



EUROPEAN
COMMISSION

Brussels, 19.5.2015
COM(2015) 223 final

ANNEX 1

ANNEX

**DIRECTIVES FOR THE NEGOTIATION OF A FRAMEWORK AGREEMENT
WITH THE REPUBLIC OF ARMENIA**

to the

Recommendation for a COUNCIL DECISION

**authorising the European Commission and the High Representative of the Union for
Foreign Affairs and Security Policy to open negotiations and negotiate with the Republic
of Armenia a Framework Agreement**

EN

EN

ANNEX

DIRECTIVES FOR THE NEGOTIATION OF A FRAMEWORK AGREEMENT WITH THE REPUBLIC OF ARMENIA

PREAMBLE

1. The preamble will refer, inter alia, to:

- the strong links between the parties, the values that they share, and their desire to strengthen links and to develop them further within the framework of the European Neighbourhood Policy and the Eastern Partnership;
- fundamental freedoms, human rights, including the rights of persons belonging to minorities, democratic principles, the rule of law, and good governance;
- the understanding that internal reforms towards strengthening democracy and market economy, on the one hand, and sustainable conflict settlement, on the other hand, are two separate yet linked processes. Hence, sustainable democratic reform processes in Armenia will help build confidence and stability throughout the region;
- contributing to the political, socio-economic and institutional development of Armenia, and promoting cross-border and inter-regional cooperation;
- the principles and provisions of the UN Charter, the OSCE – in particular the Helsinki Final Act, the Concluding Documents of the Madrid and Vienna Meetings and the Charter of Paris for a New Europe –, the UN Universal Declaration on Human Rights and the European Convention on Human Rights;
- the importance of the active participation of Armenia in regional cooperation formats, the promotion of international peace and security, effective multilateralism and the peaceful settlement of disputes, notably by cooperating within the framework of the UN and OSCE;
- the importance of the commitment of Armenia to the peaceful and lasting settlement of the Nagorno-Karabakh conflict, and the EU's commitment to support this process;
- developing regular political dialogue on bilateral and international issues of mutual interest, including regional aspects;
- preventing and fighting corruption, combating organised crime, illicit trafficking, fight against terrorism, fight against the proliferation of weapons of mass destruction and their means of delivery and to cooperating on disarmament, non-proliferation and nuclear safety and security;
- cooperation on migration, asylum and border management, trafficking in human beings and efficient implementation of the readmission agreement;
- enhanced people-to-people contacts and the introduction of a visa free travel regime for the citizens of Armenia as a long term goal, provided that conditions for well-managed and secure mobility are in place including the effective implementation of visa facilitation and readmission agreements;
- the principles of free market economy and the readiness of the EU to contribute to economic reforms in Armenia and as introduced in the joint European

Neighbourhood Policy Action Plan, which are possible in view of other international commitments of Armenia ;

- economic cooperation in compliance with the rights and obligations arising out of the World Trade Organisation (WTO) membership of the parties and the transparent and non-discriminatory application of those rights and obligations;
- enhancing the security and safety of energy supply, facilitating the development of appropriate infrastructure, increasing market integration and gradual regulatory convergence towards key elements of the EU *acquis* taking into account Armenia's new international obligations, and promoting energy efficiency, the use of renewable energy sources and high levels of nuclear safety and security;
- the need for enhanced energy cooperation and the commitment of both parties to fully respect the provisions of the Energy Charter Treaty;
- respecting the principles of sustainable development, environmental needs and climate change and improving the level of public health safety and protection of human health;
- the EU's willingness to provide support for the implementation of reform and to use all available instruments of cooperation including technical, financial and economic assistance;
- the Parties' need to take into account their existing international obligations.

