisfactorily, or dealt with in a satisfactory manner, five out of the eighteen recommendations contained in the Fourth Round Evaluation Report: "Preventing Corruption in Respect of Members of Parliament, Judges, and Prosecutors." The report notes that progress was achieved regarding transparency of the legislative process in parliament and that the constitution was amended after the publication of the report, in particular regarding the parliamentary and judicial systems. Armenia's Second Compliance Report is not yet published. GRECO's 5th Evaluation Round, which was launched in 2017, is titled "Prevention of Corruption and Promotion of Good Governance in Central Executive and Law Enforcement Agencies."

41. Finally, the government has also initiated a process that would allow for the state to expropriate property that was illegally privatised or obtained through corruption. The expropriation mechanism is to be used without a court ruling as part of Armenia's international obligations anchored in Armenia's relations with the UN and the European organisations.

42. In a very positive development, the Ministry of Defence completed its NATO Building Integrity (BI) Self-Assessment Questionnaire and submitted it to NATO during the 2019 NATO Week. This marks the revitalisation of the NATO BI Process within the Armenian Ministry of Defence. The assessment takes into account new legislative realities and recent reforms. A Key Leaders Engagement Day to promote BI as a vector for changes was held during the NATO week. The conference was a success, with the participation of top MoD leadership throughout the entire event.

43. In parallel, in July 2018, a joint BI/DEEP initiative was launched, aimed at assisting the four main national defence and military academies to embed BI Discipline into their

existing curricula.² This new strand of work, at operational and tactical levels, should further support reforms at the strategic level.

Rule of Law, Human Rights

44. As part of the Council of Europe 2015-2018 Action Plan for Armenia, a range of projects were completed in the areas of protection of human rights, ensuring justice, combating threats to the rule of law, and democratic governance. The Armenian authorities and the Council of Europe “positively assessed the results of the Action Plan and the Armenian authorities reiterated their commitment to continue close cooperation with the Organisation within the framework of a third Action Plan,” which started on 1 January 2019 and will run through to 31 December 2022. According to the Council of Europe report, the 3-year long Action Plans, if completed successfully, are expected to bring the Armenian judicial sector and governance closer to Western standards.

45. On 4 May 2017, Armenia adopted a 2017-2019 Action Plan on Human Rights. A Coordinating Council was established on 4 July 2017 to monitor the implementation of the Action Plan. A revision of the Action Plan is currently in progress. Following consultations with external experts, the Ministry of Justice has uploaded a draft Government Decision onto its “www.e-draft.am” platform for final consultation with the wider public.

46. The new government took steps to investigate and punish abuse, especially at high levels of government and law enforcement. On 3 July 2018, the Special Investigative Service (SIS) pressed charges against some former high-ranking officials in connection with their alleged roles in post-election clashes in 2008, when 8 civilians and 2 police officers were killed. Later in July 2018, both former President Kocharyan and former CSTO Secretary General Kachaturov were arrested on charges of overthrowing the constitutional order after the 2008 elections. The arrests illustrate the country’s effort to curb and crack down on cronyism and corruption at the highest levels.

47. Following the demands of civil society organisations for the improvement of the conditions of rights defenders, according to civil society, the government seems to have taken steps to limit the surveillance (tapping of phones and surveying of communications) and reduce scrutiny of civil rights defenders.

Media Freedom

48. Armenia enjoys a diverse media landscape and a broadly tolerant climate for a wide range of opinions. However, planned amendments to the country’s Freedom of Information Law had in the past raised concerns at the OSCE, in particular over access to information. The Ministry of Justice is currently seeking consultation from different local and international actors (including the OSCE) through its e-draft platform to improve the current draft law and better comply with international standards. As the Ministry gathers feedback from the OSCE and civil society, substantial changes to the Freedom of

² The Four Professional Military Education (PME) institutions in question are the National Defence Research University (NDRU), V. Sargsyan Military University (VSMU), the Marshal Armenak Khanperiyants Military Aviation University (MAKMAU) and the NCO School.

Information Law initial draft are expected. There is, however, no timeline identified for the completion of this work. In October 2018, the OSCE Representative on Freedom of the Media met with Prime Minister Pashinyan and welcomed his commitment to strengthen the freedom of the media. Armenia ranks 61st (best is 0) in the World Press Freedom 2019 Index of Reporters without Borders. As compared to last year, Armenia has improved the position by 19 points, when it ranked 80th.

