

GOVERNMENT OF THE REPUBLIC OF ARMENIA

**DECISION ON AMENDMENTS TO DECISION N 175 OF FEBRUARY 9, 2023 OF THE GOVERNMENT OF
THE REPUBLIC OF ARMENIA**

Based on Article 4, Part 1, Point 3 and Article 10, Part 7, Point 2 of the Law of the Republic of Armenia "On Public-Private Partnership", Articles 33 and 34 of the Law "On Regulatory Legal Acts", the Government of the Republic of Armenia decides:

1. To approve Appendix No. 1 to the Resolution of the Government of the Republic of Armenia of February 9, 2023 “ On Approval of the Procedure for Identification , Development, Evaluation and Determination of Priorities of Public Investment Programs” No. 175-N in a new edition, in accordance with Appendix No. 1 of this Resolution.

2. This decision shall enter into force on the day following its official publication.

Republic of Armenia

Prime Minister

N. Pashinyan

ORDER FOR THE REVIEW, DEVELOPMENT, EVALUATION AND PRIORITIZATION OF PUBLIC INVESTMENT PROGRAMS

1. GENERAL PROVISIONS

1. The objectives of this procedure are to improve public investment management, increase the efficiency of public investment programs, and ensure accountability .

2. The concepts used in this Regulation and not provided for in this clause shall be used in the sense defined by the Laws “On the Budgetary System of the Republic of Armenia” and “On Public-Private Partnership”, unless otherwise follows from the content of the relevant norm. For the purposes of this Regulation, the following concepts shall have the following meaning:

1) Public investment is the acquisition (including the creation, replacement of a non-financial asset) or significant improvement of a non-financial asset at the expense of state and community budgets (including financial resources provided for by an international loan or grant agreement to be concluded by the government), which gives rise to an expense or contingent liability for the state budget of the Republic of Armenia. For the purposes of this decision, a significant improvement is considered to be the restoration, reconstruction or expansion of an asset aimed at increasing the productivity of the asset or increasing its operational life . For the purposes of this decision, public investment is not considered to be those expenses that are of a recurring nature and are aimed at maintaining the current condition of a non-financial asset. For the purposes of this decision, public investment also includes the acquisition or significant improvement of a non-financial asset as a result of the implementation of state-private partnership programs provided for in the Law "On Public-Private Partnership".

2) A public investment program is a public investment implemented at the expense of state and community budgets (including financial resources provided for by an international loan or grant agreement to be concluded by the government) within a specified period and with a specific organizational structure through activities aimed at clearly defined goals and results. A public investment program may be included in the state budget as a separate budget program or a budget program measure.

3) small public investment project: a public investment project worth less than 1 billion AMD;

4) medium public investment program: a public investment program worth from 1 billion AMD to 4 billion AMD.

5) large public investment program: a public investment program worth 4 billion AMD or more.

for identifying , developing, prioritizing, and selecting public investment programs within the framework of public finance management .

7) Concept of a draft public investment program - a summary description and preliminary economic analysis of a medium and large investment program for the purpose of implementing public investments, which is provided by the competent authority to the Ministry of Finance of the Republic of Armenia.

8) preliminary assessment of a public investment program (program) - a preliminary assessment carried out in accordance with the methodology for assessing public investment program projects provided for in Chapter 8 of this Decision, based on the concept of the project draft;

9) Evaluation of public investment program projects: an evaluation carried out in accordance with the methodology for evaluating public investment program projects provided for in Chapter 8 of this Decision, based on a feasibility study of the public investment program project (in cases provided for in this Procedure, a preliminary feasibility study);

Criteria for the evaluation of public investment program projects (criteria) - the criteria established for the evaluation of public investment program projects, as provided for in paragraph 40 of this decision .

