

ARMENIA

COUNTRY STRATEGY PAPER 2017-20

2018 UPDATES





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A. COUNTRY CONTEXT

Political and socio economic situation

Armenia is a lower middle-income country with a population of 3 million and an estimated GDP per capita of US\$ 3,898. Remittances from migrant workers, which normally contribute significantly to the Armenian economy, decreased dramatically in 2015 as the Russian economy entered a recession severely reducing domestic demand. The pre-crisis double-digit economic growth rates were replaced by an average 4.0% rate. A moderate 3.2% growth rate in 2013 was followed by 3.5% in 2014, which slowed to 3% in 2015.

Economic development has shifted from agriculture and industry to services - their respective shares in GDP went from 22.8, 33.8 and 43% in 2011 to 19.4, 28.7 and 51.9% in 2015. This was reflected in changing proportions of employment in these sectors from 38.9, 16.7 and 44.4% respectively in 2011 to 35.3, 15.9 and 48.8% in 2015.

The effect of the global economic crisis on poverty in Armenia has been dramatic: the national poverty rate increased from 27.6% in 2008 to 35.9% in 2009 but was down to 30% in 2014.

The population in Armenia grew slightly from 2.967 to 3.017 million with a decline in the relative size of the youth population from 25.8 to 21.7% in the period 2011-2014. This resulted in a small decline in the youth dependency rate from 28.7 to 26% while old age dependency rose slightly to 15.3 from 15%. This demographic trend is likely to translate into new demands on the lifelong learning system as well as on youth employment policies.

The geography of poverty in Armenia shows substantial gaps between the capital city Yerevan (25.6%), rural areas (31.7%), and other urban areas (39.4%). Income from labour markets, in combination with remittances and public transfers – such as well-targeted social expenditure and pensions – contributed substantially to poverty reduction amidst low economic growth since 2009. Despite strong agricultural growth, the domestic labour market deteriorated due to limited job creation in other sectors compounded by the large-scale return of migrant workers from Russia.

Armenia has a low employment rate, which decreased from 2011 to 2015 from 51.4% to 50.9%. The unemployment rate rose from 17.5% in Q3 2014 to 18.2% in Q3 2015 with youth unemployment at 24%. Entering the labour market for the first time and the lack of university education are specific concerns for young people. Almost 50% of women were not economically active. Informal employment remains very high. The largest number of people informally employed is in the construction and trade and services sectors – 55% and 29% respectively.

A 2016 ILO survey¹ found that almost 30% of employers surveyed thought that school leavers were not generally equipped with the literacy and numeracy skills required by firms in the private sector. A total of 41% of companies think that the average school leaver applying for work just 'somewhat' meets the needs of firms in the private sector. The main missing competences among school leavers are analytical and conceptual skills (33.7%) followed by communication skills (19%) and interpersonal skills for 10.3%. More than 70% of companies surveyed thought that, skills shortages negatively affect private sector businesses.

¹ The enabling environment for sustainable enterprises in Armenia- 2016: http://www.ilo.org/global/topics/employment-promotion/small-enterprises/WCMS_465083/lang--en/index.htm

Relations with the EU

The EU-Armenia Partnership and Cooperation Agreement (PCA), which was signed in 1996 and entered into force in 1999, govern EU-Armenia relations. This partnership provides for closer political and mutually beneficial trade and investment relations as well as economic, social, financial and cultural cooperation. The partnership is intended particularly to promote Armenia's transition to a fully-fledged democracy and market economy.

On 2 January 2015, Armenia joined the Eurasian Economic Union (EEU) (with Russia, Belarus, Kazakhstan and Kyrgyzstan). Despite Armenia's decision in September 2013 not to sign the Association Agreement with the EU, including a Deep and Comprehensive Free Trade Area (AA/DCFTA), Armenia and the EU continue their political and trade dialogue in areas where this is compatible with Armenia's new obligations to the EEU.

On 12 October 2015 the Foreign Affairs Council authorised the European Commission and the High Representative to open negotiations on a new, legally binding and overarching agreement with Armenia, and adopted the corresponding negotiating mandate. The official launch of negotiations started on 7 December 2015. The new agreement will replace the current EU-Armenia Partnership and Cooperation agreement.

