

Development Cooperation Strategy for Armenia 2022–2025

Armenia situation analysis

Armenia is one of the priority countries on Lithuania's development cooperation agenda. Lithuania's support to the country is dedicated to the implementation of the provisions of the European Union–Armenia Comprehensive and Enhanced Partnership Agreement (CEPA), the continuation of reforms and the country's rapprochement with the EU.

After the successful 2018–2019 period, the country was expected to make an economic, political and social breakthrough, but the pandemic caused by the spread of the COVID-19 virus and the defeat of the second Nagorno-Karabakh war in 2020 changed the situation radically.

Armenia's economic situation deteriorated significantly in 2020, with a 7.6 % decline in GDP to USD 4,297 per capita. The deteriorating situation led to an increase in the country's external debt. After being classified by the World Bank as an upper-middle-income country for three consecutive years, Armenia will lose its GSP+ preferences from 1 January 2022. Without the full support of the international community, it will be difficult for Armenia to overcome such a deep crisis on its own. Armenian civil society organisations are experiencing a state of uncertainty due to the highly unstable political situation in the country and the constant accusations against them, as well as the anti Western rhetoric that opposition political forces continuously incite. The conditions for media freedom are sufficient in the country, but donor support is important for strengthening independent media.

Activities of international donors in the country, in particular the EU

Since the Velvet Revolution, Armenia has witnessed a significant increase in support from international donors, primarily focused on the implementation of democratic reforms. The EU, USAID, UNDP, WFP, the World Bank, Japan, Sweden (opened a SIDA office), Germany (GIZ), the UK, and France remain active in Armenia.

The EU's activities in Armenia are governed by the CEPA agreement, which entered into force on 1 March 2021. In the period 2021–2027, the EU will focus on reforms of the justice system and the police, the fight against corruption, capacity building of civil society organisations, protection of human rights, ensuring equal opportunities, implementation of public administration reform, support to business (especially small and medium-sized enterprises), reform of the education sector (mainly by promoting vocational training, social and labour sector development), protection of the environment (by promoting the use of clean energy sources). The EU's planning in Armenia is influenced by the need to address the consequences of the war in Nagorno-Karabakh.

USAID has adopted a development cooperation strategy for 2020–2025, which focuses on two main directions: 1) to advocate for Armenia's democratic transformation: support democratic reforms; strengthen the capacity of the government, civil society and citizens to build the rule of law, political representation and competition; strengthen independent media by engaging citizens; and ensure the participation of youth, women and other traditionally marginalized social groups in the governance of the state; (2) to strengthen the economic security and participation of the population in the economy; promote the development of sectors with growth potential; support the development of a competitive labor market; and the liberalization of the energy market. USAID is also contributing to the Nagorno-Karabakh war response efforts (the main focus and challenge is the rehousing and social integration of displaced persons in Armenia).

Needs of the partner country

Armenia's most urgent needs now are to contain the COVID-19 pandemic and mitigate the consequences of the Nagorno-Karabakh war. The focus is shifting from immediate humanitarian assistance to medium- to long-term programmes, focusing on the socio-economic integration of those who have fled Armenia. The Armenian government is working to strengthen the capacity of local organisations to receive and absorb aid and to shelter the homeless.

Potential niches for Lithuania's contribution (partnership): the needs of the partner country or society, activities of other donors; and opportunities for engagement of the Lithuanian public sector, NGOs and business

In line with the EU Development Cooperation Guidelines and programmes, it is in Lithuania's interest to support the EU's active influence in Armenia and to continue the transfer of reform experience (mainly in the areas of judicial and police reform, anti-corruption, constitutional reform, strategic communication, health, environment and climate change, renewable energy development, waste sorting, transport safety, civil aviation, and digitisation).

Possible niches for Lithuania's activities in relation to Armenia's needs:

- In the area of public services, it would be useful for Lithuanian experts to participate in digitisation initiatives – in the implementation of registers, general authorisations, building permit systems, enabling digitisation tools, and introducing financial technologies;
- Equal opportunities and women's empowerment: support projects for the social integration and vocational retraining of displaced women and girls, most notably in digitisation projects; projects related to the implementation of the WPS (*Women, Peace and Security*) agenda;
- Involvement of Lithuanian experts as high-level advisors in the implementation of CEPA; targeted use of the EU Twinning and TAIEX programmes with the aim of involving Lithuanian experts in the implementation of Armenia's reforms in various sectors.

Content and objectives of Lithuania's development cooperation activities

Lithuania is implementing projects on safe transport, environmental protection (waste sorting, green spaces, renewable energy), strategic communication and combating disinformation, which it plans to continue and deepen in 2022–2025. During the COVID-19 pandemic, close cooperation in the health sector was established.

Development of a safe transport system. In Armenia, Lithuania's expertise will be transferred from 2020 onwards to help ensure the development of a safe transport system, which is also a major focus of the CEPA agreement. The transfer of experience needs to continue, focusing on the road safety and civil aviation segments.

Environmental protection (waste sorting, green spaces, renewable energy). The transfer of the Lithuanian deposit system model was discussed with the Armenian Ministry of Environment. The feasibility study on the introduction of a deposit system in Armenia prepared within the framework of the UNEP project and presented in Yerevan in May 2021 is largely based on the Lithuanian example. In 2021, the Environmental Project Management Agency (EPA) launched the development cooperation project "Establishing a sustainable management system for glass and plastic waste", which is in line with the objective of developing this sector.

