



DECENT WORK COUNTRY PROGRAMME
of the Republic of Armenia for 2019 – 2023



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I. Introduction

Recognizing the importance of decent work in achieving Sustainable Development Goals, the ILO and the tripartite constituents in Armenia have jointly developed the present Decent Work Country Programme (DWCP), which defines the priorities, key outcomes and implementation strategies of collaboration between the Republic of Armenia and the ILO for the period 2019-2023. The DWCP promotes decent work as a key component of development policies and at the same time as a national policy objective of the government and social partners.

The DWCP supports achieving the national development objectives in line with the country strategic priorities as identified in the Armenia Development Strategy for 2014–2025 and the Programme of the Government of the Republic of Armenia. The DWCP reflects the priorities of the Government, in particular of the Ministry of Labour and Social Affairs, the Republican Union of Employers of Armenia and the Confederation of Trade Unions of Armenia and is consistent with the ILO regional priorities for Europe and Central Asia, in line with the Istanbul Initiative adopted at the 10th European Regional Meeting (Istanbul, October 2017).

To support effective UN country programming for implementing the 2030 Agenda in Armenia, the new DWCP is aligned with the United Nations Development Assistance Framework (UNDAF) 2016-2020, contributing to the UNDAF Outcome 1: By 2020, Armenia's competitiveness is improved and people, especially vulnerable groups, have greater access to sustainable economic opportunities, and UNDAF Outcome 2: "By 2020, people benefit from improved systems of democratic governance and strengthened protection of human rights."

The ILO will explore partnership opportunities to work together with UNDP, other international partners and Armenian constituents within the newly created in-country SDG Innovation Lab established with UNDP support and in collaboration with the Prime Minister Office, to ensure the ILO Decent Work principles are reflected in on-going reforms and in implementing SDGs. A special focus will be given to providing technical support in skills and entrepreneurship development and identifying jobs creation opportunities in the regions, promoting social dialogue and compliance with ILS.

II. Country Context

Socio-economic Background

As a small landlocked country of around 2.9 million people¹, and in the context of a challenging geo-political environment, the Republic of Armenia has experienced profound socio-economic transformation over the past two and a half decades since independence in 1991. From four neighboring countries, Armenia has open borders only with two of them (Georgia and Iran). The country's GDP per capita is \$8,621² (PPP current international dollar as per 2016 estimates). Median age of Armenia's population is 34.6 years (male - 32.8 years, female - 36.5 years)³. Urban population comprises 62.7% of total population, as of 2015⁴. More persons are leaving than entering the country and net migration rate in 2016 was - 5.7 migrants/1,000 population⁵. Armenia's human development index is 0.743⁶, which puts the country in the high human development category (84 out of 188 countries). During recent years, Armenia's HDI value demonstrates growth - life expectancy at birth, mean and expected years of schooling are increasing, as well as GNI per capita.

Armenia is characterized by very uneven development of territories. More than a third of population lives in rural areas, is engaged in subsistence agriculture and has income and social development levels far below the average for the country. There are disparities among regions as reflected in the income inequality measured by the Gini index of 30.3 and a widening equity gap between urban and rural incomes. At the same time, the human development inequality in Armenia is much less overall than in Europe and Central Asia countries. Gender inequalities are below global average. In Armenia, 98.5% of adult women have reached at least a secondary level of education compared to 98.1% of men.

Poverty in Armenia today is in excess of what it was in 2006, while the country is saddled with double digit unemployment rates, especially for young people, low labour force participation rates and employment rates. Poverty affects at least 25 per cent of the employed work force⁷. With high dependence on remittances from overseas, limited tax base and large informal economy, the Government has little fiscal space with which to address the country's various socio-economic challenges such as increasing investment in education and health or in improvements to public infrastructure. As a result of the global economic crisis, the volume of remittances from Russia has been essentially decreased.

¹ National Statistical Service of the Republic of Armenia. URL: <http://www.armstat.am/en/?nid=126&id=11001&submit=Search>
http://www.armstat.am/file/article/armenia_2016_4.pdf

² IMF World Economic Outlook Database, April 2017. URL: <http://www.imf.org/external/pubs/ft/weo/2017/01/weodata/index.aspx>

³ <https://www.cia.gov/library/publications/resources/the-world-factbook/geos/am.html>
<http://www.armstat.am/file/doc/99499383.pdf>

⁴ Ibid.

⁵ http://www.armstat.am/file/article/demog_2016_7.pdf.

⁶ UNDP Human Development Report, 2016. URL: <http://hdr.undp.org/en/2016-report>.

⁷ Towards an employment-friendly macroeconomic framework: the case of Armenia, ILO, 2017 (unpublished).

The main challenge to Armenia's developmental aspirations emanates from its macroeconomic policy framework. The nature and scale of fiscal consolidation is rather ambitious and meantime it should be directed to sustainably financing core development goals as laid out in Armenia Development Strategy for 2014-2025 (ADS).

The ADS has emerged under the shadow of fiscal consolidation. The Strategy reflects the country's developmental aspirations to become an upper middle-income country by 2025 with low levels of poverty and plentiful supply of well-paid and productive jobs. It primarily aims at increasing job creation and employment as the engine for improving living standards and reducing poverty, and it targets the creation of 350,000 new jobs in the non-agricultural sectors by 2025. The ADS is built on four pillars: creating jobs, developing human capital, strengthening social protection, and modernizing the public sector.

An employment-friendly macroeconomic framework can be complemented by labour market policies that are aligned with the goals of the ADS. This includes a commitment to reducing informality, raising minimum wages and supporting active labour market policies.

In January 2015, Armenia formally became a member of the Eurasian Economic Union (EEU). EEU membership provides an important opportunity to boost exports, but improved competitiveness is necessary to fully use its potential.

A more sustainable development path would rest on the promotion of a more inclusive and diversified economy. However, as stated in the new United Nations Development Framework (UNDAF) 2016-2020, many of the country's socio-economic challenges have their roots in the need to strengthen public administration, including civil service development, public finance management, local self-governance and anti-corruption. The country has made progress but still faces challenges in the areas of rule of law and independence of the judiciary and an impartial justice system, public sector reform, decentralization (to address regional inequalities) and the overall strengthening of institutional capacities, including among civil society organizations. Guaranteeing comprehensive gender equality is another challenge, particularly for economic and political participation of women, and in addressing gender-based violence and discrimination.⁸

International Labour Standards and Labour Law

Armenia has ratified 29 ILO Conventions, all of which are in force, including all eight fundamental Conventions and three of the four governance Conventions. A review of the comments formulated by the CEACR concerning ratified fundamental and governance Conventions illustrate a need for Armenia to review its legislation to bring it into compliance with the provisions of these Conventions. While Armenia reports regularly, the reports submitted do not always respond to the issues raised by the CEACR and information requested is not necessarily always provided.

⁸ UNDAF 2016-2020, p.12. <http://www.un.am/up/file/Armenia%20-%20UNDAF%202016-2020%20-%20ENG.pdf>.

The Labour Code of the Republic of Armenia (LC) was adopted in 2004. The Labour Code deals with various aspects of collective and individual labour relations. Today, after 14 years, the labour market and economic situation have changed and the Government has launched the preparation of amendments to the LC. According to the instruction of Prime Minister, the LC “needs a drastic review”⁹ and the amendments “should also relieve the employer’s administrative workload”. In accordance with the instruction, draft amendments to the LC have been developed and in January 2018 presented to the Government. The comments provided by the CEACR on various aspects of labour relations have been taken into consideration.

