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"TRANSLATION CENTRE OF THE MINISTRY OF JUSTICE  
OF THE REPUBLIC OF ARMENIA" STATE NON-COMMERCIAL ORGANISATION

EMILIA ADUMYAN



DIRECTOR

4 April 2023



GOVERNMENT OF THE REPUBLIC OF ARMENIA

DECISION

No 175-N of 9 February 2023

ON APPROVING THE PROCEDURE FOR IDENTIFYING, DEVELOPING,  
EVALUATING PUBLIC INVESTMENT PROGRAMMES AND  
DETERMINING PRIORITIES THEREFOR

Based on point 3 of part 1 of Article 4 and point 2 of part 7 of Article 10 of the Law of the Republic of Armenia "On public-private partnership", the Government of the Republic of Armenia **decides**:

1. To approve the procedure for identifying, developing, evaluating public investment programmes and determining priorities therefor pursuant to Annex 1.

**Prime Minister**  
of the Republic of Armenia

Yerevan

**N. Pashinyan**

10 February 2023  
CERTIFIED BY  
ELECTRONIC  
SIGNATURE

## **Annex 1**

**to Decision of the Government  
of the Republic of Armenia  
No 175-N of 9 February 2023**

### **PROCEDURE**

#### **FOR IDENTIFYING, DEVELOPING, EVALUATING PUBLIC INVESTMENT PROGRAMMES AND DETERMINING PRIORITIES THEREFOR**

##### **1. GENERAL PROVISIONS**

1. The goals of this Procedure are to improve the public investment management, to increase the effectiveness and ensure accountability of public investment programmes.
2. The methodology for developing and evaluating public investment programmes approved by this Decision shall be applied for draft programmes in the amount of AMD 1 billion and more, while the procedure prescribed by the Law of the Republic of Armenia "On budgetary system of the Republic of Armenia" shall apply with respect to programmes in the amount of less than AMD 1 billion. In addition, draft programmes in the amount of AMD 3 billion and more shall be included in the Budget for 2024, and starting from 2025, the provisions of this Decision shall be applicable to draft programmes in the amount of AMD 1 billion and more for the purposes of being included in the budget.
3. The concepts used in this Procedure and not provided for by this point shall be used within the meaning prescribed by the legislation on public-private partnership, unless otherwise assumed by the relevant norm. Within the meaning of this Procedure, the following concepts shall have the following meaning:

- (1) **public investment** — acquisition (including creation and replacement) or an essential improvement of a non-financial asset at the expense of a consolidated budget (including the funds envisaged by an international loan or grant agreement concluded by the Government of the Republic of Armenia), as well as in the result of implementation of public-private partnership programmes provided for by the Law of the Republic of Armenia "On public-private partnership", which entail expenses or a conditional obligation for the State Budget of the Republic of Armenia. Within the meaning of this sub-point, essential improvement shall mean restoration, reconstruction or expansion of an asset aimed at increasing productivity of the fixed asset or increasing the asset life;
- (2) **public investment programme (programme)** — public investment made at the expense of a consolidated budget (including the funds envisaged by an international loan or grant agreement concluded by the Government of the Republic of Armenia), through actions aimed at achieving well-defined objectives and results within the prescribed period and in a certain organisational structure. Expenses having a repetitive nature and targeted at maintenance of the current condition of the asset or replacement of an existing worn-out asset shall not be subject to this regulation;
- (3) **public investment management (PIM)** — a system involving regulations and supervision mechanisms applied to identification, development, selection of public investment programmes and implementation thereof within the framework of public finance management;
- (4) **sample form of a draft public investment programme (sample form of a draft programme)** — a brief description of the draft programme — with the purpose of making public investments — deriving from long-term development programmes or the programme of the Government of the Republic of Armenia or the action plan or sectoral strategies of the

Government of the Republic of Armenia or the commitments undertaken under international treaties of the Republic of Armenia or the electoral programme of the parliamentary majority or individual initiatives and/or legislative requirements, which the competent body provides to the Ministry of Economy of the Republic of Armenia;

- (5) **preliminary financial and economic analysis** — preliminary coordinated assessment of financial and economic costs and benefits of a draft programme based on existing data and/or preliminary study, the objective of which is the assessment of the financial, economic viability of the draft programme, including the economic internal rate of return (EIRR);
- (6) **preliminary evaluation of a public investment programme (programme)** — preliminary evaluation conducted based on the sample form of a draft programme, in accordance with the methodology for evaluating draft public investment programmes provided for by Chapter 8 of this Decision;
- (7) **evaluation of a public investment programme (programme)** — evaluation conducted based on the feasibility study (in cases provided for by this Procedure — pre-feasibility study) of a draft public investment programme presented in compliance with the sample form of a draft programme, in accordance with the methodology for evaluating draft public investment programmes provided for by Chapter 8 of this Decision;
- (8) **criteria for evaluation of draft public investment programmes (criteria)** — criteria defined for the purpose of evaluating draft public investment programmes and provided for by Chapter 8 of this Decision;
- (9) **pre-feasibility study**— preliminary study conducted with regard to all the matters of major significance concerning public investment programmes, including economic, financial, social, environmental, technical, legal

matters, deadlines for implementation and possible alternative versions, as a result whereof basic information is provided with regard to the possibility, as well as the risks of implementation of the programme. The pre-feasibility study shall be conducted based on the guidelines approved by the Ministry of Economy of the Republic of Armenia, and prior to their approval — based on the requirements applicable to the pre-feasibility study conducted by international financial organisations in cases of comparable programmes;

- (10) **feasibility study** — study conducted with regard to all the matters of major significance concerning a draft public investment programme, including economic, financial, social, environmental, technical, legal matters, deadlines for implementation and possible alternative versions, as a result whereof detailed information is provided with regard to the possibility, as well as the risks of implementation of the draft programme. The feasibility study shall be conducted based on the guides approved by the Ministry of Economy of the Republic of Armenia, and prior to their approval — based on the requirements applicable to the feasibility study conducted by international financial organisations in cases of comparable programmes;
- (11) **competent body** — bodies of state administration system, local self-government bodies;
- (12) **Public Investment Committee** — working committee, the composition, the rules of procedure and the functions of which shall be prescribed by this Decision;
- (13) **bank of public investment programmes** — a database of public investment programmes and draft programmes submitted to the Ministry of Economy of the Republic of Armenia in accordance with this Procedure;
- (14) **identification of a programme** — selection by the competent body of potential public investment programmes deriving from long-term

development programmes or the programme of the Government of the Republic of Armenia or the action plan or sectoral strategies of the Government of the Republic of Armenia or the commitments undertaken under international treaties of the Republic of Armenia or the electoral programme of the parliamentary majority or individual initiatives and/or legislative requirements;

- (15) **urgent programme** — public investment programme established by the urgent need to implement the programme due to natural, man-made disasters and/or other emergency situations, in which case the application of the general procedure provided for by this Procedure is impossible;
- (16) **list of priorities** — list of public investment programmes formed based on the results of evaluation conducted in accordance with the methodology for evaluating draft public investment programmes provided for by Chapter 8 of this Decision.

4. This Procedure shall not be applicable to the following:

- (1) programmes fully funded from the community budgets, except for the cases when they entail expenses or a conditional obligation for the State Budget of the Republic of Armenia, or are public-private partnership programmes provided for by the Law "On public-private partnership";
- (2) urgent programmes and programmes containing state secret.

5. Individual programmes constituting a part of the same public infrastructure or being implemented for the purpose of maintenance thereof shall — within the meaning of this Procedure — be considered as a single public investment programme.

