



ANNEX 1

of the Commission Implementing Decision on the Annual Action Plan 2019 of the Republic of Armenia

Action Document for CEPA Reform Facility

ANNUAL PROGRAMME

This document constitutes the annual work programme in the sense of Article 110(2) of the Financial Regulation and action programme/measure in the sense of Articles 2 and 3 of Regulation N° 236/2014.

1. Title/basic act/ CRIS number	CEPA Reform Facility CRIS number: ENI/2019/042-040 financed under the European Neighbourhood Instrument	
2. Zone benefiting from the action/location	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. Sustainable Development Goals (SDGs)	Main Sustainable Development Goals (SDGs): 17. Partnerships for the Goals Secondary SDGs: 5. Gender Equality 8. Decent Work and Economic Growth 16. Peace, Justice and Strong Institutions	
5. Sector of intervention/ thematic area	Sector (3) - Strengthening Institutions and Good Governance	DEV. Assistance: YES ¹
6. Amounts concerned	Total estimated cost: EUR 23 000 000 Total amount of European Union (EU) contribution EUR 23 000 000	

¹ Official Development Assistance is administered with the promotion of the economic development and welfare of developing countries as its main objective.

7. Aid modality(ies) and implementation modality(ies)	Project Modality Direct management through: - Grants (including Twinning) - Procurement Indirect management with the entrusted entity(ies) to be selected in accordance with the criteria set out in section 5.3.5																																												
8 a) DAC code(s)	150 – Government and Civil Society 15110 – Public Sector Policy and Administrative Management 15150 – Democratic participation and civil society																																												
b) Main Delivery Channel	12000 Recipient Government 13000 Third Country Government (Delegated co-operation) 40000 Multilateral Organisations 20000 Non-Governmental Organisations (NGOs) and Civil Society ²																																												
9. Markers (from CRIS DAC form)³	<table border="1"> <thead> <tr> <th>General policy objective</th><th>Not targeted</th><th>Significant objective</th><th>Principal objective</th></tr> </thead> <tbody> <tr> <td>Participation development/good governance</td><td><input type="checkbox"/></td><td><input type="checkbox"/></td><td>x</td></tr> <tr> <td>Aid to environment</td><td><input type="checkbox"/></td><td>x</td><td><input type="checkbox"/></td></tr> <tr> <td>Gender equality and Women's and Girl's Empowerment⁴</td><td><input type="checkbox"/></td><td>x</td><td><input type="checkbox"/></td></tr> <tr> <td>Trade Development</td><td><input type="checkbox"/></td><td>x</td><td><input type="checkbox"/></td></tr> <tr> <td>Reproductive, Maternal, New born and child health</td><td>x</td><td><input type="checkbox"/></td><td><input type="checkbox"/></td></tr> <tr> <th>RIO Convention markers</th><th>Not targeted</th><th>Significant objective</th><th>Principal objective</th></tr> <tr> <td>Biological diversity</td><td>x</td><td><input type="checkbox"/></td><td><input type="checkbox"/></td></tr> <tr> <td>Combat desertification</td><td>x</td><td><input type="checkbox"/></td><td><input type="checkbox"/></td></tr> <tr> <td>Climate change mitigation</td><td>x</td><td><input type="checkbox"/></td><td><input type="checkbox"/></td></tr> <tr> <td>Climate change adaptation</td><td>x</td><td><input type="checkbox"/></td><td><input type="checkbox"/></td></tr> </tbody> </table>	General policy objective	Not targeted	Significant objective	Principal objective	Participation development/good governance	<input type="checkbox"/>	<input type="checkbox"/>	x	Aid to environment	<input type="checkbox"/>	x	<input type="checkbox"/>	Gender equality and Women's and Girl's Empowerment ⁴	<input type="checkbox"/>	x	<input type="checkbox"/>	Trade Development	<input type="checkbox"/>	x	<input type="checkbox"/>	Reproductive, Maternal, New born and child health	x	<input type="checkbox"/>	<input type="checkbox"/>	RIO Convention markers	Not targeted	Significant objective	Principal 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"/>
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10. Global Public Goods and Challenges (GPGC) thematic flagships	N/A																																												

SUMMARY

² <http://www.oecd.org/dac/stats/annex2.htm>.

³ When a marker is flagged as significant/principal objective, the action description should reflect an explicit intent to address the particular theme in the definition of objectives, results, activities and/or indicators (or of the performance / disbursement criteria, in the case of budget support).

⁴ Please check the Minimum Recommended Criteria for the Gender Marker and the Handbook on the OECD-DAC Gender Equality Policy Marker. If gender equality is not targeted, please provide explanation in section 4.5.Mainstreaming.

The signing of the Comprehensive Enhanced Partnership Agreement (CEPA) in November 2017 between the European Union (EU) and Armenia marks an important milestone in EU-Armenia relations and provides a new roadmap for strengthened cooperation with mutual benefits and a new framework for governance reforms in Armenia. The CEPA Reform Facility is designed to support the implementation of the CEPA and to support reforms in Armenia to the benefit of all Armenian citizens. It will be an integral part of the overall EU development assistance to Armenia.

This will be achieved through strengthening the institutions and enhancing their capacity to implement CEPA related priority programmes. In particular, the programme foresees supporting the relevant quality infrastructure, providing strategic advice and guidance to the Government, and strengthening the institutional, technical and staff capacities of the relevant Government institutions through Twinning projects, EU High-Level Advisors, and Young Experts Scheme.

