GOVERNMENT OF THE REPUBLIC OF ARMENIA

DECISION

No 16-L of 8 January 2026

ON APPROVING THE DOCTRINE OF ECONOMIC AND INSTITUTIONAL TRANSFORMATION OF ARMENIA

Based on part 8 of Article 11 of the Law "On the structure and operation of the Government" and sub-point 1 of point 152 of Decision of the Government of the Republic of Armenia No 252-L of 25 February 2021, the Government of the Republic of Armenia hereby d e c i d e s:

1. To approve the Doctrine of Economic and Institutional Transformation of Armenia, pursuant to the Annex.

2. This Decision shall enter into force on the day following its official promulgation.

PRIME MINISTER
OF THE REPUBLIC OF ARMENIA N. PASHINYAN

Yerevan

9 January 2026

CERTIFIED BY ELECTRONIC SIGNATURE

Annex

To Decision of the Government
of the Republic of Armenia
No 16-L of January 2026

DOCTRINE
OF ECONOMIC AND INSTITUTIONAL
TRANSFORMATION OF ARMENIA

TABLE OF CONTENTS

INTRODUCTION

The Doctrine of Economic and Institutional Transformation of Armenia presents itself as a development benchmark which aims to review and strengthen the economic structure and state institutions of the country. Rapidly changing conditions in the global markets, technological competition, geopolitical risks and demographic trends require a more systemic and foreseeable state administration and economic policy approach. This Doctrine aims to ensure the transition from a responding and sectoral policy to a targeted and pre-determined economic model, where economic development is considered as a state interest.

In the current reality, the development of the economy is driven by the rapid penetration of artificial intelligence, automation and large-scale data management technologies, and therefore the processes are becoming unprecedently intensive; new technologies transform the existing production and institutional structures, shaping new economic logic and new professional markets. These changes require that the State adopts a more flexible, technology-based and risk-management oriented approach.

Under the conditions of such developments, priority should be given to strengthening capacities in the domestic agenda of Armenia. The full use of domestic resources, effectiveness of management and accountability, development of human capital and shaping of innovative thinking are put at the basis of the development of the Republic of Armenia. The Doctrine translates the ideas of resilience, foreseeability and sustainability into measurable actions aimed at strengthening the foundations of the economy, improving the investment environment, energy and food security, as well as ensuring social solidarity.

This framework of domestic reforms may not be effective without a unified ideological basis which defines the direction of development of the State.

The Doctrine is built on the ideological foundations of "Real Armenia" and considers the economy as a multi-layered national security tool. Under this approach, each economic policy direction — from the tax system and financial markets to education, digitisation, energy and territorial development — is assessed not only by its growth potential, but also from the perspective of statehood stability, institutional resilience and enhancing the level of trust within the society.

The objective of the Doctrine is to establish a new logic of economic and institutional development of Armenia by positioning economy as the foundation of sovereignty, security and long-term stability, with an educated and thus free, capable and creative citizen at its core. This logic is targeted at creating an Armenia that provides a competitive and trustworthy environment for living, creating and developing both for its citizens and for foreign conscientious, highly professional citizens and international companies.

This document consolidates the economic concept paper, institutional reforms, the new public management model and presents itself as an ideological bridge of the "Armenia 2050" vision, ensuring a transition from short-term steps to long-term strategic objectives.

CHAPTER 1. ANALYSIS OF THE CURRET STATE OF ECONOMY AND STRUCTURAL CHALLENGES

1. Pivotal changes in the economy of Armenia amid structural challenges

1. Over the past five years, the economy of Armenia has undergone a period of profound transformation, forming influenced simultaneously by geopolitical, macro-economic and structural impetuses. The COVID-19 pandemic and the 44-day war became a resilience test, in which conditions the economy experienced a 7.2% fall in 2020 as compared to the previous year. But these shocks demonstrated the structural stability of the foundations of the economy, which was also due to the effectiveness of the rapid reforms that followed the popular, non-violent, velvet revolution in 2018. This allowed restoring the economic activity within a short period of time and returning to the long-term growth trend.

2. Since 2022, regional clashes, economic sanctions imposed on certain EAEU countries and structural changes in the foreign trade have led to generation of additional demand, restructuring of labour migration and significant increase in financial inflows. Together these trends ensured a high-rate economic growth and a trend in appreciation of the national currency. According to preliminary estimates, the economy of Armenia recorded a real growth of more than 50 percent in 2018-2025. This is one of the fastest growth periods recorded since the independence of the country. Concurrently, the GDP per capita has more than doubled, reaching the threshold of USD 9,433 in 2025 (according to preliminary estimates), which ensures a new classification status for Armenia among upper middle income countries. At the same time, this rapid growth has revealed the structural vulnerabilities of the economy and doubts about long-term sustainability.

3. Demand-driven growth and its consequences. The dynamics of the economy of Armenia in recent years has been largely shaped by the influence of demand-

driven growth. This was conditioned by a large capital inflow, family consumption growth and steady income growth.

4. In 2022-2024, the GDP has annually increased by 8.9 % on average. During the same period, the dram appreciated by around 20% due to the external demand, significant financial and highly productive labour inflow, which mostly absorbed inflationary pressures. Although these demand-driven developments contributed to the economic growth, their sustainability remains uncertain from a long-term perspective. As this growth is primarily conditioned not by productivity but external demand and temporary capital inflow, it is evident that it is subject to a phased rebalancing. Therefore, the economic policy must be aimed at ensuring balanced adjustment and soft landing. Additional risks may arise, if capital inflows decrease or the migration reverses, pushing the economy to a slowdown phase.

5. Construction, housing and territorial development. The housing market has significantly benefited from capital inflows, increase of purchasing power and expansion of the mortgage market, which was promoted by the housing lending programmes implemented by the State. State mortgage subsidy mechanisms have had a particularly significant impact on boosting the housing construction and expanding the opportunities for homeownership. At the same time, there are risks regarding the long-term supply and demand balance in the case of disproportionate territorial development and especially potential decline in external inflows or changes in the macroeconomic conditions. More favourable conditions for housing construction will be created in the marzes and remote communities of the Republic, combining it with the tool-kit for introduction of new mechanisms for promoting small and medium-size businesses in these communities.

6. Territorial and infrastructure development. In 2018–2025, large-scale infrastructure investments were made in the Republic of Armenia, aiming to

ensure their proportionate distribution in the marzes, increase the quality of state services, as well as strengthen transport and social connectivity of the country. More than AMD 593 billion was allocated for road construction and rehabilitation programmes in the period specified (for capital expenditure, including subsidy programmes), resulting in the upgrade of arounds 4 736 km of roads. This essentially exceeds the indicator for previous eight years, when AMD 197 billion was spent on road construction, and 1316 km of roads was rehabilitated. This exceeds the indicator for the previous eight years by 3,6 times, when AMD 197 billion was spent on road construction and 1 316 km of roads was rehabilitated.

7. Investments have been channelled for improvement of educational infrastructure as well. In particular, within the scope of the "300 Schools" Programme, construction and capital renovation works have been and are being carried out in 357 schools designed for around 107,000 pupils. The total budget of the Programme constitutes around AMD 385 billion, of which more than AMD 165 billion was spent as of December 2025.

8. For the purpose of expanding access to quality pre-school education within the scope of the "500 Kindergartens" Programme implemented concurrently, more than AMD 45 billion has been allocated from the State Budget to carry out the construction or overhaul of around 504 kindergartens and pre-schools.

9. Around 25,000 citizens benefited from energy-saving renovation and modernisation programmes, the quality of housing conditions has improved and utility expenses have been reduced. Within the framework of co-financing of territorial development initiatives, the State has allocated around AMD 225 billion aimed at infrastructure programmes implemented in the communities, as well as granted direct subsidies in the amount of AMD 114 billion to local self-government bodies. This investment policy has ensured not only spatial diversification of the economic activity, but also created an infrastructure

necessary for inclusive growth, contributing to the improvement of the living standards of the population and access to services at the marz level.

