



UNITED NATIONS DEVELOPMENT PROGRAMME

**PROJECT DOCUMENT****Country: Armenia****I. PROJECT TITLE: SUPPORT TO POST-CONFLICT RECOVERY OF THE MOST VULNERABLE COMMUNITIES AND GROUPS IN ARMENIA****Project Number: 00135109/00126472****Implementing Partner: Ministry of Territorial Administration and Infrastructure****Start Date: 2021****End Date: 2023****PAC Meeting date: 27 July 2021****Brief Description**

The 44 days of clashes between Armenia and Azerbaijan, which broke out on 27 September 2020, has spurred a displacement crisis with an estimated 100,000 people fleeing the conflict zone to Armenia. Several months after the truce was established between the conflicting parties, large number of displaced populations is still residing in the communities of Armenia. They are expected to stay through the winter and longer, given the level of destruction in Nagorno Karabakh. This means that the shelter, food, protection, and livelihood needs of the displaced should be addressed both through emergency and durable solutions. The escalation of the conflict deepened the vulnerabilities that the COVID-19 has created and added new groups in need of support and protection, such as the war veterans and the families of the deceased.

The Project aims at contributing to the sustainable, tangible and people-centered post-conflict recovery of the most vulnerable communities and groups offering durable solutions at the humanitarian-development nexus. The Project's specific objectives are:

- 1) Build sustainable emergency livelihoods for the displaced populations in the regions of Armenia.
- 2) Support socioeconomic integration of the displaced population, war veterans and other vulnerable groups through various job creation mechanisms.
- 3) Maximize the benefits of socioeconomic recovery for the host communities and the displaced population through sustainable energy solutions.

UNDP complements the immediate humanitarian assistance and allows to start a chain reaction of closely linked and mutually reinforcing interventions in the local communities towards reducing the post-conflict vulnerabilities of the local populations and the displaced. The Project will provide support to about **27,800 beneficiaries** countrywide, particularly targeting the bordering regions of Syunik, Gegharkunik and Vayots Dzor.

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

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

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

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

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

Total resources required:	3,221,090	
Total resources allocated:	UNDP TRAC:	-
	RUS GOV:	3,221,090
	Government parallel:	
	Beneficiaries parallel	
Unfunded:	-	

Agreed by (signatures):

Government	UNDP
Mr. Suren Papikyan Minister of Territorial Administration and Infrastructure	Ms. Mihaela Stojkoska UNDP Resident Representative a.i.
Date: 30.07.21	Date: 30.07.21

I. DEVELOPMENT CHALLENGE

On September 27, 2020, the status quo along the line of contact in Nagorno Karabakh broke down. For more than six weeks, fighting and displacement took place in Nagorno-Karabakh and the surrounding areas, leading to thousands of military casualties, hundreds of civilian deaths and around 100,000 displaced population from within Nagorno-Karabakh on the Armenian side. The heavy shelling caused massive destruction of civilian buildings and infrastructure in the cities and villages of Nagorno Karabakh. Thousands of people lost their home and property as a result of the war. Hundreds of military personnel returned home disabled, many of them are in their early 20-ies.

The fighting ended in November when the parties signed the Russia-brokered tripartite statement. The statement has allowed to halt the fighting and offered provisions, which included a phased withdrawal of the Armenian military forces from territory outside its internationally recognized borders. This territory includes Nagorno-Karabakh itself, but also Lachin, Kelbajar and Agdam, the three adjacent areas where Armenia held land. Azerbaijan gained control of most of the territory they lost after the first Nagorno Karabakh War 30 years ago, while a new state border between Armenia and Azerbaijan was demarcated in the East of the southern region of Armenia Syunik, as well as Gegharkunik region. During the weeks following the ceasefire the Armenian population residing in the territories to be handed over to the Azerbaijani forces, left their homes to take refuge mostly in the Republic of Armenia. Around 2,000 Russian peacekeepers are deployed to Nagorno-Karabakh, excepting those areas of the enclave under Azerbaijani control.

For Armenia the aftermath of the war is marked by rising sociopolitical tension, especially in the bordering regions, against the backdrop of the new security challenges and the massive human and territorial losses, slowed economic growth and consequently grave socioeconomic issues, such as the loss of livelihood for thousands of displaced population, including jobs, income sources, homes and other property, the socioeconomic reintegration of war veterans, deepening of the existing socioeconomic vulnerabilities

68,050

Last updated 17 Feb 2021

Source: Government

People in a refugee-like situation by location

Yerevan	39.0%	26,567
Vayotz Dzor	3.1%	2,142
Tavush	1.8%	1,232
Syunik	9.1%	6,222
Shirak	2.3%	1,535
Lori	3.6%	2,441
Kotayk	17.0%	11,571
Gegharkunik	4.0%	2,704
Armavir	6.8%	4,649
Ararat	10.0%	6,797
Aragatsotn	3.2%	2,190

among different population groups as a result of the war and the pandemic.

Displacement crisis. The conflict has spurred a displacement crisis with an estimated 100,000 people fleeing the conflict zone to Armenia. More than half of the displaced population has returned to Nagorno Karabakh during December-February (52,631 as of February 17, RF Ministry of Defense¹). However, according to the official estimates around **68 thousand Armenians** from Nagorno Karabakh are currently residing in Armenia (Government), majority of whom are displaced people from the regions currently under control of Azerbaijan. Only 10 thousand of them are not homeless,². The

large part of these people is expected to stay through the winter and longer, given the level of destruction in NK. Based on the results of Multi-Sector Needs Assessment (MSNA), 85% of the displaced population does not plan to leave their current place of residence in Armenia or unable to communicate their intentions (82% in Syunik, 81% in Vayots Dzor, 92% in Gegharkunik)However, the displaced population staying behind in Armenia are having major shelter, food, protection, health, education, and livelihood needs of humanitarian nature. The host communities in turn experience significant stress in terms of their capacity to provide basic services, cover energy and other needs of the displaced, and keep order and cohesion, exacerbated by the already high vulnerability after the first wave of the COVID-19 pandemic. The epidemiological outlook has also worsened significantly since the outbreak of the conflict, with Armenia experiencing the second wave of

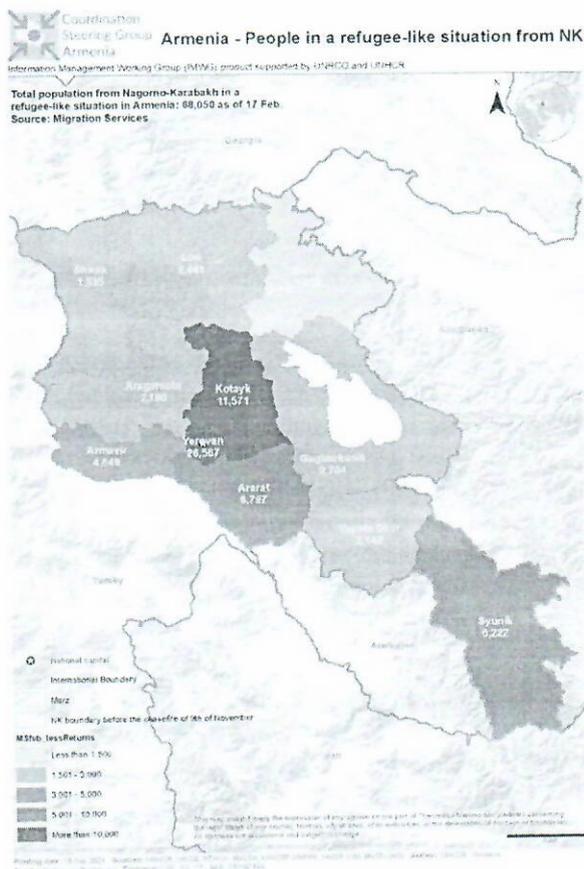
¹ <https://bit.ly/3aDTvOV>

² <https://armenpress.am/arm/news/1043433/>

COVID-19. This is adding additional stress on host communities and institutions and their capacities to address essential needs of local and displaced populations. 26% of respondents of the MSNA mentioned that their needs have been either partially or not met at all by the local authorities.

