



**PROJECT DOCUMENT**  
**Republic of Armenia**



Empowered lives.  
Resilient nations.

**Project Title: EU Green Agriculture Initiative in Armenia (EU-GAIA)**

**Project Number:** 00110255/00109283

**Implementing Partner:** Ministry of Economy

**Start Date:** November 2019

**End Date:** December 2022

**PAC Meeting date:** 25.11.2019

**Brief Description**

The EU-Green Agriculture Initiative in Armenia (EU-GAIA) Project is part of the EU's Annual Action Programme for 2018 – Regional Development. The overall objective and the specific objective of the Action are in line with the Annual Action Programme (AAP) for 2018 and the Cooperation Strategy of the Austrian Development Cooperation 2012 - 2020. The overall objective is to contribute to the realization of shared and balanced inclusive growth in the Northern regions of Armenia through boosting green agriculture and enhancing local value added.

The proposed project will be implemented within the framework of the EU-GAIA project with exclusive funding from the Austrian Development Cooperation, while the Austrian Development Agency is the main implementing partner for the EU programme. The project activities will be mainly concentrated in Shirak, Lori and Tavush marzes as envisaged by EU AAP 2018. These marzes are located at high altitudes in border regions. They suffer from weak economic diversification, high poverty and unemployment rates and limited access to markets, as well as increased vulnerabilities of the rural population especially in remote and border parts.

UNDP will be responsible for the implementation of major parts of **EU-GAIA Specific Objective 3: Selected agribusinesses are more competitive through a rights-based approach and access to inputs, equipment, infrastructures and services**, and the following results are expected:

- 3.1. Pipeline of investable and high added value agribusinesses with demonstrated commitment to an inclusive and rights-based workplace environment created;
- 3.2. Agribusinesses have improved productivity through access to inputs, equipment, infrastructures and services;
- 3.3. Increased productivity in selected Value Chains through application of resource efficient and resilient farming practices;
- 3.4. Agribusinesses have improved access to local, national and international markets.

Contributing Outcome (UNDAF/CPD, RPD or GPD):  
By 2020, Armenia's competitiveness is improved and people, especially vulnerable groups, have greater access to sustainable economic opportunities.  
Indicative Output(s) with gender marker: Local capacities strengthened to develop and implement innovative and diversified income-generating practices that are sustainable and employment and livelihood intensive targeting most vulnerable groups. GEN 1 SDGs 2, 8

<b>Total resources required:</b>	2,200,220 USD (1,980,198 Euro)
<b>Total resources allocated:</b>	<b>UNDP TRAC:</b>
	<b>Donor ADA:</b> 2,200,220 USD
	<b>Government:</b>
	<b>In-Kind:</b>

Agreed by (signatures):

Government	UNDP
 Artak Kamalyan Deputy Minister of Economy	 Dmitry Mariyasin UNDP Resident Representative
Date: 28.11.19	Date: 28.11.19

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## I. DEVELOPMENT CHALLENGE

Over the past 15 years, Armenia's economy has gone through a structural transformation from agriculture towards the service sector. In 2008, agriculture contributed 25% of the GDP and 44% of the employment, while in 2015 the share of agriculture to GDP had fallen to 19% and 35% of the employment.<sup>1</sup> In 2017, the employment ratio was further reduced to 31%, but still providing 70% of rural employment.<sup>2</sup> Over 50% of the agricultural workforce is female, due to migration and a shift to non-farm employment by men.

However, with a total agricultural production worth 1.6 billion EUR, in 2017 it remains an important base and driver of growth of the Armenian economy; thus, agriculture is one of the sources for stronger and especially more inclusive growth in Armenia.<sup>3</sup> Although the agricultural sector is growing economically, it faces several ongoing challenges, such as **small and fragmented holdings**, being a result of the post-independence reforms, when large-scale state and collective farms were privatised, poor labour standards and gender inequality. According to the Agricultural Census, Armenia officially has 346,000 agricultural holdings, of which 317,000 are used for actual agricultural production.<sup>4</sup> Although the small average farm size of 1.5 ha together with land fragmentation and a lack of irrigation infrastructure limits the potential for commercial farming, agricultural land also serves as a social safety net due to the low minimum salary level and in times of unemployment and other hardships.

While 32% of arable **land is not used**, access to land is a limiting factor since most of the unused land is unsuitable for agriculture due to remoteness, small size, location in a dangerous area (e.g. mined) or because it is affected by erosion. Almost all soils of Armenia exhibit varying degrees of **erosion** and **uncontrolled exploitation of grazing lands**. Especially on nearby pastures and in dry regions this is the main reason for soil erosion.

Armenia, like other countries, is also affected by **impacts of climate change**, which will increase in the future, resulting in rising temperatures, changes in seasonality of precipitation and more severe weather patterns incl. droughts. Direct risks and consequences for agriculture include reduced crop yields, increased pest and disease pressure, increased need for irrigation, soil degradation/erosion, deforestation and a loss of soil fertility.<sup>5</sup>

The promotion of **green agriculture** offers adequate solutions to address various environmental challenges, as a green growth strategy *“aims to ensure that enough food is provided, efficiently and sustainably, for a growing population. This means increasing output while managing scarce natural resources; reducing the carbon intensity and adverse environmental impacts throughout the food chain; enhancing the provision of environmental services such as carbon sequestration, flood and drought control; and conserving biodiversity.”*<sup>6</sup> Besides offering environmentally friendly and climate-resilient solutions, perma- and green agriculture is per definition of green growth/economy also socially inclusive and gender transformative, thus, enhancing inclusive and equal access and benefits.<sup>7</sup>

A serious obstacle to increasing the quality and quantity of agricultural production is a **general lack of extension services**, also for organic production. On the one side, the quality of the public extension system is low, while on the other side, the private extension services are often not affordable to the farmers. Other structural problems include but are not limited to:

- policy and regulatory barriers that constrain both local and foreign investments in the agricultural sector,<sup>8</sup> including access to consolidated arable land;
- poor transport links;

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<sup>1</sup> World Bank Group, 2017

<sup>2</sup> Statistical Committee of the Republic of Armenia, 2018

<sup>3</sup> World Bank Group, 2017

<sup>4</sup> Statistical Committee of the Republic of Armenia, 2018

<sup>5</sup> USAID, 2017

<sup>6</sup> OECD 2011, A green growth strategy for the food and agriculture sector

<sup>7</sup> Thus, the project will promote sustainable use and management of natural resources, protection of the environment and biodiversity, as well as climate change adaptation and mitigation through use of renewable energy and application of green technologies and good agricultural practices. At the same time, socially inclusive and gender transformative measures, considering the specific needs, opportunities of women as well as marginalized and vulnerable groups will be facilitated, e.g. through promotion of inclusive market development approach.

<sup>8</sup> The level of FDI to agriculture in Armenia is modest, accounting for an average of 2% of total FDI during 2008-15. However, this is not unusual as in most economies investment in agriculture tends to be dominated by local investors.

- low farming intensity and fluctuating seasonal supply of agricultural raw commodities, as well as inconsistent volume and quality of supply.<sup>9</sup>
- outdated machinery, technologies and farming practices limit the productivity of farmers resulting in high production costs and therefore lower competitiveness.

Agricultural **cooperatives** are small in size and have limited capacities for service delivery and reaching sufficient quantities of agricultural products to improve market access. In contrast to individual farmers, products sold by cooperatives are taxable, which creates a strong disincentive for collaboration. Additionally, the general lack of trust and perceived benefits hampers the cooperation of farmers. All these facts currently limit the potential of cooperatives. The government has announced plans to exempt cooperatives from tax in the near future.<sup>10</sup>

Other options to **consolidate produce** is the development of contract farming through a lead farmer approach or directly to the buyer (e.g. retailer, processor, exporter) or through post-harvest logistical / consolidation centres<sup>11</sup>, consolidating smallholders' production and linking them to the markets, often in connection with services like cleaning, packaging and transportation. Strengthening rural land markets is another option for consolidation and FAO is advising the GoA in this respect.

Armenia remains a **net importer**, also of food, including certain staples. Agricultural **exports** demonstrated higher growth than overall exports since 2004 – from 60 to 356 million EUR in 2015. However, most of these exports are alcoholic beverages and cigarettes made from imported tobacco, benefitting large enterprises rather than small farmers. Export of crops and livestock products, fresh fruit and vegetables, fish products, dairy products, processed fruits and vegetables have increased from 15 to 99 million EUR in the same period. 70% of agricultural exports go to Russia, creating a high dependency of that market. The EU imports 5% of the value<sup>12</sup> only, although Armenia enjoys preferential market access to the EU under the GSP+ framework. Organic products with high export potential include high-value vegetables, fruits (e.g. stone fruits, berries) and medicinal herbs from cultivation and wild collection. Volumes remain low and processing techniques - such as drying - need improvement.

Small farmers usually do not comply with food safety standards and are not certified. From 2015 onwards, the EU standards for **food safety** are officially applicable in Armenia and the GoA is planning to increasingly enforce their application. However, the State Food Safety Inspectorate, as well as small producers are insufficiently prepared to apply these standards and implementation will be an issue limiting both access to local premium and international markets. Modernizing the food safety system in Armenia is therefore considered a high priority.<sup>13</sup> Both ENPARD and OASI have supported farmers in preparing for certification through training on food safety and traceability, as well as providing processing equipment based on food safety standards. Food safety audits provided were accompanied by recommendations and cost estimates for improvements to be made for certification.

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## II. STRATEGY

The underlying logic for intervention is the following: if motivated farmers will have access to resources (good inputs and services), infrastructure, technologies and know-how, and if they will be better connected to national and international markets, then they will be able to increase productivity, enlarge volumes of production, improve working conditions in the agricultural sector and improve quality. This shall result in higher incomes, more and better jobs, more inclusive and protected working environments, better protection of natural resources, behavioural change<sup>14</sup> and generally inclusive economic growth in Northern Armenia. Conducive policies and enabling environment are prerequisites to achievement of this goal.

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<sup>9</sup> World Bank Group, 2018

<sup>10</sup> The ENPARD assessment on farmer organizations provides recommendations to the MoA on the establishment of a new producer based cooperative model, as well as improvements to the policy and law on agricultural cooperatives.

<sup>11</sup> Consolidation centres have previously been established through the Millennium Challenge Account, but apparently with limited success, likely due to establishment late in the project cycle giving limited possibilities for assistance during the start-up phase.

<sup>12</sup> World Bank, 2018

<sup>13</sup> Christensen, Hakobyan, 2016

<sup>14</sup> Capacity development is also about changing behaviours, in the management of natural resources, in social and power relations, economic decision-making.