At strategic level, the EU works with the government of Armenia through a cooperation council where both parties have agreed to enhance and deepen their cooperation in all areas compatible with Armenia's international obligations deriving from its accession to the Eurasian Economic Union. This involves continued support for Armenia's reform efforts, including visa facilitation and re-admission agreements. For 2014-17, the priorities for EU-Armenia bilateral cooperation (between €140 and 170 million) are private sector development, public administration reform, and justice sector reform.

B. VET AND SKILLS IN THE COUNTRY: OVERVIEW, PROGRESS AND MID-TERM PRIORITIES

Vocational education and training (VET) in Armenia covers mainly initial vocational education and training (IVET), which is divided into two levels: preliminary (craftsmanship) and middle vocational education. Both routes offer a vocational qualification (with access to the labour market) and opportunities for a secondary general diploma (Matura), thereby providing students with the option to pursue higher education. Vocational education has a small presence in Armenia. It accounts for only 10% of students and 10% of schools². Preliminary VET is provided in 25 schools and 20 middle VET colleges, while middle VET is provided in 72 colleges and six universities. Workers with vocational qualifications equate to only 2.6% of those in employment³.

VET reform has sought to bring education closer to the needs of the labour market. EU support has focused on equal access to high quality education and the inclusion of young people with special needs. The revision of qualifications progressed, with a credit system pilot for VET during the 2014–15 school year. The number of students who receive free vocational education has increased by 50%. Proposed amendments to compulsory education would mean 100% free vocational education for

² Comprising preliminary and middle level VET. See National Statistical Service of Armenia, Statistical Yearbook 2015, Tables, 93, 102, and 103. The UNESCO estimate is that the share of students in vocational education in upper secondary education was 25.7% in 2014. The difference with the national statistical service figures is due to differences in the classification of programmes.

³ National Statistical Service of Armenia, Statistical Yearbook 2015, Tables 33 and 35

students with nine years of basic education. A management information system covering the whole VET system and higher education became operational in 2014. In 2015-16, compulsory education has been extended to 12 years.

In August 2011, the government approved an activity plan to implement and operationalise a national qualifications framework (NQF) that closely mirrors the structure of the European Qualifications Framework (EQF). Institutionally, this could provide more coherence between the different forms and levels of education. Progress in the implementation of the NQF is slower than anticipated. A stronger degree of ministerial coordination and involvement of stakeholders are required to advance the NQF.

In 2015, the government approved the procedures for continuing vocational training and the validation of non-formal and informal learning. The National Training Fund (NTF) will implement the system of validation of non-formal and informal learning. Considerable scope exists to link the system with migration services⁴ as returning migrants can bring new skills and contacts with organisations and firms that recruit migrants.

Human capital is a strategically important area of development for the Armenian economy through improved entrepreneurial capacities. Between 2012 and 2015, the Assessment of the Small Business Act found that Armenia has made impressive progress in several policy areas including, implementing government measures for financial education in upper secondary schools; developing university-business co-operation; putting in place policy measures to promote entrepreneurial efforts by women; and supporting SME start-up training.

The Armenian Development Strategy, which sets targets and goals for the period 2014-25 aims to increase employment through the creation of quality and high productivity jobs. It recognises agriculture as a priority sector to increase exports, diversify the Armenian economy and ensure balanced regional development. The strategy provides a framework against which policy performance can be monitored. The new law on employment, adopted in 2014, gives a strong impetus to the transition from passive to active employment policy. A new monitoring system and indicators for the employment programmes is in preparation.

The government has given priority to developing vocational education in the agricultural sector by strengthening VET and employment institutions (e.g., colleges and the State Employment Agency) as well as specific programmes, e.g., the consolidation of career guidance in the mid-term review of the national employment policy and the creation of a system of apprenticeships. Progress in these initiatives will be monitored through indicators associated with the EU budget support programme for Armenia for the period 2017-20.

