

## UNITED NATIONS DEVELOPMENT PROGRAMME

Empowered lives.  
Resilient nations.**PROJECT DOCUMENT****Armenia**

**Project Title:** Making Finance Work for Transformative Change in Armenia: UN-locking Finance for Armenia 2030

**Project Number:** Project ID 00129268/ Output ID 00123014

**Implementing Partner:** UNDP

**Start Date:** 01 July 2020

**End Date:** 30 June 2022

**PAC Meeting date:** 20 October 2020

**Brief Description**

The current wave of reforms in Armenia, triggered by the “velvet revolution” in 2018, has created a unique momentum for transformation in Armenia. So far 30+ new sectoral strategies have been designed, with eight already approved, and an overall national development strategy – the Armenia Transformation Strategy (ATS) 2050 – is being developed. However, the ATS risks remaining a vision rather than becoming a vehicle for change if associated strategies and policies are not properly costed and aligned with integrated financing frameworks.

To this end, the Project, designed jointly with UNICEF and WFP, is developed to: (i) help the Government of Armenia (GoA) create clear links between policies, planning and budgeting processes (horizontal workstream); and (ii) deploy innovative and evidence-driven mechanisms to leverage partnerships and multiple sources of finance towards three priority areas in Armenia - climate change, food security and human capital (vertical workstream).

The two workstreams coincide with the three levels of action highlighted in the Decade of Action – global, local and people – and will jointly contribute to the SDG acceleration in Armenia. Focus will be on increasing the understanding of national financing needs and gaps and help channel resources towards sectors that disproportionately benefit vulnerable groups and women. In line with the Theory of Change of the Joint Programme, investments in these sectors will in turn have a knock-on effect on other sectors, thus promoting sustainable development across all dimensions of the 2030 Agenda.

<p>Contributing Outcome/Output (UNDAF/CPD):  <b>UNDP Strategic Plan Outcome 1/ Output 1.2.2</b>            Enabling environment strengthened to expand public and private financing for the achievement of the SDGs.  <b>UNDAF Outcome 1 /CPD Outcome 1 (10).</b> By 2020, Competitiveness is improved and people, especially vulnerable groups, have greater access to sustainable economic opportunities.  <b>Output 1.4.</b> Number of new innovative financial mechanisms introduced to unlock (private) funding for SDGs.  <b>SDGs:</b> 1, 5, 13, 16, 17  <b>Gender marker:</b> GEN 2</p>
--

<b>Total resources required:</b>		\$549,980
<b>Total resources allocated:</b>	<b>UNDP TRAC:</b>	
	<b>Donor: UN Joint SDG Fund Government :</b>	\$549,980
	<b>In-Kind:</b>	
	<b>Unfunded:</b>	

Agreed by:

UNDP
<p>Dmitry Mariyasin            UNDP Resident Representative</p> 
Date:

---

## I. DEVELOPMENT CHALLENGE

### Problem statement

Rising inequality and governance issues are usually described as the root causes of the 2018 “velvet revolution” in Armenia, which resulted in a complete political transformation in 2019. Grounded in renewed commitments to human capital development, improved opportunities for inclusive economic growth and human-centred governance, the Government of Armenia (GoA) has embarked a wide and complex set of reforms proactively looking for solutions that would help the country leap-frog development wise. So far 30+ new sectoral strategies have been designed, out of which eight have been adopted, including the Public Finance Management (PFM) Strategy as the building blocks of these reforms. The reform of programme-based budgeting in the country, which materialized for the 2019 State Budget offers additional opportunities for greater financial accountability and more effective and efficient utilization of existing resources. In parallel, an overall national development strategy is being designed - Armenia Transformation Strategy (ATS) 2050 with 16 megagoals to be operationalised by 2030. This document, to be adopted in 2020, by design and timeframe establishes the interconnection between the national sectoral priorities and the SDG platform.

**While the GoA has undertaken steps to develop coordination mechanisms for the nationalization of the SDGs, including the establishment of a National SDG Council, the operational mechanisms and capacity to link reform strategies and policies to the SDGs and various types of financing resources still need to be developed. Importantly, there is a lack of explicit guidance on how to link the ATS and the sectoral strategies with budgeting processes and the strategies are yet not underpinned by sound evidence and financial frameworks for efficient and effective implementation.** According to the 2019 SIGNA Public Finance Assessment Report, the strategic framework of public administration reform (PAR) is also incomplete. Strategies often lack clarity in setting reform objectives with corresponding outcome-level indicators and targets, and do not sufficiently provide costings nor monitoring and reporting arrangements. As a result, it is not possible to assess progress against the strategic objectives nor on implementation of GoA strategies. Policy information presented in the Medium-Term Expenditure Framework (MTEF) is not clearly linked to sectoral strategies and tends to only present aggregated information on general government budget revenue and expenditures. This lack of disaggregated data by gender, age or geography makes budgetary analysis and decision making difficult, not least from an equity and gender equality perspective. Citizens have limited participation in budget-making and implementation; thus, accountability and transparency of decision-making is weak.

Armenia’s **public finance sector was comparatively small already prior to the COVID-19 outbreak**, fluctuating at around 26% of GDP and the MTEF for 2019-2021 provided for a general Government deficit of 2.3% in 2020. On the basis of this, and when considering the financial impacts of the COVID-19 crisis in Armenia<sup>1</sup> on public revenue and expenditure, the fiscal space is insufficient and inadequate to address the type of challenges that the ATS and the SDGs uncover. Despite a 20 percent+ increase in its Human Development Index since independence, the progress has led to a weak and unevenly distributed growth among its population. 23.5 percent of the population still lived below the poverty line and 20.4 percent were unemployed in 2018<sup>2</sup>, with 2.7 percent classified as vulnerable to multidimensional poverty in 2019<sup>3</sup>. The “precariat” numbers have also been on the rise, and so have major inequalities, especially between urban and rural areas, and women and men. The World Bank’s Human Capital Index shows that children born today will use only 57% of their potential as adults, resulting in significant losses for the society. **Gender disparities**, with particularly low female labour force participation and a wide gender wage gap further hinder Armenia’s growth prospect. Armenia is also one of the most **vulnerable countries in the Europe and Central Asia (ECA) region to climate change** which has significant implications on the resilience, competitiveness and well-being of its population. These pre-existing inequalities and vulnerabilities have and are expected to further exacerbate during and post the COVID-19 crisis, as evidenced by the Socio-Economic Impact Assessment in Armenia, other impact assessments conducted in Armenia.

---

<sup>1</sup> Whilst the potential impacts of COVID-19 are not yet fully understood, the UNCT and the Project team in Armenia will closely monitor the situation and maintain flexibility to ensure that the priorities for financing the SDGs are articulated with a fuller understanding of the implications of the compounded COVID-19 crisis during project implementation.

<sup>2</sup> <https://www.armstat.am/en/>

<sup>3</sup> [http://hdr.undp.org/sites/all/themes/hdr\\_theme/country-notes/ARM.pdf](http://hdr.undp.org/sites/all/themes/hdr_theme/country-notes/ARM.pdf)

The Armenian Statistical Committee (ArmStat) estimates that the country needs to invest 63.2 billion AMD or 1.1% of GDP to overcome poverty. However, **the proportion of total government spending on essential services remains relatively low**, with public spending on education, health and social protection amounting 2.0%, 1.3% and 6.6% of GDP respectively in 2018. Although the expenditure on social services has increased significantly due to the introduction of COVID-19 assistance programmes to vulnerable persons and households, the post-COVID-19 volumes represent significant lower levels than the average country in ECA (World Bank 2019). Moreover, **out-of-pocket health expenditure is high, social services are underfunded and there is underinvestment in early childhood**. Considering the multidimensionality of poverty, actual needed resources to overcome poverty and boost human capital are much more. Similarly, the share of nature use and environmental fees to GDP is around 0.3%, whereas the average damage from depreciation of natural capital due to resource economic activities in developing countries stands at 8-10% of GDP annually.

Yet, the GoA faces **significant challenges in attracting adequate financial resources as well as using different types of finance** to their respective comparative advantages and in an integrated manner. While foreign public flows from donor agencies and International Financing Institutions (IFIs) towards the SDGs has been significant, they may dry up in the future due to high external debt/GDP and Armenia's graduation to an upper middle-income country. **Donor assistance coordination is underdeveloped**, which has limited the ability to effectively use Overseas Development Assistance in underserved sectors, regions and communities. Furthermore, IFIs' investment criteria are often not adequate to the scale, return expectations and investment horizon of Armenian projects.

The **involvement of the private sector** and Armenia's diaspora of roughly 8 million individuals **is also considered to be much below its potential**. Concessions and other public-private partnerships (PPPs) are not yet comprehensively regulated and Diaspora investments and business participation is relatively low. Banks and credit organisations tend to work in silos and often fail to support vulnerable groups and those furthest behind. Armenia has nonetheless made great progress towards the liberalisation of its economy. As per the World Bank, Armenia ranks first among the CIS countries in terms of FDI appeal, and the UNCTAD World Investment Report shows that FDI inflows to Armenia increased in 2018.

Though, **Armenia remains strongly dependent on the economic health of the Russian and EU economies for FDI**, for which a decline in FDI is to be expected in the aftermath of the COVID-19 crisis. Weak policy and market incentives for human capital and green investments further limits the SDG 'knock-on' effect that investments in these sectors will have according to Armenia's Mainstreaming, Acceleration, and Policy Support (MAPS) Report.

