SDG IMPLEMENTATION
VOLUNTARY NATIONAL REVIEW (VNR)
ARMENIA

9-18 July 2018
Transformation Towards Sustainable and Resilient Societies
Report for the UN High-level Political Forum on Sustainable Development

Yerevan 2018
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### Abbreviations

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<th>Acronym</th>
<th>Full Form</th>
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<tr>
<td>AIDS</td>
<td>Acquired immunodeficiency syndrome</td>
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<td>AMD</td>
<td>Armenian Dram</td>
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<td>ADS</td>
<td>Armenia Development Strategy</td>
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<td>CEO</td>
<td>Chief Executive Officer</td>
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<td>CIS</td>
<td>Commonwealth of Independent States</td>
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<td>CSI</td>
<td>Center for Strategic Initiatives of the Republic of Armenia</td>
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<td>CSO</td>
<td>Civil Society Organization</td>
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<td>DHS</td>
<td>Demographic and Health Survey</td>
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<td>EBRD</td>
<td>European Bank for Reconstruction and Development</td>
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<td>EECA</td>
<td>East Europe and Central Asia</td>
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<td>EEU</td>
<td>Eurasian Economic Union</td>
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<td>EIA</td>
<td>Environmental Impact Assessment</td>
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<td>EMIC</td>
<td>Environmental Impact Monitoring Center of the Republic of Armenia</td>
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<td>ENOC</td>
<td>European Network of Ombudspersons for Children</td>
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<td>EU</td>
<td>European Union</td>
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<td>FAO</td>
<td>Food and Agriculture Organization of the UN</td>
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<td>GiZ</td>
<td>German Corporation for International Cooperation</td>
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<td>GoA</td>
<td>Government of Armenia</td>
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<td>GDP</td>
<td>Gross Domestic Product</td>
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<td>HIV</td>
<td>Human immunodeficiency virus</td>
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<td>HIV/AIDS</td>
<td>Human immunodeficiency virus/ Acquired immunodeficiency syndrome</td>
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<td>HRDO</td>
<td>Human Rights Defender (Ombudsman)</td>
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<td>ICT</td>
<td>Information and communications technologies</td>
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<td>IFAD</td>
<td>International Fund for Agricultural Development</td>
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<td>ILCS</td>
<td>Integrated Living Conditions Survey</td>
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<td>ILO</td>
<td>International Labor Organization</td>
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<td>IOM</td>
<td>International Organization for Migration</td>
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<td>IMF</td>
<td>International Monetary Fund</td>
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<td>MDG</td>
<td>Millennium Development Goal</td>
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<tr>
<td>MMR</td>
<td>Measles, Mumps and Rubella diseases</td>
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# Abbreviations

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
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<tr>
<td>MOH</td>
<td>Ministry of Health of the Republic of Armenia</td>
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<td>NEAP</td>
<td>National Environmental Action Program</td>
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<td>SCA</td>
<td>Statistical Committee of the Republic of Armenia</td>
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<td>ODP</td>
<td>Ozone Depletion Potential</td>
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<td>OECD</td>
<td>Organization for European Cooperation and Development</td>
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<td>OPCAT</td>
<td>Optional Protocol to the Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment</td>
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<td>PPP</td>
<td>Purchasing power parity</td>
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<td>RA</td>
<td>Republic of Armenia</td>
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<td>SCP</td>
<td>Sustainable Consumption and Production</td>
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<td>SDI</td>
<td>Sustainable Development Indicators</td>
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<td>SDG</td>
<td>Sustainable Development Goal</td>
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<td>SDP</td>
<td>Statistics for Development program</td>
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<td>SEA</td>
<td>Strategic Environmental Assessment</td>
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<td>SEIS</td>
<td>Shared Environment Information System</td>
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<td>SIDA</td>
<td>Swedish International Development Agency</td>
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<td>SRH</td>
<td>Sexual and reproductive health</td>
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<tr>
<td>STEM</td>
<td>Science, technology, engineering and mathematics</td>
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<tr>
<td>TFSD</td>
<td>Task Force on Measuring Sustainable Development under OECD</td>
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<td>UNECE</td>
<td>United Nations Economic Commission for Europe</td>
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<td>UNEP</td>
<td>United Nations Environment Program</td>
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<td>UNFCCC</td>
<td>United Nations Framework Convention on Climate Change</td>
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<td>UNFPA</td>
<td>United Nations Population Fund</td>
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<td>UNHCR</td>
<td>United Nations High Commissioner for Refugees</td>
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<td>UNIDO</td>
<td>United Nations Industrial Development Organization</td>
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<td>UNICEF</td>
<td>United Nations Children’s Fund</td>
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<td>USAID</td>
<td>United States Agency of International Development</td>
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<tr>
<td>USD</td>
<td>United States Dollar</td>
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<td>VNR</td>
<td>Voluntary National Report</td>
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<td>WHO</td>
<td>World Health Organization</td>
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In April-May 2018, Armenia experienced dramatic changes in its political system and life. A new Government came to power through a democratic and peaceful (non-violent) revolution and proclaimed the launch of wide ranging fundamental reforms. The Revolution marked a major step in Armenia’s history towards a more democratic society. It created a favorable atmosphere that gives fresh impetus to reforms and forward momentum for drastic transformations. The enhancement of democracy, efficient and effective governance, increased level of transparency and accountability in public governance, fight against corruption, free economic competition, protection of investors’ rights, rule of law and human rights are high priorities of the new Government. All in all, our aim is to achieve real changes in Armenia that will ensure freedom, happiness and prosperity of citizens.

We are confident that political transformations in Armenia will have positive effects on the process of implementation of the 2030 Sustainable Development Goals (SDG), since the 2030 Agenda is explicitly grounded in international human rights treaties, and the commitment to human rights is reflected in the general principle of non-discrimination and the aim to “leave no one behind”. In this regard, SDG implementation is considered to be an important instrument of internal reforms. It is a multi-dimensional and an all-embracing challenge. It can be effectively tackled only through collective and concerted action by all – the Government, international partners, private businesses, civil society organizations, households and every and each individual of the society.

With this understanding, Armenia started a participatory process of SDG nationalization and implementation in 2015, by forming a Post-2015 Task Force in collaboration with stakeholders and the international community. Armenia is in the process of designing Armenia Development Strategy (ADS), an overarching strategy document that will benefit from the SDG framework, which provides a comprehensive set of targets and indicators necessary for effective planning and monitoring of development objectives.

In this context, the voluntary national review (VNR) in Armenia was undertaken as a natural and necessary effort and step for pursuing the sustainable development agenda. The VNR is important both as a participatory process itself and as a measurement of the progress towards achieving SDGs. The VNR is a good chance for the Government to assess work done in the scope of the SDGs and shape opportunities for innovative and impactful solutions towards achieving the vision of “New Armenia” as we call it in Armenia.

As indicated by the VNR, Armenia has had mixed results in implementing the SDGs. In many areas, Armenia has made good progress towards achieving SDG targets such as: (i) health protection in terms of child and maternal health; (ii) access to safe and reliable water supply in urban and rural areas; (iii) improved sanitation in urban areas, (iv) universal access to reliable energy, (v) promotion of renewable energy, (vi) environmental protection, in terms of enlargement of protected areas and biodiversity. Yet, there are areas where Armenia has had slow or mixed progress. These include, particularly: (i) poverty, i.e. despite ending extreme poverty, about 30 percent of the population still lives under the national poverty line, (ii) education, due to high dropout rate from high school, (iii) gender equality, (iv) inefficient use of water, with over 50 percent loss of irrigation water, (v) environment, due to deforestation risks, land degradation; (vi) low access to sanitation in rural areas; (vii) inefficiencies in governance; (viii) lack of sustainable consumption and production (SCP) practices. The VNR helped to highlight also that there are still a number of key areas and SDG targets/indicators that are lacking effective monitoring and/or control. These are particularly the indicators related to community level actions or data, and to private businesses’ performance or
practices. Certainly, these are areas requiring multiplied Government efforts to bring positive changes.

Another key moment realized in the course of the VNR was the understanding that SDG implementation would be impossible without active and concerted participation and inclusive engagement of all public and private parties in the society, and the population at large. Moreover, it is evident that many SDG targets often require non-traditional innovative solutions, new approaches, new methodologies and sometimes even new types of institutions. This is especially relevant to the main topic of today’s high level political forum - transformation towards sustainable and resilient societies – where many targets such as SCP can be achieved through behavioral (cultural) change in the society in general, and not merely through Government policies.

With this understanding, the Government of Armenia and the United Nations established the Armenia National SDG Innovation Lab (SDG Lab) - an innovation platform to support the UN SDGs implementation at the country level. This is the first innovation model of its kind in the world, where the National Government and the UN are joining forces to establish a joint platform to support the acceleration and implementation of the SDGs in a country. The Lab is a space for experimentation, collaboration, analytics and world class human resource development, and is partnering with the leading innovation and technological centers of the world to bring in the best available expertise and experience to Armenia to boost SDG implementation. The National SDG Innovation Lab is to unlock Armenia’s development potential and accelerate the implementation of the SDGs. The National SDG Innovation Lab supports Armenia’s development strategy towards 2030 by: (i) focusing an SDG lens to Armenia’s development challenges, and (ii) identifying innovative, cross-cutting solutions through asymmetric, acupuncture interventions that give a disproportionately large positive output. (iii) bringing in Impact Investment, innovative means of financing the development such as through Social Impact Bonds and funding acceleration processes.

To facilitate and support the SDG implementation process, Armenia has already established a comprehensive National SDG Statistical Platform with support from the UN Office in Armenia. This good experience can serve as a basis for establishing the National SDG Platform for planning and monitoring the progress of the implementation of sustainable development activities in the country. The Statistical Platform uses internationally accepted standards and indicators for measuring sustainable development such as those suggested jointly by UNECE, Eurostat, and OECD.

Remarkably, the democratic and peaceful (non-violent) revolution itself was an inclusive and empowering decentralized process in Armenia. It was a process of changing mindset of citizens, helping them to become proactive and, at the same time, more responsible citizens. And now the Government has the duty to capitalize on the achievements of the Revolution and initiate, support and implement revolutionary changes in all dimensions of life - political, social, economic and cultural.

The fact that the VNR process coincided with the process of forming the new leadership in Armenia has set a strong momentum for multiplying SDG efforts and searching for new ways to accelerate SDG implementation. The VNR provided a clearer picture of the situation and added a sense of urgency, which, certainly, is a strong motivation to multiply our efforts with higher efficiency and effectiveness. The Government is committed and firmly determined to undertake comprehensive programs and measures that would have far reaching impact and contribute to the achievement of SDGs in Armenia.
HIGHLIGHTS
This section provides brief highlights about the economic, social and political context in Armenia, background of SDG nationalization and implementation process, as well as a brief discussion of the process and results of the VNR in Armenia.

The Context of VNR in Armenia

Brief economic and social highlights

Armenia is a lower-middle-income and landlocked country with population of 3 million and GDP per capita $3,872 in 2017. It is bordered by Azerbaijan, Georgia, Iran, and Turkey. Its borders with Azerbaijan and Turkey remain closed due to a hostile policy of blockade and isolation. This creates unfavorable conditions for sustainable development.

During the last decade, Armenia’s economy and society withstood two economic shocks due to the global financial crisis in 2008-2009, and the currency crisis in 2014-2015 in Russia, one of Armenia’s major trade/economic partners. The decline in GDP in 2009 was especially severe (14.1%) and was one of the deepest declines in the region (Figure 1).

Prudent monetary and economic policies allowed for recovery in relatively short periods. Food industry, IT, tourism services, mining products, textile and shoes, tobacco, fresh fruits and vegetables are most dynamically growing segments of the economy. Armenia continuously expands its involvement in international trade. Its export/GDP ratio has doubled since the financial crisis of 2008 and was about 18.6% in 2017 (Figure 2). However, Armenia’s export still remains resource intensive and concentrated in a few product groups: base metals, cut diamonds, food and beverages (canned and fresh food, brandy), and tobacco. The export-led industrial policy of Armenia aims at enhancing the competitiveness and
As a strong advocate for friendly relations, dialogue, inclusive and mutually beneficial cooperation, Armenia is making efforts towards the country’s economic and social development through constructive participation in regional and global economic cooperation. Armenia has been a member of the Eurasian Economic Union (EEU) since 2015, and recently signed the EU-Armenia Comprehensive and Enhanced Partnership Agreement (CEPA). This creates unique opportunities for Armenia to become an important regional platform for EEU market entry and for intra- and inter-regional cooperation. Armenia explores all possible avenues for its development through engagement in regional economic connectivity projects based on solidarity, transparency, equal and non-discriminatory partnerships and full respect for the interests of all stakeholders. Economic connectivity across dividing lines and closed borders promotes confidence and trust.

Highlight

Figure 2: Trade performance, Source: RA SCA

Figure 2: Public spending, Source: RA SCA

Development through cooperation and regional context

As a strong advocate for friendly relations, dialogue, inclusive and mutually beneficial cooperation, Armenia is making efforts towards the country’s economic and social development through constructive participation in regional and global economic cooperation. Armenia has been a member of the Eurasian Economic Union (EEU) since 2015, and recently signed the EU-Armenia Comprehensive and Enhanced Partnership Agreement (CEPA). This creates unique opportunities for Armenia to become an important regional platform for EEU market entry and for intra- and inter-regional cooperation. Armenia explores all possible avenues for its development through engagement in regional economic connectivity projects based on solidarity, transparency, equal and non-discriminatory partnerships and full respect for the interests of all stakeholders. Economic connectivity across dividing lines and closed borders promotes confidence and trust.

under the national poverty line ($3.3 per capita per day) This figure is even higher for children, who are more vulnerable to poverty than the total population (34.2% child poverty rate). Armenia ranked 84th among 188 countries in the UNDP’s Human Development Index (HDI), and 61st in the gender equality index.
Despite the abovementioned efforts and approach of the Republic of Armenia, the development of Armenia is severely hindered by the blockade imposed by Turkey. Since its independence, the closure of the borders by Turkey, has significantly affected the sustainable development potential of Armenia and negatively influenced the economy and living standards of the population of the Republic of Armenia.

Armenia is a landlocked developing country, whose access to the sea through a neighboring transit country has essentially been denied since 1993, when Turkey unilaterally closed its borders with Armenia, interrupting the transport and trade links between the two countries. To this day, over 82 percent of the length of Armenia’s border is closed, blocking all roads, rail lines and pipelines from Turkey into Armenia. Such measures are inconsistent with the principles of international law, including the Charter of the United Nations, and are contrary to the aims of the Convention on Transit Trade of Land-locked States, the United Nations Convention on the Law of the Sea and the norms of the multilateral trading system. The closed borders, which block Armenia’s access to the sea, significantly increase the costs of imports and exports, unduly inflicting a heavy burden upon Armenia’s economy, as well as businesses on both sides. According to the studies conducted by the World Bank, such measures, if lifted, would result in a 30 percent increase in Armenia’s gross domestic product in the short run.

The unilateral coercive measures imposed by Turkey on the landlocked neighboring Armenia have been detrimental to international economic cooperation and effective integration with multilateral trading blocs. Not only do such measures impede the establishment of good-neighbourly relations, a provision that is enshrined in the Charter of the United Nations and other international founding documents, but they also severely hamper transit communication routes and add to an essential infrastructure deficit. The closed borders have disrupted the operation of an existing inter-state railroad linking Armenia and Turkey (Gyumri-Kars). Furthermore, Turkey and Azerbaijan are investing billions of US dollars in regional infrastructure projects that circumvent Armenia, in pursuit of a continued policy of blockade. This hostile act further complicates the overall perplexed and fragile situation in the region. The ongoing trade and transport blockade directly contradicts the letter and spirit of Agenda 2030 such as Leaving No One Behind, and negatively affects the implementation of the sustainable development goals that, among other things, also requires regional cooperation.

VNR as a necessary step

SDG implementation efforts build on the experiences gained and the lessons learned during the implementation of the MDGs, and tries to address the issues and gaps remaining from MDG implementation. The results of and the lessons learned from MDG implementation were published in 2015 in the “Armenia MDG National Progress Report-2015”, prepared in collaboration with UNDP. The voluntary national review (VNR) in Armenia was undertaken as a natural and necessary effort and step for pursuing the sustainable development agenda. The VNR was important both as a participatory process itself and as a measurement of the progress towards achieving SDGs. The VNR helped to realize the magnitude of the SDG’s coverage and the complexity of their challenges. But, at the same time, the VNR helped also to see opportunities and possibilities of innovative solutions.
The VNR process in Armenia started at the end of 2017 and took about six months. The VNR process in Armenia was complex, as it was in many other countries, and involved a number of intertwined strands of activities or efforts that can be grouped as follows: (i) policy effort, (ii) data effort, (iii) institutional effort, and (iv) dialogue effort.

Constitutional reform and democratic processes

In 2017–2018, Armenia underwent a major political reform – change of Constitution and the political system. A constitutional referendum was held in Armenia in December, 2015. Constitutional amendments radically changed the country’s political system, shifting from a semi-presidential to a parliamentary republic. These amendments entered into force in 2018 and are expected to contribute significantly to the improvement of state governance in the country. The new political system is expected to help achieve higher levels of democratic governance and transparency, open more room for checks-and-balances as well as enhance more participatory and balanced policy making processes in the country with wide participation of the citizenry.

In April-May 2018, Armenia experienced dramatic changes in its political system and life. There was a change of the Government as a result of peaceful mass protests. It is considered to be a major step in Armenia’s history towards establishing a more democratic society in the country. Enhancement of democracy, free economic competition, fight against corruption, rule of law and human rights are high priorities of the new Government. Among other things, these political transformations are expected to have positive effects also on the SDG implementation process in Armenia, since the 2030 Agenda is explicitly grounded in international human rights treaties, and the commitment to human rights is reflected in the general principle of non-discrimination and the aim to ”leave no one behind”.

