

Thematic Assessment on Just Transition for Armenia

Part of the Green Agenda for Armenia, Georgia, Moldova, and Ukraine

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DISCLAIMER:

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The findings, interpretations, and conclusions expressed in this report are those of the authors and do not necessarily reflect the official policy or position of Sida, SEI, or any other project partners or stakeholders.

The report is based on information available up to Spring 2024. For the latest data and analysis, please refer to the national green transition assessment report for Armenia.



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1. Current state and trends

1.1. The profile of the thematic area

Armenia is a country with an ambitious climate change mitigation agenda, making significant efforts towards low-carbon development through increasing the share of renewable energy, promoting energy efficiency, preserving and enhancing forest-covered areas, and reporting regularly to the UNFCCC (BUR 3, 2021)¹. Climate change is leading to an increase in the frequency of extreme weather events, thereby increasing desertification and land degradation. Consequently, the most critical sectors are those dealing with water resources, agriculture, forestry, health care, transport, and energy.

The Prospective Development Strategy for 2014-2025 (Republic of Armenia, 2014)² sets out national development objectives for 2014–2025 and is the basis for medium-term, sectoral, and other program documents. It mentions climate change as an important issue to be addressed to support economic growth, with a strong focus on mitigation measures and emissions reduction. In addition, the document sets out four priorities: 1) Growth of employment; 2) Development of human capital; 3) Improvement of the social protection system; and 4) Institutional modernization of the public administration and governance.

The National Strategy on Disaster Risk Management (Republic of Armenia, 2017) integrates climate change actions, the National Action Programme of Adaptation to Climate Change. The list of measures for 2021-2025 was approved by the Government in 2021; Program on Energy Saving and Renewable Energy for 2022-2030 and its Action Plan for 2022-2024 and Water Sector Adaptation Plan and its Program of Measures for 2022-2026 were adopted in 2022. All these documents are in line with and support achieving the United Nations Sustainable Development Goals (SDGs)³.

¹ UNDP, EU4Climate project website, <https://eu4climate.eu/armenia/> (March, 2024)

² Climate Change Laws of the World, Armenia Development Strategy for 2014-2025 https://climate-laws.org/documents/armenia-development-strategy-for-2014-2025_c446?id=perspective-development-strategic-programme-for-2014-2025_a87b (March, 2024)

³ UN Sustainable Development Goals, <https://sdgs.un.org> (March, 2024)



The designated authority for climate change in Armenia is the Ministry of Environment and the Inter-Agency Coordination Council for the Implementation of the Requirements and Provisions of the UNFCCC established in 2012 and revised in 2021. The focal point for gender equality, employment, and social protection issues is the Ministry of Labor and Social Affairs (MLSA). In 2023, MLSA initiated the process of development of the Gender Equality Strategy for the period of 2024-2026, and climate change mitigation is incorporated there as a cross-cutting issue.

The correlation between gender imbalance and the country's competitiveness and ability to face different climate change challenges is reflected through the **Global Gender Gap Index (GGGI)**, which annually benchmarks the current state and evolution of gender parity across four key dimensions (Economic Participation and Opportunity, Educational Attainment, Health and Survival, and Political Empowerment).



Figure 1. Armenian GGGI ranking in 2023. (Source: WEF, GGGR, 2023)



In 2023, GGGI ranked Armenia in the 61st place among 146 countries (WEF, GGGR, 2023)⁴. According to the Human Development Index (HDI)⁵ which is a summary measure for assessing long-term progress in three basic dimensions of human development: a long and healthy life, access to knowledge and a decent standard of living, Armenia's HDI value for 2021 is 0.759. This puts the country in the High human development category at 85 out of 191 countries and territories. Even taking into account the fact that between 1990 and 2021, Armenia's HDI value changed from 0.656 to 0.759, (15.7%) the efforts are not sufficient to ensure smooth development and climate change mitigation.

As of 1 January 2023, the permanent population of Armenia was 2,977,100. Within the permanent population as of the beginning of 2023, the share of urban and rural residents was 63.8% and 36.2%, respectively. The permanent population in Armenia was comprised of 47.2% males and 52.8% females. The average age of the population was 37.4 years, with the average age of males 35.2 years and that of females 39.3 years (ARMSTAT 2023)⁶.

In 2022, the Armenian economy grew by 12.6%, and the consumer price index increased by 8.6%. The poverty rate calculated with respect to the average poverty line in 2022 was 24.8%, which was 1.7 percentage points lower than the respective indicator of 26.5% in the previous year. The extreme poverty rate was 1.2%, thus decreasing by 0.3 percentage points compared to the respective indicator of 1.5% in 2021 (ARMSTAT 2023)⁷.

The poverty rate is a key indicator used to estimate the welfare and living standards of a country's population. Population welfare dynamics are described in terms of material and non-material poverty. Indicators of non-material poverty are poor health, low level

⁴ GGGI ranking of Armenia in 2023. World Economic Forum Global Gender Gap Report 2023, June 2023, p.91, https://www3.weforum.org/docs/WEF_GGGR_2023.pdf (March, 2024)

⁵ Human Development Index, UNDP Human Development Report 2022, <https://hdr.undp.org/data-center/country-insights#/ranks> (March, 2024).

⁶ Armenia – poverty snapshot over 2019-2022, ARMSTAT 2023, https://armstat.am/file/article/poverty_2023_en_2.pdf (March, 2024).

⁷ *ibid*



of education or illiteracy, social disregard or banishment, vulnerability, and inability to exercise rights and freedoms, i.e., the practical impossibility of signaling one's problems.

Applying **just transition tools**, such as upgrading access to education and training, health care, and social services through better targeting of free assistance and greater ability to benefit from paid services, helps to overcome non-material poverty and alleviate material poverty. A number of legal acts in the Republic of Armenia have already proposed solutions for poverty and social inclusion; however, the social implications of the green transition are not sufficiently addressed. To support a just transition, Armenia needs to ensure sustainable employment, vocational education, and a strong social protection system.

1.2. Key statistics and trends of the just transition cross-sectoral area

Table 1 sums up the key statistics regarding just transition in Armenia for the period 2010 to 2022.

Table 1. Key statistics related to just transition in Armenia from 2010-2022.

Relevant Statistics/indicators	2010	2015	2020	2021	2022	Comments
General metrics of development						
GDP per capita (USD) (World bank, 2023) ⁸	\$3,143	\$3,666	\$4,506	\$4,966	\$7,014	
GDP growth, % (UN DESA) ⁹	2.84	3.64	-6.66	6.25	13	
GHG emissions per capita (t CO2 eq/y) (Jones et al, 2024) ¹⁰	2.7	3.2	3.6	3.7	3.5	

⁸ World Bank national accounts data <https://data.worldbank.org/indicator/NY.GDP.PCAP.CD?locations=AM> (March, 2024)

⁹ Department of Economic and Social Affairs, Statistics/SDG Indicators Database: <https://unstats.un.org/sdgs/dataportal/countryprofiles/arm> (March, 2024)

¹⁰ Jones et al. (2024); Population based on various sources (2023) <https://ourworldindata.org/co2/country/armenia> (March, 2024)



Relevant Statistics/indicators	2010	2015	2020	2021	2022	Comments
Population growth rate(UN DESA) ¹¹	-0.67	-0.46	-0.53	-0.52	-0.38	
Life expectancy at birth (years)(UN 2022) ¹²	73.2	74.4	72.2	72.0	76.2	
Number of healthy years at birth (WHO, 2020) ¹³ (WB 2021) ¹⁴	64.8	66	67.1	72	na	
Companies' commitment to respecting human rights/labour fundamentals (%)	na	na	na	na	na	Data is not publicly available.
Population receiving a living wage (%)	na	na	na	na	na	https://wageindicator.org/salary/living-wage/list-of-country-region-living-wages-data-availability/available-countries - The data is not freely available.
NET disposable income PER CAPITA (euro) ¹⁵	na	na	€7.74	€7.64	€13.38	

¹¹ Updated in 2023 with the latest July 2023-July 2024 estimates from the United Nations, Department of Economic and Social Affairs, Population Division <https://www.worldometers.info/world-population/armenia-population/> (March, 2024)

¹² UN population division, 2022 <https://www.worldometers.info/demographics/armenia-demographics/#life-exp>; <https://tradingeconomics.com/armenia/life-expectancy-at-birth-total-years-wb-data.html> (March, 2024)

¹³ World Health Organization 2020 <https://data.who.int/countries/051> (March, 2024)

¹⁴ World bank 2021, <https://data.worldbank.org/indicator/SP.DYN.LE00.IN?locations=AM> (March, 2024)

¹⁵ Statista, macroeconomic indicators for Armenia, <https://fr.statista.com/outlook/co/macroeconomic-indicators/disposable-income/armenia#:~:text=In%202023%2C%20the%20household%20disposable,to%20amount%20to%20€18.17> (March, 2024).



Relevant Statistics/indicators	2010	2015	2020	2021	2022	Comments
Companies supported by the state for just green transition (number)	na	na	na	na	na	Data is not publicly available, info was requested from MIN ECON.
Investments from the private sector that support the measures from the state for just green transitions (euro)	na	na	na	na	na	Data is not publicly available, info was requested from MIN ECON.
Yearly investment into social equity and justice by the state (euro)	na	na	na	na	na	Data is not publicly available, info was requested from MIN ECON and MLSA.
Environmentally related tax revenues (euro)	na	€78,140	€132,627	€156,705	na	OECD: https://www.oecd-ilibrary.org/taxation/armenia-details-of-tax-revenue_371a593a-en
Just and equitable low carbon transition plan (Y/N))	no	no	no	no	yes	Just transition is mentioned in the following documents:



Relevant Statistics/indicators	2010	2015	2020	2021	2022	Comments
						<p>National Programme on Energy Saving and Renewable Energy for 2022 to 2030.</p> <p>Draft NDC Implementation Plan,</p> <p>Financing Strategy & Investment Plan.</p> <p>Draft Low Emission Development Strategy (LT-LEDS) of Armenia (adopted in 2023).</p> <p>Draft Concept for Climate Law of Armenia.</p>
Just transition is included in the main policy documents (Y/N)	no	no	no	no	to some extent	<p>Just transition is mentioned in the following documents:</p> <p>The National Programme on Energy Saving</p>



Relevant Statistics/indicators	2010	2015	2020	2021	2022	Comments
						and Renewable Energy for 2022 to 2030. The National strategy on gender equality for 2024-2026 (to be adopted) has a section on climate change implications.
Global Gender Gap Index (WEF GGGR)	Rank 84 out of 135	Rank 105 out of 145	Rank 89 out of 146	Rank 114 out of 156	Rank 89 out of 146	The line was added.
Women's participation in decision-making processes (women in power) (%) - National assembly (Legislative) (ARMSTAT)	9.2%	10.7%	24%	34%	35.5%	The line was added.
Government (Executive) (Minister)	12.5%	16.7%	6%	8.3%	16%/2 1.7%	This line was added. For 2022 it was divided by Minister and Deputy Minister positions.
Judiciary (judges)	21%	24.9%	28%	31%	31%	This line was added.



Relevant Statistics/indicators	2010	2015	2020	2021	2022	Comments
Local self-governance (Head of Community/Council)	2.5%/6.1%	2%/9.6%	1.8%/10.7%	1.8%/10.7%	3.8%/25.6%	This line was added. Data from MoTA.
Women among Climate policy decision makers	na	na	na	na	86%	This line is added. The count of high-level and mid-level decision-makers responsible for addressing climate policy matters within the Ministry of Environment (Armstat 2023).
Women involved into the Interagency Commission on Climate Change	na	na	na	na	73%	This line is added. The count of individuals involved in climate-related matters within the Interagency Coordination Council for the Implementation of the Requirements and Provisions of the UN



Relevant Statistics/indicators	2010	2015	2020	2021	2022	Comments
						Framework Convention on Climate Change and the Paris Agreement, along with the 3 working groups affiliated with the Council. Armstat 2023
Human development index (UNDP) ¹⁶	0.75	0.77	0.76	0.76	Na	Data on 2022 is not available yet
Jobs and employment						
Unemployment rate (%) (if possible, by age group)	F: 22.4% M: 17.7%	F: 20.1% M: 18.1%	F: 17.7% M: 19.4%	F: 15.7% M: 16.0%	F: 14.4% M: 13.3%	For the data by age groups and gender for 2022 please see Annex 1 by age groups and gender, Figure 3.
Youth not in employment or training (%)	na	F: 44.6% M: 23.5%	F: 40% M: 23%	F: 37% M: 19%	F: 37% M: 16%	Armstat, NEET, Women and Men, 2023

¹⁶ UNDP Human development reports, Armenian Human Development Index value, <https://data.undp.org/countries-and-territories/ARM#:~:text=Armenia%27s%20Human%20Development%20Index%20value,of%202023%20countries%20and%20territories> (March, 2024)



Relevant Statistics/indicators	2010	2015	2020	2021	2022	Comments
Youth with low level of education (%)	na	na	na	na	na	Data is not publicly available.
Employment in highly skilled jobs (%)	na	na	na	na	na	Data is not publicly available.
Employment in industry (WB, 2024) ¹⁷	na	15.4%	12.9%	13.9%	14.03%	Industry is the only GUMA thematic area where data is available.
Employment in industry, female (% of female employment) industry (WB, 2024) ¹⁸	na	5.4%	5.49%	4.76%	4.745 %	Ibid
Employment in industry, male (% of male employment) (WB, 2024) ¹⁹	na	25.9%	21.8 %	24.7 %	24.71 %	
Employment of women (%)	41.1%	43.8	41%	45%	41%	Armstat, Women and Men, 2023
Income inequality (low, medium, high) (WB, 2021) ²⁰			25.2	27.9		GINI coefficient latest data available is for 2021

¹⁷World Bank 2024 <https://tradingeconomics.com/armenia/employment-in-industry-percent-of-total-employment-wb-data.html> (March, 2024)

¹⁸ Ibid

¹⁹ Ibid

²⁰ World Bank, 2021 <https://www.worlddeconomics.com/Inequality/Gini-Year/Armenia.aspx#:~:text=Armenia%27s%20Gini%20Coefficient%20Index%20is,easy%20comparison%20with%20other%20countries.> (March, 2024)



Relevant Statistics/indicators	2010	2015	2020	2021	2022	Comments
Gender Pay Gap %	35.9	33.5	35.1	35.5	39.2	This line was added
Creation of new jobs (number)	na	na	na	na	na	Data is not available in open sources. Info requested from MIN ECON and MLSA.
Creation of new highly skilled jobs (number)	na	na	na	na	na	Data is not available in open sources. Info requested from MIN ECON.
Companies creating and providing or supporting access to green and decent jobs (number)	na	na	na	na	na	Data is not available in open sources. Info requested from MIN ECON.
Labour force participation rate (%) (Armstat, 2023) ²¹	64	61.8	56.2	56.2	60.9	
Productivity of the workforce compared to the EU average (%)	na	na	na	na	na	Data is not available in open sources. Info requested from MIN ECON.

²¹ ARMSTAT, 2023, <https://www.ceicdata.com/en/indicator/armenia/labour-force-participation-rate> (March, 2024).



Relevant Statistics/indicators	2010	2015	2020	2021	2022	Comments
Education, reskilling						
Companies publicly committing to reskilling or upskilling displaced workers (%)	na	na	na	na	na	Data is not publicly available, info was requested from MIN ECON and MLSA.
Offering higher-education programs necessary for the green transition (number of students in/or number of courses in ESG, green energy, circular economy and other EGD related areas)	na	na	na	na	na	Currently, a course on Electromobility is running at the Transport Mechanical Engineering faculty of the National Polytechnical University of Armenia, as well as other courses supported within T-Green program, however the data on the number of students is not available in open sources.



Relevant Statistics/indicators	2010	2015	2020	2021	2022	Comments
Offering vocational training necessary for the green transition (number of students in/or number of courses in ESG, green energy, circular economy and other EGD related areas)	na	na	na	na	na	Data is not publicly available, needs additional research
Participation of adults in life-long learning opportunities (%)	na	na	na	na	na	Data is not publicly available, needs additional research.
Vulnerability and inclusivity						
Population in areas most vulnerable to climate change (number)	na	na	na	na	na	Data is not publicly available, needs additional research.
Population in areas most affected by green transition (decarbonisation Migration in areas most vulnerable to climate change (%))	na	na	na	na	na	Data is not publicly available, needs additional research.
Renewable energy consumption (WB, 2024) ²²	9.36%	10.74%	8.38%	na	na	This line was added.

²²World Bank, Armenian renewable energy consumption data, 2024 <https://tradingeconomics.com/armenia/renewable-energy-consumption-wb-data.html> (March, 2024).



Relevant Statistics/indicators	2010	2015	2020	2021	2022	Comments
Exposure to environmental risk zones (people living in areas with high risk for flooding, air pollution, landslides etc) (number)	na	na	na	na	na	Data is not publicly available, needs additional research.
Inclusivity in spatial planning (number of projects using co-creation methods)	na	na	na	na	na	Data is not publicly available, needs additional research.
Restored land used for green spaces, social housing, economic or other uses (ha)	na	na	na	na	na	Data is not publicly available, needs additional research.
Green areas in cities (%)	na	na	na	na	na	Data is not publicly available, needs additional research.
Access to services						
Access to green spaces and recreation facilities (within 1 km from home) (%)	na	na	na	na	na	Data is not publicly available, needs additional research.



Relevant Statistics/indicators	2010	2015	2020	2021	2022	Comments
Access to energy (%) (ARM STAT, 2023) ²³	na	100	100	100	100	Proportion of population with access to electricity.
Access to healthcare (%) (ARM STAT, 2023) ²⁴	na	4.4	4.9	4.9	5.1	Health/medical doctor density and distribution. Number of medical doctors per 1,000 people.
Access to clean water (%) (ARM STAT, 2023) ²⁵	na	97.3	95.5	96.3	na	Proportion of households with centralized water supply.
Access to clean fuels and technologies for cooking (% of population) (WB, 2022) ²⁶	95.6%	97.4%	98.2%	98.4%	na	The line was added.
Access to education (%) (ARM STAT, 2023) ²⁷	na	96.3%	90.6%	91.2%	91.5%	Gross Enrolment Ration in general education.

²³ ARMSTAT 2023, <https://sdg.armstat.am/7-1-1/> (March, 2024)

²⁴ ARMSTAT 2023, <https://sdg.armstat.am/3-c-1/> (March, 2024)

²⁵ ARMSTAT 2023, <https://sdg.armstat.am/6-1-1-a/> (March, 2024)

²⁶ World Bank 2022, <https://databank.worldbank.org/source/world-development-indicators/Series/EG.CFT.ACCS.ZS> (March, 2024)

²⁷ ARMSTAT 2023, <https://sdg.armstat.am/4-3-1-a/> (March, 2024)



Relevant Statistics/indicators	2010	2015	2020	2021	2022	Comments
Access to public transport (%) (reasonable distance of public transport stops)	na	na	na	na	na	Data is not publicly available, needs additional research.
Physical Access to digital services (%) (ARM STAT, 2023) ²⁸	na	115.3	117.8	121.5	126.7	Proportion of population covered by a mobile network, by technology.
Proportion of persons living in households with inadequate housing conditions (ARMSTAT, 2022) ²⁹	na	2.7	na	na	na	Proportion of persons living in temporary lodging, dwelling of joint residence, dormitory, other adapted accommodation, homeless.
Measures for providing affordable housing by the state (number)	na	na	na	na	na	Data is not available in open sources, needs additional research and

²⁸ ARMSTAT 2023, <https://sdg.armstat.am/9-c-1/> (March, 2024).

²⁹ ARMSTAT SDG indicators <https://sdg.armstat.am/11-1-1-a/> (March, 2024).



Relevant Statistics/indicators	2010	2015	2020	2021	2022	Comments
						checking with stakeholders.

2. Thematic area stakeholder mapping

The content of the 2nd chapter was originally attached as Annex II. Due to GDPR considerations, we are unable to disclose the mapping results publicly.

3. Thematic area gap assessment

3.1. Policy and Legal Framework

The policy and legal framework related to the transition to a green economy in Armenia is discussed below, including strategic planning documents, goals and targets, and compliance of national legal framework to international obligations and EU approximation.

3.1.1. Strategic and planning documents, goals, and targets

The Republic of Armenia signed the United Nations Framework Convention on Climate Change in 1992 and ratified it in 1993 with a commitment to mainstream its legislation and strengthen policy development in accordance with the approaches set forth there. Table 2 highlights the key steps in the chronology of climate change policy development in Armenia.

