

**FINAL REVIEW OF  
Decent Work Country Programme  
Armenia 2007-2011**

**Final report**

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**Decent Work Country Programme  
Armenia Review 2007-2011**

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## Table of Contents

List of Acronyms and Abbreviations.....	4
Executive summary .....	5
I Introduction .....	9
1.1 ILO Decent Work Country Programme 2007-2011 .....	9
1.2 The Objectives of the DWCP Review .....	10
1.3 Methodology of the review .....	10
II Findings .....	11
2.1 Structure of the “Findings” section .....	11
2.2: Promotion of employment policies .....	11
2.3 Findings: Strengthening social partnership .....	23
2.4 Findings: Improvement of social protection.....	30
III Implications for future programme .....	38
3.1 Lessons learned from the DWCP implementation .....	38
3.2 Tripartite partnership and relationship building .....	39
3.3 Program design: areas for improvement.....	39
3.4 Recommendations for DWCP-2.....	41
IV Annexes .....	44
Annex A Documentations referred and consulted .....	44
Annex B List of persons interviewed.....	46
Annex C List of participants of the DWCP review findings presentation and validation session .....	47
Annex D Terms of Reference for the DWCP evaluation .....	48

### Tables and boxes:

Table: DWCP Priorities and Outcomes 2007–2011

Box 1: Promoting integration of people with disabilities into labour market

Box 2: Youth employment promotion programs

Box 3: Using findings of migration related studies

Box 4: Social partners as new players in combating human trafficking in Armenia

Box 5: Examples of collective agreements in Electric Networks of Armenia (ENA) and the Armenian Molybdenum Production (AMP) enterprises

Box 6: Facilitation of OSH by Employers’ organization

## List of Acronyms and Abbreviations

ALMP	Active Labour Market Programme
CEACR	Committee of Experts on the Application of C and R
CoE	Council of Europe
CCI	Chamber of Commerce and Industry
CTUA	Confederation of Trade Unions of Armenia
DW	Decent Work
DWCP	Decent Work Country Programme
EOs	Employment Organizations
FL	Forced Labour
GoA	Government of Armenia
HDR	Human Development Report
IAWG	Inter-Agency Working Group
ILO	International Labour Organization
IOM	International Organization of Migration
ICMPD	International Center for Migration Policy Development
IRIS	Integrated Resource Information System
ITC	International Training Center (of the ILO)
ITUC	International Trade Union Confederation
LC	Labour Code
LI	(State) Labour Inspectorate of the RA
MIC	Migration Information Center
MLSI	Ministry of Labour and Social Issues
MST	Modular Skills Training
MoES	Ministry of Education and Science
MRC	Migration Resource Center
MSIT	Migrant Savings and Investments Trust
MFI	Microfinance Institution
NAP	National Action Plan
NCVD	National Council for Vocational Education and Training Development
NILSR	National Institute for Labour and Social Researches of the MLSI
NRM	National Referral Mechanisms
NSS	National Statistical Service
OSH	Occupational Safety and Health
OSH MS	OSH Management system
PwD	Person with Disability
RA	Republic of Armenia
RA SMS	State Migration Agency of the RA
RBSA	Regular Budget Supplementary Account
RF FMS	Federal Migration Service of the Russian Federation
RTA	Republican tripartite agreement
RTC	Republican Tripartite Commission
RUEA	Republican Union of Employers of Armenia
SESA	State Employment Service Agency of the MLSI
SLI (or LI)	State Labour Inspectorate of the RA
SMEDNC	SME Development National Centre
THB	Trafficking in Human Beings
TOR	Terms of Reference
TUs	Trade Unions
UNDAF	United Nations Development Assistance Framework
VET	Vocational Education and Training
VoT	Victim of Trafficking
WED	Women Entrepreneurship Development
WISE	Work Improvement in Small Enterprises
WIND	Work Improvement in Neighbourhood Development

## **Executive summary**

The Decent Work Country Programme 2007-2011 in the Republic of Armenia (further – DWCP or the Programme), developed by the ILO jointly with its constituents in Armenia and signed in 2007, sought to promote decent work as an important part of the country's socio-economic development policy. For the ILO and tripartite constituents this was the first round of DWCP in Armenia and the first experience in its joint design and realization.

The Programme of 2007-2011 was developed, on one side, according to the priorities of the ILO constituents in the Republic of Armenia – namely, Ministry of Labour and Social Issues of the Republic of Armenia, Union of Manufacturers and Businessmen (with later registration of the Republication Union of Employers of Armenia, RUEA) and Confederation of Trade Unions (CTUA), and in correspondence with the ILO regional priorities for Europe and Central Asia, on another side. Promotion of employment policies, strengthening social partnership and improvement of social protection were identified as three priorities of the DWCP.

During the 5-year program, number of significant achievements was gained in regard to these priorities. Legal and institutional frameworks for the social dialogue have been created and the first Republican tripartite agreement was signed in 2009, in which social partners recognize the social partnership as the main means of reconciling their interests and agreed to take into consideration the International Labour Standards and the European Social Charter. Examples of sectoral and territorial agreements have been piloted. The social partners' work around collective agenda with an emerging partnership culture is certainly giving a good ground to further build the established Republican Tripartite Committee institutionally and operationally.

Several successful interventions, aimed at increasing employability of marginalized groups (particularly – youth, people with disabilities and victims of trafficking), have been designed and implemented within the DWCP. Of a particular mention are the promising pilot results in regard to inclusion of people with disabilities into labour market, achieved within the frameworks of the Active Labour Market Program in Armenia, with a great potential for replication throughout the country. Innovative projects addressing both youth employability and youth entrepreneurship were also piloted, in particular - job fairs and business idea markets.

The law amending the Labour Code was adopted by the Parliament in June 2010 and avoids major discrepancies with ILO standards, as well as number of important strategic documents have been developed with a support of the ILO and joint work of constituents. Significant achievements are visible in the area of migration and anti-trafficking. The ILO, in cooperation with local and international partners, provided an intensive input into developing country-wide initiatives, which resulted in Government adopting a national gender-responsive migration strategy and national plan on migration. With a support from the ILO, a new labour migration agreement between Armenian and Russian Migration Services has been negotiated throughout 2010-2011 and is expected to be signed in 2012.

The ILO has been leading a consortium of intergovernmental agencies since 2007 including the IOM, ICMPD and the OSCE in a coordinated and cooperative effort in Armenia to combat human trafficking and forced labour and to better protect and assist the victims of such exploitation. Significant efforts have been made to establish sufficient legal frameworks, national action strategies, and national referral systems for victims, which serve as policy bases for addressing the challenges of human trafficking and forced labour. As far as social protection is concerned, a visible result is demonstrated by the employers organizations, which took a role of promoter of the OSH in the country, due to employers genuine interest in increasing productivity and other incentives (such as involvement in international trade), resulting from the implementation of the OSH Standards in enterprises.

As a first joint structured experience of the ILO and constituents in Armenia over Decent Work agenda, the DWCP produced valuable results, as well as gave important learning opportunities both in terms of programme design and its actual implementation. While the progress made to social dialogue at national level is significant, the culture of partnership cannot be built overnight and time is needed to further building and operationalization of such culture, as well as to make the partnership and dialogue fully functional at all levels. This work needs structural reforms in CTUA and building further capacities of the RUEA. Limited effectiveness of Labour Inspection components evidences that the specific structural issues need to be addressed first in order to make progress in the future. Some initial steps have been taken to address minimum wage setting mechanisms, however comprehensive and modern wage determination mechanisms are not yet introduced in Armenia.

With regard to recommendations for the next DWCP, the ILO and partners' strategy can combine building on what has been achieved so far during the first program, as well as make several adjustments and emphasises on specific areas, which have not been sufficiently addressed in the past or the attempts were not fully successful. In addition, new areas of strategic prioritization can be developed. On the first place following recommendations can be considered, because some substantial experience or other prerequisites (such as low or moderate level of risks) are in place to ensure relatively smooth continuation of work in these areas:

#### Employment:

- 1) Continue involvement in development and finalization of the national employment strategy, despite on the fact that its approval is being delayed for a number of reasons beyond ILO and partners' control.
- 2) Continue promoting youth employment, building on successful models, tested during the DWCP, with inclusion of all partners in the work and implementing models and scheme which could cover youth nation-wide. Combination of both youth employment and entrepreneurship can work better than focusing on one of them. Implement VET related activities with regards to increase professional orientation of young people.
- 3) Continue supporting the social partners in replication and scaling of models piloted during the DWCP-1 to increase employability of various marginalized groups.
- 4) Consider sharing the accumulated expertise and experience of Armenian partners with colleagues outside of the country, in particular – with at the sub regional level.

#### Social partnership and dialogue:

- 5) Continue strengthening capacity of social partners in conducting essential social dialogue, discussion, negotiation and conflict resolution skills, with particular emphasis on improving their bargaining capacities. This relates to capacities of social partners at all levels – from national to enterprise. The training and capacity building programs could include assessment of knowledge and skills before and after the trainings, with follow-up feedback after 6 months and a year and consolidation of achieved results.
- 6) Further institutionalize the RTC and develop its operating capacities, as well as increase its role in becoming an important consultative forum for discussion of labour and social draft laws. Conduct an advocacy and awareness raising campaign with a goal to build a public image of the RTC as well as give an empowerment and sense of ownership over important issues of national social and economic policies.
- 7) Increase number of bi-partite and tri-partite collective agreements, at the same time focusing on their efficiency. Develop a system of agreements registration or improve the current one within the CTUA, to cover not only statistical data, but scope of the agreements. This may involve legislation amendments, but not necessary.
- 8) Continue capacity building of the CTUA with regard to its internal reformation, developing young leadership and elimination of structural bottlenecks for efficiency of operations. Continue capacity building of the RUEA with regard to further development of its network, as well as enrichment of services to its members in various technical areas.

Social protection:

- 9) Continue inputs in the area of developing National programme on OSH, with close monitoring of political decisions influencing its design and further implementation, as well as finalization and approval of OSH regulations and norms.
- 10) Participate in further discussions and finalization of the concept of insurance scheme for injuries and disabilities at the workplaces, providing expert opinions on the ideas under discussion - the current draft document does not seem to be in correspondence with social partners' needs.
- 11) Transfer from piloting to wide implementation of GOST and OSH management standards in enterprises. The certification program of the RUEA can be applied more broadly.
- 12) Continue involvement into developing of national policies regarding HIV/AIDS, as well as transfer from selected to wide implementation of HIV/AIDS prevention at workplaces.

The following sets of recommendation is related to the areas which, despite on efforts made and range of conducted activities, have not experienced significant success during the implementation of the DWCP or to the areas emerged and prioritized recently:

- 1) Facilitate a reform of wages policy to be undertaken by the GoA by initiating a strategy on wages. Improve minimal wage setting mechanisms, with consideration of potential barriers conditioned by Government's resistance to increase minimal wages for public servants, with more inputs in research and discussion on this. A risk assessment or scenario analysis could be conducted to analyse possible consequences on the State Budget before major decisions are made in this regard.
- 2) Monitor progress in the area of legislation development regarding functions of Labour Inspection to provide necessary expertise and comments to make sure that educative and counselling function of the LI, as well as its participation in social dialogue, are further promoted. Design LI capacity building programs after main structural and policy decisions are done in their regard (OSH national program, regulations and norms, as well as determination regarding possible merger of several inspectorates).
- 3) Participate in the alignment of the educational system - particularly the vocational and entrepreneurial education system - with updated labour market requirements, in order to contribute effectively to reduction of unemployment and informal employment.
- 4) Facilitate promotion and creation of favourable conditions for entrepreneurship on a policy level, including promotion of women entrepreneurship.
- 5) Discuss further necessity to clarify the definition of force labour, as well as continue strengthening capacities of social partners to combat trafficking.
- 6) Work on promoting gender equality at the workplace, including promotion of C 183 on maternity protection and Recommendation 189 (legislation review has been conducted in 2010)
- 7) Facilitate legislation improvement in regulation of private employers' organizations
- 8) Conduct a study on the status of child labour in Armenia to have more clarity on the situation and widen views of tripartite partners on this issue.
- 9) Facilitate starting processes of ratifying conventions 88, 181 and promoting Recommendation 189, as well as provide support to the Government in preparation of necessary reports on ratified conventions.

<b>Summary: Priority recommendations.</b>
1. Continue involvement in development and finalization of the national employment strategy.
2. Continue promoting youth employment, building on successful models, with nation-wide implementation.
3. Continue strengthening capacity of social partners in conducting essential social dialogue, bargaining, negotiation and conflict resolution skills.

4. Increase number of bi-partite and tri-partite collective agreements, focusing on their efficiency too. Improve or develop a new system of agreements registration.
5. Continue inputs in the area of developing National programme on OSH, with close monitoring of decisions influencing its design and further implementation.
6. Participate in further discussions and finalization of the concept of insurance scheme for injuries and disabilities at the workplaces
7. Facilitate a reform of wages policy to be undertaken by the GoA
8. Monitor progress in the area of legislation development regarding Labour Inspection, its functions, and its educative and counselling role.
9. Facilitate promotion and creation of favourable conditions for entrepreneurship on a policy level, including promotion of women entrepreneurship.
10. Discuss further necessity to clarify the definition of force labour, as well as continue strengthening capacities of social partners to combat trafficking.



## I Introduction

### 1.1 ILO Decent Work Country Programme 2007-2011

The Decent Work Country Programme 2007-2011 in the Republic of Armenia (further – DWCP or the Programme), developed by the ILO jointly with its constituents in Armenia and signed in 2007, sought to promote decent work as an important part of the country's socio-economic development policy. For both the ILO and the tripartite constituents this was the first round of DWCP in Armenia and the first experience in its joint design and realization.

The Programme was designed as to fit in a variety of approaches defined in such global development papers as Millennium Development Goals (MDG), 2003 – 2015 Poverty Reduction Strategic Paper (PRSP), 2005 –2009 United Nations Development Assistance Framework (UNDAF), and the national development strategy - 2007-2009 Medium Term Expenditure Framework (MTEF).

The ILO Decent Work concept refers to policies promoting employment, which should be safe and secure, decently remunerated, ensure social protection of workers and their families, give voice to workers, and guarantee equal opportunities and treatment for all. It helps the ILO to achieve four strategic objectives (including gender equality as a crosscutting objective): 1) creating decent jobs 2) guaranteeing rights at work 3) expanding social protection and 4) promoting social dialogue and a culture of tripartism.

On one side, the designed Programme of 2007-2011 was developed according to the priorities of the ILO constituents in the Republic of Armenia - Ministry of Labour and Social Issues of the Republic of Armenia, Union of Manufacturers and Businessmen (with later registration of the RUEA) and Confederation of Trade Unions, on another side it was in correspondence with the ILO regional priorities for Europe and Central Asia. The programme was planned to promote decent work as a key component of development policies and at the same time as a national policy objective of both the government and the social partners.

The following priorities were identified for collaboration between the ILO and the tripartite constituents in Armenia in the framework of the DWCP:

1. Promotion of employment policies
2. Strengthening social partnership
3. Improvement of social protection

Furthermore, the DWCP outlined policies, strategies and expected results necessary to progress towards decent work. It defined also strategic planning for the collaboration between the Republic of Armenia and the ILO for 2007-2011. A detailed implementation plan, including outcomes, outputs, indicators and resources for the delivery of the DWCP, was developed as an internal document. Altogether, the document had 3 priority areas, 10 program outcomes and 31 indicators designed. The table below shows the priority areas and respected short-term and mid-term outcomes planned for achievement.