TITLE I: GENERAL PRINCIPLES

2. The Agreement will be based on the respect for democratic principles, the rule of law, human rights and fundamental freedoms, as enshrined in particular in the UN Charter, in the OSCE Helsinki Final Act and the Charter of Paris for a New Europe, and other relevant human rights instruments, among them the UN Universal Declaration on Human Rights and the European Convention on Human Rights. Together with the first part of the non-proliferation of weapons of mass destruction clause, these will constitute essential elements of the Agreement. It will provide for the possibility of unilateral suspension in the event of infringement of these principles.
3. The Agreement will reiterate the Parties' commitment to the principles of a free market economy and the promotion of sustainable development.

TITLE II: POLITICAL DIALOGUE AND REFORM; COOPERATION IN THE FIELD OF FOREIGN AND SECURITY POLICY

4. The Agreement will provide for strengthened political dialogue and co-operation on foreign and security matters as well as on domestic reform. The Parties will aim:
 - to further develop and strengthen political dialogue on all areas of mutual interest;
 - to increase effectiveness of political cooperation and convergence on foreign and security matters; to promote international stability and security based on effective multilateralism and to strengthen cooperation and dialogue on international security and crisis management, notably in order to address global and regional challenges and their threats.

- to foster result-oriented and practical cooperation between the parties for achieving peace, security and stability on the European continent;
- to strengthen respect for democratic principles, the rule of law and good governance, human rights and fundamental freedoms including media freedom and the rights of persons belonging to minorities, and to contribute to consolidating domestic political reforms;
- to develop dialogue and to deepen cooperation in the field of security and defence;
- to promote the peaceful resolution of conflicts and the principles of territorial integrity, inviolability of borders, sovereignty and independence.
- to work to improve the conditions for further regional cooperation.

5. Domestic reform

The Agreement will include provisions aiming to enhance dialogue and to cooperate on developing, consolidating and increasing the stability and effectiveness of democratic institutions and the rule of law; on underpinning respect for human rights and fundamental freedoms; on making further progress on judicial and legal reform, so as to secure the independence, quality and efficiency of the judiciary, of the prosecution as well as of law enforcement; on further pursuing the public administration reform and on building an accountable, efficient, transparent and professional civil service; and on ensuring effectiveness in the fight against corruption.

6. Common Foreign and Security Policy

The Agreement will include provisions aiming to intensify the Parties' dialogue and cooperation in the area of Common Foreign and Security Policy, including the Common Security and Defence Policy, and will address issues of conflict prevention and crisis management, regional stability, non-proliferation, disarmament, arms control and export control. The Agreement will refer to the principles of respect for territorial integrity, inviolability of borders, sovereignty and independence, as established in the UN Charter and the OSCE Helsinki Final Act.

7. International Criminal Court

The Agreement will aim to enhance cooperation in promoting peace and international justice by means of the Rome Statute of the International Criminal Court and its related instruments, giving due regard to preserving the integrity of the Rome Statute.

8. Conflict prevention and crisis management

The Agreement will aim to enhance practical cooperation in conflict prevention and crisis management, in particular with a view to possible participation of Armenia in EU-led civilian and military crisis management operations as well as relevant exercises and training, on a case-by-case basis following possible invitation by the EU.

9. Regional stability and peaceful resolution of conflicts

The Agreement will aim to intensify the Parties' joint efforts to promote stability, security and democratic development in the region, as well as to improve the conditions for further regional cooperation and to work towards a peaceful settlement

of regional unresolved conflicts. These efforts will follow commonly shared principles established by the UN Charter, the OSCE Helsinki Final Act and other relevant multilateral documents.

10. Weapons of mass destruction (WMD), non-proliferation and disarmament

The Agreement will aim to enhance cooperation and to counter the proliferation of weapons of mass destruction and their means of delivery in full compliance with the Parties' existing obligations under international disarmament and non-proliferation treaties and agreements. The Parties will agree that this provision constitutes an essential element of the Agreement.