-feasibility study study) - a preliminary study of all issues of material importance related to a public investment program, including economic, financial, social, environmental, technical, legal, implementation deadlines and possible alternative options, as a result of which basic information on the feasibility of the program, as well as risks, is provided. The minimum requirements for the content of the preliminary feasibility study are set out in Form 2 of this Procedure. The preliminary feasibility study is carried out using primary and non-primary (obtained from other sources) data, taking as a basis the guidelines approved by the Ministry of Finance of the Republic of Armenia, and, until their approval, the requirements applicable to the preliminary feasibility study carried out by international financial organizations in the case of comparable programs .

feasibility study study) - a study of all issues of significant importance related to the project of a public investment program, including economic, financial, social, environmental, technical, legal, implementation deadlines, as a result of which detailed information is provided on the feasibility of the project, as well as risks. The minimum requirements for the content of the feasibility study are set out in Form 2 of this Procedure. The feasibility study is carried out using primary (specific location and project data) data, based on the guidelines approved by the Ministry of Finance of the Republic of Armenia, and, until their approval, the requirements applicable to the feasibility study conducted by international financial organizations in the case of comparable projects.

13) Competent body - the body of the state administration system that is most closely related to the given program and is responsible for the development and implementation of the sector's policy; in the case of a program of a state non-profit organization, the body of the state administration system to which the state organization is subordinated, the local self-government body, the budget of which will include the funds necessary for the implementation of the given program.

14) Public Investment Committee: a working committee, the composition, working procedures and functions of which are defined by this decision.

15) Public investment program database: a repository of all public investment programs and program drafts submitted to the Ministry of Finance of the Republic of Armenia in accordance with this procedure.

16) urgent program - a public investment program caused by an urgent need for the implementation of the program as a result of natural, man-made disasters or other emergency situations, in which case the application of the general procedure provided for in this procedure is impossible;

17) list of priorities: a list of public investment programs formed based on the results of the assessment carried out in accordance with the methodology for assessing public investment program projects provided for in Chapter 8 of this decision.

18) Project implementation plan: a document that presents the detailed sequence of actions of the approved public investment program, deadlines, responsible parties, design, procurement, financing and implementation stages, the project control process and mechanisms, as well as the estimated final cost and risk management mechanisms.

19) Project Maturity Form - a document intended for assessing the level of readiness of a public investment project and includes information on the completion of design, availability of financing sources, procurement planning, availability of licenses and permits (depending on the specifics of the public investment project), as well as other factors necessary for the effective launch of the project. Project Maturity Form The format is set out in Form 4 of this Order.

20) Capital expenditures of an administrative nature - those expenditures that are directed towards the general management, coordination and implementation of internal functions of a given body and are necessary for maintaining the institutional and operational capabilities of a given body.

3. This procedure does not apply to:

1) Regarding projects financed entirely from the community budget, except for cases when they are public-private partnership projects provided for in the Law on Public-Private Partnership;

2) regarding urgent and state secret programs;

3) for projects involving capital expenditures of an exclusively administrative nature;

4) capital expenditures that are periodic in nature and are aimed at maintaining the current condition of the asset;

5) with regard to small public investment projects;

6) in exceptional cases, to projects directly arising from the RA Government program and strategic goals, the list of which is approved by the Public Investment Committee based on the justifications and conclusion submitted by the RA Ministry of Finance. Moreover, this sub-clause is applicable only to public investment projects subject to inclusion in the state budget until 2028.

4. Separate public investment programs that are part of the same public infrastructure or are implemented to service it shall be combined into a single public investment program within the meaning of this procedure.

2. PERSONS RESPONSIBLE FOR THE PROCESS

5. The competent authority is responsible for:

1) for the identification, concept and development of project drafts of public investment programs;

2) for the development of preliminary feasibility studies and feasibility studies for project projects;

3) for the elaboration and correction of deficiencies recorded in the project draft;

for the preparation and continuous updating of the program implementation plan and maturity form ;

for the implementation of the approved and budgeted program and joint monitoring with the Ministry of Finance of the Republic of Armenia.

6. The Ministry of Finance of the Republic of Armenia is responsible for:

1) for quality control of investment programs developed by the competent authority and submitted to the Ministry of Finance of the Republic of Armenia;

2) for the preliminary assessment of project drafts;

3) for quality control of preliminary feasibility studies and feasibility studies of project designs;

4) for the evaluation of project proposals;

testing the possibility of implementing project projects in the public-private partnership format ;

6) for maintaining a database of public investment programs;

7) for maintaining a priority list.