**Table: DWCP Priorities and Outcomes 2007–2011<sup>1</sup>**

Priority Areas	Programme Outcomes
1. Promotion of employment policies	Mid-term Outcome 1.1. Support of decent work opportunities through development of national employment policies and increasing employability of marginalized groups Short-term Outcome 1.1 Increasing employability of marginalized groups Short-term Outcome 1.2. Reforms in employment related legislation and policy are performed

<sup>1</sup> ILO Decent Work Country Programme in Armenia 2007-2011

<b>2. Strengthening social partnership</b>	Mid-term Outcome 2.1. A framework for effective social dialogue is established Short-term Outcome 2.1. Capacity of all constituents in conducting social dialogue has improved Mid-term Outcome 2.2. Comprehensive and modern wage determination mechanisms are introduced
<b>3. Improvement of social protection</b>	Mid-term Outcome 3.1. Improvement of Occupational Safety and Health System Mid-term Outcome 3.2: Strengthening labour inspection management and effectiveness Mid-term Outcome 3.3 Awareness on HIV/AIDS prevention at workplace is enhanced Mid-term Outcome 3.4 The constituents undertake targeted actions against child labour, giving priority to the elimination of its worst forms

## 1.2 The Objectives of the DWCP Review

The purpose of this review is to receive feedback on performance of the ILO and constituents under the first DWCP, highlight good practices and make recommendations on how the next DWCP could be designed and implemented. Additionally, the review is foreseen to help improve the evaluability of a new DWCP and future DWCPs in general through close attention to the results matrices. The evaluation enables the ILO, the government and social partners and other agencies to review the ILO's performance in delivering planned outputs and achieving forecasted outcomes. The review has been conducted by an External consultant and covers programmes in Armenia over the implementation period of March 2007 to December 2011.

The review's scope had two main components: a) review of operational assessment on progress made on tangible outcomes as per program documents and b) review of the appropriateness and adequacy of DWCP design.

## 1.3 Methodology of the review

The DWCP external review exercise was a participatory assessment. About 30 representatives from government, trade unions and employers' organizations, as well as international organizations were interviewed and consulted, as well as around 60 project documents, reports and notes have been reviewed. The analysis was conducted within a framework of the priorities and outcomes outlined in the DWCP Implementation Plan.

The interviews consisted of several parts: questions were designed to discover perception of partners about DWCP effectiveness in progress towards each of the selected priorities and each of targeted outcomes. Besides, interviewees were asked to give feedback on activities they have been involved in, as well as the effect these activities had to actual outcomes. Interviewees were asked to provide their assessment on overall effectiveness of the DWCP, major achievements and remaining gaps, as well as emerging issues which could be addressed by the next DWCP in Armenia. The list of people, provided information and feedback, is given in the Annex B.

In addition to the interviews, an extensive volume of written documents, reports and working notes was analysed in search for more specific information, chronology of activities, feedback and recommendations from ILO experts who were involved in the DWCP during the 5-year period. By the time of the review Armenia Decent Work Country profile's draft became also available and was used to capture the current status of most important DW aspects in the country. The list of documents consulted and reviewed is given in the Annex A.

The review and the interviews were accomplished during March – April 2012. After a series of meetings and interviews, which were conducted between the consultant and representatives of government, workers' and employers' organizations, finally a workshop where all key stakeholders - from TUs and EOs, high-level government participants and management representatives from the ILO office in Geneva and Moscow - were provided with initial findings, which were discussed and edited. The ILO constituents' workshop was held in Yerevan on 15 March 2012. The feedback from the workshop participants has been reflected in this report. The list of people, participating in the findings validation workshop, is given in the Annex C.

The judgements and opinions about the pertinent issues, present in this report, are made by an External Consultant by taking into consideration comments from both ILO and constituents.

## **II Findings**

### **2.1 Structure of the "Findings" section**

As mentioned, the initial planning document consists of 3 priority areas and 10 planned outcomes. Furthermore, these outcomes are reflected in 31 indicators, which were designed to help in tracking the progress towards the outcomes. One of the scopes of this external review is to assess level of achievements of the outcomes and priorities. Therefore, analysis has been conducted in relation to each priority area, to each outcome and to each of the planned indicators.

The "Findings" section of the report gives an assessment of how the program implementation contributed to each of the priorities and outcomes. The analysis is structured by priorities, inside those priorities' chapters the analysis by outcomes is conducted, followed-up by summary of the outcome, with reflection on all indicators according to the DWCP Implementation plan. The indicators are assessed on a simple basis: "achieved", "not-achieved" or "partially achieved".

To make reading easy, several thematic sub-headings are presented – whenever possible they are made in close connection with the planned indicators to help seeing the progress by indicators.

The report includes also examples of successful practices applied by the constituents – these are given in boxes.

### **2.2: Promotion of employment policies**

(Priority 1)

Within this priority, three expected outcomes were formulated:

*Mid-term Outcome 1.1 Support of decent work opportunities through development of national employment policies and increasing employability of marginalized groups*

*Short-term Outcome 1.1 Increasing employability of marginalized groups*

*Short-term Outcome 1.2 Reforms in employment related legislation and policy are performed*

#### **Findings per outcome: MO 1.1**

***Support of decent work opportunities through development of national employment policies and increasing employability of marginalized groups (including the short-term outcome 1.1)***

### Labour market analysis:

During the course of the DWCP, development of national employment policies was improved with use of several analysis and studies supported by the ILO. In particular in 2007 a Situation analysis on youth employment was developed, followed up by seminar and provided an impulse for several youth development activities, conducted later by social partners (in particular - the RUEA and SESA). The findings of the analysis have been also used for preparation of the draft national employment strategy.

In 2009 the Ministry of Labour and Social Issues has requested for the ILO support in Global Economic Crisis Impact Assessment on the Labour market in Armenia. The analysis was prepared and discussed with the constituents. It also has been used for incorporating essential findings in the draft employment strategy, prepared by MLSI in 2010-2011 and further discussed with the ILO.

A national report on vocational rehabilitation and employment of people with disabilities was prepared and used for further design of projects addressing employability of people with disabilities.

While the planned activities were conducted and above mentioned ILO support definitely contributed to the improvement of the labour market analysis in certain years, as well as contributed to the development of national employment policies, however the extent in which it contributed to the improvements of analysis *methods*, as required by the target, seems to be fragmentary (for example, the content of survey questionnaires, used by the SESA for data collection and analysis, has been improved according to suggestions made by the ILO experts). Despite all developments, the employment strategy has not been approved for reasons beyond the ILO control, and the new round of strategy development by the MLSI is planned for 2012, and chances are high that the ILO support will be still needed.

Labour market analysis methods still have some inconsistencies and need further improvements. For example, according to recent Armenia DW country profile (2011-2012), official statistical information regarding employment data of youth might be not reliable. Data on labour market participation of people with disabilities is lacking. While there are numerous studies on the situation of people with disabilities in the labour market, different indicators are often used making comparison difficult. There is also still a significant difference between official and real levels of unemployment.

### Increasing employability of marginalized groups:

There have been several successful projects and activities aimed at increasing employability of marginalized groups (particularly – youth, people with disabilities and victims of trafficking), most of them - developed and implemented within the DWCP with use of modular skills training system. They have been designed and delivered in cooperation of social partners with the ILO, as well as using the capacities of trainers built through various training activities within the DWCP.

Of a particular mention are the results of the DWCP in regard to inclusion of people with disabilities into labour market achieved within the frameworks of the Active Labour Market Program in Armenia. An innovative model has been piloted by the SESA with support of the ILO. Within this model, the SESA staff works simultaneously with the PwD and with the employer to facilitate employment of the PwD in two directions: the person with disability

receives relevant trainings to upgrade his/her skills; the employer conducts reasonable adjustment of the workplaces to the needs of the given PwD. As a result of the pilot, four people with disabilities have been placed at jobs. Although the number of hired people might seem insignificant, however partners consider that the model has a great potential for replication within wider network by the SESA (see the box 1 for more details).

Box 1: Promoting integration of people with disabilities into labour market

Armenia is actively promoting equal opportunities for disabled job seekers. To facilitate integration of disabled job seekers into the labour market an Active Labour Market programme (ALMP) has been launched by the Government, providing wage subsidies to employers who hire people with disabilities. The program foresees an adaptation of workplaces in accordance with the needs of persons with disabilities being hired for the particular workplace.

The project has been piloted in three branches of the SESA. With support of the ILO, personnel of the SESA is trained to conduct needs assessment of persons with disabilities and discuss opportunities for skills upgrade in relevance with existing relevant job opportunities. Simultaneously, SESA works with potential employers and negotiates placement of the person with disability, analyzing opportunities for reasonable adaptations of the workplaces to the needs of the PwD – future employee. The adaptation might include training of the PwD (this might be with or without application of the MST) or employer, as well as equipment of the workplace with specific tools and mechanisms to support future employee with disabilities, or softer adaptation, such as negotiation of flexible working hours. Within the Governmental ALMP, wage subsidies to the hiring employer are provided, too. This project was preceded by the approval of relevant amendments to the Law on Employment, suggested by Government and adopted by the Parliament.

Several innovative aspects are important for mentioning. First of all, traditionally in post-soviet countries the offices of medical and social expertise defined a “disability group” of an individual - based on medical assessments conclusions were made on the *limitations* of work ability. In Armenia, the employment center conducts assessment of work ability (obviously, taking into consideration recommendations of the medical and social expertise offices). But it is, basically, analysis of what *can* the person do, not what s/he can't. This important switch in the focus provides the ground of further steps, such as training, search of employee, workplace adaptation (financed by the SESA) and wage subsidies as a compensation for lower labour productivity.

The approach, thus, is need-based and involves intervention on three-tiers: on macro-level – through relevant amendment in legislation, on mezzo-level – by training and development of relevant capacities of the SESA, and on a spot-level - conducting simultaneous work with both employer and employee, which at the same time provides a good ground for social partnership. As a result, persons with disabilities benefit from successful integration into labour market, which creates equal opportunities for them in an effective way.

A series of modular trainings has been conducted in the frames of working with youth by the RUEA. Short-term trainings for students of different VET schools and young employees on number of training topics, have been delivered through modular approach, including the ILO branded How to start and improve your business – overall from 2008 to 2010, 250 employers were trained by the RUEA in cooperation with the SME Development National Centre (SMEDNC), World Vision and the ILO on topics such as ‘Start your business’, ‘Business for beginners’ (as well as on labour legislation and OSH).

Box 2: Youth employment promotion programs

Going beyond modular approaches, couple of innovative projects addressing both youth employability and youth entrepreneurship was piloted by the RUEA, in particular - job fairs and business idea markets. The “job fairs” project is aimed at facilitation of contacts between young people and

employers, with follow-up provision of internships for promising candidates and further placement in jobs. It has been organized for 25 educational institutions, including schools, colleges, and universities, with participation of 1100 persons. The “business idea markets” are conducted with use of the ILO SIYB training and further support of promising business ideas of young people with counseling and financial means. Both projects produced promising results in terms of targeting causes of labour migration, specifically – in regions of Armenia. The RUEA considers youth employment a strategic priority and has taken a decision to continue implementation and replication of the piloted projects furthermore in regions of the country, as well as considers setting up youth professional orientation centers in regions, for combined provision of both employment and sociologist services to young population of regions.

Training modules on the detection of trafficking have been included in the national training curricula of law enforcement, based on the law enforcement training needs assessment.

#### Modular approaches and VET:

ILO provided support in designing five modular packages (these are programs in carpet making, national souvenirs production, national bread-lavash making, caking, and welding works). Capacities of local trainers - representatives of the MLSI (including through the NISLR), Trade Unions, several educational colleges and the employers’ organization – have been built in delivering these modules and access have been granted for their use. Later, these trainers also served as a basis of further spreading of the MST in the country and continue to be so. Several of the ILO trained trainers - representatives of RUEA, NISLR and CTUA, are until now serving as resource persons for further development of modular trainings by Ministry of Education in VET, as well as provide support in developing and revising educational standards. For example, in the course of 2008-2010 more than 80 state educational standards for VET, based on labour market requirements, have been developed by working groups, which membership included official nominates from RUEA and CCI, at the request of the MoES.

Furthermore, in order to promote modern VET structure and approaches, develop and improve VET curricula the National Council for Vocational Education and Training Development (NCVD) was formed in 2009, which is a tripartite consultative body and includes an equal number (seven each) of representatives from the three parties (public, employers, trade unions) and ensures the achievement of social partnership in the VET sector at the national level. The Council meets on a regular basis. Besides it, social partners sit on management boards of educational institutions of 82 colleges and 27 professional schools.

These examples illustrate that modular approaches have been successfully embedded into training and educational systems, and the capacities built by the DWCP are continuously in use in the country for further development of the VET system.

#### Youth professional orientation center:

In 2008 the center was established in Yerevan. It has 6 full-time staff positions. According to the interviews, ILO provided some support with materials to the center, as well as country trainers have been trained in several MST and other packages (including, in ITC Turin) and can be used by the Center in the future. The Center is equipped and fully operational.

Currently, the center, however, is not relatively active in regard of increasing employability, development of professional skills and other issues relevant to general employability of youth. Instead its activities are limited to ad-hoc trainings, as well as involvement in general youth-related events, and counseling on job-related soft issues (such as preparation of CV, negotiation and other soft skills promotion), not much on employment of skilled youth or increasing the skills base. One of the center's programs aims, for example, at four-phase professional orientation of schoolchildren, but there is lack of follow-up contact with the beneficiaries at later stages, when they finalize the school education and get ready for employment. The Center's location is rather far from the center of Yerevan, which makes it difficult to reach for youth in the capital, not mentioning youth from regions. The current capacity of the center is not sufficient to address youth professional orientation and development in both Yerevan and regions.

### ***Outcome MO 1.1 Summary of achievement and reflection on indicators***

#### ***Support of Decent work opportunities through development of national employment policies and increasing employability of marginalized groups***

a) *Indicator:* Labour market analysis methods are improved for development of national employment policies

*Progress:* Partially achieved. The ILO support definitely contributed to the improvement of the labour market analysis in certain years, as well as contributed to the development of national employment policies; however there is insignificant evidence of improving labour market analysis *methods*, achieved in the frame of the DWCP.

b) *Indicator:* Projects targeted at improvement of skills training through modular approaches are developed

*Progress:* Achieved.

c) *Indicator:* Youth Professional Orientation Centre is established and functioning

*Progress:* Achieved.

*Remark:* the status of indicator is positive; however efficiency of the center is not sufficient in terms of employment promotion.

d) *Indicator:* Modular skills training system is introduced in skills training

*Progress:* Achieved. Further spreading of the MST in the country is going on. Modular approaches have been successfully embedded into training and educational systems, and the capacities built by the DWCP are sustainably being used in the country.

e) *Indicator:* Equal access of men and women is ensured in training programmes on employability

*Progress:* Achieved

*Remark:* This is a cross-cutting indicator. ILO ensures balanced participation of men and women in the events and activities by including a special request on gender balance into all invitations to constituents, as well as monitoring the actual participation by gender per each seminar and event. The themes and logistical preparation of the events and seminars do not exclude women or men representation in the events.

#### ***Findings per outcome: SO 1.2.***

## ***Reforms in employment related legislation and policy are performed***

### Legislation reforms:

The law amending the Labour Code eventually adopted by the Parliament in June 2010 avoids the major discrepancies with ILO standards, in particular on freedom of association, functions of TU representatives, their election, minimal working age, oral contract and other issues, which were present in the initial draft. ILO provided significant input and comments on the draft, the provisions have been discussed, and as a result around 90 per cent of ILO comments have been accepted and incorporated in the final document, adopted by the Parliament.