Growing vulnerability of the bordering regions in the south of Armenia:

The trilateral agreement concluding a truce between Armenia and Azerbaijan led to demarcation of a new state border between two countries. 40 more settlements in Gegharkunik and Syunik regions will be included in the list of bordering communities as a result of the border demarcation. This process in specific settlements of Syunik and Gegharkunik regions have triggered public protest and been characterized by the RA Human Rights Defender as a process accompanied by human rights violations. In his address to the international community he mentioned that the process led to violations of internationally recognized human socioeconomic (property, etc.) rights and endangered people's rights to life and physical immunity³. Acts of protest have been held in Syunik and Gegharkunik regions, where the local population raised their concerns regarding their security and restricted access to land and other property. The uncertainty of the situation around the border, the physical security issues, the need to rethink housing and community infrastructure (as parts of it are now in Azerbaijan) and the overall severe socio-economic deprivation all make the south of Armenia, especially the Syunik region, an area of focus for the government and development partners. At the same time, it is in Syunik region where most of the possible new transport links will pass through, highlighting the need for development and social stability along with



infrastructure projects.

Reintegration of war veterans: More than 9 000 soldiers became disabled and were wounded during the six-week hostilities. It is clear that a large number of soldiers returned home with physical and mental trauma unable to integrate into the usual peaceful life or return to their civilian work or education. The young age of the majority of the war veterans particularly sensitizes this issue and requires immediate and targeted solutions. The Government is providing social support to the war veterans and the families of the deceased in the form of monetary compensations, pensions, as well as prosthetics and rehabilitation treatment. The Project steps in to support the socioeconomic integration of the war veterans through offering employment opportunities adjusted to their needs and capacities – as part of the local development and recovery projects, i.e. treating them as an especially important target group.

Economic slowdown, poverty and unemployment: The second wave of the COVID-19 and the war hit hard the Armenian economy. The double crisis ended the robust economic growth of the recent years and contracted the country's economy by 7.25%. The rise in budget deficit, coupled with GDP decline is expected to push public debt to more than 60% of GDP. The economic contraction in turn is expected to cause a sharp increase in unemployment from 18.3% in 2019 (youth 32.6%, urban 22.6%, and women 19.3%) to 24.1% in 2020

³ https://www.ombuds.am/en_us/site/ViewNews/1496

(ARMSTAT). As of the 3rd quarter of 2020, **the labour resources** comprised 2081.4 thousand persons, decreasing by 0.2 % versus the same period of 2019. The number of unemployed persons increased by 3.7 % (226.9 thousand persons) (RA Economic Response Program). The high levels of uncertainty in the post-conflict context, lack of investments, decline of demand among consumers, decrease of the disposable income of the population and risk avoidance among businesses have suppressed the economic activity, which hinders the recovery of the economy.

Poverty levels are on the rise. With 2.7% of the population being classified as vulnerable to multidimensional poverty, the levels are expected to surpass the 2019 rate of 26.4%. According to the MSNA 73% of displaced households and 49% of hosting households report that the conflict had **reduced their ability to purchase food**. This is another evidence of the increased impoverishment of the population and the level of deep crisis that the country has to face in the post-war context. Moreover, 52% of host households reported having debts (79% in Vayots Dzor). The average reported debt is USD 2,500.

In general, **cash, food and shelter** are the top three needs of both the host and displaced households (MSNA). The 27% of displaced households reported having **no source of income** mentioning social protection and pensions as their primary income source. Next to this, only **11% of the displaced** reported that any of their household members **found a job** since their arrival. Meanwhile, 41% of hosting households reported **formal paid work as their primary source of income**. The most commonly reported shelter issue for both the hosting and the displaced households is **the lack of space**, other shelter related issues are **lack of heating, lack of insulation from cold, leaks during rain/snow**.

Government response: In order to respond to the complex and intertwined socioeconomic challenges and overcome the negatives shocks of the war and the COVID-19, the RA Government has approved the Economic Response Program (Annex 1 of the RA Government Decree N 142 – L from 04 February 2021) with **the stimulation of economic activity and entrepreneurship** as one of its key objectives. The Project is aligned to the key pillars of the response program, particularly through **increasing access to resources, strengthening capacities, SME resilience, jobs and sustainable employment, establishment and expansion of economic opportunities for persons and families affected by the war**. On top of this, the Project responds to the priority area of the Response Program on **encouraging local production as well as building a safe environment in the borderline territories through infrastructure investments**.

II. STRATEGY

The Project will be implemented in a complex environment, where on the one side a plethora of burning issues needs immediate action and emergency response and on the other side, sustainable solutions are needed to ensure recovery and durable results on the long run. With this in mind, the intervention logic of the Project is built at the development humanitarian nexus to address the complexity of overlapping and multiple deprivations of the displaced populations, war veterans and other vulnerable target groups. To this end the Project's theory of change is the following:

If the Project supports the target beneficiaries to meet their basic needs, such as housing and minimum income standards through building sustainable households, and the assumption that restored livelihoods will strengthen the sense of belonging and security and facilitate social integration in post-conflict setting, holds true.

AND

If the target beneficiary groups gain access to sustainable job opportunities, and the assumption, that restored income levels and economic inclusion will prevent the target vulnerable groups to fall below the poverty line, and will help to curb outmigration and social tensions in post-crisis stages, hold true.

AND

If the access to renewable energy sources and green energy solutions are facilitated on household and community level, and the assumption that green technologies will help to bring down the utility costs and result in considerable savings, which can be meaningfully redistributed by the communities for public goods and increase the purchasing capacity of households, holds true.

THEN

The Project will contribute to the sustainable, tangible and people-centered post-conflict recovery of the most vulnerable communities and groups offering durable solutions at the humanitarian-development nexus.

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

Throughout its implementation the project will follow the **principles of the human-rights based approach** accepting the universality and inalienability; indivisibility; interdependence and inter-relatedness of human rights; non-discrimination and equality; participation and inclusion; accountability and the rule of law. The Project will make sure that none of its interventions violates any of the universal human rights and demonstrates respect and tolerance to diversity. **Participation and inclusion are the core values** of the Project and through its approach, implementation methodology and tools the Project will support wide **multisectoral cooperation and participation** with inclusion of the most **vulnerable groups**.

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

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

III Results and Partnerships

Expected Results

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

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

SDG 1- End poverty in all its forms everywhere

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

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

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

SDG 10- Reduce inequality within and among countries

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

Overall goal: The Project aims at contributing to the sustainable, tangible and people-centered post-conflict recovery of the most vulnerable communities and groups offering durable solutions at the humanitarian-development nexus.

Objective 1. Build sustainable emergency livelihoods for the displaced population in the regions of Armenia.

Objective 2. Support socioeconomic integration of the displaced population, war veterans and other vulnerable groups through various job creation mechanisms across country (including Yerevan).

Objective 3. Maximize the benefits of socioeconomic recovery for the host communities and the displaced population through sustainable energy solutions.

COMPONENTS, ACTIVITIES AND EXPECTED RESULTS

Objective 1. Build sustainable livelihoods for the displaced population and communities in the bordering regions of Syunik, Gegharkunik and Vayots Dzor.