The Parties will furthermore agree to cooperate and to contribute to countering the proliferation of weapons of mass destruction and their means of delivery by taking steps to sign, ratify, or accede to all other relevant international instruments as appropriate; and by establishing an effective system of export controls, controlling the export as well as transit of WMD-related goods, including a WMD end-use control on dual-use technologies, and containing effective sanctions for breaches of export controls in this field.

11. Small arms and light weapons

The Agreement will recognise that the illicit manufacture, transfer and circulation of small arms and light weapons, including their ammunition, and their excessive accumulation, poor management, inadequately secured stockpiles and uncontrolled spread continue to pose a serious threat to peace and international security.

The Parties will cooperate and ensure coordination, complementarity and synergy in their efforts to deal with the illicit trade in small arms and light weapons, including their ammunition and the destruction of excessive stockpiles, at global, regional, sub-regional and, as appropriate, domestic levels.

Furthermore, the parties will cooperate in the area of conventional arms control, in the light of the EU Common Position on arms exports.¹

12. Combating terrorism

The Agreement will aim to enhance cooperation at bilateral, regional and international level to prevent and combat terrorism taking into account international law, relevant UN decisions, international human rights standards, refugee and humanitarian law.

TITLE III: JUSTICE, FREEDOM AND SECURITY

13. Rule of law and respect for human rights and fundamental freedoms

The Agreement will include provisions on the Parties' attachment to the consolidation of the rule of law, including procedural safeguards in criminal matters and victims' rights, institution building, law enforcement and the administration of justice, the fight against corruption, and the respect for human rights and fundamental freedoms.

14. Protection of personal data

¹ Council Common Position 2008/944/CFSP of 8 December 2008 defining common rules governing control of exports of military technology and equipment

The Agreement will include provisions on cooperation on the protection of personal data, which will aim to ensure an adequate level of protection in accordance with the highest EU and international standards.

15. Cooperation on migration, asylum and border management

The Agreement will include provisions on cooperation on migration-related issues, including smuggling and trafficking in human beings, the inclusion of migration concerns in relevant strategies. Cooperation will be based on a specific needs assessment and focus on: (a) root causes of migration, (b) relevant legislation and practices on international protection and the principle of non-refoulement, (c) as appropriate, on admission rules and rights, status of persons admitted, treatment of legally resident non-nationals as well as measures against racism and xenophobia, (d) policy against illegal immigration, smuggling of migrants and trafficking in human beings, (e) visa and document security, (f) promoting mobility of citizens through the visa facilitation agreement with the long-term perspective of the introduction of a visa free travel regime provided that conditions for well-managed and secure mobility are in place, (g) fighting irregular migration including through readmission agreements, (h) promoting border management policy as well as legal and operational frameworks.

16. Money laundering, terrorism financing

The Agreement will include provisions on cooperation on combating money laundering and terrorism financing including a reference to standards adopted by the Financial Action Task Force on Money Laundering (FATF).

17. Cooperation on illicit drugs

The Agreement will include provisions on cooperation on the fight against illicit drugs, reduce the supply of trafficking in and demand for illicit drugs, introduce effective control of precursors and cope with the consequences of drug abuse.

18. Fight against organised crime and corruption

The Agreement will include provisions on cooperation on combating and preventing illegal activities, such as smuggling of migrants and trafficking in human beings, illicit arms and drugs trafficking, economic and financial crime, including fraud, counterfeiting of documents, cybercrime, and judicial cooperation in line with UN Convention against Transnational Organised Crime. It will also include provisions on cooperation on preventing and fighting corruption, in line with the UN Convention Against Corruption, the recommendations of the Council of Europe against corruption (GRECO) and of the OECD, transparency with regards to asset declaration, protection of whistle-blowers, and disclosure of information of final beneficiaries of legal entities.

19. Counter-terrorism

The Agreement will include provisions on cooperation on preventing and combating terrorism in accordance with the rule of law, international law, relevant UN decisions, international human rights standards, refugee and humanitarian law. Cooperation will aim at exchanging information in relation to means and methods of preventing and combating terrorism.

