

Single Form 2021

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Decision number

ECHO/UKR/BUD/2021/91000

Start date

02/08/2021

Partner

UNDP-USA

Submitted

19/12/2022

Agreement number

ECHO/UKR/BUD/2021/91020

Duration (months)

20

Partner type

UN

Action title

Our lives, our future. Supporting self recovery and resilience of conflict affected communities in Armenia

1. GENERAL INFORMATION

1.1 Humanitarian organisation

UNDP-USA

1.2 Title of the action

Our lives, our future. Supporting self recovery and resilience of conflict affected communities in Armenia

1.3 Time frame of the action

Start date 02/08/2021 **Duration** 20 months

1.4 Executive summary of the action

Rationale. The compound crisis caused by the hostilities in and around Nagorno-Karabakh and the COVID-19 pandemic had a disruptive and destructive effect on the 12 Armenian communities bordering Azerbaijan targeted by the proposed action. The major inflow of IDPs, especially of women and children, impacted on local economies that were already fragile and administrative budgets that had very limited room to cater for their assistance. The unresolved issue of border demarcation protracts the protection issues associated with it making for communities impossible to access their crops and pastures and thus regain some self-sufficiency and sense of normalcy.

Main needs addressed by the action. Much like the host communities, most of the IDPs lost access to their livelihood assets to the hostilities or the pandemic (e.g. they were sold to meet basic needs, destroyed or left in their places of origin). Most of the displaced and half of the host populations are unemployed and depend on humanitarian assistance to meet their basic needs. Competition over modest job opportunities and resources increases the risk of social tension and violence. While most of the displaced are living in a refugee-like situation, still they are unlikely to return to their places of origin in the foreseeable future

Objectives. The proposed EUR0.84 million action seeks to support the displaced in re-establishing their livelihood systems and decrease their dependence on humanitarian assistance while improving the security of the settlements that host them thus increasing overall protection levels, of women and girls especially.

Main activities. The action will focus on rehabilitating the livelihood systems of the most vulnerable groups, primarily among the IDPs, through on-the-job training, cash or in-kind assistance and increasing community protection levels through the provision of energy efficient street lighting.

1.4.1 [INT] Executive summary of the action

In the reporting period the overall rationale, main needs and objectives of the action remained the same; with no significant changes. The project was no-cost extended for additional 4 months, and the Result 1 Indicator 1 was increased to at least 1800.

1.5 HIP / Decision (if known)

ECHO/UKR/BUD/2021/91000

2. Project Data Overview by Country

Countries	Sectors	Total number of unique beneficiaries per sector		Total amount allocated to a sector	
		[RQ/MR] (last favourable data)	[FR]	[RQ/MR] (last favourable data)	[FR]
1. Armenia	1. Food security and livelihoods	1.825	-	470.000,00	-
1. Armenia	2. Shelter and settlements	21.830	-	162.000,00	-

	Total	632.000,00	-
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2.1 Geographical information

2.1 Country (1/1)

Armenia

2.2 Places of intervention (optional for actions in a group of countries and for global actions)

Name of the place of intervention (or name of country in case of actions in "Group of countries")	Upper administrative level (province)	Lowest administrative level (district)	Type
Syunik	Region	Community	Both
Gegharkunik	Region	Community	Both

2.3 Information on beneficiaries
Please enter in the fields below only the estimated number of **DIRECT** beneficiaries.
A direct beneficiary is a unique individual directly benefitting from an action financed by DG ECHO.

2.3.1 Number of unique beneficiaries

Gender	[RQ/MR] (last favourable data)	[IR]	[FR]
Total	21.830	27.720	-
Female	11.679	14.599	-
Male	10.151	13.121	-

2.3.2 Number of unique beneficiaries by age and gender (data per gender compulsory at IR/FR stage)

Age	[RQ/MR] (last favourable data)			[IR]			[FR]		
	Total	Female	Male	Total	Female	Male	Total	Female	Male
0 - 59 months	1.746	934	812	2.309	1.208	1.101	-	-	-
5 - 17 years	3.711	1.985	1.726	4.923	2.550	2.373	-	-	-
18 - 49 years	9.824	5.256	4.568	12.409	6.556	5.853	-	-	-
50 years and more	6.549	3.504	3.045	8.079	4.285	3.794	-	-	-

2.3.3 Number of unique beneficiaries with disabilities (included in 2.3.1)(data per gender compulsory at IR/FR stage)

Gender	[RQ/MR] (last favourable data)	[IR]	[FR]
Total	1.353	1.628	-
Female	636	854	-
Male	717	774	-

2.3.4 Number of unique beneficiaries by profile

Profile	[RQ/MR] (last favourable data)	[IR]	[FR]
Local population	16.065	21.975	-
Internally displaced	5.765	5.745	-
Refugees / asylum seekers	0	0	-
Other persons on the move	0	0	-
Returnees	0	0	-

In camp or camp like	0	0	-
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2.3.5 Number of organisations directly targeted and benefiting from the action

Type	[RQ/MR] (last favourable data)	[IR]	[FR]
Local	24	32	-
International	0	0	-

2.4 Country (1/1) - Sector (1/2)

Armenia

2.4.1 Sector

Food security and livelihoods

2.4.2 Places of intervention (optional for actions in a group of countries and for global actions)

- Syunik
- Gegharkunik

2.4.3 Total amount (for this sector) 67.674,38

2.4.4 Number of unique beneficiaries (in this sector) (data per gender compulsory at IR/FR stage)

Gender	[RQ/MR] (last favourable data)	[IR]	[FR]
Total	1.825	2.150	-
Female	975	1.046	-
Male	850	1.104	-

2.4.5 Transfer modalities (in this sector)

[RQ/MR] (last favourable data)			[IR]		[FR]	
Modality	Amount	Unique beneficiaries	Amount	Unique beneficiaries	Amount	Unique beneficiaries
In cash	238.000,00	1.240	0,00	0	-	-
In vouchers	0,00	0	0,00	0	-	-
In kind	232.000,00	1.825	0,00	0	-	-
Non-allocated amount	0,00		67.674,38		-	

2.4.6 [INT] Explain why cash transfers were not used

Project didn't provide any cash to beneficiaries. Instead the expenses were directed toward services and goods.