ILO provided expertise on the amendments to the Law on Employment of the Population and Social Protection in Case of Unemployment, which was amended in 2010, with no major discrepancies with the ILO standards. The Law, though, is on the way to major changes expected in 2012. It is expected that improvement and implementation of this legislation will require institutional capacity, as well as support from the ILO.

On the other side, no provision of the labour legislation expressly prohibits direct or indirect discrimination on the grounds of race, color, sex, religion, political opinion, national extraction or social origin, as per ILO Convention. Furthermore, no legal prohibition of sexual harassment is included in the legislation. Instead the violation of equal rights of men and women or sexual harassment is considered as a "gross violation of labour discipline" punishable by the employer. The LC does not explicitly recognize the principle of equality of rights and opportunities with regard to vocational training and jobseekers. Therefore, despite absence of major discrepancies with the ILO standards, it can't be definitively stated that the legislation regulating labour market and employment avoids any kind of discrimination.

### Employment policies, employment strategy:

The employment policy in Armenia is developed in accordance with the Law on Population's Employment and Protection in Case of Unemployment. The ILO provided comments for the improvement of the Law, with many of them resulted in significant changes in the Law. Currently new programs are adopted targeting vulnerable groups in the labour market through partial wage subsidies, compensation of expenses in cases of professional mobility, financial assistance to unemployed people and persons with disabilities for state registration to start entrepreneurial activities as well as other programs of social assistance. The Law however is still considered obsolete and needs significant revision, which might turn to become development of a new Law rather than revision of the current. These works are the planned for 2012.

Tripartite Local Agreement Committees are set up in accordance with the Law on Employment in order to examine questions relating to the promotion of employment. Nevertheless, according to the Government's report to the CEACR, these committees do not appear yet to play a sufficiently active and direct role in the elaboration of employment policy.

Significant input and contribution was provided by the ILO during the DWCP into the development of policies on migration and marginalized groups (more details are provided in respective sections on respective outcomes). If consider changes in labour migration policy at the country level, Armenia has made considerable progress in this regard.



As mentioned above, the ILO supported development of the National Employment Strategy (last time - in 2011), providing comments on the draft document prepared by the MLSI, however the strategy has not been approved or included in a scope of work by the Government until now.

DWCP, migration and anti-trafficking agenda:

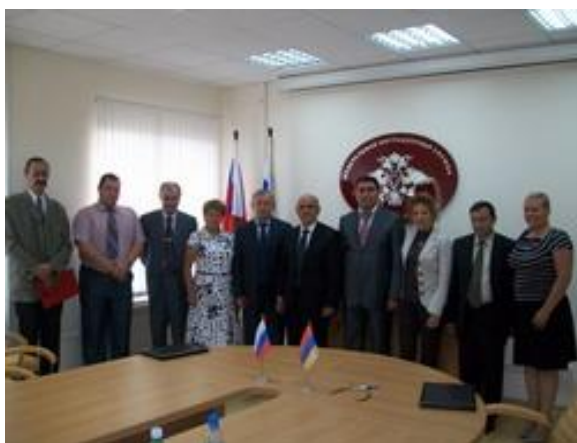
In the DWCP, which was designed as a result of joint work of the ILO and its tripartite partners, the importance of migration and employment was reflected only in designing a single indicator under an outcome of reforming employment related legislation and policies.

On the other side, the ILO, together with DWCP partners and non-DWCP partners (in particular, the Armenian State Migration Agency within Ministry of Territorial Administration, Ministry of Diaspora, Law enforcement agencies and international partners such as OSCE, DFID, UNDP) have tackled migration and development as one of the country's priorities, as well as worked intensively on developing anti-trafficking response in the country. A wide scope of work in frames of three technical cooperation projects<sup>2</sup>, resulted, among others, in national level changes and improvements, with several of them being in direct relevance to the migration and employment, and thus to the DWCP and tripartite partners' agenda.

The DWCP implementation plan (in the part of "activities") has been adjusted to reflect these developments; however the adjustments have not resulted in edition or revision of the outcomes and/or indicators of the DWCP to make them more ambitious. There have been significant specific and cross-cutting results, which could be attributed to the work of the DWCP partners and promotion of decent work agenda in Armenia, despite that they have not been planned as part of the DWCP from the beginning in 2007. The analysis of these results is presented below.

Migration and employment: policy and administrative mechanisms:

The ILO (in cooperation with the OSCE) has intensively worked on developing the migration strategy: ILO consultants co-drafted the migration strategy and National Action Plan on migration, which was then validated by social partners and all government stakeholders. As a result, a national gender-responsive migration strategy was adopted by the Armenian Government in December 2010 and the national action plan on migration was adopted by the Government of Armenia in November 2011.



With a support from the ILO, a new labour migration agreement between Armenian and Russian Migration Services has been negotiated throughout 2010-2011 and is expected to be signed in 2012 (photo of the working group of Russian and Armenian officials – on the left). The new agreement will allow for organized labour migration, with the support of the employment service in Armenia. ILO supported a study by Armenian consultant and exchange of

<sup>2</sup> Towards Sustainable Partnerships for the Effective Governance of Labour Migration (2007-2010), Increasing the Protection of Migrant Workers in the Russian Federation and Enhancing the Development Impact of Migration in Armenia, Azerbaijan and Georgia (2009 – 2011), Strengthening the comprehensive anti-trafficking response in Armenia, Azerbaijan and Georgia (in cooperation with the OSCE, ICMPD and IOM, 2009-2011)

information between RA migration agency (SMS) and RF FMS that contributed to better understanding of differences in practices in gathering of data. Regular exchanges of migration statistics were agreed on the basis of an inter-governmental agreement between the Armenian Migration Service (AMS) and the Russian Migration Service (FMS).



#### Migration centers:

Program partners have increased their capacity in development and implementation of policies and programs aimed at protecting migrant workers' rights and enhancing the development impact of migration. In particular, the State Employment Service of Armenia (SESA) has created a new service for potential migrant workers in regions with high incidence of labour migration. Such Migration Resource Centers have been set up within the State Employment Service in Ashtarak, Erebuni and Ijevan. These centers are created with ILO support and integrated in the employment office; trained staff informs potential migrant workers about Russian and other migration regulations. By the October 2011, 10 000 potential migrants, including those living in rural and remote areas, were covered by informational campaigns and communication (the picture shows an example of cartoons used in informational booklets). Information centers continue to be operational after the project end, corresponding website has been upgraded and TV spots have been produced.

#### Box 3: Using findings of migration related studies

Of a special mention are two studies conducted in the frames of the DWCP, which received an application in various areas of Decent Work Agenda and initiated important in depth analyses and precise recommendations. The first study (chronologically) - Armenia Country Study on Migration and Development (2008-2009), focusing on return migration, skilled migration and diaspora engagement, was the first study concerning the migration and development, as well as the follow-up workshop was the first one in the country dedicated to migration and development.

Final recommendations have been used by the newly established Ministry of Diaspora to develop the national strategy to engage the Armenian diaspora further for the development of their home country. The Ministry of Diaspora of Armenia started to tackle differences between "re-integration" and "repatriation" and consider a new diaspora of economical nature composed of labour emigrants next to its "traditional" diaspora. Later, with a technical support of the ILO, the handbook for Armenians Abroad was prepared, disseminated electronically (on the web-site of the Ministry of Diaspora Affairs) and via Armenian embassies, which enables Armenians abroad to participate and contribute to development of their homeland as well as facilitate their interface with the country of origin.

The Ministry of Labour (through the SESA) allocated its own resources combined with the ILO support to establish a web based skills register for occupations in demand in the country; it also included a voluntary registration of all categories of returnees to match their skills with existing job vacancies in the public employment system. The study was also used by the UNDP in preparation of National Human Development Report 2009 (on the migration theme).

The second study - Study on Remittances and Development (2008), focused on the saving and investment potential of remittances in Armenia. During the National workshop (July 2008) the findings and recommendations of the study have been disseminated, financial institutions of Armenia (banks

and credit organizations and MFIs) have been provided with concrete mechanisms to tailor their financial services to the needs of migrants and their families, to increase savings/investments from remittances. The study and in particular one of the mechanisms proposed (MSIT) was extensively cited by Armenian government during the Global Migration and Development Forum in Manila (2008). The study and data collected was being used by the UNDP in preparation of national Human Development Report for 2009. Further after discussions with the most promising banks and MFIs (in terms of introducing remittances-backed financial products) specific products were further developed and proposed to these institutions. However, no further information is available about application of these financial products.

### Combating human trafficking: National Action Plan (NAP) and National Referral Mechanism (NRM)

The ILO has been leading a consortium of intergovernmental agencies since 2007 including the IOM, ICMPD and the OSCE in a coordinated and cooperative effort in Armenia to combat human trafficking and forced labour and to better protect and assist the victims of such exploitation. Two greatest strengths of this project were in raising awareness across many sectors (including leaders and middle managers in governmental and nongovernmental stakeholder entities) about dimension of forced labour within the construct of THB, which in turn further broadened the perceptions of various actors about their responsibilities and roles in prevention of THB and protection of VoTs. A national coordinating authority composed by relevant state ministries, NGOs and other stakeholders- Inter-Agency Working Group (IAWG) is established in the country as a coordinating authority of migration related work. The ILO social partners are members of the IAWG.

Significant efforts have been made to establish sufficient legal frameworks, national action strategies, and national referral systems for victims, which serve as policy bases for seriously addressing the challenges of human trafficking and forced labour. National Action Plan to combat THB (with monitoring and evaluation indicators) and National Referral Mechanisms for victim assistance were adopted - the two key coordination tools to enable comprehensive, multi-disciplinary, inter-ministerial action to address prevention of THB, protection of victims and people vulnerable to becoming trafficked and exploited, and prosecution of the perpetrators of the crimes of trafficking and severe exploitation.

The national mechanism for the collection and monitoring of up to date sex-disaggregated data on migrant workers is upgraded. The ILO DELPHI methodology (Trafficking in Human Beings and Forced Labour) is introduced to the NSS with the test versions of database on THB installed in the offices of repositories, by ICMPD and translated into Armenian. End user manual finalized and training on database usage provided.

Prior to this ILO-led effort, combating human trafficking in Armenia, as in all countries of the South Caucasus, was perceived to be primarily the purview of Ministries of Interior and Social Affairs, as well as NGOs concerned with issues of women, children and human rights. The expansion of focus to include forced labour created a clearer point of entry through which the traditional social partners of the ILO – employers and labour unions – can be engaged in prevention of THB and identification/assistance for its victims. It also raised the awareness of the Ministries of Labour and their labour inspectors that they have roles and responsibilities in identification and prevention of all forms of human trafficking.

A significant gap remains, however, at the operational level. For example, while senior and middle-managers in Ministries, social partners and civil society entities demonstrated significant learning about the breadth of human trafficking in theory, gaps in the legal

and/or administrative framework still discourage labour inspectors from being able to apply what they learned in project trainings. There are also several signals that government entities resist establishing effective M&E systems for their counter-THB/FL work. For example, the government is reluctant to appoint a national anti-THB/FL coordinator (a practice widely followed in other nations). Encouragement (by OSCE) of the IAWG to move towards developing Standard Operating Procedures for the NRM was considered as not timely yet. A victim-centered quantitative survey conducted in 2009 by NSS in close cooperation with the ILO experts also was not accepted for use as an analytical tool to assess the state of THB/FL.

#### Combating human trafficking: strengthening law enforcement agencies:

A scope of activities was conducted in relation to strengthening Law Enforcement agencies capacities to detect, investigate and prosecute criminal activities in Forced Labour and THB. An Anti-trafficking Manual for Law Enforcement Agencies was created by national experts intended for use in training prosecutors, police, judges, border guards and labour inspectors, with an accompanying training methodology developed and tested within a training of trainers representing the Armenian Police Academy. The ILO handbook for labour inspectors on Forced Labour and Human Trafficking is made available in Armenian. However, the departments of labour inspectors acknowledged that these roles are not being widely adopted yet by their staff, due to various factors such as insufficient legal framework, resources and political will.

In 2011 The Criminal Code is amended with articles to reflect prosecution of the perpetrators of the crimes of trafficking and severe exploitation. However, the number of identified cases remains under 100 men, women and children per year<sup>3</sup>, which is in dramatic contrast to the volume of irregular migrants who are the most vulnerable to severe forms of exploitation. This vast discrepancy signals that much remains to be done to turn good counter-trafficking and forced labour legislation and policy frameworks into fully operational and effective systems. For example, the Constitution prohibits “compulsory employment”; however there is no further determination of forced labour, human sale or other types of trafficking in Armenia.

#### Combating human trafficking: role of social partners

Social partners in the tripartite system of the ILO were new targets in Armenia for THB/FL awareness raising and further institutionalization of migration related works. Within the CTUA it has been reflected in adopting a Strategy on Labour Migration, Combating Human Trafficking and Forced labour (2009-12) and creation of Migration Information Centers on a sustainable base, serving unemployed and potential migrants in 25 regions of Armenia with migration related information. The RUEA, in its turn, adopted the Code of Conduct on preventing THB and forced labour introduced by the ILO. The Union has also been active to combat trafficking through the elaboration of a Code of Conduct targeting the private companies, which resulted in development of the Code of Conduct on THB and FL for Private Employment Agencies being ratified and adopted in June 2011.

CTUA and RUEA significantly increased their awareness about the phenomenon of THB/FL and related international and national law, standards and mechanisms.

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<sup>3</sup> Strengthening of comprehensive anti-trafficking responses in Armenia, Azerbaijan and Georgia, final evaluation report, December 2011

#### Box 4: Social partners as new players in combating human trafficking in Armenia

Social partners in the tripartite system of the ILO were also new targets in Armenia for THB/FL awareness raising.

The ILO-led Anti-trafficking project has supported the CTUA in capacity building to protect migrant workers and in the provision of information

focusing on TU membership and labour rights for migrant workers going to the Russian Federation (the example informational booklet's content is presented as a picture in this box). The Migrant Information Center (MIC) has been established on a sustainable basis with necessary premises and personnel and is fully operational, consultations are provided in more than 25 regions in 2010-2011. The CTUA also produced information products (such as booklets and posters) with content related to protection of migrants' labour rights and other relevant information. The outreach of these informational campaign



were the sectoral trade unions, MIC visitors, participants of trainings and other events, in Yerevan and Razdan towns, as well as information was disseminated through SESA and State Migration Service offices. For the first time in Armenia the trade union confederation became engaged on migration issues and capacity has been built. Furthermore, cooperation on the topic of labour migration and the protection of migrant workers' rights is enhanced between workers' organizations of Armenia and Russia, exemplified by the signing of Memorandum of cooperation between Confederation of Trade unions of Armenia and the Federation of Independent Trade Unions of Russia. Both Confederations of Trade-Unions in Russia and in Armenia adopted a resolution to include Labour Migration in their agenda and become active in migration governance issues.

Finally, the CTUA adopted Strategy on Labour Migration, Combating Human Trafficking and Forced labour (2009-12) and continues to develop information campaigns for potential migrants.

The project made significant strides in raising the awareness of employer association and their members about the phenomenon of THB/FL and the international and national law, standards and mechanisms to address them. Employers associations are not traditional partners in the efforts to combat THB, so this work reached out to a relevant new sector that can contribute to prevention, protection and victim reintegration. In Armenia, the RUEA reviewed, adapted and adopted the Code of Conduct on preventing THB and forced labour introduced by the ILO. It has also been active to combat trafficking through the elaboration of a Code of Conduct targeting the private companies or persons that can be involved in forms of trafficking, mainly in obtaining false visas or travel documents. This resulted in development of the Code of Conduct on THB and FL for Private Employment Agencies (with a support from the ILO and further – of the IOM), which has been ratified and adopted in June 2011. Creating such private sector initiatives is consistent with, and further supports, the goals and objectives of the NAPs.