## 2. PERSONS RESPONSIBLE FOR THE PROCESS

6. The competent body shall be responsible for:
  - (1) identification of public investment programmes and development of a draft programme in accordance with the sample form of the draft programme, including preliminary financial and economic analysis;
  - (2) revision and correction of shortcomings recorded in the draft programme;
  - (3) works of organising the procurement process for the purpose of preparing a pre-feasibility study and a feasibility study based on the draft programme;
  - (4) management of and supervision over the contract(s) concluded within the framework of the approved programme;
  - (5) performance of financial and technical monitoring of the programme when introducing the programme.
  
7. The Ministry of Economy of the Republic of Armenia shall be responsible for:
  - (1) regular recruitment of draft programmes;
  - (2) verification of the quality of the sample form of the draft programme;
  - (3) preliminary evaluation of draft programmes;
  - (4) verification of the quality of the pre-feasibility study or the feasibility study of the draft programme;
  - (5) evaluation of draft programmes;
  - (6) testing of the possibility of implementing draft programmes in the public-private partnership format;
  - (7) maintenance of the bank of programmes and draft programmes;
  - (8) maintenance of the list of priorities;

- (9) development, approval and publication of sample forms of documents and guidelines ensuring the PIM process;
  - (10) provision of methodological support to the competent body throughout the elaboration of the draft programme.
8. The Ministry of Finance of the Republic of Armenia shall be responsible for:
- (1) verification of the quality of the financial section of the sample form of the draft, the pre-feasibility study or the feasibility study;
  - (2) provision of information on the budgetary restrictions (fiscal space) for the three subsequent years following submission of the draft programme to the Public Investment Committee.
9. The Public Investment Committee shall be responsible for the decision on preliminary selection of draft public investment programmes evaluated based on the criteria provided for by Chapter 8 of this Decision, conducting pre-feasibility study and feasibility study of draft programmes, refusing to implement draft programmes, further progress of implementation of draft programmes in the public-private partnership format, including programmes in the list of priorities and for rendering other decisions provided for by this Procedure.

### **3. STAGES OF THE PIM PROCESS**

10. The PIM process stages regulated under this Procedure shall be the following:
- (1) identification, development and preliminary evaluation of the draft programme;
  - (2) preliminary selection of draft programmes;
  - (3) conducting pre-feasibility study and feasibility study of the draft programme, verifying their quality and rendering decisions;
  - (4) evaluating draft programmes, rendering decisions and setting priorities.



#### **4. IDENTIFICATION, DEVELOPMENT AND PRELIMINARY EVALUATION OF THE DRAFT PROGRAMME**

11. The competent body shall identify potential draft public investment programmes. For identified draft public investment programmes the competent body shall develop draft programmes in accordance with the sample form of Annex 1 to this Decision. The sample form of the developed draft programme shall be sent to the Ministry of Economy of the Republic of Armenia on a regular basis.
12. The competent body shall send the sample form of the developed draft, including the preliminary financial and economic analysis, to the Ministry of Economy of the Republic of Armenia to conduct quality verification and preliminary evaluation of the draft programme. Within the meaning of this Procedure, verification of the quality of the draft programme shall be the verification of compliance of the concept of the draft programme with the sample form prescribed by Annex 1 as sufficient/insufficient/unclear.
13. The requirements provided for by this Chapter in relation to draft programmes shall not apply to draft programmes which already have a pre-feasibility study or feasibility study at the moment of entry into force of this Procedure, and their performance period does not exceed 3 (three) years. The provisions provided for by Chapter 6 and its subsequent chapters of this Procedure shall apply thereto. The draft programmes, the pre-feasibility studies or feasibility studies whereof exceeds 3 (three) years at the moment of entry into force of this Procedure, shall be submitted in accordance with the requirements of this Chapter.
14. After receiving the sample form of the draft, including the preliminary financial and economic analysis, the Ministry of Economy of the Republic of Armenia shall add the draft programme to the bank of draft public investment programmes.
15. After conducting evaluation of the sample form of the draft, the Ministry of Economy of the Republic of Armenia, shall, within 5 (five) working days:

- (1) in case the sample form of the draft is evaluated as insufficient/unclear, return it for revision, indicating the points requiring revision. The competent body shall, within 30 (thirty) working days, send the revised sample form of the draft to the Ministry of Economy of the Republic of Armenia, taking into account all the observations made in relation to all the points requiring revision. In case of failure to submit the revised version of the draft programme within the time limit prescribed by this sub-point, it shall be removed from the bank of programmes. The procedure provided for by Chapter 4 of this Procedure shall be applicable to draft programmes removed from the bank of programmes:
  - (2) in case the sample form of the draft is evaluated as sufficient, the Ministry of Economy of the Republic of Armenia shall concurrently provide it to the Ministry of Finance of the Republic of Armenia.
16. The Ministry of Finance of the Republic of Armenia shall, within 15 (fifteen) working days after receiving the sample form of the draft, conduct an evaluation of the quality and submit to the Ministry of Economy of the Republic of Armenia a position on the part "Section 3. Financial information" of the sample form of the draft.
17. The Ministry of Economy of the Republic of Armenia shall, within 20 (twenty) working days after receiving the position provided for by point 16 of this Procedure, conduct a quality verification and provide to the competent body the results of quality verification in relation to the sample form of the draft, which shall include the position of the Ministry of Finance of the Republic of Armenia provided for by point 16 of this Procedure.
18. The competent body shall, within 30 (thirty) working days, send the revised sample form of the draft to the Ministry of Economy of the Republic of Armenia, taking into account the observations made in relation to all the points requiring revision.

19. The Ministry of Economy of the Republic of Armenia shall, not later than within 3 (three) working days after receiving the revised sample form of the draft, provide the revised sample form of the draft to the Ministry of Finance of the Republic of Armenia for conducting a final quality verification.
20. The Ministry of Finance of the Republic of Armenia shall, within 10 (ten) working days after receiving the revised sample form of the draft, submit to the Ministry of Economy of the Republic of Armenia a position on the part "Section 3. Financial information" of the revised sample form on sufficient/insufficient/unclear principle prescribed by the sample form in Annex 1.
21. The Ministry of Economy of the Republic of Armenia shall, after receiving the position provided for by point 20 of this Procedure, conduct final quality verification of the revised sample form of the draft on sufficient/insufficient/unclear principle prescribed by the sample form in Annex 1, taking into account the position provided by the Ministry of Finance of the Republic of Armenia, prepare an opinion, including a position on the possibility of implementing the draft programme in the PIM format, and shall, not later than within 15 (fifteen) working days, inform the competent body in writing of the compliance of the sample form of the draft with the requirements provided for by this Procedure.
22. Where, as a result of quality verification, the Ministry of Economy of the Republic of Armenia and the Ministry of Finance of the Republic of Armenia have no comments and recommendations on the sample form of the draft programme, the Ministry of Economy of the Republic of Armenia shall conduct the preliminary evaluation of the draft programme in accordance with the methodology provided for by Chapter 8 of this Decision.
23. The Ministry of Economy of the Republic of Armenia shall, within 5 (five) working days after conducting preliminary evaluation of the programme based on the

revised concept of the programme, prepare an opinion on the draft programme, which shall include a position on the possibility of implementation of the programme in the public-private partnership format, and submit the draft programme and the opinion to the Public Investment Committee.

## **5. PRELIMINARY SELECTION OF DRAFT PROGRAMMES**

24. The Public Investment Committee shall, based on the results of preliminary evaluation of draft programmes, consider the draft programmes and render one of the following decisions:
  - (1) to refuse to implement the draft programme;
  - (2) to return the draft programme — with comments and recommendations of the Public Investment Committee — to the competent body for revision, in which case the relevant points requiring revision shall clearly be indicated with the description of necessary amendments;
  - (3) to approve the draft programme and to assign the competent body to conduct the works of organising the procurement process of the pre-feasibility study or feasibility study of the programme;
  - (4) to approve the draft programme and to assign the competent body to conduct preliminary feasibility study of the programme in accordance with the PIM procedure, where the programme is subject to implementation in the public-private partnership format.
25. The Ministry of Economy of the Republic of Armenia shall, not later than within 7 (seven) working days after receiving from the Office of the Prime Minister of the Republic of Armenia the audio-recording of the sitting of the Public Investment Committee, draw up the minutes of the sitting of the Public Investment Committee and provide it to the members of the Public Investment Committee

and the competent bodies having presented draft programmes discussed at the given sitting of the Public Investment Committee.