2.4 Country (1/1) - Sector (2/2)

Armenia

2.4.1 Sector

Shelter and settlements

2.4.2 Places of intervention (optional for actions in a group of countries and for global actions)

- Syunik
- Gegharkunik

2.4.3 Total amount (for this sector) 53.719,90

2.4.4 Number of unique beneficiaries (in this sector) (data per gender compulsory at IR/FR stage)

Gender	[RQ/MR] (last favourable data)	[IR]	[FR]
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Total	21.830	25.570	-
Female	11.679	13.553	-
Male	10.151	12.017	-

2.4.5 Transfer modalities (in this sector)

Modality	[RQ/MR] (last favourable data)		[IR]		[FR]	
	Amount	Unique beneficiaries	Amount	Unique beneficiaries	Amount	Unique beneficiaries
In cash	0,00	0	0,00	0	-	-
In vouchers	0,00	0	0,00	0	-	-
In kind	162.000,00	21.830	0,00	0	-	-
Non-allocated amount	0,00		53.719,90		-	

2.4.6 Explain why cash transfers were not used

Cash transfers are not relevant for this sector. This activity aims at modernization of communities' street lighting through provision of energy-efficient LED lamps and support to communities' energy saving by provision of solar-panels.

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2.5 [INT] Eventual comments

In the reporting period the number of reached and completed unique beneficiaries is 975, and the number of overall beneficiaries reached till the end of this reporting period is 2150 for Sector 01.

The overall number of households reached till the end of this reporting period was 422 under Sector 1- the project calculated all of the household members of each beneficiary. These beneficiaries were reached under the:

Activity 1.1.1 - Up-skilling or reskilling of the most vulnerable households to reinstate their livelihoods systems through engaging prospective beneficiaries in paid 'on-the-job' training (implemented in two phases). Under this activity overall 113 beneficiaries/households received their training throughout the project, with 566 unique beneficiaries, including their household members.

Activities 1.1.2 and 1.1.3 (supporting non-agricultural and agricultural livelihoods rehabilitation through grants to MSMEs and individuals): the project selected six local NGOs in the target regions to coordinate the project support to agricultural and non-agricultural livelihoods, micro and small businesses in the target regions. Almost all of the beneficiaries/MSMEs were selected by the partner grassroots organizations as a result of competitive selection: after close collaboration with local administrations, using comparative data, field visits, home visits, conducting interviews and evaluation of potential beneficiaries. During this reporting period the provision of mini grants was completed. In this reporting period 189 MSMEs and households were provided with agricultural and non-agricultural mini-grants (with household members reaching 975).

Overall number of beneficiaries for provision of non-agricultural and agricultural mini-grants reached throughout the project is 207 MSMEs (with 1053 unique beneficiaries/household members).

Under Activity 1.1.2 overall 140 MSMEs/beneficiaries were provided with non-agricultural grants.

Activity 1.1.3 -Support to agricultural livelihoods rehabilitation (provision of fodder to sustain households with enough fodder to preserve their livestock assets as an essential livelihood means)- under these component project had reached 87 households with 530 household members in early 2022. Overall, till the end of this reporting period under Activity 1.1.3 154 beneficiaries/households/MSMEs were reached (67 non-agricultural MSMEs and 87 provision of fodder).

For the sector 2 (Provision of energy efficient street lighting for border settlements to increase overall protection levels, especially for women and girls) the project closely collaborated with local administrations, heads of communities, conducted needs assessment to identify communities in Syunik region to strengthen the security of night-time movement for the local population. Overall, the project identified and selected about 28 settlements in Sisian and Tatev areas of Syunik to benefit from street modernization component directly and indirectly.

In the reporting period about 870 high quality lamps were provided to identified communities and the modernization and lamp installment process was completed. The project installed 7 solar panels in the settlements of Tatev remote community as a part of street modernization efforts. Additionally, as a co-funding from UNDP other programme, "Sustainable Communities", the street lighting systems of 14 settlements mainly in Kapan (Syunik) and Gegharkunik marzes were modernized. Overall, under this component the street lighting systems in 42 settlements in Syunik (Sisian, Tatev, Kapan, Goris areas) and Gegharkunik regions were modernized. The overall number of unique beneficiaries living in these settlements is around 25,570 (from which 12,560 live in 28 settlements benefited under the project, and 13,000 live in 14 settlements of Syunik region modernized by other UNDP programme as co-funding).

3. Humanitarian Organisation in the Area

3.1 Presence in the area

UNDP in Armenia. UNDP has been working in Armenia since 1993, investing in sustainable development, including democratic governance, socio-economic development and disaster risk reduction (DRR) and preparedness. In the post-conflict setting, UNDP is part of the coordinated UN response to the compound crisis and leads the COVID-19 Socio-Economic Sector Group as well as the Inter-Agency Early Recovery Working Group. Together with a wide range of partners, UNDP is delivering support that addresses the needs of the displaced and host communities, working along the humanitarian-development-peace nexus.

