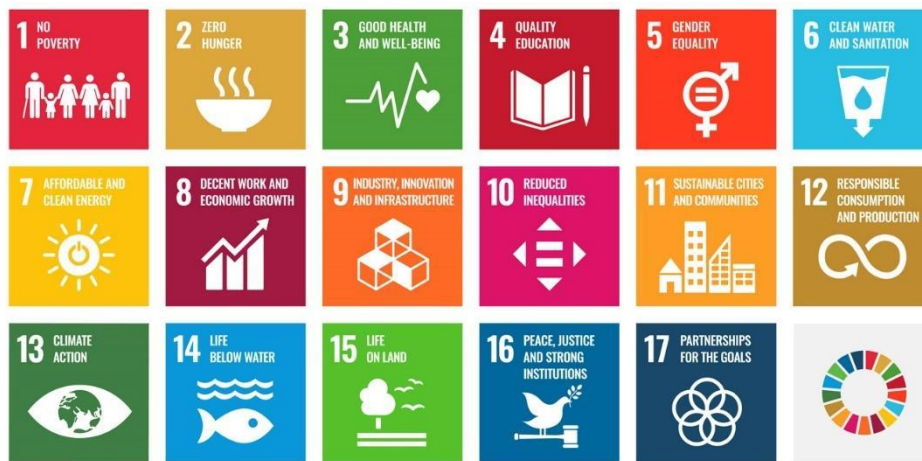




SDG IMPLEMENTATION IN ARMENIA 2024



SHADOW REPORT

INTRODUCTION

Armenia joined the United Nations on March 2, 1992, and the UN office was established in Yerevan in December of the same year. By becoming a member of the United Nations, Armenia accepted universal values, the principles of protection of human rights and the establishment of democracy as an integral part of the state ideology. Armenia actively participates in the activities taking place within the framework of the United Nations Organization and cooperates with many structures and links of the organization¹. Since joining the UN, Armenia has signed and ratified many international Agreements.

On January 1, 2016, 17 sustainable development goals included in the "2030 Agenda for Sustainable Development" officially came into force. The Sustainable Development Goals build on the success of the Millennium Development Goals (MDGs). And Armenia, in 2021, signed the "2021-2025 framework of the UN Sustainable Development Partnership for Armenia" document, which defines the main priorities of the cooperation between Armenia and the UN in the field of development and the implementation of the SDGs for the next five years.

and social (increasing the salaries of various public sector employees (teachers, doctors, rescue workers, etc.), increasing the efficiency of the benefits and pension system, increasing the minimum living wage, expanding health services and relevant beneficiaries, improving the educational environment, etc.) reforms.

Of course, many initiatives have been implemented in Armenia within the framework of the 5Ps of sustainable development: people, planet, prosperity, peace, partnership, but there are still many challenges that need to be solved in order to fully implement sustainable development. In order to achieve the goals of sustainable development, the government developed the 2020-2050 transformation strategy of Armenia, within which 16 mega-goals were defined, which are fully included in all SDGs (except SDG 14), as well as in the 5 Ps of SDGs².

In accordance with the Republic of Armenia Prime Minister's decision N 479-A of April 22, 2020, the Council of Sustainable Development Goals of the Republic of Armenia was established, the composition and staff of the Council were approved, as well as the procedure for organizing the competition for the involvement of non-governmental organizations (NGOs) in the Council³. Based on this, related to the SDG meeting agenda and the range of issues to be discussed, the business community, scientific and

¹ <https://www.mfa.am/hy/international-organisations/12>

² <https://www.primeminister.am/hy/press-release/item/2020/09/21/Nikol-Pashinyan-meeting-Sept-21/>

³ <https://www.arlis.am/DocumentView.aspx?DocID=145094>

educational institutions, trade unions, representatives of international organizations, experts, and other interested parties can also be invited to the meetings of the councils⁴.

The RA Sustainable Development Goals Council comprises heads of non-governmental organizations (NGOs) representing seven key areas aligned with the Sustainable Development Goals:

- NGOs focused on work, employment, and poverty alleviation,
- NGOs focused on education,
- NGOs focused on healthcare,
- NGOs focused on environment and climate change,
- NGOs focused on justice and human rights protection,
- NGOs focused on industry, trade, and innovation,
- NGOs focused on infrastructure (including energy, roads, transport, and water sectors).

In addition, UNDP and the Ministry of Justice of the Republic of Armenia, with the support of the pilot project SDG Innovation Lab and the Statistical Committee of the Republic of Armenia, implemented the pilot program "Rule of Law and SDGs in the Reform Agenda of Armenia", within which the SDG monitor platform was also implemented⁵. United Nations libraries were established in various universities (Yerevan State University, Kh. Abovyan State Pedagogical University, etc.). Sectoral non-governmental organizations were also included in the program.

SDSN, According to the Sustainable Development Solutions Network's SDG Index 2023, Armenia ranks 56th among 166 countries with a score of 73.3, which is slightly higher than the regional average (71.8). This position has fallen slightly from the 50th position in 2022, which reflects the worrying trend of stagnation of SDG progress in Armenia. In the Caucasus region, Armenia maintains a competitive position, occupying the 56th place. The report states that Armenia is taking steps towards SDG 6 (Clean water and sanitation) and SDG 10 (Reducing inequalities) while addressing climate action (declining), as well as challenges related to ending hunger, strong health and well-being, to quality education, decent work and economic growth, peace, justice and strong institutions. At the 78th SDG Summit of the UN General Assembly, Armenia reaffirmed Armenia's commitment to the UN Sustainable Development Goals, integrating them into national policies and long-term development strategies. Despite the challenges, Armenia aims to rise and strengthen its role in the top 40 of the SDGs by 2030. Armenia is committed to accelerating the implementation of the SDGs by improving the education system by promoting inclusive and sustainable development and transitioning to an economic model that prioritizes climate action and social inclusion.

⁴ https://sustainabledevelopment.un.org/content/documents/26318Armenia_VNRFINAL.pdf

⁵ <https://www.sdglab.am/en/sdgs>

To achieve this, Armenia is developing an Integrated National Financing Framework (INFF) through Development Finance Assessment and SDG budgeting to streamline public and private financial policies and help the government catalyze the resources needed to achieve their national development priorities and outcomes in the context of the 2030 Agenda. Armenia's Integrated National Financing Framework aims to strengthen financing mechanisms for the effective implementation of the strategic policy framework, so it is used to identify and implement innovative and evidence-based mechanisms to channel partnerships and financing in three priority areas: climate change, food security and human capital.

Despite the important role of international financial institutions in achieving the SDGs, Armenia faces barriers to access to development finance, including a lack of income-generating projects, as well as limited capacity to implement projects. Partnership efforts with development banks, such as the Asian Development Bank, the World Bank, aim to overcome these challenges by facilitating green financing initiatives and conducting feasibility studies. Armenia recognizes the need for a more ambitious approach to financing sustainable development, moving away from traditional economic sectors such as mining and remittances to a more diverse and flexible economic model.

The People's Scorecard methodology, as implemented in Armenia, is a participatory tool used to assess public services by gathering feedback directly from citizens. This approach fosters greater accountability and transparency by enabling citizens to evaluate the quality, accessibility, and effectiveness of public services such as healthcare, education, and social welfare. In Armenia, the methodology has been particularly effective in rural areas, where citizens work closely with local authorities to identify service delivery challenges and collaboratively develop solutions. The process not only empowers communities but also strengthens trust between the public and government institutions, ultimately improving service provision.



Methodology





Various sources published by local and international organizations were examined for this report, including:

- The program of the RA Government,
- Publications by UN agencies,
- Reports published by the Statistical Committee of the Republic of Armenia,
- Various sectoral strategic documents.

SDG implementation processes

The Sustainable Development Goals coincide with RA's strategic development goals and approaches, and their implementation will ensure the 16 mega-goals set in the Transformation Strategy. The SDGs and their targets in Armenia mainly correspond to the processes of strategic planning and their implementation.

In order to present the implementation and cooperation of the Sustainable Development Goals, this report examines 5 principles.

##	Principles	Brief description	SDG	Sphere
1.	PEOPLE	Human capital Development ----- End poverty and hunger, ensure dignity and equality in a healthy environment		Social
2.	PROSPERITY	Availability of infrastructure and ensuring economic growth ----- To ensure a prosperous and fulfilling life in harmony with nature		Economic
3.	PLANET	Environmental protection and climate change mitigation ----- Protect the planet, natural resources and climate		Environmental
4.	PEACE	Fight against corruption, protection of human rights and justice		Promoting peace and partnership

		----- Promote a peaceful and inclusive society		
5.	PARTNERSHIP	Cooperation for the achievement of sustainable development goals ----- Implement the agenda through global partnerships		



Global People's Scorecard on SDG Progress 2015 - 2024

Before presenting the reports on the 5 Ps, we are pleased to share the results of an online survey conducted in May 2024, which focused on actions for sustainable development between 2015 and 2024. The survey, titled **Global Assessment of Sustainable Development Goal (SDG) Progress**, collected responses from 56 participants, representing a diverse group of specialists across various age groups and regions.

This survey was carried out with the support of **Action4SD**.



Results of Global People's Scorecard of Progress towards SDGs 2015-2024 in Armenia

- ◀ -5 (very significant regression)
- 4 (large regression)
- 3 (medium regression)
- 2 (limited regression)
- 1 (very limited regression)
- 0 (no progress)
- +1 (very low progress)
- +2 (low progress)
- +3 (medium progress)
- +4 (high progress)
- ▶ +5 (very high progress)

PEOPLE

Human Capital Development



Armenia attaches great importance to the development of human capital, which is enshrined both in the constitution and in the 2021–2026 plan of the RA Government and the Transformation Strategy of Armenia (2050).

