



**PROJECT DOCUMENT**

Country: Armenia

**I. PROJECT TITLE: BUILDING BACK BETTER THROUGH STRENGTHENING RESILIENCE OF RURAL COMMUNITIES IN ARARAT, ARAGATSOTN, ARMAVIR AND KOTAYK REGIONS**

**Project Number: 00129879/00123410**

**Implementing Partner: Ministry of Territorial Administration and Infrastructure**

**Start Date: 2021                      End Date: 2023                      PAC Meeting date: 16.12.2021**

**Brief Description**

The Project “Building Back Better through Strengthening Resilience of Rural Communities in Ararat, Aragatsotn, Armavir and Kotayk regions” aims at supporting the socioeconomic recovery from the effects of the COVID-19 pandemic of the local communities in Ararat, Armavir, Kotayk and Aragatsotn Regions helping the rural areas build back better and strengthening their resilience against the likely recurrence of the COVID-19 or similar health crisis. The Project’s specific objectives are:

- 1) Increase involvement of all segments of the target communities in the recovery planning and monitoring towards building context-specific data on the community level
- 2) Strengthen food security and increase self-sufficiency of rural households through building green and resilient value chains
- 3) Help rural population, including the youth and women, cope with adversity of COVID-19 through protecting and creating jobs, as well as income generation opportunities
- 4) Support the rural settlements to restore and build back better their basic services, including primary healthcare services.

The Project is a response to a comprehensive development crisis that the COVID-19 has created in Armenia, shattering the livelihood of the rural communities, magnifying the existing vulnerabilities rooted in multidimensional poverty, inequality, rising unemployment, food insecurities, reduced access and compromised quality of basic services necessary to live a healthy and dignified life. The COVID-19 has put to a halt the robust economic growth of the country and reversed the progress that Armenia had made towards SDGs in 2015-2019 – a period that saw some improvements in gender equality, reduced rural poverty and unemployment, to name a few. The project will attempt to offer recovery models allowing the rural communities not only to cope with the crisis, but to rebuild themselves more resilient, sustainable and inclusive.

The implementation will support the government priorities as laid out in the RA Government draft mid-term and sectoral recovery plans. The project will also provide much needed support to the early recovery from the consequences of the escalation of the conflict in Nagorno-Karabakh.

Contributing Outcome (UNDAF/CPD, RPD or GPD):

UNSDCF/CPD 2021-2025 Outcome 4: People, communities and regions benefit from equitable economic opportunities, decent work and sustainable livelihoods, enabled through competitiveness and inclusive green growth

Output 1.1 Marginalised groups are empowered to gain universal access to basic services and financial and non-financial assets to build productive capacities and benefit from sustainable livelihoods and jobs

Gender Marker: GEN2 (Gender equality as a significant objective)

SDG 1, 3, 5, 8, 10, 11

<b>Total resources required:</b>	
<b>Total resources allocated:</b>	<b>UNDP TRAC:</b> -
	<b>RTF:</b> 1,700,000 USD
	<b>Government parallel:</b> 290,000 USD
	<b>Beneficiaries parallel:</b> 50,000 USD
<b>Unfunded:</b>	-

Agreed by (signatures):

Government	UNDP
Mr. Suren Papikyan Minister of Territorial Administration and Infrastructure 	Mr. Dmitry Mariyasin UNDP Resident Representative 
Date: 23.12.2020	Date: 23.12.2020

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## I. DEVELOPMENT CHALLENGE

### COVID-19 and Armenia

On 13 March 2020, WHO declared Coronavirus (named ‘COVID-19’) a global pandemic. The spread of the disease led to a global health and socio-economic crisis beyond the coping capacity of most of the governments worldwide. The public health crisis that unfolded globally has spilled over into almost every sector shattering the basis of the wellbeing of the societies, putting under question the operability and resilience of the systems in time of crises. Social protection, public health, various sectors of economy, food systems, became affected by the emerging socioeconomic vulnerabilities, soaring unemployment, interrupted access to basic services and their compromised quality, market volatilities, to name a few.

COVID-19 has derailed the robust economic progress of Armenia in 2018-2019, and has deepened the existing vulnerabilities, creating a plethora of new socioeconomic challenges and fault lines, magnifying the material and non-material poverty, putting at risk the social cohesion, human security, the advancements in equal and sustainable growth of the country. The pandemic has caused a chain reaction of systemic failures which require a comprehensive approach to set the country on the track of healing both literally and figuratively.

The pandemic hit Armenia with a relative delay due to prevention measures which started as early as January 2020. The first imported COVID-19 case was registered in Armenia on 1 March 2020, and local transmission has been registered since 11 March 2020. Since then, Armenia has seen a rapid growth of the pandemic. All regions of Armenia are currently affected, with more than 78,810 confirmed cases – one of the highest per capita caseloads globally, and with an unprecedented high daily infection rate close to 2000 cases daily as of October 2020.

### Government response

About two weeks after the first case was reported in the country, the Government announced a state of emergency introducing stringent restrictions on domestic and cross-border movement and forcing economic shut-down. Although the Government was calling for citizens’ “individual responsibility” to comply with self-protective measures, such as wearing face masks and social distancing, the relatively weak behavioral modelling, insufficient enforcement of emergency related measures and insufficient administrative sanction mechanisms resulted to a spike in the number of cases and in mortality **revealing the lack of mechanisms and preparedness to respond to the crisis both on the national and the local level.**

The strict punitive response to enforce public health measures which was eventually exercised by the government, proved relatively effective for temporarily flattening the curve. Still the socioeconomic impacts were quick to follow with rising unemployment, restricted labor migration, insufficient access to the basic services and the subsequent social vulnerability affecting vast layers of the society.

In order to cushion the socioeconomic effects of COVID-19, the Government introduced several assistance packages for socially vulnerable households and micro, small and medium-sized businesses that work in tourism, health, agriculture, food and manufacturing industries hit hardest by the pandemic. Still neither the social protection system nor the state assistance programmes can offer universal coverage, lacking means to reach all those who were vulnerable.

Within the framework of the UN COVID-19 Multi-Sector Response coordination led by the UN Resident Coordinator and covering six priority sectors, UNDP is leading the Socio-Economic/Early Recovery sector supporting the Government’s socio-economic response initiatives. As part of this responsibility, UNDP is a technical lead in operationalizing the UN’s Framework for Immediate Socio-Economic Response to COVID-19, which puts into practice the UN Secretary-General’s report “Shared Responsibility, Global Solidarity”

with the aim to leverage the wider UN system to respond to and recover from the compound crisis in an integrated and coherent manner. This includes working directly with the Government of Armenia to shape and implement an integrated COVID-19 Mid-term Socio Economic Recovery Plan. From June 2020, the Government has been working on a medium-term COVID Socio-Economic Recovery Plan, with the support of the UN and other international players.

*The number of COVID-19 cases has started increasing dramatically with seven-day moving average being at almost 27 per cent as of October with over 2000 cases confirmed daily. Against the backdrop of resumption of large-scale fighting in the Nagorno-Karabakh conflict zone and resulting growing numbers of spontaneous arrivals in Armenia from Nagorno Karabakh, the country is on the brink of a humanitarian crisis making the urgent assistance even more important.*

## Socio-Economic impact of COVID-19

**The COVID-19 outbreak has had significant impact on the economy and the livelihoods of the Armenian people –deepening existing vulnerabilities, as evidenced by the socioeconomic assessment of the impacts of COVID-19.**

1. **Baseline.** Before COVID, about 24% of the population had already lived below the poverty line, 15.3% had been food insecure (ArmStat, 2019), and major inequalities, especially between urban and rural areas, women and men are persistent. Armenia is also one of the most vulnerable countries in Europe and Central Asia to climate change (and disaster risk) which has significant implications on the resilience, competitiveness and well-being of its population.



### **Ararat**

*Regional Center: Artashat*

*Area: 2090 square km*

*Population: 258, 200*

*Out of which urban 72,812 (28.2%), rural 185,388 (71.85 %)*

*Number of communities: 95*

*Out of which 4 urban, rural 91*

*Borders with Turkey in the west and Azerbaijan in the south, as well as Armavir, Kotayk, Gegharkunik, Vayots Dzor regions and Yerevan*

*Poverty: 9.2%*

*Migration:7.7%*

In 2018 the share of the regional economy in the overall national output by branches was as follows: industry 13.1%, agriculture 14.0%, construction 5.8 %, retail trade 3.9 % services 1.7 %. Ararat is mainly an agricultural area specialized in viticulture, horticulture and orchard growing. The industrial segment of the regional economy is mainly dominated by manufacturing enterprises in food and drinks production (processing and canning of fruit and vegetables, production of distilled alcoholic beverages), tobacco production, production of base metal and other non-metallic mineral products.

## **Aragatsotn**

*Regional Center: Ashtarak*

*Area: 2753 square km*

*Population: 125,400*

*Out of which urban 27,000 (21.5%), rural 98,400 (78.5 %)*

*Number of communities: 75*

*Out of which 3 urban, rural 72*

*Borders with Shirak, Lori, Kotayk, Armavir regions and Yerevan. The Akhurian River at the west separates Aragatsotn from the Kars Province of Turkey.*

*Poverty: 3.8%*

*Migration: 9.3%*

In 2018 the share of the regional economy in the overall national output by branches was as follows: industry 2.7 %, agriculture 10.2 %, construction 4.8 %, retail trade 1.4 %, services 0.7 %. The regional industry is specialized in production of food products and beverages, construction materials. The geographical position and climatic conditions of the region are favourable for horticulture (grains, potatoes, perennial grass, and forage crops) and cattle breeding. Agriculture is mainly specialized in horticulture (especially, crop-production) and cattle breeding.

## **Armavir**

*Regional Center: Armavir*

*Area: 1242 square km*

*Population: 236,900*

*Out of which urban 82,600 (34.9%), rural 181,300 (65.1%)*

*Number of communities: 97*

*Out of which urban 3, rural 95*

*Borders with Turkey, domestically with Aragatsotn, Ararat regions and Yerevan*

*Poverty: 10%*

*Migration: 7.8%*

In 2018 the share of the regional economy in the overall national output by branches was as follows: industry 4.3 %, agriculture 19.9 %, construction 8.5 %, retail trade 3.5 %, services 1.6%. Armavir is notable for its developed agriculture and industry. The geographical position and climatic conditions of the region are favorable for development of both plant growing and cattle breeding.

## **Kotayk**

*Regional Center: Hrazdan*

*Area: 2076 square km*

*Population: 316.734*

*Out of which urban 207.674 (65.5%), rural 109.060 (34.5%)*

*Number of communities: 42*

*Out of which urban 7, rural 35*

*Borders with Tavush, Gegharkunik, Lori, Ararat, Aragatsotn regions and Yerevan*

*Poverty: 10.5%*

*Migration: 6.9%*

In 2018 the share of the regional economy in the overall national output by branches was as follows: industry 10.8 %, agriculture 8.2 %, construction 5.6 %, retail trade 4.6 %, services 6.7 %. Kotayk region has comparatively developed and multibranch economy. The region is specialized in food and drinks production (meat and meat products processing and canning, fruits and vegetables processing and canning, dairy, flour, beverages), non-metal mineral production (glass and glass products, cement), metallurgy and metal production (steel and iron casting), furniture industry, manufacturing of jewelry products. The main branch of regional agriculture is poultry farming. There are three large battery farms in the territory of the region.