Component 1.1 Housing and public facilities are (re)built/provided to meet the needs of displaced population and local communities in the regions of Syunik, Gegharkunik and Vayots Dzor

Many of the displaced will not be able to return to Nagorno Karabakh during the upcoming months and even years since their houses remained in the territories currently under control of Azerbaijan. Some of them will choose not to return at all, even though the ceasefire is established between the conflicting parties and the Armenian and NK Governments with the support of the Russian Federation are making efforts to provide conditions for their return. Finding a durable solution to the housing needs that the displaced groups will face once they can no longer use temporary shelters (houses of relatives, hotels, and community facilities e.g. schools, kindergartens) is one of the indispensable steps to return these people to normalcy and give them a sense of security and hope.

The arrival of the displaced populations into the bordering communities has reiterated the issue of decaying public facilities therein and showcased their importance in the emergency response of the communities. Public facilities/administrative buildings have been used as collective shelters for the displaced population despite deplorable conditions. Thirteen percent of the displaced population is reported to be accommodated in collective shelters of various type. The share of individuals in collective shelters is higher than the average in the regions of Aragatsotn (37%), Lori (24%), Syunik (20%). Next to the hotels and sanatoriums administrative structures/ public facilities are the most frequently mentioned collective shelters (MSNA). The project proposes to restore the public facilities most needed by the host communities as a measure to strengthening service provision, social cohesion and community resilience.

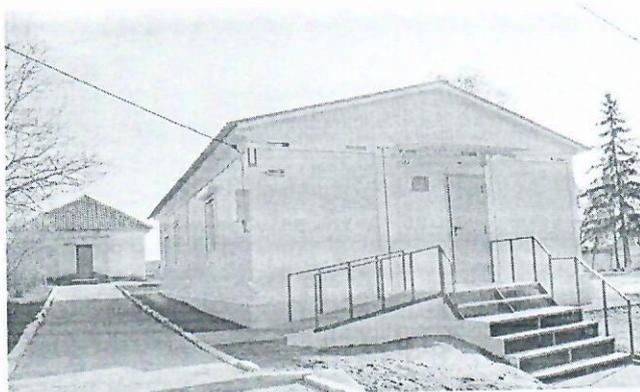
Indicative Activities

Activity 1.1.1: Assess the housing needs and the physical condition of the public facilities in the regions of Syunik, Gegharkunik and Vayots Dzor

The assessment will aim at finding out the number of the displaced population with housing needs in the target communities of Syunik, Gegharkunik and Vayots Dzor regions- which are the closest to the territories currently under control of Azerbaijan (Kelbajar, Shushi, Lachin, Hadrut, Askeran, etc.), and which mainly host households displaced from these regions.. Many of these households arrived with livestock and most probably will remain there for an indefinite period of time. The assessment will analyze the household needs with regards to their plans for the nearest future (determined to stay and settle in the host community or is

planning to return to Nagorno Karabakh), identify the potential beneficiaries, check the availability of community land plots for the construction/installation of modular cottages, screen the real estate market to identify the options for flat/house acquisition, design the sustainability model for provision of accommodation, assess the physical condition of the public facilities in the host communities and design the reconstruction/recovery plan.

Activity 1.1.2 Procure, install/build modular cottages with infrastructure (water, electricity)



Based on the findings of the assessment, the Project will procure, install/build modular cottages as a quick, easy, efficient solution to solve the housing issue of the displaced population in those communities, where suiting location will be provided by the local administration.

In terms of procurement, the Project will thoroughly study the available options in the market, particularly focusing on the results of the pilot model in Nagorno Karabakh and other conflict zones by the Russian Federation

that has proved to be successful. The Government has already started construction of a residential area with 13 cottages, barns and land plots in Shurnukh community, Syunik. The Project will make sure that the cottages have access to electricity and water preferably through application of sustainable solutions (Component 3).

Activity 1.1.3 Provide support to the displaced families for the purchase of private houses (flats)

For all those cases when installation of the modular cottages will not be economically justified or feasible (i.e. absence of suitable location), the Project will consider purchasing private houses (or flats) for the displaced families. The details of the support scheme will be clarified and settled during the assessment stage, possible options include financial support through a grant scheme or vouchers. The activity aims at benefitting around 160 people in Gegharkunik and Syunik regions. The average price per house (flat) is estimated around 10,000-13,000 USD. The Project will closely cooperate with the MTAI, MoLSA, regional and local administrations to jointly design the support scheme and reach out to the most vulnerable in the target group providing decent conditions for a dignified life.

Activity 1.1.4 Rehabilitate public facilities in the host communities

UNDP will ensure that public facilities most needed by the host communities (kindergarten, culture house, etc) are restored. This will allow putting to public use a space of interaction between the hosts and arrivals, ensuring their equal access to the public services. The reconstruction activities may include insulation, fortification, rebuilding the roofs, changing windows, renovation, application of energy-efficient solutions (i.e. solar panels). This icebreaking measure is assumed to play an integrating role and prevent discrimination between the groups. While the described interventions are directly addressing the resettlement of the displaced and build a solid ground for restoring their livelihoods, they additionally contribute to the revival of the bordering communities.

The budget estimate per rehabilitation sub-project is USD 20,000. The calculation is based on vast experience of UNDP in sustainable public infrastructure rehabilitation countrywide as part of its community development projects. The total number of beneficiaries under this activity is 5,000, given that infrastructure rehabilitation

facilitates the accessibility of services (cultural services, primary education, secondary education, etc.) to the majority of community members.

Component 1.2 Access to agricultural infrastructure and assets as livelihood means is facilitated for displaced population in the target communities

The ability of displaced population to pursue economic activities is fundamental to their wellbeing. In this regard access to assets and infrastructure which facilitate income generation is essential. The value added of economic integration is the smooth process of resettlement of displaced population in the new places of residence. Considering the fact that a large number of displaced populations comes from rural settlements and is currently residing in the villages of Armenia, agriproduction and agriprocessing will be the main sectors, where the displaced individuals will seek income generation opportunities.

The current reports from different bordering host communities show that the displaced have tried to preserve their assets, and sometimes arrived with livestock- especially from the bordering territories currently under control of Azerbaijan. With already very insecure livelihoods, the host communities will be relieved to shelter the herds and offer conditions to the arrivals for using their assets towards income generation.

This, however, stretched the capacities of the local agricultural services, particularly in terms of ensuring the required amount of fodder to the increasing number of livestock (brought by the displaced from NK) and providing sanitary conditions for slaughtering. The Project singles out these two issues with a view to the current shortage of livestock fodder because of crop failure and the strict sanitary requirements existing in Armenia (slaughtering the livestock permitted strictly in slaughterhouses).

Indicative activities

Activity 1.2.1 Rapid needs assessment of the displaced families in livestock farming in the target communities

It is estimated that 12,000 to 55,000 cows and between 60,000 and 90,000 small ruminants have been moved to Armenia by displaced families (FAO). While some of the families have already received support by the local administrations and other sources to organize wintering of the livestock, there are still gaps and the issue needs sustainable solutions. Based on already available data and findings, the Project will hold its own assessment to map the needs of the displaced families in livestock farming and outline the scope of the required measures with a focus on offering efficient and sustainable solutions balancing between the specific needs of the displaced population and the host communities. With this in mind, the assessment, among other things, should focus on the feasibility of developing fodder crop value chain and organize delivery of slaughterhouse services in the target area thus supporting livestock farming.

Activity 1.2.2 Establish a logistics center to manage the fodder crop cultivation in Syunik region

While the emergency solution to the fodder shortage in the communities may urge the Project to directly transfer certain amounts of fodder to the displaced families, the Project targets sustainable solutions, and will combine the emergency response with sustainable interventions. To this end, the Project will establish logistics center (including construction of the building, transfer of equipment, management setup) in the target areas to fulfill the value chain management function for fodder cultivation (wheat and barley). The logistics center will organize the primary production of the identified crops in cooperation with the displaced population on the

community-owned lands (rented by the logistics center), as well as harvest, collection, transportation, storage, processing, whenever applicable, packaging.