The ongoing labour law reform process is of particular importance for the Government’s recent policy decisions in the OSH area. The concept that underpins the ongoing reform of the Inspection System, as well as its intentions to liberalize labour legislation, should be carefully weighed against possible risks they may have on the functioning of labour market institutions, including social dialogue, its ability to ensure compliance, and conformity of labour legislation with international labour standards. The Government has taken a constructive approach in seeking advisory services of the ILO in the ongoing labour law reform process, as well as in considering specific ILO guidance provided, taking into account relevant ILS. Although yet to be adopted, the amendments under consideration seek to clarify and/or strengthen a range of provisions, including annual leave, minimum wage setting, termination, forced labour, non-discrimination, staff reduction, and the prerogative right to retain employment in case of staff reduction for former military servicemen on a military disability pension, for servicemen with 1st category of disability, and family members of deceased servicemen.

In 2012-2014, Armenia ratified most of the UN and Council of Europe (CoE) human rights instruments and adopted strategic frameworks, including the National Strategy and 2014-2017 National Action Plan on Human Rights.

Labour Market and Employment

The labour market in Armenia is characterized by the following statistical data¹⁰ provided by the National Statistical Service of the RA. The total number of Armenia’s working age population in 2017 was about 2,02 million persons out of which 54.8% female and 45.2% male. The working age population is comprised of 50% in employment, 10,8% unemployed, while 38.2% stand outside the labour force. Urban labour force in 2017 was 57.7% while rural 42.3%.¹¹ Employment-to-population ratio has remained close to 50% of the working-age population, which is among the lowest in the region. In 2017, 43.5% of women and 52.7% of men were employed. Out of all employed, 33.6% were employed in agriculture, 15.8% in industry and construction, and 50.6% in services¹².

⁹ <http://www.mediamax.am/en/news/politics/23241/>

¹⁰ <http://www.armstat.am/ru/?nid=81&id=1861>.

¹¹ http://www.armstat.am/file/article/sv_02_18r_141.pdf .

¹² <http://www.armstat.am/file/doc/99499388.pdf>.

The country has one of the highest unemployment rates (17.8%) in Europe and Central Asia region¹³. In 2017, 17.5% of women and 18.1% of men were officially unemployed. Almost 45% of young women and 24% of young men aged 15 to 29 were neither studying nor employed (NEETs). A majority of the unemployed population tends to be out of a job for one year or more.

Informal employment remains widespread. The data on the share of informally employed as of 2015 shows that total informality rate in 2015 was 47.7% and almost everyone employed in the agricultural sector was informally employed, while in non-agricultural sector the share of informally employed to corresponding groups of total employment was about 17.9%¹⁴. The Government takes measures to support transition to formality including registration of workers envisaged in the new Tax Code. Further efforts are required to legally define self-employed and distinguish them from informally employed. The technological boom and digitalization contribute to individualization of labour and makes the formalization task even more acute.

Labour migration is an important source of Armenia's revenues, as remittances of labour migrants working outside the country comprise significant share of the GDP (about 20%). Remittances declined by 10% in 2016 compared to 2015, when the total amount of personal remittances was 1.491 million USD). Russia accounts for about 80% of Armenian personal remittances. From January 2, 2015, citizens of the RA working in Russia do not require a permit to work. The outflow of workers from Armenia not only has positive effects such as decrease of national unemployment and inflow of remittances, but has negative consequences, as it captures most qualified workers, who could contribute to Armenian development by staying and working in the country of origin.

Employment policy

The ILO Employment Policy Convention No. 122 (1964) and Guiding Principles for Employment-Centred Sustainable Recovery and Development adopted by the General Conference of the ILO at its 103rd Session in 2014, comprises a framework for addressing quality employment issues and a basis for development of national employment policies and plans.

Decent and sustainable employment remains a national objective as well as increasing efficiency of the labour market programs, including monitoring and evaluation mechanism; creating better employment prospects for youth entering labour market and those from poor families; developing the draft law on "Voluntary activity and voluntary work" based on the concept of voluntary work, which can be a great way for young people to get experience in the work force but at the same time work without pay could have some negative effects and result in poverty, and insecurity of such worker; addressing the issue of regional disparities in terms of high unemployment, including long-term unemployment, and persistent lack of jobs in several regions; developing (new) skills for (new and emerging) sectors; lowering of high level of informal employment.

The Ministry of Labour and Social Issues is responsible for employment policy development and implementation. In December 2017, the State Program of employment regulation for 2018

¹³ http://www.armstat.am/file/article/15.trud_2016_8.pdf.

¹⁴ http://www.armstat.am/file/article/9.trud_2016_4.3.pdf.

was approved, aimed at creating conditions for a stable and effective employment for the population, weakening the labour market tightness and providing stable jobs for disabled and young people, using effective labour market programs.

In the recent years, the Government has implemented a variety of active labour market programmes aimed at improving labour market outcomes. The government embarked on new initiatives under active labour market policies (ALMPs) by phasing out a programme of unemployment benefits. ALMPs include wage subsidies, financial assistance and training for job seekers (including specific initiatives for youth and disabled people) to set up their own businesses, improve employability and to facilitate occupational mobility, and other programmes. ALMP mechanism has a strong monitoring and evaluation element. The skills of youth entering for the first time the labour market are lower than those requested in the labour market. Career counselling, technical and vocational skills programmes and entrepreneurship development are all key strategies for increasing employment opportunities, particularly for young people.

The government has made a promising start with active labour market policies. Nevertheless, more needs to be done, especially in terms of comprehending what works best in terms of specific policy interventions. Indiscriminate funding of ALMPs may not yield good employment dividends, although ALMPs could benefit from more budgetary allocations that are in line with international norms. Enhanced employability could rely on increasing the coverage and quality of the overall education and training system.

The ILO provides continuous support to the Government in development and implementation of ALMPs boosting employment, in better matching labour market needs and skills development, the latter channeled through a project "Applying the G20 Training Strategy", Phases I and II. The creation of more and better jobs and business enabling environment is a continuing policy priority for Armenia. The government expects an economic revival led by manufacturing, high-end services and tourism. It seeks to support small and medium enterprises (SMEs) and revitalize the agricultural sector.

While some improvements and specific measures were taken to support the SME development, they lack a systematic, all-encompassing and multi-partner approach, and often do not take into account the need to protect the rights of SME workers.

The ILO has carried out an assessment of the business climate by implementing the Enabling Environment for Sustainable Enterprises (ESEE) methodology, as a basis for providing evidence-based recommendations on how to improve the business-enabling environment, which is used for improving business environment and stimulate SME development. As a follow-up to the National ESEE report, the ILO will work with constituents and relevant government institutions to implement the key recommendations set in the report, which are reflected in the RUEA's position paper.

Social Protection and Conditions of Work

The main social security system components in Armenia include: pensions, old age, disability, and survivors benefits; sickness maternity and childcare (for the children up to two years) benefits; and family allowances. The coverage of these schemes differs depending on scheme specificity. Activities aimed to enhance information infrastructure of the pension security sector are in progress - the necessary information available in the population registry is applied automatically. Legislative amendments have been implemented and "Electronic pension" information system was improved, in order to lower the risks existing in the process of assignment and payment of pensions and allowances, improve access and availability of services, as well as to simplify the administration of the pensions and allowances, as well as improve the availability and accessibility of the pensions, benefits, and the Electronic Pensions information system. As a result, citizens will be able to submit an online application for a lump sum childbirth benefit, care allowance and funeral allowance since 2018.

The Government is improving targeted allowances aimed at increasing family living standards. From August 2016, the benefit addressed to increase of family living standard was increased by AMD 1000 (associated with the electricity tariff). From January 1, 2016 maternity benefits and child care benefits for unemployed women are granted and processed through the newly created information system, which ensures the data accuracy. During 2014-2016 AMD 30 billion was allocated for social packages provided to employees of Government agencies, as well as specialists of the education and culture areas, employees of social protection organizations. These packages are aimed at meeting the health care, education and other needs of the above employees and their families.