As such, **the ATS risks remaining a vision rather than becoming a vehicle for change** and could result in low performance of the public sector and an increase in budget deficit, expenditures and internal debt. **This calls for a systemic change for mobilization and re-alignment of public and private financial resources (domestic and international) towards sectors which can bring sustainable economic, social and environmental results**. To this end, **the GoA needs to create clear links between policies, planning and budgeting processes and deploy innovative and evidence-driven mechanisms to leverage partnerships and multiple sources of development finance to bridge its investment gaps**. This will include measures that can help the GoA develop **capacities to assess its financing framework as a whole, guide thinking about new financing options** that can support investments in sectors that disproportionately benefit women, poor and vulnerable groups, and **strengthen medium and long-term planning by better aligning financial market incentives with longer-term development goals/the SDGs**.

---

## II. STRATEGY

The **Theory of Change** for the project can be summarised as follows:

*If the link between medium and long-term planning and financing is strengthened; and*

*If the ecosystem for public and private SDG financing is improved*

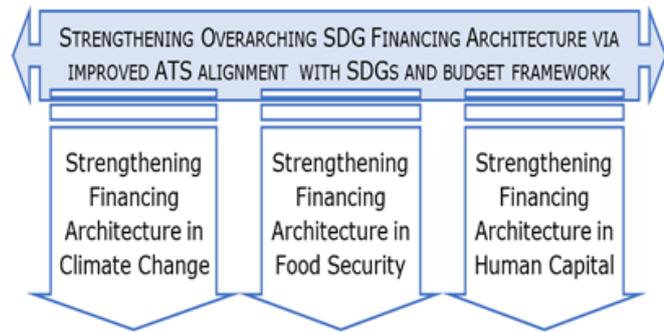
*Then multiple sources of financing will be unlocked to achieve social, economic and environmental development objectives, thus accelerating the implementation of the SDGs in Armenia by 2030*

*Because the GoA will be better equipped to mobilize, target and use private, public and blended financing*

## Overall strategy

The current wave of reforms in Armenia, triggered by the “velvet revolution” in 2018, has created a unique momentum for transformation in Armenia. Building on these ongoing reforms as well as the GoA’s stated intention to translate the 2030 Agenda into national development strategies and plans, **the Project is designed to operationalise the ATS and sectoral strategies through an SDG integrated financial framework and strengthen the financing architecture for effective policy implementation.**

The overall strategy of the Project, based on the Project’s Theory of Change, is to simultaneously work across two workstreams: (i) promote **horizontal reforms** to build an overall SDG financing architecture that will help improve governance processes relevant to all sectors, institutions and SDGs; and (ii) **vertically deep-dive** into three ‘Leaving No One Behind’ (LNOB) priority areas for Armenia - climate change, food security and human capital - where the conventional governance, institutional and financing architecture is insufficient to deal with the cross-sectoral complexity that these sector present. **Combined, these two work streams will help ensure that SDG targets and indicators are reflected in Armenia’s budgeting process and aligned with national policies, including in mechanisms to monitor and evaluate the adequacy, efficacy and equitability of investment for the benefit of all Armenians.**



The Project will be implemented through the provision of **systemic support at various levels of the policy and budget cycle** (see Graph 3), thereby **preparing the GoA for the implementation of a full-fledged Integrated National Financing Framework (INFF)<sup>4</sup> in line with the Project’s proposed INFF roadmap.** To strengthen the overall capacity of country-led SDG actions on integrated policy and financing, the Project will carry out detailed policy assessments and work with government stakeholders (including via on-the-job coaching) to develop capacity for effective, gender-sensitive and inclusive implementation of new and innovative financing options. In this way, similar frameworks can be designed and rolled out independently by the GoA following the two-year project. The Project will moreover help bring together and deepen the collaboration between line ministries, development partners, the private sector, diaspora, Civil Society Organisations (CSOs), etc., and improve the synergies between their individual efforts and initiatives - including during and post the COVID-19 crisis. Focus will be on forging new partnerships, building strategies to mobilize and use various types of public and private finance, as well as developing coordination mechanisms and analytical capacity to improve Armenia’s post-COVID-19 recovery, socio-economic development and resilience-building.

Human rights, gender equality and LNOB considerations are central to the Project’s approach to sustainable development. In addition to providing gender-sensitive guidelines for policy harmonisation and strengthening the link between national data and the current budget performance monitoring and reporting system, the Project team will work closely with the Ministry of Finance (MoF and the European Union (EU) to align relevant Project activities with the gender-responsive budgeting component of the ongoing Public Finance Policy Reform Programme in Armenia. The Project will also build on the first ever child-focused public expenditure measurement exercise in the ECA Region, which was launched in Armenia in 2018 by UNICEF, linking budget expenditure to outcomes for children.

The **focus sectors of the vertical workstream** - climate change, food security and human capital - were selected in consultation with the GoA and are based on the recommendations provided in the Armenia MAPS report and are aligned with the objectives/goals outlined in the Government Programme 2019-2023, the draft ATS as well as the ongoing 2016-2020 UNDAF. The former singles out green economy (including climate change), social protection (including food security) and human capital development as three of Armenia’s most important SDG accelerators. By removing policy and financing bottlenecks in these areas the Project thus foresees supporting the delivery of transformative development benefits across multiple

<sup>4</sup> The INFF will introduce a new, more effective and integrated approach to managing public and private finances for SDG acceleration, and provide a structure for the GoA to assess its financing frameworks, strengthen the link between medium and long-term planning and financing, and guide thinking about reforms that are needed to implement a strategic, inclusive/gender-sensitive and results-driven approach to achieving its long-term vision.

SDG targets. The strong interconnections between the SDGs in these sectors will furthermore accelerate the impact of the Project, provide the GoA with examples on how to support joint multi-sectoral interventions that complement agency-specific initiative, develop government capacity to work across policy domains in an integrated manner, and to stimulate an enabling environment for SDG investments. Moreover, human capital development, climate change mitigation and food security are areas that build resilience of communities to socio-economic or environmental shocks and stresses, which would be especially important during revamped post-crisis responses to COVID-19.

---

### III. RESULTS AND PARTNERSHIPS

#### *Expected Results*

**UNDAF Outcome 1 /CPD Outcome 1 (10).** By 2020, Competitiveness is improved and people, especially vulnerable groups, have greater access to sustainable economic opportunities.

**Output 1.4.** Number of new innovative financial mechanisms introduced to unlock (private) funding for SDGs

The **project goal** is to accelerate the implementation of the SDGs in Armenia by 2030 through multiple sources of financing, which will be unlocked to achieve social, economic and environmental development objectives, thus accelerating the implementation of the SDGs in Armenia by 2030.

The **project objective** is to help operationalise the ATS and sectoral strategies through an SDG integrated financial framework and strengthen the financing architecture for effective policy implementation.

It will be achieved through the following key **Outcomes** and **Outputs**:

**Outcome 1: Armenia Transformation Strategy is anchored in an SDG-aligned, integrated, gender-sensitive and equitable financing framework**

Led by UNDP, and implemented jointly with UNICEF and WFP in partnership with the Deputy PM's office, Ministry of Finance and the National SDG Council, as well as with line Ministries, other UN agencies, IFIs and the civil society at large, this Outcome consists of activities that promote the introduction of an inclusive and measurable ATS/SDGs-aligned policy and performance framework, strengthen the links to the newly adopted PFM strategy and outline the financing landscape in Armenia, including current flows, gaps and opportunities for ATS implementation.

This Outcome offers overarching technical and systems support that will help the GoA develop and implement an SDG integrated policy, planning and budgeting framework and prepare the GoA for the delivery of a full-fledged INFF for accelerated SDG implementation. The expected results can be summarised as follows:

**1.1:** Armenia Transformation Strategy is adopted as an integrated, gender-sensitive and equitable national SDG framework

**1.2:** Public finance management system is strengthened for better measurement and increased adequacy, effectiveness and equitability of the distribution of public resources for the realisation of gender-responsive, child-sensitive and SDG-aligned policies

**1.3:** Public, private and development financing landscape, including existing flows, gaps and options, is mapped to inform the implementation of the ATS

In line with the Theory of Change, and building on the GoA's stated intention to ensure maximal alignment between the ATS and nationalised SDGs, the JP will work with the DPM's Office, MoF and the National SDG Council to map and align the ATS and nationalised SDG target and indicators. Moreover, clearer linkages between the ATS and the 30+ sectoral strategies will be achieved through the development of inclusive and gender-sensitive guidelines for ATS/sectoral strategy harmonization. To ensure sustainability of JP output 1.1, the **guidelines will thereafter be piloted** through in-depth mapping of climate change, food security and human capital related strategies and institutional capacity of MoF and line Ministries will be developed to facilitate the adaptation of the guidelines across all the new sectoral strategies. Similarly, to ensure that the **PFM system is strengthened for better measurement and increased adequacy, effectiveness and equitability of the distribution of public resources** (JP output 1.2), the JP team will map the ATS/SDGs with the programme classification at the sub-programmes level to provide the GoA with a powerful mechanism for decision-making and accountability. This will enable the MoF and other line ministries to easily associate ATS policy and planning decisions with budget appropriation lines. As a second step, the JP will support the MoF in adjusting the MTEF/budget methodological instructions for

SDG alignment, sex and age-disaggregated and gender sensitive data, including addressing the ATS/SDG reference and justification requirements and MTEF/budget templates. **SDG coding/tagging** principles for SDG aligned programmes and projects within the MTEF/budget programme classification structure will also be developed jointly with the MoF to allow the GoA to **track budgets by the structure and content of the ATS and sectoral strategies, including appropriate sex and age disaggregation.**)

From a SDG perspective, the successful implementation of this Outcome will contribute to the creation of an SDG financing ecosystem through the design and promotion of pro-poor and gender-sensitive policies and government frameworks (**SDG1b and SDG5c**), the development of effective, accountable and transparent institutions at all levels (**SDG16.6**), enhanced policy coherence for sustainable development (**SDG17.14 and 17.15**); and the development of a sound institutional architecture to ensure mobilization of resources from a variety of sources (**SDG 1a, 17.3 and 17.16**). Accelerated achievement of these targets will in turn service as an “SDG multiplier” by enabling progress across all other SDGs.