In 2023, the GDP of Armenia registered 8.7% growth under the conditions of policies aimed at increasing the potential of the economy and economic growth and the measures arising from them, which was intended in the 2021–2026 plan of the RA Government.

Regarding poverty eradication

Despite the continuous decrease in the level of poverty in Armenia in recent years, poverty remains a serious challenge for the country's social policy. It is not possible to fight against poverty only with the means of state administration. It requires the combined efforts of the population, diaspora and international partners.

The proportion of the population living below the international poverty line by geographic location (urban/rural) in 2022 was 0.8% in Armenia, with 0.4% in urban areas and 1.4% in rural areas.

According to the RA Statistical Committee, the average poverty level in 2022 was estimated at 24.8 %, decreasing by 1.7 % compared to the indicator of 2021 (26.5%), and by 1.6 % compared to the indicator of 2019 (26.4%), which is a very small achievement⁶. In 2022, the extremely poor population was 1.2%.

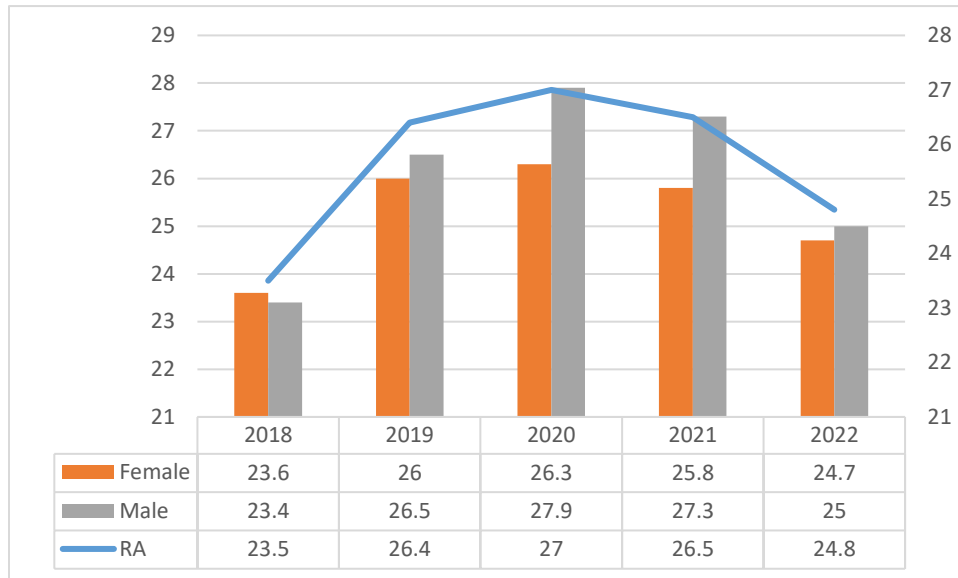
In 2019–2022, the poverty level in urban and rural communities decreased by 0.1 and 4.3 percent, respectively. The poverty level in the capital Yerevan increased by 4.4 percentage points, while the poverty level in other cities of the republic decreased by 5.3 percentage points.

According to the statistical service, the poverty rate of children aged 0–5 and 6–9, as well as the elderly aged 65+ is higher than in other age groups, and they remain the most vulnerable groups. In 2020, the child poverty rate was 33.9%⁷.

⁶ https://armstat.am/file/article/poverty_2023_a_2.pdf

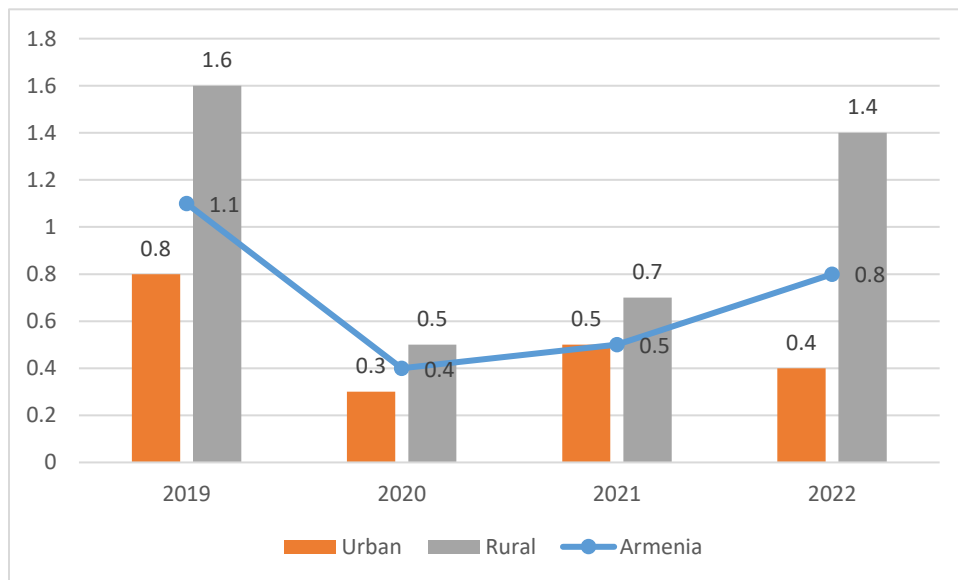
⁷

<https://www.unicef.org/armenia/media/15571/file/%D5%80%D5%A1%D5%B5%D5%A1%D5%BD%D5%BF%D5%A1%D5%B6%D5%AB%20%D5%AF%D6%80%D5%A9%D5%B8%D6%82%D5%A9%D5%B5%D5%A1%>



Proportion of the population living below the international poverty line by sex

In 2023 in the state budget, according to the functional classification of expenses, the main group of expenses is connected with social service: 40.6%, which includes all kinds of expenses aimed at healthcare, recreation, culture and religion, education and social protection. Expenditures for social services, according to 2023 of the budget, 2022 they exceed the figure planned by the budget by 13.0%.



Proportion of the population living below the international poverty line by sex, age, employment status and geographic location (urban/rural) %⁸

The Gini coefficient shows that aggregate income inequality increased from 0.364 in 2021 to 0.352 in 2022, while consumption aggregate inequality increased from 0.232 in 2021 to 0.239 in 2022.

Consumption Aggregate and Income Inequality, in 2021-2022⁹

Gini coefficient	Consumption		Income	
	2021	2022	2021	2022
	0,232	0,239	0,364	0,352

A Gini index of 0.352 indicates a relatively equal distribution of income in society, but spatial and gender inequalities continue to create divisions between men and women, and between rural and urban populations. There are significant gaps in funding, effective coverage, adequacy of benefits and social services. In addition, the fragmented administration of various cash benefits, social services and employment services further complicates coverage gaps.

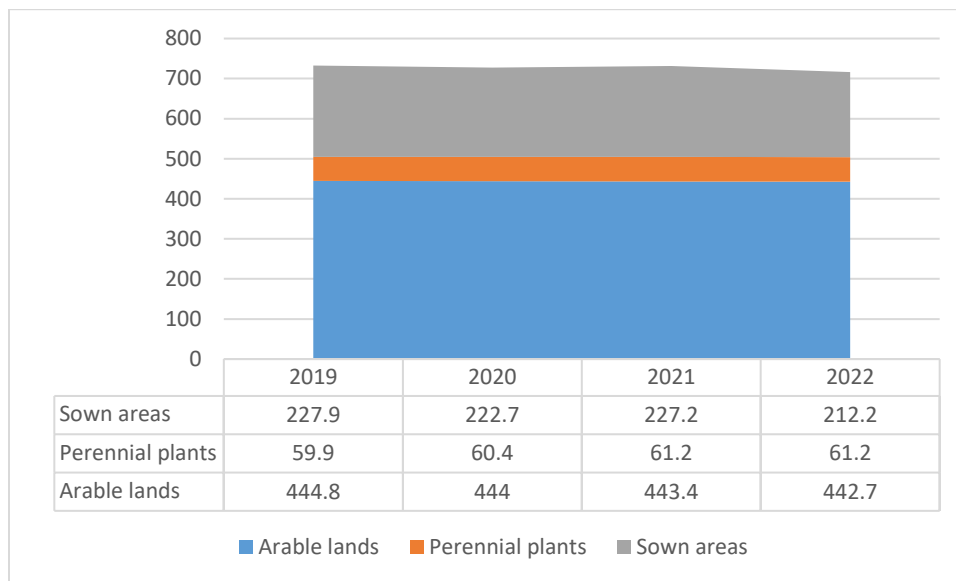
Regarding the Ending of hunger

According to the 2020-2030 strategy of the main directions of ensuring the economic development of the agricultural sector of the Republic of Armenia, the value created by one rural household in 2029, compared to 2018, will triple, amounting to 7.45 million drams¹⁰. The average income of one peasant household in Armenia is expected to increase to 2.0 million drams in 2024, and to 5 million drams in 2029.