VNR Method and Process

The policy effort involved the review of strategies, laws and regulations which set out economic, social and environmental targets and indicators. This was a voluminous effort and involved an assessment of a broad set of sector specific and general documents, including the analysis of Armenia’s overarching strategic document – the Armenia Development Strategy 2014–2025 (ADS 2014–2015). Over 50 legal and regulatory documents were subject to the analysis. In addition to reviewing activities, the policy effort required significant coordination among public authorities.
A key issue highlighted by the VNR policy effort was about how to effectively incorporate and reflect SDG targets in national sector specific policies and strategies. In some instances, the insufficiency and/or the lack of indicators to be measured and evaluated makes the attainment of policy goals and targets impractical and policy itself ineffective. Often, SDG targets were reflected in one or more national strategy documents in general and vague terms, while the corresponding indicators were either missing or not having a sufficient level of detail or disaggregation or not corresponding to relevant SDG indicators. This requires special attention and coordination among all the agencies/institutions involved in SDG implementation. Effective links and consistency in policy targets and indicators should be ensured to enable effective monitoring and evaluation of the implementation of any national goal and/or SDG.

In a number of selected sectors, Armenia managed to effectively incorporate SDG targets and indicators into the design of relevant policies and strategies. This was a very detailed and complex task, but once tackled, it allowed for much better and well-informed strategizing and planning, establishing an effective M&E framework. These include, particularly, healthcare, environmental protection and education sectors, where SDG targets and indicators were widely used for designing the relevant strategies with effective M&E frameworks. These are good practical examples demonstrating that SDGs can well be utilized for policy making. The existence of a unified and comprehensive National SDG Statistical Platform can become an important supporting instrument for such cross-sector coordination. It is necessary to ensure that all sectoral agencies (as well as municipalities and, in some instances, private business entities) feed into the SDG Platform and the data under their competence and/or disposal are in a unified format set in the SDG Platform.

**Data effort**

Not surprisingly, the data effort was one of the main challenging exercises. The data effort included compiling and analyzing accurate sex, age and diversity-disaggregated data from various sources, including:

- national official statistics
- sector specific data and information from ministries and other authorities
- data from sector specific strategy documents which involved specific performance indicators
- information from businesses and other stakeholders through meetings and discussions: this was important especially for obtaining not only quantitative, but also qualitative information, which is often necessary for better understanding underlying issues.
· data from relevant specialized international organizations, particularly, the World Bank; various agencies and organizations and data sources of the United Nations (such as FAO STAT, FAO AQUASTAT, UNECE, IFAD, UNWOMEN, UNEP database, UNFCCC, ILO, IOM, WHO, UNHCR, UNICEF, OECD, European Institute of Gender Equality (EIGE), etc.

The use of international data sources was beneficial, since: (a) some data can be easily accessed only via international sources; (b) international sources are important for verification of some national data; (c) international data allows for making comparisons and benchmarking to understand where a given country stands; (d) international data sources often provide more consistent historical data which is important for measuring progress in relation to a given indicator.

A crucial support and an effective solution to the data challenge was the establishment of the National SDG Statistical Platform1 in Armenia, mentioned earlier, with a structure and content of which is based on SDG targets and indicators. It was developed by the Statistical Committee of Armenia (SCA) with the support of the UN Population Fund (UNFPA) Armenia Country Office. It is maintained by the SCA in close cooperation with relevant state agencies, civil society organizations and the private sector. It conforms with the UN Fundamental Principles of Official Statistics.

Efforts were also dedicated to improve sectorial data, for example, related to migration and development. This way, priorities of Armenia on Migration and Development (M&D) were identified via broad-based discussions among Governmental, civic and international stakeholders. Methodology for data collection was developed and discussions were initiated by State Migration Service, SCA and Prime Minister Office. UNICEF and UNDP jointly with the SCA have supported the development of child-related SDG baseline indicators (both international and nationalized) with appropriate levels of disaggregation. The dataset identifies gaps in data on children and identifies ways of data collection to make up for these gaps (both through survey and administrative data), thus creating a monitoring system for child rights in the context of SDGs.

A key highlight from the VNR data effort is related to the lack of monitoring in relation to a large number of targets and indicators. In addition, another issue to be tackled is the need to have well-structured and standardized questionnaires and methods and guidelines to carry out surveys (among communities, businesses, CSOs, and/or households), in areas where official data usually is not yet available.

**Institutional effort**

The institutional effort involved establishing and/or enhancing institutions and mechanisms necessary for effective coordination and facilitation of data collection and analysis efforts, stakeholder dialogue, identification and design possible solutions and reforms. Armenia already has dedicated institutions responsible for this, i.e. the Council on Sustainable Development chaired by the Prime Minister and Inter-agency Task Force for SDG Nationalization. In addition, the existence of the National SDG Innovation Lab played a key role in ensuring effective coordination of the institutional effort.

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1 The database can be found at [http://www.armstat.am/ru/?nid=699&tid=1&Submit=Search](http://www.armstat.am/ru/?nid=699&tid=1&Submit=Search)
Dialogue effort

Dialogue with stakeholders was organized at different levels and formats such as (i) individual talks with representatives from various circles of stakeholders, i.e., government agencies, community authorities, businesses, civil society organizations, and households; (ii) multi-stakeholder round table discussions; (iii) circulation and discussions of the draft VNR report with interested stakeholders.

The dialogue effort aimed at identifying and clarifying the concerns and perspectives of various stakeholders in relation to various aspects of sustainable development, and reaching a common understanding of the issues at stake. In addition, the dialogue effort was critical for generating ideas for effective solutions, building confidence and establishing partnerships to coordinate and implement programs. Furthermore, dialogue was essential for ensuring effective translation of SDGs into the local (and sector and stakeholder specific) realities and context and helping stakeholders understand their own and each other’s roles in implementing the SDGs.

VNR Results

Below is the summary of the results of the VNR in Armenia, including areas of progress, areas of concern, challenges, good practices and innovations and opportunities for solutions.

Progress

Armenia recorded progress and high achievements in a number of key areas, particularly:

**Poverty:** Armenia almost ended extreme poverty and $1.25-per-day poverty (reduced to 0.1 percent).

**Health protection:** Effective national maternal and child health programs helped to significantly reduce child and maternal morbidity and mortality. Effective programs have

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Figure 4: Poverty trends, source: RA SCA
been implemented to combat HIV/AIDS, tuberculosis and other diseases.

**Access to reliable energy:** 100 percent of the population has access to reliable electricity.

**Renewable energy:** Armenia adopted a number of policies to promote renewable energy production. The number of small hydro power plants (HPP) increased significantly, up to about 180 small HPPs. Renewable energy capacity more than doubled in the last decade (from 153 MWt to 363 MWt during 2008-2018). There are ongoing projects to increase solar photovoltaic energy production.

**Environment:** In the last decade, Armenia significantly enlarged protected areas, including 2 more national parks and 4 more state sanctuaries. The national program on protecting Lake Sevan helped increase the level of Lake Sevan by more than 2 m, up to 1900.32 m (from 1898.25 in 2007).

**Gender:** In the last few years, sex ratio at birth (SRB) in Armenia significantly improved reaching 110 boys/100 girls in 2017 (from 114 boys/100 girls in 2010).

**Socio-economic integration of refugees:** the Government has taken a receptive approach towards Syrian refugees displaced due to the conflict in Syria by providing preferences in taxes, legal status, and access to some health care programs.

**Water supply:** Around 98 percent of urban and rural populations have access to safe and reliable water.

**Improved sanitation in urban areas:** 96 percent of urban populations have access to improved sanitation services.

**Areas of concern**

There are, however a number of areas of concern that require attention and action, including the following:

**Poverty:** though Armenia almost ended extreme poverty and $1.25-per-day poverty, almost 30 percent of the
population is still under the national poverty line. Children are more affected by poverty than the total population, with high regional disparities (51 percent of children are poor in Shirak region).

**Education:** though almost all of the population has some degree of education, young boys and girls (especially boys in rural areas) often drop out of high school to earn money for their families at an early age. The perception often is that education does not help to find a job. About half of 3-5 year old children, and 94.5 percent of 0-2 year old children are not enrolled in kindergarten. There is a significant urban-rural disparity between school and pre-school enrollment (35.6 enrollment rate compared to only 17 percent in rural areas). 80 percent of school buildings in Armenia do not conform to building codes and standards, putting over 280,000 students at risk.

**Child nutrition:** Child malnutrition is an important area of concern, since about 18 percent of children under 5 years of age are underweight, while another 14 percent of them are overweight. The burden of overweight is distributed unequally, with higher risk among children from the poorest households, rural children, and those whose mothers have only basic education.

**Health:** In Armenia, noncommunicable diseases (NCDs) are estimated to account for 80 percent of deaths, with cardiovascular diseases as the main killer with 48 percent, followed by malignancies with 20.5 percent. Alarmingly, premature mortality from all causes accounted for 32 percent, with those linked to the main NCDs representing 77 percent of these premature deaths.

**Gender equality:** though gender equality is guaranteed by the Constitution and laws, women have low participation in economic, business and political decision-making positions. Women’s wages on average are lower than men’s wages by around 36 percent. Women, especially
young women (15-24 years of age) are relatively more likely to be unemployed than men. Despite improvement, there is still a high sex ratio at birth in Armenia (110 boys/100 girls in comparison with biological norm 102-106 boys/100 girls).

**Water:** Armenia remains a water stressed country, due to inefficient use and management of water. Agriculture is the main user of water, and more than half of irrigation water is lost.

**Environment:** Despite recent improvements, a number of issues still remain critical, including deforestation risks, use of solid fuel by the population, and deepening negative impacts on the environment caused by mining activities.

**Improved sanitation in rural areas:** More than half of the rural population does not have access to improved sanitation services.

**Sustainable consumption and production (SCP):** SCP approaches and practices are not widespread in Armenia yet. There is a lack of economic incentives to encourage sustainable consumption and production which limits progress towards SCP goals in many sectors. The mining industry, particularly non-ferrous metal mining, remains a major source of chemical waste and source of pollution and degradation of the surrounding environment.

**Inclusion:** Children with disabilities continue to be the largest group of out of school children despite the policy towards universal inclusive education. Only 1/3 (80% in rural areas) of children with disabilities are enrolled in preschool. In fact, children with disabilities do not appear in national statistics, becoming "invisible" to decision makers, service providers and the public.

**Migration:** Emigration continues to be one of the major challenges for Armenia. According to the IOM, labor migration, both temporary and permanent, continues to be a means of coping with poverty and unemployment.

**Local integration:** Refugees, in particular, those of non-Armenian origin, continue to face difficulties with housing, decent employment, language and livelihood opportunities. More efforts and allocation of state resources are required to facilitate local integration encouraging self-reliance and socio-economic integration, supporting employment and livelihood projects to minimize dependence of refugees on state social protection. The same issue is essential for many Armenian return migrants as well, who face problems of their integration back into the society upon return.

**Challenges and areas requiring action**

Challenges highlighted in the VNR process, to which Armenia would like to draw attention include:

**Funding challenge:** Public funding on education, health, and environment remain very low and is far from being adequate for accelerating the SDG implementation process. Support from international financial organizations and donor communities has been very significant and helpful, but may become limited due to high external debt/GDP and Armenia’s graduation to the class of middle income countries.

**Governance challenge:** Despite significant legal and institutional reforms, inefficiencies in governance still remain a major challenge. Government procurement is not yet conducive to promoting sustainable practices. Armenia endeavors to ensure an effective democratic governance system, rule of law, effective distribution and independence of powers (executive, judicial, legislative), promotion and protection of civil and political rights and broader human rights that would contribute to the sustainable
Data challenge: The data gap needs early consideration and action, because relevant effective and timely collection of sex, gender and diversity-disaggregated data will be critical for analysis, monitoring, evaluation, reporting and for evidence-based policy adjustments. It should be noted also that addressing data issues, in some instances, will require enhancing institutional capacities and allocation of proper technical, financial and human resources. This relates particularly to addressing the issue of administrative registers for collecting sufficient data, with sufficient level of disaggregation or aggregation. Administrative registers in local community municipalities is critical, because a large portion of the data gap is related to community, business and household level activities or data. Importantly, the data challenge shall be viewed in international context, i.e. the need to ensure internationally harmonized and complete data.

Knowledge and behavioral (cultural) challenge: The implementation of many SDGs require not only knowledge, but also behavioral change, i.e. change in attitudes and behavior of all parts of the society. For instance, SCP involves change from traditional linear approaches to modern sustainability-based approaches. Some gender inequality and health issues are a result of old traditional practices in Armenia. Thus, the need for acceleration of the learning and cultural transformation processes is a crucial challenge that would require new and innovative approaches and concerted action by all parties.

Engagement Challenge: This relates to the challenge of ensuring active and direct engagement of private businesses, NGOs and citizens in the sustainable development process. Without this engagement the implementation of SDGs would be hardly possible. Active engagement is necessary for (i) effectively identifying problems and finding creative solutions; (ii) enlarging funding through private contributions and PPPs; (iii) direct efforts and action towards sustainability, i.e. application of sustainable behaviors and practices.

Good practices and opportunities

Below are examples of good practices in Armenia, and opportunities and solutions that could help address the challenges mentioned above and accelerate the SDG implementation process:

The establishment of the National SDG Innovation Lab, as a space for experimentation, collaboration, analytics and world class human resource development, was a major step towards having an effective agent that can help in addressing the challenges mentioned above. The SDG Innovation Lab can accelerate SDG implementation processes by (i) promoting sustainable behaviors and practices leading to cultural transformation; (ii) helping the engagement of the private sector into innovative impactful
projects and programs; (iii) visualization of the SDGs for all segments of the society, where all parties can see not only the SDG targets and indicators and what the progress towards their achievement, but also what they can do to help achieve them.

To facilitate and support the SDG implementation process, Armenia has already established a comprehensive National SDG statistical platform. Armenia could build on the good experience of the SCA and establish its National SDG Platform as an effective framework for planning and monitoring the progress of the implementation of sustainable development activities in the country.

**THE NATIONAL SDG INNOVATION LAB IS TO UNLOCK ARMENIA’S DEVELOPMENT POTENTIAL AND ACCELERATE THE IMPLEMENTATION OF THE SDGS.**

Development and dissemination of internationally harmonized guidelines or standards for data collection would facilitate the data collection and monitoring process of SDG implementation. At the same time, it will help to harmonize the data and achieve comparability and compatibility of such data among countries which is important for compiling aggregated data and effective analysis of such data. It would be much appreciated to hear experiences of countries as well as the approaches of the relevant UN and other international agencies. Tools such as Human Rights Based Approach to Data developed by the UN and other examples would be very helpful for informed and cross-cutting data collection and management. This can be achieved in the SDG framework, in collaboration with specialized international agencies. For instance, Armenia is a partner in the implementation of EU co-operation on development of the Shared Environment Information System (SEIS). Analytical and informational materials about the state of the environment on a monthly and annual basis are available on the website of the Ministry of Nature Protection.

Armenia’s experience of effective incorporation of SDG targets and indicators into the design of relevant policies and strategies in healthcare, environmental protection and education sectors could be replicated and applied to other sectors as well. These are good practical examples demonstrating that SDG can well be utilized for policy making and linked to appropriate budgetary spending.

A set of proxy SDG indicators have been developed to measure progress against selected SDG targets that relate to migration and these will be operationalized and reported on later in 2018. These include indicators on labor rights, diaspora contributions to development, return migration, and other migration topics that are linked to sustainable development. Further, following some capacity building efforts on data, SCA will take steps to strengthen the quality of the migration and development data it collects by using key national statistical and administrative data sources. For example, some questions in the ILCS (Integrated Living Conditions Survey) will be adapted to better capture migration data. This is a positive example of successful data capacity building in the context of the SDGs.

Visualization and translation of SDG targets and indicators into local, community level realities will help reach higher levels of engagement among various stakeholders in the SDG implementation process. It is crucially important that municipalities, businesses and citizens see their link to global activities and goals. They need to know and understand clearly how their local and individual activities, projects or behaviors can contribute to those goals, and, similarly, how their communities will concretely benefit from the attainment of SDGs. High quality, effective
Highlights

VISUALIZATION AND LOCALIZATION OF SDGS ARE CRITICAL. EACH AND EVERY INDIVIDUAL NEED TO KNOW AND UNDERSTAND CLEARLY HOW THEIR LOCAL AND INDIVIDUAL ACTIONS OR BEHAVIORS CAN CONTRIBUTE TO SDGS, AND, SIMILARLY, HOW THEY AND THEIR COMMUNITIES WILL CONCRETELY BENEFIT FROM THE ATTAINMENT OF SDGS.

In addition to setting out requirements for environmental protection and/or impact assessment, the Government will create effective economic incentives for citizens, businesses, consumers and municipalities to apply sustainable practices. For instance, procurement can be a very strong leverage to promote sustainable production and consumption practices.

Modern sustainable development philosophies, approaches and practices such as “circular economy”, "closed loop supply chain", energy efficiency, and sustainable agricultural practices will be broadly and intensively promoted by the Government and civil society organizations for civic responsibility for development, through the use of high quality educational programs (at school and university levels) and visual materials for the general public.

Socio-economic integration of Syrian refugees: Armenia has provided the important contribution of protection and solutions for Syrians displaced by the conflict in Syria. Significant progress has been made in 2017 towards integration and self-reliance of about 23,000 persons displaced due to the conflict in Syria who are still in Armenia, which now needs to be consolidated. A number of factors have contributed to this progress namely (i) a recent tax-reform reducing tax burden for family businesses, (ii) explicit recognition by the Government of the economic potential of the displaced population, (iii) the good development of the innovative projects focused on employment and business opportunities implemented by development actors and UNHCR partners.