Core to achieving Outcome 1 is the ability for the GoA to **create a baseline understanding of current financing flows and gaps** and identify **strengths and weaknesses of existing financing strategies, policies, and institutional structures** to meet key financing challenges. To this end, the JP will work with the DPM’s office, the MoF, line ministries and the World Bank to assess the feasibility of innovative (diaspora) financing mechanisms, as well as conduct a **Development Finance Assessment (DFA)** of the ATS (JP output 1.3). Building on the fact that Armenia, with the UN’s support, was amongst the forerunners in setting up a national system of SDG progress monitoring, the JP will work with ArmStat to strengthen the link between the national data and the current budget performance monitoring and reporting system which tracks the progress of budget programmes (JP output 1.2). This will not only help the GoA make more **evidence-based policy decisions** but also **improve the country’s SDG reporting**. Shortcomings related to donor assistance coordination, transparency and result-reporting, which currently limits the effectiveness of foreign aid flows to Armenia, will be addressed through the provision of **technical assistance and capacity development support** to the staff of the DPM’s Office during the **set-up and operationalization** of the to be EU-funded **Development Assistance Database (DAD)**. The JP will also assist the MoF in bridging the DAD with the budgeting processes, thereby ensuring that the budget formulation process is cognizant of corresponding donor projects and financing (JP output 1.2). The comprehensive assessments and data disaggregation activities carried out as part of JP outputs 1.1, 1.2 and 1.3 will ultimately inform the design of an INFF roadmap for DFA follow-up.

## **Outcome 2: Public and private investment and financing options for climate change, human capital and food security are identified, enabling accelerated, evidence-based and accountable progress towards selected SDGs**

The **vertical workstream** will jointly be led by UNDP, UNICEF and WFP and be implemented in close collaboration with relevant line ministries, CSOs, IFIs and the private sector. Delivered in parallel with the horizontal workstream, its main objective is to help the GoA identify and **develop ATS/SDG-aligned development financing options** related to climate change, food security and human capital to enable accelerated, evidence-based and accountable progress towards selected SDGs that impact the lives of those most vulnerable and in need. This will include in-depth financing and policy analysis in the three pre-selected areas, providing a detailed overview of the financing landscape covering all public, private, domestic and international resources in these areas (JP output 2.1). Specifically, UNDP analyse the climate change financing landscape covering all public, private, domestic and international resources. Based on this and output 1.3, UNDP, will thereafter **develop cost estimates for the implementation of relevant climate change-related strategies and policies, assess financing needs and gaps, and develop** and introduce a Climate Change Financial Framework (CCFF) to help the government mobilise, manage and target climate finance ). UNICEF and WFP will conduct similar assessments in their respective priority areas to enable adequate allocation of public and private resources in each area (JP output 2.2).

The expected results from UNDP interventions under Outcome 2 can be summarised as follows:

**2.1:** Financing needs and gaps are diagnosed for climate change action targets

**2.2:** Coherent climate change financing frameworks developed for the allocation of sufficient public and private resources

The qualitative and quantitative assessments resulting in JP outputs 2.1. and 2.2 will support the **recommendations to be provided for the design of the INFF roadmap** (JP output 1.3). They will also help the GoA make more informed planning and budgeting decisions in the target sectors, thereby enabling

the prioritisation of key projects and programmes, improving the transparency of public spending and providing stronger justification and data to leverage additional finance within the given fiscal space in Armenia at the Parliament to boost better oversight over spending and sectoral outcomes. CSOs, including women's rights NGOs, will participate in project activities both through the National SDG Council and a wide array of horizontal interventions.

Outcome 2 will particularly contribute to accelerated implementation of climate change actions in Armenia (**SDG 13.2.**) and to **improved service delivery in targeted sectors** during the second half of the JP and the years to follow thereafter, thus providing opportunities for accelerated implementation of **SDG targets 2.1, 3.2, 4.1 and 13.2**, with the latter being the SDG target for UNDP.

Overall, the Project sets out to ensure that the GoA benefits from an SDG integrated planning, policy and financing framework. This will enable Armenia to use both public and private development resources for the accelerated achievement of medium- and long-term development objectives, keeping human rights, poverty alleviation, gender and other LNOB considerations in mind for fair distribution of development opportunities and benefits.

Following the JP implementation, the GoA will benefit from an integrated, inclusive and coherent policy and finance framework, closely linked to the ATS and the nationalized SDGs. GoA staff expertise will have increased and the GoA will have **developed capacity to identify, develop and implement DFAs and /financing options** related to climate change, food security and human capital, as well as implement the proposed INFF roadmap. Particularly, the **horizontal workstream** will contribute to accelerated SDG implementation through the design and promotion of pro-poor and gender-sensitive policies and government frameworks (**SDG 1b and SDG 5c**), the development of effective, accountable and transparent institutions at all levels (**SDG 16.6**), enhanced policy coherence for sustainable development (**SDG 17.14 and 17.15**); and the development of a sound institutional architecture to ensure mobilization of resources from a variety of sources (**SDG 1a, 17.3 and 17.16**). Accelerated achievement of these targets will in turn service as an “**SDG multiplier**” by enabling progress across all other SDGs.

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

The Project will use the following human resources:

1. One full-time Project Coordinator with experience in implementing development/SDG finance activities in the country. The PC will work under the direct supervision of UNDP Innovation, Acceleration and SDG Finance portfolio Analyst, where the latter will also provide quality assurance and high-level coordination with government bodies. PC will be responsible for project implementation, development, monitoring of project activities, managing financial delivery and ensuring planned outputs as per Project work plan. (S)He will also ensure project joint management with UNICEF and WFP, liaise with the government, regional and local authorities, CSOs, 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. National expert on public finance management
4. The project implementation will require consultancy in the following areas:
  - a) Public Finance Management, including SDG coding/budgeting
  - b) ATS alignment with SDGs
  - c) Development Finance Assessment and INFF roadmap
  - d) Climate Change Financing framework;
  - e) Communication and PR.

### **Partnerships and stakeholder engagement**

The overall coordination, direction, and supervision of JP implementation will be led by the DPM, with his office performing secretariat functions. This high-level political engagement demonstrates the GoA's serious commitment to the activities outlined in the JP and their congruency with the reforms agenda, which is the result of collaborative engagement and continuous consultations throughout the JP conceptualization. Leadership at the DPM level will facilitate effective cross-sectoral coordination of JP implementation across multiple line ministries and enable linkages with supporting reforms processes for strategic intervention and institutional impact. It will ensure genuine national ownership of the 2030 Agenda through alignment of the national SDGs with the ATS, while developing and refining the necessary budgetary

framework and processes for their operationalization. It will also allow for natural synergies and strategic integration with related projects by other partners, which are likewise coordinated by the DPM. Finally, DPM leadership will safeguard effective implementation at the line ministry level through standard governmental supervision and accountability mechanisms enforced by high-level political authority.

- **UNDP's** unique contribution reignites in its role as the as the SDG integrator and connector of various stakeholders for SDG acceleration; its close and long-standing relationship with the GoA - at both executive and line ministry level; in-depth sectoral knowledge in key JP areas such as climate change, environmental protection and gender equality; and access to a variety of tools, expertise, and resources to support the design of sustainable and inclusive policies and programmes, access and generate finance, source and analyse data, and drive innovation and learning. Beyond UNDP in Armenia's leadership related to policy and partnership development, the country office brings experience in designing and implementing innovative SDG finance initiatives aimed at unlocking private and public capital. Examples of such initiatives include the National Armenia SDG Innovation Lab focused on public policy innovation; the SDG ImpactAIM platform which supports the development of the impact investment ecosystem in the country; the "Tech4SDGs impact investment fund; a Social Impact Bond in the dairy sector; and the development of an SDG investment map.
- **UNICEF's** unique contribution is the leadership and breadth of work on child rights realization in Armenia. UNICEF has been a convener of Government and development partners, including IFIs, on social protection, including at systems level, a key lead in various reform areas (integrated social services, child care, early childhood education, child and maternal health, disability assessment etc.), as well as supporter of the development of sound evidence on children for policy and budget-making, including during crisis. UNICEF has led the first study on child-focused public expenditure measurement in Armenia and the wider Europe and Central Asia region, a number of costing, cost-benefit and piloting exercises, giving a comparative advantage over public finance for children at national and sub-national levels. UNICEF's strategic partnership with the World Bank on social protection, health and education is an additional advantage. UNICEF has all capacities for JP implementation, including experience in implementation of joint UN programmes, UNDAF and donor coordination groups on social services, as well as the co-lead jointly with the Government and World Bank of the Gender Thematic Group.
- **WFP's** unique contribution is the role played in the country and globally to support the eradication of food insecurity and malnutrition. In the context of Armenia, the work of the JP on food security closely linked to the development of nutrition-sensitive food value chains and transformative school feeding programmes represent a vehicle to also invest in the human capital development of the nation, improve the health of the population and support the green modernisation of agribusinesses. Through its models that accelerate on the delivery of the SDGs and aforementioned cross-cutting themes, WFP's participation to the JP will also be key to support achieving expected outcomes on climate change and human capital development, while creating new opportunities for public-private partnerships and further integration among Government line ministries to support the development of the country and the well-being of the Armenian population.
- **The broader UNCT** will be engaged most directly through its Inter-Agency Task Force on SDG Nationalization, created in September of 2019 to support GoA in relaunching its SDG nationalization process. The Task Force will be working actively with the National SDG Council on the technical level, by providing an LNOB lens, supporting multi-stakeholder participation, and leveraging agency-specific competencies, expertise, and perspectives.
- **The European Commission and EU Delegation in Armenia** supports the GoA reforms agenda with an extensive portfolio of strategic contributions as part of the EU-Armenia Comprehensive and Enhanced Partnership Agreement (CEPA) framework. Through the SIGMA joint initiative, the EU has been an institutional partner in Armenia's comprehensive PAR strategy development. Following consultations with government advisors leading PAR efforts, the JP is in full alignment with all PAR strategy priorities and will effectively be contributing to PAR strategy implementation as a result. Synergise with the EU's PFM support package and gender-responsive budgeting initiative will also be explored.