10. Fight against corruption and policy for recovery of illegal assets. Parallel to the reforms implemented, the Republic of Armenia has co-ordinated and institutionalised its anti-corruption policy by creating an integrated system for civil forfeiture and recovery of illegal assets. Special tool-kits have been introduced for identification, attachment and forfeiture of illegal assets based on the new legislative tool-kit and functions of specialised institutions. From 2018 to the first half of 2025, the total amount of recovery for damages caused to the State and communities under criminal proceedings, protection of state (community) interests, forfeiture of illegal assets, as well as application of various measures for prosecutorial enforcement constitutes more than USD 566 million or equivalent assets. It should be noted that from the perspective of the Doctrine, the importance of this process lies not in the size of numbers, but in the inevitability of establishing new rules having an essential significance for the institutional trust — the rule of law, rejection of impunity and recovery of public resources.

11. A genuine environment of freedom of speech, thought and political choices has formed in Armenia. The public communication and outreach field functions in the conditions of pluralism, ensuring a free opportunity for expression of diverse political positions and criticism of the authorities without state interference or limitations. Open access to local and external information sources has become a part of the regulatory environment of governance. These conditions form a new structure of public expectations, especially among the younger generation, and contribute to strengthening trust, legal predictability and institutional stability.

12. Structural changes: expansion of services and role of external demand. In addition to demand-driven growth, the Armenian economy is also undergoing structural changes. The growing share of production and employment is

concentrated on such sectors of services that are sensitive to external demand. Armenia has become an attractive destination for international visitors, as a result of which in significant growth in tourist flows and increase in per capita visitor expenditure. This trend has promoted the expansion of hospitality, public catering and short-term rental markets.

13. Structural shift to services and foreign market dependency. Armenia is increasingly relying on such sub-sectors of services that are directly dependent on external demand — tourism, financial intermediation, services related to immovable property. In recent years, the high profitability and rapid returns of these industries have been diverting the financial and human resources from manufacturing and export-oriented sectors, deepening the structural imbalances of the economy and increasing the vulnerability to foreign shocks.

14. Development of technological and export industries as a pillar of structural transformation. Strengthening of high-productivity industries is noted in the Armenian economy, in particular, due to information technologies and certain export directions. However, a share of growth of the IT sector is conditioned not by the drastic increase in domestic productivity but by temporary re-allocations (localisation of relocated companies, re-export), as a result of which the potential of technological transformation and high value added production has not been fully realised yet.

15. The trends analysed show that the Armenian economy is in the process of structural transformation, but systemic vulnerabilities still exist in terms of stability and productivity. The fundamental structural challenges that should be a benchmark for policy development are summarised below.

2. Deep-seated obstacles to economic development and main structural challenges and risks

16. Structural constraints on human capital development. Deep-seated systemic issues exist in the field of formation and development of human capital, related to the quality of education (including professional education), effectiveness of healthcare services, protection of human rights and fundamental freedoms, as well as low level of social trust among the society. The combined impact of these factors limits the full realisation of individual capacities, reduces the productivity of labour force, undermines the innovative potential and weakens — in the long-term perspective — the economic, institutional and security foundations of the State. These fundamental human capital issues are of key structural constraints on the development of Armenia and require a coordinated, comprehensive and structural state response.

17. Limited economic diversification and weak integration into value chains. The economy and the structure of export continue to significantly rely on raw material and limited number of service sectors. At the same time, in the conditions of EAEU membership, the trade policy of Armenia is formed within the framework of the unified customs system of the Union, which, to a certain extent, defines the conditions for access to external markets and impacts the possible directions of the diversification policy. The small specific weight of technologically complex goods in the structure of export products impedes the formation of long-term resilience. This deepens the vulnerability to prices and geopolitical shocks and restricts the inclusion of Armenia in global production and technological chains. In these conditions, the main pre-condition for structural transformation of the economy and its effective integration into value chains is the formation of the unified approach *"comprehensive standardisation - targeted state support — stable access to foreign markets"*, within the scope of which the State fosters product and service development in accordance with the

best international standards, targeted concentration of limited resources and competitive positioning of Armenia in the specific global production chains.

18. Insufficient development of infrastructures and trade relations. Logistic constraints still persist in Armenia, which increases trade costs and restricts access to regional and international markets. Incapacity of border and freight transportation infrastructures slows down the integration into supply chains as well. Even though the export of commercial services is dynamic, the logistic constraints continue hindering the competitiveness. Large investments are needed for modern transport corridors, border management, digital trade and improvement of customs procedures, including within the framework of the "Crossroads of Peace" Initiative and the TRIPP project.

19. Growth dependency on temporary external factors. Since 2022, a certain share of economic growth of Armenia is conditioned by temporary external factors, namely capital inflows, labour reallocation and trade diversion. Without increase in productivity, technological upgrade and long-term investment programmes, the economy will retain the risk of reverting to a lower-growth regime.

20. Low productivity and technological regress. The productivity level of the Armenian economy remains far behind the comparable regional and global economies. Weak competition and limited level of innovation lead to the capital being often allocated to non-efficient companies, and the productive base adapts slowly to technological changes.

21. Weak competitive environment and limited dynamics of markets. In a number of sectors of the Armenian economy, the competitive environment is constrained by structural peculiarities of the markets, including high concentration, difficulties with scaling in a small domestic market, as well as regulatory and institutional barriers to entry and expansion. In the conditioned of

the combined impact of these factors, the natural firm turnover is limited, the re-allocation of resources to more productive entities take place slowly, and productivity- and innovation-based competitive pressure remains weak. As a result, the incentives for technological modernisation, increase of management efficiency, and export-oriented activities are weakened in the economy, and the capital and labour allocation often fails to reflect the actual differences in efficiency. Such a structural environment constrains dynamics of markets, hinders productivity growth and slows down the structural transformation and deeper integration of the economy into value chains.

22. Institutional weaknesses and instability of regulation. Despite the steps undertaken for state administration reforms, the institutional weaknesses continue to impede the pace of carrying out economic reforms and consistency of policies. In many cases, the practice of decision-making based on analytical data is limited as well. Frequent amendments to tax, legal and regulatory frameworks reduce the policy foreseeability and confidence of investors. The Doctrine establishes that institutional transformation and "stability of rules" are a key pre-condition for economic policy.

23. Demographic and labour market challenges. Population aging, emigration, declining birth rates, limited participation of women and youth, as well as inconsistency between the educational system and the demands of the economy undermine the long-term growth potential.

24. Weak development of the innovation culture and scarcity of research and development investments. Despite the historical potential in the sector of science and technologies, the level of investments in the research and development (R&D) sector in Armenia continues to remains low. In recent years, the rapid growth of the IT sector has mostly been focused on low value services, without deepening the innovation and research component. The absence of innovative research and development centres and strategic and analytical think

tanks adjunct to state bodies, weakness of links between universities, scientific institutions and the private sector undermine the development of the innovative ecosystem. Limitations of public-private co--operation and lack of financial incentives prevent commercialisation of the scientific product, and the paces of technological development slow down significantly. The establishment of close co-operation between education and production systems and targeting of financing directed to innovation play a central role in the establishment of a knowledge-based economy.

25. Limited development of the financial sector. Despite the efforts by the state system and, particularly, the Government in the recent years, the capital market of Armenia remains at the stage of formation. In 2024, 84 securities were listed and admitted to trading, which resulted in increase of the volume of new listings by 124 %, the volume of corporate bond trading by 58.8 %, and the number of transactions by 60.4 % as compared to 2023. These results are partly conditioned by the Government initiatives aimed at the market development, particularly the state support programme for issuance and rating. Nevertheless, the capital market is still underdeveloped; the financial system is mostly based on bank lending, and the securities and bond markets remain limited in scale. At the same time, the existing state subsidy models, particularly for mortgage loans, shape a demand-driven growing economy, as a result of which a significant share of financial resources concentrates in non-exportable sectors.