Armenian Diaspora engagement: Armenia considers engaging the diaspora more proactively to enhance its contribution to trade and investment linkages, including financing of specific development projects. The Armenian diaspora already plays an important role in the economy through remittances and individual philanthropic activities. Further efforts can be invested in mobilizing diaspora resources (including intellectual and entrepreneurial) through alternative and innovative projects and financial and other instruments.
The topic of the UN High-level Political Forum on Sustainable Development - transformation towards sustainable and resilient societies - becomes more and more acute with growing populations, rising consumption, and the intensification of agricultural and industrial production. The growing pressure on human habitats and the surrounding environment call for an urgent and concerted action by all public and private parties in the society, of each and every individual.

Armenia did well in ensuring access to safe water and improved sanitation services for the population of its cities and villages, with around 98 percent of urban and rural population having access to safe and reliable water. Significant progress was made also in ensuring access to reliable electricity for the entire population. At the same time, effective renewable energy policies helped to increase the share of electricity production from renewable energy sources to about 30 percent of the total. In the last decade, Armenia significantly enlarged its protected areas and implemented an effective program to save Lake Sevan.

With this, however, there are many areas of concern that still require determined and impactful action. Unsustainable use of irrigation water not only makes Armenia a water-stressed country, but also makes food production inefficient. Half of irrigation water is lost, and the other half is used ineffectively. Often, irresponsible mining, inefficient agricultural activities, design and operation of hydro-power plants and high rates of solid fuel use lead to deforestation, desertification and degradation of the surrounding environment. 37.2 percent of the population still uses wood for heating purposes. There are significant urban-rural disparities in terms of access to water, sanitation services, access to energy sources, employment, and many other areas. More than half of the rural population does not have access to improved sanitation services, only 12 percent of population in rural areas uses gas (while the same ratio is 58.2 in urban areas). Disabled people have very limited access to public places and much less chances to get an education and be employed.

It is understood that SDG targets towards sustainable and resilient societies, require transformation towards sustainable practices by all - private and public, producers and consumers. It is not just about complying with targets. It is about commitment, lifestyle, way of thinking and philosophy of life.

Of course, this transformation to sustainable practices would be hardly possible without empowerment – empowerment of communities and municipalities, NGOs and private sector, and citizens. For this, it is necessary not only to strengthen the knowledge and capacity of all parties, but also provide necessary incentives, tools and powers for effective planning and implementation of sustainable practices. Therefore, the Government realizes that there is an urgent need to enhance economic incentives to encourage transformation to sustainable practices. Public procurement can be one effective tools to create such incentives. Government policies should be supportive to those who apply sustainable consumption and production.
Strategic action. A priority action for Armenia will be to complete the process of nationalization of SDG targets. Setting national targets are essential not only for effective planning, but also for mobilization of resources to implement SDGs.

Having in mind that Armenia is in the process of enhancing the ADS and extending its time horizon, an important next step will be to ensure that the ADS benefits from the SDG framework to the possible extent, which provides a comprehensive set of targets and indicators necessary for effective planning and monitoring of development objectives.

Data action. Urgent steps shall be taken to address the data gaps identified during the VNR process. Based on the good experience of the SCA with the National SDG Statistical Platform Armenia would work to establish its National SDG Platform as an effective framework for planning and monitoring the progress of the implementation of sustainable development activities in the country. Addressing the data availability and data quality issues would require effective dialogue and cooperation between the Government agencies and SCA. Capacity building and awareness raising initiatives to strengthen statistical and reporting capacities of responsible institutions would highly contribute to the SDG implementation process in the country. The operations of the SCA also shall be enhanced toward being more demand driven.

National SDG baseline: National SDG baseline indicators shall be identified and adopted, otherwise there will be difficulties in monitoring of SDG implementation. Baseline data is also important for increasing the quality and effectiveness of policies. For establishing the national SDG baseline, a detailed and complete national review of SDG implementation shall be carried out.

While some of the data sets are compiled and processed by the SCA, there is a broad set of data which is collected by line ministries or agencies. There should be the possibility to cross-check data and use it meaningfully in decision- and policy-making. Consideration will be given to the creation of administrative registers in state institutions and at community level. The Human Rights Based Approach to Data will be considered. Data collection for SDG indicators at sustainable basis and on different disaggregation levels, including the territorial and population group levels will be maintained through participatory and consultative approach.

Acceleration actions: The National SDG Innovation Lab in consultation and collaboration with stakeholders shall design a set of measures towards:

- Visualization of the SDG targets
- Transfer of knowledge about modern sustainability approaches and practices
- Facilitating the behavioral change towards sustainable lifestyle and practices
- Generation of economically viable, innovative and impactful approaches to engage the private sector and its finances into the SDG implementation process.
STRATEGIC AND INSTITUTIONAL FRAMEWORK
This section discusses the national strategic framework and its links to SDGs in terms of coverage of the three dimensions of sustainable development – economic, social, and environmental.

SDGs and Three Dimensions of Sustainable Development in the National Framework

At the high strategic level, the three dimensions of sustainable development – economic, social and environmental dimensions – are reflected in Armenia’s overarching strategic document, the ADS 2014-2015. It sets the strategic goals, targets and indicators in multiple economic and social areas, and serves as a framework for sector specific strategy documents and action plans. The ADS 2014-2025 has three broad sets of goals:

- Reduction of poverty with total elimination of extreme poverty.
- Elimination of human poverty and ensuring accelerated human development. Armenia has already graduated to a group of countries with “High Human Development”.2
- Mitigation of regional disparities and acceleration of economic growth of underdeveloped regions.

In addition to economic and social aspects, the ADS 2014-2025 states that “parallel to the Government’s efforts for improving the rates of economic growth, measures should be taken to reduce as much as possible the associated environmental risks”. The 15 key priorities outlined in the ADS include legislative reforms, management and governance capacity building (including for specially protected areas, forests, and water basins), environmental impact assessment and monitoring capacity, increase in environmental fees and tariffs, continue to

work on Lake Sevan, legal mechanisms for promoting “green” innovation, education and awareness, among others.

In order to achieve the mentioned objectives, ADS 2014-2025 envisage three sets of priority strategies:
- Economic policy for ensuring sustainable and accelerated economic growth;
- Active social and income policy for vulnerable groups of the population (including the poor);
- Modernization of the governance system, including improved effectiveness of state governance and ensuring accelerated growth of the resource envelope at the disposal of the state.

At present, Armenia is in the process of updating the Armenia Development Strategy to extend its time horizon to 2030. The strategy will incorporate SDG principles and targets through a participatory process involving various stakeholders from public and private sectors and the civil society.

Sector specific strategies and action plans must be in line and be based on the ADS provisions and support the implementation of the objectives set out in the main strategic document. At a high level, this consistency is mostly in place, however, in many cases, there is insufficiency and/or lack of indicators to measure and evaluate the attainment of the policy goals and targets. Often, targets (including SDG related targets) are reflected in one or more national strategy documents in general and vague terms, while the corresponding indicators are either missing, do not have sufficient level of detail or disaggregation, or do not correspond to the SDG indicators. This is a critical policy issue, which would need special attention and coordination among all the agencies/institution involved in the development of national targets and indicators. Effective links and consistency in policy targets and indicators shall be ensured in order to enable effective monitoring and evaluation of the implementation of any national goal and/or SDGs.

National Council of Sustainable Development under the Prime Minister, which includes representatives from ministries and other state agencies and NGOs. The mission of the Council is:
- Coordination of the activities toward fulfillment of Armenia’s international commitments (such as those undertaken under Rio Declaration, Johannesburg Declaration, Millennium Declaration, and other documents related to sustainable development);
- Contribute to effective incorporation of the sustainable development concepts and goals into strategic documents of Armenia,

ARMENIA HAS DEVELOPED A DEDICATED INSTITUTIONAL FRAMEWORK TO SUPPORT ITS SDG NATIONALIZATION AND SDG IMPLEMENTATION EFFORTS. THE INSTITUTIONS DIRECTLY LEADING AND COORDINATING THE SDG PROCESS ARE BRIEFLY DISCUSSED BELOW.
Cooperation with the International Community

In search of innovative institutional solutions that can enhance the efficiency and effectiveness of public and private efforts toward sustainable development goals, Armenia established the National SDG Innovation Lab. It was established in 2017 jointly by Government of Armenia and the United Nations to accelerate the achievement of the SDGs in Armenia, and is the first of its kind. For the first time, the state, in cooperation with the United Nations, created an innovation platform to support SDG implementation at the country level. To do so, the Lab draws upon innovative and impactful methodologies and expertise available from across the world, including the UN’s own innovation facilities and tools.

The National SDG Innovation Lab operates within the domain of the Center for Strategic Initiatives (CSI). The CSI itself is an interesting reflection of public-private partnership in Armenia. It was initiated by the Government of Armenia and established in cooperation with private sector stakeholders. It works to advance the reform agenda in Armenia through facilitation of dialogue between policy-makers, private and public stakeholders and international partners.

Armenia is a party to multiple international conventions and agreements and undertook a broad set of commitments related to environmental protection and sustainable development. Many of them are mentioned in the sections below. In addition, Armenia received significant support from international financial organizations and the donor community to implement large scale institutional and infrastructural programs and projects that directly and indirectly contribute to the attainment of sustainable development objectives. The main partners in this field of cooperation include:

- UNDP and other UN agencies such as FAO, IFAD, IOM, UNIDO, UNFPA, UNICEF, UNECE, UNHCR, UNEP
- The World Bank
- EBRD
- Asian Development Bank
- European Union and Council of Europe
- European Investment Bank via its Eastern Neighborhood Facility
- Country development agencies including USAID, GIZ, SIDA, SDC, etc.
SCA is also actively involved in the work of the UN Inter-Agency and Expert Group on Sustainable Development Goal Indicators (IAEG-SDGs). SCA uses the Global indicator framework for SDGs and targets of the 2030 Agenda developed by the IAEG-SDGs. So far, 50 percent of indicators are fully compliant with international definitions.

Armenia is a party to “Greening Economies in the Eastern Partnership” (EaP GREEN) program which aims to improve both environmental policies and management approaches within a green economy framework. This should result in higher productivity and competitiveness in global markets, as well as better management of natural capital, enhanced environmental quality of life, and more resilient ecosystems and economies. EaP GREEN targets six Eastern neighbors of the European Union: Armenia, Azerbaijan, Belarus, Georgia, Moldova, and Ukraine, with support provided by the European Commission and four international organizations – OECD, UNECE, UNEP and UNIDO. Additional support is provided by other countries, including Austria, Norway, Switzerland, and the Netherlands. More specifically, EaP GREEN aims to:

- Mainstream sustainable consumption and production into national development plans, legislation and regulatory frameworks so that sound incentives are provided for development in line with policy commitments and good international practices, including those encouraged in the EU;
- Promote the use of the Strategic Environmental Assessment (SEA) and Environmental Impact Assessment (EIA) as essential planning tools;
- Facilitate the greening of selected economic sectors (manufacturing, agriculture, food production and processing, construction).
MEANS OF IMPLEMENTATION

17 PARTNERSHIPS FOR THE GOALS
Means of Implementation

No doubt, a critical condition for the implementation of the SDG goals is the availability and effective and efficient use of financial and other resources. The mobilization of resources, of course, requires Governments to enhance their revenue collection performance and increase state revenues. However, equally critical is the involvement of private sector resources as well as the support of international financial organizations and international donors.

Progress

Since 2013, Armenia has significantly improved its performance in revenue collection. The tax revenue/GDP ratio is well above the world and regional averages. In 2016, tax revenue/GDP ratio was 21.3 percent, which was higher than the world average (15 percent) and the average in the Europe and Central Asia (ECA) region (19.1 %). The difference with ECA region average is even higher if high income countries are excluded. See figure 11.

Armenia has benefited greatly from financial and technical support from international financial organizations as well as the international donor community mentioned above. The financial assistance and donor support was important in enhancing legal, institutional and physical frameworks and infrastructures of the country.

Investment promotion has always been a priority item in the Governments policy agenda. Foreign investors in Armenia are protected by the law on Foreign Investments. The law protects foreign investors against nationalization or expropriation of property. It includes a 5 year “grandfathering” clause to protect foreign investors against any change in the legislation on foreign investment. Foreign investors and employees are guaranteed the right to freely repatriate their property, profits or other assets that result from their investment after payment of all due taxes. The law ensures national treatment and non-discrimination for foreign investors, i.e. the laws applied to foreign investments cannot be less favorable than the laws governing the property rights and investment activities of citizens and legal entities of Armenia. There are no restrictions on the participation of foreign investors in any economic activity in Armenia or on the percentage of ownership of a local business that foreign investors can acquire.

The extent to which the strategies and corresponding action plans aiming to directly achieve the SDG targets are funded by the budget is essential for effective implementation. Therefore, it is critical to ensure that adequate funding is made available in the state budget, at national and sub-national levels, to finance activities towards achieving SDG-related targets.

Figure 11: Tax revenue/GDP ratio, Source: World Bank

Tax revenue/GDP, %

- Armenia
- World
- Europe & Central Asia (excl. high income)
- Europe & Central Asia (incl. high income)
- EU

2008: 19.1, 20.2
2009: 15.0
2010: 15.0
2011: 15.0
2012: 15.0
2013: 15.0
2014: 13.2
2015: 20.1
2016: 20.2

2008: 19.9
2009: 15.0
2010: 15.0
2011: 15.0
2012: 15.0
2013: 15.0
2014: 13.2
2015: 20.1
2016: 20.2

2008: 19.9
2009: 15.0
2010: 15.0
2011: 15.0
2012: 15.0
2013: 15.0
2014: 13.2
2015: 20.1
2016: 20.2

2008: 19.9
2009: 15.0
2010: 15.0
2011: 15.0
2012: 15.0
2013: 15.0
2014: 13.2
2015: 20.1
2016: 20.2

2008: 19.9
2009: 15.0
2010: 15.0
2011: 15.0
2012: 15.0
2013: 15.0
2014: 13.2
2015: 20.1
2016: 20.2

2008: 19.9
2009: 15.0
2010: 15.0
2011: 15.0
2012: 15.0
2013: 15.0
2014: 13.2
2015: 20.1
2016: 20.2
Means of Implementation

Armenia is a relatively easy country for doing business. In the World Bank study, Doing Business report 2018, Armenia was ranked as the 47th among 190 countries in terms of the ease of doing business.

Challenges

A major challenge in terms of resource mobilization is attracting more private sector investments into impactful initiatives. Armenia needs to take innovative and disruptive approaches and measures to attract foreign direct investments as well as domestic investments. Foreign direct investments remain low in absolute terms and in terms of GDP. In 2016, Armenia’s FDI was $338 million, and investment/GDP ratio was only 3.2 percent.3

It is fundamentally important to recognize that business generation and business development are vitally important for enhancing investments with impact, for job creation as well as for building the resource base necessary for sustainable development. So far, the role of the private sector in business generation and job creation has been somewhat limited in Armenia. Hence, for the successful implementation of SDG’s and SDG targets it is vital to ensure active involvement of the private sector not only as a tax payer, but also as an initiator and implementer of projects towards SDG implementation.

There is an urgent need to improve Armenia’s external debt position. As of end 2017, the external debt of the Government has been increasing and reached $4.84 billion. External debt/GDP ratio was 42 percent.4

Armenia’s statistical legislation that complies with the Fundamental Principles of Official Statistics, and the national statistical plan that is fully funded and under implementation, by source of funding. The last Census was carried out in 2011.

High dependency on remittances from labor migrants working abroad (Russia, USA, etc.) plays key role in Armenia’s economy, but also poses risks. The volume of remittances as a proportion of total GDP was 9.4 percent in 2016 (a 1 percentage point reduction compared to 2015).

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4 Source: http://www.armstat.am/file/articleby_01_17a_231.pdf
ANNEX 1.
Details on the Progress on SDG Targets
This section discusses Armenia’s progress towards the implementation of the SDGs and their targets, with a particular focus on the goals and targets covered under the main topic of the UN High-level Political Forum on Sustainable Development - “transformation towards sustainable and resilient societies”. The transformation towards sustainable and resilient societies requires a shift in approaches, mechanisms and modes of cooperation. It is not only about Government policies or actions, but also about real and active involvement of every member of the society, businesses, and civil society organizations.
The Government of Armenia increased public spending on social protection and infrastructure enhancement, though still low in absolute numbers and with slow growth rate (figure 3). Armenia progressed well in eradicating extreme poverty, including extreme child poverty, and poverty in terms of international poverty line ($1.25 per day). Most of the extremely poor live in small towns other than the capital, Yerevan.

Poverty Eradication Progress

The Government of Armenia increased public spending on social protection and infrastructure enhancement, though still low in absolute numbers and with slow growth rate (figure 3). Armenia progressed well in eradicating extreme poverty, including extreme child poverty, and poverty in terms of international poverty line ($1.25 per day). Most of the extremely poor live in small towns other than the capital, Yerevan.

Poverty still remains a major challenge as about 30 percent of the population lives under the national poverty line including refugees, stateless persons and other displaced population. In 2016, 29.4 percent of Armenians were still living in poverty (figure 13) and the levels of poverty have not decreased to that of 2008.

Inequality also increased: the Gini coefficient rose from 0.339 in 2008 to 0.375 in 2016 (based on national consumption expenditure). Poverty is notably higher among children up to 17 years of age (34.2 percent). Geographical disparities also are high, with every second child (50.9 percent) in Shirak region living in poverty.

An alarming characteristic of poverty in Armenia is the fact that around 25 percent of the poor adults are employed people are employed people, i.e. they work, receive salary, but are still poor. This may be an indicator of a number of drawbacks in the economy, such as inefficiencies in the labor market and low labor productivity. Another dimension of low productivity of the labor market is the lower rate of participation of women. World Bank estimates suggest that in case of same rates of participation Armenia would witness a gain of 14.3 percent of GDP per capita. Labor productivity has increased significantly during the last decade but is still at low level if compared internationally (table 5).