The ongoing challenge of improving the link between business and skills suggests that there is scope for reviewing the current arrangements. Labour market forecasting mechanisms need further development. The ETF is working with Armenia to improve skills needs identification as well as Armenia's capacities for labour market analysis and forecasting. This involves the Ministry of Labour and Social Affairs, Ministry of Education, State Employment Agency, National Statistical Office, National Institute of Labour and Social Research, sector committees, unions and employers, experts of the 'Make it Match network'⁵.

⁴ The system of validation of non-formal and informal learning was identified as a Migration Support Service (MISMES) in the report developed by the ETF for Armenia as a part of the EaP process.

⁵ The 'Make it Match' network is part of ETF's contribution to the thematic activities on "Skills Matching" under Platform 2 of the Eastern Partnership.

Career guidance has also become more important, with a network of career guidance services developed since 2013 in 12 regional state colleges under a Methodological Centre for Professional Orientation under the Ministry of Labour and Social Affairs. The ETF has successfully supported this network with advice and capacity development. The system incorporates a monitoring process to assess the viability of the network. In 2015-16 the centre began to analyse vacancies published in a wide range of web portals and is improving its capacity to produce labour market intelligence on trends in occupations and jobs. In 2016, the centre is updating its strategic implementation plan for the period 2016-20, with key operational areas including classroom materials, occupational information, professional support for career specialist websites and liaison and marketing. The work of the centre has been acknowledged as a successful example of co-operation in vocational education between the ministries of labour and education.

The VET Department within the MoES is responsible for defining the vision and strategy of the sector and for monitoring national VET policies. The MoES is responsible for both the network of providers and planning, while the Ministry of Finance is in charge of the budget for vocational schools. The body providing methodological support for VET is the National Centre for VET Development (NCVETD), which is under the supervision of the MoES. This centre is accountable for methodological reforms, and developing standards, modular curricula and teacher training. The NCVETD sends reports to the MoES twice a year and to the National Council at the end of each year. The MoES is accountable to and submits reports to the government.

In Armenia, the foundations for effective social dialogue are in place, i.e., there is a legal framework regulating collective bargaining and tripartite consultation and a tripartite commission for consultation between the government and the social partners. The national tripartite agreement was renewed in 2012.

In the VET sector, social dialogue is well defined in official documents, and the participation of social partners in working groups and advisory boards, such as sector skills councils, ensures that this requirement is met. Social partner organisations like the Republican Union of Employers of Armenia and the Chamber of Commerce participate in the meetings of the National Council for VET, which is a tripartite structure. They sit on the governing boards of VET colleges. Sector skills councils are involved in the approval and validation of qualification standards.

The ETF works with a broad group of stakeholders in the country including:

- The State Employment Agency (SEA)
- National Training Fund
- National Centre for Vocational Education And Training Development
- Ministry of Labour and Social Affairs
- Young Women's Entrepreneurship Association
- Republican Union of Employers
- Chamber of Commerce
- Unions of Employers
- Centre for Professional Guidance
- National Centre for the Development of Small and Medium sized enterprise

- EU Delegation
- Ministry of Education
- National Institute of Social and Labour Research.

The network is productive but its work is hindered by both unrealised potential and latent tensions. Latent tensions relate to competing institutional priorities and leadership, e.g., education development vs employment development, or private sector vs public. There are also significant synergies between the different stakeholders, which, if realised, could accelerate reform. Overcoming the tensions and realising the potential requires stakeholders to co-operate together, which is possible in shared policy areas. There are some good examples of this, e.g., the support that the ETF has provided in career guidance, which is recognised as an area where the ministries of labour and education co-operate well.

C. EU AND OTHER DONORS SUPPORT TO VET AND SKILLS

There are multiple donor activities in the country. The EU has been the main donor in the field of VET reform in Armenia since 2003 and recently through Sector Policy Support Programmes (SPSPs), which also cover support to VET development. Areas to be covered include:

- Improving the qualifications and employability of VET agricultural students in line with labour market needs;
- Organising practical education and work-based learning for improving skills and matching the knowledge and skills of VET graduates to labour market requirements;
- Improving mechanisms to match supply and demand of labour through reinforced capacity of employers to support VET institutions and active involvement of employers at different levels of social partnership with VET;
- Improving the career guidance and job search capacities of VET Institutions.