Democratic Oversight of the Defence and Security Sector, Military Justice, and Human Rights in the Armed Forces.

49. Since the implementation of constitutional changes beginning from April 2018, the National Assembly has a much greater role in formulating the country's foreign policy and in its oversight of defence and security institutions. A range of legal, structural, and procedural changes has taken place to facilitate the new and changed Government responsibilities. A comprehensive package of "Law on Defence" and related legislation has been developed and adopted by the National Assembly in April 2018, following the implementation of the constitutional changes that introduced a parliamentary form of government. The change of Government, however, resulted in no changes in major tenets of Armenian security policy and strategy, which is reflected in the new Government's overall Programme agreed in February 2019. The current National Security Strategy was approved by the former National Security Council, and establishes the challenges and priorities of Armenia's domestic and foreign policy. The new Government programme states that "the foreign policy of Armenia aims to protect the sovereignty of Armenia, to ensure the security of Armenia and Nagorno Karabakh, to develop mutually beneficial and equal relations with all states, and to increase Armenia's engagement in international and regional processes".

50. The National Assembly is currently working on its rules of procedures, including how it would institutionalise its relationship with the Ministry of Defence and other defence and security agencies. There are, for example, no written requirements in terms of the frequency of the reporting by the MOD to the National Assembly, which could be addressed in these new rules of procedure.

51. Nonetheless, during 2018, the National Assembly's Standing Committee on Defence and National Security has continued to work towards enhancing democratic and civilian oversight of the armed forces, for example by actively using its right to pose questions to the Ministry of Defence.

52. The 2018 draft budget deliberations took place, in line with past practice, during a joint meeting of the Defence Committee and the Finance-Loan and Budget Standing Committee. In 2018, defence expenditure was AMD 227,751.30 million (US\$ 472.3 million), representing 3.71% of GDP, and an increase in real terms of 2.4% over 2017. For 2019, planned defence expenditure is AMD 257,748.73 million (estimated US\$ 513.0 million), which is estimated to represent an increase in real terms of 9% over 2018. Armenia received a loan from Russia of US\$ 200 million for weapons purchases conducted in the time period 2015-2017. It was also granted an additional loan of US\$ 100 million for the time period 2018-2022.

53. Over the past year, the Ministry of Defence continued its efforts to enhance transparency and the link between the armed forces and society by engaging with media, civil society (including through a Public Council, which acts as an advisory body to the Minister of Defence), NGOs, experts, think tanks, and directly with citizens. All the aspects of the defence reforms were covered and broadcast.

54. The Ministry of Defence and National Assembly also conducted a series of meetings with civil servants, especially in the framework of the legislative reforms. As part of a 2018-2022 5-year Action Plan, the National Assembly is working with the Geneva Centre for the Democratic Control of Armed Forces (DCAF) to promote measures aimed at capacity building for committee members and the secretariat. Five new Armenian parliamentarians will participate in the NATO Parliamentary Assembly training on NATO issues to be held in June 2019.

55. The office of Arman Tatoyan, the Human Rights Defender (Ombudsman), continues to play an active role and pays detailed attention to cases related to military conscripts and other military personnel. He has provided inputs to Armenia's 2017-2019 Human Rights Action Plan and will be monitoring its implementation, including with the participation of civil society. An annual report to the National Assembly is foreseen. During 2018, with the UK Government's support, a number of capacity building activities were organised in the framework of the project "Strengthening the Application of European Human Rights Standards in the Armed Forces in Armenia" of the Council of Europe. Special trainings, conferences, events, and seminars were conducted with the aim of developing and strengthening the mandate of the Ombudsman. In addition, the Human Rights Defender continued to cooperate with the UNHCR, the Council of Europe, and the European Union more broadly. The cooperation between the Human Rights Defender's Office and the Constitutional Court is achieved through the Defender's Permanent Representative to the Constitutional Court.

56. The "Nation Army" concept put forth by former Defence Minister Sargsyan in 2017 is no longer pursued. The adoption of the concept had triggered a large debate in Armenian society, with several civil society organisations criticising what they perceived as a militarisation of the state and society. Some of the ideas developed in the concept remain in place, such as the creation of an insurance fund for wounded personnel.