To overcome poverty, Armenia would need AMD 63.2 billion, or an amount equal to 1.2 percent of GDP, in addition to the resources already allocated for social assistance, assuming that such assistance would be efficiently targeted to the poor only. Elimination of extreme poverty would require around AMD 1.4 billion, or 0.03 percent of GDP, in addition to social assistance already channeled to the extremely poor and ensuring efficient targeting. International experience shows that perfect targeting of social assistance is highly unlikely; therefore, the actual resourc-
Poverty Eradication

Due to the multi-dimensional nature of poverty, monetary assistance programs are not the only forms of interventions needed by the poor, especially poor families with children. Social support and care services are therefore an important component of social protection. Despite the ongoing reform of integrated social services in the country, challenges remain in systemic capacity development and quality of social case management work, availability and quality of community-based services, financing of social protection, as well as professional cooperation among social service providers in addressing the multiple vulnerabilities of families and children. Moreover, cash benefits and different types of services should be interlinked and coordinated with early learning, education, health, and other services that benefit children and address their multiple vulnerabilities. Social protection interventions need to be viewed within the overall context of economic development of the country and “leaving no one behind”.

The possibility of exploring strengthening contributions of members of the Armenian diaspora towards development could be explored.

es needed to overcome poverty would be significantly larger.
Hunger, Food Security, Improved Nutrition and Sustainable Agriculture

Overall, there has been a substantial reduction of the share of extreme poor, i.e. undernourished people (figure 13). Child malnutrition is a key challenge requiring quick action. The share of stunting children under 5 years of age reduced more than two times, but still remains high at 9 percent (figure 14). At the same time, the number of overweight children was also high. In 2016, 14 percent of children under five were overweight. The burden of overweight is distributed unequally, with higher risk among children from the poorest households, rural children, and those whose mothers have only basic education.

Overweight and obesity in childhood carry heavy health and economic consequences throughout life, putting affected children at a higher risk of developing NCDs and developing behavioral and emotional difficulties which can lead to stigmatization, poor socialization and reduced educational attainment.

Malnutrition may be related not only to the lack of food, but also timing of the introduction of complimentary foods, lack of knowledge among parents about proper nutrition, poor quality of counseling and irregular and inaccurate checks of weight and height in healthcare facilities. According to the ILCS household level data, about half (47 percent)

\footnote{Source: ADHS 2015-16}
of the actual food consumption pattern of an average Armenian consists of staples - bakery products and potatoes. Vegetables and fruits comprise some one-third of the pattern, while protein-rich meat, fish and eggs – 9 percent.

Sustainable Agriculture and Food Market

There have been many initiatives by the public as well as private sector to promote sustainable farming practices, though sustainable agricultural practices are not yet widely applied in Armenia. Organic agriculture is gaining popularity.

In addition, the Government is in search of more effective and efficient ways to support agriculture and promote sustainable farming practices. One of such successful programs was the subsidized leasing program, where farmers could lease agricultural machinery and equipment with down payment and interest rates significantly lower than in the market. There are specially designated programs to support the use of environmentally friendly technology such as drip irrigation\(^8\). The drip irrigation program aims at increasing the farmed area under drip irrigation by 1,700 ha.

**Low public spending in agriculture.** Overall, the public spending in agriculture has been decreasing since 2014 and remains very low in absolute terms. The Government spending in agriculture was increasing until the Russian foreign exchange crisis of 2014, but reduced significantly since then (figure 15)\(^9\). With limited financial resources, the efficiency of the sending of the budget money becomes critical. Equally important is:

- enhancing knowledge among farmers and food processors about modern advanced technologies and practices, as well as about sustainable practices.

\(8\) Source: Ministry of Agriculture: www.minagro.am/պետական-օժանդակ/գիտական/կեղծում-ներկար-կատարելու/  
The prevalence of fragmented smallholders (with 1.48 ha land on average) in agriculture, who more often than not are non-professional and non-commercial, creates additional logistical complexities, increases the transportation costs and, thus, the overall cost of production. Small farmers have weak bargaining power in the market and are highly dependent on market prices dictated by medium and large processors. Primary producer-processor relationships are usually not contract-based, due to which farmers often face problems related to collection of payment for milk from middlemen or processors. This latter issue is a very acute factor that negatively affects the functioning of the milk market today.

The ineffective price formation process in agricultural markets leads to a distorted quality-price relationship, which discourages farmers form improving the quality (as well as processors from seeking high quality primary products and producing high quality products). As a result, food products are often of low quality and are thus priced low, reducing competitiveness of processors and their margins.

In terms of gender involvement, it is important to note that 40 percent of the female workforce is employed in agriculture, while only every third male being in this sector. The misplacement of skill and lower rate of representation is likely to hit the sub-segment of the market by more women being engaged in small scale farming. Thus, when devising programs, it is important to factor the gender dimension as it has implications on the choice of activities that would lead to positive change.
Healthy Lives and Well-being for all at all Ages

Progress

Armenia made good progress in ensuring healthy lives and promoting well-being. National programs in immunization, maternal and child healthcare have helped to reduce mother and child and infant mortality rates. 86.4 percent of the target population covered by all vaccines included in their national program. The coverage was higher among children of up to 7 years of age. Since 2010, Armenia achieved and maintained 97% of MMR (Measles, Mumps, and Rubella) vaccination among children.

Infant mortality rate was reduced to 8.67 per 1,000 live births, and under-five mortality rate – to 10.1 per 1,000 live births (figure 16).

Nearly all births in Armenia are attended by skilled health personnel and antenatal healthcare coverage. Overall, maternal mortality rate has reduced in the last decade, though varied notably across years (figure 17). The maternal mortality in Armenia is lower than in other countries of CIS, but significantly higher than in the EU.

Starting from August 2018, anyone infected with HIV is offered to initiate antiretroviral treatment after diagnosis, according to the National ART Guidelines, developed in line with the WHO “Treat all” policy and all tuberculosis cases were detected and cured under directly observed

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10 Source: Ministry of Health.
11 Since the population number is less than 5 million, the maternal mortality rate is recommended to report by three-year average numbers.
Healthy Lives and Well-being for all at all Ages

In 2016, Armenia became one of the first four countries in the world to eliminate mother-to-child transmission (EMTCT) of HIV. In 2017, the National AIDS Center of the Ministry of Healthcare was awarded with Certificate for winning the UN Public Service Awards, First Place, in the category of Innovation and Excellence in Delivering Health Services in recognition of the contribution for supporting the implementation of the 2030 Agenda for Sustainable Development. This success was part of the larger progress in its national HIV response in the last ten years. The UN in Armenia through WHO, UNAIDS and UNICEF supported the country in its tightly integrated system of services on HIV/AIDS, tuberculosis, maternal and child health, which ensures early diagnostics, provision of quality health care, effective treatment.

The number of tuberculosis cases has been steadily decreasing in the last decade and was 27 people per 100,000 population (figure 18). The level of acute Hepatitis B incidence per 100,000 population was 2.3 in 2015 and 1.2 in 2016, respectively.

Armenia is a WHO-certified malaria and polio free country, and there have not been registered new local malaria cases since 2006, and no polio cases.

Challenges

In Armenia, noncommunicable diseases (NCDs) are estimated to account for 92 percent of deaths, with cardiovascular diseases as the main killer with 54 percent, followed by cancer with 22 percent (Global Health Observatory, WHO, 2012).

In 2016, the mortality burden due to most prevalent NCDs comprised 80%, with CSD being the lead cause (48%), followed by malignancies (20.5%), diabetes (4.2%), injuries, poisonings and external causes (4.5%), chronic obstructive pulmonary diseases, including bronchitis, asthma, other chronic pulmonary and bronchoectonic diseases (4%)\(^\text{12}\). Alarmingly, premature mortality from all causes accounted for 32 percent, with those main NCDs representing 77 percent of these premature deaths (European Detailed Mortality Database, WHO Regional Office for Europe, 2016). See figure 19.

This challenge is related to accessibility of healthcare in the country as well and to education and awareness among the population. Access to healthcare needs significant improvement. Less than half of people who have health problems visit doctors. This attendance ration differs depending on poverty level. Only 42.3 percent of non-poor and 27.3 percent of the poor visit a doctor when having health problems. More than 90 percent of population households consider that healthcare expenditures are large as a share of total household expenditure or income.

\(^{12}\) Source: National Health Information Analytical Center (NHIA) and SCA, [http://nih.am/assets/pdf/atvk/14c0b8edf84657718a865bf0f8ae2f6.pdf](http://nih.am/assets/pdf/atvk/14c0b8edf84657718a865bf0f8ae2f6.pdf)
Healthy Lives and Well-being for all at all Ages

Alcohol per capita consumption (aged 15 years and older) is low compared to most European countries and was 4.1 liters of pure alcohol per year in 2015, though has been increasing (in 2000, the indicator was 3 liters of pure alcohol)\textsuperscript{13}.

Refugees, stateless persons and other displaced population have limited access to healthcare due to lack of knowledge about their rights and state programs, and language barriers. In addition, the cost of medicines is not always affordable due to limited state assistance, lack of decent employment, and other socio-economic constraints.

Many health indicators can be improved not only through increasing public or private spending on health, but also learning about healthy lifestyles, effective treatment methods, causes and/or reasons of health problems.

For instance, Armenia has a relatively high share of its population with cardiovascular diseases and cancer (\textbf{figure 19}). According to the 2016-2017 STEPS survey, 27.9 percent of the total number of respondents were current smokers and 26.9% daily smokers. Men smoked more than women: 51.7 percent\% vs. 1.8 percent\%\textsuperscript{14}.

Broader anti-tobacco campaigns and more effective enforcement of anti-tobacco legislation could help reducing the number of smoking people. Armenia has ratified the WHO Framework convention on Tobacco control (WHO-FCTC). However, many interventions are still not enforced, e.g. ban of smoking in public places.

Additional examples are related to child malnutrition (\textbf{figure 14}), and obesity among women and men. Thus, among women age 15–49, just 4% of women are thin, while 45 percent are overweight or obese. The proportion of women who are thin has remained essentially unchanged since 2000, while the proportion of women who are overweight or obese has increased slightly, from 42 percent in 2000 to 45 percent in 2015-16\textsuperscript{16}. Every second respondent (48%) was overweight. One-fifth of respondents (19.5%) were obese (body mass index $\geq 30$ kg/m\textsuperscript{2}). The proportion of obese women (25%) was 1.6 times higher than that of men (14%). According to urinalysis results individuals consume on average 9.8 grams of salt per day (11 grams for men and 8.4 grams for women). The target population of the survey consumed almost twice the recommended amount of salt. [Source: ARM STEPS survey 2016-2017\textsuperscript{16}].

HIV prevalence among adult population in Armenia remains low making up 0.2 percent, which is in 4.5 times lower than HIV prevalence in the Eastern Europe and Central Asia region. The number of registered HIV cases

\textsuperscript{13} Source: WHO European Health for All Database: https://gateway.euro.who.int/en/hfa-explorer/

\textsuperscript{14} Source: ARM STEPS survey 2016-2017 http://www.who.int/chp/steps/Armenia_2016_STEPS_FS.pdf?ua=1. The 2016-2017 STEPS survey on the prevalence of NCD risk factors in 19-69 years old population of Armenia, showed that every third person (35.7\%) had three or more risk factors for NCDs, and every second men had three and more risk factors. Three quarters (73.2\%) of respondents with raised blood pressure were not taking any medication (their systolic blood pressure was $\geq 140$ and diastolic blood pressure was $\geq 90$ mmHg). According to Armenia STEPS survey, 27.9\% were current smokers and 26.9\% daily smokers. Men smoked more (51.7\%) than women (1.8\%), and every second person is a passive smoker.

\textsuperscript{15}2015-16 Armenia Demographic and Health Survey (DHS).
Healthy Lives and Well-being for all at all Ages

increased till 2014, though started a decline since then (figure 18). The majority of HIV patients had a history of unsafe behavior abroad and most probably were infected there (in 2016 - 51.5 percent). The factor of outbound labor migration is significant (out of the 1,397 HIV cases registered in 2012-2016, 68.1 percent were outbound labor migrants and their partners). HIV prevalence among male migrants aged 18-49 originating from rural areas is 0.6 percent\(^17\), and among male migrants aged 18-49 originating from urban areas - 1.2 percent, which exceeds 3 and 6 times respectively HIV prevalence among general population\(^18\).

The knowledge about HIV/AIDS in the age group 15-24 still remains low\(^19\). Less than half (48 percent) of women and 44 percent of men know that HIV can be transmitted during pregnancy, delivery, and by breastfeeding. About 1 in 4 women and 1 in 5 men know that the risk of HIV transmission from mother to child can be reduced by the mother taking drugs during pregnancy. Less than half of Armenian women and men know where to get an HIV test. Even fewer have ever been tested and received their results; 12 percent of women and 1 percent of men have ever been tested for HIV and received their results\(^20\). HIV Treatment Cascade 2017 shows that the gap between the estimated number of PLHIV and those PLHIV know their HIV status is the largest one and need to be addressed.

Armenia’s epidemiological context in regards to Tuberculosis (TB) continues to improve with the disease incidence being on decrease. Timely and effective access to TB diagnosis and effective treatment of people with multidrug-resistant TB (MDR TB) is yet a challenge in Armenia. The treatment success rate of new and relapse TB patients is 79-83 % within the last years (2013-2016), which is below the WHO global target of 85%. With improved access to new TB drugs it is expected that treatment outcomes for 2016 and later cohorts will show higher success rates.

Development and implementation of effective viral hepatitis control measures remains a major issue for the healthcare system in Armenia. The prevalence of hepatitis B infection in the general population is about 2 percent. Hepatitis C, too, is still a major issue, and the prevalence of hepatitis C infection in estimated at 3-5 percent. In light of the global goal of elimination of viral hepatitis as a public health threat by 2030, to country developed a national strategy to reduce morbidity and mortality due to chronic hepatitis B and C in Armenia.

Armenia is graduating from GAVI Alliance support in 2019 and will graduate from GF support in 2020. Government midterm expenditures projections indicate decrease in health budget and MoH will face serious challenge of competing priorities like non-communicable diseases versus immunization, HIV/AIDS and TB.

The use of modern family planning methods is not widespread among women of reproductive age (aged 15-49 years). 57 percent of women use any contraception methods. The use of modern contraceptives has increased during last decade (from 20 in 2005 to 28 in 2015-2016), however it still remains very low. The use of family planning methods is related not only to their availability and accessibility, but also and, may be more importantly, be attributed to culture, and lack of education and awareness. The situation may be improved through well designed awareness and educational activities about family planning among both women and men.

\(^{16}\) Source: ARM STEPS survey 2016-2017. [http://www.who.int/chp/steps/Armenia_2016_STEPS_FS.pdf?ua=1](http://www.who.int/chp/steps/Armenia_2016_STEPS_FS.pdf?ua=1)


\(^{20}\) 2015-16 Armenia Demographic and Health Survey (DHS).
In general, the enrollment ratio in education is high in Armenia, and almost the entire population is literate and has received some level of education. The vast majority of the population has at least secondary education. Access to education is universal for both boys and girls. At all education levels, from primary school to university degree programs, there is higher enrollment of female, except in preliminary vocational education (table 1). There is higher enrollment of girls even among children of 3 -5 years of age in pre-primary education (55.2 vs 50 percent in 2016). The disparity is especially high in high school and universities – ratio of girls to boys enrolled in high school, bachelor and master degree programs are 1.21, 1.24, and 1.44, respectively (table 1). Although, enrollment and achievement rates are more or less gender equal, women and girls tend to opt out of STEM education tracks and later career fields. This trend is observed from middle vocational education level onwards.

All schools have access to electricity and connection to internet. There are high and improving indicators also in terms of access to drinking water and handwashing facilities, and sanitation, with 95 percent and 90 percent coverage, respectively.

Table 1. Gender parity index in education*

<table>
<thead>
<tr>
<th>Level</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary</td>
<td>1.00</td>
<td>1.00</td>
</tr>
<tr>
<td>Lower secondary</td>
<td>1.01</td>
<td>1.01</td>
</tr>
<tr>
<td>High</td>
<td>1.20</td>
<td>1.21</td>
</tr>
<tr>
<td>Secondary</td>
<td>1.04</td>
<td>1.03</td>
</tr>
<tr>
<td>Preliminary vocational</td>
<td>0.43</td>
<td>0.45</td>
</tr>
<tr>
<td>Middle vocational</td>
<td>1.31</td>
<td>1.29</td>
</tr>
<tr>
<td>Bachelor</td>
<td>1.26</td>
<td>1.24</td>
</tr>
<tr>
<td>Master</td>
<td>1.57</td>
<td>1.44</td>
</tr>
</tbody>
</table>

* The ratio of female to male enrolment

Figure 20: Education expenditure/GDP; Source: SCA

21 Source: Ministry of Science and Education of Armenia, SCA.
Challenges

There is low, though increasing enrollment rate of children in pre-primary education or kindergarten, with a little more than half of children enrollment level.

In 2016, gross enrollment in pre-school facilities (children of age group 0-6 years) in Armenia constituted 29.2 percent and varied depending on poverty status. For urban areas the preschool enrolment rate was 35.6 percent and only 17.2 percent in rural areas, which meant that children in rural areas were even more deprived. About 71 percent of children with disabilities did not attend preschools (80 percent in rural areas). Thus, children in the poorest rural areas and with disabilities could not effectively realize their right to education.

Though the country has adopted a national plan of action for making the general education system inclusive by 2025, there is still a gap in putting in place national accessibility standards for physical environment, learning materials, communication of information (sign language, Braille, large print, Easy Read and pictorial information) in line with universal design principles and ensure compliance with them within mainstream settings to promote and facilitate access to educational institutions. Access and retention of children with disabilities to mainstream education at pre-primary and secondary education levels is still an issue due to gaps in methodologies and universal design of learning environment.

Another key challenge is high drop-out rates from high schools and the lower involvement of boys and persons with disability in university education. Boys (especially rural and poor) have low motivation to continue education because they try to find a job and earn money for their families at an early age and often the education they will get will be of little or no help in finding a job in the market.

There are some current challenges in retaining national human capital. Armenia currently loses a high proportion of its qualified youth, as unemployment pushes young people to travel abroad to study or work and many do not return.

