

PCA IMPLEMENTATION NATIONAL PROGRAMME¹

In the year 2003, the Armenian Government initiated the elaboration of PCA implementation National Programme, with the aim to plan and organize the process of legal approximation and other relevant processes of institution and capacity building in accordance with the obligations under the Partnership and Cooperation Agreement signed with the EU and the EU member countries, which entered into force in 1999. AEPLAC III² intensively supported this process and made significant contribution through advising activities.

Preparatory activities associated with the NP commenced aimed at having a comprehensive picture of the start up situation in the fields of EU legislation approximation, policy approximation, institutional approximation, the current general economic and social situation using the EU methodology applied for accession countries.

Relevant EC directives and regulations to be approximated were identified and divided into 29 chapters (screening of the EU legislation), an intermediary report on the EU legislation screening was prepared and distributed. For obtaining first hand information on EU integration issues, study tours for relevant state officials to Lebanon and Bulgaria (March 2004) and Slovenia and Estonia (April 2004) were organized.

On 29 April 2004, the Government approved Decree No 743-A on “Organization of activities for the elaboration of a National Programme for PCA implementation” and defined the role of AEPLAC as the main responsible body for assisting the Coordinating Committee in drafting the National Programme. Accordingly, a Coordinating Committee (under chair of the Prime Minister) was established. An initial structure of the Coordinating Committee included 34 governmental and public bodies, and was later expanded to 38 members. The Coordinating Committee consists of members on deputy minister level or equal.

The Ministry of Finance and Economy based on the above-mentioned Decree was appointed as the responsible body for the day-to-day coordination of the activities. The Charter for the Coordinating Committee and the Working Groups³ were elaborated.

A detailed structure of the National Programme was developed by AEPLAC and presented to the Coordinating Committee, which was approved and adopted in July 2004. 24 Working Groups have been established by Coordination Committee consisting of a Working Group leader representing the responsible body, and Working Group members (more than 70 officials) representing the involved governmental bodies and other relevant structures. To facilitate the undertakings, the EC Delegation – based on a request from the Government – availed a framework contract to provide additional short-term expert resources.

In September 2004, the Ministry of Finance and Economy and AEPLAC organised a presentation on the methodology used for the elaboration of the National Programme.

A virtual office “ADAMS” (the AEPLAC Document Application Management System) has been developed, and special training for Working Group leaders and members was organised. ADAMS facilitated simultaneous work of more than 200 persons around the world in the screening process, and the utilisation of ADAMS in this context symbolises a major step forward in the practical application of e-governance in Armenia.

With participation of experts involved by the framework contractor, the screening process of 734 EU legal acts was finalised in May 2005 and the last screening report was submitted to the relevant Working Group on May 12, 2005. Twenty-Four Working Groups completed the comparative analysis and provided corresponding replies-questionnaires on June, 2005.

¹ PCA implementation National Programme is designed for the period 2006-2009.

² Armenian-European Policy and Legal Centre EU funded project, which started in 1999. AEPLAC had 3 phases and each phase lasted for 2 years. Currently AEPLAC phase 4 is ongoing.

³ In total 126 specialists (civil and public servants, volunteers) were involved in the activities of working groups. 126 civil and public servants and volunteers passed trainings organized by AEPLAC.

Current Status Reports on legal and institutional approximation for each chapter has been prepared by framework contract experts and AEPLAC experts, reflecting the current situation in these fields, and submitted to the relevant Working Group leaders and to the members of the Coordinating Committee.

Based on the feedback provided by the Working Groups the process of elaboration of the National Programme Chapters was started.

During July 2005, AEPLAC prepared and submitted to the Counterpart Part IV of the NP “European Integration Governance System”, proposing necessary institutional settings to be undertaken by the Government in order to facilitate implementation of the NP.

AEPLAC initiated development of Part II “Economic Policy Approximation” which was submitted to the Counterpart and relevant ministries at the end of August.

Draft National Programme was submitted to the Government in September 2005 and in January 2006 the latter was circulated among relevant Governmental bodies for official commenting. More than 400 comments was received from relevant Governmental institutions and several rounds of discussions with the latter were held with the participation of AEPLAC experts and management. The National Programme was adopted by the Government of Armenia on March 23, 2006 by relevant decree.

Brief description of the National Programme for PCA implementation

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Part 1. Political situation evaluation and developments.

This Part has been elaborated by the Ministry of Foreign Affairs and presents the current status of compliance of Armenia’s political institutions (human rights, constitutional reforms, freedom of speech and thought, freedom of demonstration and assembly, judicial system, electoral system, etc.) with the European requirements and outlines the key directions of reforms.

Part 2. The economic situation, developments, programme goals, benchmarks and actions to be taken.

This Part has been elaborated by local and international experts, based on the implementation process of the PRSP and programmed benchmarks. This Part provides the analyses of overall socio-economic reforms, reforms of specific sectors of economy, as well as structural reforms and development trends of external economic relations of Armenia during 1999-2005. It also provides detailed presentation of the methodology of selection of economic indicators used in the programme and their forecasts for 2008 and 2015 taking into account the PRSP forecasts, as well as the forecasts adjusted based on the results of the first annual report on PRSP implementation. Current situation analysis has been undertaken based on the Copenhagen criteria, which serves as basis for accession negotiations. The mentioned Part presents the dynamics of elimination of gaps between the main indicators of Armenia, EU-8 and EU accession countries for 2005-2015 (based on the PRSP forecasts). The sectors of economy and reforms requiring specific emphasis of the Government are discussed separately.