⁸ <https://sdg.armstat.am/am/1-1-1/>

⁹ https://armstat.am/file/article/poverty_2023_a_2.pdf

¹⁰ <https://mineconomy.am/media/10030/Razmavarutyun.pdf>



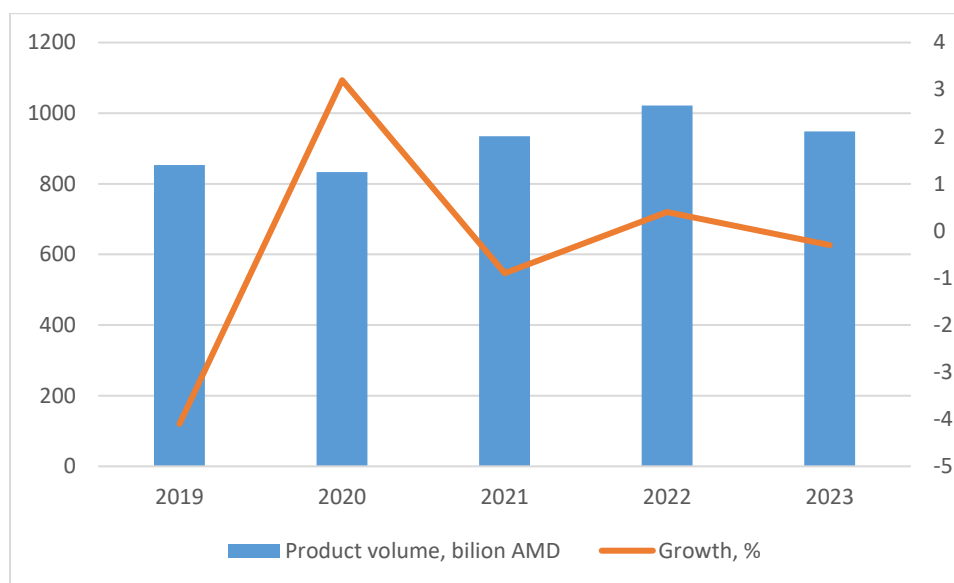
Areas of the arable lands, sown areas of agricultural crops and perennial plants in RA, 1000 ha¹¹

More than 43% of the employed population of RA is in rural communities, 47% of the employed rural population is in the agricultural sector. However, the sector has the lowest average monthly wage rates. Due to decreasing of agricultural productivity and poorly regulated land use mechanisms, high vulnerability to climate hazards and risks, unsustainable practices, lack of investment, capacity and qualified infrastructure, as well as slow pace of innovation and technological improvement and high dependence on imported investments, agriculture is high-risk, low-return and unstable source of income for the rural population of Armenia.

The volume of the gross output of agriculture in 2023 is about 948 billion drams, which was 99.7% compared to the same period of the previous year, including the volume of the gross output of crop production was around 447.6 billion drams, and the volume of livestock breeding was around 500.4 billion drams.

Currently, more than a dozen state support programs are implemented in the field of agriculture, the main purpose of which is to increase the volume of capital investments in agriculture, expand production capacities, introduce modern technologies and stabilize the incomes of farmers in agriculture.

¹¹ <https://sdg.armstat.am/am/2-4-1-a/>



Volume and growth of agricultural products

In terms of health and well-being

Armenia's healthcare sector faces a number of challenges that affect the quality and availability of healthcare services. Despite improvements in the health sector in recent years, in 2023 health care costs account for about 78% of out-of-pocket expenses, and the quality of primary care visits is still below average, as reported by the World Health Organization.

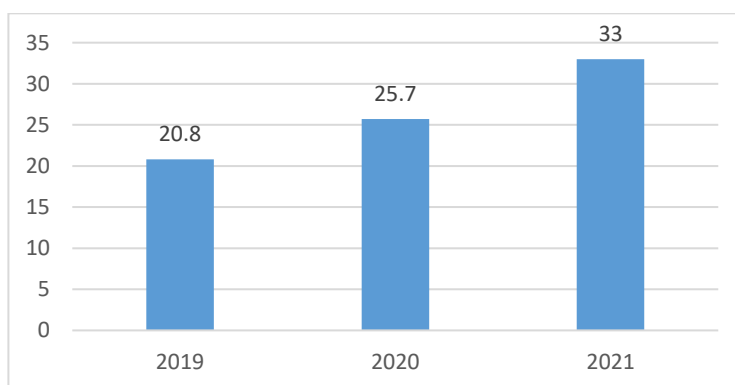
This is partly connected to health care quality issues, when most individuals choosing to self-medicate rather than seek professional medical care. Addressing these challenges requires a multifaceted approach to improve overall health delivery and ensure better health outcomes. Unfortunately, the health sector is underfunded, which limits equitable access to high-quality health services. The Government's 2023-2026 health reform strategy envisages a steady increase in health spending by 2026, at a minimum of 10% of the budget and 2.5% of GDP. The introduction of the universal health insurance system in 2026 will be an important step to increase the quality of healthcare, which will contribute to the stabilization of healthcare financing, reduction of out-of-pocket costs, promotion of access to high-quality healthcare and improvement of financial protection of the population. In order to improve the availability and quality of health services, the government has initiated comprehensive health sector reforms to address the challenges and emerging issues in the health sector.

Mortality rate attributed to cardiovascular disease, cancer, diabetes or chronic respiratory disease, per 100,000 population¹²

¹² <https://sdg.armstat.am/am/3-4-1/>

Year	Cardiovascular disease	Cancer	Diabetes	Chronic respiratory disease
2020	289	178.5	11.9	10
2021	278.7	173.8	9.3	10.8
2022	242.8	169.2	10.1	7.3

Analysis of the table shows that the number of deaths from listed non-infectious diseases is steadily decreasing.



Maternal mortality ratio (average three-year indicator) per 100,000 live births¹³

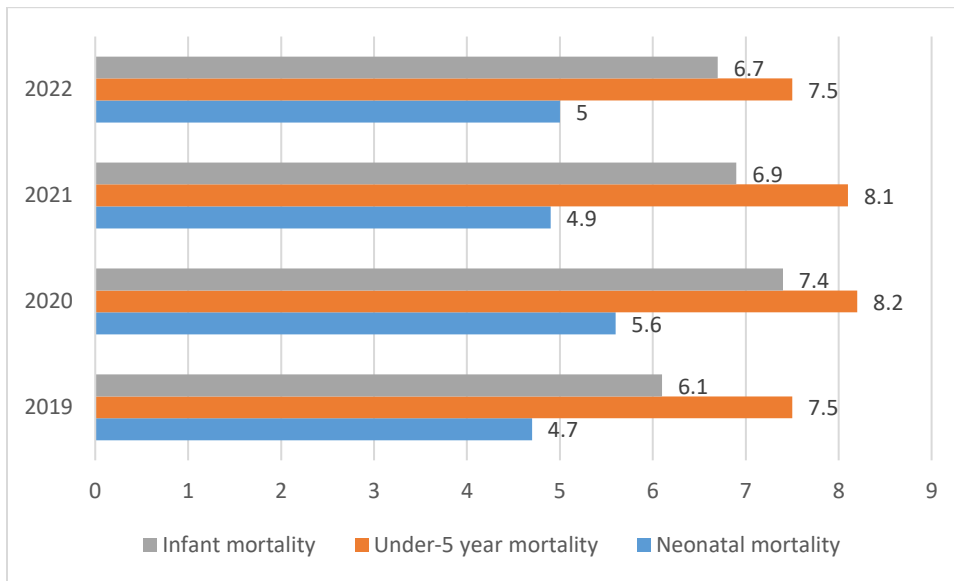
According to the data of the Statistical Committee of the Republic of Armenia, in 2019–2022, the Maternal mortality ratio (average three-year indicator) was 30, per 100,000 live births.

According to the results published by the RA Ministry of Health, "In terms of maternal mortality in 2023 an 11 percent decrease of the index was recorded, compared to 2022¹⁴.

2019–2022 during the period, a steady decrease in infant mortality was observed, but the mortality rate of children under the age of five years remained. The rate of child mortality also decreased during the years under review.

¹³ <https://sdg.armstat.am/am/3-1-1/>

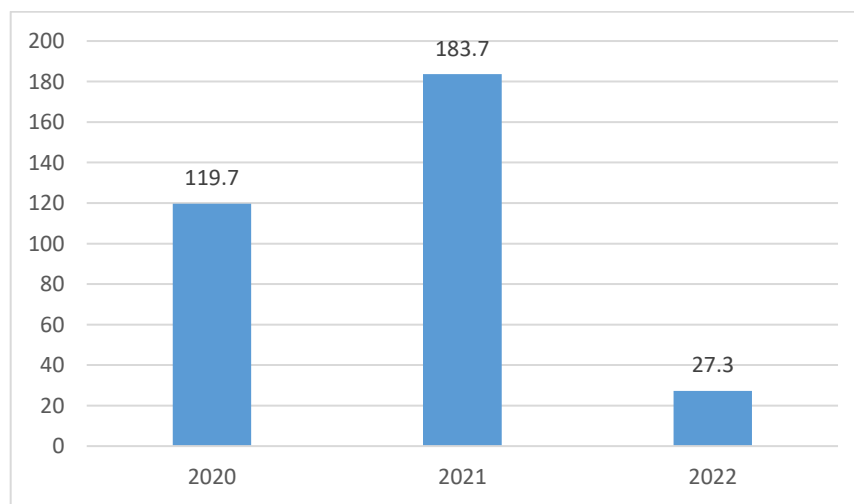
¹⁴ <https://armenpress.am/arm/news/1134517.html>



Infant, under-5 and neonatal mortality rates per 1,000 live births

In 2020-2022, the death from the Coronavirus infection (COVID-19) in Armenia amounted to 9799 people, out of which in 2020 - 3545, in 2021 - 5442, and in 2022 it decreased and amounted to only 812 people.

The Government of RA carries out extensive work in all areas of the health care system, which includes, but is not limited to, the prevention and elimination of epidemics of HIV/AIDS, tuberculosis, hepatitis B, Leishmaniasis and other diseases. The government is working to reduce premature mortality from non-infectious diseases through prevention and treatment.



Deaths from coronavirus diseases in RA, per 100,000 inhabitants

The death rate due to suicide in Armenia has increased, reaching 6.3 in 2022 instead of 5.2 in 2019 (per 100,000 inhabitants).

Reducing the number of traffic accidents is currently considered one of the most important issue in Armenia. Various analytical sources show that Armenia is one of the countries with the worst index in Europe in the number of victims of car accidents. Compared to 2019 (341 victims), in 2022, 321 traffic accident victims were recorded, in Armenia, which is 5.8% less.

In Armenia, the number of victims of social-domestic poisoning also decreased by 1.7 times, which is explained by the improvement of living conditions and the maintenance of sanitary and hygienic order by citizens.