Availability and accessibility of computers at schools is improving, but still low. In 2016, the number of pupils per computer in general education schools was 16.5, and the number of teachers per computer was 1.7.

The Government is focusing on the seismic safety of schools with capacity of 400 or more students leaving out small sized schools, especially in rural areas and small communities that comprise about 31% of all schools in Armenia.

Refugee, stateless and displaced children are in a more challenging situation due to the socio-economic situation of families, language barriers, and limited access to pre-school education. In this regard, the Government will consider the development of specific, supportive policies on education for these category to ensure the enrollment of refugee, stateless and other displaced children to pre-school and school education as soon as possible after their arrival in Armenia, establish special catch-up and Armenian language classes to ensure their successful participation in education programs, develop an accelerated education for children and youths who missed the opportunity to have timely and effective education at their country of origin or during protracted displacement.

Source: SCA, Social Snapshot and Poverty in Armenia.
Gender Equality and Empowering Women and Girls

The Constitution and the legal framework of Armenia guarantee and promote equality and non-discrimination on the basis of sex. However, women are not able yet to fully benefit from equal opportunities provided by the law and enjoy gender equality. The progress in terms of implementation, enforcement and monitoring of gender equality is mixed.

Men and women have equal access to education, with women being slightly more enrolled at most levels of education with exception for STEM education tracks. However, women have more difficulties in finding well-paid jobs, especially in the non-agricultural sector. It is noteworthy that 40 percent of 58 percent of economically active (ages 15-64) women are employed in agriculture. Young women (15-24 years of age) are relatively more likely to be unemployed than men. In 2016, the unemployment rate among women (of 15-24 years of age) was 46 percent, compared to 29.8 percent among men. On average, wages that women get are about 34 percent less than those of men (figure 22)\(^23\).

In terms of combating domestic violence, Armenia demonstrated good progress. The proportion of ever-partnered women and girls aged 15 years and older subjected to physical, sexual or psychological violence by a current or former intimate partner was notably lower than in the region and in the world. 4.5 percent of women were subjected to physical violence in Armenia in 2015 compared to 19 percent of the world average and 6.1 percent in Europe and North America (figure 21)\(^24\). 0.3 percent of women reported to be subjected to sexual violence by a partner in 2015\(^25\). Some of the more recent estimates by international organizations, though, report a different picture\(^26\).

\(^{23}\) Source: SCA, Labor market in Armenia.


\(^{25}\) Source: SCA and Demographic and Health Survey, for Armenia

\(^{26}\) According to the Report of Investigative Committee on reported cases of sexual assault for the period of 2015-2016. The 2016 UNFPA Men and Gender Equality report showed that 17.4 percent of surveyed men had admitted perpetrating physical violence against their female partner. Beyond physical aspect of violence, women in Armenia are estimated to be subjected to emotional abuse (53 percent), economic abuse (20.8 percent). Beyond domestic violence, gender-based violence gives out a limited picture, as sexual violence is an area that goes mostly unreported due to fears of stigmatization and victimization. However, the cases reported to the police indicate that it disproportionately affects women and adolescent girls.
Gender Equality and Empowering Women and Girls

The proportion of women aged 20-24 years who were married before age 15 and before age 18 in Armenia is almost at the same level as the average in Europe and North America. Only 1 percent were married before age 15 in Armenia, compared to 0 percent in Europe and North America and 16 percent in Central and Southern Asia. Only 6 percent were married before age 18, compared to 8 percent in Europe and North America, and 43 percent in Central and Southern Asia27.

Almost all women (96 percent) in Armenia can make their own informed decisions regarding sexual relations, contraceptive use and reproductive health. However, in practice low levels of contraceptive use (57.1 percent) by women in Armenia compared to 74 percent average for ECA, coupled with every third pregnancy ending in abortion, suggest that women face more pressures in case of Armenian couples achieving a low fertility rate of 1.7.

With regard to ownership equality: 75.2 percent of women age 15-49 with own (alone, jointly with someone else or both alone and jointly with someone else) agricultural or non-agricultural land. When looking at inheritance practices, even though the law treats all equally, the most recent qualitative research conducted by the World Bank suggests that local customs often lead to sons inheriting property and money. When looking at firm ownership with some female participation it stands below 30 percent. Women and men equally own mobile phones (with a slight difference) 96.7 and 97.8, respectively.

To increase women’s political participation, the new Electoral Code (entered into force since June 1, 2016) ensures 30 percent quota for women instead of currently applied 25 percent for National Assembly of Armenia, and local self-governing bodies in Vanadzor, Gyumri and Yerevan (to be applied from elections 2022). The application of gender quota has led to increased political representation of women. For instance, on average 26 percent of community council members are women in Yerevan, Gyumri and Vanadzor. In local elections of 2016, the number of female candidates increased by 17 percent and the number of elected candidates by 24 percent, compared to the same indicators of 2012. As of October 2017, female representation in local self-Government bodies was 12 percent, compared to 3 percent in 2012.

Significant improvement was tracked in terms of decreasing sex ratio at birth in Armenia (from 114 boys/100 girls in 2010 to 110 boys/100 girls in 2017.

Gender Equality and Empowering Women and Girls

Challenges

The experienced gender gap poses challenges, the most notable being the political empowerment, estimated wage gaps, labor force participation levels and skewed sex ratio at birth. Besides, the assessment of the gap highlights a common underlying contributor in the form of social norms and patriarchy that shape gender roles, impacting observed results when analyzing it\(^\text{28}\).

Women are significantly less engaged in decision-making positions in economic/business as well as in public and political governance\(^\text{29}\). The proportion of women elected to the Armenian parliament was 19 percent of all parliament members in 2017. This proportion is lower than EU-wide average 29.3 percent\(^\text{30}\). There was good progress in terms of women’s involvement in ministerial positions – there are 25 percent of women envoys and ministers\(^\text{31}\), compared to a Europe-wide average of 27.3 percent in 2017. The number of female mayors is very low, only 1.9 percent.

The share of women in high managerial positions is low, though increasing. It was 29 percent in 2016. A similar average figure was recorded in the EU (women CEOs, executives and non-executives in EU Largest listed companies).

Overall, there is higher unemployment among women, compared to men. However, there is especially high unemployment inequality among the youth (women aged 15-24). Thus, 46 percent of women were unemployed in Armenia in 2016, compared to 29.8 percent unemployed men aged 15-24 (table 2). Women’s wages on average are lower than men’s wages by around 34 percent. Young women (15-24 years of age) are relatively more likely to be unemployed than men\(^\text{32}\).

Women are significantly less engaged in decision-making positions in economic/business as well as in public and political governance: 18 percent of the parliament members (19 out of 105), 12 percent of the ministers (2 out of 17) and 13 percent of deputy ministers (7 out of 55). There are no female governors, and only 2 deputy governors are females out of 21. There are no females among 48 city mayors and/or deputy city mayors. For international comparison, the proportion of women in Parliament is lower than EU-wide average 29.3 percent\(^\text{33}\), and women’s involvement in ministerial positions was lower, compared to a Europe-wide average of 27.3 percent in 2017. The share of women in high managerial positions is increasing and was 29 percent in 2016. A similar average figure was recorded in the EU (women CEOs, executives and non-executives in EU Largest listed companies).


\(^{29}\) In terms of the number of women in ministerial positions, Armenia ranked 129th out of 186 countries in the “Women in Politics: 2017” report of the global Inter-Parliamentary Union. Armenia ranked 111 out of 193 countries in terms of seats in the parliament (with 18 percent of seats). Source: http://archive.ipu.org/wmn-e/classif.htm.

\(^{30}\) In the Global Gender Index-2017 of the World Economic Forum, Armenia ranked 97th out of 144 countries in terms of overall gender index, 71st – in terms of economic participation and opportunity, 42nd in terms of education attainment, 143rd in terms of health and survival, and 111 in terms of political empowerment. Source: http://www3.weforum.org/docs/WEF_GGGR_2017.pdf


\(^{33}\) European Institute of Gender Equality (EIGE): http://eige.europa.eu/gender-statistics/dgs/indicator/a_pwr_pol_parl_wmid_natpar
Clean Water and Sanitation

Armenia is rich in freshwater resources, and per capita water availability in the country is among the highest internationally – 98 percent of the population has access to safely managed drinking water services. More than 96 percent of the urban population has access to safely managed sanitation services, while more than half of the country’s rural population has no access to safely managed sanitation services.

**Progress**

In 2017, to improve the water management in the country, Armenia prepared and published its first Satellite Water Account System which provides a comprehensive data and picture of water resources and the use of the existing resources. It is an important instrument that will contribute to enhancing the effectiveness of water monitoring and planning.

**Drinking water and sanitation (SDG targets 6.1 and 6.2)**

Armenia has improved its drinking water supply significantly in both urban and rural areas. In effect, almost all urban (100%) and majority (94%) of rural communities have access to safe drinking water. There has been good progress also in ensuring access to improved sanitation in

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34 Social Snapshot and Poverty in Armenia, SCA 2017
Clean Water and Sanitation

There has been notable improvement in terms of the water-use efficiency across all sectors, though overall it still remains high. The freshwater withdrawal as a proportion of available freshwater resources reduced from 50.8 percent in 2015 to 44.9 percent in 2016.

Proportion of transboundary basin area with an operational arrangement for water cooperation was around 90 percent, which was constantly maintained during the 2015 and 2016.

Water use efficiency (SDG target 6.4)

There has been notable improvement in terms of the water-use efficiency across all sectors, though overall it still remains high. The freshwater withdrawal as a proportion of available freshwater resources reduced from 50.8 percent in 2015 to 44.9 percent in 2016.

Integrated water resources management (SDG 6.5)

Proportion of transboundary basin area with an operational arrangement for water cooperation was around 90 percent, which was constantly maintained during the 2015 and 2016.

Challenges

Sanitation (SDG target 6.2)

Overall, 23.4 percent of population has no access to improved sanitation services. This is a challenge to be addressed in rural areas of Armenia. There is unequal access to sanitation between urban and rural population. The gap between urban and rural populations with access to safely managed sanitation services was 47.5 percent.

Water use efficiency (SDG targets 6.4)

Despite the reduction of water withdrawal, Armenia still remains a water-stressed country. The largest share of water withdrawal is attributed to agriculture. Agricultural water withdrawal comprises more than 90 percent of total water withdrawal in the country.

Due to various inefficiencies in the irrigation infrastructure as well as in the management of the irrigation water, water losses in the irrigation system were significant. More than half of irrigation water is lost and does not reach the farmer and the field (irrigation water loss was 59 percent in 2012). The challenge of water use efficiency is related also to aquaculture - one of the dynamically developing and export-oriented sectors in Armenia – which, however, exploits significant amounts of underground water resources. Most of the fish farms in the country (which are located in Ararat valley) still use precious underground water with a single-pass system, where water is not recycled and is used only once. Aquaculture facilities

Water quality improvement and wastewater treatment (SDG target 6.3)

Since 2012, Armenia considerably enhanced its wastewater treatment capacities by building three new sewer treatment plants in regions and rehabilitating two existing plants. The country-wide proportion of safely treated wastewater increased to more than 85 percent. This level is higher in the capital where 97 percent of wastewater is safely treated.

Urban areas, with over 96 percent of urban population having access to safely managed sanitation services.

Sources:

35 Source: http://www.armwater.am/am/main-activities.html
36 Countries could be defined as water-stressed if they withdraw more than 25 percent of their renewable freshwater resources, as approaching physical water scarcity when more than 60 percent is withdrawn, and as facing severe physical water scarcity when more than 75 percent is withdrawn. http://www.fao.org/zh/water/aquastat/didyouknowindex2.stm
consume precious clean water, and often there is competition and even conflict for water between aquaculture, agriculture and rural communities.

There are 579 communities (of which two communities are urban, and the rest are villages) with 680,000 population, where water supply is provided by the municipality, not by a water operator(s). In these communities, data for water consumption does not exist, due to not metering of water.

Opportunities and Priority Actions

Efficient water technologies and innovation: Armenia has made significant investments to improve the irrigation system, including a number of large scale projects with the support of international financial institutions, such as the World Bank, and the donor community. Certainly, the improvement of physical infrastructures should be continued to reduce water losses in the system itself. However, for further addressing and effectively tackling this challenge, it is vital at this stage to raise awareness about and promote wider use of efficient water technologies and practices such as drip irrigation in crop production, and water recycling technologies in aquaculture. The promotion of such technologies requires and also provides opportunities for multi-stakeholder cooperation and public-private partnership. Innovative approaches should be encouraged through policy incentives.

The Government’s leasing program in agriculture to promote the investment by farmers in advanced and sustainable technologies and machinery has been successful so far and could be continued with higher emphasis on sustainable practices.

Water monitoring: Proper water management require improving the water monitoring system with the use of advanced technologies such as K-Water’s Smart Water Management Initiative which is an integrated management model covering the entire water cycle. Global initiatives such as the UN-Water Integrated Monitoring Initiative for SDG 6 can effectively support the efforts to enhance the water monitoring. The UN-Water SDG 6 Synthesis report 2018 on Water Sanitation, which will be launched during the High-level Political Forum on Sustainable Development, would be very helpful in identifying priorities for action and possible solutions.

Water knowledge and skills: Education, training and awareness raising about water efficiency, freshwater ecosystems and ambient water quality among all participants and stakeholders play an important role in achieving SDG 6.

Integration approach: Water is a vital factor for many aspects of economy and human life, and, thus, SDG 6 is inter-linked with many other SDGs such as agricultural production, a major source of human livelihood (SDG 2), energy production (SDG 7), sustainable cities and communities (SDG 11), sustainable production and consumption (SDG 12), life on earth (SDG 15), and life below water (SDG 14). Thus, an integrated approach is necessary to achieve effective synergies and avoid conflict between SDGs and various stakeholders such as agriculture, industry, cities, human consumption, aquaculture. In this context multi-stakeholder participatory approach and partnerships is a must for building.
Armenia does not have any fossil fuel or coal reserves; therefore, it is highly dependent on the imported fuel for transportation, electricity generation, and heat production. In this context, the promotion of energy efficiency, and introduction of renewable energy technologies and enhancing the renewable energy capacity are high priorities for the Government of Armenia. A strong regulatory and institutional framework has been developed to boost the production of renewable energy and enhance energy efficiency in the industry, urban and rural communities as well as households. In this context, the Law on Energy Efficiency and Renewable Energy plays a central role in providing a sound foundation and principles for promoting sustainable energy practices. A comprehensive set of enabling regulatory documents was adopted to support the effective implementation of objectives on achieving availability, accessibility and sustainability of energy in Armenia, including, inter alia: (i) the National Energy Security Action Plan 2014-2020, and (ii) the National Plan for Energy Efficiency and Renewable Energy. The Government developed a number of policies promoting investments in and the use of renewable energy, particularly, hydro-power and solar-power.

**Progress**

**Access to energy (SDG target 7.1)**

Effective Government programs and economic measures allowed ensuring universal access to reliable electricity for all the population of the country, including urban and rural areas. This is a significant achievement that will contribute to the achievement of other SDGs.

**Renewable energy (SDG targets 7.2)**

Armenia adopted a number of policies promoting investments in renewable energy, particularly, hydro-power and solar-power. The renewable energy share in the total final energy consumption has been increasing and reached 14.1 percent of total in 2016\(^{38}\).

The appropriate investment environment ensured significant private investments in the renewable energy sector, particularly, small size hydro-power plans and solar-panels. Small hydro power plants are the largest source of renewable energy in Armenia. As of January 2018, there are about 184 small hydro power plants with capacity 353 MW (and electricity of 862 million KWh).
Solar energy promotion is also a priority in the agenda of the Government. Under an ongoing World Bank “Utility-Scale Solar Power Project” a plant capacity of 55 MW will be installed, with a projected average annual generation of 120 million KWh.

**Energy efficiency (SDG target 7.3)**

Armenia demonstrated notable progress in improving its energy efficiency indicators. Since 2005, Armenia reduced around two times the oil equivalent of energy to produce 1,000 USD of its GDP. In 2015, 124.8 kg of oil equivalent (kg.o.e.) was used to produce 1,000 USD of output. This tendency is related to efforts and investments towards wider use of energy efficient practices and techniques in the economy and among households, and to the development of industries with low energy intensity such as ITC sector, services, etc.

Through effective cooperation with and support from international financial institutions (World Bank, IFC, EBRD) and donor community, in the last decade (since 2006) Armenia invested around USD 200 million into energy efficiency at industry, municipality and household levels, which is anticipated to lead to saving 3 GWth energy by 2020.

Armenia successfully implemented its 1st National Energy Efficiency Action Plan (NEEAP), and adopted a more ambitious 2nd NEEAP in 2017, which highlights priority areas for energy efficiency investments and plans an estimated 37.4 percent reduction of energy consumption due to wider use of energy efficient practices. According to World Bank estimates, Armenia can consume up to 600 million cubic meters of natural gas less per year by promoting and investing in energy efficient technologies and practices.

Around two dozen energy efficiency and renewable energy standards were developed and adopted to support the implementation of sustainable energy practices by business entities as well as households. The adoption of these standards is critical for establishing effective rules and indicators to require and guide the industry and citizens in efforts towards improving energy efficiency.

Armenia also is taking part in the EU-led Covenant of Mayors through which local authorities adopt energy efficiency policies and programs. To date, 18 municipalities in Armenia have committed to developing sustainable energy action plans (SEAPs).