In partnership with the UN RCO and UNDP, EU is also supporting the GoA in developing the DAD platform. The JP aims to ensure sustainable operationalization of the database through

capacity development and technical assistance by supporting its incorporation into policy making processes. This strategic intervention with one of the global Joint SDG Fund donors will result in more effective allocation of development resources through enhanced coordination, thus also contributing to JP implementation.

- The **World Bank** in Armenia provides a direct strategic contribution to the JP through the first two objectives of its recently launched ‘Armenia Development Policy Operation<sup>5</sup>’, which focuses on improving the investment climate through streamlined, pro-competition and pro-business regulations and processes (pillar 1 - Economic Governance) and improving fiscal quality through increased tax compliance and spending efficiency (pillar 2 - Fiscal Governance). Informed by consultations with World Bank colleagues, the JP addresses programmatic gaps in this project while ensuring no overlapping of interventions.

For the past year, the World Bank has also been actively exploring the potential viability of Diaspora bonds with two advisory missions and preliminary analysis. As such, the JP will be implementing the diaspora finance feasibility study in close partnership with local and global World Bank colleagues and experts. Moreover, Armenia has been an early adopter country of the WB’s Human Capital Project, thus the JP will build on the planned development of policy options for human capital development by the World Bank, underpinning it with sound and integrated financing frameworks.

- The JP envisages engagement with the financial sector and private investors through nearly all sector-specific interventions, as outlined in JP outcome 2. To begin, consultations with key representatives on current capacities, strategic priorities, and investor confidence will inform the feasibility study on diaspora finance as well as the DFA. Inputs from their consultations will also be used for mapping sector-specific financial landscapes and identifying binding constraints to financing of sectoral gaps. Finally, all policy recommendations directed at the financial sector and/or private investors will be developed with their active involvement in order to ensure policy relevance and alignment with stakeholder priorities.
- At the country level, UN development system expertise will be pooled through existing institutional arrangements as well as through direct engagement with specific agencies and advisors. The **SDG Nationalization Task Force** will play a key role in pooling and mobilizing relevant expertise based on agency mandates and scope in the nationalisation process, while the Gender Thematic Group – co-led by UNICEF – will ensure that the JP substantively strengthens gender equality and women’s rights CSO participation and engagement in gender related SDGs localization and/or implementation both within the SDG National Council and within specific JP activities. The UN Women advisor in the RCO as well as UNDP and UNICEF’s gender specialists will also be consulted on an ad hoc basis to ensure quality assurance of JP activities and outputs. **The participatory and bottom-up approach to JP conceptualization facilitated by the RCO has also yielded valuable and lasting synergies between PUNOs and non-participating agencies that will be leveraged during implementation.** Collaborative discussions on food security and safety issues during JP conceptualization has resulted in a commitment by FAO to support WFP with expertise and technical advice. Similarly, UNIDO has expressed a continued interest in supporting all PUNOs in their private sector engagement efforts by providing local and regional expertise on SME development and finance. Globally, a unique partnership has been established with UNCTAD for supporting the JP with expertise that leverages policy recommendations from its recent Investment Policy Review for Armenia<sup>6</sup>. South-South cooperation will be leveraged and pursued with countries well advanced in SDG coding/tagging, such as Argentina or Mexico.

## Risks and Assumptions

The overall risk management strategy rests with the process of systematic identification and assessment of various risks to the JP, establishment of mitigation measures with clear roles and responsibilities, as well as regular documentation and review of risks throughout JP implementation.

<sup>5</sup> <https://projects.worldbank.org/en/projects-operations/project-detail/P169624>

<sup>6</sup> <https://unctad.org/en/pages/PublicationWebflyer.aspx?publicationid=2562>

The development of the JP was accompanied by a collective risk assessment and identification of risks, which were grouped into four categories: contextual, programmatic, institutional and fiduciary. The risk analysis examines how project outcomes and outputs might change due to the impact of the risk event and likelihood of occurrence and frequency.

Contextual risks, which are high-impact, have been assessed on the basis of various scenarios prepared by the UN Disaster and Security Management Teams. These risks will impact all of the JP's programming and will require more holistic and broader mitigation measures, with full senior management and GoA political involvement under the leadership of the UNRCO.

Considering the COVID-19 outbreak at the time of the JP development, which represents a significant contextual risk, the risk analysis was repeated for more informed and contextually fit programming. The pandemic is not only a global health emergency, but is also a direct threat to the socio-economic security of communities, families and other

vulnerable groups in Armenia. The crisis highlights the importance of effective economic and social protection measures, as well as food security to protect businesses and households against the crisis and provide rapid support.

While COVID-19 represents a clear risk to the JP, it also offers an opportunity to link increased government spending on health, education, social protection and economic development with more sustainable and result-oriented long-term policy and financing solutions. In the post-crisis period, the GoA is also likely to develop institutional mechanisms to mitigate, address and minimise future vulnerabilities of families, communities and markets to crises, building resilience of socio-economic systems, driving equitable policies accompanied with effective, efficient and informed public and private investments.

Programme, institutional and fiduciary risks were jointly mapped by UNDP, UNICEF, WFP and the UNRCO with corrective actions and mitigation measures tailored to the JP. Agency-specific risk management tools and approaches for LNOB/gender equality assessments were also used, for example, UNDP's Social and Environmental Standards and Risks, UNICEF's Guidance for Risk-Informed Programming, UNICEF's Risk Management Policy, Armenia Country Office's risk register, UNICEF Emergency Preparedness Platform, WFP Corporate Risk Register (CRR) and others. Though, some of these include more overarching risks that concern UNDP's, UNICEF's and WFP's programming in Armenia more broadly, overarching principles to strengthen social and environmental sustainability, including gender, human rights and LNOB as well as preparedness and response plans informed the design of the JP-specific interventions.

The results of the risk assessment for the JP presented below in the risk matrix are documented in the form of a risk register for the project with clear Risk Owners, responsible for monitoring and mitigation. The value of the risk register lies in it being a living document which will be regularly reviewed and updated - from risk identification and analysis through risk response planning and status update during risk monitoring and control. Such reviews will be conducted by the JP Steering Committee, the Senior Managements of the participating UN agencies, UNRCO as well as the JP project team, particularly the JP project manager on a day-to-day basis.

The Risk reviews will be a mandatory point on the agenda of the JP Steering Committee meetings and regular project meetings. The evaluation of risk management effectiveness will be conducted as part of the final JP evaluation.

The risk register is provided in Annex 3.

### **Knowledge**

Key updates, stories and specific knowledge products related to the JP will be published on the [joint SDG fund's website](#), the [Gateway Factsheet of the Joint SDG Fund website](#); the [UNSDG website](#); and [UNDP in Armenia's website](#), [facebook](#) and twitter. Media products will be designed to share important updates in relation to ongoing joint activities with the Government of Armenia, their link to the UN in Armenia's Socio-Economic Response and Recovery Plan, and impacts - with specific emphasis on capacity development, development finance assessment findings, identified opportunities and proposed solutions.

Among key products of the project will be the Development Finance Assessment (DFA), and the related INFF roadmap; as well as the Development Assistance Database supported by the project.

At least one partner event will also be planned per year to create visibility for knowledge and lessons learned generated by the project so others can benefit. The first partner event will take place in relation to the JP launch in September 2020, and will include stakeholders from the Government (DPM's office, Ministry of Finance and other relevant line Ministries), country-level representatives of the global donors of the Joint SDG Fund (the EU, Germany and Sweden) and IFIs, such as the IMF and the World Bank..

The JP will also continuously share insights, lessons learnt and best practises with other JPs in the region and globally to ensure that knowledge is managed and used for improved programming and implementation of similar projects elsewhere going forward.

### **Sustainability and Scaling Up**

The JP will seek to forge multi-stakeholder partnerships as opposed to siloed interventions that can mobilize and share knowledge, expertise, technology and financial resources to support the achievement of the SDGs, thereby ensuring the sustainability of the JP outputs. Closely linked to the effectiveness of the PUNOs interventions lay the principles of sustainability and capacity strengthening of the national capacities. This will be secured through close collaboration with relevant government counterparts, including through the development of capacity within line Ministries to replicate and/or scale guidelines, methodologies, financing frameworks and viable financing options following the completion of the 2 years project. More specifically, the JP will ensure that proposed approaches and changes are incorporated into existing mechanisms, including programmes, plans, the Government Financial Management Information System (GFMIS), the MTEF and the DAD for long-term sustainability at minimum cost. Focus will be building in-house capacities through on-the-job support to line Ministry staff and learning by doing, e.g. by introducing methodology guidelines, SDG coding/tagging mechanisms, and new ways of using data for evidence-based policy making. The sustainability and efficiency of the JP will also be supported through existing expertise that will be complemented with innovative and tailored approaches brought by the UN that will maximise the value for money of investments and accelerate the delivery of multiple results.

---

## **IV. PROJECT MANAGEMENT**

### *Cost Efficiency and Effectiveness*

UNDP as lead agency for the JP will work together with UNICEF, WFP and the GoA and its partners to ensure that the project activities are carried out following the principles of equity and cost efficiency and effectiveness. This will be achieved by capitalising on the UN's long experience in deploying expertise, tools and resources, and by building strong links with related projects (led by the GoA, the UN, IFIs/DFIs, the private sector, CSOs, etc.), including in the area of public finance management and innovative financing.

