

2012

***National Centre for Legislative  
Regulation Project Implementation Unit  
at the Government Staff of the  
Republic of Armenia***

*Second*  
**Project Progress Report**

*Project Progress Report Period  
June, 2012-September, 2012*



Project Progress Report

Contract No. 8283-01/2011

As at September, 01 2012

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**Project title:**

<b>PROMOTING GOOD GOVERNANCE IN THE REPUBLIC OF ARMENIA THROUGH SUPPORTING THE IMPLEMENTATION OF A RAPID REGULATORY SIMPLIFICATION (REGULATORY GUILLOTINE) EXERCISE</b>
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**Reporting period:**

Reporting period: 05 June 2012- 01 September 2012	Report submitted on (date): 01 September 2012
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## 1. SUMMARY OF THE PROJECT PROGRESS

The current document is the second Report of the “National Centre for Legislative Regulation “Project Implementation Unit” (hereinafter referred as “Reform Unit”) to monitor and drive implementation of the measures contained in the “**Pomoting Good Governance in the Republic of Armenia Through Supporting the Implementation of a Rapid Regulatory Simplification (Regulatory Guillotin) Exercise**“ Project Proposal Plan, 2011. This Report provides preliminary outcome data for measures contained in Logframe Matrix as well as outlines progress made on measures due for the completion in the quarter from June to September of 2012.

In order to drive implementation, in September, 2011 by the President Decree NH-246-N dated 17 September 2011 (See Annex III) the Council of Legal Acts Reforms Regulating the Economic Sphere of the Republic of Armenia (hereinafter referred as “Reform Council“) has been established. In October, 2011 the Reform Unit was established under the Staff of GoA as a body mandated to execute the decisions of the reforms of the Reform Council.

- A. The First Progress Report and corresponding statements covering the first quarter of the project’s lifetime were submitted to the donors in 5 June, 2012.

In the first quarter of 2012, the following actions were undertaken to implement the regulatory reform in Armenia.

The Reform Unit was established in October 2011 under the Staff of GoA as a body mandated to execute the decisions of the reforms of the Reform Council.

- On 3 November, 2011, the Letter of Intent was signed in Yerevan, RA between the GoA and the Austrian Development Agency, the Office of the Organization for Security and Cooperation in Europe in Yerevan, the World Bank Country Office in the RA, the USAID in the Republic of Armenia, the UNDP office in the RA.
- In 8 December, 2011, the Grant Agreement between ADA and GoA was signed and the funds were promptly disbursed in December, 2011.
- The adequate premises to ensure the performance of the Reform Unit were provided by the Government in October 2011 at Saryan St. 22, 10<sup>th</sup> floor, Yerevan.
- The purchase of the office supplies was financed by the GoA via the World Bank Public Sector Modernization Project and performed in accordance with the World Bank guidelines. It started in November, 2011 and the office was fully equipped and the operational facilities were set in the end of April, 2011.
- The recruitment of the staff of the Reform Unit took place in January-May, 2012.
- The first Session of the Reform Council was held on 6 April, 2012.

- In the process of consultations and discussions during the Session of the Reform Council the list of the starting priorities was approved.

Those priorities were:

1. Public Utility Sector Regulation.
2. Transport Sector Regulation.
3. Public Health Sector Regulation.

The decision to set a new list of priorities is to get prompt results at the appraisal stage of the project in anticipation of a positive response from the businesses and civil society.

B. In the second quarter of 2012, the Reform Unit has been working on the implementation of the regulations on the three priority sectors; Public Utility Sector Regulation, Transport Sector Regulation and Public Health Sector Regulation. These regulations delineate the operations and quality services to be offered by the Reform Unit to streamline and promote greater consistency and reliability in the Regulatory Reform process in Armenia. Alongside, efforts to improve the quality and effectiveness of the Reform Unit's Start are also underway to meet the needs and enhance project quality.

**All of these actions taken by the Reform Unit from June, 2012 to September, 2012 are described underneath.**

- 1) Completed the reforms in the **Public Utility Sector** and submitted the final 4 packages on the below mentioned sectors to the corresponding Ministries and other state agencies for their review.

The revised packages will be submitted to the Reform Council in September, 2012. The regulations in the Public Utility Sector were implemented by 4 sectors.

- a. Energy Sector.
- b. Gas Sector.
- c. Water Sector.
- d. Telecommunication Sector

Priority sector	Revised	Contains regulation
<b>Public Utility Sector</b>		
a. Energy Sector.	27 legal acts (3 laws, 11 Government Decisions, 19 Commission decisions)	14 legal acts
b. Gas Sector.	8 legal acts (1 law, 7 Government decisions )	1 Government decision
c. Water Sector.	23 legal acts (1 code, 1 law, 2 Government Decisions, 19 Commission decisions)	1 Government decision
d. Telecommunicatio	58 legal acts acts (3 laws, 23	52 legal acts

n Sector	Decrees, 32 Commission decisions)	
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2). Completed the reforms in the following subsectors of the **Transport Sector Regulation**:

- a. Carriage of passengers by cars (taxis)
- b. Carriage of passengers by bus.
- c. Carriage of goods by road-will be completed by the end of September, 2012.

Priority sector	Revised	Contains regulation
Transport Sector		
Carriage of passengers by cars (taxis)	16 legal acts (8 laws, 6 Government Decisions, 2 Decrees)	9 legal acts (8 laws, 1 Government Decision)
Carriage of passengers by bus	39 legal acts (8 laws, 26 Government Decisions, 5 Decrees)	7 legal acts (6 laws, 1 Government Decision)
Carriage of goods by road	18 legal acts (7 laws, 9 Government Decisions, 2 Decrees)	<b><u>To be implemented.</u></b>

3). The reforms in the **Public Health Sector Regulation** are also underway and will be completed by the end of November, 2012.

The regulations on the Public Health Sector Regulation have been taken in the following areas:

- a. Medicine<sup>1</sup> (production, import, export)
- b. Drugs/ psychotropic substances
- c. Licensing (drug store /pharmacy/clinics, etc)
- b. Sanitary epidemiology
- c. Psychobiological/Psychiatric therapy treatment
- d. Prevention of human immunodeficiency viruses.

Priority Sector	Revised	Contains regulation
Public Health Sector, Psychobiological/Psychiatric therapy treatment	67 legal acts (2 laws, 30 Government Decisions, 36 Decrees)	<b><u>To be implemented.</u></b>
Medicine, Drugs/ psychotropic substances	37 legal acts (2 laws, 18 Government Decisions, 17 Decrees)	<b><u>To be implemented.</u></b>
Licensing (drug store /pharmacy/clinics, etc)	6 legal acts (1 laws, 5 Government Decisions)	<b><u>To be implemented.</u></b>

<sup>1</sup> Definition of the medicine: A medicine as something used in disease, whether it is used to prevent, treat or diagnose it, in anesthesia, investigating conditions or interfering with the normal operation of the body. It does not include such things as contact lens fluids, food supplements and cosmetics.

Sanitary epidemiology	91 legal acts (1 laws, 4 Government Decisions, 86 Decrees)	<b><u>To be implemented.</u></b>
Prevention of human immunodeficiency viruses	6 legal acts (1 laws, 3 Government Decisions, 2 Decrees)	<b><u>To be implemented.</u></b>

4). Concurrently, the new list of the next priority sectors has been defined and the Reform Unit has started to work on the implementation of the reforms in the following sectors:

- a. Education sector;
- b. Construction (construction permits) sector

To complete the Regulatory Reform in the above mentioned sectors, the Reform Unit follows the Methodology's steps (see Annex IV) and at present issues the instructions and forms for the inventory phase to the Ministries and State agencies and completes the electronic inventory for the corresponding sectors. Meanwhile, the Reform Unit has started the study and research of best practices in transitional and developed economies in the mentioned fields. As soon as the descriptions of both current national and international business processes are ready the Reform Unit will conduct hearings to monitor and evaluate the present and proposed business processes.

The regulatory reforms in the Education and Construction (construction permits) sectors will be finalized by the end of December, 2012.

5). The Reform Unit will launch the official website in September, 2012. At present, all necessary steps have been completed for the successful start of the website.

6). Concurrently, the Reform Unit gets feedbacks in the Facebook official page that allows to understand the stakeholders' needs and organize public discussions to face their problems, necessities and requirements as well, to discuss issues relating to the Reform Unit's regulatory reforms. The page also promotes transparency of the Reform Unit activities and facilitates the informing the public about the regulatory reforms taken by the Reform Unit, it has a crucial role in gaining respect and interest within the citizens, obtaining new members and in building online interactive discussions on the Reform Unit's activities and expected regulatory results.

7). Three press conferences were held by Mr. A. Yeghiazaryan, the head of the Reform Unit. Mr. Yeghiazaryan gave the outline of his organization's tasks and functions during a news conference that was held at the Government's press center. ArmNews TV Channel and H1 TV Channel hosted Mr. Yeghiazaryan in July, 2012. The head of the Reform Unit presented the procedure carried out over the next two years under the Regulatory Guillotine program, complying with the following scheme: removal of overlaps and redundancies within a short period of time and reduction of ineffective expenditures, the application of simplified regulation, in Armenia.



8). The UNDP has signed a contract with the tender winner announced for the production of a up to 5 minutes film (movie) about the Regulatory Guillotine program.

9). The UN Gender Team cooperates with the Reform Unit staff. The experts from the Reform Unit participated in a UN meeting (training) on gender issues on 1<sup>st</sup> of June, 2012. Overall, the UNDP Team organized three meetings to support gender issues (whether a particular regulation impacts gender equality issues<sup>2</sup>). At present, the UNDP is hiring an expert to assist the Reform Unit in implementation of gender impact assessment and gender sensitive analysis while realizing the reforms by the Reform Unit. The arrival of the UNDP expert is expected on 4<sup>th</sup> of September.

10). The Reform Unit has created a Checklist to be filled out by every regulator and stakeholder for each regulation under review (See Annex XIV) and sent to Reform Unit. The Checklist is crucial for getting feedback and response from the stakeholders.

11).The arrival of the international experts and the purchase of IT Software were expected in February, 2012. However, due to the negotiations with the international experts and donors and according to the procurement procedures the purchase of IT software (E-Guillotine) and the arrival of the international experts are expected in September, 2012.

12) The Business Advisory Council is established. The business associations and civil society organizations have been involved to the review process. (See Annex XIII on Memorandum of Understanding on Establishing a Business Advisory Council).

## 2. BACKGROUND/ CONTEXT

The Government of the Republic of Armenia (hereinafter referred as “GoA”) has launched a program of systematic regulatory reform:

- 1) To improve national competitiveness by updating its regulatory policies and policy instruments in order to stipulate market-driven growth.
- 2) Drastically increase effectiveness and efficiency of services delivered to its citizens by removing administrative hurdles and thus consumption risks in the services mostly irritating population (e.g. health care, permits, licensing).

The particular goal of the reform is to boost foreign investment. Armenia is highly regulated, with over 25 000 legal norms on the books at the national level, and more added every week. Though many of these norms are sensible and well designed, there are inconsistencies and contradictions through the legal framework that are burdensome especially to businesses and citizens as well and therefore discourage business and investment in Armenia.

To implement the regulatory reform in Armenia, in September, 2011 by the President Decree NH-246-N dated 17 September 2011 (See Annex III) Reform Council has been established. The Decree states the structure of Council for Reformation of Legal Acts regulating Economic Sector of the Republic of Armenia (See Annex IV) and the list of Areas to be included in the Reforming Process (See Annex V).

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<sup>2</sup> See Annex VIII on *Gender analysis (to the Gender considerations)*

### **3. TARGET GROUP, BENEFICIARIES AND PROJECT PARTNERS**

#### **A. Scope of the Reform.**

The main goals of the project are:

- To reduce the costs and risks of regulations affecting businesses and citizens by simplifying or abolishing unnecessary and unneeded rules and regulations, hence reducing the corruption risks and business uncertainty.
- To build sustainable capacities in the GoA that will result in better regulatory development and improve the flow of new regulations.

#### **B. Summary of decisions in the guillotine framework**

##### ***a) Institutions: Broad application***

The scope has been set as follows:

- 1) 16 ministries at national level.
- 2) 10 regulatory bodies at national level.
- 3) The city government of Yerevan.

The full list of institutions is provided in Annex VI to this Report.

##### ***b) Legal instruments***

The guillotine framework covers all legal norms which are broadly defined as any requirement placed on the businesses or on citizens. This will require the ministries and agencies to validate inventory of all legal norms enforced by them, plus any other normative documents including forms, official letters, notices, guidelines, instructions, etc.