2. **Overall impact on the economy.** COVID-19 has exacerbated these trends. In addition, it disrupted the economic growth trend in Armenia. This decrease will come mostly from negative changes in inventory and a lower increase in final consumption expenditure. According to the National Statistical Service, during January-June 2020, the economy faced 4% decrease in all sectors except industry and agriculture. The largest drop has been recorded in the construction sector, services and trade where the output halved compared to the same period of 2019. Overall, the measures imposed to contain the outbreaks at community level have substantially restricted economic activity in sectors such as agriculture, tourism and hospitality, trade, services thus impacting limited production networks providing income opportunities and jobs to thousands of households in the country (the trade and services and agriculture provide more than 75% of employment). The reduction of remittances from work migrants and the restrictions on international tourism visits in Armenia is nonetheless still ongoing and will continue to impact consumption patterns in the country. This is in line with IMF estimates for Armenia, how has lowered the projected final consumption expenditure contribution to the GDP growth in 2020 from 3.3% to 1.2%, and the Central Bank's new forecasts on foreign trade for 2020 are more pessimistic, in particular, imports are expected to fall by 15-17% (against actual growth in 2019 by 9.1%) and exports by 12-15% (against actual growth in 2019 by 10.3%), which will have a negative impact on real GDP. The CBA's latest forecast indicates a 4% drop in GDP in 2020.
3. **Impact on jobs and incomes.** It is estimated that up to 20000 people lost their jobs just in the first two weeks after the State of Emergencies was announced.
  - Importantly, the agricultural sector alone employs about 36% of the labour force of Armenia, most of it informally (97.5%,).
  - Due to the significance of informal economy in Armenia, it is estimated that a substantial share of labour force is negatively impacted and, in some cases, is at risk of poverty with barred access to social and economic support programmes.
  - While the official unemployment data may mask some of the trends it is already clear that some regions of Armenia have been particularly affected, e.g. the highest total number of people on furlough is in Armavir (19%), Kotayk (9.4%) and Ararat (8.2%) Marzes (EIA 2020).
4. **Impact on Youth.** Youth unemployment, which has always been the soft spot of the labor market in Armenia is expected to spike. Youth participation in the labour market was already very limited in the country (one in three active youth (ages 15-24) was unemployed in Armenia in 2019)<sup>1</sup>. The age group 18-24 (UN) and 25-34 are the most vulnerable in terms of job layoff during the pandemic. Around 30% of people for the age group 18-24 lost their jobs during the pandemic. With the current interruptions in education, and the restriction that the distant learning has created for the most vulnerable children and youth derailing their education, the human capital can dramatically suffer putting in peril the growth perspectives of the country in the long run.
5. **Impact on women.** It is evident that the COVID-19 takes a higher toll on women. The current crisis threatens to push back the limited gains made on gender equality and exacerbate the feminization of poverty, vulnerability to violence, and women's equal participation in the labour force. The COVID-19 socioeconomic impact assessment completed by UNDP country office and partners pinpoints to

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<sup>1</sup> Armstat, <https://www.armstat.am/en/?nid=12&id=08014&submit=Search>

differences in the magnitude of the COVID-19 impact on the women-led and men-led businesses; the former group reporting a more severe impact. A possible reason for this is the bigger representation of women-led businesses in hard-hit sectors such as hospitality, beauty and well-being services. Moreover, the social enterprises run by CSOs has been adversely affected by the pandemic magnifying the vulnerability of women (single parents, women with disabilities, or victims of domestic violence), who they have been actively engaging. Furloughs and shutdowns, in their turn, have disproportionately affected women, mainly due to their higher representation in affected sectors which have to opt for staff changes in response to the crisis.

In the meantime, women working in educational institutions, health and social services and manufacturing industry have to cope with increasing workload and bigger vulnerability to the virus due to cramped working conditions, inadequate air conditioning, close proximity to fellow employees, etc. Movement restrictions, loss of income, self-isolation and high level of stress and anxiety increased the threat of potential physical, psychological and sexual violence against women. CSOs and the Human Rights Defender's office reported 30% increase in cases of domestic violence in March and 50% increase in June. On the other hand, women involved in the agriculture business were reportedly less impacted by the crisis than men. Sixty percent of female farmers reported no effects from the crisis compared to 35% of male farmers.

1. **Impact on migration and remittances.** Another vital source of household income in the country-remittances, has shrunk. The travel/immigration restrictions imposed by most of the main host countries for Armenian migrant workers, especially the Russian Federation; destination country for 89,8% of Armenian labour migrants<sup>2</sup>, heavily affect volume of remittances. The net inflow of transfers of individuals sent to and received from abroad as of May 2020 decreased over 35%. This has an adverse effect on household income, especially in the rural areas. Official statistics<sup>3</sup> confirms that almost 250,000 people in Armenia rely on income from circular or seasonal migration, which often is the only source of livelihood for households. The idled migrant workers, comprised mainly of low-skilled labour force, will seek jobs in the labour-intensive sectors, which are hard hit by the pandemic with highly restricted hiring capacities.
2. **Impact on SMEs.** SMEs have been especially hard hit. The COVID-19 crisis has considerably hit the SME sector in Armenia, which employs the largest share of workforce in the country. Almost half of the registered SMEs in Armenia are involved in sectors, where more than 50% of businesses are strongly affected by the crisis (SEIA 2020). More than 82% of the 2052 survey respondents indicated that they were negatively impacted by the crisis. SEIA shows a statistically significant relationship between the magnitude of COVID-19 impact and the sector, where the businesses operate. The most negatively impacted businesses in the Armenian economy are in tourism, food, transport, trade and beauty industries. Especially affected are the regions where the trade has the highest share in regional GDP, among them are Aragatsotn and Armavir (SEIA 2020). Other findings among SME respondents reveal that relatively smaller companies with lower annual revenue and small number of employees suffered more than the medium-sized enterprises. In addition, younger and female-led businesses experience stronger negative impact and show bigger vulnerability to the COVID-19 crisis.
3. **Impact on basic service provision.** Besides education, the local population has been suffering interruptions in access to basic services, the most dramatic of all being the failures of the healthcare system to reach all who need it in the time of crises. The health system has already been shattered by outflow of skilled health personnel, especially from rural and remote areas of the country. Coupled with insufficient inflow of young health professionals into the sector and poor conditions of health care facilities especially outside big cities, the hospitals in the capital Yerevan, equipped to manage the COVID-19 cases, got burdened pulling through with the overworked healthcare personnel. The overwhelmed health facilities were occasionally reported of compromised quality of healthcare services.

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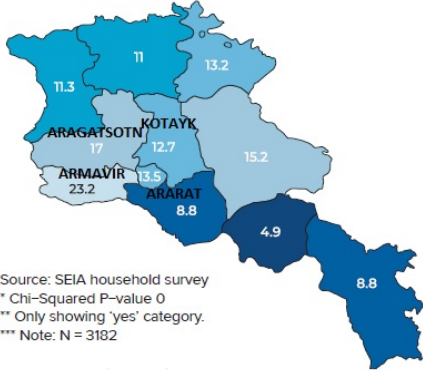
<sup>2</sup> ILCS (2019) database

<sup>3</sup> Statistical Committee of RA

#### 4. Situation of COVID-19 in the regions of Ararat, Aragatsotn, Armavir and Kotayk regions

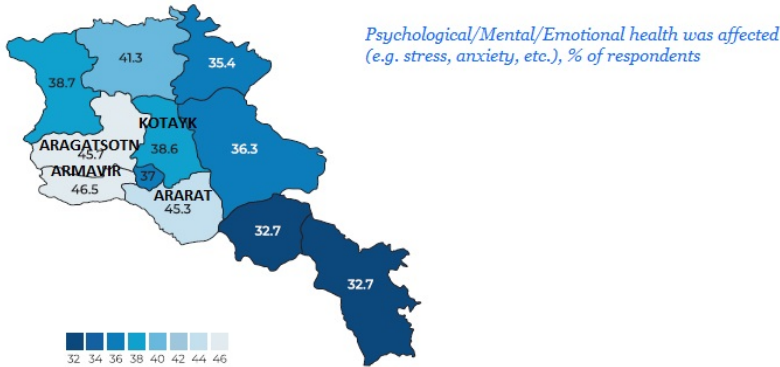
##### *Impact on Physical and Psychological Health*

Physical illness and/or illness of a family/household member



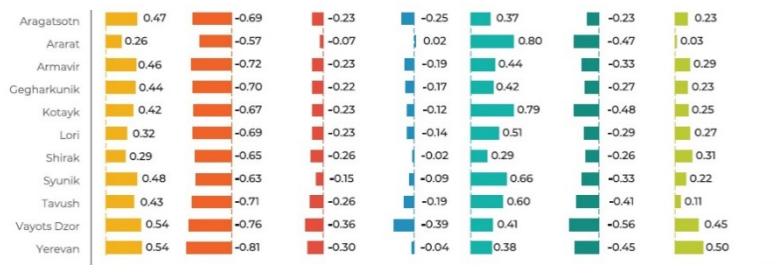
COVID-19 has impacted the health status of people nationwide. Yet, according to the findings of SEIA the health impact of the pandemic differs across the country. Armavir is the most affected region in terms of physical illness, where more than 20% of the respondents indicated that they or their family members had experienced physical illness since the beginning of the pandemic. Most participants of the regional surveys in **Aragatsotn, Ararat and Kotayk** highlighted lack of health facilities in rural communities. A high percentage of respondents from **Aragatsotn, Armavir and Ararat** reported psychological and emotional issues. Interestingly enough, the participants of the regional assessments in these three marzes highlighted

deficiencies in the provision of social support services in their communities.



##### *Impact on Regional Economy*

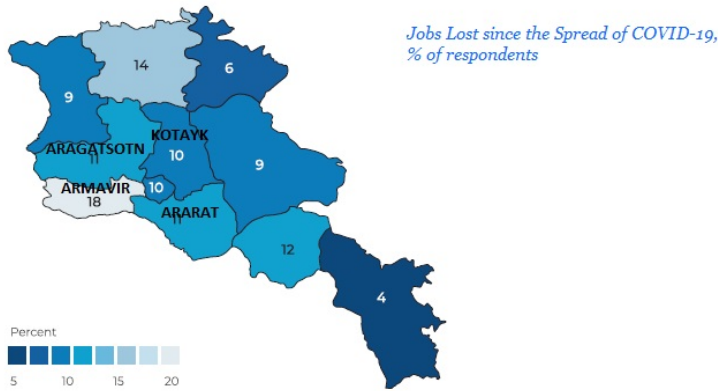
Homogeneity in the local economic structures has created challenges for almost all the regions, especially in cases, when the most of regional GDP was produced in affected sectors, such as tourism and trade. According to the survey data, businesses across all marzes reported a strong negative impact by the crisis.



Note: The numbers for each indicator presents the position of the community type between -1 and +1. -1 shows the most negative or pessimistic position, while +1 – the most positive or optimistic. The indicators are calculated based on the average results of the survey. Blue bars show the positive direction, the red ones the negative direction.

- Pre-Covid Business Development Dynamics
- Magnitude of Impact of Covid-19
- Staff and/or remuneration reduction
- Expected Business Survival
- Expected Recovery Time
- Expectations on Economic Development
- Awareness & Accessibility of State Support

The least affected, still with high share of affected businesses is **Ararat (37.4%)** (along with Syunik), partly



because the economic activity in this region is concentrated in manufacturing. Regions where the trade sector has a higher share in the economic structure were more affected by the crisis (**including Araghatsotn and Armavir**). Pessimistic expectations of SMEs about the future are observed in all regions. **Kotayk** (along with Lori, Shirak and Gegharkunik) report the highest level of concern, which could be explained by the relatively high number of labour migrants in this region.

## II. STRATEGY

The Project offers an intervention strategy for supporting the socioeconomic recovery of the local communities in Ararat, Armavir, Kotayk and Araghatsotn Regions helping the rural areas build back better and strengthening their resilience against the current COVID-19 crisis and future recurrent or similar health and socio-economic crisis. The intervention strategy hinges on the streams of the build back better approach focusing particularly on community-led resilience and response systems, economic recovery through protecting jobs, small and medium-sized enterprises, protecting people through basic services and maintaining essential food systems. This strategy also directly responds to the likely consequences the escalation of NK conflict and the flow of spontaneous arrivals will have on Armenia’s economy and society, exacerbating the COVID-induced crisis. To this end the Project’s theory of change is the following:

If the Project ensures availability of context-specific data through active engagement of all the segments of the community both in recovery planning and monitoring, which will inform not only the implementation of all the Project components, but will support decision making on the national, regional and local levels, and the assumption that public participation helps to design measures towards recovery and crisis response, as well as solutions and nudge behaviours which are acceptable and supported by the local population, and thus are durable, holds true.

AND

If based on the findings of the planning stage food security is strengthened and self-sufficiency is increased for the rural households through green and resilient value chains, and the assumption that continuity of food supply and the sustainable investments in the agricultural sector stabilises the local economies and reduces the vulnerability to the crises holds true.

AND

If local population, including the youth and women get access to income generation opportunities, including through job creation, protection and capacity building for meeting the changing needs of the labor market, and the assumption that the crises is more palpable on the micro- rather than on macro level and the income restoration for the most vulnerable groups will speed up the recovery of local economies holds true.

AND

If the access to basic services, including primary healthcare is facilitated through restored infrastructure, and the assumption that functional infrastructure is an important part of response mechanism to crises and increases efficiency of crisis response in general holds true,



## THEN

The Project will contribute to the socioeconomic recovery of the local communities in Ararat, Armavir, Kotayk and Aragatsotn Regions helping the rural areas build back better and strengthening their resilience against the current COVID-19 crisis and future recurrent or similar health and socio-economic crises.

The Project builds on the experience and lessons learnt of UNDP community development projects, particularly those which have been supported by the Russian Federation and mainstreams area-based and human-rights based approach in accord with the principles of inclusiveness, LNOB and sustainability.