The RUEA cooperated with the ILO in translating and adapting the ILO handbook for employers on countering THB/FL, which is being used by some of the employers to review their health, safety and human resources practices to bring their corporate practices in line with the standards presented in the handbook.

#### Promoting entrepreneurship:

A small number of activities, addressing the issue of women entrepreneurship, have been conducted in the timeframe of the DWCP. Women Entrepreneurship Development (WED) Capacity Building Workshop was conducted by the RUEA to strengthen capacities of constituents, specially employers, and other stakeholders (including BDS providers) to overcome gender-based barriers and provide a wide range of innovative support strategies and services for women entrepreneurs. Of a particular note is also the study on Women Entrepreneurship Development which has been conducted in 2009 by the RUEA with further introduction and discussion of results with large auditory (Government authorities, Social Partners, International Organizations and NGO-s). The study confirmed necessity to address lack of SME entrepreneurship by women in Armenia and discovered some of the barriers hindering this development. Recommendations, including elimination of policy-level barriers, have been provided, but no steps have been taken yet in this regard on a policy or national level.

Additionally, the RUEA conducted projects on promoting youth entrepreneurship, as well as a training on women entrepreneurship, targeting mainly entrepreneurs service providers - thus some capacity (in addition to the existing capacities in training and entrepreneurship) of the consulting/service companies has been built for future promotion of women entrepreneurship. The RUEA sees promotion of entrepreneurship as one of the main components under promotion of employment, which is considered by the RUEA as a strategic priority. RUEA is ready to initiate activities, including legislation reviews, to promote conducive policies for SME development, including women and youth entrepreneurship.

For the past few years, the Government has emphasized the need to simplify the legislative and regulatory framework for SMEs, including simplification of tax and customs formalities, however no particular progress can be mentioned in this regard so far.

#### Partnership between private and public employment agencies:

Within the DWCP there have been two developments in this regard. First, in 2008, in frames of the anti-trafficking project, a mapping study was produced on private employment agencies in Armenia followed by a workshop producing recommendations to promote a dialogue with the government and relevant stakeholders. In 2010 the Business Association of Recruitment Agencies was established under the umbrella of the Employers Association (RUEA). It unites 20 organizations to date. A web-site of the association has also been designed ([www.pea.am](http://www.pea.am)). The Association adopted the Code of Conduct on THB and FL on private employment agencies.

Recruitment agencies for domestic and international employment are an emerging area of business in Armenia, and this new sector is not well regulated yet (the agencies themselves are taking the lead in developing industry standards). Initial steps have been taken to facilitate partnership between private and public agencies; however the partnership is at the beginning stage.

### ***Outcome SO 1.2 Summary of achievement and reflection on indicators***

#### ***Reforms in employment related legislation and policy are performed***



a) *Indicator:* Expertise is applied to ensure that draft legislation regulating labour market and employment avoids any kind of discrimination

*Progress:* Achieved.

*Remark:* Despite on absence of major discrepancies with the ILO standards, the legislation is not explicit in preventing any kind of discrimination.

b) *Indicator:* A national policy and administrative mechanisms on migration for employment in accordance with ratified Conventions Nos97 and 143 and the ILO Multilateral Framework on Labour Migration are formulated and applied.

*Progress:* Achieved.

*Remark:* The number of achievements in regard of work with migration and combating trafficking on national level is significant, while there is just this single indicator planned in the DWCP.

c) *Indicator:* Assistance is provided on improving labour market policy

*Progress:* Progress is mixed. Assistance has been provided, employment policies developed, employment strategy drafted, but not approved. Considerable changes are on place in labour migration policies. The report on ratified ILO Convention 122 was submitted last time in 2007 and no reporting on this convention has been submitted since then.

*Remark:* this indicator reflects input ("assistance provided"), rather than measurable output or result.

d) *Indicator:* Policy and legal measures such as those contemplated in the Job creation in SMEs Recommendation, 1998 (No189), are adopted to promote entrepreneurship including women.

*Progress:* Not achieved.

e) *Indicator:* Steps towards establishing partnership between public and private employment agencies are taken.

*Progress:* Achieved. Some steps were taken.

*Remark:* the indicator does not specify extend of the steps in more details and state or level of partnership expected by the end of DWCP.

## **2.3 Findings: Strengthening social partnership**

(Priority 2)

Within this priority, three expected outcomes were formulated:

*Mid-term Outcome 2.1 A framework for effective social dialogue is established*

*Short-term Outcome 2.1 Capacity of all constituents in conducting social dialogue has improved*

*Mid-term Outcome 2.2 Comprehensive and modern wage determination mechanisms are introduced*

### **Findings per outcome: MO 2.1**

#### **A framework for effective social dialogue is established**

Republican Tripartite Agreement

The social partnership in Armenia is defined by its legislator as is the system of relationships between the employees (their representatives) and employers (their representatives) called upon to ensure the consolidation of the interests of the employees and employers and develops at national, industry, territorial and enterprise levels.

One of the major achievements of the DWCP is that during its course, in 2009 the tripartite constituents in Armenia, namely the Government, the CTUA and the RUEA signed a Republican tripartite agreement (hereafter “the 2009-12 RTA”) for the term of three years (until July, 30 2012) in which they recognize the social partnership as the main means of reconciling their interests and agreed to take into consideration the International Labour Standards and the European Social Charter.

The 2009-12 RTA addressed such labour and social policy issues as occupational safety and health, jobs, wages and living standards, labour market, and social insurance and social security. Besides, the 2009-12 RTA established the RTC – a national level consultative social partnership body consisting of five representatives from the Government (the Minister of labour and four Vice-ministers of labour, economy, finances and justice), the CTUA and the RUEA. Each side has its Chairperson who has the right to vote. The Minister of labour chairs the meetings of the RTC. Prior to the establishment of the RUEA, there had been little development in terms of social dialogue or collective bargaining at the national level.

The RTC started to move gradually to become an important consultative forum for discussion of labour and social draft laws before their submission to the Parliament, although this process is just beginning and is not always effective. RTC and RTA mainly focus on labour policy issues, while it is desirable to include generally economic and social policy issues in the effective agenda, too. The RTC discussed the significant amendments to the Labour Code (the RTC Chairman presented the results of these discussions before the Parliament) and important pension reform measures.

To strengthen social partnership, the governments of Armenia, trade unions and employers’ organizations have collaborated extensively with the international community and donor organizations. The social partners have thus worked with the ILO in implementing a number of projects, in areas such as regulating labour migration, combating human trafficking, promoting youth employment and improving occupational safety and health. Under this framework, a number of conferences aiming to promote social dialogue, have been conducted, the most recent of which took place in 2011 (a tripartite seminar on National Tripartite Social Dialogue in Armenia) and the next one is planned for 2012 (photo from the First National Conference on Social Partnership, 2010).

These meetings promoted the identification of common problems as well as possible solutions and recommendations for future action.

In summary, legal and institutional frameworks for the social dialogue are created, and the partners’ work around collective agenda with an emerging





partnership culture is certainly giving a good ground to build the RTC further institutionally and operationally. Signing a new Republican tripartite agreement is foreseen in summer 2012. The establishment of functioning RTA and RTC is a significant step forward and definitely an achievement. The RTC is just at its take-off stage and still encounters significant organizational, institutional, capacity building problems, as well as needs proper public awareness and image building for general public.

#### Branch and territorial level agreements

Armenian legislation envisaged that bipartite agreements can be concluded at branch, territorial and enterprise levels. During the course of the DWCP, two important achievements were made. Establishment of two sectoral EOs (in 2011) was piloted, resulting on signing the two sector-level agreements (in machinery and teaching sectors), as well as two territorial agreements are under the pilot, too (between territorial EOs' and TUs of Aragatsotn and Syunik regions of the country). These are good starting points for further multiplication. However, so far, in Armenia collective agreements are concluded yet mainly at national and enterprise levels, and the branch and territorial level agreements are widely lacking, with an exception of these two regional and two branch level agreements.

There are several important reasons for such limited status. One of them is that the branch and territorial levels network of the employers' organizations has not been established or do not function in their full capacity. The CTUA's network is primarily sectoral, while the employers' organization's is territorial - this structural mismatch also is an additional barrier for medium-level agreements. Although, during the course of the DWCP membership of RUEA has increased, institutional structure of RUEA has been strengthened, and the knowledge base on social dialogue has been expanded, still their membership and capacities are not sufficient to efficiently participate in collective bargaining on branch and territorial level. The CTUA's branches have significant capacity gaps, too.

#### Enterprise-level agreements

As far as enterprise-level agreements are concerned, by 2011 their number is 858 - it has grown significantly from 2008, when it was 532. The number is according to the CTUA's statistical data. Registration of collective agreements is not required by law in Armenia. In practice the parties sign two copies and each party keeps a copy. As a result, the comprehensive and systematic data on collective agreements in Armenia does not exist. Thus, there is no consolidated analyzed information in terms of scope and volume of the agreements and their efficiency. For example, it is believed that the scope of the agreements often covers only basic issues of social protection, additional payments, vacations and various other benefits, and very rarely - issues of minimum wages. The issues of minimal wages are regulated in individual contracts of workers with their employers, however around 60% of employees are still involved in informal relations<sup>4</sup>. The minimal wage is set-up in the enterprise-level agreements only in a couple of exceptional cases (see the box 5 for examples).

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<sup>4</sup> Armenia DW Country profile, 2012

Box 5: Examples of collective agreements in Electric Networks of Armenia (ENA) and the Armenian Molybdenum Production (AMP) enterprises (data as of 2010 and beginning of 2011).

In both enterprises:

- the level of unionization is 100%; just one trade union functioning in each enterprise;
- the management in both enterprises is "social dialogue friendly";
- one collective agreement in force in each enterprise and provide for quite impressive provisions concerning wages and a some other social benefits, including, *inter alia*, the following:
  - ✓ in 2010, minimum wage in the ENA (about 50,000AMD) was more than 2,5 times higher than the national minimum wage, which was at the level of 17000 AMD
  - ✓ average wages in both enterprises were about two times higher than national average;
  - ✓ the compensation for work related injury of death in ENA amounts to 600,000AMD, for partial disability – 200,000AMD, for work not related death – 200,000AMD;
  - ✓ 150% extra night shift pay in the ENA;
  - ✓ free lunch and transport to/from work in the AMP;
  - ✓ free medical examinations each three months;
  - ✓ 50% of additional pension is paid to the retired ENA workers.

Source: STENGTHENING SOCIAL DIALOGUE FRAMEWORK IN ARMENIA, S. Egorov, July, 2011

In resume, social dialogue, workers and employers' representation in Armenia is still a work in progress. Efforts are also ongoing to develop legislation that falls in line with international standards and to strengthen trade unions and employers' organizations so that they become capable to assert their role in the new political and economic environment. For making the dialogue an efficient instrument of the national social and labour policy making bargaining capacities of social partners still need considerable development input.

#### Collective bargaining power:

As far as increase of workers' numbers is concerned, the membership of the CTUA in general declined from 2007 to 2010, with union density rate (% of TU members from total number of employees) from 54% to 45%. In some economic sectors there is no representation of workers, as well as trade-union membership in private enterprises is far behind the one in public sector.

On this background, over the last few years, the share of employees covered by collective bargaining agreements has steadily increased from 19.7% in 2007 to 31,7 in 2011, although the growth has been significant only from 2007 to 2008 and then remained around the figure of 32% until 2011. While the increase is quite extensional, however bargaining capacities of social partners remain weak. In particular, this was underlined by the Republican Tripartite Commission at its session of 15 July 2011, when recommendations for the strengthening of the Republican Tripartite Commission and the promotion of bipartite social dialogue and collective bargaining were adopted by a high-level tripartite conference.

**Outcome MO 2.1: Summary of achievement and reflection on indicators**

### ***A framework for effective social dialogue is established***

a) *Indicator:* Tripartite and bipartite consultative commissions on social and labour issues are created and functioning at all levels

*Progress:* Partially achieved. Creation of the RTA and RTC is a significant achievement, as well as the establishment of the RUEA itself. There are piloted examples of sectoral and branch level agreements, as well as enterprise-level agreements have grown in number. However, in general terms, it is still early to state that the tripartite and bipartite consultative commissions are created at all levels, because their numbers are insufficient. Although the exemplary commissions are functioning, however the scope and effectiveness of the functionality are insufficient. Therefore, despite on the significant progress made in regard of this indicator, it is not possible to state its full achievement.

*Remark:* the indicator in its current formulation (creation *and* functioning of the commissions at *all* levels) seems overambitious for a course of the first DWCP. Given that the RUEA itself was established in 2007, and the RTA signed in 2009, and the CTUA had strong structural and capacity challenges, the expectation of full functionality of all commissions at all levels was perhaps unrealistic.

b) *Indicator:* Promotion of collective bargaining at sectoral and enterprise level as mandated by ratified Convention No 154 results in an increased number of workers covered by collective agreements

*Progress:* There sectoral and enterprise level tripartite and bipartite commission development, as well as promotion of collective bargaining was not massive. Therefore the increase in number of covered employees, although took place, cannot be considered a result of promoting collective bargaining.

*Remark:* this indicator is connected with the previous one a), and the remark on a) fully applies to this indicator, too.

### ***Findings per outcome: SO 2.1***

#### ***Capacity of all constituents in conducting social dialogue has improved***

##### Capacities to conduct social dialogue

In general terms, the capacity of constitutes in conducting social dialogue has significantly progressed given that at the time of the DWCP start the social partnership was a new phenomenon (for independent Armenia) and has not been even in existence in 2007. During the course of the DWCP social partners benefited from a number of capacity building activities, research, expert and informational support, direct advise and consultations from the ILO experts sharing best practices and experience in the areas of social partnership and social dialogue. The support has been in frames of projects implemented in Armenia, as well as on specific demand of partners and in frames of the Tripartite Conferences.

Number of capacity building activities has been directly dedicated to constituents' capacities to conduct social dialogue. In particular, as a result of a study visit to Lithuania (2011) a tripartite delegation got acquainted with the social dialogue framework and practices of the country, including by attending meetings of the Tripartite Council. Of a special note is the applicability and usefulness of learnt issues about specialized commissions' and committees' creation within the RTC and their functioning, organizational aspects such as regularity of activities and scheduling, as well as functions and financing of the RTC secretariat , including consideration of having a full-time staff for it. Later, a group of selected social partners have participated in a capacity building training on collective bargaining and

disputes resolution alongside participants from Kazakhstan and Tajikistan in International Training Center in Turin (2011 October).

Significant gaps are present insofar as the tripartite constituents' discussion, negotiation and conflict resolution capacity building is concerned. In this regard, recommendations for the strengthening of the Republican Tripartite Commission and the promotion of bipartite social dialogue and collective bargaining were adopted by a high-level tripartite conference in July 2011. They include, in particular, recommendations to revise the by-laws setting-up the commission and allocate staff to its secretariat; to review the legal framework of collective bargaining and to strengthen the capacity and negotiation skills of social partners, as well as strengthening of Trade Unions capacities on collective bargaining, with the wages' issue as key priority in collective bargaining at all levels.

#### Strengthening other capacities of social partners

In regard to general capacity building of the partners, efforts have been significant in various directions. Partners participated in a series of ILO and ITUC implemented programmes, such as struggle against the labour trafficking, migration, representation and organizing of informal workers, OSH, and benefited from number of capacity building and informational activities (information about related capacity building is given in other relevant sections of this report).