20. Legal cooperation

The Agreement will include provisions on judicial cooperation in criminal, civil and commercial matters.

TITLE IV- TRADE AND TRADE-RELATED MATTERS

The trade and trade-related provisions of the new agreement will build on the existing PCA while including appropriate references to specify that WTO rules are applicable to the bilateral EU-Armenia trade. Where possible in view of other international commitments of Armenia, the trade and trade-related provisions may go beyond WTO rules based on the outcome of negotiations on the draft DCFTA, technically concluded with Armenia in July 2013. The upgraded trade-related provisions of the new agreement should include among others:

21. Trade in goods

The Agreement will include provisions granting Most Favoured Nation (MFN) and national treatment to goods of the other Party in accordance with their respective WTO commitments; provisions on limitation or elimination of import and export restrictions; and, as necessary, on transit, temporary admission of goods, and remanufactured goods. The Agreement will encourage exchange of information and good practices on dual-use export controls with a view to promoting the convergence of EU and Armenia export controls.

22. Trade defence

The Agreement will include provisions confirming the Parties' WTO rights and obligations as regards safeguard measures, anti-dumping and countervailing measures.

23. Customs cooperation and trade facilitation

The Agreement will include provisions on trade facilitation and customs cooperation, including on:

- the further development of the Armenian customs legislation and practices in line with the international instruments and standards in the field of customs and trade, including those developed by the EU (including Customs Blueprints), World Customs Organization (WCO) and WTO, the development of mutually transparent trade environment, while ensuring security and preventing fraud;
- the establishment of modern customs systems and customs control techniques such as automated risk-management, simplified procedures for the release of goods, post-clearance controls and development for authorised economic operator status;
- the progressive interconnectivity of respective transit systems ensuring the highest standards of integrity through application of the principles of the relevant international conventions and instruments in this field;
- the exchange of information and data as well as best practices;
- the establishment of mutual recognition of trade partnership programmes and customs controls, the development of customs valuation procedures and practices in order to make them more transparent and efficient.

The Agreement will further include a protocol on mutual administrative assistance in customs matters.

24. Technical barriers to trade

The Agreement will incorporate the principles of the WTO Agreement on Technical Barriers to Trade (such as proportionality, no undue restrictions, transparency, non-discrimination) to be applied by the Parties in their mutual trade. It should also cover provisions on adoption of rules by Armenia that are compatible with those of the EU (where possible for Armenia) as well as arrangements for the review of progress.

25. Sanitary and phytosanitary (SPS) measures

The Agreement will cover animal health and food safety (sanitary), plant health (phytosanitary) measures, as well as cooperation on animal welfare matters.

The Agreement should provide for an alignment of Armenian legislation with international standards, including recognition of pest-free areas and disease regionalisation principles and risk assessments, simplification of importation procedures and application of principles of the WTO Agreement on Sanitary and Phytosanitary Measures.

26. Intellectual property, including geographical indications

The PCA already obliges Armenia to provide a level of protection of intellectual property rights similar to that in the EU. The emphasis will therefore be on establishing binding provisions covering further approximation with EU legislation, and strengthening enforcement, in particular in the fight against counterfeiting and piracy. Provisions on recognition and protection of geographical indications will also be included. The Agreement should also approximate Armenia's legislation with EU legislation on customs enforcement of intellectual property rights, the role of intermediaries' services in the digital environment and their liability limitations, regulatory data protection regimes and Supplementary Protection Certificates for medicinal and plant protection products.

27. Competition

Provisions on competition will recognise the potentially nullifying effects of anticompetitive behaviour on the benefits expected from the agreement. The Agreement should include provisions to create and maintain comprehensive and effective frameworks for competition law. It should recognise the need for the Parties to be equipped with sufficiently endowed and operationally independent enforcement authorities and address subsidies covering both goods and services with a particular focus on transparency. The Agreement should cover state owned enterprises, enterprises granted special rights or privileges, and monopolies. Rules should cover non-discriminatory treatment, commercial considerations, transparency and corporate governance.