Starting from January 2015, with the accession of Armenia to the EEU, mandatory social insurance against temporary disability and maternity of citizens of the Republic of Armenia who migrated to Russia (and as per existing estimates the number of those is about 90% of all migrants and exceeds 1 million persons) is carried out under the same conditions and in the same order as of the Russian citizens, regardless of whether they are staying temporarily or permanently residing on the territory of Russia.

Wage policies

Armenia has ratified the Minimum Wage Fixing Convention, 1970 (No. 131). Protection of Wages Convention, 1949 (No. 95) and the Protection of Workers' Claims (Employer's Insolvency) Convention, 1992 (No. 173). The Government's economic policy recognizes the importance of achieving equal pay for work of equal value, and protecting labor rights.

In Armenia, the Constitution and Labour Code guarantee the right to a just remuneration not lower than the minimum set by the law. Nominal wages averaged 88224.53 AMD/month from 2000 until 2016 and increased each year to reach an all-time high of 174775 AMD/month in 2016¹⁵. In the first quarter of 2017 the monthly salary was declined up to 183643AMD, in comparison to 194779AMD of the first quarter of 2016.

¹⁵ <http://www.armstat.am/en/?nid=12&id=08001>.

Minimum wages in Armenia remained unchanged at 55000 AMD/month (approx. \$115) in 2017 from 55000 AMD/month in 2016 (without taxes). In 2015, the nominal accrued wage was 2.3 higher than the minimum wage, 4.2 times higher than the average monthly pension, 7.1 times higher than minimum food basket (extreme poverty line) and 4.1 times higher than registered minimum consumer basket (general poverty line), and in 2014 was 9.9 times higher than average monthly unemployment benefit.¹⁶ The highest wage gap exists in between wages paid by big and small enterprises (about 70% in 2016). Wage gap between regions with highest and lowest monthly wage in 2015 was 66%, which is rather modest. The wage gap between male and female's wages in 2015 was 35%.¹⁷

The ILO has provided support to the comprehensive public wage reform undertaken in 2013-2015 to limit wage disparities between different administrative bodies.

Despite the provisions of the law "On the minimum consumer basket and minimum living standards" are not applied in the Republic of Armenia; the consistence and the structure of the minimum consumer basket is not defined; the value of the minimum consumer baskets calculated by the methodology of the Ministry of Health and the World Bank are reflected in the chapter "Interesting statistics" of the Reports of the National Statistical Service on "Socio-Economic situation of the RA". Meantime, the ILO has been requested to support the development of a methodology of evaluation of a minimum wage rate according to the Convention 131.

Occupational safety and health

Armenia has ratified Prevention of Major Industrial Accidents ILO Convention, 1993 (No.174), Safety and Health in Mines Convention, 1995 (No.176), Labour Inspection Convention, 1947 (No. 81).

According to available statistical data (statistics reflects only the data from the reports presented by middle-size and big enterprises in the following sectors: industry, construction, transport and communication), 5.2% of all employed in Armenia are employed in hazardous working conditions (data as of 2015) out of which 71.4% are male and 28.6% female.¹⁸ The Armenia's legislation provides certain privileges and compensations for work under harmful and hazardous conditions, such as additional leave, part-time work, higher remuneration (additional payment for hazardous work), incentives, state privileged pension. These types of legislative provisions do not include risk reduction and elimination as the most important preventive measure, in line with the ILO policy and could conduct to serious under-reporting situations considering the obligations above.

The OSH state policy is aimed at introduction of OSH state standards; development and implementation of state programs; improving occupational accidents and diseases recording; monitoring compliance with the labor legislation protection of interests of the workers' - victims of occupational accidents; paying compensations for stressful work or work in harmful and (or)

¹⁶ http://www.armstat.am/file/article/20_trud_2016_13.pdf.

¹⁷ http://www.armstat.am/file/article/20_trud_2016_13.pdf.

¹⁸ http://www.armstat.am/file/article/19_trud_2016_12.pdf.

hazardous environments that cannot be eliminated given the current technical level of production and organization of labor and introducing obligatory social insurance system against work place accidents and occupational diseases.

Over the past years, a series of labour inspection (LI) reforms were undertaken in Armenia. In this respect, in 2012 the CEACR considered that legislative and administrative measures taken by the Government in 2009 and 2010 to reform LI services ran counter to the requirements of the Labour Inspection Convention, 1947 (No. 81) and have not been conducive to ensuring the existence of effective services. In 2016, the CEACR expressed its concern¹⁹ on the reported absence of any LI activity for almost two years, the effects the reforms may have had on the central authority for LI functions, the limited mandate of the labour inspectors, as well as the limited budgetary and human resources allocated for LI purposes.

On 27th of April 2017, the government adopted a Decree, which institutionalizes an inspection body with limited mandate addressing only occupational safety and health issues, which has had only supervisory, not controlling functions.

However, according to the Article 33 of the Labour Code, "State control and supervision over compliance with the requirements of the labor legislation, other normative/regulatory legal acts containing norms of labor law and collective agreements shall be exercised by the respective state bodies...".

The role and functionality of the Health and Labour Inspection as defined in the Charter, are not in line with the requirements of the ILO Convention 81 ratified by the Republic of Armenia. The necessary by-law to define the role and functionality of the new inspection body, as well the status and the powers of the labour inspectors is not adopted yet. The title of the position of a person, responsible for implementing the functions of the state labour inspector, is not defined yet.

Within the framework of ongoing inspection reforms, the protection of workers' rights, including the issues related to workers' safety and health protection, is being reviewed and discussed in the context of functions of the Health and Labour Inspectorate and State Revenue Committee created under the Government.

The ILO emphasizes that safe work not only contributes to the quality of jobs, but also leads to the improvement of productivity. The ILO has elaborated an OSH management system to assist the country at national, sectoral and enterprise level to include OSH and social dialogue into the overall management and to employ social dialogue as the main tool to allow social partners to contribute to the development and implementation of strategies and policies on this issue. The ILO Recommendation 197 and specific Guidelines provide for the establishment of a national framework for occupational safety and health management systems supported by national laws and regulations.

¹⁹ http://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:C002.

Social Dialogue and Tripartism

Armenia has ratified Tripartite Consultation (International Labour Standards) Convention, 1976 (No. 144) Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87) and the Right to Organise and Collective Bargaining Convention, 1949 (No. 98).

The main structure representing workers' interests in labour relations in the Republic of Armenia is ***the Confederation of Trade Unions of Armenia*** (CTUA) founded in 1992. The CTUA is operating according to the RA Law on Trade Unions adopted in 2000, which defines the order of trade unions' establishment, the principles of their activity, relationship with state bodies, local self-governing institutions, legal and physical entities, as well as regulates relations related to the protection of rights and interests of trade unions and their members.

The CTUA makes an important emphasis on representing and protecting labour rights, as well as professional, economic and social rights and interests of workers in their relationship with the Government of the RA and Republican Union of Employers. The CTUA recognizes that decent work is indispensable precondition for sustainable development of the country.

The CTUA is a member of General Confederation of Trade Unions and International Confederation of Trade Unions.

The CTUA unites 19 republican sectoral unions, 641 trade union organizations with 191089 TU members (2016). Women constitute 48% of the CTUA governing bodies (Board, Executive Committee) and auditing commissions implementing supervision. In five permanent commissions, the share of women is 67%. Among the permanent commissions, there is a special Commission on Ensuring Rights and Equal Opportunities for Women and Men. In the CTUA bodies at all levels formed on electoral basis, 81% of elected members are women and 31% are youth (as of January 2018). However, the proportion of young workers that are members of trade unions is still low.