## 1.1. Inception phase

In order to validate the current design of the project, to elaborate a more detailed work plan and to modify indicators where necessary, an inception phase of five months is foreseen. Inception activities will be done in close cooperation with ADA. During the inception phase, also the following comprehensive activities are planned:

- **Support to baseline survey:** UNDP will provide data and inputs for elaboration of survey's TOR to ADA's team to conduct participatory baseline survey for selection of agrobusinesses (activity 2.1.1 of EU GAIA)
- **Support to market and feasibility study:** to collaborate with ADA team on the identification and selection of the most promising value chains (activity 2.1.2. of EU GAIA)
- **Selection of green technologies and good agricultural practices (GAPs):** to select the best suited for the local context in consultation with ADA, complemented by capacity development (activity 2.1.3.)
- **Guidelines for grant and support schemes:** setting the frame for the envisaged grants and potential PPPs or other schemes (activity 2.1.4. of EU GAIA)

## 1.2. Approach and strategy for implementation

The implementation of actions will follow the “**Inclusive Market Systems Development**” approach which entails change by improving the functioning of the market system to achieve scale, sustainability and resilience for rural households. **This approach will guide the implementation of activities in order to achieve the proposed results.** To ensure quick adoption, the project will work with those advanced farmers and the groups of farmers who are open to make a step further, adopt new approaches, introduce advanced farming methods and technologies and provide a cost-sharing to strengthen the ownership and therefore assure sustainability of the results. The project will create a pipeline of investable ventures with further growth potential.

Following the principles of **inclusivity** and “**leave no one behind**” the project will ensure equal access to resources, services and infrastructure promoted through the various activities of the project by smallholder farmers, especially those belonging to marginalised groups such as minorities and people with disabilities and pay due attention to ensuring the rights of children/adolescent men and women that are formally and informally active in the agricultural sector. Equally, specific attention will be given to facilitate the promotion of women's and smallholder farmers' social and economic empowerment to ensure their inclusion in and benefit from selected value chains as well as their labour rights. Thus, the project will also facilitate the promotion of such agricultural products (e.g. herbs or spices), which is not only collected by women or marginalized and vulnerable groups or produced on small areas of land but have a substantial income potential. Moreover, environmental assessments and awareness of all value chains will be conducted in participatory manner and those that involve high risks for the agribusinesses, or the environment / ecosystems will not be selected. Beneficiaries will also be made aware which steps they can take at household and production sites to optimise climate change adaptation by the rural population of Armenia.

The project will **focus on at least 3 value chains** that provide the best development opportunities and possible upscaling, taking into consideration the special regional focus on the North of Armenia. While the identification and selection of specific value chains will be done during the inception phase, the preliminary list for market and feasibility study includes dairy, sheep meat, berries, legumes, high-value vegetables and herbs (like medicinal, cosmetics or spices). Value chains connected to Organic Agriculture will be taken on by other ADA managed components of the EU GAIA programme. After the selection of potential “conventional” but promising agricultural products, the main stakeholders along the value chain will be identified, and – in case of new actors – their cooperation possibilities, requirements and demands analysed. This assessment shall include aspects related to sustainable and Fairtrade production, processing and marketing, capacity gaps/demands, required inputs, infrastructures, equipment and services.

The assistance to the agribusinesses and other actors along the value chains will include but is not limited to the **provision of financial and technical assistance.** **Financial assistance** on a cost-sharing basis will be provided to the actors of the value chains to facilitate the required investments in production, processing and marketing. The financial assistance will be complemented by gender-sensitive and rights-based capacity development measures to facilitate behavioural changes and thus the shift to inclusive and

green agriculture. Those measures will be diverse, varying from practical training on business planning up to the assistance with marketing of the products. Training for improving financial literacy and socially/economically responsible facilitation of access to finance is considered. Public-private partnerships (PPPs) with the businesses sector will be promoted in line with the principles of inclusive and rights-based market development to ensure the independent functioning of the value chains and improvements of labour standards and inclusion in the agricultural sector beyond the project's lifetime. Capacity development (e.g. training, coaching, demonstration sites) will be provided via an **upgraded extension system, service providers, consultancies and demo sites** which proved to be an effective way of knowledge sharing and convincing agribusinesses for taking on innovations and a more rights-based and CSR-minded approach in their business model. As far as possible, cooperation with existing institutions – such as training, extension and certification service providers – will be ensured to strengthen their capacities in day-to-day work. Capacity development measure will aim to ensure agribusinesses access to new skills and knowledge, efficient performance of tasks in green agriculture, better social and employment conditions and to achieve expected results and to take sound decisions in terms of required investments and management.

Besides access to good quality inputs, equipment and services, **reduction of post-harvest losses** is one of the important factors for increased agricultural productivity and efficient use of existing resources. Therefore, the project will facilitate the development of lacking or insufficient infrastructure, such as small-scale storages, milk collection units, packing facilities etc. The establishment of infrastructure and purchase of equipment shall be facilitated through access to cost-shared funding (call for proposals) and selected PPPs; strengthening of capacities of agribusinesses will be equally considered to ensure efficient management and maintenance of post-harvest infrastructure.

**Diversified marketing assistance** will be a part of the project aiming to facilitate access to local markets (e.g. HoReCa and tourism service providers), national markets (e.g. supermarkets, retailers) and international ones (especially EU). Marketing assistance will be provided to the agribusinesses in the selected value chains, both at individual (household/farm) level as well as at the level of processors. This assistance will include awareness campaigns for producers and consumers about green and organic agriculture development, participation in the trade fairs domestically and abroad, support of the agribusinesses for branding and packaging.

The **protection and enhancement of natural resources** is one of the cornerstones of sustainable agriculture. Currently, about 2/3 of all agricultural lands are at different stages of degradation<sup>15</sup>. Land degradation results in restricted access to vital ecosystem services (especially land and water), and thus affects people's livelihoods. It can lead to deterioration of food availability, soil fertility, carbon sequestration capacity, wood production/deforestation or groundwater recharge with significant social and economic costs for Armenia. Rural people, especially in remote and marginalized areas, have restricted options for managing land in a sustainable manner, due to land degradation as well as lack of access to input and supply markets amongst others. To this end the project envisages activities aimed at **demonstration of measures increasing land fertility such as crop rotation, selection of proper soil nutrients, pasture management and other techniques** to demonstrate how green agriculture methods may improve the incomes of the farmers.

At the same time, the project will promote integration of principles of sustainable, rights-based and inclusive development into the community-level natural resource management plans (e.g. forest and/or pasture management plans) synergizing with the other actors in the field. Hence, **the applied approach will contribute to Armenia's commitment under the Paris Climate Agreement** and its climate adaptation targets that are laid forth in the country's NDC – Nationally Determined Contribution adopted in 2015. Furthermore, these approaches will also serve to nitrates reduction in the soil, one of the very concrete EU CEPA Action Plan measures.

It is expected that significantly better-skilled, rights-based and inclusive agribusinesses (farmers and processors) who invest – with substantial project support – into better farming and processing technologies will increase their agribusiness productivity, their sales volumes and marketing efforts.

Starting from 2017, the MoA promotes the usage of new technologies and modernization of machinery and farm equipment through subsidized loans, leasing schemes and other instruments. **UNDP - in close cooperation with ADA - will seek to synergize its activities with available national financial instruments to maximize the impact.**

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<sup>15</sup> [http://knowledge.unccd.int/sites/default/files/inline-files/armenia-ldn-country-report\\_0.pdf](http://knowledge.unccd.int/sites/default/files/inline-files/armenia-ldn-country-report_0.pdf)

The project envisages **advocacy measures** for promoting principles of green agriculture among the stakeholders and policymakers and improving, where necessary, the **regulatory framework, incl. labour rights protection** so that the national development policies and legislation are conducive to the development of inclusive, sustainable and green agriculture. The project will promote adoption of the state incentives for green agriculture development (for example subsidies or tax benefits for organic agribusinesses and/or waste reduction). Upon request from the government, the project will support assigned state bodies in developing a mechanism for improved land management, e.g. assisting in development of software for the agricultural farm register. Other measures will be explored in the baseline survey on Leaving No-one Behind and/or rights-based approaches in the agricultural sector.

- The Agenda 2030 explicitly refers to sustainable agriculture in various Sustainable Development Goals (SDG), thus, the project will contribute to several SDGs and targets, particularly SDG 2 (end hunger), SDG 5 (gender equality), SDG 8 (decent work and economic growth), SDG 12 (responsible production and consumption), SDG 13 (climate action) and SDG 15 (life on land).

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### III. RESULTS AND PARTNERSHIPS

#### *Overall objective:*

Overall objective is associated with EU-GAIA project objective that is to contribute to the realization of shared and balanced inclusive growth in the Northern regions of Armenia through boosting green agriculture and enhancing local value added.

#### *Specific Objective:*

UNDP project objective is aligned with the EU-GAIA project **Specific Objective 3: Selected agribusinesses are more competitive through a rights-based approach and access to inputs, equipment, infrastructures and services.**

#### *Expected Results*

The following result is envisaged for achieving the relevant specific objective:<sup>16</sup> **Result 3: Selected agribusinesses are more competitive through improved labour standards, inclusive approaches, efficiency and access to inputs, equipment, infrastructures and services.**

- 3.1. Pipeline of investable and high added value agribusinesses with demonstrated commitment to an inclusive and rights-based workplace environment created
- 3.2. Agribusinesses have improved productivity through access to inputs, equipment, infrastructures and services
- 3.3 Increased productivity in selected VCs through application of resource efficient and resilient farming practices
- 3.4. Agribusinesses have improved access to local, national and international markets

These activities deal with value chains which will be selected within the general value chain assessment commissioned by ADA during the inception phase considering the experience of the ENPARD and other relevant projects. Main beneficiaries are the participating farmers and the project wants to incorporate the agri-food processors as well, especially when being a major partner in the value chain. Making use of the improved (agri-) business environment under EU-GAIA, the umbrella project implemented by ADA, UNDP will link the development towards green agriculture to sustainability in terms of resource efficiency and profitability, as only profitable businesses can be sustainable.

Slightly different from traditional training modalities, the project will focus less on classroom teaching and much more on learning by doing and permanent assistance on the ground; i.e. on the farm or in the

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<sup>16</sup> The result might be further specified during the inception phase according to the findings and recommendations of the planned assessments and studies.

agribusiness facility. UNDP experience on work-based learning from other countries will be utilized. To speed up the transformation process towards more competitive farming and processing sector, better inputs are needed, e.g. breeding animals, farm machinery or processing equipment. These inputs will be made available on a favorable cost-sharing mechanism.