For the development, approval and publication of model forms and guidelines for documents supporting the NPC process ;

9) for providing methodological support to the competent authority during the development of draft programs;

10) for providing information on budgetary constraints (fiscal space) for the five years following the submission of the project draft to the Public Investment Committee;

monitoring projects in the implementation phase .

7. The Public Investment Committee is responsible for the preliminary selection of public investment project projects assessed based on the criteria provided for in paragraph 40 of this procedure, for assigning the development of preliminary feasibility studies and feasibility studies for project projects, for rejecting project projects, for the further implementation of project projects in the public-private partnership format , for deciding on the inclusion of projects in the priority list, and for making other decisions provided for in this procedure.

3. STAGES OF THE NPC PROCESS

8. The stages of the NPC process regulated by this procedure are:

1) Project design, development and initial assessment.

2) preliminary selection of project projects;

3) implementation of the preliminary feasibility study and feasibility study of the project draft, their quality control and decision-making;

- 4) evaluation of project designs, decision-making and setting priorities;
- 5) Monitoring of programs .

4. REVIEW, DEVELOPMENT AND PRELIMINARY ASSESSMENT OF THE PROJECT DRAFT

9. The competent authority shall carry out the identification of potential public investment project projects. For the identified public investment project projects, the competent authority shall develop project concepts , which shall comply with the requirements set out in Form 1 of this Regulation.

10. The competent body shall send the project concept developed in accordance with point 9 of this Regulation to the Ministry of Finance of the Republic of Armenia for the purpose of quality control and preliminary assessment of the project design. For the purposes of this Regulation, the quality control of the project design shall be carried out in accordance with the form specified in Form 1 of the Regulation, in accordance with the project concept. The check for completeness is based on the principle of satisfactory, unsatisfactory, or unclear.

11. When submitting the concept note of the draft project to the Ministry of Finance of the Republic of Armenia, the competent authority shall also submit the project maturity form together with the draft . Moreover, the competent authority shall be obliged to constantly update the maturity form , submitting the updated version to the Ministry of Finance at the subsequent stages of the NCP process.

12. The Ministry of Finance of the Republic of Armenia shall include the project in the database of public investment programs within three working days after receiving the project concept.

13. After receiving the project concept, the Ministry of Finance of the Republic of Armenia shall conduct a quality check within 15 (fifteen) working days and:

- 1) If the concept is assessed as insufficient or unclear, it is returned for revision, indicating the points that need revision. The competent body shall revise the draft concept within 15 working days and send it to the Ministry of Finance of the Republic of Armenia, taking into account the comments provided on all points that need revision.

- 2) If the concept is deemed satisfactory, within 15 (fifteen) working days, it conducts a preliminary assessment of the project draft, tests the feasibility of implementing project drafts in the public-private partnership format , prepares a conclusion on the results and sends it to the competent authority for information.

14. The Ministry of Finance of the Republic of Armenia shall send quarterly conclusions on medium and large projects that have passed the preliminary assessment in accordance with the procedure established by this Chapter to the Public Investment Committee.

5. PRE-SELECTION OF PROJECTS FOR PROGRAMS

15. The Public Investment Committee, based on the results of the preliminary assessment of project drafts received in accordance with the procedure established in paragraph 13, shall discuss the project drafts and make one of the following decisions:

- 1) reject the implementation of the project draft;

2) Return the draft program with the comments and suggestions of the Public Investment Committee to the competent body for further processing, in which case the relevant points requiring further processing shall be clearly indicated, with a description of the necessary changes.