Throughout its implementation the project will follow the **principles of the human-rights based approach** accepting the universality and inalienability; indivisibility; interdependence and inter-relatedness of human rights; non-discrimination and equality; participation and inclusion; accountability and the rule of law. The Project will make sure that none of its interventions violates any of the universal human rights and demonstrates respect and tolerance to diversity. **Participation and inclusion are the core values** of the Project and through its approach, implementation methodology and tools the Project will support wide **multisectoral cooperation and participation** with inclusion of the most **vulnerable groups into value creation, particularly women, youth, multichild households, the work migrants who failed to return to the accepting countries because of the COVID-19, the women and men who have been furloughed, whose SMEs or/and health suffered because of the COVID-19**. To this end the stakeholder engagement and beneficiary identification and all the selection processes undertaken by the Project will be held in accord with pre-set social criteria. The Project will set clear criteria for selection to ensure women participation in the project. The Project will hold focus group discussions with the women to ensure that their needs are heard, their potential is assessed and considered through all the Project interventions. In the meantime, the women will get capacity building and production inputs to access the opportunity of value creation and competing in the market.

All the project activities will be implemented keeping the national law and with zero tolerance for any violations by the beneficiaries or the project staff.

All the activities of the Project, including construction, agricultural activities and introduced innovation (technology, products and processes) will be in line with the existing environmental norms without adverse environmental effect and without undermining the sustainable growth of the local communities

***Innovation:*** Innovation has become an integral part of the UNDP Armenia country office implementation approach. The Project will use the vast knowledge, expert networks, in-house capacities of the CO to mainstream innovation, to localise innovative solutions and to identify and support the new solutions which will accelerate the recovery process in the rural areas. **Most importantly, the Project will localise and adapt the innovative solutions to be designed within the scope of Project “Fostering Participatory Development in Bordering Settlements of Gegharkunik and Vayots Dzor Regions”, thus synergising the efforts of both projects and ensuring the scaleup of the innovative solutions designed within the scope of Russia-funded projects.**

Use of technological innovation as an enabling factor to building back better will be the in-built feature of nearly all the components of the Project, allowing to use the new technologies towards sustainable and green agriculture, reduction of climate risks and greening, resource efficiency and resilience.

The institutional models that the Project will use to organize the management of local production, setup supply chains and access to market are innovative in their nature; and will be introduced to the target regions for the first time.

The cooperation between UNDP and the Government within the scope of this Project is innovative in many ways, the most remarkable aspect of it being the synergy between the government support programs and the UNDP projects with the purpose of ensuring Government co-financing. This is an ongoing cooperation and will continue within the scope of the Project, unless the priorities of the Government change with regard to its subvention programs.

The Project implementation will happen though cross-platform synergized efforts, pooling “full armor” of expertise, knowledge and practice. This cooperation will bring in the methodological approach and the expertise of Kolba Lab in youth employment, reskilling, upskilling, the vast knowledge of the Disaster

Risk Reduction team of the CO and the consultancy of “Climate, Environment, Resilience” portfolio in conservation, energy efficiency, climate smart solutions, the wealth of lessons learnt and accumulated knowledge of former and current Russia-funded Projects, especially “Integrated Support to Rural Development: Building Resilient Communities” (“Tavush”), “Integrated Rural Tourism Development”, “Fostering Participatory Development in Bordering Settlements of Gegharkunik and Vayots Dzor Regions” (“Gegharkunik/Vayots Dzor”). Finally, the overall management of the Project will be done under the Socioeconomic Governance Portfolio, with all the in-house expertise in community development, sustainable and inclusive growth, poverty reduction, sustainable management models, efficient value chain, just to name a few.

**Recovery planning through focus group discussions, joint problem identification and prioritisation will be the essential tools to ensure that there is local ownership and inclusion.** For the same purpose the Project will **apply co-financing principle** while working both with the private and public sectors. At least 20% co-financing mechanism was successfully applied by “Tavush” and “Gegharkunik/Vayots Dzor” Projects and proved to be an attainable financial commitment for the communities and beneficiaries.

## **Results and Partnerships**

### *Expected Results*

**The Project will contribute to UNSDCF/CPD 2021-2025 Outcome 4:** People, communities and regions benefit from equitable economic opportunities, decent work and sustainable livelihoods, enabled through competitiveness and inclusive green growth

Output 1.1 Marginalised groups are empowered to gain universal access to basic services and financial and non-financial assets to build productive capacities and benefit from sustainable livelihoods and jobs.

SDG 1- End poverty in all its forms everywhere

SDG 3- Ensure healthy lives and promote well-being for all at all ages

SDG 5- Achieve gender equality and empower all women and girls

SDG 8- Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

SDG 10- Reduce inequality within and among countries

SDG 11- Make cities and human settlements inclusive, safe, resilient and sustainable

**Overall goal: The Project aims at supporting the socioeconomic recovery of the local communities in Ararat, Armavir, Kotayk and Aragatsotn Regions helping the rural areas build back better and strengthening their resilience against the current COVID-19 crisis and future recurrent or similar health and socio-economic crises.**

The Government of Armenia has officially requested UNDP for support in COVID-19 emergency response and recovery, in terms of the socio-economic impact assessment and in terms of the formulation of a COVID-19 recovery strategy as well as specific catalytic activities addressing the emergency needs. This is being done in cooperation with other UN agencies under the overall coordination of the Resident Coordinator, with UNDP acting as a technical lead for the UN effort to support Armenia with the Socio-Economic Recovery.

In this context, UNDP has formulated a systemic approach to the socio-economic recovery from the COVID-19 crisis and – through this Project – looks to partner with the Russian Federation in addressing both the most urgent and the longer-term needs on the ground.

**The Project is responding to the thematic area 1 of the RTF call *Promoting decent employment and supporting entrepreneurship to better recover after the COVID-19 induced crisis* and is planning several activities targeting the primary healthcare system in the rural areas under the thematic area 2 *Strengthening health sector's emergency coordination, risk response and post-crisis recovery*.**

**The Project is fully in line with**

**The RA Government Programme 2019-2023**, particularly through:

- Supporting SMEs, including in agricultural sector, in the regions of Armenia, facilitating entrepreneurship for the youth, women and work migrants, building the capacities of the interested residents in the regions who aspire to start a business from scratch, facilitating access to finance and supporting adaptation of innovative solutions by integrating digital and technological know-how to this end.
- Development of specific value chains (cattle breeding, grain cultivation, etc.) and strengthening food security through building/upgrading the required technological and technical basis for this.

**UNDP's new response offer "Beyond Recovery: Towards 2030", UN's Framework for Immediate Socio-Economic Response to COVID-19** through:

- Under Objective 1 connecting analysis and responses across sectors, and through this analysis building continuity between immediate measures and longer-term recovery, meanwhile empowering community resilience and participation through its planning component on the community level.
- Under Objective 2 and 3 protecting jobs, small and medium-sized enterprises, and the informal sector workers.
- Protecting productive assets, productive units and productive networks during the crisis.
- Maintaining essential food systems.
- Supporting young people in entrepreneurship.
- Supporting women MSMEs.
- Introducing resource efficient green solutions.
- Under its Objective 4 ensuring continuity and quality of water and sanitation services.

**The Government sectoral recovery strategies and priorities outlined in the integrated COVID-19 Mid-term Socio Economic Recovery Plan** through:

- Under its Objective 2 ensuring access of the most vulnerable populations to high quality wheat and other seeds essential for food security.
- Development of post-harvest infrastructure and other logistics systems.
- Increasing the applicability of agricultural development programs, including the establishment of high-value crops and perennial plantations.

**Taking the “build back better” approach as a key paradigm, the Project pursues the following objectives:**

- 1) Increase involvement of all segments of the target communities in the recovery planning and monitoring towards building context-specific data on the community level*
- 2) Strengthen food security and increase self-sufficiency of rural households through building green and resilient agricultural value chains.*
- 3) Help rural population, including the youth and women, cope with the adversity of COVID-19 through protecting and creating jobs, as well as income generation opportunities.*
- 4) Support the rural settlements to restore and build back better their basic services, including primary healthcare services.*

#### **D. COMPONENTS, ACTIVITIES AND EXPECTED RESULTS (10 pages max)**

**Objective 1 *Increase involvement of all segments of the target communities in the recovery planning and monitoring towards building context-specific data on the community level***

##### **Component 1.1 Design of local risk-informed COVID-19 socioeconomic recovery plans**

The initial findings of the socioeconomic impact assessment of COVID-19 reveal that while the damage of the pandemic to the country’s economic and social systems is massive, different regions and even settlements are experiencing its impacts differently. The structure of the local economy, the demographic situation and trends, the livelihood and income sources of the local population, the infrastructure, human capital, the nature of the community social networks and cohesion are among the factors which determine the scale of the impact of COVID-19 on local communities. While Armenia is working on a national level mid-term recovery plan, the above-mentioned factors bring forth the necessity of clear and well-designed local recovery plans. The recovery will look different in different areas of the country, and UNDP’s view is that only a context-driven and locally coordinated response to the COVID-19 aftermath will be effective.

##### **Indicative activities**

##### **Activity 1.1.1 Design Local risk-informed COVID-19 socioeconomic recovery plans through community participatory consultations**

The Project will use a hybrid approach integrating various elements and methodological aspects of planning used by UNDP at the local community level within the previous and current projects funded by the Russian Federation. **The importance of this stage is clearly highlighted by all the community development Projects, which have been implemented by UNDP and is one of the lessons learnt of the Russia-funded projects of the CO towards building context-specific intelligence and data on the community level, stakeholder engagement, beneficiary identification, validation of the Project activities by the stakeholders and efficient cooperation with the local and regional administrations.** UNDP will use its recent experience in online and offline community participatory consultations, problem identification, prioritization, co-design of on

the ground projects targeting the most urgent problems and issues as indicated by the local communities. This is going to be an expert facilitated participatory process delivering a multisector, comprehensive and risk-informed local COVID-19 social and economic recovery plans with a tailored path of building back better for each community. The recovery plans will describe the impacts of the COVID-19 on each rural settlement, the required resources to address them, the available resources (including the production potential, the human capital, hard infrastructure, etc.), the scenarios of recovery represented into mid- to long-term recovery interventions, emergency risks (including sector-specific risk analysis and risk assessment for each of the recovery interventions) and their mitigation measures, roadmap of implementation, and budget estimates.

The recovery plans are going to be complimentary to the 5-year community development plans, which are prepared by the local self-government bodies as stipulated by the Law and will serve as a timely and essential update to inform the decision making at the local level and guide the Project implementation in the rapidly changing local development context. The plans are expected to be validated by the local communities and approved by the local Council. The respective planning frameworks will also be closely coordinated with the regional administrations and the Ministry of Territorial Administration and Infrastructure.

*This is a cross-cutting element which on the one side provides context-specific intelligence for all the activities, allows to finetune all the Project elements and, in the meantime, to validate them by all the target groups. On another note, this is an exercise that mobilizes the communities and builds awareness of the Project ensuring participation at the initial stage of implementation. The ongoing and former community, area-based development projects supported by the Russian Federation and the Russian Trust Fund clearly indicate to the necessity of this stage. It's a lesson learnt, especially from the period of COVID-19 isolation and lockdown, that the lack of local consultations, context-specific knowledge and based on this, the adaptation of the Project activities to the ongoing situation makes it way harder to claim local support, engagement, validation and ownership. Plus, the onset of the COVID-19 has shaken any amount of predictability that the local context could offer with regard to development trends, which makes the intelligence built through planning at the given moment of time particularly valuable. With this in mind, the Project's main implementation partner, the Ministry of Territorial Administration and Infrastructure, continuously stresses the importance of the planning stage and highly appreciates UNDP CO efforts in this direction.*

### **Activity 1.1.2 Mobilize and train a community resilience team to support implementation of the local risk-informed COVID-19 socioeconomic recovery plans**

The Community resilience teams (CRT) are groups of professionals from the Community Administrations, schools, kindergartens, hospitals, organizations providing basic community services (gas, water, electricity, communication, sewage, etc.), academia, NGOs and private production and processing companies. The CRT's are being established by the order of the Head of Community, with approved work outlines, serving as Advisory boards to the Community Administration in implementation of local risk-informed COVID-19 socioeconomic recovery plan. After passing the respective trainings, CRT members will become unique focal points in their respective work places for mainstreaming community resilience, strengthen public-private dialogue

and networks for crisis response and recovery, focused on equipping people of various age, profession and social status with knowledge and skills on appropriate behavior before, during and after shocks and crisis, including the recurrence of pandemics, natural disasters and industrial accidents.