The Republican Union of Employers of Armenia (RUEA) was founded in 2007 following the enactment of the Law on Employers' Organizations and has been a member of the International Organisation of Employers since 2011. RUEA unites ten territorial and seventeen sectoral employers' unions. It has 390 companies as direct members and 27 territorial and sectoral associations, which in turn associate about 13830 members of their own, which in total represents about 20% of actively functioning enterprises as of the first quarter of 2018. 45% of formally employed in private sector are working under members of RUEA²⁰. The share of women in the RUEA Board is 30% and in the RUEA Executive Body is 70%.

The RUEA aims to improve the business environment in Armenia, to provide services to its members and to offer policy advice on their behalf.

²⁰ Data provided by RUEA.

Ten commissions and working groups are operating under the RUEA. The commissions are dealing with green economy and green jobs, integration of disabled into the labour market, youth employment, labour market-education links, women entrepreneurship development, forced labour and trafficking as well as with the issues related to SMEs and exporting. The RUEA is a member of 18 commissions together with several state bodies, on various socio-economic issues.

Freedom of association and the right to collective bargaining are protected in a number of legislative acts, including the Constitution and the Labour Code, which define the right of citizens to freely establish and join associations and unions. However, there are limitations to the exercise of these rights for those employed in the informal sector (roughly half of employed), those serving in the armed forces, law enforcement agencies.

The current Labour Code sets out the principles for collective bargaining, termed “collective labour relations”. In the 2013 CEACR Observations, the Committee requested the Government to amend the Labor Code to ensure provisions concerning collective bargaining were in line with the requirements of the Right to Organize and Collective Bargaining Convention, 1949 (No.98).

The first Republican Tripartite Agreement (RTA) was signed in 2009 setting out methods and responsibilities to regulate labour relations and to promote the implementation of relevant ILO Conventions. In 2015, a new Republican Tripartite Agreement was signed by the Government, the CTUA and the RUEA, which was effective till August 2018. Further on, a validity period of the RTA has been extended for one year and it is effective till August 2019.

The Republican Tripartite Commission (RTC) provides advice to the Government on labour and labour related laws and on employment policy. The RTC has a catalytic role to play in strengthening social dialogue in Armenia but suffers from a number of capacity constraints, particularly with regard to awareness raising issues and applying of consensus-based decisions. There is a need to increase capacity of the RTC to promote the establishment of social dialogue institutions in the regions and strengthen social dialogue and social partnership at lower levels.

Lessons learnt from the implementation of Decent Work Agenda in Armenia in 2014-2017 and findings of the recent reviews and evaluations

Over the last few years, several ILO development cooperation projects²¹ have been implemented in Armenia, covering the most important priorities and needs of the Government and social partners related to employment promotion, skills development, wages policies, occupational safety and health, labour inspection, social dialogue, child labour. The reviews and evaluations²² of the results of the joint work of tripartite constituents and the ILO in Armenia in the last five years

²¹ Russia-funded project “Applying the G20 Training Strategy”, 2012-2016; USDOL project “Global Research on Child Labour Measurement and Policy Development”, 2013-2017; RBSA-funded projects on (i) increasing employability of marginalized groups; (ii) reforming public remuneration system, and (iii) promotion of enabling environment for enterprises.

²² Final evaluation of Applying the G20 Training Strategy project, Phase I (2015); Tripartite social dialogue assessment (a thematic review, 2015); DWCP review (2012).

have allowed to highlight the most important achievements made by the Government, workers' and employers' organizations to promote the ILO Decent Work agenda:

- In line with the Government's decision to improve implementation, monitoring and evaluation of state employment programmes, the monitoring and evaluation capacities of the Ministry of Labour and Social Affairs and State Employment Agency were strengthened, and the relevant monitoring methodology was developed. The monitoring results were used for formulation of the annual budget of state employment programmes (2016).
- A fundamental country-specific report on macroeconomic trends and policies and anti-crisis measures was prepared (2016), which will be used for developing a new national employment strategy.
- A peer review on youth employment policies and programmes was conducted, in collaboration with the Russian constituents, resulting in policy recommendations (2016).
- A new approach on supporting the integration of persons with disabilities in the labour market has been developed and applied by the State Employment Agency (SEA). A special regulation adopted by the SEA includes the provision of a subsidy for an employer and a workplace adaptation of a disabled person. After piloting, the programme for integrating of persons with disabilities has been included in the regular SEA activities.
- As part of reforming vocational education and training system (TVET), the VET institutions increased capacities in applying effective methods and skills for collecting information and making systemic changes to skills development policies and strategies (2015).
- A sectoral approach in anticipating future skills has been developed and applied, using the Skills Foresight Tool, in three export potential sectors of economy (IT sector, food processing and precise engineering) thus contributing to the country's competitiveness and economic growth (2016).
- Important legislative amendments were made by the Government in line with the ILO recommendations, in the Law on the Payment of Servants Occupying State Positions and in the application of a complex assessment methodology on regulatory mechanisms, based on the intervallic analysis of public servants' remuneration system (2014).
- Based on the ILO Enabling Environment and Sustainable Enterprises (ESEE) methodology, the constituents developed the National ESEE report, which assesses the Armenian business environment and provides recommendations and measures to orient the policy design process in the country (2016).

- The CTUA has implemented awareness-raising activities on informal employment at different levels. As of 1 January 2018, 520 collective agreements have been signed in CTUA member organizations, among which four sectoral, 60 territorial and 456 – at enterprise level (2017).
- To address the critical issues related to enabling environment for sustainable enterprises, the Republican Union of Employers of Armenia (RUEA) launched a series of advocacy tools and actions and developed concrete individual policy and action proposals to the government, aimed at improving the enabling business environment in the country (2017).
- In order to tackle obstacles for enabling environment for sustainable enterprises the Republican Union of Employers of Armenia has introduced several consultative tools and activities. A policy paper, as well as activity list for enabling environment for sustainable enterprises have been developed and presented to the Government (2017).

However, there are some challenges that need to be taken into account while developing and implementing the new DWCP 2019-2023:

- A comprehensive reform of the Labour Code started by the Government should be done in close consultations with social partners and in compliance with international labour standards. The revision of the Labour Code should be aimed at protecting labour rights and ensuring decent working conditions for all categories of workers, preserving occupational safety and health, and improving the enabling environment for sustainable enterprises. The creation of an effective labour law enforcement mechanism and rehabilitation of the labour inspection system remain the major challenge of the reform.
- Effective functioning of social dialogue mechanisms and further strengthening of the Republican Tripartite Commission (RTC) would be an important precondition of the labour law reforms and further promotion of Decent Work Agenda in Armenia, including in the framework of the DWCP. Further efforts need to be invested in improving the institutional and functional frameworks of RTC.
- The DWCP Steering Committee plays a critical role in building up a proper institutional memory, DWCP ownership and appropriate coordination. It is particularly important when adjustments to DWCP implementation are necessary, in response to changing socio-economic environment.
- It is important to establish strategic partnerships and effectively cooperate with other national stakeholders responsible for specific issues that are prioritized by constitutions and included as key outcomes of DWCP: the Ministry of Economic Development and Investments will be the main partner in the work on formalization and business enabling environment; the Ministry of Education and Science – in the work on skills development.

- The DWCP requires a strategic and integrated approach in implementing the planned outcomes. Activities under different technical areas and under various projects should not be fragmented, but aimed at achieving common goals of a broader Decent Work Agenda.