Having better skills and inputs available, agripreneurs (agricultural entrepreneurs) will be able to improve their productivity (i.e. more products at reduced production costs per unit). To close the circle of green, resource efficient and profitable agriculture, the agricultural entrepreneurs will be assisted in improving their marketing; that could be in forming groups but also on individual basis. The principle is to orient the selected VCs and all their stakeholders exclusively on market demand.

It is expected, that UNDP intervention will result in significantly better skilled farmers and processors, who invest – with substantial project support – into better farming and processing technologies to achieve the following key performance indicators:

- **Increase their agribusiness productivity per participating VC stakeholder**
- **Increase their sales volumes (due to higher productivity) and sales price (due to better marketing on national and international markets)**

First step of the project implementation will be a sound baseline study, showing the current performance data of the potentially, participating VC stakeholders, to allow ongoing monitoring and evaluation of key performance indicators as mentioned above.

**The following results and activities related to the above- mentioned Specific Objective 3:**

**Result 3.1 – Pipeline of investable and high added value agribusinesses** with demonstrated commitment to an inclusive and rights-based workplace environment **created**

**3.1.1.** Define criteria and select beneficiaries / agribusinesses in the selected value chains competitively

UNDP in agreement with the EU and ADA will elaborate eligibility criteria and select agribusinesses through a transparent and competitive process according to the mechanism for the local support scheme. A baseline survey (activity 2.1.1. of the EU GAIA Logframe), showing current performance data of the potentially participating VC stakeholders, to allow ongoing monitoring and evaluation of key performance indicators will be done.

**3.1.2** Conduct training needs assessment and corresponding capacity development for selected beneficiaries

Upon a training needs assessment, conduct corresponding capacity development measures for selected beneficiaries with a focus on production and farm-finance (bookkeeping, gross margin calculations, financing costs, other). Tailor-made training will include substantial outdoor (production oriented) activities and few classroom trainings that will focus on farm-finance and farm concepts, but potentially also on marketing and selling.

**3.1.3.** Develop individual farm concept for each selected agribusiness including support scheme

Business plans (farm concepts) are largely the same for agribusinesses in the same value chains but could contain specifics, reflecting farm assets and others. The successful experience of ENPARD project will be utilized during development of model and individual business plans.

**Result 3.2 - Agribusinesses have improved productivity through access to inputs, equipment, infrastructures and services**

**3.2.1.** Invest into the necessary inputs, equipment and services on a cost-sharing basis

To improve production in terms of quantity and quality (and therefore prices), agribusinesses need access to modern equipment, infrastructures and services, which will be provided by the project. The procurement of inputs, equipment and services (related to results 3.2. and 3.3.) will follow relevant UNDP procedures.

**3.2.2.** Facilitate availability, accessibility and sustainable utilisation of inputs, services, equipment and infrastructure by agribusinesses

Inputs, equipment and services will be made available and relevant infrastructure (especially post-harvest and quality infrastructure) accessible to agribusinesses. Targeted capacity development measures will be provided to ensure that inputs, equipment and infrastructures are being utilized and maintained in an

appropriate, efficient and sustainable manner. UNDP will duly document hand-over and assure sustainability of maintenance of equipment.

### **Result 3.3 - Increased productivity in selected value chains through application of resource efficient and resilient farming practices**

#### **3.3.1. Demonstrate innovative resource efficient and climate-smart practices**

Agribusinesses will be supported through introduction and showcasing of resource efficient, climate-smart and resilient farming practices (in cooperation with result 2.2 of the EU-GAIA). Agriculture efficiency and resilience in productive landscapes through innovative natural resource management practices will be enhanced and European principles of good agricultural practices promoted. Agribusinesses will benefit from having increased practical skills to address climate change risks in agricultural production and will expect annual increase in yield.

#### **3.3.2. Assist agribusinesses to gather their specific farm data and do gross margin calculations (updated) twice a year**

There are a number of constraints in keeping farm records, therefore keeping no written farm record at all is a common practice. Hence, agribusinesses will be encouraged to keep accurate farm records by providing relevant training in this respect. Accurate farm records with reliable agricultural data could be used for future investments, proper farm maintenance, disease control and policy formulation as a whole. Lessons and experience of on-going in country initiatives in this dimension will be considered.

### **Result 3.4 - Agribusinesses have improved access to local, national and international markets**

#### **3.4.1. Facilitate market linkages between agribusinesses and other actors along the value chain at national level**

In close cooperation with ADA, agribusinesses will be supported in linking up and to cooperate with other actors along the value chain to procure inputs and services; as well as for access to prime sales markets, e.g. retailers, the hotel, tourism and restaurants (HoReCa) sector, and high-value processing units. This will be accomplished through facilitating participation in trade fairs/expos, small B2B events, through project-specific measures. Furthermore, strengthening of negotiation capabilities of agribusinesses, especially smallholders, is foreseen.

#### **3.4.2 Support agribusinesses through branding, packaging and labelling**

Support in branding, packaging and labelling will enable agribusinesses to access prime sales markets at national and international level. These support services will be facilitated by the project, through targeted marketing assistance covering several agribusinesses, or, in justified cases, individual agribusinesses.

#### **3.4.3 Facilitate agribusinesses' access to European and other international markets**

Matchmaking events should be organised in order to establish trust and mutual understanding between farmers and buyers along the value chains and to speed up sales. Agribusinesses will be enabled to participate in international markets, e.g. trade fairs, to establish contacts with international businesses (including diaspora) and exporters, as well as important economic institutions (such as chambers of commerce). This will enhance the opportunities for agribusiness to access these markets.

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

The Project will have the following human resources:

1. One full-time Project Coordinator with vast experience in implementing agriculture, Youth related activities in the country. The PC will work under the direct supervision of UNDP LED Portfolio Manager, where the latter will also provide quality assurance and high-level coordination with government bodies. PC will work in close collaboration with ADA GAIA project team. PC will be responsible for project implementation, development, monitoring of project activities, managing financial delivery and ensure planned outputs as per Project work plan. He will also ensure project liaison with the government, regional and local authorities, civil society organizations, ongoing UNDP initiatives and international partners to ensure information exchange, coordination and synergism.
2. One Project Assistant (PA) to provide assistance for project administration and operational issues.
3. UNDP operational staff will provide technical backstopping to the Project daily operations and communication.

4. Professional support will be provided by the Project Advisor and team of short and long-term individual consultants (national and International) and/or contractual services to be hired for specific tasks as indicated in the project budget and workplan.

### ***Partnerships***

The project will work with a broad range of stakeholders at all levels, but have a focus on farmers and agri-food processors, especially if farmers will benefit along the value chains. Other stakeholders are the Ministry of Economy and other government agencies such as State Food Safety Service, regional administrations and municipalities, NGOs and associations, farmers, processors and other actors of the value chains, agricultural education institutions, extension service providers and others.

The direct beneficiaries can be outlined as: rural farmers and farmer groups; processors and providers of services to the value chain actors; extension services; NGOs and associations; government entities (MoE and others). These groups will benefit from direct support and/or capacity development measures. The indirect beneficiaries will include communities and households benefitting from green agriculture practices, as well business service providers, traders, retailers, hospitality sector etc. benefitting from increased diversity, volumes and quality of agricultural products. Students of agriculture institutions (ANAU, TVET institutions) will benefit from improved access to hands-on experience and best practices.

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

- The project team will monitor the risks enlisted below; if necessary, mitigation measures will be discussed within the Advisory Committee or directly with relevant stakeholders. Further assumptions are mentioned in the logical framework

Risk Management									
	1) Standard Risk	2) Description of Risk	3) Risk Assessment		4) Risk Level	5) Risk Management Measure			
#	Selection as per risk catalogue	What could happen/be triggered and what impact would this event cause ?	Likelihood (1-4)	Impact (1-3)	Automatically calculated (no entry in this field)	Description  What measure will be taken to avoid, reduce, transfer or mitigate the risk effectively?	Intended effect	Responsible (Name)	Implementation timeline
1	Restrictive legislation impedes project	State export policies, logistics, and export market requirements may limit the export potential. The risk stems more from the regional context, especially export routes via land being important for exporting agriculture produce.	1	2	low	Careful selection of the value chains and potential export products, with high local value-added and posing less logistical problems.	Reduce impact	UNDP Project Manager	during course of implementation
2	Violence threatens staff or project	Security situation especially in bordering communities of Tavush region. Can affect the access of agribusinesses to orchards/ farms, destroy their assets and affect their incomes. Additionally, access to demo sites and post-harvest infrastructure may be complicated.	2	3	moderate	Constant monitoring of the security situation; careful selection of demo sites and post-harvest infrastructure	Reduce impact	UNDP Project Manager	during course of implementation
3	Natural events threaten staff or project	Production risks related to pests, diseases, natural disasters may decrease yields and thus also incomes of agribusinesses, especially smallholder farmers are affected. Moreover, soil contamination, land degradation, other pollution etc. could limit agricultural production and productivity; would make transition to organic agriculture impossible.	1	3	moderate	Partly beyond project control. The project will promote integrated pest management, furthermore solutions will be sought in cooperation with research/extension service providers. Mitigation will also be ensured through promotion of quality infrastructure and climate-/heat-resistant seeds, efforts to revitalise degraded land where feasible.	Reduce impact	UNDP Project Manager	during course of implementation
4	Economic and developmental situation in-country impedes project	Market risks/failures, price instabilities. May lead to decreased incomes.	2	2	moderate	Beyond project control; Risks can partially be mitigated partially for agribusinesses by promoting agricultural diversification and proper business planning provided to agribusinesses.	Reduce impact	UNDP Project Manager	during course of implementation

5	Lengthy negotiations between multiple stakeholders impede project progress	Lack of cooperation of government or regional administration and other state structures; lack of political and policy support. Can slow down the development of policy documents and the implementation of project results.	1	2	low	Partly beyond project control, but involving respective ministries and institutions in the project development and implementation already mitigated this risk (specific objective 1). Qualitative and inclusive project development and implementation according to Armenian demands in agriculture.	Reduce impact	UNDP Project Manager	during course of implementation
6	Lack of stakeholder ownership weakens results and sustainability	Lack of qualified agribusinesses willing or able to participate in the project. Can limit the number of beneficiaries and delivery of the project results, especially for PPPs and investable projects. Lack of coordination / cooperation amongst actors along the value chains. Inefficient, non-inclusive or unsustainable value chains.	1	2	low	Careful selection of the value chains and beneficiaries, open / competitive calls. In case of lack of agribusinesses an extension of the target area. to bordering Southern marzes is possible. Careful selection of value chains, cost-benefit analyses, strengthening of all actors along selected value chains.	Reduce likelihood	UNDP Project Manager	during course of implementation
7	Project negatively impacts the environment	Apart from negative impacts on the environment, agricultural production and productivity could be limited;	1	3	moderate	Promotion of sustainable management of natural resources, protection of biodiversity, waste management and climate actions will be considered throughout the project. This is also reflected within the EGSIM Manual, mentioned above, and specifically within the standards pertaining to environmental sustainability	Reduce both likelihood and impact	UNDP Project Manager	during course of implementation
8	Project exacerbates gender inequality and/or undermines empowerment of women and girls	Exclusion of certain people and/or groups, such as women, youth or vulnerable groups. Equitable access and benefit cannot be guaranteed completely.	1	3	moderate	Equitable opportunities and benefits (e.g. targeting of women, youth and vulnerable groups in calls) will be considered throughout the project. Will be addressed through the gender and social inclusion strategy.	Reduce both likelihood and impact	UNDP Project Manager	during course of implementation