26. After receiving the minutes provided in accordance with point 25 of this Procedure, the competent body, depending on the decision on the draft programme, may:
  - (1) terminate the works of preparing a draft programme, where the Public Investment Committee has adopted the decision provided for by sub-point 1 of point 24 of this Procedure;
  - (2) revise the draft programme in accordance with the comments and recommendations of the Public Investment Committee to submit it to the Public Investment Committee again, where the Public Investment Committee has adopted the decision provided for by sub-point 2 of point 24 of this Procedure.
27. The competent body shall carry out the works of organising the procurement process for the pre-feasibility study or the feasibility study of the programme, where the Public Investment Committee has adopted one of the decisions provided for by sub-point 3 of point 24 of this Procedure, submitting to the Ministry of Finance of the Republic of Armenia, under the applicable legislation, a budget funding request for their implementation within the time limits prescribed by the Decision of the Prime Minister on initiating the budgetary process, based on the information on budgetary restrictions (fiscal space) for the subsequent three years provided by the Ministry of Finance of the Republic of Armenia in accordance with sub-point 2 of point 8 of this Procedure.
28. In case of drafts, whereon the Public Investment Committee has adopted one of the decisions provided for by sub-points 3 and/or 4 of point 24 of this Procedure and a budget funding request for the implementation of drafts cannot be submitted to the Ministry of Finance of the Republic of Armenia within the time

limits prescribed by the Decision of the Prime Minister of the Republic of Armenia on initiating the budgetary process, the budget funding request may be submitted only with additional substantiations for implementing drafts in the given fiscal year.

## **6. PREPARATION AND QUALITY VERIFICATION OF PRE-FEASIBILITY STUDY AND FEASIBILITY STUDY OF THE DRAFT PROGRAMME**

29. The responsibility for works of organising the procurement process for conducting the pre-feasibility study or feasibility study of the draft programme shall rest upon the competent body. To this effect, the Ministry of Economy of the Republic of Armenia shall provide methodological support to the competent body. The competent body shall agree the technical specifications for procurement of pre-feasibility study or feasibility study of the draft programme with the Ministry of Economy of the Republic of Armenia, by including the relevant representative of the Ministry of Economy of the Republic of Armenia in the evaluation commission formed to organise the procurement process.
30. In case a decision provided for by sub-point 4 of point 24 of this Procedure is rendered, the PIM procedure shall apply to the subsequent stages of preparation, approval and implementation of the relevant programme. Where the implementation of the programme in the public-private partnership format is rejected at any stage following the decision provided for by sub-point 4 of point 24 of this Procedure, the competent body may resubmit the draft programme to the Public Investment Committee for the purpose of rendering any of the decisions provided for by sub-point 4 of point 24 of this Procedure. The competent body shall concurrently submit the pre-feasibility study or feasibility study to the Ministry of Economy of the Republic of Armenia and the Ministry of Finance of the Republic of Armenia for the purpose of conducting verification of the quality of the pre-feasibility study or feasibility study of the draft programme.

31. Upon receiving the pre-feasibility study or feasibility study of the draft programme, the Ministry of Finance of the Republic of Armenia shall, within 20 (twenty) working days, submit to the Ministry of Economy of the Republic of Armenia a position on the quality of the pre-feasibility study or feasibility study of the draft programme.
32. The Ministry of Economy of the Republic of Armenia shall, within 10 (ten) working days after receiving the position provided for by point 31 of this Procedure, conduct verification of the quality of the pre-feasibility or feasibility study of the draft programme — compliance of pre-feasibility study or feasibility study with the guidelines approved thereby (and prior to their approval — with the requirements applicable to the pre-feasibility study conducted by international financial organisations in cases of comparable programmes), and submit the results and the position provided for by point 31 of this Procedure to the competent body.
33. The competent body shall, within 20 (twenty) working days after receiving the results of the quality verification provided for by point 32 and the position, submit to the Ministry of Economy of the Republic of Armenia and the Ministry of Finance of the Republic of Armenia the revised version of the pre-feasibility study or the feasibility study.
34. The Ministry of Finance of the Republic of Armenia shall, within 15 (fifteen) working days, submit to the Ministry of Economy of the Republic of Armenia a position on the revised version of the pre-feasibility study or the feasibility study.
35. The Ministry of Economy of the Republic of Armenia shall prepare an opinion within 10 (ten) working days after receiving the position provided for by point 34 of this Procedure.
36. Where following the verification of the quality of the pre-feasibility study or feasibility study the Ministry of Economy of the Republic of Armenia and the

Ministry of Finance of the Republic of Armenia fail to submit to the competent body comments and recommendations thereon, the Ministry of Economy of the Republic of Armenia shall, within 10 (ten) working days after conducting the quality verification, carry out evaluation of the draft, prepare an opinion and submit it, along with the pre-feasibility study or the feasibility study, to the Public Investment Committee.

## **7 EVALUATION OF THE PROGRAMME AND THE LIST OF PRIORITIES**

37. The Ministry of Economy of the Republic of Armenia shall conduct an evaluation of the draft programme in accordance with the methodology provided for by Chapter 8 of this Decision and summarise the evaluation results.
38. The Ministry of Economy shall submit the summarised results and the opinion provided for by point 35 of this Procedure to the Public Investment Committee.
39. Upon receiving the results of evaluation of draft programmes conducted in accordance with Chapter 8 of this Decision and the opinion provided for by point 35 of this Procedure, the Public Investment Committee shall consider them and render one of the following decisions:
  - (1) to reject the implementation of the draft programme;
  - (2) to include the draft programme in the list of priorities of public investment programmes, concurrently informing the relevant competent body thereon;
  - (3) to approve the pre-feasibility study of the draft programme and assign the competent body to carry out works of organising the procurement process for feasibility study of the draft programme.
40. The list of priorities shall be formed based on the results of evaluation of all evaluated draft programmes.
41. The programme may be removed from the list of priorities:



- (1) where the programme has been funded;
  - (2) where the programme has been included in the list of priorities for more than 3 (three) years and has not been funded. The Ministry of Economy of the Republic of Armenia shall inform the competent body thereon in writing.
42. The list of priorities of public investment programmes shall be maintained by the Ministry of Economy of the Republic of Armenia.
43. After receiving the minutes provided for by point 25 of this Procedure, the competent body shall:
- (1) terminate the works of developing the programme, where the Public Investment Committee has adopted the decision provided for by sub-point 1 of point 39 of this Procedure;
  - (2) include the programme in the budget request of the relevant period, where the Public Investment Committee has adopted the decision provided for by sub-point 2 of point 39 of this Procedure.
44. The competent body shall carry out the works of organising the procurement process for feasibility study of the programme, where the Public Investment Committee has adopted the decision provided for by sub-point 3 of point 39 of this Procedure.
45. The Ministry of Economy of the Republic of Armenia shall include the programme in the list of priorities, where the Public Investment Committee has adopted the decision provided for by sub-point 2 of point 39 of this Procedure.