Current portfolio. Since the onset of the crisis, UNDP has responded swiftly by repurposing its portfolio and attracting additional funding to meet new and emerging needs. In 2021 alone, UNDP has been implementing 51 interventions for a total amount of EUR 17.15 million, benefitting almost 3 million people.

These interventions:

- Assist **vulnerable women and girls in improving their employability and their microbusinesses** through rapid reskilling and up-skilling;
- Promote **stronger security, stability and resilience of bordering communities** through support to institutional development (local governments, CSOs, businesses), human capital development, (skills, services, behavioral change) and local level risk assessment;
- Offer **opportunities for energy savings** through the provision of community grants for the installation of photovoltaic stations on social infrastructure such as kindergartens and schools;
- Install energy efficient street lighting systems, thus ensuring safety and security of conflict affected communities;
- Offer **repairs to collective shelters** such as the installation of new windows and heating systems to increase their energy-efficiency;
- Offer **leadership** trainings to **vulnerable women and youth** to promote their participation in local development, and advance in particular women's political participation and leadership; and
- Support **veterans living with disabilities** through the assessment of psychological support needs, training of medical personnel and procurement of prosthesis equipment and materials.

Results to date include:

- One month coverage of the utility bills of all collective centers in Syunik;
- 195 temporary jobs created through a "pay-for-work" modality in Kotayk, and "on-the-job-trainings" in Syunik, Gegharkunik and Vayots Dzor;
- Small grants for 3,567 Micro, Small and Medium Sized Enterprises (MSMEs) and individuals, supporting initiatives that fostered community leadership, social cohesion and livelihoods' rehabilitation;
- Agricultural tools and seed supplies for 50,000 beneficiaries in Gegharkunik;
- Energy efficient street lighting installed in the most conflict affected settlements of Syunik and Gegharkunik to strengthen security, decrease electricity costs and free public resources to meet the needs of the displaced;
- Solar power and thermal systems and energy efficient streetlight lamps for 15 host communities in Syunik region;
- Digital and mobile health services in two communities of Shirak with overstretched service capacities;
- Assessment of the support needs of veterans living disabilities, the development of specific training of medical staff as well as preparation of tailored interventions; and
- Disaster Risk Management (DRM) plans developed in Lori, Gegharkunik, Tavush, Shirak and Syunik, with the local administrations of Goris, Kapan, Sisian and Vardenis already adopting the early warning systems (EWS) that were developed with UNDP support.

3.2 Synergies, links, complementarity with your other actions

Complementarities and needs gaps. (a) Livelihoods. In addition to distributing agricultural inputs to 50,000 small farmers, UNDPs provided already small grants to 3,567 MSMEs and individuals livelihoods' rehabilitation in the action's target areas, among others. However, this support was not sufficient to meet all the livelihood rehabilitation needs of the conflict affected population, especially of the IDPs and the most vulnerable groups within the host communities. (b) Shelter and settlements. UNDP supported Shurnukh and Vorotan settlements belonging to Goris community in Syunik region and solved the protection related issues involved with lack of street lighting there. According to our estimates, however, 7 settlements in Goris community require still 392 more lamps, 1,170 poles and support with the design and installation works, while 715 lamps and 1,543 poles are needed to restore the street lighting in Vardenis, Chambarak, Shoghakar communities in Gegharkunik region. In the other communities, a needs verification exercise is required to ensure that priority is given to those areas within the target communities that are the most important ones from a protection point of view, especially of women and girls.

Potential synergies. The proposed action has been designed to build on the strengths of the ongoing portfolio in terms of implementation structure, sectoral knowledge and experience, and UNDP's in-country network and relationships. Further, the proposed action's emphasis on meeting the humanitarian and early recovery needs of the IDPs and the most conflict affected border communities through a Do No Harm, conflict-sensitive approach is in complete alignment with the approaches of the other interventions.

Current portfolio in the target regions. Early recovery and resilience building are cross-cutting priorities of UNDP's ongoing portfolio in Syunik and Gegharkunik, set out to: (i) foster the stability and resilience of border communities; (ii) promote economic development, especially women's economic empowerment; (iii) de-risk investments in energy efficient retrofits; (iv) support women and youth's participation in local development; (v) develop skills and job opportunities for youth; and (vi) promote the environmental protection of lake Sevan.

Synergies with the Russian funded livelihood project and the EU4 Dialogue regional project. The team implementing the proposed action will coordinate with the implementing teams of the these other two projects sharing with each other information on geographic areas, communities and social groups being targeted, approaches and methodologies being adopted, performance of implementing partners, information on financial and physical progress, relations with local organisations and, above all, lessons learned emerging

from the implementation of their respective activities. No duplication of activities or investments on the same beneficiaries will occur. Further coordination with the EU Delegation in Yerevan will enable maximizing the benefits from ECHO assistance on the other EU funded actions in Armenia.