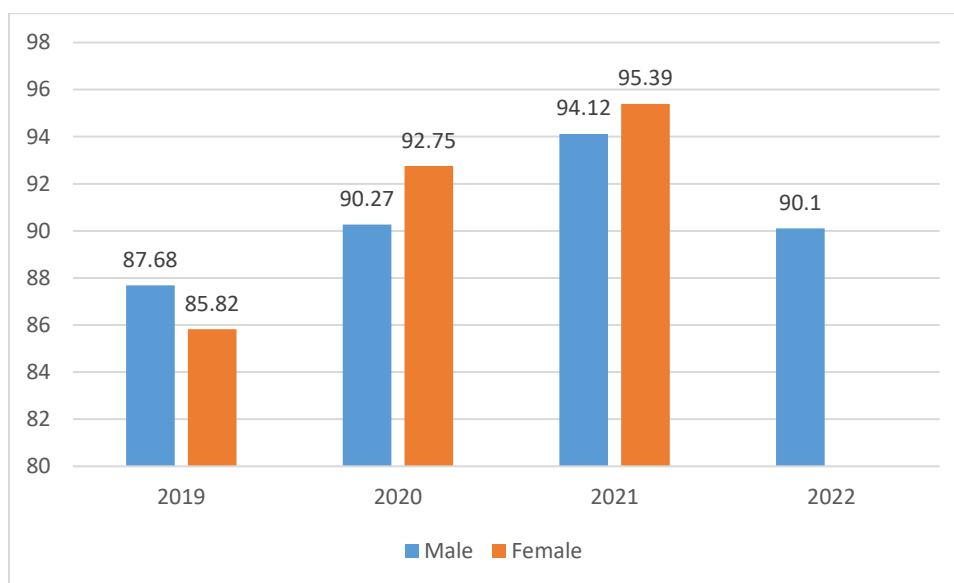
In terms of quality Education

Armenia is moving forward with clear steps in line with the mega-goals set in the Transformation Strategy developed by the Government, the first of which refers to having an educated and capable nation and citizens. Armenia attaches great importance to education and tries to bring to the world all the innovations created in our country, which is small but rich in human capital.

Among the best examples of this is the opening of the Tumo innovation center and branches in Yerevan and regions, the establishment of Armat engineering laboratories, the establishment of the COAF center (Children of Armenia Fund) in Lori, the establishment of the Enterprise Incubator Fund, the opening of AYB School, Dilijan International School, etc. An important initiative was also the "Teacher Armenia" program, within the framework of which graduates have the opportunity to teach in remote villages of Armenia.

Despite this, the number of students of public schools per 1 computer both in 2019 and 2022 was about 16.9. This is an indicator that shows that computers and other smart technologies in schools have not been updated in recent years¹⁵.

¹⁵ <https://sdg.armstat.am/am/4-4-1-a/>



The share of children at the end of primary achieving at least a minimum proficiency level in reading and mathematics¹⁶

There is still work to be done in Armenia from the point of view of gender equality. The indicators show that the ratio of the gross enrollment index of women to the gross enrollment index of men is different in educational levels¹⁷.

Gender parity index, %

Year	Primary	Basic	High	Secondary	Middle vocational	Bachelor	Master
2019	1.01	1.01	1.19	1.04	1.24	1.27	2.24
2020	1.01	1.01	1.2	1.04	1.18	1.27	2.36
2021	1.01	1.01	1.21	1.04	1.17	1.35	2.21
2022	1.01	1.01	1.22	1.04	1.19	1.46	1.95

Gross enrollment in both pre-school institutions and general education institutions is also a problem in Armenia. It is desirable for the government to enforce infrastructure standards more consistently, as the problem of physical access to public schools for children with disabilities remains largely unsolved in Armenia.

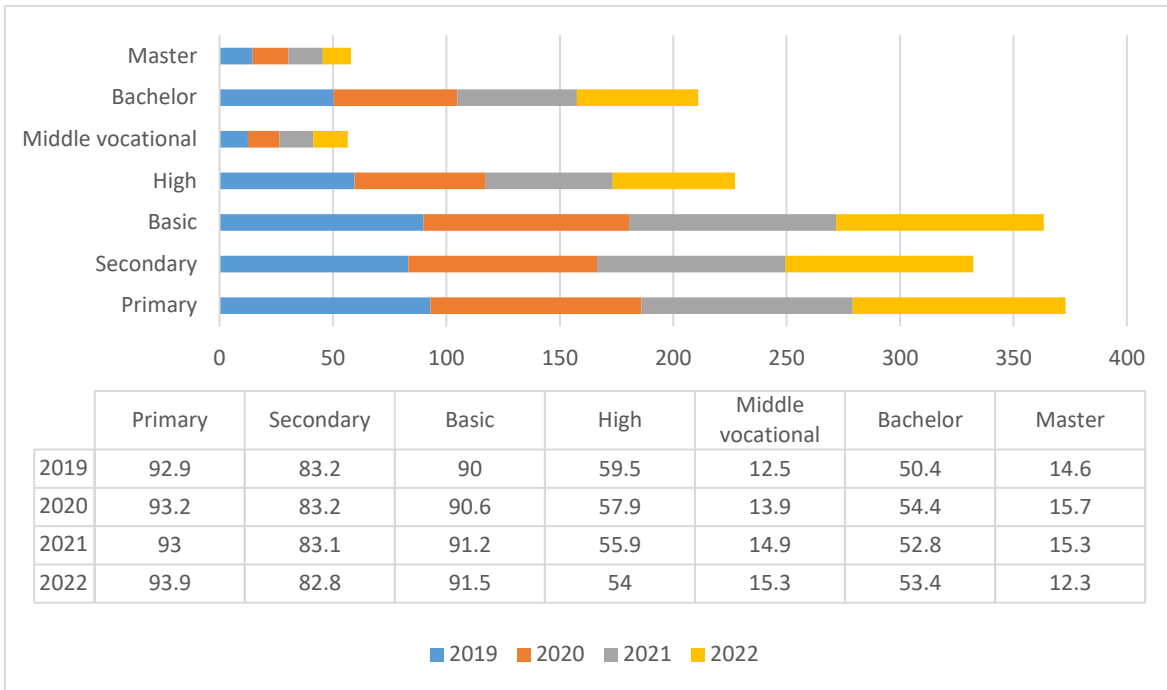
Surveys conducted by UNICEF show that 4.0% of poor children and 20.7% of extremely poor children cited being too expensive or having to work as the main reason for not attending school in 2020¹⁸.

¹⁶ <https://sdg.armstat.am/am/4-1-1b/>

¹⁷ <https://sdg.armstat.am/am/4-5-1-a/>

¹⁸

<https://www.unicef.org/armenia/media/15571/file/%D5%80%D5%A1%D5%B5%D5%A1%D5%BD%D5%BF%D5%A1%D5%B6%D5%AB%20%D5%AF%D6%80%D5%A9%D5%B8%D6%82%D5%A9%D5%B5%D5%A1%>




Gross Enrollment Ratio in general education, %

During the coronavirus pandemic, the educational system switched to distance learning. Research conducted by UNICEF showed that during the pandemic, school-age children in 13.8% of households did not participate in remote classes, 88% of which were due to lack of technical means.

At the same time, in 28.6% of households with a disabled child, the children did not participate in remote classes during the pandemic. The COVID-19 pandemic has highlighted the unpreparedness of the Education system for distance learning, including the access to the Internet and computers to online educational platforms, lack of legislation, as well as the availability of professionals who develop and deliver distance learning. In terms of content, the launch of the E-School Armenia online platform is a significant positive development, although there is still a lot to be done to ensure high-quality content.

For the effective organization and implementation of higher education, the "Academic City" foundation was established by the RA Government's decision N 585-A of April 21, 2023, which will provide an opportunity for students and employees of Yerevan, marzes and abroad to carry out their professional activities in dignified conditions, providing as much as possible to the maximum investment in immediate activities and avoiding other types of logistical problems.

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The city will also provide an opportunity for interdisciplinary research due to its concentration and accessibility. Thanks to the compactness of the academic city, prerequisites will be created for the construction of large infrastructures for experimental developments and prototyping. The areas of the academic city will be planned with the logic that they will have the possibility to physically locate up to 16 universities: up to 8 state enlarged universities and up to 8 private or international universities. At the moment, four clusters are detailed in the concept: technological, craft, educational and officer. The project schedule has three phases: a design phase that began in October 2023 and will end in September 2025, a construction phase that will begin in October 2025 and is estimated to end in December 2029.

PROSPERITY

Affordable and Clean Energy, Decent Work and Economic Growth, Industry, Innovation and Infrastructure, Reduced Inequalities



Armenia has made significant progress towards achieving Prosperity. The country has shown strong economic growth in recent years, with a focus on creating jobs, reducing poverty, and promoting sustainable economic development.

One of the key aspects of the Prosperity is the creation of decent and productive employment opportunities for all, particularly for young people and women. Armenia has made strides in this area by investing in education and vocational training programs to enhance the skills of its workforce. The country has also focused on improving labor market conditions and promoting entrepreneurship to create a more inclusive and sustainable economy.

Recent Economic Developments

In 2022, Armenia experienced impressive economic growth, emerging as the fastest-growing country in Eastern Europe and Central Asia. With a growth rate of 12.6%, this expansion was fueled by the influx of migrants, businesses, and increased capital following Russia's invasion of Ukraine. This positive momentum continued into the first half of 2023, with a double-digit GDP growth rate of 10.5% (YoY) in real terms. As in 2022, the services sector, particularly in IT, trade, and transportation, played a significant role in driving this growth.

On the demand side, private consumption and investment were the primary drivers of growth in the first half of 2023. Inflation dropped from 8.6% in 2022 to 3.1% during January–August 2023 which can be attributed to a slowdown in food and transport inflation.