Women, Peace, and Security

57. Armenia has enhanced its engagement on Women, Peace, and Security (WPS) and UNSCR 1325. A National Action Plan on the implementation of UNSCR 1325 was approved by the National Assembly on 28 February 2019. According to civil society experts, however, the Action Plan lacks budgetary allocation as well as a monitoring mechanism. To date, 18% of seats in Parliament are held by women instead of 10% in the previous parliament. This increase is due to a minimum quota for female representation on party lists (25%) that was introduced. The same set of amendments to the electoral code projects the existing quota to rise to 30% for any national elections held after 1 January 2021. The percentage of women in the Armenian Armed Forces is currently 12% of professional military personnel. The implementation of UNSCR 1325 and the promotion of

women in the armed forces remains a priority for Armenia. During NATO Week 2019, Armenia organised a conference on WPS.

58. Following the adoption in 2017 of a Law Against Domestic Violence, Armenia adopted an action plan on Gender Equality and on Combating Gender Based violence. Armenia signed the Istanbul Convention on Preventing and Combatting Violence against Women and Domestic Violence on 19 January 2018.

Combatting Terrorism and Organised Crime

59. Armenia cooperates on combatting terrorism in the framework of the UN, the EU, the CIS Anti-terrorism Centre within the framework of the CSTO, and through bilateral agreements. In the past year, Armenia participated in a number of exercises within the CIS and the CSTO. Armenia introduced its National Strategy on the Fight against Terrorism in 2012, and developed an updated 2018-2023 version, which is pending the Government's approval.

60. Armenia continues to be engaged in international meetings and workshops to counter the proliferation of WMD and their means of delivery. A governmental interagency working group was established for the implementation of the provisions of UNSCR 1540 and the 2015-2020 National Action Plan. The Action Plan aims to provide a comprehensive update to Armenia's laws, regulations, policies, initiatives and effective practices. Armenia currently participates in preparatory meetings of the NPT 2020 Review Conference.

61. In May 2016, the Council of Europe MONEYVAL Committee published the Fifth Round of Mutual Evaluation Report of Anti-Money Laundering and Counter-Terrorist Financing Measures of Armenia adopted in December 2015. The Report concluded that Armenia is fully or largely compliant with 35 out of 40 recommendations. A MONEYVAL follow-up report was published in July 2018 and gave Armenia re-ratings where sufficient progress had been made and where technical compliance deficiencies were addressed. MONEYVAL re-rated Armenia on recommendations 1 (assessing risk) and 7 (targeted financial sanctions related to proliferations). These recommendations are now re-rated as "largely compliant." Recommendation 8 (non-profit organisations) has been re-rated as "compliant."

62. Following the MONEYVAL report, a relevant strategy and action plan were drawn up to prepare legislative and institutional reforms, as well as to study international best practices. The priorities of the strategy and action plan lie in capacity building, law enforcement authority to investigate, and reporting entities. The strategy and action plan are posted on the e-platform (www.e-draft.am) for consultation and feedback. The review process is ongoing.

63. Armenia has completed the implementation of its 2012-2014 National Programme to Combat Organized Crime and related Action Plan and the relevant agencies have submitted reports to the Security Council. There have not been any updates so far.

Cyber Defence

64. A key priority for Armenia in the area of cyber defence is to operationalise its Concept on Ensuring Information Security and Information Policy. To this end, an inter-governmental working group was established to develop a Strategy and a National Action Plan. A first draft was developed in March 2018 which was then discussed with NGOs and experts through the e-draft platform. The final draft is now awaiting the Government's approval. The organisation of cyber defence is also a priority in the Armed Forces Development Plan 2019-2024. Cyber security specialists are trained through participation in international seminars and conferences. A cross-agency Cyber Defence Concept has been developed for the defence of both Government and critical civilian capabilities. The MOD already has a cyber defence capability in place, and continues to develop this capability with the support of NATO, Germany, Lithuania, the United States, and others.

65. Since the adoption of the 2015 Law on Personal Data Protection, Armenia covers all basic requirements of the Council of Europe Convention on Protection of Individuals with regard to Automatic Processing of Personal Data. Armenia has already approved a directive in 2017 to foster information security and address a large spectrum of both information and cyber security-related threats and challenges.

Economic Development

66. Armenia's economy rebounded from the 2015-2016 regional slowdown, resulting in positive GDP growth since 2016. The growth is driven in part by the recovery of consumption, lifted by the recovery of remittances from Russia. Following an initial burst in early 2018, Armenia's growth slowed in the rest of the year, mostly due to weakening of external conditions, lower-than-planned execution of public capital expenditures, production difficulties, and a weak agricultural harvest. The government expects 4.9% growth in 2019. The IMF claimed it projected smaller contributions to growth from final consumption amid weaker remittances this year, although it might be compensated for by higher investments. A sustained rebound in 2019 is unlikely, given high financing costs, a challenging business environment, and geopolitical risks.