### **Component 1.2 Strengthening the national crisis management information system (NCMIS) for better coordinated and targeted COVID-19 response and recovery**

The role of crisis management information systems in the pandemic response is critical. The efficiency of the decision making, and its responsiveness is largely determined by the availability of information systems allowing to access, manage and analyze data and other information at the speed the situation of COVID-19 requires. Crisis management information systems can provide immediate, and coordinated data access and sharing, and they facilitate the prioritization of crisis response. Properly disaggregated data enables the national governments to plan actions that reduce potential inequities and facilitate the implementation of strategies to address such inequities. As the response to COVID-19 pandemic in March-June 2020 showed, within the context of ensuring targeted and even distribution of national emergency and recovery support to the local communities, as well as identification of the most vulnerable and affected groups and settlements the crisis management information systems are the essentials of the response toolkit of the national governments. Under this component the Project aims at improving the MTAI Community Relationship Management system to allow the collection, classification, storage, analysis and visualization of community-based data covering a wide range of community-specific data categories.

#### **Activity 1.2.1 Upgrade of Community Relationship Management (CoRM) database of the RA Ministry of Territorial Administration and Infrastructure (MTAI)**

The CoRM database of the RA MTAI will be used as a basis for the improved NCMIS for crisis response and recovery. CoRM was designed and developed within the scope of RTF-funded “Integrated Support to Rural Tourism Development” Project implemented by UNDP. The basic version of the system is up and running, but requires: a technological upgrade to allow bigger storage capacity, a methodological framework for data collection, and additional features to allow multitier data verification (data submitted by the local communities should be verified by the regional administration, followed by the final clearance by the MTAI) and to ensure the consistency of data. Importantly, the early stage of crisis response in March-June 2020 revealed there are considerable inconsistencies between the data sets managed by the regional and local governments which could slow down the delivery of the first emergency aid to the local communities). The MTAI is highly interested in the upgrade of the CoRM and is ready to support the process, as well as undertake the maintenance of the system after the project lifecycle – ensuring its sustainability. Eventually CoRM can be integrated with the Disaster Risk Management Strategy implementation monitoring platform (a key part of Armenia’s Sendai Framework commitments) allowing the interoperability of the different parts of the NCMIS.

### ***Objective 2 Strengthen food security and increase self-sufficiency of rural households through building green and resilient agricultural value chains***

## **Component 2.1. Establishment of green and resilient agricultural value chains, including management setup and supporting physical infrastructure**

The relatively strong agricultural performance of Armenia since 2001 has increased the country's self-sufficiency in main food groups including grains, potatoes, vegetables and fruit, improving overall food availability. However, Armenia remains highly dependent on food imports; this dependency is more visible in case of pork (42%), legumes (50%) wheat (67%), poultry (78%) vegetable oil (96%). The dependency on imports poses a risk to food availability, particularly in the event of an emergency, like COVID-19<sup>4</sup>. Despite the fact that the food prices were lower in the 1<sup>st</sup> quarter of 2020; 98.2% compared to the same period in 2019, the prognosis for the end of the year is quite grim predicting deficit of wheat (ARMSTAT 2020). Yet the rural settlements have the capacity for increased production towards import substitution when sufficient and targeted incentives are provided. The Government has already approved the state assistance programme to Shirak, Syunik, Gegharkunik, Lori, Aragatsotn, Tavush and Kotayk regions to increase the yield of wheat by 30%. The Project will join efforts with the Government to support the local food production through investing into development of resilient and green value chains – making sure the Government support is used in the most effective way. The main focus of the output would be ensuring local self-sufficiency and prevention of possible interruptions in supply system of the essential food groups, meanwhile offering product specialization tracks to the rural communities, whenever it will be economically viable.

### **Indicative activities**

#### **Activity 2.1.1. Conduct feasibility studies of establishing local agricultural value chains**

Based on the findings of the planning stage (Output 1.1, Activity 1.1.1) the Project will identify agricultural value chains in the target regions. Feasibility studies will be conducted to assess the viability of establishing the pre-identified agricultural value chains in the target communities. The feasibility study would consider the resilience and greening elements of the value chains, offering practical recommendations on integrating the required technologies to this end. The feasibility study should consider the model of logistics centers as management bodies and storage/processing infrastructures piloted within the scope of Russia-funded Project implemented by UNDP in Gegharkunik and Vayots Dzor regions whenever applicable.

#### **Activity 2.1.2. According to the recommendations of the feasibility study establish a logistics center for the agricultural value chains (including construction, equipment, machinery, furniture)**

The logistics center will fulfill the value chain management function and will have the institutional setup of a community development foundation, The logistics center will organize the primary production of the identified crops on the community-owned lands (rented by the logistics center), their harvest, collection, transportation, storage, processing, whenever applicable, packaging, marketing. It will cooperate with the local farmers delivering agricultural services, storage or processing on contractual/paid basis. The logistics center should contribute to the self-sufficiency of

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<sup>4</sup> WFP. Armenia Country Brief, May 2020

the target settlements and whenever economically viable support the product specialization of the communities within the concept of one product, one village. The location of the logistics centers will be decided based on the findings of the recovery plans. The Project plans establishing two such centers in two regions, which will be operating to deliver services to all the target regions.

#### **Activity 2.1.3 Set up the managerial structure of the logistics center**

The logistics center will have the institutional setup of a community development foundation. This is an institutional structure that has previously been successfully piloted within the scope of the Russia-funded community development project (“Tavush”) and proved its effectiveness in delivering services, managing assets and fulfilling a role of a community-oriented development actor with wide opportunities and big potential for sustainability.

#### **Activity 2.1.4 Provide need-based (operational, managerial, marketing, technical and technological) training (with involvement of the Russian expertise) to both the primary producers and the staff of the logistics center**

The staff of the logistics center will receive comprehensive capacity building to fulfill their designated roles covering the subjects of foundation accounting, management, technological, technical aspects of production/processing that the logistics center is engaged in, customer relationship, marketing, etc. Given that the logistics center will introduce innovative practices and new cultivation culture into the settlements, capacity building opportunities will be offered to the local farmers as well, to make them more responsive to the Project interventions. The Project will provide expert support to the logistics center to develop a sales strategy and operationalize it.

### ***Objective 3. Help rural population, including the youth and women, cope with COVID-19 adversity through protecting and creating jobs, as well as income generation opportunities***

#### **Component 3.1 Creation of income generation opportunities in Ararat, Armavir, Kotayk, Aragatsotn regions through SME support schemes**

In Armenia, SMEs account for more than 90% of all companies, strongly represented in sectors such as tourism and food and service provision. The consequences of lockdowns and social distancing have had severe impact on these businesses.

Realizing the importance of this segment in ensuring livelihoods, the Project offers a set of activities supporting the SMEs affected by COVID-19. As a support mechanism to the SMEs the Project will use the models tested within the scope of Russia-funded UNDP Project implemented in Gegharkunik and Vayots Dzor regions, offering co-financing and technical support through an open call. As two concrete areas, targeted support will be provided to the beneficiaries of the Government assistance programme for the construction of smart barns, as well as various business ideas including in sustainable tourism. For both, significant Government co-financing will be tried to be secured under this component, as a means to ensure scaling up and sustainability of the COVID recovery measures (if state supports continues being available for the mentioned sectors). The open call mechanism will offer additional support as an incentive to the SMEs applying with climate smart and green business plans and women entrepreneurs under each call.



## **Indicative Activities**

### **Activity 3.1.1 Design, roll out open calls and provide co-financing to the winning SMEs**

The open calls will target, among others, the beneficiaries of the State Government assistance programme (if still available) on establishing smart barns, sustainable rural tourism initiatives in the target rural communities, the local business initiatives prioritizing green and climate smart initiatives, business ideas supporting the local value chains. The SME support will be provided on co-financing basis. The youth and women will be particularly targeted. The call will be aligned with the efforts of the Component 3.2, and will support the local youth through offering entrepreneurship opportunities. Q&A sessions will be held for both groups to facilitate their application, while the youth and women-oriented selection criteria will allow to ensure at least 30% participation from each group. In general, the calls will have social selection criteria allowing to integrate the most vulnerable groups and put the LNOB principle in action. The local orientation meetings will be focused, among other, on clearly communicating the inclusive nature of the calls.

Following LNOB principle and the Project's commitment to respond to the socioeconomic crisis that the escalation of the conflict in Nagorno-Karabakh created, the Project will use the SME support mechanism to reach out to the spontaneous arrivals (SA) in Syunik region. While Syunik is initially out of the Project's geography, it is selected considering the big number of SAs in the region (particularly in Kapan and Goris communities), who will not be able to return to their former places of residence and will have to settle down in the host communities. SME support scheme will facilitate their integration and become an entry point for the SAs to rebuild a livelihood in the host communities.

### **Activity 3.1.2 Based on the approved batch of applications, offer need-based capacity-building to the beneficiary SMEs under each call**

The Project will access the capacity gaps among the beneficiary SMEs and will offer expert-led consultations and trainings to address them. The topics may include but will not be limited to business planning, digital marketing, food safety, logistics, sector-specific technological trainings, etc. A limited number of seats will be available for the SMEs whose projects have not been approved for financing but still interested to participate in the trainings. Next to the trainings, the beneficiary SMEs will be regularly monitored and mentored by the Project experts throughout the Project lifecycle.

## **Component 3.2 New skills and self-employment opportunities created for youth in the target regions to prepare a cohort of workforce for future-oriented local development**

COVID-19 was a disruption not only in the economic and social structure of the societies, but also in the traditional perception of capital-centered livelihood. Yerevan, which gravitated workforce and talent during the industrial and economic rise, became the hotpot of the deadly pandemic. High density and intense social connectivity became a threat, making us rethink the decentralized development approach. Capital-centric development in Armenia has also led to declining social cohesion in the traditionally coherent communities of Armenia, creating high risks of social fragmentation and depopulation. These challenges were topped up with a major wave of unemployment, caused by COVID-19. Even the traditionally labor-intensive sectors, such as tourism, services, the beauty industry and agriculture have been hit hard by the crisis.

The component will build on the approach and lessons learnt of RTF-supported “Future Skills” project in Lori, Shirak, Tavush and Gegharkunik regions of Armenia in 2019-2020 and will use the intelligence built during the planning stage of the Project (Component 1).

In order to minimize the employment disruption, the component suggests to design and deploy online crash courses with detailed user guidelines for the groups of the local population with low digital skills to upskill and reskill unemployed in the target regions, thus extending the non-cash support of the Project widely. These large-scale capacity building measure will help the economically excluded groups to adjust their capacities to the new market demands. The capacity-building component will be implemented in synergy with the focus of the components 2.1 and 3.1.

### **Indicative activities**

#### **Activity 3.2.1 Rapid Path to Reskilling: Enhance rapid reskilling capacity in the regions by strengthening local VET institutions**

The project will capitalize on the capacity of VET institutions to provide rapid skill trainings to local youth who lost their jobs or could not find one, in meeting the changing requirements of the economy in the wake of the COVID-19 crisis. As part of the subactivity, the project will support local VET institutions by building modern training facilities and franchising/adapting extension courses tailored to the needs of each region. Strategic partnerships will be established with Russia based VET institutions and private sectors companies to ensure cross-learning.

As a result of the project, two VET institutions will acquire state-of-the-art training labs in priority industry areas. Additionally, at least 4 courses will be franchised/adapted to facilitate learning of new skills and professions. **The courses will build, among others, digital and hybrid skills (a mix of technical and digital).**

#### **Activity 3.2.2 Career Trail for Youth. Create a web platform (KolbaIntern) to connect local youth with entry-level employment opportunities in Armenia and globally and to run pilot batches of Career Trail in the four target regions**

The project will use UNDP’s signature Career Trail approach and will build on Russia-funded - KolbaJobs platform – within the “Future Skills for Rural Youth” project – to expand it to the four target regions and to start a new KolbaIntern movement. A web gateway will be created to connect local youth with existing internship and volunteer engagement opportunities in Armenia and globally. The project will support the internship movement by subsidizing selected internships in areas of strategic importance. Subsidized internship programs will deploy young cadre from the target regions in advanced industries in Armenia, Russia and globally through offline and remote engagement, accelerating knowledge and skill absorption among regional youth. The sub-activity will be implemented through an open call for young people to be deployed in pre-identified private sector companies through either on-job or remote engagement. The students will be given specific tasks and assigned KPIs to be met at the end of the internship. For this sub-activity, the project will target at strategic partnerships with Russian private sector companies and employer associations,

As a result of the sub-activity at least 4 batches of career trails will be implemented, involving at least 40 young people and at least 10 private sector partners.