This programme also envisions actions to support inclusive policy-making, monitoring and awareness raising on the implementation of CEPA. The CEPA Civil Society Toolbox will provide support to the CEPA Civil Society Platform to launch a comprehensive baseline assessment and monitoring mechanism to track CEPA implementation. It will also support broader non-state actors and citizens to access information on sector reform roadmaps and detailed timelines for various components to facilitate a strong civil society participation and voice in shaping CEPA related reforms.

A Strategic Communication action will contribute towards increasing government capacities, broader public awareness, understanding and visibility of the CEPA implementation process, as well as increase the visibility, understanding and support for EU actions and EU-funded projects among Armenian citizens.

As a high visibility flagship project, EU House(s) will be established in Yerevan and/or Gyumri, which will serve as multi-purpose hub(s) serving the citizens of Armenia by establishing a direct link to the EU, its Member States and their activities, as well as by providing a venue for cultural events, debates, face-to-face meetings, training courses, etc.

The programme is fully in line with the objectives of Single Support Framework (SSF) for 2017-2020 and is part of wider EU – Armenia cooperation framework.

1 CONTEXT ANALYSIS

1.1 Context Description

Armenia is a landlocked country with a population of about 3 million. Based on OECD/DAC criteria, Armenia is classified as an upper middle-income country with projected GDP per capita 4,190 USD (2018)⁵.

In 2015 Armenia changed its Constitution, which modified presidential model of government into a parliamentary one, with the changes taking effect after the 2017-2018 electoral cycles. In the spring 2018 peaceful anti-government protests brought new political forces to power.

⁵ IMF: <https://www.imf.org/external/datamapper/NGDPDPC@WEO/OEMDC/ADVEC/WEOWORLD/ARM>

The new leadership aims to prepare a comprehensive reform agenda based on rule of law, fight against corruption, transparency and democracy.

The negotiations on new Comprehensive and Enhanced Partnership Agreement (CEPA) between Armenia and the EU were launched in 2015 and concluded on November 24, 2017. It was ratified by the National Assembly of Armenia with a unanimous vote on April 11, 2018 and by the European Parliament on July 4, 2018. The CEPA provisionally entered into force in June 2018.

1.2 Policy Framework (Global, EU)

The **Comprehensive and Enhanced Partnership Agreement** (CEPA) between Armenia and the EU provides a solid base for further enhancing the reform agenda in areas of mutual interest, in political, economic and sectorial fields.

The **CEPA Implementation Road Map**, presented during the Partnership Committee in June 2019, highlights the main reforms, sets out the timeline and identifies responsible institutions. This document will serve as the basis for identifying and planning the capacity building activities envisioned in this programme.

The **EU-Armenia Partnership Priorities** aim to facilitate the implementation of the cooperation between the partners, including in the context of the new agreement. The Partnership Priorities seek to strengthen the relationship between the EU and Armenia and pursue the promotion of universal values and stability, resilience, security and prosperity built on democracy, human rights, rule of law and sustainable economic growth and openness.

The **Single Support Framework (SSF) 2017 – 2020** based on Partnership Priorities, sets out four priority areas of support: (1) Economic Development and Market Opportunities, (2) Strengthening Institutions and Good Governance, (3) Connectivity, Energy Efficiency, Environment and Climate Change, and (4) Mobility and People-to-people Contacts. Whilst contributing to activities under each priority, the CEPA Reform Facility is particularly focused on strengthening institutions and good governance in Armenia.

The priority areas outlined in the SSF have been based on **EU Joint Analysis**, which consists of the review of 23 sectors. The Joint Analysis was concluded in October 2016 by the EU Member States present in Armenia and after a round of further consultations, was endorsed by development partners in March 2018. A new update round of the Joint Analysis has been initiated in 2019 and **Key Messages** on seven key areas were prepared with contributions from the EU Delegation to Armenia, EU Member State Embassies and development partners present in Armenia.

ENP Review conducted in 2015 highlighted the principles of differentiation, flexibility, focus and ownership. It is reflecting the wishes of each country concerning the nature and focus of its partnership with the EU. The CEPA is a direct outcome of this new approach. The ENP Review also outlines the need to seek more effective ways to promote reforms with each partner in mutually agreed formats and do more to support civil society – both of these components are in the core of this programme. The recent Partnership Implementation Report of 20 May 2019 comes ahead of the EU-Armenia Partnership Council on 13 June 2019. The government's roadmap for the implementation of the EU-Armenia Comprehensive and Enhanced Partnership Agreement that will be presented during the Partnership Council will be an important instrument in advancing reform plans in the country.

In “**20 deliverables for 2020**” the EU has committed to deliver tangible results to the lives of the citizens in the Eastern Neighbourhood region. This programme will particularly support

the achievement of the following deliverables: support the implementation of public administration reform, contribute to more engagement with civil society organisations and strengthen strategic communications and supporting plurality and independence of media.

1.3 Public Policy Analysis of the partner country/region

The programme is in line with the **Armenian Development Strategy 2014-2025** (ADS), adopted in March 2014, which emphasises that improved quality of Public Administration has a key role to play in the social and economic development of the country. It includes a comprehensive list of reforms envisioned until 2025.