## **8 METHODOLOGY FOR EVALUATING DRAFT PUBLIC INVESTMENT PROGRAMMES**

46. This methodology shall define the criteria for evaluation of draft public investment programmes and the procedure for evaluating the programmes on the basis thereof.
47. The concepts used by this methodology shall have the meanings prescribed by the procedure for identifying, developing, evaluating public investment programmes and determining the priorities.
48. The basic principle of evaluation of public investment programmes shall be the application of uniform criteria to programmes.
49. An estimate of the public investment programme shall be generated as a result of evaluation of the programme.
50. Internal legal acts of the Ministry of Economy of the Republic of Armenia may establish guidelines on evaluating public investment programmes and testing the possibility of implementing the programmes in the public-private partnership format.
51. The criteria for evaluation of draft public investment programmes shall be:
  - (1) the impact on the human capital, by which the impact of the programme on the human capital of the Republic of Armenia shall be evaluated;
  - (2) public significance of the infrastructure, by which the urgency and the necessity of implementing the programme shall be evaluated in terms of provision of public services;
  - (3) compliance of the strategy, by which the direct, partial or indirect compliance of the draft programme with the sectoral strategy shall be evaluated;
  - (4) impact of the programme on the climate change;

- (5) level of risk, by which the actually recorded risks hindering implementation of the programme and manageability thereof shall be evaluated, including climate-related and disaster risks;
  - (6) Economic Internal Rate of Return (EIRR).
52. The evaluation of impact on human capital shall be conducted in the following manner:
- (1) 3 points shall be assigned to draft programmes, which directly contribute to the creation of human capital in the Republic of Armenia. A programme shall be considered as creating human capital, where it targets the welfare (health, education, security, socialisation, etc.) of minor citizens;
  - (2) 2 points shall be assigned to draft programmes, which have a significance in terms of preservation of human capital and have their main target as ensuring continuity of the working capacity of adults;
  - (3) 1 point shall be assigned to draft programmes, which are targeted at the improvement and development of human capital and have their main target as increasing the capacity of adult citizens to generate income or creation of a public good.
53. The evaluation of public significance of an infrastructure shall be conducted in the following manner:
- (1) 3 points shall be assigned to draft programmes, without the implementation of which the creation of a public good or provision of public services becomes impossible or the implementation of which is a requirement clearly defined by the legislation;
  - (2) 2 points shall be assigned to draft programmes, the implementation of which contributes to creation of public good or essential improvements in terms of provision of public services;

- (3) 1 point shall be assigned to draft programmes, the implementation of which contributes to creation of public good or non-essential improvements in terms of provision of public services.
54. The evaluation of compliance with the strategy shall be conducted in the following manner:
  - (1) 3 points shall be assigned to draft programmes, the results of which are directly targeted at the resolution of problems stipulated by the strategy or at the achievement of the (sub-) goal;
  - (2) 2 points shall be assigned to draft programmes, part of the results of which concerns the resolution of problems stipulated by the strategy or the achievement of the (sub-) goal;
  - (3) 1 point shall be assigned to programmes, which do not directly contribute to the achievement of state or community strategic objectives or no strategy for the given sector exists.
55. The criteria prescribed by points 52, 53 and 54 of this Methodology may be evaluated as 0, where the impact of the programme by the relevant criterion or the compliance therewith is not sufficiently substantiated or is missing.
56. For evaluation of the level of risk, including climate-related and disaster risks, the factors mentioned below should be taken into account:
  - (1) the experience of the competent body in implementing a similar programme and its value;
  - (2) availability of the approved demand, as well as the impact of possible external factors on effective implementation of the programme;
  - (3) specification and analysis, as well as the manageability of risks.
57. Based on the analysis of the factors provided for by point 56 of this Methodology, evaluation of the level of risk of the programme shall be conducted in the following manner:

- (1) 3 points shall be assigned to programmes with no risk;
- (2) 2 points shall be assigned to programmes with low level of risk;
- (3) 1 point shall be assigned to programmes with medium level of risk;
- (4) 0 point shall be assigned to programmes with high level of risk.

All draft programmes with high level of risk may be rejected by the Public Investment Committee.

58. Evaluation of the impact of the draft programme on climate change shall be conducted in the following manner:

- (1) 2 points shall be assigned to programmes that contribute to the reduction of greenhouse gas emissions, including carbon dioxide;
- (2) 1 point shall be assigned to programmes that do not contribute to the reduction of or increase in greenhouse gas emissions, including the carbon dioxide;
- (3) 0 point shall be assigned to programmes that contribute to the increase in greenhouse gas emissions, including the carbon dioxide, or the sample form of the draft programme or the pre-feasibility study or the feasibility study contains no information.

59. Calculation of the economic internal rate of return shall be conducted in accordance with the guidelines approved by the Ministry of Economy of the Republic of Armenia, and prior to the approval thereof — by the methodology published by international financial organisations.

60. Based on the criterion of the economic internal rate of return, evaluation of draft programmes shall be conducted in the following manner:

- (1) 3 points shall be assigned to draft programmes, the EIRR of which exceeds the base rate of the EIRR by more than 15 (fifteen) percentage points;

- (2) 2 points shall be assigned to draft programmes, the EIRR of which exceeds the base rate of the EIRR by more than 5 (five), but not more than 15 (fifteen) percentage points;
  - (3) 1 point shall be assigned to draft programmes, the EIRR of which exceeds the base rate of the EIRR by at least 0,1 (zero point one), but not more than 5 (five) percentage points;
  - (4) 0 point shall be assigned to draft programmes that do not meet the conditions provided for by sub-points 1, 2 and 3 of this point.
61. Within the meaning of point 60 of this Methodology, the base rate of EIRR of draft programmes for the social sector (healthcare and education) shall be 6 (six) per cent, and for the remaining programmes — 9 (nine) per cent.
  62. All draft programmes, which 0 point is assigned to, may be rejected by the Public Investment Committee.
  63. The preliminary evaluation of the economic internal rate of return shall be conducted in the stage of preliminary evaluation of the programme, whereas complete evaluation of the economic return shall be conducted in the stage of evaluation of the programme.

## **10. PUBLIC INVESTMENT COMMITTEE**

64. The Public Investment Committee shall organise its activities through sittings (including remotely), which shall be presided over by the Prime Minister of the Republic of Armenia considered a member of the Public Investment Committee.
65. The following persons shall also be included in the composition of the Public Investment Committee:
  - (1) the Deputy Prime Ministers of the Republic of Armenia;

- (2) Chief of Staff to the Prime Minister of the Republic of Armenia;
  - (3) the Minister of Economy of the Republic of Armenia;
  - (4) the Minister of Finance of the Republic of Armenia.
66. Regular sittings of the Public Investment Committee shall be convened at least 3 (three) times a year. The Prime Minister of the Republic of Armenia may, at his or her own initiative or upon the proposal of the Ministry of Economy of the Republic of Armenia, convene an extraordinary sitting of the Public Investment Committee.
  67. Sittings of the Public Investment Committee shall be audio-recorded, minuted and non-disclosable.
  68. Other persons with a right to consultative vote may be invited to the sittings of the Public Investment Committee, where necessary.
  69. The sittings shall have quorum if attended by all the members of the Public Investment Committee. In case a sitting does not have quorum, the Prime Minister of the Republic of Armenia shall convene an extraordinary sitting upon the proposal of the Ministry of Economy of the Republic of Armenia.
  70. The decision of the Public Investment Committee on each draft programme shall be made by simple majority of votes of the members attending the sitting. During the voting, each member of the Public Investment Committee shall have the right to 1 (one) vote. In the event of a tie, the chairperson of the sitting shall have a casting vote.
  71. The Secretariat for the activities of the Public Investment Committee shall be ensured by the Ministry of Economy of the Republic of Armenia. The Secretary of the Public Investment Committee shall be the Deputy Minister of Economy of the Republic of Armenia co-ordinating the relevant sector.
  72. The agenda of the sitting of the Public Investment Committee shall be prepared by the Secretary of the Public Investment Committee.