##### ***c) Reference groups: Either businesses or citizens or both.***

##### ***d) Project partners***

The Reform Project is supported by five donors: The Austrian Development Agency (ADA), The Office of the Organization for Security and Cooperation in Europe in Yerevan (OSCE), the World Bank Country Office in the Republic of Armenia, the USAID in the Republic of Armenia (USAID), and the UNDP office in the Republic of Armenia (UNDP).

**OSCE-** Donor coordinator and provider of the short terms experts from the internal roster.

**ADA-**Salaries Financing

**WB-** Financing the short and long term experts' consultancy. (Capacity building of the Reform Unit).

**USAID-** Financing the short and long term experts and IT (E-Guillotine) Software.

**UNDP-** PR component financing and assistance. Support for gender equality.

***f) Legal Norms included in the guillotine framework***

- a. Laws.
- b. Presidential Decrees.
- c. Decisions of National Assembly and the Chairman of the Assembly.
- d. Presidential Orders.
- e. Government Decisions.
- f. Regulatory Decisions of Prime Minister.
- g. Departmental acts registered with the Ministry of Justice.
- h. Departmental acts not registered with the Ministry of Justice.
- i.* The city government of Yerevan Legal Acts.

#### 4. INTERVENTION LOGIC

**Table 1 (Project results/ project status) and Table 2 (Description of the activities completed/planned by the Reform Unit)**

##### A. Description of the progress of the expected results and their visible effects and impacts.

##### Project results/ project status\*

**Table 1. Logframe Matrix**

	<b>Intervention logic</b>	<b>Indicators</b>	<b>Sources of Verification</b>	<b>Assumptions/ Risks</b>
<b>Overall Objective</b>	To improve national competitiveness by updating Armenia’s regulatory policies and policy instruments to stimulate market-driven growth.	<ul style="list-style-type: none"> <li>• Improved national macro-economic indicators;</li> <li>• Improved country ranking (WB Doing Business Report, WEF Country Competitiveness Report);</li> <li>• Increased confidence of foreign investors; Increased level of private business’s and citizen’s satisfaction from the services delivered by targeted 27 governmental agencies.</li> </ul>	<ul style="list-style-type: none"> <li>• Reports of the National Statistical Survey;</li> <li>• Rankings of international organizations (WB, WEF, etc); Reports of country-wide surveys (private sector and citizens).</li> </ul>	
<b>Project Purpose</b>	Reviewed legal norms that affect businesses and citizens (perhaps around 15,000 of the	Number of legal norms that has been abolished and/or simplified. Their ratio against overall number of legal norms.	National legal database (“ARLIS”)	Political commitment might fade in the face of strong resistance. The broad application and organization of the

	<p>25,000 legal norms existing in Armenia), resulted elimination and/or simplification of those that are not legal, needed, or business friendly. The Project goals are to:</p> <ul style="list-style-type: none"> <li>• Substantially reduce the costs and risks of regulations affecting businesses and citizens by simplifying or abolishing unneeded rules and regulations, hence also reducing corruption risks and business uncertainty resulting from complex and discretionary procedures;</li> <li>• Build sustainable capacities of the government and improve the flow of new regulations.</li> </ul>	<ul style="list-style-type: none"> <li>• Reduced amount of risk and costs and risks of regulations affecting businesses;</li> <li>• Strengthened capacities of the Government and improved flow of new regulations.</li> </ul>	<p>Reports of country-wide surveys (private sector and citizens).</p> <ul style="list-style-type: none"> <li>• Number of RIA reports developed by 27 agencies;</li> <li>• Number of RIA reports received positive assessment</li> </ul>	<p>guillotine is intended to reduce the conflict of reform by using a consistent and transparent process across the whole of the government, but resistance from powerful groups inside and outside the government is likely.</p>
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		by Central RIA Unit.		
Project Proposal Number	Expected results/ Activities	Indicators	Sources of Verification	Assumptions and Risks
1.	<p><b>1. High level of performance, efficiency and effectiveness of Reform Unit is insured through securing a strong team of professionals, its political independence, building professional capabilities and collaborative participation of key stakeholders.</b></p> <p>1.1 Experienced and prominent local experts/ Consultants for the positions of Head of Guillotine Unit, deputies, long-term senior adviser and other staff selected. <b><u>Completed</u></b></p> <p>1.2. Instructing the bodies under the scope of the reform on the procedures needed to comply with the schedule. <b><u>Ongoing</u></b></p>	<ul style="list-style-type: none"> <li>• A strong candidate is selected for the position of the Head of the Reform Unit;</li> <li>• Experienced and prominent local expert/consultant is selected as a long-term Senior Adviser to the Reform Unit;</li> <li>• Capable and experienced experts/consultants are selected and trained for the Reform Unit;</li> <li>• Reform Unit's performance is periodically assessed positively against approved benchmarks;</li> <li>• Proper justification is provided for each and every</li> </ul>	<p><b>1.1.</b> A Reform Unit of about 22 fulltime people initially has been created as follows:</p> <ul style="list-style-type: none"> <li>• A strong candidate is selected for the position of the Head of the Reform Unit; The Head of the Unit was appointed by the Prime Minister;</li> <li>• Experienced and prominent local expert/consultant is selected as a long-term Senior Adviser to the Reform Unit;</li> <li>• Capable and experienced experts/consultants are selected for the Reform Unit.</li> </ul> <p>The staff of the Reform Unit, is</p>	<p><b>Lack of leadership.</b> The Head of the guillotine unit will be unable to carry out a credible reform, keeping both the integrity of the process and the trust of the political leadership that the guillotine is making the right decisions.</p> <p><b>Staff skills in law and business affairs will not be available to staff the central unit.</b> If all other organizational issues are properly solved, e.g. sufficient funding and attractive salaries, capable and experienced Head of the Unit, political support, etc., then it will be rather possible to attract staff equipped with all</p>

		<p>reform proposal and number of appeals is low.</p>	<p>composed of the skilled mix of business experts, economists, lawyers, with a few IT and PR support experts.</p> <ul style="list-style-type: none"> <li>• The staff will be (it depends on the arrival of the international experts stated in the point 4 of the Table 1) trained in the methodology of the reform.</li> <li>• Expansion of the staff of the Reform Unit as needed and as resources become available.</li> </ul> <p>Donor resources might be used to support temporary experts, and business associations might also supply some people. They will work according to defined processes and schedules, using a staff performance measurement system supported by the e-Guillotine software.</p> <p>1) The Reform Unit functions under the direct authority of the Prime Minister and the Reform Council, with day to day implementation by the Reform Unit Head</p>	<p>necessary skills, knowledge and experience. No country that has operated the guillotine has yet been unable to put together a capable staff for the central unit.</p> <p><b>It</b> is important that even controversial issues go through the normal guillotine process, and that special pleas do not short-circuit the structure. The</p>
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	<p>1.3. Developing proper justification for each and every reform proposal and ensuring low number of appeals. <b><u>Ongoing</u></b></p> <p>1.4. Liaising with the President and the Prime Minister regularly and whenever such issues arise that threaten the successful</p>		<p>2) Continued support of the Reform Unit by the Ministry of Justice and the Ministry of Economy.</p> <p>3) The staff works in a highly professional environment focused on performance.</p> <p>1.3. Within the period of preparing reform proposals. Each proposal should have a proper justification before the submission to the Reform Council to assure the low number of appeals. *See Annex I.</p> <p>1.4..Taking into account that the Reform has high support from the President of RA and the Prime Minister of RA the Reform Unit may apply for the assistance</p>	<p>proposed structure of Prime Ministerial leadership with a mandate and active oversight from the President is intended to establish strong political credibility of the reform process.</p>
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	completion of the reform. <b><u>Ongoing</u></b>		whenever such issues arise,	
<b>2.</b>	<p><b>2. Capacities of 27 ministries and government agencies are increased significantly to provide required outputs.</b></p> <p>2.1. Collect the full texts of each legal norm, templates and fee schedules, and keep these documents in a central location in paper or electronic copy or both. <b><u>Completed.</u></b></p> <p>2.2. Compile all currently valid legal norms issued and/or implemented by the ministries or agencies and all other documents containing procedures being enforced by them. <b><u>Completed.</u></b></p> <p>2.3 .Prepare inventory and review forms for each legal norm in a standard electronic format. <b><u>Completed</u></b></p>	<ul style="list-style-type: none"> <li>• Well experienced local experts/consultants are selected for the inter-ministerial support unit;</li> <li>• The responsible civil servants from 27 ministries and other regulatory bodies are duly trained;</li> <li>• Required input by 27 ministries and other regulatory bodies is provided to the Reform Unit on a timely manner.</li> </ul>	<p>2. Completed for the first 3 priority sectors</p> <p>a. The Reform Unit issued the instructions and forms (checklist) to the Ministries and state Agencies. See Annex II.</p> <p>b. The inventory preparation and reviews for the institution.</p> <p>c. Compiling all currently valid legal norms issued or implemented by the ministry or agency.</p> <p>*Expert input of Ministerial support team (within Central guillotine Unit)</p> <ul style="list-style-type: none"> <li>• Well experienced local experts/consultants are selected for the inter-ministerial support unit;</li> <li>• Required input by 27 ministries and other regulatory bodies is provided to the Reform Unit on a timely manner.</li> </ul> <p>*Each ministry and agency involved in the reform should</p>	<p><b>Ministry organization might be slow or poor quality.</b></p> <p>In the initial design, a help desk function of 5 people were added to the central unit with the primary task of assisting the ministries to carry out their reviews.</p>

	<p>2.4 .Submit the inventory and review forms to the central Reform Unit as they are completed <b><u>Completed</u></b></p> <p>2.5. Respond to any questions from the Reform Unit and supply any information that is requested. <b><u>Ongoing</u></b></p> <p>2.6. Consult as necessary with stakeholders to properly carry out these tasks. <b><u>Ongoing</u></b></p> <p>2.7. Promptly implement the recommendations of the Reform Unit once they are adopted. <b><u>Ongoing</u></b></p>		<p>identify all legal norms that it enforces on businesses and citizens, regardless of the document or its legal form, and shall provide each legal norm to the Reform Unit in the form and on the schedule requested by the Reform Unit, as well as all currently valid legal normative documents issued by the ministry or agency and all other documents containing procedures being enforced by the ministry or agency such as official letters, notices, instructions guidelines or other documents issued by the ministry or agency or any of its departments or sub-departments, as well as higher level legal normative documents that the ministry or agency is responsible to implement.</p> <p>Taking into account the professional capabilities in agencies quoted above, it has been decided to establish a ministerial support team, which will be responsible for provision of day-to-day consulting, coaching and methodological support for the implementation of activities</p>	
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			mentioned above.	
<p><b>3.</b></p>	<p><b>3. Business Advisory Council is established, operational and ensures timely and adequate contribution of business associations and civil society organization to the review process.</b></p> <p>3.1. Inform and encourage input from organizations such as business associations and other stakeholders in the process of review of legal norms. Hold consultative seminars, workshops, meetings, or other forms of communication as needed to ensure transparency in the process of the reform. <b><u>Ongoing.</u></b></p>	<ul style="list-style-type: none"> <li>• Number of review proposals submitted by Business Advisory Council;</li> <li>• Number and ratio of proposals accepted by Reform Unit;</li> </ul>	<p>3.1. List of NGOs, associations, etc. acting on the corresponding field needed regulation. <b><u>Completed.</u></b> Work with NGO-s on the corresponding field of regulation. <b><u>Ongoing</u></b> Preparation of letters for cooperation. <b><u>Ongoing</u></b> Preparation of Seminars/Discussions/ Meetings. <b><u>Ongoing</u></b></p> <p>*Work with the Reform Unit to carry out three tasks:</p> <p>1.Cooperate directly with the Reform Unit (such as by setting up working groups) to provide stakeholder comments on individual legal norms to identify</p>	