28. Public procurement

The Agreement will contain a provision whereby the Parties reaffirm their mutual commitments under the GPA and subject them to bilateral dispute settlement, as well as some provisions on GPA+ disciplines, covering in particular the publication of procurement notices also by sub-central entities in a central electronic website, review procedures, and the extension of market access.

29. Trade and sustainable development

The Trade and Sustainable Development Chapter will:

- recognise the right of the Parties to regulate and set appropriate levels of protection, ensuring consistency with internationally agreed environmental and labour standards and agreements;
- encourage high levels of environmental and labour protection;
- reflect the Parties' commitments regarding a set of the internationally agreed principles, rules and standards, including the core labour standards and the promotion of the Decent Work Agenda, as a basic framework underlying the economic and trade relations and necessary conditions for sustainable development;
- ensure effective implementation of relevant commitments through a mechanism for dialogue and cooperation, including the involvement of the civil society on both sides.

30. Transparency of regulations

The chapter on transparency of regulations will include provisions regarding:

- publication of and public consultations on all general rules with an impact on international trade in goods and services;
- transparency as regards the application of regulations, including appropriate review procedures;
- the creation of enquiry points designed to provide specific information and to respond promptly to questions and enquiries by the parties regarding the operation of the agreement.

31. Trade in services and establishment

The Parties may negotiate the liberalisation of services and establishment subject to confirmation by both Parties.

32. Current payments and movement of capital

A chapter on current payments and movement of capital will provide for the liberalisation of capital movements and payments subject to narrow exceptions.

33. Investment protection

A chapter on investment protection will include provisions on investment protection incorporating:

- state-of-the-art protection standards (including precise provisions on fair and equitable treatment, full protection and security, national treatment, most-favoured nation, protection against direct and indirect expropriation, free transfers, compensation for losses); as well as
- state-of-the-art provisions on investor-State dispute settlement including appropriate devices to facilitate the amicable settlement of claims, prevent frivolous litigation, ensure full impartiality and transparency of arbitral procedures.

The provisions on investment protection will ensure an adequate balance between a strong protection of investors and investments and the Parties' right to regulate in matters of public interest;

34. Dispute settlement

The Dispute settlement mechanism should apply for trade and trade-related issues. It will provide for an automatic and expedited procedure and reinforce transparency, *inter alia*, through open hearings. It should include also an elaborate mediation mechanism.

TITLE V: ECONOMIC COOPERATION

35. Economic dialogue

The Agreement will include provisions on economic dialogue by improving the understanding of the fundamentals of the respective economies and to promote economic policies pertinent to functioning market economies. The Agreement will also refer to the EU's willingness to support Armenia's efforts to establish a functioning market economy and to gradually approximate its policies with the principles of sound macro-economic and fiscal policies, including central bank independence, price stability and sustainability of the exchange rate regime.

36. Management of public finances, financial control and external audit

The Agreement will include provisions on cooperation on the development and implementation of the public internal financial control system in Armenia based on the principle of decentralised managerial accountability, and including a functionally independent internal audit function for the entire public sector, by means of harmonisation with generally accepted international frameworks and standards.

The Agreement will also include provisions on cooperation in strengthening of the Control Chamber as a Supreme Audit Institution of the Republic of Armenia in terms of its independence, organisational and audit capacity, financial and human resources taking account of internationally accepted external audit (INTOSAI) standards.

37. Taxation

The Agreement will include provisions on cooperation in the tax area. The Agreement will aim at enhancing good governance in the tax area, i.e. the principles of fair tax competition, transparency and exchange of information. The Agreement will aim at ensuring convergence with the principles and structure of the EU *acquis*, including in particular the fight against fiscal fraud. It will also include provisions on cooperation in fighting smuggling of excisable products.

