

FACTS AND FIGURES ABOUT EU-ARMENIA RELATIONS



June, 2021

Published on CEPA entry-into-force

Relations between the European Union and the Republic of Armenia are based on the **Comprehensive and Enhanced Partnership Agreement (CEPA)**, a modern, ambitious Agreement, which was signed on 24 November 2017 and entered into **full force on 1 March 2021**. This Agreement provides a framework for Armenia and the EU to work together to advance mutual interests in the areas of strengthening democracy, the rule of law and human rights, creating more jobs and business opportunities, fairer rules, more safety and security, a cleaner environment, and better education and opportunities for research.

The EU is a key reform partner in Armenia. The EU has stepped up its support and almost doubled its annual allocation in grants to €65 million annually in 2019 and 2020. Its current substantial portfolio focuses on supporting the government's reform agenda, private sector development, human capital, and development of focal regions. In addition, since 2014, more than €1 billion in the form of blended loans and grants has been invested in the energy, agriculture and transport sectors.

ECONOMY

- ✓ The EU continues to be Armenia's **key export and import market** and one of the largest sources of net flow of Foreign Direct Investment into the Armenian economy. Companies with capital from EU Member States are among the largest taxpayers, investors and employers in Armenia.
- ✓ Armenian exporters continue to benefit from the trade preference offered by the EU under the GSP+. **Armenian exports to the EU under GSP+ increased** from €108 million in 2016 to €197 million in 2019.
- ✓ The EU provides Armenian companies with access to knowledge and finance, as well as export support to new markets, including through the EU4Business initiative. Since 2009, the €40 million of funds invested by the European Union have triggered additional loans of over €450 million and additional financial assistance; this benefitted **25,000 SMEs** and created over **3,200 new jobs**.
- ✓ The EU supports the development of sustainable, innovative and market-driven agribusinesses, through the **Green Agriculture Initiative in Armenia** to accelerate transition to a sustainable food system.
- ✓ The EU supports the **tourism industry** in several regions across Armenia. The Tourism Innovation Academy, Dilijan Tourist Information Centre, and Arts and Crafts Centres were established, 11 hiking trails in the Dilijan National Park and 300 km of trails in Syunik, Gegharkunik and Vayots Dzor were marked and mapped, destination branding for Chambarak was developed, a tourism information centre at the historic Areni-1 Cave and a cross-country skiing centre in Ashotsk were established, all with EU support. These projects created over 100 jobs for the local population and supported over 300 local SMEs. In 2020, 30 tourism enterprises received support to tackle the impact of the COVID-19 pandemic.
- ✓ The EU-funded pilot programme 'EU4Regions: support to Regional Development in Armenia' **supported regional and local economic development**, creating 460 new jobs and increasing the competitiveness of over 700 companies. Tailored support was also provided to 2,800 individuals to improve their employability.
- ✓ The EU is supporting **better access to inclusive and early childcare and education** in rural areas, allowing children to prepare better for primary school, and enabling mothers and families to continue further education, pursue employment, and participate in community affairs, and other skills-related or income-generating trainings and grant-competition schemes.

GOVERNANCE

- ✓ The EU supports **democratic governance** reforms in Armenia, the rule of law, the promotion and protection of human rights and fundamental freedoms, including measures to support the better integration of groups and individuals in a vulnerable situation, and anti-discrimination efforts.
- ✓ The EU supports the transparency and integrity of the electoral system in Armenia, and is the largest single contributor in this field. Almost €2.5 million of EU funds have helped to curb voter intimidation and electoral fraud, to enhance civic participation, and to boost domestic observation actions in the last two parliamentary elections.
- ✓ Through the EU-Armenia **justice policy dialogue**, the EU supports judiciary reforms in line with European standards, in particular through supporting the implementation of a **comprehensive justice reform strategy**, thereby enhancing the independence, accountability and efficiency of the judiciary, and improving judicial infrastructure, including developing and introducing e-justice tools.
- ✓ The EU supports the Armenian government in its efforts to **fight corruption** through assisting with the implementation of the government's anti-corruption strategy, as well as civil society initiatives that promote access to information, transparency and accountability, and monitoring of the government's anti-corruption efforts.
- ✓ The EU supports the government's efforts to advance **police reform**.