The Embassy of Lithuania in Armenia has consistently supported projects in the field of waste segregation and contributed to the restoration of Armenia's green spaces with funds from the Development Cooperation and Democracy Promotion (DCDP) Programme of the Ministry of Foreign Affairs.

The Climate Change Fund, administered by the Ministry of the Environment, has been used to implement projects to install solar panels in two Armenian schools (eight Armenian educational institutions will have benefited from this support in 2021).

Strategic communication and the fight against disinformation. Strategic communication is an essential element in sustaining democratic reforms, preventing falsehoods and providing objective information on political processes. Disinformation is clearly on the rise and there is a lack of “common sense” debate. The most pressing problem at the moment are TV channels and internet portals owned by the members of the former regime or forces linked to them. The current government's social media outreach is active but insufficient. Information warfare against the country's democratic institutions has intensified.

The projects funded by the Ministry of Foreign Affairs' DCDP Programme to combat disinformation, journalistic literacy and civil society strengthening initiatives are effective but insufficient.

Between 2010 and 2020, Lithuanian institutions in Armenia won 4 EU Twinning project selections in the areas of civil protection (2019 SE), customs control (2011 FI), protection of consumer rights (2011 UK), and capacity building of the competition authority (2010 DE).

Strategic objectives and policy directions for Lithuania's development cooperation in Armenia for 2022–2025 (up to 3 directions)

Lithuania's strategic objectives for development cooperation are based on Armenia's needs, the Programme of the Government of the Republic of Lithuania and the EU's Neighbourhood Policy priorities.

The key principles are as follows: 1) to increase targeted support for Euro-integration and the development of democracy and freedom in the EU neighbourhood; 2) to reduce fragmentation of development cooperation and to build on long-term objectives; 3) to take into account the EC *Team Europe* principles in the planning of activities; 4) to prioritise specific changes in targeted areas where the added value of Lithuania's experience from the transition period is evident; 5) to share public sector expertise; 6) to maintain coherence and targeting of bilateral interventions; 7) to actively use existing development cooperation instruments such as EU Twinning projects and delegated cooperation in EU projects; 8) to apply in parallel the provisions of the EU's Gender Equality Action Plan (GEAP III); 9) to apply in parallel the EU's Green Deal, promoting the sustainable use of natural assets, recycling and the use of recycled materials.

The sectoral priorities of Lithuania's development cooperation strategy in Armenia are as follows:

STRATEGIC PRIORITY 1: STRENGTHENING ARMENIA'S ADMINISTRATIVE AND INSTITUTIONAL CAPACITY IN IMPLEMENTING REFORMS RELATED TO THE EU-ARMENIA AGREEMENT FOR A GENERAL AND MORE TRANSPARENT PARTNERSHIP, TRANSFERRING EXPERIENCE IN THE AREA OF PUBLIC SECTOR REFORMS

Objective: To contribute to the implementation of the EU–Armenia Comprehensive, Strong Partnership Agreement and the necessary reforms, and to strengthen the administrative capacity of public institutions.

Activities: 1) to exchange knowledge and experience in optimising the public sector, bringing it closer to EU standards; 2) to harmonise the transport legislation, ensuring the development of a safe transport system, focusing on road safety and civil aviation segments; 3) to provide support for rule of law reforms (reform of the justice sector, modernisation of the police, customs, civil service, and protection of consumers’ rights); 4) to provide support for the fight against climate change; 5) to implement infrastructure, provide public education and restore Armenia’s green spaces in cooperation with Armenian authorities, private sector (producers, importers) and NGOs; 6) to exchange experience in areas of public services that are in line with Armenia’s reform priorities, e.g. in the health sector.

STRATEGIC PRIORITY 2: STRENGTHENING SUPPORT FOR DEMOCRATIC TRANSFORMATION, STRENGTHENING THE RESILIENCE OF SOCIETY TO DISINFORMATION, WITH AN EMPHASIS ON THE SOCIAL AND CRISIS RESILIENCE DIMENSIONS

Objective: To involve civil society in governance and reform processes, participatory democracy, the fight against corruption, the promotion of the rule of law, support independent media and the capacity of leaders to communicate strategically. It is also sought to instil European values and a sense of freedom in young people.

Activities: 1) to exchange knowledge and experience in optimising the public sector, bringing it closer to EU standards; 2) to provide support for cooperation projects between non-governmental organisations; 3) to provide support for large-scale regional projects and programmes aimed at improving journalists’ literacy and strengthening civil society’s resilience to disinformation; 4) to strengthen the Government’s strategic communication; 5) to involve the public broadcaster LRT, which offers quality, meaningful content on TV, radio and news portals, in the transmission of the Armenian experience in shaping public opinion and creating an objective field of information.

STRATEGIC PRIORITY 3: DEVELOPING GENDER EQUALITY

Objective: To continue and develop projects that mainstream gender equality in development, as foreseen in the Law on Development Cooperation and Humanitarian Aid, EU Gender Equality Action Plan III 2021–2025 and UN Resolution 1325.

Activities: 1) to provide support for projects for the rehabilitation and integration of war-affected families, women and girls; 2) to ensure women’s participation in peace implementation measures; 3) to provide support for projects for women’s professional careers, skills development, retraining, thus breaking gender stereotypes, opening up wider opportunities for equal pay for identical work, and ensuring a reliable source of living, especially in the Armenian regions.