In line with the ADS, the **Civil Service Reform Strategy** and Action Plan for 2016-2020 that were developed in December 2015 (revised in January 2016). The strategy sets forth the necessity to modernise the civil service system in order to ensure the highest possible level of effectiveness and efficiency of the system, to develop further merit-based system in respect to recruitment and appointment, promotion, motivation, and to improve civil servants training system.

Government Programme 2019 – 2023 highlights the implementation of CEPA as a significant factor facilitating Government's reform agenda. Furthermore, in the area of environment, the harmonisation of the environmental legislation with the directives of CEPA and expansion of cooperation to improve the effectiveness of implementing the CEPA roadmap, have been separately outlined. Sectoral Strategies are being prepared by the Government, with the support of donors and are planned for September 2019.

1.4 Stakeholder analysis

The final beneficiaries of this programme are the citizens of Armenia who will benefit from the reforms envisioned in CEPA.

There is a variety of Government agencies and public institutions, which will be the main stakeholders and will be supported through different capacity building activities.

In particular, to coordinate the work of relevant authorities of Armenia with EU and its member states in the framework of CEPA and Partnership Priorities, an **interdepartmental committee** was set up by the decision N-906 of the Prime Minister on 2 July 2018⁶. The committee, chaired by the **Deputy Prime Minister**, is coordinating the implementation of the agreement based on the action plans developed in accordance with the legislation of the RA, and discusses preliminarily economic, trade and sectoral cooperation issues included in the agendas of the EU-Armenia Partnership Council.

In addition, sectorial support envisioned in line with the reform agenda will include close collaboration with the **line Ministries and Government agencies** in charge of the specific reforms. In particular, sectors such as public administration, justice and rule of law, environment, and transport will be explored. Key criteria for selecting the public institutions eligible for technical assistance under this programme, will be sufficient capacity to receive assistance as well as the motivation and commitment to the implementation of the pre-identified reforms.

National Assembly is holding the legislative power in the country. It also exercises supervision over the executive power and adopts the State Budget.

⁶ <https://www.e-gov.am/decrees/item/18910/>

Engaging **local authorities** will ensure that the reform agenda is implemented also in the regional level and that all citizens, both women and men will benefit from the reform processes. In particular, in the framework of the Young Experts Scheme, the option to place some of the experts in regional administration offices will be explored. The establishing of EU House(s) in Yerevan and/or other towns of Armenia will be further discussed with local authorities.

Civil Society organisations have an important role in CEPA implementation through CEPA Civil Society Platform. Building on lessons learnt from similar agreements in the Eastern Neighbourhood and a very successful engagement of civil society in GSP+ dialogue, the envisioned support is expected to facilitate the CSOs' role and contribute to more inclusive policy processes, transparency and public accountability.

Media will be an important intermediary in strategic communication efforts and raising public awareness on the reform efforts and other EU supported activities.

1.5 Problem analysis/priority areas for support

Component 1: Support to the executive and legislative state bodies for CEPA implementation

The reform agenda set out in the CEPA as well as the commitments taken by the Government of Armenia are rather ambitious and require further administrative, legislative and institutional assistance. There is a need for comprehensive capacity building efforts (policy development, coordination, reporting and monitoring in line with the Principles of Public Administration⁷ as well as Government Decree on strategic planning⁸), which are tailor-made to the specific Government institutions and their envisioned reform agenda. The programme will enhance and complement the existing EU cooperation programmes, such as support to Justice Reform, Public Administration Reform and Technical Cooperation Facility, which are all supporting the reform agenda envisioned in CEPA. The priority areas for support under the CEPA Reform Facility will be further negotiated and discussed between EU and the Government of Armenia based on the needs and gaps identified in the CEPA implementation road map. The preliminary areas could include but are not limited to public administration, investment climate, environment, transport, and labour rights.

The CEPA also contains commitments in several policy areas aiming to improve conditions for bilateral EU-Armenia trade, whilst taking full account of Armenia's obligations as a member of the Eurasian Economic Union (EEU). To promote mutual trade to the extent possible, the differences between EU and Armenia which exist regarding technical regulations, metrology, standardisation, market surveillance, accreditation and/or conformity assessment procedures, need to be tackled. Armenia's producers are still lagging behind in terms of compliance with technical regulations which also hampers EU's objective to promote the internationalisation of SMEs as well as limits Armenia's opportunities to benefit from the EU market. Standardization, for example, contributes also to the basic infrastructure, promoting sustainability and good regulatory practice. Technical regulations do not cover all issues related to consumer protection, and the national standards are not up-to-date and not

⁷ <http://www.sigmaweb.org/publications/principles-public-administration.htm>

⁸ Protocol Decision No 42 dated 5th October 2017 of the Government of Armenia "Methodical Directive on Preparation, Submission and Monitoring of Strategic Documents Affecting State Revenues and Direct Expenditure"

harmonized with EU regulations and directives. Therefore, more effort is required to identify and support the required quality infrastructure/system.

The capacity building support envisioned in this programme will also address the need for broader complementary support to ongoing public administration reform (PAR), targeting in particular the policy development, coordination and strategic planning of the Government. Capacity building activities in PAR area will be coordinated with other donor assistance and in particular with that of the OECD/SIGMA. In addition, the donor coordination efforts of the Government will be further promoted in light of CEPA implementation.