ENVIRONMENT AND CONNECTIVITY

- ✓ The EU is funding better **energy exchange and transit** between Armenia and Georgia, in part by linking Armenia to the regional power grid.
- ✓ Border checkpoints on the Armenian-Georgian border were rebuilt and provided with modern infrastructure and equipment and simplified procedures and a **modern border management system** were introduced. The EU supports the modernisation of the Armenia-Iran border crossing point in Meghri. It will help Armenia become a regional hub, facilitating mobility and enhancing regional economic activity, and will improve Armenia's regional and international connectivity.
- ✓ The EU supports the **Sisian-Kajaran Road Project**, which will enhance connectivity in Armenia and develop the main transport route between Georgia, Armenia and Iran.
- ✓ Once in force, the **EU-Armenia Air Transport Agreement** will pave the way for a greater exchange of travellers, lower airfares, and new business opportunities.
- ✓ With the help of EU funds, a **Laboratory of the Environmental Monitoring and Information Centre (EMIC)** was renovated in Yerevan. The laboratory now includes state-of-the-art analytical equipment to monitor water quality, marking a major step towards the integrated management of water resources, and supporting the **approximation to the EU Water Framework Directive**.
- ✓ The EU supports the environmental protection of **Lake Sevan**, and to this end is implementing the EU4Sevan project, aiming to improve the overall governance system regulating the ecosystem management and sustainable use.

SOCIETY

- ✓ The EU-Armenia **Visa Facilitation and Readmission Agreements**, in force since 2014, are making Schengen visa applications for Armenians easier, quicker, and cheaper.
- ✓ The EU has been supporting efforts to strengthen **gender equality** in Armenia, including the reduction of worrying sex-selective abortion rates, prevention of gender-based violence, and supporting the political and economic empowerment of girls and women.
- ✓ The EU has funded innovative **civil society** initiatives and social enterprises that have supported community and initiative groups across the country, including several accountability, youth, environmental, education, and health initiatives.
- ✓ New employment initiatives for **people with disabilities** and their parents have also been developed. For the first time, people with disabilities were integrated in domestic election observation missions in the December 2018 elections. With EU support, the Aregak Bakery in Gyumri became the first bakery in Armenia run by people with disabilities.
- ✓ Under **Erasmus+** (2014-2020), more than 3,100 students and academic staff from Armenia have studied or taught in Europe, and 1,650 Europeans went to Armenia. In addition, over 10,000 young people and youth workers took part in short-term exchanges, mobility, training and volunteering projects.
- ✓ Over 570 Armenian schools and almost 1,900 teachers have participated in the **eTwinning Plus** platform to increase cooperation through the use of online tools.
- ✓ The EU contributes to the improvement of **STEM education** in the pilot region of Armenia through the "EU4Innovation STEM Pilot Activities" project.
- ✓ The EU is supporting **efforts to curb hate speech and disinformation**. It is also supporting independent media in adapting their strategies towards 21st century media challenges.

EU STANDS BY ARMENIA DURING THE COVID-19 PANDEMIC

The EU reacted fast and responded to the urgent needs of countries in the Eastern Partnership during the COVID-19 pandemic. As part of Team Europe, the EU has mobilised an ambitious support package totalling over **€1 billion** to help tackle immediate needs, such as support to the health sector and vulnerable communities, as well as short-term needs to support the social and economic recovery of the six countries.

As part of this, a tailor-made COVID-19 response package for Armenia worth over **€92 million** was mobilised using a mix of existing and new funds to deliver concrete support to people. This includes €65 million in direct budget support already disbursed, access to finance facilities for SMEs, and community-support initiatives designed and implemented by civil society organisations.

✓ SUPPORT TO THE HEALTH SECTOR AND EMERGENCY NEEDS:

- The EU is one of the strongest supporters of COVAX, the best vehicle to ensure fair and equitable access to vaccines, and it also works together with the WHO to provide critical assistance to ensure local readiness and preparedness for safe and effective vaccination, including in Armenia.
- Working with the WHO to supply medical devices and personal protection equipment, such as testing kits, masks, gloves, goggles, safety suits, and gowns. Training of medical and laboratory staff.
- A roadmap on the introduction of a single eHealth System for the public healthcare sector has been adopted – six eHealth registries and portals are already operational.
- Support to the Ministry of Emergency Situations in partnership with the Swedish and Lithuanian civilian protection agencies to improve civil protection and disaster risk management.

✓ SUPPORT TO CIVIL SOCIETY AND VULNERABLE GROUPS:

- Emergency grants to support vulnerable citizens, the elderly and children.
- Distance learning tool for over 350 children in isolated communities, ensuring equal access to education.
- Grants to promote social change and inclusive, sustainable development in Armenia.
- A SafeYou App for women and children at risk of domestic violence to reach out to support centres and hotlines without making calls was further refined and tested with EU support.

