



Monitoring report
On the obligations of the Government of the Republic of Armenia on the
balanced development in the frameworks of
Comprehensive and Enhanced Partnership Agreement (CEPA)

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Abbreviations

RA-Republic of Armenia

EU-European Union

CEPA-Comprehensive and Enhanced Partnership Agreement (CEPA)

Agreement- Comprehensive and Enhanced Partnership Agreement

MTAI- Ministry of Territorial Administration and Infrastructure

MESCS-Ministry of Education, Science, Culture and Sports

TDFA-Territorial Development Fund of Armenia

MLSA-Ministry of Labor and Social Affairs

JCA-Journalists' Club «Asparez»



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Executive Summary

This report summarises a monitoring exercise aimed at examining the implementation of the commitments and actions of the Comprehensive and Enhanced Partnership Agreement (CEPA) between the European Union and the Republic of Armenia, its annexes, the Roadmap and the Action Plan, which are intended to ensure balanced development in Armenia, in particular the specific actions aimed at the decentralisation of governance, the redistribution of powers and the balanced development of the country.

In particular, it is envisaged:

1. To study and analyze the effectiveness of the coordination of communities unification process in Armenia and decentralization activities in 2014-2022 in relation to the country's balanced development dynamics.
2. To identify to what extent the work carried out by the RA authorities within the framework of the CEPA in the above-mentioned directions corresponds to the schedule and to what extent it was effective.
3. To study the distribution and redistribution of powers of the RA communities and state bodies in the period from the entry into force of the CEPA until the start of this monitoring.
4. To find out to what extent the actions undertaken by the RA Government on the basis of the Agreement are justified by performance indicators and timeline indicators.

A report was prepared based on this monitoring, which includes findings and recommendations aimed at improving the implementation of CEPA commitments.

The goal of the monitoring was to identify to what extent the CEPA action plan was effectively implemented in 2021-2024? How much the carried out activities are in line with the schedule and standards for the implementation of the commitments undertaken by the Republic of Armenia? If not, to what extent does it not comply and accordingly, what should be done and what is proposed to the authorities of the Republic of Armenia to ensure the implementation of the commitments?

The time period covering the monitoring was chosen taking into account objective factors, such as the fact that the CEPA roadmap was approved in 2019. But this was followed in 2020 by two tragic events for the Republic of Armenia: the SARS-COVID19 pandemic/epidemic, and Azerbaijan's aggressive war against the Republic of Artsakh/Nagorno Karabakh in 2020 September 27 to November 9, which was formally taking place on the Azerbaijani-Karabakh front, but Armenia was also involved in it. The Armenian government revised the CEPA roadmap in 2021. The monitoring also looks into the implementation from 2021. The Armenian authorities had a conditionally greater opportunity to fulfill their own obligations than before. It was considered that in 2021-2024 is a sufficient period for the monitoring in terms of accumulating valid, reliable and useful information.



Taking into account that local self-government is not presented as a separate sectoral target in the CEPA, and considering that under the agreement the RA authorities were to implement reforms and approximations in many areas, some of which are directly related to effective local self-government and territorially balanced development (tourism, agriculture, healthcare, infrastructure, etc.), a number of obligations of the agreement, the quality, pace, successes and failures of their implementation were examined, and then appropriate conclusions and recommendations were drawn up. It was also assessed whether the sectoral legislation and strategies are sufficient or adequate to fulfill the obligations aimed at territorially balanced and fair development under the CEPA agreement.

The carried out monitoring revealed that although in 2021-2024 some efforts were made towards the balanced development of the country, there is still no statistically substantiated information that the implementation of the obligations undertaken and implemented under the Agreement have ensured a qualitative shift in that direction. In addition, the performance indicators of the actions of the roadmap for the implementation of the Agreement are mainly general in terms of territorial balanced development and it is impossible to identify a quantitative and volumetric picture of overcoming the set targets. Based on the findings of the monitoring, recommendations have been formulated to the Government of the Republic of Armenia, the implementation of which will lead to the development and adoption of a more effective new or revised roadmap ensuring the implementation of commitments and accountability.



Introduction

On 24 November, 2017, the European Union - Armenia Comprehensive and Enhanced Partnership Agreement (CEPA)¹ was signed in Brussels².

On 18 April, 2018, the National Assembly of Armenia unanimously ratified the Comprehensive and Enhanced Partnership Agreement (CEPA) between Armenia and the European Union. The implementation of the actions envisaged in the roadmap developed and adopted by the EU member states for the ratification of the agreement and the implementation of the commitments has been and remains the focus of attention of sectoral non-governmental organisations and public groups interested in the issue of Armenia’s EU integration. To this end, highlighting the implementation of the commitments envisaged in the agreement as the main tool for the rapprochement of Armenia and the EU, monitoring of the implementation of the commitments has been carried out in a number of profiles or sectors. This report addresses the quality of implementation of some of these commitments, the target of which was the balanced development of Armenia.

The implementation of the commitments of the Agreement has become extremely necessary in the context of the development and geopolitical choices or revisions of the Republic of Armenia.

This monitoring report, in addition to the above sections, includes the methodology and description of the research tools, the findings, conclusions and analysis, the discussion and conclusions for the review of the sector's policy, as well as recommendations developed based on the work done, addressed to the Government of the Republic of Armenia for a more effective roadmap for the implementation of the commitments and for accountability to the public.

¹ https://www.eeas.europa.eu/node/36141_en

² <https://president.am/hy/press-release/item/2017/11/24/President-Serzh-Sargsyans-attended-signing-ceremony/>



Methodology and research methods

The following set of tools was developed and adopted for the monitoring of the implementation, as the most effective of the many tools, taking into account the timing and technical constraints.

1. Online study of the current legislation of the Republic of Armenia, the Agreement, its annexes and the Action Plan, and other related documents.
2. Study of information received based on information requests addressed to the Government of the Republic of Armenia, relevant ministries (Ministry of TAI, Ministry of ESCS), regional governors and community mayors.
3. Review of the collected information.
4. Textual formulation and processing of the report according to the customer's observations.

During the research, the Comprehensive and Enhanced Partnership Agreement signed between the European Union and the Republic of Armenia, its annexes, the Roadmap and the Action Plan were examined. Among them, all those provisions that directly or indirectly, but significantly, are related to the balanced development of Armenia, local self-government, and the redistribution of state powers to communities were highlighted.

In order to ensure the implementation of the Comprehensive and Enhanced Partnership Agreement³ and the Partnership Priorities between the Republic of Armenia and the EU approved on 20 November, 2017, an Interdepartmental Commission was established by the Decision⁴ of the Prime Minister of the Republic of Armenia of 2 July, 2018 No. 906-A, chaired by Deputy Prime Minister Mher Grigoryan. The Roadmap for the Implementation of the Comprehensive and Enhanced Partnership Agreement was approved by the Decision of the Prime Minister of the Republic of Armenia of June 1, 2019 No. 666-L/L⁵, which was supplemented by the Decision of the Prime Minister of the Republic of Armenia of June 2, 2021, by Resolution No. 587-L/L of May 31, 2018.

According to that resolution (N 666-L/L), the departments responsible for the implementation of the RA National Development Plan measures are obliged to submit, within 10 days after the end of each quarter, to the Interdepartmental Commission established by Resolution No. 906-U/A of the Prime Minister of the Republic of Armenia of July 2, 2018, summary information on the implemented and ongoing work. According to the same resolution, the Interdepartmental Commission shall conduct monitoring of the implementation of the roadmap based on the information received.

³ <https://www.arlis.am/DocumentView.aspx?docid=124389>

⁴ <https://www.arlis.am/>

⁵ <https://www.arlis.am/>



In the CEPA National Development Plan roadmap, paragraphs 132 to 134 of Appendix 1 on regional development, and paragraphs 79-81 of Appendix 2 is also on regional development. Thus:

CEPA's balanced development commitments

The following commitments are envisaged in the First Annex based on Article 48 of the Agreement:

(1) Commitment 132.