Table 2. The chronology of climate change policy development in Armenia.

2014	• Strategic Program of Prospective Development 2014-2025 (has a
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	section on social protection)
2015	<ul style="list-style-type: none"> • INDC 2015-2050 • COP21 Paris Agreement • Pledge to Sustainable Development, Agenda 2030
2016	<ul style="list-style-type: none"> • Stakeholder consultation for National Adaptation Plan (NAP) • 1st Biennial Update Report submitted to the UNFCCC
2017	<ul style="list-style-type: none"> • Ratification of Paris Agreement National Strategy on Disaster Risk Management
2018	<ul style="list-style-type: none"> • Comprehensive and Enhanced Partnership Agreement (CEPA) with EU CEPA Roadmap • 2nd Biennial Update Report to the UNFCCC • NDC Partnership
2019	<ul style="list-style-type: none"> • EU4Climate project launched (ended in 2024)
2020	<ul style="list-style-type: none"> • 4th National Communication to the UNFCCC
2021	<ul style="list-style-type: none"> • Updated NDC 2021-2030 • 3rd Biennial Update Report to the UNFCCC • National Adaptation Plan and List of Measures for 2021-2025 • Upgraded status of the Inter-agency Coordinating Council for Implementation of Requirements and Provision of the UNFCCC established in 2012
2022	<ul style="list-style-type: none"> • National Programme on Energy Saving and Renewable Energy for 2022 to 2030 • Draft NDC Implementation Plan, Financing Strategy & Investment Plan • Draft Low Emission Development Strategy (LT-LEDS) of Armenia • Draft Concept for Climate Law of Armenia
2023	<ul style="list-style-type: none"> • Finalised Low Emission Development Strategy of Armenia



	<ul style="list-style-type: none">• Draft Climate Law of Armenia
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The **Prospective Development Strategy for 2014-2025** mentions climate change as an important issue to be addressed to improve economic growth, with a strong focus on mitigation measures and reduction of emissions. Currently there are a number of climate relevant/environmental laws and policies, such as the Water Code (2002), Law on Energy Saving and Renewable Energy (2004), National Forest Policy, (2004), the Strategy of the Main Directions Ensuring Economic Development in the Agricultural Sector 2020-2030 (2019), and the Strategic Programme for the Development of the Energy Sector of the Republic of Armenia (until 2040). Unfortunately, these existing laws and policies do not have a specific focus on climate change. Meanwhile, the National Strategy on Disaster Risk Management (2017) integrates climate change actions and is in line with Sustainable Development Goals (SDGs)³⁰. Among other documents, such as the Program on Energy Saving and Renewable Energy for 2022-2030 and its Action Plan for 2022-2024, the National Action Programme of Adaptation to Climate Change and the list of Measures for 2021-2025, the Water Sector Adaptation Plan and its Program of Measures for 2022-2026 were adopted in 2021 and 2022 and are fully dedicated to the climate change issues and approaches.

In line with the revised European Neighborhood Policy (ENP) the **EU-Armenia Comprehensive and Enhanced Partnership Agreement (CEPA)** was signed in 2017 and in 2021, entered fully into force through ratification by the Republic of Armenia, all EU Member States and the European Parliament. This was an important, positive milestone for EU-Armenia relations and, inter alia, envisioned reforms in the rule of law and respect of human rights as well as those aimed at enhancing the responsiveness and effectiveness of public institutions and at promoting conditions for sustainable and inclusive development.

In terms of financial assistance envisioned by the **2021-2027 multi-annual indicative programme (MIP) for EU support to Armenia**, the focus on enhancing Armenia's

³⁰ UN, SDGs, <https://sdgs.un.org> (March, 2024)



environmental and climate resilience, which includes sustainable use of resources, promotion of green growth, decarbonization and scaling up renewable energy generation, and improving energy efficiency and security, is recognized as one of the priority areas (priority 3). Among other priorities, “enabling a more resilient, fair and inclusive society through increased democracy, migration management, promotion of social inclusion and enhanced public healthcare systems” (priority 5) is mentioned.

In terms of programming for 2021, the **EU Green Resilience Facility for Armenia** focuses particularly on the southern regions, fostering investment in MSMEs, sustainable jobs, young people, the digital economy, and support to vulnerable groups (including those displaced from Nagorno-Karabakh).

Already by the end of 2022 there were a number of developments to be reported in the **connectivity, energy efficiency, environment and climate action area**. **On energy**, in accordance with CEPA requirement for regulatory approximation to EU energy legislation (energy efficiency, renewable energy and nuclear safety regulation, and electricity market reforms), Armenia is engaged in strengthening the existing legislative and regulatory framework related in particular to market liberalization, regulatory cost audits, licensing and tariff setting (including renewables). **On environmental protection** Armenia has advanced on biodiversity conservation and the management of natural resources, notably by improving the legislative and institutional framework (National Strategy for Protected Areas and Biodiversity 2021-2025; adoption of the legislation banning single-use plastic bags from 2022). Armenia revised its **Nationally Determined Contribution (NDC) for 2021-2030**, introducing an improved methodology. With all these developments, the Just transition becomes more recognized and taken into account.

More than 15 **UN Treaties, conventions and protocols** are signed and ratified by Armenia on Environment and climate change issues. However, in connection to Just transition the Convention on Access to Information, Public Participation in Decision-Making and Access to Justice in Environmental Matters (1998) should be mentioned. The convention was adopted in 2001; however, it has not yet been fully utilized to ensure a just transition to a green economy.



Other international policy documents signed/ratified by Armenia and directly connected to the Just transition approaches to the documents on Labor rights, gender equality and social equity issues are as follows:

Table 3. Other international documents signed by Armenia related to the JT approach.

Labor Rights:	<ul style="list-style-type: none">• Vienna Convention on the Law of Treaties• International Covenant on Economic, Social and Cultural Rights• 29 ILO conventions:<ul style="list-style-type: none">- Fundamental Conventions: 8 out of 10- Governance Conventions (Priority): 3 out of 4- Technical Conventions: 18 out of 177
Gender Equality and Social Equity	<ul style="list-style-type: none">• Beijing Declaration and Platform for Action/Critical Area of Concern Women and the Environment, Para 146-158/• Convention on the Elimination of All Forms of Discrimination against Women (CEDAW)• Optional Protocol to CEDAW• Convention on the Rights of Persons with Disabilities• Optional Protocol to the Convention on the Rights of Persons with Disabilities• Convention on the Rights of Older Persons

In line with these documents, special attention should be given to the resolution on **Transforming Our World: The 2030 Agenda for Sustainable Development**, which is a key document in ensuring a just transition within twelve out of the seventeen Sustainable Development Goals (SDGs) and seeks to support states in their efforts to achieve climate goals and simultaneously ensure quality of life and decent jobs for their citizens, as well as prosperity and good perspectives for the legacy industry-oriented regions undergoing the transition.



According to the **Voluntary National Review 2020**,³¹ the Republic of Armenia has been firmly committed to the implementation of the “Agenda 2030” for sustainable development. Starting in 2015, the Government of Armenia is incorporating the 2030 Agenda into the national reform agenda and strategies. Currently the Government is developing the “Armenia Transformation Strategy 2050”, which includes 16 mega goals with their own targets, indicators, tasks and solutions. The Strategy is considered a framework for the implementation of the SDGs, and the mega goals mainly correspond with them.

However, there are some gaps in the process of SDG implementation. The efforts need to be doubled to overcome the general challenges, such as:

- Lack of legislation concerning equality,
- mitigation and adaptation to climate change,
- energy diversification and sustainable use of natural resources,
- judicial reform.

3.1.2. Compliance of national legal framework to international obligations and EU approximation

According to the International Labour Organization (ILO), a ***just transition*** means *greening the economy in a way that is as fair and inclusive as possible to everyone concerned, creating decent work opportunities and leaving no one behind*.³² In order to provide practical orientation to the Government with some specific advice on how to formulate, implement, and monitor the policy framework, in accordance with national circumstances and priorities, the ILO developed **Guidelines for a just transition towards environmentally sustainable economies and societies for all**. According to

³¹ United Nations High-Level Political Forum on Sustainable Development, Armenian voluntary national review 2020, <https://hlpf.un.org/countries/armenia/voluntary-national-review-2020> (March, 2024).

³² Eurofound, European industrial relations dictionary on JT, <https://www.eurofound.europa.eu/en/european-industrial-relations-dictionary/just-transition> (March, 2024).



the ILO, and in terms of policy development, the following principles should guide the transition to environmentally sustainable economies and societies: (i) Policies must respect, promote and realize fundamental principles and **rights at work**. (ii) Policies and programmes need to take into account the strong **gender dimension** of many environmental challenges and opportunities. Specific gender policies should be considered in order to promote equitable outcomes. (iii) Coherent policies across the economic, environmental, social, **education/training and labour portfolios** need to provide an **enabling environment for enterprises, workers, investors** and consumers to embrace and drive the transition towards environmentally sustainable and inclusive economies and societies. (iv) These coherent policies also need to provide a just transition framework for all to promote the **creation of more decent jobs**, including as appropriate: anticipating impacts on employment, providing adequate and sustainable social protection for job losses and displacement, skills development and social dialogue, including the effective exercise of the right to organize and bargain collectively.³³

The labor legislative framework in the Republic of Armenia is contained in **the Constitution**, as well as the Labour Code and other legal acts in the social and economic field. The main source for the labor regulation is provided through the constitutional provisions. To start with Article 12 on *Preservation of the Environment and Sustainable Development* and continued through Article 28, General Equality before the Law, Article 29, *Prohibition of Discrimination*, Article 30, *Legal Equality of Women and Men*, Article 38, *Right to Education*, Article 57, *Freedom to Choose Employment and Labour Rights*, and concluded with Chapter 3 on Legislative guarantees and main objectives of state policy in social, economic and cultural spheres, which define national policy and approaches in setting up **Working Conditions, Social Security, Decent Living and Minimum Salary, and Health Care**.

The **Labour Code of the Republic of Armenia (LC)** deals with various aspects of

³³ Guidelines for a just transition towards environmentally sustainable economies and societies for all, ILO, 2015, https://www.ilo.org/wcmsp5/groups/public/@ed_emp/@emp_ent/documents/publication/wcms_432859.pdf (March, 2024).



collective and individual labor relations. The recent issue-related amendments to the labor code were initiated based on the Armenia's international obligations in the field and relate to gender equality issues, maternity issues and paternity leaves, labor rights of persons with disabilities as well as professional and vocational education and internship opportunities.

Among legal acts, which supplement or further develop the provisions of the LC, the following should be taken into account:

- RA Law "On Voluntary Work",
- RA Law "On Employment",
- RA Law "On Bankruptcy",
- RA Law "On Minimum Monthly Wage",
- Law of the Republic of Armenia "On Employers' Unions",
- RA Law "On Trade Unions",
- RA Law "On Social Assistance" (adopted on December 17, 2014)
- RA Law "On State Benefits" (adopted on December 12, 2013),
- RA Law "On Inspection Bodies".

The latter also regulates the **Health and Labour Inspection body of the Republic of Armenia, which carries** out supervisory and/or other functions prescribed by law, as well as applies sanctions in the fields of health care and labor law, including ensuring the health and safety of employees and acting on behalf of the Republic of Armenia, and is one of the cornerstones in ensuring a just transition to a green economy.

Professional orientation and education are also among those closely related to Just transition approaches, as just transition can only be attained with new educational approaches which revolve around social, climate and environmental justice. The legal provisions below present the RA's main approaches to professional orientation, professional education, training and retraining issues, and vocational education:



- Law of the Republic of Armenia "On social protection in case of employment and unemployment of the population"
- RA Law "On Education"
- RA Law "On Public Education"
- RA Law "On Initial Vocational (Vocational) and Secondary Vocational Education"
- RA Law "On Higher and Postgraduate Professional Education".

The system of formal **Vocational Education and Training in Armenia** is mostly school-based and has two levels: **Initial Vocational (Craftsmanship) Education and Middle Professional Vocational Education**. According to the Law on Education, the vocational education is “aimed at the preparation of specialists with relevant qualifications, the formation of competences and skills, the expansion of the knowledge scope and qualification upgrade by means of the succession of general and vocational levels of education”. **Initial Vocational (Craftsmanship) Education** is implemented in vocational (craftsmanship) schools, other professional educational institutions, educational centers and penitentiary institutions.

- **Craftsmanship education** may also be provided in the form of “Master training” as structured training when the direct and indirect instruction is implemented according to the individual training schedule. The specific titles of qualifications, depending on the profession, can be, e.g. “Forester”, “Butcher”, “Baker”, “Carpenter”, etc.
- **Middle Professional Vocational Education** can be acquired at middle vocational educational institutions – colleges and in universities. Graduates are awarded diplomas in Middle Professional Vocational Education with the level of qualification “Specialist”. Examples of specific qualifications are: “Accountant”, “Technologist of fermentation production and wine making”, “Technician of mechanisation of agricultural”, “Veterinarian”, etc.³⁴

³⁴ TORINO PROCESS 2018–2020 ARMENIA NATIONAL REPORT, 2019
https://openspace.etf.europa.eu/sites/default/files/2019-11/TRPreport_2019_Armenia_EN.pdf (March, 2024).



The curriculum for both levels corresponds to the latest developments in the field, and **sustainable development, environmental security and social inclusion** issues have already been envisioned by training modules; however, the efforts in this area should be doubled, and new approaches to teaching methodology and principles of attracting youth as well as people of any age to VET institutions should be applied.

Another issue in this area is connected to the need for reforming **graduate/university education in Armenia in support of the Green Deal** and enabling the shift from traditional to future-oriented, green, and interdisciplinary curricula. Strategic revision of the national list of professions enabling the licensing of new, future-oriented, interdisciplinary, and green master's degree programs, as well as collaboration structures developed, will contribute to further initiatives in this area.

Since independence, the Armenian Government has been taking steps to harmonize national policies with the gender equality and social equity principles and to align them with the international commitments in the field.

The main document that underlined Armenia's commitment to gender equality principles and international obligations in that sphere was the **RoA Gender Policy Concept Paper** approved by the Armenian Government in February 2010. The RoA Gender Policy Concept Paper reflected the latest international approaches to gender equality implementation based on the principle of equal rights and equal opportunities and laid the groundwork for mainstreaming gender into legislative practices and into the overall context of public life and State policies. The Concept Paper also included the strategy for implementing the gender policy, which was focused primarily on mainstreaming gender into policy formulation and political practices in all areas of socio-political, public, economic and cultural life at the national and regional levels, as well as into the drawing up of national long-term, mid-term and targeted development programs, on establishing national machinery for gender equality, on conducting a gender impact assessment of legislation, on undertaking logistical activities for



drawing up a gender equality policy and for monitoring its implementation process and on taking special measures to redress a gender imbalance in all spheres of public life.

In 2019, the Armenian Government adopted the resolution “On Approving the **Strategy and Action Plan for Gender Policy Implementation in the Republic of Armenia 2019-2023**”. The strategy outlined 5 priority areas; however, climate change and transition to green economy issues were neither evaluated nor envisioned there. Meanwhile, the RoA Government is in the process of developing the Gender strategy and Action plan for 2024-2026, and the climate change section has already been envisioned there.

Another legal act on gender policy implementation and for addressing the issues of imbalanced rights and opportunities is the **Law of the Republic of Armenia on provision of equal rights and equal opportunities for women and men** (2013). The necessity of the adoption of that law was stated in the recommendations of the UN Committee on the Elimination of Discrimination against Women and in the European Neighborhood Programme Action Plan.

During the last period, also other Laws and Codes, as well as national programs were amended with the scope of protecting the rights of disadvantaged groups of the population, as well as securing gender equality. However, these minor and occasional amendments have not yet brought about a dramatic change in the country's situation. Nevertheless, labor-related legislation is among the most mainstreamed legal acts and could be considered to some extent gender- and socially sensitive.

3.1.3. Summary of gaps, bottlenecks and needs

Table 4. Summary of gaps and bottlenecks.

Area of analysis	Summary of gaps
Are all EGD sub-topics relevant to JT covered by	<ul style="list-style-type: none">• A number of documents reflect to some extent the just transition issues. However, lack of



national strategic documents?	<p>understanding and a systemic approach minimizes efforts in this area, thus challenging the overall process.</p> <ul style="list-style-type: none">• More substantial efforts are required to promote the just transition agenda to decision-makers as well as different levels of implementation.• A number of partnership projects under implementation, as well as CEPA processes, require the establishment of political will and commitment for implementation and most probably will result in the development of relevant national policies paying more attention to just transition issues.
Have the just transition-related international agreements been honored? What are the main issues?	<ul style="list-style-type: none">• Many of the issue-related international treaties and documents have been adopted by the Republic of Armenia, including SDGs, ILO conventions, gender equality, and social equity treaties, etc., and the Government is committed to further developments in the field; however, there are certain shortcomings in the achievement of the SDGs and integration of just transition into policies related to the green agenda.
Are the current strategic objectives and targets in the just transition area aligned with those of the EGD? How much do they differ?	<ul style="list-style-type: none">• Most national policy documents do not include just transition-related goals; however, the climate change issues are included in the gender equality strategy, and separate sections of social protection are included in the main state documents.



Has the relevant EU legal framework been transposed in a suitable way relative to the EGD? What are the biggest issues?	<ul style="list-style-type: none">• Localization and adaptation of the EU legal framework related to JT are inter alia envisioned and regulated by the EU-Armenia Comprehensive and Enhanced Partnership Agreement (CEPA) and are in line with other international commitments in the field; however, the process was slowed down due to the uncertain situation around Nagorno-Karabakh starting in 2020, with many people needing social support and shelter arriving in Armenia.
Are there ongoing discussions on transposing the EU acquis to align it with national and EGD goals? How far along are they?	<ul style="list-style-type: none">• Yes, the process has been started, and discussions on transposing the EU acquis to align it with national and EGD goals are taking place; however, it is difficult to evaluate the progress.

3.2. Instruments for policy implementation

3.2.1. Regulatory and economic instruments

One of the preconditions for a just transition towards a green economy is the effective and well-functioning regulatory mechanisms and economic instruments. Armenia, proclaiming itself as part of the Green Deal, also tries to set up a roadmap for new types of policies that will focus on the sectors most affected by the transition. Thus, to be in line with the main principle of just transition – the co-existence of a healthy economy and a clean environment –



the Armenian government should ensure the mechanisms for fair compensation for health, jobs, and economic assets.

Some research³⁵ shows that disadvantaged groups of the population bear a disproportionate amount of the environmental and economic costs of the extractive economy while receiving very few of the associated benefits. Among the difficulties faced by these groups of the population is the lack of resources available to deal with the financial, social, and environmental impacts of climate change. “Without proactive policies to address these equity concerns, climate change will likely reinforce and amplify current as well as future socioeconomic disparities, leaving low-income, minority, and politically marginalized groups with fewer economic opportunities and more environmental and health burdens.”

Work is the only and irreplaceable condition for a decent life. It is one of the most important means of ensuring a human being’s satisfactory standard of living, self-development, and dignified existence. This determines the right to work as a socio-economic right, and it is no less important than other rights, for example, the right to life, the right to education, the right to association, etc. However, the right to work has become one of the most vulnerable and unprotected rights. This is why, very often, limitations to the right to work or threats to such limitations compel a person to give up the exercise of their other rights, such as freedom of assembly, association, opinion expression, voting, and other rights. Hence, the right to work is the main condition for human existence, and all other rights should be protected by additional guarantees provided by the State³⁶.

³⁵ Seth B. Shonkoff et al., The climate gap: environmental health and equity implications of climate change and mitigation policies in California—a review of the literature. *Climatic Change* (2011) 109 (Suppl 1): S485–S503, <https://escholarship.org/uc/item/4815h61w> (March, 2024)

³⁶ The Legislative Field for Regulation of Labor Relations and Rights Protection: Issues and Opportunities, by Heriknaz Tigranyan. OxYGen Foundation. 2019 (March, 2024)



According to the latest statistics (2022), the structure of the labor resources³⁷ in the Republic of Armenia is as follows, with 1,296,400 of the labor force out of the overall 2,364,600 working-age population.