38. Statistics

The Agreement will include provisions on cooperation in the area of statistics with the aim to ensure the development of an efficient and reliable statistical system, exchange of statistical information, adoption of statistical methods compatible with EU standards in the relevant areas and to advance institution building, sound management and control of public finances, including through proper accounting and auditing rules and standards.

TITLE VI: OTHER COOPERATION POLICIES

39. Transport

The Agreement will include provisions on cooperation in the transport area. Such cooperation will promote complementarity between Armenia and EU transport sectors and gradual integration of transport networks, removal of technical and administrative bottlenecks, transport infrastructure interoperability, and improvement of safety and environmental protection.

40. Energy including nuclear safety

The Agreement will include provisions aiming to enhance energy supply security by stimulating the diversification of energy sources and routes, taking into account the possibility for Armenia to apply for eventual accession to the Energy Community Treaty, ensure gradual regulatory convergence towards key elements of the EU acquis, promote the use of renewable energy sources, energy efficiency and energy savings, promote regional cooperation on energy as well as a level playing field in terms of the environment and nuclear safety, aiming at high level of safety and security. Cooperation in the civil nuclear sector under this Agreement will focus in particular on nuclear safety and commitments linked to the Medzamor nuclear power plant.

41. Environment

The Agreement will include provisions aiming at fostering good environmental governance and protection of the environment with regard to horizontal issues including environmental impact assessment and strategic environmental assessment, public access to environmental information, public participation in the decision-making process and environmental liability. It will also include provisions in cooperation on air quality, waste management, water quality and resource management including flood risk management, nature protection including forestry and conservation of biological diversity, industrial pollution and industrial hazards, chemicals management, genetically modified organisms; on capacity building on environmental issues, disaster risk reduction (DRR), on integrating environment into other policy areas and on stepping up cooperation at regional level.

42. Climate change

The Agreement will include provisions to promote cooperation at domestic, regional and international level including in the areas of mitigation of climate change in accordance with the 2015 Sendai Framework on DRR recommendations; adaptation to climate change and protection of the ozone layer; carbon trading; promoting the research, development, demonstration, deployment and diffusion of sustainable low-carbon and adaptation technologies, resilience, climate adaptation and mitigation in local, national and regional policies; and mainstreaming of climate considerations into sector policies.

43. Civil protection

The agreement will include provisions on cooperation on prevention of, preparation for and response to natural and man-made disasters. Cooperation shall, in particular, aim at Armenia's gradual approximation to the Union Civil Protection Mechanism and EU acquis related to disaster management.

44. Cooperation on industrial and enterprise policy

The Agreement will include provisions for cooperation on industrial and enterprise policy issues, in particular as regards support to SME development, and encourage the development of business-to-business dialogue. Cooperation should improve the administrative and regulatory framework in Armenia and should be based on the EU's SME and industrial policies taking into account internationally recognised principles and practices in this field.

45. Company law

The Agreement will include provisions on cooperation regarding compliance with key principles in the relevant international and EU rules and standards as well as non-discrimination principle relating to company law, corporate governance, accounting and auditing, which are essential for creating a smooth-functioning market economy and stimulating trade.

46. Banking, insurance and other financial services

The Agreement will include provisions on cooperation with the aim of establishing and developing a suitable framework to encourage the banking, insurance and financial services sectors in Armenia.

47. Information Society

The Agreement will include provisions aiming at promoting cooperation, notably through exchange of experience and best practices, on advanced electronic communication networks, innovative on-line applications and electronic services such as e-Business, e-Government, e-Health and e-Learning. It will focus on regulatory reform of the electronic communications sector aiming at gradual convergence with the EU acquis, norms and best practices, including the strengthening of the capacity and independence of the relevant regulatory authority. Cooperation will also provide for an exchange of information and experiences with Armenian experts regarding the implementation of Information Society policies and programmes.

