

Annex

to Decision of the Government
of the Republic of Armenia
1363-N of 18 August

PLAN

PROGRAMME OF THE GOVERNMENT
OF THE REPUBLIC OF ARMENIA

(2021-2026)

THE REPUBLIC OF ARMENIA

August 2021

Programme of the Government

CONTENTS

PREAMBLE	4
1. SECURITY AND FOREIGN POLICY	5
1.1. FOREIGN POLICY	10
1.2. NAGORNO-KARABAKH CONFLICT	17
1.3. DEFENCE SECTOR: REFORMS IN THE ARMED FORCES	18
1.4. TIES WITH THE ARMENIAN DIASPORA	22
2. ECONOMY	24
2.1. MANUFACTURING INDUSTRY	34
2.2. SUSTAINABLE DEVELOPMENT AND GREEN ECONOMY	36
2.3. HIGH TECHNOLOGIES.....	39
2.4. AGRICULTURE.....	44
2.5. TOURISM.....	46
2.6. QUALITY INFRASTRUCTURE	47
2.7. URBAN DEVELOPMENT	48
2.8. SUSTAINABLE MANAGEMENT OF NATURAL RESOURCES	51
3. DEVELOPMENT OF INFRASTRUCTURES	53
3.1. TRANSPORT	53
3.2. ROAD CONSTRUCTION	56
3.3. WATER ECONOMY	59
3.4. ENERGY.....	62
4. DEVELOPMENT OF HUMAN CAPITAL	64
4.1. DEMOGRAPHY	64
4.2. MIGRATION.....	65
4.3. EDUCATION	66
4.4. SCIENCE	71
4.5. HEALTH CARE.....	77
4.6. LABOUR AND SOCIAL PROTECTION	82
4.7. YOUTH	87
4.8. SPORT.....	88

4.9. CULTURE.....	89
4.10. ENVIRONMENTAL PROTECTION.....	93
5. LAW AND JUSTICE	96
5.1. ELECTORAL RIGHT: INSTITUTIONAL DEMOCRACY	96
5.2. HUMAN RIGHTS PROTECTION.....	96
5.3. JUDICIAL-LEGAL REFORMS.....	99
5.4. POLICE REFORMS	100
5.5. FIGHT AGAINST CORRUPTION.....	102
5.6. REFORMS IN THE PENITENTIARY AND PROBATION SECTORS	106
6. INSTITUTIONAL DEVELOPMENT	105
6.1. STRATEGIC PLANNING AND POLICY DEVELOPMENT.....	106
6.2. SERVICES PROVIDED BY THE STATE TO THE PUBLIC	107
6.3. PUBLIC SERVICE SYSTEM AND HUMAN RESOURCE MANAGEMENT.....	108
6.4. MODERNISATION OF INSTITUTIONS AND FUNCTIONS.....	109
6.5. NATIONAL SPATIAL DATA INFRASTRUCTURE	110
6.6. TERRITORIAL ADMINISTRATION AND LOCAL SELF-GOVERNANCE	110
6.7. EFFECTIVE STATE PROPERTY MANAGEMENT	112
6.8. FISCAL POLICY	114
6.9. TAX AND CUSTOMS ADMINISTRATION	120
6.10. STATE EXPENDITURES.....	122

PREAMBLE

The Programme of the Government of the Republic of Armenia is based on the election programme of the "Civil Contract" political party in the early parliamentary elections of 20 June 2021, the commitments assumed before citizens of the Republic of Armenia during the election campaign, the pledges made to them before the elections and the strategy on the transformation of Armenia until the year 2050.

The early elections of 2021 showed the permanence of democratic processes in the Republic of Armenia. These early elections were the second consecutive nationwide elections that were praised by the international community.

According to international observation missions, the early parliamentary elections were competitive, fundamental rights and freedoms were respected, the elections were free, there were equal opportunities for campaigning, the principle of equality for coverage was ensured and the elections corresponded to the principles of democracy.

The early parliamentary elections of 20 June 2021 were of exclusive significance for the restoration of public solidarity, and the results of the elections helped overcome the atmosphere of public and political disturbances that had begun in November 2020.

Nevertheless, several external and internal challenges posing a threat to the Republic of Armenia have not been overcome. The grave consequences of the 44-day war of 2020 essentially changed the external environment of Armenia, not only escalating several previously existing challenges, but also leading to the emergence of new challenges. Protection of the external security, sovereignty and territorial integrity of Armenia, fair solution to the Nagorno-Karabakh issue and the creation of a favourable regional and international atmosphere around Armenia are still primary.

To solve this issue, the Government, which has received the vote of confidence of the people, intends to take serious measures to consolidate the best potential of the public and nation. One of the priority objectives of the Government is to establish national

unity based on law and rights, mutual respect and the exclusion of hatred and degrading speech.

At the same time, serving democracy as a fertile ground for permissiveness and impunity poses serious threats to the legal system, public safety and rule of law. The "Civil Contract" political party, the Government formed by the political party have received from the people the mandate to establish dictatorship of law and rights in Armenia and will unwaveringly implement that mandate.

Nevertheless, starting the era of peaceful development for Armenia and the region is the greatest mission that the Government has assumed before the people, based on the results of the early elections. The Government acknowledges that meeting this objective depends not only on the Republic of Armenia, but also the posture and desire of the other countries of the region. The Government of the Republic of Armenia assumes its share of actions and responsibility for starting an era of peaceful development for the region.

1. SECURITY AND FOREIGN POLICY

Factors for ensuring security of the Republic of Armenia: Armenian Army being modernised

The large-scale process of structural and substantive reforms of the Armed Forces of Armenia has been launched. From the strategic perspective, the Republic of Armenia will gradually make the transition to a professional army, the structure of fixed-term and mobilisation military service will essentially change.

In perspective, protection of the sections of the state borders of Armenia that are currently being protected by the Armed Forces of Armenia, will be protected by border guard troops, and the subdivisions of the army will be involved in increasing combat readiness and combat effectiveness.

Armenian-Russian strategic alliance

The capacity of the 102nd Russian Military Base in Armenia will continue to be equipped on the basis of the Treaty on Friendship, Cooperation and Mutual Assistance between the Republic of Armenia and the Russian Federation, the Agreement between the Republic of Armenia and the Russian Federation on the Joint Group of the Troops (Forces) of the Armed Forces of the Republic of Armenia and the Armed Forces of the Russian Federation, the Agreement between the Republic of Armenia and the Russian Federation on the Creation of a Joint Regional System of Air Defence in the Caucasus Region of Collective Security. Military footholds of the 102nd Russian Military Base in Armenia have been established in the Goris and Sisian regions of Syunik Marz. Russian border guards participate in the protection of the border in a number of sections of the state border of the Republic of Armenia. The involvement of the Border Guard Troops of the Federal Security Service of the Russian Federation in the protection of the state border of the Republic of Armenia will be expanded.

Accession of the Republic of Armenia to the Collective Security Treaty Organisation

Armenia will continue to be actively involved in the activities of the Organisation and work on improvement and application of the contractual and document base and collective security mechanisms which will best reflect and serve the interests and common goals of member states.

Formation of a sustainable environment in the region and lifting of blockade of regional infrastructures

Peace and stability in the region is our long-term strategy. The deepening or regulation of relations with bordering countries will be one of the major directions of the foreign policy of the Government. The deepening of hostility poses a threat to stability and security in the region. Overcoming hostility may become the axis of the foreign policy agenda in the region.

Lifting the blockade needs to be one of the priorities of the foreign policy of Armenia.

At the same time, this process may not take place at the expense of the security and vital interests of Armenia and Artsakh.

In case the other role-players express a constructive position, the efforts of the Government in foreign policy for lifting of blockade in the region will lead to the formation of an atmosphere for peaceful and mutually beneficial co-existence in the region. From this perspective, what is pivotal is the complete and unconditional implementation of the actions envisaged under the trilateral statements signed by the leaders of the Republic of Armenia, the Russian Federation and the Republic of Azerbaijan on 9 November 2020 and on 11 January 2021.

The Government is certain that the establishment and/or development of normal relations with bordering countries are key to long-term peace, stability, security and economic development in the region. Demarcation and delimitation of the borders with Georgia and the Republic of Azerbaijan will be of essential significance for the formation of a sustainable environment in the region.

Co-Chairmanship of the OSCE Minsk Group

The role of the Co-Chairmanship of the OSCE Minsk Group is key to the solution to the Nagorno-Karabakh issue and clarification of the final status of Nagorno-Karabakh, the ensuring of stability and security in the region, and Armenia will contribute to the effective activities of this format. Full restoration of the process of peaceful negotiations in the format of the Co-Chairmanship of the OSCE Minsk Group is an essential factor for ensuring stability and security in the region.

Foreign policy of enterprising and effective involvement in all directions

The ongoing development of bilateral and multilateral relations of Armenia with all states and organisations and effective cooperation with them are among the major goals of the foreign policy for the Government. In this context too, the mutually beneficial and substantive cooperation with the main partners of Armenia is a key component in the architecture for security of the state.

Sustainable system of national security bodies

One of the major preconditions for internal and external security and stability of the Republic of Armenia and the regular activities of the society is the existence of national security bodies that are constantly improved, are capable of resisting the current challenges, modernised in line with technical developments, replenished with appropriate and qualified specialists and enjoying the trust of the society.

Technically replenishing national security bodies and refilling them with new and qualified personnel and necessary specialists is an overriding objective in order to achieve visible and satisfying results in the areas of intelligence, counter-intelligence and the fight against terrorism. Ongoing improvement of the process of preparing, training and increasing qualification of specialists for national security bodies is one of the key factors for the advancement of those bodies and the deepening of their professional capacities.

Taking into consideration the fact that protection of the entire Armenian-Azerbaijani state border will be transferred from the Ministry of Defence of the Republic of Armenia to the Border Guard Troops of the National Security Service of the Republic of Armenia (hereinafter referred to as "the NSS") in phases, it is necessary to implement reforms within the Border Guard Troops of the NSS, particularly:

- increase in the number of personnel of Border Guard Troops;
- construction of sites for permanent deployment of border guard units;
- equipping the state border with engineering structures;
- technical equipment of border guard units.

An External Intelligence Service will be established. The State Protection Service will become a body subordinate to the Prime Minister.

Fight against terrorism and other violent manifestations of extremism

The fight against terrorism and other violent manifestations of extremism, as well as fulfilment of the commitments assumed by Armenia in this area within the scope of international and interstate treaties and agreements remain major factors for ensuring external security of the Republic of Armenia.

The targeted activities of the competent bodies of the Republic of Armenia for carrying out the fight against terrorism and other violent manifestations of extremism effectively, detecting and neutralising threats of terrorism in a timely manner in the territory of the Republic of Armenia will continue. There will be development of sector-specific cooperation with the United Nations, the Commonwealth of Independent States, the European Union, the Collective Security Treaty Organization, other interested international and interstate structures, as well as the competent bodies of partnering states and exchange of experience with them. Actions will be carried out to raise the level of anti-terrorism protection of major facilities and infrastructures in the Republic of Armenia, develop and adopt legislative and other regulatory legal acts required for raising the level of anti-terrorism protection, by adapting them to the modern challenges and continuously improve the legislative and other regulatory legal acts.

Dictatorship of law and rights, legal system

Rule of law, equality of all persons before the law and the effective fight against crime, including corruption, are a major factor for ensuring internal security. An independent judiciary that enjoys public trust, effective and quality preliminary investigation, prosecutor's office that enjoys public trust, as well as modern, mobile and professional police must ensure implementation of the mandate that the Government has received from the people.

Raising resistance to disasters

Key regional security issues — natural-climatic, technogenic and man-made disasters, wars, epidemics and terrorist acts, universal (global) climate changes, weak

institutional management and demographic shifts — become a reason for the emergence of an unstable internal situation, the management of which requires additional forces and resources from the State. In this regard, a harmonious and safe environment will be created through the introduction of an effective system for increasing resistance to disasters, reducing risks, raising awareness and educating.

One of the main factors for ensuring security will be a flexible and efficient system of disaster risk management, the introduction of which will help us to have protected population, economy, territories, infrastructures, cultural and environmental facilities. By making investments in the field of disaster risk management, the Government will directly prevent and impact the causes of emergence of disasters, by avoiding incomparably larger expenses required for elimination of consequences.

From the perspective of resistance to disasters, educational programmes for disaster risk management and protection of the population will be regularly developed, updated and introduced in the educational system in order to raise the level of awareness and preparedness.

Economic development and social stability

A developing and taxable economy must generate the resources that are required to ensure security of Armenia and Artsakh. Only a competitive, inclusive and export-oriented economy that complies with the international standards of high technology, industry, manufacturing and nature protection can help secure such resources. Improvement of the social condition of citizens, social stability and the existence of effective healthcare and anti-epidemic systems are of pivotal significance for ensuring internal security.

1.1. FOREIGN POLICY

The benchmarks of the foreign policy of the Government are protection of the state interests of the Republic of Armenia, ensuring of rights and security of the people of

Artsakh, establishment of regional peace, lifting of blockade and stability in the region. Among the priorities of foreign and security policies are the peaceful and comprehensive settlement of the Nagorno-Karabakh conflict under the Co-Chairmanship of the OSCE Minsk Group, based on the known principles and elements, ensuring of security of the people of Artsakh, as well as the preservation of cultural and religious heritage and solution to humanitarian issues. The Republic of Armenia will use its full potential to achieve the aforementioned goals, guided by state interests and the imperative of protection of the rights of the Armenian people.

- Armenia will continue to strengthen and expand allied relations and strategic partnership with Russia in all the directions on the agenda of bilateral cooperation between Armenia and Russia, including military-political, economic, energy, transport, humanitarian and cultural fields. Steps will be taken to further intensify the Armenian-Russian political dialogue at the highest level and deepen the cooperation with Russia within the Eurasian Economic Union, the Collective Security Treaty Organization, the Commonwealth of Independent States and other multilateral formats. The fact that Russia is a Co-Chair country of the OSCE Minsk Group also makes the Armenia-Russia relations important.
- Armenia-U.S. relations have been raised to a new level — the level of strategic dialogue. The Government will continue to consistently work on the development and deepening of friendly partnership with the U.S., expanding cooperation with regard to democratic reforms, rule of law and the fight against corruption, as well as the dialogue in the economic and political fields. Armenia will continue cooperation with the U.S., including as a Co-Chair country of the OSCE Minsk Group.
- The Government will continue to strengthen the special relations with the French Republic, proceeding also from the status of France as a Co-Chair country of the OSCE Minsk Group. Alongside the existing partnership in the political field, specific steps will be taken to deepen economic relations with France. The

Government will attach special importance to the active involvement of Armenia in the activities of the International Organisation of Francophonie.

- Armenia will continue bilateral and multilateral cooperation with the European Union and EU member states, taking as a basis the Armenia-EU Comprehensive and Enhanced Partnership Agreement (CEPA) and other jointly signed documents. The Armenia-EU institutional cooperation will continue for democratic reforms, for overcoming the existing sector-specific challenges, as well as for launching dialogue over liberalisation of the visa for entry into the EU for citizens of the Republic of Armenia. The Government will carry out the programmes envisaged under the EUR 2,6 billion in assistance to be provided to Armenia through various types of financial tools within the scope of the Eastern Partnership for the upcoming five years. The assistance will be geared towards seven priority initiatives jointly established by the Government and the European Union, which concern support to small and medium-sized enterprises, construction of the North-South highway and supporting infrastructures, socio-economic development in the southern regions of Armenia, digital management and promotion of innovation, as well as development of Yerevan as a green and smart city, access to education and construction of reservoirs and landfills.
- Armenia will continue to actively contribute to the efforts of the international community targeted at the prevention of genocides and crimes against humanity, and to the fight against manifestations of discrimination and intolerance on ethnic, religious and racial grounds. Recognition of the Armenian Genocide by the U.S. essentially changed the situation with international recognition of the Genocide. The agenda for international recognition of the Armenian Genocide must serve for strengthening of the system of guarantees for security of Armenia, and this will be among the priorities of the Government. The Government will not serve international recognition of the Genocide for escalation of tension in the region, but for discharging the region.

- The Government will take steps to ensure further development of special relations with Iran. Attaching importance to the role of the Islamic Republic of Iran in the region, the Government will seek to further develop the traditionally neighbourly relations with Iran. Within the scope of cooperation, active steps will be taken to increase the economic component, including within the scope of the multilateral cooperation within the Eurasian Economic Union. In this regard, importance is attached to joint efforts for the development of logistics and infrastructures, transport interconnection and the implementation of energy programmes and regional programmes of bilateral interest. The Government will particularly focus on the formation of the "Persian Gulf-Black Sea" transport corridor.
- The Government will ensure further development of the special and neighbourly relations with Georgia. The deepening of relations between Armenia and Georgia in the political, economic, communication, cultural, humanitarian and tourism sectors is of reciprocally vital significance. Improvement of the communication channels with Georgia is of strategic significance for Armenia. The strengthening of traditionally mutual trust, the ongoing dialogue and cooperation between the two countries will contribute to stability in the region. Importance is attached to joint efforts for the development of logistics and infrastructures, transport interconnection, energy and implementation of regional programmes of bilateral interest.
- Armenia attaches importance to full implementation of the trilateral statements signed by the leaders of the Republic of Armenia, the Russian Federation and the Republic of Azerbaijan on 9 November 2020 and on 11 January 2021, which may become an impetus for the lifting of blockade of regional communications and the establishment of stability and long-term peace in the region. This can only be achieved through the constructive efforts of all parties and the formation of an appropriate environment. Full implementation of the provisions of the trilateral statements may create conditions for the start of normalisation of relations

between Armenia and Azerbaijan. The Government is ready to make maximum efforts for this purpose. At the same time, the Government believes that failure by Azerbaijan to implement the statement of 9 November on ceasefire and full cessation of all military operations and future agreements arising from the statement, including the condition to return all captives, hostages and other detained persons, entails instability and new risks, in addition to humanitarian and international legal issues. The encroachments and aspirations of Azerbaijan with regard to the territory of Armenia and the belligerent statements containing a threat of use of force contradict the reached agreements. In regard to the paths for a solution to the crisis created as a result of the infiltration of the Armed Forces of Azerbaijan in the Sotk-Khoznavar sector of the Armenian-Azerbaijani border, the Government has publicly made proposals and will take measures to implement them.

- The absence of diplomatic relations between Armenia and Turkey, the closed borders, as well as the blatant involvement of Turkey in the 44-day war have a negative impact on peace and sustainable development in the region. Armenia has always been ready for the normalisation of relations with Turkey without preconditions, and this is in the interests of stability, security and economic development in the region. Even today, the Republic of Armenia is willing to make efforts for the normalisation of relations with Turkey. By moving forward without preconditions, the sides must work together to create an atmosphere of mutual trust for the purpose of gradually establishing normal relations.
- The Government will be enterprising for the strengthening of friendly and mutually beneficial ties and the functioning of new cooperative relations with China, India and Japan.
- The Government will contribute to the expansion of cooperation with countries of the Near East and Middle East in fields of mutual interest, including the ensuring of security of our compatriots residing in conflict zones.