67. The Government's programme aims to boost economic growth via structural reforms, export promotion, and greater foreign investments. The policies reaffirm the government's pledge to carry out an "economic revolution" that would boost living standards. The government programme targets 5% annual real GDP growth in 2019-2023. It views rising exports as the main driver of growth. The programme also stresses the importance of creating more attractive conditions for foreign direct investment.

68. The elimination of Eurasian Economic Union (EAEU) tariffs since January 2018 was expected to increase inflation with the devaluation of the rouble. In fact, Armenia's annual inflation rate rose to 1.9% in February 2019, the highest rate in 4 months, as prices rose faster for food and non-alcoholic beverages and miscellaneous goods and services. On the other hand, prices for housing and utilities were flat. The CEPA agreement with the EU signed in November 2017 is expected to attract investment and boost exports as a result of the harmonisation of production and regulatory standards.

69. Prime Minister Pashinyan identified priorities for Armenia's current chairmanship of the EAEU. The priorities are the energy industry and the need for common markets for oil, oil products, and gas; the development and diversification of the Eurasian transport infrastructure; the consolidation of the efforts of the IT communities of member states; and the development and strengthening of relationships between the EAEU and third countries.

70. In January 2018, a new tax code and the Treaty on the Customs Code of the EAEU came into effect, which introduced progressive scales of taxation and new taxes on fuel, tobacco, and alcohol. The new tax code should lead to an improvement of revenue collection and the creation of a favourable business environment.

71. In the 2019 World Bank Ease of Doing Business Report, Armenia ranks 41/190 (best place is 1) with a score of 75.37% (best score is 100). The report noted recent reforms helped trigger improvements in the following areas: starting a business, getting electricity, protecting minority investors, paying taxes, and enforcing contracts.

72. Armenia's energy sector is expected to be boosted by the entry in force of the EAEU Common Energy Market in 2019. As the only country in the region with a nuclear power plant, Armenia continues to sell electricity to Iran and Georgia, and further high voltage electricity transmission lines are in the process of being completed by 2019 with both countries. Armenia gets 40% of its energy needs from the nuclear plant Metsamor, for which the government decided in 2014 to extend the service life up to 2026.

73. Yerevan is also turning towards green and more sustainable energy production and usage. The European Bank for Reconstruction and Development (EBRD) is currently considering extending a EUR 2.5 million loan to Electric Networks of Armenia to support power efficiency and renewable energy investments in the country. Armenia is also working with the European Investment Bank to fund the construction of electric substations.

74. The Government approved the construction of a power plant in Gegharkunik region in 2018. Construction of five additional solar energy plants is also planned.

CHAPTER 2 – DEFENSE, SECURITY, AND MILITARY ISSUES

75. As a result of the constitutional changes, a new Law on Defence came into effect in April 2018. The law establishes that the Prime Minister, rather than the President, as the Commander-in-Chief during wartime. According to the law, participation of units of the Armenian Armed Forces in peacekeeping or military operations outside of national territory is decided by the Government of Armenia, based on international treaties. The law also institutionalises, for the first time, a national defence planning process.

76. A new law on the Security Council was approved in 2018. According to the constitutional amendments and the new law, the Security Council has the executive authority to develop defence policy objectives and targets, including commissioning a Strategic Defence Review (SDR). It also has an advisory role to the Prime Minister in any other issue of importance to national security. The members of the new Security Council

are the Prime Minister, the Deputy Prime Ministers, the Ministers of Foreign Affairs and Defence, the heads of the National Police, the National Security Service, the Chief of the General Staff and the Council Secretary. Parliamentary control of the armed forces is exercised through the passage of all legislation relevant to the armed forces, as well as the annual defence budget. The authority to declare war is with the National Assembly, or in exceptional circumstances, with the Government. The Prime Minister and the Government have the authority to declare mobilisation.

77. The current Military Doctrine of Armenia was adopted in 2007. The doctrine establishes the fundamental basis for the defence of Armenia. In light of the provisions in the new Law on Defence, and the guidance given in the Government programme, the NSS, the SDR and the mandated defence plans, it is currently under consideration whether there is a future need for a Military Doctrine.