In line with the Theory of Change, the JP will seek to forge multi-stakeholder partnerships and approaches as opposed to siloed interventions that can mobilize and share knowledge, expertise, technology and financial resources to support the achievement of the SDGs, thereby ensuring the sustainability of the JP outputs.

The JP will also work closely with the MoF and the EU Delegation in Armenia to align relevant JP activities with the gender-responsive budgeting component of the ongoing Public Finance Policy Reform Programme in Armenia, thus promoting gender-responsive budget across all sectors. Similarly, the JP will align with the World Bank in its work on the development of policy options for human capital development, linking it to budgeting processes, and adding gender, age and socio-economic considerations, where possible.

### *Project Management*

The Joint Project will be implemented in Direct Implementation Modality (DIM). The project will be managed by a project coordinator who will report to the UNDP Innovation, Acceleration and SDG Finance

Portfolio Team Leader, while cooperating closely with the RC Office and the assigned focal points from UNICEF and WFP.

In accordance with corporate regulations UNDP will be responsible for: (i) identification and/or recruitment of project personnel; (ii) procurement of goods and services; and (iii) financial services, for which the Project will incur transactional Direct Project Costs as per UNDP current UPL. The Project budget will also cover a percentage of the UNDP Office staff directly participating in the project implementation.

The procurement of goods and services and the selection of project experts and consultants will be carried out by the UNDP country office in accordance with the UNDP regulations, rules, and procedures. Where applicable, it will be done in cooperation with the UNICEF and WFP focal points for the project.

## V. RESULTS FRAMEWORK

Project ID 00129268/ Output ID 00123014 - Making Finance Work for Transformative Change in Armenia:

UN-locking Finance for Armenia 2030

EXPECTED OUTPUTS	OUTPUT INDICATORS	DATA SOURCE	BASELINE		TARGETS (by frequency of data collection)			DATA COLLECTION METHODS & RISKS
			Value	Year	Year 1 2020	Year 2 2021	Year 3 2022	
<b>Output 1.1:</b> Armenia Transformation Strategy is adopted as an integrated, gender-sensitive and equitable national SDG framework.	Indicator 1.1.1: Percentage of ATS/SDG alignment, including gender and age considerations	ATS document and results framework	0%	2020	0%	at least 60%, with gender/age considerations	at least 60%, with gender/age considerations	<i>Assessment of the ATS. Risks includes delays in SDG nationalisation and ATS finalisation</i>
	Indicator 1.1.2: Percentage of ATS/SDG harmonization with sectoral strategies, including gender and age considerations	ATS document and sectoral strategy documents and results frameworks	0%	2020	0%	60% in three prioritized LNOB sectors, with gender/age considerations	80% in three prioritized LNOB sectors, with gender/age considerations	<i>Assessment of the ATS and sectoral strategies Risks include delays in SDG nationalisation and ATS and sectoral strategies finalisation</i>
<b>Output 1.2:</b> Public finance management system is strengthened for better measurement and increased adequacy, effectiveness	Indicator 1.2.1: Percentage of alignment of ATS/SDG policy targets/indicators with the MTEF/budget programmes	MTEF, Budget Message Annex 3, expert report	0%	2020	0%	100% of ATS targets are mapped with budget programme structure	100% of ATS targets are mapped with budget programme structure and at least 70% ATS/SDG targets aligned with budget	<i>Assessment of MTEF/ Budget Message Annex 3. Risks include delays in SDG nationalisation and ATS and sectoral strategies finalisation</i>

and equitability of the distribution of public resources for the realisation of gender-responsive, child-sensitive and SDG-aligned policies							performance framework/targets	
	Indicator 1.2.2: Existence of a system to track and make allocations for specific SDG targets, including gender equality and children (SDG 1.b, 5.c and 17.14)	Published budget reports by ATS/SDGs	The budgeting system does not include an SDG perspective and partially specifies allocations to gender equality and children in the relevant sectors and agencies	2020	n/a for 2020	The budgeting process partially includes an SDG perspective and partially specifies allocations to gender equality and children in the relevant sectors and agencies, including specific indicators and a tracking system. Report on budget allocations by ATS/SDGs is developed	Automatic reporting on budget allocations and expenditures by ATS/SDGs, including gender equality and children, is bridged with FMIS database and reports produced	Automatic budget reporting system. Published budget reports by ATS/SDGs.
	Indicator 1.2.3.: Level of awareness of relevant GoA staff on gender-responsive, child-sensitive and SDG-aligned programme-based budgeting	Training materials and reports; pre- and post-training assessments	0, considering all three aspects (gender, age, SDGs)	2020	0%	30% in three prioritized areas	60% in three prioritized areas	Online-based pre- and post-training surveys. Risks include unwillingness to partake in the surveys
<b>Output 1.3:</b> Public, private and development financing landscape, including existing flows,	Indicator 1.3.1: Overall ATS costing conducted to assess financing needs	INFF roadmap, DFA report MTEF, 2023 annual budget	Not assessed	2020	n/a for 2020	DFA conducted	INFF roadmap prepared; MTEF and budget estimates/costing cover at least 70% of ATS targets	Assessment of conducted tasks. Risks include delays in ATS development

gaps and options, is mapped to inform the implementation of the ATS	Indicator 1.3.2: Extent of alignment of DAD with country-owned results frameworks and planning tools for ATS/SDG implementation (SDG 17.15)	Donor Assistance Database  2022 Budget Message	0%	2020	0%	70% alignment of DAD with ATS/SDGs	90% alignment of DAD with ATS/SDGs. Donor support programmes are synergistically presented with budget programmes in the 2022 Budget Message	<i>Review of DAD and 2022 Budget message. Risks include delays in SDG nationalisation and ATS and sectoral strategies finalisation</i>
<b>Output 2.1:</b> Financing needs and gaps are diagnosed in the achievement of climate change [food security and human capital] sectoral targets	Indicator 2.1.1: Number of gender-sensitive and SDG-related climate change expenditure reviews and assessments conducted	Climate Public Expenditure & Institutional Review, Climate Change Financing Gap Assessment	0	2020	0	At least 1 gender-sensitive and SDG-related expenditure review and assessment conducted	At least 1 gender-sensitive and SDG-related expenditure reviews and assessments conducted	Review of Climate Public Expenditure & Institutional Review, Climate Change Financing Gap Assessment
	Indicator 2.1.2: Financing gaps identified in three prioritized areas considering LNOB and gender equality principles	Climate Public Expenditure & Institutional Review, Climate Change Financing Gap Assessment	No assessment done and gaps identified	2020	n/a for 2020	Assessment conducted and Financing gaps identified in 1 prioritized areas considering LNOB and gender equality principles	Financing gaps identified in 1 prioritized areas considering LNOB and gender equality principles	Review of Climate Public Expenditure & Institutional Review, Climate Change Financing Gap Assessment
<b>Output 2.2:</b> Coherent financing frameworks developed in the pre-selected sectors for the allocation of sufficient and	Indicator 2.2.1: Number of gender-sensitive and inclusive Financing Frameworks Developed for the 2022-2024 MTEF process	Climate Change Financial Framework	0	2020	0	0	1	Review of Climate Change Financial Framework
	Indicator 2.2.2: Number of gender-sensitive and SDG-related	Climate Change	0	2020		0	1	Review of Climate change-related reports

adequate public and private resources	climate change financing options developed	Financial Framework			0			
---------------------------------------	--	---------------------	--	--	---	--	--	--

## VI. MONITORING AND EVALUATION

In accordance with UNDP's programming policies and procedures, the project will be monitored through the following monitoring and evaluation plans:

### Monitoring Plan

Monitoring Activity	Purpose	Frequency	Expected Action	Partners (if joint)
<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.	Bi-annually	Slower than expected progress will be addressed by project management.	UNDP, UNICEF, WFP
<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.	Bi-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.	UNDP, UNICEF, WFP
<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.	UNDP, UNICEF, WFP
<b>Annual Project Quality Assurance</b>	The quality of the project will be assessed against UNDP's quality standards to identify project strengths and weaknesses and to inform management decision making to improve the project.	Annually	Areas of strength and weakness will be reviewed by project management and used to inform decisions to improve project performance.	UNDP, UNICEF, WFP
<b>Review and Make Course Corrections</b>	Internal review of data and evidence from all monitoring actions to inform decision making.	At least annually	Performance data, risks, lessons and quality will be discussed by the project board and used to make course corrections.	UNDP, UNICEF, WFP
<b>Project Report</b>	A progress report will be presented to the Project Donor- Joint Fund Secretariat, Project Board and key stakeholders, consisting of progress data	Annually, and at the end of the project (final report)		UNDP, UNICEF, WFP

	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.			
<b>Project Review (Project Board)</b>	The project's governance mechanism (i.e., project board) will hold regular project reviews to assess the performance of the project and review the Multi-Year Work Plan to ensure realistic budgeting over the life of the project. In the project's final year, the Project Board shall hold an end-of project review to capture lessons learned and discuss opportunities for scaling up and to socialize project results and lessons learned with relevant audiences.	At least annually	Any quality concerns or slower than expected progress should be discussed by the project board and management actions agreed to address the issues identified.	UNDP, UNICEF, WFP

### Evaluation Plan

<b>Evaluation Title</b>	<b>Partners (if joint)</b>	<b>UNDAF/CPD Outcome</b>	<b>Planned Completion Date</b>	<b>Key Evaluation Stakeholders</b>	<b>Cost and Source of Funding</b>
Joint final evaluation	UNICEF, WFP	<b>UNDAF Outcome 1 /CPD Outcome 1 (10).</b> By 2020, Armenia's competitiveness is improved and people, especially vulnerable groups, have greater access to sustainable economic opportunities.	June 2022	DPM office, Ministry of Finance	\$30,000 MPTF-Joint SDG Fund