4. Needs Assessment and Risks Analysis

4.1 Assessment dates and methodology

Key documents. The key reference documents underpinning the proposed action are the following (links available in the list annexed to the single form):

Response and Recovery Plans:

- UN in Armenia: Inter Agency Response Plan, January 2021.
- UN in Armenia: Socio-Economic Response and Recovery Plan, September 2020
- The UN Sustainable Development System Cooperation Framework 2021-2025, June 2021
- The Government of Armenia: Draft Mid-Term Recovery Plan (not publicly available)

Assessments:

- UNHCR in Armenia, USAID, Human Action Support and REACH Armenia: Multi-Sector Needs Assessment 1st round, January 2021
- ECHO/REACH Armenia: Multi-Sector Needs Assessment 2nd round, May 2021
- WFP in Armenia: Food Security and Market Monitoring System in Armenia, April 2021
- UNDP: Vulnerability of the Local Self-Government in Armenia during the COVID-19 Pandemic Assessment, May 2021 (draft)
- UNDP in Armenia/ECHO: Multi-sector risk assessment determined by the maximum seismic impact on the Kapan city, 2017
- UNDP in Armenia: The Socio-Economic Impact Assessment of the COVID-19 Outbreak on Armenian Communities, September 2020
- UNDP in Armenia/REACH in Armenia: Capacity and Vulnerability Assessment (CVA), ongoing.

Sources of beneficiary information. In addition to UNDP's ongoing projects in the target areas, the most recent sources of information on beneficiaries' needs for the proposed action include the Multi-Sectoral Needs Assessments (MSNA) round 2 (May 2021) and the Capacity and Vulnerability Assessment (CVA) which is still being finalized. The CVA's results will be used to validate the ongoing portfolio of UNDP to ensure it maintains its relevance including the baseline values used for several activities of the proposed action.

Small scale validation exercise. It is worth pointing out, however, that the interventions included in the proposed action for ECHO's consideration will undergo a small scale validation exercise in every target community before operations' commencement. This will ensure further appropriateness and relevance in respect to people's needs and priorities in addition to validating baseline data. The sections below are dedicated to briefly describing the methodology used for the MSNAs to which UNDP as early recovery working group lead contributed.

MSNAs. The MSNAs in Armenia are led by REACH, coordinated by the Coordination Steering Group and technically supported by the IA-RP working group (including UNDP). The main objective of the MSNAs is to inform on priority humanitarian needs faced by displaced people from NK and their host communities.

Methodology of MSNA 2. UNDP co-developed the questionnaire the assessment team used for the field surveys and, in particular, the sections related to livelihoods, including, but not limited to, questions on agriculture and livestock, income generation activities; safety and social cohesion; and community preparedness and response capacities. The assessment team interviewed 414 households among the displaced and 249 households among the host communities across all regions of Armenia. The sample was established based on a snowball sampling method and the data was collected between 23 March and 29 April 2021. While independent data verification took place, some regions were difficult to reach and proper triangulation was not possible. As a result, the findings are considered to be indicative only of the current situation in some areas.

4.2 Problem, needs and risk analysis

1. Problems

Hostilities in and around Nagorno Karabakh. From 27 September to 10 November 2020 Armenia and Azerbaijan engaged in 44-days of hostilities in and around NK that resulted in significant civilian casualties, the destruction of many houses and public infrastructure in the conflict zone and the displacement of about 90,000 people (Armenian Migration Service, 30/11/2020). The security situation remains tense, particularly in the border areas of Gegharkunik and Syunik, due to the pending issues related to border delimitation and demarcation.

Compound crisis. The majority of the civilian population living in NK fled to Armenia to seek refuge at the peak of the crisis. This amplified the major disruption of life including of supply chains and economic activities that started with the COVID-19 pandemic and continued with the declared emergency situation and the limitations to movement.

Underlying fragilities. The impact brought about by the hostilities aggravated an already fragile socioeconomic situation that existed in the country even prior to the COVID-19 pandemic. It was characterized by dependence on remittances and the Russian economy, high level of informal employment, especially in agriculture (98%), high unemployment (18%), particularly among women (17%) and youth (36%), and poverty involving over a fourth of the population. The country also had a high dependence on agriculture for livelihoods (40%) while the sector was less and less productive (generated only 12% of GDP), did not guarantee food self-sufficiency and was not well adapted to climate change.

Unemployment among women. Prevailing gender stereotypes tend to confine women's labor within the care economy, which is usually unpaid. When women do participate in the labor market, they work primarily in the service sector, especially education, health

and agriculture. While the service and industry sectors are the main contributors to GDP with 54% and 24% respectively in 2019 (WB data 2021), agriculture is still the main employer in rural areas and especially for women who constitute over half of farmers. Women are over-represented in seasonal and precarious employment in general and 82% of all women working in agriculture do so informally.

The compound crisis exacerbated existing gender disparities and increased the occurrence of Sexual and Gender-based Violence (SGBV) during the lockdown periods. Women's burden increased as they became the main caregivers and bread winners when men lost their lives or health to the hostilities or their jobs to the recession caused by COVID-19 in the countries they migrated to. Women have become heads of households at the rate of one every two households among both the host and the displaced populations and most lack the necessary skills, capacities and work experience to gain formal employment.

Unemployment among youth. Youth unemployment stands at 36%. Consistent with stereotypical gender norms for the overall adult population, more young men than young women work, and men dominate in industry, while women have a higher rate of participation in services. Youth in remote and border areas, with disabilities, and/or from poor families are particularly vulnerable and generally lack equal access to opportunities and services. In remote and border areas, rates for youth unemployment, informal employment, and youth not in education, employment or training are all high.