Regional development.

"Development of territorial growth poles.

-Development of infrastructure necessary for the implementation of projects providing primary impulses for development in territorial growth poles in the Republic of Armenia

- Implementation of programs providing primary impulses for development in territorial growth poles;

- Implementation of measures aimed at increasing the level of business activity in territorial growth poles."

- The timeline for the implementation of this commitment is set from 2019.
- The coordinating and responsible body is the RA MTAI.
- The envisaged EU support is as follows: Annual Action Plan 2018, TAIEX 2020; NIP blending; EU External Investment Programme

(2) Commitment 133.

Regional development:

"Proportional balanced development of the Republic of Armenia/Ensuring improved infrastructure in the settlements of the Republic of Armenia

1. Improvement of regional and local infrastructure networks (transport, water, gas, energy, IT, etc.),
 - development of transport infrastructure,
 - development of gas infrastructure,
 - development of information and communication technologies (ICT)
2. Improvement of social infrastructure and services of the territories of the Republic of Armenia (education, healthcare, social support, sports and leisure, culture)
 - Development of education
 - Development of healthcare infrastructure
 - Development of social support infrastructure and services



- Development of sports, leisure and culture".

- The timeline for the implementation of this commitment starts from 2019.
- The coordinating and responsible body is defined: Ministry of Territorial Administration and Development of the Republic of Armenia/other interested departments, Ministry of Labour and Social Affairs of the Republic of Armenia.
- The planned EU support is as follows: Annual Action Plan 2018: EU for Armenia: Territorial Development, TAIEX 2020, NIP blending, EU External Investment Programme.

(3) Commitment 134:

Regional development:

“Balanced territorial development of the Republic of Armenia/Economic development of settlements of the Republic of Armenia. Support for projects that have a significant impact on the economic growth of communities by private investors in the territories of the Republic of Armenia, development of business infrastructure (industrial parks, agricultural mechanisation parks, business units, etc.), promotion of regional employment, business and entrepreneurship (agricultural product processing, tourism, IT, development, innovation).”

- The timeline for the implementation of this commitment is set from 2019.
- The coordinating and responsible body is defined: Ministry of Territorial Administration and Development of the Republic of Armenia/other interested departments, Ministry of Labour and Social Affairs of the Republic of Armenia.
- The planned EU support is as follows: Annual Action Plan 2018. The EU for Armenia. Territorial development, TAIEX 2020, NIP blending, EU external investment programme.

The following commitments are provided in Annex II, based on Article 105⁶, paragraph 2⁷, points a, b, c of the Agreement ((a) strengthening multi-level governance to the extent that it has an impact at central, regional and local levels, paying particular attention to increasing the regional and local stakeholders involvement; (b) consolidating cooperation between all stakeholders involved in territorial development; (c) supporting co-financing by the parties involved in territorial development programmes and projects):

⁶ CHAPTER 22, REGIONAL DEVELOPMENT, CROSS-BORDER AND TRANS-REGIONAL COOPERATION “1. The Parties shall promote mutual understanding and bilateral cooperation in the field of regional development policy, including methods of formulating and implementing regional policies, multi-level governance and partnership, with particular emphasis on the development of disadvantaged territories and territorial cooperation, with a view to establishing channels of communication and enhancing the exchange of information and experience between national, regional and local authorities, socio-economic actors and civil society.”

⁷ "In particular, the Parties shall cooperate to bring the Republic of Armenia's practices into line with the following principles..."



(4) Commitment 79:

Ensuring balanced territorial development of the Republic of Armenia, including:

1. 2016-2025 Successful implementation of the Armenian Territorial Development Strategy (ATDS), review, integrating the Smart Specialisation Strategy (SSS) approach, through pilot projects implemented at national or regional levels.

2. Development of local and regional development databases and parametric indexing systems for local and regional socio-economic development.

- The timeline for this commitment is indicated as “ongoing”. Even if the given actions are “ongoing”, implementation scales and timelines are needed which will reflect the work already completed or to be completed.
- The RA MTAI is designated as the coordinating and responsible body.
- The envisaged EU support is technical.

Expected results: Improvement of the mechanism of vertical and horizontal interaction between central and local administrative bodies in the process of leveling territorial development and (a) medium institutional coordination, in particular, in the process of developing and implementing territorial policies, in-depth monitoring and evaluation, as well as the implementation of a territorial development strategy developed with the introduction of smart specialization.

(5) Commitment 80:

3. Full implementation of the multi-level governance mechanism, development and successful implementation of programmatic approaches to ensure territorial development actions and implementation of the Territorial Development Operational Programme (TDOP) governance mechanism.

- The deadline for the implementation of this commitment is 2021-2022, although the agreement does not specify a deadline.
- The RA MTAI is designated as the coordinating and responsible body.
- The envisaged EU support is technical and financial.

Expected results: Capacity to design and manage grant schemes or territorial development (TD) policy instruments in a strategic, transparent and effective manner will be established. Multi-level governance mechanism implemented.

(6) Commitment 81:

4. Development and implementation of a new territorial development grant scheme, co-financed by the EU and the Government of the Republic of Armenia, to be developed based on the experience



of the Pilot Grant Schemes of Territorial Development Programmes. The deadline for the implementation of this commitment is not specified.

- The deadline for the implementation of this commitment is 2021-2022, although the agreement does not specify a deadline.
- The RA MTAI is designated as the coordinating and responsible body.
- The envisaged EU support is “LEAD”.

Expected results: Territorial development programme paths (actors: RA MTAI, Territorial Development Fund of Armenia-TDFA, other ministries) have been developed and received support, increasing the capacities of territorial actors, as well as contributing to the achievement of strategic objectives and co-financing mechanisms.

In summary: For the balanced territorial development of the Republic of Armenia, the Government of the Republic of Armenia has undertaken 6 direct and indirect commitments under the Action Plan for the Implementation of the LAC Agreement: Annex 1, paragraphs 132-134, and Annex 2, paragraphs 79-81.

Requests for information and receipt from responsible bodies

Within the framework of monitoring, information on the status of implementation of these commitments was requested and received from the state administration bodies of the Republic of Armenia.

Within the framework of monitoring, it was planned to find out to what extent the Government of the Republic of Armenia has implemented the commitments it has undertaken. Accordingly, requests for information were developed and sent to the Prime Minister of the Republic of Armenia, the Minister of Territorial Administration and Infrastructure of the Republic of Armenia and the Minister of Education, Science, Culture and Sports of the Republic of Armenia, the Yerevan Municipality, etc. As a result of the study of the information received, additional written requests were sent to some institutions in order to obtain new, additional or elaborated information.

The answers to all these requests were provided in good faith. Extensive telephone conversations or interviews with officials were also held regarding the information received. Responses to inquiries addressed to the Prime Minister of the Republic of Armenia were received from the office of Deputy Prime Minister of the Republic of Armenia Mher Grigoryan, who is in charge of the CEPA implementation.

Conclusions and Analysis

From the responses received and the study of the Agreement and related documents, including the roadmap of the Action Plan, also open internet sources, the following was revealed.

According to the information received from the RA Ministry of Territorial Administration and Infrastructure, it was planned to revise the 2016-2025 Republic of Armenia Strategy for Territorial Development with the integration of the Smart Specialization Strategy (SSS), however, taking into account the fact that by the RA Government Resolution No. 1728-N of October 21, 2021, the protocol decisions of the RA Government were declared invalid, a new RA Territorial Development Strategy for 2025-2030 was developed and put into circulation.

Taking into account the above, the “2016-2025 Implementation of the Territorial Development Strategy of Armenia (TDSA) and integration of the smart specialization approach” sub-item has declared: “Development of the RA Territorial Development Strategy 2025–2030”. However, according to the MTAI information, the RA Territorial Development Strategy 2025–2030 does not include a Smart Specialization Strategy (SSS) component.