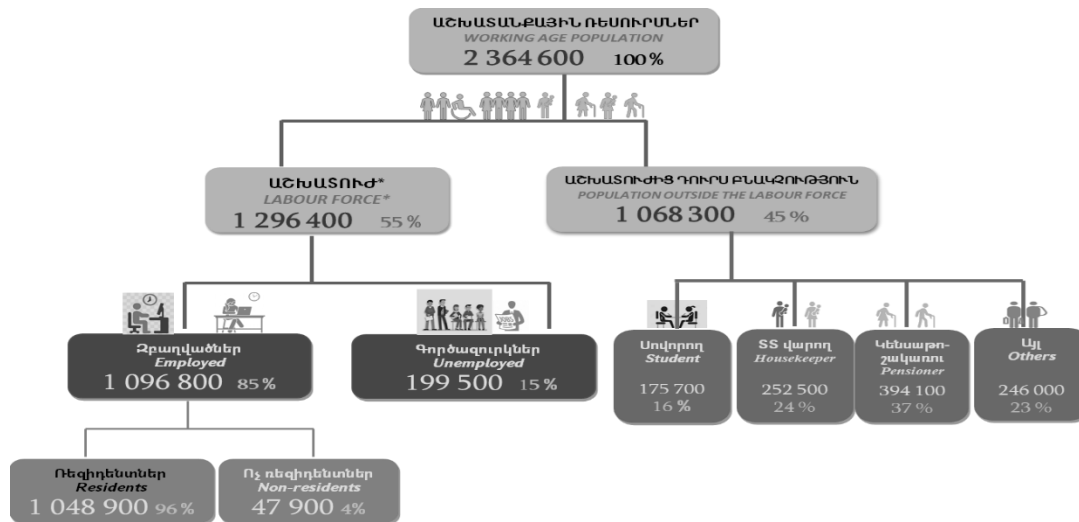


Figure 2. Labor resources / Working age population (WAP) in Armenia, 2022. Source: Armstat.

In the past couple of years, the main indicators of the labour market, such as the economically active and employed population, have improved; however, they have not surpassed the 2015 levels. The recovery of the Armenian economy in the post-independence period and growth in the 2000s did not lead to significant expansion of employment, as it was mainly conditioned by structural changes of the economy and increased productivity. The past decade saw a marked fall in working poverty, while the quantitative deficits of jobs remained very high. Thus, despite economic growth, the number of people employed in the local economy fell until a few years ago, while close to a fifth of the labour force remained unemployed.

Labour force participation is higher in Yerevan (63% in 2019) than in other cities (56%) and in rural areas (61%), reflecting larger economic opportunities in the capital city. This gender gap in labour force participation is especially high in the 25-34 age group

³⁷ Labor resources/Working age population (WAP) are the sum of labour force (both employed and unemployed persons) and the population outside the labour force (neither in employment nor in unemployment (not having job and not searching for a job), March, 2024



(43%). The female population out of the labor force is double that of men: ~600 thous. (50% in women total), compared to 28% in the case of men (~300 thous. persons). In 25-49-year-old group (the driving working-age group), the difference is even 3.5-fold.

The main instrument ***regulating the economic and organizational provisions and legal bases for promoting the employment*** of the Republic of Armenia (RoA) population is the **Law on Employment**. It defines the employment rights, types of services provided by the state, and the forms of social support in case of unemployment, as well as the legal bases of public-private cooperation. However, the provisions of the law do not cover the biggest challenge, which relates to current additional pressures on the employment market.

Notwithstanding large-scale reforms in the employment sphere over the past years, there are still pressing issues to be addressed, like the gap between labour force supply and demand side and existing barriers for first-time labour market entrants, vulnerable groups and the skilled workforce. Another priority area is strengthening social dialogue and collective bargaining as an important precondition of the labour law reforms and further promotion of the Decent Work Agenda in the country. New labour market policies include an employment strategy and an increase in the minimum wage. The employment strategy aims to address persistent labour market shortcomings. Armenia is facing skills mismatches despite rising educational attainment levels, and, although the unemployment level is high, the private sector often has difficulty in finding skilled workers.

Continuous and inclusive job creation is a precondition for ensuring socio-economic development in Armenia. Indeed, the country's economic development in the 2000s was not supported by the expansion of employment opportunities, and the participation rate in the labour market could be characterized as rather low.

Improvement of the knowledge and skillset of the vulnerable group of the labour force is especially important to ease their entry into the labour market.



The Government of Armenia has been implementing a number of support programs in employability; however, a lot still needs to be done. To this end, the main strategic document and support programs include the following.

- Armenia's Prospective Development Strategy 2014-2025;
- Employment Strategy 2019-2023 (draft);
- Government Action Plan 2019-2023;
- Medium-Term Expenditure Program 2020-2022.

Overall, the strategic documents and programs prioritize the importance of contributing to an inclusive labour market with active participation of the vulnerable social groups in the value addition, utilizing the capacities of rural employment and enhancing the competitiveness of Armenia's labour force.

✓ Armenia's Prospective Development Strategy 2014-2025

Armenia's Prospective Development Strategy 2014-2025 outlines the socio-economic development priorities of the country goals and main challenges for development, constraints, risks and key reforms needed and elaborates on policy tools to be implemented.

In the context of employment, the Strategy highlights the need for new programs to support employment and the creation of new jobs, a larger volume of effective support programs, flexibility based on regional development specifics and economic development trends, as well as responsiveness to cyclical fluctuations in the market. The strategy outlines the relative lack of opportunities for new job creation in the public sector and agriculture, which currently employ relatively large numbers of people.

✓ Government Action Plan 2019-2023

The Government Action Plan 2019-2023 outlines aspects of employability, including new programs targeted at:

- Increasing the level of employment of youth;



- Increasing the level of employment of people with disabilities;
- Increasing competitiveness of women;
- Creating tighter links between education and labour market;
- Increasing the level of rural employment (The Government of the Republic of Armenia, 2019-2023).

✓ 2.3. National Employment Strategy 2024-2026 (draft)

Currently, there is a draft National Employment Strategy (NES) 2024-2026, designed to prioritize the inclusive development of human resources. The main areas targeted in the strategy are:

- Enhancing inclusive economic development through an active labour market, alleviating long-term unemployment and ensuring sustainable employment;
- Implementing effective education-labour market linkage;
- Ensuring decent work opportunities for vulnerable groups in society by addressing regional disparities;
- Contributing to the improvement of the quality of life through employment and expansion of the middle class in society.

The strategy is expected to achieve continuous development of the labour market, more effective use of labour resources, a decrease in the informal employment levels, a balance between labor force supply and demand, a decrease in unemployment, and enhanced sustainable employment opportunities.

The labour supply side is expected to improve the level of professional education, build capacities, and promote innovative entrepreneurship, whereas the demand side is expected to create new jobs, ensure equal opportunities, and promote social entrepreneurship.

These two main documents (NES and the Employment Law) serve as a guide for the development and implementation of the ***State programs to support the employment of disadvantaged groups in the population***. The state programs target (i) the



mitigation of tension in the labour market, (ii) the sustainable and productive employment and the promotion of self-employment among non-competitive groups in the labour market through active employment programs (according to State priorities and within the framework of integrated social services), (iii) the employment of job seekers, and, in particular, of people with disabilities, youth and women, and (iv) the appointment of qualified specialists to vacancies announced by employers. However, these measures are not connected to or taking into account possible issues in the transition to green economies and propose only general approaches.

These programs are defined on an annual basis and are based on the current needs. For 2024, more than 10 state programs to support employment among disadvantaged groups of the population are envisioned³⁸. The programs are implemented by the State employment agency, which is part of the **RoA Integrated Social Service (ISS)**. Medical-Social Expertise, Social Security and Support Service Agencies also act under the RoA ISS. It is noteworthy that the State Employment Agency is providing services not only to the employed or those jobseekers but also to consult and provide support to employers as well. The RoA Integrated Social Service operated under the auspices of the RoA Ministry of Labor and Social Affairs.

3.2.2. Funding and financing

The Republic of Armenia's budgetary system consists of the state budget and community budget. The government is responsible for forming the draft state budget, and community leaders are responsible for forming the draft community budget. Budget drafts are formed in accordance with the RA Government activities, medium-term expenditure framework, and community development programs.³⁹ Implementation of any strategy and programs, including those on climate change or related to just transition, is funded through the state budget. The main document regulating budgetary allocations on an annual basis is the Law of the RoA on Budget,

³⁸ Armenian Social Service page, <https://socservice.am/multilevel/tsragrer> (March, 2024)

³⁹ Armenian Ministry of Finance on state budget, https://www.minfin.am/en/page/state_budge/ (March, 2024)



which is approved by the National Assembly on an annual basis. Information on the funds allocated through the loans and programs with foreign and international organizations is also included there.

The social protection system in Armenia is based on 4 pillars: social assistance, social care services, social insurance, and labor market interventions. Fifteen social protection programs include child protection and health care, family and maternity benefits, pensions, unemployment benefits, and assistance to persons with disabilities (PWDs) and older people. The state social protection system is financed by the state budget and coordinated by the Ministry of Labor and Social Affairs. The annual spending on social protection in Armenia was reported at AMD 705,793.200 million in 2023 (ARMSTAT, 2023).⁴⁰ This records a gradual and constant increase of State allocations to social protection in the country starting in 1996. The right to social services is enshrined in Article 37 of the Constitution of Armenia. Currently, almost 40% of the population in Armenia is covered by at least one social protection benefit, and the Government's spending on social protection reaches 28% (excluding health care).

Income security for people of working age in Armenia often depends on employment status, career paths, contributions, and earnings. Among those instruments are maternity cash benefits, disability social benefits, and labour pensions, as well as survivors' social benefits and labor pensions. This system does not envision unemployment benefits.

Income security for older people in Armenia – old-age protection coverage rates are very high in Armenia. Contributory pensions in Armenia are not based on proportional contributions into a social insurance fund but rather on the number of years participating in the tax system. These years of service are the sole basis for calculating pensions for people born before 1974. For those born after, a new system of contributions into individual, fully funded accounts have been introduced.

⁴⁰ ARMSTAT, 2023 <https://www.ceicdata.com/en/armenia/state-expenditure-by-functional-classification-annual/state-budget-expenditure-social-protection> (March, 2024)



Schematic representation of the social protection system in Armenia⁴¹

Table 5. Schematic representation of the social protection system in Armenia. Source: ILO

Contributory benefits	Non-contributory social assistance benefits
State pensions	<ul style="list-style-type: none">• Old-age benefit
Old age	<ul style="list-style-type: none">• Disability benefit
Disability	<ul style="list-style-type: none">• Survivors' benefit
Survivors'	<ul style="list-style-type: none">• Universal child benefit (lump sum)
Temporary incapacity benefits	<ul style="list-style-type: none">• Maternity benefit for non-working mothers (lump sum)
Maternity	<ul style="list-style-type: none">• Poverty-targeted Family Living Standards Enhancement Benefits (FLSEB)
Sickness	Family Benefit
Employment injury	Social Benefit
	Emergency Assistance

Retraining and upskilling programs/vocational education in Armenia are mainly funded by the state budget. Contributions are also provided by foreign and international organizations active in Armenia, such as the UN system, EU delegation, ADB, USAID, GIZ, ADA, SDC, ADF, and ETF. However, public expenditure on education is low. It ranged from 3.2% as a share of GDP in 2010 to 2.8% in 2021. In 2021, education represented 8.3% of total government expenditure, confirming a decreasing trend of 12.4% in 2010 (UNESCO, 2022).

The labor market's public expenditure for active programs in 2021 accounted for 0.02% of GDP and has been slightly decreasing over the last 10 years (RA Ministry of Finance, 2022). Currently there are 864 000 registered jobseekers in 49 employment centers in 10 regions of Armenia and Yerevan city (ETF, 2022). More than 10 state programs to support employment among disadvantaged groups of population, are

⁴¹ ILO, UN Women (2021) Assessment Of The Social Protection Floor In Armenia https://www.ilo.org/wcmsp5/groups/public/---europe/---ro-geneva/---sro-moscow/documents/publication/wcms_831453.pdf (March 2024)



envisioned annually, and some vocational education and retraining courses are among them.

Support for Energy Efficiency. Energy poverty is a growing problem in Armenia, especially in rural areas. A recent study commissioned by the EC⁴² suggests that at least 30% of the population in the country can be considered energy poor, i.e., they have to spend more than 50% of total family income on energy and heating.⁴³ Lacking indigenous resources, Armenia imports natural gas and oil for most of its energy needs (78.6% of total energy supply in 2020),⁴⁴ mainly from different countries⁴⁵. Thus, the Armenia state energy policy is now focused on developing indigenous energy sources, mainly renewables, and on extending the lifetime of the nuclear reactor that supplies nearly one-third of the country's electricity. The government has begun to pay more attention to energy efficiency issues, and the second National Energy Efficiency Action Plan (NEEAP-2) was developed in 2020. Electricity and natural gas tariffs are regulated by the **Public Services Regulatory Commission** on a cost-plus basis that allows a set rate of return for the operators after accounting for fixed and variable costs. The government applies a cost-recovery policy on tariffs, but in recent years the increasing cost of electricity services and government concern about affordability have led to a departure from cost-recovery tariffs, and subsidies and below-cost pricing have increased.

Among the measure envisioned for energy efficiency in Armenia are special tariffs for

- Social insecure families: in case the consumption is less than 600 m³/year
- Greenhouse farms in agricultural sector: during the period of November 1 - March 31
- Agricultural processing

⁴² European Commission, Energy Poverty National Indicators: Insights for a more effective measuring Published by the Energy Poverty Advisory Hub https://unece.org/sites/default/files/2022-11/E04_BDOC_Energy_Poverty_Indicators_Report_EPAH_EN.pdf (March 2024)

⁴³ EEAS, EU4Civil Society: Energy Efficiency in Armenian Communities, https://www.eeas.europa.eu/node/38332_en (March 2024)

⁴⁴ Armstat, <https://www.armstat.am/file/doc/99530243.pdf> (March 2024)

⁴⁵ IEA, Armenian energy profile, <https://www.iea.org/reports/armenia-energy-profile/overview> (March 2024)



Special cash-assistance programs to help with utility costs have been established for those displaced from Nagorno-Karabakh in September–October 2023.

3.2.3. Summary of gaps/bottlenecks and needs

Table 6. Summary of gaps, bottlenecks and needs.

Area of analysis	Summary of gaps, bottlenecks and needs
Are the just transition-related policy and legal areas covered with appropriate regulatory and economic instruments to ensure compliance with EGD?	<ul style="list-style-type: none">• A wide range of social protection policies and programs exist in Armenia; however, the impact assessment mechanisms are still weak and not well established.• Vocational education and training, as well as labor market support programs are funded by the state budget and supported by a number of international organizations. However, the link with JT remains underutilized.• The implementation of Armenia's commitments to just transitions is supported by a political will, but the existing human resources and capacities are not yet sufficient.• The lack of an evidence base and statistics in many areas of the green economy impedes the possibility of advised and comprehensive legislation and policy documents.
Are the regulatory and economic instruments sufficient to ensure they lead to real and measurable JT improvements?	<ul style="list-style-type: none">• Existing economic and regulatory instruments do not provide an opportunity to establish a well-functioning mechanism for the realization and evaluation of JT improvements.



	<ul style="list-style-type: none">• The social protection system in Armenia does not reflect the climate change implications, does not provide a possibility to improve the situation.• Despite VET sector reform, the retraining and knowledge upscaling opportunities are limited and not widely disseminated.
Are the regulatory and economic instruments efficient, considering their ability to support JT in the country?	<ul style="list-style-type: none">• Existing economic instruments could be described as having low efficiency. The implemented initiatives lack direct links to JT policies and approaches.
Are cross-sectoral funding and financing instruments realistic to achieve the just transition goals related to the EGD?	<ul style="list-style-type: none">• Funding for just transition-related activities has not been specialized, targeted nor sustainable. Specialized budgets are crucial to achieving progress towards JT goals.
Is funding the cross-sectoral JT goals important to the national government or is it mostly coming from outside donors?	<ul style="list-style-type: none">• Social protection and training programs are covered by the state budget. However, some labor market and business support, particularly for women's empowerment, is coming from international partners.

3.3. Institutional/governance capacity

3.3.1 Existing institutional set-up

The following institutions and institutional mechanisms responsible for the areas supporting a Just Transition to green economies operate in Armenia:



Government of the Republic of Armenia Social Affairs Department: The areas of the department's work include social protection and assistance, employment, salary and pension, as well as gender equality and territorial development issues.

Inspection Bodies' Coordination Bureau (IBCB): The goal of the IBCB is to ensure independent and coordinated development of the inspection system, as well as continuous improvement of inspection bodies. The Bureau coordinates the work of inspection bodies and develops methodological instructions for the activities of inspection bodies.

RA Ministry of Labor and Social Affairs (MLSA): The Republic of Armenia Ministry of Labor and Social Affairs is an executive body that elaborates and implements the policies of the Republic of Armenia Government in the labor and social security sectors.

- **MLSA Department on Labor and Employment:** The department is responsible for the development and implementation of the policies and programs of the Republic of Armenia in the labor and employment areas.
- **MLSA Department on Equal opportunities:** The department is responsible for the development and implementation of the policies and programs of the Republic of Armenia connected to equal opportunities for older people, persons with disabilities, women and children.
- **Integrated Social Service/State Employment Agency:** The Integrated Social Service of the Ministry of Labor and Social Affairs is a public body which, in accordance with the legislation of the Republic of Armenia, provides services in the field of social security. The Integrated social service (ISS) unites 4 bodies: social protection and social security service, medical and social expertise, and the state employment agency.
- **MLSA/ National Institute of Labour and Social Research:** The "National Institute of Labor and Social Research" state non-commercial organization, in accordance with the law, carries out the following types of activities (1) personnel training, qualification improvement, conducting special courses (re-



qualification) in the field of social protection, (2) scientific, methodological and applied and other research, (3) development and publication of scientific and methodical professional literature, (4) provision of professional consultations for individuals and legal entities in the field of social protection, (5) presentation of expert conclusions on research and other scientific and applied programs, (6) organization of conferences and seminars, (7) development of programs aimed at medical, social and professional rehabilitation of persons with disabilities; (8) organization of exhibitions, workshops.

RA Ministry of Health: Is an executive body which elaborates and implements the policies of the Republic of Armenia Government in the healthcare sector.

- **RA Ministry of Health/Health and Labor Inspection Body:** The RA Health and Labor Inspection Body carries out supervisory and/or other functions established by law, as well as applies measures of responsibility in the fields of health care, health and safety of employees in accordance with the law.

RA Ministry of Education, Science, Culture and Sport: an executive body, which elaborates and implements the policy of the Government of the Republic of Armenia in the spheres of education, science, culture and sport.

- **The National Center for VET Development (NCVETD):** NCVETD participates in developing VET policies and strategies, medium- and long-term development programmes and action plans; carries out different types of research in the VET system; analyses and evaluates its performance; ensures communication between the VET system and the labour market institutions; organizes the development and continuous updating of qualification (educational) standards and curricula; provides professional expertise; identifies and adapts international best practices in VET.

Ministry of Economy: Is an executive body, which develops the Government's economic policy in the spheres under its jurisdiction. The Ministry is responsible for implementing and assessing the results of economic policy.



RA Ministry of Territorial Administration and Infrastructure/Regional authorities

(marzpetarans)/: Is an executive body which develops and implements the policy of the Government of the Republic of Armenia in the field of territorial administration and infrastructure management.

- **Regional authorities/Departments of Health and Social Affairs:** The departments' task is to ensure the full and effective implementation of the powers assigned to the Governor and the Governor's staff by the legislation of the Republic of Armenia within its jurisdiction in the area of health and social affairs. The departments are also responsible for the implementation of State employments strategy as well as equal opportunities for women and men in the regions of Armenia.
- **Regional authorities/Regional Employment Assistance Commissions:** Advisory body in the regions.

State Statistical Committee: is a State body, envisaged under the law of the Republic of Armenia "On official statistics", which is independent in the exercise of its powers. The Statistics Committee is the main producer of official statistics in the Republic of Armenia. The Committee coordinates all activities related to the development, production and dissemination of official statistics through the system of national statistics, except for the Central Bank of the Republic of Armenia.

First Instance Courts of General Jurisdiction: All criminal and civil cases are under the jurisdiction of the Court of General Jurisdiction. The Court exercises supervision towards pre-trial proceedings (as well as solves the issues related to choosing the detention as a precautionary measure, permitting the search in the apartment), as well as examining other cases on merits stipulated by the Criminal Procedure Legislation.