III. Country programme priorities and outcomes

The present DWCP is built upon the results of the previous DWCP 2007-2011 and the implementation of the agreed Decent Work agenda for 2012-2016. The Programme takes into account the findings and lessons learnt from a number of comprehensive reviews and evaluations conducted in the recent years.²³

The DWCP priorities and key country outcomes for 2019-2023 have been developed in close consultations with tripartite constituents and other national stakeholders (Ministry of Education and Science, Ministry of Economic Development and Investments). The consultation process include individual consultations with each constituent followed by a tripartite workshop on DWCP development in June 2017, with participation of the DWT/CO Moscow specialists' team headed by the Director. Based on comprehensive discussions during the workshop and inputs received from constituents afterwards, the first draft DWCP was prepared by the DWT/CO Moscow. The second round of consultations included tripartite constituents in Armenia, as well as the technical units in the ILO Headquarters.

The consultative process between the national constituents and the ILO was aimed at identifying country priorities shared by all three partners, and a limited number of outcomes that are aligned with the country context analysis and are feasible to achieve in the proposed timeframe of the Programme, based on available technical expertise, resources and capacities. This approach has allowed both the ILO and the Armenian constituents to develop a coherent Programme, which takes into account the national priorities for sustainable development and the ILO comparative advantage in the country.

Based on the analysis in the areas relevant to the ILO Mandate and the ILO comparative advantage, the following country priorities have been identified:

Priority 1. Improving the mechanisms of regulating labour relations

Priority 2. Improving employment policy and enhancing employability of women and men

Priority 3. Strengthening social dialogue and collective bargaining at all levels.

Given their importance for promoting the ILO Decent Work agenda in the country, the cross-cutting issues of international labour standards, social dialogue, gender equality and non-discrimination, and just transition to environmental sustainability will be streamlined in implementation of DWCP outcomes.

²³ DWCP review (2012); Tripartite social dialogue assessment (a thematic review, 2015); final evaluation of Applying the G20 Training Strategy - Partnership of the ILO and the Russian Federation project, phase 1 (2015); the assessment on sustainable enterprises in Armenia (2017).

Priority 1. Improving the mechanisms of regulating labour relations

Outcome 1.1: Labour law is developed/amended in line with international labour standards, with a view to improving working conditions, safeguarding occupational safety and health, and improving the enabling environment for sustainable enterprises

Strategy:

To ensure that, given the current stage of socio-economic development, labour law is developed in a manner which facilitates the realization of stated policy objectives, including improving working conditions, safeguarding occupational safety and health, and improving the enabling environment for sustainable enterprises. At the same time, labour law must be harmonized with the requirements of relevant international labour standards, including ratified ILO Conventions and the Revised European Social Charter.

The ILO will provide support to constituents to promote and apply the Fundamental Conventions of the ILO, as well as other pertinent Conventions and Recommendations, in Armenia, especially within the context of on-going labour law reform. The institutional capacities of the Government and the social partners will be strengthened with regard to addressing the comments made by the ILO supervisory bodies on the application of ratified Conventions, as well as other Constitutional reporting obligations.

The ILO will also provide expert assistance on improving the legislation regulating social partnership, as well as on developing a law on social partnership and if necessary, on amendments to the Labour Code. The views of employers on the improvement of the Employers' Law and Labour Code will be taken into account, based on interviews and needs assessments conducted among the members of the Republican Union of Employers (RUEA). The views of workers on improvement of the Labour Code will be taken into account, based on interviews and needs assessment conducted among the members of Confederation of Trade Unions of Armenia (CTUA).

Key outputs:

- Analysis and examination of the RA legislation against Government policy objectives, as well as relevant ILO conventions and the Revised European Social Charter
- Technical assistance in drafting labour legislation, including drafting technical comments on relevant amendments and sharing the latter with tripartite partners
- Consultations with RUEA and CTUA in labour legislation reform processes
- Technical assistance in amending and improving the RA legislation regulating social partnership
- Technical advice and consultations on addressing the comments of the ILO supervisory bodies on the application of ratified ILO Conventions
- Analysis of the reporting practices and training to address the reporting implementation gaps and improve reporting practices under ratified ILS and application of ILS, to better

comply with reporting obligations as well as enhance capacity to comply and implement ILS in law and in practice.

Indicators:

- Number of revisions and/or amendments made to the labour legislation are in line with international labour standards
- Number of legal acts/labour legislation developed and/or revised in close consultations with RUEA and CTUA
- Number of measures taken by the Government and social partners to promote ratification of ILS and apply the ILO fundamental Conventions
- Tripartite partners effectively use the updated ILO information resources and reporting system to increase the quality of the reports.

Outcome 1.2: Workplace compliance and labour law enforcement improved to protect labour rights and ensure safe working conditions

Strategy:

The ILO will provide support to the constituents in the promotion and application of ILO fundamental Conventions, by assisting them in conducting the on-going labour inspection system reform process with a focus on ensuring that the bodies of the mentioned system have the mandate, structure, resources and capacity to improve compliance with national labour laws and provisions. It would be achieved by assisting the country in meeting its obligations under the Labour Inspection Convention, 1947 (No. 81), and furthermore, strengthen the institutional capacity of the Armenian Government and the social partners with regard to addressing the comments made by the ILO supervisory bodies on the application of the Labour Inspection Convention, 1947 (No. 81).

To improve the labour inspection system in Armenia, the relevant legislation will be reviewed taking into consideration the ILO supervisory bodies comments and targeted LI strategies will be developed. The capacities of the labour inspection system will be strengthened by providing training on effective data collection and reporting, and for conducting workplace assessment.

The ILO will also provide advice and technical support to the Government, social partners and relevant national institutions to strengthen their collaboration to improve workplace compliance.

Key outputs:

- Revision of the relevant legislation taking into consideration the comments of the ILO supervisory bodies
- Technical assistance in drafting a Strategy on improving the compliance with labour legislation and OSH laws and regulations through labour inspection and development of the relevant action plan; support in drafting a decree on defining systemic approaches on OSH in organizations and training of OSH specialists

- Capacity-building of labour inspection services to provide advisory services and enforce relevant labour legislation, implement targeted labour inspection system strategies, conduct workplace assessment, with a particular focus on ILO fundamental conventions, collect data and improve reporting, as well as promotion of advice-based inspection functions with participation of social partners
- Capacity-building of social partners, through institutionalized social dialogue or otherwise, to promote workplace compliance, strengthening the participatory role of social partners, inclusion of social partners in the Inspectorate Governing Board and legislative regulation ensuring social partners' participation.

Indicators:

- Legislative framework for labour inspection system amended in line with the ILO Convention 81
- Strategy on improving the compliance of labour legislation and occupational safety and workers' health is developed on a tripartite basis and adopted by the Government
- Number of "check-lists" for inspections on labour protection developed on tripartite basis
- Number of new initiatives/measures taken by the government and social partners to improve workplace compliance.

Outcome 1.3: Increased capacity of the government and social partners to facilitate the transition to formality.

Strategy:

The Government of Armenia continues taking measures to reduce informal economy, however there is a need to develop policies that facilitate the transition to formal employment through structural transformations, improvement of educational attainment, enhancement of tax coverage and compliance.

To support the constituents to start developing and implementing a complex strategy supporting formalization of the economy, ILO will provide support to the government to conduct a country diagnosis of informality, in close consultations with social partners. The country diagnosis will cover a broad range of issues critical for reducing informality, such as social protection, provision of business development services, impact of informality on the economy and on the working conditions of people, institutional framework, among others. The constituents will also develop tripartite recommendations to reduce informality and boost formalization, in line with the ILO Recommendation 204 concerning the transition from the informal to the formal economy.

In addition, workers' and employers' organizations will be capacitated on the issues of informality to develop a common understanding and provide more effective support to their members and economic units in the informal economy, with a view to facilitating progress towards formalization taking into account international experience. Employers' and workers' organizations will be assisted in developing and providing new or revised services in the informal economy and

implementing measures aimed to support formalization. Specific ILO capacity-building tools on formalizations will be adapted and applied in the national context of Armenia.