- Steps will be taken to develop cooperation with American, Asian, African and Pacific states.
- Within the scope of the Eurasian Economic Union, the Government will continue to consider options for enterprising and mutually beneficial cooperation for maximum use of the opportunities provided by the Union, the growth of volumes of trade turnover between partnering countries and the development of cooperation.
- Viewing the Collective Security Treaty Organization as a major circle of the security system of Armenia, the Government will continue to be actively involved in the activities of the structure. By assuming the chairmanship of the Collective Security Treaty Organization in September 2021, Armenia will, within the scope of its priorities, try to strengthen the mechanisms of the Organization for the benefit of member states and for international security.
- Armenia will continue to show active participation in the cooperation within the scope of the Commonwealth of Independent States and the processes taking place in the organisation. The development of bilateral relations with countries of the Commonwealth of Independent States will continue to be important.
- Armenia is committed to the fundamental values of the United Nations and highly appreciates the role of the United Nations in the fields of peace, cooperation of nations, human rights and humanitarian issues. Armenia will continue to work actively within the scope of the structure, attaching importance to the role of the structure both from the perspective of solution of regional issues and formulation of global/universal challenges and organising activities for this.
- The Government will be consistent with continuation of political dialogue with NATO and consistent implementation of the Individual Partnership Action Plan.
- Armenia will continue to actively participate in the processes unfolding within the scope of the OSCE, proceeding from the fact that the OSCE is a major platform for addressing regional security and peace issues, and the fact that the Nagorno-

Karabakh conflict needs to be settled peacefully and comprehensively within the scope of the Co-Chairmanship of the OSCE Minsk Group.

- Importance will be attached to more active involvement and enterprising policy of Armenia within the Council of Europe and other international structures, especially within the scope of international structures to which Armenia has acceded, or the international structures with which formats for partnership are established.

New approaches in diplomacy

The national system of diplomacy of Armenia is an established institution with traditions. At the same time, it is necessary to implement reforms in the processes of formulating, managing and implementing foreign policy that will be in line with the current trends and developments. In this regard, over the next five years, the Government will place special emphasis on the development of economic and legal diplomacy.

- The Government will modernise the mechanisms and processes of **economic diplomacy**, which will contribute to the creation of more favourable conditions for the development of Armenia, the significant growth of inflow of foreign investments, the increase of volumes of foreign trade turnover, the promotion of the leading technologies and the process of exchange of experience, the expansion of cooperation in the areas of research and developments, the growth of the volumes of tourism and the intensification of cooperation between Armenian and foreign businesses.
- International law and strengthening of the international legal regime are major tools for protecting foreign policy interests. The Government will enhance the toolkit of **legal diplomacy** in foreign policy and will contribute to the promotion of the international system based on norms and rules. The coordinated and effective use of the legal toolkit will provide the opportunity to promote and advance the issues and problems concerning Armenians and protect the interests

of Armenia and Artsakh within the scope of the international legal regime.

1.2. NAGORNO-KARABAKH CONFLICT

Over the next years, ensuring of security of the people of Nagorno-Karabakh and a peaceful and comprehensive settlement of the Nagorno-Karabakh conflict must be the key objectives of the Government. The Government sees the final settlement of the Nagorno-Karabakh conflict through clarification of the final status of Nagorno-Karabakh under the Co-Chairmanship of the OSCE Minsk Group, based on the known principles and elements, including the right to self-determination.

- The post-war recovery, revitalisation of economic life, solutions to the social problems of the displaced population and the preservation of cultural and religious heritage in Artsakh will be in the focus of the Government. Efforts will not be spared to create conditions for a dignified and good life in Artsakh. The Government will achieve these goals by deepening cooperation with the authorities of Artsakh, as well as by creating new formats for partnership with Artsakh.
- The Republic of Armenia will continue to be the guarantor for security of the people of Artsakh and will continue to work for protection of the rights of the people of Artsakh.
- The security of Artsakh and the people of Artsakh will continue to be ensured by the Defence Army. The presence of the peacekeeping forces of the Russian Federation is a major guarantee for security in Artsakh. The Government will guarantee the existence of all the necessary conditions for the uninterrupted and unobstructed activities of the peacekeeping mission.
- Conducting substantive negotiations within the scope of the format of the Co-Chairmanship of the OSCE Minsk Group is of pivotal importance for exclusively peaceful settlement of the Nagorno-Karabakh conflict.

1.3. DEFENCE SECTOR: REFORMS IN THE ARMED FORCES

The constitutional mission of the Armed Forces of the Republic of Armenia is to ensure the defence, security, territorial integrity and inviolability of the borders of the Republic of Armenia.

In the field of defence, the aim of the Government is to implement ongoing reforms that will make sure the Armed Forces implement the constitutional mission. Moreover, the reforms strategy envisages that all the structures and components of the system of defence, including the Armed Forces, need to work in a coordinated manner and harmoniously and remain within the scope of the constitutional requirement of political neutrality.

The strategy on the system of defence is developed by taking into consideration the political, military-political and military processes in the world and in the South Caucasus. The changes of the nature of military operations, the art of operative combat and tactics are also taken into consideration. Due to this, the Government will revisit the ways of planning and leading combat operations, as well as the system of management of the Armed Forces.

The strategy on reforms in the Armed Forces is also mostly based on the lessons learned from the 44-day war and the analysis of the security environment formed after 9 November. In this context, the Government attaches importance to the identification of all the circumstances of the 44-day war in 2020 and will take active steps to conduct a comprehensive and thorough investigation.

The Government will prescribe the main guidelines, the objectives and resources for long-term planning, on which the development of the defence sector of the Republic of Armenia and the toolkit for fifth-generation warfare will be based.

The Government will restore the combat effectiveness of the Armed Forces with a progressive future-oriented vision, that is, by maintaining the best traditions and achievements of the Armenian army to build the army of the future, with its armament, unified and automated system of management and administration, composition and structure and ways of warfare. Alongside the technological modernisation of the Armed Forces and the use of systems vested with artificial intelligence, as well as increase of effectiveness of the use of the Armed Forces, the issues of replenishment of the personnel and development of human resources will also be solved.

The large-scale process of reforms in the Armed Forces of Armenia, which has been launched, comprises structural and substantive changes. From the strategic perspective, the Republic of Armenia will gradually make the transition to a professional army, the structure of fixed-term and mobilisation military service will essentially change. Involvement of women in the Armed Forces will gradually grow.

- Taking into consideration the prospects for development and improvement of military service, the Government will seek to reduce the terms of military service, at the expense of the increase of contractual service. With this, the Government will promote the material and moral-psychological mechanisms for motivation for military service.
- The Government will increase effectiveness of the system of management and administration of the Armed Forces. Necessary legislative amendments will be made in order to solve nation-wide issues in the defence sector and specify the procedures for organising defence, including the powers and duties of the military security system bodies of the State associated with the defence sector. The Strategy on National Security of the Republic of Armenia will be revised, a new Military Doctrine and State Protection Plan will be developed, the toolkits and procedures for preparing the State for defence will be improved. For the purpose of reducing the period for increasing effectiveness of management and administration of the Armed Forces and decision-making, a unified and

automated system of management that will ensure rapid and progressive decision-making in line with modern military science, will be introduced. For this purpose, organisational and staff-related changes will be made in the management and military circles of the Armed Forces. For the purpose of meeting the objectives set forth, military units and subdivisions that have high mobility and firepower and are capable of leading combat operations independently for a long period, will be formed.

- By improving the organisational and staff-related structure of the Armed Forces, the Government pursues the goal of achieving increase of effectiveness; in particular, combat formations vested with high mobility shall be formed.
- The Government will continue the processes of modernising armament and military equipment and acquiring new samples. More targeted policy will be implemented in the areas of military and military-technical cooperation with allied and partnering states. Special importance will be attached to the development of allied and partnering relations in this sector; in particular, the cooperation with the Russian Federation will be expanded, and it will first be geared towards growth of the military potential of joint forces (systems) and ensuring of maximum interoperability of the armed forces of the two states.
- The Government will continue to improve the mechanisms for mobilisation preparation and mobilisation. The programmes for the system of territorial defence, preparation of the active reserve force and militiamen will be implemented. The system of protection of the state border of the Republic of Armenia will be improved through involved forces and new technical solutions.
- Development of military education and science will be one of the key directions for the activities of the Government. The processes of operative, combat and mobilisation preparation in the Armed Forces of the Republic of Armenia, which will be brought into compliance with the objectives set forth for the Armed

Forces and the requirements for implementation of those objectives, will be reviewed. In the conditions of transformation of military operations, technical and technological advancement and increase of informational and psychological influences, military education will be future-oriented, by preparing professional soldiers who will be ready for potential wars. The Government will also be consistent with the development of military science, within the scope of which the main provisions of warfare and the ways of planning and leading combat operations will be reviewed.

- The sphere of information security and cyber security will be reformed. The legislation will be improved for the purpose of monitoring and analysing information threats and challenges and effectively implementing actions for countering and fighting information.
- Programmes will be implemented in order to raise the level of moral-psychological preparation of the Armed Forces. The aim of these programmes will be to enhance the necessary moral qualities of military servicemen and soldiers, strengthen psychological stability and the preparedness to lead active combat operations, improve the institution of military psychologists, as well as improve the nature of informative, cultural and entertaining events in the army.
- Increase of social protection of military servicemen and their families has always been and will be in the focus of the Government; thus, the Government will add guarantees for material and social security for military servicemen, will improve the mechanisms of incentives for military service and for increasing the reputation of a military serviceman. There will be a new sweep to increase of the salaries and other payments for military servicemen, the programmes of the Government for housing, as well as the social and healthcare programmes for military servicemen bearing the consequences of war.
- The Government will improve democratic and civil oversight over the Armed

Forces, promote discipline in the Armed Forces, human rights protection in the Armed Forces and will make maximum efforts to rule out cases of non-statutory relations.

- The Government will raise the level of security of strategic facilities and infrastructures.

Like any peacemaking state, the Republic of Armenia will enhance and transform the Armed Forces to protect from aggression, not for the purpose of aggression. The Republic of Armenia does not have the intention to conquer territories.

1.4. TIES WITH THE ARMENIAN DIASPORA

The development of the Armenia-Diaspora partnership will be targeted at the preservation of Armenian identity, repatriation and the integration of Diaspora Armenians in Armenia, the identification and mapping of the human potential of the Diaspora and consolidation of the human, intellectual and economic potential of Armenians around the world around the goal of sustainable development of the homeland.

- The Government does not view the communities of the Diaspora as a tool to resolve Armenian and pan-Armenian issues, but as an active participant in setting the objectives and forming agendas to meet them. The Government will continue to actively cooperate with Diaspora structures and individuals. In the activities with the communities of the Diaspora, the Government will closely cooperate with the governments of the countries in which there are Armenian communities.
- The Government will continue to conduct target studies in order to assess the characteristics of communities of the Diaspora, the existing potential and needs, expectations from the Armenia-Diaspora partnership and will develop a target-oriented policy.

- To have a Diaspora that is more connected and linked to life in Armenia and is involved in that life and to have more young repatriates, the Government will continue to develop programmes and create new formats to engage the human, academic, creative and economic potential of the Diaspora in the political, social, economic, cultural, educational and academic life in Armenia.
- It is envisaged to develop and implement policies and programmes for the creation and development of pan-Armenian networks in the academic, professional, educational, cultural, economic, healthcare, high technology and other sectors.
- It is envisaged to continue the process of building a favourable environment for Diaspora Armenians to repatriate, live, work and create in Armenia, as well as facilitating the process of making investments.
- The Government plans to consider the legislative bases for granting a special status to the Western Armenian language in Armenia, organise educational and scientific events targeted at preservation of Western Armenian language, which will help to reinforce the status of Western Armenian language in higher education, general education and additional education programmes.
- It is envisaged to lead a special policy of popularising the culture created by Diaspora Armenians and particularly Armenian-language culture, in cooperation with the centres for Diaspora studies in Armenia and Armenian studies in the Diaspora. In the Diaspora it is envisaged to improve and modernise the educational process and organise pan-Armenian educational and cultural events for children and youth.
- Steps will be taken to continuously promote the creation of a personnel database (professional base) of pedagogues and specialists of communities in the Diaspora and capacity-building of teachers.
- The networking capacities of the Office of the High Commissioner for Diaspora

Affairs will be expanded through the introduction of the institution of Commissioners for Diaspora Affairs.

2. ECONOMY

The consequences of the crises in 2020 — the coronavirus pandemic, the global economic crisis caused thereby and the 44-day war unleashed by Azerbaijan — caused a heavy blow to the economy of Armenia, interrupting the high pace of economic growth. The year 2020 ended with 7.4% economic decline.

In spite of the existing challenges, in terms of economy, the first 6 months of 2021 are rather reassuring. In particular, 5,0% growth of economic activity has been recorded between January and June, and in June — 8,0%. Almost all branches of economy have indicated growth, and exports have expanded by 23,3%. It should be mentioned that economic recovery is inclusive. Jobs and the amount of the average salary have been essentially increased. In particular, whereas in the first semester of 2018 the average monthly number of jobs secured with income was nearly 538 thousand, in the first semester of 2021, this indicator has grown by nearly 83,000 or 15%, reaching 621,000. The average income per job has essentially increased; in particular, whereas in the first semester of 2018 it comprised nearly AMD 174 thousand, in the first semester of 2021, the indicator grew by nearly AMD 36 thousand or more than 21%, reaching AMD 210 thousand. Moreover, in June 2021, the number of jobs that secured incomes was nearly 643 thousand, which is unprecedented, and it is the highest indicator recorded in the history of statistics in the Republic of Armenia.

What also attests to economic recovery is the fact that nearly 31% more tax revenues and state duties were collected in the first 6 months of 2021 than in the same period in 2018, and the amounts returned to taxpayers which are not included in the aforementioned revenues collected, grew by nearly 71%; moreover, this indicator is the best indicator in the entire history of independent Armenia. The picture is

approximately the same for 7 months; in particular, nearly 29% more tax revenues and state duties were collected in the first 7 months of 2021 than in the same period in 2018, and the amounts returned to taxpayers which are not included in the aforementioned revenues collected, grew by nearly 75.5 %.

Due to the peculiarities of the economy of the Republic of Armenia, high economic growth (7% or higher GDP) is the main driving force for poverty reduction and increase of the growth of welfare. In 2026, the annual GDP of the Republic of Armenia needs to be 7% or higher in order to reduce poverty twice and drop the level of unemployment from 10%. Reaching this growth indicator will help essentially improve the quality of life of people — incomes will grow, there will be more jobs, and there will be a lower level of poverty.

Due to the small internal market, expansion of economic growth and, based on this, the expansion of opportunities will be conditioned by the growth of international competitiveness. The already recorded trend for economic recovery serves as a reminder that, in spite of the short-term decline, the structural pillars of international competitiveness of the Republic of Armenia remain unchanged and will be the axis of the economic policy. Thus, the challenges that appeared as a result of the crises in 2020 emphasised once again the fact that the creativity of citizens of the Republic of Armenia remains the key competitive advantage of the country. Thus, the formation of an export-oriented, knowledge-based and inclusive economy will be the path to increase of international competitiveness.

Inclusiveness of economic growth will be ensured through development of potential of every person, as well as through economic opportunities and expansion of their accessibility.

The **goals** of the economic policy of the Government are:

- to expand economic opportunities and ensure equal access to them;
- to increase welfare of the middle class and reduce poverty by enhancing

and using the creative skills of a person;

- to ensure conditions promoting export and create an environment for this.

The following are the economic targets of the Government until 2026:

- minimum level of average annual growth of the GDP: 7% (in favourable external economic conditions — 9%);
- fund for salaries of non-governmental sector of the formal employment and other payments equalled to that — 25% of GDP;
- level of unemployment — lower than 10%.

For the purpose of long-term growth and maintenance of competitiveness, in addition to expansion of investments and employment, it will be necessary to significantly increase capital and productivity of work by expanding economic opportunities that will be available for citizens. The Government will target at least 5% annual growth of gross factorial productivity. The main path to implementation of the latter is the formation of a knowledge-based, innovative economy.

For the purpose of ensuring growth of international competitiveness, the Government is adopting the vision to establish a knowledge-based and innovative economy and is declaring knowledge and innovation as the main driving force for economic development. The economic policy of the Government is based on the import, creation, export of knowledge and effective use of knowledge.

Ensuring high level of mobility and awareness among population, enhancing and using creative abilities by providing equal access to education, healthcare and economic infrastructures as much as possible, will be the axis of inclusiveness of economic growth. What's more, growth and inclusiveness of competitiveness are among the major factors that ensure wide involvement of citizens and the existence of highly qualified human resources in all branches of the economy. Without significant growth of the proportion of economically active citizens, it will be impossible to ensure

economic growth, which also implies significant growth of participation of women and young people in economic life.

In this sense, it is also recorded that the following will also be considered as priority directions for reforms:

- reforms of the Land Code for formation of productive agriculture;
- water sector reforms for saving water resources and increasing effectiveness of water resource management;
- reforms in the urban development sector for expansion of the potential in the sector, proportionate territorial development, as well as modernisation of processes and regulations.

Improvement of the business and investment environment

Rapid and comprehensive post-crisis recovery will require a number of framework reforms for restoring the economic potential. Volumes of investments and widespread productivity may grow in case of existence of a favourable business and investment environment. For the purpose of ensuring flexibility of a business and investment environment, structural reforms will be carried out, which will be aimed at expanding economic opportunities available for citizens of the Republic of Armenia and maximally encouraging private internal and foreign investments that particularly shape knowledge, as well as increasing profitability of those investments.

To achieve the targets of the economic policy, it will be necessary to make the investment/GDP ratio reach at least 25%. The policy of the Government will be aimed at ensuring 6% direct foreign investments/GDP ratio, placing emphasis on quality and knowledge-based investment programmes. The inflow of direct foreign investments will ensure development of new knowledge and management skills and expansion of

external business relations. At the same time, the Government realises the importance of domestic investments. Efforts will be made and measures will be implemented to encourage domestic investments and expand the production capacities of active economic operators.

In the conditions of a restricted internal market, the investment attractiveness of the Republic of Armenia will be conditioned also by access to the markets of the Eurasian Economic Union, the European Union and Iran and, at the same time, the fact that the business and investment environment is more favourable through combination of the markets concerned.

Among the goals of the investment policy of the Government is to ensure necessary guarantees for protection of investments pursuant to the best international practices, by attaching importance to free and equal competition, business predictability and its ongoing improvement for the purpose of maintaining the leading position.

The priority target of the investment policy is the ensuring of more rapid and flexible processes for the implementation of innovative programmes that help generate new knowledge, as well as ensuring maximum availability of the factors of competitiveness.

The priority **goals** of the Government for improvement of the business and investment environment are:

- to increase availability of capital and financial resources;
- to increase flexibility of business and employment relations;
- to increase availability of infrastructures and resources, as well as reduce risks for priority programmes;
- to raise the level of digitisation of the economy and access to information.

The economic opportunities of the Republic of Armenia remain undiscovered for global and often local investors. A key role for investment decisions plays a high-level and equal access to information about the economy. It is envisaged to intensify

activities for the creation and ongoing development of multi-vector social, cultural and economic profiles of Armenia. For this purpose, the Government will adopt a policy for disseminating business information and markets studies as widely as possible, and with this, it will reduce the time required for investors to make primary decisions.