			<p>problems and assist in a high quality review;</p> <p>2. Monitor the overall progress of the reform and report to the PM, the media, and the parliament;</p> <p>3. Review the final recommendations for action developed by the Reform Unit.</p> <p>*A small unit of dedicated expert group will also be created to support business organization and participation.</p> <p>Expert input of the Secretariat of Business Advisory Council</p> <p>The reforms cannot be done in isolation inside the state units, because only the affected stakeholders fully understand the impacts and problems created by administrative procedures in the business sector and day-to-day life. Participation of business and other relevant stakeholders such as media and academia is important for two reasons:</p> <p>1) Stakeholder groups are needed to mobilize the political system for continued change. That is, pro-reform elements of the business</p>	
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			<p>sector must act as a pressure group for change;</p> <p>2) The business sector holds unique information about regulatory impacts that will greatly boost the impact of any reform.</p>	
4.	<p><b>4. High level mentorship of reformation efforts is secured through engagement of a world-class expert.</b></p> <p>4.1. Recruitment of internationally recognized expert/consultant. <b><u>To be implemented.</u></b></p> <p>4.2. Development of reform benchmarks, negotiations with the Government and partner donor agencies. <b><u>To be implemented.</u></b></p> <p>4.3. Development of quarterly progress reports, recommendations and implementation of political debates within the Reform Council.</p>	<ul style="list-style-type: none"> <li>• An internationally recognized expert/consultant is hired under SSA;</li> <li>• Reform benchmarks are developed, negotiated with the Government and partner donor agencies and correctly defined;</li> <li>• Progress reports of the expert/consultant are approved by the Reform Council and recommendations are implemented;</li> </ul>	<p>4.1. USAID and OSCE have already negotiated with the international experts and at this moment the procurement procedure of the services is in progress. The package includes the e-guillotine Software, proper trainings and consultations.</p> <p>*Professional input of the of the world class experts</p> <ul style="list-style-type: none"> <li>• An internationally recognized expert/consultant is hired under SSA;</li> <li>• Reform benchmarks are developed, negotiated with the</li> </ul>	

	<b><u>Completed.</u></b>		Government and partner donor agencies and correctly defined; <ul style="list-style-type: none"> <li>Progress reports of the expert/consultant are approved by the Reform Council and recommendations are implemented.</li> </ul>	
<b>5.</b>	<p><b>5. Custom made IT software is purchased, installed and respective staff members are trained.</b></p> <p>5.1. Procurement and installation of licensed e-guillotine software.  <b><u>To be implemented.</u></b></p> <p>5.2. Implementation of trainings for Guillotine Unit staff on how to operate the e-guillotine software.  <b><u>To be implemented.</u></b></p>	<ul style="list-style-type: none"> <li>Customized software is procured, installed and operational;</li> <li>Adequate staff skills to use the software.</li> </ul>	<p>5. USAID and OSCE have already negotiated with the international experts and at this moment the procurement procedure of the services is in progress. The package includes the e-guillotine Software, proper trainings and consultations.</p> <p>*Adequate staff skills improvement to use the software to Improve the consistency, quality, transparency and speed of the reform.</p>	Risk of delay
<b>6.</b>	<p><b>6. Adequate communication strategy and branding resulted broader political support and pro-active participation of businesses, civil society and public in general.</b></p>	<p>Implemented surveys and opinion polls reveal increased support of citizens and businesses to the reforms.</p>		<p><b>Organization of business participation might be slow or ineffective.</b></p> <p>A small unit of dedicated staff is needed to support business organization and</p>

	<p>6.1. Communication mechanisms should be used such as written reports, training seminars, workshops, videos, e-mails, newsletters, TV ads, etc. <b><u>Ongoing</u></b></p> <p>6.2. Key elements of information to be distributed by the different mechanisms will be identified, including frequency and information collection and collation. <b><u>Ongoing</u></b></p> <p>6.3. Roles and responsibilities of the key individuals responsible for ensuring that communication are adequate / appropriate and timely. <b><u>Ongoing</u></b></p> <p>6.4. Identification of how unexpected information from other parties (including</p>		<p>6.1. Preparation works on holding consultative seminars, workshops, meetings and other form of communication as needed with organizations, business groups and other stakeholders. Development of webpage Hotmail; Hotline; Social networks, TV and Video materials</p> <p>6.2. In the course of consultations with the donors the slogan is identified. "Let's cut together": Unique information regarding to the particular priority sector will be identified later.</p> <p>6.3. Deputy Director of the Head of the Reform Unit , PR assistant of the Reform Unit, UNDP PR Team, other donors, PR experts.</p> <p>6.4. This part of the process is handled by the PR responsible in the Reform Unit itself and the</p>	<p>participation.</p>
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	<p>stakeholders) will be handled within the scope of the activity. <b><u>Ongoing</u></b></p>		<p>Head of Policy and Legal Acts Drafting Department .</p>	
<p><b>7.</b></p>	<p><b>7. Reform Unit is provided with fully equipped office premises and monthly office running costs are taken care.</b></p> <p>7.1. Identification and provision of suitable office premises to the Reform Unit by Government of Armenia. <b><u>Completed</u></b></p> <p>7.2. Procurement and installation of office furniture, equipment and other necessary technical facilities. <b><u>Completed</u></b></p> <p>7.3 Implementation of monthly payments for utility and other miscellaneous costs. <b><u>Ongoing</u></b></p>	<ul style="list-style-type: none"> <li>• Office premises are provided;</li> <li>• Equipment and furniture is provided;</li> <li>• Running costs are taken care.</li> </ul>	<p>7.3. Office premises are provided; Equipment and furniture is provided; Running costs are taken care.</p>	
<p><b>8.</b></p>	<p><b>8. Reform Council decides to accept or reject appeals.</b></p> <p><b>8.1.</b> Guillotine Unit prepares justifications for controversial</p>	<ul style="list-style-type: none"> <li>• Number of appeals;</li> <li>• Proportion of positive decisions vs. negative ones.</li> </ul>	<p><b>8.</b></p> <ul style="list-style-type: none"> <li>• Number of appeals;</li> <li>• Proportion of positive decisions vs. negative ones.</li> <li>• Project monitoring and</li> </ul>	



	<p>simplifications based on the input from respective government agencies, Business Advisory Council and its own assessments. <b><u>To be implemented.</u></b></p> <p><b>8.2.</b> Reform Council organizes hearings (if necessary public) and provides all parties with the opportunity to properly present the case and justifications, followed by taking decision on approval or rejection of the appeal. <b><u>To be implemented.</u></b></p>		<p>evaluation reports;</p> <ul style="list-style-type: none"> <li>• Reports of Reform Council.</li> </ul>	
<p><b>9.</b></p>	<p><b>9. Reform Unit drafts legal text to implement the recommendations and assembles the final package.</b></p> <p><b>9.1:</b> Reform Unit (if necessary in close collaboration with concerned government agency and other stakeholders) develops the texts of necessary amendments aimed at implementing</p>	<p>Recommendations are presented and final package is assembled.</p>		

	<p>recommendation, as well as assembles final package.  <b><u>To be implemented.</u></b></p>			
10.	<p><b>10. Packages are sent by Prime Minister to the Government for action as a single unit (one vote up or down).</b></p> <p>10.1: After implementation of all necessary procedures, the final package is being submitted for Government's consideration and final decision.  <b><u>To be implemented.</u></b></p>	<p>Number of packages sent by the Prime Minister to the Government.</p>		
11.	<p><b>11. Government adopts package of reforms.</b></p> <p>11.1: Government adopts package of reform.  <b><u>To be implemented.</u></b></p>	<p>Number of adopted reform packages.</p>		
12.	<p><b>12. Procedures begin to legal adopt revised legal text.</b></p> <p>12.1: The recommendations are adopted by the appropriate legal authority (the Government, the President, the Prime Minister, the ministries and agencies, or the parliament).</p>	<p>Number of recommendations adopted by appropriate legal entity.</p>		

	<b><u>To be implemented.</u></b>			
13.	<p><b>Reform Unit monitors adoption and reports to Prime Minister and President.</b></p> <p><b>13.1:</b> Reform Unit creates and maintains an online electronic registry of all legal norms, with positive legal security, so that businesses can rely on a central information source for all legal obligations.</p> <p><b><u>To be implemented.</u></b></p>	<p>Number of monitored adoption processes;</p> <p>Number of revealed non-compliances.</p>		

The term "completed" in the Table 1 under the 2<sup>nd</sup> column "Activities (Indicators)" refers to the activities (Activity 2.1; Activity 2.3; Activity 2.4.) that are completed for the next three priority sectors Education sector and Construction permits sector.

Activity 1.1; Activity 7.1; Activity 7.2 .are completed for the Project implementation period.

**B. Description of the activities completed/planned by the Reform Unit from June to September, 2012**

**Table 2\***

N.	Activities	Current Status	Deviations/ comments
1.	<p><b>Preparation of the Work plan Of the Reform Unit</b>  <b>*Attached Annex I</b></p>	<p>The Work plan Of the State Agency “National Centre for Legislative Regulation project implementation unit” at the Staff of Government of the Republic of Armenia is proved for the next 3 priority sectors:</p> <ul style="list-style-type: none"> <li>a. Education sector;</li> <li>b. Construction (construction permits) sector.</li> </ul> <p><b><u>Completed. June-September</u></b></p>	
2.	<p><b>Launching the next three priority sectors.</b>  <b>Preparation of the Work plan of next three priority sectors.</b>  <b>*Attached Annex II</b></p>	<ul style="list-style-type: none"> <li>• Education regulation.</li> <li>• Construction (construction permits) regulation.</li> </ul> <p>A. Inventory of legal acts.  <b><u>To be implemented.</u></b></p>	

		<p>B. Review of legal acts. <b><u>To be implemented..</u></b></p> <p>C. Description of the business processes. <b><u>To be implemented.</u></b></p> <p>D. Study and Research of best practices in transitional and developed economies. <b><u>To be implemented.</u></b></p> <p><b><u>Mechanisms</u></b></p> <ol style="list-style-type: none"> <li>1. Carrying out independent reviews of the legal norms by the experts of the Reform Unit.</li> <li>2. Generating the legal and analytical information needed for the Reform Unit reviews.</li> <li>3. Monitoring and evaluating the present and proposed business processes and their expected results.</li> </ol> <p><b><u>Ongoing</u></b></p>	
<p>3.</p>	<p><b>Preparation of the Checklist of the Reform Unit</b> <b>*Attached Annex XIV</b></p>	<p>Form for review of a business procedure <b><u>Completed. June-September</u></b></p>	<p>The Reform Unit has created a checklist that can be filled out by every regulator and stakeholder for each regulation under review (See Annex XIV) and sent to Reform Unit. The Checklist is crucial for getting feedback and response from the stakeholders</p>

			<p>The checklist thoroughly reviewed and discussed by experts before being finalized, and will be market tested to ensure that it is clear and practical.</p>
<p>4.</p>	<ul style="list-style-type: none"> <li>• <b>Meeting with the experts of the Reform Unit.</b></li> <li>• <b>Setting a schedule and goals for the project.</b></li> <li>• <b>Establishing the procedures and requirements of the work and issuing instructions to the staff of the Reform Unit.</b></li> <li>• <b>Instructing the staff of the Reform Unit on the procedures needed to comply on schedule and guidelines.</b></li> </ul>	<p>A. Planning and dividing into 3 major groups for the three priority sectors 3, 3 and 5 experts respectively:</p> <ol style="list-style-type: none"> <li>1. Public utility services sector. <ul style="list-style-type: none"> <li>• Energy sector <b><u>Completed.</u></b></li> <li>• Gas sector. <b><u>Completed.</u></b></li> <li>• Water Sector. <b><u>Completed.</u></b></li> <li>• Telecommunication sector. <b><u>Completed.</u></b></li> </ul> </li> <li>2. Transport sector. <ul style="list-style-type: none"> <li>• Carriage of passengers by taxi. <b><u>Completed</u></b></li> <li>• Carriage of passengers by bus. <b><u>Completed</u></b></li> <li>• Carriage of goods by</li> </ul> </li> </ol>	

		<p>road.  <u><b>Will be completed by the end of September, 2012.</b></u></p> <p>3. Health care sector/Drug Licensing.  <u><b>Will be completed by the end of December, 2012.</b></u></p> <p>B. Instructions issued to the staff of the Reform Unit through the established procedures and requirements of the work.</p> <p>C. The staff is instructed on the procedures needed to comply on schedule and guidelines.  <u><b>Completed.</b></u></p>	
<p>5.</p>	<p><b>Launching the Facebook official page</b></p>	<p><u><b>Completed.</b></u></p>	<p>The Reform Unit gets feedbacks in the Facebook official page.</p> <ul style="list-style-type: none"> <li>• To understand the stakeholders' needs and organize public discussions to face their problems and needs as well, to discuss issues relating to the Reform</li> </ul>