**Objective 4. Support the rural settlements to restore and build back better their basic services, including primary healthcare services**

**Component 4.1. Ensure continuity of primary healthcare services in rural communities through improved primary healthcare facilities**

Up until recently the COVID-19 positive cases were managed by the designated hospitals, yet with the increase of the cases exceeding the number of the available hospital beds, the Ministry of Health has changed the strategy entrusting the care and management of mild cases to the local primary healthcare institutions (PHC) such as polyclinics and ambulatories). In their mission report to Armenia issued on May 20, WHO highlights the role of PHC in the time, when hospitals have stopped provision of regular services, providing only emergency and urgent care.

PHC provide the continuity of basic healthcare services, working throughout weekends and national holidays, with shifts for outpatient specialists who are on-call, and availability of telephone advice provided after office hours<sup>5</sup>.

Primary health care is essential in gatekeeping and clinical responses: differentiating patients with respiratory symptoms from those with COVID-19, making an early diagnosis, helping vulnerable people cope with their anxiety about the virus, and reducing the demand for hospital<sup>6</sup>. The output aims at ensuring the continuity of primary healthcare services in the time of crisis as a pillar of community resilience.

The risk mitigation measures, renovation of physical infrastructure should enable timely, effective and safe supportive management of patients with suspected and confirmed COVID-19 at the primary care level; and delivery of essential health services during the COVID-19 and other emergencies. Next to this, the described measures should allow to have in place capacitated hard infrastructure for emergency and crisis response, whenever such need be.

**Indicative activities**

**Activity 4.1.1 Implement comprehensive evaluation of the crisis preparedness level of the rural healthcare facilities, particularly in the context of COVID-19**

The evaluation is meant to provide intelligence about the level of infrastructure and personnel preparedness of the local healthcare facilities to provide uninterrupted healthcare services, specifically in the context of COVID-19 and in general during the time of shock and crisis, considering various scenarios. The assessment will use WHO Hospital safety index tool assessing the probability that a rural primary healthcare facility will remain operational in emergencies.

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<sup>5</sup> WHO, COVID-19 Technical (Virtual) Mission of Experts to the Republic of Armenia: 29 April and 6-7 May 2020

<sup>6</sup> WHO, Role of primary care in the COVID-19 response

The evaluation will yield useful information about ambulatories' strengths and weaknesses and will point to the actions required to improve the crisis management and service delivery capacities of the primary healthcare facilities. The Project will make sure to frame the evaluation to reveal the COVID-19 specific risks and needs, some of them to be addressed within the scope of the Project, particularly disaster risk mitigation needs and infrastructure-related interventions.

#### **Activity 4.1.2 Renovate and refurbish some of the most vulnerable local healthcare facilities in the target communities**

Based on the local risk-informed COVID-19 socioeconomic recovery plans and the results of comprehensive evaluation of local healthcare facilities, the Project will initiate renovation and refurbishment of some of the most vulnerable local healthcare facilities. The renovation will be made with integration of risk mitigation measures. Infrastructure rehabilitation of the primary healthcare facilities will provide safe work conditions for the medical personnel to deliver quality primary healthcare services in the rural communities.

#### **Component 4.2. Improve accessibility and quality of basic services in the target rural areas through infrastructure rehabilitation using climate smart and green technologies**

Infrastructure and facilities are key enablers of recovery programs and service delivery. They played an important role in the community level response to the COVID-19 and will continue being a success factor in post-COVID recovery stage. The ongoing consultations with the local communities under UNDP community development projects often reveal the need for water supply and street lighting systems in the rural communities. While the accessibility of running water for households in prevention of COVID-19 cannot be stressed enough, with the opening of schools and daycare facilities, availability and accessibility of running water in education facilities will be among the required measures to contain the spread of the virus and protection of both the students and the staff from COVID-19.

UNICEF Guidance for COVID-19 Prevention and Control in Schools clearly indicates the schools' responsibility in enforcing regular hand washing with safe water and soap, alcohol rub/hand sanitizer or chlorine solution and, at a minimum, daily disinfection and cleaning of school surfaces. Yet according to National Center of Educational Technologies, there were 21 schools in Aragatsotn, Armavir, Ararat and Kotayk regions as of 2017 without water supply.

As of October 2020, the daycare facilities in the communities are closed, which is detrimental not only to the early child development, but also negatively affects the labor participation of women and puts them under additional stress, further deepening their exclusion from the job market, restricting their economic participation deepening the socioeconomic hardships of households and worsening gender inequality in the country. For the handful of kindergartens operating in the capital Yerevan the Commandant's office has declared rather strict hygiene requirements, including accessibility of hot running water. In his ad hoc report in 2018 summing up the results of monitoring visits to 201 education facilities, out of which 80 kindergartens both in Yerevan and the regions, the Human Rights Defender mentions that only in 44 kindergartens there was hot running water. Based on the findings of **local risk-informed COVID-19 socioeconomic recovery plans the Project will support beneficiary rural settlements to restore the water supply (including pilots of water heating systems with alternative energy sources) in kindergartens and schools.**

**About 95% of the respondents of the survey held within the scope of Street Lighting Monitoring in several consolidated communities (2019) indicate that the street lighting services are of significant importance to them.** Street lighting is an essential public service that provides a safer environment at

nighttime to commuters as well as pedestrians. Proper use of street lighting can be considered as a protective method which provides economic and social benefits to the people including:

- Elimination in nighttime accidents and economic loss
- Aid to police protection and enhanced sense of personal security
- Facilitation of smooth traffic flow
- Promotion of business activities and the use of public interactions during the night hours.

The Project is premised on the ideas that it is the part and parcel of the building back better to ensure the resilience of the basic service delivery and will mainstream risk mitigation elements to the project interventions under this component, whenever such need is revealed through the stage of planning or evaluations.

### **Indicative activities**

#### **Activity 4.2.1 Restore internal water supply system in the local schools or/and kindergartens**

The Project will assess the causes of water supply disruptions, lack of accessibility and availability of water in the local kindergartens and schools. In all those cases when renovation of the internal water supply system can solve the water availability/accessibility issues, the Project will restore the internal system to ensure availability of running water for hygiene and sanitation in the rural schools and kindergartens. The renovation works will be done using water and energy saving technologies to provide facilities for cold and hot running water.

#### **Activity 4.2.2 Build energy-efficient street lighting systems and introduce renewable energy solutions for community safety and resilience**

The smaller rural communities face difficulties of providing outdoor lighting services. The service expenditures of the street lighting are not paid back by the population through utility bills, which may overburden the budgets of vulnerable communities. The Project will co-finance the energy-efficient street lighting construction plans of the beneficiary communities and will use to the extent possible and if available the Government subvention offered to the communities for energy-efficient street lighting construction, thus securing Government co-financing for this purpose. Another option Communities will be given is to introduce renewable energy solutions, as PV on-grid stations or Solar-Water heaters, especially in case communities are hosting spontaneous arrivals and need help in reducing their utility bills. The communities will be chosen through an open call with a preference given to the ones who ensured Government subvention as a co-financing. The Project will finance up to 50% of the construction costs in that case, except for cases where the assistance directly benefits communities hosting spontaneous arrivals.

#### **Activity 4.2.3 Introduce risk mitigation measures into infrastructure rehabilitation interventions**

Based on the assessment results, small scale risk mitigation measures will be designed and implemented at local level to ensure sustainability of UNDP interventions in the selected vulnerable communities. These will include protection measures against rock falling, improvement/protection measures of mountain slopes, river/mudflow channel cleaning or renovation, etc.

#### ***Resources Required to Achieve the Expected Results***

- The human resources required by the project include a team with a Programme Manager, Project Assistant, Economist/Community Development Specialist, Agricultural Specialist/Planner,

Engineer/Infrastructure Rehabilitation Specialist, Communications Specialist and other experts, drivers.

- The project will need the operational support of UNDP for processing its financial, procurement and HR related operations.
- Procurement of production/processing inputs, such as agricultural machinery, equipment, seedlings, seeds, as well as consultancy, analysis, engineering services and works will be required throughout the Project.
- Project intervention strategy relies on and cross portfolio collaboration.

### *Partnerships*

The Project interventions are designed in thorough consideration of the Government sectoral priorities and the recovery strategy (the draft document is currently being discussed) and will be implemented in close partnership with the line ministries, The Project will scale up both the previous interventions funded either by RTF or directly by the Government of the Russian Federation using the models and schemes tested and proved efficient in the local context, and the Government programmes released to support the recovery process in the local communities. The Government co-funding to the Project will be ensured to the extent possible through synergies between the Government support programs and the Project (as an example, the cooperation between the Government and the Project in supporting the smart barn establishment with co-financing provided by the Project, Government and the beneficiaries). For this particular case, the Ministry of Economy has demonstrated genuine interest and under the Russia-funded “Fostering Participatory Development in Bordering Settlements of Gegharkunik and Vayots Dzor Regions” Project will formalise this cooperation with UNDP which will be scaled up within the scope of this project if the Government priorities in the sector does not change in connection to the security situation. Regarding the infrastructure rehabilitation for the continuity of basic community services, the Government co-financing might be available to subsidise the installation of energy efficient street lighting systems.

On the national level, the Ministry of Territorial Administration and Infrastructure, will be the national implementing partner of the project and a member of the Project’s Steering Committee. Through its components on job creation and income generation the Project will closely cooperate with the Ministry of Economy, the Ministry of Education, Science, Culture and Sport, The State Tourism Committee and the State Employment Agency. The upskilling and reskilling activities of the project will rely on the data support of the ILO, as well as the development “firewalls” created by UNFPA and other UN family members against depopulation and demographic decline.

The component on ensuring the quality and continuity of primary healthcare services will be implemented in cooperation with the Ministry of Health, the Ministry of Emergency Situations and involve consultations with WHO. The Project interventions towards strengthening the local food security system through resilient and green value chain development will be implemented in consultation with WFP, potentially considering the cooperation modality that will be put in action under “Fostering Participatory Development in Bordering Settlements of Gegharkunik and Vayots Dzor Regions” Project with the financial support of the Russian Federation.

The Project will heavily draw on the models, approaches and cooperation mechanisms designed and tested within the scope of Russia-funded projects implemented or currently ongoing in the regions of Armenia, particularly the community development projects in Tavush, Gegharkunik and Vayots Dzor, RTF funded “Integrated Support to Rural Tourism Development” and “Future Skills for Rural Youth” Projects. This implies not only close synergies between the ongoing projects, but also the use of the

Russian expertise directly through engaging Russian consultancy or using the methodologies already transferred to UNDP through recent cooperation with the Russian experts.

Throughout the implementation of “Tavush” project UNDP has built strong partnership with **the Soil Science Faculty of M.V. Lomonosov Moscow State University**. Within the scope of this partnership several modules have been designed for trainings on agriprocessing and horticulture, which were delivered by the visiting experts from Russia to the project beneficiaries. The current Project will tap on this partnership as well as seek for collaboration opportunities with **MSU Eurasian Center for Food Security, HSE Institute for Agrarian Studies** in using their expertise and consultancy towards strengthening and building the capacities of the local beneficiaries. In addition, the Project, whenever possible, will incorporate the **Russian expertise** through accessing the **pool of experts** within the UN system, while designing modules and conducting trainings, as well as mentoring the project beneficiaries and supporting innovations. Moreover, the Project will continue cooperating with the partner organizations and **suppliers from the Russian Federation**, specifically sharing notifications about the **procurement competitions** with the ones, who have proved themselves as reliable partners during recently implemented Russia-funded projects.

The community-based approach of the Project implies strong cooperation with the local communities, community administration, local NGOs and the regional Government.

The support of the Russian Federation to Armenia in the early response and recovery of COVID-19 is significant and well-coordinated and was offered practically right from the onset of the crisis. Particularly, the doctors from the Russian Federation delegated to help their colleagues in Armenia to manage the hospitalized cases of COVID-19 are currently working in the Armenian hospitals. In addition, humanitarian aid including a mobile laboratory for testing COVID-19 is already in Armenia allowing to make up to 200 tests daily. This is a part of cooperation between the Defence Ministries of two countries engaging also the specialists from the Russian Federation who are strengthening the capacities of the Armenian military doctors and supporting them to test and manage the COVID-19 situation in the army. In addition, 20,000 testing kits for COVID-19 has been provided to Armenia by the Russian Federation.

The aid and support provided to Armenia through the Russia-funded Projects implemented by UNDP country office include humanitarian aid (packages of food and PPE) provided to about 700 vulnerable beneficiaries in the most vulnerable rural settlements of Armenia. As of July 2020, a total of 7 community development funds and 1 agricultural cooperative established within the scope of UNDP implemented and Russia funded projects continue working in Tavush region towards local food security and self-sufficiency. One more logistics center for development of wheat value chain and strengthening the food security system in Gegharkunik region is being established with the support of the Russian Federation. Hundreds of young people receive the opportunities of upskilling, reskilling and seed funding for their innovative startup ideas in the field of tourism, food industry and agriculture. Meanwhile, the “Fostering Participatory Development in Bordering Settlements of Gegharkunik and Vayots Dzor Regions” Project is supporting the SMEs and microenterprises in Gegharkunik and Vayots Dzor regions offering income generation opportunities and technical support.