---

**VII. MULTI-YEAR WORK PLAN**

EXPECTED OUTPUTS	PLANNED ACTIVITIES	Planned Budget by Year			RESPONSIBLE PARTY	PLANNED BUDGET		
		Y1	Y2	Y3		Funding Source	Budget Description	Amount
	<b>Activity 1: Armenia Transformation Strategy is adopted as an integrated, gender-sensitive and equitable national SDG framework</b>	15,000	18,000	0	UNDP	MPTF Joint SDG Fund	71300 Local consultants	33,000
		2,000	2,000	0	UNDP	MPTF Joint SDG Fund	74500 Miscellaneous	4,000
		1.190	1.400	0	UNDP	MPTF Joint SDG Fund	75100 Facilities and administration	2,590
		<b>Total Activity 1</b>	<b>18,190</b>	<b>21,400</b>	<b>0</b>			
	<b>Activity 2. Public finance management system is strengthened for better measurement and increased adequacy, effectiveness and equity of the distribution of public resources for the realisation</b>	10,000	22,000	5,000	UNDP	MPTF Joint SDG Fund	71300 Local consultants	37,000
		4,000	12,000	7,000	UNDP	MPTF Joint SDG Fund	71400 Contractual services-individuals	23,000

	<b>of gender-responsive, child-sensitive and SDG-aligned policies</b>	0	2,000	1,000	UNDP	MPTF Joint SDG Fund	74200 Audio visual & print. Production costs	3,000
		1,500	2,500	2,000	UNDP	MPTF Joint SDG Fund	74500 Miscellaneous	6,000
		1,085	2,695	1,050	UNDP	MPTF Joint SDG Fund	75100 Facilities and administration	4,830
		<b>16,585</b>	<b>41,195</b>	<b>16,050</b>				<b>73,830</b>
	<b>Activity 3 Public, private and development financing landscape, including existing flows, gaps and options, is mapped to inform the implementation of the ATS</b>	5,000	18,500	0	UNDP	MPTF Joint SDG Fund	71200 International consultants	23,500
		10,000	55,000	10,000	UNDP	MPTF Joint SDG Fund	71300 Local consultants	75,000
		0	5,000	2,000	UNDP	MPTF Joint SDG Fund	71600 Travel	7,000
		5,000	33,000	0	UNDP	MPTF Joint SDG Fund	72100 Contractual services-companies	38,000
		500	2,000	2,000	UNDP	MPTF Joint SDG Fund	74200 Audio visual & print. Production costs	4,500
		1,500	2,000	2,000	UNDP	MPTF Joint	74500 Miscellaneous	5,500

						SDG Fund		
		1,540	8,085	1,120	UNDP	MPTF Joint SDG Fund	75100 Facilities and administration	10,745
	<b>Total Activity 3</b>	<b>23,540</b>	<b>123,585</b>	<b>17,120</b>				
	<b>Activity 4. Financing needs and gaps are diagnosed in the achievement of climate change, food security and human capital sectoral targets</b>	0	14,000	0	UNDP	MPTF Joint SDG Fund	71200 International consultants	14,000
		0	25,000	10,000	UNDP	MPTF Joint SDG Fund	71300 Local consultants	35,000
		0	2,000	2,000	UNDP	MPTF Joint SDG Fund	74200 Audio visual & print. Production costs	4,000
		0	1,500	2,000	UNDP	MPTF Joint SDG Fund	74500 Miscellaneous	3,500
		0	2,975	980	UNDP	MPTF Joint SDG Fund	75100 Facilities and administration	3,955
	<b>Total Activity 4</b>	<b>0</b>	<b>45,475</b>	<b>14,980</b>				<b>60,455</b>
	<b>Activity 5. Coherent financing frameworks developed in the pre-selected sectors for the allocation of sufficient and adequate public and private resources</b>	0	24,000	5,000	UNDP	MPTF Joint SDG Fund	71300 Local consultants	29,000
		0	1,500	1,000	UNDP	MPTF Joint SDG Fund	74500 Miscellaneous	2,500

		0	1,785	420	UNDP	MPTF Joint SDG Fund	75100 Facilities and administration	2,205
	<b>Total Activity 5</b>	<b>0</b>	<b>27,285</b>	<b>6,420</b>				<b>33,705</b>
	<b>Activity 6. Project management and M&amp;E</b>	17,000	18,000	2,687	UNDP	MPTF Joint SDG Fund	64300 Direct Project Cost (staff)	37,687
		0	0	30,000	UNDP	MPTF Joint SDG Fund	71200 International consultants	30,000
		2,613	7,500	4,500	UNDP	MPTF Joint SDG Fund	71300 Local consultants	14,613
		8,800	26,500	2,500	UNDP	MPTF Joint SDG Fund	71400 Contractual Service Ind.	50,700
		0	2,500	2,500	UNDP	MPTF Joint SDG Fund	71600 Travel	5,000
		2,000	0	0	UNDP	MPTF Joint SDG Fund	72200 Eq. and furniture	2,000
		500	500	500	UNDP	MPTF Joint SDG Fund	72500 Supplies	1,500
		2,500	0	0	UNDP	MPTF Joint	72800 IT eq.	2,500

						SDG Fund		
		2,000	4,000	3,000	UNDP	MPTF Joint SDG Fund	73100 Rental and maint.- premises	9,000
		1,000	3,000	3,000	UNDP	MPTF Joint SDG Fund	74200 Audio visual print. Prod.	7,000
		2,000	2,500	2,000	UNDP	MPTF Joint SDG Fund	74500 Miscellaneous	6,500
		2,689	4,515	4,451	UNDP	MPTF Joint SDG Fund	75100 Facilities and administration	11,655
	<b>Total Activity 6</b>	<b>41,102</b>	<b>69,015</b>	<b>68,038</b>				<b>178,155</b>
<b>PROJECT TOTAL</b>		<b>99,417</b>	<b>327,955</b>	<b>122,608</b>				<b>549,980</b>

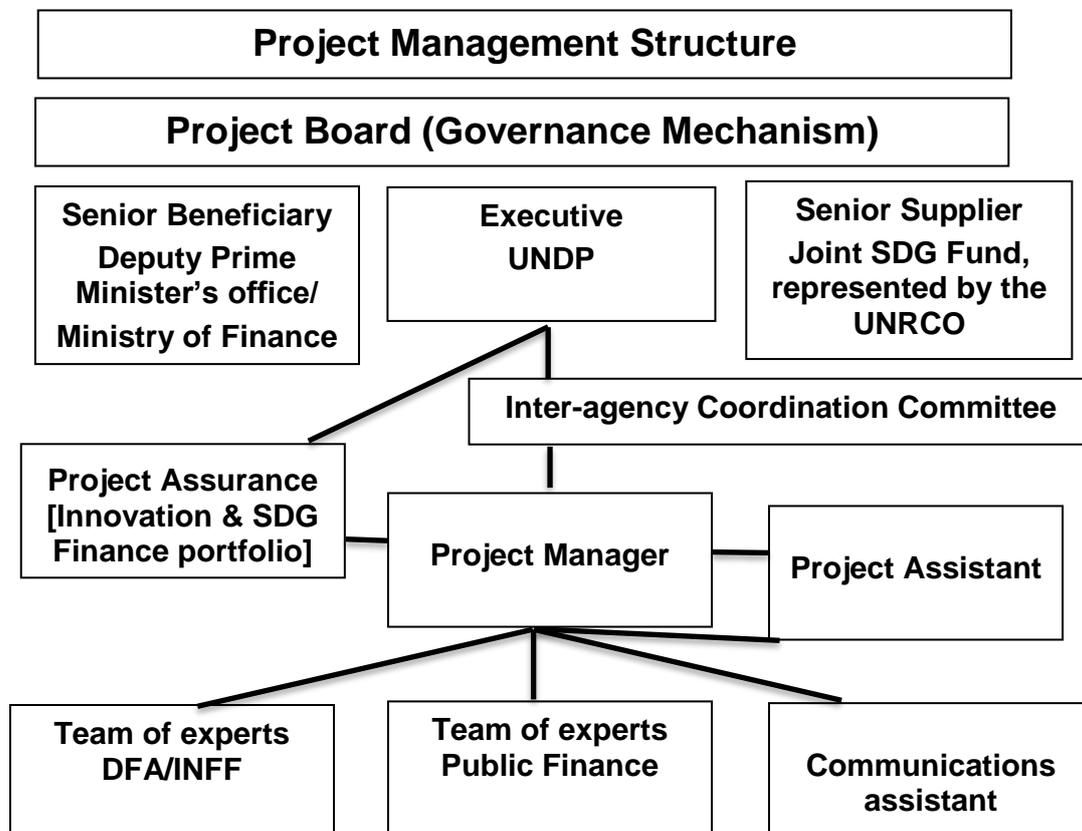
## VIII. GOVERNANCE AND MANAGEMENT ARRANGEMENTS

The project will be managed by the **Project Board** at the highest level, composed of representatives from the key national beneficiaries, including the Deputy PM's office, the Ministry of Finance; representatives of the Project Executive (UNDP) and Project Supplier (UN RCO). The project Board will convene at least once a year and be responsible for decision making on proposals and recommendations coming from any of its members, or through the Inter-Agency Coordination Committee.

Given the joint nature of the project, an **Inter-Agency Coordination Committee** will be established, composed of representatives of the RCO and each of the participating UN agencies, namely UNDP, UNICEF and WFP. The main objective of the Inter-Agency Coordination Committee will be to facilitate effective implementation and coordination of the project at a more technical level.