73. The Chairperson of the Public Investment Committee shall determine the day and hour for holding the sitting.
74. The following shall be specified in the agenda of the sittings of the Public Investment Committee:
  - (1) day and hour for holding the sitting;
  - (2) issues to be discussed — titles of evaluated draft public investment programmes and representing bodies.
75. The Secretary of the Public Investment Committee shall submit the agenda of the sitting of the Public Investment Committee and other required documents concerning the issues to be discussed to the members of the Public Investment Committee electronically, at least 3 (three) days prior to holding the sitting.
76. The Secretary of the Public Investment Committee shall present to the members of the Public Investment Committee the issues added to the agenda of the sitting.
77. The sequence of draft projects added to the agenda and to be discussed shall be indicated by the date they are received.
78. Upon the proposal of the members of the Public Investment Committee and consent of the Chairperson of the Public Investment Committee the sequence of draft programmes to be discussed may be changed during the sitting of the Public Investment Committee.
79. The Chairperson of the Public Investment Committee shall:
  - (1) approve the agenda of the Public Investment Committee;
  - (2) hold the sittings of the Public Investment Committee;
  - (3) sign the minutes of sittings;
  - (4) determine the persons to be invited to participate in the sittings of the Public Investment Committee.
80. The Secretary of the Public Investment Committee shall:



- (1) carry out the works of organising the sittings of the Public Investment Committee;
- (2) ensure the preparation and provision of documents and materials to be submitted to the Public Investment Committee for consideration;
- (3) co-ordinate the process of consideration of comments and recommendations;
- (4) ensure drawing up of the minutes of the sitting of the Public Investment Committee;
- (5) ensure regular posting of the information on the activities of the Public Investment Committee on the official website of the Ministry of Economy of the Republic of Armenia;
- (6) sign the minutes of the sittings.

81. Members of the Public Investment Committee shall:

- (1) participate in the preliminary selection of evaluated draft public investment programmes and the voting held to render decisions thereon;
- (2) sign the minutes of the sittings.

82. A reference number shall be given to the minutes of each sitting.

83. The following shall be specified in the minutes of the sitting of the Public Investment Committee:

- (1) date of holding the sitting, the hours of opening and closing the sitting;
- (2) the agenda of the sitting;
- (3) name, surname of persons participating in the sitting and the position held thereby;
- (4) issues to be discussed;
- (5) decisions on each draft programme rendered by the Public Investment Committee, by the order of priority.

**SAMPLE FORM OF THE DRAFT PUBLIC INVESTMENT PROGRAMME**

<b>Section 1. Summary information</b>		
<b>1.1. Number of the draft programme</b>	<i>The Ministry of Economy of the Republic of Armenia shall number each submitted draft programme in the following manner: year of submission and sequential number, (for example: 2022_001). This line shall be filled in by the Ministry of Economy of the Republic of Armenia and it may not be changed by the competent body.</i>	
<b>1.2. Responsible competent body (APPLICANT)</b>	<i>For example: the Ministry of Territorial Administration and Infrastructure of the Republic of Armenia</i>	
<b>1.3. Title of the body conducting the draft programme</b>	<i>For example: the Water Committee of the Ministry of Territorial Administration and Infrastructure of the Republic of Armenia</i>	
<b>1.4. Title of the draft program</b>	<i>Enter the full and correct title of the draft. Avoid abbreviations or "provisional titles". After evaluation of the draft, the mentioned version shall become the official title of the programme.</i>	
<b>1.5. Brief description of the draft programme</b>	<i>Briefly describe the draft and provide summary information on the draft. In addition to summary information, it is necessary to briefly provide the objective description of the draft in this Section (for example: 10 km section of the two-way road connecting [the city] and [the city], etc.). Maximum 1000 characters</i>	
<b>1.6. Place(s) of location</b>	<i>Enter the place or places of implementation of the draft, where it involves more than one area. Where possible, mention their addresses on the map or the GPS data.</i>	
<b>1.7. Components of the draft programme and their values</b>	<i>The scope of the programme includes, namely, the land parcel, acquisition of buildings, construction and construction costs, all equipment and furniture, as well as programme management, construction oversight, assistance, technical documents, necessary permission documentation, training and seminars, if applicable. Present the components of the Programme and indicate the cost estimates for each component in the table below. The presented components must comply with those indicated in point 4.1.</i>	
	<b>Components of the Programme</b>	<b>Amount in thousand Armenian Drams</b>
	1.	
	2.	
	3.	

4.	
5.	
6.	
<b>TOTAL</b>	

<p><b>1.8. Duration of the programme</b></p> <p><b>1.8.1 Date of starting the programme — month/ year</b> The date of starting the programme shall be the day of publishing the procurement notice after approval of the draft programme.</p> <p><b>1.8.2 Date of programme completion — month/year</b> Day of signing the completion act; the programme shall enter into the exploitation stage and the provision of services shall start</p>	
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**1.9. Which organisation shall dispose the assets?**

*Mention the official title of the organisation disposing the assets created/improved as a result of implementation of the draft. If it is not yet known (for example: in case of public-private partnership), it needs to be specified. This point summarises the information presented in Section 4*

**1.10. Which organisation shall exploit the assets?**

*Mention the official title of the organisation exploiting the assets created as a result of implementation of the draft. If it is not yet known (for example: in case of public-private partnership), it needs to be specified. This point summarises the information presented in Section 4*

<b>Section 2. Objective and substantiation</b>	
<p><b>2.1 What main problem will the draft resolve, why is it necessary? Include core information on the scale of the problem.</b></p> <p><i>Present the fundamental issue and specific problems deriving therefrom (as applicable) that the draft must resolve. Provide the substantiations for the necessity for the Programme and the reasons for making investments in the Programme.</i></p> <p><i>Maximum 3000 characters</i></p>	<p><b>Quality rating</b></p> <p><b>Insufficient</b> = The problem is not presented, and the detailed numerical data on the scale of the problem are missing.</p> <p><b>Unclear</b> = The description of the problem is not sufficient. The numerical data on the scale of the problem are sufficient.</p> <p><b>Sufficient</b> = The problem, its reasons and grounds are fully provided, the substantiation for the Programme is clear and its scale is fully provided.</p>
<p><b>2.2 What is (are) the objective(s) of the proposed draft?</b></p> <p><i>Indicate the objectives that the competent body aims to achieve through this draft. They must be a solution to the problems presented. There must be one primary objective described in not more than two or three sentences and the specific objectives deriving therefrom. The objectives must be specific, measurable, realistic and have a defined time limit.</i></p> <p><i>Maximum 3000 characters</i></p>	<p><b>Quality rating</b></p> <p><b>Insufficient</b> = The objectives do not solve the main problem.</p> <p><b>Unclear</b> = The objectives are described, whereas they solve the problem partially.</p> <p><b>Sufficient</b> = The objectives are clearly described as a pathway to solving the problem.</p>
<p><b>2.3 What will happen if the draft is not implemented?</b></p> <p><i>Briefly describe what will happen if the draft is not approved or implemented. Will there be direct consequences? Will there be consequences in a medium and long-term perspective? If yes, present them. In many instances, the degree of importance of consequences varies, ranging from "a slight change" to "continuous human losses".</i></p> <p><i>Maximum 3000 characters</i></p>	<p><b>Quality rating</b></p> <p><b>Insufficient</b> = The consequences are not indicated or are not essential, where indicated.</p> <p><b>Unclear</b> = The consequences are indicated, but not clearly.</p> <p><b>Sufficient</b>= The consequences are clearly indicated and are significant.</p>
<p><b>2.4 List the options (technical, organisational, etc.) considered to achieve the objectives. Explain why the preferred option has been selected.</b></p> <p><i>List the options (alternative solutions) considered to achieve the objectives of the programme and the results and to solve the problem specified in point 2.1. Describe each option and compare with the one selected. All options must be realistic and solve the main problem. For each rejected option, it must be explained in one or two sentences why it has been rejected. The preferred option must be clearly presented, explaining why it is preferable. The preferable option must cover the main evidence as to why it must be considered the best option. Maximum 2000 characters</i></p>	<p><b>Quality rating</b></p> <p><b>Insufficient</b> = The options are not listed or evaluated.</p> <p><b>Unclear</b> = The options are listed but no explanation is provided as to why it has been selected as a preferable option, or why the others have been rejected.</p> <p><b>Sufficient</b> = The options are listed, and it is clear why the preferable option has been selected.</p>