Besides, a strategic capacity building has been conducted with participation of the CTUA, which reform and modernization process has started. Expert assistance for institutional strengthening of the CTUA is being provided and the political and organizational capacity of CTUA is increased through training of staff and activities at different levels of the organization. In particular, technical missions and advice to CTUA on policy development, strategic planning workshop for the CTUA leadership, and support in conducting SWOT analysis have been conducted. Conclusions and findings will be taken into account for preparing the next congress of TU Confederation foreseen in 2012. CTUA action plan is developed to respond to current challenges, which includes special activities for promoting youth and its involvement in trade unions, strengthening information work with members, setting up a working group for the internal reforms and statutory changes design and preparation. Internal reforms guidelines and statutory changes have been prepared and presented to Executive board. The CTUA is involved in step by step improvement of its work of the organization and giving it a right-based approach.

### ***Outcome SO 2.1: Summary of achievement and reflection on indicators***

#### ***Capacity of all constituents in conducting social dialogue has improved***

a) *Indicator:* Training programmes targeting the government and the national, regional, sectoral and grass-root organizations of trade unions and employers have been implemented

*Progress:* Achieved.

*Remark:* this indicator is formulated in general terms ("training programs" instead of specific areas of trainings or other specification) and does not provide the measure or extent (number of people, number of branches, key or mid-level personnel, etc.), in which the capacity should have been improved. It is a reflection of "input" ("trainings implemented") rather than a result ("capacities built in...").

## ***Findings per outcome: MO 2.2***

### ***Comprehensive and modern wage determination mechanisms are introduced***

#### Wage fixing policies and mechanisms

Under the Labour Code, employment contracts regulate the main conditions of work, namely: the salary, work functions, working hours, rest hours, and additional social and employment benefits. Work relations between the employer and the employee are regulated by written employment contracts, or, by mutual agreement of the parties, by an individual legal act drawn up by the employer as a statement of the fact of hiring the employee. The Labour Code does not contain any provisions on the institutional mechanisms or the procedure for fixing minimum pay rates. There are no concrete measures conducted in accordance with the principles of social partnership and with the requirements of the Minimum Wage Fixing Convention (No. 131).

In Armenia the minimum wage is the main instrument for wage regulation and is defined in a number of legal instruments. The minimum wage is set by reference to the general poverty line, which is calculated on the basis of the cash value of a basic basket of essential consumer goods, and takes into account the rate of economic growth and budgetary constraints with respect to public spending. Currently the value of the minimum wage remains below the poverty line. In 2010 the minimum consumer basket was calculated at AMD 52,228.5, in line with Ministry of Health guidelines and was thus well above minimum wage, which is 32500 AMD (since January 2011). In line with concerns over the potential macroeconomic risks, the government seems unlikely to index the minimum wage to the consumer basket at this stage.

#### Wage issue at social dialogue

The minimum wage in Armenia, is settled “in accordance with the budget possibilities”, with basically no consultation is with trade unions. As mentioned above, there are only two recently established sectoral agreements, as well as the collective contracts surely exist in many enterprises but it is believed that they do not influence minimum wage setting process (with an exception or two, as mentioned above).

#### Steps taken

Several studies have been conducted in regard to the wage issues analysis and recommendations for improvement of the process of wage setting. Minimum wages survey was conducted in 2009 by NILSR of the MLSI, which found that the minimum wage in Armenia was above the minimum living standard and recommended an indexation of the minimal wage on a quarterly basis. However, the situation after the crisis changed and the government requested the ILO to conduct a fact-finding mission, which was essentially done by the ILO expert in April 2011. Based on the discussion and findings during the fact-finding mission, more attention should have been given particularly to minimum wage and public remuneration issues and a draft wage policy paper to facilitate tripartite social dialogue on wage policy reform should have been developed. However, this work is not yet in process.

Two relevant publications have been disseminated, including the Russian translation of the ILO "Global Wage Report 2010/2011 Wage policies in times of crisis" (ILO Geneva, 2010) and "The fundamentals of minimum wage fixing" (F. Eyraud and C. Saget, 2006). In the framework of capacity building on wage issues a training on "Building



effective wage policies in CIS countries" - tailor-made seminar based on the needs and demands in CIS region – was organized in ITC/Turin with participation of seven representatives from Armenia. Later National seminar on wage-issues ("mini-ITC-training", as on the photo) was conducted in Armenia for representatives of partners, majorly – for CTUA leadership. The basic capacity, thus, in building effective wage policies is existing in Armenia and can be used further.

Some initial steps have been taken to address minimum wage setting mechanisms, and to address the concern of the partners in this respect. In 2011, a National Framework on Education Qualifications was adopted, which is foreseen as a tool in wage regulation, setting steps in wages according to workers' level of qualification – this may become an alternative basis for wage policy and make it possible to move away from a nationwide minimum salary towards a system whereby minimum salaries are set depending on the level of an employee's qualifications.

#### ***Outcome MO 2.2: Summary of achievement and reflection on indicators***

##### ***Comprehensive and modern wage determination mechanisms are introduced***

a) *Indicator:* The wage fixing policy in the country generally adapted to better address issues such as collective wage bargaining, wage disparity, wage discrimination, low pay, and performance-related pay.

*Progress:* Not achieved.

b) *Indicator:* The minimum wage fixing system modernized in order to better to fulfill its economic and social objectives, in a tripartite process, and in accordance with principles set out in the ratified ILO Conventions No 26 and 131.

*Progress:* Not achieved.

c) *Indicator:* Social dialogue on wage issues, not only the minimum wage, generally developed

*Progress:* Not achieved.

## **2.4 Findings: Improvement of social protection** (Priority 3)

Within this priority, three expected outcomes were formulated:

*Mid-term Outcome 3.1 Improvement of Occupational Safety and Health System*

*Mid-term Outcome 3.2 Strengthening labour inspection management and effectiveness*

*Mid-term Outcome 3.3 Awareness on HIV/AIDS prevention at workplace is enhanced*

*Mid-term Outcome 3.4 The constituents undertake targeted actions against child labour, giving priority to the elimination of its worst forms*

***Findings per outcome: MO 3.1.***

***Improvement of Occupational Safety and Health System***

OSH related legislation, national OSH programme, profile and normative base:

In Armenia, promotion of healthy and safe working conditions is one of the most important components of labour legislation and is enshrined in the Constitution which stipulates that everyone is entitled to working conditions that meet sanitary and safety requirements. Occupational safety and health are key to a number of Government policies including the Programme of Stable Development. National legislation also provides for the right to “adequate, safe and harmless” working conditions and employers are required to ensure health and safety protection for employees.

On a national level, during the course of the DWCP, efforts have been made to bring national legislation on occupational safety and health in line with international standards. The Labour Code lays out the legal framework to ensure that employees enjoy secure, comfortable and safe working conditions. The National OSH profile was developed in 2007 and published in the Armenian, Russian and English languages: <http://www.ilo.org/public/english/region/eurpro/moscow/areas/safety/armenia.htm>.

There are three main players in OSH area in the country: Ministry of Health (with its sanitary inspection), Ministry of Economy (within its Technical Safety Centre) and Ministry of Labour and Social Issues (within its Labour Inspection). This makes division of works unclear, as well as creates number of barriers for development of national programs. To remedy this gap, in early 2011, the government decreed that the Ministry of Labour and Social Issues and the Ministry of Health should jointly draft a government decision on adopting the principle rules and standards for providing occupational safety and health, the draft has not been yet approved. Since 2010, a draft of the detailed safety regulations (90 pages) have been produced, the ILO has provided comments on it. However it was not approved by the Cabinet and is undergoing improvements by the MLSI. Yet, the MLSI is in need for capacity to promote and defend draft legislation in Parliament and supervise the actual implementation.

Development of a national tripartite OSH Council and national tripartite OSH program, as well as integration of OSH related inspection into one inspection still remains on the agenda of social partners, as per main conclusions of the Second Conference on Social Partnership and OSH (2011).

Overall, challenges to implementing safety and health in the work place include a lack of implementing regulations provided by the Government, the lack of an insurance scheme for injuries and disabilities and still low awareness among employees and employers on appropriate practices. The draft concept of insurance scheme for injuries and disabilities at



the workplaces is under discussion currently, however the concept proposed by the Central Bank for implementation foresees classical insurance scheme, which seems at the moment not appropriate for social partners.

In summary, although much has been done on national level in terms of OSH promotion, there is no final approved document defining overall strategy in the country, and legislative initiatives are still in process.

#### Local capacities in OSH:

In the incompleteness of regulations and national programme, during the course of the DWCP there have been efficient efforts to fill in the gaps of employers and workers in awareness on safety and health on the workplace, which produced visible outputs and results. In order to build the local capacity to deliver OSH-related trainings, several training of trainers have been conducted and capacities of local consultants enhanced in the areas of OSH and Risk Management. There is an active group of trained local consultants from RUEA/Hai Consult, SMEDNC, as well as private companies and educational institutions which are available and continue to deliver the OSH related trainings to employers, TUs and other interested parties.

A TOT in Work Improvement in Small Enterprises (WISE) – a programme of the ILO to assist small and medium-sized enterprises in improving working conditions and productivity using simple, effective and affordable techniques - was used as key tool for training of managers and owners of small enterprises in 2009, combined with practical visit to an enterprise and checklist exercise. The concept of the OSH management system has been introduced at enterprises. The trained trainers in WISE disseminated the knowledge further, at more trainings covering enterprises in Yerevan and regions (Vayots Dzor, Kotayk, Aragatsotn), and as a final result several enterprises improved their OSH practices.

Furthermore, during the DWCP the ILO-OSH 2001 Guideline and new interstate GOST 12.0.230-2007 was introduced to the tripartite partners who then initiated the implementation of the ILO systematic approach to OSH issues according the requirements of the Convention 187. New standards were included into the training programmes for delivery to social partners and enterprises. The RUEA and the TUs have organized a series of eight OSH MS training seminars for big enterprises. ILO training material (ILO-OSH 2001, risk assessment, promotional brochures) are now available in Armenian and the RUEA included dissemination of the ILO-OSH 2001 into its further ongoing works.

The agriculture Trade Union has initiated a WIND Programme and received expertise from the Kyrgyzstan Agriculture Sector Trade Union on the subject of the OSH in agricultural enterprises. Agro TU has printed the WIND manual and the safe use of agrochemicals in Armenian, which can be used further in the country.

The ILO-OSH 2001 has been implemented in selected enterprises. Among them a contest has been organized by the RUEA and ten of the best implementers received a special certificate, signed by social partners at the special event. The RUEA plans to continue promotion of the ILO-OSH 2001 among its members and organize the similar contests and certification on a regular (annual) base.

OSH information Centre was created and is currently functioning inside RUEA, providing information support to employers, as well as to all social partners, private consultants and educational institutions.



#### Box 6: Facilitation of OSH by Employers' organization

Despite on the incompleteness of regulations and national programme in Occupational Safety and Health, during the Decent Work Country Program a significant progress in terms of capacity and some institutional arrangements have been achieved in this area.

Visible capacity to deliver OSH-related trainings and consultations, as well as conduct structured Risk Assessment, is on place within the RUEA, in particular – Hai Consult (the consulting company associated with the RUEA), as well as SME Development center and some private consultants and educational institutions. They are capable to deliver capacity building for employers in WISE, OSH management systems, Risk Assessment, Risk management, ILO-OSH 2001 standards, as well as to integrate such topics as HIV/AIDS prevention at workplaces and gender issues. These capacities were built within activities supported by the ILO, as well as further applied and developed by the initiative of partners themselves. Altogether around 500 representatives of employers from various sectors and other partners have been trained in multiple areas of the OSH. Furthermore, recently a risk assessment has been conducted by the RUEA within six industry sectors with further discussion of recommended actions in the areas of OSH with a representative group of social partners.

One of the main results of the program is that after its completion the Employers' Organization – RUEA – demonstrates a documented grass-root interest in OSH and has selected it as its first strategic priority. The RUEA made such decision because it recognizes an importance of improving working conditions and its positive connection with increasing productivity and facilitation of international trade. The RUEA institutionalized work on the OSH issues furthermore by setting up the OSH department, which provides training, counseling and information not only to its members (employers), but also to other social partners – trade unions and labour inspection.

OSH informational center, equipped with related literature in three languages (Armenian, Russian and English), is placed within the RUEA and is fully functional. Several informational products are also developed for promotion of the OSH. Among others, 5 publications produced with the support of the ILO are included in the library, such as literature on WISE, guidelines on OSH management systems, risk assessment and risk management related tutorials as well as documented best examples on OSH. The Unit will use the publications on OSH in Armenian, ILO guidelines and publications, CDs and other materials, and through 2 web-sites ([www.employers.am](http://www.employers.am), [www.haiconsult.am](http://www.haiconsult.am)) will widely inform about OSH objectives, approaches, implementation of WISE and other useful links on OSH.

Jointly with trade unions, the OSH MS was introduced at selected enterprises, which then were visited by the specialists for further monitoring and check of changes in improvements of OSH conditions, and 10 enterprises have received special certificate of compliance with the OSH MS, signed by social partners. This experience will be replicated and continued. A lot of activities have been implemented during the 2011, which was decreased the "Year of Occupational Safety and Health".

The RUEA has an ongoing strategic partnership with the Ministry of Education and Science, and in its frames has conducted training of 133 lecturers of colleges and VET schools/professional institutions in OSH sphere. Recognizing the lack of professional education in the area of OSH, as well as lack of the subject in general college and VET curricula, the RUEA plans to continue filling this gap in cooperation with its partners, by training more lecturers and development of textbooks and publications for educational sector. The RUEA can be seen as a local facilitator of the OSH agenda in Armenia. It also demonstrates a successful precedent of an employers' organization being a pioneer in promoting and implementing occupational safety and health.

In summary, achievements on the national level are mixed (development of national OSH profile is done, drafts of national OSH regulation as well as related legislative improvements are still on the way), however a solid basis for further implementation of OSH activities is set and sustainable capacity is built in the country. The OSH activities continued by social partners after end of related projects and are currently successfully integrated into overall regular activities of the RUEA which sees itself as a promoter of OSH related issues in the

country. Activities under the DWCP provided a good base for translation of the OSH related issues into one of the main strategic priorities set by the RUEA. The DWCP contributed greatly into the development of OSH system at the national level as well as setting up the OSH services for the private sector.

### ***Outcome MO 3.1: Summary of achievement and reflection on indicators***

#### ***Improvement of Occupational Safety and Health System***

- a) *Indicator:* A national OSH profile and programme aimed at improving the employee's safety and creating safe and healthy working environment is developed  
*Progress:* Partially achieved. National profile is developed. National program is not drafted.
- b) *Indicator:* Training curricula for capacity building for OSH specialists are developed  
*Progress:* Achieved.
- c) *Indicator:* The concept for the national normative OSH base defining occupational safety and health conditions is created and OSH standards are developed and harmonized with international standards.  
*Progress:* Partially achieved. The draft is prepared and is at discussion stage.
- d) *Indicator:* The concept of the OSH management system is introduced at enterprises  
*Progress:* Achieved.  
*Remark:* To assess efficiency of the achievement a numeric target of "expected number (or percentage) of enterprises with OSH MS by the end of the DWCP" might be useful.
- e) *Indicator:* ILO-OSH 2001 is implemented in selected enterprises  
*Progress:* Achieved.  
*Remark:* To assess efficiency of the achievement a numeric target of "expected number (or percentage) of enterprises with ILO-OSH 2001 by the end of the DWCP" might be useful.