According to the report of the Office of Deputy Prime Minister Mher Grigoryan, the “Multi-level Governance-Programmatic Approach to Territorial Development Actions, TDAP Management” was implemented. As a result of the community unification process implemented in 2022, the role of territorial governance bodies was increased and their functions were clarified. The RA Prime Minister’s Resolution of 29.12.2022 N 1550-L/L approved the statutes of the RA regional governors’ staffs, and on 31.10.2023 Resolution No. 1080-U/A established the optimal structures of the staffs of the regional governors, as a result of which the functions became more targeted and effective.

Despite the optimisation claims the unification of the communities did not provide the needed effect. "The optimal structures of the staffs of the regional governors were established by the decision N 1080-U/A, as a result of which the functions have become more targeted and effective", no justification for these evaluative judgments was found during the monitoring. In reality, the situation remained the same, and the Prime Minister's decision has only established the optimal structures of the staffs of the regional governors. At the same time, it is obvious that the enlargement of communities has technically facilitated the work of regional governors with the community administrations, since fewer communities remained. As a result of the amalgamation of communities, regional governors and their employees have had a much smaller workload when dealing with communities than before. For example, if previously the Shirak regional governor had official relations with 119 community mayors and municipalities, now, after the amalgamation, it has relations with only 6 communities, or if previously the 10 regional governors of the Republic



of Armenia had official relations with 914 municipalities and community mayors of the Republic of Armenia, now, after the amalgamation, they have relations with a total of 70 communities.

The information from the Office of the Deputy Prime Minister, Mr. Mher Grigoryan regarding this decision of the Prime Minister of the Republic of Armenia 1550-I/L of 2022, does not mention the Comprehensive and Enhanced Partnership Agreement (CEPA). There is no connection with the implementation of any commitment of the Agreement. Meanwhile, if there were any indicators of action in the commitments, it would have been possible to assess whether the specific commitment has been implemented or not.

According to the report of the Office of the Deputy Prime Minister of the Republic of Armenia Mher Grigoryan, within the framework of the provision “A new Territorial Development Grant Scheme can (and should) be developed based on the experience of pilot grant schemes for Territorial Development Programs, with joint co-financing by the EU and the Government of the Republic of Armenia”, the “Strengthening Local Actors for the Development of Shirak, Lori and Tavush Regions” program is being implemented. In particular:

1. As a result of the implementation of the “Strengthening Local Actors for the Development of Shirak Region” (LEAD) program, the number of grant projects won in Shirak region in 2024 reaches 81, of which 41 are community and 40 are business development projects. Out of 81 grants, 38 were provided to women-led projects, 43 to men. In total, in 2022-2024 During the period, 3 grant calls were implemented. The total budget of 81 grants was 1,687,763 euros, out of which 1,444,212 euros were LEAD4Shirak project funds, and 243,551 euros were grantee contributions (including communities). In total, 83 jobs were created within the framework of the program, of which 23 men and 60 women. Of these 83 employees, 20 were young people, and 25 were representatives of vulnerable groups.

2. As a result of the implementation of the “Empowerment of Local Actors for the Development of Lori and Tavush Regions” (LEAD) program, by 2024 The number of winning initiatives in Lori and Tavush regions reached 99, out of which 17 are community and 82 are business and public sector development programs. The programs are in progress. In 2024, 200 jobs were created, including for people displaced from Nagorno-Karabakh.

In implementing the initiatives under point 1, Ministry of Territorial Administration and Infrastructure (MTAI) collaborated with the UNDP, the “EU4Regions: Support to Territorial Development Policy in Armenia” program and LEAD.

A study of a number of information materials received from the Ministry of Territorial Administration and Infrastructure, shows that development programs have been created for the development of Shirak, Lori and Tavush regions, which contain an analysis of demographic, agricultural, infrastructural and other problems, and propose regulation mechanisms. These programs provide for an active mechanism for



public participation. However, all this has no organic connection with the regional balanced development target set out in CEPA. At the same time, it can be said in general that the development of the regions, whether they are northern or other, can contribute to the balanced development of the country. However, the programs are being implemented in the three regions, which are not in the context of regional development, and the clearly calculated and planned context for ensuring balance is unclear, especially when the regions are inferior or superior to similar indicators of the development of other regions in terms of financial and economic, demographic, and infrastructure indicators, it will be impossible to unequivocally state whether these programs have contributed or will contribute to the balanced development of the country. They may exacerbate the differences in development or reduce them by ensuring balance.

According to the Office of the Deputy Prime Minister of the Republic of Armenia Mher Grigoryan, the investment and implementation of community management information systems in communities is being carried out in cooperation with the "Center for Information Systems Development and Training" NGO, and the participatory budgeting process at the community level is being implemented with the support of the German International Cooperation Agency (GIZ).

The aforementioned participatory budgeting tool used is valuable from the perspective of the commitment to regional balanced development in that these 4 communities received additional funding, but it is not obvious whether such funding has contributed to regional balanced development in the country. The use of the participatory budgeting tool, which can also be applied in other communities, is not directly related to the commitments provided for by the Comprehensive and Enhanced Partnership Agreement (CEPA) and has a direct impact not on balanced development, but on promoting citizen participation in local self-government.

Point 152 of the 2020-2021 Roadmap envisages the continuation of administrative-territorial reforms, the implementation of investment programs aimed at the development of infrastructure in rural settlements of united communities, and the full implementation of the Community Management Information System (CMIS).

In order to implement the above point, the following work was carried out by the Office of the Deputy Prime Minister of the Republic of Armenia Mher Grigoryan, responsible for the implementation of the Comprehensive and Enhanced Partnership Agreement (CEPA) commitments:

1. During 2019-2021, administrative-territorial reforms continued, as a result a number of communities decreased from 502 to 71 (the last stage of unification or enlargement of communities so far). The legal basis for the reforms was the Law of the Republic of Armenia “On Administrative-Territorial Division” adopted by the National Assembly of the Republic of Armenia on 17.04.2020, Law of the Republic of Armenia on Amendments and Supplements to the Law “On Administrative-Territorial Division”, Law of



the Republic of Armenia on 24.09.2021, Law of the Republic of Armenia on 266-Ն/N and Law of the Republic of Armenia on 266-Ն/N.

2. The concept of “On Approval of the Concept of Decentralization of Powers in the Republic of Armenia” was approved by the decision No. 1111-Ս/Ա of November 7, 2011.

The above-mentioned concept is a valuable document in the context of decentralization, which assumes the adoption of relevant legal acts (laws, government decisions, strategy, roadmap, etc.) and their implementation as a result of which there will be proportionally developing communities, where the communities will be self-sufficient and there will be no sharp difference in the level of development between different communities, especially the capital and other communities. In terms of decentralization of management and redistribution of powers from state authorities to community authorities, the Yerevan community has a significant advantage over other communities. This fact indicates discrimination in community management. Thus: in Yerevan, the state education and healthcare systems, as defined by the legislation, are completely under the management of the community authorities, which is not the case in other communities; in all other communities, these systems are managed either through regional governors or ministries.

The state authorities of the Republic of Armenia, which since 2009, when Yerevan became a community, have considered it appropriate to implement such decentralization, redistribution of powers in one community, or delegation of these powers, for an incomprehensible reason, have not considered it appropriate to implement such redistribution or delegation in other communities until 2025. At the same time, the per capita community budget in Yerevan (excluding the budgets for the management of the state healthcare and educational systems) exceeds the average per capita budget indicator of other communities of the Republic of Armenia by 1,5-2,5 times. This indicator has been maintained for decades, and without real financial equalization of communities, it is impossible to expect a balanced development of the country. Yerevan's per capita community budget compared to other communities' budgets is much higher and not only because of higher state funding allocated for the delegation of a number of state services, but because the economy in Yerevan is more developed, which has led to and continues to lead to a significant increase in the volume of local taxes.