Armenia's budget demonstrated a surplus of 1.4% of projected GDP in the first half of 2023, surpassing the planned deficit of 1 percent of GDP, mainly driven by a 6% overperformance in tax revenue collection. Armenia's government debt

to GDP ratio thus continued to decline, reaching around 44% of projected annual GDP by end-July 2023.

In the first half of 2023, the growth of both exports and imports of goods remained robust, with a year-on-year increase of 73% in USD value, primarily due to the rerouting of exports to Russia. The deterioration in the trade balance was partly offset by a 70% YoY increase in the number of tourist arrivals during the same period. Nevertheless, the dram continued to appreciate during the first half of 2023.

Growth is expected to ease to 6.6 percent in 2023. Looking ahead to the medium-term, growth is projected to further moderate, averaging 4.3% in 2024-2025. Average inflation is expected to be close to the target of 4% in the medium term.

Due to the continued strong economic growth experienced in 2022-2023, poverty is projected to decrease from 51.7% in 2021 to 37.6% in 2023, as measured by the upper middle-income country poverty line of USD 6.85/day.

Reference to the below table, which shows the economic growth rate in Armenia per year:

Time series

Absence of monthly data means, that the indicator is summarized on the quarterly, half-annual and annual basis.

Indicator

Indicator of economic activity, % Search

Indicator of economic activity, % / 2024

Time Period	absolute value	in comparison with same period of last year (%)	in comparison with previous period (%)
January	-	110.8	53.2
February	-	116.7	111.3
March	-	115.3	110.4
April	-	110.4	99.9
From the beginning of the year	-	113.2	-

Time series

year	absolute value	in comparison with same period of last year (%)
2023	-	109.8
2022	-	114.2
2021	-	105.8
2020	-	92.5
2019	-	107.8

Armenia has also been successful in attracting foreign direct investment, with inflows reaching \$262.6 million in 2023. The country’s strategic location, skilled workforce, and competitive tax policies have made it an attractive destination for investors looking to expand their operations.

Armenia has also seen improvements in its poverty rate, with the percentage of people living below the poverty line decreasing from 29.4% in 2008 to 22.7% in 2023.

Poverty is multi-dimensional and can be measured using both objective and subjective approaches. In Armenia, welfare estimates of 2023 based on subjective perceptions (i.e. personal judgment of individuals regarding their own living standards) were 3.0 times lower than those obtained through objective measurement (poverty rate estimates 8.4% and 24.8%, respectively). Only 1.0% of surveyed households assessed themselves to be extremely poor, which is close to the level of extreme poverty measured by using consumption per adult equivalent (1.2%).


	Subjective assessment of living conditions					
	Extremely poor	Poor	Below average	Average	Above average	Rich
2021	0.8	9.7	40.3	46.4	2.8	0.1
2022	0.6	9.5	42.5	43.4	3.8	0.2
2023	1.0	8.4	39.5	47.8	3.2	0.1

Armenia has made strides in improving access to education. The net enrollment rate in primary education increased from 89.2% in 2008 to 92.6% in 2023.

The country has also made progress in gender equality. The gender wage gap decreased from 15.6% in 2008 to 12.7% in 2024. Potential solution for this includes the promotion of skill-development programs for women in low-wage activities, expansion of care services and parental leave opportunities to balance work and family life without compromising economic activity, increase of women’s presence in management and decision-making positions.

In terms of environmental sustainability, Armenia has increased the proportion of forested land from 10.7% in 2010 to 11.7% in 2023.

Armenia has also made strides in promoting sustainable economic growth and diversification. The country has focused on developing its agriculture, tourism, and information technology sectors, as well as promoting innovation and



entrepreneurship. Armenia has also implemented reforms to improve the business environment and attract foreign investment.

Despite these achievements, Armenia still faces challenges in achieving SDG Prosperity. The country continues to grapple with high levels of unemployment, particularly among youth, and income inequality remains a significant issue. Additionally, Armenia faces ongoing challenges related to safety, security, governance and inadequate infrastructure.

Moving forward, Armenia will need to continue its efforts to promote inclusive and sustainable economic growth, create decent work opportunities, and reduce poverty and inequality. The country must also focus on enhancing its social protection programs, improving access to basic services, and addressing key governance and institutional challenges.


Energy Efficiency.

Armenia faces challenges in terms of energy efficiency due to outdated infrastructure and lack of investments in modern technology.

In recent years, the Armenian government has taken steps to improve energy efficiency, such as implementing energy efficiency projects in the public and private sectors and introducing energy efficiency regulations for buildings.

As a good governance example, the World Bank will provide \$40 million in support of the Enabling the Energy Transition project for Armenia, which will assist the implementation of the [Energy Sector Development Strategy to 2040 of the Republic of Armenia](#). The investments will focus on the rehabilitation of power transmission substations, the adoption of reforms to allow the transmission company to access private financing, and the promotion of energy sector modernization as well as regional energy cooperation among emerging and developing economies in the Europe and Central Asia region.

Armenia's power sector is heavily dependent on imported fuels, especially natural gas, which creates significant energy security risks, compounded by the global energy crisis. Attracting private investment is essential to fund the large-scale projects needed in the sector. In 2021, 62 percent of Armenia's total energy supply came from natural gas, followed by oil (16 percent), nuclear (14 percent), and hydro (5 percent), whereas the share of nontraditional renewable energy sources (wind and solar) was only about 1 percent.



In conclusion, Armenia has made commendable progress towards achieving SDGs which are responsible for Prosperity, particularly in the areas of economic growth, job creation, and poverty reduction. However, the country still faces challenges that require sustained efforts and targeted interventions. By continuing to prioritize inclusive and sustainable development, Armenia can further advance towards achieving its SDG Prosperity targets and ultimately improve the well-being of its people.

PLANET

Environmental protection and fight against climate change



The key focus of Armenia's Environmental Management and Climate Change Policy is focused on comprehensive preservation and restoration of the environment and natural resources. It is fixed in the mega-goal of the Government's 2050 Transformation Strategy to have a Clean and Green Armenia.

In this regard, large-scale works are carried out every year in the field of environmental management in cooperation with global and regional international organizations and within the framework of international conventions and initiatives. Since 2019, forest restoration works have been carried out in specially protected areas of nature, along with technical equipment and re-equipment processes. The Yerevan Botanical Garden has been completely re-profiled and restarted. Large-scale works were also carried out in order to promote the efficiency of water resources management. Works aimed at reducing water losses were carried out, a boost was given to reservoir construction.

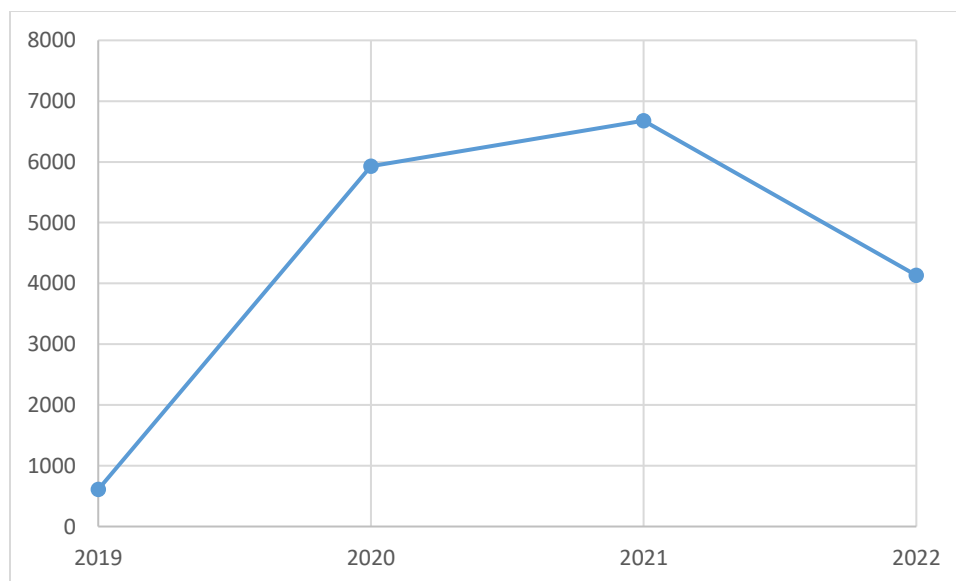
However, the sector still faces many challenges, namely the high share of mining industry, the threat of mine tailings, deforestation and reduction of arable lands etc. Despite the adoption of numerous environmental laws and regulations in Armenia, the current state of air, water, and land pollution, along with unsustainable natural resource management, indicates weaknesses in environmental governance and law enforcement mechanisms.

Armenia is rich in biodiversity with about 500 species of fauna and 144 species of flora are considered endemics due to the expressive vertical zoning of the territory and the diversity of climatic conditions. The main pressures to biodiversity are related to mining, agriculture, urbanization, and exploitation of forests. Armenia has set up specially protected areas covering 13% of the country's area.

Most of the high-value ecosystem services are linked to forests. Mass harvesting of timber has significantly exceeded the rate of natural forest growth: around 500-600,000 m³/year is harvested against officially allowed 30-40,000 m³. In last decades forest ecosystems have also suffered from an increasing number of forest fires and pest outbreaks.

Lake Sevan, one of the largest highland freshwater lakes in the world, is a critical multipurpose water reservoir for irrigation, hydropower, fisheries, and recreational uses. However, unsustainable use of water for hydro energy generation and agriculture has resulted in drop of water level to 20m as compared to 1930s, significantly impacting water quality in the lake. Restoring the ecological balance of Lake Sevan is Armenia's top environmental priority as the lake's water and biodiversity resources are crucial for the country's socio-economic growth.