#### ***Findings per outcome: MO 3.2***

##### ***Strengthening labour inspection management and effectiveness***

###### Major gaps in regulating inspection services in Armenia

The State Labour Inspectorate is responsible for the implementation, control and enforcement of occupational safety and health legislation. Its competencies are defined in the Law on State Labour Inspection, 2005 which translated the newly ratified Labour Inspection Convention, 1947 (No. 81) into national legislation and established the Inspectorate. The draft updated Labour Inspection legislation is currently under discussion.

In Armenia, the framework for all inspection services under the Armenian Government includes 18 separate inspectorates dealing with various legal requirements, resulting in the potential for a significant impost on business. In the area of the OSH three major player are involved, as mentioned above: Ministry of Health (with its Sanitary inspection), Ministry of Economy (within its Technical Safety Centre) and Ministry of Labour and Social Issues (within its Labour Inspection). This makes division of works unclear, as well as creates number of barriers for development of national programs.

An audit of the labour inspection system in the Republic of Armenia was carried out in July 2009. The audit was undertaken using the ILO's participatory labour administration methodology. A number of important recommendations was provided for consideration by the Government and social partners, related to such areas as structure and organization of labour inspection services, human resources and career development, organization of visits, registries and occupational accident reports, sanctions and administrative procedures and cooperation with other partners. However the recommendations of the audit have not been implemented.

In 2010, a Priority plan of action for short, medium and long-term enhancement of Armenian Inspection services has also been prepared by the ILO and IALI, in the frames of conducted Rapid assessment of the labour inspection. The recommendations included, among others, merging the three above inspections. However this plan also has not been implemented.

#### Capacities of Labour Inspection

Despite on this, efforts have been made to reform the State Labour Inspectorate and build its capacities in various areas - around 60 staff members benefitted from various events, such as a series of training courses on OSH Management Systems, International labour Standards, Risk Assessment trainings, as well as a TOT. Eight labour inspectors underwent capacity building the Bulgarian State Labour Inspection Training Centre, as well as participated in trainings in Armenia, provided by the Lithuanian Labour Inspection, with overviews of examples of Lithuanian Labour Inspection structure and legal documents. State Labour Inspectors attended number of capacity building activities in the area of OSH, the National Forum on NRM, as well as trainings for Law Enforcement practitioners and Labour Inspectorates were held. The ITC's 12-module Training package for Labour Inspectors, consisting of 12 modules, was also translated into Armenian and is available.

However, the conducted capacity building was useful in general terms and did not find its practical application due to mentioned macro issues and lack of strategic clarity in regulatory and operational areas of LI. Significant gaps in capacities to sustain a modern, up to date labour inspectorate are still widely in place. In 2011 the LI still considers that it does not have capacity to inspect working conditions/OSH and is only inspecting conditions of employment, the lack of approved normative basis is also a contributing factor to this gap. The LI's focus on employment contract issues is due to education of staff and lack of competence in OSH. The recruitment policy of the LI is mainly focused on employing former tax inspectors and people with similar experience, not the staff with technical competence.

#### Labour Inspection and social partnership

The Labour Inspection gradually becomes a part of social partnership, although this process is also still in embryonic stage. There have already been some positive results, including the recent discussion by the RTC of the functioning of the Labour inspection, which resulted in the decision that the latter will periodically report to the RTC about the situation with the most prominent safety and health at work issues. Some basic steps have been taken by the LI in terms of becoming an educative and advisory agency (not just "punishing"), such as information exchange and willingness to support partners with consultations. The LI has special "open hours" during which it is providing the interested parties with all necessary consultations. LI declares its openness and transparency for any kind of collaboration and partnerships.

The social partners are calling for a more effective and dynamic inspection and are expressing the need for thorough training of inspectors, better planning, and a culture of prevention, rather than a culture of punishment.

### ***Outcome MO 3.2: Summary of achievement and reflection on indicators***

#### ***Strengthening labour inspection management and effectiveness***

a) *Indicator:* Training of trainers for labour inspection is organized aimed at providing a preventive and advisory approach combined with social dialogue.

*Progress:* trainings were done, but progress is insignificant. While social dialogue with participation of the LI is starting, much will depend on how legislation will be developed regarding functions and role of the Labour Inspection: will it eventually become an educative and advisory agency or will it function majorly as a punishing body?

b) *Indicator:* The OSH information Centre is further developed and produces promotion and information material

*Progress:* achieved, however the OSH information center is not supported by the LI as planned, and is placed within the RUEA due to, on one side, weak position of the LI towards the OSH and, on the other side, strategic interest of the RUEA in this area.

c) *Indicator:* Employers and Trade unions can receive information on labour inspection and OSH legislation and other related OSH information

*Progress:* achieved, however the OSH information center is not supported by the LI as planned, and is placed within the RUEA.

d) *Indicator:* A national action plan for labour inspection is formulated as a part of the national OSH Programme

*Progress:* Partial. The action plan was prepared, but not implemented, nor is it a part of national OSH programme, which is not yet on place.

e) *Indicator:* A tripartite audit of the labour inspection system is executed and recommendations presented to Armenia.

*Progress:* Partial. The audit was prepared, but recommendations not implemented.

#### ***Findings per outcome: MO 3.3***

##### ***Awareness on HIV/AIDS prevention at workplace is enhanced***

###### National action plans

One of the main achievements of the DWCP in regard to this outcome is significant awareness of social partners about HIV/AIDS prevention and bringing the issue from emotional into operational field. Focal points, nominated and selected by local social partners, were trained on ILO Code of Practice principles and best practices, as well as prepared and implemented plans to address HIV/AIDS prevention and awareness at workplaces in 2008-2010. The plans included trainings and awareness raising campaigns at enterprises, conducted by TUs and EOs.

In 2011 a Review of the national legislation on HIV/AIDS with the focus on the world of work and social protection in Armenia was conducted, with recommendations to discuss and develop draft amendments to legislative acts, which is foreseen for the 2012. In 2010, the ILO Recommendation no 200 on HIV and AIDS and the World of Work was approved, based on which the national program still has to be developed in Armenia. A National Workplace Strategy on HIV/AIDS has been prepared and is waiting for approval in 2012 and follow-up implementation plan.

#### Local capacities in addressing HIV/AIDS prevention at workplace

Capacity of trainers developed and maintained, as well as training and informational products are being used up until now by social partners. Majority of them were and are available through the OSH information and consulting center in RUEA, which serves interests of all; but there are some capacities existing also within the other social partners.

Documents, literature and information products are made and distributed to wide audiences including trade unions (e.g. 24 sector TUs), they are also available in the Hai Consult library/OSH information Centre), special sessions related to HIV/AIDS prevention were integrated into the risk assessment workshops conducted by the RUEA, as well as didactic HIV/AIDS related module materials were prepared and introduced to group of OSH-consultants. The MLSI included HIV basic facts information in the information leaflets for a vulnerable group of blind people, while the CTUA and RUEA included HIV/AIDS awareness in their plans of trainings on OSH related issues.

Overall awareness and capacity of selected private companies and workers on HIV/AIDS has also been increased. HIV/AIDS issues were integrated into WISE trainings to help micro and small enterprises address HIV/AIDS and to link HIV awareness rising with the overall solution of OSH related problems – more than 300 specialists has benefited of them with wide representation of sectors involved in this work.

### ***Outcome MO 3.3: Summary of achievement and reflection on indicators***

#### ***Awareness on HIV/AIDS prevention at workplace is enhanced***

a) *Indicator:* Number of workers receiving training on HIV/AIDS prevention in selected enterprises is increased

*Progress:* Achieved.

*Remark:* the formulation of indicator assumes that the number was tracked and monitored, however no consolidated information is available.

b) *Indicator:* The national action plan developed and implemented by the ILO constituents specifically addresses HIV/AIDS at the workplace.

*Progress:* Achieved. The national workplace strategy on HIV/AIDS is drafted.

#### ***Findings per outcome: MO 3.4***

#### ***The constituents undertake targeted actions against child labour, giving priority to the elimination of its worst forms***

In the frame of the DWCP activities have not been conducted to address this outcome. Social partners either believe that the issue of child labour and discrimination is not on the actual agenda of the country or they lack a clear and structured picture of the situation in this regard.

In the meantime, a 2008 UNICEF survey indicates that about 6.1 per cent of the children between 7 and 18 are working; this figure is estimated to constitute 3,500 children, one third of whom are below the legal age. Children above the legal age mostly work without a contract and often receive no wage, since they are employed in family enterprises. In rural areas children are reported to be working in farms and small family shops, while in the cities they engage in flower selling and other street vending activities.

*Indicators:*

- a) Labour, education, family and criminal legislations have been reviewed to ensure their conformity with ratified Conventions No 138, 182.
- b) Actions against child labour are discussed and agreed upon in the framework of Social Dialogue
- c) Activities developed and implemented by the Government and the social partners on (or including) combating the worst forms of child labour

There were no activities foreseen in relation to the outcome and its indicators, no achievement can be reported.

### **III Implications for future programme**

#### **3.1 Lessons learned from the DWCP implementation**

As a first joint structured experience of the ILO and constituents in Armenia over Decent Work agenda, the DWCP produced valuable results, as well as gave important learning opportunities both in terms of program design and its actual implementation. Most of the learnt lessons are directly relevant to the next DWCP and can be used for further increasing effectiveness of the programme from the very beginning. Below is the set of lessons, named by partners during the interviews, as well as formulated by the researcher, based on feedback from constituents and the ILO representatives.

- 1) The progress made to social dialogue at national level is significant. The culture of partnership cannot be built overnight and time is needed to further building and operationalization of such culture, as well as further build institutional frameworks to make the partnership and dialogue fully functional.
- 2) While national level partnership is in process of development, regional and sectoral partnerships have to go long way in order to become able to actually translate voices of those whom they represent. This work needs structural reforms in CTUA and building further capacities of the RUEA, at all levels.
- 3) Combination of the ILO support with a grass-root interest from local partner (SESA) and necessary interventions on macro-, mezzo- and workplace levels, resulted in an effective example of efficient use of resources and produced a precedent of an integration of people with disabilities into labour market, with a replication potential.
- 4) As demonstrated by the RUEA, employers organizations can successfully take a role of promoter of the OSH in the country, due to employers genuine interest in increasing productivity and other incentives (such as involvement in international trade), resulting from the implementation of the OSH Standards in enterprises.
- 5) Limited effectiveness of Labour Inspection components evidences that the specific structural issues need to be addressed first in order to make progress in the future. Capacity building itself does not produce relevant results if major structural issues are not solved. In such circumstances, perhaps, resources for capacity building could be redistributed and rechanneled to other directions, where more efficiency in results could be seen.
- 6) The DWCP itself and its implementation plan, including outcomes and indicators, could become a living document. In order to promote the partnership and work on collective agenda further, the DWCP achievements could be discussed annually or bi-annually by all involved partners, following the structure and level of details given in

the DWCP implementation plan. The list of outcomes could undergo annual reviews and revisions on the way of DWCP implementation, depending on dynamics of the situation, results of the program and emerging risks and opportunities. This would ease tracking overall DWCP implementation in a structured and comprehensive way. For each involved party the document could serve as a tool to help monitor progress made by entire program by all parties, supporting them to see the contributions to the overall progress beyond their own roles and responsibilities. As well as this could help to distinguish and track results of the ILO support out from the vast variety of other programs and projects that the partners are involved in.

- 7) The list of outcomes and indicators could have been reduced or reporting system overall on the DWCP results could be improved in order to track *all* indicators with *up to date* status and effectiveness, in writing (as a matter of practice, documents, where consolidated results are given, are prepared by the end of projects and/or the end of the biennium, which can be much earlier than end of the DWCP, therefore care should be taken to update the information in writing). In the design of this very first DWCP several inconsistencies between the outcomes, indicators and logical flaws, as well as ambiguity and lack of measurability in couple of indicators, were present – this certainly can be taken into account in preparation of the second DWCP.

### **3.2 Tripartite partnership and relationship building**

The social partnership and social dialogue between constituents is discussed in relevant sections of priorities and outcomes. This section describes the ways how the partnership between the ILO and Armenian partners is realized.

The tripartite partnership approach of the ILO interventions is highly appreciated by MLSI, CTUA and RUEA. The partnership is being developed in consistent and comprehensive manner. The DWCP benefited a lot from the transfer of know-how from the ILO to partners, as well as support in organizations of various study visits and capacity building. While the ILO is making a valuable contribution, it also provides necessary support to development of constituents themselves not only in technical areas, but also, wherever possible, reacts positively on grass-root ideas initiated by partners. Among social partners, desire to assume further responsibilities will gradually increase, although much is depending on the way how social partnership and social dialogue will be developing in the future.

The ILO has successfully expanded the national expertise and experience of the social partners beyond the national borders. The Armenian partners have participated in regional conferences, study tours and meetings organised by the ILO, as well as were supported with relevant information, resources and reference materials.

Of a particular mention is the ILO flexibilities and reaction on requests of constituents for expertise or comments. The ILO, in most of the cases, was quick in providing feedback, comment or initiating structured discussions on important topics upon request. For example, the ILO reacted quickly to the request of the Government to provide comments on the draft Strategy paper on employment. Or, with the constituents' request the ILO provided support for the improvement of the Minimum Wage policy and the public sector remuneration system and organized a fact-finding mission on this issue.

Last but not least, ILO support and cooperation is highly appreciated by partners not only in terms of capacities, support in technical areas and expertise, but also in bringing into Armenia and strengthening values such as transparency, dialogue, partnership, collaboration and basically those which are often referred as "European values".

### **3.3 Program design: areas for improvement**

This section serves as a summary of program design drawbacks and is a recapitulation of main issue and findings, analysed above in the report's relevant sections.

### Expectations' formulation (outcomes and indicators) and monitoring

Results-based management focuses on achieving defined results/outputs in order to improve programme and management effectiveness, efficiency and accountability<sup>5</sup>. The achievement of the outcomes is measured by the accomplishment of the activities/events/produces/services by using outcome indicators for performance measurements of the ILO interventions.

For the DWCP under review, majority of the intended outcomes defined were in general clear and identifiable and this allowed conducting the analysis above, both by outcomes and by indicators. Overall it can be stated that management and monitoring was accurately done inside the projects management cycles, and information is available for each project, both in terms of results and planned targets, as well as dedicated resources. Regular track of progress was done mainly by outcomes expected from projects on technical cooperation and RSBA, not by the outcomes of the DWCP overall, although they often coincide.

To mention areas of improvement, assessing progress on several outcomes was limited due to relatively vague formulation of their indicators (these are mentioned in respective sections of each outcome). In some areas the indicators were not clear until looking at activities planned or conducted (for example, the indicator "assistance is provided on improvement labour market policy" – the degree of the assistance is not certain, while the "list of activities" helps to understand that these are "development of national employment strategy" and "reporting on ratified convention"). Some of the outcomes were also designed in a generic way, for example "increasing employability of marginalized groups" is a too general statement, and requires either specification (which exact groups are meant?) or development of a set of indicators covering each of the groups under consideration. Another example: "capacity of all constituents in conducting social dialogue has improved" in combination with an indicator of "training programs for government, national, regional, sectoral and grass-root trade unions and employers' organizations are implemented" sets the expectation that 100% of involved partners will become able to conduct social dialogue, which was probably too ambitious. Alternatively, an indicator could either describe which skills specifically are targeted, or which number of trained government-branch-territorial-enterprise level organizations would be considered as acceptable.