### ***Risks and Assumptions***

The Project hinges on the assumptions that:

Public participation helps to design measures towards recovery and crisis response, solutions and nudge behaviours which are acceptable and supported by the local population, and thus are durable

Continuity of food supply and the sustainable investments in the agricultural sector stabilises the local economies and reduces the vulnerability to the crises.

The crises is more palpable on the micro- rather than on macro level and the income restoration for the most vulnerable groups will speed up the recovery of local economies.

Functional infrastructure is an important part of response mechanism to crises and increases its efficiency.

The main risk that can hinder the project implementation is the change of the security situation along the border making the project implementation impossible in the target area.

The financial risk that the Project may face is the fluctuation of currency exchange rates increasing the cost for materials, equipment, machinery etc.

The internal political situation may change in the country causing instability and cancelling the current policy frameworks and the administrative setup needed for the project implementation.

The communities may have expectations which will be out of the Project scope and budget and impossible to be met by the Project. This, in its turn, may cause general sense of disappointment and lack of motivation for engagement.

Changes and reductions in the Government subventions programs as well as Support programs available for some sectors and community infrastructure recovery.

### ***Stakeholder Engagement***

The Project targets the economically active population in the settlements of Ararat, Armavir, Syunik and Aragatsotn regions, both women and men aged 18-75. Special focus of the Project will be i) the women as heads of the households, ii) young people, iii) people with disabilities, iv) people with a disabled family member, v) people with a multi-child family, vi) men and women furloughed as a result of staff changes vii) seasonal workers who failed to return to the accepting states because of COVID-19 viii) workers and small and medium entrepreneurs of the hard-hit sectors, who currently need alternative sources of income or support to sustain their businesses ix) small holder farmers.

The identification of stakeholders will be done through active engagement of the local and regional administrations, local civil society organizations and through directly working with the communities trying to mobilise and engage all the target segments of the local population.

The Project is inclusive and participatory at its core and will use the community mobilisation techniques, open call mechanisms, community meetings, focus group discussions, strong social criteria for the selection and engagement of project stakeholders.

The project will make sure that the local population of the target settlements has uninhibited access to the constructed and renovated infrastructure. In the meantime, the Project will ensure that its support to the producers and processors, as well as to any type of activity, will not cause adverse effects in the marketplace (i.e. distorted competition). All the types of production and processing supported locally, and the construction works initiated within the scope of the Project will be aligned with UNDP's commitment to mainstream social and environmental sustainability

The Project will closely cooperate with the media and will use a wide range of media channels and sound communication strategy to ensure the project visibility and proper coverage of its activities. The Project will set up a regular communication channel with the Embassy of the Russian Federation in Armenia sharing updates, briefs and organising joint filed visits.

Throughout its implementation the Project will identify the stakeholders who were off the radar at the initial phase of the Project and consequently design their engagement and management plan.



### ***South-South and Triangular Cooperation (SSC/TrC)***

Though at this stage the Project does not involve South-South and Triangular Cooperation, relevant opportunities may be identified, and partnerships shaped throughout implementation phase

#### ***Knowledge***

- Throughout its implementation the Project will design risk-informed recovery plans.
- The Project will conduct feasibility studies based on the identified production/processing potential of the target areas.
- The project will commission training modules, adapt and franchise courses for the capacity building of the beneficiaries.
- The visibility of the Project will be ensured through regular social media posts, video and photo content, publications in online and offline media outlets, interviews, opening ceremonies of the project-funded initiatives, field visits engaging the donor and partners.

#### ***Sustainability and Scaling Up***

The sustainability of the project is based on strong local ownership, which the Project will built through local participation, customised solutions for each of the target settlement considering the local needs, potential and resources. Next to this, the co-financing mechanism that the Project will apply has proved to be an effective strategy towards sustainability. Institutionalisation, management mechanisms and strengthened local capacities to manage the assets and infrastructure provided by the Project is another pillar of its sustainability.

To this end, the Project will apply the model of community development funds piloted during “Tavush” and “Fostering Participatory Development in Bordering Settlements of Gegharkunik and Vayots Dzor Regions” projects in addition to several other solutions. On another note, the Project’s sustainability will be ensured through strong partnerships with the local administrations, who will facilitate the project interventions in the target communities and undertake the management and maintenance of several of the Project results during and after its lifecycle.

The alignment of the Project’ strategy with the Government vision on recovery and crisis response will ensure its support and ownership of the results delivered by the Project. Particularly the regular communication with the Ministry of Territorial Administration and Infrastructure and its presence on the Project Board will keep the Project updated on priorities of the Government, make necessary adjustments in the course of implementation, when necessary and deliver models, mechanisms and results which the Ministry will be interested to scale up nationwide.

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### **III. PROJECT MANAGEMENT**

#### ***Cost Efficiency and Effectiveness***

The Project will conduct the procurement of goods and services in compliance with UNDP Standard Operational Procedures, which envisages acquisition of appropriate quality goods and services at the most competitive/lowest price in the market with value-for-money considerations.

The Project will optimise the costs and increase the impact mobilising expertise and funds through synergised efforts with the projects and agencies working in the same direction in the target area (reference to Section III Partnerships). The Project will consider cooperation with the Common Fund for Commodities.

#### ***Project Management***

The project will be implemented in “Support to National Implementation Modality (NIMCO) under the overall coordination of the Ministry of Territorial Administration and Infrastructure (MTAI) as the Project Implementing Partner. The UNDP Country Office will ensure project accountability, transparency,

effectiveness and efficiency in implementation. UNDP will provide the Implementing Partner with the following major support services for the activities of the project in accordance with UNDP corporate regulations: (i) identification and recruitment of project personnel; (ii) procurement of goods and services; (iii) financial services, based on a Letter of Agreement (LoA), attached to this Project Document.

Financial oversight, including approval of expenditures and independent audits, monitoring and mid-term and final evaluation of progress and results will be also ensured by the UNDP country office. The costs directly attributable to activities that support programme quality, coherence and relate to development results as well as the policy advisory services provided by the UNDP staff related to activities of technical and implementation nature that are essential to deliver development results will be directly charged to the project budget.

UNDP, as responsible partner, will establish a project team, which will ensure that the envisaged activities are carried out in a timely manner and the outputs are reached. The project will be implemented in the framework of UNDP's "Sustainable Communities and Tourism" (SCT) Programme. The project team will be managed by the SCT Programme Manager, who will coordinate project activities and serve as the financial authorizing officer. This will ensure optimisation of costs as well as build on already accumulated experience and knowledge and ensure synergies.

The SCT Programme Manager will report to the Socio-Economic Development (SED) Portfolio Manager and will be responsible for all project operations. The SED Portfolio Manager will ensure the proper use of funds and that the project activities are implemented in accordance with the agreed project document and project work plans. Management of project funds including budget revisions, disbursements, record keeping, accounting, reporting, and auditing will follow the UNDP rules and procedures. The SCT Programme Manager will be responsible for the project daily planning, implementation quality, reporting, timeliness and effectiveness of the activities carried out, and will be supported by *support staff and experts*.

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#### **IV. RESULTS FRAMEWORK<sup>7</sup>**

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<sup>7</sup> UNDP publishes its project information (indicators, baselines, targets and results) to meet the International Aid Transparency Initiative (IATI) standards. Make sure that indicators are S.M.A.R.T. (Specific, Measurable, Attainable, Relevant and Time-bound), provide accurate baselines and targets underpinned by reliable evidence and data, and avoid acronyms so that external audience clearly understand the results of the project.

**Intended Outcome as stated in the UNDAF/Country Programme Results and Resource Framework:**

Outcome indicators as stated in the Country Programme [or Global/Regional] Results and Resources Framework, including baseline and targets: **Outcome 4: People, communities and regions benefit from equitable economic opportunities, decent work and sustainable livelihoods, enabled through competitiveness and inclusive green growth**

*Indicator: Poverty rate decreased, Baseline (2018): 23.4, Target (2024): 20. Indicator (SDG 8.5.2) Unemployment rate decreased, Baseline (2018): 19, Women:20.4, Men:17.9, Youth:24.9, Rural:11.3, Urban: 24.9, Target (2024): 17, Women:18, Men:17, Youth:22, Rural:10, Urban: 23, Indicator: Per capita average monthly gross income level of rural population increased, Baseline (2018): 63,338 Target (2024): 75,000*

**Applicable Output(s) from the UNDP Strategic Plan:** *Output 1.1. National and sub-national systems and institutions enabled to achieve structural transformation of productive capacities that are sustainable and employment - and livelihoods-intensive,*

**Project title and Atlas Project Number: Building Back Better through Strengthening Resilience of Rural Communities in Ararat, Aragatsotn, Armavir and Kotayk regions**

EXPECTED OUTPUTS	OUTPUT INDICATORS <sup>8</sup>	DATA SOURCE	BASELINE		TARGETS (by frequency of data collection)				DATA COLLECTION METHODS & RISKS
			Value	Year	Year 1	Year 2	Year 3	FINAL	
<b>Component 1</b> <i>Increase involvement of all segments of the target communities in the recovery planning and monitoring towards building context-specific data on the community level</i>	<b>1. # of women, men, youth report awareness of and engagement in the recovery planning and monitoring in their communities.</b>	Surveys Monitoring reports Participation lists	0	2020	- w 150 - m 150 - y 75	-w 250 -m 250 -y 125	0	w-400 m-400 y-200  1000	Project monitoring Survey Project records
	<b>1.1</b> Number of communities with recovery plans	field visit reports, Project reports, Recovery plans	0	2020	15	25	0	40	Field visits Request for information to the beneficiary communities
	<b>1.2</b> Number of community resilience teams established and functioning	Meeting records	0	2020	15	25	0	40	Reporting Field visits project records

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<sup>8</sup> It is recommended that projects use output indicators from the Strategic Plan IRRF, as relevant, in addition to project-specific results indicators. Indicators should be disaggregated by sex or for other targeted groups where relevant.

	1.2.1 Upgrade of Community Relationship Management (CoRM) database of the RA Ministry of Territorial Administration and Infrastructure (MTAI) is completed	Project Progress report	1	2020	0	Completed	0	Completed	Reporting
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<b>Component 2</b> Strengthen food security and increase self-sufficiency of rural households through building green and resilient	<b>2. a) increase in the production volume/cultivation area of the essential foods/crops in the target regions</b> <b>b) Number of women, men, youth directly involved in the value chains.</b>	Surveys Monitoring reports records of the logistics centers	0	2020	a) 10% b) w-800 m-800 y-400	a)30% b) w-1200 m-1200 y-600	a)40% b)w-2000 m-2000 y-1000	a) 30% (average) b)w-4000 m-4000 y-2000  10000	Project monitoring Project reports Surveys interviews

agricultural value chains.	2.1 Number of logistics centers established by the Project	Field visit reports Project reports records of the logistics centers	0	2020	0	2	0	2	Field visits, interviews, surveys, project records
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<b>Component 3</b> Help rural population, including the youth and women, cope with the adversity of COVID-19 through protecting and creating jobs, as well as income generation opportunities.									
	<b>3. a) Number of women, men, youth in the regions benefiting from job creation and income generation opportunities</b> <b>b) Number of youth with access to new learning facilities</b>	Surveys Monitoring report	0	2020	a) -m 5 -w 5 -y 10  b)0	a) -m 15 -w 15 -y 70  b) -70 out of which women -35	a) 0 y-40  - b)70	a) -m 20 -w 20 -y 120  b) -70 out of which women -35	Project Progress report Survey
	3.1. a) Number of SMEs co-financed by the Project b) Number of SMEs benefitting from capacity-building opportunities	Project reports Success stories Media coverage	0	2020	a) 5 out of which -women-owned SMEs 2 - youth-owned SMEs 1  b) 25	a) 15 out of which - women-owned SMEs 7 - youth-owned SMEs 3  b) 50	0	a)20 out of which -women-owned SMEs 9 - youth-owned SMEs 5  b) 75	Project Progress Reports Media Beneficiary interviews
	Project reports	0	2020	a) 0	a) 3	a) 0 b) 3	a) 3	Project Progress Reports	