Armenia is particularly vulnerable to climate change. The average temperature increases from 1929- 2022 makes 1,3°C. Between 1994 and 2014, Armenia lost over USD 1.5 billion due to natural hazards like floods, landslides, drought, hail, spring frosts and mudflows. The size of the specified amount is even greater, taking into account the huge damages caused by the unprecedented flood that occurred in Lori and Tavush marzes on May 26-27, the extent of which has not yet been calculated. Climate projections indicate that temperatures across the country may rise by 4.7°C by 2100, combined with an 8.3% decline in average annual precipitation and increase of frequency and intensity of other extreme hydrometeorological events.

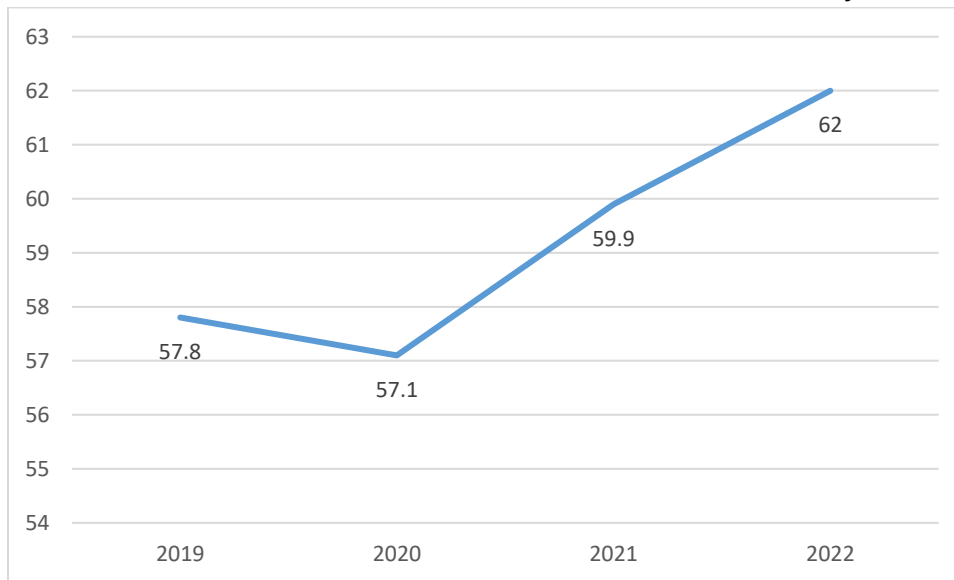


Number of deaths, missing persons and directly affected persons attributed to disasters per 100,000 population

In 2021, the Government approved the first-ever National Adaptation Plan and Plan of Actions for 2021- 2025.

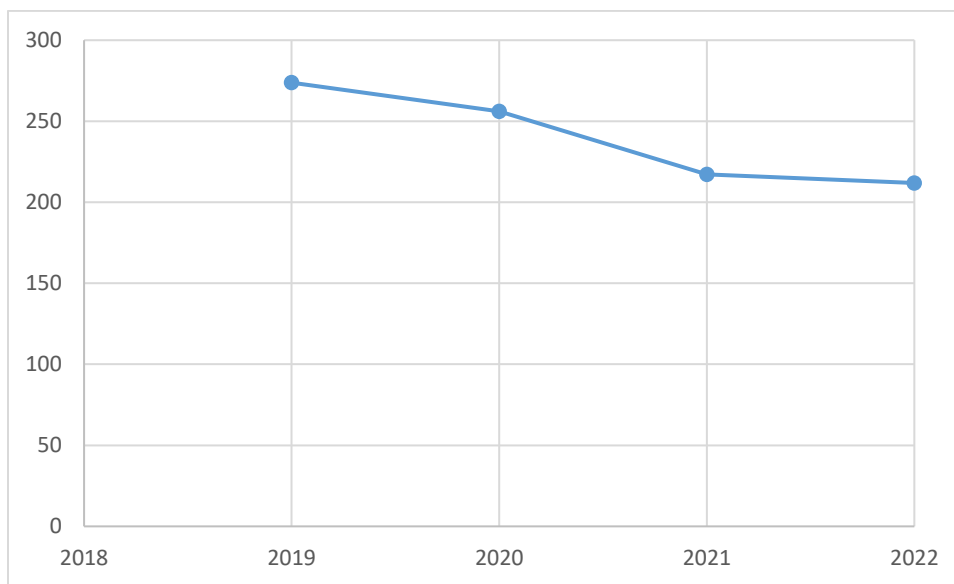
In 2022, the Water Sector Adaptation Strategy was approved. While Armenia has a per capita **water** availability of around 3,100 m³ annually, the uneven distribution throughout the year and across the country creates water stress. According to the OECD,

Armenia is a country with low water availability, and subject to water stress with 45% water exploitation. Average volume of water storage per capita in Armenia is about 465 m³, which is a low index for semi-arid climatic conditions in the country.



Level of water stress: freshwater withdrawal as a proportion of available freshwater resources

Agriculture consumes a staggering 88% of Armenia's freshwater resources, with irrigation accounting for 57% and fish farming for 31%. Future projections indicate that even under the most optimistic climate change scenario, the water stress index in central and southern Armenia will reach 80% by 2030-2040. Non-revenue water losses are estimated at 80% in the drinking sector, while irrigation infrastructure experiences around 50% loss.



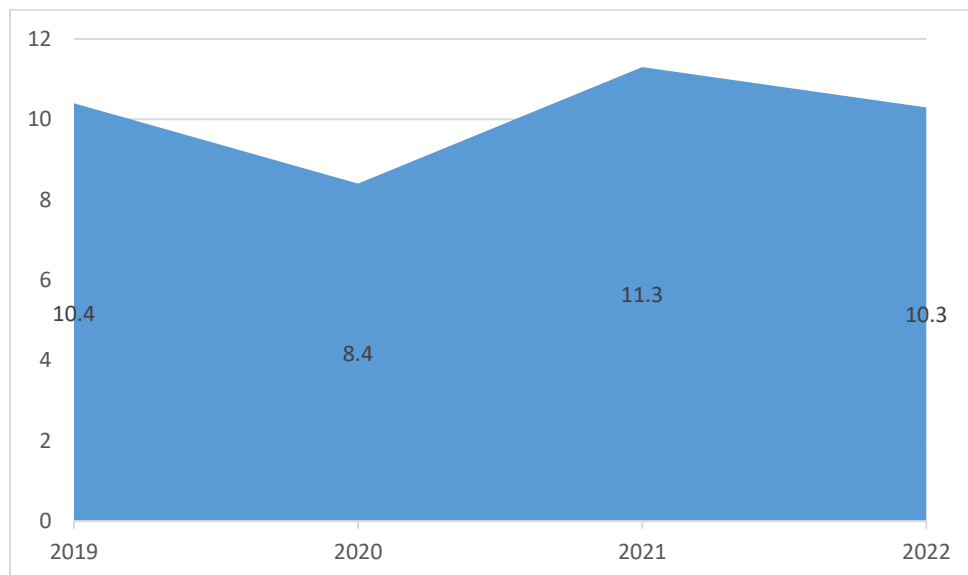
Food loss: the sum of losses of all product groups/product types included in the RA national food balance, 1000 tons

Land degradation presents a significant challenge for Armenian agriculture. Post-1990s land reforms created many small farms (average 1.1 hectares) hindering efficient agriculture and necessitating solutions for land use. According to Land Degradation Neutrality National Report, 83% of land under different level of degradation, including 2/3 of all agriculture lands. Besides, around 20% of total land area under high level of contamination by mining and processing industry, abounded industrial sites. Currently, a decrease in soil fertility, reduction in carbon stocks and activation of erosion processes is observed in all the natural zones of Armenia.


Air pollution due to high amounts of dust and other pollutants exceeds permissible limit by 2-3 times in big cities. Several industrial hotspots (Alaverdi, Kapan, Hrazdan) and transport sector are major contributors to air pollution.

Armenia's share in global GHG emissions is minor - around 0,02%, however Armenia under Paris Agreement has committed to limit its emissions. The updated Nationally Determined Contributions, adopted by the Government in 2021, set 40% target for greenhouse gas emissions by 2030 compared to the 1990 level.

Armenia relies on imports to meet its fuel needs due to a lack of domestic fossil fuels. However, the country meets around 27% of its energy demand with its own resources like hydropower, nuclear, wind and biomass. Since 2015, Armenia publishes an official energy balance: the thermal power plants account for 42.2%, nuclear power plant - 32%, and renewable sources - 26.8% of the total electricity produced. The total installed capacity of licensed PV plants reached 204.8 MW in 2022.



Renewable energy share in the total final energy consumption, %



The country has fragmented waste management practices, with over 95% of plastic waste ending up in landfills or the environment. Additionally, industrial waste is broadly disposed of with household waste in both urban and rural areas, with minimal incineration or recycling. Therefore, the possibilities of recycling plastic are very few.

In early 2021, leadership of UNDP, EUD, and WB agreed to join forces and organize a series of policy discussions with the focus on Green Recovery with the Government counterparts in the format of Green Recovery Platform. Series of high-level events with attempt to present knowledge products, tools, funding mechanisms and practical recommendations that can help advance Armenia's inclusive, resilient, and green recovery in line with the green development agenda. Emphasis is also on finding new and innovative ways to finance this transformation.

Armenia recognizes the environmental challenges it faces and is actively implementing a comprehensive strategy for a more sustainable future. This commitment is underscored by the 2023 approval of the Long-term Low Greenhouse Gas Emission Strategy (2050). Additionally, energy efficiency measures in buildings and industries are being promoted alongside with promotion of renewable energy sources, transport sector electrification, thus reducing reliance on fossil fuels and their polluting emissions. The government expands support of communities fostering energy efficiency in buildings and municipal services through a Subvention Program and promotes climate-smart agriculture and agriculture insurance.