3) approve the draft program and instruct the competent authority to develop:

a. feasibility study in the case of medium-sized public investment projects,

b. preliminary feasibility study in the case of large public investment projects, if the latter involve complex technological solutions, charges from the public for the provision of the envisaged services, or have significant environmental and social impacts,

c. feasibility study in the case of large public investment projects, if the latter does not comply with the provisions set forth in paragraph "b" of this sub-clause;

4) approve the project draft and instruct the competent authority to conduct a preliminary feasibility study of the project in accordance with the PPP procedure (in accordance with the Law on Public-Private Partnership), if the project is subject to implementation in the public-private partnership format .

16. After the decision is made , the competent authority, depending on the decision of the public investment committee on the project draft, may:

1) to suspend the development of the project draft if the public investment committee has adopted the decision provided for in subparagraph 1 of paragraph 15 of these Rules;

amend the draft program in accordance with the comments and suggestions of the Public Investment Committee , if the Public Investment Committee has adopted the decision provided for in subparagraph 2 of paragraph 15 of these Rules. The competent body shall, within 5 working days after the meeting of the Public Investment Committee, inform the Ministry of Finance and the Public Investment Committee of the period required for the amendment of the project based on the above-mentioned comments and suggestions and ensure the amendment of the project within that period. In this case, the competent body shall send the amended version of the program to the Ministry of Finance. The Ministry of Finance:

a. Within 10 (ten) working days after receiving the revised version of the project, conduct a quality check, including examining whether the recommendations submitted by the Public Investment Committee have been taken into account,

b. In case of insufficient or unclear assessment of the project concept, or incomplete assessment of the consideration of the proposals of the Public Investment Committee, the latter is returned for revision, indicating the points that need revision. The competent body shall revise and send the revised project concept to the Ministry of Finance of the Republic of Armenia, taking into account the considerations provided on all points that need revision,

c. If the project concept is deemed satisfactory, within 5 (five) working days, it shall update the preliminary assessment of the project draft, draw up a conclusion on the results and present the project to the public investment committee, informing the competent authority thereof.

3) to carry out the development of the preliminary feasibility study or feasibility study of the project, taking into account the start date set by the Public Investment Committee, if the Public Investment Committee has adopted one of the decisions provided for in subparagraph 3 of paragraph 15 of these Rules. The competent

authority shall, within 10 working days after the meeting of the Public Investment Committee, inform the Ministry of Finance and the Public Investment Committee of the period required for the development of the preliminary feasibility study or feasibility study of the project and ensure their development within that period.

4) development of a preliminary feasibility study for the implementation of the project in accordance with the PPP procedure (in accordance with the Law on Public-Private Partnership), if the project is subject to implementation in the format of a public-private partnership and the Public Investment Committee has adopted the decision provided for in subparagraph 4 of paragraph 15 of these Rules. The competent body shall, within 10 working days after the meeting of the Public Investment Committee, inform the Ministry of Finance and the Public Investment Committee of the period required for the work specified in this subparagraph and ensure the implementation of the latter within that period.

6. PREPARATION AND QUALITY ASSURANCE OF THE PRELIMINARY FEASIBILITY STUDY AND FEASIBILITY STUDY OF THE PROJECT PROJECT

17. The competent authority shall be responsible for conducting the preliminary feasibility study or feasibility study of the project project. For this purpose, the Ministry of Finance of the Republic of Armenia shall provide methodological support to the competent authority. The competent authority shall coordinate the technical specifications for the preliminary feasibility study or feasibility study of the project project with the Ministry of Finance of the Republic of Armenia. The preliminary feasibility study and feasibility study shall contain the necessary information approved by Form 2 of the Procedure of this Decision.

18. The financial resources necessary for the implementation of the preliminary feasibility study or feasibility study are provided in the budget of the Ministry of Finance of the Republic of Armenia, approved by the law on the state budget of each year, based on fiscal capabilities, and may be provided to the relevant competent bodies with targeted allocations in accordance with the procedure established by the legislation of the Republic of Armenia for the organization of work on the implementation of the preliminary feasibility study or feasibility study.