RA Human Rights Defender/Department for Protection of Civil, Social-Economical and Cultural Rights: The department for the protection of civil, socio- economic and cultural rights of the Human Rights Defender of the Republic of Armenia ensures the proper and effective implementation of the powers of the Human Rights Defender in the sphere of protection of civil, socio-economic and cultural rights, provides legal



advice to citizens on their rights and freedoms, as well as on the legal measures and procedures for the effective protection of those rights and freedoms, ensures the procedure of studying and handling the complaints on the violations of civil, socio-economic and cultural rights, organizes visits to places where there are alleged or factual violations of civil, socio- economic and cultural rights and freedoms.

Confederation of Trade Unions of Armenia (CTUA): is an association of branch republican trade unions which is established on a voluntary basis in order to, in cooperation with the Government of the Republic of Armenia and the Republican Union of Employers (RUEA), represent labor and related to them professional, economic and social rights and interests of employees and protect them in labor relations. CTUA and RUEA, with the Government of Armenia, have signed a tripartite social partnership agreement, the “National Collective Agreement” for the improvement of social-labour relations in the Republic of Armenia. Different projects have been implemented jointly with CTUA in the framework of Decent Work Country Program, employment, migration and trafficking, and occupational safety and health.

The Republican Union of Employers of Armenia (RUEA): is a non-profit, non-governmental organization that represents the common interests of employers in Armenia. RUEA implements business promotion and socio-economic development programs, and it is the only official social partner in Armenia alongside the Government of Armenia and the Confederation of Trade Unions of Armenia (CTUA). RUEA was established in 2007 based on the Armenian laws on “Labour Code” and “Employers’ unions”, as well as the requirements of conventions of the International Labour Organization (ILO).

International labor organization (ILO): The only tripartite U.N. agency, since 1919 the ILO brings together governments, employers and workers of 187 Member States, to set labour standards, develop policies and devise programmes promoting decent work for all women and men.

Renewable Resources and Energy Efficiency Fund: Armenia does not have a dedicated agency for renewable energy policies, so the Renewable Resources and



Energy Efficiency (R2E2) Fund is responsible for implementing renewable energy and energy efficiency projects.

Despite the wide range of the above-mentioned organizations, almost all ministries and structures that make up the Government of Armenia have a special role and importance in fulfilling the tasks assigned by Just Transition approaches. Thus, in addition

- **Ministry of Nature protection of Armenia** - is responsible for developing and implementing policies that promote environmental sustainability
- **Ministry of Territorial Administration and Infrastructure of Armenia** - is a key actor responsible for the development of infrastructure, access to services, the development of the regions and municipal programs
- **Ministry of Finance of Armenia** - responsible for targeted budget allocation, funding mechanisms, and sensitive budgets.

Local government: Armenia is subdivided into eleven administrative divisions. The regional administrations are responsible for implementation of the national and regional development programs in their regions (marzes) as well as for the state budget development and implementation. The regional administrations duplicate the state governance system with the departments assigned for different issues and coordinated by the relevant ministries. The main document on a regional level is the **Marz development program**, which is developed for a 5-year period. Local communities and municipalities are also guided by the Marz development plan as well as by their community development multiyear and annual plans.

Coordinating bodies related to Just Transition issues:

The Republic of Armenia has been firmly committed to the implementation of the **“Agenda 2030”** for sustainable development. In 2015, in order to establish the necessary infrastructure as well as an institutional and systemic approach towards the SDGs policy, an **Interagency Council** has been established. It is headed by the Deputy



Prime Minister and acts as an inclusive and collaborative body comprised with the State structures and wider participatory networks, including civil society, academia, and the UN country team. The Council formed several subdivisions in 2017 to focus on social, economic, ecological, legal, and democratic equality issues. The groups consisted of government and non-governmental stakeholders. The process of Nationalization of SDGs has been coordinated by the Government of Armenia.

Inter-Agency Coordination Council for the Implementation of the Requirements and Provisions of the UNFCCC and Paris Agreement in Armenia was established in 2012 and upgraded in 2021⁴⁶. The purpose of the Council is to ensure the fulfilment of obligations undertaken by the Republic of Armenia under the United Nations Framework Convention On Climate Change and the Paris Agreement, including coordination of the Nationally Determined Contributions for 2021-2030: implementation of the 13th Goal of the United Nations 2030 Agenda for Sustainable Development (Climate Action), as well as coordination and monitoring of implementation of the National Adaptation Plan.

The Council is comprised of the Chairperson, the Deputy Chairperson, the members of the Council, Standing working groups and the Secretariat. The Acting Deputy Prime Minister of the Republic of Armenia is the Chairperson of the Council. The following constitute the standing inter-agency working groups:

- 1) the inter-agency working group on national reporting commitments under the UNFCCC Convention;
- 2) the inter-agency working group on climate change mitigation and adaptation; and
- 3) the inter-agency working group on financing issues.

The Council on Women's Issues was established in 2019. The Council is composed of representatives of the executive, legislative and judicial authorities, as well as non-state

⁴⁶ RA Prime Minister Decree N 719A On establishing the Council, approving its composition and rules of procedure; https://docs.google.com/document/d/140Cx5jLSKhCSeJjCkIdEHjC8ugEXNXq/edit?usp=share_link&ouid=111298944052010098827&rtpof=true&sd=true (April 2024).



structures, and is chaired by the Deputy Prime Minister. The Council has the task of coordinating any such processes as may be related to the implementation of strategic and short-term programmes dealing with gender equality, as well as sex-based discrimination and violence-related issues in the Republic of Armenia in all fields of public policy and at all levels of public governance. Secretariat activities are coordinated by the Equal Opportunities Department within the Ministry of Labour and Social Affairs.

Gender Theme Group: In order to promote and support the mainstreaming of gender as a crosscutting issue in the development agenda of Armenia, the Gender Theme Group (GTG) was established in 2011. It aims at developing joint programming and activities with partners, tracking gender equality throughout assistance frameworks to promote deeper understanding and commitment to gender-responsive development programming, advocating for an enabling environment, as well as creating a venue for the regular sharing of information, experience and tools. The GTG comprises UN Agencies, Government institutions and development partners such as national NGOs, think tanks, academia, research organizations, and gender experts.

3.3.2. Capacity assessment of existing institutional set-up

To sum up the mapping of the main Armenian institutional mechanisms, it should be concluded that while all the above-mentioned structures are by default institutional mechanisms for the implementation of just transition policies in reality, they have not yet become effectively functioning structures in the area, first of all due to the lack of a joint agenda and understanding on possible cooperation, linkages, goals and objectives to be supported. Most importantly, the following should be mentioned:

Lack of understanding of Just Transition in Armenia – there is an acute need to develop a new strategic document that will meet the priorities of just green transition in Armenia, thus providing clear definitions, goals, and objectives to be achieved, discussed and reported.



Lack of overall coordination on Just Transition issues – the development of new legal and institutional provisions should initiate a process of more coordinated work in support of just transition to green economies. The process will also support the development/revision of the mandates assigned to the agencies, thus providing a clear understanding of which links are missing and how to reorganize the work to be more demanding and successful in the area.

Lack of central body/machinery in charge of the just transition to a green economy – the existing institutional mechanisms are not yet well equipped with knowledge and systems, as well as lacking a central coordinating body to be responsible for policy development and guidance on a professional level. Machinery should be established at a high level of government and should be ensured adequate resources, commitment and authority to advise on just transition to all relevant government policies.

Lack of human and financial resources: this, first of all, relates to capacity development, deeper professional education and training in the area of just transition to be disseminated and shared as widely as possible. The next and most important component relates to financial allocations – state commitment and political will should be supported by budgetary allocations to make changes possible. On the other hand, the overall state budgeting process could be mainstreamed with just transition topics and approaches.

3.3.3. Summary of gaps/bottlenecks and needs

Table 7. Summary of gaps, bottlenecks and needs.

Area of analysis	Summary of gaps/bottlenecks and needs
Are the roles and responsibilities regarding JT set up in institutions clearly?	No, there is no clear division of the roles and responsibilities of those responsible for the



	implementation of related state policies and programs.
Have the proper institutions been given a clear and sufficient mandate to reach the EGD-related goals set up for JT?	No, the existing institutional mechanisms are not yet well equipped with knowledge and systems and are lacking central guidance on a professional level.
Do the relevant institutions have enough (human) resources to handle the requirements for JT?	No; a strong system of capacity building and development should be established to support the implementation of the tasks in the Just Transition area and to guide the development and implementation of a comprehensive plan of actions in the area.
Do the relevant institutions have transparent and sufficient data collection, monitoring and reporting systems in place for JT?	The lack of data and statistics on just transition topics in chapter 2 of the current report clearly indicates the lack of sufficient data collection, monitoring and evaluating systems for JT in Armenia.
Do relevant institutions have sufficient and meaningful stakeholder engagement and communication activities in place for JT issues?	Most processes in this area are open, transparent and participatory. However, more comprehensive organization of the process and possibility to gain synergy from the efforts by both state and non-state partners would be very beneficial



3.4. Non-governmental actor capacity

3.4.1. Technical and infrastructure capacity – current capacities and future needs

With the adoption of the **Long-term Low Greenhouse Gas Emission Development Strategy** (LT-LEDS) (until 2050)⁴⁷, the Government of the Republic of Armenia reaffirms its ambition to reduce greenhouse gas emissions to 2.07 t CO₂ equivalent per capita by 2050 as well as enter a phase of high economic growth and structural transformations in the economy. Moreover, the implementation of the Strategy will have a positive impact on the livelihoods of local communities in terms of improving economic growth, social well-being, environmental protection and safety.⁴⁸

The Document is based on the **Technological needs assessment** completed in 2015, linking the process and its results with similar activities in relation to climate change. One of the main risks identified in attempting to introduce many technologies is “a lack of interest on the part of both communities and relevant decision-makers”.⁴⁹ The TNA identified **priority technologies for adaptation** (including agricultural and water sectors) as well as **for mitigation** (including Energy, Land use and waste management sectors).

In 2023, among priorities and measures for implementing LT-LEDS the following classification of actions of different nature and levels has been proposed:

- fundamental changes in production and consumption patterns,
- major transition from the unsustainable combustion of natural fuels to carbon-free technologies,

⁴⁷ DECREE OF THE GOVERNMENT OF THE REPUBLIC OF ARMENIA, N 2318 - L , 28 December 2023

⁴⁸ LONG-TERM LOW GREENHOUSE GAS EMISSION DEVELOPMENT STRATEGY OF THE REPUBLIC OF ARMENIA (UNTIL 2050), https://unfccc.int/sites/default/files/resource/UNDP%20LT_LEDS_ARMENIA.pdf (March 2024)

⁴⁹ Technology Needs Assessment Project, Armenian subpage, <https://tech-action.unepccc.org/country/armenia/> (April 2024)



- large-scale application of green innovation in the energy, industry, transport, multi-apartment buildings, agriculture, forestry, land use and waste management sectors.

Supporting actions include state support programs to assist initiatives in the field of GHG reduction and increase in GHG absorption (for example, support for the large-scale introduction of renewable energy sources, creation of various mechanisms for climate-projects financing).

LT-LEDS also targets implementation of policy and measures at various levels.

- At the **strategic level**, to ensure decarbonization processes throughout major frameworks and sector-wide policy initiatives, enhance research and development (R&D), education and awareness, and offer favorable fiscal conditions.
- At the **tactical level**, to focus on improving the regulatory field to facilitate emissions reduction and carbon sink growth in key sectors.
- At the **technical level**, the Government provides key sector-specific solutions, which, if implemented, would have a direct impact on achieving GHG emissions reduction and carbon sink targets.

The sectoral priorities set forth in the LT-LEDS include a) Climate policy, b) Energy, c) Waste, d) Agriculture, e) Land, f) Forestry, g) Industry. The document envisions also envisions Investment and Financing as well as Monitoring and Evaluation Frameworks.

Meanwhile, in order to ensure the implementation of LT-LEDS, Armenia should be able to absorb adequate technological assistance and create a favourable environment for technology development and transfer as well as establish institutional mechanisms to overcome barriers for the introduction of innovative technologies for climate change mitigation and adaptation, including strengthening the transparent system of technology introduction, cooperation and experience exchange with the "Climate



Technology Centre and Network" (CTCN) and establishment of a similar mechanism in the country⁵⁰.

3.4.2. Green skills and awareness

The communication and promotion of Just transition approaches to green economies is crucial to overcoming societal challenges via building an understanding of green economies as modern, innovative, fair, and promotive of health and ecological well-being. However, it is important to use the right terminology and approaches in the description of the upcoming processes. For example, the well-known fact on the positive implication of green economies on women's involvement, particularly in the spheres of "male employment", may create certain difficulties. Several studies on gender equality issues including those on masculinity in Armenia (UNFPA, 2017),⁵¹ revealed a low level of understanding among men regarding the expansion of women's rights. It is accepted as something that will impede or reduce men's rights and is still not widely supported by majority of male population. Thus, perception patterns should be identified and considered when designing communication strategies and technical capacities in just transition.

Meanwhile, the low level of overall understanding of comparative advantages of green economies and just transition approaches is another factor impeding smooth implementation of State policies and strategies in this sphere.

Another barrier that can prevent primary/preferred technology acquisition, implementation and dissemination is the lack of necessary skills and professional education. The Technological needs assessment envisioned an increase in employment in different sectors of the economy (e.g. industry). However, this process should be accompanied by increased access to vocational education and training opportunities and new jobs will require new professional qualifications. The

⁵⁰ *ibid*

⁵¹ UNFPA, Men and gender Equality, Nation wide survey, 2017; <https://armenia.unfpa.org/en/publications/men-and-gender-equality-armenia> (April 2024)



development of green skills means not only upgrading but also the development of new skills among workers. For this to happen VET systems and other educational structures will also need to acquire new technologies and green skills.

The Government has a decisive role in the implementation of such programs. However, it should be based on the joint efforts of employers and vocational and higher education institutions.

The EU Council Recommendation on Vocational Education and Training (VET) for Sustainable Competitiveness, Social fairness and Resilience adopted in 2020 (EUR-Lex)⁵² reaffirmed that United Nations Sustainable Development Goals envisage by 2030 equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university, and a substantial increase in the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship and set forth a number of recommended actions for governments in order to ensure 1) Europe's new growth strategy aiming to transform its economy and society and put them on a more sustainable path; 2) A strong social Europe for just transition, which highlights the need to place skills, employability and human capital at the centre stage, through the European Skills Agenda for sustainable competitiveness, social fairness and resilience.

The recommendation also includes the justification for the role of VET system in adaptation to labor market changes, on ensuring equal opportunities, and on creating space for innovation and growth during the digital and green transitions.

The adoption of these education and employment recommendations presents an opportunity for Armenia to foster new synergies between employment and VET programmes as well as between the public and private sectors. The Comprehensive and Enhanced Partnership Agreement (CEPA) between the European Union and Armenia sets the pillar on better living standards (more jobs and business

⁵² EU Council Recommendation of 24 November 2020 on vocational education and training (VET) for sustainable competitiveness, social fairness and resilience 2020/C 417/01, <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32020H1202%2801%29> (March 2024)



opportunities) and more choice in education (better quality of education, with a focus on lifelong learning).

Thus, the process of the Armenia VET system reforms has already started and will for sure take into account the EU Council recommendations as well. Moreover, in 2023, in order to advance the integration of Green Economy (GE) considerations into learning activities and programs available to civil servants, as well as the broader population in the American University of Armenia (AUA) Acopian Center for the Environment hosted and promoted the “Introduction to Green Economy” online course, which is currently hosted on the “UN CC: Learn” (UN Climate Change Learning Partnership) e-learning platform in multiple languages. It has been developed by UNEP and the UN Institute for Training and Research (UNITAR).⁵³

3.4.3. Stakeholder capacity

The success of green economy and just transition approaches primarily depends on governments and their ability to engage a variety of important stakeholders, including representatives of local communities, national and regional structures, foreign and international organizations, the private sector, civil society, as well as academia. On the other hand, stakeholders in just transition processes play two roles: developers/consultants and beneficiaries of the process. In a just transition, it is essential to create a participatory decision-making process to ensure that all voices are heard and to achieve synergies in action.

The main stakeholders of the process have already been identified in the previous chapters; however, it is important to assess their capacities, understanding and level of involvement in Just transition processes.

Public sector: Just transition to green economy approaches is a relatively new topic for Armenia; thus, it is hard to expect full understanding and commitment to JT

⁵³ Acopian Center for the Environment. *Green Economy Online Training for Armenia*. American University of Armenia, <https://ace.aua.am/projects/green-economy-online-training-for-armenia/>. <https://ace.aua.am/projects/green-economy-online-training-for-armenia/> (April 2024)



principles from different stakeholders, and the public sector is among them.

Moreover, the lack of clear division of roles and responsibilities in Climate change action, and particularly in Just transition creates certain difficulties in commitment, meaningful participation and appropriate reporting on the issue. The existing institutional mechanisms in the area are also lacking full representation of main policy developers in Just transition area as well as gender equality and social equity issues on the one hand and a lack of a central coordination body responsible for policy making and guidance on the other.

International and foreign organizations: In order to maximize the positive effects of the transition on host countries and local communities and to ensure the protection of international human rights and support to resilience in the face of climate change, the international organization are providing technical assistance, expertise and support to the State structures, Civil society. academia and other stakeholders. Armenia is a member of more than 70 different international organizations, and some of them, including the Council of Europe, the EU's Eastern Partnership and the Euronest Parliamentary Assembly, European Bank for Reconstruction and Development, International Monetary Fund, the United Nations and the World Bank have a presence in the country. They are also active participants in setting up the international agenda and monitoring the implementation of international and integration commitments taken by Armenia and in this area particularly.

Academia and the research community should play a pivotal role in just transition processes by providing a scientific base for the policymaking and activities envisioned by the main stakeholders. Evidence-based situations with human rights in different areas of the economy, correlations and implications of the transition period, gender inequality and social inequity, expert analysis and recommendations to be provided to main decision-makers are among the main responsibilities of academia and the research community. The National Academy of Sciences, numerous universities and research centers, and think tanks operating in Armenia are able to provide these services and expertise and advise on better policymaking in the area of JT.



Other five main categories of stakeholders in just transition include: workers, consumers, supply chains, local communities, and civil society (Paris EUROPLACE, 2021)⁵⁴ To make these categories of stakeholders full participants in the process, it is important, first of all, to understand how consumers are impacted by the transition to a low-carbon economy, assess how financial actors can be better integrated in investment and financing frameworks to ensure a just transition and social inclusion, and explore ways of effective cooperation.

3.4.4. Summary of gaps/bottlenecks and needs

Table 8. Summary of gaps and bottlenecks.

Area of analysis	Summary of gaps / bottlenecks and needs
Does the country have sufficient technical and infrastructure capabilities to reach national and EGD goals related to just transition?	There are a number of organizations implementing projects and strategies, collecting data, and providing analytics and innovative solutions; however, limited funding and insufficient support and understanding by the main stakeholders can challenge further development in this area.
Are the discussions related to technical and infrastructure development focusing on making changes required for a just green transition?	Partially. These approaches have been envisioned by some strategies and state documents and are even being supported by statistical data. However, it is not always taken into consideration, as “more important issues” have the priority.

⁵⁴ Just Transition Taskforce under the supervision of Jean-Jacques Barberis, Vice-President of Finance for Tomorrow, https://institutdelafinancedurable.com/app/uploads/2021/06/F4T_Stakeholders-in-the-Just-Transition-2_Consumers.pdf (April 2024).



Are there enough skilled workers to support the green transition in vulnerable sectors and areas, and does the government have plans and measures in place to support the development of green skills?	The technological needs assessment envisioned an increase in employment in different sectors of the economy (e.g., industry). However, this process should be parallel with an increase in accessibility to VET education and training opportunities, as new jobs will require new professional qualifications. For this to happen, VET systems and other educational institutions will need to adopt new technologies and develop green competencies.
Are the vulnerable sectors aware of the changes they need to take to reach just green transition related goals and overcome the challenges?	The awareness-raising actions and campaigns on Just transition to a green economy are very rare in Armenia. Thus, vulnerable sectors lack precise and evidence-based information and solutions/actions to be taken to reach the goals and ensure the well-being of the population.
Do the key stakeholders of the sectors most vulnerable to climate change have the capacity and resources needed to implement and support an inclusive transition?	The desire to be able to overcome the climate change implications and achieve a green economy is quite high; however, the capacities still need to be developed, and additional resources need to be allocated for the implementation of JT actions.