A potentially effective policy of decentralization of authorities' powers could become an essential factor for the balanced development of communities and the country, but during the observed period, no practical and influential steps or policies were taken in that direction.

During the monitoring, based on information received from official state websites and state and community officials, the sources of community financing were studied, including local revenues (totals of property taxes, local duties and payments, etc.), including state subsidies and grants - subventions provided by the RA Law "On Financial Equalization of Communities".



According to the RA Law "On Financial Equalization of Communities", the principle of allocations from the country's budget for 2021-2024 did not undergo significant changes compared to previous years, there were partial changes in the calculations of financial allocations to communities for financial equalization. Financial resources provided to communities for financial equalization are allocated to promote the harmonious development of communities, as well as to create the opportunity to incur minimal expenses in all communities in order to reduce the differences between the financial capabilities of communities for the implementation of their own powers reserved by law to local self-government bodies. This is the principle established by law and the purpose of legal regulation.

In Article 6 of the Law, a significant addition was made to the list of subsidies under Part "a" provided to communities with an amendment made on December 9, 2023. Thus, before that amendment, subsidies under Part "a" were provided only to communities with up to 3,500 residents, and due to the amendments, subsidies are also provided to communities that include border villages (Article 6, Part 1).

According to Article 11 of the Law, 2023 Following the amendments made on December 9, 2018, the scale cost factor calculation group hierarchy was revised. Previously, the scale cost factor values were defined for the following groups (1) Up to 3,500 residents, (2) 3,501-5,000 residents, (3) 5,001-20,000, (4) 20,001-150,000 and (5) 150,000 and more, then after the amendments, leaving the scale cost factor values the same, the legislator defined the following groups (1) Up to 3,500 residents, (2) 3,501-20,000 residents, (3) 20,001-50,000, (4) 50,001-200,000 and (5) 200,000 and more.

Change was also done in Article 13 of the law, which gives higher weight to high-altitude settlements in the calculation of subsidy allocations. Thus, if by 2023 On December 9, 2011, the law stipulated that a coefficient of 1 should be applied to communities located up to 1700 m above sea level, 1,1 for 1700-2000 m, and 1,25 for 2000 and above meters, then the amendments increased these coefficients to 1,2 for communities located at an altitude of 1700-2000 m, and 1,4 for communities located at an altitude of 2000 m and above.

During the monitoring period, a number of other amendments were made to the aforementioned law, which slightly increased the state subsidies allocated to communities, in general and to communities containing border settlements in particular. However, these increases did not have a significant impact on the balanced development of the country, with various criteria to ensure the progressive development of vulnerable communities, settlements and territories.

On state funding for subsidy/subvention programs: 2021-2024

Studies have shown that, as before the period under review, grants have been allocated from the state budget to communities in Armenia for the development of infrastructure, thanks to which the so-called



subvention/subsidy programs have been implemented. These programs are implemented with the investment of financial resources from at least two sources:

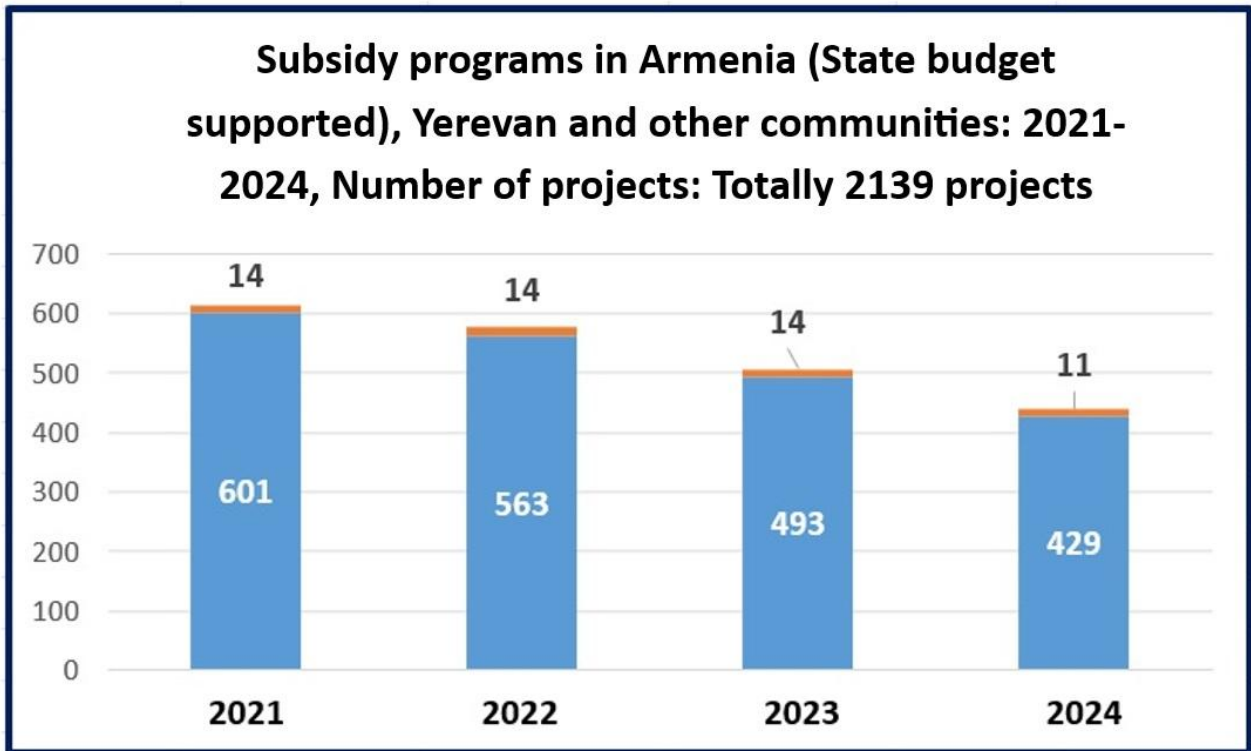
1. Community investment
2. Grant allocation from the state budget

They may also come from other sources (foundations, other countries, sister cities, international organizations, etc.). The proportion of community and state funds varies in different programs, the share of community funds in the total program budget was from 4,25% to 70% in different programs.

There are exceptional examples of a relative lack of own funds for community subsidy/subvention programs. For example, in the subsidy/subvention program for the construction of a new pumping station and irrigation network in the Araxavan community, the community's contribution was 2%, the state allocation was 18,2%, and the rest was allocated from other sources. In other communities, except Yerevan, with rare exceptions, the communities' own contribution to the implementation of subsidy programs was 35-70%, and the remaining 30-65% was allocated from the state budget.