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39 Source: Ministry of Energy Infrastructures and Natural Resources.
40 MDG database of the SCA. GDP figures are PPP adjusted.
A number of successful projects were implemented in the energy efficiency field, particularly:

- The establishment of a revolving fund for energy efficiency retrofits in public/municipal/social buildings based on energy performance contracting through the Renewable Resources and Energy Efficiency Fund (R2E2), which so far helped to achieve 50 percent energy saving in 64 public objects (more than 160 buildings and 9 urban lighting systems. Armenia will continue working in this direction and roll out this financial tool to banks for further commercialization and scale up the public-sector energy efficiency investments.
- Effective cooperation with the Energy Efficiency Coordination Group under the Energy Community Treaty as a valuable platform for access to best practices and coordination on the regional level. Through Energy Charter secretariat the Ministry of Energy Infrastructures and Natural Resources cooperates towards eliminating bottle-necks in building energy efficiency and eco-labeling legislation.
- The program «Energy Efficient» started in August 2017 to develop green energy and generate renewable energy in non-gasified communities of Armenia.
- “Bright Border” project launched 2016, under which 16,480 LED lamps were installed in borderline houses in 17 villages.

**Inter-governmental cooperation**

Armenia has developed a set of energy related agreements with Russia, and neighboring Georgia and Iran. Armenia buys nuclear fuel from Russia, oil and gas from Russia and Iran, and inter-exchanges electricity to Georgia and Iran.

**Challenges**

**Reliance on clean fuels and technology (SDG target 7.1)**

Despite a slight improvement in recent years, more than half of households of Armenia lack access to clean fuels and technologies (according to ILCS – Integrated Living Conditions Survey). In 2016, less than half of the population (41.3 percent) used natural gas for heating, and 37.2 percent of the population uses wood for heating purposes. There are high disparities between urban and rural areas. Thus, in rural areas only 12 percent of population used gas for heating and 72.2 percent used wood, while the corresponding figures in urban areas were 58.2 and 17.8 percent.

**Greening the energy mix (SDG target 7.2)**

The amount of renewable energy increased significantly in absolute terms and in terms of the share of electricity from renewable energy sources in the total production that reached 29 percent in 2016. However, the share of renewable energy in the total energy production can be improved to increase the level of energy security of the country.

**Conflict between greening the energy and protecting the environment**

During the last decade there was a rapid growth of hydro-power production. In the framework of Government’s

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policy to encourage renewable energy, many small to medium size hydro power plants were established throughout the country (around 180 plants). While being a positive move to promote sustainable energy production and consumption, the construction of hydropower plants on rivers often caused environmental problems, endangered river ecosystems and caused water problems to neighboring communities. Many hydropower plant construction projects caused conflicts among various stakeholders.

**Opportunities and Priority Actions**

With the support of international financial institutions and the donor community Armenia implemented a number of projects aimed at the promotion of energy efficient practices in urban and rural areas of the country. These include: (i) demonstration of energy efficiency tools and techniques in selected residential buildings; (ii) provision of financial incentives to households for improving the energy efficiency of their houses through design and enforcement of new mandatory energy efficiency building standards (thermal insulation techniques, use of LED lamps, etc.), (iii) provision of financial incentives to promote the use of renewable energy by households. A special loan program was launched in 2017, for households to purchase and install solar heating systems and solar PV systems. It is planned to launch another such project in communities near forest areas, in order to reduce the forest logging for cooking and heating in these communities.

**Increasing the share of renewables in the energy mix.**

The recently adopted enabling policies to promote solar energy production are expected to boost the expansion of solar energy power plants in the country and increase significantly the share of green energy. According to the Renewable Energy Investment Plan for Armenia approved recently by the Government in the framework of the “Scaling-Up Renewable Energy Program (SREP)” of the Climate Investment Funds, in accordance to which SREP resources are being allocated to develop up to 110 MW utility-scale solar PV.

Recent changes in the legislation of Armenia provide financial incentives and open new opportunities for the development of renewable energy, including solar energy. The Law on Energy provides for guaranteed purchase of the entire electricity generated by renewable energy sources for 15 years for small hydro power plants (SHPP), and 20 years for solar, wind, biomass and geothermal. The tariffs established for renewable energy are viable and allow for payback of investments within a reasonable time period. This relates particularly to tariffs for solar energy.

**Energy efficiency:** The need for improving energy efficiency is urgent in the transport, industry, urban and rural community street lighting and building sectors. Most of the buildings in Armenia were built in Soviet era and were very inefficient when energy efficiency was not important. Therefore, it is of high importance to create economic incentives and provide technical assistance to households to retrofit their houses and improve energy efficiency.

**Education and training about energy efficient techniques and practices.** Evidently, education and awareness raising about modern energy efficiency and renewable energy technologies and practices is absolutely necessary for the establishment of sustainable energy culture in the society. In addition to educational efforts in schools and universities, it very important to prepare and disseminate practical demonstrations and user friendly short trainings and awareness materials for businesses and households.

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44 Within less than a year, 298 solar heaters and 8 solar PV systems were purchased and installed.
Inclusive and Sustainable Economic Growth, Employment and Decent Work

Progress

During the last decade, Armenia’s economy and society withstood two economic shocks due to the global financial crisis in 2008-2009, and the currency crisis in 2014-2015 in Russia, one of Armenia’s major trade/economic partners. The decline in GDP in 2009 was especially severe (14.1%) and was one of the deepest declines in the region (figure 26). Prudent monetary and economic policies allowed recovering in relatively short periods. The GDP growth rate in 2017 was remarkable after the crisis of 2014-201545.

The 2013-2018 Employment Strategy highlighted the importance of addressing employment problems of the youth (up to 30 years old) and women, who are more likely to be unemployed in Armenia.

Material consumption Armenia is low if compared internationally – it was about 5.4 tons per capita, compared to global average of 11.6 tons per capita, and the average in the EU – 12 tons per capita in 201746. Material consumption/GDP ratio in Armenia was 77.6 percent in 2015.

The proportion of informal employment in non-agriculture employment has been decreasing during recent years, and was 21.8% in 2017 (compared to over 30% in 2014). There is difference between informal employment of men and women, with informal employment rate higher among men (21.8 vs. 13.3 percent in 2016).

Armenia is effectively working with the International Labor Organization (ILO) to reduce and prevent child labor. In cooperation with the International Labor Organization, Armenia launched a project on “Country Level Engagement and Assistance to Reduce (CLEAR) Child Labor” aimed at ensuring compliance of relevant laws and regulations international standards in the field of child labor. The Decent Work Country Program has been developed in cooperation with ILO which is already prepared for signing, the main aim of which is to promote decent work opportunities.

45 Note that the method of determining unemployment rate was changed in 2008, which affects the compatibility of data before and after 2008, see http://www.armstat.am/en/?nid=12&id=08010
46 Source: UNEP database, https://environmentlive.unep.org/indicator/index/8_4_2
Challenges

Despite the resilience of the economy, key persistent challenges in Armenia to be tackled are the high level of national poverty with about 30 percent level, and high unemployment with about 18 percent level in 2017. The economic growth and development in the last decade did not translate into neither significant poverty reduction nor the reduction of unemployment. So far, the economic growth has not been pro-poor, and the challenge is how to make economic growth and development more inclusive, how to make it pro-poor. The challenges are exacerbated by high dependency of large segments of population on remittances, and constraints on increasing Government spending due to high debt/GDP ratio.

In 2016, the prevalence of child labor in Armenia was 8.7 percent (figure 27), more than two times higher than the prevalence in Europe (4.1 percent). Boys are engaged in child labor more often than girls: 11 percent of boys aged 5-17 years vs. 5.7 percent of girls. The gender profile of child labor in Armenia is presented in table 3. Regarding child labor in the form of household chores, 38.1 percent of surveyed children fall into this group with girls outnumbering boys by 1.7 times. Household chores are also commonly unpaid work.

49 Armenia National Child Labor Survey 2015, ILO

Table 2: Unemployment, by sex, age and persons with disabilities, %

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2016</th>
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</thead>
<tbody>
<tr>
<td><strong>Total, 15-75 age</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>18.5</td>
<td>18.1</td>
</tr>
<tr>
<td>Female</td>
<td>17.6</td>
<td>17.8</td>
</tr>
<tr>
<td><strong>Total, 15-24 age</strong></td>
<td>32.5</td>
<td>36.6</td>
</tr>
<tr>
<td>Male</td>
<td>28.6</td>
<td>29.8</td>
</tr>
<tr>
<td>Female</td>
<td>37.2</td>
<td>46.0</td>
</tr>
<tr>
<td><strong>With disabilities</strong></td>
<td>15.7</td>
<td>18.9</td>
</tr>
</tbody>
</table>
Inclusive and Sustainable Economic Growth, Employment and Decent Work

Despite the dynamic development of the banking sector in Armenia, in 2017, 48 percent of adults (15 years and older) had an account at a bank or other financial institution or with a mobile-money-service provider. There was a notable difference between men and women, with the share of men and women with a bank account being 56 and 41 percent, respectively. In terms of usage of those accounts, men and women differ, reflecting their labor status in the market. Men use the bank accounts mostly for receiving wages and business transactions, whereas women use it to get Government transfers and remittances50.

Unemployment rates of return migrants, meaning those returning to Armenia after having lived abroad, also tend to be higher. These unemployment rates can be linked to high rates of labor out-migration in Armenia, particularly of youth. One further labor-related challenge Armenia faces is around protecting the rights of Armenian labor migrants abroad, their labor rights are not always upheld and it is difficult to have oversight of this.

Refugees, stateless persons and other displaced population face even more difficulties with employment and decent work. There is no a state body with the responsibility to provide foreigners with information on local immigration conditions, opportunities in the employment market, employment rights, accessibility of social protection, fight against discrimination and on other issues.

![Prevalence of child labor, Source: ILO, SCA](image)

**Figure 27: Prevalence of Child Labor, Source: ILO, SCA**

**Table 3** Children aged 5-17 years engaged in child labor

<table>
<thead>
<tr>
<th>Age</th>
<th>Total number</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Boys</td>
<td>27300</td>
<td>8.7</td>
</tr>
<tr>
<td>Girls</td>
<td>12000</td>
<td>5.7</td>
</tr>
<tr>
<td>5-11 age</td>
<td>11200</td>
<td>4.6</td>
</tr>
<tr>
<td>12-15 age</td>
<td>14000</td>
<td>10.5</td>
</tr>
<tr>
<td>16-17 age</td>
<td>14100</td>
<td>19.4</td>
</tr>
</tbody>
</table>

In the last decade, Armenia increased its per capita CO2 emissions but has remained at overall low level of emissions per capita (table 4). In the preparation of its 3rd National Communication on Climate Change, Armenia identified the vulnerability sectors and summarized priority adaptation measures. The Greenhouse Gas Inventory is updated every two years and reported under Biennial Update Reports, the latest submitted in 2018. Under UNFCCC, Armenia’s Intended Nationally Determined Contributions (INDC) stated commitment to limit greenhouse emissions equal to 633 million tons carbon dioxide for the period of 2015-2050 or an annual average of 5.4 tons per capita. Armenia strives to achieve ecosystem neutral GHG emissions in 2050 (2.07 tons/per capita annual) with the support of adequate international financial, technological and capacity building assistance.

Table 4 Carbon emissions

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>CO2 emissions, tons per capita\textsuperscript{51}</td>
<td>1.91</td>
<td>1.51</td>
<td>1.47</td>
<td>1.71</td>
<td>1.98</td>
<td>1.90</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

In compliance with its obligations on the Montreal Protocol, Armenia has nearly eliminated its use of ozone depleting gases. It has completely phased out consumption of CFC’s from 196.5 ODP tons in 1996 to none by 2010\textsuperscript{52}. It is now in the process of phasing out HCFC’s. Its use of HCFC’s was down to an insignificant amount of 3.15 ODP tons in 2014.

\textsuperscript{52} http://ozone.unep.org/en/data-reporting/data-centre

\textbf{Progress}

Figure 28: Photo by Lusine Torosyan, bestowed first prize in Montreal meeting in November, 2017
Resilient Infrastructure, Inclusive and Sustainable Industrialization

The Government, in collaboration with private sector entities, has undertaken comprehensive programs towards the transportation infrastructure development, including road, railroad and air transport. Free competition in the telecommunications sector have led to development of internet and mobile networks and ensuring full access to mobile telephone service in Armenia.

Challenges

Armenia urgently needs to take measures towards promoting industrial development and increasing the productivity of its manufacturing sector. Manufacturing is still providing a small portion of overall GDP in the country. In 2016, manufacturing value added as a proportion of GDP was only 5.9 percent, and manufacturing value added per capita was just $324.5 (source: SCA). This demonstrates a very low productivity level considering that manufacturing employment as a proportion of total employment was 10 times higher, i.e. manufacturing employment as proportion of total employment was 60 percent.

Expenditures on research and development (R&D) as a proportion of GDP was 0.024 percent, and the number of R&D specialists per million population was just 1231 people. These are very weak performance indicators that limit the country’s ability to carry out effective R&D and innovation. Low R&D, in its turn, does not support the country’s industrial development.
Inequality is one of the challenges in Armenia as indicated above in the discussion of SDG 8. During the last decade, inequality has increased slightly - the Gini coefficient rose from 0.339 in 2008 to 0.375 in 2016 (based on national consumption expenditure). Poverty is notably higher among children up to 17 years of age with significant geographical disparities (reaching more than 50% in Shirak region). The geographical inequality of poverty remains to be tackled yet: poverty and extreme poverty rates are the highest in urban settlements (cities/towns) other than the capital Yerevan. In 2016, the poverty rate was different for male/female (28.5/30.2 percent), but in 2008, the gender difference was not essential (27.8/27.3 percent)\(^{53}\).

Growth rates of household expenditure or income per capita among the bottom 40 per cent of the population was still slightly lower that the overall growth rate among the total population (104.7 vs 105.1 percent).

The labor share of GDP, comprised of wages and social protection transfers was low, at 34.1 percent in 2015. Empirical evidence suggests that “the decline of the labor share tended to evolve hand-in-hand with the widening of market income inequalities”. “It is important however to carefully interpret adjusted and unadjusted labor shares. Structural shifts from self-employment (like family farming) to wage employment tend to raise the unadjusted labor share more than the adjusted one. This should be kept in mind, particularly when looking at trends in emerging and developing countries where the share of self-employed workers and unincorporated enterprises is larger than in advanced economies, and where the unadjusted labor income share is thus generally lower than in more developed countries. Once labor shares are adjusted for self-employment, it is not obviously the case anymore that labor shares are lower in poorer countries (Gollin, 2002; Guerriero, 2012)\(^{54}\).”

Several aspects of migration governance, as under SDG 10.7, can also be an ongoing challenge in Armenia. For example, there is a need to better regulate labor migration to protect the rights of Armenian workers abroad, strengthen social and labor market integration opportunities for return migrants and meet the social and financial needs of families left behind as heads of households migrate, among other topics.

\(^{53}\) Source: SCA Social Snapshot and Poverty. The gender-based poverty rate difference was noted with reference to gender of the household head.

Sustainable Cities and Communities

Around 64 percent of Armenia’s total population lives in urban settlements, and more than half of urban population lives in the capital Yerevan (about 36 of total population). The pressure on cities is increasing.

Progress

Population in slums and informal settlements (SDG target 11.1, and SDG’s 1, 6, 7)

The share of the urban population living in slums has been decreasing in Armenia. In 2016, there were 1.7 people living in slums per 100,000 population. The Government of Armenia, through its social programs of housing, is able to provide only a limited amount of affordable housing to households affected by natural or other disasters, as well as to young families.

Urban water and sanitation, and waste management (SDG target 11.1 and 11.6)

The urban population in Armenia is provided with improved water and sanitation services - 98 percent of the population in has access to safely managed drinking water services, and more than 96 percent of urban population has access to safely managed sanitation services.

99 percent of urban solid waste is regularly collected with adequate final discharge out of total urban solid waste generated by cities.

Table 6 Annual mean levels of fine particulate matter (PM2.5) in cities, micrograms per m$^3$ 2012

<table>
<thead>
<tr>
<th>Area/country</th>
<th>Urban</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>World</td>
<td>43.1</td>
<td>39.5</td>
</tr>
<tr>
<td>Caucasus and Central Asia</td>
<td>30.9</td>
<td>25.7</td>
</tr>
<tr>
<td>Developed regions</td>
<td>13.3</td>
<td>12.6</td>
</tr>
<tr>
<td>Developing regions</td>
<td>49.3</td>
<td>45.1</td>
</tr>
<tr>
<td>Eastern Asia, exc. Japan</td>
<td>57.8</td>
<td>52.8</td>
</tr>
<tr>
<td>Europe</td>
<td>16.0</td>
<td>15.0</td>
</tr>
<tr>
<td>N. America and Europe</td>
<td>13.5</td>
<td>12.7</td>
</tr>
<tr>
<td>Armenia</td>
<td>25.0</td>
<td>20.7</td>
</tr>
<tr>
<td>Belarus</td>
<td>18.0</td>
<td>17.4</td>
</tr>
<tr>
<td>Finland</td>
<td>7.1</td>
<td>6.9</td>
</tr>
<tr>
<td>France</td>
<td>12.6</td>
<td>12.0</td>
</tr>
<tr>
<td>Georgia</td>
<td>23.0</td>
<td>18.7</td>
</tr>
<tr>
<td>Germany</td>
<td>14.4</td>
<td>13.5</td>
</tr>
<tr>
<td>Greece</td>
<td>12.6</td>
<td>12.2</td>
</tr>
<tr>
<td>Ireland</td>
<td>9.9</td>
<td>9.5</td>
</tr>
<tr>
<td>Japan</td>
<td>12.9</td>
<td>12.5</td>
</tr>
<tr>
<td>Kazakhstan</td>
<td>21.1</td>
<td>15.4</td>
</tr>
<tr>
<td>Kyrgyzstan</td>
<td>15.4</td>
<td>15.0</td>
</tr>
<tr>
<td>Norway</td>
<td>9.1</td>
<td>8.6</td>
</tr>
<tr>
<td>Russia</td>
<td>16.6</td>
<td>14.8</td>
</tr>
<tr>
<td>Singapore</td>
<td>17.0</td>
<td>17.0</td>
</tr>
<tr>
<td>Switzerland</td>
<td>12.5</td>
<td>12.0</td>
</tr>
<tr>
<td>UK</td>
<td>12.4</td>
<td>12.1</td>
</tr>
<tr>
<td>USA</td>
<td>8.4</td>
<td>8.2</td>
</tr>
</tbody>
</table>

Integrated policies and national and regional development plans (SDG target 11.a and 11.b)

Armenia adopted a national disaster risk management strategy in line with the Sendai Framework for Disaster Risk Reduction 2015-2030. In addition, all municipalities of Armenia are legally obliged to design and adopt development plans which shall integrate economic, social and environmental aspects of development.