26. Forming a policy for stable and foreseeable reduction of credit interest rates is important in the context of improvement of the investment environment, as the high value of credit resources limits the volume of long-term and production investments. In addition, the low level of domestic savings and absence of the culture of corporate governance and transparency continue to limit the potential for capital accumulation and market deepening.

27. Instability and limited quality of foreign investments. Direct foreign investments are concentrated in several sectors. The absence of an investment policy and the regulatory risks limit the interest of institutional investors. Engagement of major international companies is considered not only as a source of capital, but also as a tool to transfer management practices, technologies and competitive culture.

28. Energy dependency and low level of energy saving. Armenia remains to be largely dependent on import of energy carriers, particularly from the Russian Federation, which increases the political risks of both price fluctuations and energy security. Slow implementation of renewable energy sources, innovative energy technologies, including smart grids as well prevents the increase in the energy independence level, and the insufficient level of energy saving and energy efficiency creates additional electricity demand in all sectors of the economy and, as a consequence, retains dependency upon imported energy carriers. Existence of the nuclear power plant in the energy system will allow diversifying energy resources more, not increasing dependency upon imported natural gas, as well as the volume of emissions. Clarification of the policy direction, activation of investment incentives for renewable energy and development of solutions for energy storage will contribute to ensuring energy stability and improve competitiveness.

29. Food security and constraints on the efficiency of the agricultural system. Armenia is significantly dependent upon imported food products, which makes the economy vulnerable to global supply chain disruptions. Low productivity level in the sector of agriculture, inefficiency of irrigation systems and use of outdated technologies impede the development of the sector. The lack of value-adding processing industry limits the export potential. Introduction of agricultural technologies, promotion of sustainable agriculture and expansion of domestic production are vital for strengthening food security and revitalising economic activity in rural areas.

30. Environmental issues and climate risks. Armenia faces growing environmental challenges conditioned by urban development expansion, industry expansion and climate change. Deterioration of air and water quality, land degradation and rising temperature trends pose a threat to both the public health and long-term economic stability. Insufficient waste management, deforestation, forest fires, biodiversity loss and weak environmental regulations exacerbate ecological pressures. The comprehensive environmental policy, including pollution control measures, sustainable resource management, ensuring of low-carbon development and climate adaptation must form the core of the long-term environmental protection system of Armenia.

31. Fiscal and institutional constraints. These days, a substantial share of the State Budget is allocated to mandatory social, educational, healthcare, defence and debt servicing expenses, as a result of which the room for new initiatives is limited, if no structural review of expenses and effective increase in revenues is ensured. The baseline of the Doctrine is that any new policy must fit in the debt sustainability and macroeconomic balance framework, while reviewing the structure of public expenditures toward areas that increase productivity and resilience. In this context, priority is also given to reduction of the cost of public debt servicing through development of the government securities market, improvement of credit ratings, budgetary foreseeability and more professional management of interest rate risks.

32. Increase of capacities of the state apparatus, data-based governance and institutionalisation of public-private partnership become the foundation upon which the economic and institutional objectives formulated in the Doctrine may become a reality. This approach, in terms of freedom of speech, implies promotion of responsible, evidence-based and professional public communication, in the context of which the role of the State should be to contribute to capacity-building in the sector and enhance professional training of

employees of the public communication sector based on the best international practice and approved professional standards.

CHAPTER 2. ECONOMIC PARADIGM OF REAL ARMENIA

33. The Doctrine of Economic and Institutional Transformation of Armenia is built upon a new economic development paradigm which reflects the ideological fundamental principles of "Real Armenia" and transforms the role of the State in the economy by placing the person at the centre of the system, according to the principle "the State must empower a person, and a person must empower the State". This model rejects the priority of short-term profit, external dependency and the approach that aims at ensuring indicators representing superficial economic progress. Instead, it adopts an approach toward development of the human potential, which would ensure a favourable environment for economic development with economic resources used fully and efficiently, and a clear and coordinated direction for strengthening of institutional trust and long-term development.

34. This paradigm is the core of the qualitative transformation of our economic policy, based on achievements of previous years, recorded constraints and willingness to learn lessons.

35. The paradigm is formed with a set of pillars by uniting them under the state interest of Armenia — economic development. The ideological and operational goal of the State is to achieve, through economic development, a truly developed state that is resilient, just and inclusive.

36. The core of this basis is the following:

    (1) Education as the "strategy of strategies". The first and crucial foundation of the new economic paradigm of Armenia is education. Without an accessible, modern and competitive educational system and making

education a lifelong lifestyle, the effectiveness of reforms is undermined. Educated citizens who know their rights and responsibilities are the most reliable support for the freedom and democratic viability of the state. Education is no longer a mere sectoral policy, but the core of the Doctrine, which pre-determines the volume and substance of economic development, effectiveness and flexibility of state administration, strength of the national identity and success of the agenda for durability of statehood;

(2) Creating a favourable external and internal environment; peaceful co-existence with neighbours and deepening of international integration as a necessary condition for economic development. The new paradigm of economic development of Armenia places at its core the idea of peace as a primary pre-condition for security, investment confidence and regional co-operation. The peaceful environment allows families, individuals, as well as policy-makers to implement long-term planning, strengthen international economic relations and open and develop new markets. In addition to its value significance, peace also has specific and measurable economic impacts or, in other words, “peace dividends”, represented by the growth of investment confidence and reduction of capital value, expansion of access to new export markets, reduction of logistics costs, which lowers the prices of imported goods and enhances export competitiveness, promotes immigration and increase of labour availability, the possibility to re-allocate the State Budget resources toward directions targeted at the socio-economic development. All these, taken together, create a new environment for economic development, where Armenia becomes a crossroads of regional co-operation, trade and peace. The “peace dividends” are not only a pre-condition for economic growth, but also demographic expansion and safekeeping of democratic achievements: the risks of war typically increase the likelihood of emergency regulations,

restrictions on rights and weakening of protection of ownership, and hence, sustainable peace concurrently ensures the foundation of freedom, confidence and investment foreseeability, based on which a long-term development is possible;

(3) Ability to act freely, quickly, flexibly and responsibly: protection and inviolability of the right of ownership as a pillar for investments and free economic activity. The protection and inviolability of the right of ownership are not only a constitutional norm, but also a pillar for ensuring economic stability and creating favourable investment environment. The institutional strengthening of the inviolability of ownership creates an environment of trust for both each citizen and local entrepreneurs and foreign investors. This environment reduces legal uncertainty, ensures the protection of the capital and encourages long-term investment behaviour, becoming an important pre-condition for sustainable economic growth;

(4) Foreseeability of sustainable and long-term development: independent judicial system and reliable arbitration mechanisms. Stability of the legal system and high professional qualities ensure the foreseeability of rules, guaranteeing execution of contracts and fair competitive environment. Reforms are ongoing in this sector. Improving the training and re-training system for judges and strengthening the merit-based judicial culture are considered as priorities. At the same time, the development of alternative dispute resolution mechanisms will be encouraged, which will enable a quick, effective and foreseeable settlement of investment and commercial disputes, by reducing the risks, increasing confidence and strengthening the resilience and efficiency of the economic environment;

(5) Entrepreneurial freedom, guaranteeing equal conditions and encouraging economic initiative as the foundation for creativity: the

most important pre-condition for displaying creative potential is the free entrepreneurial environment which should be free from administrative or political pressures and unequal conditions. Armenia encourages entrepreneurship of each individual as a driving force of development, especially in the sectors of innovation and technologies. One of the most powerful tools of economic freedoms is stable and foreseeable tax system which enables the businesses to plan their activities in the long-term. Numerous and various changes have taken place in the tax field in the recent years conditioned by external and internal force majeure developments, as well as strategic rethinking of the economic policy. However, currently the stage of formation of a new tax philosophy is launched; the Tax Code being elaborated aims to establish a simplified, competitive and long-term stable system that will simultaneously serve as a pillar of confidence for investors, businessmen and citizens.

