

## ***ENP Country Progress Report on Armenia – 2011***

***The European Commission and the High Representative of the Union for Foreign Affairs and Security Policy published on 15 May 2012 the annual “neighbourhood package” which included among other documents a country report on Armenia (on developments in 2011 and a set of recommendations for the future).***

The negotiations for an EU-Armenia Association Agreement (AA) within the Eastern Partnership progressed at a good pace. Armenia made substantial progress in implementing the “key recommendations” allowing for the launching of negotiations on a Deep and Comprehensive Free Trade Area (DCFTA). Overall, Armenia made good progress in the areas of Democracy and Human Rights. However, with a view to sustained implementation of the ENP Action Plan in 2012, Armenia is invited to:

- Ahead of the upcoming presidential elections, address the shortcomings identified by OSCE/ODIHR concerning the May 2012 Parliamentary elections
- Step up efforts with Azerbaijan to reach agreement on the Madrid Principles
- Provide unconditional access for the EU representatives to Nagorno Karabakh
- Fully investigate the deaths that occurred during March 2008 clashes and the allegations of ill-treatment in police custody
- Ensure finalisation and implementation of the National Human Rights Strategy and Action Plan.
- Adopt amendments to the legislation on broadcasting and ensure pluralism in the broadcasting media.
- Finalise the draft law on Conscience and Religious Freedoms, as well as the legislation on alternative civilian service
- Adopt comprehensive anti-discrimination legislation
- Strengthen enforcement of the Anti-Corruption Strategy and boost capacity for combating corruption.
- Strengthen the implementation of the reform agenda presented by the Armenian authorities, including measures to reform public administration and the judicial sector
- Continue to advance sectoral reforms and regulatory approximation to the EU *acquis* in trade and trade-related areas
- Work towards the earliest possible closure of the Medzamor Nuclear Power Plant

### **Political dialogue and reform**

- In the area of **democracy**, positive steps were taken to prepare Armenia for upcoming elections, with changes in the electoral code. There are however concerns about **media freedom** (limitations on TV broadcasting and suits for insult and defamation) and the **freedom of assembly and association**. Also, public trust in the judiciary continues to be low, and perception of **corruption** high.
- **Civilian control** over the security forces is effective. However impunity for human rights violations by members of the security forces is a matter of concern.
- As regards **civil society**, registration requirements for NGOs are cumbersome, while labour organisations are relatively inactive in practice.
- Cases of torture and ill treatment among military conscripts, in prison facilities and police stations are not adequately investigated.
- Negotiations on the **Nagorno-Karabakh conflict** within the Minsk Group led to no tangible results in 2011. Amidst increasing tension along the Line of Contact, mediation efforts

resulted in marginal progress on the investigation of the violation of the ceasefire agreement.

### **Economic and social reform**

- Thanks to prudent macroeconomic policies and several structural reforms, Armenia showed encouraging signs of **recovery** (4.6% growth rate in 2011) after the severe recession.
- The economy was supported by an IMF financing arrangement and exceptional donor assistance from the EU worth **EUR 100 million**.
- Progress was continued towards the Action Plan objectives in the area of **macroeconomic policy, poverty reduction** and **social cohesion**. Longer-term growth prospects are very uncertain due to lack of diversification, low competitiveness and closed borders with two of Armenia's neighbour countries.
- In 2011, **6 %** of the population was **unemployed** and **36%** was below the **poverty** line.

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

- **Bilateral trade** continued to improve in 2011 (18.2% increase) from the 2009 slowdown. EU exports to Armenia increased by 15.7%, while EU imports from Armenia increased by 23.3%.
- Armenia made substantial progress in implementing the "key recommendations" for the launching of negotiations on a DCFTA.
- 23 laws aimed at improving **business climate** were adopted.

### **Cooperation on justice, freedom and security**

- Directives for the negotiation between the EU and Armenia of **visa facilitation and readmission agreements** were adopted by the EU in December and were launched on 27 February 2012. In October 2011, the EU-Armenia **Mobility Partnership** was established, proposing cooperation in four major areas (mobility, legal migration and integration; migration and development; fight against irregular immigration; asylum and international protection).

### **Energy**

- The EU continues to request the closure of Medzamor Nuclear Power Plant as it cannot be upgraded to meet internationally recognised nuclear safety standards. Armenia expressed readiness to undertake with the EU a comprehensive risk and safety assessment of the plant.

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

- **Education:** Higher education reforms continue to benefit from EU-Armenia cooperation and support via the Tempus IV programme, the Erasmus Mundus programme, the Marie Curie scheme and the Jean Monnet programme.
- **Culture:** Armenia participated in four projects under the 2010 Special Action for ENP countries under the Culture Programme. Youth organisations continued benefitting from the exchange opportunities under the Youth in Action programme.
- **Health:** Reform continued with a view to improving, within the limited available financial means, access to, availability of and quality of health care services.