78. The main elements of the defence planning process defined in the new Law on Defence are the Strategic Defence Review (SDR), and periodic Armed Forces Long-term Development programs. The law stipulates that the SDR should set the strategic goals and objectives for defence, based on a consideration of threats, available resources and opportunities.

79. The last update of the interagency SDR was completed in 2017. As indicated in the 2019 Government Programme, a new iteration of the SDR process will be started in 2019. Armenia intends to seek bilateral advisory support from a number of Allies in the conduct of the SDR. The SDR will be conducted partially in parallel to the development of the new NSS.

80. The Armed Forces Modernisation Programme for 2018-2024 was approved in February 2018, and later replaced by the Armed Forces Development Plan for 2019-2025. The development plan is supplemented by the State Program of Armaments and Military Equipment 2019-2024, which details the implementation of the equipment aspects of the development plan.

81. A new mid-term planning and programme-based budgeting system has been introduced from 2019. In addition to the defence budget approved by Parliament annually, the MOD is now also given a financial forecast for the following two years from the Ministry of Finance, for defence planning purposes.

82. The mobilisation and reserve system has been revised, introducing a new system of active reserves. There is, however, limited progress in the establishment of a clear mobilisation and training system for the reserves.

83. Armenia established a new State Committee on Military Industry in 2016, led by the Deputy Minister of Defence. The committee will promote national industry and support international cooperation.

Interoperability and Cooperation

84. Armenia continues to be a steady contributor to NATO-led operations as specified in paragraph 15.

85. Armenia continues to be prepared to contribute and sustain one motorised infantry peacekeeping battalion for NATO-led operations, training and exercises. In addition, Armenia is prepared to contribute and sustain a number of combat support and combat service support capabilities in support of the peacekeeping battalion, when required.

86. Armenia aims to expand its future contribution with a complete role 2 medical treatment facility (MTF), a military engineering explosive ordnance disposal (EOD)/counter-improvised explosive devices (C-IED) platoon, and a military police (MP) platoon, by the end of 2019. The new contributions will be made available primarily for UN operations, but as well for NATO, EU, or coalition operations.

87. The development of the Zar Peacekeeping Training Centre is progressing well, and has improved Armenia's ability to conduct pre-deployment training nationally.

88. Armenia conducts regular evaluation and certification of the forces and capabilities it has made available for NATO-led operations on a case-by-case basis, through the Operational Capabilities Concept (OCC) Evaluation and Feedback Programme. Armenia also provides a number of certified OCC evaluators, some of which have also supported other Partners in the evaluation and certification of their capabilities.

89. Armenia has participated in a number of exercises and training events, including pre-deployment training with its sponsor nations Germany and the United States, prior to rotations in Resolute Support Mission and the Kosovo Force. Joint Force Command Brunssum conducted a total of eight expert team and mobile training team visits to Armenia in 2017 and 2018. Four expert team visits are planned in 2019. In addition, Armenian representatives have participated in a number of education and training activities provided by the NATO Defence College, the NATO School, as well as various PfP training and education centres and NATO centres of excellence.

90. Armenia is cooperating with the United States Army Centre of Lessons Learned to establish and enhance lessons learned capabilities and capacity in its General Staff.

Education and Training

91. Armenia is using the Defence Education Enhancement Programme (DEEP) for reform efforts and focuses on developing curricula and training for junior officers and NCOs. In this light, DEEP supports the country's four Professional Military Education (PME) institutions, as referred to in para 42.

92. The professionalization of ARM NCO Corps has gained new momentum. DEEP organised faculty training at the NCO school in 2018 and an information visit of the ARM DChOD to the Lithuanian NCO Academy in February 2019. With support from the Ministry

of Defence of Armenia, DEEP will focus on the further development of the ARM NCO concept.

Trust Fund for the Destruction of Redundant and/or Obsolete Military Equipment and Ammunition

93. The First NATO Trust Fund in Armenia was launched in March 2018 with Germany as the Lead Nation. The Trust Fund provides funding for the destruction of military vehicles and the provision of mine awareness activities for the civilian population. The total cost is estimated at 1,421,500 euros over a period of 24 months. As part of the Trust Fund, Armenia reduced 21 armoured combat vehicles which were in excess of Armenia's maximum levels for holdings in this category of major weapon systems limited by the Treaty on Conventional Armed Forces in Europe (CFE). The Trust Fund thus assists Armenia in fulfilling its obligations under the CFE Treaty.