37. The combined existence of these five fundamental pre-conditions creates also such a legal and political and investment environment that fosters both the expansion of local competitive companies and the establishment of new ones, and engagement of international and, particularly, global transnational companies. The entry of such companies not only mobilises the investment resources, but also enables the transfer of modern technologies, introduction of up-to-date management and quality standards that contribute to modernising production, increasing the quality of services, improving the business culture, as well as increasing labour productivity.

38. Thus, the pillars presented form the ideological and institutional foundation of the new economic paradigm of Armenia. But their viability and practical value suggest a broader scope of structural policies and implementation ecosystem. The directions presented below are intended to reinforce that foundation by transforming it into a pillar of comprehensive and long-term national

development. They outline the priority areas and programmes which must be relied on to ensure the full implementation of the paradigm and to secure its sustainable effectiveness.

39. TRIPP project as a strategic pillar of open economy and structural transformation. The new economic paradigm of Armenia is also implemented through the TRIPP international project which becomes the driving force of the country's open and competitive economy. TRIPP integrates institutional support for export, infrastructure development and human capital formation, creating an investment-ready and technologically-prepared environment. The Project also aims to include Armenia in global supply chains, expand export markets, and engage cutting-edge technologies. Alongside this process, the development of renewable energy and responsible approach to the environment are promoted as new standards of modern economic co-operation. TRIPP is not only an economic tool, but also a demonstration of a new quality of state administration which combines strategic thinking, managerial efficiency and high level of international co-operation.

40. Territorial development and modern governance capacities. In recent years, significant investments have been made for the development of infrastructures in marzes, particularly road construction and transport links. However, these investments may become fully effective only when the infrastructures serve to promoting the movement of goods and services, economic activity and actual export flows. To this end, it is necessary to combine the infrastructure projects with industrial, export and logistics strategies by ensuring their actual economic substance and attracting investment flows. Otherwise, even the most modern roads will remain underused and will not serve the long-term and balanced development of the country. From this perspective, economic revitalization of regions becomes critically important as a key pre-condition for balanced and inclusive development. Local self-government bodies should have powers and

capacities to become co-authors and active implementers of the investment policy, promoting production recovery, intensive agriculture development, revitalization of rural communities and job creation through the full use of the economic potential of the population. Only in these conditions will the infrastructures built and being built become systems that promote the development of communities.

41. An important component of the new economic paradigm is the principle of territorial development "specialisation", under which the State encourages the development of the marzes, cities and rural communities based on a combination of advantages deriving from their human capital, knowledge-based potential, natural, infrastructure and logistical peculiarities. This principle is applied at the stage of designing state support programmes, investment instruments and development initiatives as a guiding framework, facilitating identification and targeted promotion of local competitive advantages inherent to territories, up to the level of individual communities. Territorial "specialisation" is not considered as an administrative or a regulatory mechanism, but as a development model based on competitive advantages, aimed at creating functional centres for economic activity, fostering cluster development and enhancing engagement of territories in regional and international value chains.

42. Competitive financial environment and targeted management of public resources. Accessibility of the financial system and competitive development are considered as key conditions for economic inclusions and investment activity. The State encourages, in particular, the expansion of non-bank financial services by developing capital markets and creating alternative mechanisms for availability of finances through stock and bond markets, investment funds, venture and private equity instruments. It aims to establish a diversified and flexible financing environment which would stimulate local production, expansion of entrepreneurial environment and consumer capabilities. Mechanisms will be

created to provide more affordable financial resources to micro-businesses, food producers and vulnerable groups of the marzes. In the context of promoting economic inclusion, importance is attached to the policy aimed at deepening the financial market and increasing competition, bringing large companies, including commercial banks into the open market through IPOs. This will allow not only mobilising additional investment resources, but also overcoming the current issue of high concentration, where bank stocks are concentrated in the hands of a small business group.

43. Thus, the creation of a competitive, inclusive and diverse financial environment becomes a pillar of not only economic growth, but also effective and targeted management of public resources.

44. At the same time, the public-private partnership (PPP) instruments are considered as an important mechanism for financing and implementing major infrastructure projects, particularly in the sectors of education and healthcare, by increasing the effectiveness of their implementation. The management of public resources, namely land, water, property and licences, must become an open and accountable process based on economic expediency and public interest.

45. State position on critical infrastructures. The State must have a decisive role and control over critical infrastructures directly related to national security, energy and logistics stability, as well as the management of external dependencies. Such infrastructures include, in particular, the Iran-Armenia gas pipeline, railway system, and primary energy and communication networks. State involvement does not imply violation of the right of ownership, but it is implemented through regulatory, contractual, institutional or special control mechanisms to ensure that vital infrastructures operate not only by the logic of commercial interest, but also national security and long-term state interests.

46. The logical continuation of this approach is defining by the State clear principles of management of economic assets that are already controlled or owned thereby. The increase of state participation in many sectors of the economy in recent years should not be considered as situational or an expanding nationalisation policy, but as temporary concentration of assets for the purpose of their strategic re-assessment and effective management. The Doctrine defines that assets that have no direct national security significance may be partly and fully sold through transparent market mechanisms, including initial public offering (IPO), provided that this does not create new strategic dependencies. The financial resources obtained from such transactions should be channelled in a targeted manner to the implementation of strategies and programmes specified in the Doctrine, turning the state asset management into a financial source of economic development and institutional stability.

47. The State will establish an investment screening system in the strategic sectors, based on the practice of developed countries, which aims to ensure that major foreign investments are in line with the national security, public order, technological sovereignty and long-term economic stability interests while maintaining an open, competitive and foreseeable investment environment. This mechanism will enable a risk-based assessment of potential impact of investments on critical infrastructure, critical technologies and dual-use industries, vital supplies, sensitive data and stability of the information environment, without violating the right of ownership or undermining the confidence of investors. The investment screening system is not a tool for restricting investments, but a tool for institutional sovereignty and strategic foreseeability through which the State enhances the national resilience by reducing vulnerabilities arising from external dependencies and systemic risks, ensuring that the investment policy is consistent with the external economic and security agenda.

48. Promoting job creation. The new economic philosophy of labour promotion is based on the conviction that each healthy and work-capable individual should be able to ensure, through his or her job, a decent standard of well-being for himself or herself, and the strategic responsibility of the State is to ensure through education the discovery and development of the creative talent of an individual and favourable conditions and opportunity to realise that talent. It is also obvious that in the coming 10-15 years, the nature of employment and occupation will essentially change due to rapid advances in digitisation, artificial intelligence, and robotisation. Under these evolving conditions, the primary task of the State becomes to form a coordinated development of the skills and capacities, creative thinking and new professional identities necessary for the economy. To this end, consideration will be given to the possibility of enhancing the role of public bodies in such a format that main trends in employment, labour market and real sector are fully and coherently reflected in their functions. Such an approach will create conditions for different components of the macroeconomic policy to operate in a more integrated, foreseeable and public-welfare-oriented manner.

49. Digital environment and new governance culture. Armenia adopts a digitisation policy by introducing digital solutions in the sectors of state administration, infrastructure, education and public services. Digital technologies promote transparency and efficiency of the process while creating a system of accessible, simple and secure services for citizens. The State is intensifying the introduction and development of electronic governance systems with an aim of automating interactions between individuals, businesses and state institutions. Special attention is given to the sectors more vulnerable in terms of corruption risks, including the systems of licensing, permits, public procurement, medical services, tax administration and customs services. The electronic governance model allows for the service delivery to be facilitated, accelerated and

considerably cheaper through technological solutions while ensuring a high level of transparency, reduction of the impact of human factor and a reliable and ethically sound governance environment.

50. This approach not only promotes the efficiency of state administration, but also shapes modern, responsible and citizen-centred governance where digitisation becomes a key guarantee of integrity and accountability.