			<p>Unit's regulatory reforms.</p> <ul style="list-style-type: none"> <li>• To promote transparency of the Reform Unit activities and facilitate the informing the public about the regulatory reforms taken by the Reform Unit</li> <li>• To gain respect and interest within the citizens by obtaining new members and in building online interactive discussions on the Reform Unit's activities and expected regulatory results</li> </ul>
<p>6.</p>	<p><b>Press conferences of the head of the Reform Unit</b></p>	<p>Three press conferences held by Mr. A. Yeghiazaryan, the head of the Reform Unit.</p> <p>1- at Government's press center.</p> <p style="text-align: center;"><b><u>Completed. July</u></b></p> <p>2- ArmNews TV Channel and H1 TV Channel.</p> <p style="text-align: center;"><b><u>Completed. July</u></b></p>	<p>Outlining the organization's tasks and functions during a news conference, Presenting the procedure carried out over the next two years under the Regulatory Guillotine program, complying with the following scheme: removal of overlaps and redundancies within a short period of time and reduction of ineffective expenditures, the application of simplified</p>



			regulation, in Armenia.
7.	<b>Planning of the production of the film about the Regulatory Guillotine program</b>	<b><u>To be implemented.</u></b>	The UNDP has announced a tender for the production of a film about the Regulatory Guillotine program.
8.	<b>Official website of the Regulatory Reform Program</b>	<b><u>To be implemented.</u></b> <b><u>Expected time</u></b> <b><u>September, 2012.</u></b>	The Reform Unit will launch the official website in September, 2012. At present, all necessary steps are completed for the successful start of the website
9.	<b>Gender consideration</b>	<b><u>Ongoing.</u></b>	The UN Gender Team cooperates with the Reform Unit staff. The experts from the Reform Unit participated in a UN meeting (training) on gender issues on 1 <sup>st</sup> of June, 2012. Overall, the UNDP Team organized three meetings to support gender issues (whether a particular regulation impacts gender issues/gender relations/equality/women involvement). At present, the UNDP is hiring an expert to assist the Reform Unit in gender issues.
10.	<b>Arrival of the international experts and the purchase of IT Software (E-Guillotine)</b>	<b><u>To be implemented..</u></b> <b><u>Expected time</u></b>	The arrival of the international experts and the purchase of IT

		<b><u>September, 2012.</u></b>	Software were expected in February, 2012. However, due to the negotiations with the international experts and donors and according to the procurement procedures the purchase of IT software (E-Guillotine) and the arrival of the international experts are expected in September, 2012.
<b>12.</b>	<b>Establishment of the Business Advisory Council</b>	<b><u>Completed.</u></b>	The Business Advisory Council is established. The business associations and civil society organizations have been involved to the review process

Table 1 is a description of the progress of the expected results and their visible effects and impacts. In contrast to the Table 1, the Table 2 describes the activities that are completed or in progress or already planned by the Reform Unit. The activities of the Table 2 are not mentioned in the Table 1 as they are specific only for the Reform Unit Project performance and are intended for the implementation of the Reform Unit Staff activities. Thus, the activities indicated in the Table 2 are directed to the organization and management of the effective works of the Reform Unit Staff for the accomplishment of the Project.

## **5. MONITORING, PROJECT MANAGEMENT (DIFICULTIES ENCOUNTERED, MANAMEGEMENT MEASURES)**

The Reform Unit has not encountered difficulties and obstacles yet during the project implementation: no changed project environment, target group, local partner organization and other local parties involved and/ or other difficulties encountered that have led to a change in project planning

## **6. SUSTAINABLITY**

The reform is aimed at inventorising and reviewing at least 15.000 legal norms that affect businesses and citizens in priority sectors defined by Presidential Decree and eliminate or simplify those that are not legal, needed, or business friendly. It is supposed to be a one time ad-hoc task, with the following goals:

- Substantially reduce the costs and risks of regulations affecting businesses and citizens by simplifying or abolishing rules such as procedures, and produce concrete and visible results in 2011 and 2012;
- Reduce corruption and business uncertainty resulting from complex and discretionary procedures;
- Build sustainable capacities for better future regulation development;
- Prepare for trade agreements, particularly the EU-Armenia Free and Comprehensive Trade Association Agreement.

Sustainability of the project results will be achieved mainly by simultaneous or subsequent implementation of Regulatory Impact Assessment (RIA) as a main tool to ensure the quality of the future legislation and regulatory flow.

## **7. ANNEXES OF THE PROGRESS REPORT**

### *2. ANNEX I*

*Work plan 1 Of the State Agency “National Centre for Legislative Regulation project implementation unit” at the Staff of Government of the Republic of Armenia*

*For the first three priority sectors; Public Utility Sector, Transport and Communication Sector Regulation, Public Health Sector*

### *3. ANNEX II*

*Work plan 2 Of the State Agency “National Centre for Legislative Regulation project implementation unit” at the Staff of Government of the Republic of Armenia*

*For the next priority sectors; Education sector; Construction (construction permits) sector.*

### *4. ANNEX III*

*PRESIDENT OF THE REPUBLIC OF ARMENIA  
DECREE*

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*ON ESTABLISHING A COUNCIL FOR COORDINATION OF MEASURES TO IMPROVE GOVERNANCE OF ECONOMIC ACTIVITIES AND REFORMATION OF LEGAL ACTS REGULATING ECONOMIC SECTOR OF THE REPUBLIC OF ARMENIA*

*5. ANNEX IV*

*to the RA President Decree NH-246-N dated 17 September 2011 STRUCTURE*

*OF COUNCIL FOR REFORMATION OF LEGAL ACTS REGULATING ECONOMIC SECTOR OF THE REPUBLIC OF ARMENIA*

*6. ANNEX V*

*to the RA President Decree NH-246-N dated 17 September 2011*

*LIST OF AREAS TO BE INCLUDED IN THE REFORMS PROCESS*

*7. ANNEX VI .INSTITUTIONS IN THE SCOPE OF THE GUILLOTINE*

*8. ANNEX VII Methodology*

*9. ANNEX VIII GENDER CONSIDERATIONS/ ENVIRONMENTAL CONSIDERATIONS*

*10.ANNEX IX MONITORING PLAN 1. For the Implementation by the Reform Unit of Reforms in First Three Priority Sectors during 2012*

*11.ANNEX X MONITORING PLAN 2. For the Implementation by the Reform Unit of Reforms in next Three Priority Sectors From June, 2012 to December, 2012.*

*12.ANNEX XI Time Plan*

*13.ANNEX XII LIST Of Non-governmental organizations and associations. Business Advisory Council)*

*14.ANNEX XIII Memorandum of Understanding On Establishing a Business Advisory Council*

*15.ANNEX XIV Checklist On ----- Sector-----*

### Work plan 1<sup>3</sup>

**Of the State Agency “National Centre for Legislative Regulation project implementation unit”  
at the Staff of Government of the Republic of Armenia  
For the first three priority sectors**

**Public Utility Sector, Transport and Communication Sector Regulation, Public Health Sector**

**Table 3. Time period from 02.05.2012 to 01.11.2012**

N	Scope of area	Public Utility Services				Transport			Public Health/ Health Care/Licensing of Drugs		
		Energy	Water	Gas	Telecommuni- cations	Carriage of passengers by cars (taxis)	Carriage of passengers by cars	Carriage of goods by road	Ambulatory Medical Care	Clinics	Quality Control on Drugs
1	<b>Collect the full texts of each legal norm, templates and fee schedule, and keep these documents in a central location in paper</b>	Up to 01.06.2012		Up to 01.06.2012		Up to 08.06.2012			Up to 15.06.2012		

<sup>3</sup> The Work Plan (ANNEX I) differs from the Table 2 so that the Work Plan presents the methods and tools for the implementation of the Project (Inventory of legal norms, Description of the business process, Drafting of the proposed type of the regulation, Drafting of legal acts, etc). Table 2 describes the activities of the Reform Unit for the implementation of the project. The Work Plan is directed for the implementation of the activities for the first three priority sectors and is a component part of the Table 2 point 1.

	<b>or electronic copy or both.</b>				
<b>2</b>	<b>Research of the best practice in the international legislation (reference country)</b>	Up to 01.06.2012	Up to 01.06.2012	Up to 15.06.2012	Up to 22.06.2012
<b>3</b>	<b>Description of business processes</b>	Up to 15.06.2012	Up to 15.06.2012	Up to 06.07.2012	Up to 13.07.2012
<b>4</b>	<b>Description of the best regulation practices</b>	Up to 15.06.2012	Up to 15.06.2012	Up to 13.07.2012	Up to 20.07.2012
<b>5</b>	<b>Comparison of the acting and the best regulation practices through the inventory and review forms for each legal norm in a standard electronic format. Drafting proposals and recommendations. Development of reform benchmarks. Discussion of at least for 3 types of processing, including: 1) Reduction 2) Modification (Amendments) 3) Introduction of new regulation</b>	Up to 22.06.2012	Up to 22.06.2012	Up to 27.07.2012	Up to 03.08.2012
<b>6</b>	<b>Drafting of legal acts.</b>	Up to 06.07.2012	Up to 06.07.2012	Up to 10.08.2012	Up to 24.08.2012
<b>7</b>	<b>Public discussions</b>	Up to 20.07.2012	Up to 20.07.2012	Up to 24.08.2012	Up to 14.09.2012
<b>8</b>	<b>Inter-agency discussions.</b>	Up to 17.08.2012	Up to 17.08.2012	Up to 07.09.2012	Up to 12.10.2012
<b>9</b>	<b>Revision of the drafts of laws as a result of the discussions</b>	Up to 24.08.2012	Up to 24.08.2012	Up to 21.09.2012	Up to 26.10.2012
<b>10</b>	<b>Submission to the</b>	<b>03.09.2012</b>		<b>01.10.2012</b>	<b>01.11.2012</b>

	<b>Reformation Council</b>				
	<b>Technical Staff</b>	1 Legal expert 1 Business expert	1 Legal expert 1 Business expert	1 Legal expert 1 Business expert 1 legal drafter	1 Legal expert 1 business processing expert 1 ministerial staff support specialist
		1 legal drafter 1 ministerial staff support specialist 1 business processing expert			

## Work plan 2<sup>4</sup>

### Of the State Agency “National Centre for Legislative Regulation project implementation unit” at the Staff of Government of the Republic of Armenia For the next priority sectors

#### Education sector; Construction (construction permits) sector

**Table 4. Time period from 03.09.2012 to 01.12.2012**

N	Scope of area	Education sector			Construction (construction permits) sector
		Pre-university Education	Postgraduate Education	Sector Accreditation of academic institutions	
1	<b>Collect the full texts of each legal norm, templates and fee schedule, and keep these documents in a central location in paper or electronic copy or both.</b>	12.09.2012	12.09.2012	12.09.2012	Up to 12.09.2012
2	<b>Research of the best</b>				Up to 19.09.2012

<sup>4</sup> The Work Plan (ANNEX I) differs from the Table 2 so that the Work Plan presents the methods and tools for the implementation of the Project (Inventory of legal norms, Description of the business process, Drafting of the proposed type of the regulation, Drafting of legal acts, etc). Table 2 describes the activities of the Reform Unit for the implementation of the project. The Work Plan is directed for the implementation of the activities for the first three priority sectors and is a component part of the Table 2 point 2.