19. In case of making a decision provided for in subparagraph 4 of paragraph 15 of this procedure, the PPP procedure shall be applied to the subsequent stages of preparation, approval and implementation of the relevant program in accordance with the Law on “State-Private Partnership”. If at any stage following the decision provided for in subparagraph 4 of paragraph 15 of this procedure, the implementation of the program is not subject to implementation in the format of state-private partnership, then the competent body may, after making appropriate changes, re-submit the project draft to the Ministry of Finance to carry out the process specified in paragraph 15 of this procedure. Moreover, if a preliminary feasibility study has been prepared for the program, which complies with the PPP procedure, a new preliminary feasibility study is not required and the competent body is guided by paragraph 20 of this procedure.

20. The competent authority shall submit the preliminary feasibility study or feasibility study to the Ministry of Finance of the Republic of Armenia for the purpose of conducting a quality check of the preliminary feasibility study or feasibility study of the project draft.

21. The Ministry of Finance of the Republic of Armenia shall carry out a verification of the compliance of the project draft with the requirements set out in Form 2 of the preliminary feasibility study or feasibility study and the guidelines adopted by it and shall submit the results to the competent authority within 15 (fifteen) working days.

22. The competent authority shall, within 15 working days after receiving the results of the quality check provided for in point 21 of this procedure, submit to the Ministry of Finance of the Republic of Armenia the revised version of the preliminary feasibility study or feasibility study. If it is not possible to ensure the implementation of the revision within the specified period, the competent authority shall, within the same period, inform the Ministry of Finance of the Republic of Armenia of the additional period required for the revision and ensure the implementation of the revision within that period.

23. The Ministry of Finance of the Republic of Armenia shall, within 10 working days after receiving the revised version, carry out the verification of the revised version, as specified in paragraph 21, and, if it complies with the established requirements, carry out an assessment of the project draft and prepare a conclusion within 15 (fifteen) working days. If, as a result of the verification, the revised version does not comply with the established requirements, the Ministry of Finance of the Republic of Armenia shall submit the results to the competent authority in accordance with the procedure specified in paragraph 21 of these Regulations.

24. If, as a result of the quality check of the preliminary feasibility study or feasibility study, the Ministry of Finance of the Republic of Armenia has not submitted any comments and suggestions to the competent body, then the Ministry of Finance of the Republic of Armenia shall, within 15 (fifteen) working days after the quality check, carry out an assessment of the project draft in accordance with the methodology provided for in Chapter 8 of this Decision, prepare a conclusion and submit it to the Public Investment Committee together with the preliminary feasibility study or feasibility study.

7. PROGRAM EVALUATION, PRIORITY LIST, PUBLIC INVESTMENT PROGRAM DATABASE AND MONITORING

25. The Public Investment Committee, upon receiving the results of the assessment of project drafts carried out in accordance with the methodology provided for in Chapter 8 of this Decision and the conclusion provided for in paragraph 24 of this Procedure, shall discuss them and make one of the following decisions:

1) reject the implementation of the project;

2) approve the project draft and include it in the list of priorities;

3) approve the preliminary feasibility study of the project draft and instruct the competent authority to conduct a feasibility study of the project draft.

26. Upon receipt of the minutes of the meeting of the Public Investment Committee, the competent authority:

1) suspends the project development work if the Public Investment Committee has adopted the decision provided for in subparagraph 1 of paragraph 25 of these Rules;

2) develops the project implementation plan, and may include the project in the budget application for the relevant period, in accordance with the list of project priorities, if the Public Investment Committee has adopted the decision provided for in subparagraph 2 of paragraph 25 of this procedure;

3) carries out the feasibility study of the project, if the Public Investment Committee has adopted the decision provided for in subparagraph 3 of paragraph 25 of these Rules. The competent body shall, within 10 working days after the meeting of the Public Investment Committee, inform the Ministry of Finance and the

Public Investment Committee of the period required for the development of the feasibility study of the project and ensure its development within that period.

27. The Ministry of Finance of the Republic of Armenia shall include the program in the list of priorities if the Public Investment Committee has adopted the decision provided for in subparagraph 2 of paragraph 25 of this procedure.