4. Just transition in other thematic and cross-cutting areas

In this chapter, the just transition-related aspects of the other GUMA thematic and cross-cutting areas are discussed based on their importance for the just green transition of Armenia. **According to the initial estimate, the priority areas for Armenia where just transition should be focused on are the building and renovation sector and agriculture and food industry (Farm2Fork), which make up a large part of the current Armenian economy, followed by climate action and energy, biodiversity, industry and mobility. In addition, all cross-cutting topics play a key role in supporting transition towards a green economy.**

4.1. Building and Renovation

Just transition seeks to address disparities in access to safe, energy-efficient, affordable, and a healthy living environment. It seeks to address disparities in access to green buildings and their environmental, economic, and health benefits — in other words, it is about greening the entire building and renovation sector to the possible extent. In this context, it is important to analyze social equity from the perspective of those living or working in the buildings, neighbours in the surrounding community, and workers from the buildings' supply chain, as well as tackle the business models affected by the transition. The construction sector has always been one of the most important sectors of the Armenian economy, making up a large part of the country's economy. The volume of construction works provided by the state budget in 2019 increased by 8.9% as compared to 2018, the volume of works carried out by private organizations by 1.4%, and the construction works carried out by the population by 6.1%. In 2019, the Republic of Armenia was on the verge of a new construction boom (Van Aragast, 2023).⁵⁵ In 2021, the sector's annual growth was about 25%; it became the locomotive of the Armenian economy. Specialists explained this by the increase in the volume of housing

⁵⁵ Aragast, V. (2022, February 1). *Future of the construction business in Armenia*. InTech.am. <https://intech.am/future-of-the-construction-business-in-armenia/><https://intech.am/future-of-the-construction-business-in-armenia/> (March 2024).



construction, remittances flowing from abroad, and private investments (Van Aragast, 2023). The growth in this sector is important as it provides the opportunity to create new jobs. Striving towards energy efficiency standards could be beneficial by reducing energy poverty and improving the health and well-being of residents.

Most of Armenia's buildings are residential dwellings, whereby 52% are individual houses and 45% are multi-apartment buildings (MAB). Nearly two-thirds of Armenia's population live in urban areas. MABs dominate in cities such as the capital, Yerevan, where 37% of Armenians live (IEA, EU, 2020).⁵⁶

Public and commercial buildings such as government buildings, schools, offices and shopping centres account for 12 – 15% of the country's total building stock (Armstat, 2019; UNECE, 2017). Only 6% of Armenia's total building stock is in "good" condition; 64% is scored to be "fair" and 30% as "poor" (UNECE, 2015).

In terms of achieving energy efficiency, the relatively high levels of energy consumption of residential buildings make transforming them a priority of policy efforts. Nonetheless, public buildings also offer significant potential for efficiency gains, and energy efficiency programs for public buildings can stimulate markets for energy efficiency services that can then be used also in the residential subsector. Moreover, as part of CEPA, energy efficiency standards and norms are being aligned with the EU acquis established by laws such as the Energy Performance of Buildings Directive (EPBD) and Ecodesign.

In terms of gender equity, existing policies do not prohibit or block inclusive hiring practices; thus, nominally, women have equal opportunities for employment in construction and renovation projects. However, the existing gender stereotypes are impeding the process. According to the official statistics, about 9% of the 15-74 years

⁵⁶ International Energy Agency, EU4 Energy, Energy-Efficient Buildings in Armenia: A Roadmap Insights and pathways for better buildings 2020-2040, 2020 <https://www.iea.org/reports/energy-efficient-buildings-in-armenia-a-roadmap/status-and-key-indicators-of-armenia-s-building-sector> (March 2024)



old working age population is currently employed in construction and renovation sectors; among them, 98.5% are male and only 1.5% are female (Armstat, 2023).⁵⁷

Although the existing policies do not directly mitigate job loss, some policies and documents emphasize training programs to ensure that local communities, including women, have the skills needed to participate in the workforce.

In terms of the educational level of working age population, the percentage is the same for university and postgraduate as well as vocational education and is around 25-28% and 47% for general secondary education (Armstat, 2023)⁵⁸, with less than 1% (0.8%) of the overall number of graduates of middle vocational education and 1.7% of those receiving higher education diplomas in architecture and construction study programs in 2022/2023. However, there is a positive dynamic in this area – the number of alumni in this area at both levels is increasing year by year, from 0.3% in 2020 to 0.8% in 2023 in vocational education and from 1.6% in 2018 to 1.7% in 2023 (Armstat, 2023)⁵⁹ in higher education.

Being one of the important sectors of the just transition, the vocational education programs in this area should be developed further and introduced to the population with proper emphasis on green approaches and solutions. For example, the T-GREEN project by the Erasmus+ EU program addresses the “need for reforming graduate education in Armenia in support of the Green Deal and enabling the shift from traditional to future-oriented, green, and interdisciplinary curricula, as well as by promoting student mobility and designing collaborative degree implementation schemes in this area.”

Switching to sustainable practices in construction practices will most probably result in the usage of other types of materials and approaches, which means a significant

⁵⁷ ARMSTAT, Statistical Committee of the Republic of Armenia, Labour Market in Armenia, 2023 https://armstat.am/file/article/lab_market_2023_1.pdf, p68 (March 2024)

⁵⁸ *ibid*, p51

⁵⁹ ARMSTAT, Statistical Committee of the Republic of Armenia, Statistical Yearbook of Armenia, 2023 <https://www.armstat.am/file/doc/99541063.pdf>, pp 173-181 (March 2024)



change in processes and professions, and as well as a possible loss of jobs for those involved in current construction supply chains: concrete, ceramic, brickmaking, glass, and steel production. In Armenia, it will mainly affect people in the capital city Yerevan, as well as the Ararat and Kotayk regions, where most of the producers are located.⁶⁰

4.2. Farm to Fork

Agricultural development is key to human well-being and has major implications for the environment. As the world's population continues to grow, the need for more and higher-quality food will become imperative, especially considering the various health and environmental challenges around the globe (FAO et al., 2020).⁶¹ Recent OECD-FAO projections estimate that global agricultural production will continue to increase in the next decade due to population growth. Food is also expected to be more affordable for households as income increases, albeit with variations between countries of different income levels and between different social groups within each country. Vulnerable groups, including groups with the lowest income, often women, remain more at risk from changes in production and food prices (OECD/FAO, 2020).

Agriculture in Armenia is the largest employment area, employing around 34% of the workforce. 45% of whom are women, which makes women very important participants in the agricultural development (Armstat, 2023).⁶²

The share of agriculture in men's employment structure is 24%, and in women's employment structure 26% (Armstat, 2023).⁶³ In fact, it is women who create the larger portion of agricultural produce, and they are the primary providers of household food and security in rural areas. At the same time, women's employment in the agricultural sector is primarily informal in nature, and consequently, women are representatives of

⁶⁰ The Global cement report, <https://www.cemnet.com/global-cement-report/country/armenia>; Metal group company https://www.metalgroup.am/en_us/site/range, etc (April 2024).

⁶¹ For example, the COVID-19 pandemic has revealed that vulnerabilities and inadequacies of global food systems still persist and under pressure, impacts on production, distribution and consumption can affect livelihoods considerably, FAO et al., 2020.

⁶² Armstat, Women and Men in Armenia, 2023, <https://armstat.am/am/?nid=82&id=2610> (March 2024)

⁶³ Armstat, Women and Men in Armenia, 2023, <https://armstat.am/am/?nid=82&id=2610> (March 2024)



the lowest-paid and socially unprotected segment. Therefore, the gender pay gap in agriculture was 23% in 2022 (Armstat, 2023).⁶⁴

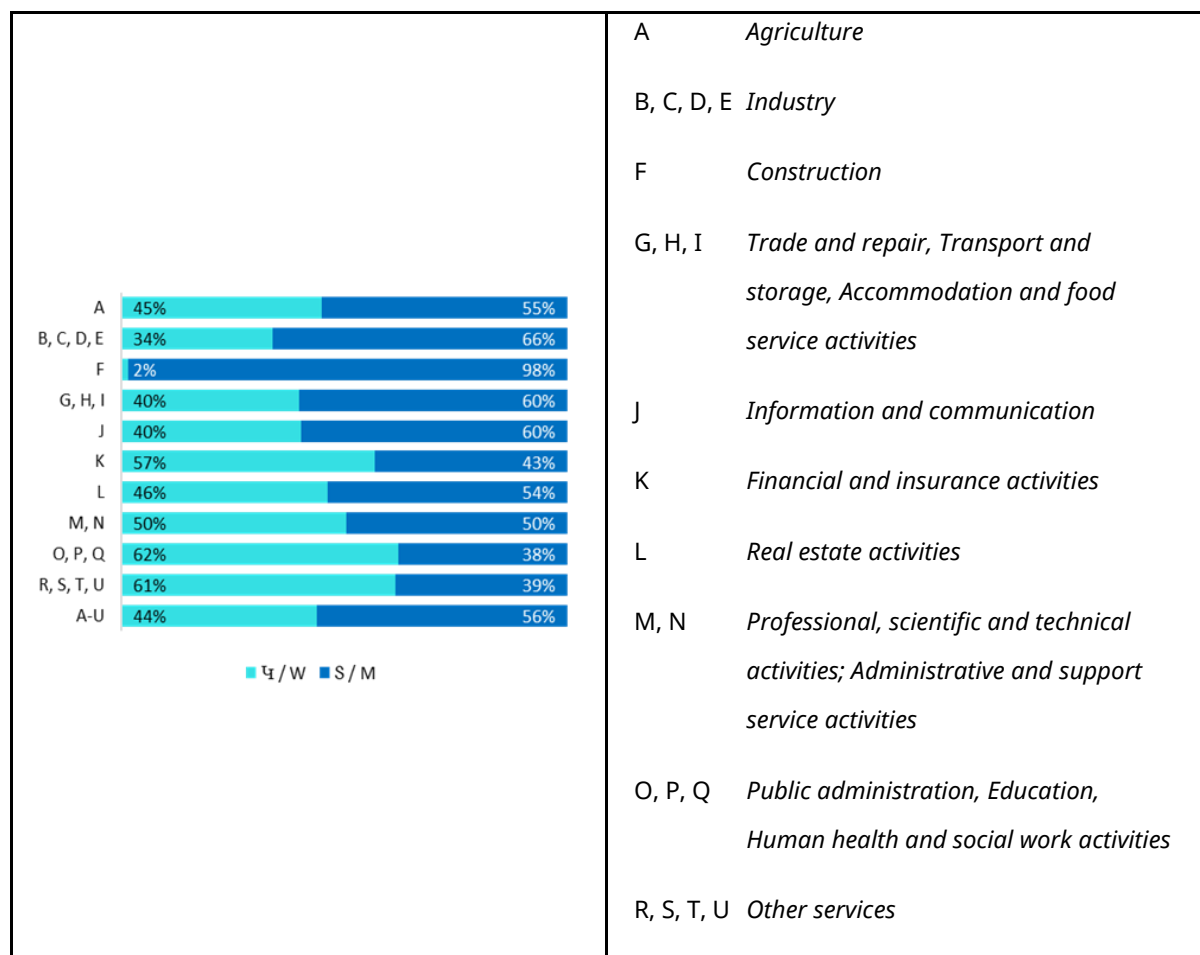


Figure 3. Employed population by major sectors of economic activity in 2022. Source: ARMSTAT 2023.

According to the data from a comprehensive agricultural registry,⁶⁵ women head 25% of rural households in Armenia. These households are more vulnerable due to the absence of second workers, lack of agricultural machinery, difficult access to land plots, and problems related to irrigation and financial means.

The main document establishing government objectives, priorities and strategy for the development of agriculture, agro-food production and related businesses is the **Strategy of the Main Directions Ensuring Economic Development in Agricultural Sector**

⁶⁴ Ibid

⁶⁵ Ibid



*of the Republic of Armenia for 2020-2030*⁶⁶. The Strategy outlines the key priorities of the agricultural policy of the Republic of Armenia, defines the scope of priority issues, as well as the Action Plan for the implementation of the Strategy, which in turn aims to increase agricultural production, develop rural areas, and enhance Armenia's global competitiveness. According to the **Strategy** the vision for the next ten years is to have sustainable, innovative, high value-added agriculture in harmony with the environment, ensuring care of natural resources, producing organic products and ensuring the well-being of the people living in the village. Although the Strategy covers a broad range of issues relevant to the development of agricultural economy, and even states that it "is based on seven principles and aims at inclusive growth, gender equality, as well as institutional sustainability", there is no gender sensitive or social inclusion approach, measure, action or even a single indicator is included in the strategy or its action plan.

The other two important strategies in the field are **Regional Development Strategy of the Republic of Armenia for 2016-2025** and the **Marzes Development Strategies for 2017-2025**, which have also not integrated social inclusion and gender equality principles to help disadvantaged groups to enjoy the same opportunities and benefits.

Meanwhile, the implementation of artificial intelligence (AI) in sustainable farming could be challenging for particularly small-scale farmers, women headed businesses and persons with disabilities in Armenia. For example, autonomous vehicles, another technological advancement, have the potential to significantly impact agricultural employment structures. These vehicles may eliminate the need for drivers in tractors, trucks, and other types of vehicles. Although the introduction of autonomous vehicles in Armenia is likely to be a long-term perspective, the current workforce could eventually face the risk of unemployment.

However, the integration of digital technologies is expected to generate new jobs. For example, Agro cybernetics is anticipated to play a crucial role in setting up and

⁶⁶ Ministry of Economy of the Republic of Armenia, The Strategy of the Main Directions Ensuring Economic Development in Agricultural Sector of the Republic of Armenia for 2020-2030, <https://mineconomy.am/en/page/1467> (March 2024)



maintaining smart farms, implementing new automation methods, and overseeing technological processes. The use of drones is slowly adopted by farmers for field monitoring. Companies like SkyAgro LLC in Armenia utilize drones for precision agriculture, crop dusting, and monitoring services, contributing to sustainable and efficient crop management. In addition to digital technology-based professions, the emergence of new occupations such as city farmer, agronomist-geneticist, and biohacker is expected to gain relevance in the near future. Existing professions like agro engineers, ecologists, and zootechnicians are anticipated to gain popularity among Armenian companies as the agriculture sector evolves.

Among existing training and development programs the **Green Economy in Eastern Partner Countries (EU4Environment)**⁶⁷ should be mentioned. It encompasses *an online introductory green economy training course, training workshops on Gender Sensitization in Greening the National Industry, and an assessment of investment needs for climate action up to 2030*. Another issue related EU program in Armenia is the **Green Agriculture Initiative in Armenia (EU-GAIA)**,⁶⁸ which involves gender and social mainstreaming and implementing a number of activities, including training programs to ensure equal access to green agriculture for all.

To increase the competitiveness of Armenian SMEs by identifying opportunities for greener growth, better managing environmental risks, and supporting Armenia's natural capital and environment, the Investment Councils of Armenia is currently implementing the **Green Growth for SMEs in Armenia** project. The project addresses 10 growth sectors, including "farm to fork".⁶⁹ Furthermore, under the "**Women Leading in Rural Entrepreneurship in Armenia**" component of the USAID-funded RED-NEO Programme, more than 2300 rural women were trained on Integrated Pest Management, Sustainable Agriculture, Aquaponic, Greenhouse Management, etc (AWHHE, 2024).

⁶⁷ EU4Environment, working in Armenia, <https://www.eu4environment.org/where-we-work/armenia/>

⁶⁸ <https://gaiaarmenia.am/en/> (March 2024)

⁶⁹ IC Armenia is supported by the EBRD and funded by the UK Government's Good Governance Fund <https://icarmenia.am/en> (March 2024)



4.3. Industry/Waste management

Industry is an important driving force of the Armenian economy and a significant part of the national GDP. The largest share in the structure of industrial output pertained to manufacturing – 62.7%. Mining and energy subsectors had respective shares of 24.6% and 12.7% (Armstat, 2022). In this subsector, the food industry had the largest share – 38.9%, followed by beverages and metallurgy – 13.5% and 12.2%, respectively. A significant 9.3% share pertained to tobacco production. Textile industry had only a 2.7% share (Armstat, 2022).

Applying Innovative Technology Improving staff training, business practices and management techniques can bring big increases in energy efficiency. Meanwhile, some manufacturers have also found that investment in innovative technologies can achieve substantial additional benefits from advancing in information technology, science, process control technologies, nanotechnology, etc., to increase energy efficiency through technical innovation (NAM, 2014).⁷⁰

The food industry is one of the fast-growing export-oriented sectors of Armenia, which accounts for about 9% of the annual GDP. The sector includes subsectors: processing and preserving of meat and production of meat products (39%), manufacturing of bakery and farinaceous products (21%), manufacturing of dairy products (12%), and others, including processing and preserving of fruit and vegetables (28%) (Armstat, 2022), which is a very clear indication of possible high participation of the female workforce and other disadvantaged groups of the population in this area.

According to the State statistical service data, female workers comprise 34% of the people involved in industry in Armenia (Armstat, 2023).⁷¹

⁷⁰ <https://www.energy.gov/sites/prod/files/2014/05/f15/energy-nam.pdf>

⁷¹ Employed Population by Major Sectors of Economic Activity, 2022, <https://armstat.am/am/?nid=82&id=2610> (March 2024)



The food industry has the potential to grow by 5% annually, which will significantly increase energy needs, waste management issues, and other environmental challenges. On the other hand, it also means that in order to achieve financial efficiency, the companies will adopt more innovative technologies and AI, which may reduce job availability and place socially vulnerable workers at risk.

Armenia lacks a comprehensive plan to ensure a just transition in this area; however, some attempts are made to include gender and social vulnerability analysis and sensitive approaches in the national roadmaps and plans directed to the creating new jobs within a green transition, for example, in ***the Armenian Textile Industry Development Strategy 2022 – 2026*** (2023)⁷² and a plan to introduce a ***deposit refund system for single-use beverage packaging*** in Armenia. The latter clearly states that “to further support just transition, the DRS should prioritize financial resource allocation, skill development opportunities, and empowerment of female participants. Training and retraining initiatives, as demonstrated by European best practices, should be integral to the ongoing development of the DRS system. Additionally, ensuring access to education and training within the framework of a gender and social inclusion policy becomes crucial for sustained progress” (ICA, 2023).⁷³

Meanwhile, there are several training and development programs offered by private and public organizations to build green transition capacity for industry, waste management as well as face possible challenges in the labor market and entrepreneurship:

- ‘CirculUP!’ project implemented by Impact Hub, which will financially (up to €525000) support start-ups, SMEs and CSOs working towards circularity in Armenia,⁷⁴

⁷² API on Armenia, https://api.icarmenia.am/public/uploads/helpfull_researches/1692966132877.pdf (March 2024)

⁷³ Investment Council Armenia, <https://icarmenia.am/en> (March 2024)

⁷⁴ Impact Hub Yerevan, <https://yerevan.impacthub.net/programs/> (March 2024)



- Programs for training and empowerment of forcibly displaced young people from Artsakh (Nagorno-Karabakh) and women empowerment for sustainable livelihoods,⁷⁵
- “Sustainable Public Procurement (SPP) and eco-labelling” aims at promoting green procurement, development of eco labels and other green actions,⁷⁶
- “Resource Efficient and Cleaner Production (RECP)” project implemented by RECC Caucasus, which supports the businesses interested in promoting resource efficiency and start cleaner production,
- Green Economy online training for Armenia,⁷⁷
- “Waste Reforms in Armenia” project and training program which aims at promoting circularity, sustainability practices, green auditing and other actions among HoReCa representatives,⁷⁸
- “Extended producers’ responsibility and circular economy” project implemented by AmCham NGO, which aims at introducing EPR system in Armenia and partners with the major producers operating in Armenia (including Coca-Cola, Pepsi and others).⁷⁹

4.4. Energy Sector

Given the geographic position and regional geopolitical processes, the energy sector of Armenia has crucial importance for national security. In the energy sector of Armenia, the electricity generation system is crucial. In 2021, the volume of electricity produced in Armenia stood at 7,675 GWh, while the volume of consumption rounded to 6,213 GWh. A major part of the output was produced in thermal power plants which had a share of 44%. Hydro stations and the Armenian Nuclear Power Plant followed with

⁷⁵ Ibid

⁷⁶ Implemented by UNEP, in close cooperation with the Ministry of Environment, and with support from the Regional Environmental Centre for Caucasus in Armenia and Green Transition NGO within the framework of EU4Environment.

⁷⁷ Implemented by American University of Armenia (AUA) Acopian Center for the Environment within the framework of EU4Environment program in Armenia.