### *Stakeholder Engagement*

The project will work with a broad range of stakeholders at all levels. These are state institutions, non-governmental organisations and the private sector, as outlined in the table below:

<b>Organisation</b>	<b>Sphere of activities</b>	<b>Common interest/activities</b>
<b>Government / public sector</b>		
Marzpetarans in Shirak, Lori and Tavush and administration centres in target communities	Information outreach, infrastructure projects (road, water, road signs)	Dissemination of information, communication with local population, promotion of the region (regional specialities)
Ministry of Economy (in charge of agriculture, with Deputy Minister in charge of Agriculture)	Agricultural policy and regulations, promotion of sustainable (green and organic) agriculture	Harmonization of national policies, regulations and standards
Ministry of Economy (other parts for SME support), Ministry of Environment, Ministry of Territorial Administration and Infrastructure, Ministry of Education, Science, Culture and Sport, Ministry of Labour and Social Affairs	Policies and regulations, incl. implementation, inter-sectorial coordination	Cooperation and coordination to ensure coherence between government policies, plans and investments; promotion of sustainable agricultural practices
SME/DNC	Support and development of SME sector, raise the competitiveness of SMEs	Potential partner for providing high quality business solutions and services for small and medium-sized businesses
Armenian National Agrarian University (ANAU)	Education, transdisciplinary teaching, curricula development, study courses, researches	Curricula and specialized educational programs, research, demo-sites and internship activities, exchange visits, organizing common events
National Centre for VET Development	Education	Curricula and specialized educational programs, research programs, volunteering activities
State Food Safety Inspectorate and National Standards Institute	Food safety regulations, organic policy	Food safety and organic policy revision and harmonization with the EU regulations and standards
<b>Non-Governmental Organizations<sup>17</sup></b>		
Children of Armenia Charitable Fund (COAF)	Empowering rural Armenians through child-	Education, health, social and economic development programs to

<sup>17</sup> non-exhaustive, the project is open to various civil society initiatives in agriculture if needed The project will also cooperate with other CSOs working on rural development and labour rights e.g. OXYGen, the OSI network, Democracy Today, EPF, Equality Coalition, etc.

	centered community development programs	comprehensively address rural poverty: workshops/professional and rights-based orientation programs; demsites; empowered Armenia's rural youth
Armenian Organic Association	Multi-level support to organic producers	Service portfolio development, marketing and product promotion, policy development and advocacy, capacity development
Green Lane	Facilitating organic and sustainable farming in Armenia, working with farmer groups cooperatives	Training in sustainable agriculture, agronomy and cultivation, ecology, waste management, climate-resilient practices
Young Farmers Association of Armenia	Develop knowledge-based agriculture, youth engagement into agriculture	Support in organisation of farmer's units/unions, networking, partnership with young farmers
Armenian Young Women's Association	Gender focused agricultural projects	Joint activities to promote green agriculture, promoting women participation, training
ICARE	Education projects	Educational programs, studies, preparation and implementation of sustainable production projects, demo farming
CARD	Agriculture projects and extension, esp. livestock	Support in selection of VC, VC development and product marketing, including inputs and supply, resource efficient technologies
Strategic Development Agency	Implementing livestock projects in Armenia	Communication with community, , information exchange, green extension services, support in animal husbandry VC (if VC is selected)
SHEN	Facilitating organic agriculture projects	Networking, communication with communities, green and climate smart technologies
Business Armenia (and/or other appropriate institutions in charge of Armenian product promotion)	Products promotion	Supporting participation in international expos and fairs
<b>Private sector</b>		
HoReCa (hotels, restaurants, cafes)	hospitality services	Development of commercial offers, networking, participation in value chains, support the distribution of local traditional products
Business Service Providers	Business services	Development of business/financial models, marketing strategy,

		business related skills development training, VC/market surveys
Microfinance Institutions (MFIs)	Service/Investments	Project financing, subsidized loans
Eco-Globe	Organic certification	Certification of honey, vegetable, herbs, spices and berries producers and wild plant collectors
National and regional retailers	Food product retail stores	Specialized shelves for organic and green products, promotion activities, commercial ads
Farmer groups and cooperatives	Production of organic and non-organic products	Capacity development in green agriculture, sustainable production, processing and marketing

### ***Knowledge***

- The knowledge management strategy forms a core element of the project. While budgets and activities are mainstreamed across the four outputs, in operational terms the implementation of the knowledge strategy will be managed centrally within the core project team with the Project Coordinator playing an oversight role in coordination and delivery of the strategy, as well as in coordination with EU-GAIA. Technical inputs for knowledge products will be developed as part of the mandate of the international and national consultant teams. During implementation, the project team will work closely with project partners, main governmental and non-governmental institutions in the identification of key findings, development and dissemination of knowledge products. Consultations with these partners ensure that they are all committed to building and disseminating knowledge on best agriculture practices, farm business models, demo-farm concepts, etc. beyond the project framework.
- With regards to longer term sustainability of knowledge transfer and uptake, the following strategy is envisaged:
  - Learning materials developed to explain new business models around established value chains and technological development will be transferred to relevant authorities, producer unions and partner educational institutions for further dissemination and/or update. These will continue to be disseminated as part of the mandate of these institutions and form part of their knowledge offering;
  - Capacity and materials developed around improved framing practices and information will be mainstreamed into those structures responsible for data management and information systems. These materials and climate resilience best practice guidance notes will continue to be maintained and disseminated;
  - All knowledge products and lessons learned will be used as input to consultative workshops and meetings with project stakeholders and disseminated to other donors and relevant agencies.
- The project will use existing social media platform and establish a link to the existing UNDP and EU-GAIA social media on which all relevant reports, documents and findings will be posted for access by interested parties.

### ***Communication and Visibility***

UNDP shall assist ADA in implementing the Communication and Visibility Plan detailed in Annex VI of the Contribution Agreement concluded between the Donor and the EU. UNDP shall also apply ADC visibility guidelines for the project. The Donor and UNDP shall keep each other informed on communication and visibility activities. UNDP shall share any any visibility materials produced. UNDP shall use such materials in order to ensure uniform and coherent visibility throughout Project implementation.

UNDP shall take all appropriate measures to publicise the fact that the overall project has received funding from the EU and ADC. Information given to the press and to final beneficiaries, as well as all related publicity material, official notices, reports and publications shall acknowledge that the Project was carried out "with funding by the European Union and the Austrian Development Cooperation" and shall display the EU logo (twelve yellow stars on a blue background) in an appropriate way as well as that the logo of ADC. Publications by UNDP pertaining to the Project, in whatever form and whatever medium, including the internet, shall carry the following disclaimer (based on the approval of the EU and ADC): "This document was produced with the financial assistance of the European Union and the Austrian Development Cooperation. The views expressed herein can in no way be taken to reflect the official opinion of the European Union or the Austrian Development Cooperation." All communication and visibility measures shall be carried out in accordance with the *Communication and Visibility Requirements for EU External Action* published by the EC and the visibility guidelines of ADC.

### *Gender Equality*

UNDP will mainstream gender equality dimension through all stages of project implementation. Namely, the following principles will be applied:

- Ensure gender mainstreaming in capacity development measures (e.g. training), management systems, standards, qualifications, and other relevant activities;
- Involve women as participants in all capacity-development measures and decision-making processes;
- Encourage women to participate and speak at events, workshops, training, conferences;
- Encourage also the participation of families (women and men) in training and to plan, discuss and make decisions jointly;
- Encourage involvement of women in the selected value chains, realistically in local value chains which includes processing and on-farm use;
- Ensure gender equality in awarding grants, access to resources and capacity development;
- Put special emphasis on gender responsive and social inclusive policies and legislation;
- Ensure gender responsive methodology taking into consideration the specific needs of women and men during trainings, at demo sites, during awareness-raising campaigns.

### *Sustainability and Scaling Up*

- Sustainability of the Action is ensured through its systemic approach, the cooperation with interested and committed stakeholders, and its focus on capacity development and economic empowerment of the stakeholders at all levels of engagement; i.e. individual capacities/human resources development, institutional capacities and the systemic level.
- **Economic sustainability** of the project is taken into account in terms of profitability, additional opportunities for income generation, job creation and economic growth – as well as institutional and political support, as defined as part of the chapters on approach, intervention and in the logical framework.

**Environmental and social sustainability**, as well as gender equality are fundamental to the achievement of development outcomes and are therefore systematically mainstreamed into UNDP interventions. A risk categorisation of the entire EU GAIA Description of Action has already been carried out in order to identify potential negative impacts and risks, as well as opportunities to be enhanced. It has been classified that gender, environmental and social risks as moderate, whereby **risks are mainly associated with potential negative impacts depending on the value chains to be selected**. Thus, no comprehensive environmental, gender and social assessment is required, but relevant questions and aspects must be integrated into the market and feasibility study to be carried out for the selection of value chains during the inception phase. This study will not only assess potential environmental, gender and social risks and negative impacts but also identify appropriate and effective measures for managing and mitigating them. These mitigation measures will – so far as not yet considered – be integrated into the intervention logic, logical framework

and budget. Furthermore, relevant environmental, gender and social data and information will be collected through the baseline survey, which will further inform the design of the implementation and might possibly require adaptations of the intervention logic and the logical framework as well. The filled out Environmental, Gender and Social Standards checklist is attached in the Annex 2. Some possible approaches and technologies are outlined below:

- Sustainable and effective management of water resources for agricultural production and processing, e.g. small-scale irrigation/drip irrigation, avoidance / reduction of use of chemical fertilizers and pesticides to avoid water contamination;
- Preservation of the soil fertility, especially through the use of compost, avoidance of chemical fertilizers as well as application of sustainable methodologies, such as cover crops, crop rotation;
- Promotion of agroforestry practices respectively integrated farming systems, as this can improve soil fertility;
- Application of sustainable plant protection methods and integrated pest management, thus, avoiding chemical pesticides and herbicides;
- Promotion of climate resilient seeds, with improved disease and pest resistance, drought and heat tolerance, and which are suitable for the particular environmental context;
- Promotion of waste reduction, e.g. through use of agricultural waste for energy production (e.g. biogas) and waste management;
- Minimizing of harvest and post-harvest losses at the farm level (e.g. better storages) as well as enhanced processing of agricultural products, thus also contributing to value-added;
- Facilitating access to and use of sustainable energy solutions, such as renewable energy technologies (solar, wind, biomass), which should be applied – where feasible – for irrigation, processing, as well as transport;

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### **3. PROJECT MANAGEMENT**

#### *Cost Efficiency and Effectiveness*

In order to be cost-effective and work with high effectiveness the project management will rely to evidence on similar approaches in the country in order to deliver maximum results with available resources. By using theory of change analysis different options to achieve the maximum results with available resources will be explored. UNDP Socioeconomic Programme management mechanism will be used to improve cost effectiveness by leveraging activities and partnerships with other initiatives/projects. The Project Advisory board, programme and project implementation unit with other stakeholders and partners will conduct joint monitoring of project activities or procurement process to increase the effectiveness.

