



Policy brief

Armenia’s regional development in light of CEPA agreement commitments

This policy brief has been developed based on the monitoring report aimed at assessing the implementation of specific commitments and actions outlined in the Comprehensive and Enhanced Partnership Agreement (CEPA) signed between the Republic of Armenia (RA) and the European Union (EU), its annexes, roadmap, and action plan, particularly those related to ensuring the country’s balanced regional development.

The key questions underpinning this monitoring initiative are: How effectively was the CEPA action plan implemented between 2021 and 2024? Do the actions taken align with the timeline and benchmarks of Armenia’s commitments? If not, to what extent is there a discrepancy, and what corrective measures and recommendations can be proposed to the Government of Armenia to ensure full implementation of these obligations?

In addition to offering evidence-based findings and recommendations to RA authorities, this study serves as a valuable resource for civil society organizations, academic and research institutions, media, and public and political actors engaged in or concerned with EU-Armenia integration and the fulfillment of CEPA commitments.

The monitoring period coincided with a signature campaign initiated by a group of political parties and civil society organizations advocating for Armenia’s EU membership and a subsequent legislative initiative submitted to the National Assembly. Given that CEPA’s overarching aim is to deepen EU-Armenia cooperation—which constitutes a significant driver of Armenia’s development, sovereignty, and democratization—it is vital that the Armenian authorities pursue these commitments with consistency and good faith. This makes the quality of CEPA implementation, particularly in addressing the challenges of territorial disparity, which is a matter of strategic importance.

The issue of Armenia’s unbalanced development has evolved over decades, driven by systemic corruption reaching the level of state capture, and a consistent failure by successive governments to view this issue as a major threat to the development of the country and especially the regions outside of the capital. The demographic crisis, as well as the neglect of critical infrastructure investments in the regions, have further exacerbated this problem.

The monitoring methodology relied on an in-depth desk review of publicly available documents, official data obtained from state and local government bodies related to CEPA commitments and implementation actions, comparative analyses, and expert assessments. Based on these, a monitoring report was developed, including tailored recommendations to address identified shortcomings, with the expectation that Armenian authorities will give them due consideration and revise the roadmap, action plan, and performance indicators accordingly—ensuring that proper indicators are used to measure the progress.

What has the monitoring revealed, and in what areas must Armenian authorities intensify efforts to fulfill CEPA commitments?

The monitoring results indicate that despite some efforts made in the 2021–2024 period towards balanced development, there is insufficient statistical evidence or reasonable justification to claim that CEPA implementation has led to meaningful qualitative improvements in this regard. Moreover, the performance indicators related to balanced territorial development in the CEPA roadmap are largely



generic, making it impossible to determine the extent to which specific targets have been met quantitatively or substantively.

In particular, Armenia’s obligations are defined in CEPA Annexes I (Articles 132, 133, 134) and II (Articles 79, 80, 81). Based on a comprehensive review of Armenian legislation, the CEPA text, national commitments, and performance benchmarks, the monitoring concludes that Armenia has not adequately fulfilled its obligations concerning balanced regional development. Contributing factors include the insufficiently defined or inadequately formulated actions designed to support these obligations, as well as a lack of consistent effort and accountability in implementation.

What needs to be done?

One key recommendation to the Government and National Assembly of Armenia is to revise and adequately define the actions required to fulfill CEPA commitments. These actions should be equipped with clearly defined timelines, resource allocations, and performance indicators. It is further proposed that relevant legislative and regulatory acts be adopted within six months to operationalize the Decentralization Concept endorsed by Prime Ministerial Decision No. 1111-A, dated November 7, 2023.

Additionally, the current system of municipal financing should undergo a fundamental overhaul to ensure that communities, settlements, and regions have sufficient and predictable financial means to support local development, infrastructure, and service accessibility. To this end, the government should consider a more effective redistribution of powers in favor of local self-government bodies.

The sector-specific CEPA monitoring, along with the report and its recommendations, was conducted and developed by Levon Barseghyan, Council chairman of the Journalists’ Club “Asparez” and a expert in local self-government.

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