<p><b>2.5 What is the social and environmental impact of the Programme?</b></p> <p><i>Describe the impact of the programme on people and environment. How can the programme reduce the poverty? How can the programme increase the human capital? Try to answer the following questions: Will the programme contribute to protecting the health and life of children/adding school years/improving the quality of school education/quality of education of graduates, skills of adult beneficiaries/extending life expectancy/generating the income of beneficiaries. Maximum 3000 characters</i></p>	<p><b>Quality rating</b></p> <p><b>Insufficient</b> = The social and environmental impact of the Programme is not identified.</p> <p><b>Unclear</b> = The identified impact is not significant.</p> <p><b>Sufficient</b> = The social and environmental impact is well-described and acceptable.</p>
<p><b>2.6 What are the benefits of the proposed programme (positive external impact)?</b></p> <p><i>Benefits are characterised as positive impacts of implementation of the draft. List the privileges of the preferable draft.</i></p> <p><i>If possible, provide relevant quantitative indicator in relation to each benefit, expressed in physical and monetary terms (for instance, saving time, reducing CO2 emissions). If the benefits cannot be provided in quantitative indicators, they must simply be described. The benefits may be presented separately for programme users and other persons. Maximum 2000 characters</i></p>	<p><b>Quality rating</b></p> <p><b>Insufficient</b> = The expected benefits of the Programme are not identified.</p> <p><b>Unclear</b> = The expected benefits of the Programme are not significant or clearly described.</p> <p><b>Sufficient</b> = The expected benefits of the Programme are significant and clearly described.</p>
<p><b>2.7 Who and how many are the beneficiaries of the programme?</b></p> <p><i>Who will benefit from the programme? How many people will benefit? If possible, provide accurate statistical data with relevant sources. Indicate the number of end users of the services provided by the programme. Indicate the unit of measurement (for example: individuals, households, enterprises), provide also the estimate of future demand for the programme. Maximum 3000 characters</i></p>	<p><b>Quality rating</b></p> <p><b>Insufficient</b> = The expected beneficiaries of the programme are not presented.</p> <p><b>Unclear</b> = The expected beneficiaries of the programme are presented unclearly or not evaluated quantitatively.</p> <p><b>Sufficient</b> = The expected beneficiaries of the programme are presented clearly and evaluated quantitatively.</p>
<p><b>2.8 What will be the external costs of the proposed programme (negative external impact)?</b></p> <p><i>All programmes entail both positive and negative external impact. Many programmes are characterised by certain negative impact, the most common of which are the environmental impact and displacement of people with a view to vacating a territory for the programme. Maximum 2000 characters.</i></p>	<p><b>Quality rating</b></p> <p><b>Insufficient</b> = No impact of the programme is presented OR the negative impact is unacceptable</p> <p><b>Unclear</b> = The positive and negative impacts are indicated, but they are not clearly explained.</p> <p><b>Sufficient</b> = The positive and negative impacts are clearly explained and acceptable.</p>

<p><b>2.9 Indicate the point (section) of the long-term development programmes of the Republic of Armenia or the action plan or sectoral strategies of the Government of the Republic of Armenia or the commitments undertaken by international agreements of the Republic of Armenia or the election programme of the parliamentary majority or individual initiatives and/or legislative requirements to which the described draft corresponds and quote the relevant passage.</b></p> <p><i>How does the programme comply with the mentioned strategies. Provide brief substantiation. Maximum 3000 characters</i></p>	<p><b>Quality rating</b></p> <p><b>Insufficient</b> = A link between the draft and the long-term development programmes or the programme of the Republic of Armenia or the action plan or sectoral strategies of the Government of the Republic of Armenia or the commitments undertaken by international agreements of the Republic of Armenia or the election programme of the parliamentary majority or individual initiatives and/or legislative requirements is missing.</p>
	<p><b>Unclear</b> = A reference has been made to the long-term development programmes or the programme of the Republic of Armenia or the action plan or sectoral strategies of the Government of the Republic of Armenia or the commitments undertaken by international agreements of the Republic of Armenia or the election programme of the parliamentary majority or individual initiatives and/or legislative requirements, but the link is not clear.</p> <p><b>Sufficient</b> = A reference has been made to the long-term development programmes or the programme of the Republic of Armenia or the action plan or sectoral strategies of the Government of the Republic of Armenia or the commitments undertaken by international agreements of the Republic of Armenia or the election programme of the parliamentary majority or individual initiatives and/or legislative requirements and a clear substantiation of the link to the proposed draft has been provided.</p>
<p><b>2.10. Does the draft comply with any of the strategies developed within the framework of the "Sustainable Development Goals" (SDGs)?</b></p> <p><i>Does the draft comply with any of the strategies developed within the framework of the "Sustainable Development Goals" (SDGs)? If yes, it is necessary to refer to the specific Sustainable Development Goal (1-17) and explain briefly why the Programme will contribute to the implementation of the Strategy. Maximum 2000 characters</i></p>	<p><b>Quality rating</b></p> <p><b>Insufficient</b> = The link between the draft and the strategies developed within the framework of the "Sustainable Development Goals" is missing.</p> <p><b>Unclear</b> = A reference has been made to the strategy developed within the framework of the "Sustainable Development Goals", but the link to the relevant strategy developed within the framework of the "Sustainable Development Goals" is not clear.</p>

	<p><b>Sufficient</b> = A reference has been made to the strategy developed within the framework of the "Sustainable Development Goals" and a clear substantiation of the link to the proposed draft has been provided.</p>
<p><b>2.11. Will the implementation of the programme contribute to the mitigation of consequences of climate change?</b></p> <p><i>Mitigation of consequences of climate change involves measures for reducing greenhouse gases emissions, such as carboxylation, energy efficiency, energy saving and use of renewable energy sources. Will the implementation of the draft contribute to the increase in or reduction of greenhouse gas emissions. Briefly substantiate the answer. If possible, include the reduction of or increase in CO2 in the calculation of the economic net present value.</i></p> <p><i>Maximum 2000 characters</i></p>	<p><b>Quality rating</b></p> <p><b>Insufficient</b> = The programme does not cover the actions in the context of mitigation of climate change.</p> <p><b>Unclear</b> = The programme covers the actions in the context of mitigation of climate change, but it is not clear whether it contributes to the increase in or reduction of greenhouse gases.</p> <p><b>Sufficient</b> = The programme covers the actions in the context of mitigation of climate change, and it is clear whether it contributes to the increase in or reduction of greenhouse gases.</p>
<p><b>2.12 Will the implementation of the programme contribute to the adaptability of the Republic of Armenia to climate change?</b></p> <p><i>Climate change adaptation is adapting to life in a changing climate. The answer to this point is given in the following manner:</i></p> <p><i>First, does the Programme itself constitute a part of the adaptability programme, for instance the construction of a storage reservoir due to high probability of floods or drought?</i></p> <p><i>Second, should the Programme be adapted to the future climate change?</i></p> <p><i>For instance, should special means be considered (such as professional designing or technologies) for successful implementation of the programme in foreseen climate change. Maximum 2000 characters</i></p>	<p><b>Quality rating</b></p> <p><b>Insufficient</b> = The programme does not cover the actions deriving from the context of mitigation of climate change.</p> <p><b>Unclear</b> = The programme does not clearly cover the actions deriving from the context of mitigation of climate change.</p> <p><b>Sufficient</b> = The programme clearly covers the actions deriving from the context of mitigation of climate change and clear answers are given to all the accompanying questions of the instructions.</p>