A number of structural reforms are planned under CEPA provisions and Government's reform agenda. Successful implementation of these reforms requires prioritisation, effective design of reforms, including a proper analysis of what decisions would deliver the best results for all citizens, as well as strategic planning to ensure necessary (financial) means for reforms feasibility. Government's capacity to ensure political, institutional and financial feasibility for reforms will be enhanced through high-level advisors' provision of strategic advice and sharing of EU's best practices. This will also strengthen change management in ministries while going through intensive reform processes.

In certain areas, where the Agreement is designed to bring Armenian law gradually closer to the EU acquis, there is need for EU member states' know-how and expertise to facilitate the process, as well as support with inclusive and evidence-based legislative and strategic drafting, and legal approximation. This also implies potential support to the National Assembly as the legislative power of Armenia. In particular, as the constitutional amendments changed the governance system from a semi-presidential system to a parliamentary one with the National Assembly having to adapt to the changes starting from the recent electoral cycle.

Component 2: Support to monitoring of CEPA and increasing public awareness

Civil society involvement is essential for drafting and successfully implementing laws and regulations which promote economic growth and social fairness for both women and men. Despite the existing policies and regulations of cooperation between state institutions and civil society, the mechanisms and practice for engagement with civil society and wider public have not been sustainable so far. Thus, in addition to the permanent monitoring mechanism, which will be an integral part of the CEPA roadmap implementation, the programme will support the monitoring efforts of the civil society. The implementation of this part of the action will also be aligned with the emerging national system and practice for public consultations and public participation as regulated by the Law on Regulatory Legal Acts⁹ and its bylaws.

Armenia and the EU have committed to promoting dialogue and cooperation between the civil society stakeholders as an integral part of the relations between the EU and Armenia. Thus, CEPA foresees a creation of a separate civil society platform which will play an important role in the institutional framework of CEPA implementation. The new platform should serve as a forum to meet, exchange views, and provide feedback to the decision-makers. The Civil Society Toolbox will offer relevant information and citizens' participation opportunities.

To ensure broader engagement and participation of citizens in CEPA implementation, as well as further transparency and accountability of the reform processes, the awareness raising efforts need to be broader. Strategic Communication needs to be further reinforced to ensure

⁹ Law on Regulatory Legal Acts, adopted on 21 March 2018.

that the Armenian citizens are informed about the CEPA and processes around CEPA, and the benefits it brings. Increasing the awareness and understanding is necessary also for introducing the overall EU efforts, image and actions in Armenia.

The annual survey conducted by the Open Neighbourhood East programme¹⁰ during the first half of 2019 shows that positive perceptions of the EU is growing among the Armenian population (in comparison to 2016-2018). The opinion polls carried out in spring 2019 show that nearly all Armenians: 92% have a positive opinion on the relations between their country and the EU. The polls also show that Armenian citizens are increasingly aware of the tangible effects the EU's support have on their daily lives. 71% of citizens currently know that the EU supports their country and are aware of the EU's financial support to the country and the 72 % of them consider the support to be effective. Overall 62% of Armenians responded that they have positive image of the EU (the number of persons with negative opinions is only 6%)¹¹, indicating that there is a space for further engagement and continuous communication efforts with clear messaging on EU support to Armenia. Despite Armenia's membership in the Eurasian Economic Union (EEU) , the EU continues to be the most trusted foreign institution (61%) , followed by the UN and the EEU. In addition, over 78% of Armenians who have heard about the EU 'strongly' or 'very strongly' associate it with all values except for 'absence of corruption', whose linkage level stands at 61% (recording nevertheless an increase of 6% points since 2018).

Strategic communication by the Delegation and the Armenian Government combined with support to independent media could improve the general awareness of the population about EU support to Armenia further. This requires clear communication from the EU, as well as the Armenian Government.

2 RISKS AND ASSUMPTIONS

Risks	Risk level (H/M/L)	Mitigating measures
Lack of political will to implement the CEPA and reform agenda	M	Continued political and policy dialogue with the Government of Armenia.

¹⁰ [Annual survey of the Open Neighbourhood East programme.](#)

¹¹ The information will be public and published after 01 July 2019 (ref. to footnote N10)

High turnover of civil servants at technical level	M	EU is continuously supporting Public Administration Reforms in Armenia. Twinning project will be launched in 2019 to support the Civil Service Office in its reform efforts. The project will provide continuous support and ensure empowerment and involvement of the staff in the relevant Government agencies.
Lack of cooperation between the civil society organisations	M	CEPA Civil Society Platform will be established based on the existing CSOs and different cooperation platforms, such as the Eastern Partnership Platform to tap into and build on the existing resources.
Lack of public support to the reforms	M	Capacity building will be provided to the GoA to ensure that policy design will be done in an inclusive and evidence-based manner. Strategic communication efforts will contribute towards maximising the transparency and accountability of the reform processes.
Lack of financial and human resources of the Government to communicate and campaign on EU support	M	Intensified dialogue with Government; Information campaign/s geared towards general public
Lack of motivation, skills and knowledge among the Media to effectively cover the EU-related developments	L	Under the AAP 2018 EU4Citizens, EU Media Facility will be established to support reforms in the media sector and provide technical and financial support to media outlets.
Assumptions		
<ul style="list-style-type: none"> • The Government remains firmly committed to its reform agenda; • The Government maintains its commitment to enhanced political and economic relations with the EU; • The implementing institutions, in particular those eligible for twinning, will allocate the necessary human, financial and technical resources for successful implementation; • Majority of EU-funded projects are producing results which can be showcased for communicating the impact of EU support to Armenia; • The Government has continued willingness to communicate on the EU support. 		