2. Needs

According to the assessments described in 4.1, needs in the target regions can be summarized as follows:

- Over half of the host population (54% in Gegharkunik and 73% in Syunik) depends on pensions, social protection and humanitarian assistance to meet their basic needs;
- 89% of the displaced have not been generating any income since their arrival and 100% of them depend either on humanitarian assistance, pensions or borrowing for their basic needs (63% in Syunik and 75% in Gegharkunik report being indebted) while 27% do not have any source of income at all;
- Most lack access to livelihoods assets because they were lost to the hostilities, sold to provide for basic needs or access is risky due to ongoing security threats (e.g. 40% of displaced households in Syunik cannot access their cultivated lands or to pastures for their livestock because of the hostilities);
- 100% of displaced households in Gegharkunik and 60% in Syunik need fodder for preserving their livestock;
- Some of the most vulnerable households - veterans living with disabilities or female headed households with high dependency rates (e.g. hosting unrelated minors in addition to their own, caring for PWDs) and/or that experienced trauma or loss because of the compound crisis - are harder to reach and require specific assistance to have the same chances of recovery as the rest of the population;
- Limited local response capacity - about two thirds of the displaced report that local assistance does not or only partially meets their needs. The restricted human and financial capacity of local municipalities in Syunik and Gegharkunik is driving household and public debt;
- Growing concerns about safety of border settlements make movement at night particularly unsafe in poorly lit areas, not least for women and girls and
- High utility bills, especially for electricity during winter time is a major concern for communities with high concentrations of displaced households.

3. Risk analysis

There are several ongoing and underlying major risks that shape Armenia's recovery speed and capacity, which in turn may impact on the implementation of the proposed action.

Natural and human induced hazards. These include natural and human induced hazards the target regions are exposed to (e.g. landslides, earthquakes, wildfires, conflict), pace of COVID-19 infection and vaccination, economic fragility and slow recovery, geopolitical fragility and social tension. The action will need to take all of these aspects in consideration, mitigate all those under its direct control and closely monitor all those that are not to ensure swift response should they occur.

Social tensions. Here it is worth highlighting the risks related to the change of social relations as the arrival of displaced persons competing with host communities over scarce public services, infrastructures and job opportunities often is associated with social tensions, fragmentation and upheaval. The action will need to be particularly conflict sensitive, promote social cohesion and do no harm approaches throughout implementation and maintain regular and open lines of communication with the target communities. The adoption of highly participatory approaches will also help ensure a high level of transparency and accountability of the action towards the target communities.

4.3 Response analysis

Needs that UNDP can help address. It is proposed for the action to contribute to addressing the most acute needs relating to sector interventions in which UNDP specializes and has consolidated experience and knowledge - globally, in the sub-region and in Armenia. These relate to:

- The need to enable a swift and prompt transition towards self-sufficiency and phase out humanitarian assistance to avoid long term dependence of the most vulnerable groups in particular. This can be achieved by re-establishing, protecting or strengthening their livelihoods systems and creating job opportunities that they can access;
- The need to make settlements safer, secure and more livable by enabling access to infrastructure that enhances the protection levels within border communities, especially for women and girls.

To these conclusions, UNDP came on the basis of the following considerations:

1. Dignity, sense of self and employment. In the culture prevailing among Armenians, personal dignity and sense of self coincide with the concept of having a job. Now the displaced and the host populations are living a normalcy where very few are their prospects of finding a job and their dependence on humanitarian assistance is the only way to survive. This is a major trauma for them and this is particularly true for the populations inhabiting the border communities.
2. The displaced are here to stay. Differently from the findings of the first round of the MSNA, 94% of the displaced interviewed during the second round expressed that they have no intention or possibility to move either to another country or to return to their places of origin. As a result, over 36,000 displaced people are living in refugee-like conditions at present (data of May 2021) both in collective centers and in private houses in Armenia are there to stay. 39% of them are children, 38% are women

- and 23% are men who have lost most of the livelihood assets and other properties to the hostilities. About half of both host and displaced households are headed by women. Access to health care and employment opportunities is difficult for both too.
3. Rural livelihood systems: available assets and skills. In Syunik and Gegharkunik regions, half of the host population and over a fourth of the displaced depend on agriculture and livestock for their livelihoods (MSNA2). However, the first cannot access their cultivated lands or pastures due to the security threats in these areas (Human Rights Defender's Office [\[Link replaced / shortened automatically\]](#)) and the second have lost most of their assets including their livestock back at their places of origin. Only 10% of the displaced in Gegharkunik and 18% of those in Syunik were able to bring at least some of their livestock with them.
 4. Further losses in terms of food security and livelihood assets. As suggested by the MSNA and confirmed by the Human Rights Defender's Office in Armenia, if the security crisis is not resolved in the nearest future to restore the seasonal agricultural works and enable livestock's access to pastures for grazing, the levels of local production of food and fodder will significantly drop without additional support to maintain the daily feeding ratios of livestock. This will create food shortages both for the households and the livestock, resulting in loss of livelihoods and food security for the most vulnerable among the local and the displaced households. FAO support in terms of fodder provision has been essential to sustain the livelihoods in Gegharkunik and Syunik since the onset of the crisis. Yet, the assistance is nearing its end and the direct provision of fodder by UNDP would thus be a timely support to protect livestock, not least during the upcoming winter.
 5. Humanitarian assistance is becoming a long term need. There is a very tangible risk that without immediate and direct support, these people that are already extremely vulnerable will be pushed well below the poverty line, the humanitarian crisis will escalate and deepen to the extent of scarring permanently people's chances of recovery. This is particularly true for the most vulnerable groups – people that have lost everything to the compound crisis, that have experienced loss and trauma and are now living with disabilities, or are suddenly the sole bread winners and have no employable skills for the local labor markets or assets or cash to re-establish their income generation activities.
 6. Sense of security and livability is worsening in the border areas. Local administration budgets were syphoned off by the compound crisis and there are limited resources to expand access to public infrastructure and services such as street lights, better roads, transportation or health care. Utility bills, especially for electricity, constitute the biggest share of community and household expenses following the hostilities, especially during the cold months as host communities are covering the electricity costs for the displaced too. Supporting the adoption of energy-efficient solutions to help bring down electricity costs and generate savings that households and local administrations can use to address other urgent needs has proven a popular as well as consolidated modality for UNDP to help free up resources, while increasing the sense of security and restoring economic and social activities after sunset.