Challenges

Air quality and municipal and other waste management (SDG target 11.6)

The level of air pollution in cities of Armenia, especially, in the capital Yerevan, is lower than the world average, but is higher than in European and other developed countries as well as in many peer countries. The annual mean levels of fine particulate matter in cities was 25 micrograms per cubic meter, compared to 43.1 and 16 micrograms per cubic meter in the world and Europe, respectively.

The number of deaths and the number of people affected caused by disasters (SDG target 11.5)

The largest number of disasters in Armenia are related to fires, traffic accidents, and food poisoning, the latter two causing the majority of deaths and injuries (table 7).

Inclusive communities (SDG target 11.7)

Due to intensive construction in urban areas, the area of green spaces reduced considerably in urban settlements of Armenia, especially in the capital Yerevan.

Urban as well as rural communities in Armenia do not have inclusive and accessible, green and public spaces, in particular for persons with disabilities. Most of urban planning and construction requirements to buildings and other facilities/infrastructure were based on soviet standards without consideration of the needs of people with disabilities. In Armenia, 6.2 percent of the population is disabled (186,384 people). According to official statistics that unemployment rate among disabled people was 18.9 percent. However, some international sources suggest much higher unemployment among the disabled. Though the Government policies include provisions for promoting the inclusion of disabled in all aspects of social life (for instance the strategy of inclusive education), the implementation of those provisions are weak. In effect, the disabled people do not always have the opportunity to actively participate in economic and social life of the country.

| Table 7. Main disaster types/deaths & injuries in Armenia, person |
|--------------------------------|--------|--------|
| Technical, of which:       | 2016   | 2017   |
| fires                      | 8020   | 9309   |
| car accidents              | 4615/63| 5531/60|
| Natural disasters          | 392    | 282    |
| earthquake                 | 4695/5360| 4695/5360|
| wind                       | 44/1   | 50/1   |
| Social and biological, of which: |        |
| food poisoning             | 4580   | 5028   |
|                           | 4253/4723| 4695/5360|
Opportunities and Priority Actions

Municipal empowerment and engagement
(SDG 11.a, b, c, SDG 17.1, 17.5 and SDGs 16.6, 16.7)

To effectively engage local communities in the implementation of SDG targets, it is of high importance to enhance local community institutional and human capacities and empower them to be more proactive. And the empowerment shall include adequate financing through effective mechanisms of inter-Governmental transfers, own source revenue collection, and enhanced opportunities to attract investments to urban and rural communities. This is a priority for the Government.

Local communities in Armenia are elected bodies which are coordinated through the Ministry of Territorial Administration and Development (MTAD). Community self-governing bodies (municipalities) in Armenia are weak financially as well as professionally. They have very limited sources of their own revenues and depend heavily on financing from the central budget, which limits very much their ability in fulfilling their communal and social obligations, in carrying out disaster risk reduction (DRR) activities, and in designing and implementing effective economic and social development.

Proper engagement of municipalities shall be enabled through effective translation of national and international development strategies and goals (including SDGs) into the local realities and context. It is crucially important that municipalities see their link to global activities and goals. They need to know and understand clearly how their local activities, projects or behaviors can contribute to those goals, and, similarly, how their communities will concretely benefit from the attainment of SDGs. In this regard, due consideration shall be given to “localization” and “visualization” of SDGs and their relevance to community realities. In addition, it is necessary to demonstrate and visualize the inter-links between SDGs and how they interact with each other. SDG 11 - sustainable cities and communities - is intertwined with multiple SDGs, including water and sanitation (SDG 6), energy (SDG 7), infrastructure, sustainable industry, and innovation (SDG 9), responsible consumption and production (SDG 12), etc.

Active municipal engagement is crucially important in terms of reliable and disaggregated data collection and
monitoring activities (SDG 17.18). Many SDG indicators can effectively be collected and analyzed at the municipality level. For effective “data engagement” of municipalities there is a need: to (i) make necessary legal institutional arrangements to establish administrative registers at community level, (ii) design and adopt data items (based on SDG indicators) that are simple, user friendly, measurable and “not-difficult-to-collect” at community level. It is important to also introduce at the community level, the Human Rights Based Approach to Data (HRBAD), that draws from internationally agreed principles for statistics and echoes the call for a data revolution for sustainable development, which upholds human rights and is based on the principles of participation, transparency, privacy and accountability.

**Inclusive communities (SDG 11.3, 11.7, 11a)**

Urgent action must be taken to improve access to green and public places for people with disabilities and for application of the principles of universal design. Action is also required for inclusive community service delivery and accessibility of services. Achieving inclusivity in urban and rural communities would require a systemic approach and joint effort by the state, municipalities, civil society organizations, and private businesses.
Responsible Consumption and Production

With increasing growth of production as well as consumption, the pressure for sustainable practices in production and consumption also increases. Sustainable consumption and production (SCP) is a broad area where all stakeholders can have direct contribution to the achievement of the targets under this goal. Not only policies and Government programs count for the implementation of SDG 12, but also practices applied by businesses, civil society organizations, households and every and each individual. Responsible consumption and production involves behavioral (cultural) transformation in the society from traditional linear supply chain approach to more sophisticated closed loop or circular approach. Sustainable consumption and production, first of all, is a philosophy of life, a lifestyle and a behavioral norm. Therefore, concerted public and private action is necessary to increase resource efficiency, fundamentally shift consumption patterns and production processes, improve waste management systems, and transition toward more circular economy approach. It is important that the interventions should be consumer driven behavior change interventions.

**Progress**

**National action plans and public procurement (SDG target 12.1, and SDG 12.7)**

Armenia integrated green economy elements/objectives into its wider strategies on environmental protection and sustainable development. Armenia Development Strategy 2014-2025 states that "parallel to the Government’s efforts for improving the rates of economic growth, measures should be taken to reduce as much as possible the associated environmental risks". Priorities outlined in the ADS include legislative reforms, management and governance capacity building (including for specially protected areas, forests, and water basins), environmental impact assessment and monitoring capacity, increases in environmental fees and tariffs, continue working on Lake Sevan, legal mechanisms for promoting “green” innovation, education and awareness, among others. However, the ADS 2014-2015 does not explicitly address the SCP and its components.

SCP components appear in environmental protection action plans and some sector specific policies. SCP principles are becoming, though slowly, more integrated into strategies and policies of the Government of Armenia. Thus, a set of energy efficiency and renewable energy standards, to promote responsible energy consumption and production, has been adopted and enforced. Environmental assessment is a required component of the Government procurement of goods, construction and other services. For a number of sectors specific sustainable development indicators have been adopted, and environmental monitoring/information systems are being used to inform and measure the success of sustainable policy making in those sectors. However, such practices are yet not widespread and need to be replicated and
applied comprehensively to a broader set of industries and economic and human activities.

**Environmentally sound management of chemicals and waste (SDG target 12.6)**

Armenia is a party to international multilateral environmental agreements on hazardous waste, and other chemicals, and meets its commitments and obligations in transmitting information as required by each relevant agreement. This includes, particularly:
- Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal
- Montreal Protocol on Substances that Deplete the Ozone Layer
- Rotterdam Convention on Hazardous Chemicals and Pesticides in International Trade
- Stockholm Convention on Persistent Organic Pollutants
- Minamata Convention on Mercury

**Consumer and producer information and education (SDG target 12.8)**

A course “Energy and use of resources” is included in the list of academic curricula for training of specialists in the respective areas, beginning from the 2010-2011 academic year.

The Government of Armenia in close cooperation with UNDP is developing a tailor-made training course on environmental protection for civil servants and municipality authorities. The training course can effectively be used for training among businesses and NGOs.

**Challenges**

**National action plans and public procurement (SDG target 12.1, and SDG 12.7)**

There is a lack of economic incentives to encourage sustainable consumption and production which limits progress towards SCP goals in many sectors. Coordination efforts between different levels of government need significant enhancement to promote enforcement of the participation of local authorities in the implementation SCP policy. This is also compounded by the lack of effective regulation to ensure practical engagement of local authorities in policy implementation. These problems could be addressed through the development of dedicated Green Growth and/or SCP strategies and measures. There may also be a need to establish a dedicated body responsible for achieving the targets for sustainable consumption and production.

There is also a significant lack of funding for and investment in research and development in the fields of environmental protection, eco-innovation, progressive waste management, etc. At a broader social level, there is still insufficient public involvement in resource management and the implementation of policies and strategies for sustainable consumption and production.

Because the GE and SCP are currently addressed through disparate policy documents, existing policy in different policy domains can be contradictory in nature, making current legislation potentially counterproductive. Similarly, a lack of coordination between responsible bodies can lead to contradictions and wasted time and effort. It is difficult to adequately assess the success of GE and SCP policy elements, or the current state of environmental, social and economic factors that GE and SCP policy would seek to change. There is little economic interest from businesses or consumers for sustainable consumption and production, and little opportunity for public participation in decision making.
Reduce food loss across the supply chain (SDG target 12.3)

A report on food loss and waste in Armenia conducted in 2014 revealed that the cereals sector experienced around 15 percent losses, while losses in the roots and tubers sector were estimated at 19 percent. The lowest losses were reported in the fruit and vegetable sector. It was also highlighted that the cold chains are rather weak and contribute to food losses due to produce spoilage.

The main causes of food waste and loss were identified as outdated storage facilities and access to refrigerated storage and cold storage. Farmers do not have sufficient funds to keep produce in commercial storage facilities. Instead, they often use poor storage techniques and insufficient know-how. Knowledge on post-harvest handling and treatment of agricultural products was also estimated as contributing to the situation with food losses. Some quality issues also have been highlighted as contributing to the rejection of produce by supermarkets.

As an average low income country, FLW in Armenia is much higher at the beginning of the supply chain (agricultural production stage) than at the end (distribution or consumption steps).

Main suggestions and recommendations on FLW reduction are:

- Educating and providing technical assistance to farmers in the process of harvesting;
- Training all supply chain actors to implement post-harvest handling and storage procedures and create infrastructure for delivering fresh food to consumers;
- Improving processing and packaging procedures and technologies;
- Advocating for the creation of farmers’ cooperatives;
- Developing or changing traditional marketing systems;
- Providing cold storage facilities and improving hygiene conditions at the distribution stage, especially on open markets;
- Improving storage conditions and promoting food purchase planning at household level

Consumer and producer information and education (SDG target 12.8)

The lack of recognized labels and standards is a key barrier to enabling consumers and public administration to make informed decisions when choosing goods or services. However, countries in Asia are increasingly developing national eco-labels and other consumer information tools. Cooperation and harmonization of eco-labels must be strengthened, inter alia through mutual recognition agreements, as in the case of Japanese and Thai eco-labels. Efforts to mainstream SDGs into education must be intensified to increase consumer awareness and ensure behavioral change in the long term. In India, the first higher education course on SCP taught in a developing country was launched in 2016 as part of a study program on Public Policy.

Environmentally sound management of chemicals and waste (SDG target 12.4)

Armenia’s mining industry, particularly non-ferrous metal mining, remains a major source of chemical waste and source of pollution and degradation of the surrounding environment. Mining industry is increasing and accounts for a significant part of Armenia’s exports. There are 20 tailing dams in Armenia, of which 9 are operational.

During the last 14 years, the mining and quarrying sector has contributed 2.2 percent to overall GDP. The sector

Source: http://www.fao.org/3/a-au842e.pdf
has also been able to attract tangible foreign investment, both through the privatization of state owned enterprises, and through new mineral related developments. In the past 5 years, inflows from exports from the sector have been around USD 500 million annually, making it Armenia’s top sector in terms of export and inflow of foreign exchange. Mining companies are significant job providers, especially as they offer formal jobs in more rural areas. In 2014, 7,057 people were employed in the metallic mining sector, which is around 10 percent of total employed in the industrial sector.

Environmental and social regulation of the mineral sector is primarily based on the Law on Environmental Impact Assessment and Expert Examination and the Mining Code. The former is sophisticated and includes most modern concepts to anticipate, prevent and mitigate negative impacts on the environment and humans, during the life of the mine and including mine closure. There is, however, a general lack of secondary legislation and/or guidelines to aid in the implementation of the law (which is partly due to the fact that the EIA Law itself was enacted recently). There is, for example, a lack of clarity in respect of how to determine whether a mining waste is hazardous or not. According to the RA Mining Code, non-operational tailings dams with a proven mineral reserve are classified as “man-made mines” rather than mine waste.

The right for the public to participate in environmental decision making and to access data is guaranteed by the Constitution and the Law of on Freedom of Information, the law on EIA, and the Aarhus Convention ratified by Armenia in 2001. Notwithstanding these legal guarantees to ensure access to information, the implementation of the law providing for public participation and data access faces many obstacles in practice resulting in, for example, that data and information are released late or not at all by authorities.

Corporate sustainability reporting (SDG target 12.6)

Sustainability reporting is not mandatory in Armenia, and there is no data collection and maintenance in this regard. There is no dedicated strategy or action plan on Green Growth or SCP, and no dedicated body responsible for achieving the SCP objectives. This makes it difficult to promote sustainable behavior and practices among businesses, households and people.

Opportunities and Priority Actions

National action plans and public procurement (SDG target 12.1)

The absence of dedicated policy documents and institutional bodies on SCP is a challenge, but also an opportunity for creating a new institutional focal point and developing dedicated GE and SCP policies. The development and approval of the state systems of sustainable development indicators can also incorporate indicators on the success of SCP policy. These actions should also be linked to the establishment of Government portals providing information on state and regional SCP policies, and best practices in implementation.

Better opportunities for local communities to take a more active part in planning, and to provide informed contributions in decision-making for how mines are developed and established should be created. Participation of
Reduce food loss across the supply chain (SDG target 12.3)

Main suggestions and recommendations on food loss and waste reduction are:

- Educating and providing technical assistance to farmers in the process of harvesting;
- Training all supply chain actors to implement post-harvest handling and storage procedures and create infrastructure for delivering fresh food to consumers;
- Improving processing and packaging procedures and technologies;
- Advocating for the creation of farmers’ cooperatives;
- Developing or changing traditional marketing systems;
- Providing cold storage facilities and improving hygiene conditions at the distribution stage, especially on open markets;
- Improving storage conditions and promoting food purchase planning at household level.

Economic incentives through public procurement (SDG 12.7)

In addition to setting out requirements for environmental protection and/or impact assessment, the Government shall create effective economic incentives for citizens, businesses, consumers and municipalities to apply sustainable practices. For instance, procurement can be a very strong leverage point to promote sustainable production and consumption practices. There is also a scope within these actions for integrating mechanisms to ensure public participation in resource management and decision-making.

Promoting modern knowledge and approaches on sustainable practices

Modern sustainable development philosophies, approaches and practices such as “circular economy”, “closed loop supply chain”, energy efficiency, sustainable agricultural practices will be broadly and intensively promoted by the Government and civil society organizations, through the use of high quality educational programs (at school and university levels) and visual materials for the general public.

Appropriate policy tools and economic incentives (regulations, taxes and subsidies) may be applied to encourage businesses to invest time, effort and money on sustainable technologies and practices.
Urgent Action to Combat Climate Change and Its Impacts

Armenia is a country of climatic contrasts: because of intricate terrain, one can find high climate diversity over even a small territory. The country has almost all types of climate, from arid subtropical to cold high mountainous climates.

The geographical location of Armenia (landlocked mountainous country with vulnerable ecosystems), and the country’s need to ensure its national security, necessitates the prioritization of climate change. Geographically, Armenia is peculiar for its high seismic and exogenic processes, which provoke earthquakes, landslides and erosion. The landslide hazard zone covers one-third of the country, primarily in foothill and mountain areas. Nearly 470,000 people are exposed (around 15% of the total population) to landslide risk. Hydrometeorological disasters have become more frequent and intense in the last few decades. Floods, mudslides, and debris flows threaten half of the country’s territory, mainly in medium-altitude mountainous areas, where they typically occur once every three to ten years. About 15 percent of agricultural lands in Armenia are prone to droughts, worsening the situation with the erosion and salinity of lands. While the landslides are very rare in Armenia, they are typically caused by floods, which are more common and occur once in 6.5 years approximately, causing on average 0.7 million US$ of losses per year. The average annual losses related to droughts in Armenia are estimated at US$ 6.0 million.

Climate change is expected to amplify the frequency and intensity of meteorological hazards in Armenia. Two scenarios for future climate change projections for temperature have been developed up until 2100. Average annual temperature increase projections in the territory of Armenia related to the 1961-1990 average show that, in a first scenario, the temperature will increase by 1.7°C in 2040, by 3.2°C in 2070, and by 4.7°C in 2100. In a second scenario, the temperature will increase by 1.3°C, 2.6°C, and 3.3°C respectively. The precipitation is predicted to decrease by 10% by 2100.

Due attention shall be given to protecting children from possible negative effects of climate change, environmental degradation threaten children’s wellbeing and ensuring access to clean, affordable energy (CEE). Many children in Armenia are exposed to CEE conditions that impact their basic rights to safe, nutritious and sufficient food, a clean and healthy living environment, care and protection, and quality education, all of which undermine Armenia’s progress towards meeting national development ambitions and the SDG’s.