**Section 3 Financial information<sup>1</sup>**

<b>3.1 The estimated total cost for the implementation of the programme:</b>						<p><b>Quality rating</b></p> <p><b>Insufficient =</b></p> <p>The estimation of the cost of the Programme is based on unreliable information and does not cover the whole scope of the Programme.</p> <p><b>Unclear =</b> The estimation of the cost of the Programme is based on <i>prima facie</i> reliable information and covers the whole scope, but requires clarification.</p> <p><b>Sufficient =</b> The estimation of the cost of the Programme is based on reliable information and covers the whole scope.</p> <p>For your information: the evaluation of the quality summarises the answers to questions 3.1, 3.2 and 3.3.</p>
<p><i>All the necessary costs for implementation of the programme shall be presented. In particular, apart from construction expenses, the expenses preceding the construction, such as pre-feasibility studies, feasibility studies, architectural and engineering design, land alienation, compensation and resettlement expenses, and expenses for all the materials, equipment and services (including consultants) necessary for implementation of the programme, as well as expenses for programme management, construction oversight, assistance, technical documents, necessary permission documentation, trainings and seminars, if applicable. The costs of the programme shall be fully evaluated by the competent body, and the source of or the ground for such evaluations shall be presented in the same document or shall be attached as separate documents (based on similar Programmes, evaluations, concepts, etc.)</i></p> <p><i>The total amount is provided in row "Total" of point 1.7.</i></p>						
<b>3.2 The distribution of costs of the Programme by years (the total must be equal to the above-mentioned amounts)</b>						
<p><i>The expenses for the first year of the programme funding shall also be presented, even if they are related to the preparation of technical documents or feasibility study only. The expenses for further years, and in case of phased programmes — also expenses by phases shall include the amount to be allocated by years or phases. The expenses calculated for additional years shall also be provided for programmes to be extended. It is necessary to indicate the exact year when providing the expenses.</i></p>						
Budgetary fiscal year	1 (20...)	2 (20.)	3 (20.)	4 (20.)	Further years (n)	
Required amount in AMD						
<b>Total (thousand AMD)</b>						
Comments						

<sup>1</sup> This section is subject to quality evaluation by the Ministry of Finance of the Republic of Armenia



**3.3 Funding sources**

Enter in the table below all sources of programme funding, presenting the amount in thousand AMD, USD, as well as percentage of total costs of the programme.

Type of funding	Amount (AMD)	Amount (%)	Amount (USD)
State Budget			
External loan			
External grant <sup>2</sup>			
Internal borrowing			
Sales revenue			
Duties and fees			
Other (indicate):			
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>

**3.3.1. Donor funding**  
*Indicate all potential donors that make or are going to make investments in the programme, presenting the ground on which the assumption is made (for instance, a promise, letter of intention, etc.)*  
*Provide evidence of provisional arrangements.*

**3.4.1 Annual operational expenses (AMD)**  
*During the validity period of the Programme, the necessary operational (recurring) expenses are estimated and expressed on annual basis, in thousand AMD. This indicator includes salaries, utility services, expenses for maintenance, supplies and materials, etc. The source of and ground for estimation shall be presented; moreover, it may be attached as a separate document, if necessary. If the first operational year is not a full year, the incomplete expenses for that year shall be included in the estimations for the next two full years.*

Operational year 1 (2_ _)	Year 2 (2_ _)	Year 3 (2_ _)

**Quality rating**  
**Insufficient** = The estimation of operational expenses is based on unreliable information, and all contingencies are not taken into account  
  
**Unclear** =

<sup>2</sup> Prior to submitting a draft envisaging external funding, including a loan and grant, the consent of the Ministry of Finance of the Republic of Armenia needs to be obtained.

			The estimation of operational expenses is based on <i>prima facie</i> reliable information, but it requires clarification.
3.4.2 Which part of them will be covered from the existing budget? Certain drafts envisage replacement of an operating programme, which means that the budget of the previous programme is available for the new programme. In such a case, provide the total amount of operational expenses of the programme. Where the programme is absolutely new, and no budget of the previous programme is available, enter "0"			
Operational year 1 (2_ _)	Year 2 (2_ _)	Year 3 (2_ _)	<b>Sufficient =</b>
3.4.3 New/ additional operational expenses			The estimation of operational expenses is based on reliable information, and all contingencies are taken into account.
The additional burden or savings for the implementation of the draft conditional on the budget of the previous programme is shown (point 3.4.2 less point 3.4.1). Presented in thousand AMD			
Operational year 1 (2_ _)	Year 2 (2_ _)	Year 3 (2_ _)	For your information: the evaluation summarises the answers to questions 3.4 and 3.5.
3.5 Sources of additional operational and maintenance expenses			
<i>It shall be indicated how additional operational expenses will be funded. They include the expenses specified in the row "New operational expenses" (calculated in point 3.4.3). Where there are several sources for funding operational expenses indicate their share in covering new/additional operational expenses.</i>			
3.6 Is land alienation required? (YES/NO)			<b>Quality rating</b> <b>Insufficient =</b> The information is not reliable and accurate. <b>Unclear =</b> The information is <i>prima facie</i> reliable, but it requires substantiation. <b>Sufficient =</b> The data are reliable, and the envisaged amount is realistic.
<i>Mark "Yes" or "No". If "Yes", the amount must already be included in the total amount in points 3.1 and 3.2, and here it shall be presented separately. In case of need to alienate a land for implementation of the draft, a clear note shall be made here thereon, as well as on the total price for alienation of the land, including all compensation-related and legal costs.</i>			
3.7 Will the programme generate revenue? (Yes/No)			<b>Quality rating</b> <b>Insufficient =</b> The estimation of revenue is based on unreliable information, and all
If "Yes", provide the estimated revenue, its sources and projected internal rate of return of the programme: <i>Answer "Yes" or "No". If the answer is "No", proceed to the next section.</i>			

<p>If the answer is "Yes", which means that revenue is expected (for instance, payment for use or sale of manufactured products), they are estimated and presented on annual basis, in thousand AMD, in accordance with the table below.</p> <p>If the first operational year is not a full year, the incomplete expenses for that year are included in the estimations for the next two full years.</p>			<p>possible sources are not taken into account.</p> <p><b>Unclear</b> = The estimation of revenue is based on <i>prima facie</i> reliable information, but it requires clarification. The revenue list also needs clarification.</p> <p><b>Sufficient</b> = The estimation of revenue is based on reliable information, and all possible sources are taken into account.</p> <p>For your information: the evaluation of quality summarises the answers to questions 3.7 and 3.8.</p>
Operational year 1 (2_ _)	Year 2 (2_ _)	Year 3 (2_ _)	
<p><b>3.8. Revenue sources</b></p> <p>Indicate the expected revenue sources.</p> <p>The answer must comply with the information presented in Section 3/7.</p>			<p><b>Quality rating</b></p> <p><b>Insufficient</b> =</p> <p>Calculations are missing, and the reasons for the absence of calculations are not presented either.</p> <p><b>Unclear</b> =</p> <p>There are errors in calculations, and corrections are needed, or the substantiation for the absence of calculations is unsatisfactory.</p> <p><b>Sufficient</b> =</p> <p>Calculations are made accurately, or their absence is properly substantiated.</p>
<p><b>3.9. Specify the projected economic indicators of the programme (internal rate of return (IRR), net present value (NPV))</b></p> <p>Specify the estimated IRR and NPV based on the existing data.</p> <p>The calculations are also attached to the draft as an annex (.xlsx file). If the calculations are not applicable to the draft, it must be substantiated.</p>			