28. The priority list is formed based on the results of the evaluation of all evaluated project projects. The priority list includes the project assessments and is constantly updated in accordance with the evaluation results. In the event that the projects receive the same assessment as a result of the evaluation, the project included earlier in the priority list or, in the case of inclusion in the priority list during the same period, the project included earlier in the public investment project database is considered to be more priority.

29. The Ministry of Finance of the Republic of Armenia shall remove the program from the list of priorities upon entering the implementation phase of the program and its inclusion in the annual state budget of the Republic of Armenia.

30. The list of priorities for public investment programs is maintained by the Ministry of Finance of the Republic of Armenia. The list is published on the official website of the Ministry of Finance of the Republic of Armenia and is updated to ensure the relevance of the information .

31. Medium and large public investment projects may be included in the state budget only after being included in the list of priorities.

32. The Ministry of Finance of the Republic of Armenia maintains a database of public investment programs, which contains the information specified in Form 3 of this Regulation.

33. The Ministry of Finance of the Republic of Armenia publishes the database of public investment programs on its official website , in the manner and to the extent prescribed by the legal act of the Ministry of Finance of the Republic of Armenia.

34. The Ministry of Finance of the Republic of Armenia shall carry out monitoring of budgeted and ongoing programs . The latter shall be carried out on the basis of data available at the Ministry of Finance of the Republic of Armenia, however, in case of actual deviations from the initially approved physical or financial indicators, the Ministry of Finance may request from the competent authorities a detailed explanation of the deviations and their underlying reasons, as well as an action plan to eliminate the deviations.

of the monitoring of the projects under implementation, the Ministry of Finance, if necessary, may develop and submit to the Public Investment Committee a report on the results of the monitoring , which will be discussed at the meeting of the Public Investment Committee. Moreover, the need to prepare and submit a report may arise in the event of significant and continuous deviations in the physical or financial indicators of the public investment program.

8. METHODOLOGY FOR EVALUATION OF PUBLIC INVESTMENT PROJECTS

36. This methodology defines the criteria for evaluating public investment project designs and the procedure for evaluating project designs based on them.

37. The main principle of project evaluation of public investment programs is the application of uniform criteria to the programs.

38. As a result of the project design assessment, an assessment of the public investment program is formed

39. Internal legal acts of the Ministry of Finance of the Republic of Armenia may establish guidelines for the evaluation of public investment programs and testing the feasibility of implementing programs in the format of public-private partnership .

The criteria for evaluating public investment program projects are:

1) Impact on human capital.

2) the public significance of the infrastructure, which assesses the urgency and necessity of implementing a given project from the perspective of providing public services;

3) strategic relevance, which assesses the direct, partial or indirect relevance of the project draft to the given sectoral strategy;

4) the impact of the project on climate change;

5) risk, which assesses the actual recorded risks hindering the implementation of the project and their manageability, including climate and disaster risks;

6) the internal rate of return (IRR).

41. The assessment of the impact on human capital is carried out as follows:

1) 3 points are awarded to project projects that directly contribute to the creation or development of human capital in the Republic of Armenia. A project is considered to create or develop human capital if it targets the well-being of minor citizens (health, education, security, socialization , etc.).

2) 2 points are awarded to project projects that are important in creating opportunities for the realization of human capital, and whose main target is ensuring the continuity of adult employability and increasing productivity.

3) 1 point is awarded to project projects that are aimed at the continuous development of human capital capabilities and whose main goal is to increase the ability of adult citizens to generate income or create public goods.

42. The assessment of the public significance of infrastructure is carried out as follows:

1) 3 points are awarded to project projects whose non-implementation would make the creation of a public good or the provision of a public service impossible, or whose implementation is a clearly defined requirement by legislation.

2) 2 points are awarded to project projects whose implementation leads to significant improvements in terms of creating a public good or providing a public service .

3) 1 point is awarded to project projects whose implementation leads to insignificant improvements in terms of creating a public good or providing a public service .

43. The assessment of compliance with the strategy is carried out as follows:

1) 3 points are awarded to project projects whose results are directly aimed at solving the problem set out in the strategy or at implementing a goal or sub-goal .