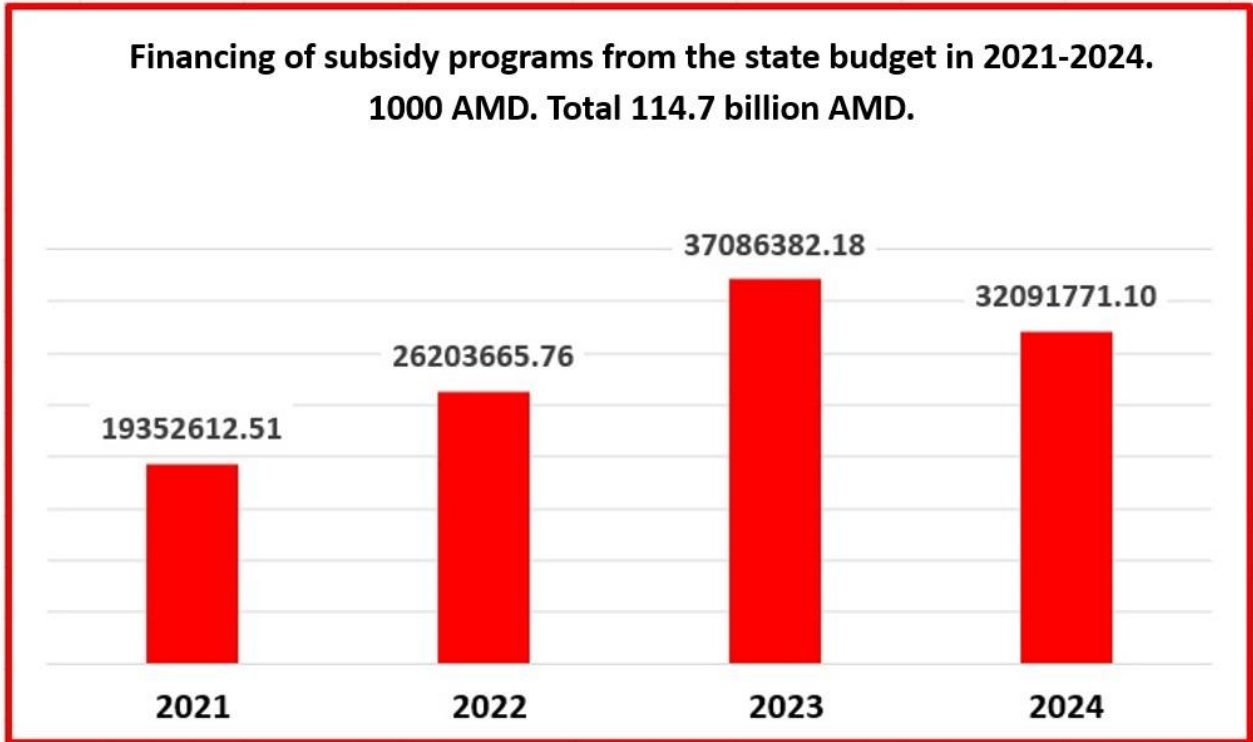
The following works were implemented within the framework of subsidy/subvention programs: water supply system improvement works, road reconstruction, major street repairs, repairs of community-owned administrative buildings, culture houses, sports schools, kindergartens, installation of photovoltaic stations, repairs and construction of fountain systems, installation of monuments, improvement of parks and gardens, construction of playgrounds, construction and repair of water lines, acquisition of passenger and other transport and equipment, construction of night lighting systems for streets, partial overhaul of intra-community stormwater drains, construction of pasture irrigation systems, implementation of irrigation works, reconstruction of intra-economic sector sewer lines, restoration of deep well pumps and pumping pipelines, gasification of settlements, construction of community centers, etc.

Thus. All 71 communities, including all 1002 settlements of the Republic of Armenia, received a total of 615 subsidy program funding in 2021, and 577, 507, and 440 in 2022, 2023, and 2024, respectively. A total of 2139 programs were funded from the state budget in 2021-2024. See Figure-1



Despite the quantitative decline in programs over the years, the total volume of state funds allocated for these programs has increased year by year. Thus, in 2021-2024. The funds allocated from the state budget for the implementation of subvention programs to communities were as follows: 19352,6 million, 26203,7 million, 37086,4 million, 32091,8 million AMD. Over the 4 years, a total of 114, 734 billion AMD was allocated from the state budget for the implementation of subvention programs.

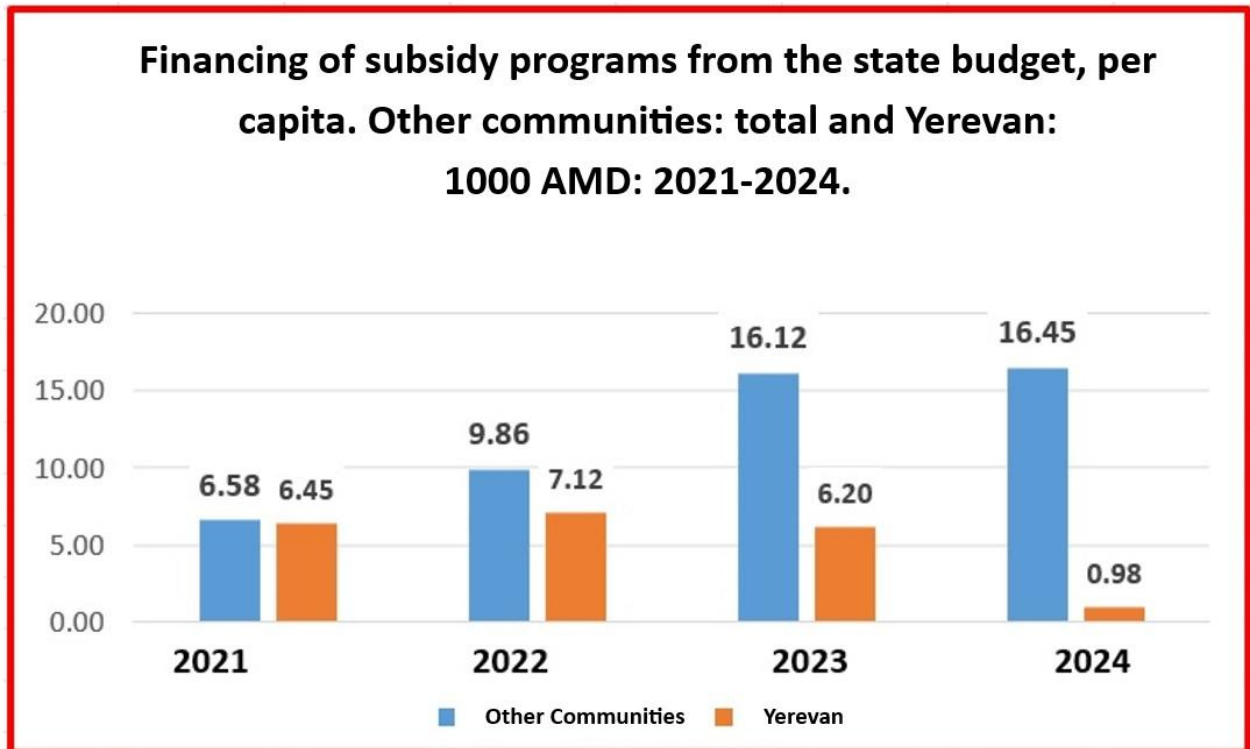
See Figure-2



The study of state funding statistics for subsidy/subvention programs for 2021-2024 led to the following findings:

During 2021 and 2022, the funds allocated from the state budget for programs implemented in Yerevan and all other communities were generally comparable on a per capita basis. Thus: in 2021, Yerevan and all other communities, respectively: 6450 AMD and 6580 AMD, in 2022. Yerevan and all other communities, respectively: 7120 AMD and 9860 AMD. During 2023-2024 the per capita state funding indicators for subsidy programs in the remaining communities of the Republic of Armenia began to significantly exceed the similar indicators in Yerevan. Thus: in 2023 Yerevan and all other communities: 6200 AMD and 16120 AMD, and in 2024 Yerevan and all other communities: 980 AMD and 16450 AMD.

See Figure-3



It should be noted that some of these programs were funded over more than one year and are completed in 2024. Some of the projects launched are also funded in 2025. Considering that Yerevan is incomparably more developed in terms of infrastructure, amenities, and attractiveness than the regions and other settlements in general, the aforementioned dynamics of financing subvention programs will presumably contribute to reducing disparities or differences in territorial development. However, there is currently no statistical basis for concluding that:

- (1) this trend (providing more subvention support to other communities) will be sustainable
- (2) the government has a roadmap or strategy with clearly defined criteria or intention to do so. In other words, this positive growth cannot be assessed as a result of a targeted policy of territorially balanced development.

Despite certain works carried out for the development of the regions, construction, renovation, or overhaul of infrastructure are implemented with state grants allocated to communities. These allocations, cannot be considered sustainable actions for the balanced development of communities. These works were carried out through state grants and, despite their large volume, they may end or decrease at any time, depending on the positions and assessments of priorities of various branches of state power and/or officials, assessment capabilities, the domestic political situation, changes in the preferences of government bodies or officials, and other factors.