	<b>practice in the international legislation (reference country)</b>	07.09.2012	07.09.2012	07.09.2012	
<b>3</b>	<b>Description of business processes</b>	19.09.2012	19.09.2012	19.09.2012	Up to 10.10.2012
<b>4</b>	<b>Description of the best regulation practices</b>	07.09.2012	07.09.2012	07.09.2012	Up to 10.10.2012
<b>5</b>	<b>Comparison of the acting and the best regulation practices through the inventory and review forms for each legal norm in a standard electronic format. Drafting proposals and recommendations. Development of reform benchmarks. Discussion of at least for 3 types of processing, including:</b> <ol style="list-style-type: none"> <li>1) Reduction</li> <li>2) Modification (Amendments)</li> <li>3) Introduction of new regulation</li> </ol>	26.09.2012	26.09.2012	26.09.2012	Up to 17.10.2012
<b>6</b>	<b>Drafting of legal acts</b>	01.10.2012	01.10.2012	01.10.2012	Up to 24.10.2012
<b>7</b>	<b>Public discussions</b>	19.10.2012	19.10.2012	19.10.2012	Up to 07.11.2012
<b>8</b>	<b>Inter-agency discussions.</b>	19.10.2012	19.10.2012	19.10.2012	Up to 23.11.2012
<b>9</b>	<b>Revision of the drafts of laws as a result of the discussions</b>	26.10.2012	26.10.2012	26.10.2012	Up to 30.11.2012
<b>10</b>	<b>Submission to the Reformation Council</b>	01.11.2012	01.11.2012	01.11.2012	<b>01.12.2012</b>

<b>Technical Staff</b>		1 Legal expert 1 Business expert	1 Legal expert 1 Business expert	1 Legal expert 1 Business expert 1 legal drafter
		1 legal drafter 1 ministerial staff support specialist 1 business processing expert		

## **PRESIDENT OF THE REPUBLIC OF ARMENIA**

### **DECREE**

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#### **ON ESTABLISHING A COUNCIL FOR COORDINATION OF MEASURES TO IMPROVE GOVERNANCE OF ECONOMIC ACTIVITIES AND REFORMATION OF LEGAL ACTS REGULATING ECONOMIC SECTOR OF THE REPUBLIC OF ARMENIA**

Given the need of bringing economic competitiveness of the country to a new qualitative level for countering socio-economic challenges faced by the Republic of Armenia as well as improving effectiveness of state regulation in economic activities and guided with Article 55.6 of the Constitution of the Republic of Armenia, I decree:

1. Establish Council for Reformation of Legal Acts Regulating Economic Sector of the Republic of Armenia (hereinafter referred to as Reformation Council) to develop recommendations on removing provisions hampering the development of business environment and market relations, improving and simplifying services rendered to citizens by the state, improving normative legal acts effective in this area as well as cutting economically non-effective, costly and improper mechanisms set out by them and improve the structure of the council in accordance with Annex 1;
2. Approve list of areas to be covered by the reforms process stipulated under clause 1 of this Decree in accordance with Annex 2;
3. To the Government of the Republic of Armenia – on making this Decree effective:
  - 1) Approve Charter of the Reformation Council within a one-month period;
  - 2) Approve Concept on Improvement of Regulatory Impact Assessment System of Legal Acts Regulating Economic Sector of the Republic of Armenia (Better Regulation Agenda) by 1 January 2012.
4. Define:
  - 1) Everyday activities of the Reformation Council shall be ensured by state organization;
  - 2) Reformation Council shall at least on quarterly basis report to the President of the Republic of Armenia on activities implemented in the frames of the process stipulated under Clause 1 of this Decree;
  - 3) Reformation Council shall discuss recommendations on reformation, simplification of legislation of the Republic of Armenia regulating the

economic sector and where appropriate proceed in an established procedure. In case of disagreement by relevant entities about the presented recommendations Reformation Council shall, in compliance with its regulation, take a decision on appropriateness on proceeding with their implementation.

5. Propose to the Yerevan Mayor, Chairman of the Central Bank of Armenia, Chairman of Committee on Public Services Regulation of Armenia and Chairman of State Committee for the Protection of Economic Competition of Armenia to cooperate with Reformation Council and state organization ensuring its operation in the frames of the process stipulated under Clause 1 of this Decree.
6. This Decree shall become effective on the day following its official promulgation.

S. Sargsyan

President of the Republic of Armenia

17 September 2011

Yerevan

NH-246-N

**ANNEX IV  
to the RA President  
Decree NH-246-N  
dated 17 September 2011**

**STRUCTURE  
OF COUNCIL FOR REFORMATION OF LEGAL ACTS REGULATING ECONOMIC  
SECTOR OF THE REPUBLIC OF ARMENIA**

Prime Minister of the Republic of Armenia (Chairman of the Council)

Chief Advisor to President of the Republic of Armenia

Minister of Economy of the Republic of Armenia

Minister of Finance of the Republic of Armenia

Minister of Justice of the Republic of Armenia

V. SARGSYAN

ACTING HEAD OF ADMINISTRATION

OF PRESIDENT OF ARMENIA

**ANNEX V  
to the RA President  
Decree NH-246-N  
dated 17 September 2011**

**LIST  
OF AREAS TO BE INCLUDED IN THE REFORMS PROCESS**

1. Local government and local self-governance sector
2. Sector of agriculture and water economy management
3. Sector of culture, health, social issues, education and science
4. Entrepreneurial, financial, tax and customs sector
5. Sector of emergency situations
6. Sector of energy, natural resources, nature protection
7. Sector of external affairs and international relations
8. Law enforcement and justice sector
9. Sector of sport and youth issues
10. Sector of transport and communication
11. Sector of urban development
12. Sector of civil aviation
13. Sector of land relations and cadastre of immovable property
14. Sector of state property management
15. Sector of financial markets
16. Public services regulation sector
17. Economic competition protection

V. SARGSYAN

ACTING HEAD OF ADMINISTRATION

OF PRESIDENT OF ARMENIA

## ANNEX VI

### INSTITUTIONS IN THE SCOPE OF THE GUILLOTINE

Included in the scope of the guillotine

1. [Ministry of Territorial Administration](#)
2. [Ministry of Agriculture](#)
3. [Ministry of Culture](#)
4. [Ministry of Economy](#)
5. [Ministry of Education and Science](#)
6. [Ministry of Emergency Situations](#)
7. [Ministry of Energy and Natural Resources](#)
8. [Ministry of Finance](#)
9. [Ministry of Foreign Affairs](#)
10. [Ministry of Healthcare](#)
11. [Ministry of Justice](#)
12. [Ministry of Labor and Social Affairs](#)
13. [Ministry of Nature Protection](#)
14. [Ministry of Sport and Youth Affairs](#)
15. [Ministry of Transport and Communication](#)
16. [Ministry of Urban Development](#)
17. [General Department of Civil Aviation](#)
18. [National Security Service](#)
19. [Republic of Armenia Police](#)
20. [State Committee of the Real Estate Cadastre](#)
21. [State Property Management Department](#)
22. [State Revenue Committee](#)
23. Central bank of Armenia
24. Public services regulatory commission
25. State commission for the protection of economic competition
26. State committee of water system
27. City government of Yerevan

## Methodology

The following steps are needed to complete the Regulatory Reform:

**Step 1.** The Reform Unit issues the instructions and forms for the inventory phase to the Ministries and State agencies, and trains them:

- Work with the Ministries and State agencies
- Collecting the legal acts from the Ministries and State agencies.
- Submitting the names of the candidates of the Ministries and State agencies for every day work with the Reform Unit.

***Ministries, regulatory bodies and the City of Yerevan.*** Each ministry, agency, and the City of Yerevan should identify each legal norm that it enforces on businesses and citizens, regardless of the document or legal form, and shall provide each legal norm to the Reform Unit in the form and on the schedule requested by the Reform Unit, as well as all currently valid legal normative documents issued by the ministry or agency and all other documents containing procedures being enforced by the ministry or agency such as official letters, notices, instructions guidelines or other documents issued by the ministry or agency or any of its departments or sub-departments, as well as higher level legal normative documents that the ministry or agency is responsible to implement.

Each ministry and agency shall conduct a review of each legal norm procedure to determine if it is legal, necessary, and business friendly, and shall submit the results of the review to the Reform Unit in the manner and on the schedule requested by the Reform Unit.

To prepare its inventory and to carry out its reviews, each ministry and state agency should:

- Identify a contact person or persons responsible for overseeing the inventory preparation and reviews for the institution
- Create a small group reporting to the head of the agency to oversee the development of the inventory and reviews
- Prepare a comprehensive list of all legal norms enforced by the institution on citizens and businesses, using the “Arlis” database of the Ministry of Justice, and the inventory form required by the Reform Unit;
- Collect the full text of each legal norm, form, and fee schedule, and keep these documents in a central location in paper or electronic copy or both;
- Compile all currently valid legal norms issued or implemented by the ministry or agency and all other documents containing procedures being enforced by the ministry or agency such as official letters, notices, instructions guidelines or other documents issued by the ministry or agency or any of its departments or



sub-departments, as well as higher level legal normative documents that the ministry or agency is responsible to implement and keep these documents in a central location in paper or electronic copy or both, as well as submit paper or electronic copies thereof to the Reform Unit no later than the deadline provided in the schedule;

- Prepare an inventory form for each legal norm in the standard electronic format, and a review form;
- Submit the inventory and review forms to the central Reform Unit as forms are completed;
- Respond to any questions from the Reform Unit and supply any information that is requested;
- Consult as necessary with stakeholders to carry out these task at a high level of quality;
- Promptly implement the recommendations of the Reform Unit once they are adopted.

**Step 2.** The inventory will rely to the maximum extent possible on the “Arlis” [www.arlis.am](http://www.arlis.am) database being developed by the Ministry of Justice, other legal sources such as; [www.parliament.am](http://www.parliament.am), [www.datalex.am](http://www.datalex.am). [www.e-gov.am](http://www.e-gov.am).

- Each legal norm must be precisely identified as to the enforcing institution and the instrument itself. This is because the titles of many norms are similar and other procedures overlap or duplicate. There must be precision in order to manage each dossier properly.
- Each norm must have some basic descriptive information about the nature of the procedure, such as whether it affects businesses or citizens, or involves a license, or has forms attached, or requires fees. This is to allow the Review Unit to establish priorities in the review phase by identifying these kinds of high cost norms.
- There should be a contact point for each norm in order to facilitate quality control and the collection of further information if necessary.

**Step 3:** Ministries and state agencies submit inventory forms.

**Step 4:** Reform Unit completes the electronic inventory. This allows, for the first time, a clear estimation of the legal norms needed for the Regulation Reform.

**Step 5.** Study and Research of International practices in transitional and developed economies using all possible sources by the Reform Unit.

**Step 6.** Description of business processes by the Reform Unit. Monitoring and evaluating the present and proposed business processes and their expected results.

**Step 7.** Submit the checklist to the corresponding bodies. Carry out independent reviews of the legal norms, considering information provided by the ministries, other state bodies, and civil society such as businesses and the public.

**Step 8.** Public hearings and discussions. Inform and encourage input from organizations such as the business group, and other stakeholders in the review of legal norms, and hold consultative seminars, workshops, meetings, or other forms of communication as needed to ensure transparency in the process of the reform;

- To understand the stakeholders' needs and problems in business process.
- To discuss the Reform Unit's recommendations and proposals with the stakeholders.

**Step 9.** Business groups carry out their reviews. This is staggered as well to accelerate priority areas.

**Step 10.** Reform Unit carries out its own reviews, which are also timed to complete early packages on schedule. For each recommendation, the Reform Unit estimates the impacts on tax revenues and business/citizen cost savings (economic and financial justification).

**Step 11.** Inter-agency discussions. Reform Unit submits the packages to the Ministries and State agencies.

**Step 12:** Ministries, State agencies, and the City of Yerevan submit reviews to the Reform Unit. This is staggered, so early priority areas are reviewed first, followed by other reviews through the entire reform process.

**Step 13.** The Reform Unit carries out reviews based on the results of received discussions and recommendations.

**Step 14.** The Reform Unit develops the final recommendations and prepares the necessary draft legal normative documents to implement those recommendations, assembles the final package and transmits those recommendations and draft legal norms to the Reform Council.

**Step 15.** Reform Council decides to accept or reject appeals.

**Step 16.** Reform Unit makes amendments in the package based on the recommendations of the Reform Council and assembles the final package.

**Step 17.** After implementation of all necessary procedures, the final package is being submitted for Government's consideration and final decision.

**Step 18:** Government adopts package of reforms.

## 1. GENDER CONSIDERATIONS

Since the Reform Unit's strategy is to regulate all areas of socio-economic activities in Armenia, it will also address such issues as gender equality (gender relations, involvement of women) and environmental sustainability.

### A. B. Gender analysis (to the Gender considerations)

With regard to gender analysis and gender experts it is worth indicating that the UNDP has expressed interest in providing documents, reports, studies and analyses on gender equality, which can be taken into account during the project implementation period.

The UN Gender Team has expressed readiness to cooperate with the Reform Unit staff. The experts from the Reform Unit will participated in a UN meeting (training) on gender issues on 1<sup>st</sup> of June, 2012. Overall, the UNDP Team organized three meetings to support gender issues (whether a particular regulation impacts gender issues/gender relations/equality/women involvement). At present, the UNDP is hiring an expert to assist the Reform Unit in gender issues.

Meanwhile, the Reform Unit invited a number of women associations to participate in public consultations, namely the Women in Business Investment Association (WiBIF) headed by Nune Eghiazaryan, the Social-Economic Analysis Center headed by Nairuhi Jrbashyan, the Consumer Protection Organization headed by Lusine Yakubyan, the Women's Resource Center Armenia (WRCA Yerevan), and the Public Information and Need of Knowledge (PINK) NGO.

In order to ensure proper consideration of gender issues and to conduct a transparent survey the Reform Unit will amend the Business Procedure Review Form (Checklist) (see Annex II to the Project Progress Report) by adding a new point on gender issues (whether a particular regulation impacts gender issues/gender relations/equality/women involvement). This amendment will be made after the meetings with the UN representatives.