✓ SUPPORT TO SMEs:

- SMEs and the self-employed can access grants, loans and business advice to withstand the crisis through the EU4Business Initiative.
- The EU offered a series of free online trainings to help over 1,000 Armenian SMEs develop new digital approaches for their businesses.
- A new online sales platform is being developed to allow souvenir and craft producers and other micro entrepreneurs to market and sell their products.

✓ SUPPORT TO FISCAL RESILIENCE:

- Increased financial support to Armenia's national administration to: build resilience of the health system with the necessary tools to deal with the COVID-19 outbreak and similar future shocks; ensure Armenians have access to social support to cope with the negative effects of the COVID-19 outbreak; and support the economic recovery of businesses.

IN FOCUS:

examples of what has already been delivered

Over

3,000

vulnerable households, including the elderly people, people with disabilities and large families in Shirak, Tavush and Lori regions, received humanitarian aid packages.

Personal protective equipment

including

6,000 gloves,

2,300 medical masks,

70 litres of sanitising gel and

5 non-contact infrared thermometers

provided to the Human Rights Defender's Office to facilitate safe and uninterrupted work and interaction with citizens.

EU-supported

3D printing company

AugmentAR, has produced over

4,000 masks

and **glasses** and donated them to

50 hospitals.

The success has clearly inspired the company's employees: they are now working on designing files to print out artificial respiration devices.

EU4Youth is supporting Armenian start-ups with

online advice

to help them get their businesses up and running despite the COVID-19 pandemic. Arevshat Garibyan, a young entrepreneur from Armenia, received support to set up his food processing business, adjust to new staff safety requirements, and has successfully managed to keep production running despite the COVID-19 pandemic.

IN FIGURES:

Total bilateral trade between the EU and Armenia has been increasing over the last 10 years, reaching over

€1.2 billion

in 2019.

The EU supports many **Armenian local businesses**

such as the Mountain Goods and Holani tea, honey and dried fruit brands, the Clean Goris circular economy initiative of turning plastic bottles into plastic bags, an essential oil production, the Tonir Wedding Village business and ARK Ecological camps.

Thanks to EU support, the **Yerevan Metro**

has been provided with modern carriages, safer metro operations were secured, and substantial energy savings made.

7,000

households receive support for energy efficiency renovation.

BOOSTING RESEARCH AND INNOVATION

Armenia is associated to Horizon 2020, the EU's leading research and innovation programme, since 2016. This was an important milestone in the field of research and innovation cooperation with the EU. Armenian research institutes, universities, and individual researchers, as well as businesses, now have access to opportunities, from fundamental science to demonstration projects, on an equal footing with researchers from EU Member States. Armenian entities have participated 42 times to 34 signed grants of collaborative Marie Skłodowska-Curie actions (MSCA), European Research Council (ERC) grants, and SME Instrument actions of Horizon 2020, receiving €3.6 million of direct EU contribution. Armenia's top Horizon 2020 performance is in Research Infrastructures, Innovation in SME, and MSCA.

E-CHAMPIONS

The EU is the main promoter of e-governance in Armenia. To date, EU support includes the introduction of an electronic document-management system known as "Mulberry" (paperless ministry concept) in Armenian government institutions; an e-system for submitting tax statements; an electronic civil status registry, a one-stop-shop vehicle registration system, an automated driver's licence issuing system, online "e-police", e-Citizen portal www.e-citizen.am, e-visa system, e-apostille system, e-notary, e-draft (draft legal acts discussion platform), "e-request.am" on-Line Interactive Portal to enable requests, complaints or suggestions to the government, and an online business registry. Furthermore, an ongoing project is developing a single interoperability platform for the services provided by the government, and establishes a single window for all state border crossing points.

The EU also supports the identification of top e-services, mapping and developing the catalogue of services for at least 35 key digital services. An inventory of the current Armenian digital resources will be made, and the current registers, digital datasets and information systems will be assessed with the goal to make architectural separation of the back-office and front-office services. Business processes of at least 35 services will be redesigned based on this architectural concept, and measures to increase e-identity take-up and usage will be developed.

Finally, a recently started project aims to provide a "front desk" to the Governmental Interoperability Platform (GIP), enabling citizens and businesses to receive more services online.