The grant or subsidy funds allocated to communities from the state budget have always been insufficient for the implementation of the community projects, as a result of which the obligations have always been underfulfilled, and the powers have been exercised insufficiently in general, and in particular, some of them have been implemented to the detriment of others or the complete absence of services (for example, in a number of communities, due to the lack of costs for having and maintaining a kindergarten or due to the lack of community funds, primary education has not been considered a priority and no kindergartens existed, despite the need).

On the Concept of Decentralization of Powers in the Republic of Armenia

The “Approving the Concept of Decentralization of Powers in the Republic of Armenia” endorsed by the Prime Minister includes the following sections: Introduction, description of the situation in the country and the need for decentralization, main principles of decentralization, reform agenda, and sources of financing. This document specifies the main principles of decentralization, including subsidiarity, as an effective way for local governments to solve public problems and there are no obvious indicators that the implementation of these issues by a higher government level will be more effective and economical.

The principles emphasize the solution of priority problems aimed at the sustainable development of the local self-government system and the decentralization of powers through the development and implementation of a unified and comprehensive policy. The principles include the completeness and exclusivity of local government powers, the adequacy and proportionality of resources provided to local government, the institutional and consultative dialogue of local self-government bodies in the planning and decision-making processes on each issue related to the decentralization process. It also covers the comprehensive and systematic consideration of interrelated and mutually supportive organizational, economic, financial, material, social and other factors affecting the decentralization process and the development of local self-government.

It is noteworthy that the concept envisages the application of international instruments in the field of local self-government and decentralization, in particular, the unequivocal application of the basic principles of the European Charter of Local Self-Government, the study of international best practices in decentralization of power, based on its results - analysis, localization, as well as ensuring the effective and coordinated activities of the bodies responsible for the development of the local self-government system and the implementation of the decentralization policy through the separation of powers. Transparency, publicity and participation for all stakeholders, gender equality and ensuring equal participation of men and women in the processes of decentralization and implementation of local self-government are also emphasized as fundamental principles of decentralization.

This is a valuable innovation in the legislation of the Republic of Armenia, which, however, has not led to corresponding legal and practical developments in the past two years. There are no other documents arising from this concept, synchronizations and approximations of the current legislation, a corresponding



roadmap and schedule, which should ensure the implementation or introduction of the concept of decentralization of powers in the Republic of Armenia within a specific period of time and with specific actions. Which, in turn, will contribute to the balanced territorial development of the Republic of Armenia. In other words, the concept of decentralization of powers in the Republic of Armenia approved by the Prime Minister, in case of proper and rapid developments, could, on the one hand, serve to promote balanced territorial development, and on the other hand, seriously contribute to a clearer definition and implementation of the commitments in CEPA Agreement and the actions envisaged by its Roadmap.

On Community Management Information Systems

According to information received from the government, 70 out of 71 communities of the Republic (except for the capital Yerevan) have been provided with community management information systems. Thanks to the use of which, the administrative capacities of the united multi-residential communities have been significantly expanded, the quality and accessibility of the administrative services provided have been improved. It is impossible to confirm or deny this claim in the context of the commitment to balanced territorial development, because there are no indicators of the quality or level of these improvements. And it is difficult to assess to what extent this technical improvement has contributed to the fulfillment of the obligations assumed under the Agreement on ensuring balanced development of Armenia. In particular, such an action was not envisaged in the CEPA roadmap.

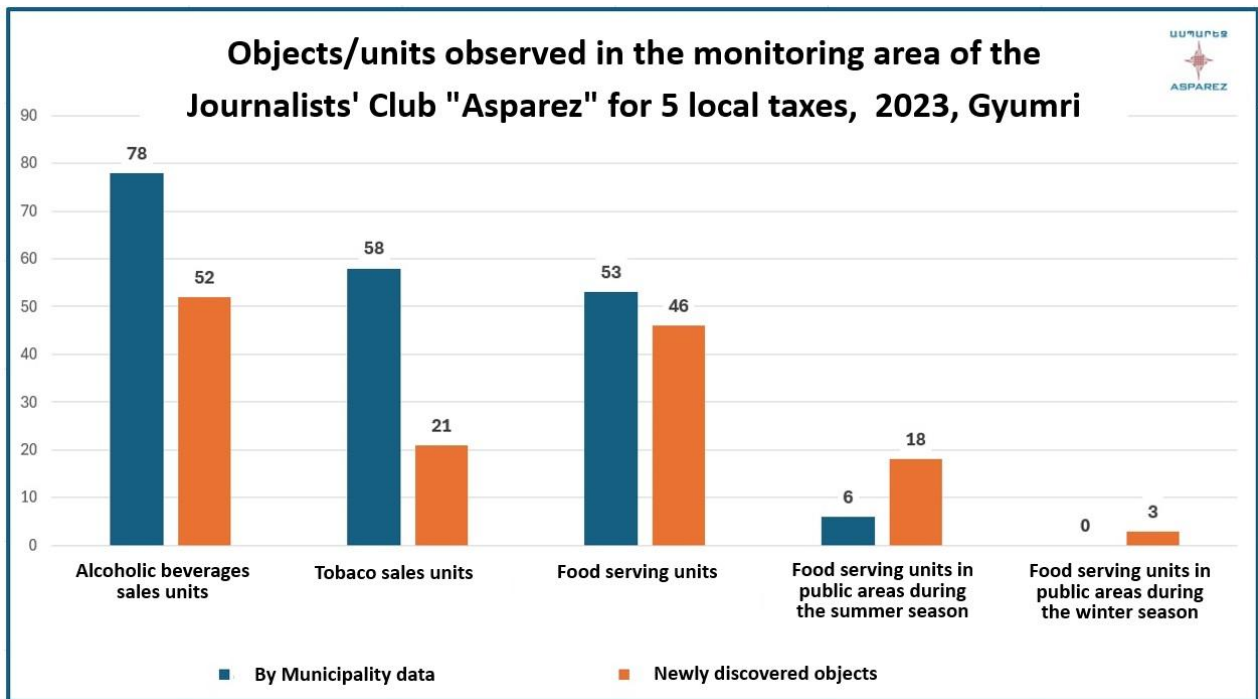
On the quality of local revenue collection

Since January 2021, a unified electronic system for the collection of local taxes (real estate tax and vehicle property tax) has been introduced. The payment and collection of local taxes are completely carried out digitally, online.

As a technical solution and a transition from manual payments to electronic payments or transfers in the collection process, it is a justified investment in terms of the fight against corruption and reducing the shadow economy. However, in terms of listing, mapping, eliminating targeted or accidental omissions of entities paying local taxes, or in other words, overcoming the shadow economy of local taxes, the problem has not been solved and the elimination of the shadow economy is not systematic. The fight against the shadow economy in this sector or the listing of entities liable to pay local taxes and their inclusion in the databases of tax payers remains a serious challenge for the proper collection of community revenues. And the proper collection of community revenues would obviously contribute to the balanced development of the country.

In Gyumri, the Journalists' Club «Asparez» NGO in 2024 monitored the collection of 6 local taxes (taxes for the operation of food facilities, the sale of alcoholic beverages, the sale of tobacco products, outdoor advertising, and other taxes). The monitoring revealed a 10-45 percent underperformance in the listing of tax-paying entities, with the resulting underperformance in tax collection. Thus, 52 of the 130 entities

engaged in the sale of alcoholic beverages observed in the center of Gyumri did not pay the taxes for that activity to the community budget in 2023, because they were not registered as tax payers at the municipality for unclear reasons. Of the 79 entities engaged in the sale of tobacco products, 21 did not pay the taxes for that activity to the community budget, 46 of the 99 entities operating in the same area did not pay the taxes for the operation of food facilities, etc. See Figure 4.