Key outputs:

- Awareness-raising and knowledge-sharing activity on informality, best international practices and measures aimed at facilitating formalization (in collaboration with EMP/LAB and INWORK)
- A country diagnosis of informality developed by constituents, with the ILO support
- Tripartite policy recommendations to facilitate formalization developed by constituents on the basis of a country diagnosis
- Training of tripartite constituents on facilitating the transition to formal employment, in line with the ILO Recommendation 204
- Technical support to constituents to develop and implement gender-sensitive services/measures to facilitate transition to formality.

Indicators:

- Tripartite recommendations aimed at facilitating formalization are in line with the ILO Recommendation 204 concerning the transition from the informal to the formal economy
- Number of women and men staff of targeted institutions who demonstrate an improved knowledge and skills on the issues of formalization
- Number of gender-responsive policy initiatives, services or measures taken by social partners to facilitate transition to formality.

Priority 2. Improving employment policy and enhancing employability of women and men

Outcome 2.1: National employment strategy developed to support inclusive and sustainable economic growth

Strategy:

As stated in the Armenian Development Strategy (ADS) for 2014-2025, Armenia aims to become an upper middle-income country by 2025 with low levels of poverty and decent jobs for men and women.

The RA Law on Employment came into force on January 1, 2014. Under this law, a new employment policy model has been introduced through more targeted programs aimed at ensuring sustainable employment for the unemployed and, particularly, the persons who are non-competitive in the labour market. Despite large-scale reforms in the employment sphere over the past years, there are still pressing issues to be addressed, like gap between labour force supply and demand side and existing barriers for the first time labour market entrants, vulnerable groups, skilled workforce. The existing National Employment Strategy (NES) expires in 2018, and national

constituents and the ILO will seek to develop a new NES, addressing these and other issues, such as youth and rural employment, informality, entrepreneurship development. Under this DWCP, a tripartite plus NES working group will be established, to constitute an institutional pillar for the NES elaboration and validation. The NES, once developed and adopted, will become a core national policy document for a comprehensive employment policy framework to be established in Armenia.

Key outputs:

- Support to the creation of an inter-ministerial coordination mechanism to formulate, implement and review a national employment strategy
- Conducting an analysis on the results of implementation of the State Employment Strategy 2013-2018 and providing recommendations on effective labour market regulation, based on the results of the analysis
- Technical support in drafting a new National Employment Strategy, in close consultations with social partners and other national stakeholders (including by providing National Employment Policy Course in ITC Turin)
- Capacity-building of staff of the Ministry of Labour and Social Affairs (MoLSA), other relevant ministries and social partners on formulating employment policies, good international practices in developing and implementing national employment strategies and programmes
- Technical support to MoLSA on NES monitoring and evaluation.

Indicators:

- Inter-ministerial coordination mechanism is established for the development of a national employment strategy
- National Employment Strategy, based on international labour standards and promoting sustainable economic growth, is adopted, after consultations with, and validation by, the social partners
- Number of women and men staff of MoLSA, other government institutions and social partners trained on formulation, implementation, monitoring and evaluation of employment frameworks.

Outcome 2.2: Increased capacities of State Employment Agency (SEA) to provide effective and inclusive services to unemployed, especially to disadvantaged groups of population

Strategy:

The National Employment Strategy (NES) 2013-2018 includes such priorities as strengthening the SEA services, development of vocational education and training system in accordance with the labour market needs and improvement of education system through the national qualification

framework, increase of employment. The government embarked on new initiatives under active labour market policies by phasing out a programme of unemployment benefits in 2014.

In order to secure provision of effective and inclusive labour market services by strong and informed institutions and to deepen the impact of NES and other national policies, the strategy will be aimed to develop comprehensive employment policy framework, which will include policies and measures targeting, among others, unemployed young people, rural population and informal workers, skilled workforce. For this purpose, the ILO and national constituents will develop measures for strengthening capacity of SEA and other providers of labour market services, so they are equipped with up-to-date tools and programs to meet demands of labour market and support inclusive economic growth.

Key outputs:

- Trainings tailored for SEA staff, on labour market information, active labour market programmes, service models and other actual issues, to strengthen the SEA capacity to provide effective and inclusive quality services
- Technical consultations and training of the SEA to provide quality, accessible and more targeted services and programmes
- Support in the development and implementation of apprenticeship and entrepreneurship programmes for young women and men
- Support in implementing vocational training programmes for unemployed.

Indicators:

- Number of measures taken by SEA to ensure the provision of effective, inclusive and gender-responsive employment services
- Number of women and men staff of the SEA that improved knowledge and competencies in providing quality services to unemployed, disadvantaged groups, skilled workforce
- Increased percentage of young people (disaggregated by sex) covered by apprenticeship and entrepreneurship programmes, implemented with the ILO support.

Outcome 2.3: Skills Development policies and system strengthened to effectively address the mismatch between demand and supply in the labour market

Strategy:

The ILO will provide expert assistance on strengthening the current Skills Development system in Armenia by placing a particular focus on capacity development of the tripartite constituents and concerned stakeholders to develop or review, reform and implement the national Skills Development policy and strategy in line with the identified national priorities, and to strengthen the skills training systems in priority economic sectors, in order to promote socio-economic development in the country through improved employability of both women and men and through promotion of equal access to employment opportunities.

At the national level the ILO will assist the constituents and stakeholders in their efforts to develop or align the national Skills Development policy and strategy with the requirements of the international Human Resource Development (HRD) policy instruments²⁴, to acquire and apply knowledge of effective national Technical and Vocational Education and Training (TVET) governance, to apply effective methodologies and techniques for analysis of demand for skilled workforce and for planning the demand of TVET enrolments, and to operate a gender-sensitive national system of vocational guidance. At the sectoral level the ILO will assist the constituents and stakeholders to introduce or improve systems of sectoral TVET governance, to develop and apply occupational standards, qualifications, programs of competency-based training (CBT), and assessment instruments.

The interventions of this outcome will be implemented under *Applying the G20 Training Strategy* project, Phase II, and implementation strategy will be further adjusted in the course of consultations with constituents.

Key outputs:

- Capacity-building of the relevant national institutions to develop or align the national Skills Development policy and strategy with the requirements of the international Human Resource Development policy instruments
- Capacity-building of the relevant national institutions to introduce or improve the systems of national and sectoral TVET governance to secure their effectiveness
- Technical advice in applying effective methodologies and techniques for analysis of demand for skilled workforce and for planning of TVET enrolments
- Technical advice in operationalization of a gender-sensitive national system of vocational guidance, based on the results of the survey on demand and supply sides of the labour market and tripartite recommendations
- Technical advice in developing and applying occupational standards, qualifications, programs of competency-based training (CBT), and assessment instruments, in close consultations with employers' and workers' organizations.

Indicators:

- Number of policy makers, including from social partners' organizations that demonstrate increased knowledge on Skills Development-related subject matters
- The national TVET policy and/or strategy document is aligned with the requirements of the international HRD policy instruments

²⁴ The G20 Training Strategy: A Skilled Workforce for Strong, Sustainable and Balanced Growth, ILO 2010; Conclusions of the ILO Conference "Skills for productivity, employment growth and development", ILO 2008; Recommendation R195 - Human Resources Development Recommendation, ILO 2004; Council conclusions on a strategic framework for European cooperation in education and training (ET 2020), EU 2009; Recommendation concerning Technical and Vocational Education and Training (TVET), UNESCO 2015.

- The systems of national and sectoral TVET governance are assessed as effective by constituents and concerned stakeholders
- Competent bodies are applying effective methodologies and techniques for analysis of demand for skilled workforce and for planning of TVET enrolments.