- The Government will take steps for intensification and development of the securities market in order to improve the business and investment environment.
- Support will be provided for the introduction of modern corporate management systems in companies and the development of those companies through additional incentives.
- The labour legislation will be improved; in particular, such regulations of contractual relations between the employer and the employee will be established that will contribute to the sustainable development of the business and the specialist.
- The procedures for the involvement of foreign specialists who are highly qualified or have special knowledge will be simplified.
- Maximum availability of economic infrastructures will be ensured for investors. According to the procedure established by the Government, at least AMD 50 billion will be granted for this purpose in the course of 5 years.
- The existing risks in the economy will be neutralised through an innovative support toolkit for investment programmes involving economic complexity.
- More encouraging mechanisms for taxation of incomes received from commercialisation of licensed inventions will be created for the purpose of encouraging scientific and research works, inventions and innovation in the private sector.
- Market studies will be conducted, targeting the disclosure of information that will be key to investment attractiveness and the development of programmes. The

studies will be widely accessible for investors in Armenia and for foreign investors, by expediting decision-making process regarding investments.

- The concept paper on digital economy will be developed, targeting digital capacity building of economic operators, increase of availability and improvement of quality of infrastructures that are key to digital economy, as well as flexibility of regulations associated with access to information.
- A strategy on development of intellectual property will be developed for the purpose of establishing a favourable environment for creativity and investments and ensuring effective and reliable maintenance and protection of intellectual property rights.
- For the purpose of increasing the role of women and youth in the economy of Armenia, programmes for development of their business networking and competitive capacities in international markets will be carried out.

Development of small and medium-sized enterprises

The Government attaches great importance to small and medium-sized enterprises (SMEs) and will take complex steps to eliminate the obstacles existing in the sector. The support toolkit for beginner entrepreneurs will be expanded by significantly increasing availability of funds, entrepreneurial skills and contacts, as well as knowledge for innovative entrepreneurs. Economic activity of the population will grow in the marzes, alternative sources of income will be created, inclusiveness of growth will be ensured. Based on the imperative of increase of the role of SMEs from the perspective of inclusive economy, the Government will actively support the development of SMEs by making the portion of SMEs in the GDP reach 55% in the course of 5 years.

Encouraging and enhancing entrepreneurship will be the cornerstone for using the creative potential of citizens of the Republic of Armenia. At the same time, the Government attaches importance to the implementation of innovative ideas and the

creation of alternative sources of income and the use of competitive advantages in the Republic of Armenia in the post-crisis period through the implementation of innovative ideas.

To boost inclusive economic growth, activities will be carried out to generate investments in human capital and create new jobs, eliminate discrimination in the economy and raise the level of participation.

For the development of SMEs, the main steps of the Government will be geared towards the growth of the specific weight of SMEs in the GDP and proportional territorial development, particularly the implementation of the following goals:

- encourage innovative initiatives and programmes;
- capacity-building for businesses;
- ensuring market accessibility;
- promoting productivity of the work of enterprises;
- ensuring availability of funds.

The following activities will be carried out for this purpose:

- Steps will be taken to promote SMEs, particularly by increasing availability of financial resources and capacity-building.
- A structure for commercialisation of technologies and inventions will be created.
- Measures will be implemented for functioning of the "Made in Armenia" brand, particularly for representation of manufacturers of Armenia and increase of the level of recognisability of manufacturers in international markets. For this purpose, the Government will specifically focus on the development of a unified brand of a local product within the scope of SMEs and promotion of the local product in external markets.
- The concept of "Make in Armenia" will be developed to promote the engagement

of foreign companies.

- A social innovation support centre will be established for development of social entrepreneurship and a social environment.
- Steps for improvement of the social system will be taken through training and re-qualification of an inclusive workforce.
- Wider opportunities will be created in various sectors of economy for involvement of women, particularly for women to combine work and motherhood.
- Measures will be taken to create favourable conditions for promotion of non-agricultural entrepreneurship and acquisition of non-agricultural skills in villages, particularly for shaping and enhancing skills that are currently in high demand.
- The Government will foster the establishment, development and functioning of sector-specific associations in the sphere of development of SMEs, particularly by granting functional powers.
- Courses for development of entrepreneurial skills will be introduced in different stages of the educational system.

Foreign economic policy and export promotion

Due to growth of productivity, the increase in volumes of production also implies growth in sales, including growth of volumes of export. From the perspective of long-term competitiveness of industries, the Government will take steps for representation of various types of local goods in both local and international markets, as well as ensuring diversification of export markets and export promotion, and enhancement thereof.

- From the perspective of use of resources in the local market, the Government will promote the development of commercial ties between local manufacturing

companies and the manufacturing companies of member states of the Eurasian Economic Union and the formation of clusters in Armenia, ensure access to information about the economic operators of Armenia in external markets and raising awareness about the advantages of those economic operators, which is necessary from the perspective of increase in the volumes of sales in both the local and external markets.

- It is envisaged to expand the export insurance toolkit, introduce a number of tools that are used in internationally and create better conditions and bigger opportunities for exporting companies of Armenia, by reducing also the risks arising from export transactions.
- The Government envisages expanding and deepening of trade and economic cooperation with the Eurasian Economic Union in all possible sectors and directions. Eurasian integration is one of the primary directions for the Republic of Armenia, which allows to improve the economic conditions for businesses, expand cooperation with traditional partners and create new platforms for the use of economic potential.
- The Republic of Armenia will exert maximum efforts to continue and intensify institutional development of the Eurasian Economic Union, maintain the positive dynamics of integration, as well as solve the existing issues.
- The Government attaches importance to effective implementation of the provisions and agreements stipulated under the Armenia-EU Comprehensive and Enhanced Partnership Agreement (CEPA) with respect to trade and the issues associated with trade.
- The Government attaches importance to cooperation in bilateral and multilateral formats within the scope of the EU Eastern Partnership, as well as the targeted introduction of the results of initiatives and current programmes that are a priority for Armenia under the Eastern Partnership in the economy of the

Republic of Armenia.

- It is also envisaged to expand and deepen cooperation with the World Trade Organisation (WTO) for the purpose of facilitating trade, expanding external markets and increasing accessibility of markets.

2.1. MANUFACTURING INDUSTRY

In 2019, the role of manufacturing industry in the GDP expanded, making up 11.7%. In 2020, the role of manufacturing industry continued to expand, making up 12.4%, which is the highest indicator in the last 9 years.

Although it has a small economy, Armenia can be competitive in international markets by releasing goods and services with economically complex and high added value. However, between 2000 and 2018, in terms of complex economy around the world, Armenia dropped from the 35th position and in 2018 it was in the 83rd position, which means that the share of ready-made products, machinery and equipments and technologically complex products in the exportable sector of our economy essentially declined in the pre-revolutionary period.

Taking into consideration the fact that the potential for long-term economic growth is significantly conditioned by the level of economic complexity, the Government continues to consider essential increase of economic complexity of Armenia as a priority.

For the purpose of increasing economic complexity of Armenia, it is envisaged to implement complex measures targeted at technological rearmament of enterprises, as well as penetration into new international markets and strengthening of the existing positions. For the purpose of improving international competitiveness of manufacturing industry in Armenia, it will also be necessary to ensure existence of human resources with high-quality personnel.

For the development of manufacturing industry, **the goals** of the Government will be:

- to ensure ongoing growth of international competitiveness of manufacturing industry in Armenia;
- to significantly increase financing for measures targeted at the development of manufacturing enterprises with the potential to create exportable products, by providing at least AMD 80 billion in the course of the coming 5 years, in accordance with the unified rules set by the Government;
- to establish 3 industrial zones and enhance the already existing ones to ensure excellence of infrastructures and the environment;
- to take steps for industrialisation of Armenia and extend the production chain as much as possible, to foster the release of more complex and highly valuable products.

The following are the **targets** earmarked by the Government for achieving the specified goals:

- to enhance the role of manufacturing industry to make it reach at least 15% in the GDP;
- to make the economic complexity indicator go from -0.39 to 0.1 points over the medium term and create grounds for being classified among the countries with high economic complexity in the course of 10 years. The Government will take steps to contribute to the deepening value chains of production of goods, which implies existence of products and production processes that will create technologically more complex and additional high value.

To achieve the specified indicators, the following **actions** will be taken:

- support will be provided to the participation of companies of Armenia in international technology exhibitions;
- a list of training centres will be accredited on a competitive basis, the expenses for courses provided by the centres included in that list will be co-financed;

- the obtainment of ISO certificates in manufacturing industry will be encouraged;
- in a three-month period, the Government will publish a list of 5 overriding sectors for industrial development, based on economic potential and consolidation of the sectors in the post-COVID period;
- for each of the priority sectors, a sector-specific development plan will be drafted, by which the priority sectors will be grouped under a single agenda, the toolkit for government support will help to significantly increase international competitiveness of economic operators, conditions will be created for the growth of international competitiveness of manufacturing industry in Armenia;
- based on the demand of the private sector, nearly 2000 specialists in manufacturing industry will be prepared and trained on an annual basis;
- technical equipment of manufacturing industry will be increased, by providing financial, advisory and a number of other tools for support to help acquire modern equipment;
- an advanced action plan for supporting exports will be implemented, by employing both simply financial and economic diplomacy toolkit;
- measures will be taken to promote the release of carbon-free goods;
- by attaching importance to the introduction of energy-efficient and energy-saving technologies in the economy, as well as taking into consideration the current pace of development and the existing potential, steps will be taken to ensure further development of the solar energy industry.

2.2. SUSTAINABLE DEVELOPMENT AND GREEN ECONOMY

In the structure of carbon emissions in the Republic of Armenia, the share of emissions of the "energy" sector (for production, transfer and consumption, including transport of energy as a result of burning power generators) comprises nearly 70%,

one of the key components of which is electricity production, and the industry share is nearly 5%. In its turn, the share of natural gas in the structure of electricity production in the Republic of Armenia comprises 41%, and in the electricity domestic consumption basket — 29%, taking into consideration the contract effective with Iran on exchange of electricity for natural gas. Moreover, penetration of natural gas in Armenia is at a super high level, even compared with countries such as the Netherlands, Norway and the United Kingdom.

In Armenia, more than 90% of household economies use natural gas as a means of heating and food preparation, and natural gas is used as fuel in more than 80% of cars for personal use.

However, according to forecasts, in case the current pace of consumption, the global resources of natural gas will be consumed in the next 45-55 years.

In spite of the discovery of new resources, the commitments of a number of countries to refrain from using coal draws to the conclusion that the volumes of consumption of natural gas will significantly grow as a result of replacing coal with natural gas which, in its turn, will neutralise the impact of revelation of new mines.

Initially, the decline of availability of natural gas as a key power generator and later elimination in the long run, will lead to major shocks in all sectors of economy.

In particular:

- In the conditions of high level of gasification, the investments of the population and natural monopolies will not be relevant any longer. The natural gas-based systems for heating and food preparation will be replaced with electricity consumption systems.
- The prices for passenger transportation will go up for those who use public transportation and personal transportation vehicles. Consequently, the competitiveness of cars with electric engines will grow.

- A number of industrial enterprises operate by burning natural gas, particularly cement production.

To be competitive, it will be necessary to make the transition to technological processes with the use of electricity.

- The demand for electric energy will rapidly grow. It will be necessary to meet the mentioned demand through renewable nuclear and aquatic energy.
- Thus, within the scope of green economy, the imperative of restriction of carbon emissions volumes not only stems from global interests, but is also a vital necessity for the sustainable development of economy of the Republic of Armenia.

The priority goal of shaping a green economy is to make sure the economy is ready for the new, low-carbon energy reality.

To achieve this goal, it will be necessary to implement a comprehensive action plan by targeting the following directions:

- to continuously minimise the role of natural gas in the structure of electricity production by replacing it with sources of renewable and alternative electric energy;
- to prepare the electric power transmission infrastructure for change in terms of growth of demand and structure;
- to prepare the transition of infrastructures to alternative transportation;
- to help the population to obtain electric systems for food preparation and heating.

The limited natural resources of Armenia dictate the imperative of effectiveness of the use of natural resources and maximum maintenance in economic processes. Thus, the second goal of shaping a green economy will be to create preconditions for longer

maintenance of natural resources in the economic cycle.

2.3. HIGH TECHNOLOGIES

Taking into consideration the importance of high technologies for the economy and security of the Republic of Armenia, the Government will continue to contribute to the development of an innovative system and comprehensive introduction of the innovative system in different sectors. A strategy on advancing the high technology sector will be developed for increase of the volume of the high technology sector and involvement in the sector, ensuring of growth of incomes generated from the functional activities of companies and increase of proportion of that indicator against the GDP, commercialisation of innovative ideas, promotion of entrepreneurship, technological advancement and wide application of technological solutions in the economy and public sector.

By 2026, the Government plans to have nearly 35,000 people employed in the high technology sector, with a sectoral turnover reaching AMD 500 billion, which will comprise 6-7% of the GDP. Based on the data of 2020, this indicator is 4%. Thus, at least 16,000 new jobs will be created in the high technology sector in Armenia.

In the high technology sector, the Government has the goal to take the following steps:

- qualitative and quantitative improvement of technology education in the high technology sector;
- continuous increase of opportunities for engaging necessary investments in high technology companies (start-ups) and engaging financial tools for ensuring further development of the high technology companies and their access to the world markets, including through state support programmes;
- implementation of actions for promoting immigration of technological potential;
- ensuring creation of new value and application of technological solutions in the

high technology sector and in all sectors of the economy by way of providing funding to newly established companies within the scope of grant programmes;

- implementation of educational and acceleration programmes for the purpose of ensuring inflow of knowledge and skills from technological, educational and scientific-research centres, and promoting development and engagement of investments in the technology sector;
- improvement of capacities of technology centres, techno parks, accelerators and incubators existing in the Republic of Armenia, as well as establishment of new centres in the marzes of the Republic of Armenia, including on the basis of international cooperation, for the purpose of proportional regional development;
- creation and enhancement of special engineering and industrial zones based on the example of the "Engineering City";
- ensuring and promoting the presence of Armenian high technology sector (companies) around the world, including at prestigious international exhibitions, events;
- promotion of effective cooperation of technology companies for progressive development of the high technology sector by way of preparing new specialists and providing sector-specific specialists with the opportunity to re-specialise;
- implementation of programmes for capacity-building of the companies operating in the sector.

Military industry

The Government will promote the development of a military-industrial complex, based on the scientific-research potential in Armenia and international practice. The already developed policy of the Government for promotion of investments and establishment of joint initiatives will also help to create a favourable environment for development of

the sector. This policy is based on improvement of taxation and administration procedures, engagement of foreign investments, as well as public, private and international cooperation. For development of the military-industrial complex, the Government plans to implement the following:

- improvement of the sector-specific legislation and establishment of simplified procedures for importing types of products of dual significance and promoting mechanisms for establishment of joint ventures;
- increase of productivity, ensuring of integrity and effectiveness of the production chain;
- internal capacity-building for production of strategic goods;
- rapid increase of production capacities;
- development of military-industrial research;
- promotion of investment programmes in military industry;
- expansion and development of the scientific-technical base, creation, import and mastery of new technologies;
- development and introduction of national standards — in line with international and/or regional standards — that prescribe requirements for the design and production of military devices and apparatus, military equipment and electronic appliances;
- expansion of purchase volumes of local products to meet the needs of the Armed Forces of the Republic of Armenia.

Digitisation

The creation of a modern digital environment is of strategic significance for Armenia, as it is considered as an effective tool for management, production and advancement.

It is envisaged to take the following measures in this direction:

- introduction of a modern system of identification and recognition of jurisdictions;
- introduction of a system of management and development of information and cybersecurity, increase of literacy;
- development and introduction of the main standards of a digital environment;
- digitisation of public services, ensuring of online access to public services, establishment of unified service centres;
- introduction of a single application for state and community services, excluding cases of demanding information from citizens, if the information already exists in a particular database;
- automation of services provided to citizens of the Republic of Armenia located abroad: change of passport, extension of period of validity, issuance of statements of information and a number of other services;
- ensuring of exclusively electronic communication of state and local self-government bodies with legal entities;
- ensuring of predominantly electronic communication of state and local self-government bodies with citizens;
- increase of digital literacy of the population of the Republic of Armenia and implementation of programmes targeted at the growth of volumes of application of digital tools;
- creation of a centre for development of a policy based on cybersecurity and facts.

Telecommunication

The Government views the improvement of communication services and

infrastructures in the Republic of Armenia as an essential factor for overall development of the economy. The following are the steps that the Government plans to take in the sphere of telecommunication:

- adopt a comprehensive strategy on development of economy and science in the Republic of Armenia in the sphere of space operation, expansion of international cooperation of the Republic of Armenia in the sphere of strengthening of security;
- increase of the qualitative level of external relations of the Republic of Armenia, including the level of security;
- providing the municipal and rural settlements of the Republic of Armenia with at least 80% broadband (optic fibre) communication and access to state digital services;
- round-the-clock control over radio airtime in the whole territory of the Republic of Armenia and ensuring of up to 100 % clean airtime, introduction of a modern system of mobile and basic radio monitoring;
- introduction of a system of interactive digital television.

Postal communication

To increase market efficiency and viability in the sector of postal communication, the Government envisages to ensure:

- availability of, access to universal services of postal communication and high quality of the services;
- increase of attractiveness of the field of investments in the market of postal services;
- provision of a wide range of services in postal units;
- development of electronic commerce.

2.4. AGRICULTURE

In the agriculture sector, the policy led by the Government will be targeted at the intensification of agriculture, the increase of productivity, targeted use of land resources and the effective and economical use of water resources, the increase of the level of protection of food safety, the development of animal husbandry and plant breeding, the introduction of modern technologies, the sale of manufactured products and promotion of export of those products, the increase of revenues of entities included in the whole agricultural value chain — rural economies, cooperatives and persons processing agricultural products.

The goals of the Government are:

- to increase intensive gardens by 1000 hectares every year;
- to introduce complete insurance of agricultural plants in the coming five years by including the main plants and to continue to subsidise 50-60% of the insurance fee, to expand the list of insured risks and the geography by including all the marzes, to create preconditions for the introduction of animals' insurance;
- to continue to subsidise the interest rates of agricultural loans by ensuring accessibility of financial resources;
- to fully reimburse the fee for irrigation water for a term of 5 years in case of introduction of modern systems of drip and/or rain irrigation in land parcels of up to 3 hectares, in accordance with the rules prescribed by the Government;
- to continue the programme for supporting leasing of agricultural machinery, by updating the set of technical equipment with at least 500 units of agricultural machinery every year;
- to promote, with a toolkit for targeted subsidisation, the production of highly valuable plants, organic agriculture and the application of modern systems of

analysis of data in agricultural enterprises;

- to subsidise the acquisition of seeds for spring sowing and autumn sowing up to 70%, in accordance with the rules prescribed by the Government;
- to continue to support the establishment of greenhouse economies with credit, leasing and reimbursement tools;
- to introduce the system of numbering and record-registering animals and support the improvement of pedigree;
- to continue to provide available financial resources for cattle-raising in order to build livestock buildings of the new generation, obtain fodder, animals, particularly pedigree animals;
- to continue the state support programme for leasing of agro-food equipment, including for the production and processing of milk and dairy products, as well as the promotion of construction of slaughterhouses;
- to support agro-processors within the scope of subsidised credit and leasing programmes, as well as by other means in order to strengthen production capacities, introduce the latest technologies and organise purveyance effectively;
- to foster local seed breeding;
- to co-finance and finance the creation of wholesale markets and logistics centres, co-finance and finance the creation of collective warehouses in Armenia and in the main markets of Armenia;
- to improve the legislation on food safety, develop a strategy for development of food safety;
- to promote targeted and effective use of agricultural lands, the process of placing unused lands into circulation and enlarging lands;
- to ensure introduction and operation of an efficient system for prevention of animal and plant diseases;

- to provide assistance to scientific-educational institutions in the agrarian sector in order to prepare and train specialists in compliance with the requirements of the market;
- for the purpose of increasing recognisability of Armenia and Armenian products, to promote the creation of sectoral associations (groups) in order to label and register a product originated in a specific territory with the toponym and/or geographical marking of the product. To keep the high quality of the product and to ensure compliance of the quality with the requirements of the legislation of the Republic of Armenia, control and accreditation bodies will be created independent of the Intellectual Property Agency which will help not only maintain the traditional markets of Armenian products, but also conquer new markets.