	3.2 a) Number of training facilities created by the Project in local VET institutions b) Number of extension courses tailored to the needs of each region c) Number of career trails implemented by the Project	Designed curricula			b) 0 c) 0	b) 9 c) 10	c) 5	b) 12 c) 15	Project records
<b>Component 4</b> Support the rural settlements to restore and build back better their basic services, including primary healthcare services.	4. Percentage of local populations In each community benefitting from improved basic services (final target in absolute figures, out of which)	Project reports Media coverage	0	2020	-50%	50%	50%	-5000 w-2500	Reporting Media tours
	4.1 c) Number of communities, where the crisis preparedness level of the rural healthcare facilities was evaluated b) Number of healthcare facilities renovated	Project reports Survey	0	2020	a) 15 b) 0	a) 25 b) 5	a) 0 b) 5	a) 40 b) 10	Reporting Survey
	4.2 a) Number of education facilities with improved water supply b) Number of communities with restored street lighting c) the total length in km of the built street lighting d) Number of public facilities benefitting from introduced risk mitigation measures	Project reports Beneficiary feedback Field visit reports	0	2020	a) 2 b) 1 c) 1km d) TBD based on the assessment results	a) 10 b) 3 c) 2.5 km d)	a) 3 b) 3 c) 2.5 km d)	a) 15 b) 7 c) 6 km d)	Reporting Interviewing Field visits

## V. MONITORING AND EVALUATION

In accordance with UNDP's programming policies and procedures, the project will be monitored through the following monitoring and evaluation plans: *[Note: monitoring and evaluation plans should be adapted to project context, as needed]*

### Monitoring Plan

Monitoring Activity	Purpose	Frequency	Expected Action	Partners (if joint)	Cost (if any)
<b>Track results progress</b>	Progress data against the results indicators in the RRF will be collected and analysed to assess the progress of the project in achieving the agreed outputs.	At least annually	Slower than expected progress will be addressed by project management.	N/A	N/A
<b>Monitor and Manage Risk</b>	Identify specific risks that may threaten achievement of intended results. Identify and monitor risk management actions using a risk log. This includes monitoring measures and plans that may have been required as per UNDP's Social and Environmental Standards. Audits will be conducted in accordance with UNDP's audit policy to manage financial risk.	Annually	Risks are identified by project management and actions are taken to manage risk. The risk log is actively maintained to keep track of identified risks and actions taken.	N/A	N/A
<b>Learn</b>	Knowledge, good practices and lessons will be captured regularly, as well as actively sourced from other projects and partners and integrated back into the project.	At least annually	Relevant lessons are captured by the project team and used to inform management decisions.	N/A	N/A
<b>Annual Project Quality Assurance</b>	The quality of the project will be assessed against UNDP's quality standards to identify project strengths and weaknesses and to inform management decision making to improve the project.	Annually	Areas of strength and weakness will be reviewed by project management and used to inform decisions to improve project performance.	N/A	N/A
<b>Review and Make Course Corrections</b>	Internal review of data and evidence from all monitoring actions to inform decision making.	At least annually	Performance data, risks, lessons and quality will be discussed by the project board and used to make course corrections.	N/A	N/A

<b>Project Report</b>	A progress report will be presented to the Project Board and key stakeholders, consisting of progress data showing the results achieved against pre-defined annual targets at the output level, the annual project quality rating summary, an updated risk log with mitigation measures, and any evaluation or review reports prepared over the period.	Annually, and at the end of the project (final report)	Any major deviation from the workplan will be presented to the project Board	N/A	N/A
<b>Project Review (Project Board)</b>	The project's governance mechanism (i.e., project board) will hold regular project reviews to assess the performance of the project and review the Multi-Year Work Plan to ensure realistic budgeting over the life of the project. In the project's final year, the Project Board shall hold an end-of project review to capture lessons learned and discuss opportunities for scaling up and to socialize project results and lessons learned with relevant audiences.	Annually	Any quality concerns or slower than expected progress should be discussed by the project board and management actions agreed to address the issues identified.	N/A	N/A

## VI. MULTI-YEAR WORK PLAN <sup>910</sup>

All anticipated programmatic and operational costs to support the project, including development effectiveness and implementation support arrangements, need to be identified, estimated and fully costed in the project budget under the relevant output(s). This includes activities that directly support the project, such as communication, human resources, procurement, finance, audit, policy advisory, quality assurance, reporting, management, etc. All services which are directly related to the project need to be disclosed transparently in the project document.

EXPECTED OUTPUTS	PLANNED ACTIVITIES	Planned Budget by Year			RESPONSIBLE PARTY	PLANNED BUDGET		
		Y1	Y2	Y3		Funding Source	Budget Description	Amount
<b>Component 1:</b> Increase involvement of all segments of the target communities in the recovery planning and monitoring towards building context-specific data on the community level Gender marker: GEN 2	1.1.1 Activity: Design Local risk-informed COVID-19 socioeconomic recovery plans through community participatory consultations	32400	32400	0	UNDP	RUS GOV	Contractual Services/Individuals	22000
							Local Consultants	16000
							Contractual Services/Companies	16000
							Travel	6000
							Facilities and Administration	4800
	1.1.2 Activity: Mobilize and train a community resilience team to support implementation of the local risk-informed COVID-19 socioeconomic recovery plans	4320	17280	0	UNDP	RUS GOV	Local consultants	7000
							Contractual Services/Companies	13000
							Facilities and Administration	1600
	<b>Subtotal for Output 1.1</b>							<b>86,400</b>

<sup>9</sup> Cost definitions and classifications for programme and development effectiveness costs to be charged to the project are defined in the Executive Board decision DP/2010/32

<sup>10</sup> Changes to a project budget affecting the scope (outputs), completion date, or total estimated project costs require a formal budget revision that must be signed by the project board. In other cases, the UNDP programme manager alone may sign the revision provided the other signatories have no objection. This procedure may be applied for example when the purpose of the revision is only to re-phase activities among years.

	1.2.1 Upgrade Community Relationship Management (CoRM) database of the RA Ministry of Territorial Administration and Infrastructure (MTAI)	21600	0	0	UNDP	RUS GOV	Local Consultants	5000
							Contractual Services/Companies	15000
							Facilities and Administration	1600
	<b>Sub-Total for Output 1.2</b>							
<b>Component 2: Strengthen food security and increase self-sufficiency of rural households through building green and resilient agricultural value chains</b>  <i>Gender marker: GEN 2</i>	2.1.1 Activity: Conduct feasibility studies of establishing local agricultural value chains.	10800	0	0	UNDP	RUS GOV	Local consultants	10000
							Facilities and Administration	800
	2.1.2 Activity: According to the recommendations of the feasibility study establish a logistics center for the agricultural value chains (including construction, equipment, machinery, furniture)	64800	270000	43200	UNDP	RUS GOV	Contractual Services/Companies	300000
							Equipment and Furniture	50000
							Facilities and Administration	28000
	2.1.3 Activity: Set up the managerial structure of the logistics center	10,800	10,800	0	UNDP	RUS GOV	Local consultants	20000
							Facilities and Administration	1600
	2.1.4 Activity: Provide need-based (operational, managerial, marketing, technical and technological) training (with involvement of the Russian	0	16,200	5400	UNDP	RUS GOV	Local Consultants	20000
								1600

	expertise) to both the primary producers and the staff of the logistics center							Facilities and Administration	
<b>Sub-Total for Output 2.1</b>									<b>432,200</b>
<b>Component 3:</b> Help rural population, including the youth and women, cope with the adversity of COVID-19 through protecting and creating jobs, as well as income generation opportunities.	3.1.1. Activity: Design, roll out open calls and provide co-financing to the winning SMEs	83160	115560	71280	UNDP	RUS GOV	Contractual Services/Individuals	15000	
							Travel	5000	
							Contractual Services/Companies	230000	
							Facilities and Administration	20000	
	3.1.2 Based on the approved batch of applications, offer need-based capacity-building to the beneficiary SMEs under each call	5400	16200	10800	UNDP	RUS GOV	Local consultant	30000	
							Facilities and Administration	2400	
<b>Sub-Total for Output 3.1</b>									<b>302,400</b>

	<b>3.2.1 Activity:</b> Rapid Path to Reskilling: Enhance rapid reskilling capacity in the regions by strengthening local VET institutions	6480	52920	30240	UNDP	RUS GOV	Local Consultants	5000
							Contractual Services/Individuals	18 000
							Contractual Services/Companies	60000
							Facilities and Administration	6400
	<b>3.2.2 Activity:</b> Career Trail for Youth. Create a web platform (KolbaIntern) to connect local youth with entry-level employment opportunities in Armenia and globally and to run pilot batches of Career Trail in the four target regions	10800	7560	0	UNDP	RUS GOV	Local Consultant	5000
							Contractual Services/Companies	12000



							Facilities and Administration	1600
	<b>Sub-total for Output 3.2</b>							<b>108,000</b>
<b>Component 4:</b> Support the rural settlements to restore and build back better their basic services, including primary healthcare services.	<b>4.1.1 Activity:</b> Implement comprehensive evaluation of the crisis preparedness level of the rural healthcare facilities, particularly in the context of COVID-19 (Year 1)	10800	10800	0	UNDP	RUS GOV	Contractual Services/Companies	20000
							Facilities and Administration	1600
	<b>4.1.2 Activity:</b> Renovate and refurbish some of the most vulnerable local healthcare facilities in the target communities	27000	86400	16200	UNDP	RUS GOV	Contractual Services/Companies	100000
							Materials and Goods	20000
							Facilities and Administration	9600
	<b>Sub-total for Output 4.1</b>							<b>151,200</b>
	<b>4.2.1 Activity:</b> Restore internal water supply system in the local schools or/and kindergartens	25920	92880	43200	UNDP	RUS GOV	Travel	5000
							Local Consultants	10000
							Contractual Services/Companies	135000
							Facilities and Administration	12000
<b>4.2.2 Activity:</b> Build energy-efficient street lighting systems and introduce renewable energy solutions for community safety and resilience	32400	49680	25920	UNDP	RUS GOV	Travel	5000	
						Local Consultants	10000	
						Contractual Services/Companies	50000	

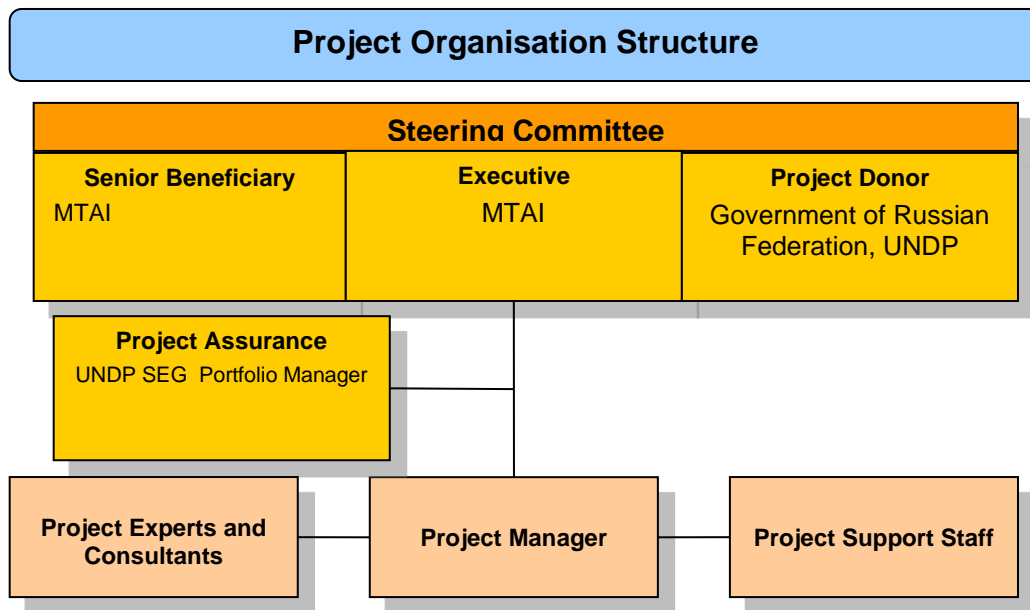
							Materials and Goods	35000
							Facilities and Administration	8000
	<b>4.2.3 Activity:</b> Introduce risk mitigation measures into infrastructure rehabilitation interventions	10800	32400	10800	UNDP	RUS GOV	Contractual Services/Companies	15000
							Materials and Goods	35000
							Facilities and Administration	4,000
	<b>Sub-total for Output 4.2</b>							<b>324,000</b>
<b>Project Implementation: 5 Activity</b>							Programme Management Cost	15000
							Contractual Services/individuals	78000
							Travel	15000
							Equipment	13000
							Communication and Audio visual	40000
							Supplies	3974
							Rental and Maint.Premises	15000
							Miscellaneous	27000
							Training, Workshop and Conferences	5000
							Vehicles-Budget	42100
							Facilities and Administration	20328
	<b>Sub-Total for Output 5</b>							<b>274,400</b>

<b>Outputs Total</b>			<b>1,574,074</b>
<b>GMS Total</b>			<b>125,926</b>
<b>TOTAL</b>			<b>1,700,000</b>

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## GOVERNANCE AND MANAGEMENT ARRANGEMENTS

### VII. Management Arrangements



The Ministry of Territorial Administration and Infrastructure will be the Implementing Partner of the Project. The Deputy Minister of Territorial Administration and Infrastructure, acting as the National Counterpart, shall represent the interests of the Republic of Armenia and be consulted on all substantive issues related to the execution of project activities.