Such proposition requires more time and discussion for planning, however it is important not only in terms of assessment of final results, but also in helping the constituents to plan better and track progress towards the final goals in all dimensions, not just in projects in which they have been active. Because the DWCP is multi-stakeholder program and usually uses resources from various sources, it is important that some specific basis is set up as a "common denominator" for various contributions and various partners involved – this could work well if it is measurable and formulated in no uncertain words.

With regards to overall DWCP design several significant limitations could be mentioned:

- The program design has several structural shortcomings, for example, all marginalized groups are given as one category and it's only the list of activities which helps to identify which groups were targeted; or in the outcome related to migration activities aiming promotion of women entrepreneurship are listed without connection to migration.
- Significant amount of resources was dedicated to achievement of a single indicator (migration, 1.1b). A special technical cooperation project on labour migration was implemented, however there was a lack of specific outcome, describing desired achievements in this area. Perhaps, the migration related expectations could have been identified earlier if more stakeholders were involved at the DWCP planning stage. Alternatively, revision of the list of outcomes could have been made after signing the DWCP: migration related results could have been separated, and child

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<sup>5</sup> ILO Decent Work Country Programme – A Guidebook



labour related outcome could have been excluded or other outcomes could have been revised to reflect refreshed focus. This would set realistic expectations from the DWCP, help in monitoring the progress, as well as make the review stage easier in order to locate achieved results to expected outcomes.

#### Assessment of resource effectiveness

Assessing the effectiveness of resources used to produce DWCP outcomes in absolute terms seems complicated, because:

- Financing structure of the DWCP is complex - it is financed both from the Regular Budget, including Regular Budget Supplementary Account, and from Technical Cooperation projects' funds. The projects often contribute to several outcomes of the DWCP, or vice versa an outcome can be influenced by resources from several sources, but the attribution of resources to the DWCP outcomes is usually not tracked. Major changes have been applied since 2010, with use of the IRIS system, resulting in improving systematization and better structured track of results.
- In order to assess full effectiveness of resources use, contribution of local partners (especially in terms of staff time) should be assessed, but it does not seem accessible at this moment.
- Assessment of efficiency is limited in cases when the indicator has not been achieved by reasons beyond the ILO or partners control (for example, outcome related to reforms of Labour inspection, or indicator of having national programs on OSH).
- Partners also cooperate with other parties, which influences the outcomes (for example, creation of youth employment centre achieved not only due to DWCP contribution, but other partners as well).

Therefore the effective use of resources can be assessed only in relevant terms.

In the case of DWCP in Armenia, it seems that the most effective use of available resources was achieved within working with people with disabilities (budget of appr. 50 000 USD) and OSH promotion through local partners (budget of appr. 20 000 USD). Achievements in migration and anti-trafficking related areas are significant, and social partners have their great contribution in these, however these components had relatively big resource allocation (about 100 000 USD), while the list of related DWCP outcomes is not ambitious (the list of outcomes or indicators was not adjusted). The efficiency of works to introduce modern wage mechanisms (outcome 2.2) and to strengthen Labour Inspection capacities (outcome 3.2) seems to be the least, however within the area of wages there are high chances that the program outputs and results produced so far will be used in the future, while with the Labour Inspections overall strategy is not clear.

It would have been desirable to have estimation of resources contributions to various *outcomes* of the DWCP. It does not need to be with accuracy of accounting, but can be an estimate for management purposes. This, of course, might require changes in cost tracking/allocation processes.

### **3.4 Recommendations for DWCP-2**

Obviously, the second DWCP should build on the success and lessons of the first program, because the DWCP has set a solid ground for building up further progress. With regard to recommendations for the next DWCP, the ILO and partners' strategy can combine building on what has been achieved during the first program, as well as make several adjustments and emphasises on specific areas, which have not been sufficiently addressed in the past or the attempts were not fully successful. In addition, new areas of strategic prioritization can be developed.

On the first place the following recommendations can be considered, because some substantial experience or other prerequisites (such as low or moderate level of risks) are in place to ensure relatively smooth continuation:

#### Employment:

- 1) Continue involvement in development and finalization of the national employment strategy, despite on the fact that its approval is being delayed for a number of reasons beyond ILO and partners' control.
- 2) Continue promoting youth employment, building on successful models, tested during the DWCP, with inclusion of all partners in the work and implementing models and scheme which could cover youth nation-wide. Combination of both youth employment and entrepreneurship can work better than focusing on one. Implementation of VET related activities with regards to increase professional orientation of young people.
- 3) Continue supporting social partners in replication and scaling of models piloted during the DWCP-1 to increase employability of various marginalized groups.
- 4) Consider sharing the accumulated expertise and experience of Armenian partners with colleagues outside of the country, in particular – on a sub-regional level.

#### Social partnership and dialogue:

- 5) Continue strengthening capacity of social partners in conducting essential social dialogue, discussion, negotiation and conflict resolution skills, with particular emphasis on improving their bargaining capacities. This relates to capacities of social partners at all levels – from national to enterprise. The training and capacity building programs could include assessment of knowledge and skills before and after the trainings, with follow-up feedback after 6 months and a year and consolidation of achieved results.
- 6) Further institutionalize the RTC and develop its operating capacities, as well as increase its role in becoming an important consultative forum for discussion of labour and social draft laws. Conduct an advocacy and awareness raising campaign with a goal to build a public image of the RTC as well as give an empowerment and sense of ownership over important issues of national social and economic policies.
- 7) Increase number of bi-partite and tri-partite collective agreements, at the same time focusing on their efficiency. Develop a system of agreements registration or improve the current one within the CTUA, to cover not only statistical data, but scope of the agreements. This may involve legislation amendments, but not necessary.
- 8) Continue capacity building of the CTUA with regard to its internal reformation, developing young leadership and elimination of structural bottlenecks for efficiency of operations. Continue capacity building of the RUEA with regard to further development of its network, as well as enrichment of services to its members in various technical areas.

#### Social protection:

- 9) Continue inputs in the area of developing National programme on OSH, with close monitoring of political decisions influencing its design and further implementation, as well as finalization and approval of OSH regulations and norms.
- 10) Participate in further discussions and finalization of the concept of insurance scheme for injuries and disabilities at the workplaces, providing expert opinions on the ideas under discussion - the current draft document does not seem to be in correspondence with social partners' needs.
- 11) Transfer from piloting to wide implementation of GOST and OSH management standards in enterprises. The certification program of the RUEA can be applied more broadly.
- 12) Continue involvement into developing of national policies regarding HIV/AIDS, as well as transfer from selected to wide implementation of HIV/AIDS prevention at workplaces.

The following sets of recommendation is related to the areas which, despite on efforts made and range of conducted activities, have not experienced significant success during the implementation of the DWCP or to the areas emerged and prioritized recently:

- 1) Facilitate a reform of wages policy to be undertaken by the GoA by initiating a strategy on wages. Improve minimal wage setting mechanisms, with consideration of potential barriers conditioned by Government's resistance to increase minimal wages for public servants, with more inputs in research and discussion on this. A risk assessment or scenario analysis could be conducted to analyse possible consequences on the State Budget before major decisions are made in this regard.
- 2) Monitor progress in the area of legislation development regarding functions of Labour Inspection to provide necessary expertise and comments to make sure that educative and counselling function of the LI, as well as its participation in social dialogue, are further promoted. Design LI capacity building programs after main structural and policy decisions are done in their regard (OSH national program, regulations and norms, as well as determination regarding possible merger of several inspectorates).
- 3) Participate in the alignment of the educational system - particularly the vocational and entrepreneurial education system - with updated labour market requirements, in order to contribute effectively to reduction of unemployment and informal employment.
- 4) Facilitate promotion and creation of favourable conditions for entrepreneurship on a policy level, including promotion of women entrepreneurship.
- 5) Discuss further necessity to clarify the definition of force labour, as well as continue strengthening capacities of social partners to combat trafficking.
- 6) Work on promoting gender equality at the workplace, including promotion of C 183 on maternity protection and Recommendation 189 (legislation review has been conducted in 2010)
- 7) Facilitate legislation improvement in regulation of private employers' organizations
- 8) Conduct a study on the status of child labour in Armenia to have more clarity on the situation and widen views of tripartite partners on this issue.
- 9) Facilitate starting processes of ratifying conventions 88, 181 and promoting Recommendation 189, as well as provide support to the Government in preparation of necessary reports on ratified conventions.

<b>Summary: Priority recommendations.</b>
<ol style="list-style-type: none"> <li>11. Continue involvement in development and finalization of the national employment strategy.</li> <li>12. Continue promoting youth employment, building on successful models, with nation-wide implementation.</li> <li>13. Continue strengthening capacity of social partners in conducting essential social dialogue, bargaining, negotiation and conflict resolution skills.</li> <li>14. Increase number of bi-partite and tri-partite collective agreements, focusing on their efficiency too. Improve or develop a new system of agreements registration.</li> <li>15. Continue inputs in the area of developing National programme on OSH, with close monitoring of decisions influencing its design and further implementation.</li> <li>16. Participate in further discussions and finalization of the concept of insurance scheme for injuries and disabilities at the workplaces</li> <li>17. Facilitate a reform of wages policy to be undertaken by the GoA</li> <li>18. Monitor progress in the area of legislation development regarding Labour Inspection, its functions, and its educative and counselling role.</li> <li>19. Facilitate promotion and creation of favourable conditions for entrepreneurship on a policy level, including promotion of women entrepreneurship.</li> <li>20. Discuss further necessity to clarify the definition of force labour, as well as continue strengthening capacities of social partners to combat trafficking.</li> </ol>

## **IV Annexes**

### **Annex A Documentations referred and consulted**

1. Migration and Development, Armenia Country Study, ILO, Yerevan 2009
2. Labor Migration from Armenia in 2008-2009: Labor Migration trends add insight into migration experiences
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8. Report on Labour Administration project 2007-2009
9. Strengthening Social Dialogue Framework in Armenia, final report, ILO 2011
10. Armenia, National OSH profile (2009)
11. OSH Improvement in Armenian Companies, RUEA, 2011
12. OSH Improvement in colleges and professional institutions, RUEA, 2011
13. A Priority Plan of Action for short, medium and long term enhancement of Armenian Labour Inspection Services, Report of the ILO and International Expert (IALI) Rapid Assessment of Labour Inspection in Armenia, 2010
14. Republic of Armenia Labour Inspection Audit, 2009
15. Review of the national legislation on HIV/AIDS with the focus on the world of work and social protection in the Republic of Armenia, 2011
16. National Workplace Strategy on HIV and AIDS draft, 2011
17. Armenia Decent Work Country Profile, 2012
18. Armenia DWCP Implementation Plan on targets
19. Armenia, Internationally recognized core labour standards, ITUC, 2010
20. The Role of Republican Union of Employers of Armenia in Promoting Youth Employment and Strengthening Professional Education Institutions, ILO, 2008
21. Education and business in Armenia, ETF, 2010
22. Situation analysis on youth employment in Armenia, ILO, 2009
23. Reviews on youth policies SEE EECA Armenia, 2011, CoE
24. Various reports on fact-finding missions, regular missions, workshop reports, implementation on target reports, reports by outcomes of various project (2007-2011)
25. Various publications and information products produced within the DWCP scope



## **Annex B List of persons interviewed**

(in alphabetical order of the surnames)

Mr. Tadevos Avetisyan	RA MLSI, Head of Labour and Employment Department
Ms. Shushanik Barseghyan	RUEA, Deputy President, Social partnership issues expert
Ms. Tsoghik Bezhanyan	SESA, Head of Job Counselling and Information Division
Ms. Nune Hovhannisyan	ILO National coordinator in Armenia
Ms. Tatevik Khachatryan	RUEA, Youth project coordinator
Mr. Boris Kharatyan	CTUA, Deputy Chairman
Ms. Olga Koulaeva	ILO Country office for EECA, Senior Employment Specialist
Ms. Karine Madoyan	CTUA, Department manager Socio-economic protection/OSH
Mr. Gagik Makaryan	RUEA, President
Mr. Hakob Manukyan	SLI, Head of Inspectorate
Ms. Narine Matinyan	SESA, Shengavit branch, Director
Ms. Irina Melekh	ILO Country office for EECA, Programme Officer
Mr. Garnik Nalbandyan	NILSR, Deputy Director
Ms. Karine Simonyan	UNDP VET project, Project Coordinator
Ms. Anahit Simonyan	UNIDO, Head of operations in Armenia
Mr. Vahan Simonyan	RUEA, Executive director
Mr. Artak Simonyan	SESA, Deputy to the Head
Ms. Anushik Farmanyany	Beneficiary of the ALMP with SESA

## **Annex C List of participants of the DWCP review findings presentation and validation session**

**DWCP development workshop  
15 March 2012, Yerevan, Ani Plaza Hotel (Garni Hall)**

### **List of participants**

<b>No</b>	<b>Name the official</b>	<b>Position</b>
1.	Mr. Arayik Petrosyan	MLSI, First Deputy Minister of Labour and Social Issues
2.	Mr. Tadevos Avetisyan	MLSI, Head of Labour and Employment Department
3.	Ms. Anahit Martirosyan	MLSI, Head of International Relations Division
4.	Mr. Gevorg Gevorgyan	MLSI, Head of Working Conditions Monitoring Department of the Labour Inspection
5.	Mr. Artak Simonyan	MLSI, Deputy Head of “State Employment Service” Agency (SESA)
6.	Tsoghik Bejanyan	MLSI, Head of Job Consultation and Information Department, SESA
7.	Mr. Ashot Harutyunyan	MLSI, Chief specialist of the Labour Conditions Monitoring Division, Labour Inspection
8.	Ms. Shushanik Barseghyan	RUEA, Expert on Social Partnership
9.	Vahan Simonyan	RUEA, Executive Director
10.	Mr. Boris Kharatyan	CTUA, Deputy Chairman
11.	Ms. Karine Madoyan	CTUA, Head of Socio-Economic and OSH Department
12.	Ms. Elen Manaseryan	CTUA, Chief specialist of Legal Department
13.	Ms. Nune Hovhannisyan	ILO National Coordinator in Armenia
14.	Ms. Olga Koulaeva	ILO Employment Specialist, DWT/CO Moscow
15.	Ms. Irina Melekh	ILO Programme Officer, DWT/CO Moscow
16.	Mr. Daniel Smith	ILO Programme Officer, ILO Regional Office for Europe and Central Asia, Geneva
17.	Mr. Graeme Buckley	ILO Programme Analyst, PROGRAM, ILO Geneva
18.	Ms. Anne Schalper	ILO Associate Expert, PROGRAM

**Terms of reference**

**Final Review of Decent Work Country Programme (DWCP)**

**Armenia 2007-2011**

*January 2012*

**1) Introduction**

The ILO evaluation policy set out the Office's commitment to more systematic use of internal and self evaluation. The DWCP final review concludes the process of the DWCP progress monitoring and reporting. It is to be carried out with the participation of the ILO constituents and other national partners, as appropriate. It enables the ILO and its constituents to review their joint performance in delivering planned outputs and supporting the achievement of outcomes. The DWT/CO Moscow has prepared the Terms of Reference in consultation with RO EUROPE and EVAL unit. They will be submitted to tripartite constituents for discussion in order to refine the approach.

The review will be a means of providing feedback on how well the ILO performed under the first DWCP, highlight good practices and make recommendations on how the next DWCP could be designed and implemented. Another use will be to improve the evaluability of a new DWCP and future DWCPs in general through close attention to the results matrices. The review will be coordinated by the ILO DWT/CO Moscow.

**2) Background and Context**

***Decent Work Country Programme***

The ILO DWT/CO Moscow, prior to the beginning of the ILO Programme and Budget cycle 2008-09, developed a Decent Work Country Programme jointly with the constituents. The DWCP was signed in March 2007.