According to an estimate, the damage caused to the community in the entire community area may amount to 80-150 million AMD per year, which is actually 3,3-6 % of the total tax revenues in Gyumri in 2023. There are sufficient grounds to claim that a similar situation prevails in the majority of the communities of the Republic of Armenia, and the situation with regard to such a shadow is milder in the capital. From the point of view of the balanced development of Armenia, the elimination of such a shadow could be a significant contribution to the fulfillment of the obligations assumed within CEPA.

On the participatory budgeting tool used in communities

By the decision of the Government of the Republic of Armenia of 2023. N 1890-N, in order to encourage communities, about 500 million AMD were allocated from the state budget to 4 communities involved in the participatory budgeting process in 2024. In 2025, participatory budgeting will be implemented in 21 out of 71 communities.

In order to ensure the continuity of the above-mentioned results, the RA Ministry of Local Government and Infrastructure will take steps towards proportional administrative and financial decentralization, the



formation of new financial capacities of communities, and the expansion of the scope of result-based competencies.

These investments, while being useful in terms of citizen participation in local self-government and providing supplements to the community budget, have no organic connection with the commitments to territorially balanced development; there are no performance indicators linking these allocations and commitments to balanced territorially development in the documents related to the Agreement.

On the establishment of a community library management mechanism

According to the information received regarding Article 97 of the RA-EU CEPA, the Prime Minister of the Republic of Armenia’s 2019 Article 97, paragraph 77, of Appendix 2 to the Resolution No. 666-L of June 1, 2019 (amended by No. 587-L on 31.05.21), establishes the measure “Creation of community library management mechanisms during the implementation of the conceptual program for the consolidation of communities and the formation of inter-community associations”, the deadline for which is set for 2022-2023. Within the specified period, the draft law of the Republic of Armenia “On Amendments to the Law of the Republic of Armenia on Libraries and Librarianship” was developed and submitted for the opinion of the interested departments. The opinions were summarized and submitted to the National Assembly of the Republic of Armenia for consideration in the prescribed manner. The National Assembly adopted the RA Law “On Amendments and Supplements to the Law “On Libraries and Librarianship” (ՀՕ-344-Ն). The law stipulated that in order to activate the cultural life of the community, develop public reading, aesthetic and cultural education, and organize a high-quality and meaningful life of the community population, cultural, educational, and information centers may be established, or services aimed at this goal may be centralized in existing cultural or educational institutions in the community. The RA Ministry of Education, Culture, Sports and Science has collaborated with the “International Federation of Library Associations and Institutions” (IFLA).

Although this action was aimed at improving community services, it is impossible to claim that it contributed to the researched problem or goal of the balanced development of the country.

On the programs for strengthening local actors in three regions

According to the clarifications received from the RA Ministry of Local Development, during the reporting period of the program “Strengthening Local Actors for the Development of Shirak, Lori and Tavush Regions”, 8 Local Action Groups (LAGs) were established and operate in Lori, Tavush and Shirak regions of the RA, all of which have received legal status and have been registered as public organizations.



The mechanisms for the management of LAGs have been clarified. LAGs are equally composed of representatives of the public sector, including local self-government bodies, local business and civil society, including representatives of public organizations. LAGs have developed and approved through their conferences general local development strategies for the LAG territory, taking into account the development programs of constituent communities, regional and state sectoral development programs and other strategic documents aimed at regional and local development.

In order to finance local initiatives, LAGs announced a call for funding for local grant programs (seed grants), which aim to finance the priorities set out in the local development strategy of the LAG. The entire grant award process, including the application package and evaluation guidelines, has been developed by the LAG Management Board members with the advisory participation of the Project Experts and approved by the LAG Conference. The final list of awarded grants is also approved by the LAG Conference and submitted to UNDP for validation by the Donor Committee. Later, after the capacity of the LAG Evaluation Committee has been developed, the full decisions and validation will be carried out on the ground by the LAG Conferences.

Extensive awareness-raising activities on the LEADER methodology are currently being carried out among stakeholders in collaboration with the implementing agencies and the donor organization, with the aim of widely publicizing and disseminating it as an inclusive, effective and exemplary model of community-led local development. LEADER is guided by 7 fundamental principles: bottom-up approach, place-based approach, local partnership, integrated and multi-sectoral strategy, innovation, linkages and cooperation, as well as local governance.

As a result of the implementation of the “Empowering Local Actors for the Development of Lori and Tavush Regions” (LEAD) project, there were 99 winning initiatives in Lori and Tavush regions in 2024, of which 17 were community-based and 82 were business and public sector development projects. The projects are ongoing. In 2024, 200 jobs were created, including for displaced persons from Artsakh. In 2025, 15 jobs are planned to be created. In addition, the project will support the expansion of the scale of already implemented initiatives and the completion of value chains (with the involvement of 60 former beneficiaries).



Recommendations

Having summarized the research conducted, analyzed the criteria of the commitments aimed at territorially balanced development and regional development, and considering them in the context of clarity, reasonableness, realism, specificity, adequacy and measurability, the following recommendations have been formulated for the relevant departments:

Recommendations to the Government of the Republic of Armenia

1. (1) Regarding commitment 132:

“Development of territorial growth centres:

- Development of infrastructure necessary for the implementation of projects providing primary impulses for development in territorial growth centres in the Republic of Armenia
- Implementation of programs providing primary impulses for development in territorial growth centres;
- Implementation of measures aimed at increasing the level of business activity in territorial growth centres.”

1.1. To establish a complete list of actions necessary for the implementation of the commitment, intermediate and final deadlines for their implementation,

1.2. Define performance indicators,

1.3. Define targets for meeting the commitment clearly and unambiguously, specifying:

- Where are the centers of regional growth, or what are they, what geographical areas do they cover?
- What are the infrastructures necessary for the implementation of projects that provide primary impulses for development?
- What volume of development will be ensured in the centres of regional growth?
- List and schedule of measures aimed at increasing the level of business activity.
- Target level(s) of increasing the level of business activity, according to the schedule.

2. (2) Regarding Commitment 133:

“Proportional development of the Republic of Armenia/Ensuring improved infrastructure in the settlements of the Republic of Armenia:

1. Improvement of regional and local infrastructure networks (transport, water, gas, energy, IT, etc.), development of transport infrastructure, development of gas infrastructure, development of information and communication technologies (ICT)



2. Improvement of social infrastructure and services of the territories of the Republic of Armenia (education, healthcare, social support, sports and recreation, culture). Development of education, Development of healthcare infrastructure, Development of social support infrastructure and services, Development of sports, recreation and culture.”

For the first sub-commitment:

2.1.1. Set interim and final deadlines for actions.

2.1.2. Set performance indicators.

2.1.3. Set clear and unambiguous targets for overcoming sub-commitments, specifying:

- Lists of regional and local infrastructure networks (transport, water, gas, energy, IT, etc.) subject to improvement, transport infrastructure subject to development, gas infrastructure subject to development, information and communication technologies (ICT) with clear geographical definitions.
- What is the scope of improvement or development to be ensured for each of the above-mentioned infrastructures.

For the second sub-commitment.

2.2.1. Set interim and final deadlines for the sub-commitment,

2.2.2. Set performance indicators.

2.2.3. Set clear and unambiguous targets for overcoming sub-commitments, specifying:

- Lists of social infrastructure and services subject to improvement in the education, healthcare, social assistance, sports, entertainment, culture, and education development systems.
- What level of improvement or development will be provided for each of the above infrastructures?

(3) Regarding Commitment 134:

Regional Development:

"Balanced territorial development of the Republic of Armenia/Economic development of settlements of the Republic of Armenia. Provision of support to projects that have a significant impact on the economic growth of communities by private investors in Armenia, development of business infrastructure (industrial parks, agricultural mechanization parks, business units, etc.), promotion of regional employment, business and entrepreneurship (agricultural product processing, tourism, IT, development, innovation)." In the second annex to the Agreement,



points a, b, c of paragraph 2⁸ of Article 105⁹ (a) strengthening of multi-level governance to the extent that it has an impact at the central, regional and local levels, paying special attention to increasing the involvement of regional and local stakeholders; (b) consolidation of cooperation of all stakeholders involved in territorial development; (c) co-financing support from parties involved in territorial development programs and projects.