2) 2 points are awarded to project projects whose results, in part, are related to solving a problem set by the strategy or implementing a goal or sub-goal .

3) 1 point is awarded to programs that do not directly contribute to the implementation of state or community strategic goals, or there is no strategy for the given sector.

The criteria set out in paragraphs 41, 42 and 43 of this methodology may be assessed with 0 points when the impact of the project or its compliance with the relevant criterion is not sufficiently substantiated or is absent.

The following factors should be taken into account in assessing risk :

1) the existence and value of experience in implementing a similar program by the competent authority;

2) the existence of confirmed demand, as well as the impact of possible external factors on the effective implementation of the project;

3) identification and analysis of risks, as well as their manageability.

46. Based on the analysis of the factors provided for in paragraph 45 of this methodology, the risk assessment of the project is carried out as follows:

1) Non-risky projects are rated 3 points.

2) Low-risk projects are rated 2 points.

3) Medium risk projects are assessed with 1 point.

4) High-risk projects are scored 0 points.

in the component defined in paragraph 46 is grounds for the Public Investment Committee to reject the implementation of the project.

48. The assessment of the impact of the project design on climate change is carried out as follows:

1) 2 points are awarded to projects that contribute to the reduction of greenhouse gas emissions, including carbon dioxide, or create greenhouse gas sinks or contribute to increasing resilience to climate risks .

2) 1 point is awarded to projects that contain indirect and insignificant climate benefits that are reflected in the project design documents;

3) Projects that contribute to increased greenhouse gas emissions, including carbon dioxide, or lack information in the project concept paper or preliminary feasibility study or feasibility study, or increase vulnerability to climate risks, are scored 0 points .

49. The calculation of the internal rate of return is carried out in accordance with the guidelines approved by the Ministry of Finance of the Republic of Armenia , and until their approval, according to the methodology published by international financial organizations.

50. The evaluation of project designs using the internal rate of return criterion is carried out as follows:

1) Project projects whose EIRR exceeds the EIRR base rate by more than 15 (fifteen) percentage points are evaluated with 3 points.

2) 2 points are awarded to project projects whose EIRR exceeds the EIRR base rate by more than 5 (five), but not more than 15 (fifteen) percentage points.

3) 1 point is awarded to project projects whose EIRR exceeds the EIRR base rate by at least 0.1 (zero point one), but not more than 5 (five) percentage points.

4) Project proposals that do not meet the conditions set forth in subparagraphs 1, 2, and 3 of this paragraph will be scored 0 points.

51. In accordance with paragraph 50 of this methodology, the base rate of the TOR for projects in the social sector (health and education) is 6 (six) percent, and for other projects - 9 (nine) percent.

52. The initial assessment of the internal rate of return is carried out at the initial appraisal stage of the project, and the full assessment of economic profitability is carried out at the appraisal stage of the project.

9. PUBLIC INVESTMENT COMMITTEE

53. The Public Investment Committee organizes its work through sessions (including remote sessions), chaired by the Prime Minister of the Republic of Armenia, who is a member of the Public Investment Committee.

54. The Public Investment Committee also includes:

- 1) Deputy Prime Ministers of the Republic of Armenia .
- 2) The Chief of Staff of the Prime Minister of the Republic of Armenia;
- 3) The Minister of Economy of the Republic of Armenia.
- 4) The Minister of Finance of the Republic of Armenia.

55. Regular meetings of the Public Investment Committee shall be convened at least 3 (three) times a year. The Prime Minister of the Republic of Armenia may convene an extraordinary meeting of the Public Investment Committee on his own initiative or upon the recommendation of the Ministry of Finance of the Republic of Armenia.

56. The sessions of the Public Investment Committee shall be recorded, recorded and shall not be subject to publication. The recording of the sessions of the Public Investment Committee shall be kept by the Staff of the Prime Minister of the Republic of Armenia and shall send the recording to the Secretary by the working day following the session. The Secretary shall, no later than 7 (seven) working days after receiving the recording of the session, draw up the minutes of the session of the Public Investment Committee and officially provide it to the members of the Public Investment Committee and to the competent bodies that submitted the draft programs discussed at the given session of the Public Investment Committee.