2.5. TOURISM

In the conditions of dynamic developments and current challenges characteristic of the field of tourism, the Government, seeking to raise the level of recognisability and competitiveness of Armenia in terms of tourism, as well as with the aim of increasing the number of international visitors to 2,5 million by the year 2026, has prescribed the following **goals**:

- to institutionalise the tourism sector;
- to increase recognisability of the country;
- to intensify cooperation with foreign countries, regional and international organisations.

To achieve these goals, it is envisaged to implement the following activities:

- the budget for marketing activities for raising the level of recognisability of Armenia, implementing an active marketing policy and attracting the tourism markets of new countries, will be increased. In particular, a new brand and marketing materials of Armenia will be developed for increase of recognisability

of Armenia and beneficial positioning.

- The look of at least 20 tourist attraction sites will be improved, the diversification of types of tourism, i.e. the tourism potential of Armenia, will be promoted.
- For diversification and improvement of service and hospitality services, it is envisaged to increase the number of international hotel brands and the public food outlets that are in the international network.
- The number of airline companies flying to and from Armenia will continue to grow, including through low-cost airline companies, by having flights at least to 25 new destinations until 2025.
- The number of gastro and cultural festivals held in the marzes of Armenia will grow.
- An on-line platform will be created, through which foreign tourists will be able to obtain tour packages to Armenia more easily.

2.6. QUALITY INFRASTRUCTURE

The system of quality infrastructure has an essential impact on the economic development of the Republic of Armenia, as setting and strictly observing the quality requirements leading to public welfare and growth of domestic competitiveness will be among the fundamental principles of the system. The spheres of technical regulation, compatibility assessment, standardisation, accreditation and ensuring uniformity of measurements are the component parts of the system, and they are under the jurisdiction of the State. The effective operation of the system is of essential significance for integration in the international value chains and generation of new knowledge.

To ensure ongoing systematic reforms, the following actions will be implemented:

- laboratory capacity building;

- forming and building capacities for calibration;
- building capacities for compatibility assessment and accreditation, setting as a target the conclusion of bilateral and multilateral recognition agreements with regional and international accreditation organisations for recognition of the National Accreditation Body .

2.7. URBAN DEVELOPMENT

Urban development and particularly the construction sectors are the fields that help to record more dynamic development of the economy of the Republic of Armenia. By realistically assessing the current situation in the field of urban development the Government envisages creating preconditions — through improvement of legislation and regulatory framework, maximum digitisation of activities being implemented in the field of urban development and systems for issuance of permits and introduction of information systems in regard to urban development objects — to meet the existing objectives (simplification of procedures, increase of transparency and accountability, improvement of control mechanisms) and ensure further developments.

The existing challenges in the field need to be considered in the context of increase of competitiveness of the country, overcoming of the existing disproportions in terms of territorial development, formation of a favourable environment for investments, creation of jobs, access for all groups of society to social and engineering infrastructures, preservation of historical-cultural heritage and elimination of the negative influences of urban development activities on the environment. In the urban development sector, the Government envisages taking the following steps:

- to lay the foundations required for implementation of a state policy on urban development at the territorial level;
- to fully implement the process of granting urban development permits by the end of the year 2024 through an on-line system of a public administration body authorised in the field of urban development;

- to significantly reduce the stages of issuance of permits and strictly observe the time limits for issuance of those permits, substantively review the validity required for permits;
- to approve maps of zones with prescription of specific urban development requirements for every large community that will be available on-line;
- to continue the development and ongoing modernisation of regulatory documents that serve as a means of state regulation of urban development activities, harmonisation of the documents with international norms, as well as implement modernisation of the system of regulatory-technical documents so that it quickly responds to the introduction of new technologies in construction and guarantee their application, and create an opportunity to ensure compatibility of the construction products and services of the country with the products and services circulating in the unified market, promote local industry and development of innovative technologies, improvement of the business environment and the growth of volumes of exports and investments;
- for the purpose of introducing new technologies in construction, developing and implementing methods for overseeing quality of construction materials with local raw material and construction, to form a scientific-research and experimental base, educate (train) scientist specialists who will help implement ongoing and consistent activities for rapid response to, application and introduction of innovative technologies, create regulatory framework, replenish material and technical base, as necessary, provide support to local manufacturers and build business capacities.
- By taking steps to improve the legal framework and the system of regulatory-technical documents ensuring safe and reliable exploitation of buildings and constructions:
 - to raise the level of reliability and seismic safety of buildings and constructions;

- in the project design procedures, to ensure inclusion of measures for energy-efficiency of buildings and constructions under construction or reconstruction;
 - to contribute to envisaging compulsory measures in the project design procedures for buildings and constructions to make them accessible for the groups of the population with limited mobility and persons with disabilities, and implementation of such measures in the practical stage of urban development programmes;
 - to create legal grounds for granting passports for buildings and constructions;
 - to create and run a system of information on all buildings and constructions;
 - to ensure requirements for designing basement and masonry stories of civil defence structures, as well as underground parking lots, shelters and/or hiding places in buildings and constructions;
 - to introduce a rating mechanism for organisations carrying out activities in the field of urban development;
 - to improve the quality of expert examination of urban development documents and the solutions provided under those documents, stipulating, as a main principle, the impartiality of expert evaluation, the substantiation and integrity of the expert conclusion, the professional independence and responsibility of the expert conducting the expert examination.
- For the purpose of contributing to rooting sustainable mechanisms for implementation of the functions for management, maintenance and exploitation of the multi-apartment housing fund, the efforts of the Government will be aimed at:
 - viewing management of a multi-apartment building as a type of specialised activity and setting requirements for professional qualification of persons

carrying out management functions, by ensuring organising of educational and training courses in this respect;

- continuously improving the legislation in order to regulate the existing problems in the field of management of multi-apartment buildings and ensure future developments;
 - developing and implementing targeted programmes based on the best international practice in order to solve the issue of the fund of houses with 3rd-4th degree damage;
 - ensuring availability of apartments for young families, viewing affordability of prepayment, monthly fee and interest rate as a stimulating tool.
- Based on the results of documentation in the previous period, the Government envisages continuing the process of rehabilitating families residing in temporary constructions placed (built) after the earthquake, destroying those constructions and restoring the urban development environment of the territories.

2.8. SUSTAINABLE MANAGEMENT OF NATURAL RESOURCES

To ensure reasonable and complex use of subsoil and rule out over-exploitation of natural resources, it is envisaged to:

- setting a strategy on development of the mining sector in order to reduce to the minimum the flaws existing in the laws on the mining sector and to bring the regulatory-legal and institutional structure of the sector in line with the best international practice;
- develop laws regulating the sector and stemming from the strategy on development of the mining sector, as well as other legal acts relating to the laws;
- ensure rational and proportionate extraction of resources, including by ruling

out over-exploitation of natural resources; inventory-taking of water points (wells, sources) of underground mineral water mines and update of database;

- revise requirements for accountability for movement of mineral reserves for the purpose of receiving and monitoring the annual complete information about extracted and depleted reserves;
- revise the documents attached to the application for applying for the right to use subsoil and the requirements for submitting the documents;
- clarify the requirement for social liabilities for communities;
- ensure advancement of directions for cooperation with all interested parties in the mining sector;
- regulate the land relations associated with the granting of the right to subsoil use;
- ensure effective exploitation of mines within the scope of the existing rights to subsoil use, implement activities to solve the issue of Amulsar;
- regulate, by law, the terms and requirements for giving consent in order to conduct geological studies in the region;
- create a digital cadastre of information on subsoil;
- introduce effective mechanisms ensuring fair and long-term development of taxation of the mining industry, in particular it is planned to reform the mechanism of royalties;
- take active measures to obtain final mineral products in order to enclose the economic value chain in the mining sector within the country, ensuring greater and more stable income from the sector;
- ensure technical safety of tailings, which implies development of modern, knowledge-based standards and requirements in line with the best practice which need to be enshrined in legislative and sub-legislative acts;

- reform the whole process of geological expert examination, including the applicable standards, methodologies and toolkits for control.

3. DEVELOPMENT OF INFRASTRUCTURES

The Government, with the purpose of creating competitive, quality infrastructures in the region, will also implement reforms for improvement of quality by modernising the legal regulations and the regulatory-technical base, building and enhancing the capacities and knowledge in the design, technical supervision, safety audit and construction on the basis of the existing best international practice and science and technology which, in its turn, will contribute to the socio-economic development of the country.

3.1. TRANSPORT

Automobile transport

In the territory of the Republic of Armenia, a unified railway network will be introduced due to which all communities will be provided with transport services, the quality of service and the level of control over passenger transportation will be increased. All the routes will be developed and mapped, new schedules and directions will be drawn up. The effectiveness and accessibility of passenger transportation will be increased. All settlements of the Republic of Armenia will be connected with centres of marzes or other large settlements of marzes, with the capital and the centres of neighbouring marzes through regular routes. A platform will be created, from where there will be an opportunity to receive full information about the routes, including hours of departure, starting points, end points and directions.

The latest technologies will be used in regular passenger transportation, through which it will be possible to:

- provide traffic control service and supervision electronically;

- introduce a unified ticket system;
- introduce an interactive map;
- introduce effective unified electronic systems for levying road fees and for rapid response in case of accidents.

Air transport

The Government will raise the level of flight and aviation safety by bringing it into compliance with the standards of international aviation organisations, which will create an opportunity to reduce the risks in regard to flights and aviation safety and organise the activities by taking into consideration the results of evaluation and the priorities arising from those results. Activities will be carried out with international organisations, and relevant recommendations will be submitted in regard to legislative amendments and compliance with international standards.

In this sector, it is envisaged to take the following steps:

- enhance general aviation by developing and introducing new mechanisms for operation of unmanned aerial systems;
- implement structural changes in order to increase effectiveness of civil aviation management;
- sign and introduce the pre-signed *Common Aviation Area Agreement between the Republic of Armenia and the European Union and its Member States*, which will contribute to the strengthening of the existing relations with the European Union, allow to further localise and introduce the aviation regulations and make the sector more perceptible and trustworthy among European partners;
- continue negotiations with large foreign airline companies to have in place joint local air carriers;
- carry out ongoing activities with the Concessionaire of the airport in order to improve the quality of services, reduce the tariffs for services and solve other

problems;

- consider and submit recommendations for construction of new pathways leading to airports;
- study and submit recommendations on the creation of new organisations specialised in the aviation sector.

Railway transport

The Government envisages taking the following steps to raise the level of traffic safety through railway transport and improve the quality of services:

- obtain a new passenger and freight rolling stock, modernise the existing rolling stock, which will lead to essential increase of competitiveness of railway transport, volumes and effectiveness of passenger transportation and cargo transportation, traffic safety and quality of provision of services, as well as promote tourism;
- develop and introduce new mechanisms for subsidising damages caused by railway passenger transportation and continue the activities for making amendments to the Concession Contract, which will allow to maintain and enhance the existing infrastructures;
- for the purpose of raising the level of traffic safety through railway transport and improving the quality of services, the Government envisages investments worth nearly AMD 39 billion for the period until 2024 within the scope of the agreements reached with the Concessionaire, which will be targeted at essential increase of competitiveness of railway transport, volumes and effectiveness of passenger transportation and cargo transportation, traffic safety and the quality of provision of services. Within the same framework, nearly 37 km railway lines will be capitally renovated. According to the agreements reached with the Concessionaire, the volumes of investments for the years 2025-2038 will be increased and comprise nearly AMD 95 billion.

Water transport

The Government envisages developing and adopting a law on commercial navigation, which will create an opportunity for the development of commercial navigation under the flag of Armenia and the increase of freight turnover.

3.2. ROAD CONSTRUCTION

Increasing the economic potential and the living standard of people through development of the road network is one of the key preconditions for economic development and improvement of social life. In this direction, the Government will form and enhance a safe, cost-efficient and ecologically safe road network through modernisation and improvement of the quality of the entire road network of Armenia; this will contribute to the growth of domestic and international transfers, the formation of new markets, will promote domestic and foreign trade, will have an essential impact on the sustainable development of economic and social life in marzes and rural communities, by ensuring for the populations of marzes and communities communication with vital objects and centres of marzes, and will contribute to proportionate territorial development.

The integration of a transport system of the Republic of Armenia into the international transport system is a key area of the policy being implemented in the sector, due to which it will be possible to promote the export of Armenian goods to the international market and the essential increase of cargo transportation.

Reforms will be implemented in the area of road construction and development of the road system in the following directions:

- renovation, capital renovation of interstate, republican and local automobile roads and continuous improvement of quality, due to which we will have nearly 500 km renovated roads annually;

- restoration and construction of tunnels and bridges;
- improvement of safety of automobile roads — restoration and proper maintenance of furnishing that ensures automobile road traffic safety;
- reduction of road accidents by inventory-taking and eliminating the "black spots" on all roads of the Republic of Armenia, as well as by conducting road safety audit, ongoing implementation of safety measures based on analysis of the data on road accidents, modernisation of systems (programmes) for gathering and analysing data on road accidents;
- capital renovation of local roads, ensuring of road safety in villages;
- implementation of the North-South Road Corridor Investment Programme;
 - implementation of the activities for reconstruction of Tranche 2 (Ashtarak-Talin, total length: nearly 42 km) and Tranche 3 (Talin-Lanjik — 18,7 km, Lanjik-Gyumri — 27,5 km, total length: nearly 46,2 km) of the North-South Road Corridor and closing of the programme;
 - launch of activities for construction of the new 60 km Sisian-Kajaran road, including the nearly 9 km long tunnel of Bargushat, reconstruction of the nearly 32 km Kajaran-Agarak road, construction of the 7 km long tunnel of Kajaran, planning and launch of monetary implementation of the 175 km Artashat-Sisian section of the North-South Road Corridor;
- reconstruction of M-6, 52 km Vanadzor-Alaverdi-Bagratashen interstate road;
- establishment of a sustainable institutional system for road network management by way of creating a modernised system of road protection and management, increasing the technical requirements for road maintenance, increasing the longevity of exploitation of roads and ensuring effectiveness of capital expenditures;
- introduction and application of the latest technologies and methods, rearmament

of the state laboratory for the purpose of increasing oversight over the quality of construction materials and road construction;

- introduction of a road safety system, in accordance with the EU directives for road safety;
- evaluation and further necessary improvements of the existing system of management of road assets, introduction of a road network management system, which will provide the opportunity to carry out round-the-clock control over the activities for automobile road protection through a mobile app;
- assessment of the impact on road infrastructure as a result of climate change and development and implementation of appropriate harmonisation programmes;
- assessment of capacities of key entities involved in the road sector (clients, project designers, contractors, persons implementing technical supervision, etc.) and development and implementation of measures for increasing capacities;
- assessment and modernisation of the existing legislation in the road sector;
- increase of professional potential through education and training of road specialists;
- establishment of legislative requirements for territories located in zones of protection of roads as objects for special regulation, development of a unified policy on possession and management of those territories;
- launch of the mechanism for public-private partnership in the sector.

3.3. WATER ECONOMY

The policy of the Government on water economy is aimed at providing reliable, sustainable, safe and affordable services for supply of drinking water (water supply) and water disposal (wastewater treatment) and supply of irrigation water to the population, as well as advancing the reforms being implemented in the sector.

The ensuring of modernisation of water systems and engagement of investments, the increase of effectiveness of the activities of sector-specific organisations and management of community-owned water systems, the improvement of the legislation regulating the sector, the effective and economical use of water resources lie at the core of the activities of the Government.

- Capital renovation of certain accident-prone sectors of the "Arpa-Sevan" tunnel will be carried out, which will ensure reliable and unimpeded operation of the tunnel. This will contribute to gradual increase of the level of Lake Sevan and will ensure balance of the eco-system of Lake Sevan.
- Programmes for construction of reservoirs for managing the superficial current of water resources will continue. Due to those programmes, we will have additional stock of water resources and an effective system of management of water currents, creating opportunities for supply of gravity irrigation water as well. 15 reservoirs will be designed, construction of those reservoirs will be launched.
- Alongside the construction of reservoirs, assessment of the seismic vulnerability of dams of the existing state reservoirs having particular significance will be carried out in order to make the dams more secure and more applicable.
- Inventory and assessment of irrigation systems (canals, reservoirs, deep wells, water pipelines, pump stations, buildings, constructions, mechanisms of machines, other hydro-technical structures, etc.) will be carried out.

- In order to deal with the issue of irrigation and improve the situation in the sphere, the following is envisaged:
 - to carry out the necessary legislative and structural reforms;
 - to continuously furnish the irrigation systems with modern water metering equipment and equip with a data collection and control system;
 - to conduct comprehensive technical audit and, based on the results of the audit, develop and apply approaches and criteria for capital investments;
 - to make capital investments and carry out an investment policy for restoration of irrigation systems.

- The Government will promote the introduction of water-saving irrigation systems, including drip and rain irrigation systems, as well as the application of mechanisms for reimbursement of irrigation water fees through the introduction of new technologies.

- It is planned to finish the works for reconstruction of the inter-economic and intra-economic irrigation networks by 2023. Due to the construction of irrigation systems, 7.3 million kWh electricity will be saved every year, and irrigated lands will be increased by 1373 hectares. Nearly 259.1 km long intra-economic systems will be restored in 105 settlements of five marzes. The extremely decayed and accident-prone sections of four main, 8.2 km long canals and twenty-two second-class, 54.1 km long canals will be restored. This will contribute to making irrigation water supply more available, the losses in the sections being restored will gradually be reduced by nearly 7%, and sustainable, unimpeded water supply will be ensured in those lands.

- It is planned to develop and introduce an effective mechanism for specifying record-registration of irrigation water and collecting fees. The process of installing and operating water metering equipment built up with the Supervisory

Control and Data Acquisition (SCADA) system within irrigation systems will continue.