Environmental policy improvements are largely driven by aligning with EU directives. Armenian government programs promote sustainable use of Ararat Valley's groundwater, reducing pressure on Lake Sevan for irrigation. Additionally, the government is focusing on rehabilitating the wastewater treatment facilities and establishing sanitary landfills. Armenia is also taking significant steps to conserve its biodiversity and forests, involving local communities in landscape conservation efforts. Ongoing and planned reforestation programs with support of international organisations aim to increase forest cover, crucial for combating deforestation and soil erosion. The Government is also finalizing the new Law on Lake Sevan (2024) and first-ever Climate Law (2025). With the National Adaptation Plan already approved (2021), Armenia is actively mainstreaming climate change adaptation into energy, tourism and transport sectors.

PEACE

Justice and Strong Institutions




Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.

Armenia is currently experiencing a period of relative peace, following the ceasefire agreement that ended the 2020 Nagorno-Karabakh war. The ceasefire has brought an end to the hostilities between Armenia and Azerbaijan and has provided an opportunity for both countries to rebuild and move towards a peaceful resolution of their long-standing conflict.

Despite the ceasefire, tensions between Armenia and Azerbaijan remain high, with sporadic incidents of violence reported along the border. The recent war has also left deep scars on the Armenian population, with many families displaced and communities in need of assistance and support to recover from the conflict.

Efforts are being made by the Armenian government and international organizations to address the humanitarian needs of the population, provide assistance to those affected by the war, and work towards a lasting peace in the region. The international community has also been actively involved in supporting peacebuilding efforts in Armenia, with initiatives aimed at promoting dialogue, reconciliation, and conflict resolution.

Ensuring the rule of law, safeguarding human rights and freedoms, and fortifying democratic institutions stand as pivotal responsibilities for any lawful and democratic state. Over the past two years, the Government of the Republic of Armenia (RA) has undertaken substantial endeavors toward realizing these objectives. Notably, prioritizing the protection of human rights has been a central aim for Armenia, necessitating collective efforts from all branches of public governance. Strategic planning and the delineation of specific actions are paramount for formulating policies grounded in human rights principles.



In 2018, the newly formed government declared the development and implementation of institutional and coordinated policies for human rights provision and protection as its paramount priority. Subsequently, in December 2019, the RA Government approved the National Strategy for Human Rights Protection and the accompanying Action Plan for 2022–2024. This strategic framework encompasses various facets of human rights, including the right to life, prohibition of torture, fair trial guarantees, freedom of assembly and information, right to health, and protection of women's and children's rights, alongside combating discrimination.

The Action Plan delineates several key directions:

1. Establishment of institutional mechanisms ensuring legal equality and rights protection.
2. Prevention of gender-based violence and robust protection of victims' rights, alongside human rights education initiatives.
3. Implementation of efficient mechanisms safeguarding the rights of individuals with disabilities, those residing in closed or semi-closed institutions, and children lacking parental care.
4. Development of accessible juvenile justice systems, integrating a unified statistical system for case registration and documentation.
5. Introduction of effective mechanisms to combat hate speech, aligned with international standards.

RA Government set forth a primary objective to reform the justice system comprehensively, addressing both judicial and legal sectors and the imperative of anti-corruption reforms. In October 2019, the RA Government approved the Strategy for Judicial and Legal Reforms and the accompanying Action Plan for 2019–2023. Notably, a dedicated action plan was devised for the introduction and advancement of e-justice tools.

Key components of the Strategy encompass:

1. Strengthening the independence, integrity, and accountability of the justice system.
2. Utilizing electronic tools efficiently to expedite trial processes and reduce judicial expenditures.
3. Enhancing accessibility to public services and fostering public awareness in the realm of justice, ensuring service delivery tailored to citizen needs.

In addressing corruption, the RA Government delineated fundamental milestones, including targeted and institutionalized anti-corruption efforts and fostering a society free from corruption.



Moreover, notable progress has been made in combating corruption, as evidenced by Armenia's improved ranking in the Corruption Perceptions Index, climbing to 62th in 2023 from 105th in 2018. Notably, a significant majority of Armenian citizens perceive corruption as a serious issue, underscoring the populace's commitment to combatting this challenge. Furthermore, the number of corruption cases investigated by authorities has increased, reflecting heightened public awareness and proactive law enforcement efforts.

To foster an environment conducive to human rights exercise, bolstering public trust in the government and law enforcement systems is imperative. Citizens' engagement in identifying and addressing previously concealed issues, violations, and crimes underscores this commitment. Notably, media reports highlighting potential instances of corruption have surged, leading to increased law enforcement action and substantial progress in detecting and addressing corruption-related crimes.

The Government's ongoing reforms extend beyond anti-corruption efforts, encompassing broader initiatives aimed at building effective, accountable, and inclusive institutions.

Additionally, Armenia's participation in the Open Government Partnership initiative underscores its commitment to open, inclusive, and accountable governance.

Overall, the peace situation in Armenia remains fragile, and there is a need for continued efforts to address the root causes of the conflict, support reconciliation and healing among affected communities, and build a more sustainable and inclusive peace in the region.

In conclusion, Armenia's concerted efforts in promoting the rule of law, protecting human rights, and combatting corruption underscore its commitment to democratic principles and inclusive governance. Through strategic planning, institutional reforms, and proactive engagement with civil society and international partners, Armenia continues its journey toward building a more just, equitable, and resilient society.

PARTNERSHIP

Cooperation for implementation of the sustainable development goals



Armenia actively cooperates with international Organizations (United Nations, European Union, World Bank, European Investment Bank, European Bank for Construction and Development, Asian Development Bank, Embassies, etc.) in order to promote the efforts of civil society and the private sector aimed at the implementation of stability and the realization of UN sustainable development goals.

Guided by the 17th SDG Agenda for 2030, Armenia is developing and deepening its scope of cooperation with international organizations and agencies, directing joint efforts to the realization of all SDG goals.

Cooperation with the United Nations

The UN's work in Armenia serves the implementation of the 2030 Agenda and is guided at the country level by the document "UN Sustainable Development Partnership Framework for Armenia 2021-2025" (Partnership Framework). The partnership framework is the main framework for planning and implementing development activities at the country level. As such, it expresses the UN's collective proposal to support Armenia in achieving the Key Sustainable Development Goals (SDGs) and national development priorities.

The priorities set out in the partnership framework are based on country needs and capacity analyses, which are presented and regularly updated in the United Nations General Country Analysis (GCA). The framework of the partnership is related to the development of Armenia's 2050 transformation strategy, sectoral strategies and other national planning tools.

The UN Armenia team, led by the UN Resident Coordinator, consists of Armenian and non-resident agencies. They are:

1. Food and Agriculture Organization,
2. International Labor Organization,
3. The International Organization for Migration,
4. United Nations Joint Program on HIV/AIDS,

United Nations Development Program,

5. Security Department,
6. United Nations Population Fund,
7. Office of the United Nations High Commissioner for Refugees,
8. The Information Center of the United Nations,
9. United Nations Children's Fund,
10. United Nations Industrial Development Organization,
11. World Food Program,
12. World Health Organization,
13. The World Bank (WB),
14. International Finance Corporation (IFC),
15. The International Monetary Fund (IMF).

Delegation of the European Union to Armenia

The European Union and Armenia have committed to work together for the benefit of the citizens of Armenia and the EU, to contribute to the strengthening of democracy and political, economic and institutional stability. The parties are committed to promote, maintain and strengthen peace and stability at the regional and international levels, as well as to expand cooperation in the field of freedom, security and justice, with the aim of strengthening the rule of law and respect for human rights and fundamental freedoms.

The "Comprehensive and Enhanced Partnership Agreement" (CEPA) between the EU and Armenia replaced the 1999 signed the "Partnership and Cooperation Agreement". The CEPA provides a solid foundation for further expansion of the reform agenda in all areas of mutual interest. Armenia and the EU continue the policy and trade dialogue in the areas that correspond to the new obligations assumed by the Republic of Armenia arising from its membership in the Eurasian Economic Union.

The EU is the largest donor of cooperation aimed at the development of Armenia. Since the independence of Armenia, the EU has been supporting Armenia. In order to ensure the effective implementation of the CEPA Agreement, the EU will increase its financial support. EU-Armenia cooperation is carried out mainly in the following areas:

- Development-oriented cooperation,
- Trade,
- EU-Armenia "Common Aviation Area Agreement".
- Energy, transport, climate change, environment, agriculture,
- Education, science, information technology, digitization,
- Humanitarian aid.

USAID in Armenia

For nearly two decades, USAID has been the leading donor organization in Armenia, managing nearly two-thirds of the US government's aid programs. During this period, USAID programs in Armenia have evolved from pure humanitarian aid to projects promoting long-term economic development, sustainable social policy, and democratic reforms.

USAID's goal is to help Armenia achieve sustainable development: increased competitiveness, improved democratic governance, safe and secure energy resources; by improving the quality of social services and strengthening civil society.

The mission has strategic objectives in five main areas:

- private sector growth,
- energy sector,
- democracy and governance,
- health and social sectors,
- activities related to peace and security/relations with neighboring countries.

In these areas, USAID's projects balances the need for macro-level reforms and stability with the immediate demands of improving the quality of life of the people of Armenia.

The USAID Armenia Mission works with the people of Armenia, the RA government, non-governmental organizations and businessmen, as well as other donors.

World Bank in Armenia

The World Bank's involvement in Armenia began in 1992, one year after the country's independence, in order to support the country's transition to a market economy. Initial involvement was mainly through loans and stabilization programs, supporting transitional reforms. Since then, the World Bank has supported a wide range of institutional reforms and infrastructure investments in areas such as energy, water (mainly domestic water supply, drainage, water storage, irrigation system improvement and promotion of water use, efficiency of water resource management) and roads, as well as education, healthcare and social protection.