⁷⁸ Implemented by Innovative Solutions for Sustainable Development NGO <https://issdngo.com/en/> (March 2024)

⁷⁹ Armenian Chamber of Commerce in America, www.amcham.am (March 2024).



respective shares of 29% and 26%. Other renewable stations, including solar ones, produced the remaining portion. Concerning electricity consumption, the residential sector and industry covered nearly 60% of the total volume (Armstat, 2022).

The EU supports the green transition in Armenia also under the **Economic and Investment Plan (EIP) Flagship Investing in Green Yerevan**. The EU, with investments provided by the Eastern Europe Energy Efficiency and Environment Partnership (E5P), aims to bring energy-efficient solutions to the city of Yerevan. Around 51 kindergartens are being renovated in line with the most up-to-date energy efficiency standards and benefit from the renewable green energy installations. Setting an example for wider society in turning to energy-saving measures, kindergarten renovations will create a safer and more child-friendly environment for the kindergarten's kids, teachers, and staff (EU, 2023).⁸⁰

To make the growth of the sector “greener”, it is necessary to address the issues of resource efficiency and environmental impact, which are related to each other. The prospect of generating new jobs is particularly promising in regions boasting favourable conditions for renewable energy projects, such as solar or wind power installations. Currently, solar stations have only a 1% share. However, by 2030, the Government plans to increase the installed capacity of PVs up to 1,000 MW with 15% solar power in total electricity production (ANIF, 2021).⁸¹

The proliferation of renewable energy and energy-saving initiatives is ushering in a demand for professionals in energy and civil construction, encompassing roles like energy managers, energy auditors, and various engineering positions within the renewable energy sector. It is also obvious that projected capacities of solar power will be supplied not only by large plants, but also small ones established by SME, which will increase the number of available workplaces. Moreover, the organization of production of solar photovoltaic systems for residential and commercial buildings is currently

⁸⁰ The European Union and Armenia #stronger together, Factograph 2023, https://neighbourhood-enlargement.ec.europa.eu/system/files/2022-05/Armenia_factograph.pdf (March 2024)

⁸¹ Armenian National Interests Fund (ANIF) <https://anif.am/2021/10/28/7010> (March 2024).



organized by small businesses and even individual entrepreneurs, which is another opportunity for job creation, also for disadvantaged groups in the population.

Unfortunately, the training system is slow in adapting to the industry's requirements, as energy sector companies hire specialists in related fields. However, to fill the knowledge gap, these companies are providing on-the-job training to equip new employees with the necessary skills and knowledge.

4.5. Smart Mobility

Transport is one of the backbones of the Armenian national economy. The main freight transportation peculiarities are as follows: **Road transport** has about 70% of the market, however in terms of turnover its share is 21%, **rail transport** reported 18% of freight transportation by volume and 16% by turnover, **pipeline transportation** (which is natural gas) has about 12% of volume and 63% of turnover (Armstat, 2022). **Air transport** is used for the transportation of high value goods, its share in total is small; however, its impact on economic growth is critical, especially considering that the country is landlocked. As for public transportation, the **road transport** is the leading mode for passengers; **electric transport** also has a share in passenger transportation, including the Yerevan Metro. Additionally, taxi services operate as small and medium-sized enterprises (SMEs).

The number of personal vehicles has increased significantly in Armenia. There are 850k vehicles registered in Armenia, out of which 726k are personal cars. Nearly 80% of those cars operate on CNG or LPG. Although these fuels are less dangerous than petroleum or diesel, still they emit large volumes of GHG into the atmosphere; thus, the growth of the sector raises green concerns that need to be addressed. Armenia is just starting the transition to electric vehicles. Despite some growth in 2023, the number of electric vehicles is still small in Armenia, with only 6% of passenger transportation turnover (Armstat, 2023).



For just transition, and particularly from the gender equality perspective, it is important to ensure access to public transport and improved working conditions for transport sector employees, as it is, first of all, the possibility to ensure a fundamental right to work, a possibility for entrepreneurship and a decent working environment.

In terms of employment in this area, the national statistical committee indicates that in the transportation sector, employed persons by group of industries are 90.2%, including women 23.4% (Armstat 2022). However, there is a risk of reduction of jobs related to fuel-based vehicles and particularly those related to engine maintenance or repair, which might face changes due to a shift towards electric or alternative fuel vehicles. Meanwhile, some new job and roles within the transport sector may evolve or shift, e.g., to perform electric vehicle maintenance, ensure renewable energy for transport, or support sustainable infrastructure development.

To address possible job losses, some ***new policies on retraining and skills development*** should be designed, such as strengthening vocational education to ensure the transition to new roles and green jobs. These policies should emphasize gender equality and encourage the inclusion of women in traditionally male-dominated sectors within sustainable mobility, such as transportation engineering or technology.

Another solution is to ***encourage investments in new job opportunities*** created by sustainable mobility initiatives, such as developing green infrastructure and expanding public transportation. It is also important for these initiatives to consider gender perspectives and ensure equal opportunities for women in employment, decision-making processes, and leadership roles within the sector.

The educational component implies two levels of study: middle professional and higher professional levels. E-mobility degree students will complete their knowledge of electrical engineering, programming tools and methods, graphic design, compatibility of electrical devices, electric motors and machines, power supply systems, design, construction and operation of electric vehicles, and generation, transmission, processing and storage of electricity. Systems, safety of use of electric vehicles and power systems.



Currently, there is a course on Electromobility within the framework of the **Transport Mechanical Engineering faculty** of the National Polytechnical University of Armenia, which provides not only theoretical knowledge but also practical skills in using modern tools for designing and calculating various mechanisms and systems of electric cars and hybrid cars, implementation of technical inspection and defect diagnosis processes of electric vehicles, licensing, certification and documentation in the field. However, it is not enough to cover the increasing needs in the area.

4.6. Biodiversity

By signing CEPA, the Republic of Armenia agreed to undertake measures geared towards improved protection and sustainable use of biodiversity. This includes review and alignment of the national legislation with the EU standards; preparing an inventory of sites, designation of these sites and establishing priorities for their management; establishing measures required for the conservation of such sites; establishing a system to monitor conservation status of species; and establishing a mechanism to promote education and general information to the public.⁸²

Armenia is in the intersection of two bio-geographical provinces: the Caucasus in the north and Irano-Anatolian in the south. The diversity of climatic and geological conditions results in a great variety of ecosystems that are rich in biodiversity. Furthermore, Armenia has many endemic species, which is quite an unusual concentration for such a relatively small territory. Armenia protects its most valuable natural habitats in 266 protected areas such as national parks, state reserves, natural monuments, and state sanctuaries. In total, protected areas cover more than 13% of Armenia's territory. Armenian biodiversity is facing numerous pressures, both direct and indirect. For example, Lake Sevan represents a special case of Armenian biodiversity. Although protected as a national park, the lake has been under enormous

⁸² Comprehensive and enhanced partnership agreement between the European Union and the European Atomic Energy Community and their member states, of the one part, and the Republic of Armenia, of the other part, https://www.eeas.europa.eu/sites/default/files/eu-armenia_comprehensive_and_enhanced_partnership_agreement_cepa.pdf (March 2024).



pressure from development, illegal fishing, the introduction of invasive alien species, water pollution, overuse of water for irrigation, and various impacts of climate change over the recent decades.

Climate change poses a global challenge, and in Armenia its effects are becoming particularly pronounced and urgent. Healthy, resilient, and diverse ecosystems represent a necessary precondition for implementing successful adaptive measures to secure the prosperity of rural communities. Thus, the existence of some challenges in the area could be a possibility for the introduction of new tools for territorial protection as well as strengthening the management effectiveness of the existing systems and ensuring a better balance between human health and well-being and environmental health and well-being. Currently, the Ministry of Environment has 215 employees, including 29 involved in the Specially Protected Areas of Nature and Biodiversity Policy Department; Bioresource Management Department; and Forest Policy Department. Unfortunately, there is no separate statistics on people employed in the area – the statistical committee publishes general data for the country, which is almost impossible to divide by sectors of human activity.

However, it is obvious that new possibilities may occur due to the green transition process, e.g., due to new waste processing requirements and new approaches to using ecosystem services. There will also be a need for employees with appropriate qualifications in the customs office and other institutions. The Ministry of Economy has launched the development of the draft concept of the green economy transition decree **On Approval of Green and Sustainable Economic Development Strategy** which will describe some solutions in the area.

On the other hand, jobs in agriculture may also be influenced by changes in land use, water management, and agricultural practices aimed at reducing environmental impact.

In order to soften the impact of the situation, there are a number of projects with capacity-building components, including vocational education provided with EU funding and support:



- The three-year ERASMUS+ “Transforming Education for Green and Sustainable Future” program (2023-2026) is aimed at reforming graduate education to enable shift from traditional to future-oriented, green, and interdisciplinary curricula. Newly developed 3 collaborative green educational programs, as well as 9 existing programs will be reprofiled with green modules.⁸³
- “Introduction to Green Economy” online course among civil servants (and other audiences),⁸⁴
- Twinning project “Strengthened protection and sustainable use of biodiversity in Armenia in line with the European standards”. During the project employees of the Ministry of Environment, including deputy ministers, heads of departments; Pas managers, representatives of scientific departments of Pas and other SNCOs under the MoE, as well as representatives of scientific institutions, NGOs and eco-journalists, participated in the experience exchange events.⁸⁵

Among the existing technical and digital resources to support the green transition, the protocol on Pollutant Release and Transfer Register (PRTR) to Aarhus Convention should be mentioned. The major projects regarding biodiversity protection, and nature conservation and improvement of the management of Pas in Armenia are being implemented with the financial support of international funds and organizations. Currently, there are several projects, such as EU4Environment and EU4Climate.

4.7. Zero Pollution

No input the local zero pollution expert.

⁸³ The Ministry of Education, Science, Culture and Sports of the Republic of Armenia, <https://escs.am/en/news/15951> (March 2024)

⁸⁴ The American University of Armenia (AUA) Acopian Center for the Environment, <https://ace.aua.am/projects/green-economy-online-training-for-armenia/> (March 2024)

⁸⁵ Biodiversity in Armenia, <https://biodiversity.am/en/> (April 2024)



4.8. Climate

Due to a combination of political, geographic, and social factors, Armenia is recognized as vulnerable to climate change impacts, ranked 57th out of 181 countries in the 2020 ND-GAIN Index (UND, 2020).⁸⁶ Projections suggest Armenia could experience warming at levels significantly above the global average, with potential warming of 4.7°C by the 2090s. The expected rise in maximum and minimum temperatures are even more significant and represent major threats to human health, livelihoods, and ecosystems. The rise in temperature will also increase drought risk, which is a particular threat to poorer rural communities that are dependent on subsistence agriculture.

As the Caucasus Glaciers will largely disappear over the 21st century, the pressure and dependence on water management infrastructure are also expected to grow significantly. A reduction in both the total arable land and the yield of staple crops threatens food production and efforts to eradicate undernourishment in Armenia (WB, ADB, 2021).⁸⁷ Another possible effect is the exacerbation of income and wealth inequalities and difficulties in reducing poverty rates.

Achieving climate neutrality by 2050 with the plan to further cut emissions by at least 55% by 2030 is a top target for the European Green Deal. Climate change impacts men and women differently due to differences in gender roles, societal norms, and values. Women, who make up most of the poor, generally have lower incomes, less access to credit and decision-making authority, and limited control over resources, which increase their vulnerability in case of emergency and climate impacts. It is crucial to see and understand gender stereotypes in society to introduce/design development programs and projects, as climate change efforts can be more effective when gender issues are considered and addressed. For instance, Forest resilience related that aim enhancing adaptation and rural green growth via mitigation needs to be gender mainstreamed to ensure equal participation of both women and men in the project processes and, at the same time, to increase opportunities for women and women

⁸⁶ University of Notre Dame (2019). Notre Dame Global Adaptation Initiative. <https://gain.nd.edu/our-work/country-index/> (March 2024)

⁸⁷ World Bank, Asia Development Bank, CLIMATE RISK COUNTRY PROFILE: ARMENIA, 2021 <https://www.adb.org/sites/default/files/publication/709836/climate-risk-country-profile-armenia.pdf> (March 2024)



headed households to be reached by the project and involved as agents of change as well as beneficiaries. For example, the ***Forest resilience of Armenia, enhancing adaptation and rural green growth via mitigation*** project supported by GCF implemented by FAO and the Government of Armenia, has a special **Action plan on Gender and Social safeguards** to be implemented alongside the project. The plan also envisages a number of professional training and retraining sessions for men and women, an increase in female community roles in the Lori and Syunik regions of Armenia, as well as professional education opportunities for youth⁸⁸.

Climate change interventions can also provide opportunities to empower women – recognizing women's role in some agricultural value chains as well as their capacities of women community activists. Incorporating gender considerations into climate change and disaster risk reduction approaches can *inter alia*, improve women's and their families' resilience to climate change.

4.9. Transition Finance

One of the main documents advising the national adaptation plan is the Government protocol decree⁸⁹ No: 41 (2015) on "Planned Actions Defined at the National Level of Armenia under the UN Framework Convention on Climate Change". According to this document, adaptation actions are based on climate change-vulnerable areas as follows: (a) natural ecosystems, water and land including forest ecosystems and their diversity and soil cover; (b) human health; (c) water (d) agriculture, including fisheries and forestry; (e) energy; (f) settlements and infrastructure; and (g) tourism. In addition, the statement saying that "**climate mitigation activities must not lead to social and economic downturn but must conduce to socio-economic development of Armenia and that the core of that development must be an ecosystem approach**" is also set forth there. **According to the decree**, two sources for funding

⁸⁸ Green Climate Fund: <https://www.greenclimate.fund/project/sap014> (March 2024)

⁸⁹ President of the Republic of Armenia, https://www.e-gov.am/u_files/file/decrees/arc_voroshum/2015/09/41-11ardz_voroshum.pdf (March 2024)



climate mitigation and adaptation measures are considered. The first one in the form of a **domestic climate civil revolving investment fund**, which is replenished on a permanent basis from the funds of nature taxes/duties and payments for the use of ecosystem services, including climate resources (carbon taxing). The second is based on the **foreign and donor organizations and climate related funds**. However, *the domestic climate fund* has not been yet established.

In terms of funding for Just transition approaches and principles, the situation is the same so far it is mainly foreign and donor funding providing support for Just transition area.

In 2023 the Republic of Armenia and the International Bank for Reconstruction and Development signed a loan agreement⁹⁰ in the amount of EUR 92.3 million for the purpose of providing financing in support of programs, which include programs envisioned by the Government decrees N 398-L (2022)⁹¹ and N 520-L(2022)⁹². All the programs supported by this loan agreement are in three directions: a) Fostering climate change mitigation and adaptation and improving the regulatory framework for environmental management; b) Enhancing equity and promoting human capital development; c) Strengthening the anti-corruption framework and justice sector efficiency.

The second direction on **Enhancing equity and promoting human capital development** *envision also* Improvement of social assistance and learning outcomes in the education system and is in connection with the Government's 2021-2026 Action plan: Improving the standard of living and social condition of citizens and increasing the quality of provided social services (Goal 8), which is an obligation of the Ministry of Labor and Social Affairs. The achievement of this goal is also supported through the World Bank loan in the amount of AMD 1,424.7 million (EUR⁹³ 2.5 M) and co-funded from the state budget in the amount of AMD 326.7 M (EUR 0.5 M). With this loan it was

⁹⁰ Source: http://www.parliament.am/draft_docs8/K-605_hamadzaynagir.pdf (March 2024)

⁹¹ The RA Government decree N 398-L, is on *Energy Saving and Renewable Energy Sources Program for 2022-2030*.

⁹² The RA Government decree N 520-L, is for *State Support Programme for Energy-Efficient Renovation of Apartments and Private Houses*.

⁹³ The AMD-EUR exchange rate of 574.79 has been applied, which is the rate used in the 2021 state budget plan.



envisioned also to support the financial inclusion as “a key enabler to reduce extreme poverty and boost shared prosperity. Being able to have access to a transaction account is a first step toward broader financial inclusion since a transaction account allows people to store money, send and receive payments” (World Bank Group, 2022).⁹⁴

The means of access to finance and financial services have been changing – the use of traditional bank branches and ATMs was declining, and meanwhile mobile banking access points and mobile and internet banking transactions have been rising. In Armenia, the number of registered mobile money accounts per 1,000 adults in 2022 was 868, and the number of mobile money transactions per 1,000 adults also rose considerably in 2022 by getting to 39,017.6 transactions versus 30,863.1 transactions in 2021.⁹⁵

The Government of Armenia allocates some funds from the state budget for the projects and initiatives that could be somehow associated with a just transition. The overall State Budget for the social protection for 2024 is around AMD 618 B, for Education is around AMD 212B, and for Nature Protection is around AMD 9 B.

Table 9. The expenditures for issue-related programs implemented by state structures in 2023.

Project title	Amount/ thousands AMD
• Support for disadvantaged social groups	33,408,727.3
• Provision of social packages	10,619,496.0
• Environmental impact assessment and monitoring	2,103,488.8
• Social investment and local development program	6,258,541.1
• Agriculture promotion program	19,586,149.3
• High-tech industry, ecosystem, digitization and market development program	8,736,576.3

⁹⁴ The World Bank, <https://www.worldbank.org/en/topic/financialinclusion/overview> (March 2024)

⁹⁵ The source of the numbers Financial Access Survey (2023), the International Monetary Fund: Link:



• Primary (vocational) and secondary professional education	14,807,734.6
• Development of state policy in the field of environment, program coordination and monitoring	1,299,686.4
• Social support in case of unemployment	20,571,864.1
• Rehabilitation and development of rural infrastructure	633,913.2
• Employment program	1,910,610.8
• Pension security	422,304,770.0
• Higher and post-graduate professional education program	14,044,714.1
• Youth program	2,230,353.7
• Development, coordination and monitoring of the state policy in the field of education, science, culture and sports	2,025,936.7
• Training of civil servants	10,023.2
• Implementation of environmental programs in communities	602,373.8
• Support for infrastructure and rural finance	626,176.4
• Support for families, women and children	4,761,726.8
• Professional training and qualification improvement	10,800.0
• Social protection sector development program	128,341.6
• Support for persons with disabilities	2,227,456.8

However, the Government of Armenia needs to develop specific policies and funding mechanisms to reflect its commitments regarding climate mitigation activities in the social impact context and to be able to implement the goals and objectives set forth in the State and International documents on climate change mitigation.

4.10. Digitalisation

In terms of policy documents, laws and regulations related to the role of digitalization in green and just transition, Armenia has several key policy documents and strategies that address aspects of a just transition with a focus on digitalization, including the



Strategic Program of Prospective Development 2014-2025 emphasising climate change mitigation and emissions reduction; National Program on Energy Saving and Renewable Energy for 2022 to 2030 that includes measures to enhance energy efficiency and promote renewable energy; National Adaptation Plan and List of Measures for 2021-2025 addressing climate adaptation needs; Updated Nationally Determined Contribution (NDC) 2021-2030 setting targets for reducing greenhouse gas emissions; Draft Low Emission Development Strategy (LT-LEDS) of Armenia (2023) aiming to establish a low-emission development pathway and the Draft Concept for Climate Law of Armenia (2023) seeking to create a comprehensive legal framework for climate action.

Regarding vulnerable sectors two areas were pointed out as priority areas:

agriculture, where digital tools and precision farming can help mitigate climate impacts and improve productivity, and **energy**, where smart grid technologies and renewable energy management systems require advanced digital skills.

There is a growing awareness and acceptance among Armenian communities of the need for green and digital transition, driven by educational campaigns and initial government initiatives. However, further efforts are needed to engage all societal groups. Rural and marginalized communities, especially, **can be considered vulnerable communities that need improved digital access to participate fairly and fully in the green transition.** Community engagement is essential for a successful just transition, and the current level of engagement for green and digital initiatives could be improved. For example, local NGOs and community groups have been active in promoting renewable energy projects and environmental conservation efforts.

Regarding challenges, the digital divide is a major problem, along with the lacking infrastructure. A significant digital divide between urban and rural areas hinders equitable access to digital tools and services. Furthermore, many sectors lack the necessary digital skills, requiring targeted training and education programs. Higher investment in digital infrastructure, especially in remote areas, is crucial for ensuring everyone benefits from the green transition.



In terms of the policy situation, there is a need for better integration of digitalization policies with environmental and social policies to create a coherent framework for just transition. Recommendations:

- enhancing digital education and training by developing comprehensive digital literacy programs targeting vulnerable and marginalized groups.
- investing in digital infrastructure by prioritizing investments in digital infrastructure in rural and underserved areas.
- promoting inclusive policymaking by ensuring that digitalization and environmental policies are developed through inclusive processes involving all stakeholders.
- supporting community-led initiatives by encouraging and funding community-led green and digital projects to foster local engagement and ownership.
- strengthening data collection and monitoring by improving data collection on digitalization and its impact on green transition to inform policy decisions.