The following priorities were identified for collaboration between the ILO and the tripartite constituents in Armenia in the framework of the Decent Work concept, which refers to policies promoting employment, which should be safe and secure, decently remunerated, ensure social protection of workers and their families, give voice to workers, and guarantee equal opportunities and treatment for all:

4. Promotion of employment policies
5. Strengthening social partnership
6. Improvement of social protection

A detailed implementation plan, including outcomes, outputs, indicators and resources for the delivery of the DWCP, was developed as an internal document. The implementation plan enabled the Office to organise and monitor its work towards the achievement of a number of



specific objectives (outcomes) divided into three groups as per each of the above priority areas, as follows:

1. Promotion of employment policies

Mid-term Outcome 1.1. Support of decent work opportunities through development of national employment policies and increasing employability of marginalized groups

Short-term Outcome 1.1 Increasing employability of marginalized groups

Short-term Outcome 1.2. Reforms in employment related legislation and policy are performed

2. Strengthening social partnership

Mid-term Outcome 2.1. A framework for effective social dialogue is established

Short-term Outcome 2.1. Capacity of all constituents in conducting social dialogue has improved

Mid-term Outcome 2.2. Comprehensive and modern wage determination mechanisms are introduced

3. Improvement of social protection

Mid-term Outcome 3.1. Improvement of Occupational Safety and Health System

Mid-term Outcome 3.2: Strengthening labour inspection management and effectiveness

Mid-term Outcome 3.3 Awareness on HIV/AIDS prevention at workplace is enhanced

Mid-term Outcome 3.4 The constituents undertake targeted actions against child labour, giving priority to the elimination of its worst forms

### ***RBSA country programme outcomes***

In order to support the work on the DWCP, additional funds were provided from the Regular Budget Supplementary Account (RBSA) 2010-2011 as per the following Country Programme Outcomes (CPOs):

1. Promotion of employment policies

ARM152: Increased decent work opportunities and employability of vulnerable groups/people with disabilities/ \$40,000

2. Strengthening social partnership

ARM 130: Comprehensive and modern wage determination mechanisms are introduced/ \$126,000

ARM129: Strengthening social dialogue and collective bargaining in Central Asia and Caucasus/ \$108,000

### **3) Clients**

The main clients of the evaluation are the specialists and management of the DWT/CO Moscow, EUROPE Regional Office, ILO HQ, ILO donors, tripartite constituents and national implementing partners in Armenia.

#### **4) Purpose**

The purpose of the review is to improve further programming and ensure internal and external accountability. It will provide:

- a summary of results and achievements per each of the priority areas
- documented good practice examples/success stories (at least two; guidelines provided in Annex 3) <sup>6</sup>
- an analysis of relative effectiveness under each DWCP priority/outcome and areas for improvement
- overall lessons learned
- recommendations for the next steps: a) on programming issues, themes, strategies, target groups; b) on the implementation process, operational modalities

#### **5) Scope and criteria**

The review will cover all activities carried out under the Decent Work Country Programme for Armenia during 2007-2011, including the RBSA-funded Country Program Outcomes (CPOs) in 2010-2011 (ARM 129, ARM 152, ARM 130), as part of a stock taking exercise.

It will focus on the progress made on tangible outcomes directly resulting from ILO contributions. Key criteria for the review are: 1) adequacy of resources; 2) delivery of outputs; 3) use of outputs by partners; 4) progress made towards outcomes and sustainability of achievements; and 5) emerging risks and opportunities.

#### **6) Proposed Methodology**

The review exercise is a participatory assessment of current practice. When conducting the review, in addition to the ILO Office, the tripartite constituents as well as other parties involved in the country programme and targeted for making use of the ILO's support will be asked to contribute and participate.

An external consultant will be hired to facilitate the review process. The external consultant will conduct a desk review, interview key stakeholders and beneficiaries, draft the report, facilitate a presentation for the stakeholders or roundtable discussion of the main findings and prepare the final review report based on inputs received. If scheduling permits, the presentation for the stakeholders would be organized in the framework of the New DWCP Development Workshop, tentatively scheduled for mid-March 2012 in Yerevan.

Specialists from the ILO DWT/CO Moscow will be asked to contribute to the exercise, including through participation in a self-evaluation on the same criteria.

#### ***Preparation***

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<sup>6</sup> These are supposed to be used for PR and communications.

1. DWT/CO Moscow with the help of the National Coordinator should compile relevant documents:
  - Activity/performance reports, mission reports, products, studies, research produced (under each outcome)
  - Other relevant background information, including DWCP Implementation and Monitoring plan, project level reports, evaluation reports, etc.

All the above information for each outcome should be sent to the reviewer prior to the planned actual review period.

2. The consultant will observe the following workflow:
  - Collect DWT/CO input
  - Review documents
  - Conduct stakeholder interviews
  - Document findings, prepare first draft report, including good practice cases (at least two<sup>7</sup>)
  - Facilitate a presentation or discussion of main findings with the stakeholders
  - Finalise the report
3. The ILO National Coordinator in Armenia in coordination with the DWT/CO should arrange a program of interviews for the consultant with the following (as appropriate):
  - ILO staff in the country
  - Government (Ministry of Labour)
  - Workers' organisation
  - Employers' organisation
  - Other UN agencies
  - Implementing partners and beneficiaries (e.g., people who have received training and/or benefitted from other activities)
4. The consultant in coordination with the National Coordinator will arrange a presentation for the stakeholders, in order to share the preliminary findings, possibly in the framework of the new DWCP development workshop.

## **7) Outputs**

- The review consultant should prepare a draft report (in English) and a presentation of main findings;
- Based on the feedback from ILO staff and partners, the review consultant should summarize all the findings and conclusions in a final report (in English), including documented good practice cases;
- In addition, the final report should provide summary findings for each DWCP outcome based on document reviews and ILO and partners' comments. Each outcome should be

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<sup>7</sup> E.g., on increasing employability of vulnerable groups/people with disabilities

scored against key performance categories, using the multi-point scoring matrix (see template in Annex 2. Table 1. Scoring template for summarizing outcome-level findings of the review)

- A final section of the report should highlight overall conclusions and recommendations and recap major issues to be reflected in a future DWCP. The recommendations should also address strategies for the formulation of the new DWCP document.
- The final report should be shared with the ILO staff, tripartite constituents and partners, who can react to the findings and issues raised, and plan next steps to address these.

#### **8) Qualifications requirements for the external consultant**

University degree in economics or social sciences; understanding of the ILO's tripartite culture and Decent Work approach; research, interviewing and report writing skills; knowledge of the country/region; fluency in English and Armenian or Russian.

#### **9) Provisional work plan and schedule for the first quarter of 2012**

<b>Task</b>	<b>Time frame</b>	<b>Responsible person</b>	<b>Unit/</b>	<b>Consultations</b>
1. Draft TOR prepared	January	DWT/CO		National Coordinator
2. Internal and external consultations to finalize terms of reference	February	DWT/CO; National Coordinator		EUROPE; constituents
3. Identification of external facilitator	1st decade of February	DWT/CO		EUROPE; National Coordinator
4. Preparation of background documents, materials, reports and studies by outcomes	February	DWT/CO Specialists; National Coordinator		
5. An itinerary scheduled for the reviewer to get inputs from national stakeholders (government, workers and employers' organization, UN agencies etc.)	February	National Coordinator; DWT/CO		Constituents
6. Documents reviewed	Last decade of February [5 days ]	Consultant		

Task	Time frame	Responsible person	Unit/	Consultations
7. Interviews with stakeholders completed before the presentation/ roundtable	1st decade of March [7 days]	Consultant		National Coordinator; DWT/CO; national tripartite constituents, partners, UN agencies
8. Outline of key findings	March 12	Consultant		
9. Roundtable presentation at the New DWCP Development Workshop	[1 day] March 15	Consultant		National Coordinator; DWT/CO; tripartite constituents
10. Draft report	[7 days] Tentatively end of March	Consultant		National Coordinator; DWT/CO
11. Circulation of the draft report for comments: ILO staff, constituents and other stakeholders	5 days Deadline to be determined	DWT/CO; National Coordinator		
12. Finalization of the report based on comments	[2 days] Upon receipt of consolidated comments from the ILO	Consultant		DWT/CO

## ANNEXES

ANNEX 1. DWCP IMPLEMENTATION REPORT, prepared by NC/ARMENIA, Sept. 2011

### ILO Programme Implementation Report 2010-2011 Decent Work Progress Armenia

The DWCP for Armenia for 2007-2011 was signed in March 2007.

By DWCP, the following priorities have been identified for collaboration between the ILO and the Republic of Armenia in the framework of the Decent Work concept: Promotion of Employment policies; Strengthening Social partnership; Improvement of Social Protection.

### 1. **Promotion of Employment policies**

Poverty in Armenia increased in 2009 for the first time in over a decade as a result of the ongoing economic recession. According to the house-hold survey the poverty level was 34.1% in 2009 which was higher than the same indicator in the previous year by 6.5 percentage points.

In 2010 the economy recovery process started. The GDP growth rate was 2.6% in 2010. The officially registered unemployment rate was 7% both in 2009 and in 2010. In July 2011 it was 6.1% against 7.1% in July 2010.

The Government initiated development of the National Employment Strategy. The ILO reacted quickly to the request of the Government to provide comments on the draft Strategy paper. However, the approval of the paper has been postponed.

Progress has been made regarding improvement of legislation. *“The Law on Employment of Population and Social Protection in Case of Unemployment”* has been amended. New active labour market policies for vulnerable groups have been adopted. The Government implements a pilot programme with the ILO support and in close collaboration with social partners.

*The Labour Code* was amended in 2010. The ILO provided technical support and expertise. The recommendations provided by the ILO experts and consultants have been mostly accepted by the constituents.

In 2010 a *Gender Policy Concept* was adopted and in June 2011 the Government of RA approved two papers on gender policy: *Strategic Programme Against Gender Violence for 2011-2015* and *National Programme Against Gender Violence*.

### 2. **Strengthening Social partnership**

Establishment of a framework for effective Social Dialogue is one of crucial points in tripartite cooperation. National Tripartite Agreement was signed in April 2009. The National Tripartite Commission has been created. With the request of the constituents the ILO has provided technical support in strengthening of social partnership, in particular effective functioning of the Tripartite Commission and conducting of bipartite and tripartite dialogue.

In September 2010 with the initiative of the Republican Employers' Union of Armenia the first National Conference on Social Dialogue was held.

The ILO supported an exchange of good practices by organizing a tripartite study visit of Armenian constituents to Lithuania.

A Tripartite Conference followed the visit during which constituents adopted recommendations on the improvement of work of the Tripartite Commission.

### 3. **Improvement of Social Protection**

In 2010 with the Government request ILO provided support in rapid assessment of the State Labour Inspection and other inspection bodies. Recommendations have been provided. The

Government is currently developing a new system for inspections. ILO support has been requested.

***The Normes and Rules for Regulation of Occupational Safety and Health*** have been drafted by the Government in consultations with social partners. The ILO has provided comments on the draft paper. At the time being the draft is under revision and is supposed to be adopted by the end of 2011.

In collaboration with the Republican Employers' Union a number of OSH activities are implemented at the enterprise level. In October 2011 the second Conference on Social Partnership will be held which will be devoted to OSH issues.

With the constituents' request the ILO is providing support for the improvement of the ***Minimum Wage policy and the public sector remuneration system***. A fact-finding mission took place in 2011 and further activities are under discussion.

In 2010 a new concept of the ***Social Protection Floor*** was presented to the national counterparts and the UN organizations represented in Armenia. With the ILO support a rapid assessment is made on the Social Protection Floor.

Constituents are currently elaborating a new DWCP for 2012-2014. In parallel the Decent Work Country Profile is under process of development.

Prepared by  
ILO NC in Armenia

## ANNEX 2. GOOD PRACTICE GUIDELINES

### **Suggested guidelines for identification and documentation of good practices**

The aim of documenting good practice is to share and learn from joint experiences by identifying which approaches work best and why.

#### **1. What is good practice?**

Good practice is a means of systematically building on effective approaches by examining experiences and processes that work, understanding why they work and under which circumstances/national context, and extracting lessons from them that could be applied by others working on similar issues elsewhere.

Of particular interest are new/innovative approaches to well recognized problems that are often hard to overcome. More specifically:

- Good practice can be a practice at any level ranging from broad legislative frameworks/norms or policies; organization/enterprise level action; or practices involving the informal sector.
- Examples of good practice must have actually been tried and shown to work, as distinct from being potentially good ideas that have not been tested.
- Good practice can represent work in progress that has provided positive preliminary findings.
- The overriding criteria in selecting a good practice should be its potential usefulness to others in stimulating new ideas or providing guidance on how to be more effective.

#### **2. Some general criteria to consider when determining whether a practice is ‘good’**

- Innovative or creative: What is special about the practice that makes it of potential interest to others? Does it offer a new way to approach an old problem?
- Process works: Is the practice a good example of how programme process does work? How common difficulties were overcome and results achieved?
- Effectiveness/impact: What evidence is there that the practice has actually made a difference? Can the impact of the practice be documented in some way; through a formal programme evaluation, impact assessment data, or something else quantifiable?
- Replicability: Is this a practice that could be replicated in some way in other situations or settings? Note that a practice doesn’t have to be copied exactly to be useful to others.
- Sustainability: Is the practice likely to continue in some way and to be effective over the medium to long term? Is it sustainable in terms of structure, capacity and funding and able to carry on without outside support?
- Participatory and relevant: Has the practice taken a consensus-building and participatory approach, did it involve the social partners? Is it in accordance with ILO’s values and standards? Is it appropriate to the workplace situation, country and culture?



- Efficiency and implementation: Were resources (human, financial and others) used in a way to maximize impact? Is the practice affordable and did it add value?

### 3. How to prepare a case study of good practice?

The case studies should be short (no more than 3-5 pages), and structured to include a mix of factual information/context with quotes and anecdotes to illustrate key points and give a 'human face' to the study.

#### b. Guidelines for structure

- a) An introductory section which sets the scene for the good practice. This should include:
  - i. Title
  - ii. Introduction - Give some background information on the country, some general facts/statistics.
- b) Explain when, how and why the good practice was initiated. Was there a particular problem that had to be overcome? What was it? Where did the initiative for intervention come from and why? It is particularly important to illustrate where the programme was starting from in order to effectively show what was later achieved.
- c) Give an in-depth description of the practice – why was it initiated, purpose, objective(s), key components (how does it work), key players.
- d) Achievements/accomplishments – what makes this practice 'good,' what difference does it make?
- e) If available, findings of baseline and follow up surveys showing the effect of the practice.
- f) Lessons learned:
  - a. Key features/factors that contributed to the success/effectiveness of the practice.
  - b. Necessary conditions for its effective implementation.
  - c. Pitfalls to avoid.
  - d. Obstacles faced and how they were overcome.
  - e. Adaptations introduced and why.
  - f. Recommendations for replication of the good practice.

### 4. Annexes

Please annex photos, news clippings, and any other relevant material related to the good practices, contacts of staff or/experts involved in the practice.

### ANNEX 3. SCORING CATEGORIES AND TEMPLATE

Based on the research done and feedback obtained from ILO staff and partners, the review consultant should summarize outcome-level findings using the template (see table 1 below) based on the following scoring categories:

1	2	3	4	5	6
<b>Very unsatisfactory</b>	<b>Unsatisfactory</b>	<b>Moderately unsatisfactory</b>	<b>Moderately satisfactory</b>	<b>Satisfactory</b>	<b>Very satisfactory</b>