4.4 Have you assessed this project as entailing data protection risks?

No

4.4.1 Details of risk mitigation measures, including details of any planned Data Protection Impact Assessment (DPIA)

We foresee that no Data Protection Impact Assessment (DPIA) under the EU's General Data Protection Regulation (GDPR) will be required as the project will not involve "a high risk" to people's personal information. Standard clauses to protect personal information will be included to all contracts with implementing partners following EU GDPR.

4.5 [INT] Update on needs assessment

As noted in the IRs 1 and 2, as a result of inter-agency and inter-programme collaboration and synergy, project had used the needs assessment information provided by UN FAO to identify the beneficiaries for fodder distribution under the Activity 1.1.3 Support to agricultural livelihoods rehabilitation.

In the reporting period, for the needs assessment purposes and final selection of beneficiaries the project continued using information available in the UN multisector report "Multi-sector needs assessment (MSNA) 2nd round: report on humanitarian needs of people in a refugee like situation and hosting households affected in the conflict of Nagorno Karabakh", July, 2021", link: [\[Link replaced / shortened automatically\]](#)

and information from "Armenia: REACH Economic Resilience Assessment Report - September 2021: report on economic livelihood challenges of refugee like population and host communities affected by the conflict in Nagorno Karabakh", an assessment implemented by REACH in the framework of "Coordination Steering group Armenia", funded by the European Union Humanitarian Aid. [\[Link replaced / shortened automatically\]](#)

In this reporting period the project continued using needs assessment conducted by other UNDP projects, such as the Sustainable Communities programme, particularly to finalize identification of target settlements for Activity 2- street lights modernizing. The project continued its consultations with local administrations, partners, other relevant organizations and stakeholders in Syunik and Gegharkunik regions through frequent field visits with the aim to inform the parties about the project's overall pace, activities, and specifics, and acquire additional needs assessment and verification information.

Contacts with ECHO field office in Kiev, parties implementing ECHO projects in Armenia and EU delegation in Armenia (in charge of other development projects in the same areas) were sustained and developed for information exchange, lessons learnt, potential modifications in the activities, rectifying possible problems in the fields.

Regular consultations were carried with Syunik marz administration (the main target area of the project) with the aim to utilize their capacity vis-à-vis supporting the implementation of project activities in the field. Particularly, in this reporting period project constantly collaborated with the administration of Tatev and Sisian enlarged communities for the final needs assessments and identification of settlements for street lighting systems modernization. Data provided by those administrations were crucial in the selection of target settlements and needs assessments for night-movement safety for the local population.

Project continued using the experience of its 6 local NGOs, partners. Each of these organizations conducted additional need assessments in their respective areas to analyze the latest developments in the regions and movements of DPs. The final selection of the beneficiaries was based on these needs assessments also. A noteworthy result of these additional assessments was that the largest concentration of DPs continue to remain in Syunik larger area, despite some movement to the surroundings of capital. Thus, the project considered this fact addressing proportionately more potential beneficiaries in this region. Project and UNDP closely monitor the identified risks and will react in due course.

5. Beneficiaries

5.1 Beneficiaries - identification criteria

For the selection of geographical areas, we chose the regions that had a high influx of displaced people. Within these regions, we chose communities with:

- higher number of displaced populations;
- protection risks related to the conflict;
- higher poverty rates, and
- limited or no support (from other humanitarian/development agencies and government)

Within these communities, the action will focus on supporting the IDPs. As a secondary target group and where appropriate, the action will target the most vulnerable households among the host communities including:

- Woman/child headed households
- Young men and women from particularly vulnerable/at risk settings
- Households with high dependency rates especially if female headed or with PWDs
- Households with people/children living with disabilities
- Households headed by unemployed/underemployed/informal workers
- Food insecure households
- Households with war veterans living with chronic illness or disability
- Households that experienced loss or trauma because of the compound crisis

5.2 Involvement of the beneficiaries in the design of / and in the action

Community-based approach. The proposed action adopts a community-based approach to identify needs, implementation processes and a way to achieve its goals most effectively. Only by involving the communities throughout the project cycle the action can assure relevance to the target groups' needs and make meaningful contributions to increasing their resilience and promoting their self-recovery.

Community inclusion is considered one of the most important principles that inspired design and will define the implementation processes of the action. Consultations with target beneficiaries took place through the various field assessments conducted by UNDP through ongoing projects as well as the joint assessments conducted in collaboration with other partners. Further consultations will take place at the action's inception and follow the following steps:

- Small scale validation exercise. As a first step, and prior commencement of the proposed action, UNDP will engage in a small-scale validation exercise with the targeted communities to ensure that the chosen activities are relevant and appropriate to the specific needs of each community and the settlements it comprises.
- Identification of local partners. The delivery strategy for the proposed action envisages collaboration with local partners including local administrations, private sector entities and civil society organizations depending on the activity and the input that the specific target groups require. The partners will assist in reaching the IDPs, the most vulnerable groups and, in particular, those that are harder to reach and in ensuring that the response is appropriate to their needs and aspirations. It is anticipated that implementing partners from the private and civil society sector will be selected on the basis of a competitive process to ensure the best value for money.
- Transfer of knowledge and resource management responsibilities. To increase self-reliance and resilience, the action will seek to transfer appropriate knowledge and resource management to participating entities throughout implementation so that communities and local partners will develop strong capacities for self-help throughout the crisis. Specific attention will be also dedicated to creating the capacities to include vulnerable groups in community decision-making and planning processes.
- Participatory selection of beneficiaries. The action will support the establishment of selection committees at local level with participation of representatives of different groups including host communities and displaced populations. They will ensure that the participants in the action meet the eligibility criteria and that selection is inclusive, transparent and accountable towards the rest of the communities.