The logistics center should contribute to the self-sufficiency of fodder in the target settlements. Given that UNDP has already established a logistics center operating in Gegharkunik region (Chambarak community) and is planning to build another one in Vayots Dzor (both within the scope of a Russia-funded community development project), the Project will choose Syunik region as the location for the new center. TO this end The Project will use the replicable design for the construction of a logistics center prepared within the scope of the Russia-funded Project .According to the replicable design the center will have a warehouse with up to 1.000 tons of storage capacity, three production facilities, and a machinery park.

Activity 1.2.3 Organize quick fodder crop cultivation and fodder provision to the displaced families

In order to jump start the fodder cultivation and facilitate livestock farming in the target areas, the Project will provide fodder and seeds to the displaced families, as well as other vulnerable groups. The amount of fodder provided to the vulnerable groups will be calculated for keeping the feeding ratio of the cattle for a period of four months.

The Project will provide barley and wheat seeds to the target households as a sustainable solution towards solving the problem of fodder shortage. The support scheme may also cover the cultivation expenses (fuel, fertilizers and agricultural services). The cultivation can be done on private lands or on the land plots rented either by the logistics center or by the beneficiaries themselves. The Project may introduce a model of seed revolving fund, to ensure the cultivation cycle is not interrupted due to the lack of seeds and establish a mutual support scheme strengthening the sustainability of the intervention.

Activity 1.2.4 Pilot a model of delivering slaughterhouse services accessible for the displaced and other vulnerable groups in one of the target regions

Based on the findings of the assessment phase, the Project will pilot either modular or mobile model for delivering slaughterhouse services in one of the target regions aiming at making the service maximum accessible and affordable for the displaced population and the host communities. While the regulations for slaughtering services is quite rigid and provision the delivery of this service strictly in the slaughterhouses, there are not enough slaughterhouses in the country and this may negatively impact the livestock farming, especially affecting the small and vulnerable farmers, such as the displaced. The modular and mobile slaughterhouses are assumed to address this issue mitigating the negative impacts of the scarcity and uneven distribution of slaughterhouses in the country.

Activity 1.2.5 Build modular barns for the livestock of the displaced population

Barns are indispensable element in cattle farming. Considering the essential role that the livestock has in ensuring the livelihoods of the displaced population, sustainable solutions in organizing the sheltering for the livestock cannot be overlooked. The emergency solutions which have been applied locally to house the livestock brought by the displaced are quick fixes. In order to support a more sustainable outlook for farming as a livelihood means for the displaced population, the Project will install/build modular barns, which should allow safe housing for the livestock. The type of the barns, their area and other design details will be clarified through an assessment, but the main focus will be on construction of smart barns considering the limitations caused by the scarcity of pastures. The model of smart barns implies a total area of 280 sq.m. for 12 heads of cattle, while the modular barns will have a smaller area of 130 sq. m. allowing to shelter about 5-6 heads of cattle.

Objective 2. Support socioeconomic integration of the displaced population, war veterans and other vulnerable groups through various job creation mechanisms across country (including Yerevan).

Component 2.1 Jobs created for the displaced population, war veterans and other vulnerable groups through emergency schemes (1-6 months).

A big number of displaced populations fled from cities in NK to the cities in Armenia. This group is the most vulnerable one, given the strained job market as a result of the pandemic and the low access of the urban population to the production assets (such as land) as subsistence means. This is why special attention is needed to creating employment and re-training opportunities for them (**particularly targeting the groups which are unlikely to return to NK**) to ensure income level, reduce tensions and ease the burden on the government (and humanitarian assistance budgets).

This is also a critical instrument to help maintain the overall socioeconomic stability (shattered by both the COVID-19 crisis and the conflict) and prevent massive out-migration to third countries (including Russia), as well as facilitate the socioeconomic reintegration of the war veterans and the family members of the deceased, especially women as sole heads of households and the only breadwinners of their families. The Project will employ two models for boosting employment: cash for work and job creation through matching demand and supply sides of the labor market to integrate younger and more vulnerable workers, including war veterans. UNDP is already supporting the job placement of the vulnerable groups through cash for work mechanism in Kotayk region and on-the-job training scheme in Syunik, Gegharkunik and Vayots Dzor regions. So far 70 beneficiaries have received on-the-job training and 120 beneficiaries participated in cash for work program. The placement conditions are harmonized with the Government support program, while the support itself is delivered through cooperation with CSOs.

Indicative activities

Activity 2.1.1 Create jobs through emergency cash for work scheme (across country)

Emergency Cash for work scheme is a set of interventions that UNDP has been deploying during recent years to offer temporary employment in the disaster- or conflict-affected communities through engaging the vulnerable groups (displaced population, veterans, etc.) into public works (i.e. rehabilitation or rebuilding public infrastructure). Either through an implementing partner or UNDP directly through its Project will transfer cash to the vulnerable people for completing public works. UNDP will consider the opportunity of engaging the local labor force in the construction works planned under all the components of this proposal but most importantly in the reconstruction efforts more broadly. The cooperation mechanism may involve the Government through the Ministry of Labor and Social Affairs (MoLSA) or Civil Society Organizations. Currently the MoLSA is supporting the unemployed displaced individuals through a cash for work scheme, offering AMD 8,000 per day for public works throughout three months. The Project can either replicate the scheme and stream the support through CSOs or directly cooperate with the MoLSA.

Activity 2.1.2 Provide on-the-job training for the displaced and veterans

Job creation through matching demand and supply sides of the labor market will apply active labour market policy instruments by combination of upskilling and reskilling with further job placement in close cooperation with the RA Ministry of Labor and Social Affairs, State Employment Agency with its regional employment agencies, Career Guidance Center, as well as qualified training providers, and employers. The current programme of on-the-job training implemented by the MoLSA offers AMD 100,000 to the trainees within a course of three months and AMD 34,000 of remuneration to the mentor of the trainee at the host

company. This activity will target not only the displaced population, but also will actively engage local workforce, especially the war veterans and the family members of the deceased, aiming at building mixed professional communities, knowledge-sharing networks, and speeding up the integration of displaced people and economic reintegration of other vulnerable groups.

Component 2.2 Jobs created for the displaced population, war veterans and other vulnerable groups through sustainable support schemes (6-24 months).

While the emergency support scheme will allow to deploy fast and targeted assistance towards job creation for the displaced and other vulnerable groups, next to this the Project will apply more sustainable support schemes tapping into the employment potential of the SME sector.

In Armenia, SMEs account for more than 90% of all companies. Despite the consequences of lockdowns, social distancing and the war, the sector remains the most vibrant and dynamic segment with recovering hiring potential. The Project offers a set of activities supporting the SMEs and microenterprises as a job creation mechanism. To this end the Project will use the models already tested within the scope of Russia-funded Projects, including the open calls for co-financing business initiatives (startups), support to the businesses, which can employ the target vulnerable groups, support the self-employment of the displaced and the veterans through technical and technological assistance.

Indicative activities

Activity 2.2.1 Announce open calls, select and support the start-up (self-employment) initiatives of the displaced, war veterans and other vulnerable groups

The calls will be directed to support the start-up ideas submitted by the displaced population, the war veterans and other vulnerable groups in the target regions. Given that the target groups are extremely vulnerable and excluded, orientation meetings will be held with all the interested to introduce the requirements of the calls, application process and the selection criteria. The calls will not have sectoral limitations, instead the selection process will assess the feasibility of the start-up (self-employment initiatives) and will choose the beneficiaries based on vulnerability criteria. The selected start-ups (self-employment initiatives) will have access to need-based mentoring and learning opportunities. The support will be provided in two separate streams; grant scheme to start-ups and provision of equipment/tools (i.e. sewing machines, ovens) to facilitate home-based business.