### C.2. Elimination of barriers.

In order to ensure gender equality in all spheres in Armenia (political life, decision-making, labour market, elimination of violence against women, health, education, construction, customs, etc.) the Reform Unit staff is highly encouraged to take gender issues into account when creating or amending regulations during the regulatory reform process.

For this reason it is important:

- a. To amend the Business Procedure Review Checklist to ensure the elimination of all discriminatory barriers set for women.
- b. To consider the 2004-2010 Republic of Armenia National Action Plan.
- c. To take into account the Donors' considerations on gender issues.

### C.3. Participation and control.

The implementation of the gender aspect of the project will be pursued in close cooperation with women's international and local NGOs, business organizations, female entrepreneur associations. As mentioned above, women associations such as the WiBIF, the Social-Economic Analysis Center, the Consumer Protection Organization, the WRCA Yerevan, the PINK, etc. are invited to actively participate in public discussions and hearings during the regulatory reform process and be involved in the Business Advisory Council.

### C.4. Indicators

To promote the equality of rights and opportunities for men and women the Reform Unit considered gender equality issues also during the staffing process.

In fact, the number of female employees recruited in the Reform Unit staff exceeds the number of male employees. Currently, the Reform Unit is staffed by 14 female and 10 male employees.

The Reform Unit staff understands the importance of surveys and opinion polls with a strong participation of women in addressing social and economic problems of women.

### C5. Qualified personnel

Given that equal rights of women and men should be ensured in all sectors of Armenian economic and social life, the RIA will be an integral part of the regulatory project and will be included in the methodology of the Reform Unit. Thus, the RIA, the 2004-2010 Republic of Armenia National Action Plan and other legal documents and analyses will be taken into consideration during the implementation of the project to ensure gender equality in future legislation.

### C6. Consultations

As stated above, the Reform Unit encourages the participation of women's organizations and associations in all stages of the regulatory process.

The Reform Unit has adopted a strategy aimed at addressing gender issues and formulating recommendations by strongly cooperating with women's NGOs and associations. Therefore, the role of the gender equality team is significant, and it is expected that during the first meeting with the UN gender team on 1<sup>st</sup> of June, 2012, it will be introduced to useful mechanisms and tools for detecting and resolving gender issues during the legislative process. The UN team will hopefully cooperate with the Reform Unit during the whole period of the project implementation with regard to women's issues.

## 2. ENVIRONMENTAL CONSIDERATIONS

Social development programs, economic projects and plans, operating businesses, etc. can affect the environment by causing, for instance, land degradation, extinction of many species of flora and fauna, pollution, and negative impact on global climate.

Thus, human economic activities will be subject to an Environmental Impact Assessment.

It is important to mention that the areas specified in Presidential Decree No. 246-N of 17 September 2011, which are to be included in the reform process (agriculture and water economy management, energy, natural resources, nature protection, public utility services regulation, urban development, culture, health, social issues, education and science etc.) are related to environment issues in some way or another, and further developments and regulations in these areas, especially the construction permits sector, can affect the environment. Other sectors might relate to environmental issues as well, and they will be taken into account during the regulation process.

At this point it is worth mentioning that all newly developed legal acts are subject to mandatory Regulatory Impact Assessment, and the Environmental Impact Assessment is one of the key components of the RIA.

For this reason the Reform Unit will change the Business Procedure Review Form (Checklist) to add a new point on EIA and make sure that any particular regulation is in compliance with Armenia's international commitments with regard to environmental issues.

New regulations within the Project framework will be brought in line with international agreements, such as the Convention on Biological Activity, the UN-Framework Convention on Climate Change, the UNECE Convention on Access to Information, Public Participation in Decision Making and Access to Justice in Environmental Matters etc. Defining the scope of the EIA is a fundamental component of the RIA, which addresses environmental topics and methods to be used

The Government of Armenia aims to improve the RIA, of which EIA is a key component. Further development of the EIA system is first of all connected to harmonization of the newly developed legislation with the European standards and international agreements signed and/or ratified by the Republic of Armenia.

It is expected that public involvement will help to promote the necessary level of reliability, transparency and democracy needed to ensure gender equality and environmental protection.

**MONITORING PLAN 1.**

**For the Implementation by the Reform Unit of Reforms in First Three Priority Sectors during 2012**

<b>PUBLIC UTILITY SECTOR REGULATION TEAM</b>	<b>TRANSPORT AND COMMUNICATION SECTOR REGULATION Team</b>	<b>PUBLIC HEALTH SECTOR REGULATION Team</b>
<ul style="list-style-type: none"><li>• Expert Lawyer</li><li>• Public Administration Agencies Support Officer</li><li>• Economic Expert</li><li>• Business Expert</li><li>• Legal Drafting Specialist</li></ul>	<ul style="list-style-type: none"><li>• Expert Lawyer</li><li>• Public Administration Agencies Support Officer</li><li>• Legal Drafting Specialist</li></ul>	<ul style="list-style-type: none"><li>• Two Expert Lawyers</li><li>• Two Economic Experts</li><li>• Business Expert</li></ul>

## 1. Public Utility Sector Regulation

Table 5. Time period from 02.05.2012 to 03.09.2012

N	Scope of area	Agencies/ Stakeholders	Public Utility Sector			
			Energy	Water	Gas	Tele-communication s
1	<b>Law mapping/ Inventory phase in accordance with the Methodology</b>	Public Services Regulatory Commission of RA -Ministry of Justice of RA -Ministry of Energy and Natural Sources of RA	01.06.2012 <u>Completed</u>			01.06.2012 <u>Completed</u>
2	<b>Study of international legislation/practices</b>	Foreign State Agencies, Ministries and Government Bodies, Internet sources	01.06.2012 <u>Completed</u>			01.06.2012 <u>Completed</u>
3	<b>Description of business processes</b>	NGO's, Foundations, Associations	15.06.2012 <u>Completed</u>			15.06.2012 <u>Completed</u>
3.1	<b>Description of best regulation practices</b>		15.06.2012 <u>Completed</u>			15.06.2012 <u>Completed</u>
4	<b>I. Comparison of regulations in force with the best regulation practices through the inventory and review of each legal requirement according to a standard electronic format. II. Drafting proposals and recommendations. Development of reform benchmarks. III. Discussion of at least 3</b>	-Public Services Regulatory Commission of RA -Ministry of Justice of RA -Ministry of Energy and Natural Resources of RA -Ministry of Nature Protection of RA -Ministry of Urban Development of RA -Ministry of Economy of RA -Ministry of Emergency Situations	22.06.2012 <u>Completed</u>			22.06.2012 <u>Completed</u>

	<p><b>types of processing, including:</b></p> <p>4) Reduction</p> <p>5) Modification (Amendments)</p> <p>6) Introduction of new regulation</p>			
5	<p>I. Drafting of the proposed regulation.</p> <p>II. Drafting of legal acts.</p> <p>III. Economic Justification</p>		06.07.2012 <u>Completed</u>	06.07.2012 <u>Completed</u>
6	<p><b>Public discussions/hearings</b></p>	<p><b>NGO's, associations, foundations</b></p> <ul style="list-style-type: none"> <li>-Women in Business Investment Future (WiBIF)</li> <li>-Social-Economic Analysis Center</li> <li>-Protection of Taxpayers</li> <li>-Protection of Consumer Rights</li> <li>-Public Defenders' Association</li> <li>-Consumers' Association</li> <li>-SME DNC Foundation</li> <li>-Condominium Presidents' Association</li> <li>-Armenian Merchants' Organization</li> <li>-Chamber of Commerce and Industry of RA</li> <li>-Foundation of Small and Medium Businesses</li> <li>-Union of Manufacturers</li> </ul>	20.07.2012 <u>Completed</u>	20.07.2012 <u>Completed</u>



		and Businessmen (Employers) of Armenia (UMB(E)A) -Media		
7	<b>Inter-agency discussions</b>	-Ministry of Justice of RA -Public Services Regulatory Commission of RA -Ministry of Agriculture of RA -Ministry of Energy and Natural Resources of RA -Ministry of Nature Protection of RA -Ministry of Urban Development of RA -Ministry of Economy of RA -Ministry of Emergency Situations	17.08.2012 <u>Completed</u>	17.08.2012 <u>Completed</u>
8	<b>Revision of draft legal acts following the discussions</b>		24.08.2012 <u>Ongoing</u>	24.08.2012 <u>Ongoing</u>
9	<b>Submission of draft legal acts to the Reform Council</b>		30.09.2012	

## 2. Transport and Communication Sector Regulation

**Table 6. Time period from 02.05.2012 to 01.10.2012**

N	Scope of area	Agencies/ Stakeholders	Transport	
			Carriage of passengers by taxi	Carriage of passengers by bus Carriage of goods by road
1	<b>Law mapping/ Inventory phase in accordance with the Methodology</b>	-Ministry of Transport and Communication of RA -Ministry of Justice of RA	08.06.2012 <u>Completed</u>	08.07.2012 <u>Completed</u>
2	<b>Study of international legislation/practices</b>	Foreign State Agencies, Ministries and Government Bodies, Internet sources	15.06.2012 <u>Completed</u>	28.07.2012 <u>Completed</u>
3	<b>Description of business processes</b>	NGO's, Foundations, Associations	06.07.2012 <u>Completed</u>	28.07.2012 <u>Completed</u>
3.1	<b>Description of best regulation practices</b>		13.07.2012 <u>Completed</u>	03.08.2012 <u>Completed</u>
4	<b>I. Comparison of regulations in force with the best regulation practices through the inventory and review of each legal requirement according to a standard electronic format.</b>  <b>II. Drafting proposals and recommendations. Development of reform benchmarks.</b>	-Ministry of Transport and Communication of RA -Ministry of Justice of RA -Ministry of Economy of RA -Ministry of Labor and Social Affairs of RA -Ministry of Territorial Administration of RA	16.07.2012 <u>Completed</u>	17.08.2012 <u>Completed</u>

	<b>III. Discussion of at least 3 types of processing, including:</b> <b>1) Reduction</b> <b>2) Modification (Amendments)</b> <b>3) Introduction of new regulation</b>			
5	<b>I. Drafting of the proposed regulation.</b> <b>II. Drafting of legal acts.</b> <b>III. Economic Justification</b>		01.08.2012 <u>Completed</u>	22.08.2012 <u>Completed</u>
6	<b>Public discussions/hearings</b>	<b>NGO's, associations, foundations</b> Women in Business Investment Future (WiBIF) -Social-Economic Analysis Center -Planeta Travelers Club -Achilles Drivers' Rights Protection Center -Armenian Auto Importing Corporation -Taxi Services Association IAM -Media	03.08.2012 <u>Completed</u>	26.08.2012 <u>Completed</u>
7	<b>Inter-agency discussions</b>	Ministry of Justice of RA -Ministry of Transport and Communication of RA -Ministry of Justice of RA -Ministry of Economy of RA -Ministry of Labor and Social Affairs of RA -Ministry of Territorial Administration of RA	08.08.2012 <u>Completed</u>	30.08.2012 <u>Completed</u>
8	<b>Revision of draft legal acts following the discussions</b>		21.09.2012 <u>Ongoing</u>	

9	Submission of draft legal acts to the Reform Council		15.10.2012
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### 3. Public Health Sector Regulation

Table 7. Time period from 02.05.2012 to 01.11.2012

N	Scope of area	Agencies/ Stakeholders	Health Care/Licensing of Drugs <sup>5</sup>		
			Ambulatory Medical Care	Clinics	Quality Control on Drugs
1	Law mapping/ Inventory phase in accordance with the Methodology	-Ministry of Healthcare of RA -Ministry of Justice of RA			15.06.2012 <u>Completed</u>
2	Study of international legislation/practices	Foreign State Agencies, Ministries and Government Bodies, Internet sources			22.06.2012 <u>Completed</u>
3	Description of business processes	NGO's, Foundations, Associations			13.07.2012 <u>Completed</u>
3.1	Description of best regulation practices				20.07.2012 <u>Completed</u>
4	I. Comparison of regulations in force with the best	-Ministry of Healthcare of RA -Ministry of Justice of RA - -Ministry of Economy of RA			03.08.2012 <u>Completed</u>

<sup>5</sup> Drugs, drug production, export, import/ Pharmacy, drugstores/ Public medical care/ Public sanitary and epidemiological security/ Psychiatric care/ Psychotropic substances/Licensees/Blood giving and transfusion/Reproductive health care.