<p><b>4. Draft programme implementation plan and risk analysis</b></p>								
<p><b>4.1 Present the schedule for implementation of the programme:</b></p> <p>List the important components of implementation of the Programme in the table below (it must comply with the table in point 1.7)</p>								
<table border="1"> <thead> <tr> <th>Component</th> <th>Start (m/y)</th> <th>End (m/y)</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>	Component	Start (m/y)	End (m/y)				<p><b>Quality rating</b></p> <p><b>Insufficient</b> = It fails to comply with point 1.7, and the time limits are unrealistic.</p> <p><b>Unclear</b> =</p>	
Component	Start (m/y)	End (m/y)						

<table border="1"> <tr><td></td><td></td><td></td></tr> <tr><td></td><td></td><td></td></tr> <tr><td></td><td></td><td></td></tr> <tr><td></td><td></td><td></td></tr> <tr><td>The programme starts operating/ Launch of the Programme</td><td></td><td></td></tr> </table>													The programme starts operating/ Launch of the Programme				<p>The presented schedule is realistic, but it requires clarification.</p> <p><b>Sufficient =</b></p> <p>The list of components complies with point 1.7, the schedule is accurate and realistic.</p>
The programme starts operating/ Launch of the Programme																	
<p><b>4.2. Present organisational arrangements for implementation and operation of the programme:</b></p> <p><i>The answer shall specify how the Programme will be managed in the course of implementation. It shall also be presented whether the management of the programme will be carried out at the expense of own institutions or it will be outsourced. Indicate the persons who are responsible for the settlement of main problems in the course of implementation, providing information on their work experience. This is the case also with the exploitation phase — indicate the institution/agency responsible for exploitation of the property of the programme. If you believe that the desirable form of implementation of the programme is the PIM, substantiate this here. Maximum 2000 characters</i></p>	<p><b>Quality rating.</b></p> <p><b>Insufficient =</b></p> <p>Lack of resources for the implementation of the programme and/or lack of commitment for the operational phase.</p> <p><b>Unclear =</b> Insufficient resources for the implementation of the programme and/or insufficient commitment for operational phase.</p> <p><b>Sufficient =</b> The resources for the implementation of the programme and/or the commitment for the operational phase are clearly presented and acceptable.</p>																
<p><b>4.3. Previous experience of the competent body in implementing similar programmes</b></p> <p><i>The competent body must list similar programmes (title, size and brief description of the programme) that were successfully implemented in the past 5 years. If there was not such experience in the past, or the proposed programme contains significant portion of innovation, it will be viewed as risk-bearing in terms of implementation. In that case, the competent body must describe the measures (for instance, recruitment of specialists, conclusion of contracts with consultants or implementation of the programme in the PIM format) that will contribute to the successful implementation of the programme. Maximum 2000 characters</i></p>	<p><b>Quality rating</b></p> <p><b>Insufficient =</b></p> <p>Lack of relevant experience in the past, and no measures for elimination of possible problems are proposed</p> <p><b>Unclear =</b></p> <p>Lack of relevant experience in the past, but the measures proposed for elimination of possible problems may contribute to the implementation of the programme.</p> <p><b>Sufficient =</b></p> <p>The past experience in</p>																

	<p>implementation of similar programmes is presented and it may be verified, or the relevant past experience is missing, but the measures proposed for elimination of possible problems are acceptable.</p>
<p><b>4.4 Were such programmes implemented in the Republic of Armenia in the past?</b></p> <p><i>The answer may be "Yes" or "No": in case of "Yes", present the relevant experience, and in case of "No" — additional measures that will be undertaken to reduce the risks. The programmes that were not successfully implemented in the past always constitute additional risk. The purpose of this question is to ascertain:</i></p> <p><i>(a) whether the interim and final results of implementation of such programmes in the past have been sufficient, and most importantly, what lessons have been learnt that can be taken into account and applied in the given programme.</i></p> <p><i>(b) if no such programmes were implemented in the past, what steps are being envisaged to reduce possible risks in terms of time and budgetary means.</i></p> <p><i>Maximum 1000 characters</i></p>	<p><b>Quality rating</b></p> <p><b>Insufficient</b> = No such programmes were implemented in the past and no clear steps aimed at reducing the risks have been taken, or such programmes were implemented in the past, but the results were insufficient and no effective measures were taken to reduce the risks.</p> <p><b>Unclear</b> = No measures undertaken for reducing the risks have been effective or they are not described clearly.</p> <p><b>Sufficient</b> = No such programmes were implemented in the past, but the effective measures for reducing the risks are provided, or such programmes were implemented in the past and had a positive result.</p>
<p><b>4.5 List the stakeholders of the programme and state whether you have consulted therewith</b></p> <p><i>The stakeholders are the beneficiaries of the programme. They may have positive or negative opinion on the idea of the programme. They are persons or institutions that are interested in the results of the Programme or are affected by the programme. List them here.</i></p> <p><i>Maximum 3000 characters</i></p>	<p><b>Quality rating</b></p> <p><b>Insufficient</b> = The stakeholders are not listed</p> <p><b>Unclear</b> = The stakeholders are listed, but to date no consultation has been held, or the list of stakeholders is incomplete.</p> <p><b>Sufficient</b> = The list of stakeholders is complete and preliminary</p>

consultations have commenced.

**4.6 List the possible risks related to the successful implementation of the programme (what may go wrong?) and present mitigation/elimination measures for each risk.**

*During the preparation and practical implementation of the programme many actions/issues may take wrong direction. It usually results in delay in implementing the programme or increase in estimated expenses. Therefore, it is necessary to specify and describe each possible risk that may disrupt the successful implementation of the programme. It is also necessary to assess the probability of each specified risk (by the scale of 1 to 3, where 1 is the low level), and its possible impact on the programme (by the scale of 1 to 3 where 1 is the low level). The risk level is the combination of the probability of risk occurring and risk impact. Present the measures for reducing the risks and explain how to reduce each risk. Estimate the impact of the programme on climate change and reduction of disaster risks. To estimate the impact of the climate and of disaster risk it should be understood what hazards may disrupt the implementation of the programme and/or the obtaining of practical results, after which the probable impact of the projected location, draft programme and practical results shall be estimated separately. Special attention should be paid to possible consequences, such as expenses for re-evaluation of infrastructures or expenses for interruptions of the service (both for the programme and the users thereof). The climate and disaster risk of draft programmes for 20 and more years is higher conditioned by the uncertainties of the future. The other risks that must be taken into account include the risk of procurement process, technical and innovative risk, risk of management mechanisms, risk of exchange rate volatility and other risks that may impact the programme.*

Risk description	Probability	Impact	What will be done to avoid or minimize the risk?

**Quality rating**

**Insufficient** = The risks are presented incompletely, or effective measures for risk management are not prescribed.

**Unclear** = The risks are listed, but the measures for risk managements are incomplete or unreliable.

**Sufficient** = The risks are listed, and the measures for risk management are reliable.

Section 5. Contact details and approval of the draft		
	Name, Surname	Signature
Author of the draft		
Telephone		
E-mail		
Head of the Department or other person responsible for the programme ( <i>name and signature</i> )		
Superior of the body proposing the draft ( <i>name and signature</i> )		

### List of Annexes

*List here all the Annexes that contain additional information on the draft (maps, calculations, decisions, provisional arrangements with donors, etc.)*

**Chief of Staff to the Prime Minister  
of the Republic of Armenia**

**A. Harutyunyan**

10 February 2023  
CERTIFIED BY  
ELECTRONIC  
SIGNATURE

**Date of official promulgation: 10 February 2023.**