Activity 2.2.2 Support the regional businesses with the potential to hire displaced, veterans and other vulnerable groups.

UNDP will apply a recently piloted job creation scheme based on cooperation with the private sector which can benefit the vulnerable groups. The support will depend on the type of business and the scope of the interventions and incentives needed for the businesses to hire the displaced populations, veterans, including those with disabilities, and other vulnerable groups as a workforce. The assistance may include increasing the production capacities of the businesses through co-funded acquisition of machinery, equipment, adapt the working conditions to the employees with special needs (the targets are war veterans with disabilities), etc. The interested businesses will be identified through a call mechanism.

Objective 3. Maximize the benefits of socioeconomic recovery for the host communities and the displaced population through sustainable energy solutions.

Component 3.1 Emergency energy solutions are applied in the stressed host communities.

The winter (November 2020-March 2021) has increased the burden on host communities across Armenia drastically pushing up the demand for heating, hot water, and electricity, and consequently increasing utility costs – with some communities hosting a very significant number of arrivals compared to their population. The increased energy consumption can have adverse environmental impact, as it leads to a growing firewood demand (proportion of the displaced households relying on wood for heating purposes- 32% (Gegharkunik), 39% (Syunik), 50% (Vayots Dzor). Recognizing access to and affordability of energy as a core concern, UNDP has already covered part of the utility bills of displaced population in several communities of Armenia for a period of one month. Yet the long-lasting and sustainable solution in this regard is the provision of green alternative energy sources to host communities.

Introduction of low-carbon technological solutions, as solar heaters, PV on-grid station, energy-efficient solutions for community street lighting, and facilities accommodating the displaced will help the hosting communities to decrease energy consumption and reduce utility bills, meanwhile achieving environmental benefits and improved living conditions. Revenues generated from green energy solutions and EE measures implemented in municipal public buildings and facilities can be directed to cover or subsidize the increased bills associated with hosting the displaced populations in public facilities (schools, ambulatories, etc.), as well as in privately owned buildings (hotels, houses, etc.). It should be noted that the local administrations have all regulatory mechanisms in place for using this compensation modality.

Activity 3.1.1 Apply energy efficient and green energy solutions for lighting (including street lighting) and heating purposes in public buildings, as well as private houses (cottages) hosting the displaced

The smaller rural communities face difficulties of providing outdoor lighting services. The service expenditures of the street lighting are not paid back by the population through utility bills, which may overburden the budgets of vulnerable communities. Especially in the bordering communities with high security risks the street lighting is an essential public good. The Project will support the energy-efficient street lighting construction plans in those communities, where such need will be identified. The Project will use the support model applied within the scope of Russia-funded projects to transfer LED luminaries to the beneficiary communities, which will undertake the installation and construction works. UNDP has successfully cooperated with the Russian suppliers of LED luminaries within the scope of the previous projects funded by the Russian Federation and will consider their offers during the procurement process. The results of the MSNA indicate that the majority of host and displaced households rely on wood and gas for heating purposes. The latter can contribute to forest loss because of excessive logging and consequently evoke negative environmental impacts, as the massive deforestation had during the after-war energy crisis in early 90-ies. The Project will mainstream the application of renewable energy and EE solutions (i.e. solar-water heaters, solar panels, LED lighting) in all the construction projects, both in rehabilitation of public buildings and installation of modular cottages. The Project will also consider the application of biofuel stoves for cooking and heating purposes in the cottages provided to the displaced households.

Partnerships

The Project interventions are designed in thorough consideration of the Government priorities and the post-conflict recovery support and will be implemented in close partnership with the line ministries. Through its job creation component, the Project will closely cooperate with the RA Ministry of Labor and Social

Affairs, The State Employment Agency, the private sector as well as CSOs. On the national level, the Ministry of Territorial Administration and Infrastructure, will be the national implementing partner of the project and a member of the Project's Steering Committee. Regular consultations will be held with the RA Ministry of Economy throughout the implementation of several aspects of the livelihoods components.

The Project will synergise its efforts with the ongoing support provided by FAO, IOM and WFP to the displaced populations and the bordering communities, as well as with efforts of other UN agencies, as part of the broader UN Response Plan and beyond (this project will be a contribution to covering the funding gap of the UNRP, under the Early Recovery Pillar). Whenever applicable the Project will scale up both the previous interventions funded by the Government of the Russian Federation using the models and schemes tested and proved efficient in the local context. To the extent possible the Project will try to involve Government support through synergies between the Government support programs and the Project (as an example, the cooperation between the Government and the Project in supporting the construction of modular slaughterhouses, construction of street lighting systems, construction of barns, Government subsidies for the production of fodder, or Government sub-investment programs in the regions for creating non-agricultural jobs in rural areas).

The Project will heavily draw on the models, approaches and cooperation mechanisms designed and tested within the scope of **Russia-funded projects** implemented or currently ongoing in the regions of Armenia, particularly the projects in Tavush, Gegharkunik and Vayots Dzor, RTF funded "Integrated Support to Rural Tourism Development" and "Future Skills for Rural Youth" Projects. This implies not only close synergies between the ongoing projects, but also the use of **the Russian expertise** directly through engaging Russian consultancy or using the methodologies already transferred to UNDP through recent cooperation with the Russian experts. All the models that will be designed in the assessment phase to the extent possible will be based on the existing solutions, products and technologies available in the Russian market (modular houses, modular/mobile slaughterhouses, equipment for the logistics center, etc.).

The Project will continue cooperating with the partner organizations and suppliers from the Russian Federation, specifically sharing procurement notifications with the potential suppliers.

The Project implies strong cooperation with the local communities, community administrations, local NGOs and the regional Governments.

Risks and Assumptions

The Project hinges on the assumptions that:

Restored livelihoods will strengthen the sense of belonging and security of displaced populations and facilitate social integration in post-conflict setting.

Restored income levels and economic inclusion will prevent the target vulnerable groups to fall below the poverty line and will help to curb outmigration and social tensions in post-crisis period.

Green technologies will help to bring down the utility costs and result in considerable savings, which can be meaningfully redistributed by the communities for public goods and increase the purchasing capacity of households.

The major risks that can hinder the Project implementation or achievement of target results include:

Change of the security situation along the border and escalation of the conflict.

Floating exchange rate of the Armenian Dram and the high frequency of rate fluctuations

The internal political situation changes in the country.

Natural hazards (including pandemics, earthquake, etc.)

High expectations of the beneficiaries, which cannot be met within the scope of the Project, its budget and strategy.

Stakeholder Engagement

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

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

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

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

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

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

South-South and Triangular Cooperation (SSC/TrC)

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

Knowledge

- Throughout its implementation the Project will conduct rapid needs assessments (housing needs and need in livestock farming).
- The project will commission training modules, adapt and franchise courses for the capacity building of the beneficiaries.
- The visibility of the Project will be ensured through regular social media posts, video and photo content, publications in online and offline media outlets, interviews, opening ceremonies of the project-funded initiatives, field visits engaging the donor and partners.

Sustainability and Scaling Up

The Project-offered solutions are designed to target a wide spectrum of interrelated issues to ensure Project's sustainability, as in the case of job creation the support ranges from capacity development to access

to funds and production assets, the livelihoods support aims at building whole value chains with in-built mechanisms of mutual support and revolving funds of inputs. The Project will thoroughly assess the real needs of the target groups and through engaging, inclusion and participation of the beneficiaries will build a sense of ownership and commitment.