3 LESSONS LEARNT AND COMPLEMENTARITY

3.1 Lessons learnt

The programme has been designed based on the lessons learnt from previous capacity building projects and advisory support facilities. The programme builds on the previously implemented twinning projects and EU Advisory Group. The main lessons learnt include the following:

- ensure that the policy advice remains flexible to enhance its effectiveness. This includes following up on policy advice implementation and changing the policy focus if relevant;
- ensure that strategic policy-planning is turned into actions. If needed, EU support available under other financing schemes could be explored and mobilised;
- avoid capacity substitution by using twinning and peer-to-peer learning which in its essence is not a one-way technical assistance but a shared commitment.

Young Experts Scheme (YES) Armenia Pilot programme was implemented during December 2017 – November 2018. The lessons learnt provide valuable inputs for further refinement of the scheme and allow expanding the beneficiary organisations from central government agencies to also include Local Authorities.

The CEPA Civil Society Toolbox component will build on the success of GSP+ monitoring and capacity-building project that created a joint understanding of issues and led to prioritisation of policies among participating CSOs.

In terms of strategic communication, a holistic approach to communication has proven to be more successful than fragmented project-based approaches, allowing to formulate unified messages with much wider outreach. This has been evident via nationwide communication or awareness raising thematic (regional) campaigns such as EU4Energy, EU4Busines, EUagainstCorruption, EU4Education, etc. which are to be continued in 2019 and 2020. Conducting joint communication campaigns together with the Government counterparts, EU projects on topics relevant to stakeholders, is considered to be more effective than simply providing training and best practice on strategic communication from the EU.

3.2 Complementarity, synergy and donor co-ordination

The programme is complementary to existing and envisioned EU support to Armenia. Furthermore, it lays the foundation to the implementation of the new legal framework, which will govern the relations between EU and Armenia and will provide the basis for all EU's financial assistance to Armenia. The envisioned support will also be timely as it will contribute to the designing of the comprehensive reform agenda, envisioned by the new Government. The support provided under this programme will strengthen the institutional and human resource capacities to design and implement the new policies.

Complementarity with other EU-funded actions, including those focusing in specific sectors, will be ensured after the Government of Armenia and the EU identify the priority areas. However, complementarity with the support programmes in good governance and rule of law will be ensured. Synergies with the following budget supports and related policy dialogues will be created: Human Rights, PAR (e.g. e-Governance and ethics), PFM (e.g. public procurement). As well as Consolidation of the Justice System (AAP 2017) and the results of SIGMA Baseline Measurement presented in May 2019 will be taken into account.

The central level institutional capacity building efforts will complement the ongoing policy dialogue and twinning projects which will be launched in the framework of the Public Administration Reform (AAP 2016) and Technical Cooperation Facility (AAP 2018).

The CEPA Civil Society Toolbox will build on the positive experiences of the GSP+ monitoring and capacity building project, which was able to gather many different civil society actors, including women's organisations for joint prioritisation and understanding of main gaps in implementation of human rights, good governance, labour rights and environmental conventions signed by Armenia. It will also collaborate closely with the experts deployed in the framework of the "Support to civil society in Armenia on CEPA monitoring; contributing to EU programming and identifying relevant follow-up actions to recent justice system and human rights situation reviews" project and build on the assistance provided towards supporting the civil society's comprehensive strategy development in engaging in CEPA monitoring and first rounds of its implementation.

Strategic communications will build on the EU communication efforts in Armenia and regional communication projects (e.g. EU Neighbours EAST). The actions will contribute to the improvement of public perceptions and attitudes towards the EU and to the development of a more receptive environment for European values and principles. It will aim to 'soft centre' audiences, seeking to shift neutral attitudes to positive ones in the target population, while delivering and fostering a more strategic approach in communicating about the impacts of the CEPA and EU-Armenia cooperation and partnership.

Synergies will be created with projects funded by other donors. The reforms identified in the CEPA Road Map will be shared with the donors active in the sector through high-level ambassadorial donor coordination meetings, as well as through thematic donor coordination groups, such as the group on Good Governance.

Within the scope of the Trade Promotion and Quality Infrastructure (TPQI) Project, initiated by the World Bank, it is planned to modernize National Quality Infrastructure, to support National Accreditation Body (NAB) and National Institute of Metrology (NIM). The TPQI will also support the creation of 3 calibration laboratories in the RA: Mass and Related Quantities Measurement, Thermal Measurement and Pressure Measurement laboratories. Their international accreditation as well as the general development of national quality infrastructure in the RA are also part of this project.

4 DESCRIPTION OF THE ACTION

4.1 Overall objective, specific objective(s), expected outputs and indicative activities

The **overall objective** of the programme is to strengthen the Government's strategic and technical capacity to plan and implement structural reforms.