#### *Project Management*

The project will be implemented by UNDP through “Support to National Implementation Modality” (NIMCO) under coordination of the Ministry of Economy as the Project Implementing Partner. Functions of Implementing Partner:

- a. Be accountable for delivering on the expected outputs in the time required, manage risks and sustain results after the project ends;
- b. Ensure national ownership and broad stakeholder engagement;
- c. Ensure sustainability of project results;
- d. Provide sensitivity and neutrality in project implementation as required;
- e. Carry out the key technical, financial and administrative capacities required for the project; and
- f. Deliver good value for money and accountability for resources.

The UNDP CO will ensure project accountability, transparency, effectiveness and efficiency in implementation. UNDP will provide its 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. 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.

Financial oversight, including approval of expenditures and annual external audits of the whole contract funds spent under this contract, and monitoring of results will be also ensured by the UNDP country office.

UNDP will act as responsible agency and will establish a project team, which will ensure that the envisaged activities are carried out and the outputs are reached. The project team will be managed by the National Project Coordinator (NPC), who will coordinate the project activities and serve as the financial authorizing officer. ADA will commission an evaluation, which deals with the whole EU-GAIA project including this part of component 3 implemented by the UNDP.

NPC will report to the UNDP Programme Officer on Socio-Economic Development and will be responsible for all project operations in coordination with ADA project management team. S/he will ensure the proper use of funds and that 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 external auditing will follow UNDP rules and procedures. NPC will be responsible for the project daily planning, implementation quality, reporting, timeliness and effectiveness of the activities carried out. NPC will be supported by support staff and experts.

Project progress report will be developed and submitted to ADA semi-annually, including progress on results achieved and financial implementation. The project financial report will be produced by the Country Office in Euro.

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#### IV. RESULTS FRAMEWORK

<b>Intended Outcome as stated in the UNDAF/Country Programme Results and Resource Framework:</b>										
<b>OUTCOME 1.</b> By 2020, Armenia's competitiveness is improved and people, especially vulnerable groups, have greater access to sustainable economic opportunities										
<b>Applicable Output(s) from the UNDP Strategic Plan: 1.1.2</b> Marginalised groups, particularly the poor, women, people with disabilities and displaced 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										
<b>Project title and Atlas Project Number: Green Agriculture Initiative in Armenia 00110255/00109283 EU-GAIA ADA ref.# 6546-00/2019</b>										
EXPECTED OUTPUTS	OUTPUT INDICATORS	DATA SOURCE	BASELINE		TARGETS (by frequency of data collection)					DATA COLLECTION METHODS & RISKS
			Value	Year	Year 1	Year 2	Year 3	Year 4	FINAL	
<b>Output 1</b> Pipeline of investable and high added value agribusinesses with demonstrated commitment to an inclusive and rights-based workplace environment created	1.1 # of green agribusinesses selected, including women headed	Individual farm concepts available  Selection process documentation	0	2019	0	50	20	0	70	Document review, Local survey/questionnaires
	1.2 # of farmers trained on production and farm-finance	Training documents and evaluation sheet	0	2019	0	100	80	0	180	Survey

<b>Output 2</b> Agribusinesses have improved productivity through access to inputs, equipment, infrastructures and services	<i>2.1 # of businesses provided with required inputs, services and equipment</i>	Handover acts, infrastructure & service providers' reports	0	2019	0	50	20	0	70	Document review, Field missions
	<i>2.2 # of agribusinesses trained on maintenance and management</i>	Self-evaluations of trainees	0	2019	0	50	20	0	70	Pre-and post-test for trainees / survey for trainees
<b>Output 3.</b> Increased productivity in selected VCs through application of resource efficient and resilient farming practices	<i>3.1 Ha of land under sustainable use (resource-efficient and climate-smart practices)</i>	Community statistics, Independent survey	0	2019	0	0	100	60	160	Document review /
	<i>3.2 System for farm data collection and semi-annual update in place</i>	Community and Regional statistics	0	2019	0	0	1	0	1	Document review
Output 4. Agribusinesses have improved access to local, national and international markets	<i>4.1 # of agreement signed (market linkages are established)</i>	Project reports, Market surveys	0	2019	0	0	20	30	50	Document review, market survey
	<i>4.2 # of agribusinesses improved branding, packages and labelling</i>	Project reports, labels, photos	0	2019	0	0	20	10	30	Document review Social survey

	<i>4.3 % increase in product sold per agribusiness per year</i>	Community statistics, Project reports, ,	<i>TBC at the selection stage</i>	<i>2019</i>	<i>0</i>	<i>0</i>	<i>10</i>	<i>10</i>	<i>20</i>	<i>Social survey</i>
	<i>4.4 # of farmers participated in trade fairs/# of sales agreement signed</i>	Trade fair aftercare reports	<i>0</i>	<i>2019</i>	<i>0</i>	<i>0</i>	<i>20/5</i>	<i>5/1</i>	<i>25/6</i>	<i>Document review, Interviews</i>

## 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

<b>Monitoring Activity</b>	<b>Purpose</b>	<b>Frequency</b>	<b>Expected Action</b>
<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.	Quarterly	Slower than expected progress will be addressed by project management, especially in the Advisory Board
<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.	Semi-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.
<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.
<b>Annual Project Quality Assurance</b>	The quality of the project will be assessed against UNDP, ADA and EU'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.
<b>Review and Make Course Corrections</b>	Internal review of data and evidence from all monitoring actions to inform decision making.	At least semi-annually	Performance data, risks, lessons and quality will be discussed by the Project Advisory Board and used to make course corrections.
<b>Project Report</b>	A progress report will be presented to the Project Advisory 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 long with mitigation measures, and any evaluation or review reports prepared over the period.	Semi-annually, and at the end of the project (final report)	Any deviation from the project workplan and logframe will be presented to the approval of the management and Project Board.

<p><b>Project Review (Project Advisory Board)</b></p>	<p>The project’s governance mechanism (i.e., Project Advisory 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 Advisory 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.</p>	<p>At least annually</p>	<p>Any quality concerns or slower than expected progress should be discussed by the Project Advisory Board and management actions agreed to address the issues identified.</p>
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## VI. MULTI-YEAR WORK PLAN<sup>18</sup>

EXPECTED OUTPUTS	PLANNED ACTIVITIES	Planned Budget by Year				RESPONSIBLE PARTY	PLANNED BUDGET			
		2019	2020	2021	2022		Funding Source	Budget code	Budget Description	Amount
<b>Output: Selected agribusinesses are more competitive through improved efficiency and access to inputs, equipment, infrastructures and services</b>	<b>Activity 1 Pipeline of investable and high added value green agribusinesses with demonstrated commitment to an inclusive and rights-based workplace environment created</b>									
	1.1 Define criteria and select beneficiaries / agribusinesses in the selected value chains through competitive process	2,222	3,333			UNDP	ADA	71200	International Consultant	5,556
			5,556					71300	Local consultants	5,556
			65,556					72100	Contractual service companies	65,556
			1,111					71600	Travel	1,111
	<b>1.1 total</b>	<b>2,222</b>	<b>75,556</b>							<b>77,778</b>
	1.2 Conduct training needs assessment and corresponding capacity development for selected beneficiaries		5,556			UNDP	ADA	71300	Local consultants	5,556
			11,111	5,556				72100	Contractual service companies	16,667
										0
	<b>1.2 total</b>		<b>16,667</b>	<b>5,556</b>						<b>22,222</b>
	1.3 Develop individual farm concept for each participant including support scheme		7,778	3,333		UNDP	ADA	71200	International Consultant	11,111
			3,333					71300	Local consultants	3,333
			3,889	1,667				71600	Travel	5,556

<sup>18</sup> All figures forecasted in USD (\$), while the contract with the Donor ADC is valid in Euro (€).