4.11. Research and Innovation

The country had a significant role in the Research and Innovation (R&I) system of the Soviet Union, so independent Armenia inherited quite a ramified and developed network of research and education institutions distributed across the National Academy of Science, the universities, and the enterprise sector. While the consolidation of the public research sector is a process that will take time, addressing three challenges, namely the evaluation of the performance of the public research organisations, the distribution of funding based on their performance, and closing the gap between research and education, is seen by the Armenian authorities as critical steps to be undertaken to tackle some of the most negative impacts of the transition.



R&I plays a critical role in facilitating a just transition by driving the development of sustainable technologies and practices that help to balance economic growth, environmental protection, and social equity. By promoting interdisciplinary research and cross-sector collaboration, R&I helps to create pathways for sustainable development that are socially inclusive and environmentally sound. This is crucial for achieving a just transition, as it ensures that the benefits of green technologies and sustainable practices are shared widely, reducing inequalities and enhancing social justice.

Armenia has been included in the **European Neighbourhood Policy** (ENP) since 2004 and as a partner country in the Eastern Partnership (EaP) since 2009. Negotiations for Armenia's participation in the EU's Research and Innovation programme, Horizon 2020, were concluded in 2015. Armenia became a fully associated member to Horizon Europe in February 2022 after the Association Agreement had been signed. Currently, Armenia has been working on the recommendations of the 2015 Policy Mix Peer Review of research and innovation, conducted through the 7th Framework Programme (FP7) to advance the modernisation and competitiveness of its research system. Moreover, Armenia requested specific support from the Horizon 2020 Policy Support Facility (PSF), which started in April 2019 (Horizon 2020).⁹⁶

For Armenia, the key document related to Just Transition is the **Paris Agreement**, ratified by Armenia in 2017. Article 7 of the Agreement states that adaptation should follow a gender-responsive, participatory approach, taking into consideration vulnerable groups, communities, and ecosystems, and should be based on the best available science.⁹⁷

⁹⁶ European Commission, Research and innovation, Armenian subpage, https://research-and-innovation.ec.europa.eu/strategy/strategy-2020-2024/europe-world/international-cooperation/association-horizon-europe/armenia_en (March 2024)

⁹⁷ Paris Agreement (2016). Available at: [https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:22016A1019\(01\)](https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:22016A1019(01)) (May 2024).



In addition, the just transition principles have recently been incorporated into Armenia's sectoral strategies. The **“Program on Energy Saving and Renewable Energy 2022-2030”** (subsection 3.3.1)⁹⁸ focuses on addressing energy poverty and improving energy efficiency for low-income households. This is inherently connected to R&I, as it implies the development of cost-effective, energy-efficient technologies that can be deployed in low-income households as well as the development of innovative financing mechanisms that can make it easier for low-income households to invest in energy efficiency improvements without bearing the burden of high initial costs.

The **“Program for Climate Change Adaptation in the Water Resources Sector for 2022-2026”** (section 2)⁹⁹ references just transition concepts, particularly in its focus on addressing vulnerabilities and ensuring equitable access to resources and opportunities. Specifically, it considers the vulnerabilities of different communities, such as those without adequate access to drinking water, emphasizes participatory processes, includes gender considerations in water resource management, promotes gender-responsive adaptation measures, and highlights the connection between climate vulnerability and social equity. R&I plays a crucial role in underpinning these aspects of just transition by providing the knowledge base and technological solutions necessary to create equitable and effective adaptation strategies.

Armenia's expenditures on R&I slightly increased in 2022, comprising 0.26% of GDP and about 1% of the state budget's total expenditures. In terms of actors, there are a number of research institutions, think tanks, foundations and even NGOs involved in research and innovation projects in Armenia. Projects from Armenia received¹⁰⁰ about EUR 12 million in funding under EU's Research and Innovation program. It is hard to filter the projects and research for inclusion of just transition, but the following organizations could be affiliated with the topic:

⁹⁸ Government of the RA (2023) *Program on Energy Saving and Renewable Energy 2022-2030*. Available at: <https://www.arlis.am/DocumentView.aspx?docid=187739> (May 2024).

⁹⁹ Government of the RA (2022) *Program for Climate Change Adaptation in the Water Resources Sector for 2022-2026*. Available at: <https://www.arlis.am/DocumentView.aspx?docid=188853> (May 2024).

¹⁰⁰ R&I country profile, https://dashboard.tech.ec.europa.eu/qs_digit_dashboard_mt/public/sense/app/1213b8cd-3ebe-4730-b0f5-fa4e326df2e2/sheet/0c8af38b-b73c-4da2-ba41-73ea34ab7ac4/state/analysis (March 2024).



- American University of Armenia Foundation
- Armenian Agricultural Academy
- Armenian Research and Educational Networking Association
- Bioecomед NGO
- Biotechnology Research Institute of Ministry of Industry of Armenia
- Center For Ecological-Noosphere Studies National Academy of Sciences of the Republic of Armenia
- Educational and Cultural Bridges NGO
- Energy Strategy Centre Yerevan
- Engineering Academy of Armenia NGO
- H2 ECONOMY CJSC
- Infoservice Co. Ltd
- Institute for Informatics and Automation Problems of the National Academy of Sciences of Armenia
- Institute for Physical Research of National Academy of Sciences of Armenia
- Institute of Radio physics and Electronics - State Academy of Sciences of Armenia
- International Center for Agribusiness Research and Education Foundation
- Investment Support Center
- National Academy of Sciences of the Republic of Armenia
- Scientific And Innovation Partnership Assistance Center
- Scientific Research Institute of Energy CJSC
- Sociological Research Center
- State Committee of Science of the Republic of Armenia
- Yerevan Physics Institute - Ministry of Industry of the Republic of Armenia
- Yerevan State University Foundation.



A few research projects have also been implemented within the framework of the green agenda and climate change adaptation, funded by UN Agencies and the Green Climate Fund. These projects cover, inter alia, gender equality and social equity (GCF 2023).¹⁰¹

Thus, R&I is vital in facilitating Armenia's just transition by driving the development of sustainable technologies and practices that balance economic growth, environmental protection, and social equity. This is reflected in key programs and strategies focusing on energy efficiency for low-income households and climate change adaptation in the water resources sector.

¹⁰¹ Green Climate Fund, <https://www.greenclimate.fund> (April 2024).



5. Executive summary

The Green Agenda for Georgia, Ukraine, Moldova and Armenia project aims to assist the EU Eastern Partnership countries in moving towards climate neutrality through a green transition. This report maps Armenian just transition-related capacity and fitness by giving an overview of the current state and trends, key stakeholders and gaps related to the policy framework and implementation, and institutional and non-governance capacity by focusing on the main issues in European Green Deal (EGD) related thematic areas.

5.1. Current state of green transition

Just transition to a green economy is a relatively new topic for Armenia. The concept is not well-known or integrated into policies, as the meaning of just transition remains vague for most decision makers. Armenia also lacks a comprehensive baseline study on just transition needs as well as reliable data and statistics regarding gender equality, future job market developments, and other aspects related to a just green transition. Even if some national-level documents mention the plan to create new jobs during the green transition, there is no specific data on job loss or on new job creation and public investments in the area.

Armenia's main constraints include poor local climate adaptation plans and a lack of understanding of cross-cutting issues connected to the effective use of human resources, professional education, employment and business opportunities, and gender and social equity issues.

In terms of Armenian alignment to EGD objectives regarding just transition (JT), there is a number of documents like the National Strategy on Disaster Risk Management (2017), National Action Programme of Adaptation to Climate Change (2021), Program on Energy Saving and Renewable Energy for 2022-2030, and Water Sector Adaptation Plan (2022) that reflect on JT issues to some extent. However, the lack of a systemic approach and understanding minimizes efforts in this area, thus challenging overall



progress. More substantial efforts are required to promote the JT agenda at the high level of decision-makers as well as different levels of implementation. Although the EU legal framework has been transposed in a suitable way relative to the EGD in the **EU-Armenia Comprehensive and Enhanced Partnership Agreement (CEPA)**, the implementation was slowed down due to the global COVID-19 pandemic and the hostilities in and around Nagorno-Karabakh starting in 2020, followed by the blockade of Lachin corridor and the influx of 100,000 refugees to Armenia, which created a humanitarian crisis and affected political stability (EU, 2021).¹⁰²

Regarding indicators measuring progress towards just transition, there is no data available for a significant number of key indicators for JT subtopics related to employment (creation of new jobs, including highly skilled jobs), re- and upskilling (public commitments by companies), education (number of ESG, EGD related courses/students in higher education or vocational training programs), vulnerable areas (exposure to environmental risk zones, including flooding, landslides, and air pollution), accessibility (access to green spaces, public transport, etc.), and affordability (measures for providing affordable housing). While it is positive that the percentage of women in power has grown nearly 25% between 2018 and 2022, at the same time, the gender pay gap has also grown by 4%.

The correlation between gender imbalance and the country's competitiveness and ability to face different challenges related to climate change is reflected through the **Global Gender Gap Index (GGGI)**, which annually benchmarks the current state and evolution of gender parity across four key dimensions (Economic Participation and Opportunity, Educational Attainment, Health and Survival, and Political Empowerment). **In 2023, GGGI ranked Armenia in the 61st place among 146 countries** (WEF, GGGR, 2023).¹⁰³ According to the **Human Development Index (HDI)** (UNDP, HDR, 2022), which is a summary measure for assessing long-term progress in three basic

¹⁰² EU CEPA, Multiannual Indicative Programme 2021-2027 for Armenia, 2021, https://neighbourhood-enlargement.ec.europa.eu/document/download/151aae61-d6b4-45cb-992b-38edce55b33f_en (May 2024).

¹⁰³ World Economic Forum, Global Gender Gap Report 2023, https://www3.weforum.org/docs/WEF_GGGR_2023.pdf (March 2024)



dimensions of human development, including a long and healthy life, access to knowledge, and a decent standard of living, **Armenia's HDI value for 2021 was 0.759**, putting the country in the high human development category positioning it at 85 out of 191 countries and territories.

Population welfare dynamics are evaluated based on the accessibility of health, education, social services, protection measures, employment, and overall economic development rates. At the same time, the main way to overcome non-material poverty is to use just transition tools – upgrade access to educational, health care, and social services through better targeting of free assistance and building capacity to benefit from paid services. Even though several legal acts in the Republic of Armenia propose solutions for poverty and social inclusion issues, the social implications of the green transition are not sufficiently addressed.

The EGD acts as a strategy for the establishment of just and wealthy communities as well as a green economy through achieving climate neutrality, enhancing the protection of human life, animals, and plants, supporting business communities, and determining the just and inclusive segments of green and digital transition (EC, 2019). To support just transition, Armenia still needs to invest in sustainable employment, vocational education, and a strong social protection system.

Table 10 provides a brief description of the just transition mechanism within the EGD investment plan, as well as enabling conditions to achieve EGD goals, main gaps, needs and considerations:

Table 10. Summary of the just transition mechanism within the EGD investment plan and an assessment for Armenia.

Topic	Just Transition
EGD Objectives and Targets	The European Green Deal Investment Plan encompasses a Just Transition Mechanism to facilitate the green transition of territories in the EU that



	<p>are currently hosting CO₂-intensive industries and are thus most affected by the transition and making sure that no one is left behind (Invest EU)¹⁰⁴.</p> <p>The Just Transition Mechanism consists of 3 components:</p> <ul style="list-style-type: none">• The Just Transition Fund• The Just Transition Scheme under InvestEU• The public sector loan facility implemented by the European Investment Bank
Relevant EGD indicators	<p>Just Transition Mechanism will support¹⁰⁵ people and citizens by</p> <ul style="list-style-type: none">• facilitating employment opportunities in new sectors and those in transition• offering re-skilling opportunities• improving energy-efficient housing• investing to fight energy poverty• facilitating access to clean, affordable and secure energy <p>Companies and sectors, by</p> <ul style="list-style-type: none">• supporting the transition to low-carbon technologies and economic diversification based on climate-resilient investments and jobs• creating attractive conditions for public and private investors• providing easier access to loans and financial support• investing in the creation of new firms, SMEs and start-ups• investing in research and innovation activities <p>Member States and regions, by</p> <ul style="list-style-type: none">• supporting the transition to low-carbon and climate-resilient activities• creating new jobs in the green economy

¹⁰⁴ Invest EU program on just transition into green economy: https://investeu.europa.eu/contribution-green-deal-and-just-transition-scheme_en#:~:text=The%20European%20Green%20Deal%20Investment%20Plan%20encompasses%20a%20just%20Transition,The%20Just%20Transition%20Fund (March 2024)

¹⁰⁵ European commission, European Green Deal https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/european-green-deal/finance-and-green-deal/just-transition-mechanism_en (March 2024)



	<ul style="list-style-type: none">• investing in public and sustainable transport• providing technical assistance• investing in renewable energy sources• improving digital connectivity• providing affordable loans to local public authorities• improving energy infrastructure, district heating and transportation networks.
Assessment (relevant country indicators/level of achievement)	<p>EU-Armenia relations are based on the EU-Armenia Comprehensive and Enhanced Partnership Agreement (CEPA), which fully entered into force in 2021. European approximation, economic integration and respect for common values are promoted and supported by the multiannual Indicative Programme 2021-2027¹⁰⁶ as well as with Armenian commitments under the Paris Agreement, including Armenia's Nationally Determined Contribution 2021-2030.¹⁰⁷ Among the indicators to be used to evaluate the level of achievement in Just transition area are those on:</p> <ul style="list-style-type: none">• Developing human capital and supporting modernisation of education;• Enhancing resilience of Armenia's regions and promoting balanced, sustainable regional development;• Increasing social inclusiveness through equitable access to public services and facilitating socio-economic (re)integration.

Priority thematic areas to support for ensuring just transition in Armenia

Below, a short discussion of the key thematic areas covered by the GUMA project according to their estimated importance for Armenian national economic development, climate change adaptation and just transition processes is provided. The building and renovation sector generates a large share of economic growth and is of utmost importance for climate change adaptation, which is why this is considered first.

¹⁰⁶ EU CEPA, Multiannual Indicative Programme 2021-2027 for Armenia, 2021, https://neighbourhood-enlargement.ec.europa.eu/document/download/151aae61-d6b4-45cb-992b-38edce55b33f_en (March 2024)

¹⁰⁷ United Nations Climate Change, Nationally Determined Contributions Registry, <https://www4.unfccc.int/sites/ndcstaging/PublishedDocuments/Armenia%20First/NDC%20of%20Republic%20of%20Armenia%20%202021-2030.pdf> (March 2024)



Agriculture is a major pillar of the current Armenian economy and has a priority status both in terms of economic as well as regional (marz) development. The other priority areas include energy and climate action, industry, smart mobility and biodiversity. In addition, all cross-cutting areas including R&I, transition finance and digitalization play a central role in supporting capacity building, awareness raising and political will for prioritizing a just green transition, facilitating equal access to services, jobs, training opportunities and innovative solutions.

Building and renovation sector: just transition seeks to reduce energy poverty and address the disparities in accessing energy efficient buildings and their environmental, socio-economic, and health benefits. The construction sector has always been one of the most important sectors of the Armenian economy, ensuring a large share of economic growth. Growth in this sector provides the opportunity to create new jobs. Renovations for meeting the energy efficiency standards could be beneficial in terms of reducing energy poverty and improving the health and well-being of residents. For policymakers, improving the energy efficiency of residential buildings is a priority, alongside public buildings, which offer significant potential for efficiency gains. Furthermore, energy efficiency programmes for public buildings can stimulate markets for energy efficiency services that can then be used also in the residential subsector. Existing policies do not prohibit or block inclusive hiring practices; thus nominally, women and men have equal opportunities for employment in construction and renovation projects, which does not translate to practice. The existing policies do not directly mitigate job loss; however, some policies and documents emphasize training programs to ensure that local communities have the skills needed to participate in the workforce.

Agricultural sector: Agricultural development is of key importance to human well-being and has major implications for the environment. Agriculture is the largest employment area in Armenia, employing around 34% of the people. 45% of them are women, which makes women very important participants in agricultural development



(Armstat, 2023). The main document establishing government objectives, priorities and strategy for the development of agriculture, agro food production and related businesses is the *Strategy of the Main Directions Ensuring Economic Development in the Agricultural Sector of the Republic of Armenia for 2020-2030*. The strategy outlines the key priorities of the agricultural policy of Armenia but does not include a socially inclusive or any gender sensitive approach, measure, action or even indicator in the strategy or its action plan. The implementation of IT solutions, including artificial intelligence (AI), in sustainable farming, could be an opportunity for generating new jobs, but it can also be a challenging factor in green transition, especially for small-scale farmers, female-led businesses and persons with disabilities. Thus, training and development programs as well as proper assessments and feasibility studies for appropriate public health, food and nutrition security standards and supply chain competitiveness are needed to evaluate the situation and take smart steps ahead.

Industry/Waste management: Industry is an important driving force of the Armenian economy, forming a significant part of the national GDP. Applying innovative technology and improving staff training, business practices and management techniques can bring big increases in energy efficiency. Meanwhile, some manufacturers have also found that investment in innovative technologies can achieve substantial additional benefits from advancing in information technology, sciences, technology control processes, nanotechnology, etc., to increase energy efficiency through technical innovation (NAM, 2014). Armenia lacks a comprehensive plan to ensure just industrial transition, however, some attempts are made to include social vulnerability analysis and sensitive approaches in the National roadmaps and plans aimed at creating new jobs within the green transition, for example in ***Armenian Textile Industry Development Strategy 2022–2026*** and a plan the introduction of the ***deposit refund system for single-use beverage packaging*** in Armenia. Among the current needs, a special, market-based vocational education and training as well as endangered business development plans and approaches should be mentioned.



Energy: Given the geographic location and regional geopolitical processes, the energy sector in Armenia has crucial importance for national security and people's well-being. To green the sector, it is necessary to address the issues of resource efficiency and environmental impact. The prospect of generating new jobs is particularly promising in regions boasting favourable conditions for renewable energy projects, such as solar or wind power installations. This will certainly increase the demand for professionals in energy and civil construction sectors, in jobs like energy managers, energy auditors, and various engineering positions within the renewable energy sector. It is obvious that projected capacities of solar power will be supplied not only by large plants but also by SMEs, which will definitely increase the number of available workplaces. Moreover, the production of solar photovoltaic systems for residential and commercial buildings is currently organized by small businesses and even individual entrepreneurs, which is another opportunity for job creation, particularly for disadvantaged social groups.

Climate Action: Projections suggest Armenia could experience warming at levels significantly above the global average, with potential warming of 4.7°C by the 2090s. Due to a combination of political, geographical, and social factors, Armenia is recognized as vulnerable to climate change impacts, ranked 57th out of 181 countries in the 2020 ND-GAIN Index (UND, 2020).¹⁰⁸ The expected rise in maximum and minimum temperatures is even more significant and represents a major threat to human health, livelihoods, and ecosystems. The temperature rise will also increase drought risk, a particular threat to poorer rural communities depending on subsistence agriculture. As the Caucasus Glaciers will largely disappear over the 21st century, the pressure and dependence on water management infrastructure are also expected to grow significantly. A reduction in total arable land and the yield of staple crops threaten food production and efforts to eradicate undernourishment in Armenia (WB,

¹⁰⁸ University of Notre Dame (2019). Notre Dame Global Adaptation Initiative. <https://gain.nd.edu/our-work/country-index/> (March 2024).



ADB, 2021).¹⁰⁹ Another possible impact is the exacerbation of income and wealth inequalities leading to difficulties in reducing poverty. Climate change impacts men and women differently due to differences in their gender roles, societal norms and values. It is crucial to understand and consider societal gender images when mainstreaming development programs and projects, as climate change efforts can be more effective when gender and social peculiarities are considered. For instance, forest resilience projects are needed in the Lori and Suinik regions, and it is crucial to implement social and gender mainstreaming of these actions to ensure equal participation of women and men in the project processes and increase opportunities for women and women-headed households to be reached by the project and involved as change agents and beneficiaries. Climate change interventions can also provide opportunities to empower women, e.g., by recognizing women's role in agricultural value chains or the impact of female community activists. Incorporating gender considerations into climate change and disaster risk reduction approaches contributes to community resilience and helps to move towards just transition.