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

Objective 1 To strengthen the institutions and enhance their capacity to implement the legal approximation and the CEPA related priority programmes

- Result 1.1. Provision of selected **quality infrastructure** to facilitate the adoption of standards Armenia has committed to in the CEPA
- Result 1.2. Enhanced capacity of the GoA in leading governance and sectorial reforms through providing **strategic advice and guidance in line with the EU best practice and national requirements**

Result 1.3. Strengthened **institutional, technical and staff capacities and mechanisms** within the selected institutions to comply with commitments set forth in the CEPA and the Government reform agenda

Objective 2 To support inclusive and evidence-based policy-making and monitoring of CEPA, and to improve communication and visibility of EU-Armenia cooperation

Result 2.1. **CEPA Civil Society Toolbox** developed to facilitate civil society's influence on the CEPA implementation

Result 2.2. **Enhanced communication and visibility** of EU-Armenia cooperation and partnership, EU's policies and programmes, and EU financial support to Armenia among the target audiences

Result 2.3. The establishment of multi-functional flagship **EU House(s)** in Armenia

Activities envisioned under Specific Objective 1 – Implementation of the commitments taken under CEPA

To provide multi-faceted support to Armenia in advancing in the CEPA implementation, the programme envisions different capacity building activities for number of core institutions, complementing the ongoing EU support. These include technical assistance to the **National Quality Infrastructure** and its institutions in areas such as accreditation, metrology, standardisation or market surveillance. The activities will be delivered both through technical assistance, and procurement of relevant equipment. More specifically, the project will explore support to metrology laboratories such as a dimensional measurements laboratory, an electricity laboratory, a chemical laboratory and a pressure measurement laboratory, etc. in close collaboration with the Government of Armenia to ensure the sustainability of the action.

To support the policy development and coordination and strategic planning of the GoA, the programme will deploy **High-Level EU advisors** to facilitate decision-making at central government as well as sectorial level. The EU High-Level Advisors originate from both old and new EU Member States and are all senior, qualified professionals with significant experience in leading public policies or in leading public bodies at the highest level in their countries of origin. This activity will contribute to enhancing the stakeholders' knowledge and awareness of EU policies, best practices, legislation and regulations, as well as provide strategic advice on political, institutional and financial feasibility of the reforms to ensure their effective implementation. The areas of High-level advisors' support will be further defined during the inception phase. Furthermore, a pool of non-key short-term assignments experts will be made available to respond to ad hoc issues, which may require specific technical knowledge.

These efforts will be complemented by pairing those Government agencies which are in charge of implementing the reform agenda with EU Member State Agencies through Twinning. Peer-to-peer activities in modifying the legislation, strengthening the institutional framework and transferring expertise will contribute towards **building technical capacity** for policy implementation. Through twinning, which is based on learning by doing and sharing best practice, the process of bringing the standards outlined in the CEPA agreement into compliance with European standards, will be greatly facilitated. To ensure the success of the Twinning projects, there needs to be strong interest from the beneficiary institution. Thus, the list of areas for support will be formulated based on policy dialogues and consultations between the EU and the GoA during the inception phase.

The programme will further contribute to sustainability of capacity building efforts through implementing a scheme aiming to **attract young talents and professionals** to support implementation of priority projects and initiatives in public sector institutions in Armenia. This activity entails scaling up YES Armenia programme, which was piloted in 2018 and gave a chance to young Armenians and citizens of Armenia to participate in public sector projects, increase transparency and openness of the public administration and contribute to dynamics and working culture of public sector institutions. Each young expert will be involved in designing and implementing specific projects in priority areas of the government linked to implementation of the ambitious reform agenda.

Activities envisioned under Specific Objective 2 – To support inclusive policy-making and monitoring of CEPA, and to improve communication and visibility of EU-Armenia cooperation

To promote regular meetings of representatives of the civil societies, both in the EU and in Armenia, CEPA foresees establishing a separate Civil Society Platform, consisting of representatives of civil society on the side of the EU, including members of the European Economic and Social Committee, as well as representatives of civil society organisations, networks and platforms on the side of Armenia. The selected civil society representatives should be a reflection of the diversity of citizens, including both women and men, old and young and representatives of minority groups. The main activities under this component include providing the civil society with necessary toolbox of skills and methods to facilitate their task of monitoring the implementation of CEPA. The areas which are to be covered will be as diverse as human rights, justice, decentralisation, tolerance/equity and anti-discrimination, child rights, public procurement monitoring, poverty eradication, sustainable rural development, transport and recreational spaces, agriculture, consumer protection, food safety, data protection, energy, and environment.

To ensure broader understanding, engagement and participation of citizens in the CEPA implementation and reform process, **strategic communication efforts** will be supported. The main activities under this component will include utilising different communication and visibility tools (strengthening communication capabilities) for greater (qualitative and quantitative) outreach on topics related to CEPA and EU-Armenia cooperation and partnership. This includes support to the EU Delegation, as well as capacity building for Armenian counterparts in strategic communication in order to improve Armenian citizens' access to timely and reliable information.

EU House(s) will be established to serve as a new platform for engagement between the EU, its Member States and the Armenian citizens. To ensure the sustainability of the EU House, it will also serve as a hub for different EU-funded projects, visibility and cultural activities. A potential social enterprise model will be explored for the EU House(s).

4.2 Intervention Logic

CEPA will form the legal basis for EU-Armenia relations and the EU development assistance to Armenia. CEPA Reform Facility is designed to support the kick-off of the envisioned reform programmes in the sectors prioritised by the GoA and the EU. It will also aim to further synchronise the ongoing EU support to advance CEPA reform agenda, as well as promote coordination of other donors' efforts.