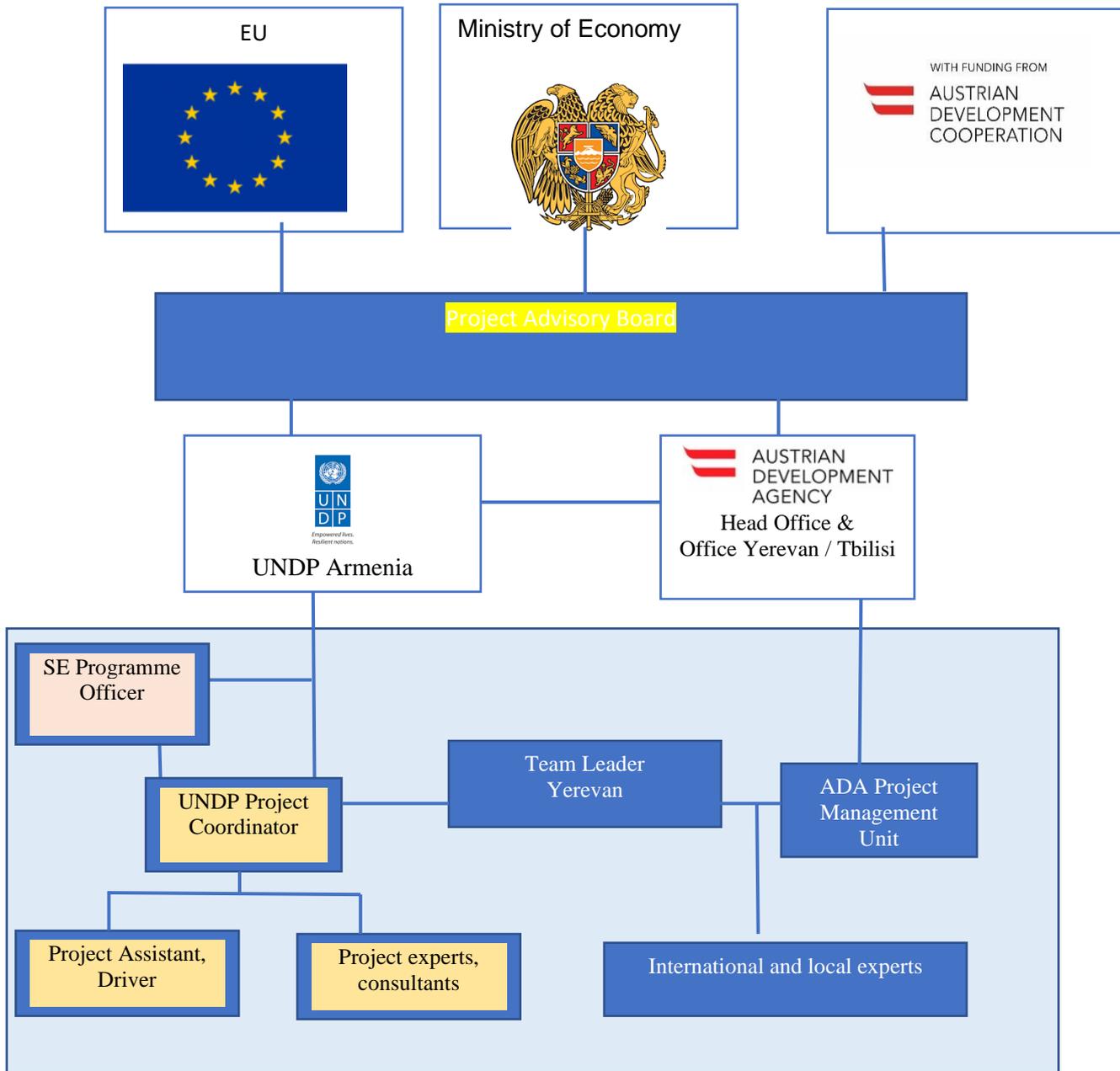
		33,333	3,333				72100	Contractual service companies	36,667
		1,333	1,667				74200	Audio visual and printing production cost	3,000
		3,333					75700	Training, workshop and conferences	3,333
<b>1.3 total</b>		<b>53,000</b>	<b>10,000</b>						<b>63,000</b>
<b>Sub-Total for Activity 1</b>									
	<b>2,222</b>	<b>145,222</b>	<b>15,555.56</b>						<b>163,000</b>
<b>Activity 2. Agribusinesses have improved productivity through access to inputs, equipment, infrastructures and services</b>									
2.1 Invest into the necessary inputs, equipment and services on a cost-sharing basis		7,778	6,667	2,222	UNDP	ADA	71300	Local consultants	16,667
		111,111	222,222	77,778			72200	Equipment and furniture	411,111
		111,111	222,222	86,667			72300	Materials and goods	420,000
			2,778	2,778			71600	Travel	5,556
			1,111	1,111			74500	Miscellaneous Expenses	2,222
<b>2.1 total</b>		<b>230,000</b>	<b>455,000</b>	<b>170,556</b>					<b>855,556</b>
2.2 Facilitate availability, accessibility and sustainable utilisation of inputs, services, equipment and infrastructure by agribusinesses			6,667	6,667	UNDP	ADA	71300	Local consultants	13,333
			29,444	30,000			72100	Contractual service companies	59,444
			7,778	8,889			75700	Training, workshop and conferences	16,667
<b>2.2 total</b>			<b>43,889</b>	<b>45,556</b>					<b>89,444</b>
<b>Sub-Total for Activity 2</b>									
	<b>230,000</b>	<b>498,889</b>	<b>216,111</b>						<b>945,000</b>

	<b>Activity 3. Increased productivity in selected VCs though application of resource efficient and resilient farming practices</b>									
	3.1 Demonstration of innovative resource efficient and climate-smart practices		5,556	5,556		UNDP	ADA	71200	International Consultant	11,111
			2,778	2,778				71300	Local consultants	5,556
			2,222	3,333				71600	Travel	5,556
				77,778				72100	Contractual service companies	77,778
				64,444				72200	Equipment and furniture	64,444
				2,222	3,333			74200	Audio visual and printing production cost	5,556
				1,111	1,111			74500	Miscellaneous Expenses	2,222
				1,111	4,444			75700	Training, workshop and conferences	5,556
		<b>3.1 total</b>		<b>10,556</b>	<b>158,333</b>			<b>8,889</b>		
	3.2 Assist agribusinesses to gather their specific farm data and do gross margin calculations (up-dated) twice a year		5,556	11,111	5,556	UNDP	ADA	71200	International Consultant	22,222
			5,556	11,111	11,111			71300	Local consultants	27,778
				6,667	5,556			72400	Communic & Audio visual equipment	12,222
			1,111	2,222	2,222			74200	Audio visual and printing production cost	5,556
			3,333	3,333	3,333			75700	Training, workshop and conferences	10,000
	<b>3.2 total</b>		<b>15,556</b>	<b>34,444</b>	<b>27,778</b>				<b>77,778</b>	
	<b>Sub-Total for Activity 3</b>		<b>26,111</b>	<b>192,778</b>	<b>36,667</b>				<b>255,556</b>	

<b>Activity 4. Agribusinesses have improved access to local, national and international markets</b>									
4.1 Facilitate market linkages between agribusinesses and other actors along the value chain at national level			5,556		UNDP	ADA	71200	International Consultant	5,556
			13,333	13,333			72100	Contractual service companies	26,667
			3,333	3,333			74200	Audio visual and printing production cost	6,667
			11,111	16,667			71600	Travel	27,778
<b>4.1 total</b>			<b>33,333</b>	<b>33,333</b>					<b>66,667</b>
4.2 Support agribusinesses through branding, packaging and labelling			5,556		UNDP	ADA	71300	Local consultants	5,556
			33,333	33,333			72600	Grants	66,667
				2,778			75700	Training, workshop and conferences	2,778
<b>4.2 total</b>			<b>38,889</b>	<b>36,111</b>					<b>75,000</b>
4.3 Facilitate agribusinesses' access to local, European and other international markets			11,111	22,222	UNDP	ADA	72100	Contractual service companies	33,333
			11,111	22,222			71600	Travel	33,333
<b>4.3 total</b>			<b>22,222</b>	<b>44,444</b>					<b>66,667</b>
<b>Sub-Total for Activity 4</b>			<b>94,444</b>	<b>113,889</b>					<b>208,333</b>
<b>Activity 5. Project Management</b>									
Human resources	6,667	62,222	62,222	61,111	UNDP	ADA	71400	Contractual services (individuals)	192,222
	2,667	21,167	21,167	21,167			64300	Staff management cost	66,167
Local and International travels	1,111	4,444	5,556	5,556			71600	Travel	16,667

	Equipment and supplies	3,889						72200	Equipment and Furniture	3,889
		5,556	6,111					72800	IT equipment	11,667
			2,778	2,778	2,778			72300	Materials and goods (fuel)	8,333
		1,111	3,000	3,022	3,000			74500	Miscellaneous expenses	10,133
			1,333	1,333	1,667			73400	Rental and maintenance -other equipment	4,333
			43,333					BA004	Vehicle	43,333
	Office rent	2,222	13,333	13,333	13,333			73100	Rental and maintenance -premises	42,222
	Communication	333	4,444	4,556	4,600			72400	Communic &Audio Visual Equipment	13,933
	Printing and Publication		3,333	5,000	5,000			74200	Audiovisual printing production costs	13,333
	Translation and interpretation services	1,111	4,444	4,444	5,556			74200	Audiovisual printing production costs	15,556
	Conferences and Workshops	3,333	3,333	3,333	3,333			75700	Training, workshop and conferences	13,333
	Audit		3,333	3,444	3,452			74100	Professional services	10,230
	<b>Sub-Total for Management</b>	<b>28,000</b>	<b>176,611</b>	<b>130,189</b>	<b>130,552</b>					<b>465,352</b>
<b>Total Direct Cost</b>		<b>30,222</b>	<b>577,944</b>	<b>931,856</b>	<b>497,219</b>					<b>2,037,241</b>
<b>General Management Support, 8%</b>		<b>2,418</b>	<b>46,236</b>	<b>74,548</b>	<b>39,778</b>					<b>162,979</b>
<b>TOTAL</b>		<b>32,640</b>	<b>624,180</b>	<b>1,006,404</b>	<b>536,996</b>					<b>2,200,220</b>

## VII. GOVERNANCE AND MANAGEMENT ARRANGEMENTS



## **Project Advisory Board**

The overall Project Advisory Board will be organized by the ADA EU-GAIA project manager in cooperation with the government, UNDP and the EUD. The overall board is described in the approved Description of Action of the EU valid for ADA including this UNDP managed component (Annex 4). Upon request, also a specific board meeting dedicated to the UNDP managed component can be called, based on a simple majority approval of board members.

Strategic decisions will be subject to ADA's approval. The Terms of Reference for the Project Advisory Board will be developed during the inception phase and approved at the first Project Advisory Board meeting. The minutes of the Project Advisory Board will be shared with the other members for comments and no-objection.

## **Project Team**

A Project Unit will be established under the UNDP Socio-economic Governance Programme comprising permanent staff including a Project Coordinator (PC, full time), a Project Assistant (full time), a driver (full time) and technical / resource persons (in marzes upon necessity) to monitor the participating farms and advising farmers with a focus on production, marketing and grants/support scheme.

The **UNDP Project Coordinator (PC)** will be responsible for the overall coordination and financial management of the Project. The project coordinator will be recruited on a competitive basis with the authority to run the project/component technical, financial and operational activities on a day-to-day basis and provide technical backstopping. The PC's prime responsibility is to ensure that the project produces the results specified in the project document, to the required standard of quality and within the specified constraints of time and cost. Development and consolidation of work plans, preparation of quarterly/annual progress reports, supervision the work of the project thematic experts and coordination with the ADA Project Team are major responsibility of the PC.

Technical team of long-term and short-term national and international consultants, as well as professional consultancy services will be brought at the different stage of implementation. Under the direct supervision of the PC, the **Project Assistant** will provide programme support and be responsible for full administrative, logistical and financial issues.

The UNDP Socioeconomic Programme Officer will provide quality assurance, as well as general programme implementation support as necessary. The respective time spent on this will be covered by the UNDP Direct project funding mechanism.

While UNDP will be responsible for implementation of the Project, there will be close coordination between the two partners to ensure smooth implementation and to avoid any duplication of efforts. For this reason, **regular coordination meetings** will be held between the project managers in Yerevan but also the Head of Office and the UNDP Resident Representative to share information, update on the implementation of the progress and planning of the joint activities.

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## 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 (country) and UNDP, signed on 8 March 1995. All references in the SBAA to “Executing Agency” shall be deemed to refer to “Implementing Partner.”