- To accumulate the potential waters having emerged in the afternoon, as well as the volumes of water having emerged as a result of failure to use water at night, daily regulatory pools will be built.
- To solve the existing problems in the sector of water supply and water disposal (wastewater treatment), improve the current situation, improve the quality of services provided to subscribers and meet the demands, it is planned to:
 - continuously improve the provision of services;
 - provide water supply service in settlements "not served" by exclusively licensed, specialised organisations, carry out investment programmes in those areas;
 - ensure cleaning of wastewater emitted from 3 wastewater cleaning stations currently operating in the basin of Lake Sevan by combining complete sanitation in surrounding settlements and the creation of appropriate conditions for installation of local stations and equipment for cleaning of wastewater by economic entities operating in the area;
 - establish an active mechanism for monitoring the quality of drinking water in settlements in order to bring the quality of water into compliance with the sanitary rules and norms approved by the authorised state body;
 - ensure availability of water disposal (wastewater treatment) services in settlements through the creation of opportunities for complete wastewater treatment and re-use of wastewater;
 - create conditions for economic operators not connected to the sewerage network to have individual structures and equipment for wastewater treatment and carry out wastewater treatment through specialised organisations;

- complete, in Yerevan, the investment programme for restoration of water supply and water disposal systems, within the scope of which works for improvement of the water supply network, replacement of individual water meters near private houses, installation of manholes, replacement of 30 old actuating pumps and other works in Yerevan will be carried out;
 - introduce a system for monitoring the quality of waters flowing out of cleaning stations.
- 10 primary anti-flood action plans will be carried out, cleaning the channels of rivers and storm-water drains, and works for fortifying the sides of rivers will be carried out.
 - Activities for improvement with regard to meliorative condition of agricultural wetlands will be carried out;
 - Activities for maintenance and operation of the drainage collector network will continue. The meliorative condition of salt marshes and agricultural wetlands will be improved, and the emergence and spread of contagious diseases will be ruled out by lowering the level of ground waters.
 - The Government will carry out investment programmes in the field of drinking water. Works for urgent restoration of the sections of water supply and water disposal systems in 11 cities 41 rural settlements of 6 marzes and restoration of distribution networks will be carried out by the end of the year 2023.

3.4. ENERGY

The policy of the Government in the energy sector will be aimed at raising the level of energy independence and security and providing consumers with reliable and quality supply of electricity and natural gas.

The guarantees for sustainable development of the energy sector in Armenia are the

economically substantiated, effective and conscientious use of the potential of renewable energy; the development of atomic energy for peaceful purposes; the regional integration of the electric energy system; the variety of paths and forms of supply of power generators; the introduction of measures for energy efficiency and energy saving and the transformation of digital energy.

In this context:

- the new model of gradually liberalising electricity market will be put into practice, which will increase competition and stimulate the engagement of investments and development of interstate trade;
- the activities for the formation of a common natural gas market and common electricity market of the Eurasian Economic Union will continue;
- solar power stations, including automatic solar power stations with a capacity of up to 1000 MW will be built with the purpose of making the share of production of solar power reach at least 15% by the year 2030;
- preparatory works will be carried out to build wind power stations with a capacity of nearly 500 MW;
- to extend the projected period of operation of the second energy block of the Armenian Nuclear Power Plant, the works for modernisation will be completed in order to ensure the safe operation of the Armenian Nuclear Power Plant by 2026, after which additional investments will be made in order to extend the period of operation of the second energy block of the Armenian Nuclear Power Plant for another 10 years;
- a plan and timetable will be developed as the main strategic goal in Armenia in order to implement construction of the new nuclear energy block;
- the activities for rearming, modernising energy infrastructures (production stations, transmission and distribution networks, sub-stations, air lines, etc.) and

equipping them with the leading technologies will continue;

- the electricity system will be raised to a fully new level through the launch of the Armenia-Iran and Armenia-Georgia 400 kW power transmission air lines aimed at development of regional cooperation. Armenia will become a hub for power transmission in the region, connecting the markets of Iran, Georgia and the Eurasian Economic Union;
- the activities related to the four-party (Armenia-Iran-Georgia-Russia) North-South Power Transmission Corridor initiative will be finalised in order to move the initiative to the practical stage;
- large-scale implementation of energy efficiency and energy saving measures will be promoted, taking into consideration the requirements of the Armenia-European Union Comprehensive and Enhanced Partnership Agreement, including in the fields of transport, industry, agriculture, multi-apartment buildings, public budget sector, fuel-energy system and other fields;
- ongoing programmes will be implemented in order to have knowledge-based and smart power economy, supporting the implementation of new educational programmes, new researches and innovations.

4. DEVELOPMENT OF HUMAN CAPITAL

4.1. DEMOGRAPHY

The Government will undertake the development of the new Strategy for Improvement of the Demographic Situation of the Republic of Armenia and the 2021-2026 Action Plan, which will ensure sustainable increase in births in the upcoming years, and in the long run — will create preconditions for recording essential growth of the number of the population of the Republic of Armenia.

- The circle of beneficiaries receiving benefits for care for a child under the age of 2 will be expanded, at the expense of unemployed mothers, regardless of their

place of record-registration (residence).

- Activities will be continuously carried out in order to revisit and enhance the programmes for improvement of the demographic situation that have already been launched, paying special attention to the actions for providing homes to families with children and the benefits granted for childcare.
- In the context of improvement of the demographic situation, a draft law will be developed, clearly stipulating the incentives for births and the social guarantees granted to multi-child families, including in the form of granting monthly financial assistance of AMD 50,000 to families for the third child and next children under the age of 6.
- The measures for helping parents with children to work and care for children will be improved.
- Target programmes for state support to provide assistance to young rural families and families with children, including state support to activities generating income, will be carried out.
- Target programmes will also be developed for repatriate families.

4.2. MIGRATION

The Government attaches importance to guidance of the economic and human potential of migrants, including returning migrants for the development of the country.

The following are the priorities of the Government in the sector of migration policy:

- implementation of institutional reforms in the migration management system;
- digitisation of systems targeted at the management of migration processes;
- digitisation, simplification and automation of services provided to citizens

(including foreign citizens);

- digitisation and simplification of the system for issuing work permits and residency to foreign citizens in the Republic of Armenia;
- ensuring of completion of actions provided for by the Concept Paper on State Management of Migration of the Republic of Armenia and targeted at the regulation of issues related to integration and re-integration, the management of migration flows, management of the mass influx of forced migrants and the promotion of repatriation;
- improvement of the mechanisms for admission of foreign citizens and stateless persons seeking asylum in the Republic of Armenia;
- effective organising of the processes of readmission, in accordance with the international commitments assumed in that field.

4.3. EDUCATION

The development of education and science is an overriding objective, and only through the development of education and science will it be possible to achieve sustainable and inclusive development and universal welfare. Investments in the knowledge and skills of people are the guarantee for development of the country. The activities envisaged in the education sector will be aimed at shaping civilised, creative, enterprising, capable, competitive citizens who picture their future in their country. Development of the sector will be closely linked to the strategy and priorities for development of the state.

The creation of an environment for inclusive education, the modernisation of the content of education and educational programmes, the modernisation and rearmament of necessary infrastructures, the wide use of modern information technologies in the training and management systems and the strengthening of the "education-science-labour market" bond will be pivotal for all levels of education.

Lifelong learning will also be encouraged.

- To solve the current problems in the general education sector, it is necessary to make a complete and drastic change in general education, the bedrock of which is the complete introduction of new criteria of general education in all grades of all republican schools by the year 2026, ensuring integrity of modern and equipped infrastructures, an environment for inclusiveness and development, quality educational content, high-quality teaching staff and transparent and effective management of schools. The main targets for implementation of this goal are the following:
 - build, capitally renovate or renovate at least 300 schools by the year 2026, making sure they are completely equipped with necessary items and equipment;
 - create modern natural science and engineering laboratories in all 1400 schools of the Republic of Armenia by the year 2026, essentially improving the quality of education;
 - completely change and introduce new textbooks and educational materials in accordance with new criteria, raise the level of media literacy, enhance the teaching of foreign languages, particularly Russian, English, French, as well as languages of the region;
 - introduce a differentiated policy on the professional development of teachers, proceeding from the needs of different groups of teachers, introduce an interconnected mechanism for promotion of teachers, ongoing professional development and remuneration, providing all teachers with the opportunity to have at least 30-50 per cent increase in their salary, making the profession of a teacher in-demand, prestigious and modern among the youth;
 - create effective, open management and financing systems based on

- performance and outcomes, by digitising processes, reducing bureaucracy and corruption risks and building the management capacities of institutions;
- enhance electronic learning tools in order to ensure continuity of and access to education at all levels of education, making education available in bordering zones, regardless of the existence of relevant specialists, combine the development of electronic learning tools with the development of a system for seconding highly-qualified teachers.
- Ensuring quality product of general education is impossible without a proper system of development and full access to the network of pre-school services during early childhood. For this purpose, it is envisaged to continue to expand pre-school services, improve the quality of those services, create a complete environment for the development of a child and continue to improve the professional capabilities of pedagogues of pre-school institutions. In particular:
 - build, capitally renovate or renovate at least 500 kindergartens and pre-school institutions by the year 2026, making sure they are fully equipped with necessary items and equipment;
 - increase the number of children at the age of 3-5 enrolled in pre-school institutions to at least 85% by the year 2026;
 - ensure transition to universal inclusiveness in all pre-school institutions of the Republic of Armenia by the year 2024;
 - introduce, with the example of general education, an interconnected mechanism for promotion, ongoing professional development and remuneration of teachers-educators.
 - By attaching importance to the role of preliminary (handicraft) and secondary vocational education in socio-economic development and replenishment of the labour market in accordance with the demand, the Government sets aside the

following main directions for reforms:

- modernisation of academic programmes, introduction of new professions, rationalisation of distribution of institutions and the programmes being implemented within those institutions, introduction of a new methodology for distribution of seats for admission, bringing them into compliance with the overriding directions for socio-economic development of the Republic of Armenia, the peculiarities of development of marzes (provinces), as well as the demand in the labour market;
 - introduction and expansion of dual training based on employment in at least 2 educational institutions on an annual basis, through active involvement of the private sector and the business community which will help to train up quality workforce in line with the demands of the labour market;
 - testing and introduction of new models of management of institutions, based on public-private partnership, and by increasing effectiveness of the system;
 - introduction of systems for professional development and certification of pedagogues, linking this to mechanisms for remuneration;
 - improvement of building conditions of educational institutions and ensuring of training and production base (laboratories) (at least 2 institutions a year) for the purpose of ensuring attractiveness, increasing affordability and inclusiveness of preliminary handicraft and secondary vocational education.
- The development of higher education will be closely linked to the strategy on and priorities for development of the state. The creation of an inclusive, student-centred educational environment; the increase of productivity and effectiveness of higher education; the enhancement of the electronic management system and electronic teaching tools; the modernisation of educational content; the capacity-building of teachers and the development of necessary infrastructures, as well as

the strengthening of the "education-science-labour market" bond will be pivotal.

The reforms in the higher education sector will be targeted at:

- creation of an institutional basis for mechanisms for effective management, balanced accountability and transparency;
- ongoing improvement of the quality of higher education, ongoing increase of the research component in higher education;
- review of the content and structure of academic programmes by 2025, focusing on final learning outcomes — in line with the requirements of the national qualification framework (NQF);
- internationalisation of higher education, expansion of mobility opportunities;
- implementation of the directions and principles of the European Higher Education Area;
- review of the principles for providing financial resources to educational institutions along with gradual increase of financing for higher education and expansion of amounts of financing by 2024 — addressability and purpose of financial support, by setting key indicators for effectiveness of the activities of an educational institution and introducing mechanisms for financing depending on the result;
- promotion of the expansion of inclusiveness in higher education alongside the transition to universal inclusive education;
- development and introduction of new methodology for learning and teaching through the application of modern information and communication technologies in the educational process;
- review of the principles and mechanisms for admission to higher education institutions;

- introduction of Master's Degree programmes for professions in accordance with the new demands in the labour market, as well as in languages of the region, through inclusion of relevant academic programmes in the list of academic programmes according to professions;
- establishment of effective cooperation with schools, universities and the private sector in order to raise, among parents, teachers, pupils and the community, awareness about the demand and applicability of current and future professions that are in demand, but less common;
- ensuring of an attractive physical, virtual and social environment in the higher education sector by reconsidering the necessary infrastructures — in this sense, the idea of establishing an academic city is of strategic significance;
- upgrading of higher education in areas of natural sciences by bringing it to an internationally competitive level through state support and institutional investments.

4.4. SCIENCE

The science sector is viewed as one of the cornerstone sectors for sustainable development of the Republic of Armenia, the growth in this sector will provide Armenia with the opportunity to face up to the current and future challenges, become a major part of the evolution and progress, be capable of absorbing modern trends and making them adaptable and provide the educational system and high technology and other strategic sectors with enhanced human potential.

A developed academic system needs to be a claim to fame for the Republic of Armenia in international relations and the global set of values and serve as one of the key components of foreign relations. The objectives to be met in the field of science in the

course of the next 5 years can be divided into the following 4 conditional groups:

Development of infrastructures that are favourable for competitive scientific activities

One of the major guarantees for increase of effectiveness and competitiveness of scientific activities is the level of development of scientific infrastructures, which provides the opportunity to conduct competitive scientific research not only through modern scientific equipment and materials, but also through the creation of a physical environment that will be favourable for scientific activities. To address this issue, the objectives of the Government programme are:

- to renovate scientific centres and rearm them with modern equipment, by establishing centres of scientific equipment for joint use;
- to consolidate small scientific organisations conducting research in related fields with large scientific centres for the creation of a more favourable environment for research, as well as for effective use of human and physical resources;
- to introduce mechanisms for promoting and assisting innovative and science-driven entrepreneurship by establishing a structure that will support the formation of new science-based business spheres and place orders from business to science, as well as explore the scientific developments that have the potential for commercialisation, and will be a part of the process of commercialisation by providing consultation and legal aid;
- to assess the risky science-business initiatives and create a national investments fund;
- to expand the geography of international partnerships on the basis of interstate or inter-agency treaties, thanks to which we will be at an

institutional level of cooperation with more developed countries in the world, and within the framework of this, global studies and several mobility programmes will be carried out;

- to associate with European framework programmes and promote the active participation of Armenia in framework programmes, which will help to create favourable conditions for sharing experience and provide an opportunity to participate in major, multilateral research programmes and enhance internal capabilities and infrastructures.

Enhancement of qualification of workers in the field of science and engagement of young specialists

The enhancement of qualification of workers in the field of science, the engagement of young specialists and the increase in salaries of scientists and funding of scientific researchers are the main tools for solving the issue of ageing and raising the level of competitiveness. The following are the programme objectives to address this issue:

- to implement grant programmes to support PhD students involved in leading groups in the Republic of Armenia in order to promote PhD studies and organise PhD education at the best centres abroad;
- to implement programmes for post-doctoral research in order to shape experience for newly graduated researchers to be self-employed and work on more privileged issues;
- to implement mid-term and long-term programmes for vocational training and qualification of employees of scientific organisations at the best scientific centres in the world.

Increase of efficiency of state financing in the field of science

Efficiency of state financing in the field of science will be increased by setting international standards for research and introducing mechanisms for performance

evaluation. The programme objectives being implemented for addressing this issue are:

- to set the minimum criteria for productivity of scientific personnel according to categories, which will be implemented in late 2021 and will create a ground for conducting nation-wide performance evaluation in 2024;
- to conduct nationwide performance evaluation of scientific personnel in order to engage promising and prospective specialists instead of a personnel lacking productivity;
- to review the model for baseline financing of scientific organisations by introducing the model of up-to five-year programme financing and to implement bonus plans within organisations with high-level of productivity in order to expand the personnel and create new subdivisions or engage new specialists;
- to review the objectives of the programmes implemented through financing via tender and set outcome indicators;
- to implement a number of new programmes via tender for more effective engagement of the potential of the Diaspora for resettlement or the establishment of remotely controlled laboratories, with the plan to have nearly 60 scientific and nearly 60 remotely controlled scientific groups having returned to the Republic of Armenia by the year 2026 which will not only conduct modern scientific research, but will also train up specialists who are capable of carrying out creative work in the field of high technology;
- to introduce by 2023 a unified electronic platform for management of the field of science, through introduction of a rating system that will provide the opportunity to conduct monitoring of effectiveness at all levels (from

individual researcher to scientific organisation) in an online mode and have a toolkit to identify and address problems in a timely way, which will also provide the opportunity to introduce new and multi-layered mechanisms for incentives;

- to implement a number of target programmes by ensuring the expected final outcome and the high quality of research in the fields of social science, the humanities and Armenian studies;
- to increase the amounts of funds allocated for conducting defence and civic research and the duration of programmes by allocating 3 years instead of 2 years, a part of which will be allocated for converting the results of studies into products;
- to provide additional financial resources for the following key directions: data science, artificial intelligence, quantum technologies, smart agriculture, biotechnology, material science, chemistry, physics, mathematics. Research centres of universities, interested groups and organisations will be engaged.

Reform of the legislation regulating the field of science

Reform of the legislation regulating the field of science is important for the sustainable development and smooth operation of the field as well. The following are the programme objectives being implemented to address the issue:

- to review the baseline, target and thematic (grant) categories for state financing and bring them into compliance with the existing laws and the requirements of the field specific state policy by particularly creating grounds for the application of a merit-based financing model;
- to approve the procedure and standards for qualification (performance evaluation) of scientific workers by setting high requirements for productivity, thanks to which the path for professional growth in the field of science and the standards for personal productivity will be clearly outlined;
- to clarify the requirements for scientific organisations and create relevant legislation, which will lay down the requirements for the structure of organisations, and this will provide the opportunity to have infrastructures that will be comprehensive and will fully contribute to scientific activities;
- to adapt the minimum conditions for magazines to be included by the Higher Qualification Committee in the list of acceptable periodicals in order to increase competitiveness of scientific periodicals;
- to review the procedure for granting scientific degrees and academic ranks and bring them into compliance with the existing and adopted laws.

The reciprocal integration of education, science and economy and the introduction of an active interoperability system are the key components of the vision of the Government for development.

4.5. HEALTH CARE

The development of the health care sector is one of main priorities of the Government. The policy of the Government will be aimed at maintaining and improving personal and public health, by providing available, modern and high-quality healthcare services.

- To ensure availability and affordability of health care services for citizens, a comprehensive health insurance system will be introduced, which will be aimed at reducing significant expenses for citizens at the moment of receiving health care services. The comprehensive health insurance system will include the package of outpatient medicine, as well as special and hard-to-get diagnostics. Thanks to the introduction of the comprehensive health insurance system, packages for compulsory medical inspections for different risk groups will be included. Mechanisms for the quality control of medical care and services will be introduced, which will contribute to improving health care indicators as well. The Government has set the goal to reduce the ratio of private expenditures in general health care expenditures by 40%.
- For the purpose of maintaining the public health, the development of directions for prevention and early detection of infectious and non-infectious diseases will continue to be viewed as an overriding objective. Within the scope of this objective the policy of the Government and the reforms being implemented for increasing effectiveness of management of the health care sector will be targeted at modernisation, ongoing development and increase of effectiveness of primary medical care, due to the need to provide quality medical services that will be available for the population.
- The focus of the Government will be on the implementation of preventive measures for maintenance and improvement of public health, the prevention of the impact of risk factors, as well as ongoing implementation of the screening programmes in place and the introduction and expansion of new screening programmes for the prevention and early detection of more common non-infectious diseases.

In this regard, there will still be importance attached to the creation of opportunities for the provision of quality medical services for the treatment of non-infectious diseases, including breast cancer through modern methods of treatment, as well as the expansion of the number of beneficiaries and the scope of services.

- In cases of mental health problems, malignant neoplasms, pancreatic diabetes and diabetes, epilepsy, chronic diseases, chronic kidney failure (in the cases of kidney transplant and/or programmed hemodialysis), newborn respiratory distress syndrome, viral hepatitis type C and "pituitary dwarfism" symptom, the provision of drugs will continue to be completely free-of-charge.
- By continuing the programmes for expanding availability of drugs for the population, the Government will remain focused on the treatment of diseases that are long-term, and treatment is conducted with the most recent and expensive drugs, particularly the rare diseases among children, adolescents and young people, the timely treatment of which and the use of effective drugs will provide the opportunity to prevent the progress of diseases, as well as the emergence of disability.
- To prevent non-infectious diseases, it will be important for the Government to reduce the impact of risk factors through programmes encouraging healthy lifestyle, by creating an environment for citizens to make informed and behavioural decisions. Programmes promoting healthy lifestyle will be carried out and will be targeted at building up and restricting unhealthy dieting, raising the level of awareness about the impact of risk factors of the emergence of non-infectious diseases, implementing complex measures targeted at the healthy lifestyle of children and adolescents, creating favourable conditions for popularisation of a healthy lifestyle and implementing cross-sectoral cooperation for promoting a healthy lifestyle. The aim of the specified measures is to stabilise premature death from the four more common non-infectious diseases and reduce it by at least 1.5% on an annual basis.