51. Artificial intelligence and data-driven governance as a driving force for economic efficiency, innovation and infrastructure transformation. The introduction of artificial intelligence (AI) is considered for Armenia as a strategic direction of profound structural transformation in the public policy, business processes and educational models. Armenia is adopting a responsible AI strategy which is based on ethical data use, accountable and transparent algorithms, as well as on the principles of expanding human capacities through AI. The use of AI is considered as a new platform for global competition within the scope of which Armenia seeks to secure a position preserving its identity. At the same time, uninterrupted power supply, network reliability and robust energy storage capacities are needed for the full realisation of AI's potential in Armenia. In this context, the development of renewable energy and building of energy storage systems becomes a priority as a tool for stability and balancing. At the same time, by increasing the interconnectivity of electric grids with neighbouring countries, Armenia creates new conditions for regional energy security and technological integration, strengthening its position as an innovative and interconnected economy.

52. The provisions presented have not only economic or administrative significance, but also provide a conceptual foundation for the development of a secure, sustainable and human-centred state where each citizen feels a sense of belonging, dignity and confidence in the present and future of own country.

53. This vision aims to shape such Armenia where development is measured not only by indicators, but also by confidence and enhancement of a strong emotional connection of citizens of the Republic of Armenia with their own State.

54. At the same time, the world and the global economy are obviously undergoing unprecedentedly rapid and profound changes. The development of digitisation, artificial intelligence and technological innovations significantly transforms the structure of economy, nature of productivity and logic of labour market. The development of the economic future is not linear, and the predictions based on past data may not presently reflect the true depth and pace of upcoming changes; the artificial intelligence is drastically compressing the development time horizons, redefining the competitiveness criteria and creating a new reality where yesterday's "sufficient" growth rates may become insufficient for tomorrow's economy in both economic, social and strategic terms.

55. AI is no longer a phenomenon of the distant future; it has become a key factor in the development of the current economy and building of the governance system. These developments will not themselves solve our problems; it is necessary that we, as a state and a society, do not remain mere consumers of this technological wave, but have active participation in its formation and use to the benefit of our economy, society and modernisation of state administration. In this respect, systemic steps should be taken, ensuring accelerated and wide-spread penetration of artificial intelligence into virtually all sectors of the economy — from education and innovative early childhood learning methods to industry, healthcare, agriculture, research and development, as well as development of next-generation healthcare, pharmaceutical and biotechnological solutions.

56. Therefore, one of the most critical challenges is to prepare our society for these qualitative changes. The development of educational and healthcare systems needs to move beyond institutional and technical modifications and become a process of substantive and value-based transformation.

57. Continuing the works for construction of kindergartens, schools, the Academic City, and medical centres will create new, modern, universally accessible educational and healthcare systems that will be responsive to the challenges of the 21st century and competitive. The new educational system, at all levels of education — from pre-school to higher education, as well as training programmes for teachers and pedagogues, and the policy for ensuring social guarantees for participants of the education process should aim at not only adapting to changes, but also building the capacity to lead these changes: the new economic environment requires not only professional skills, but also new level of thinking. The citizen becomes the core of this system as a person becoming wealthy and making others wealthy through decent work and investments. The upgraded education system, accessible and high-quality medical services through introduction of the universal health insurance system, as well as encouragement of lawful employment shape a society based on social solidarity and mutual trust.

58. Social protection is the institutional responsibility of the State to ensure the stability and resilience of the citizens in the face of risks that may not be prevented through individual efforts — illness, disability, old age, loss of work capacity, consequences of economic or natural disasters, temporary socio-economic shocks, and difficult life situations. The paradigm has at its core the principle that the work-capable citizen bears primary responsibility to secure his or her own well-being through education and work, creativity and economic activity, and the State bears the responsibility to provide equal opportunities and fair conditions for discovery, development of the talent of an individual and its fulfilment through education, including for persons with special needs and vulnerable groups.

59. This model of economic and social responsibility also redefines the formula "where there is bread, there we will live", replacing it with the formula "here is

the State, here is the bread, here is the Motherland, and here we will live", which expresses that the challenges of the country must be addressed right here, in the Republic of Armenia. Those returning from emigration should find here a clear sense of purpose, identity and belonging. The migration policy merges with economic and security objectives, encouraging also engagement of foreign specialists and linking the granting of citizenship with investment and professional contribution.

60. This Doctrine is based on the fundamental principle that administrations are changeable, but the State is permanent. The development of the State may not depend on political cycles or short-term mandates, but it must be built on institutional stability, legal obligations and public trust. The economic paradigm of "Real Armenia" is not aimed at any specific political administration, but at strengthening the long-term capacities of the State, establishing a predictable, consistent and strategic development policy. This is the economic paradigm of "Real Armenia". Our economic environment will continue to be built on these principles, and this is a policy deserving consensus around which a united and modern future of our country may be shaped.

CHAPTER 3. PRINCIPLES OF ECONOMIC POLICY ELABORATION AND DEVELOPMENT PRIORITIES

61. The new economic paradigm of "Real Armenia" requires a strategic approach which integrates clear ideological principles and sectoral development directions. These principles include *sustainable and inclusive growth, human capital-based development, digitisation and innovation, investment attractiveness, responsible resource management and environmental sensitivity, as well as enhancement of competitiveness and international integration.* They will serve as a foundation for formation and effective implementation of forward-looking economic policies. The approach built on these fundamental principles requires clarified and coordinated strategic priorities.

(a) Human capital development and building of a knowledge-based economy

62. Sustainable development starts with targeted investments for the development of human potential. The economic strategy aims to shape such a society where high-quality education, continuous life-long development of skills, accessible healthcare system and social protection enable each citizen to fully realise and develop his or her capacities. For the purpose of building a knowledge-based economy, the State actively makes investments in the development of human capital, fostering the education of the new generation and training of innovators, entrepreneurs and highly-qualified specialists. This transition not only contributes to the productivity growth, but also strengthens the country's positions in advanced technology and high-value sectors.

(b) Diversified and business-friendly economic system

63. In order to have a resilient and competitive economy, Armenia may not rely on a few traditional sectors. It is necessary to expand the economic structure by promoting innovation, entrepreneurship and modernisation of production, including in biotechnology. This will be achieved through targeted incentives, favourable regulations and simplified administrative procedures.

64. The introduction of a new Tax Code will create systemic solutions in the taxation and tax administration sector, creating a guarantee of long-term stability. This system envisages long-term preservation of basic tax rates and principles.

65. Tourism is also considered to be a key area of development, including its high-potential types, namely historical and cultural tourism, gastro-tourism (cuisine, wine and brandy), adventure tourism, sports tourism (including winter sports), medical and spa tourism, MICE, rural tourism (agritourism), religious tourism, etc. A system of marz tourism centres (clusters) will be established. Armenia may

also become a regional centre providing spa, rehabilitation and high-quality healthcare services.

(c) Governance and institutional transformation

66. An effective governance system is considered a cornerstone of economic stability, public trust and investment attractiveness. The Government aims to modernise the state institutions, ensuring transparency, foreseeable legal environment and long-term planning instruments. Digitisation processes and use of artificial intelligence (AI) lie at the core of the transformation of governance, with a view to increasing efficiency of decision-making, simplifying the administrative procedures and improving accessibility and quality of public services.

67. As a result of the introduction of smart technologies, it is envisaged to reduce corruption risks and raise the level of governance responsibility with a view to making the state system more citizen-centred. The institutional reforms implemented in the sector of governance include also strengthening of accountability mechanisms, reduction of bureaucratic burdens and development of state innovative capacities, by contributing to qualitative increase of the business environment, investment confidence and public participation.

68. Enhancing the attractiveness of employment in the public administration sector, including by increasing the competitiveness of the remuneration system with the private sector, is essential for increasing the efficiency of public administration reforms and governance. At the same time, effective incentives should be introduced for ensuring continuous development of professional capacities of employees of the public administration sector.

(d) Digital transformation, AI and innovation

69. In the contemporary world, where technological changes are ongoing, the economic future of Armenia depends on the full implementation of the digital transformation. Introduction of AI-based solutions, creation of a start-up ecosystem and introduction of cross-sectoral innovative technologies will make Armenia a forerunner in innovation. The use of AI will not only reshape the economic planning, but also foster breakthrough solutions in basic sciences (from physics to biotechnology). This shift will unlock new sources of productivity, efficiency and global competitiveness while promoting research culture and science-based business environment.