Direct access to the beneficiaries. It is important to highlight that UNDP has legal and physical access to beneficiaries of the proposed action. Its access is direct and not mediated or vetted by local administrators. This is the result of the solid relationships that UNDP staff and experts have established over time and led to fruitful collaboration experiences also in the target regions.

5.3 Does the proposed action provide a specific targeted response for groups or individuals with specific vulnerabilities?

Yes

5.3.1 If yes, please select up to 4 relevant groups/vulnerabilities

Persons with disabilities

5.3.2 Provide details on the targeted groups and on the specific responses tailored to their particular need.

Further details on the assistance for this target group is provided under the description of activity 1.1. where the action proposes to provide dedicated assistance to those that are harder to reach among the IDPs and the most vulnerable groups such as women headed households, veterans or people living with disabilities that are under particularly difficult or strenuous circumstances. The activity envisages a partnership with those local organizations specialized in providing assistance in rehabilitating livelihoods for these groups. These organizations will accompany them throughout the process of recovery from the trauma experienced during the compound crisis and support them in rehabilitating livelihoods. Based on our experience through the UNDP Innovation Lab, these individuals and their households will require more intensive support to be given a fair chance at early recovery and UNDP has developed specific models of intervention that have proven successful in the past.

5.4 [INT] Update on beneficiaries identification criteria and their involvement

In the reporting period overall 975 beneficiaries were reached under Component/Activity 1 only, and more than 25.500 under Component 2, street modernization of settlements. This number includes direct beneficiaries and their household members. In the reporting period only 189 MSMEs and households were provided with agricultural and non-agricultural mini-grants. The beneficiaries were involved in the implementation and monitoring of the action in the following way. Project staff continued conducting monitoring field visits and met with beneficiaries- inspecting their job places for the beneficiaries of "paid on the job" trainings, and the micro-businesses for the beneficiaries of agricultural and non-agricultural mini-grants. Beneficiaries were actively engaged in the process by providing regular feedback on their plans, problems, achievements, aspirations. Implementing partners provided continuous mentoring and coaching to the beneficiaries through their business, marketing and agricultural mentors and experts. The feedback from the beneficiaries was used to rectify some activities, provide additional trainings, add special themes to training and mentoring efforts.

Reciprocal approach was widely used through the project to get constant feedback from potential and already selected beneficiaries. Overall processes of grants provision were sometimes complemented with new directions, activities, insights thanks to the continuous feedbacks and involvement of beneficiaries.

Overall, the selection of beneficiaries, especially for the mini-grants section was implemented transparently. Announcements, both online and on the papers were disseminated throughout the target settlements and regions of Goris, Kapan, Sisian, Tatev, Vardenis areas. Regular visits to remote villages and meetings with potential beneficiaries were carried by the implementing partners.

Information was disseminated through local administrations, online media of regional authorities, official FB pages etc. Project made sure all the potential target population is reached, population is informed, and every potential beneficiary has chance to apply for the mini-grant through open, fair and transparent selection process.

Moreover, all the beneficiaries were identified as a result of meticulous selection process. Field visits by working groups, comprising of project implementing partners' representatives and social workers were carried to draft individual assessments and evaluations per each applicant. Local selecting committees were formed (comprised from representatives of local administrations, local CSOs, experts, UNDP, implementing partners) to finally evaluate and select each beneficiary in the target regions of project. In the reporting periods the project will conduct final post distribution monitoring to verify the satisfaction and effectiveness of the provided mini-grants. Beneficiaries were also involved in the process of street modernization with highly effective LED lamps by participation in the process and sometimes pushing local administration to accelerate the modernization process.

In the previous reporting period thanks to interagency (with FAO) and inter-project (with another UNDP project) collaboration, and consultations with local authorities, lists and information for relevant beneficiaries were obtained, and 87 households from displaced and vulnerable host families were identified in the bordering and remote regions of Syunik and Gegharkunik for provision of fodder for their livestock. All the beneficiaries were contacted, verified and confirmed. The fodder procurement process was completed in January, 2022. Project conducted special Post-distribution monitoring (PDM) to identify gaps and satisfaction of the process. Almost all of the beneficiaries reported high satisfaction and effectiveness of the provided fodder and its importance in preserving their livestock throughout winter months.

6. Gender and Age Marker

6.1 Gender and Age

Q1: Does the proposal contain an adequate and brief gender and age analysis?	Yes
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Q2: Is the assistance adapted to the specific needs and capacities of different gender and age groups?	Yes
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Q3: Does the action prevent/mitigate negative effects?	Yes
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Q4: Do relevant gender and age groups adequately participate in the design, implementation and evaluation of the action?	Yes
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Initial mark	2
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6.3 [INT] Update on Gender and Age marker

The "Mark" can not be updated at this stage.