CHAPTER 3 – PUBLIC DIPLOMACY, CIVIL EMERGENCY PLANNING, SCIENCE FOR PEACE AND SECURITY

Public Diplomacy

94. Given the fast moving political environment in Armenia during 2018, opportunities to conduct public diplomacy activities in support of NATO-Armenian cooperation were limited. A NATO Week was eventually held in March 2019 in the presence of the Secretary General's Special Representative for the South Caucasus and Central Asia James Appathurai and the Special Representative for Women, Peace and Security Claire Hutchinson. Activities included press conferences, debates on NATO partnership, round table discussions, a workshop on the implementation of UNSCR 1325 policies, and a Building Integrity (BI) key Leaders Engagement Day. In the context of the PDD campaign on NATO's 70th anniversary, the Atlantic Council of Armenia is conducting a series of briefings in Armenian universities.

95. Work is ongoing with the German Contact Point Embassy to bring five key opinion formers to NATO HQ for briefings.

Civil Emergency Planning

96. Cooperation with NATO in the area of Civil Emergency Planning continues to be a priority for Armenia. An Armenian Search and Rescue (SAR) team participated in the EADRCC exercise in Serbia in October 2018 with 17 people in total: 1 directing staff, 1 On-site Operations Coordination Centre (OSOCC) officer, 1 evaluator, 5 CBRN experts, and 9 Urban Search and Rescue (USAR) officers. However, scope for further cooperation is limited given NATO's current focus on Allied national resilience efforts.

97. In 2017, the Armenian Ministry of Health has developed several projects focusing on healthcare/medical response, early detection, prevention of spreading of infectious diseases. A draft-order of the Minister of Health "On Approval of Target Program of Medical Interventions Related Disease Prevention and Control for the Years 2018-2022" was also developed.

Science for Peace and Security

98. Armenia has successfully completed a multi-year project supported by the NATO Science for Peace and Security (SPS) Programme in 2018, entitled “Solid State Gas Sensors against Security and Military Threats” (ref. G4597). This project focused on the development of technology for low-cost fieldable sensors against chemical, biological, radiological and nuclear (CBRN) threats. The availability of these low-cost sensors will allow greater protection of war fighters and disaster responders, reducing exposure to and casualties from toxic agents. The project was led by the Yerevan State University of Armenia together with its counterparts at the Institute of Chemical Technology in the Czech Republic.

99. In 2017, experts from the United Kingdom and Armenia organised the SPS Advanced Research Workshop “Biomarkers of Radiation in the Environment: Robust Tools for Risk Assessment” (G5255). The report was completed in 2018. The three-day event in 2017 brought together experts from the radiation, health and environmental protection and biomarker development sectors to discuss sampling methods for determining low dose exposure and to evaluate currently available and developing biomarker methods.

CHAPTER 4 – ADMINISTRATIVE ARRANGEMENTS AND PROTECTION OF CLASSIFIED INFORMATION

Administrative Arrangements

100. The Armenian government bodies continued to carry out wide-ranging interagency coordination and cooperation on IPAP implementation. The “IPAP Interagency Commission,” the principal body for information exchange and coordination on IPAP implementation, is co-chaired by the Ministries of Foreign Affairs and Defence. The Ministry of Foreign Affairs acts as the Secretariat of the Commission. The MFA as co-chair has taken the lead in developing IPAP objectives for the coming two years and developing self-assessments. However, no executive functions are vested in the IPAP Interagency Commission. Monitoring is done by a second inter-governmental commission under the Secretary of the Security Council, who reports to the President. The National Security Council receives quarterly reports from all agencies responsible for the implementation of specific IPAP activities.

101. Armenia does not budget any specific resources for IPAP priorities within the budgets of any of the Ministries concerned. Similarly, the Ministry of Defence does not have a specific budget for PfP participation, but includes these within the budget for overall military cooperation.

102. Armenia continued to ensure effective liaison with NATO at various levels, including through the NATO Liaison Officer for the South Caucasus and the NATO Liaison Office in Georgia.

Protection of Classified Information

103. Armenian compliance with the Armenia-NATO Security Agreement signed on 13 January 1995 is monitored by the NATO Office of Security (NOS). Security inspections conducted by NOS confirmed the commitment of Armenia to handle and protect released NATO classified information in accordance with the requirements laid down in NATO Security Policy and communicated to Armenia including through regular up-dates provided on CD ROM. The last survey was held in 2009. A security survey is being planned for 2019.