Priority 3. Strengthening social dialogue and collective bargaining at all levels

Outcome 3.1: Mechanisms of tripartite and bi-partite social dialogue improved at republican, territorial, sectoral and enterprise levels

Strategy:

In Armenia, there are some important prerequisites for conducting social dialogue, in particular, the legislative framework regulating collective bargaining and tripartite consultations, and the Republican Tripartite Commission (RTC) which is a consultative body involving the Government and social partners.

The Republican Collective Agreement (RCA) signed in 2015 contains a socio-economic section which stipulates that the parties agree, based on mutual accord, to jointly develop and implement measures concerning socio-economic relations in the socio-labour sphere aimed at promoting productive employment, decreasing unemployment, enhancing social protection and creating new and better jobs. One of the important elements of the new RCA is the support in procedures for signing sectoral and enterprise-level collective agreements. It is important that at the republican level, enhancement of tripartite social dialogue is made in parallel with the promotion of collective bargaining at the territorial, sectoral and enterprise levels.

The ILO will provide advice and technical support to tripartite constituents to further strengthen the Republican Tripartite Commission (RTC), by reviewing and amending its functions and current regulations, methods of work, agenda framework and reinforcing its secretariat. The ILO will continue developing capacities of the RTC members and tripartite constituents on social dialogue and collective bargaining at the republican, sectoral and enterprise levels. Gender-balanced representation of the RTC will be strongly promoted among social partners.

To increase the effectiveness of social dialogue at all levels, the social partners will work together to introduce the relevant changes in the labour legislation related to social dialogue and collective bargaining, in line with ILO conventions ratified by the RA. Social partners will also be engaged in conducting public awareness-raising campaign to promote social dialogue and decent work.

Key outputs:

- Technical support in reviewing and amending the procedures regulating the RTC activities, with the view to increase its effective functioning (including the creation of a full-time or part-time position of a secretary)

- Capacity-building of RTC members and representatives of workers' and employers' organizations (at sectoral and territorial levels) on the world of work issues
- Capacity-building of the RTC to promote the establishment of social dialogue institutions in the regions and strengthen social partnerships at lower levels
- Public awareness-raising campaign on social dialogue and decent work, through the development and dissemination of relevant promotional materials and training of social partners
- Review of the provisions of the national legislation related to social partnership and collective bargaining in its compliance with the ILO conventions, ratified by the RA
- Development of proposals for making the amendments to the Labor Code related to (i) social partnership, and (ii) registration of collective agreements.

Indicators:

- Number of RTC meetings per year
- Gender-balanced composition of RTC (with at least 30% representation of women or men)
- Changes made in the labour law aimed at regulating labour relations through social dialogue and collective bargaining mechanisms, in line with ILO Conventions
- Number of consensus-based decisions of the RTC accepted by the Government
- Number of social partners representing different sectors and regions, that demonstrate increased knowledge on social dialogue and collective bargaining, as a result of ILO training.

Outcome 3.2: Strengthened participation of social partners in minimum wages setting mechanism, in line with ILO Convention No. 131

Strategy:

Armenia has ratified the Minimum Wage Fixing Convention No.131 in 2005. Although Article 4 of this Convention foresees the full consultation of representative organizations of workers and employers, national minimum wage does not currently involve significant tripartite dialogue with worker and employer organizations. This can reduce the economic and social effectiveness of such policies.

The ILO will provide support the constituents to develop proposals of changes in the national wage setting mechanisms based on international experience and an action plan to introduce minimum wage mechanism in line with Convention No.131. Knowledge base and capacity of the organizations' to assess current policies and legislation and develop new ones that are productivity-oriented and aim at achieving equal pay between women and men for work of equal value, will also be strengthened through the review of the minimum wage calculation methodology and improvement of wage statistics.

Key outputs:

- Technical consultations on the introduction of relevant mechanisms of minimum wages, in line with ILO Convention No.131 concerning Minimum Wage Setting
- Development of proposals on minimum wages to the government
- Technical consultations on the improvement of statistics related to wages
- Development of action plan to introduce minimum wage setting mechanism in line with Convention No.131
- Support in developing a relevant mechanism for territorial, sectoral and republican wage bargaining.

Indicators:

- Methodology on defining minimum wages developed and approved, in consultations with the social partners
- New minimum wage setting mechanism introduced to insure effective participation of social partners, in line with the ILO Convention No. 131
- Tripartite constituents take actions to improve the statistics on wages.

Outcome 3.3: Capacity of Trade Union Confederation (CTUA) is strengthened to improve workers' representation and promote decent work**Strategy:**

The ILO will provide support to Confederation of Trade Unions of Armenia (CTUA) in strengthening its capacities and raising its efficiency, in order to increase the role of the Trade Union Confederation of Armenia as a strong and active social partner. The measures will be aimed at the efficient protection of the workers' rights and representation. Special attention will be paid to training on fundamental principles and rights in the sphere of labor and on international labor criteria. Training will be conducted with the young, newly elected leaders and officials in order to increase the numbers of young trade union activists and to promote the number of women in the decision-making bodies of the trade union.

The ILO will provide expert support through staff training and holding events on different levels of the organization for the purpose of institutional enhancement of the Confederation of Trade Unions of Armenia, and policy and organizational capacity building. Trade unions will gradually improve the activities of the organization and will practice a rights-based approach to secure a foundation for further reforms and modernisation.

Key outputs:

- Technical consultations to the Trade Union Confederation of Armenia on policy design, including by developing new guidelines on promoting decent work agenda

- Development of information materials on workers' rights, international labour standards, social dialogue and trade unions' activities
- Capacity building of the newly appointed leaders and unions' officials, ensuring age and gender balance of participants of training activities
- Technical advice on the relevant structural changes to ensure representation of workers taking into account the needs of various groups of workers.

Indicators:

- The level of TU's membership stabilized and coverage improved among workers in informal sector and youth
- Trade unions' planning and training programs include rights-based approach and reflect international labour standards, non-discrimination and gender equality principles
- Efficient, properly functioning trade unions' information network is in place
- Number of young trade unions' members (disaggregated by sex) promoted to decision-making positions.

Outcome 3.4: Republican Union of Employers of Armenia (RUEA) capacitated to provide services and support to its members and other enterprises and represent their interests.

Strategy:

The ILO will provide support to the RUEA to enhance its capacities in improving the existing services to its members and introducing the new ones. Thus employers will be more interested to join the RUEA; the representation of the RUEA will be increased as the result of more active representation and support to the members. The priority will be given to support the RUEA in developing reliable instruments (membership surveys, market research, membership promotion campaigns) to assess the needs of its members and potential members and to develop the new services and actions accordingly.

The ILO will provide expert support to assist the RUEA in expanding its services in the following key areas: youth employment, occupational safety and health, SME support and promotion of women entrepreneurship, formalization of enterprises. The ILO technical support will be focused at enhancing the RUEA's capacity to formulate the business agenda, to advocate for its members' interests and for the improvement of business enabling environment.

Key outputs:

- Assessment and evaluation of the RUEA members' and non-members needs
- Development of new/improved services in the sphere of youth employment, OSH, vocational training, career development, etc.
- Development of new/improved business support services for SMEs and promotion of women entrepreneurship

- Formulation of policy papers reflecting the RUEA business agenda and aimed at improving enabling environment for sustainable enterprises, including green economy and green workplaces, and introduction of energy saving technologies
- Organization of advocacy campaign to promote the RUEA business agenda and its members' interests.

Indicators:

- Member needs assessment developed and available for the RUEA management
- Number of new/improved services provided by the RUEA to its members and potential members
- Number of policy papers aimed at promoting the RUEA business agenda and improving enabling environment for sustainable enterprises
- Increased RUEA membership.