	<p><b>regulation practices through the inventory and review of each legal requirement according to a standard electronic format.</b></p> <p><b>II. Drafting proposals and recommendations. Development of reform benchmarks.</b></p> <p><b>III. Discussion of at least 3 types of processing, including:</b></p> <p><b>1) Reduction</b></p> <p><b>2) Modification (Amendments)</b></p> <p><b>3) Introduction of new regulation</b></p>	<ul style="list-style-type: none"> <li>-Ministry of Finance of RA</li> <li>-Ministry of Nature Protection of RA</li> <li>-Ministry of Agriculture of RA</li> <li>- Ministry of Emergency Situations of RA</li> <li>-Police Department</li> <li>-State Revenue Committee of RA</li> </ul>	
5	<p><b>I. Drafting of the proposed regulation.</b></p> <p><b>II. Drafting of legal acts.</b></p> <p><b>III. Economic Justification</b></p>		<p>24.08.2012</p> <p><u>Completed</u></p>
6	<p><b>Public discussions/hearings</b></p>	<p><b>NGO's, associations, foundations</b></p> <ul style="list-style-type: none"> <li>-Women in Business Investment Future (WiBIF)</li> <li>-Social-Economic Analysis Center</li> <li>-Armenian Association of Public Health</li> <li>-Armenian Medical Association</li> <li>- Pharmaceutical Association</li> <li>- Armenian Stomatology Association</li> <li>-Armenian Drug Production and Import Association</li> </ul>	<p>14.09.2012</p> <p><u>Ongoing</u></p>

		-Media	
<b>7</b>	<b>Inter-agency discussions.</b>	Ministry of Healthcare of RA -Ministry of Justice of RA -Ministry of Economy of RA -Ministry of Finance of RA -Ministry of Nature Protection of RA -Ministry of Agriculture of RA - Ministry of Emergency Situations of RA -Police Department -State Revenue Committee of RA	12.10.2012
<b>8</b>	<b>Revision of drafts legal acts following the discussions</b>		26.10.2012
<b>9</b>	<b>Submission of draft legal acts to the Reform Council</b>		<b>15.11.2012</b>

**MONITORING PLAN 2.**

**For the Implementation by the Reform Unit of Reforms in next Three Priority Sectors  
From June, 2012 to December, 2012.**

**Education sector**

- Expert Lawyer
- Public Administration Agencies Support Officer
- Economic Expert
- Business Expert
- Legal Drafting Specialist

**Construction (construction permits) sector**

- Expert Lawyer
- Public Administration Agencies Support Officer
- Legal Drafting Specialist

### Education sector

**Table 8. Time period from 03.09.2012 to 01.12.2012**

N	Scope of area	Agencies/ Stakeholders	EDUCATION		
			Pre-university Education	Postgraduate Education	Accreditation of academic institutions
1	<b>Law mapping/ Inventory phase in accordance with the Methodology</b>	Ministry of Education and Science of RA; Higher Attestation Commission of RA	12.09.2012	12.09.2012	12.09.2012
2	<b>Study of international legislation/practices</b>	Foreign State Agencies; Ministries and Government Bodies; United Nations Educational, Scientific and Cultural Organization; Council of Europe; Bologna Follow-Up Group Secretariat; Internet sources	07.09.2012	07.09.2012	07.09.2012
3	<b>Description of business processes</b>	Universities; NGOs; Foundations, Associations;	19.09.2012	19.09.2012	19.09.2012
3.1	<b>Description of best regulation practices</b>		07.09.2012	07.09.2012	07.09.2012
4	<b>IV. Comparison of regulations in force with the best regulation practices through the inventory and review of each legal requirement according to a standard electronic format.  V. Drafting proposals and recommendations. Development of reform benchmarks.</b>	Ministry of Education and Science of RA; Ministry of Justice of RA; Ministry of Economy of RA; Ministry of Finance of RA; Town council; Higher Attestation Commission of RA; United Nations Educational, Scientific and Cultural Organization; Council of Europe; Bologna Follow-Up Group Secretariat	26.09.2012	26.09.2012	26.09.2012



	<b>VI. Discussion of at least 3 types of processing, including:</b> 7) Reduction 8) Modification (Amendments) 9) Introduction of new regulation				
5	<b>Drafting legal acts</b>		01.10.2012	01.10.2012	01.10.2012
6	<b>Public discussions/hearings</b>	<b>NGO's, associations, foundations:</b> - Scientific & Educational Center for National Development; - SECND NGO; - International Research & Exchanges Board in Armenia –IREX; - Youth For Achievements organization (YFA) NGO; -Association of pedagogues; -Crtaser NGO; -Armenian Association of Pedagogic Initiatives NGO; <b>Universities</b>	19.10.2012	19.10.2012	19.10.2012
7	<b>Inter-agency discussions</b>	Ministry of Education and Science of RA; Town council; Ministry of Justice of RA; Ministry of Economy of RA; Ministry of Finance of RA	19.10.2012	19.10.2012	19.10.2012
8	<b>Revision of draft legal acts following the discussions</b>		26.10.2012	26.10.2012	26.10.2012
9	<b>Submission of draft legal acts to the Reform Council</b>		01.11.2012	01.11.2012	01.11.2012

## 2. Construction (construction permits) sector

**Table 9. Time period from 03.09.2012 to 01.12.2012**

N	Scope of area	Agencies/ Stakeholders	Construction (construction permits) sector
1	<b>Law mapping/ Inventory phase in accordance with the Methodology</b>	-Ministry of Urban Development of RA -Local self-governments	12.09.2012
2	<b>Study of international legislation/practices</b>	Foreign State Agencies, Ministries and Government Bodies, Internet sources	19.09.2012
3	<b>Description of business processes</b>	NGO's, Foundations, Associations	10.10.2012
3.1	<b>Description of best regulation practices</b>		10.10.2012
4	<b>IV. Comparison of regulations in force with the best regulation practices through the inventory and review of each legal requirement according to a standard electronic format.</b>  <b>V. Drafting proposals and recommendations. Development of reform benchmarks.</b>  <b>VI. Discussion of at least 3 types of processing, including:</b> <b>4) Reduction</b> <b>5) Modification (Amendments)</b> <b>6) Introduction of new regulation</b>		17.10.2012
5	<b>Drafting legal acts.</b>	-Ministry of Urban Development of RA -Local self-governments -Ministry of Territorial Administration of RA -Ministry of Economy of RA -Ministry of Finance of RA -Ministry of Justice of RA	24.10.2012

<b>6</b>	<b>Public discussions/hearings</b>	<b>NGO's, associations, foundations</b>	07.11.2012
<b>7</b>	<b>Inter-agency discussions</b>	-Ministry of Urban Development of RA -Local self-governments -Ministry of Territorial Administration of RA -Ministry of Economy of RA -Ministry of Finance of RA -Ministry of Justice of RA	23.11.2012
<b>8</b>	<b>Revision of draft legal acts following the discussions</b>		30.11.2012
<b>9</b>	<b>Submission of draft legal acts to the Reform Council</b>		<b>01.12.2012</b>

**Time plan\***

Activities	Quarter							
	1	2	3	4	5	6	7	8
<b>Expected Result 1:</b> <i>High level of performance, efficiency and effectiveness of Reform Unit is insured through securing a strong team of professionals, its political independence, building professional capabilities and collaborative participation of key stakeholders.</i>								
1.1 Selecting experienced and prominent local experts/consultants for the positions of Head of Guillotine Unit, deputies, long-term senior adviser and other staff.	<u>Completed</u>							
1.2 Instructing the bodies under the scope of the reform on the procedures needed to comply with the schedule.	<u>Completed</u>							
1.3 Developing proper justification for each and every reform proposal and ensuring low number of appeals.		<u>Completed</u>	<u>Ongoing</u>	<u>Ongoing</u>	<u>Ongoing</u>	<u>Ongoing</u>	<u>Ongoing</u>	<u>Ongoing</u>
1.4 Liaising with the President and the Prime Minister regularly and whenever such issues arise that threaten the successful completion of the reform.		<u>Ongoing</u>	<u>Ongoing</u>	<u>Ongoing</u>	<u>Ongoing</u>	<u>Ongoing</u>	<u>Ongoing</u>	<u>Ongoing</u>
<b>Expected Result 2:</b> <i>Capacities of 27 ministries and government agencies are increased significantly to provide required outputs.</i>								

2.1 Collect the full texts of each legal norm, templates and fee schedules, and keep these documents in a central location in paper or electronic copy or both.	<u>Completed</u>							
2.2 Compile all currently valid legal norms issued and/or implemented by the ministries or agencies and all other documents containing procedures being enforced by them.	<u>Completed for the 1<sup>st</sup> 3 priority sectors</u>	<u>Completed for the 2nd 3 priority sectors</u>						
2.3 Prepare inventory and review forms for each legal norm in a standard electronic format.	<u>Completed for the 1<sup>st</sup> 3 priority sectors</u>	<u>Ongoing</u>						
2.4 Submit the inventory and review forms to the central Reform Unit as they are completed.	<u>Completed for the 1<sup>st</sup> 3 priority sectors</u>	<u>Ongoing</u>	<u>Ongoing</u>					
2.5 Respond to any questions from the Reform Unit and supply any information that is requested.		<u>Ongoing</u>	<u>Ongoing</u>	<u>Ongoing</u>	<u>Ongoing</u>			
2.6 Consult as necessary with stakeholders to properly carry out these tasks.			<u>Ongoing</u>	<u>Ongoing</u>	<u>Ongoing</u>	<u>Ongoing</u>	<u>Ongoing</u>	<u>Ongoing</u>
2.7 Promptly implement the recommendations of the Reform Unit once they are adopted.			<u>To be implemented</u>	<u>To be implemented</u>	<u>To be implemented</u>	<u>To be implemented</u>	<u>To be implemented</u>	<u>To be implemented</u>
<b>Expected Result 3:</b> <i>Business Advisory Council is established, operational and ensure timely and adequate contribution of business associations and civil society organization to the review process.</i>								

3.1 Inform and encourage input from organizations such as business associations and other stakeholders in the process of review of legal norms. Hold consultative seminars, workshops, meetings, or other forms of communication as needed to ensure transparency in the process of the reform.		<u>Completed</u> <u>Ongoing</u>	<u>Ongoing</u>	<u>Ongoing</u>	<u>Ongoing</u>	<u>Ongoing</u>	<u>Ongoing</u>	<u>Ongoing</u>
<b>Expected Result 4:</b> <i>High level mentorship of reformation efforts is secured through engagement of a world-class expert.</i>								
4.1 Recruitment of internationally recognized expert/consultant.	<u>To be implemented</u>	<u>To be implemented</u>						
4.2 Development of reform benchmarks, negotiations with the Government and partner donor agencies.	<u>To be implemented</u>	<u>To be implemented</u>						
4.3 Development of quarterly progress reports, recommendations and implementation of political debates within the Reform Council.	<u>Completed</u>	<u>Completed</u>	<u>To be implemented</u>	<u>To be implemented</u>	<u>To be implemented</u>	<u>To be implemented</u>	<u>To be implemented</u>	<u>To be implemented</u>
<b>Expected Result 5:</b> <i>Custom made IT software is purchased, installed and respective staff members are trained.</i>								
5.1 Procurement and installation of licensed e-guillotine software.	<u>To be implemented</u>	<u>To be implemented</u>						
5.2 Implementation of trainings for Guillotine Unit staff on how to operate the e-guillotine software.	<u>To be implemented</u>	<u>To be implemented</u>						

<b>Expected Result 6: Adequate communication strategy and branding resulted broader political support and pro-active participation of businesses, civil society and public in general.</b>								
6.1 Communication mechanisms should be used such as written reports, training seminars, workshops, videos, e-mails, newsletters, TV ads, etc.	<u>Ongoing</u>	<u>Completed</u> <u>Ongoing</u>	<u>Ongoing</u>	<u>Ongoing</u>	<u>Ongoing</u>	<u>Ongoing</u>	<u>Ongoing</u>	<u>Ongoing</u>
6.2 Key elements of information to be distributed by the different mechanisms will be identified, including frequency and information collection and collation.	<u>Ongoing</u>							
6.3 Roles and responsibilities of the key individuals responsible for ensuring that communication are adequate / appropriate and timely.	<u>Ongoing</u>							
6.4 Identification of how unexpected information from other parties (including stakeholders) will be handled within the scope of the activity.	<u>Ongoing</u>							
<b>Expected Result 7: Reform Unit is provided with fully equipped office premises and monthly office running costs are taken care.</b>								
7.1 Identification and provision of suitable office premises to the Reform Unit by Government of Armenia.	<u>Completed</u>							
7.2 Procurement and installation of office furniture, equipment and other necessary technical facilities.	<u>Completed</u>							
7.3 Implementation of monthly payments for utility and other miscellaneous costs.	<u>Ongoing</u>							
<b>Expected Result 8: Reform Council decides to accept or reject appeals</b>								