The day-to-day project management will be carried out by the Project Coordinator, who will ensure the efficiency and effectiveness of the project implementation. The Project Coordinator will also provide support to the organisation of Project Board and Inter-Agency Coordination Committee meetings

In addition, each participating Agency will assign a focal point responsible for the implementation of their respective project component.



---

**IX. LEGAL CONTEXT****Option a. Where the country has signed the [Standard Basic Assistance Agreement \(SBAA\)](#)**

This project document shall be the instrument referred to as such in Article 1 of the Standard Basic Assistance Agreement between the Government of Armenia and UNDP, signed on 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 in accordance with its financial regulations, rules, practices and procedures only to the extent that they do not contravene the principles of the Financial Regulations and Rules of UNDP. Where the financial governance of an Implementing Partner does not provide the required guidance to ensure best value for money, fairness, integrity, transparency, and effective international competition, the financial governance of UNDP shall apply.

---

**X. RISK MANAGEMENT****UNDP (DIM)**

1. UNDP as the Implementing Partner will comply with the policies, procedures and practices of the United Nations Security Management System (UNSMS.)
2. UNDP as the Implementing Partner will undertake all reasonable efforts to ensure that none of the project funds 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). This provision must be included in all sub-contracts or sub-agreements entered into under this Project Document.
3. 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>).
4. UNDP as the Implementing Partner will: (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.
5. In the implementation of the activities under this Project Document, UNDP as the Implementing Partner will handle any sexual exploitation and abuse (“SEA”) and sexual harassment (“SH”) allegations in accordance with its regulations, rules, policies and procedures.

6. 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.
7. UNDP as the Implementing Partner will ensure that the following obligations are binding on each responsible party, subcontractor and sub-recipient:
  - a. Consistent with the Article III of the SBAA [*or the Supplemental Provisions to the Project Document*], the responsibility for the safety and security of each responsible party, subcontractor and sub-recipient and its personnel and property, and of UNDP's property in such responsible party's, subcontractor's and sub-recipient's custody, rests with such responsible party, subcontractor and sub-recipient. To this end, each responsible party, subcontractor and sub-recipient shall:
    - i. 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;
    - ii. assume all risks and liabilities related to such responsible party's, subcontractor's and sub-recipient's security, and the full implementation of the security plan.
  - b. 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 responsible party's, subcontractor's and sub-recipient's obligations under this Project Document.
  - c. In the performance of the activities under this Project, UNDP as the Implementing Partner shall ensure, with respect to the activities of any of its responsible parties, sub-recipients and other entities engaged under the Project, either as contractors or subcontractors, their personnel and any individuals performing services for them, that those entities have in place adequate and proper procedures, processes and policies to prevent and/or address SEA and SH.
  - d. Each responsible party, subcontractor and sub-recipient will take appropriate steps to prevent misuse of funds, fraud or corruption, by its officials, consultants, subcontractors and sub-recipients in implementing the project or programme or using the UNDP funds. It 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.
  - e. The requirements of the following documents, then in force at the time of signature of the Project Document, apply to each responsible party, subcontractor and sub-recipient: (a) UNDP Policy on Fraud and other Corrupt Practices and (b) UNDP Office of Audit and Investigations Investigation Guidelines. Each responsible party, subcontractor and sub-recipient 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).
  - f. In the event that an investigation is required, UNDP will conduct investigations relating to any aspect of UNDP programmes and projects. Each responsible party, subcontractor and sub-recipient will provide its full cooperation, including making available

personnel, relevant documentation, and granting access to its (and its consultants', 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 it to find a solution.

- g. Each responsible party, subcontractor and sub-recipient will promptly inform UNDP as the Implementing Partner in case of any incidence of inappropriate use of funds, or credible allegation of fraud or corruption with due confidentiality.

Where it becomes aware that a UNDP project or activity, in whole or in part, is the focus of investigation for alleged fraud/corruption, each responsible party, subcontractor and sub-recipient will inform the UNDP Resident Representative/Head of Office, who will promptly inform UNDP's Office of Audit and Investigations (OAI). It will provide regular updates to the head of UNDP in the country and OAI of the status of, and actions relating to, such investigation.

- h. 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.

*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.

- i. 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.
- j. 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.
- k. 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.

---

**XI. ANNEXES**

**1. Project Quality Assurance Report**

*Q&A for design phase is completed online on UNDP Intranet, to be further approved, generated and included as Annex to ProDoc.*

## ANNEX 2. SOCIAL AND ENVIRONMENTAL SCREENING

### Project Information

<b>Project Information</b>	
1. Project Title	Making Finance Work for Transformative Change in Armenia: UN-locking Finance for Armenia 2030
2. Project Number	00129268/00123014
3. Location (Global/Region/Country)	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***

Among the overarching principles of the Project is to strengthen social and environmental sustainability, including gender, human rights and LNOB as well as preparedness and response plans informed the design of the Joint Programme-specific interventions

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

The Project sets out to ensure that the GoA benefits from an SDG integrated planning, policy and financing framework. This will enable Armenia to use both public and private development resources for the accelerated achievement of medium- and long-term development objectives, keeping human rights, poverty alleviation, gender and other LNOB considerations in mind for fair distribution of development opportunities and benefits.

To strengthen the overall capacity of country-led SDG actions on integrated policy and financing, the Project will carry out detailed policy assessments and work with government stakeholders to develop capacity for effective, gender-sensitive and inclusive implementation of new and innovative financing options.

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

Social and environmental sustainability will be enhanced through application of the UNDP Social and Environmental Standards and related Accountability Mechanism.

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

<p><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></p>		<p><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></p>		<p><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></p>	
<p><b>Risk Description</b></p>		<p><b>Impact and Probability (1-5)</b></p>	<p><b>Significance (Low, Moderate, High)</b></p>	<p><b>Comments</b></p>	
<p>Risk 1: No risk identified</p>		<p>I = P =</p>			
<p>[add additional rows as needed]</p>					
<p><b>QUESTION 4: What is the overall Project risk categorization?</b></p>					
<p>Select one (see <a href="#">SESP</a> for guidance)</p>				<p><b>Comments</b></p>	
<p><i>Low Risk</i></p>			<input checked="" type="checkbox"/>		
<p><i>Moderate Risk</i></p>			<input type="checkbox"/>		
<p><i>High Risk</i></p>			<input type="checkbox"/>		
<p><b>QUESTION 5: Based on the identified risks and risk categorization, what requirements of the SES are relevant?</b></p>					
<p>Check all that apply</p>				<p><b>Comments</b></p>	
<p><b>Principle 1: Human Rights</b></p>			<input type="checkbox"/>		
<p><b>Principle 2: Gender Equality and Women’s Empowerment</b></p>			<input type="checkbox"/>		
<p><b>1. Biodiversity Conservation and Natural Resource Management</b></p>			<input type="checkbox"/>		

	<b>2. Climate Change Mitigation and Adaptation</b>	<input type="checkbox"/>	
	<b>3. Community Health, Safety and Working Conditions</b>	<input type="checkbox"/>	
	<b>4. Cultural Heritage</b>	<input type="checkbox"/>	
	<b>5. Displacement and Resettlement</b>	<input type="checkbox"/>	
	<b>6. Indigenous Peoples</b>	<input type="checkbox"/>	
	<b>7. Pollution Prevention and Resource Efficiency</b>	<input type="checkbox"/>	

**Final Sign Off**

<b>Signature</b>	<b>Date</b>	<b>Description</b>
QA Assessor 	27-Oct-2020	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 	05-Nov-2020	UNDP senior manager, typically the UNDP Deputy Country Director (DCD), Country Director (CD), 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.
PAC Chair 	05-Nov-2020	UNDP chair of 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>7</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? <i>For example, through habitat loss, conversion or degradation, fragmentation, hydrological changes</i>	No
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	No

<sup>7</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.

	proposed for protection, or recognized as such by authoritative sources and/or indigenous peoples or local communities?	
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>8</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
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

<sup>8</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.]

3.7	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)	No
4.2	Does the Project propose utilizing tangible and/or intangible forms of cultural heritage for commercial or other purposes?	No
<b>Standard 5: Displacement and Resettlement</b>		
5.1	Would the Project potentially involve temporary or permanent and full or partial physical displacement?	No
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)?	No
5.3	Is there a risk that the Project would lead to forced evictions? <sup>9</sup>	No
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?	No
<b>Standard 6: Indigenous Peoples</b>		
6.1	Are indigenous peoples present in the Project area (including Project area of influence)?	No
6.2	Is it likely that the Project or portions of the Project will be located on lands and territories claimed by indigenous peoples?	No
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>	No
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?	No
6.5	Does the proposed Project involve the utilization and/or commercial development of natural resources on lands and territories claimed by indigenous peoples?	No
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?	No
6.7	Would the Project adversely affect the development priorities of indigenous peoples as defined by them?	No
6.8	Would the Project potentially affect the physical and cultural survival of indigenous peoples?	No

<sup>9</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.

