

## ***ENP Country Progress Report on Armenia – 2012***

***The European Commission and the High Representative of the Union for Foreign Affairs and Security Policy published on 20 March 2013 the annual “neighbourhood package” which included among other documents a country report on Armenia (on developments in 2012 and a set of recommendations for the future).***

According to the report the EU-Armenia political dialogue in 2012 was intensified. In 2012 Armenia made promising progress in negotiations of the Association Agreement, including a Deep and Comprehensive Free Trade Area (DCFTA) to be concluded during the Eastern Partnership summit in Vilnius in November this year. Visa Facilitation and Readmission Agreements were initialled in October and a Visa Facilitation Agreement was signed in December.

As a result of progress in relation to reforms in the area of deep democracy and respect for human rights, Armenia has been allocated an additional EUR 15 million under the Eastern Partnership Integration and Cooperation (EaPIC) programme in 2012 under the ‘more for more’ principle. Moreover, in December, the EU and Armenia signed the Protocol to the Partnership and Cooperation Agreement on the general principles for the participation of Armenia in EU programmes.

The report notes that Armenia addressed some of the key recommendations contained in the last year's ENP progress report: it prepared a roadmap to improve the electoral process, adopted a National Human Rights Strategy and took some measures to fight corruption, to reform the judiciary and public administration, and to advance sectoral reforms and regulatory approximation to the EU *acquis*.

Overall, Armenia continued to implement sound macro-economic policies and structural reforms, and progressed towards meeting the objectives of the Action Plan in the area of poverty reduction and social cohesion. A serious effort was made to address issues related to human rights and fundamental freedoms, but further work needs to be done, especially in the implementation and enforcement of legislation.

The report remarks that the current framework of cooperation between government and civil society needs to be improved. Moreover, there is a need for more decisive action against high-level corruption.

The report notes that no progress has been made in the talks aimed at settling the Nagorno Karabakh conflict. Moreover, there were no positive moves towards rapprochement between Armenia and Turkey.

On the basis of the progress report, Armenia is invited to:

- Further address the shortcomings identified by the OSCE/ODIHR
- Fully investigate the deaths that occurred during clashes following the March 2008
- Step up efforts with Azerbaijan to reach agreement on the Madrid Principles
- Ensure unimpeded access to representatives of the EU to Nagorno Karabakh
- Promote an environment conducive to progress in conflict settlement, encourage and support related peace-building activities
- Intensify the prevention of and the fight against corruption
- Strengthen the implementation of governance reforms, including measures to reform the law enforcement and judicial sectors
- Continue to advance sectoral reforms and regulatory approximation to the EU *acquis* in trade and trade-related areas

### Political dialogue and reform

- The Armenian authorities delivered relatively transparent and competitive parliamentary and presidential **elections**, however **media** independence remained insufficient.
- **Additional EUR 15 million** have been allocated to Armenia in the framework of a new Eastern Partnership Integration and Cooperation (EaPIC) programme available to countries that make progress in building deep and sustainable democracy under the 'more for more' principle.
- Some progress was made in the area of **access to justice**, but the widespread low social trust and lack of transparency have to be better addressed.
- There are still no concrete results from the investigation of ten deaths that occurred during the **clashes of March 2008**.
- In 2012 there was limited action against high-level **corruption**, and the legal acts adopted have to be now implemented properly.
- Progress in the area of **human rights** was noted: a National Strategy for Human Rights Protection was signed and six offices of the Human Rights Defender (ombudsman) were opened in the regions, however the cases of domestic violence against women and better children protection have to be adequately addressed.
- The reports notes that in 2012 the negotiations between Armenia and Azerbaijan to resolve the **Nagorno-Karabakh** conflict slowed down, and serious tensions at the Armenian-Azerbaijani border continue to persist.

### Economic and social reform

- **GDP growth** accelerated to 7.2% in 2012, mainly driven by an increase in private consumption and in exports, although investments continued to weaken.
- **Inflation** remained moderate and the fiscal position continued to improve.
- Progress was continued towards the Action Plan objectives in the area of macroeconomic policy, poverty reduction and social cohesion.
- The **unemployment** rate for the year is expected to decrease to 15% down from 18.4% in 2011 and around 36% of the population is below the **poverty** line.

### Trade-related issues, market and regulatory reform

- The EU is Armenia's main trading partner accounting for 32.5% of its trade volume in 2011, despite the **bilateral trade** flows decreased amounted to EUR 874 million.
- Three negotiation rounds of **Deep and Comprehensive Free Trade Area** (DCFTA) with Armenia were concluded in 2012.
- **Business climate** in Armenia continues to suffer from corruption and the lack of effective competition. No significant progress was made in the area of **competition, consumer protection** and **company law**.

### Cooperation on justice, freedom and security

- The EU-Armenia negotiations on **visa** facilitation and **readmission** agreements were conducted swiftly.
- Efforts have been made to fight **human trafficking**, but there is still a need for improvement.

### **Energy & environment**

- Armenia continued to work on an updated **energy strategy**, and the EU continues to request the earliest possible closure of Medzamor nuclear power plant (NPP) as it does not comply with the EU safety standards.

### **Education, Culture and Health**

- **Education:** Higher education reforms continue to benefit from EU-Armenia cooperation, and the implementation of Armenia's National Education Development Strategy 2011-2012 is progressing smoothly.
- **Health:** An urgent action plan to improve quality of care and to address corruption in the sector is now being prepared by the competent Ministry.
- **Culture:** Preservation of cultural heritage and promotion of culture were strengthened thanks to support from the Eastern Partnership Culture Programme.