This project will be implemented by UNDP through “Support to National Implementation Modality” (NIMCO) under coordination of the Ministry of Economy as the Project Implementing Partner, in accordance with the UNDP Financial Regulations and Rules.

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### I. RISK MANAGEMENT

#### Government Entity (NIM)

1. Consistent with the Article III of the SBAA [*or the Supplemental Provisions to the Project Document*], 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.

13. *Choose one of the three following options:*

*Option 1:* 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.

14. 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.
15. 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.
16. 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.

UNDP will be entitled to a refund from the responsible party, subcontractor or sub-recipient 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 this Project Document. Such amount may be deducted by UNDP from any payment due to the responsible party, subcontractor or sub-recipient under this or any other agreement. Recovery of such amount by UNDP shall not diminish or curtail any responsible party’s, subcontractor’s or sub-recipient’s obligations under this Project Document.

Where such funds have not been refunded to UNDP, the responsible party, subcontractor or sub-recipient 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 such responsible party, subcontractor or sub-recipient 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.

- a. Each contract issued by the responsible party, subcontractor or sub-recipient 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 it shall cooperate with any and all investigations and post-payment audits.
- b. Should UNDP refer to the relevant national authorities for appropriate legal action any alleged wrongdoing relating to the project or programme, 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.
- c. Each responsible party, subcontractor and sub-recipient shall ensure that all of its obligations set forth under this section entitled “Risk Management” are passed on to its subcontractors and sub-recipients and that all the clauses under this section entitled “Risk Management Standard Clauses” are adequately reflected, *mutatis mutandis*, in all its sub-contracts or sub-agreements entered into further to this Project Document.

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## **IX. ANNEXES**

- 1. Social and Environmental Screening- UNDP**
- 2. Indicative Timeline**

## Annex [1]. Social and Environmental Screening Template

The completed template, which constitutes the Social and Environmental Screening Report, must be included as an annex to the Project Document. Please refer to the Social and Environmental Screening Procedure and Toolkit for guidance on how to answer the 6 questions.

### Project Information

Project Information	
1. Project Title	EU Green Agriculture Initiative in Armenia
2. Project Number	00110255/00109283
3. Location (Global/Region/Country)	Republic of Armenia

### Part A. Integrating Overarching Principles to Strengthen Social and Environmental Sustainability

#### QUESTION 1: How Does the Project Integrate the Overarching Principles in order to Strengthen Social and Environmental Sustainability?

*Briefly describe in the space below how the Project mainstreams the human-rights based approach*

The centrality of human rights is underlying the Project objectives towards sustainable rural development, poverty alleviation and ensuring fair distribution of development opportunities and benefits. The human rights-based approach, as a key engagement principle in pursuing development outcomes, is mainstreamed by meaningful, effective and informed participation of project stakeholders in the design, implementation, monitoring and evaluation of Project's outputs and impact in line with local needs and priorities. More specifically, the project mainstreams the human-rights based approach through:

- Contributions to improved livelihoods of poor and vulnerable people;
- A commitment to disclose information and provide for meaningful participation of stakeholders during the planning and implementation of site-specific activities. This will facilitate equitable access to project benefits and avoidance of elite capture and potential perpetuation of historical inequality;
- A commitment to including consideration for human rights issues during interactions with government partners and beneficiary communities;
- Implementation of a robust grievance mechanism to provide access to remedies for individuals aggrieved as a result of project activities.

- Specific needs and constraints of poor and vulnerable groups will be analysed (in the framework of the baseline survey and market and feasibility study) and possible measures identified to further promote inclusive participation and equal benefits, such as Inclusion of vulnerable groups (e.g. persons with disabilities, ethnic/religions minorities).

*Briefly describe in the space below how the Project is likely to improve gender equality and women's empowerment*

The overall benefits from the project will be delivered primarily by mainstreaming of sustainable green agri-practices that will reduce rural poverty and ecosystem degradation with sustained gender-oriented community livelihoods. The project will address gender issues by promoting full and equitable participation of women in the selected sustainable farming practices, particularly through their involvement in the investments and capacity building activities. At the local level, the project will use participatory approaches to involve all members of the community in planning and selection of business models. Men and women have distinct roles and responsibilities, which give rise to differences in vulnerability. The Project will facilitate the access of women to project benefits, and will take into account: (i) proportional representation of women in farmer or producer groups associated to the project; (ii) contents and schedule of training activities will be tailored to ensure that women are proportionally represented in each event. Moreover, the project interventions will benefit women in several manners. In regards women are expected to benefit indirectly from the increased family incomes through diversified production and higher yields to be achieved through adoption of more sustainable practices. In terms of activities and outputs that explicitly include the gender dimension, the proposed project will use the same existing mechanisms available through the State agencies to encourage and ensure that women participate in the benefits of the project. The project's stakeholder engagement work will further clarify gender roles, including the different types of gender specific roles in natural resource-dependent communities. Specific requirements/interests of women will be considered during the inception phase, i.e. in terms of the baseline survey as well as the market and feasibility study

*Briefly describe in the space below how the Project mainstreams environmental sustainability*

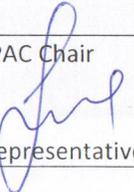
Promotion of sustainable management of natural resources, protection of biodiversity and ecosystems, waste management and climate actions will be considered throughout the project. The project aims to achieve shift from the current unsustainable to sustainable resource use practices, by demonstrating resource efficient, climate-smart and resilient farming. Agriculture efficiency and resilience in productive landscapes through innovative natural resource management practices is an integrated approach towards fostering green farming-seeking to balance environmental management with development and community needs and maintain the flow of vital ecosystem services, and at the same time, sustain the livelihoods of local resource-dependent-communities. The project will increase the resilience of rural communities and agro-ecosystems on which they depend to climate change risk through showcasing climate smart agri-practices and dedicated capacity building. As such, the project will introduce new farming culture, as needed to reduce environmental stressors. It will focus on piloting the implementation of efficient practices as a mean to change the way the fundamentals of agriculture production are undertaken so as to derive multiple ecosystem benefits of biodiversity conservation, carbon stock improvement, erosion prevention, etc.

## Part B. Identifying and Managing Social and Environmental Risks

<b>QUESTION 2: What are the Potential Social and Environmental Risks?</b> <i>Note: Describe briefly potential social and environmental risks identified in Attachment 1 – Risk Screening Checklist (based on any “Yes” responses). If no risks have been identified in Attachment 1 then note “No Risks Identified” and skip to Question 4 and Select “Low Risk”. Questions 5 and 6 not required for Low Risk Projects.</i>		<b>QUESTION 3: What is the level of significance of the potential social and environmental risks?</b> <i>Note: Respond to Questions 4 and 5 below before proceeding to Question 6</i>		<b>QUESTION 6: What social and environmental assessment and management measures have been conducted and/or are required to address potential risks (for Risks with Moderate and High Significance)?</b>
<i>Risk Description</i>	<i>Impact and Probability (1-5)</i>	<i>Significance (Low, Moderate, High)</i>	<i>Comments</i>	<i>Description of assessment and management measures as reflected in the Project design. If ESIA or SESA is required note that the assessment should consider all potential impacts and risks.</i>
No Risks Identified				
Project negatively impacts the environment	I = 3 P = 1	Moderate	Apart from negative impacts on the environment, agricultural production and productivity could be limited	Promotion of sustainable management of natural resources, protection of biodiversity, waste management and climate actions will be considered throughout the project. This is also reflected within the EGSIM Manual, mentioned above, and specifically within the standards pertaining to environmental sustainability
Project exacerbates gender inequality and/or undermines empowerment of women and girls	I = 3 P = 1	Moderate	Exclusion of certain people and/or groups, such as women, youth or vulnerable groups. Equitable access and benefit cannot be guaranteed completely.	Equitable opportunities and benefits (e.g. targeting of women, youth and vulnerable groups in calls) will be considered throughout the project. Will be addressed through the gender and social inclusion strategy.
Natural events threaten staff or project	I = 3 P = 1	Moderate	Production risks related to pests, diseases, natural disasters may decrease yields and thus also incomes of agribusinesses, especially smallholder farmers are affected. Moreover, soil contamination, land degradation, other pollution etc. could limit agricultural production and productivity; would make transition to organic agriculture impossible.	Partly beyond project control. The project will promote integrated pest management, furthermore solutions will be sought in cooperation with research/extension service providers. Mitigation will also be ensured through promotion of quality infrastructure and climate-/heat-resistant seeds, efforts to revitalise degraded land where feasible.

Economic and developmental situation in-country impedes project	I = 2 P = 2	<b>Moderate</b>	Market risks/failures, price instabilities. May lead to decreased incomes.	Beyond project control; Risks can partially be mitigated partially for agribusinesses by promoting agricultural diversification and proper business planning provided to agribusinesses.
<b>QUESTION 4: What is the overall Project risk categorization?</b>				
<b>Select one (see SESP for guidance)</b>			<b>Comments</b>	
<i>Low Risk</i>			<input type="checkbox"/>	
<i>Moderate Risk</i>			<input checked="" type="checkbox"/>	
<i>High Risk</i>			<input type="checkbox"/>	
<b>QUESTION 5: Based on the identified risks and risk categorization, what requirements of the SES are relevant?</b>				
<b>Check all that apply</b>			<b>Comments</b>	
<i>Principle 1: Human Rights</i>			<input checked="" type="checkbox"/>	
<i>Principle 2: Gender Equality and Women's Empowerment</i>			<input checked="" type="checkbox"/>	
<i>1. Biodiversity Conservation and Natural Resource Management</i>			<input checked="" type="checkbox"/>	
<i>2. Climate Change Mitigation and Adaptation</i>			<input checked="" type="checkbox"/>	
<i>3. Community Health, Safety and Working Conditions</i>			<input checked="" type="checkbox"/>	
<i>4. Cultural Heritage</i>			<input type="checkbox"/>	
<i>5. Displacement and Resettlement</i>			<input type="checkbox"/>	
<i>6. Indigenous Peoples</i>			<input type="checkbox"/>	
<i>7. Pollution Prevention and Resource Efficiency</i>			<input checked="" type="checkbox"/>	

### Final Sign Off

<b>Signature</b>	<b>Date</b>	<b>Description</b>
QA Assessor  Anna Gyurjyan SE Portfolio Officer	25.11.19	UNDP staff member responsible for the Project, typically a UNDP Programme Officer. Final signature confirms they have "checked" to ensure that the SESP is adequately conducted.
QA Approver and PAC Chair  Mihaela Stojkoska Deputy Resident Representative	27.11.19	UNDP senior manager, Deputy Resident Representative (DRR), or Resident Representative (RR). The QA Approver cannot also be the QA Assessor. Final signature confirms they have "cleared" the SESP prior to submittal to the PAC. In some cases PAC Chair may also be the QA Approver. Final signature confirms that the SESP was considered as part of the project appraisal and considered in recommendations of the PAC.