Donor support has contributed to the development of training standards, the establishment of regional networks of VET institutions, the refurbishment and transformation of some of the existing colleges into 12 Regional State Colleges as models of excellence and, finally, the elaboration of curricula, occupational standards and staff development through the training of teachers and school directors. As of 2016, about 4,500 students at 17 pilot colleges in all regions of Armenia and Yerevan benefited from EU-supported reforms.

In April 2016, the EU extended financial assistance of €3.75 million to enhance Armenia's vocational education and training (VET) capacity. The programme aims to open up new horizons and foster job creation for youth, which will help maximise youth involvement in local development, curb labour migration to urban areas and support poverty alleviation in regions and across the country. The outcomes of the assistance include reform implementation across the whole VET sector of the country, provision of equal access to quality VET education for youth with special needs, recognition of non-formal and informal learning and review of VET qualifications and lists of VET professions to meet swiftly evolving labour market needs.

For almost 20 years, the World Bank has been the main donor in the field of general education, providing assistance for rehabilitation, supply of equipment, curricula development, IT upgrading, etc.

GIZ has been involved in many activities related to e-learning, the overall improvement of the quality of education, supporting Armenia in the participation of the “World Skills” competition and, finally, the elaboration of a feasibility study on the establishment of sector skills councils in the tourism and wine making sectors.

DVV supports the “Armenian Lifelong Learning League”, which is an umbrella organisation representing 12 non-governmental organisations working on education and training in Armenia. The overarching goal of the league is to support the formation of a lifelong learning culture in the country by developing a coherent lifelong learning system focused on employability/adaptability, personal fulfilment, active citizenship and social inclusion.

“Save the Children” is involved in a project that aims to improve the employability of a group of VET students with disabilities. UNIDO is preparing a pilot project to enhance entrepreneurial learning in a group of basic education schools. School management support is provided by G20/ILO.

D. ETF MID-TERM INTERVENTION STRATEGY IN ARMENIA

The **priority of ETF’s mid-term intervention strategy 2017-20** in Armenia is business, skills, and stakeholder dialogue.

- The Armenian VET system is small but an important component of the government’s national development strategy. There are multiple needs and limited resources and capacities to support all the possible needs. These needs include, inter alia:
- work based learning,
- career guidance,
- capacity building for the delivery of services by the state employment agency,
- support for a national qualifications framework,
- the development of sector skills councils,
- labour market forecasting and skills anticipation,
- the implementation of a system for the validation of informal and formal learning, and
- the development of entrepreneurial learning and enterprise skills.

The ETF cannot address all these needs and even within the context of the EU assistance under the budget support programme, not all the needs will be met.

Specific objective 1: To accelerate vocational education change by creating stronger policy partnerships through stronger operating links between the employers and various government agencies in the area of entrepreneurship.

Rationale: The need for improved skills is parallel to Armenia’s need to create a more efficient business climate for employment and investment, particularly in the area of small business. That improvement in vocational education in the country requires effective cooperation between business and education is clearly recognised by the government. In this respect, the Torino Process has become an important mechanism for stakeholder dialogue in the country. The Torino Process is the

only means whereby different government and social partner stakeholders meet to discuss vocational education as professional equals. This framework of stakeholder co-operation developed as part of the Torino Process and should be advanced to support and progress activities for 2017-20 as it has the potential to act as a network through which stakeholders can share their expertise and thereby strengthen their overall capacities in the context of limited resources.

The aim of the platform would not be a reform initiative in itself but to become a supporting structure through which reforms could be better and more quickly implemented. The platform would be a complement to the existing policy-implementation structure.

Armenia scored well in the 2015 Small Business act Assessment. It has a strong and diverse network of employers and there is a commitment on behalf of the Ministry of Education to introduce entrepreneurship learning in the curriculum. The ETF would assist by providing support to more effective structured co-operation between employers and the education department. The stakeholders have many of the components necessary for the successful reform of VET.

During the period 2017-20, this cooperation would integrate a range of policy priorities, such as work place learning, and skills anticipation and identification, with the aim of improving the quality of policy partnerships. In 2017 the focus will be on work-based learning, while from 2018 this cooperation would address and follow up on the further implementation of the 2015 Assessment Small Business Act.