Part 3. Legislation, institutional and policy approximation

This Part of the Programme has been elaborated by local and international experts and has been thoroughly discussed with relevant Working Groups and responsible state governmental entities. Each chapter/subchapter presents the relevant EU and Armenian legislation, policies and institutional structures, as well as the status of compliance of Armenian legislation, governance structure and policies with that of the EU. The narrative part provides also the brief description and objectives of measures projected for 2006, 2007, 2008 and 2009, as well as the measures foreseen for building necessary institutional capacities, which are presented in relevant tables: Legislative Approximation, Policy Approximation and Institutional Capacity. The tables contain the relevant measures to be taken on annual basis, the EU sources subject to approximation, responsible bodies, submission deadlines (by quarters), estimation of necessary resources (within the frame of the state governance system), types of necessary technical assistance (description of trainings, rationale for peer review and consulting, etc.). The grounds for prioritisation and the priorities for the chapters on Free Movement of Goods, Agriculture, Statistics and Environment, due to their extensive volume in the EU legislation, are presented as introduction to relevant chapters. It is projected to finalise the main approximation activities of the other chapters by 2009. The Introduction of this Part of the Programme presents the principles of legislative, policy and institutional approximation, procedures required for preparation, elaboration, submission, peer review, state registration of legal acts and relevant public awareness activities, as well as the peculiarities of prudential legal acts to be adopted under the National Programme. In addition, this Part includes tables covering the list of measures necessary for organisation of National Programme implementation activities.

1. The programme in this part is structured according to the structure of the EC legislation. There are some intersections of the material of this part with the material of the part 1 and especially Part 2. The difference is the goals. Parts 1 and 2 has a function to estimate the level of compliance of the country with the Copenhagen political and economic criteria and measures in these parts are aimed at increasing the said level, whereas the goal of part 3 is to estimate the levels of legislation, institutional and policy compliance with the EC requirements, and measures are aimed at the increase of this compliance. According to this each section of the Part 3 contains:
 - **Introduction,**
which describes the current situation in the particular field, including a general description and recent developments in the field, the situation with the legislation approximation, (i.e. estimates of the degree of approximation), the implementing institutions, their implementation capacities, policies used and their correspondence with the EC requirements, if applicable
 - **Legislative approximation part,**
which contains the short (1 year) and medium term priorities, i.e. a list of the EC legislation which should be approximated and a list of the corresponding Armenian legislation which should be modified or adopted, with a schedule of adoption or transfer to the parliament and government bodies responsible for preparation of the said Armenian legislation
 - **Institutional approximation and institution building part,**
which describes the implementing institutions (both legislation implementation and policy implementation, if applicable) estimates their compliance with the EC legislation requirements, if applicable, estimates their implementation capacities, and suggest short and medium term measures for capacity building (i.e. creation of

the institution, if absent, preparation and training of the manpower, other resources and measures needed)

- **Policy approximation part,**
which describes the main policy instruments, i.e. programmes of development, action plans, other documents, and estimates their compliance with the EC legislation requirements, if applicable, and suggests short and medium term measures for policy approximation (i.e. preparation of the programme documents and necessary resources and measures)
2. The material in this part is divided according to the structure of the EU legislation and consists of the following sections, each of which is structured according to the points described above:
- Free movement of goods
 - Free movement of persons
 - Free movement of services and capital
 - Company law
 - Competition and state aid
 - Agriculture
 - Transport policy
 - Taxation
 - Economic and monetary issues
 - Statistics
 - Social Policy and Employment
 - Energy
 - Industrial Policy and SME
 - Science and Technologies
 - Science and Research, Education and Vocational Training
 - Telecommunications and Post
 - Culture and Audiovisual Policy
 - Regional Policy and Aid coordination
 - Environment
 - Consumers and Health protection
 - Justice and Home Affairs
 - Custom issues
 - External Relations
 - Common Foreign and Security Policy
 - Financial and Budgetary Issues

Part 4. The organizational structure European Integration of the Republic of Armenia.

1. The organisational structure of the National programme implementation and EU relations.

This part presents the organizational structure to be in place for the programme implementation, including coordination, supervision and service structures, as well as an internal organizational structure responsible for day to day relations with the EU. The programme describes the system of short term and medium term measures for construction of the said structure, including structures responsible for coordination, supervision and update of the programme, aid coordination and management, translation and training services, public awareness campaign, etc.

Reporting system and documents, namely Government annual report and independent Status Report, the structure of these reports and organizations, responsible for their preparation are also described the National Programme.

Part 5. Resources for National Programme Implementation. (572 – 594 pages)

This Part presents the breakdown of resources necessary for implementation of the National Programme in accordance with aforementioned measures. Particularly, with the purpose of legislative and policy approximation within the framework of the National Programme it is

envisaged to adopt about 508 prudential legal acts during 2006-2009, for the preparation of which it is anticipated to allocate 23,434 man days. Additional 11,880 man days are necessary for the overall management of the process. The given Part provides the methodology of allocation of human resources of state governmental entities, as well as the status of necessary subdivisions depending on the volume of engaged resources. In addition, the volume of translation activities (11,684 pages of EU documents) and required resources have also been presented in detail. This Part provides also the resources required for operation of the Information Centre (3,498 man days), and the training volumes (1,463 training days). The second section of this Part presents the main types of required technical assistance, the structure, and the estimated scope of technical assistance expected from other donor institutions, which amounts to preliminarily €50 million. It is planned to implement administrative capacity evaluation of the existing administrative structures of Armenia. Based on this evaluation more detailed assessment of necessary resources will be implemented. In addition, this Part includes also tables which present the allocation of resources by chapters, responsible state governmental entities, translation volumes, etc. on annual and quarterly basis.