(e) Energy and food security. Environmental protection

70. To build a resilient and robust economy, priority is given to energy security, food security and environmental protection. The state policy is aimed at reducing the dependence on external energy carriers, expanding the use of renewable energy and modernising the energy infrastructures. In this context, energy transformation through introduction of energy-saving technologies and their subsequent regular and continuous modernisation are essential and critical.

71. In the context of ensuring food security, the directions of innovative development of agriculture, introduction of sustainable production methods and food production systems have been defined. These reforms are aimed at strengthening the internal capacities of Armenia in the long-term and ensure the availability and quality of food. At the same time, it is necessary to reshape the ideas of food security basket by placing the primary emphasis on domestic production and food products available for preservation.

72. Environmental protection is defined as a long-term strategic priority. The state policy aims at preserving and improving the quality of air, ensuring conservation

of biodiversity and carrying out effective management of water and land resources. Special importance is attached to the preservation of Lake Sevan as a necessary condition for safeguarding the freshwater system of national significance and water resources of the Lake and ensuring its long-term cleanliness.

(f) Financial stability and development of the financial system

73. A strong, flexible and innovative financial system is considered as one of the key infrastructures for sustaining long-term economic growth and investment dynamics in Armenia. The development of the financial system is focused on three main areas, namely strengthening the resilience of the banking sector, expanding the capital market and improving the access to financial instruments, particularly for small and medium-sized enterprises (SMEs) and newly-established businesses.

74. Digitised and innovative solutions are intended to be introduced, including development of tokenization, blockchain-based instruments and digital currencies. These steps are targeted at diversifying financial services, reducing transaction costs and expanding the coverage of financial services, thus ensuring a more efficient and reliable use of financial resources. The reforms aimed at developing the capital market, the creation of a digital financial ecosystem and promotion of fintech innovations will contribute to not only ensuring the financial inclusion, but also enable Armenia to become a technologically developed and competitive financial hub in the region and beyond.

75. The priorities presented are the key directions for practical implementation of the Doctrine and will be achieved through six strategies, as well as programmes and sub-programmes deriving therefrom. The Doctrine sets forth the economic paradigm and the principles and development directions of the economic policy

of "Real Armenia", while the strategies translate them into applicable and operational policies.

76. Chapter 6 presents indicative programmes that may form the roadmap for implementing the Doctrine, by ensuring the connection of policy objectives with the State Budget, Medium-Term Expenditure Framework (MTEF) and the monitoring and evaluation system. This approach enables shifting from the ideological paradigm to coordinated implementation, strengthening policy coherence, institutional accountability and result-based management culture.

CHAPTER 4. CO-ORDINATION WITH EXISTING STATE PROGRAMMES AND INITIATIVES

77. The transformation of the Doctrine of Economic and Institutional Transformation of Armenia into a benchmark for the state policy requires its harmonisation with six consolidated strategies to be developed in the near future and a unified framework of individual Government programmes and initiatives. The Doctrine defines the long-term vision and principal directions of developments, and its effective implementation depends on localisation of the principles provided for in sectoral strategies, medium-term budget planning documents and daily processes of state administration.

78. Comprehensive mapping and redefinition of existing state programmes. The existing state programmes must be comprehensively mapped to identify policy inconsistencies, overlapping initiatives, under-implementations and unused resources. This process will ensure that all actions serve the transformation logic defined by the Doctrine.

79. Full integration of six strategies into the Doctrine. The consolidated sectoral strategies must be considered as the practical continuation of the Doctrine.

80. Continuity of reforms and institutional stability. The Doctrine implies not the suspension of successful programmes but their integration into the new system. Reforms need to be implemented by the logic of ensuring institutional stability while achieving substantive modernisation of policies according to the transformation objectives. Any inconsistency with or deviation from the sectoral policy requires review to ensure the unified development logic, institutional and strategic harmony.

81. Optimisation of resources, redirection of state investments and clarification of priorities. The Doctrine defines the need to re-allocate the state resources by precluding low-effective programmes and strengthening the directions that ensure economic resilience, institutional modernity and technological advancement.

82. Financing structure. The financing of programmes and sub-programmes is envisaged to be implemented through a blended model, which will be based on state budget resources (including through re-allocation of expenses and optimisation of targeted programmes), public-private partnership (PPP) projects, combining them with private, including Diaspora investments, as well as grant projects of international financial institutions and development partners.

83. Digital environment for strategic governance. The Government introduces a new strategic governance system as an institutional environment which integrates strategic co-ordination, programme monitoring, human capital development and dissemination of innovation. This system functions through the following key components:

(1) Centre for governance and co-ordination. The responsibility for strategic co-ordination and implementation will rest on the Bureau of the Deputy Prime Minister, which:

- will co-ordinate structural and sectoral reforms in all agencies;

- will ensure horizontal integration and inter-agency co-operation, including newly-established institutions;
- will ensure coordinated implementation of the programmes and the MTEF;

(2) Unified digital platform and public engagement. A unified digital strategic governance platform will operate under the supervision of the Bureau of the Deputy Prime Minister to monitor outcome indicators and international indices, alert about obstacles to strategy implementation, collect feedback received from citizens and render result-based political decisions;

(3) Knowledge hub and innovation network. To improve the quality of institutional learning and reforms, a knowledge-based platform will be established which will consolidate and integrate existing scientific and academic capacities for the following purposes:

- analysis and dissemination of best reform practices;
- sectoral training and joint programme implementation among agencies, communities, the civil society, as well as existing higher education institutions, research centres, and expert institutions;
- promotion of participatory and decentralized governance instruments;

(4) Human capital development. To ensure the quality of policy implementation and institutional stability, a state system for human capital development in the public service will be established which will incorporate also an incentive system for state servants, where remuneration and professional promotion are linked to performance, achievement of projected outcomes and implementation of state strategies and programmes, thereby creating a culture of responsibility, result-based work and high-quality public service;

(3) Digital tool-kit and donor co-ordination. Digital tools will be introduced to ensure inter-agency communication, their performance evaluation and accountability. In addition, a Platform for Co-ordination of Development Partnership will be established to ensure centralised co-financing of programmes and preclude duplications;

(6) Sustainable implementation and accountable governance model. A two-tier hybrid governance model is introduced to ensure transparent and result-based implementation of programmes. This model presumes a parallel accountability mechanism for each programme, with a politically Accountable Leader and operational Programme Manager.

84. At the same time, the institute of programme managers will operate at the following three levels depending on the programme scale and value, ensuring management flexibility and allocation of responsibility:

(1) Bureau of the Deputy Prime Minister: Management of major strategic programmes and initiatives requiring inter-agency co-ordination;

(2) Level of Ministries and state bodies: Implementation of sectoral policies, agency programmes and structural reforms;

(3) Level of Marzpetarans and communities: Management of local programmes, infrastructure initiatives and economic development projects of communities.

85. The Centre for Programme Implementation, operating within the Bureau of the Deputy Prime Minister, will provide programme managers with necessary tools, methodical guidelines and capacity-building support. The Centre will also organise inter-agency co-ordination processes, will identify and overcome implementation obstacles, and will conduct monitoring through unified digital platform for reforms.

86. The core ideas, values and political messages of the Doctrine are intended to be communicated and promoted, in a coordinated manner, through educational and information initiatives, aiming at ensuring their broader understanding and practical application across all segments of the society, in Yerevan, the marzes, and rural settlements.

87. Quarterly performance and risk reports will be submitted to the Prime Minister, ensuring oversight at the political level.