The Project will consider application of different management and ownership models to ensure that the Project-provided assets continue to benefit those in need, even when the beneficiary decides to withdraw (i.e. the modular cottages can be owned by the communities and used for hosting tourists or public housing, if the beneficiary decides to leave the community, the slaughterhouse can be managed by the logistics centre ensuring the sustainability of the latter). On top of this, green and sustainable technologies will be mainstreamed through all the Project components. Close cooperation with the Government will contribute to the take-up and replication of the successful pilots implemented during the Project.

IV PROJECT MANAGEMENT

Cost Efficiency and Effectiveness

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

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

Project Management

The project will be implemented by UNDP through “Support to National Implementation Modality (NIMCO) under coordination with the Ministry of Territorial Administration and Infrastructure (MTAI) as the Project Implementing Partner. The UNDP CO will ensure project accountability, transparency, effectiveness and efficiency in implementation. UNDP will provide the Implementing Partner with the following major support services for the activities of the project in accordance with UNDP corporate regulations: (i) Identification and/or recruitment of project personnel; (ii) procurement of goods and services; (iii) financial services, based on LoA on DPC costs.

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

UNDP, as responsible partner, will establish a project team, which will ensure that the envisaged activities are carried out and the outputs are reached. The project will be implemented in the framework of UNDP “Sustainable communities and Tourism” (SCT) Programme of SED Portfolio. The project team will be managed by the Project Coordinator who will report to SCT Programme Manager. He/she will coordinate project activities and serve as the financial authorizing officer. This will ensure optimisation of costs as well as build on already accumulated experience and knowledge and ensure synergies.

SCT Programme Manager will report to SED Portfolio Manager and will be responsible for overall project implementation and assurance. S/he will ensure the proper use of funds and that project activities are implemented in accordance with the agreed project document and project work plans. Management of project funds including budget revisions, disbursements, record keeping, accounting, reporting, and auditing will follow UNDP rules and procedures. Project Coordinator will be responsible for the project daily planning, implementation quality, reporting, timeliness and effectiveness of the activities carried out. NPC will be supported by *support staff and experts*.

V. RESULTS FRAMEWORK									
Intended Outcome as stated in the UNDAF/Country Programme Results and Resource Framework: Outcome 4. People, communities and regions benefit from equitable economic opportunities, decent work and sustainable livelihoods, enabled through competitiveness and inclusive green growth									
Outcome indicators as stated in the Country Programme [or Global/Regional] Results and Resources Framework, including baseline and targets: Outcome 4: People, communities and regions benefit from equitable economic opportunities, decent work and sustainable livelihoods, enabled through competitiveness and inclusive green growth Indicator: Poverty rate decreased, Baseline (2018): 23.4, Target (2024): 20. Indicator (SDG 8.5.2) Unemployment rate decreased, Baseline (2018): 19, Women:20.4, Men:17.9, Youth:24.9, Rural:11.3, Urban: 24.9, Target(2024): 17, Women:18, Men:17, Youth:22, Rural:10, Urban: 23, Indicator: Per capita average monthly gross income level of rural population increased, Baseline (2018): 63,338 Target (2024): 75,000									
Applicable Output(s) from the UNDP Strategic Plan: 1.1.2. Marginalised groups, particularly, the poor, women, people with disabilities and displaced are empowered to gain universal access to basic services and financial and non-financial assets to build productive capacities and benefit from sustainable livelihoods and jobs.									
Project title and Atlas Project Number: Support to Post-Conflict Recovery of the Most Vulnerable Communities And Groups In Armenia									
EXPECTED OUTPUTS	OUTPUT INDICATORS	DATA SOURCE	BASELINE		TARGETS (by frequency of data collection)			DATA COLLECTION METHODS & RISKS	
			Value	Year	Year 1	Year 2	FINAL		
Objective 1 Build sustainable livelihoods for the displaced population and communities in the bordering regions of Syunik, Gegharkunik and Vayots Dzor	1. Number of women, men with restored livelihoods in the target communities	Surveys Monitoring reports	0	2020	7635 m-3715 w- 3920	9397 m-4600 w -4797	17032 m -8315 w- 8717	Project monitoring Survey Project records	
	1.1 Number of women and men benefitting from access to decent housing and restored public facilities	field visit reports, Project reports, transfer acts, property certificates	0	2020	2635 m-1315 w-1320	2687 m-1300 w-1387	5322 m-2615 w-2707	Field visits Request for information to the beneficiary communities and regional administration Survey	
	1.2 Number of women and men with access to agricultural assets and infrastructure	field visit reports, Project reports, transfer acts	0	2020	5000 m-2400 w-2600	6710 m-3300 w-3410	11710 m-5700 w-6010	Reporting Field visits project records	

Objective 2 Support socioeconomic integration of the displaced population, war veterans and other vulnerable groups through various job creation mechanisms across country (including Yerevan)	2. Number of women and men integrated into labor market	Surveys Monitoring reports Project reports	0	2020	350 m-250 w-100	430 m-280 w-130	780 m-530 w-250	Project monitoring Project reports Surveys interviews
	2.1 Number of women and men benefitting from emergency schemes of job creation	Surveys Monitoring reports Project reports	0	2020	200 m-150 w-50	280 m-180 w-80	480 m-330 w-130	Project monitoring Project reports Surveys interviews
	2.2. Number of women and men benefitting from sustainable support schemes	Field visit reports Project reports Monitoring reports Survey results	0	2020	150 m-100 w-50	150 m-100 w-50	300 m-200 w-100	Field visits, interviews, surveys, project records
Objective 3 Maximize the benefits of socioeconomic recovery for the host communities and the displaced population through sustainable energy solutions.	3. Number of women and men benefitting from energy efficient and green energy solutions	Surveys Monitoring report	0	2020	4000 m-2000 w-2000	6000 m-3000 w-3000	10000 m-5000 w-5000	Project Progress report Survey
	3.1 Number of communities with energy-efficient solutions applied	Surveys Monitoring report	0	2020	15	15	30	Project Progress report Survey

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: *[Note: monitoring and evaluation plans should be adapted to project context, as needed]*

Monitoring Plan

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

<p>Project Review (Project Board)</p>	<p>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.</p>	<p>Annually</p>	<p>Any quality concerns or slower than expected progress should be discussed by the project board and management actions agreed to address the issues identified.</p>	<p>N/A</p>	<p>N/A</p>
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Evaluation Plan⁴

Evaluation Title	Partners (if joint)	Related Strategic Plan Output	UNDAF/CPD Outcome	Planned Completion Date	Key Evaluation Stakeholders	Cost and Source of Funding
<p>Final Evaluation</p>	<p>N/A</p>	<p>Output 1.1 Marginalised groups are empowered to gain universal access to basic services and financial and non-financial assets to build productive capacities and benefit from sustainable livelihoods and jobs</p>	<p>Outcome 4: People, communities and regions benefit from equitable economic opportunities, decent work and sustainable livelihoods, enabled through competitiveness and inclusive green growth</p>	<p>2023</p>	<p>MTAI, local administration of the target settlements, regional administration of Gegharkunik, Vayots Dzor and Syunik regions, beneficiaries from the target settlements.</p>	<p>13000 USD (project)</p>