Expected results by 2020:

- Institutional capacities of employer organisations and the Ministry of Education strengthened through stakeholder cooperation and the Torino Process platform;
- Armenia scores level 3 in the SBA Assessment in 2018.

Strategic Objective 2: Support to the Commission

In addition to activities related to the specific objectives of the ETF mid-term intervention strategy 2017-20 in Armenia, the ETF will support **EU external assistance and related bilateral policy dialogue:**

- External assistance project cycle-related requests from the EU Delegation or headquarters, in particular regarding the EU sector reform contract for VET in Armenia
- Annual country fiche to DG Employment
- ENP Action Plan Progress assessment for the education and skills components upon request
- Inputs to the monitoring of the implementation of the Mobility Partnership upon request

In the context of ETF **corporate initiatives**, the ETF will continue to involve Armenia in the Torino Process: the system wide policy analysis and monitoring progress exercise it implements periodically. The 2017-20 period covers the closure of the 2016 round and the implementation of the fifth round in 2019. The specific modalities for national implementation in 2019 will be agreed according to the 2016 results and the specific development of the monitoring processes in the country. In between the two rounds, the ETF will continue its policy dialogue with all countries on policy analysis and system wide progress monitoring through VET monitoring forums at regional and international levels.

Armenia will also participate in other **regional transversal actions**. In the period 2017-20, the ETF will continue to support the EC (DG GROW) with analysis and reporting on the country's progress on the human capital pillars of the Small Business Act for Europe (SBA). The ETF's SBA work forms an integral part of the wider EU support to the country in the framework of the Eastern Partnership.

The SBA assessments are run bi-annually and focus on entrepreneurial learning, women's entrepreneurship and SME skills. The next assessment will take place in 2018. The entrepreneurial learning dimension will be assessed in line with the new European Entrepreneurship Competence Reference Framework [1]. Follow-up, customised support to the partner country on human capital areas will depend on the specific requests from the government, the European Commission and in line with available resources.

Under EaP Platform 2 the **Make-it-Match network** will continue operating in 2017 aiming at strengthening a coordinated approach to skills anticipation and matching. Furthermore, the **regional project 'Skills Connexion'** aiming to strengthen work-based learning (WBL) actions in the Eastern Partnership and Kazakhstan will finish in 2017 by providing work-based learning policy recommendations and developing capacities. Follow-up actions are expected to include a regional work-based learning platform and targeted country actions to support implementation in selected countries.

In the employment field, Armenia will be included in an Eastern European regional initiative on 'mapping youth employment policies and activation measures to support efficient transitions to work'. Under this initiative, a national report on the profile of youth and youth policies will be produced through national expertise, while an exchange of information and experience on this topic with other EaP and EU countries will be ensured, mainly through the EaP youth employment panel which will be established in 2017 under the Platform 2 work programme.

In the migration field, upon request the ETF will continue to provide expertise support to the implementation of the Mobility Partnership signed with the EU. Armenia will be part of the Eastern European Regional Conference on transparency, portability and readability of professional qualifications (including two main topics VNFIL/RPL and mutual recognition of formal qualifications), which will be organised in November 2017 for all Eastern European countries."

E. 2017 ACTION PLAN

In 2017, as Armenia will commence the new budget support programme which aims to improve the efficiency of its labour market and the employability of its workforce, with a particular emphasis on agricultural employment, the ETF will not initiate any new thematic action at national level. ETF actions will focus on monitoring progress with respect to the findings of the 2016 Torino Process and supporting national stakeholders on their ongoing collaborations with respect to the implementation of their current reforms. In 2017, additional national specific actions will be based on specific requests from the government, the European Commission and according to available resources.

F. 2018 UPDATES

1. Short update on key country developments in the field of VET and skills and on EU and donor cooperation

During 2017-2022, the Government plans to optimise VET institutions by consolidating primary vocational education institutions and improving the management and cost-efficiency of VET institutions.

A New Strategy for VET is to be completed by the end of 2017. This follows from a new Government programme for economic growth for 2017-22 designed to supplement the Sustainable Development Strategy for 2014-2025. The new programme aims to increase GDP growth to an average of 5 percent per year by 2022 with exports of goods and services reaching 40-45 percent as a share of GDP⁶.