CHAPTER 5. MONITORING AND EVALUATION SYSTEM

88. The effective implementation of the Doctrine of Economic and Institutional Transformation of Armenia will be ensured through a clear monitoring and evaluation mechanism, based on the relevant international practices. The system comprises three levels of outcome indicators and digital reporting infrastructure:

    (1) Indicator architecture:

    - Doctrine-level – benchmarking international progress indicators against global indices (table);
    - Strategic priority indicators – a set of macroeconmic data that assess overall development of the country's economy and progress of individual sectors;
    - State programme indicators – intermediate outcome and initial outcome indicators within each state programme (sub-programme), which are in line with the indicator system of budget programmes;

    (2) Monitoring and report mechanism:

    - Annual reports – the Doctrine will be included in the 2026-2031 Action Plan of the Government, with annual implementation reports thereon submitted to the National Assembly. Annual reports on the implementation progress of the Doctrine may be prepared in other formats;

- **"Visionarmenia.am"** Platform – as a digital dashboard for programme progress, data visualisation and leadership messages;
- Civic engagement – citizen engagement, feedback, and public monitoring tools;
- Regional discussions – holding annual discussions for strategic analysis purposes with the participation of representatives of the civil society, academia, business and the Diaspora;

(3) Flexibility and review cycle – the Doctrine will be reviewed every three years, based on the results of monitoring and evaluation. In addition, annual reports will serve as a basis for minor policy adjustments, in response to evolving regional and global developments.

CHAPTER 6. PROGRAMMES AND SUB-PROGRAMMES

89. The programmes and sub-programmes proposed in this Section may guide the development of strategies and strategic programmes.

90. Quality education and development of a competitive workforce. The overall objective is to create a comprehensive, high-quality and future-oriented educational system that will ensure equal access from pre-school to higher vocational education, meet the international standards, strengthen the human capital and equip citizens of all ages with skills and competences that are necessary to secure their own well-being through work.

No	Name of Sub-programme
1.	Pre-school education
2.	General education

3.	Vocational education
4.	Non-formal education (learning) for adults
5.	Higher education
6.	Talent Development Fund (TDF)
7.	Reform in the research and development (R&D) sector

91. Universal Health Insurance. The overall objective is to ensure for all citizens of Armenia accessible, quality medical services based on modern technologies to improve life expectancy and quality of life, as well as to establish a sustainable, equitable and resilient healthcare system.

No	Name of Sub-programme
1.	Introduction of the universal health insurance system
2.	Reinforcement of preventive and primary health care
3.	Transformation of the infrastructure of medical institutions and digital healthcare
4.	Improvement of the service quality and access and strengthening of the capacities of the healthcare workforce

92. Social protection programmes. The overall objective is to enhance the resilience of the social protection system of Armenia by ensuring readiness to respond to crises and urgencies, applying data-based approaches to address the needs at all stages of an individual's life. The programmes seek to ensure the urgent needs of vulnerable groups, including women, children, young people, persons with disabilities, the elderly, immigrants, displaced persons, refugees and low-income families by expanding accessible and community-based services, improving competitiveness of work-capable persons through education, creating a supportive environment to foster social inclusion, justice, human-centred development and gender equality, and access to housing. At the same time, a key direction is creation of such an environment where retirement is not perceived as an end of active life; the State will contribute to the use by the elderly of their accumulated experience, knowledge and capital by engaging them in the labour

market, educational or consulting activities, as well as establishing their own businesses. This approach promotes active aging, strengthens community ties, and enhances full and efficient use of the country's human capital. The age of 63 is an optimal age not only for retirement pension but also for starting new economic activities.

No	Name of Sub-programme
1.	Development of regional employment
2.	Promotion of inclusive employment for women and youth
3.	Reimaging the pensioners' experience and encouraging active participation in the SME sector, promoting employment among benefit recipients and pensioners
4.	Improving the labour market policy and modernising governance
5.	Construction and restoration of social and affordable housing
6.	Expanding supporting housing services and social housing service
7.	Promoting natality and establishing sustainable family support mechanisms
8.	Engaging the Diaspora and integrating returning specialists

93. Promoting investments and building competitive economy. The overall objective is to create a diversified and investment-friendly economic environment through digitisation, capital market development, reform of the tax policy, simplification of regulations and development of industrial (including creative) infrastructures, thereby enhancing competitiveness of the Republic of Armenia in international markets and promoting territorial development.

No	Name of Sub-programme
1.	Establishing and expanding industrial zones in the marzes of the Republic of Armenia
2.	Improving the business environment, tax and regulatory reforms
3.	Promotion of strategic investments and development of industrial infrastructures in the marzes of the Republic of Armenia
4.	Developed industry and industrial processing

94. Entrepreneurship, promotion of SME development and innovation. The overall objective is to support the expansion of small and medium-sized

enterprises (SME), develop a viable entrepreneurial culture and promote innovation in strategic sectors through improved access to finances, markets, skills and infrastructures. The Programme will become the foundation for building a resilient, inclusive and knowledge-based economy, while incorporating also other sectors with economic potential and ensuring introduction of standards of developed countries at all stages of the production chain.

No	Name of Sub-programme
1.	Enhancing SME growth and competitiveness
2.	Development of entrepreneurial culture and capacities
3.	Digitisation of technical regulations
4.	Introduction of electronic accreditation system

95. Tourism development. The overall objective is to develop Armenia into an attractive, quality, secure, peaceful and competitive boutique tourist destination throughout the year by fully using the economic potential of tourism, contributing to the economic growth, supporting a greater number of people and communities to benefit from the sector developments, improving the image of Armenia as an attractive tourism country in the international market, popularising Armenia and Armenian tourism product for hospitality, cordial reception, security and reliability, improving tourism services and establishing a sustainable tourism sector. The tourism policy is based on harnessing the potential of the multi-faceted potential of Armenia through development of historical and cultural tourism, gastro-tourism (cuisine, wine and brandy), adventure tourism, sports (including winter sports) tourism, rural (agri) tourism and eco-tourism, medical and spa tourism, MICE tourism and religious tourism.

No	Name of Sub-programme
1.	Development of tourism infrastructures and promotion of new destinations
2.	Tourism diversification and regional development
3.	Economisation of culture and sports

96. Territorial economic development. The overall objective is to promote inclusive, balanced and sustainable economic development in all marzes of the Republic of Armenia by modernising territorial infrastructures, enhancing territorial economic resilience and building a pan-Armenian ecosystem of circular economy. The Programme is targeted at reducing structural disparities between marzes, increasing employment and productivity in non-agricultural sectors, improving delivery of local services and integrating green infrastructures and innovations into regional development planning processes. Targeted investments in the sectors of transport, digital connectivity, industrial zones and waste management will ensure that the Programme lays the foundations for strong local economies, ecological sustainability, and improved quality of life in all marzes.

No	Name of Sub-programme
1.	Territorial economic development and modernisation of local infrastructures
2.	Modernisation of waste management and building of circular economy

97. **"Crossroads of Peace" and multi**-modal transport connectivity. The overall objective is to restore Armenia's role as a regional transport hub under the "Crossroads of Peace" Initiative by ensuring the re-opening of the East-West and North-South transport corridors and regional integration. It combines railway, motor road and aviation infrastructures by promoting economic connectivity, transit potential and peace-based co-operation in the South Caucasus. The TRIPP Initiative is considered as a strategic pillar of Armenia's economic stability and regional mutual benefit.

No	Name of Sub-programme
1.	Restoration and integration of regional transportation networks (Crossroads of Peace/ TRIPP Initiative)
2.	Transformation of civil aviation

3.	Connectivity of transport hubs and modernisation of railway infrastructure
4.	Modernisation of road infrastructures and smart mobility

98. Modernisation of public administration. The overall objective is to ensure an efficient, transparent and citizen-centred state administration system by promoting digital transformation, reforms in the civil service and data-based decision-making, modernisation of administration tools and systemic development of education, professional skills and training of state and community servants. The Programme provides foundations for establishing an up-to-date, responsible and inclusive governance system that meets the challenges of the 21st century and the needs of the citizens.