3.1. To establish interim and final action plans for the implementation of the balanced territorial development of the Republic of Armenia and the economic development of settlements, and the other commitments mentioned above with deadlines.

3.2. Define indicators to verify performance for each target.

3.3. Define targets for ensuring indicators clearly and unambiguously, specifying:

- Quantitative and qualitative indicators of support for projects that have a significant impact on the economic growth of communities by private investors in Armenia.
- Indicators of business infrastructure development.
- Indicators of regional employment, business and entrepreneurship promotion
- (a) indicators of strengthening multi-level governance.
- (b) actions to consolidate cooperation of all stakeholders involved in territorial development and performance indicators.
- (c) Volumes and indicators of co-financing support in territorial development programs and projects of the parties to be involved.

To the Ministry of Territorial Administration and Infrastructure

(4) Regarding Commitment 79:

Ensuring balanced territorial development of the Republic of Armenia, including:

1. Successful implementation of the 2016-2025 Strategy for Territorial Development of Armenia (STD), revision with the integration of the Smart Specialization Strategy (SSS) approach, through pilot projects implemented at the national or regional levels.
2. Development of local and regional development databases and parametric indexing systems for local and regional socio-economic development.

4.1. Establish interim and final deadlines for actions necessary for the process of leveling territorial development and improving the mechanism of vertical and horizontal interaction

⁸ "In particular, the Parties shall cooperate to bring the Republic of Armenia's practices into line with the following principles..."

⁹ CHAPTER 22, REGIONAL DEVELOPMENT, CROSS-BORDER AND TRANS-REGIONAL COOPERATION "1. The Parties shall promote mutual understanding and bilateral cooperation in the field of regional development policy, including methods of formulating and implementing regional policies, multi-level governance and partnership, with particular emphasis on the development of disadvantaged territories and territorial cooperation, with a view to establishing channels of communication and enhancing the exchange of information and experience between national, regional and local authorities, socio-economic actors and civil society."



between central and local administrative bodies in the process of developing and implementing territorial policies, in particular, for in-depth monitoring and evaluation, as well as for defining and implementing a regional development strategy developed with the introduction of smart specialization.

4.2. Define indicators to verify performance for each of the above targets.

4.3. Define targets and put in place clear indicators:

- For the leveling/balancing of territorial development.
- For the improvement of the mechanism of vertical and horizontal interaction between central and local administrative bodies in the process of developing and implementing territorial policies.
- For in-depth monitoring and evaluation.
- For a territorial development strategy, developed with the introduction of smart indicators.

(5) Regarding commitment 80:

3. Full implementation of the multi-level governance mechanism, development and successful implementation of programmatic approaches to ensure territorial development activities, implementation and implementation of the management mechanism of the Territorial Development Operational Programme (TDOP).

5.1. Set intermediate and final deadlines for the actions necessary for the full implementation of the multi-level governance mechanism, development and successful implementation of programmatic approaches to ensure territorial development activities and implementation of the management mechanism of the Territorial Development Operational Programme (TDOP).

5.2. Set indicators to verify performance for each of the above targets.

5.3. Set clear and unambiguous targets for ensuring indicators, in particular:

- For the full implementation of the multi-level governance mechanism
- For the development and successful implementation of programmatic approaches to ensure territorial development activities
- For the implementation of the management mechanism of the Territorial Development Operational Programme (TDOP)

(6) Regarding Commitment 81:

4. Develop and implement a new Territorial Development Grant Scheme, co-financed by the EU and the Government of the Republic of Armenia, to be developed based on the experience of the Pilot Grant Schemes of Territorial Development Programmes. No deadline has been set for the implementation of this commitment.



- 6.1. Develop and implement a new Territorial Development Grant Scheme for the entire territory of the Republic of Armenia. Set interim and final deadlines for the activities necessary for implementation.
- 6.2. Set performance indicators for the development and implementation of the new Territorial Development Grant Scheme.
- 6.3. Set appropriate, clear and unambiguous indicators for the Territorial Development Programme Pathways.

To the Government of the Republic of Armenia and the Prime Minister

7. Adopt legislative and sub-legislative acts within six months that will ensure the implementation of the 2023 Prime Minister’s «The concept of decentralization of powers in the Republic of Armenia, approved by the decision No. 1111-A of November 7, 2011», and its implementation. In particular,

- 7.1. Adopt a strategy and roadmap for decentralization of powers in the Republic of Armenia, including a clear schedule for the adoption of legal acts, a possible plan and schedule for structural changes, and definitions of responsible officials and institutions.
- 7.2. Involve the Ministry of Territorial Administration, the Ministry of Justice, the Ministry of Finance, regional administrations, representatives of all local self-government bodies of the Republic of Armenia, and representatives of specialized civil society organizations and independent experts in the above-mentioned work and development of projects.
- 7.3. Ensure sufficient public awareness of these works, establish public awareness tools and a schedule.
- 7.4. Development and implementation of legal acts reallocating all public services that the central government will no longer provide to the public, will be transferred to local self-government bodies. For such a transfer, it is necessary to provide for the definition of several tools in possible legal acts, which are:
 - a. Participatory and inclusive development or processing of methodologies for the provision and management of services transferred to community authorities.
 - b. Creation of specialized services, or a professional base, or capacities in community municipalities for the proper implementation of the transferred powers by training or involving relevant specialists.
 - c. Ensure allocation of appropriate financial resources to communities for the management/administrative costs of providing these services.
 - d. A system of regular and systematic control of the quality of service provision and financial resources.



The central government should retain under its governance only those services that it objectively cannot transfer to communities due to the inevitability of their unified management, such as border protection, the national security service, intelligence, counterintelligence, the law enforcement system, including the fight against corruption, etc., and transfer all other services to local self-government bodies.

8. Considering that the commitments of the Action Plan and Roadmap of the Republic of Armenia-EU Comprehensive and Enhanced Partnership Agreement (CEPA) mainly do not have clear and specific criteria, some have uncertain deadlines for implementation and there is no public accountability mechanism, it is proposed to:

- completely review the CEPA Action Plan stemming from the agreement, rework and formulate the commitments with clear, realistic, measurable targets, maximum clarification and specification, including including time-bound indicators, indicators of action performance, clear definitions of responsible parties, estimates of the volume of necessary funds, monitoring and public participation mechanisms.
- In addition, it is also proposed to develop and implement a public accountability mechanism for the implementation of Armenia's balanced development commitments.

The National Assembly and the Government of the Republic of Armenia are recommended to:

9. Radically review the existing community financing systems, when the main sources of financing are local revenues (property tax, local fees and charges, rental payments, etc.) and subsidy allocations from the state budget under the RA Law “On Financial Equalization of Communities”. In order to implement the commitment under CEPA aimed at ensuring regionally balanced development, it is necessary to radically review the system of financial allocations to communities from the country's state budget, either from the budget itself, or through revisions of the tax and fee collection system, or by integrating it with other instruments. At the same time, progressive financing schemes can be applied for the communities that are considered more vulnerable (border, highland, remote, poorest or most deprived, etc.), together with a clear development plan and schedule. It is also proposed that the RA Law “On Local Duties and Payments” grant communities the right to establish local duties and set duty rates, which are currently not authorized. The implementation of these proposals will contribute to the accelerated reduction of differences in infrastructure and welfare standards in different communities.



Summary

This report summarizes the results of the monitoring of the implementation of the commitments of the Republic of Armenia-EU Comprehensive and Enhanced Partnership Agreement (CEPA) aimed at the balanced development of Armenia. This monitoring is based on the study of documents, information received from state institutions and professional analysis. The identified problems and proposals for solution are presented at the end of the report.

Levon Barseghyan

Chairman of the Board of the Journalists’ Club “Asparez”

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