The programme states that 'The Armenian economy should grow through a labour force that is modern, globally competitive, highly qualified, educated, motivated and mobile. The Government will review the current educational system at all levels in order to arm the public with knowledge and skills that will be critical in the decades to come.'

The programme aims to reduce poverty by 12 percentage points and increase nominal minimum salaries by 25 per cent by 2022. The programme includes a range of labour market objectives: employment growth, improvements in job quality and wage levels, and reductions in structural unemployment⁷. The programme aims to give a boost to skills and labour market reform.

The strongest challenges are in the labour market due to lower than anticipated growth rates and public expenditure constraints. Improvements in the labour market in terms of reducing unemployment, particularly youth unemployment, will be slow to achieve. A national apprenticeship system that offered structured entry level training for both young people and adults would improve Armenia's labour market situation.

The country has the capacity and institutional infrastructure to develop and implement such a system. Presently, this is being piloted only within the sector budget support programme, but there is scope to extend it into a national programme.

Increases in the number of students in courses and employers cooperating with VET institutions will extend these partnerships and services. The system will become more sophisticated and adapted to the needs of the economy. There will be a stronger focus on sub-national (regional) development, reflecting a new balance between central and regional or local management. EU budget support programmes have underpinned many of Armenia's recent achievements in VET. The infrastructure of VET institutions has been improved and the institutional framework has become more flexible with a stronger emphasis on relevance and employability. The system is still under reform but it is becoming more attractive to students and employers.

The closer involvement and interest of employers in the VET system is occurring as anticipated in the mid-term objectives but the extent to which this could result in changes in the levels of achievement in the SBA assessment is not clear.

⁶ Programme of the Government of Armenia 2017-2022 <http://www.gov.am/en/gov-program/> (unofficial translation)

⁷ Programme of the Government of Armenia 2017-2022 'Vision and Goals'.

Overall, the reform perspective is positive and progress can be expected in education.

Key donors providing support in VET are the EU, GIZ; the Austrian Development Agency and SWISSAID.

The new EU sector budget programme started in 2017. The new sector reform contract (SRC) for 2017-2020 aims to improve (i) labour market intermediation and guidance services in order to ensure better access to employment both for men and women, and (ii) to improve the employability perspectives of graduate students in a pilot sector (VET agricultural institutions).

Following an assessment of progress in 2017 and the Government's priorities, namely, the Government's stronger focus on the optimisation of VET institutions, there may be an update of the indicators for the programme in 2018.

Support to VET reform in Armenia by GIZ is mainly through its regional project, Private Sector Development and Technical Vocational Education and Training for the South Caucasus. The project covers Azerbaijan, Georgia and Armenia. In vocational education the main objectives are:

- The development of vocational training regulations relevant to the labour market;
- The qualification of teaching and management personnel, in line with the new regulations;
- The introduction of accredited vocational training courses and further training programmes based on the new regulations.

A main priority of GIZ in Armenia is to support the development of dual-oriented training which reflects the priorities of the Ministry of Education. The Austrian Development Corporation and Swiss Cooperation are also using cooperative training system models as part of their assistance in the agriculture sector. There is a perspective between the three donors to harmonise their approach to ensure coherence in their support to the Education Ministry.

These donors are expected to be represented collectively on the national working group on Work Based Learning for Armenia foreseen by ETF's Skills Connexion project in 2018.

2. Assessment of the progress towards achievement of ETF mid-term objectives and results with horizon 2020

ETF actions focused on facilitating participation of Armenian stakeholders in the 2017 Torino Process conference, monitoring progress on the use of the findings of the 2016 Torino Process Report, updating ETF intelligence on key developments in the country's reform process, the maintenance of ETF contacts with the EU Delegation and key donors and facilitating the introduction of new ETF activities under the objectives of the 2017-2020 CSP for implementation in 2018.

Facilitation of stakeholders in the Torino Process conference supported the foundation for the country's participation in the 2019 round of the Torino process as a full self-assessing country. Developments in VET reform are continuing in line with the 2016 Torino Process findings.