57. If necessary, other persons may be invited to the meeting of the Public Investment Committee with the right to a consultative vote.

58. The sessions are quorate if at least two-thirds of the members of the Public Investment Committee participate. In the event of the absence of one or more members of the Public Investment Committee from the sessions (but not more than one-third of the members), the sessions of the Public Investment Committee are held with the consent of the Prime Minister of the Republic of Armenia. In the event of the session being quorate, the Prime Minister of the Republic of Armenia, upon the proposal of the Ministry of Finance of the Republic of Armenia, shall convene an extraordinary session.

59. The decision of the Public Investment Committee on each project draft shall be made by a simple majority of the votes of the members participating in the meeting. During the voting, each member of the Public Investment Committee shall have 1 (one) vote. In the event of an equal distribution of votes, the chairperson of the meeting shall have the casting vote.

60. The Ministry of Finance of the Republic of Armenia shall provide the secretariat for the activities of the Public Investment Committee. The Secretary of the Public Investment Committee shall be appointed by the Minister of Finance of the Republic of Armenia.

61. The agenda of the meeting of the Public Investment Committee shall be drawn up by the Secretary of the Public Investment Committee.

62. The Chairman of the Public Investment Committee shall determine the date and time of the meeting.

63. The agenda of the meetings of the Public Investment Committee shall include:

1) the date and time of the meeting;

2) Issues to be discussed: names of the evaluated public investment program projects and the representing bodies.

64. The agenda of the meeting of the Public Investment Committee and other necessary documents related to the issues to be discussed shall be submitted electronically by the Secretary of the Public Investment Committee to the members of the Public Investment Committee at least 3 (three) business days prior to the meeting.

65. The Secretary of the Public Investment Committee shall present the issues included in the agenda of the meeting to the members of the Public Investment Committee.

66. The order of draft programs included in the agenda for discussion is indicated according to the date of their receipt.

67. The order of project drafts subject to discussion during a meeting of the Public Investment Committee may be changed upon the recommendation of the members of the Public Investment Committee, with the consent of the Chairman of the Public Investment Committee.

68. The Chairman of the Public Investment Committee:

1) approves the agenda of the meeting of the Public Investment Committee;

2) chair the meetings of the Public Investment Committee;

3) signs the minutes of the sessions;

4) determines the composition of persons invited to participate in the sessions of the Public Investment Committee.

69. Secretary of the Public Investment Committee:

1) carries out the work of organizing the sessions of the Public Investment Committee;

2) ensures the preparation and provision of documents and materials submitted for consideration by the Public Investment Committee;

3) ensures the compilation of the minutes of the meeting of the Public Investment Committee;

4) ensures the regular posting of information about the activities of the Public Investment Committee on the official website of the Ministry of Finance of the Republic of Armenia .

70. Members of the Public Investment Committee participate in the preliminary selection of the assessed public investment project projects and in the voting held to make decisions on them.

71. The minutes of each session are given a serial number.

72. The minutes of the meeting of the Public Investment Committee state:

1) the month, date, and time of the beginning and end of the session;

2) the agenda of the meeting;

3) the name, surname and position held by the persons participating in the meeting;

4) Issues under discussion:

5) decisions made by the Public Investment Committee on each project draft, in order of priority.

10. Transitional provisions

73. Within 10 working days after the approval of this Order, the Ministry of Economy of the Republic of Armenia shall ensure the transfer of all information in its possession related to the public investment management function to the Ministry of Finance of the Republic of Armenia.

74. Within 6 months after the approval of this procedure, the Ministry of Finance of the Republic of Armenia shall approve the guidelines for conducting preliminary feasibility studies and feasibility studies, as well as the feasibility study quality checklist .

75. After the implementation of paragraph 74 of this procedure, within 15 working days, the Ministry of Economy of the Republic of Armenia shall repeal the Order of the Minister of Economy of the Republic of Armenia No. 2284-L of September 11, 2024.