59 “Disaster risk reduction and emergency management in Armenia”. WB, 2009
60 “Disaster Risk Management National Strategy of the Republic of Armenia”. Approved on 6 April, 2017
61 “Central Asia and Caucasus Disaster Risk Management Initiative”. WB, 2011
Armenia has undertaken significant comprehensive measures to establish legal and institutional frameworks necessary for adaptation to climate change as well as to reduction of natural disaster risks. Armenia ratified the UN Framework Convention on Climate Change (UNFCCC) as a non-Annex I country in 1993, UNFCCC Kyoto Protocol - in 2002, Doha Amendment of Kyoto Protocol and Paris Agreement in 2017. The current national program for Intended Nationally Determined Contributions (INDC) under the UNFCCC was adopted in 2015. It is an integrated strategy aimed at ensuring effective adaptation to the adverse impacts of climate change and fostering climate resilience and low greenhouse gas emissions in a manner that does not threaten food production. Armenia issued three National Communications on Climate Change (in 1998, 2010, and 2015), and Biennial Update Reports on UNFCCC in 2016 and 2018.

To coordinate climate change activities, the Intergovernmental Council on Climate Change was established in 2012. The Council, with its working groups establishes a consistent process for coordination of climate change policy, enhances cooperation at the international and regional levels, as well as professional training and education on climate change-related issues.

Armenia adopted national disaster risk management strategy in line with the Sendai Framework for Disaster Risk Reduction 2015-2030. The strategy sets seven broad objectives, including: (i) reduction of deaths from disasters; (ii) reduction of the number of people suffered from disasters; (iii) reduction of economic damages from disasters; (iv) reduction of the effects of disasters on essential infrastructures and services including health and educational institutions; (v) development of local disaster risk management strategies; (vi) international cooperation; (vii) enhancement of early warning systems.

The number of deaths, missing persons and directly affected persons attributed to disasters per 100,000 population affected by natural disasters in 2015 and 2016 was 43.5 and 77, respectively.

63 Decision No 955 of the Prime Minister of Armenia of 02 October 2012.
Armenia is a landlocked country with no access to the sea but has a number of lakes the largest one being Lake Sevan. Lake Sevan is the most important water ecosystem in Armenia. Due to intensive use of the lake for many years, the water level of the lake dropped by 20.2 m from natural level (as of 2002), and the volume reduced by more than 42%, leading to significant changes in the thermal regime and ecosystem of the lake.

The protection of the Lake Sevan ecosystem is regulated by law. According to the law, the level of Lake Sevan shall be increased from 2003 to 2030 at a rate of 21.6 cm per year. The elevation of the lake was cited as 1896.66 m at the end of 2001. This target has already been achieved (figure 30).

One of the issues linked to increasing the level of the water in the lake is related to changes in the ecosystem. Since 2001, the water level of the lake has risen by 4.1 m, again leading to a number of changes in the lake ecosystem. Another issue to be addressed for raising the level of the lake is related to the submersion of some of the infrastructure and economic assets, which must be dismantled and removed from the lake.

The cleanliness of Lake Sevan (as measured by translucence and dissolved oxygen) is reported as improved. According to Environmental Impact Monitoring Center (EMIC) data, for the 3 years, 2012 to 2014, average dissolved oxygen (mg of oxygen per liter) has been 10.1, 10.6, and 9.8, all higher than 8 mg's per liter target for 2015. Lake Sevan’s translucence is also reported as improved. For 2012-14, the translucence has been 8.5 meters, 11.5 meters, and 11 meters respectively. By 2012, wastewater treatment plants were built for Gavar, Martuni, and Vardenis municipalities, all upstream from Lake Sevan.

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Threats to ecosystems in Armenia exist due to poorly regulated and unsustainable practices in the mining industry, urbanization and affluent lifestyles, changing food consumption patterns, increasingly intensive agriculture and poor agricultural practices in crop production as well as animal husbandry, unsustainable aquaculture and forest cutting for industrial and household purposes.

Progress

Policy and institutional frameworks (SDG 15.), 15.6 and 15.8

Armenia is a party of a large set of international conventions and agreements (22 international treaties and protocols) in the environmental field including biodiversity protection. Over the past 15 years, Armenia has utilized resources made available by the Global Environmental Facility to implement the obligations of these international environmental agreements. The Government has undertaken comprehensive set of programs and measures, including the development of legal and institutional framework and strategies to implement its commitments under these conventions. This relates to:

- Convention on Biological Diversity
- National Strategic Plan for Biodiversity protection 2010-2020 and its Aichi targets

Biodiversity conservation in Armenia is implemented mainly in the specially protected nature areas, where 60-70% of the species composition of the flora and fauna is concentrated including the overwhelming majority of rare, critically endangered, threatened and endemic species.

Armenia has developed and adopted two National Environmental Action Programs (NEAPs), policy and programmatic framework documents, and a set of documents that articulates the country’s national and agricultural development priorities while ensuring environmental sustainability. Armenia introduced sustainable development as curriculum in state universities and published several textbooks on the topic.

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65 These include the Armenian Government’s “Draft Strategy on Sustainable Development of Armenia’s Agriculture” (2004); the Strategy on Food Safety Policy (2005) and the updated version of the “Strategy on Sustainable Development of Armenia’s Agriculture” (2006). Moreover, in November 2010, the 2010-2020 Strategy of Sustainable Development of Armenia’s agriculture was approved by the Government of Armenia.

66 To name some of them: “The Sustainable Human Development Concept: Theory and Practice”, designed to be used in universities of the CIS countries; “The Worldwide Process of Sustainable Development and Armenia: Gained Experience, Challenges and Achievements”.
A number of special environmental funds were created to support the implementation of environmental programs, in particular:

- Forest Rehabilitation and Development Fund (since 2004) to support rehabilitation of forests in Armenia and create favorable conditions for the development of forests in Armenia.
- Fund on Environmental Protection (since 2005) has been functioning with accumulation of respective guaranteed amounts for implementation of works on reclamation, leveling, landscaping, planting and construction work in the areas damaged due to mining activities.\(^67\)
- Target Environmental Fund (since 2005) is an extra-budgetary account. It existed during 2005-2012, thanks to voluntary contributions, donations and fundraising by legal and physical persons.\(^68\)
- Foundation on Lake Sevan Restoration, Protection and Development (since 2011) was established with the aim to support mobilization of necessary resources for restoration, reproduction, protection, natural development and use of Lake Sevan as the strategic reserve of freshwater in the Republic of Armenia as well as for securing water cleanliness.

### Sustainable management of terrestrial ecosystems (SDG target 15.1 and 15.2)

Throughout the last two-decades, Armenia demonstrated significant progress in the expansion of specially protected areas in the country. Armenia now has 2 more national parks and 4 more state sanctuaries. Additionally, in 2014, Armenia adopted a list of 232 natural monuments located across the country. These advancements are taking place within the framework of the Convention on Biological Diversity. Armenia plans to develop a unified system of biodiversity monitoring and real estate cadaster by 2020.\(^69\)

### Table 8 Protected areas and natural monuments of Armenia, 2018\(^70\)

<table>
<thead>
<tr>
<th>National parks</th>
<th>State reserves</th>
<th>State Sanctuaries</th>
<th>Natural monuments and protected landscapes</th>
</tr>
</thead>
<tbody>
<tr>
<td>4 national parks, including:</td>
<td>3 state reserves:</td>
<td>27 Sanctuaries, of which:</td>
<td>232 natural monuments approved:</td>
</tr>
<tr>
<td>- Dilijan National Park</td>
<td>▪ Ereboni</td>
<td>▪ 4 added since 2007</td>
<td>Financing from the budget will be allocated for measures towards protection and verification of monuments.</td>
</tr>
<tr>
<td>- Lake Sevan National Park</td>
<td>▪ Khosrov Forest</td>
<td>▪ Zangezur</td>
<td></td>
</tr>
<tr>
<td>plus 2 parks added in 2009</td>
<td>▪ Shikahogh</td>
<td>▪ Khustup</td>
<td></td>
</tr>
<tr>
<td>- Arpi Lake National Park</td>
<td></td>
<td>▪ Zikatar</td>
<td></td>
</tr>
<tr>
<td>- Arevik National Park</td>
<td></td>
<td>▪ Khor Virap</td>
<td></td>
</tr>
</tbody>
</table>

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\(^{67}\) As of 01.04.2013 more than 422.5 million AMD was accumulated in the fund.

\(^{68}\) More than 300 million AMD was transferred to the fund and used for implementation of environmental programs.


\(^{70}\) Source: Environment and Natural Resources in the Republic of Armenia 2013, RA SCA (pp. 38-41); RA Ministry of Nature Protection (www.mnp.am) link to Specially Protected Areas at the bottom of Ministry website; and UNDP ([http://www.am.undp.org/content/armenia/en/home/operations/projects/environment_and_energy/developing-the-protected-area-system-of-armenia.html](http://www.am.undp.org/content/armenia/en/home/operations/projects/environment_and_energy/developing-the-protected-area-system-of-armenia.html))

\(^{71}\) Government Decree 967-N, 14 August, 2008 on Approving the List of Natural Monuments of Armenia.
Armenia has increased its stock of specially protected areas, primarily for biodiversity conservation. During the last decade the share of proportion of important sites for terrestrial and freshwater biodiversity that are covered by protected areas increased from 10 percent in 2008 to 13 percent since 2013. In 2009, two new national parks (Arpi Lake and Arevik) were added to the two existing national parks (Lake Sevan and Dilijan). In addition, four new state sanctuaries (Khor Virap, Zangezur, Zikatar, and Khustup) brought the total number of state sanctuaries to 27. Finally, in 2014, Armenia adopted a list of 232 natural monuments subject to protection. Armenia’s progress in increasing its specially protected areas is highly commendable.

Significant action has been taken to reduce the degradation of natural habitats, halt the loss of biodiversity and, by 2020, protect and prevent the extinction of threatened species. In this regard, 308 animal species and 452 plant species were included in the Red Book of Armenia. There seems to be an agreement among various stakeholders and experts that there has been a downward trend of the forest coverage in Armenia. This requires rapid and determined action to reverse. It is critical also to address the issue of data inconsistencies and ensure the availability of reliable and consistent data about forest coverage.

### Challenges

Deforestation and land degradation (SDG targets 15.1, 15.2, and 15.3)

The forests and forest lands of the Republic of Armenia make up 11.2 percent of the total area of the country, i.e. 460 thousand hectares, of which 334.1 thousand hectares are forested areas (this data does not include changes in forest areas in subsequent years). Despite the issues with publicly available data, there seems to be an agreement among various stakeholders and experts that there has been a downward trend of the forest coverage in Armenia. This requires rapid and determined action to reverse. It is critical also to address the issue of data inconsistencies and ensure the availability of reliable and consistent data about forest coverage.

| Registered vertebrate and invertebrate species, of which: | 17500 |
| Registered in the Red Book of Armenia | 308 |
| Included in the specially protected natural areas | 100 |
| Registered high and low plant species, of which: | 9000 |
| High plant species registered in the Red Book of Armenia | 452 |
| Included in the specially protected natural areas | 166 |

According to the National Forest Program and the results of the state registration of forests in 1993. According to the data received by the GIZ Integrated Biodiversity Management Program in Armenia in 2011, the area of Armenia’s forests is 332,333 hectares or 11.17% of the total area of the country. Government Decision No.133-N of February 7, 2008 “On the establishment of the state forest cadaster and the procedure for state registration and preservation of forest data” is the basis for conducting state registration of forests. The basis for providing land data is the data on the availability and distribution of the land fund of Armenia, Decision of the Government No.1338-N of October 12, 2017 “On the report on the presence and distribution of the land fund of the Republic of Armenia for 2017 (land balance)”. Every year, the Government approves the report on the presence and distribution of the land fund (land balance) for each year.

Inconsistencies may be a result of calculation methodology. MDG Indicators Database indicates the share of forest cover of the country’s forestland (also known as Forest Fund) as reported in the land balance sheet of Land Cadaster of Armenia. The issue arises from the fact that forests exist in other land categories, such as specially protected areas and community settlements. The data used in the MDG Indicators Database, however, does not account for this. This may lead to a systematic undercount of forest coverage in the country. In addition, landsat analysis of forests coverage in Armenia indicates that Armenia had no more than 8.3% forest cover in 2001 (see Moreno-Sanchez, R., Sayadyan, H., R. Streeter, and J. Rozelle. 2007. “The Armenian forests: threats to conservation and needs for sustainable management.” In: Ecosystems and Sustainable Development VI. WIT Press. Southampton, UK. pp 113-122). This is in sharp contrast to the 11.2% reported by Armenian MDG Indicator Database.
As of 2016, an estimated 6 percent of Armenia’s total land area was degraded. Degradation is caused by unsustainable agricultural activities (improper crop land use, drying of marshes and wetlands, soil salinization, and overgrazing), deforestation/logging, mining activities, and the development of the hydropower production sector. Crop land degradation is related to smallholders not applying modern sustainable methods of cultivation. Often, crop rotation is not used, fertilizers are applied incorrectly, and pesticides are used irrationally. With the lack of irrigation water and the abundant use of artesian water, secondary salinization of soil occurs.

Opportunities and Priority Actions

Promotion of wider use of good practices

It is of utmost importance to promote a wider use of environmentally friendly practices in various sectors of the economy to avoid soil degradation and pollution, desertification, and deforestation including agriculture (crop production, animal husbandry), aquaculture, construction industry, mining and any other industry that negatively affects the environment. The Government may apply measures to enhance knowledge and apply economic incentives to promote such green/sustainable practices.

Community-based initiatives

Community-based programs could be used (i) to create economic incentives to reduce illegal logging by people living near forests, (ii) to encourage and facilitate community engagement in decision making process in relation to forest management, and afforestation and reforestation activities; (iii) to help communities understand the benefits of protecting the forest and conserving biodiversity.

Address the data issue

It is necessary to ensure the availability of accurate and reliable data about forest coverage in the country. Data inaccuracies in data may lead to ineffective decisions and policies.
It is important to emphasize that Goal 16 is not only a valuable aspiration in its own right, it is also an important ‘enabling goal’ for the entire sustainable development agenda. Achieving SDG 16 will require linking work on all SDGs across economic, social and environmental spheres.

**Progress**

The Human Rights Defender (Ombudsman) of Armenia (HRDO of Armenia), established in 2003, is an independent national human rights protection institution in Armenia. The new Constitutional law on the Human Rights Defender’s Office, adopted in December 2016, expanded functions of the HRDO, inter alia, in the field of education and public sector. The HRDO complies with the requirements and standards of the National Ombudsman Institute. It has an "A" status, which indicates compliance with the Paris Principles. In addition, the Human Rights Defender is an independent national preventive mechanism (NPM) as stipulated by the Law on Human Rights Defender of Armenia and in accordance with the Optional Protocol to the “Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment” (OPCAT). The HRDO also acts as a monitoring body for the implementation of the provisions of the UN Convention on the Rights of the Child.

Armenia adopted and implements constitutional, statutory and/or policy guarantees for public access to information. Legal identity is ensured for all, including birth registration. Nearly all the children (98.7 percent) under 5 years of age, have had their births registered with a civil authority. High birth registration, including asylum-seeker, refugees, stateless persons and other displaced is commended as good practice.

The 2nd Human Rights Action Plan 2017-2019 was adopted in May 2017 including 96 activities for implementation across the Government. The HRAP also serves as a supporting and cross-cutting framework for implementation of Armenia’s development agenda.

In recent years, Armenia has undertaken a number of essential strategic documents towards peaceful and inclusive society:

- Law on Prevention of Domestic Violence, Protection of Persons Subjected to Domestic Violence and Restoration of Family Solidarity (enacted in 2018), to prevent all types of domestic violence and ill-treatment, to protect persons subjected to violence, and to provide reconciliation in the family.
- 2017-2021 Strategy for Overcoming the Consequences of Ageing and for Social Protection of the Elderly to
improve care and social services system, promote healthy and active life, ensure economic safety and social inclusion, participation in community life and decision-making processes. The strategy also envisages support to the families for enabling older persons to stay in a family environment.

UNICEF Armenia has been supporting the Government of Armenia to achieve SDG goal 16, focusing on how justice and human rights institutions can better serve, protect and monitor the rights of all children, especially the most vulnerable, in line with the Convention on the Rights of the Child. In 2016, the HRDO Office became a full member to the European Network of Ombudspersons for Children (ENOC). In 2016, with technical support and advocacy of UNICEF in Armenia, a Child Rights Unit was established under the HRDO, to ensure that all areas of Government policies that affect children are in line with the Convention of the Rights of the Child (CRC) and Concluding Observations of the United Nations Committee on the Rights of the Child. An interagency multi-sectorial Council on Access to Justice for Children was established by the Ministry of Justice with participation of all concerned state agencies, HRDO Office, international and local child rights organizations and experts.

Challenges

The Demographic and Health Survey indicates a high level of domestic violence and aggression against children. There is a high share of children aged 1-17 years who have experienced some form of physical punishment and/or psychological aggression by caregivers. In 2015, almost 69 percent of children aged 1-17 years were subjected to violence or aggression. Boys were subjected to violence or aggression more often than girls (70.8 vs 66.8 percent, respectively, in 2015).

Despite the improvement during recent years, in 2016, more than 31 percent of the overall prison population included unsentenced detainees. This indicator was 40.4 percent in 2015.

Given the relatively new global framework of SDGs and countries’ comparatively slow nationalization processes, there is still very little experience globally on how best National Human Rights Institutions (NHRI) could be involved in this process and even be the drivers of change in some cases. The international partners and NHRI networks could be of great support in this and play a significant role in supporting the NHRIs to strengthen their involvement vis-à-vis the 2030 Agenda.

Further efforts are needed on behalf of rule of law institutions to ensure justice, public security and access to justice, which continues to be one of the major issues and priorities of the Government. Citizen participation, voice and accountability through electoral processes, parliamentary and political development, civic engagement, and women’s political participation still remain issues to be tackled under SDG 16. More efforts will be required to deliver equitable public services and inclusive development at the central and local levels, with a particular focus on restoring core Government functions in the transition with a particular focus on local governance and local development.

The Government will explore ways to improve the national registration system, which should strive for continuous universal coverage from birth to death, free from discrimination and accessible to all individual, including refugees, stateless persons, other displaced persons and migrants. The national registration system should be robust, secure, responsible and sustainable.