48. Tourism

The Agreement will include provisions on cooperation on promoting sustainable tourism with the aim of enhancing tourism flows, as well as stimulating business-to-business contacts, and training and education in tourism.

49. Agriculture and rural development

The Agreement will include provisions on enhancing cooperation in the field of agriculture and rural development. This will cover an exchange of information on agricultural production and trade; on new technologies relating to agricultural development; on quality policies (other than food safety), including geographical indications and organic production; and on issues dealt with by international organisations (e.g. IGC, ISO).

50. Fisheries, aquaculture and maritime governance

The Agreement will include provisions on enhancing cooperation at multilateral, international and regional level, where appropriate, to achieve the overarching objective of ensuring the effective sustainable use of fisheries, aquaculture and other ocean resources and safeguarding marine ecosystems in consistency with international law and guidelines.

51. Mining

The Agreement will include provisions on cooperation in this mining area by exchange of information and experience, on the basis of EU standards, in the application of clean technologies in the mining process, enhancing health and improving security in the mining industry, and developing joint scientific and technological initiatives.

52. Cooperation in science and technology

The Agreement will include provisions on cooperation in science and technology aspiring to go beyond current scientific and technological cooperation and to continue to promote cooperation on the basis of scientific excellence and mutual benefit. It will facilitate Armenia's involvement with the European Research Area. Regarding the development of Armenia's capacity in technological R&D, the aim will be to help boost human, material and institutional resources and restructure Armenia's science management system through the creation of a permanent, structured dialogue between the Parties' scientific authorities.

53. Consumer protection

The Agreement will include provisions on cooperation in the field of consumer protection by achieving convergence of the Armenian legal system of consumer protection with EU legislation, including product safety requirements, the organisation of a national market surveillance system and an information exchange mechanism in Armenia, and encouraging the development of consumer organisations in Armenia.

54. Cooperation on employment, social policy and equal opportunities

The Agreement will include provisions on cooperation on employment, social policy and equal opportunities aiming at encouraging awareness of and convergence towards EU standards and practices in the area of social policy, including matters related to social and civil dialogue, the promotion of fair treatment of workers legally residing and working in the other Party, health and safety at work, the agenda for decent work, gender equality, labour law, employment policy, social protection and inclusion.

55. Health

The Agreement will include provisions aiming at increasing the level of public health safety and protection of human health in Armenia, in line with EU practice and shared values. Cooperation shall cover in particular health sector reform, addressing cross-border health threats, prevention and control of communicable and non-communicable diseases in line with international health agreements and in cooperation with international organisations.

56. Education, training and youth

The Agreement will include provisions aiming at intensifying cooperation and policy dialogue with a view to increase cooperation between the education and training systems in Armenia and EU policies and practices. Cooperation will seek to enhance Armenia's participation in the relevant EU programmes, promoting cooperation between educational institutions, support to higher education modernisation and student and academic staff mobility and cooperation and mobility in the field of youth and non-formal education.

57. Cooperation in the cultural field

The Agreement will include provisions aiming to promote cultural diversity, to develop cultural cooperation, to foster the creativity and mobility of artists and works of art, to strengthen the capacity of the cultural sector, to foster public access to culture, the dissemination of art and culture and intercultural dialogue. The Agreement will enhance the knowledge about the culture of the peoples of Europe, thereby strengthening and enhancing the European identity on the basis of common values. Cooperation will create the conditions for an environment favouring cooperation and circulation of cultural goods and services, in full compliance with Council of Europe and EU standards.

58. Cooperation in the audiovisual and media fields

The Agreement will include provisions aiming to promote the audiovisual industry in Europe in order to enhance cultural diversity. The Parties shall foster the convergence of the relevant Armenian legislation with the European regulatory framework in this area. Cooperation could include the training of journalists and other media professionals, as well as support to the media, so as to reinforce their independence, professionalism and links with the European media, in compliance with European standards including standards of the Council of Europe.