- The issues of protection of the health of mother and child, safe motherhood, as well as health-related issues during early childhood and adolescence will particularly be in focus. Measures will be taken for the exercise of the right to reproduction and improvement of health, reduction of perinatal losses, prevention and treatment of infertility. In this regard, free-of-charge preventive medical examinations will be conducted in order to protect the health of mother and child. Free-of-charge screening examinations for detection and treatment of problems with reproductive health among adolescents will also be implemented. Examinations will be carried out for early detection and treatment of infertility. Besides, additional examinations in the early period of pregnancy for identifying the existing problems of mother and child will become free-of-charge, the list of services will be expanded. This will help to ensure reduction of infant mortality under the age of 1 by 15%, in case of maternal mortality (three years) — by 18%, and the coverage of children under the age of 1 in vaccination programmes will comprise more than 95%.
- The introduction of an integrated electronic health care system remains among the main objectives of the Government; it will help to make the medical data of citizens available on the electronic platform. Through the electronic system, it will be possible to make an online appointment to get outpatient medical services, to receive the prescribed medicine from pharmacies with an electronic prescription, automatically organise the transfer of a sick leave certificate to the employer and receive the standard medical statements of information. It will be possible to use the electronic data of medical examinations while visiting different medical institutions. Thus, high-quality health care services will be provided in an effective way, which will help to reduce the amount of double examinations and, consequently, reduce the expenses incurred for both the State and citizens. The collection of comprehensive health-related data and the conduct of analyses based on those data will be ensured, and this, in its turn, will lead to targeted,

effective and transparent distribution of financial resources. The number of licensed organisations carrying out medical and pharmaceutical activities and having joined the electronic health care system will increase by 5 times.

- The policy of the Government will be targeted at the emergency situations in the public health sector, particularly the ensuring of preparedness for and rapid reactions to phenomena that may be an emergency situation of international significance, as well as inter-agency and cross-sectoral cooperation.
- The unimpeded operation of the health care system in emergency situations and in the conditions of martial law is one of the key priorities of the Government policy with regard to reserve material and technical resources, professional potential, necessary skills and the introduction of active mechanisms for capacity building.
- In addition, it is envisaged to implement relevant programmes for identifying the possible dangers of and threats to public health, ensuring laboratory capacity-building, launching monitoring and risk reduction system and organising training courses on public health, promoting the implementation of scientific research in the health care sector and the practical application of the outcomes thereof.
- It is also envisaged to improve the system of epidemiological monitoring of infectious diseases, by particularly realising the mistakes made during the coronavirus pandemic, ensuring prevention of the introduction and spread of infectious diseases and immunoprevention in the territory of the country as much as possible, and by ensuring reporting of information on diseases in real time. Thus, a zero indicator of chickenpox, diphtheria and polio will be recorded, laboratory diagnosis of the overriding diseases will be ensured, a register of the potential dangers of and threats to public health will be maintained.
- One of the primary objectives of the Government is to provide medical institutions — through enhancement of human potential, effective planning and

management —with quality specialists having higher and post-graduate and secondary vocational education in order to maintain the quality of medical care at a high level. In this regard, importance is attached to the improvement of the quality of medical education, the modernisation of post-graduate medical education, the proper organisation and expansion of ongoing professional development and the introduction of a system for individual licensing of professional activities, which will affirm compliance of the knowledge and skills of health care specialists with professional and educational criteria. At the same time, the salaries of medical workers will continue to be increased — proportionate to performance evaluation, proceeding from the indicators recorded during the prevention, early detection and treatment of diseases. It is envisaged to introduce a licensing system for medical workers, as well as a register of senior and mid-level medical workers by the year 2025.

- In the context of proportionate development of marzes, the Government will keep the modernisation of regional medical organisations, particularly the improvement of building conditions and the replenishment with the most recent medical equipments in its focus.
- It is expected to upgrade 50 health care institutions.
- Importance will be attached to the reforms in the sphere of protection of mental health, including availability of quality outpatient and inpatient psychiatric services and the reinforcement of children's psychiatric service.
- The health care institutions involved in the management of and control over epidemiological situations, the prevention and management of infectious diseases will be reinforced and modernised in the marzes and in Yerevan.

4.6. LABOUR AND SOCIAL PROTECTION

The state policy in the field of labour and social protection will be implemented on the basis of a complex strategic document addressing sector-specific problems.

By 2026 the Government will take the following steps:

- to equal the minimum pension amount and average pension amount to the costs of the food and consumer baskets, respectively;
 - to set AMD 85 000 as the amount of minimum salary;
 - to eliminate extreme poverty.
- The policy on social support will be based on social needs assessment and the principle of providing a social service that is proportionate to the assessment, thus boosting the socio-economic potential of a person. Families that turned to be in difficult life situation and in need will get out of poverty through capacity-building and development of skills, by providing measures for employment and self-employment and by applying the models for gradually overcoming poverty. It is envisaged to provide social services to more families by increasing the number of self-sufficient, dignified families with own income, gradually eliminating their dependence on government support. Encouraging and stimulating every citizen capable of working and enhancing the skills and potential of the person for this purpose are the axis of the social policy of the State.
 - A new system for social security assessment will be introduced, due to which social support programmes will be more addressable. The packages of non-financial services offered will be aimed at meeting the primary needs of people in the education, health care and social sectors. A definite format for dealing with social issues will be introduced — starting from detecting the problem and ending with the solution to the problem.

- The Government will empower the newly formed Unified Social Service. It will continuously engage in capacity building among professionals of the personnel of structures providing social services. By 2023, 100% of social workers of the Unified Social Service will undergo professional training.
- A unified social policy on housing will be developed for the purpose of providing low-income and needy families and other vulnerable groups with permanent or temporary shelters. Programmes will be carried out in order to solve the housing problem of families that need shelters.
- For the purpose of exercising the right to decent work, the mechanisms for regulation of employment relations will be simplified and improved, bringing them into compliance with the international commitments assumed by the Republic of Armenia.
- The scope of competences of the authorised inspection body carrying out state supervision will be expanded in order to improve the system of protection of the rights of employees. The toolkit for non-state supervision over fulfilment of the requirements of the labour legislation will also be replenished; the scope of powers of trade unions will be reviewed. The labour legislation must promote the enhancement of professional skills and productivity of employees.
- An effective extra-judicial system for settling labour disputes will be introduced, which will also underline the role of social partners.
- The social guarantees for employees of the public sector will be expanded.
- The legislative regulations for the activities of employers and trade unions will be reviewed for the purpose of development and intensification of social partnership at all levels.

- The level of addressability and effectiveness of state programmes for regulation of employment will be raised; new programmes for stimulating competitiveness of the youth, persons with disabilities and women in the labour market and promoting the "education-labour market" relations will be introduced where appropriate. The measures aimed at supporting parents with children to combine work and childcare will continue to be improved.
- For the purpose of disseminating and encouraging the culture of volunteerism, unified legal mechanisms regulating volunteering and volunteer work will be stipulated.
- The Government will continue to grant social guarantees to persons who became disabled during military service. Programmes for ensuring employment for persons who became disabled during military service and especially in consequence of military operations will be developed and continuously improved.
- The activities for the introduction of a universal system for professional orientation and career guidance will continue at all levels of formal education and in the system of social services, based on the demands of the current and future labour market. Professional training programmes will be carried out through cross-sectoral cooperation, by assessing the demands in the labour market.
- The types of support and services provided by centres for support to victims of domestic violence operating in the marzes and Yerevan and the programmes carried out by them will be diversified, with the purpose of introducing new types of support for economic development and empowerment of women.
- Within the scope of the fight against human trafficking and exploitation, the social-psychological rehabilitation services for persons subjected to trafficking, exploitation and sexual abuse — provided by the State — will be improved, the beneficiaries will be provided with needs-based support, the interagency

cooperation with international and non-governmental organisations will be enhanced. Within the scope of legislative reforms and public awareness-raising measures the activities for detection and identification of the victims of human trafficking and exploitation will be improved.

- State target programmes and measures for ensuring gender equality will be developed and implemented in order to eliminate inequality with respect to the opportunities of women and men in various sectors of public life.
- In the upcoming five years, the creation of favourable conditions for full exercise of the rights of the child by enhancing the mechanisms for the protection of the rights of the child will be considered as pivotal in the sphere of issues of children. The implementation of programmes for preventing the admission of children into social institutions will continue.
- The process of taking children out from day-care institutions and reunifying them with families will continue due to the policy targeted at exercise of the right of the child to live in a family and the right to harmonious development.
- The implementation of the 2020-2023 complex programme for the exercise of the right of the child to live in a family and the right to harmonious development will continue, including by reforming the legislation and ensuring increase of effectiveness in the system of protection of the rights of the child. The provision of targeted and needs-based support will be ensured, by increasing, for this purpose, the effectiveness of the activities of centres for support to children and family.
- New mechanisms for preventing child abandonment and for controlling and improving the process of adopting a child and the life in a foster family will be created by amending the Family Code of the Republic of Armenia, the Law of the Republic of Armenia "On the rights of the child" and other related laws.

- Professional orientation courses will be introduced at institutions providing round-the-clock care and protection of children, enhancing the capabilities and skills of the children.
- Measures will be taken to rule out discrimination on the ground of disability in all spheres of life; exercise of the right of persons with disabilities to live independently and be involved in the community outside special institutions.
- For the purpose of ensuring independent and dignified life of persons with disabilities, the care services will be transformed, new services will be provided, and the already existing programmes will be improved, including the programmes for provision of supporting measures, employment, etc. Reimbursement of expenses conditioned by disability will be ensured.
- A new model for disability assessment will be introduced, based on comprehensive assessment of the needs of the person.
- The social needs of nearly 1000 elderly people under the care of social protection institutions and outside of those institutions will be assessed, day-care centres will be established in all marzes of the Republic of Armenia by the year 2023 — with a calculation of at least 50 visitors at each day-care centre, 3 crisis centres for 60 elders, a home care service will be introduced. The plan for improvement of care services provided to the elderly and the introduction and enhancement of community-based services will be carried out, by reviewing the whole legislation, a dignified, healthy and active lifestyle for the elderly will be ensured, the quality of care will be improved.
- The works for improvement required for ensuring decent and vital conditions for beneficiaries will be carried out at institutions for round-the-clock care and protection and providing day-care services.

- For the purpose of improving the quality of services provided to pensioners and persons receiving benefits, as well as improving the processes of designating and paying benefits, the legislation will be improved, and the scope of services provided on-line will be expanded, at the expense of qualitative and quantitative improvement of reception of data included information systems.

4.7. YOUTH

The Government attaches importance to the youth sector, as every state has the opportunity for sustainable development, if it is ready to create a legal environment and provide the necessary resources for discovery of the potential of youth, comprehensive development, self-establishment and self-expression of youth. The state policy for youth is aimed at encouraging participation of youth in public life and nation-building, discovering the potential of youth, creating the conditions and promoting the mechanisms required for socialisation, self-realisation, involvement and growth, targeted at the strengthening of national security of the Republic of Armenia, enhancement of socio-economic and cultural life, as well as establishment and realisation of a citizen as a happy person and a person who has a sense of legal consciousness and social responsibility.

The following are the primary steps and objectives of the Government policy in the youth sector:

- to create a legal environment and provide necessary resources for discovering the potential of youth, for comprehensive development, self-establishment and self-expression of youth;
- to help discover and enhance the potential of youth in their places of residence, create opportunities for organising intellectual leisure for the purpose of expressing interests;
- to encourage the establishment and development of youth centres in

communities, encourage informal education, wider recognition and dissemination of youth work and volunteerism;

- to develop the participatory capacities and skills of the councils of pupils and university students, youth centres and youth organisations, as well as support youth organisations operating at the local and national levels, placing emphasis on the development of civic, interpersonal, technological, creative and other capabilities of youth in the marzes;
- to encourage critical thinking among youth, develop their research skills, the ability to take the initiative, have a good command of information technologies and computer literacy;
- to expand the scope of professional orientation projects and introduce new models for gaining future profession-related experience;
- to assist youth in being competitive in the labour market of the 21st century;
- to support the entrepreneurial capacity-building of youth and the establishment of youth enterprises by reforming the legislation on social entrepreneurship and introducing new state programmes for support to businesses;
- to expand the inclusiveness of young persons with disabilities;
- to raise the level of knowledge and skills among youth for civil defence and for taking action in emergency situations;
- to ensure exchange of experience in the youth sector between Armenia and the European Union, the Eurasian Economic Union, the Commonwealth of Independent States and other regional partners, promote partnership and the implementation of joint programmes between the youth organisations and structures of Armenia and the Diaspora.

4.8. SPORT

The Government will promote the development of physical culture and sport in the Republic of Armenia, by attaching importance to implantation of a healthy lifestyle and active rest among the population, the health promotion of the population through physical culture and sport, longevity, upbringing of generations ready for homeland defence.

- The Government will encourage high results in sports and support the activities of sport federations in order to make achievements in sports at international competitions.
- The Government of the Republic of Armenia will support the participation of athletes of the Republic of Armenia in the Beijing 2022 Winter Olympics, the Krakow 2023 European Games, the Paris 2024 Summer Olympics and the Milan-Cortina d'Ampezzo 2026 Winter Olympics and other international sporting events aimed at increasing the reputation of Armenia in sports.
- Complex steps for introduction and development of club sports, standards for monitoring and evaluation of the activities of federations operating in the areas of physical culture and sport, sport clubs and other non-governmental sport organisations will be developed.
- The Government will promote the development of physical culture and sport according to territories and the popularisation of sports. For this purpose, regular competitions for children's and amateur sports will be organised — republican, interregional, inter-community.

4.9. CULTURE

Culture plays a primary role in sustainable development of a country, meeting the spiritual needs of people and making them happy, forming a prosperous and educated society, enhancing social consolidation, creating inclusive communities, as well as

shaping identity. The cultural policy of the Government will be targeted at the increase and expansion of the role of culture in the processes of socio-economic development of the country, ensuring participation of the society and active communication in cultural life, engaging communities in the dissemination of the arts and preservation of heritage, raising the level of public liability and revaluing heritage.

- The following will be the main directions for the state policy on cultural heritage:
 - ensuring continuity of preservation, study, use and popularisation of Armenian historical-cultural heritage (tangible and intangible);
 - improving the legislation;
 - expanding and modernising institutional infrastructures;
 - promoting mutually beneficial mechanisms for expansion of the public-private partnership;
 - ensuring community-based preservation, application and transfer of intangible cultural heritage, restoration and viability of local traditions in communities in the context of Armenia's sustainable development goals;
 - implementing educational and advocacy programmes for preservation of cultural heritage, engaging communities in the processes of preservation of local heritage;
 - implementing programmes for the growth of cultural tourism and making international tourism market available for Armenia;
 - establishment of museums and libraries as social-educational institutions, ensuring an environment for informal education and leisure for all layers and groups of society;
 - making Armenian cultural heritage widely recognised abroad, publishing

- Armenian classic and modern literature in other languages abroad, implementing programmes aimed at popularising Armenian literature, as well as replenishing the stock of Armenian studies materials in major libraries abroad;
- expanding the use of modern information technologies, digitalising heritage, continuing to enhance databases and unified automatic systems;
 - establishing a centre that will develop and implement the strategy for preservation, safeguarding, internationalisation of cultural heritage of Armenia, the Diaspora and Artsakh and coordinated dissemination of historical and legal information on the cultural heritage;
 - establishment of a professional school for restoration of historical-cultural heritage.
- The following will be the main directions of the state policy in the sphere of modern arts:
 - forming knowledge of marketing, segmentation, targeting and positioning in sector-specific organisations and the resources;
 - creating capacities and mechanisms for procuring funds at cultural institutions;
 - optimising state non-commercial organisations, concentrating finances and professional resources, developing the plan and legal acts for professional capacity-building;
 - establishing and consolidating the school of producers and directors;
 - developing qualitative and quantitative criteria for effectiveness of the activities of organisations;
 - forming a loyal and permanent audience;

- forming and intensifying an institution of art critics;
 - forming an institution for the activities of self-employed (independent) creators (artists), clarifying the legal, socio-economic status and relations;
 - creating a favourable environment for creative, talented individual artists;
 - introducing and establishing an institution of patronage to culture, establishment of a sector-specific legislation and legal regulations;
 - forming a public rating of a patron, the State encouraging of patronage;
 - improving the property and logistics base of cultural institutions, ensuring highly valuable result (item) of art (light and sound equipment, musical instruments, stage costumes, furnishing of halls and stages, heating, security systems);
 - analysing and mapping the property resources and professional potential of creative unions.
- The following will be the main directions for the state policy in the cultural education sector:
 - ensuring quality of art education and access to aesthetic upbringing;
 - preparing, training specialists in the culture sector, improving the system;
 - ensuring lifelong education of professionals, upgrading the quality of cultural-educational services;
 - implementing value-based and culture-based target programmes contributing to the formation of future citizens of the Republic of Armenia.

The Government views culture as a platform for ongoing increase of the level of education of the public, which has a direct impact on the quality of relations of citizens, public relations and even political relations; moreover, culture also serves as a

key factor ensuring public consolidation, solidarity and harmony.

Cultural organisations, as institutions funded from the State Budget, must care for adding to their own incomes, and the quality assurance of the management of cultural organisations needs to be carried out according to this standard.

4.10. ENVIRONMENTAL PROTECTION

Integrated conservation, improvement, restoration and reasonable management of the environment and natural resources are a major precondition for the harmonious coexistence of a man and nature and a guarantee for sustainable development of a country.

Radical changes of the state of environmental protection in the country are only possible through the implementation of an active policy on nature protection by taking measures to prevent the harmful influences on all components of the environment and overexploitation of natural resources and to reduce this to a minimum. This is possible in case there is an integrated system of actions at all levels of management in the spheres of use of nature and environmental protection and actions ensuring availability of the goals.

The sector-specific policy will fundamentally be aimed at raising the level of resistance of the country to climate change by contributing to the introduction of the best practices of adaptability, actively participating in the global efforts for low carbonic development and properly fulfilling the international commitments assumed with respect to mitigation of climate change.