8.1 Guillotine Unit prepares justifications for controversial simplifications based on the input from respective government agencies, Business Advisory Council and its own assessments.		<u>To be implemented</u>	<u>To be implemented</u>	<u>To be implemented</u>	<u>To be implemented</u>	<u>To be implemented</u>		
8.2 Reform Council organizes hearings (if necessary public) and provides all parties with the opportunity to properly present the case and justifications, followed by taking decision on approval or rejection of the appeal.		<u>To be implemented</u>	<u>To be implemented</u>	<u>To be implemented</u>	<u>To be implemented</u>	<u>To be implemented</u>		
<b>Expected Result 9:</b> <i>Reform Unit drafts legal text to implement the recommendations and assembles the final package</i>								
9.1 Reform Unit (if necessary in close collaboration with concerned government agency and other stakeholders) develops the texts of necessary amendments aimed at implementing recommendation, as well as assembles final package.		<u>To be implemented</u>		<u>To be implemented</u>	<u>To be implemented</u>	<u>To be implemented</u>	<u>To be implemented</u>	
<b>Expected Result 10:</b> <i>Packages are sent by Prime Minister to the Government for action as a single unit (one vote up or down)</i>								
10.1 After implementation of all necessary procedures, the final package is being submitted for Government's consideration and final decision.							<u>To be implemented</u>	<u>To be implemented</u>



<b>Expected Result 11: Government adopts package of reforms</b>								
11.1 Government adopts package of reform.							<b>To be implemented</b>	<b>To be implemented</b>
<b>Expected Result 12: Procedures begin to legal adopt revised legal text</b>								
12.1 The recommendations are adopted by the appropriate legal authority (the Government, the President, the Prime Minister, the ministries and agencies, or the parliament).								<b>To be implemented</b>
<b>Expected Result 13: Procedures begin to legal adopt revised legal text</b>								
13.1 Reform Unit monitors adoption and reports to Prime Minister and President.								<b>To be implemented</b>

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Starting period of the activities in the Time plan is 02 May 2012



## LIST

### **Of Non-governmental organisations and associations. (Signatories to the Memorandum of Understanding on the Establishment of the Business Advisory Council)**

1. Paylak Tadevosyan  
“Protection of Taxpayers” NGO
2. Karen Chilingaryan  
“Consumers’ Rights Protection” NGO
3. Aram Grigoryan  
“Union of Public Defenders” NGO
4. Varazdat Karapetyan  
“Small and Medium Entrepreneurship Development National Center of Armenia”  
NGO
5. Hovhannes Grigoryan  
“Association of Heads of Condominiums” NGO
6. Tsolvard Gevorgyan  
“Armenian Union of Traders” NGO
7. Gagik Poghosyan  
Foundation for Small and Medium Businesses (FSMB)
8. Christ Piloyan  
“Union of Armenian Industrialists and Entrepreneurs” NGO
9. Nune Yeghiazaryan  
“Women in Business” Invest for the Future” NGO
10. Nairuhi Jrbashyan  
“Social and Economic Analysis Centre” NGO
11. Bagrat Engibaryan  
“Enterprise Incubator Foundation”
12. Karen Vardanyan  
“Union of Information Technology Enterprises (UITE)”

### ***List of NGO’s to cooperate with for the Project Implementation period***

1. “Consumers Association” NGO
2. “Towards the Market” Public Assistance to Reforms” NGO
3. “Yerevan Chamber of Commerce and Industry”

4. Foundation for Small and Medium Enterprise
5. “Enterprise Incubator Foundation”
6. “Union of Information Technology Enterprises (UITE)”

#### ***Pharmacy NGOs and associations***

1. Vardan Mkrtchyan – “Liqvor”
2. Ashot Gasparyan – “Esco Pharm”
3. Siraz Matevosyan - “Yerevan Chemical-Pharmaceutical Firm”
4. Seyran Hovsepyan – “Yerevan Chemical-Pharmaceutical Firm”
5. Shahe Qasis – “Medical Horizon”
6. Samvel Zaqaryan – “DAN Union”
7. Ruben Sarukhanyan – “DAN Union”
8. Ina Arzumanyan – “Abbott Laboratories”
9. Georgiy Serlanov – “Pharm Trust”
10. Gagik Grigoryan – “Esculap”
11. Eduard Dilanyan - "Vitamax-E"
12. Vahan Karganyan - “Lambron-Pharmimpex”

#### ***Healthcare NGOs***

1. Lala Margaryan – “Armenian Union of Public Health” NGO
2. Ashot Gevorgyan – “Armenian Dental Association” NGO
3. “Armenian Medical Association” NGO
4. “Pharmaceutical Association” NGO
5. “Medicine Producers and Importers Union (MPI Union)”

#### ***Transportation NGOs***

1. “Achilles” Centre for Protection of Drivers’ Rights” NGO
2. “Armenian Union of Car Importers”
3. “Taxi Services Association”
4. “Legara LTD Cargo Transporting Company”

### ***Public Utility NGOs***

1. “Enterprise Incubator Foundation”
2. “Union of Information Technology Enterprises (UITE)”

Memorandum of Understanding  
On Establishing a Business Advisory Council

Yerevan

August 14, 2012

The present Memorandum of Understanding (hereinafter MOU) is entered into between the State Agency “National Centre for Legislative Regulation project implementation unit” at the Staff of the Government of the Republic of Armenia (hereinafter Agency) and “Protection of Taxpayers” Non-Governmental Organization (hereinafter NGO), “Union of Public Defenders” NGO, “**Small and Medium Entrepreneurship Development National Center of Armenia**” NGO, “Association of Heads of Condominiums” NGO, “Armenian Union of Traders” NGO, “Foundation for Small and Medium Businesses (FSMB)”, “Union of Armenian Industrialists and Entrepreneurs” NGO, “Women in Business” Invest for the Future” NGO, “Social and Economic Analysis Centre” NGO, “Enterprise Incubator Foundation”, “Union of Information Technology Enterprises (UITE)” (hereinafter NGOs, and together with the Agency collectively referred to as the Parties).

Whereas, in order to reduce and simplify regulations provided by current legislation and involving individuals and businesses, the Agency is willing to cooperate with interested persons possessing relevant professional knowledge and experience, and acknowledges the importance of cooperation of the state and the civil society in this area as well as the effectiveness and expedience of participation of the civil society in law-making processes,

Whereas, the NGOs are interested in close cooperation with the Agency in the area of law-making and are willing to use their potential to implement joint projects and improve the legal framework,

Whereas, the Parties have assumed the said missions and are willing to cooperate for their effective implementation,

The Parties have come to the following agreement.

Article I

Purpose

The purpose of the present MOU is to ensure the effective cooperation of the Agency and the NGOs, which will enable the Agency to benefit from the assistance of the civil society and will enable the NGOs to be involved in law-making processes.

Article II

Areas of Cooperation

The Agency shall make available for the NGOs packages of legislative initiatives prepared at the Agency to enable the NGOs to examine them and issue professional conclusions. The Agency shall address in detail the professional conclusions submitted by the NGOs, discuss all reasonable proposals, and if a proposal is rejected, provide grounds for such rejection.

The NGOs agree to provide to the Agency professional conclusions on packages of legislative initiatives.

The Parties also express willingness to cooperate in matters of organizing discussions, seminars and other events and use their best efforts to reach the goals specified in the present MOU.

The Parties do not incur any liability for making any monetary or in-kind investment while organizing such events.

### Article III

#### Advice and Information Exchange

The Parties express willingness to periodically exchange information of mutual interest and discuss opportunities for cooperation.

The exchange of information shall not lead to disclosure of information protected by law.

The NGOs agree not to disclose any information, which has been provided or made known to them under the present MOU, unless such information is publicly available or the Agency has consented to such disclosure.

Employees of the Agency and the NGOs meet when the need arises to evaluate the work completed and to plan for further tasks under the present MOU.

The Agency and each of the NGOs appoint persons responsible for effective implementation of the present MOU.

### Article IV

#### Implementation of the MOU

By signing this MOU the Parties do not create a partnership or other legal entity and do not enter into joint venture or other contractual relations.

The present MOU does not create financial or other pecuniary liabilities for the Parties.

Participation in the present MOU shall not affect potential procurement of consulting services by giving a more or less preferential status to the NGOs.

The present MOU cannot be interpreted as a guarantee, positive assessment or promise to support given by the Agency for the benefit of the NGOs.

In implementing the present MOU, the NGOs shall contribute to the development of the law for the benefit of the Republic of Armenia and its people and shall not pursue the interests of separate individuals groups.

The Parties agree that information on signature and operation of the present MOU can be distributed without restrictions, including by means of press releases, websites, and information booklets. If the present MOU is terminated the Parties shall undertake all reasonable actions to eliminate all indications of the MOU from the said mediums (websites, booklets, etc.) within two weeks.

### Article V

## Terms, Termination, Amendments

Cooperation provided for by the present MOU does not grant any exclusive rights, and each Party is free to establish similar relations with other persons.

The present MOU is valid for an indefinite period and it may be terminated by either Party by providing a notification to the other Parties at least two weeks in advance of the effective date of termination.

Consent of all Parties is required for amendments to the present MOU.

## Article VI

### Notices

Any notice or other communication between the Parties under the present MOU shall be made in writing and delivered in person, through courier or by mail, telex, telegram or e-mail at the addresses listed below.

Agency - Tamar Minasyan, Public Relations Specialist, email: [t.minasyan@regulations.am](mailto:t.minasyan@regulations.am) ; telephone: (+37410) 532287 (107).

Luiza Hakobyan, Administrative Assistant, email: [l.hakobyan@regulations.am](mailto:l.hakobyan@regulations.am); telephone: (+37410) 532287 (105)

## Article VII

### Miscellaneous

Failure by any Party to fulfill a provision of the present MOU cannot be interpreted as rejection of the MOU or any other provision.

Impossibility of a provision of the MOU does not affect the validity of other provisions, they can operate without the application of the problematic provision.

The present MOU is a memorandum of intentions, which expresses the willingness and readiness of the Parties to cooperate and does not contain legally enforceable provisions, except for the provisions in Article III of the present MOU on preserving the confidentiality of information.

Armen Yeghiazaryan

Director of Agency

Paylak Tadevosyan

“Protection of Taxpayers” NGO

Karen Chilingaryan

“Consumers’ Rights Protection” NGO

Aram Grigoryan

“Union of Public Defenders” NGO

Varazdat Karapetyan

“Small and Medium Entrepreneurship Development National Center of Armenia” NGO



Hovhannes Grigoryan  
“Association of Heads of Condominiums” NGO

Tsolvard Gevorgyan  
“Armenian Union of Traders” NGO

Gagik Poghosyan  
Foundation for Small and Medium Businesses (FSMB)

Christ Piloyan  
“Union of Armenian Industrialists and Entrepreneurs” NGO

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“Women in Business” Invest for the Future” NGO

Nairuhi Jrbashyan  
“Social and Economic Analysis Centre” NGO

Bagrat Engibaryan  
“Enterprise Incubator Foundation”

Karen Vardanyan  
“Union of Information Technology Enterprises (UITE)”

**Checklist**  
**On ----- Sector-----**

1. Is the business process necessary?

- ✓ Yes
- ✓ No (eliminate, reform/make changes)

If reforming, how \_\_\_\_\_

2. Is it necessary to shorten the time defined for business process?

- ✓ Yes/ how many days \_\_\_\_\_
- ✓ NO

3. Is there difference between the time defined and the time in practice for the same business process?

- ✓ Yes, state reasons \_\_\_\_\_
- ✓ No

4. It is necessary to shorten the steps/processes for the business process?

- ✓ Yes, state reasons \_\_\_\_\_
- ✓ No

5. It is necessary to shorten or change the conditions/requirements for the business process?

- ✓ Yes, state reasons \_\_\_\_\_
- ✓ No

6. 5. It is necessary to shorten or change the list of the required documents to be submitted for the business process?

- ✓ Yes, state reasons \_\_\_\_\_
- ✓ No

7. Is there any difference between the list of the required documents in practice and the list of the required documents defined for the business process?

- ✓ Yes, state reasons \_\_\_\_\_
- ✓ No

8. Is it necessary to change/review the state fee for the business process?

- ✓ If Yes, the how much to define the fee? \_\_\_\_\_
- ✓ No

9. Is there any difference between the state fee in practice and the state fee defined for the business process?

- ✓ Yes, state reasons \_\_\_\_\_
- ✓ No

10. Comments/recommendations\_\_\_\_\_