The programme is designed to offer demand-driven support to ensure that the beneficiaries are fully-engaged and the technical assistance does not contribute towards capacity

substitution. The issues, which are to be tackled are identified jointly with the Government of Armenia in line with the pre-agreed CEPA and its implementation road map. The components of the programme provide comprehensive support to the reform process, as well as ensure that the citizens of Armenia are aware of the ongoing and planned processes.

4.3 Mainstreaming

The capacity building activities envisioned in the programme will be based on the principles of good governance and human rights. The programme will contribute to enhancing principles of Rights-Based Approaches (RBA), Leaving no-one Behind and gender equality through designing more inclusive policy-making processes and incorporating it in the strategic planning of the reforms. Special attention will also be paid in encouraging women's participation in different capacity building activities envisioned for the Government institutions and to particularly prioritise reforms that support women's empowerment and gainful employment.

Armenia has committed to ambitious reforms in the environment sector in the framework of CEPA. Thus, environmental sustainability of the different activities envisioned in the programme will be further complemented by targeted actions in promoting renewable energy sources, developing environmental protection and tackling climate change. Furthermore, technical regulations and trade related standards cannot be achieved without taking into consideration the protection of environment.

Through YES Armenia, the programme will greatly contribute to youth empowerment and their involvement in decision-making processes.

4.4 Contribution to SDGs

This intervention is relevant for the 2030 Agenda. It contributes primarily to the progressive achievement of (17) Partnership for Goals SDG, but also towards (5) Gender Equality, (8) Decent Work and Economic Growth, and (16) Peace, Justice and Strong Institutions.

5 IMPLEMENTATION

5.1 Financing agreement

In order to implement this action, it is foreseen to conclude a financing agreement with Armenia.

5.2 Indicative implementation period

The indicative operational implementation period of this action, during which the activities described in section 4 will be carried out and the corresponding contracts and agreements implemented, is 60 months from the date of entry into force of the financing agreement.

Extensions of the implementation period may be agreed by the Commission's responsible authorising officer by amending this Decision and the relevant contracts and agreements.

5.3 Implementation modalities

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures¹².

5.3.1 Grants: (direct management)

(a) Purpose of the grant(s)

This Call for Proposals aims to support result 1.3. on strengthening institutional, technical and staff capacities within the selected institutions to comply with commitments set forth in the CEPA and the Government reform agenda through twinning projects.

(b) Type of applicants targeted

In line with Article 4(10)(b) of Regulation (EU) No 236/2014, participation in Twinning call for proposals is limited to public administrations of the EU Member States, being understood as central or regional authorities of a Member State as well as their bodies and administrative structures and private law bodies entrusted with public service mission under their control provided they act for the account and under the responsibility of that Member State.

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.

5.3.2 Procurement (direct management)

This part of the action contributes to specific objective 1 “To strengthen the institutions and enhance their capacity to implement the legal approximation and the CEPA related priority programmes”. Specifically, it entails implementation of sub-result 1.1 to enhance the standards and physical infrastructure for quality infrastructure, sub-result 1.2 to provide high-level advice in key reform areas as well as sub-result 1.3 to improve technical capacity of the government to implement CEPA related reforms including via the Young Expert Scheme for Armenia.

This part of action will also contribute to the achievement of specific objective 2 “To support inclusive policy-making and monitoring of CEPA, and to advance communication and visibility of EU-Armenia cooperation and partnership. Namely, it will increase awareness and improve understanding of the EU and its cooperation actions, its policies among the target audiences, strengthen communication environment and capabilities of implementing partners, develop a Toolbox to facilitate civil society’s role and influence on the CEPA implementation and establish a flagship EU House(s) to serve as multi-purpose hub(s) for information-sharing and knowledge exchange on EU and its Member States activities in Armenia.

¹²

www.sanctionsmap.eu Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

5.3.3 Indirect management with an entrusted entity

A part of this action may be implemented in indirect management with an entity which will be selected by the Commission's services using the following criteria: extensive experience in providing technical assistance, knowledge of the quality infrastructure sector in Armenia and strong track record in providing support to quality infrastructure development, necessary operational capacity and transparency. The implementation by this entity entails facilitation of part of result 1.1. and the access of Armenian products to the EU market by ensuring the compatibility of Armenian quality infrastructure to EU standards in line with CEPA (Title VI Trade and Trade Related Matters).

5.3.4 Changes from indirect to direct management mode due to exceptional circumstances

In case the above-described implementation modality under indirect management cannot be used due to circumstances outside of the Commission's control, the alternative implementation modality of procurement (direct management) will be used.

5.4 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 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.

5.5 Indicative budget

	EU contribution (amount in EUR)	Indicative third party contribution, in currency identified
Objective 1: Institution and Capacity Building composed of:	18 000 000	
- Indirect management with an entrusted entity – cf section 5.3.3	4 000 000	
- Grants (direct management)– cf section 5.3.1		
- Procurement (direct management) – cf. section 5.3.2		
Objective 2: Support to Civil Society and Strategic Communication composed of:	4 700 000	
- Procurement (direct management)– cf. section 5.3.2		
Grants – total envelope under sections 5.3.1	7 000 000	N.A.