Biodiversity: Climate change poses a global challenge, and the risks for Armenia are particularly pronounced and urgent. Healthy, resilient, and diverse ecosystems represent a necessary precondition for implementing successful adaptive measures to secure the prosperity of urban and especially rural communities. Current challenges could pose a possibility of introducing new tools for territorial protection as well as strengthening the management effectiveness of the existing systems. New possibilities will occur due to the green transition process, e.g., there will be a need for employees with appropriate qualifications in the customs office and other institutions. Jobs in forestry and aquaculture areas may also be influenced by changes in land use, water management, and agricultural practices aimed at reducing environmental impact. To soften the impact of the situation, there is a need for extensive capacity building and

¹⁰⁹ World Bank, Asia Development Bank, CLIMATE RISK COUNTRY PROFILE: ARMENIA, 2021
<https://www.adb.org/sites/default/files/publication/709836/climate-risk-country-profile-armenia.pdf> (April 2024).



vocational education programs as well as sensitization of the legal/regulatory environment and increasing public allocations to support just transition in the area.

Smart Mobility: Transport is one of the backbones of the Armenian economy, with road transport (covering 70% of the market), rail transport (18%), and pipeline transportation (12%), as well as air transportation, which has a small share but is nonetheless crucial for the economy. As for public transportation, road transport is the leading mode for passengers; also electric transport has a small share of passenger transportation (e.g., Yerevan Metro). For just transition it is important to ensure access to public transport and improved working conditions for transport sector employees to ensure the fundamental right to work, the possibility for entrepreneurship and a decent working environment. In terms of employment, there is a risk of reduction of jobs related to fuel-based vehicles and particularly those related to engine maintenance or repair, which might face changes due to a shift towards electric or alternative fuel vehicles. Meanwhile, some new jobs and roles within the transport sector may evolve, e.g., to perform electric vehicle maintenance, ensure renewable energy for transport, or support sustainable infrastructure development. In order to address possible job losses, some new policies on retraining and skills development, as well as to encourage investments in new job opportunities, should be designed. These should emphasize gender equality and encourage the inclusion of women in traditionally male-dominated sectors within sustainable mobility, such as transportation engineering or technology.

5.2. Summary of the gap assessment

Table 11 below sums up the main findings of this report, including the enabling conditions, gaps, and needs to support a just green transition in Armenia as identified in this report.

Table 11. Summary of main enabling conditions, gaps and needs.



Main elements	EU Strategic framework and Acquis (policy and legal readiness), section 3.1
Enabling conditions	<p>Just transition issues are covered to some extent in several strategic documents.</p> <p>The Republic of Armenia has adopted almost all transition-related international treaties and documents. The Government is committed to developing this field further.</p> <p>The transposition processes are envisioned and regulated by the EU-Armenia Comprehensive and Enhanced Partnership Agreement (CEPA) and are in line with other international commitments in the field.</p> <p>In 2019, the Armenian Government adopted the Resolution “On Approving the Strategy and Action Plan for Gender Policy Implementation in the Republic of Armenia 2019-2023”. The Government is in the process of developing the Gender Strategy and Action plan for 2024-2026, and the climate change section has been envisioned there.</p>
Key gaps	<p>There is a lack of understanding of JT, and a systemic approach is missing in addressing JT issues.</p> <p>The process of adapting the EU legal framework was slowed down due to the global COVID-19 pandemic and the hostilities in and around Nagorno-Karabakh starting in 2020, which created a humanitarian crisis and affected political stability.</p> <p>There are gaps in the process of SDG implementation. The efforts need to be doubled to overcome the general challenges, such as lack of legislation concerning equality, mitigation and adaptation to climate change, energy diversification and sustainable use of natural resources, and judicial reform.</p> <p>Social protection legislation and programs in Armenia do not reflect the implications of climate change.</p>



Needs	<p>More substantial efforts are required to raise awareness of the just transition agenda and to build the capacity of decision-makers at different levels.</p> <p>A number of partnership projects under implementation as well as CEPA processes require political will and commitment for implementation to result in the development of relevant national policies paying more attention to just transition issues.</p> <p>There's a need to reform the graduate/university education in Armenia to support the Green Deal implementation and enable the shift from traditional to future-oriented, green, and interdisciplinary curricula.</p>
Instruments for policy implementation (implementation readiness), section 3.2	
Enabling conditions	<p>A wide range of social protection policies and programs exist in Armenia.</p> <p>Vocational training, as well as some labour market support programs are funded by the state budget and supported by a number of international organizations.</p> <p>The implementation of Armenia's commitments in the field of just transitions is supported by some political will.</p> <p>Some social protection and training programs are covered by the state budget</p>
Key gaps	<p>Impact assessment mechanisms are still weak and not well established.</p> <p>Existing economic and regulatory instruments do not provide the opportunity to establish a well-functioning mechanism for the realization and evaluation of JT improvements.</p> <p>The link between vocational training and labour market support programs and just transition has not been utilized.</p> <p>Existing human resources and capacities are not sufficient to implement a just green transition in Armenia.</p>



	<p>The social protection system in Armenia does not reflect the implications of climate change and thus does not provide a possibility to improve the situation.</p> <p>Despite the VET sector reform, the retraining and knowledge upscaling opportunities are limited and not widely distributed.</p> <p>Existing economic instruments have low efficiency. The initiatives implemented in Armenia lack direct links to just transition policies and approaches.</p>
Needs	<p>Systematic impact assessment mechanisms need to be established.</p> <p>Human resources and capacities need to be developed, which requires educational reform to ensure that the educational and VET programs also include JT issues in curricula and are more in number and more easily accessible.</p> <p>The social protection system needs to integrate the climate change agenda to address JT issues.</p> <p>More national funding is needed for the labor market and business support, particularly for women's empowerment, since currently, it is mainly coming from international partners.</p>
Financial capacity (implementation/financial readiness), section 3.2.2	
Enabling conditions	<p>Donors and international organizations are making efforts to mitigate climate change in Armenia. For example, the International Bank for Reconstruction and Development provided a loan of EUR 92.3 M to support programs that promote gender equality and social equity.</p> <p>The World Bank and the RoA support the State Program's goal of improving the standard of living and social conditions of citizens and increasing the quality of social services provided. Among measures envisioned for energy efficiency in Armenia are special tariffs for:</p> <ul style="list-style-type: none"> • Social insecure families: in case the consumption is less than 600m³ /year



	<ul style="list-style-type: none"> • Greenhouses in the agricultural sector: during the period of November 1 - March 31 • Agricultural processing.
Key gaps	<p>Funding for just transition-related activities is not specialized, targeted or sustainable.</p> <p>At least 30% of the population in the country can be considered energy poor, i.e. they have to spend more than 50% of their total family income on energy and heating.</p> <p>Public expenditure on education is low. It ranged from 3.2% of GDP in 2010 to 2.8% in 2021.</p>
Needs	<p>Establishing a gender- and socially responsive budget for just transition purposes is crucial.</p> <p>Special and targeted allocations for the national programs in this area are needed.</p>
Public capacity (institutional capacity, effectiveness and efficiency, implementation readiness), section 3.3	
Enabling conditions	<p>Almost all the just transition-related stakeholder engagement processes are open, transparent and participatory.</p>
Key gaps	<p>There is no clear division of roles and responsibilities for the implementation of the state policies and programs in the just transition area.</p> <p>The existing institutional mechanisms are not well equipped with knowledge and systems and lack central guidance on a professional level.</p> <p>Data collection, monitoring and evaluating systems of JT issues are insufficient.</p>
Needs	<p>A capacity-building and development system should be established to ensure clarity of role division and support the implementation of JT-related tasks and to guide the development and implementation of a comprehensive plan of action in the area.</p>



	<p>More comprehensive organization of the processes would help to create synergy between both state and non-state partners.</p> <p>Improvement of the data collection, monitoring and evaluation system is needed.</p>
Non-governmental capacity (implementation readiness), section 3.4.	
Enabling conditions	<p>In addition to the National Academy of Sciences, several universities, research centers, and think tanks operating in Armenia can provide the necessary services and expertise to advise better policymaking regarding just transition.</p> <p>Several organizations implement projects and strategies, collect data, and provide analytics and innovative solutions.</p> <p>The envisioned technological needs assessment increases employment in different sectors of the economy (e.g., industry).</p> <p>Armenians seem interested in overcoming the implications of climate change and achieving a green economy.</p>
Key gaps	<p>Lack of necessary skills and professional education constitutes a barrier that prevents primary/preferred technology acquisition, implementation, and dissemination.</p> <p>The lack of a clear division of roles and responsibilities in climate change action, particularly regarding just transition issues, creates difficulties in commitment, meaningful participation and appropriate action. Existing institutional mechanisms in the area are lacking full representation of main policy developers in just transition, including gender equality and social equity issues on the one hand, and a lack of central coordination body responsible for policy making and guidance on the other.</p> <p>The limited funding and insufficient support and understanding by the main stakeholders challenge further developments in this area.</p>



	<p>There are some discussions related to technical and infrastructure development focusing on making changes required for a just green transition as approaches have been envisioned by some strategies and state documents and are even being supported by statistical data, but these are not always taken into consideration, as other “more important issues” are of more priority.</p> <p>Awareness-raising actions and campaigns on just transition in Armenia are very rare. Thus, vulnerable sectors lack precise and evidence-based information and solutions/ actions to reach the goals and ensure societal justice and well-being.</p>
Needs	<p>To ensure the implementation of LT-LEDS Armenia should invest in skills development to be able to absorb adequate technological assistance and create a favourable environment for technology development and transfer as well as establish institutional mechanisms to overcome barriers for the introduction of innovative technologies for climate change mitigation and adaptation, including strengthening of the transparent system of technology introduction, cooperation and experience exchange with "Climate Technology Centre and Network" (CTCN) and establishment of a similar mechanism in the country.</p> <p>There is a low level of understanding about gender equality issues. It is perceived as something that will impede or reduce men’s rights and is not much supported by the majority of the male population. Such perception patterns should be identified and taken into account and addressed while building communication schemes and technical capacities for just transition, showing how the whole society will benefit from gender equality.</p> <p>The development of green skills means upgrading existing skills and developing new knowledge and skills to design and handle innovative products and services. For this to happen, the R&I sector, VET systems, and other educational structures need to acquire new knowledge and skills and develop enhanced curricula. The government has a decisive role in</p>



	<p>implementing such programs, but it should be done as a joint effort of employers and vocational and higher education institutions.</p> <p>In addition to public sector capacities, non-governmental capacities also need to be built up, which means additional resources need to be allocated for training and implementation of just transition activities.</p>
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It can be concluded that Armenia has some political will and interest to tackle social equity and just transition-related issues, but this is hindered by lacking clarity in terms of roles and responsibilities in the public sector as well as lacking understanding of the scope and role of just transition in green transition and lacking data collection mechanisms and R&I input to support the developments.

To ensure a just and sustainable transition to a green economy in Armenia, it is crucial to support societal awareness raising and systematic collection, monitoring, and assessment of social equity and just transition-related data to build a basis for knowledge-based decision-making. This would help to recognize and work out solutions for the current gaps in social justice, especially in distributional and procedural justice. Policies to support a just sustainability transition must consider distributional justice (allocation of costs and benefits requires data-based knowledge to be fair), procedural justice (recognizing the underlying systemic injustices of who participates in decision-making; currently there is a lack of clear division of roles and responsibilities, and thus, the stakeholder engagement remains weak), and recognitional justice (recognition, respect and fair consideration of diverse values, cultures and perspectives of also the more vulnerable members of the society).

Thus, to achieve relevant progress towards just transition, it is crucial for Armenia to support people in knowledge and skills development by improving access and increasing funding for education, research and development, improving access to basic services and employment opportunities, and investing in key areas impacting social inclusion in the transition to a green economy.





Annex I. Key statistics and trends of the just transition cross-sectoral area

Employment data by age groups and gender for 2022, referred to in Table 1 Jobs and employment section.

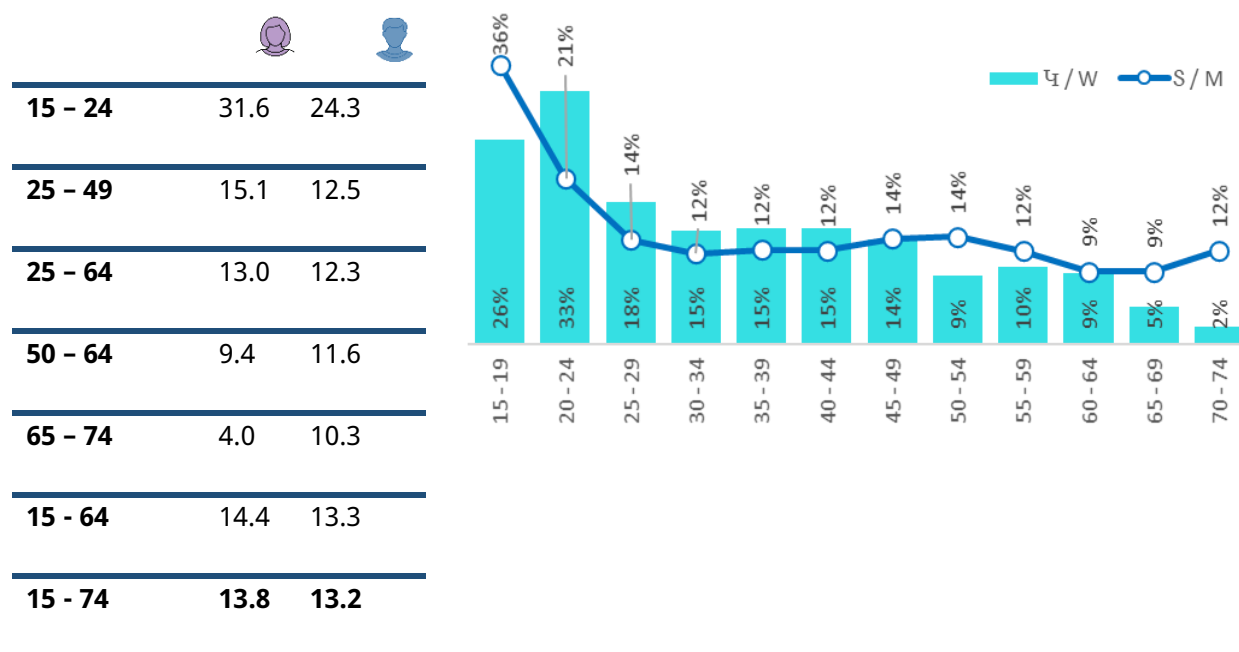


Figure 4. Unemployment Rate by Age Groups, 2022 (share of unemployed to labour force of the same group, %).

Source: LFS, Armstat

Annex II. Stakeholder mapping

The content of the 2nd chapter was originally attached as Annex II. Due to GDPR considerations, we are unable to disclose the mapping results publicly.



Annex III. Template of mapping the strategic national documents

Relevant international or EGD policy area/ strategic document	Existing national strategic document	Time of adoption and date of last revision	Legally binding or not
<ul style="list-style-type: none"> United Nations Framework Convention on Climate Change (ratified in 1993) Kyoto Protocol (ratified in 2003) The Paris Agreement (ratified in 2017) 	National Programme on Energy Saving and Renewable Energy for 2022 to 2030	Adopted in 2021	Legally binding
	National Adaptation Plan and List of Measures for 2021-2025	Adopted in 2021	Legally binding
	Updated NDC (2021-2030)	Adopted in 2021	Legally binding
	Draft Climate Law of Armenia	Developed in 2023	Legally binding
	Low Emission Development Strategy of Armenia	Adopted in 2023	Legally binding
Transforming our world: the 2030 Agenda for Sustainable Development (ratified 2015)	Armenia Transformation Strategy 2020-2050	Adopted in 2020	Legally binding Not yet finalized



International Labour Organization Conventions ratified by the republic of Armenia			
Fundamental Conventions			
C029 - Forced Labour Convention, 1930 (No. 29)	<ul style="list-style-type: none"> • Constitution of the RoA • Labour Code of the Republic of Armenia • RA Law "On Voluntary Work", • RA Law "On Employment", • RA Law "On Bankruptcy", • RA Law "On Minimum Monthly Wage", • RA Law "On Social Assistance" (adopted on December 17, 2014) • RA Law "On State Benefits" (adopted on December 12, 2013) 		Legally binding
C087 - Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87)			Legally binding
C098 - Right to Organise and Collective Bargaining Convention, 1949 (No. 98)			Legally binding
C100 - Equal Remuneration Convention, 1951 (No. 100)			Legally binding
C105 - Abolition of Forced Labour Convention, 1957 (No. 105)			Legally binding
C111 - Discrimination (Employment and Occupation) Convention, 1958 (No. 111)			Legally binding
C138 - Minimum Age Convention, 1973 (No. 138)			Legally binding
C182 - Worst Forms of Child Labour Convention, 1999 (No. 182)			Legally binding



Governance (priority) conventions			
C081 - Labour Inspection Convention, 1947 (No. 81)	<ul style="list-style-type: none">● RA Law "On Inspection Bodies".● Law of the Republic of Armenia "On Employers' Unions",● RA Law "On Trade Unions",		Legally binding
C122 - Employment Policy Convention, 1964 (No. 122)			Legally binding
C144 - Tripartite Consultation (International Labour Standards) Convention, 1976 (No. 144)			Legally binding
Technical Conventions			
C014 - Weekly Rest (Industry) Convention, 1921 (No. 14)			Legally binding
C017 - Workmen's Compensation (Accidents) Convention, 1925 (No. 17)			Legally binding
C018 - Workmen's Compensation (Occupational Diseases) Convention, 1925 (No. 18)			Legally binding
C026 - Minimum Wage-Fixing Machinery Convention, 1928 (No. 26)			Legally binding



C094 - Labour Clauses (Public Contracts) Convention, 1949 (No. 94)			Legally binding
C095 - Protection of Wages Convention, 1949 (No. 95)Excluding Article 11 by virtue of the ratification of Convention No. 173 (acceptance of Part II)			Legally binding
C097 - Migration for Employment Convention (Revised), 1949 (No. 97)			Legally binding
C131 - Minimum Wage Fixing Convention, 1970 (No. 131)			Legally binding
C132 - Holidays with Pay Convention (Revised), 1970 (No. 132)Length of holiday specified: 28 days. Has accepted the provisions of Article 15, paragraph 1(a) and (b).			Legally binding
C135 - Workers' Representatives Convention, 1971 (No. 135)			Legally binding



C143 - Migrant Workers (Supplementary Provisions) Convention, 1975 (No. 143)			Legally binding
C150 - Labour Administration Convention, 1978 (No. 150)			Legally binding
C151 - Labour Relations (Public Service) Convention, 1978 (No. 151)			Legally binding
C154 - Collective Bargaining Convention, 1981 (No. 154)			Legally binding
C160 - Labour Statistics Convention, 1985 (No. 160)Acceptance of Articles 7, 12 and 13 of Part II has been specified pursuant to Article 16, paragraph 2, of the Convention.			Legally binding
C173 - Protection of Workers' Claims (Employer's Insolvency) Convention, 1992 (No. 173)Has accepted the obligations of Parts II and III			Legally binding
C174 - Prevention of Major Industrial Accidents Convention, 1993 (No. 174)			Legally binding



C176 - Safety and Health in Mines Convention, 1995 (No. 176)			Legally binding
Gender equality			
<ul style="list-style-type: none">• Beijing Declaration And Platform For Action/Critical Area Of Concern Women And The Environment, Para 146-158/• Convention On The Elimination Of All Forms Of Discrimination Against Women (CEDAW)• Optional Protocol To The Convention On The Elimination Of All Forms Of Discrimination Against Women	<ul style="list-style-type: none">• Constitution of the RoA	2015	<p>Legally binding</p> <ul style="list-style-type: none">• Article 12 on <i>Preservation of the Environment and Sustainable Development</i>,• Article 28. General Equality before the Law,• Article 29. <i>Prohibition of Discrimination</i>,• Article 30. <i>Legal Equality of Women and Men</i>,• Article 38. <i>Right to Education</i>• Article 57, <i>Freedom to Choose Employment and Labour Rights</i>, and concluded with the Chapter 3 on Legislative guarantees



			and main objectives of state policy in social, economic and cultural spheres
	• RoA Gender Policy Concept Paper	2010	Legally binding
	• Strategy and Action Plan for Gender Policy Implementation in the Republic of Armenia 2019-2023	2019	
	• Law of the Republic of Armenia on provision of equal rights and equal opportunities for women and men	2013	Legally binding