UNDP will provide support services to the Implementing Partner in accordance with the Letter of Agreement to be signed with MTAI, which will be annexed to this project document. UNDP will ensure project accountability, transparency, effectiveness and efficiency.

A Project Steering Committee (PSC) will be established to oversee the management of the project. The PSC will be represented by the implementing agency, the key partners, including project beneficiaries, UNDP, and the donor. Regular PSC meetings will be organized to monitor the execution of the project activities. The PSC meetings will take place as necessary, but at least once a year. The PSC will monitor project progress, provide political oversight, and offer general advice for project implementation to make certain the project is consistent with national development priorities.

The UNDP SED Portfolio Manager will provide general project implementation assurance, including other programme support as necessary.

UNDP, as responsible partner, will establish a project team, which will ensure that the envisaged activities are carried out and the outputs are reached. The project will be implemented in the framework of UNDP

“Sustainable communities and Tourism” (SCT) Programme. The project team will be managed by the SCT Programme Manager, who will coordinate project activities and serve as the financial authorizing officer. This will ensure optimisation of costs as well as build on already accumulated experience and knowledge and ensure synergies.

## **VIII Legal Context**

This project document shall be the instrument referred to as such in Article 1 of the Standard Basic Assistance Agreement between the Government of Armenia and UNDP, signed on March 8 1995. All references in the SBAA to “Executing Agency” shall be deemed to refer to “Implementing Partner.”

This project will be implemented by UNDP in accordance with its financial regulations, rules, practices and procedures.

## **IX Risk Management**

1. Consistent with the Article III of the SBAA, the responsibility for the safety and security of the Implementing Partner and its personnel and property, and of UNDP’s property in the Implementing Partner’s custody, rests with the Implementing Partner. To this end, the Implementing Partner shall:
  - a) put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;
  - b) assume all risks and liabilities related to the Implementing Partner’s security, and the full implementation of the security plan.
2. UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of the Implementing Partner’s obligations under this Project Document.
3. The Implementing Partner agrees to undertake all reasonable efforts to ensure that no UNDP funds received pursuant to the Project Document are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via [http://www.un.org/sc/committees/1267/aq\\_sanctions\\_list.shtml](http://www.un.org/sc/committees/1267/aq_sanctions_list.shtml).
4. The Implementing Partner acknowledges and agrees that UNDP will not tolerate sexual harassment and sexual exploitation and abuse of anyone by the Implementing Partner, and each of its responsible parties, their respective sub-recipients and other entities involved in Project implementation, either as contractors or subcontractors and their personnel, and any individuals performing services for them under the Project Document.

(a) In the implementation of the activities under this Project Document, the Implementing Partner, and each of its sub-parties referred to above, shall comply with the standards of conduct set forth in the Secretary General’s Bulletin ST/SGB/2003/13 of 9 October 2003, concerning “Special measures for protection from sexual exploitation and sexual abuse” (“SEA”).

(b) Moreover, and without limitation to the application of other regulations, rules, policies and procedures bearing upon the performance of the activities under this Project Document, in the implementation of activities, the Implementing Partner, and each of its sub-parties referred to above, shall not engage in any form

of sexual harassment (“SH”). SH is defined as any unwelcome conduct of a sexual nature that might reasonably be expected or be perceived to cause offense or humiliation, when such conduct interferes with work, is made a condition of employment or creates an intimidating, hostile or offensive work environment.

5. a) In the performance of the activities under this Project Document, the Implementing Partner shall (with respect to its own activities), and shall require from its sub-parties referred to in paragraph 4 (with respect to their activities) that they, have minimum standards and procedures in place, or a plan to develop and/or improve such standards and procedures in order to be able to take effective preventive and investigative action. These should include: policies on sexual harassment and sexual exploitation and abuse; policies on whistleblowing/protection against retaliation; and complaints, disciplinary and investigative mechanisms. In line with this, the Implementing Partner will and will require that such sub-parties will take all appropriate measures to:

- i. Prevent its employees, agents or any other persons engaged to perform any services under this Project Document, from engaging in SH or SEA;
- ii. Offer employees and associated personnel training on prevention and response to SH and SEA, where the Implementing Partner and its sub-parties referred to in paragraph 4 have not put in place its own training regarding the prevention of SH and SEA, the Implementing Partner and its sub-parties may use the training material available at UNDP;
- iii. Report and monitor allegations of SH and SEA of which the Implementing Partner and its sub-parties referred to in paragraph 4 have been informed or have otherwise become aware, and status thereof;
- iv. Refer victims/survivors of SH and SEA to safe and confidential victim assistance; and
- v. Promptly and confidentially record and investigate any allegations credible enough to warrant an investigation of SH or SEA. The Implementing Partner shall advise UNDP of any such allegations received and investigations being conducted by itself or any of its sub-parties referred to in paragraph 4 with respect to their activities under the Project Document, and shall keep UNDP informed during the investigation by it or any of such sub-parties, to the extent that such notification (i) does not jeopardize the conduct of the investigation, including but not limited to the safety or security of persons, and/or (ii) is not in contravention of any laws applicable to it. Following the investigation, the Implementing Partner shall advise UNDP of any actions taken by it or any of the other entities further to the investigation.

b) The Implementing Partner shall establish that it has complied with the foregoing, to the satisfaction of UNDP, when requested by UNDP or any party acting on its behalf to provide such confirmation. Failure of the Implementing Partner, and each of its sub-parties referred to in paragraph 4, to comply of the foregoing, as determined by UNDP, shall be considered grounds for suspension or termination of the Project.

6. Social and environmental sustainability will be enhanced through application of the UNDP Social and Environmental Standards (<http://www.undp.org/ses>) and related Accountability Mechanism (<http://www.undp.org/secu-srm>).

7. The Implementing Partner shall: (a) conduct project and programme-related activities in a manner consistent with the UNDP Social and Environmental Standards, (b) implement any management or mitigation plan prepared for the project or programme to comply with such standards, and (c) engage in a constructive and timely manner to address any concerns and complaints raised through the Accountability Mechanism. UNDP will seek to ensure that communities and other project stakeholders are informed of and have access to the Accountability Mechanism.

8. All signatories to the Project Document shall cooperate in good faith with any exercise to evaluate any programme or project-related commitments or compliance with the UNDP Social and Environmental Standards. This includes providing access to project sites, relevant personnel, information, and documentation.

9. The Implementing Partner will take appropriate steps to prevent misuse of funds, fraud or corruption, by its officials, consultants, responsible parties, subcontractors and sub-recipients in implementing the project or using UNDP funds. The Implementing Partner will ensure that its financial management, anti-corruption and anti-fraud policies are in place and enforced for all funding received from or through UNDP.

10. The requirements of the following documents, then in force at the time of signature of the Project Document, apply to the Implementing Partner: (a) UNDP Policy on Fraud and other Corrupt Practices and (b) UNDP Office of Audit and Investigations Investigation Guidelines. The Implementing Partner agrees to the requirements of the above documents, which are an integral part of this Project Document and are available online at [www.undp.org](http://www.undp.org).
11. In the event that an investigation is required, UNDP has the obligation to conduct investigations relating to any aspect of UNDP projects and programmes in accordance with UNDP's regulations, rules, policies and procedures. The Implementing Partner shall provide its full cooperation, including making available personnel, relevant documentation, and granting access to the Implementing Partner's (and its consultants', responsible parties', subcontractors' and sub-recipients') premises, for such purposes at reasonable times and on reasonable conditions as may be required for the purpose of an investigation. Should there be a limitation in meeting this obligation, UNDP shall consult with the Implementing Partner to find a solution.
12. The signatories to this Project Document will promptly inform one another in case of any incidence of inappropriate use of funds, or credible allegation of fraud or corruption with due confidentiality.

Where the Implementing Partner becomes aware that a UNDP project or activity, in whole or in part, is the focus of investigation for alleged fraud/corruption, the Implementing Partner will inform the UNDP Resident Representative/Head of Office, who will promptly inform UNDP's Office of Audit and Investigations (OAI). The Implementing Partner shall provide regular updates to the head of UNDP in the country and OAI of the status of, and actions relating to, such investigation.

UNDP shall be entitled to a refund from the Implementing Partner of any funds provided that have been used inappropriately, including through fraud or corruption, or otherwise paid other than in accordance with the terms and conditions of the Project Document. Such amount may be deducted by UNDP from any payment due to the Implementing Partner under this or any other agreement. Recovery of such amount by UNDP shall not diminish or curtail the Implementing Partner's obligations under this Project Document.

Where such funds have not been refunded to UNDP, the Implementing Partner agrees that donors to UNDP (including the Government) whose funding is the source, in whole or in part, of the funds for the activities under this Project Document, may seek recourse to the Implementing Partner for the recovery of any funds determined by UNDP to have been used inappropriately, including through fraud or corruption, or otherwise paid other than in accordance with the terms and conditions of the Project Document.

*Note:* The term "Project Document" as used in this clause shall be deemed to include any relevant subsidiary agreement further to the Project Document, including those with responsible parties, subcontractors and sub-recipients.

13. Each contract issued by the Implementing Partner in connection with this Project Document shall include a provision representing that no fees, gratuities, rebates, gifts, commissions or other payments, other than those shown in the proposal, have been given, received, or promised in connection with the selection process or in contract execution, and that the recipient of funds from the Implementing Partner shall cooperate with any and all investigations and post-payment audits.
14. Should UNDP refer to the relevant national authorities for appropriate legal action any alleged wrongdoing relating to the project, the Government will ensure that the relevant national authorities shall actively investigate the same and take appropriate legal action against all individuals found to have participated in the wrongdoing, recover and return any recovered funds to UNDP.

15. The Implementing Partner shall ensure that all of its obligations set forth under this section entitled “Risk Management” are passed on to each responsible party, subcontractor and sub-recipient and that all the clauses under this section entitled “Risk Management Standard Clauses” are included, *mutatis mutandis*, in all sub-contracts or sub-agreements entered into further to this Project Document.

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## X ANNEXES

1. **Project Quality Assurance Report** <https://intranet-apps.undp.org/ProjectQA/Forms/Design?fid=6636&year=2020&ou=ARM&pid=00129879&filter=PROJECT>
2. **Social and Environmental Screening**
3. **Risk Analysis**
4. **LOA**



### Annex 3: Risk Analysis

#	Description	Date Identified	Type	Impact & Probability	Countermeasures / Mngt response	Owner
1	Change of the security situation along the border and escalation of the conflict.	October 30, 2020	Political	Difficulties/security restrictions for operating in certain communities and impose risk for sustainability of actions. P = 5 I = 5	<i>Project will follow instructions from UN DSS for the trips to those communities (additional security measures may be taken into account).</i>	UNDSS Programme Manager
2	Floating exchange rate of the Armenian Dram and the high frequency of rate fluctuations	October 30, 2020	Financial	The costs will rise causing budget insufficiency.  P = 4 I = 4	Attracting additional funds from the communities and beneficiaries, establishing public private partnerships, leveraging funds with other organizations / projects operating in the region.	Programme Manager
3	The internal political situation changes in the country.	October 30, 2020	Political	This will cause instability and cancel the current policy frameworks and the administrative setup needed for the project implementation.  P = 3 I = 3	The Project will revisit its implementation strategy and while the principles will remain intact, the mechanisms may change.	Programme Manager
4	High expectations of the community which cannot be met within the scope of the Project, its budget and strategy.	October 30, 2020	Other	The reputation of the Project is undermined in the communities, and the community is disinterested in the Project. P = 2 I = 2	The regular and open communication with the communities will set it clear what should be expected within the Project and what are the limitations of the Project scope.	Programme Manager
5	Changes and reductions in the Government subventions and	October 30, 2020	Other	The anticipated cofinancing by the Government will be either cancelled or	The Project will try to engage other sources of funding through cooperation	Programme Manager

	<p>support programs available for some sectors and community infrastructure recovery.</p>			<p>reduced the financial commitment to support beneficiaries.  P=3  I=3</p>	<p>increasing the Project's commitment to the beneficiaries.</p>	<p>of international and local organisations, or whenever possible ensure the acceptable maximum amount of co-financing by the beneficiaries without compromising the inclusiveness of the interventions.  Otherwise the Project will revise the targets set for the number of supported SMEs and the number of community infrastructure supported/renovated by the Project.</p>
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