Procurement – total envelope under sections 5.3.2	11 700 000	N.A.
Evaluation (cf. section 5.8)	300 000	N.A.
Audit/ Expenditure verification (cf. section 5.9)		
Total	23 000 000	

5.6 Organisational set-up and responsibilities

A Steering Committee will be set up to oversee and validate the overall direction of the programme. It shall agree on the annual work plan, provide comments on the narrative and financial reports and validate them. The Steering Committee may take necessary measures to ensure the proper implementation of the project according to the framework set by this document.

The project steering committee will include the following members:

- A representative of the EU Delegation to Armenia (co-chair)
- A representative of the beneficiary country (co-chair)
- Representatives of relevant beneficiaries of the action (as members)
- Representatives of EU Member States, development partners, business associations and other civil society organisations might be invited (as observers)

5.7 Performance and Results monitoring and reporting

The Commission and the partner country will regularly review progress made in the overall implementation of the action through a Programme Steering Committee (PSC) meeting on a regular basis. At the level of the individual projects funded under this action, specific Steering Committees (SCs) will be convened by the beneficiary institutions involving the EU Delegation and other relevant stakeholders. These SCs will meet regularly to review progress on the basis of periodic reports.

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 partner's strategy, policy or reform action plan list (for budget support).

SDGs indicators and, if applicable, any jointly agreed indicators as for instance per Joint Programming document should be taken into account.

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).

5.8 Evaluation

Having regard to the nature of the action, a final evaluation will be carried out for this action or its components via independent consultants 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 some of the components foreseen under this programme are subject to prioritisation which will take place during the inception phase of the Programme.

The Commission shall inform the implementing partner at least 2 months 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.

Evaluation services may be contracted under a framework contract.

5.9 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.

It is foreseen that audit services may be contracted under a framework contract.

5.10 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.

In terms of legal obligations on communication and visibility, the measures shall be implemented by the Commission, the partner country (for instance, concerning the reforms supported through budget support), 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 Requirements for European Union External Action (or any succeeding document) shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

The communication and visibility activities for all AAP 2019 Action Documents will be covered by the service contract foreseen in this Action Document under the Component 2.

This shall ensure streamlining the communication efforts of the EU to achieve a greater impact and outreach.

APPENDIX - INDICATIVE LOGFRAME MATRIX (FOR PROJECT MODALITY)

	Results chain: Main expected results (maximum 10)	Indicators (at least one indicator per expected result)	Sources of data	Assumptions
Impact (Overall Objective)	To strengthen the Government's strategic and technical capacity to plan and implement structural reforms	Percentile Rank in Government Effectiveness*	World Bank Worldwide Governance Indicators report	<i>Not applicable</i>
Outcomes (Specific Objectives)	1. To strengthen the institutions and enhance their capacity to implement the legal approximation and the CEPA related priority programmes	Implementation rate of CEPA	CEPA implementation monitoring reports	The Government remains firmly committed to its reform agenda
	2. To support inclusive and evidence-based policy-making and monitoring of CEPA, and to improve communication and visibility of EU-Armenia cooperation	Number of civil society organisations involved in the monitoring of CEPA implementation	Civil society reports on CEPA implementation; meeting minutes from the civil society meetings	The Civil Society stays active and interested in being engaged in policy making processes
Outputs	1.1. Provision of selected quality infrastructure to facilitate the adoption of standards Armenia has committed to in the CEPA	a) Offer of internationally recognised quality and conformity assessment services b) % of reduction of sub-standard exports (border rejections) c) Number of laboratories established	Statistics and reports from National Standardisation Institute (SARM), National Institute of Metrology, Armenian Accreditation, etc.	Private sector collaborates by using QI services; No major external shock impacts the Armenian economy.
	1.2. Enhanced capacity of the GoA in leading governance and sectorial reforms through providing strategic advice and guidance in line with EU best practice and national requirements.	a) Perceived clarity and stability of government policy-making by businesses (%) b) Availability of guidance to the line ministries during the policy planning process	SIGMA Assessment Report	The EU high-level advisors will support setting up sustainable mechanisms

	1.3. Strengthened institutional, technical and staff capacities and mechanisms within the selected institutions to comply with commitments set forth in the CEPA and the Government reform agenda	a) Implementation rate of the reforms envisioned in the Government Programme and CEPA Roadmap	Annual Reports on Government's Action Programme for Five years; Independent reports; CEPA implementation reports.	The implementing institutions, in particular those eligible for twinning, will allocate the necessary human, financial and technical resources for successful implementation
	2.1. CEPA Civil Society Toolbox developed to facilitate civil society's influence on the CEPA implementation	a) Score in Consistency in Public Consultations	SIGMA Assessment Report	There is interest and motivation from CSOs in Armenia to collaborate and participate in the multilateral CEPA Civil Society Platform.
	2.2. Enhanced communication and visibility of EU-Armenia cooperation and partnership, EU's policies and programmes, and EU financial support to Armenia among the target audiences	a) % of Armenian citizens who have positive image of the EU b) % of Armenian citizens aware about the EU support and feel it is effective c) % of Armenian citizens aware of EU's specific support	Opinion polls, social media analytics, web analytics, media monitoring reports, event reports	Media covers the news related to CEPA. There is interest from the Government to communicate on the EU support.
	2.3. The establishment of multi-functional flagship EU House(s) in Armenia	a) EU House(s) established b) Number of women and men visitors to EU House(s)	Guest log	The Government remains committed to provide venue. There is proper awareness raising about the EU House and its activities.