⁴ Optional, if needed

VII. MULTI-YEAR WORK PLAN ⁵⁶

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

EXPECTED OUTPUTS	PLANNED ACTIVITIES	Planned Budget by Year		RESPO NSIBL E PARTY	PLANNED BUDGET		
		Y1	Y2		Fund ing Sour ce	Budget Description	Amount
Objective 1: Build sustainable emergency livelihoods for the displaced population in the regions of Armenia. <i>Gender marker: GEN 2</i>	Activity 1.1.1 Assess the housing needs and the physical condition of the public facilities in the regions of Syunik, Gegharkunik, and Vayots Dzor	21,600	0	UNDP	RUS GOV	Local consultants	40,000.00
	Activity 1.1.2 Procure, install/build modular cottages with infrastructure (water, electricity)	253,800	279,720			Contractual Services/Individuals	48,000.00
	Activity 1.1.3 Provide support to the displaced families for the purchase of private houses (flats)	145,800	124,200			Travel	6,000.00
	Activity 1.1.4 Rehabilitate public facilities in the host communities	108,000	108,000			Contractual Services/Companies	1,140,000.00
	Activity 1.2.1 Rapid needs assessment of the displaced families in livestock farming in the target communities	21,600	0			Equipment and Furniture	80,000.00

⁵ Cost definitions and classifications for programme and development effectiveness costs to be charged to the project are defined in the Executive Board decision DP/2010/32

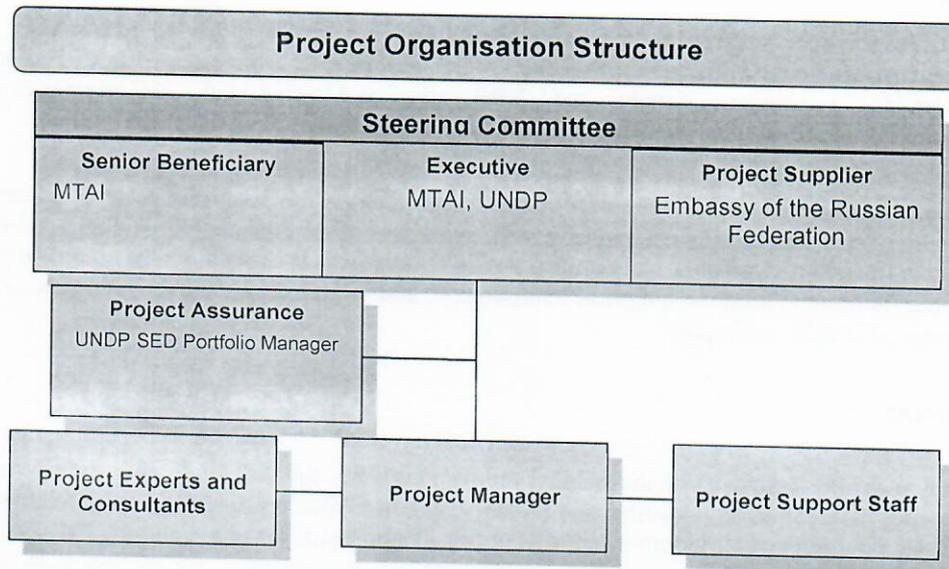
⁶ Changes to a project budget affecting the scope (outputs), completion date, or total estimated project costs require a formal budget revision that must be signed by the project board. In other cases, the UNDP programme manager alone may sign the revision provided the other signatories have no objection. This procedure may be applied for example when the purpose of the revision is only to re-phase activities among years.

<p>Objective 2: Support socioeconomic integration of the displaced population, war veterans and other vulnerable groups through various job creation mechanisms across country (including Yerevan).</p> <p><i>Gender marker: GEN 2</i></p>	<p>Activity 1.2.2 Establish a logistics center to manage the fodder crop cultivation in Syunik region.</p>	137,160	132,840	<p>Materials and Goods</p>	185,529.00	
	<p>Activity 1.2.3 Organize quick fodder crop cultivation and fodder provision to the displaced families.</p>	43,200	49,171			
	<p>Activity 1.2.4 Pilot a model of delivering slaughterhouse services accessible for the displaced and other vulnerable groups in one of the target regions</p>	43,200	43,200			
	<p>Activity 1.2.5 Build modular barns for the livestock of the displaced population</p>	54,000	54,000			
	<p>Subtotal for Objective 1</p>					<p>Facilities and Administration</p>
					1,619,491	
<p>Activity 2.1.1 Create jobs through emergency cash for work scheme</p>	80,000	80,000	UNDP	RUS GOV	Local consultants	40,000.00
					Contractual Services/Individuals	48,000.00
					Travel	6,000.00
					Contractual Services/Companies	676,000.00
<p>Activity 2.1.2 Provide on-the-job training for the displaced and war veterans</p>	100,000	100,000			Facilities and Administration	61,600.00
<p>Activity 2.2.1 Announce open calls, select and support the start-up (self-employment) initiatives of the displaced, war veterans and other vulnerable groups</p>	110,160	105,840				

	Activity 2.2.2 Support the regional businesses with the potential to hire displaced, veterans and other vulnerable groups	130,000	125,600					
Sub-Total for Objective 2								831,600
Objective 3: Maximize the benefits of socioeconomic recovery for the host communities and the displaced population through sustainable energy solutions.	Activity 3.1.1 Apply energy efficient and green energy solutions for lighting (including street lighting) and heating purposes in public buildings, as well as private houses (cottages) hosting the displaced	210,600	124,200	UNDP	RUS GOV			
						Local consultants	15,000.00	
						Contractual Services/Individuals	24,000.00	
						Travel	6,000.00	
						Contractual Services/Companies	100,000.00	
						Materials and Goods	165,000.00	
Sub-Total for Objective 3								24,800.00
Project Implementation: 4 Activity								
						Programme Management Cost	20,000.00	
						Contractual Services/Individuals	241,000.00	
						Travel	10,000.00	
						Equipment and Furniture	10,000.00	
						Communication and Audio visual	27,962.00	
						Supplies	3,000.00	

VIII. GOVERNANCE AND MANAGEMENT ARRANGEMENTS

Management Arrangements



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

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

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

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

IX Legal Context

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

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

1. Consistent with the Article III of the SBAA, the responsibility for the safety and security of the Implementing Partner and its personnel and property, and of UNDP’s property in the Implementing Partner’s custody, rests with the Implementing Partner. To this end, the Implementing Partner shall:
 - a) put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;
 - b) assume all risks and liabilities related to the Implementing Partner’s security, and the full implementation of the security plan.
2. UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of the Implementing Partner’s obligations under this Project Document.
3. The Implementing Partner agrees to undertake all reasonable efforts to ensure that no UNDP funds received pursuant to the Project Document are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via http://www.un.org/sc/committees/1267/aq_sanctions_list.shtml.
4. The Implementing Partner acknowledges and agrees that UNDP will not tolerate sexual harassment and sexual exploitation and abuse of anyone by the Implementing Partner, and each of its responsible parties, their respective sub-recipients and other entities involved in Project implementation, either as contractors or subcontractors and their personnel, and any individuals performing services for them under the Project Document.
 - (a) In the implementation of the activities under this Project Document, the Implementing Partner, and each of its sub-parties referred to above, shall comply with the standards of conduct set forth in the Secretary General’s Bulletin ST/SGB/2003/13 of 9 October 2003, concerning “Special measures for protection from sexual exploitation and sexual abuse” (“SEA”).
 - (b) Moreover, and without limitation to the application of other regulations, rules, policies and procedures bearing upon the performance of the activities under this Project Document, in the implementation of activities, the Implementing Partner, and each of its sub-parties referred to above, shall not engage in any form of sexual harassment (“SH”). SH is defined as any unwelcome conduct of a sexual nature that might reasonably be expected or be perceived to cause offense or humiliation, when such conduct interferes with work, is made a condition of employment or creates an intimidating, hostile or offensive work environment.