SESP Attachment 1. Social and Environmental Risk Screening Checklist

<b>Checklist Potential Social and Environmental Risks</b>		
<b>Principles 1: Human Rights</b>		<b>Answer (Yes/No)</b>
1.	Could the Project lead to adverse impacts on enjoyment of the human rights (civil, political, economic, social or cultural) of the affected population and particularly of marginalized groups?	No
2.	Is there a likelihood that the Project would have inequitable or discriminatory adverse impacts on affected populations, particularly people living in poverty or marginalized or excluded individuals or groups? <sup>1</sup>	No
3.	Could the Project potentially restrict availability, quality of and access to resources or basic services, in particular to marginalized individuals or groups?	No
4.	Is there a likelihood that the Project would exclude any potentially affected stakeholders, in particular marginalized groups, from fully participating in decisions that may affect them?	No
5.	Is there a risk that duty-bearers do not have the capacity to meet their obligations in the Project?	No
6.	Is there a risk that rights-holders do not have the capacity to claim their rights?	No
7.	Have local communities or individuals, given the opportunity, raised human rights concerns regarding the Project during the stakeholder engagement process?	No
8.	Is there a risk that the Project would exacerbate conflicts among and/or the risk of violence to project-affected communities and individuals?	No
<b>Principle 2: Gender Equality and Women's Empowerment</b>		
1.	Is there a likelihood that the proposed Project would have adverse impacts on gender equality and/or the situation of women and girls?	No
2.	Would the Project potentially reproduce discriminations against women based on gender, especially regarding participation in design and implementation or access to opportunities and benefits?	No
3.	Have women's groups/leaders raised gender equality concerns regarding the Project during the stakeholder engagement process and has this been included in the overall Project proposal and in the risk assessment?	No
4.	Would the Project potentially limit women's ability to use, develop and protect natural resources, taking into account different roles and positions of women and men in accessing environmental goods and services? <i>For example, activities that could lead to natural resources degradation or depletion in communities who depend on these resources for their livelihoods and well being</i>	No
<b>Principle 3: Environmental Sustainability:</b> Screening questions regarding environmental risks are encompassed by the specific Standard-related questions below		
<b>Standard 1: Biodiversity Conservation and Sustainable Natural Resource Management</b>		
1.1	Would the Project potentially cause adverse impacts to habitats (e.g. modified, natural, and critical habitats) and/or ecosystems and ecosystem services?	No

<sup>1</sup> Prohibited grounds of discrimination include race, ethnicity, gender, age, language, disability, sexual orientation, religion, political or other opinion, national or social or geographical origin, property, birth or other status including as an indigenous person or as a member of a minority. References to "women and men" or similar is understood to include women and men, boys and girls, and other groups discriminated against based on their gender identities, such as transgender people and transsexuals.

	<i>For example, through habitat loss, conversion or degradation, fragmentation, hydrological changes</i>	
1.2	Are any Project activities proposed within or adjacent to critical habitats and/or environmentally sensitive areas, including legally protected areas (e.g. nature reserve, national park), areas proposed for protection, or recognized as such by authoritative sources and/or indigenous peoples or local communities?	No
1.3	Does the Project involve changes to the use of lands and resources that may have adverse impacts on habitats, ecosystems, and/or livelihoods? (Note: if restrictions and/or limitations of access to lands would apply, refer to Standard 5)	No
1.4	Would Project activities pose risks to endangered species?	No
1.5	Would the Project pose a risk of introducing invasive alien species?	No
1.6	Does the Project involve harvesting of natural forests, plantation development, or reforestation?	No
1.7	Does the Project involve the production and/or harvesting of fish populations or other aquatic species?	No
1.8	Does the Project involve significant extraction, diversion or containment of surface or ground water? <i>For example, construction of dams, reservoirs, river basin developments, groundwater extraction</i>	No
1.9	Does the Project involve utilization of genetic resources? (e.g. collection and/or harvesting, commercial development)	No
1.10	Would the Project generate potential adverse transboundary or global environmental concerns?	No
1.11	Would the Project result in secondary or consequential development activities which could lead to adverse social and environmental effects, or would it generate cumulative impacts with other known existing or planned activities in the area? <i>For example, a new road through forested lands will generate direct environmental and social impacts (e.g. felling of trees, earthworks, potential relocation of inhabitants). The new road may also facilitate encroachment on lands by illegal settlers or generate unplanned commercial development along the route, potentially in sensitive areas. These are indirect, secondary, or induced impacts that need to be considered. Also, if similar developments in the same forested area are planned, then cumulative impacts of multiple activities (even if not part of the same Project) need to be considered.</i>	No
<b>Standard 2: Climate Change Mitigation and Adaptation</b>		
2.1	Will the proposed Project result in significant <sup>2</sup> greenhouse gas emissions or may exacerbate climate change?	No
2.2	Would the potential outcomes of the Project be sensitive or vulnerable to potential impacts of climate change?	No
2.3	Is the proposed Project likely to directly or indirectly increase social and environmental vulnerability to climate change now or in the future (also known as maladaptive practices)? <i>For example, changes to land use planning may encourage further development of floodplains, potentially increasing the population's vulnerability to climate change, specifically flooding</i>	No
<b>Standard 3: Community Health, Safety and Working Conditions</b>		
3.1	Would elements of Project construction, operation, or decommissioning pose potential safety risks to local communities?	No
3.2	Would the Project pose potential risks to community health and safety due to the transport, storage, and use and/or disposal of hazardous or dangerous materials (e.g. explosives, fuel and other chemicals during construction and operation)?	No

<sup>2</sup> In regards to CO<sub>2</sub>, 'significant emissions' corresponds generally to more than 25,000 tons per year (from both direct and indirect sources). [The Guidance Note on Climate Change Mitigation and Adaptation provides additional information on GHG emissions.]

3.3	Does the Project involve large-scale infrastructure development (e.g. dams, roads, buildings)?	No
3.4	Would failure of structural elements of the Project pose risks to communities? (e.g. collapse of buildings or infrastructure)	No
3.5	Would the proposed Project be susceptible to or lead to increased vulnerability to earthquakes, subsidence, landslides, erosion, flooding or extreme climatic conditions?	No
3.6	Would the Project result in potential increased health risks (e.g. from water-borne or other vector-borne diseases or communicable infections such as HIV/AIDS)?	No
3.7	Does the Project pose potential risks and vulnerabilities related to occupational health and safety due to physical, chemical, biological, and radiological hazards during Project construction, operation, or decommissioning?	No
3.8	Does the Project involve support for employment or livelihoods that may fail to comply with national and international labor standards (i.e. principles and standards of ILO fundamental conventions)?	No
3.9	Does the Project engage security personnel that may pose a potential risk to health and safety of communities and/or individuals (e.g. due to a lack of adequate training or accountability)?	No
<b>Standard 4: Cultural Heritage</b>		
4.1	Will the proposed Project result in interventions that would potentially adversely impact sites, structures, or objects with historical, cultural, artistic, traditional or religious values or intangible forms of culture (e.g. knowledge, innovations, practices)? (Note: Projects intended to protect and conserve Cultural Heritage may also have inadvertent adverse impacts)	
4.2	Does the Project propose utilizing tangible and/or intangible forms of cultural heritage for commercial or other purposes?	
<b>Standard 5: Displacement and Resettlement</b>		
5.1	Would the Project potentially involve temporary or permanent and full or partial physical displacement?	
5.2	Would the Project possibly result in economic displacement (e.g. loss of assets or access to resources due to land acquisition or access restrictions – even in the absence of physical relocation)?	
5.3	Is there a risk that the Project would lead to forced evictions? <sup>3</sup>	
5.4	Would the proposed Project possibly affect land tenure arrangements and/or community based property rights/customary rights to land, territories and/or resources?	
<b>Standard 6: Indigenous Peoples</b>		
6.1	Are indigenous peoples present in the Project area (including Project area of influence)?	
6.2	Is it likely that the Project or portions of the Project will be located on lands and territories claimed by indigenous peoples?	
6.3	Would the proposed Project potentially affect the human rights, lands, natural resources, territories, and traditional livelihoods of indigenous peoples (regardless of whether indigenous peoples possess the legal titles to such areas, whether the Project is located within or outside of the lands and territories inhabited by the affected peoples, or whether the indigenous peoples are recognized as indigenous peoples by the country in question)?  <i>If the answer to the screening question 6.3 is "yes" the potential risk impacts are considered potentially severe and/or critical and the Project would be categorized as either Moderate or High Risk.</i>	

<sup>3</sup> Forced evictions include acts and/or omissions involving the coerced or involuntary displacement of individuals, groups, or communities from homes and/or lands and common property resources that were occupied or depended upon, thus eliminating the ability of an individual, group, or community to reside or work in a particular dwelling, residence, or location without the provision of, and access to, appropriate forms of legal or other protections.

6.4	Has there been an absence of culturally appropriate consultations carried out with the objective of achieving FPIC on matters that may affect the rights and interests, lands, resources, territories and traditional livelihoods of the indigenous peoples concerned?	
6.5	Does the proposed Project involve the utilization and/or commercial development of natural resources on lands and territories claimed by indigenous peoples?	
6.6	Is there a potential for forced eviction or the whole or partial physical or economic displacement of indigenous peoples, including through access restrictions to lands, territories, and resources?	
6.7	Would the Project adversely affect the development priorities of indigenous peoples as defined by them?	
6.8	Would the Project potentially affect the physical and cultural survival of indigenous peoples?	
6.9	Would the Project potentially affect the Cultural Heritage of indigenous peoples, including through the commercialization or use of their traditional knowledge and practices?	
<b>Standard 7: Pollution Prevention and Resource Efficiency</b>		
7.1	Would the Project potentially result in the release of pollutants to the environment due to routine or non-routine circumstances with the potential for adverse local, regional, and/or transboundary impacts?	No
7.2	Would the proposed Project potentially result in the generation of waste (both hazardous and non-hazardous)?	No
7.3	Will the proposed Project potentially involve the manufacture, trade, release, and/or use of hazardous chemicals and/or materials? Does the Project propose use of chemicals or materials subject to international bans or phase-outs?  <i>For example, DDT, PCBs and other chemicals listed in international conventions such as the Stockholm Conventions on Persistent Organic Pollutants or the Montreal Protocol</i>	No
7.4	Will the proposed Project involve the application of pesticides that may have a negative effect on the environment or human health?	No
7.5	Does the Project include activities that require significant consumption of raw materials, energy, and/or water?	No