6.9	Would the Project potentially affect the Cultural Heritage of indigenous peoples, including through the commercialization or use of their traditional knowledge and practices?	No
<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

## ANNEX 3. RISK MATRIX

### Joint Programme Risk Management Plan

Risks	Risk Level:	Likelihood:	Impact:	Mitigating measures	Responsible Org./ Person
	(Likelihood x Impact)	Certain - 5	Essential - 5		
		Likely - 4	Major - 4		
	High (8-10)	Possible - 3	Moderate - 3		
	Medium (5-7)	Unlikely - 2	Minor - 2		
	Low (1-4)	Rare - 1	Insignificant - 1		
<b>Contextual risks</b>					
Destabilization of the socio-economic and political situation in the country, slowing down the implementation of the JP.	7	3	4	The PUNOs and UNRCO will closely monitor the socio-economic and political situation in the country, maintaining neutrality and impartiality and offering to act as mediator to solve the situation. The JP is designed with strong high-level GoA ownership and buy-in and will be embedded in the UNSDCF 2021-2025. Moreover, the sequence of specific activities can be adjusted to minimize JP delays.	UNRCO: country economist <a href="mailto:babken.dergrigorian@un.org">babken.dergrigorian@un.org</a> with support from UNCT, particularly UNDP, UNICEF and WFP
COVID-19 outbreak continuation impacting GoA planning and budgeting processes with prolonged state of emergency, resulting in boosted expenditures on health, social protection and food security to address immediate shocks	9	3	3	The UNRCO will be maintain constant communication with the Commander, high-level Government officials and the PUNOs through established channels, as well as the DMCT to maintain contingency and business continuity through established procedures to ensure continuity of work and disruption. Moreover, considering that food security and human capital are key areas addressed by the JP (SDGs 1, 2, 3, 4, 5), and are areas of direct interest of the GoA's COVID-19 response, the PUNOs will work on aligning GoA priorities and decisions for short-term response with long-term and results-based programming and budgeting in those areas.	UNRCO: country economist <a href="mailto:babken.dergrigorian@un.org">babken.dergrigorian@un.org</a> with support from UNCT, particularly UNDP, UNICEF and WFP

Risks	Risk Level:	Likelihood :	Impact:	Mitigating measures	Responsible Org./Person
-------	-------------	--------------	---------	---------------------	-------------------------

Escalation of the Nagorno-Karabakh conflict and potential resumption of hostilities over the Armenian borders (already observed in North-East border of Armenia) and/or other developments in the conflict zone, slowing down the implementation of the JP.	9	5	4	<p>The PUNOs and UNRCO will closely monitor the situation in the country, maintaining neutrality and impartiality and will adapt a conflict-sensitive approach to the JP implementation, and adjust activities accordingly, if needed, as per the programme contingency plan, and in agreement with UN Joint SDG Fund.</p> <p>The PUNOs together with the UNRCO will maintain contingency and business continuity plans to minimize disruption, as per agency specific guidelines, as well as through the DMCT.</p>	<p>UNRCO: country economist <a href="mailto:babken.dergrigorian@un.org">babken.dergrigorian@un.org</a>  UNDP: Peace and Conflict advisor: <a href="mailto:naira.sultanyan@undp.org">naira.sultanyan@undp.org</a>  with support from UNCT, particularly UNICEF and WFP</p>
<b>Programmatic risks</b>					
Lack of funding for the successful scale-up of developed tools and methodologies as well as lack of GoA capacity and buy-in for INFF roadmap implementation	9	3	3	<p>The JP team will work closely with the GoA and explore, forge and deepen partnerships with various stakeholders (e.g. donor community, IFIs/DFIs, private sector, diaspora, etc.) to mobilize, target and use multiple sources of public and private funding for successful implementation and scale-up of all JP interventions</p>	<p>UNDP: Team Leader for Innovation, Acceleration &amp; SDG Finance <a href="mailto:tatevik.koloyan@undp.org">tatevik.koloyan@undp.org</a> and the to be appointed JP project manager. Each PUNO will also be responsible for sector specific monitoring and reporting.</p>
Government changes impacting continuity of planning and budgeting for SDGs	9	3	3	<p>The PUNOs and the UNRCO will use structured venues for project implementation to minimize the possible negative effects of government staff changes on the pace and quality of JP implementation. These venues would include the National SDG Council, JP Steering Committee, Donor Coordination Groups and UNSDCF. Moreover, many staff will be involved in capacity development to counteract potential turnover. Regular monitoring of the situation, as well as constant communication with GoA counterparts will be pursued.</p>	<p>UNRCO: country economist <a href="mailto:babken.dergrigorian@un.org">babken.dergrigorian@un.org</a>,  UNDP: Team Leader for Innovation, Acceleration &amp; SDG Finance <a href="mailto:tatevik.koloyan@undp.org">tatevik.koloyan@undp.org</a> and the to be appointed JP project manager.</p>

Uneven or a non-holistic approach to SDG prioritization/ Government policy harmonization	6	2	3	The UNRCO and PUNOs have extensively consulted with the Government, including the DPM's office and Ministries of Finance and Economy, ensuring buy-in to the policy harmonization, budgeting and prioritization process. Moreover, the National Council on Sustainable Development has been formed per UN joint suggestions, thus paving the way for full SDG nationalization. Finally, the cross-sectoral involvement of PUNOs will enable harmonization in multiple sectors, including embodiment of gender equality and other LNOB considerations.	UNRCO: country economist <a href="mailto:babken.dergrigorian@un.org">babken.dergrigorian@un.org</a> UNDP: SDG Liaison officer <a href="mailto:louise.skarvall@undp.org">louise.skarvall@undp.org</a> with support from the National SDG Task Force, particularly UNICEF and WFP
Low interest by donors and the private sector in SDG-aligned programming	4	2	2	The UNRCO and PUNOs will use all donor coordination venues, as well as working groups (e.g. on PFM or PAR) to exchange information and advocate for joint action for SDG-aligned budgeting and programming. Moreover, through various programmatic initiatives targeting the private sector, the JP will increase the awareness of the business opportunities that the SDGs and impact investment present, thus creating buy-in and ownership for the 2030 Agenda.	UNRCO: country economist <a href="mailto:babken.dergrigorian@un.org">babken.dergrigorian@un.org</a> UNDP: SDG Liaison officer <a href="mailto:louise.skarvall@undp.org">louise.skarvall@undp.org</a> with support from UNCT, particularly UNICEF and WFP
Limited availability and disaggregation of financial and budgetary data, including by gender and age	6	3	2	The PUNOs will work with the Ministry of Finance, line Ministries and the ArmStat to obtain available SDG and budgetary data, disaggregated by gender, age etc. for better and more informed SDG-alignment of budgetary programmes and sub-programmes, as well as comprehensive SDG tagging/coding. The potential lack of budgetary data will be avoided through data generation, development of innovative data collection methods, or by using assumptions and weights, wherever applicable (within acceptable error intervals).	UNDP, UNICEF and WFP, under the overall leadership of the to be appointed JP project manager and with data collection and analysis support from the Armenia national SDG Innovation Lab <a href="mailto:tigran.tshorokhyan@undp.org">tigran.tshorokhyan@undp.org</a>
<b>Institutional risks</b>					

Internal GoA resistance to adjust financial policies and procedures towards achievement of SDGs, gender equality and LNOB	6	2	3	The PUNOs, under the leadership of the UNRCO, will support the GoA through the National SDG Council and line Ministries during the nationalization of the SDGs and the development of the national development and sectoral strategies to achieve full integration of the Agenda 2030 with focus on gender equality and LNOB. Existing coordination and cooperation frameworks with the highest level of the GoA, including the JP Steering Committee, will be utilized. Moreover, the PUNOs will develop SDG-aligned methodologies, tools and financial frameworks that will facilitate the process of linking policies and budgets. Capacity development and on-the-job technical assistance will be provided to involved ministries and technical staff for better ownership and more informed implementation.	UNDP: to be appointed JP project manager, with support from UNRCO, UNCT, UNICEF and WFP
Varying level of knowledge and capacity to absorb SDG-aligned methodologies and approaches for gender- and child-sensitive programming and programme budgeting and planning	6	3	2	The PUNOs together with the UNRCO will work closely with DPMs' office, all relevant line Ministers and other government personnel to build sufficient capacity and knowledge to successfully implement developed tools, methodologies and approaches to operationalize SDG aligned policies and budgets, with focus on gender equality and LNOB.	UNDP: to be appointed JP project manager UNICEF: Armenuhi Hovakimyan <a href="mailto:ahovakimyan@unicef.org">ahovakimyan@unicef.org</a> with support from UNRCO and WFP
JP implementation is delayed due to constraints with PUNOs	3	1	3	UNDP, UNICEF and WFP have previously implemented joint projects and coordination structures have been designed for JP implementation, including inter-linked outputs and activities. Considering the integrated nature of the JP, the UN agencies will have a core group of focal points for the JP delivery, coordinated by a joint Project Coordinator to ensure linkages, synergies and timely implementation. Regular coordination and monitoring will also be undertaken by the UNRCO.	UNRCO: country economist <a href="mailto:babken.dergrigorian@un.org">babken.dergrigorian@un.org</a> , UNDP: Team Leader for Innovation, Acceleration & SDG Finance <a href="mailto:tatevik.koloyan@undp.org">tatevik.koloyan@undp.org</a> and the to be appointed JP project manager
<b>Fiduciary risks</b>					

Financial mismanagement of the JP by UN implementing agencies or contractors leading to sub-optimal achievement of results	3	1	3	<p>The JP Steering Committee will regularly meet every two quarters to review the implementation of activities and management of financial expenditures. Moreover, PUNO rules and regulations will be used for contracting purposes (e.g. procurement of services and hiring of individual contractors), which go through a competitive selection process, deliverable-based payments and close monitoring and quality control. In case of transfer of funds to third parties, UN Harmonized Approach to Cash Transfers (HACT) will be used, which is complemented by a whole set of quality assurance activities, depending on transfer size.</p>	<p>UNRCO: country economist  <a href="mailto:babken.dergrigorian@un.org">babken.dergrigorian@un.org</a>,  UNDP: Team Leader for Innovation, Acceleration &amp; SDG Finance  <a href="mailto:tatevik.koloyan@undp.org">tatevik.koloyan@undp.org</a>, the to be appointed JP project manager as well as UNICEF and WFP senior management, in partnership with GoA, line Ministries and partners</p>
--	---	---	---	--	---