Based on this, the priority directions for environmental management will be the following:

- introduction of highly effective systems of management for effective use and improvement of quality of water resources, including regulation of the process of

water disposal and wastewater treatment, conservation and management of the eco-systems of the Artesian basin of Ararat and rivers;

- maintenance, restoration, reproduction, normal development and reasonable use of the eco-system balance and biodiversity of Lake Sevan;
- sustainable management of forests — maintenance, protection, use of forests and expansion of wooded areas through forestation and forest restoration and ongoing strengthening of capacities for the implementation thereof;
- increase of effectiveness of the management regimes and control mechanisms in specially protected nature areas, capacity-building of adjacent settlements;
- conservation of biodiversity and ensuring of biosafety, registration of objects of fauna and flora;
- implementation of actions for adaptability to and mitigation of the consequences of climate change;
- creation of an eco-friendly system of management of chemical substances;
- improvement of the system of waste management (including subsoil use);
- recultivation of abandoned, ownerless areas of territories and waste facilities for subsoil use violated as a result of subsoil use;
- development and implementation of a policy for prevention and reduction of contamination and degradation of lands;
- development of a policy on ambient air maintenance for reduction of and restriction on emissions;
- development and implementation of a policy aimed at promoting the long-term goal for green economy and sustainable development;

- ensuring gradual reduction and limitation of the use of disposable polyethylene products;
- improvement of the unified system for controlling and monitoring environmental protection, introduction of unified and modern systems for permits and licences, coordinated management of primary information, improvement of the system of evaluation and expert examination of environmental impact, based on the principle of prevention, through the introduction of active mechanisms aimed at improving the quality of expert examinations;
- modernisation of the system of hydrometeorology and environmental monitoring through the application of the most recent technologies for monitoring;
- refinement of the active economic mechanisms for environmental protection, through the introduction of the principle of compensation adequate to the damage caused, as well as through the implementation of several legislative and institutional changes for prevention, mitigation and neutralisation thereof;
- harmonisation of the legislation on nature protection with the directives of the Armenia-European Union Comprehensive and Enhanced Partnership Agreement and, in this context, expansion of international cooperation;
- review of the threshold for taxation of metallic mineral resources and reforms in the mechanism for calculation of the capital of environmental protection, by ensuring proper financial resources for making expenses required for closure of the mine and recultivation;
- ongoing cooperation with international structures operating in the field of environmental management, participation in new initiatives;
- raising public awareness about the actions and programmes being implemented in the sphere of environmental protection, implementation of large-scale actions

for eco-education, culture and upbringing, ensuring of transparency of sector-specific activities, enhancement of the role of innovative technologies, by ensuring close cooperation with academic and scientific sectors.

5. LAW AND JUSTICE

5.1. ELECTORAL RIGHT: INSTITUTIONAL DEMOCRACY

The 2018 parliamentary elections and the 2021 parliamentary elections showed that free elections are guaranteed in Armenia, the people irreversibly exercise their power — guaranteed by the Constitution — through elections and other means of direct democracy.

For the institutional functioning of the system prescribed by the legislation on democratic elections in Armenia, the Government will persistently continue to implement the reforms targeted at effective use of the electoral right and improvement of the electoral process. The legislation ensuring free exercise of the electoral right will be reformed, taking as a basis the issues identified during the 2021 parliamentary elections, as well as the previously existing issues.

Taking into consideration the significant interest of public and political circles, the Government will launch discussions with public and political circles to determine the appropriateness of adoption of a new Constitution or constitutional amendments.

New toolkits for interoperability of specification and effective management of lists of electors, identification of electors and databases will be introduced through legislative reforms and technical capacity and technical rearmament.

5.2. HUMAN RIGHTS PROTECTION

The Government views the restoration of the violated rights of persons and, most importantly, the ongoing implementation of the institutional and coordinated policy on guaranteeing and protection of human rights and freedoms as a priority.

Grasping the importance of protecting and ensuring all the rights guaranteed by the Constitution of the Republic of Armenia and international treaties and being consistent with the issue, the policy of the Government will be aimed at providing targeted solutions to the problems existing in various fields of human rights protection, as well as enshrining additional guarantees for protection of the rights of citizens and particularly vulnerable groups.

The Government will continue to improve the legislation in order to prevent the cases of violence, hate speech and hostility and ensure public solidarity. These regulations will not in any way restrict freedom of speech, freedom of expression and freedom of the media.

One of the other major areas of activities of the Government is the issue of guaranteeing that everyone is equal before the law, the prevention of manifestations of discrimination, as well as the ensuring of exercise of rights.

The Government will resolutely continue its policy for preventing and pursuing torture and inhumane and degrading treatment.

The Government will also guarantee the legal and practical conditions required for truly free and unimpeded activities of human rights activists.

The Government attaches great importance to raising public awareness about human rights and the ways to protect them — encouraging officials of state and local self-government bodies, as well as the public and citizens to protect their rights and ensuring the ongoing enhancement of the knowledge of citizens about human rights and the ways to protect them.

The Government has set the goal to develop and introduce — through the involvement and with the participation of the journalistic community — mechanisms for legal regulations of the field of journalism, within the scope of which the journalistic community will set the rules of journalism ethics, and will establish control over observance of those rules.

5.3. JUDICIAL-LEGAL REFORMS

The Government, reaffirming the trust of the majority of citizens of the Republic of Armenia, will continue to implement the judicial-legal reforms agenda for development of the judicial-legal sector and ensure the effective administration of justice, reviewing the scope of strategic directions upon necessity. The aim of the judicial-legal reforms will be:

- to clarify and comprehensively regulate the legal grounds for integrity check of judges by introducing universal mechanisms for assessing and checking the activities, integrity and property status of judges;
- to guarantee the effective administration of justice and uniformity of judicial practice, as well as to set a higher bar of legal certainty in the sphere of administration of justice, ensure realisation of the goal of more comprehensive observance of reasonable periods of judicial examination of cases and effective implementation of the principle of economising judicial-legal terms;
- to ensure the activity of judges sub-specialised in different sub-sectors of law, through which, more professional examination of cases will be guaranteed on the one hand, particularly when it concerns the examination of cases that require difficult, complex legal relations and narrow professional knowledge, and an opportunity to redistribute the overall workload of the judiciary will be created on the other hand.

The Government will, within the scope of its jurisdiction, continue to take all the necessary steps for the establishment of the institute of judges conducting judicial oversight over pre-trial proceedings and the Anti-Corruption Court. The judicial-legal reforms agenda needs to first and foremost continue to be aimed at consolidating the integrity of judges, with the purpose of ongoing engagement of new and professional specialists in the judiciary, introducing, at the same time, toolkits that are aimed at

increasing attractiveness of the position of judge and promoting the entry of leading and reputable specialists into the judiciary. The need for this may especially become important in case of the need to replenish the judiciary after assessing of the integrity of judges.

The actions for enhancing integrity need to be institutional, having, as the final outcome, the target for the increase and strengthening of public confidence in the judiciary and the establishment of an independent, impartial judiciary that is accountable to the public.

The enhancement of the role of the judicial power and perception of the high mission of the judicial power among the public following reforms will, in its turn, have an impact on all spheres of public life.

The other major direction for sector-specific reforms is the effective administration of justice by easing the workload of courts and reducing the time limits for examining cases in courts. To make this come true, first of all, active works for the introduction of the integrated system of electronic justice will continue, through which conditions will be created for examination of all types of cases (criminal, civil, administrative, bankruptcy), as well as to completely digitise compulsory enforcement proceedings and implement them in shorter periods.

Another major step for enhancing the effective administration of justice is the modernisation of procedural law; first of all, it will be maximally brought into compliance with the peculiarities of the system of electronic justice, necessary mechanisms for rapid and effective examination of judicial cases will be introduced, taking into consideration also the problems that have emerged in law-enforcement practice.

The opportunities for withdrawing certain types of civil cases from courts as much as possible will also be considered for unburdening of courts. In the administrative justice sector, importance will be attached to the identification of the problems of

administrative procedure and the legislative solutions to those problems for the unburdening of administrative courts and administrative courts of appeal.

To achieve the goal of effective administration of justice, the steps for development of alternative methods for settlement of disputes will continue, including the creation of a new arbitration centre in Armenia and the enhancement of mechanisms in the sphere of conciliation.

To ensure proper administration of justice, importance is attached to improvement of the building conditions and technical capacity of courts, particularly conditioned by the increase in the number of judges. In this regard, the Government will continue to take steps to provide courts with new building conditions and infrastructures.

Within the scope of judicial-legal reforms, the Government will undertake universal reforms in the sphere of compulsory enforcement in order to increase effectiveness of enforcement actions, maximally ensure protection of the lawful interests of participants to enforcement proceedings and to introduce mechanisms for rapid and effective responses to the problems and needs of the participants to enforcement proceedings. The actions to be implemented for achieving the specified goals will be targeted at comprehensive review of the legislation on enforcement proceedings, complete digitisation of compulsory enforcement proceedings and, based on this, the ensuring of effective communication between a citizen and a compulsory enforcement officer.

The Government will also undertake measures for development of the sphere of advocacy, including within the scope of reinterpretation of the mechanisms for training and admission at a school of advocates and transformation of the effectiveness and inclusiveness of management of the Chamber of Advocates. Reforms in the sectors of bankruptcy, compulsory enforcement, registration of civil status acts, the notary and personal data protection will continue.

5.4. POLICE REFORMS

The aim of police reforms is to create a new quality for ensuring public safety through

transformation of the police that can face the modern challenges, are police of integrity, are specialised and are technically equipped. To achieve this goal, it is necessary to continue the launched systemic reforms in all directions.

On 7 July 2021 the new patrol service was introduced and launched in Yerevan, with the involvement of nearly 700 patrol officers. By observing the reformed procedure for and approaches to selection of personnel and education, the patrol service will be introduced in the whole territory of the Republic of Armenia by the end of 2023.

The Operational Management Centre has also been launched alongside the patrol service. The Operational Management Centre is a centre for receiving alarms from citizens which aims to provide necessary consulting in a matter of minutes, and upon necessity —bring the patrol squad, ensuring provision of support of police officers to persons in a difficult situation in a short period of time.

In the police reforms, what plays a major role is the review of the existing professional education programmes of the police and state education criteria and reforms in the educational environment, which will provide the opportunity to replenish the police units with specialists who have received instruction and undergone training through qualitatively new and progressive educational programmes, which is the major guarantee for the success of the reforms.

For the purpose of increasing attractiveness of service in the police, the issue of remuneration of police officers will be comprehensively reviewed, an amount of decent remuneration will be set which, on the one hand, will make service in the police attractive, and on the other hand, it will serve as a guarantee for keeping officers away from manifestations of corruption as much as possible. The first steps have already been taken in this direction — the salaries of the officers of the newly established patrol service are 30-50% more than the amount of remuneration within the system. In the long run, it is planned to balance the salaries by also considering the issue of prescribing additional guarantees for social security for police officers.

The activities for institutional capacity-building of the police in the fight against crime will continue more intensively, especially in terms of increase of the level of technical capacity, study and introduction of the leading practice in the fight against crime, which will provide the opportunity to ensure more sophisticated indicators of revelation of cases of crime, as well as will raise the level of effectiveness of the activities for prevention of crime.

The existence of a responsible body of executive power that develops and implements a unified policy on the police sector is characteristic of a democratic state and social system. According to the approved strategy, it is envisaged to establish a Ministry of Internal Affairs, which will also allow to ensure both parliamentary and civic oversight over the sector, as well as become the one implementing the sector-specific reforms and the one responsible for them.

The reforms in the police troops are the next, upcoming major priority. It is necessary to specify the functions of the troops that are enshrined by legislation; moreover, it is necessary to envisage an effective functional structure, fundamentally transform the programmes for preparation and training of troops, introduce a thought-out and active mechanism for selection, incentives and advancement of the personnel and, of course, enhance the harmonious cooperation of the police troops with the Armed Forces, the Rescue Service and other militarised forces during crises.

5.5. FIGHT AGAINST CORRUPTION

The Government is certain that corruption remains a challenge for the establishment of a secure, economically developed and democratic state of law. Thus, the Government is resolute to lead an unwavering struggle against corruption through the involvement of all interested parties in order to extirpate all manifestations of corruption once and for all.

The Government has sufficient political will to succeed in the anti-corruption processes

and, for the purpose of converting the will to real outcome, will continue to implement the activities required for the establishment and development of an institutional anti-corruption system.

The Government will continue to support the Commission for the Prevention of Corruption to carry out its functions effectively, in reforming legislation and meeting the necessary toolkit and logistics requirements.

It is expected to fully launch the activities of the Anti-Corruption Committee and the Anti-Corruption Court as soon as possible. The newly established anti-corruption bodies will be replenished with professionals of integrity selected through merit-based procedures and will be provided with infrastructure and logistics equipment. The activities of the Anti-Corruption Committee and the Anti-Corruption Court will help to increase effectiveness of the revelation of corruption crimes and case examination.

The Government is determined to return illegal assets to the State; thus, it will continue to enhance the mechanisms for civil forfeiture of illegal assets and support effective implementation of the mechanisms in practice.

With respect to overcoming of administrative corruption, the Government attaches importance to the development of a policy based on risks and needs. Moreover, the Government intends to conduct a comprehensive assessment of corruption risks at the state and local levels and develop action plans based on the comprehensive assessment. Corruption risks in the public service sector will be reduced to a minimum. To assess the effectiveness of the implemented programmes and, moreover, to have an evidence-based anti-corruption policy, mechanisms for monitoring anti-corruption programmes will be enhanced.

The Government is well aware of the fact that the main way to cut down administrative corruption is to reduce the "citizen-business-state body" interaction as much as possible. Thus, the Government is committed to simplifying administration, digitalising services and introducing new and effective electronic tools. Moreover, to make public

services more available and improve the quality of services provided, the Government will continue to digitalise public services through modernisation of the sector-specific legislation, providing the services through a unified electronic platform.

From the perspective of proportionate territorial development, the Government attaches importance to the expansion of unified offices for public services in all marzes. Through these unified offices for public services, in the sphere of provision of public services, citizens in all the marzes of the Republic of Armenia will receive unified, suitable and more accessible services; transparency and speed of the provision of services will be ensured, the quality of service will be improved, the existing corruption risks will be ruled out.

In this regard, the Government will particularly be consistent with the awareness-raising activities to make target groups the addressees of the changes that have been made.

The fight against corruption should become a part of the value system, and a line of conduct of personally rejecting and combating corruption should be formed among citizens. The Government realises that it is necessary to shape a culture of intolerance towards corruption starting from childhood. It is for this very reason that syllabi for anti-corruption education will be introduced in all circles of education.

5.6. REFORMS IN THE PENITENTIARY AND PROBATION SECTORS

The Government will remain determined to radicalise the principles of restorative justice; reforms carried out in the field of justice should imply a transition from traditional ideology of imprisonment to the ideology of resocialisation and restorative justice.

The Government needs to continue to take steps for the development and

improvement of the probation institute. For the purpose of effective application of the new types of punishments and measures of restraint that are alternatives to deprivation of liberty — introduced in the legal system on the basis of the already adopted Criminal Code and Criminal Procedure Code, the Probation Service will be armed with the necessary measures and infrastructures for electronic surveillance.

The Government will consistently continue to ensure decent conditions for keeping persons deprived of liberty and working and living conditions for penitentiary officers.

For guaranteeing the equality of everyone before the law, the prevention of manifestations of discrimination, as well as the exercise of equal rights, the Government will continue to lead an unwavering struggle and demonstrate intolerance towards the criminal sub-culture, excluding the existence of privileged in penitentiary institutions.

Taking as a basis the unimpeded exercise of the rights of persons deprived of liberty, the Government will reinforce the success recorded with regard to the provision of quality medical aid and services to persons deprived of liberty and will guarantee availability of medical aid in the same volume for them, and it is available for every member of society in the national health care system.

To reduce the risks of recidivism and ensure successful social reintegration of persons deprived of liberty, the Government will create new targeted opportunities — based on demand — for acquisition of educational, including professional skills. The opportunities will be available at all penitentiary institutions on a phased basis.

To ensure healthy development of the penitentiary system, the Government will introduce new toolkits for electronic governance, surveillance and operational management, ensuring the practice of personnel of being accountable and transparent, crisis management at penitentiary institutions, as well as reducing corruption risks to a minimum.

6. INSTITUTIONAL DEVELOPMENT

In-depth reforms in the public administration system serve as the guarantee for establishing an effective state. Armenia is still in the extremely important stage of establishing democracy. All public administration bodies have major tasks to complete to guide the establishment of an effective state and democracy.

The crisis that our country faced in 2020 — the coronavirus pandemic and the war unleashed against Artsakh — showed the problems and imperfections of our state institutions with more acuteness.

Since 2019, the Government has undertaken the task of shaping and implementing an agenda of all-embracing reforms in the public administration system. A number of major strategies and action plans have been adopted and have begun to be implemented, and among those strategies are the anti-corruption strategy, the strategies on public financial management, digitalisation and judicial-legal reforms. The Government will also adopt the 2030 strategy for public administration reforms.

The Government is committed to consistently and unwaveringly implementing the planned reforms under this strategy. In the long run, this will lead to the achievement of the goal of having a human-centred, sustainable, responsible and dynamically operating state system.

6.1. STRATEGIC PLANNING AND POLICY DEVELOPMENT

The Government will take the following steps for strategic planning and policy development:

- Progressive practices for planning and implementing strategies and policies will be introduced, the methodological grounds required for those strategies and policies will be updated.
- Policy development will be fact-based, with sufficient analytical substantiation, operable systems for assessment of regulation impact and professional capacities.

- A progressive practice of assessment of the outcomes of policies and public accountability will be introduced, including the institution of institutional and individual liability will be reinforced.
- A policy on unified data will be developed and implemented, and under the policy, the administrative information systems and the capacities of official statistics will be upgraded.
- The capacities for coordination and harmonisation of strategies and policies will be significantly strengthened, including through the engagement of proper human capacities and the introduction of information management systems.

6.2. SERVICES PROVIDED BY THE STATE TO THE PUBLIC

The Government will radically change the quality of services provided by the State to the public, making them become citizen-centred and modern, with the basis of progressive technology, with the purpose of mitigating the needless burden and hassle of citizens and the business sector in relations with the State.

The Government will undertake the following steps for the provision of services by the State to the public:

- The data registers for services will be updated, including by ensuring interoperability of the existing digital registers, and the digitalisation and combinability of non-digital registers.
- A unified electronic platform for the provision of digitalised public services will be introduced, and using it will be simple, accessible and quick.
- A modern model of unified offices for services will be developed and introduced in order to ensure universal availability of state services.
- The procedures for outsourcing the provision of state services will be established.
- An operable system for control over the quality of public services will be

introduced.

- Rules of work and ethics for the provision of services to the public will be introduced.

6.3. PUBLIC SERVICE SYSTEM AND HUMAN RESOURCE MANAGEMENT

In the field of public service and human resource management, the Government will take a number of steps:

- The public service system will be reviewed and modernised, ensuring a unified horizontal system, particularly a unified legislation for defining the status of employees in the state system, for classification of positions, recruitment and dismissal from work, for performance evaluation, for training, for organising tasks and for regulating other relations.
- A senior executive corps will be established in the public service system as a group of professional servants holding management positions at the highest level, and the civil servants included in the composition of the group may, on a competitive basis, hold positions, the functions of which include the development and implementation of policies, consulting, operational management and provision of collective services.
- Key reforms will be implemented in order to increase attractiveness of public service, including review of the systems of remuneration and rewards, ensuring of horizontal mobility, formation of a working environment that increases attractiveness and introduction of conditions.
- A system of decent remuneration in the state service system will be fully introduced; at the same time, it will be based on the adequacy to the amount of responsibility and competences, as well as the postulates for ensuring competitiveness with the private sector. Nevertheless, the reform of remuneration also needs to run parallel with the actions aimed at increasing effectiveness of the institutional and functional field in the state system or

succeed them and at least not cause an additional financial burden for the State in the first stage of reforms.