5. a) In the performance of the activities under this Project Document, the Implementing Partner shall (with respect to its own activities), and shall require from its sub-parties referred to in paragraph 4 (with respect to their activities) that they, have minimum standards and procedures in place, or a plan to develop and/or improve such standards and procedures in order to be able to take effective preventive and investigative action. These should include: policies on sexual harassment and sexual exploitation and abuse; policies on whistleblowing/protection against retaliation; and complaints, disciplinary and investigative mechanisms. In line with this, the Implementing Partner will and will require that such sub-parties will take all appropriate measures to:
- i. Prevent its employees, agents or any other persons engaged to perform any services under this Project Document, from engaging in SH or SEA;
 - ii. Offer employees and associated personnel training on prevention and response to SH and SEA, where the Implementing Partner and its sub-parties referred to in paragraph 4 have not put in place its own training regarding the prevention of SH and SEA, the Implementing Partner and its sub-parties may use the training material available at UNDP;
 - iii. Report and monitor allegations of SH and SEA of which the Implementing Partner and its sub-parties referred to in paragraph 4 have been informed or have otherwise become aware, and status thereof;
 - iv. Refer victims/survivors of SH and SEA to safe and confidential victim assistance; and
 - v. Promptly and confidentially record and investigate any allegations credible enough to warrant an investigation of SH or SEA. The Implementing Partner shall advise UNDP of any such allegations received and investigations being conducted by itself or any of its sub-parties referred to in paragraph 4 with respect to their activities under the Project Document, and shall keep UNDP informed during the investigation by it or any of such sub-parties, to the extent that such notification (i) does not jeopardize the conduct of the investigation, including but not limited to the safety or security of persons, and/or (ii) is not in contravention of any laws applicable to it. Following the investigation, the Implementing Partner shall advise UNDP of any actions taken by it or any of the other entities further to the investigation.
- b) The Implementing Partner shall establish that it has complied with the foregoing, to the satisfaction of UNDP, when requested by UNDP or any party acting on its behalf to provide such confirmation. Failure of the Implementing Partner, and each of its sub-parties referred to in paragraph 4, to comply of the foregoing, as determined by UNDP, shall be considered grounds for suspension or termination of the Project.
6. Social and environmental sustainability will be enhanced through application of the UNDP Social and Environmental Standards (<http://www.undp.org/ses>) and related Accountability Mechanism (<http://www.undp.org/secu-srm>).
 7. The Implementing Partner shall: (a) conduct project and programme-related activities in a manner consistent with the UNDP Social and Environmental Standards, (b) implement any management or mitigation plan prepared for the project or programme to comply with such standards, and (c) engage in a constructive and timely manner to address any concerns and complaints raised through the Accountability Mechanism. UNDP will seek to ensure that communities and other project stakeholders are informed of and have access to the Accountability Mechanism.
 8. All signatories to the Project Document shall cooperate in good faith with any exercise to evaluate any programme or project-related commitments or compliance with the UNDP Social and Environmental Standards. This includes providing access to project sites, relevant personnel, information, and documentation.
 9. The Implementing Partner will take appropriate steps to prevent misuse of funds, fraud or corruption, by its officials, consultants, responsible parties, subcontractors and sub-recipients in implementing the project or using UNDP funds. The Implementing Partner will ensure that its financial management, anti-corruption and anti-fraud policies are in place and enforced for all funding received from or through UNDP.
 10. The requirements of the following documents, then in force at the time of signature of the Project Document, apply to the Implementing Partner: (a) UNDP Policy on Fraud and other Corrupt Practices and (b) UNDP Office of Audit and Investigations Investigation Guidelines. The Implementing Partner

agrees to the requirements of the above documents, which are an integral part of this Project Document and are available online at www.undp.org.

11. In the event that an investigation is required, UNDP has the obligation to conduct investigations relating to any aspect of UNDP projects and programmes in accordance with UNDP's regulations, rules, policies and procedures. The Implementing Partner shall provide its full cooperation, including making available personnel, relevant documentation, and granting access to the Implementing Partner's (and its consultants', responsible parties', subcontractors' and sub-recipients') premises, for such purposes at reasonable times and on reasonable conditions as may be required for the purpose of an investigation. Should there be a limitation in meeting this obligation, UNDP shall consult with the Implementing Partner to find a solution.
12. The signatories to this Project Document will promptly inform one another in case of any incidence of inappropriate use of funds, or credible allegation of fraud or corruption with due confidentiality.

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

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

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

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

14. Each contract issued by the Implementing Partner in connection with this Project Document shall include a provision representing that no fees, gratuities, rebates, gifts, commissions or other payments, other than those shown in the proposal, have been given, received, or promised in connection with the selection process or in contract execution, and that the recipient of funds from the Implementing Partner shall cooperate with any and all investigations and post-payment audits.
15. Should UNDP refer to the relevant national authorities for appropriate legal action any alleged wrongdoing relating to the project, the Government will ensure that the relevant national authorities shall actively investigate the same and take appropriate legal action against all individuals found to have participated in the wrongdoing, recover and return any recovered funds to UNDP.
16. The Implementing Partner shall ensure that all of its obligations set forth under this section entitled "Risk Management" are passed on to each responsible party, subcontractor and sub-recipient and that

all the clauses under this section entitled “Risk Management Standard Clauses” are included, *mutatis mutandis*, in all sub-contracts or sub-agreements entered into further to this Project Document.

Annex 1. Quality Assurance

Link to QA:

<https://intranet-apps.undp.org/ProjectQA/Forms/Design?fid=9066&year=2021&ou=ARM&pid=00135109&fltr=PROJECT>

Annex 2. Risk Analysis

#	Description	Date Identified	Type	Impact & Probability	Countermeasures / Mngt response
1	Change of the security situation along the border and escalation of the conflict.	February 20, 2020	Political	Difficulties/security restrictions for operating in certain communities and impose risk for sustainability of actions. P = 5 I = 5	<i>Project will follow instructions from UN Department for Safety and Security and of local law enforcement for the trips to affected communities (additional security measures may be taken into account). In case of absence of restrictions for travelling and project operations in the affected communities, the project interventions should be readjusted to meet the needs of the target groups and communities, if approved by the donor.</i>
2	Floating exchange rate of the Armenian Dram and the high frequency of rate fluctuations	February 20, 2020	Financial	The costs will rise causing budget insufficiency. P = 4 I = 4	<i>UNDP has efficient cash/currency management arrangements, and to the extent possible adaptive financial planning will be used. In addition, UNDP will work on attracting additional funds through establishing public-private partnerships, leveraging funds with other organizations / projects operating in the target regions.</i>
3	The internal political situation changes in the country.	February 20, 2020	Political	This will cause instability and cancel the current policy frameworks and the administrative setup needed for the project implementation. P = 4 I = 4	<i>The Project will revisit its implementation strategy and while the principles will remain intact, the intervention mechanisms may change. In general, the focus of the project is at the local level, hence no serious disruption is expected.</i>

4	Natural hazards (including pandemics, earthquake, etc.)	February 20, 2020	Environmental	<p>Security measures can prevent interaction with the beneficiaries and stakeholders and may postpone or cancel the project operations in the field.</p> <p>Destructions can affect the Project results. The impact may range from damage to total destruction.</p> <p>P = 3 I = 3</p>	<p><i>To mitigate the risk the Project will deploy a remote management modality, making sure that the key stakeholders and beneficiaries have access to the support and assistance most needed in the emergency situation. The possible changes to the project intervention strategy will be agreed with the donor.</i></p> <p><i>The project will make sure that all the construction implemented by the Project is done in accord with the mandatory security norms, including seismic assessments, whenever applicable.</i></p>
5	High expectations of the beneficiaries, which cannot be met within the scope of the Project, its budget and strategy.	February 20, 2020	Other	<p>The reputation of the Project is undermined in the communities and among the beneficiary groups, and they are not interested in the Project.</p> <p>P = 2 I = 2</p>	<p><i>The regular and open communication with the beneficiaries will set it clear what should be expected from the Project and what are the limitations of the Project scope.</i></p>