No	Name of Sub-programme
1.	Transformation of digital governance
2.	Reforms in civil service, including introduction of new procedures for engaging specialists (fast track, fellowship, etc.)
3.	Decentralisation and strengthening of territorial administration
4.	Development of national spatial data infrastructure and geoportal

99. Fight against corruption and transparency. The overall objective is to strengthen the anti-corruption institutional system of the Republic of Armenia by establishing an efficient and reliable governance environment based on prevention, counter-action and integrity. The Programme aims to strengthen the institutional capacities of anti-corruption bodies, increase public trust, and ensure that integrity principles are established at all levels of state administration.

No	Name of Sub-programme
1.	Development of anti-corruption education and awareness-raising, strengthening of the institutional system
2.	Enhancing public accountability and transparency
3.	Public service integrity system and observance of the integrity requirements for public servants

100. Reforms in the judicial and legal system. The overall objective is to ensure the rule of law and ongoing modernisation of the justice system, while defining a unified justice standard that will ensure a high level of quality, independence, accountability, accessibility and foreseeability of judicial processes. This standard should become a comprehensive guide for the operation of the judicial system by strengthening the trust of citizens and institutional foundations of the statehood.

No	Name of Sub-programme
1.	Judicial independence and efficiency
2.	Modernisation of the legal framework
3.	Development of alternative dispute resolution (ADR) mechanisms

101. Development of institutional capacities. The overall objective is to enhance the efficiency of state institutions, improve the quality of development and implementation of policies, continuously professionalise state and community administration, as well as ensure transparent and result-based management of public assets by creating a clear, competitive environment for the economy that inspires investment confidence.

No	Name of Sub-programme
1.	Efficiency of public administration
2.	Reforms in state asset management

102. Digital transformation and artificial intelligence. The overall objective is to ensure positioning of open and high-quality data as public wealth; this is the idea that underlies building of a digital society and economy. This approach aims to empower the citizens of Armenia to continuously improve their life and well-being, create opportunities to enhance private business competitiveness, ensure efficiency and good governance in public institutions and promote the development and dissemination of personalised information technology solutions aimed at the needs of the citizens.

No	Name of Sub-programme
1.	AI-supported public services and administration
2.	AI-guided public policy and development of smart communities
3.	Cyber-security and data management

103. Industrial digitisation and AI-driven innovation. The overall objective is to enhance industrial competitiveness and promote economic growth in leading sectors (industry, trade, agriculture, healthcare, finances) through integration of the artificial intelligence (AI) and digital technologies. The Programme aims to transform the systems of productivity, quality and innovation by shifting to high value-added production and services.

No	Name of Sub-programme
1.	AI and digital transformation in the leading sectors of economy, including NVIDIA–Firebird AI Fabric Project
2.	Digital transformation of SMEs and automatisation of processes
3.	Ensuring digital infrastructure for Industry 4.0

104. Digital skills, human capital development and an innovative ecosystem. The overall objective is to build a knowledge-based economy by preparing, engaging and retaining digital and AI sector next-generation specialists, developing universal digital literacy and promoting innovative culture based on start-ups and research and development institutions.

No	Name of Sub-programme
1.	State programme for digital education and AI training
2.	Innovative hubs and technoparks for digital start-ups

105. Ensuring energy security and sustainable development. The overall objective is to transform the energy system of Armenia by making it secure, flexible and decarbonised while diversifying the energy sources, accelerating the deployment

of renewable energy and hybrid storage solutions, improving energy efficiency in buildings and infrastructures and modernising regulatory and institutional systems. The Programme is also aimed at reducing dependence on import of fossil fuels, strengthening the role of Armenia in regional energy markets, as well as aligning the sector with the EU market and climate standards. Investments will be made in strategic planning, smart energy-saving technologies and workforce development to ensure fair and comprehensive transition. The Programme will be implemented through a combination of state investments, private capital, as well as public-private partnership tool-kits, particularly in the sectors of renewable energy, energy storage and energy-efficiency.

No	Name of Sub-programme
1.	Sub-sector of strategic planning (high-level interventions)
2.	Sub-sector of institutional and technical capacities (operational and implementation tools)
3.	Legal and regulatory reforms to ensure energy resilience
4.	Development of nuclear energy as a foundation for sustainable energy future of Armenia
5.	Expanding integrated renewable energy and storage solutions
6.	Energy-saving and smart buildings programme
7.	Electric mobility development programme
8.	Upgrading and regulation of carbon-based fuel resources
9.	Innovation, education and personnel development for green energy transition

106. Sustainable development of agriculture and food security The overall objective is to ensure sustainable development of agriculture and food security of Armenia through efficient use of land and water resources, promotion of intensive development of crop production and animal farming, processing of agricultural products and modernisation of logistic infrastructures, development of the whole agricultural value chain by consolidating small and medium-sized farming households. Bringing the food safety and quality into compliance with international standards is also of important significance, which would allow strengthening domestic supply, improve competitiveness and enhance export opportunities both in the regional and global markets.

No	Name of Sub-programme
1.	Development of land market, land consolidation
2.	Development of intensive crop production
3.	Increasing effectiveness of cereal crop production
4.	Development of intensive livestock farming
5.	Development of value chains through processing, logistics and market access
6.	Integration of small producers and reduction of food insecurity risks
7.	Improvement of irrigation systems and water resource management
8.	Strengthening of food safety and institutional capacities

107. Environmental protection and sustainable use of natural resources. The overall objective is to ensure conservation, restoration and sustainable management of the natural environment of Armenia through coordinated actions aimed at improving the water and air quality, reversing land degradation, restoring forest ecosystems, as well as modernising industrial and other waste management. The Programme simultaneously responds to both historical environmental crises and current threats by applying science-based, technological and participatory solutions. The Programme focuses, in particular, on high-risk areas, including restoring the ecosystem of Lake Sevan, conserving groundwater resources of the Ararat artesian basins, cleaning up “Nairit Plant” Chemical Complex, and ecological redevelopment of abandoned mines. The Programme promotes Armenia’s adaptation and investment in strategies aimed at mitigation of effects of global climate change, contributing to ecosystem resilience, public health and green economic development in line with international commitments of the Republic of Armenia (CEPA, Paris Agreement).

No	Name of Sub-programme
1.	Conservation and restoration of Lake Sevan
2.	National Clean Air Initiative
3.	Processing of industrial waste and clean production
4.	Programme for afforestation and restoration and conservation of natural ecosystems
5.	Land protection, restoration and sustainable management

6.	Water reforms, climate-resilient and water-saving management initiative
7.	National Biodiversity Strategy and Action Plan

108. Transformation of the financial system and inclusive growth. The overall objective is in-depth transformation of the financial system by ensuring market deepening and modernisation, expanding access to financial services, and diversifying investment instruments, aimed at fostering inclusive economic growth, promoting productive investments and increasing long-term resilience of the economy.

No	Name of Sub-programme
1.	Financial stability
2.	Digital financial services and promotion of financial inclusion
3.	Development of the capital market and expansion of investment instruments
4.	Targeted government bond programme
5.	Engaging institutional investors
6.	Digital payments and blockchain integration
7.	Development of the fintech and start-up ecosystem

109. Cross-Cutting Pillars. The overall objective is to ensure that programmes are developed and implemented with a unified state logic as a single integrated system where main priorities and values guide all policies, ensuring coherence, consistency and long-term effectiveness:

(1) Security, stability, and dual-use industry;

(2) AI, robotics and digital transformation;

(3) Sustainable development of Armenia-Diaspora Partnership.

Table: Global benchmarking indices

No	Index	Target 2030/2031
1.	Sovereign Credit Ratings Fitch Ratings Moody's Investors Service S&P Global Ratings	 BBB Baa2 BBB
2.	Human Development Index (HDI)	Among the top 20-30 % of countries
3.	Global Peace Index	
4.	Worldwide Governance Indicators (including the Rule of Law Subindicator)	
5.	Corruption Perception Index	
6.	Business Ready (B-Ready) Index	
7.	Global Innovation Index (GII)	

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OFFICE OF THE PRIME MINISTER
OF THE REPUBLIC OF ARMENIA A. HARUTYUNYAN

9 January 2026

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BY ELECTRONIC SIGNATURE