- The system of performance evaluation will be modernized, and the institute of rewards and incentives will operate on the basis of merit-based principles, rewards need to be distinguished from remuneration.
- The existing system of education, training and retraining of state servants will be radically reviewed, training opportunities with progressive technological solutions will be introduced, the policy on capacity-building and the advancement of knowledge will be reviewed for the enhancement of human capital and the engagement and maintenance of talents in the public sector.
- Flexible systems for recruitment of personnel in the public sector will be ensured in order to engage highly professional potential and talents, including by intensifying the efforts for engagement of the potential of the Diaspora.

6.4. MODERNISATION OF INSTITUTIONS AND FUNCTIONS

The Government will take the following steps to modernise institutions:

- The Government will establish a structure for coordination of public management reforms in order to ensure implementation and continuity of the reforms.
- The Government will conduct an in-depth functional and institutional analysis in order to identify all the inefficiencies in the public sector and carry out activities for adequate revision.
- The Government will ensure unified and optimal mechanisms for the functions of the bodies of the executive power.
- The Government will develop a concept paper on the modernisation of state infrastructures and implement the actions arising from the concept paper on a phased basis, providing state institutions that ensure a resource-efficient and modern working environment.

6.5. NATIONAL SPATIAL DATA INFRASTRUCTURE

The spatial data infrastructure is a system of technologies, legal regulations, standards, human resources and related actions, which is necessary to make the generation, gathering, maintenance, processing, dissemination and use of spatial data effective and flexible.

The Government plans to create a unified national spatial data infrastructure and introduce it in the process of management, raising the level of effectiveness of decision-making.

The following steps will be taken in this direction:

- creating a database of sector-specific cadastres;
- launching a national geoportal and defining a hierarchy of availability of the geoportal;
- integrating relevant sector-specific cadastres into one unified platform.

6.6. TERRITORIAL ADMINISTRATION AND LOCAL SELF-GOVERNANCE

The Government will continue to make efforts towards the following targets:

- Integration of the processes of administrative-territorial reforms and territorial development — socio-economic development and formation of strong cooperation with respect to local and territorial priorities, capacity-building of territorial and local role-players:
 - the process of consolidating communities will continue;
 - a uniform structure and functions of territorial administration bodies will be established;
 - the activities for introduction of information systems for management in consolidated multi-settlement communities, offices for provision of services to citizens under the "one-stop shop" principle will continue;

- investment programmes will be carried out in order to improve the infrastructures of consolidated communities;
 - activities will be carried out to introduce different forms of inter-community cooperation, including establishment of inter-community units;
 - measures for decentralisation of powers will be taken, particularly in the spheres of primary health care, inter-community and inter-settlement road maintenance and exploitation, maintenance and exploitation of the buildings of general education schools, organising and implementation of complex social services.
- Improving and ensuring of continuation of the process of granting subventions for the development of economic and social infrastructures of communities in order to ensure proportionate and sustainable development, improve the welfare of the population in all settlements of the Republic of Armenia, make the settlements an environment for living and working more comfortably, as well as create a favourable environment for doing business and making investments.
 - Ensuring comfortable and ecologically safe conditions for the population, reducing the negative (dangerous) impact of solid household waste on human health and environment:
 - an institutional basis required for introduction of a garbage disposal system that complies with international standards will be introduced in the Republic;
 - actions for properly collecting garbage accumulating in settlements, as well as for preventing the emergence of garbage will be carried out in the whole territory of the Republic of Armenia;
 - programmes for disposal and processing of waste in the field of garbage disposal will be carried out through the cooperation with international organisations;

- a system for collection of sorted solid household wastes will be introduced.
- Implementation of processes targeted at the assessment of risks with a new toolkit and new criteria, the reduction of vulnerability and capacity-building for the purpose of raising the level of resistance of communities to disasters:
 - activities for assessment of the seismic vulnerability of multi-apartment buildings will be carried out in order to ensure safety of buildings;
 - conditions for safe education will be ensured in the territory of the Republic of Armenia through the renovation of schools with seismic vulnerability or the construction of new schools.
- Ensuring a high level of territorial cohesion by paying special attention to borderline territories, making a transition from social support mechanisms to the introduction of mechanisms for economic development.
- Implementation of institutional and legislative reforms in the sphere of community service in order to enhance the role of the institution of community service and raise the level of effectiveness of the work of the local self-government system.

6.7. EFFECTIVE STATE PROPERTY MANAGEMENT

Currently, the effectiveness of the use of state property remains at a low level; at the same time, effective use of the existing property units may play a key role from the perspective of increase of investment attractiveness in the Republic of Armenia.

It is envisaged to use the existing property units in order to promote the implementation of investment programmes in the Republic of Armenia that are integrated in international value chains and shape institutional knowledge. For effective management of state property, it is envisaged to take the following steps:

- On a unified base of electronic registration of state property, a new toolkit for monitoring, analysis of the condition in which state property is used and

assessment of the level of effectiveness will be introduced, and the deviations from, violations of the requirements of the legal acts regulating the use of state property and the damage caused to state property, as well as the level of effectiveness of use and the tendencies will be identified, recommendations will be submitted with regard to increase of effectiveness of the use of state property.

- The composition and the preferable structure of immovable property not subject to alienation and required for implementation of the functions of the State will be prescribed, and for the purpose of reducing expenses, the replacement of territories used by public administration bodies and state organisations at the expense of the funds of the State Budget of the Republic of Armenia and not deemed to be owned by the State with corresponding territories deemed to be state property will be ensured.
- To shape a favourable investment climate and engage investments, state immovable property that has relatively high level of liquidity and is currently used or used ineffectively will be distinguished, and large-scale social-economic investment programmes will be carried out by organising of sales.
- A toolkit will be created for the purpose of increasing effectiveness of the process of alienation of state non-profile property, including by means of outsourcing to specialised structures.
- For shaping a favourable investment climate and for the establishment of securities market, the implementation of a process of privatisation of commercial organisations with a relatively high level of profitability and with state participation will be prepared and will be organised through the stock exchange.
- The composition and structure of commercial organisations with state participation and not subject to privatisation will be optimised, the number of those organisations will be specifically defined according to branches, and the distinction of organisations that suffer losses, are ineffective and have no

prospect for development and the inclusion of those organisations in the plan for privatisation will be ensured.

- The donation and privatisation of territories of dormitories deemed to be state-owned will be completed in order to solve the socio-economic issues of the population.
- For the purpose of increasing effectiveness of organisations with state participation, the existing system of monitoring and analysis of the activities of those organisations will be radically reformed, making the system applicable, thanks to which the quality of management of commercial organisations will be improved.
- For the purpose of increasing effectiveness of state property management, property in need of improvement, not subject to alienation in the future and protected as state-owned property will be distinguished, and the capital renovation and reconstruction of the property concerned will be ensured through long-term lease and provision for gratuitous use in exchange of implementation of certain investment programmes.
- For the development of SMEs in the field of State-communities partnership in the marzes, property not used or not used effectively, as well as property that was previously presented for alienation, but was not sold, will be distinguished, and socio-economic investment programmes of economic significance will be implemented through that property in different formats (long-term lease, provision for gratuitous use, alienation under favourable conditions).

6.8. FISCAL POLICY

The main objective of the fiscal policy is to increase effectiveness of the public finance system. To make it come true, the Government will continue reforms of the tax policy that will help to increase competitiveness of the business environment and secure tax revenues prescribed by the State Budget. Tax administration will be continuously

improved, the shadow economy will be significantly cut down, ensuring equal conditions for all participants of economic life. The effectiveness of the expenditure policy will be increased. The deficit of the State Budget will be maintained at an acceptable low level, guaranteeing manageability and stability of the public debt.

To guarantee mid-term fiscal stability, the Government will place emphasis on increase of the potential of the economy and reduction of the burden of debt at the expense of economic growth. For the purpose of adding to economic potential, the Government will give priority to the increase of the level of capital expenditures geared towards infrastructures and the solution to the main issues existing in the stages of planning and implementation of capital expenditures in the State Budget.

To foster stability of public finance, the Government will seek to ensure larger financing of the deficit of the State Budget at the expense of loans in the Armenian Dram. This will allow to minimise sensitivity of debt with regard to currency fluctuations, as well as increase availability of funds which are necessary to bring the capacities of the Government to a new level in terms of resisting various kinds of shocks.

As a result of these policies, the Government aims to ensure improvement of the tax/GDP indicator by at least 2.6 percentage point, by making the taxes/GDP indicator reach at least 25% in 2026, as well as reduction of the debt/GDP indicator of the Government, ensuring a target less than 60% by the year 2026, as well as ensure the return to complete observance of the "golden rules" of public finance set under fiscal rules.

- The tax policy led by the Government will be aimed at increasing investment attractiveness in the economy and improving the level of economic activity, creating, with this, stable preconditions for export and long-term economic growth, for redistribution of public good and for fostering fiscal stability. Through improvement of the tax legislation for implementation of these goals,

importance will be attached to the formation of a fair, perceptible and predictable environment for investors.

- The levying of VAT for imported goods will be gradually lifted for VAT payers, thanks to which there will be additional free liquidation for economic operators.
- Steps will be taken to expand tax revenues in order to increase effectiveness and addressability of public resource management and spend the resources on publicly beneficial and nationwide programmes, as well as ensure fiscal stability. Unaddressed or ineffective tax privileges will be cut down, the privileges will be applied and their effectiveness will be assessed within the scope of complex stimuli and actions.
- A comparable and fair tax burden will be set between different tax systems in order to ensure fair and equal distribution of the tax burden in the taxation system, as well as to minimise the risks of artificially fitting in tax systems at the lower level and evading payment of taxes in this way and undermining the integrity of the chain of tax planning and documenting of transactions through the implementation of artificial transactions between different tax systems. This will also serve as a serious stimulus for growth of transparency and development of business and the capital market.
- To contribute to the development of the capital market, the possibilities of reviewing the tax regulations in the capital market will be considered in order to eliminate the regulations obstructing development of the capital market. At the same time, the level of predictability of tax regulations applicable for revenues from securities and corporate profit will be raised for potential issuers and investors. The differences between tax mechanisms for dividends and interest incomes will be studied, and changes will be proposed upon necessity.
- A comprehensive policy on promoting the growth of amounts of non-cash payments and reduction of cash circulation will be implemented.

- An operable system of declaration of incomes of natural persons will be introduced, which will also contribute to the introduction of the “social credits” system that is widely applied in international practice. This will be another serious stimulus for the growth of transparency of the general economy and will help to make accessible funds available.
- The system for return of income tax in the amount of interests of the mortgage loan will be launched, and it will be significant in terms of proportionate territorial development and more notable social impact. The return of income tax with respect to apartments in newly built buildings in the city of Yerevan will be gradually suspended, promoting more construction in the marzes and ensuring proportionate development.
- Tax regulations impeding development of the agriculture sector will be lifted.
- For the purpose of enhancing international trade-economic relations, the Government will take active steps to expand the geography of agreements that rule out double taxation. This will particularly be important for guaranteeing the maximum favourable environment for foreign investments.
- The Government will continue to deepen cooperation with all partners (donors) for the development of Armenia, including the International Monetary Fund, the World Bank, the Asian Development Bank, the European Bank for Reconstruction and Development, the European Investment Bank and the Eurasian Development Bank, taking as a basis the jointly developed and approved cooperation programmes.
- Rules for preventing misuse of tax planning will be introduced in accordance with the international practice. Regulations related to tax abuses will be set (provisions for prevention of the application of tax planning schemes), with the purpose of ruling out the cases when the opportunities provided by the tax legislation are used in order to minimise the tax base and receive tax benefits.

The application of different schemes of tax abuse create unequal conditions for competition for economic operators operating in the same markets, and the stipulation of this principle and its application during administration should help to ensure equal competition, by adding to the revenues of the State Budget.

6.9. TAX AND CUSTOMS ADMINISTRATION

The Government will reduce shadow economy to a minimum and guarantee equal conditions for the activities of economic operators by simplifying the tax and customs administration and increasing effectiveness of tax and customs administration.

To achieve these goals, the Government will set perceptible and predictable tax rules that will help to increase predictability of the decisions that economic operators make in the processes of management of investment programmes. The proportionality of tax and customs administration will be the basis of effectiveness of administration; it will increase voluntariness to pay taxes and create a universal perception of equal conditions for economic activities.

There will be solutions of the best application of simple administration for the customs legislation and law-enforcement practice in the Republic of Armenia, as well as the organisational-managerial approaches to the customs system, in accordance with the regulations of the Eurasian Economic Union.

To enhance the international trade-economic relations in the tax and customs sectors, the Government will take active steps to expand international cooperation in the sector of administration.

- At the same time, it is envisaged to advance the application of regulations for pricing of transfers and the systems of information exchange for taxation, which will help to raise the level of protection of taxation bases that are being formed within the country.
- The strategy for improvement of the tax and customs administration will be aimed at having a more effective system through modernisation of infrastructures. The quality of service for taxpayers will be improved within the scope of administration reforms.
- Tax administration should be aimed at ensuring full-scale declaration and execution of tax liabilities by the taxpayer in a timely manner. The fight against

tax offences, the administration aimed at reducing shadow economy and increasing tax discipline will continue to be the major objectives of the taxation body in the coming years.

- At the same time, the tax authority will act in such a way that taxpayers will not be able to and will not seek to conceal their taxes. To achieve this goal, the opportunities for receiving and effectively using information contributing to tax and customs control will be expanded, the analytical and control tools of the tax authority will be improved and modernised on a regular basis.
- Attractive conditions for international trade flows will be established through simplification of customs administration. The process of crossing the customs border will be simplified as much as possible and the time required for crossing the border will be reduced in order to increase investment attractiveness.
- Tax and customs authorities will reduce administrative interference in the activities of law-abiding taxpayers to a minimum.

In line with the aforementioned approaches, the following will be the major directions for development of tax and customs authorities in the coming years:

- introducing and expanding simplified tax and customs procedures for bona fide economic entities, by ensuring, among taxpayers, the implantation of the principle to voluntarily fulfil tax obligations and the further enhancement of the State-taxpayer partnering relations;
- improving the electronic management systems of tax and customs authorities, which will help to improve the quality of services provided to economic entities, expand the amount of information exchanged and make it more secure, as well as reduce the time for service provision;
- increasing effectiveness of tax and customs control by ensuring classification of economic entities and targeted control through improvement of risk management systems;

- ensuring simplified tax administration for small and medium-sized businesses and regulating document circulation;
 - ensuring full documenting of all transactions in the economy in order to reduce shadow turnovers, which will provide the opportunity to guarantee the formation of an environment for equal competition;
 - creating mobile apps for all existing electronic systems and electronic systems being developed and integrating them with the existing systems of state bodies — as further development of electronic systems. This will essentially facilitate the opportunities for interaction of economic entities, natural persons and state bodies, and will provide them with modern and suitable electronic tools for receiving electronic services and exchanging information.
- The electronic systems for acceptance of documents by the customs authority and payment of customs fees will be improved in order to make the functions related to customs formulation more effective, optimise customs procedures (by cutting the amount of time and operations), increase satisfaction of declarants (customs representatives) and accelerate the process of queuing. The proposed changes will provide the opportunity to communicate with the customs authority on-line, will reduce the direct contact between declarants (customs representatives) and employees of the customs authority to a minimum, which will help to minimise corruption risks and reduce the time for release of goods and the potential accumulations.
 - Within the scope of improvement of customs administration, the “one-stop shop” system will be fully introduced; through the “one-stop shop” system, the time for crossing the border will be reduced, and control measures will be implemented under the “one-stop shop” principle. Through the introduction of the “one-stop shop” system, the information about foreign trade will be completely presented

electronically, and the information that is already available in the system will not be required for the functions performed by other state bodies. The business community will always be informed about the reforms in the customs sector electronically or through other alert systems.

- At the same time, the application of the principle of transparency and accountability will be expanded in the practice of tax and customs systems, relevant capacities will be introduced for reduction of shadow economy, the systems will become internationally competitive, and this will help to improve the business environment. From this perspective, it is also strictly necessary that the taxpayer feels the attitude and assistance of the State in the fulfilment of tax obligations.

6.10.STATE EXPENDITURES

The strategic objectives of reforms in the system of public finance management will be aimed at showing the best result of the public management system and providing quality public services to the society, as well as create an effective environment for implementation of the programme policies for improving public life.

- The effectiveness of the public administration system is directly linked to efficient spending of public funds. From the perspective of increase of effectiveness of the policy on expenditures, the Government will continue to attach importance to the targeted, economical and effective use of public finance. To ensure this, the Government will introduce a modern toolkit with the aim to create added value, which will allow to advance the operation of the target-based budgeting system by setting qualitative indicators in the system of public finance management. The Government will continue to adopt an approach through which it will impartially track effective and addressable implementation of state expenditures. The function-authority-responsibility-outcome-evaluation chain, which is a logical chain, will be clearly enshrined in the public administration system; the principle

of universal, standardised and objective approaches and cost-efficient solutions will be characteristic of the public administration system.

- In terms of making expenditures more relevant, transition will be made to strategic planning, the existing strategies will be reviewed as well, the latter and all the strategic documents to be developed will be combined with the five-year programmes, mid-term expenditure programmes and annual budget programme of the Government.
- In order to increase effectiveness and usefulness of the programme, a regular process of assessment of budget programmes will be introduced, the absence of which restricts the opportunities of the Government to assess the outcomes and impact of budget programmes, as well as to review and improve budget programmes.
- To assess the specific impact of the use of public funds, the standards of assessment of budget programmes and standards of accountability that will be introduced will be the standards that will allow to improve effectiveness of spending of resources and financial discipline.
- In the coming years, the expenditure policy will highlight the priority of accumulation, development and realisation of human and physical capital, as well as promotion of inclusive growth and balanced territorial development. These steps will help to gradually increase the specific weight of expenditures geared towards human capital and infrastructures in the structure of expenses made from the State Budget.
- Infrastructures generating added value will be continuously improved for development of physical capital, and this, in its turn, will contribute to proportionate territorial development. An electronic platform will be developed and introduced for monitoring of funds geared towards infrastructures, and this will allow to receive, at any moment, information about the state of programmes

under implementation. Through these steps, it is expected that the specific weight of expenditures geared towards human capital and infrastructures will gradually grow in the structure of expenses made from the State Budget of the Republic of Armenia, whenever possible.

- To increase effectiveness of the organising of procurement procedures, it is planned to introduce a new system of electronic procurement complying with modern functional requirements by the year 2025, and this will raise the level of transparency and effectiveness of the system.

System of management of public investments

The Government attaches importance to effective disposal of public resources. In regard to the solution to this problem, targeted use of public investment funds for the creation and enhancement of quality infrastructures and effective management of programmes will be a priority. In this sense, the Government has set the goal to establish a bank for Public Investment Programmes (PIP). Simultaneously, to solve the public issues, there will be more opportunities to use the resources, including the innovative ideas and management capacities of the private sector through the public-private partnership (PPP) system.

The following actions will be implemented:

- the field for regulation of the PPP will be completed, ensuring selection of the best programmes and the private partners that will implement them;
- a database of Public Investment Programmes will be formed, which will increase predictability for the public and the business community;
- the system of monitoring and evaluation of programmes will be improved, and will be brought into compliance with the current capacities and requirements.

After this Programme is approved by the National Assembly, the Government will confirm the five-year action plan of the Government within a three-month period. The actions for implementation of the Programme of the Government will also be reflected in the annual budgets and upcoming mid-term expenditure plans.