IV. Management, implementation planning, monitoring, reporting and evaluation arrangements

a. Implementation, performance monitoring and evaluation arrangements

The Government, the Republican Union of Employers of Armenia (RUEA) and the Confederation of Trade Unions of Armenia (CTUA) have played a key role in developing the DWCP. The DWCP priorities, key outcomes, indicators and strategies have been identified during the multi-phase consultation process between the ILO Decent Work Technical Support Team and Country Office for Eastern Europe and Central Asia in Moscow (DWT/CO Moscow) and tripartite constituents in Armenia.

The DWCP will be implemented through close collaboration with the DWT/CO in Moscow, the Regional Office for Europe, technical units at ILO headquarters in Geneva and the ILO International Training Centre in Turin, to ensure complementarity of technical and financial resources. The ILO National Coordinator in Armenia will ensure the overall coordination, monitoring and better coherence of national and international efforts directed to the DWCP implementation.

Strategic partnerships with other international agencies and donor organizations in Armenia will be further strengthened to support the implementation of the relevant DWCP outcomes, including by local resource mobilization. The ILO will continue its cooperation with UNDP and other UN agencies and international organizations, including in the framework of the SDG-Lab Initiative, and will seek mutually beneficial cooperation in implementing the UNDAF 2016-2020, on the one hand, and the present DWCP, on the other.

The implementation of DWCP will be reviewed on a regular basis by a tripartite advisory board, composed of representatives of the Ministry of Labour and Social Affairs, the Republican Union

of Employers of Armenia and the Confederation of Trade Unions of Armenia and the ILO National Coordinator in Armenia. The main task of a tripartite advisory board is to promote the DWCP goals and monitor and review the progress of implementation of the DWCP, ensure the active participation of all the parties involved and the fulfilment of their commitments to achieve the jointly agreed outcomes. Following gender equality principles, the ILO encourages the constituents to ensure a gender-balanced composition of a tripartite advisory board.

After the signing of the DWCP, a detailed Implementation Monitoring Plan will be developed jointly by the ILO and tripartite constituents, which will include more concrete and specific information on outputs, activities, timeframe and responsibilities of the ILO, the Government and the social partners. The Implementation Monitoring Plan will be regularly reviewed (at least once a year) by a tripartite advisory board and updated by the ILO National Coordinator; if necessary, the relevant adjustments will be made with a view to improving the DWCP implementation strategy and re-defining country programme activities.

The DWCP implementation will undergo a final review, in line with the ILO standard policies. Other evaluation activities (like evaluations of on-going development cooperation projects) will be conducted in accordance with the relevant evaluation plans, as appropriate²⁵.

b. Risks

The external economic and political risks that might affect achievement of decent work objectives are linked to Armenia's geographic position. A narrow export base and monopolies in important business sectors make it particularly vulnerable to the sharp deterioration in the global economy and the economic downturn in Russia, which accounts for about 80 percent of remittances, 40 percent of FDI and 21 percent of Armenia's exports.

The pace of structural reforms is significantly affected by the frequent changes in the government in the last three years. The Constitutional reform in the end of 2015 introduced a fundamental change of the government system based on a transition to a parliamentary model by 2018.

The concept that underpin the ongoing reform of the Inspection System, as well as its intentions to liberalize labour legislation, should be carefully weighed against possible risks they may have on the functioning of labour market institutions, including social dialogue, its ability to ensure compliance and conformity with labour legislation.

The social risks are connected with poverty and poverty mitigation policies should be better targeted and appropriate social transfers complemented by job creation and incentives for both workers and employers to transit to formal economy. High unemployment rates, especially in urban areas could also contribute to increased social tension. The focus on youth is an option of mitigation of this risk. The population outflow could aggravate achievement of Armenia's

²⁵ The forthcoming evaluations: a mid-term review of Applying G20 Training Strategy project (2018).

development objectives and decrease the quality of its human capital.

The institutional risks are connected to the capacity of labor market institutions and engagement of social partners in labour policy decision-making, and the political willingness of relevant institutions to coordinate and cooperate. Weaknesses in the Labour Code contribute to the institutional risks and should be addressed and adjusted during the recently initiated labour code reform process.

All these risks affect the achievement of decent work objectives in Armenia and should be jointly addressed by the ILO and tripartite constituents. Strengthening social dialogue, promoting the role of international labour standards in accomplishing policy reforms, strengthening labour law enforcement mechanisms and building institutional and technical capacities of social partners would support and contribute to risk mitigation and promotion of Decent Work agenda in the country.

V. Funding

The objectives of the DWCP will be jointly implemented by the tripartite constituents in Armenia and the ILO. The financial and human resource base of the DWCP is a joint concern of the ILO and the Armenian constituents. The ILO will support the constituents by providing advisory services, capacity-building, awareness-raising and knowledge-sharing, subject to the ILO rules, regulations and procedures, the availability of funds and technical capacities. The ILO regular budget for technical cooperation and extra-budgetary resources will be used to fund the implementation of the key DWCP outcomes. The government and the social partners will provide their respective expert staff and premises and provide logistical support, as appropriate.

The ILO will support the DWCP implementation by a number of development cooperation projects, operational in Armenia, namely: G20 Training Strategy project, Phase II, 2016-2019, funded by the Russian Federation; Support GSP+ beneficiary countries to effectively implement International Labour Standards and comply with reporting obligations, 2016-2019, funded by EU; the ILO project "Partnerships for youth employment in the CIS countries", Phase II, 2018-2022 (the sub-regional component of the project).

During the annual country programme reviews conducted by a tripartite advisory board, the ILO and the tripartite constituents will assess the existing resource gaps under the DWCP and identify emerging opportunities for new partnerships and resource mobilization, based on constituents' priorities. Local resource mobilization for the DWCP implementation is a shared responsibility of the ILO and the Government of the Republic of Armenia.

VI. Advocacy and communication

In the course of 2018-2019, the ILO intends to develop a Decent Work Communication Plan for

the countries of the sub-region aiming at communicating greater recognition of the relevance of decent work in national development agendas, promoting stronger partnerships and joint efforts among different stakeholders at the country level to advocate for decent work, in the context of SDGs. Following on recommendations made at the DWT/CO Moscow retreat in July 2017 and a number of DWCP reviews and project evaluations, the DWT/CO Moscow Decent Work Communication Plan will include specific interventions in the countries of the sub-region, including in Armenia, to make the key results of the ILO work more visible for the broader public, including through social media and communication with UN Country Teams. The DWT/CO Moscow will regularly publish the results of implementation of this DWCP and relevant DC projects operational in Armenia on its website and facilitate the production of information and advocacy tools and materials with constituents.

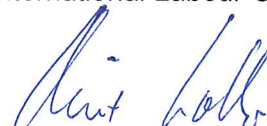
The original of the DWCP has been written and signed in English and Armenian languages. In case of divergence in text between English and Armenian versions, the English version shall govern and prevail.

For and on behalf of the
Government of the Republic of Armenia



Zaruhi Batoyan
Minister of Labour and Social Affairs
of the Republic of Armenia
In Yerevan, on 14 May 2019

For and on behalf of the
International Labour Office



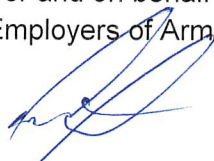
Heinz Koller,
ILO Assistant Director-General, Regional
Director for Europe and Central Asia
In Yerevan, on 14 May 2019

For and on behalf of the Confederation of
Trade Unions of Armenia



Eduard Tumasyan
Chairperson
In Yerevan, on 14 May 2019

For and on behalf of the Republican Union of
Employers of Armenia



Gagik Makaryan
Chairperson
In Yerevan, on 14 May 2019