59. Cooperation in the field of sport and physical activity

The Agreement will include provisions aiming to enhance cooperation in the field of sport and physical activity in order to help develop a healthy lifestyle among all age groups, to promote the social functions and educational values of sport and to fight against threats to sport such as doping, racism, and violence. The cooperation will include exchange of information and good practices.

60. Civil society cooperation

The Agreement will include provisions aiming to encourage greater capacity building, independence and accountability of civil society in Armenia and to support its role in the development of the country, *inter alia* through intensified cooperation and exchanges with European civil society organisations and participation in European civil society activities.

61. Cross-border and regional level cooperation

The Agreement will include provisions aiming to support and strengthen the involvement of local and regional level authorities in cross-border cooperation and the related management structures, to enhance cooperation through the establishment of an enabling legislative framework, to sustain and develop capacity building measures and to promote the strengthening of cross-border economic and business networks. The aim is also to promote mutual understanding and bilateral co-operation in the field of regional policy with the objective to establish channels of communication enhancing exchange of information.

62. Implementation and capacity building

The Agreement will include provisions aiming at developing Armenia's administrative and institutional capacity to the extent necessary to implement the Agreement, including regulatory approximation and structural reforms.

TITLE VII: FINANCIAL COOPERATION AND ASSISTANCE

63. The Agreement will include provisions on financial assistance and cooperation. To achieve the objectives of the Agreement, Armenia may receive financial assistance from the EU in the form of grants and loans, including loans from the European Investment Bank.
64. The Agreement will refer to the principles of sound financial management and the protection of the financial interests of the EU and of Armenia. The Agreement will also include provisions on the prevention and fight against fraud, corruption and any other illegal activities, *inter alia* by means of mutual administrative assistance and mutual legal assistance. Any further agreement or financing instrument to be concluded between the Parties during the implementation of the Agreement shall provide for specific financial cooperation clauses covering on-the-spot checks, inspections, controls, and anti-fraud measures, including, *inter alia*, those conducted by the European Anti-Fraud Office (OLAF) and the European Court of Auditors.

TITLE VIII: INSTITUTIONAL, GENERAL AND FINAL PROVISIONS

65. Institutional structures

The Agreement will include provisions on the institutional structure, building on and further developing existing ones, notably the Cooperation Council, the Cooperation Committee, which will establish subcommittees in specific areas, and the Parliamentary Cooperation Committee. Regular political dialogue meetings will continue to take place at ministerial level and at the level of the Political and Security Committee (PSC), which could be complemented by regular meetings at Political Directors' level and experts' level, including an appropriate form and structure to address human rights issues as part of the institutional structures.

66. The Agreement will include general and final provisions referring to issues such as ensuring that natural and legal persons have access to the competent courts and administrative tribunals free of discrimination for the defence of their rights; guaranteeing non-discrimination in the application of measures taken under the Agreement; fostering the relationship between this Agreement and existing and future sectoral agreements between the Parties; enabling the Parties to take any measures considered necessary, as appropriate, for security reasons; setting out the duration of the Agreement (unlimited, in principle), with the possibility of termination after notification; undertaking regular reviews of the implementation of the Agreement; providing for the possibility of suspension, with immediate effect, in the event of violation of one of the essential elements of the Agreement; defining the concept of authentic versions of the Agreement; ensuring that the Agreement will be concluded in all official languages of the EU, each of these texts being equally authentic; and establishing timeframes for ratification and entry into force of the Agreement.

The Agreement will provide for the possibility of provisional application.

67. Non-fulfillment of obligations

Notwithstanding the Dispute settlement mechanism for trade and trade-related issues, the Agreement will include an appropriate and well-functioning dispute settlement mechanism, which will ensure that the Parties fulfil their obligations under the Agreement.