The World Bank's total commitments to Armenia amounted to approximately 2. billion dollars, supporting 78 projects in areas aimed at increasing the competitiveness of small and medium enterprises, improving human capital and equity, as well as sustainable management of the environment and natural resources.

In 2023, Armenia officially became a donor of the International Development Association of the World Bank with a entrance participation fee of 1 million USD. Armenia ratified the decision of the RA Government to become a donor to the World Bank in 2023, on March 10, nine years after ceasing to be an MDG recipient country and four years after attaining the status of an upper-middle-income country. The decision to join was made in the fall of 2022.

European Investment Bank

The European Investment Bank's € 379 million loan in Armenia over the past ten years has improved public infrastructure and enabled small businesses to grow.

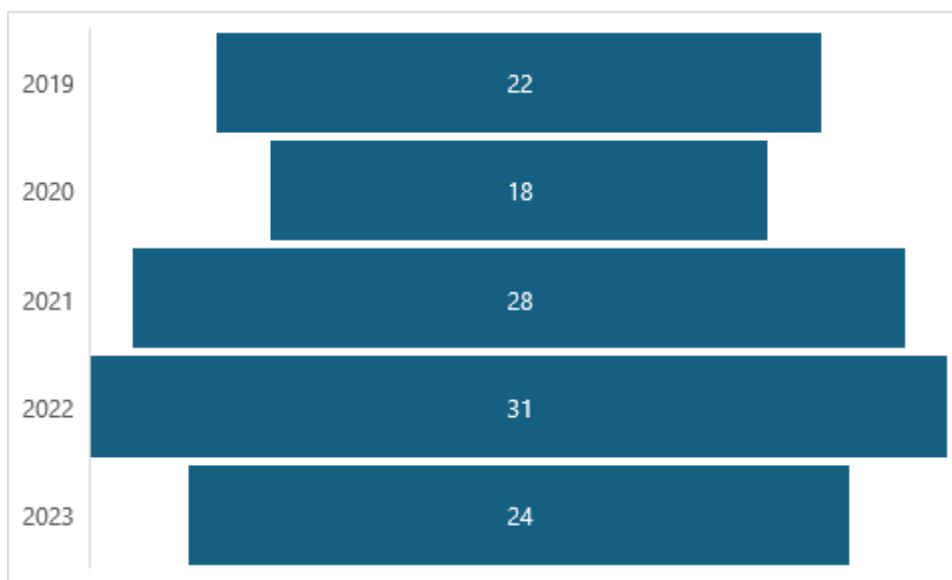
Asian Development Bank

The Asian Development Bank (ADB) has been cooperating with the Government of Armenia since 2005 and has so far approved 28 loan programs worth \$1.37 billion and 27 technical assistance grants with a total value of \$15.7 million.

ADB is working to improve the internal and cross-border transport connections of Armenia, to ensure complex development in the cities of the regions and to increase the energy security level of the country. In order to meet Armenia's progressive development needs, ADB's support also includes assistance for reforms in the fields of finance, education and health.

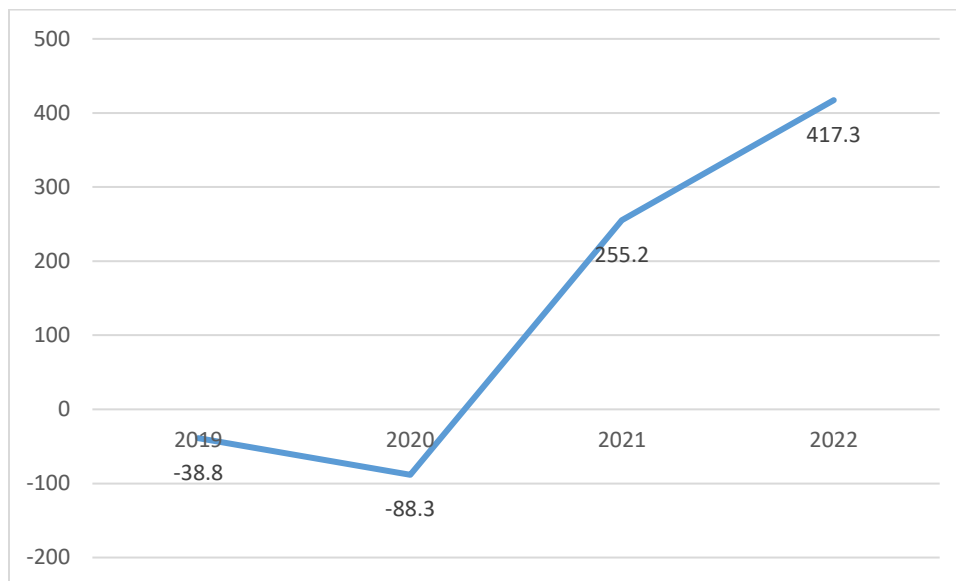
ADB will continue financing Armenia's infrastructure while transitioning to fostering innovative private sector investment, leveraging international best practices, and knowledge-based outcomes and services. This transition will transform ADB's relationship with Armenia, making Armenia more eligible for middle-income country status.

During 2019-2023, the RA Ministry of Foreign Affairs signed 123 international agreements with various international organizations.



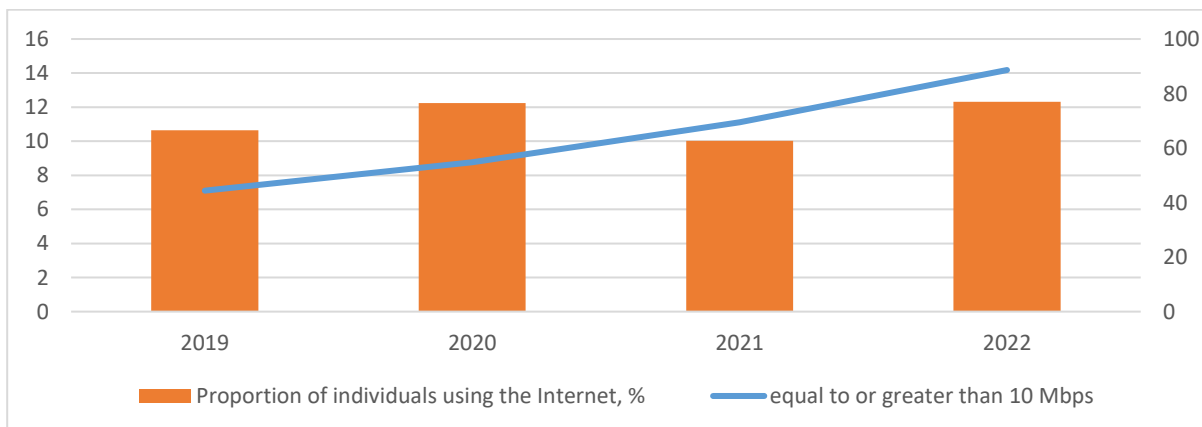
Number of Agreements signed by the RA Ministry of Foreign Affairs in 2019–2023¹⁹

According to the results published by the RA Statistical Committee, foreign direct investments have increased dramatically since 2020, due to both the 44-day war and the Covid-19 pandemic²⁰.



Foreign direct investments in Armenia, million USD

Fixed broadband internet subscriptions per 100 inhabitants by speed and the proportion of individuals using the internet were also considered as a direct indicator of cooperation.



¹⁹ https://www.mfa.am/hy/international_agreements/


²⁰ <https://sdg.armstat.am/am/17-3-1-a/>

The analysis shows that both the speed of the Internet and the number of individuals using the Internet are increasing year by year.

Recommendation by Civil Society:

Considering the aforementioned points, and recognizing the crucial role civil society plays in advancing the Sustainable Development Goals (SDGs) in Armenia, it is essential to integrate the recommendations provided by these organizations. Civil society acts as a bridge between communities and policymakers, offering valuable insights and on-the-ground perspectives that contribute to the successful implementation of the SDGs. By acknowledging their contributions, Armenia can ensure a more inclusive, participatory, and effective approach to achieving the 2030 Agenda.

1. Ensure good governance and a transparent government: Implement strong anti-corruption measures, ensure accountability of public officials, and promote transparency in decision-making processes.
2. Invest in education and skills training: Provide quality education and training opportunities to equip the workforce with the necessary skills for the jobs of the future. This will help boost innovation and productivity in the country.
3. Promote entrepreneurship and innovation: Create an enabling environment for entrepreneurs and start-ups, including access to financing, mentorship, and networking opportunities. Encourage innovation and creativity in various sectors of the economy.
4. Invest in infrastructure and technology: Improve infrastructure, including transportation networks, energy systems, and digital infrastructure, to attract investment and facilitate economic growth. Embrace new technologies to drive innovation and efficiency.
5. Ensure social inclusion and equality: Address inequalities in access to opportunities and resources, and promote social cohesion and inclusion. Support marginalized groups, such as women, youth, and people with disabilities, to fully participate in the economy.
6. Protect the environment and promote sustainability: Implement sustainable development practices to protect the environment and natural resources for future generations. Invest in clean energy technologies and promote green industries.
7. Foster international cooperation and trade: Strengthen ties with other countries, promote trade and investment opportunities, and engage in multilateral agreements to expand market access and enhance economic growth.
8. Improve healthcare and social services: Invest in healthcare infrastructure and services to ensure access to quality healthcare for all



citizens. Provide social services and safety nets to support vulnerable populations and promote wellbeing.

9. Strengthen civil society and promote civic engagement: Foster civil society organizations and citizen participation in decision-making processes. Encourage dialogue and collaboration between government, businesses, and civil society to address societal challenges and promote sustainable development.
10. Support cultural heritage and tourism: Promote Armenia's rich cultural heritage and historical sites to attract tourists and boost the tourism sector. Invest in cultural preservation and promote cultural tourism as a means of economic development.