The maintenance of contacts and intelligence on key developments in the country ensured that ETF's objectives are appropriately aligned with the country's reform objectives and the progress of the EU support programme. It also ensured the ability of the country to participate with EU and ETF regional initiatives such as EaP Make It Match programme, the Small Business Act Assessment and regional project initiatives related to Work based learning and Qualification Frameworks.

In terms of the progress toward the mid-term objectives for Armenia, the most significant development was the creation of the basis for a national working group on work based learning. This is in line with objective of accelerating vocational education change by creating stronger policy partnerships through better operating links between the employers and various government agencies involved in VET.

3. 2018 Action Plan

In 2018, national specific actions will be based on specific requests from the government, the European Commission and EU Delegation and according to available resources.

Specific objective 1: To accelerate vocational education change by creating stronger policy partnerships through stronger operating links between the employers and various government agencies in the area of entrepreneurship.

Based on agreements reached in 2017 between the Armenian Ministry of Education and the ETF, through the ETF's Skills Connexions Project the ETF will initiate a specific national action on supporting the development of work based learning.

The aim is to support strategic objective 1 through stronger operating links between the employers and various government agencies in the area of VET, e.g., the National Centre for VET development, the State Employment Agency as well as employer associations. The initiative responds to a growing interest from the Government in work based learning (WBL), the development of pilot work based learning actions in the budget support programme and the incorporation of entrepreneurial learning in VET curricula.

ETF contributions will support the development of business-education cooperation and will also contribute to an improved **assessment** of policy partnerships for entrepreneurial learning under the European **Small Business Act during 2018-2019**.

The objectives of the working group will be to:

- Define WBL country wide priorities and realistic objectives setting in line with the changes of context;
- Identify the needs for WBL;
- Define institutions and key mechanisms for WBL;
- Provide recommendations, advice and orientation for WBL further implementation including through VET projects funded by donors.

The main expected result of the NWG-WBL for 2017 will be an Action Plan for WBL further development and implementation in Armenia for the period of 2018-2020. The AP will be presented to the Ministry of Education and Science for approval after validation of VET Development National Council (VET DNC). The working group will draw on developments and trends in WBL in Armen, including the work of relevant donors. It will meet up to three times during 2018, depending on progress achieved and the needs of the stakeholders.

ETF will continue to provide support to the EU Delegation and the EU Commission. The ETF will provide support to the EC and EU Delegations and implement regular transversal and regional activities.

Strategic Objective 2: Support to the Commission

Upon requests from the European Commission or the EU Delegation, the ETF will provide support to ENI project cycle. ETF contributions to the budget support process will be based on requests from EUD which are expected to focus on support to monitoring either through a phase pre-assessment of phase assessment of the progress against the indicators. In 2018, the ETF will on request, contribute to EU – Armenia bilateral policy dialogue through:

- Inputs to monitoring of the ENP Action Plans;
- Follow-up of the Mobility Partnership;
- Delivery of annual country fiches to DG Employment.

4. Other areas of intervention

Furthermore, the ETF will continue its support in the area of **evidence based policy analysis and system wide progress monitoring**. All countries will be invited in early 2018 to kick off preparations for the **5th Round of the Torino process**, with the scope of agreeing on terms of implementation by end of 2018. The preparation phase will involve countries primarily through online consultations and capacity building activities involving appointed national coordinators and key working group members. All countries will be invited to join the kick-off meeting which will take place in Q4 of 2018 in Turin. Countries aiming at implementing the Torino process at sub-national level too will be followed by specific activities in 2018 in view of preparing regions and cities for the round of analysis. A **new national data collection exercise** aimed at acquiring more in depth data, mapping gaps, mapping sources and recurrence of data collection in the area of VET and Skills will be launched in 2018.

Armenia will also participate in other regional transversal actions. ETF will continue supporting **Make-it-Match network** aiming at strengthening a coordinated approach to skills anticipation and matching. Furthermore, the follow-up action to the **regional project 'Skills Connexion'** aiming to strengthen work-based learning (WBL) in the Eastern Partnership and Kazakhstan will focus on capacity building through a modular blended learning course on WBL capacities and a regional WBL Platform.