7. Logic of the Intervention

7.1 Principal objective

The principal objective of the proposed EUR0.84 million action is to support the process of self-recovery of the Armenian border communities that are among the most vulnerable and the most affected by the conflict.

7.1.2 Specific objective description

The specific objective of the action is to contribute to reinstating the livelihood systems of the IDPs while increasing the protection levels within the most affected border communities.

7.2 Indicators

7.2 Indicator (1/1)

% of beneficiaries reporting that humanitarian assistance is delivered in a safe, accessible, accountable and participatory manner

Definition

- 1) This indicator is more a process than an outcome indicator; DG ECHO wants to ensure that sufficient attention is given to protection mainstreaming to ensure corrective measures are identified and implemented when required during the action.
- 2) At reporting stage, mention also in the comment section the total number of beneficiaries interviewed.
- 3) Disaggregate the figures (% and absolute numbers) by sex, age and disability.

Source and method of data collection

This indicator will be monitored by the project internal monitoring system through random field visits and interviews with key informants and beneficiaries (both periodically and after distribution of assistance) throughout implementation as its aim is to help identify corrective actions to be taken promptly to improve the quality of assistance.

The monitoring system will use DG ECHO survey tool as a method of verification for this indicator, comprising a questionnaire with a set of questions to be asked to beneficiaries, as well as a the methodology to aggregate the data collected and ease the analysis and reporting. The findings will be part of the final report.

Baseline

0.00

Target value

90.00

Progress value

0.00

Comments on the indicator, baseline and target value

The baseline value is zero because UNDP has already worked in the target areas but has not used this specific indicator to monitor beneficiaries' satisfaction with its assistance.

[INT] Update on indicator, baseline, progress and target value

Updates on this Outcome level indicator will be provided during the next reporting cycle, when the final post-distribution monitoring report will be completed and final survey conducted among project beneficiaries to identify their satisfaction regarding provision of assistance and humanitarian intervention.

7.3 Results

7.3 Result (1/2)

The most vulnerable groups have access to opportunities to reinstate their livelihood systems.

Sector

Food security and livelihoods

Subsectors

Short-term livelihood support

Estimated total amount

470.000,00

Result 1 - Indicator 1

Type / Subsector

Short-term livelihood support

Indicator

Number of people provided with resources to protect and start rebuilding livelihood assets

Definition

Resources that enable people to protect and rebuild their livelihood assets include seeds, livestock, tools, business grant etc. Any kind of transfer modality (in-kind, voucher, cash) and combination thereof to support, protect and enable the restoration/protection/access of/to livelihood assets.

Source and method of data collection

PDM survey with representative sample conducted by the project monitoring staff; Registration records; Financial Service Provider (formal or informal) transfer reports; assessments of livelihood recovery (income/ expenditure; possession of livelihood assets etc.).

Baseline	Target value	Progress value
0,00	1.800,00	2.150,00

Comments on the indicator, baseline and target value

The action plans to distribute in kind or cash assistance to at least 360 households thus benefitting 1,800 people in total. for budgeting purposes, we have calculated approximately 155 through Activity 1.1 and 205 through Activities 1.2 and 1.3 (100 each). However, the actual target value (overall and for each activity) will depend on many factors:

- The needs assessment validation exercise conducted at the beginning of the action;
- The outcomes of the calls for applications which may result in different combinations of MSMEs and individuals responding to the call and;
- The results of the selection process based on the consultations with the local selection committees.

These will determine the size of the grants or in-kind distributions and thus the number of beneficiaries. In any case, the progress against this indicator will be regularly monitored by the project team and reported in the IR and FR.

Result 1 - Indicator 2

Type / Subsector

Custom

Definition

Percentage of beneficiaries (disaggregated by gender and age) whose food security that does not depend on humanitarian assistance any longer at project end.

Source and method of data collection

Final PDM survey among representative sample of beneficiaries

Baseline	Target value	Progress value
0,00	50,00	0,00

Comments on the indicator, baseline and target value

All IDPs and most members of the host communities in the target areas depend on humanitarian assistance for their food security. The project intends to contribute to their self sufficiency through its various livelihood support activities and it is highly likely that at least half of them will be able to provide for their own food security independently at the end of the project duration. The percentage should be higher once the small businesses are fully established in the market, usually in their second year of operation.

Result 1 - Indicator 3

Type / Subsector

Custom

Definition

Percentage of on-the-job training program participants retained by their employers at project end.

Source and method of data collection

Final beneficiary survey with a representative sample of beneficiaries.

Baseline	Target value	Progress value
0,00	50,00	30,00

Result 1 - Indicator 4

Type / Subsector

Custom

Definition

Percentage of income generating activities/businesses (agriculture and non agriculture-related) that are established or reinstated by IDPs

Source and method of data collection

Cash or in-kind assistance beneficiaries' list

Baseline	Target value	Progress value
0,00	75,00	70,00

Comments on the indicator, baseline and target value

IDPs have lost most or all of their livelihood assets to the conflict. The project will focus on providing them with immediate support to reinstate their livelihood systems and contribute to re-establishing their self sufficiency. For this reason, it is highly likely that 75% of the assistance will be dedicated to the IDPs. However, for equity reasons, a smaller proportion might be necessary to assist the most vulnerable among the host communities which are facing economic hardships that are similar to those of the IDPs. The local selection committees will assist in ensuring the equity of the distribution and that the assistance will thus do no harm and contribute to improving social cohesion levels.

Result (1/2) - Comments on all indicators for this result

The final number of beneficiaries will depend on various factors and especially the results of the call for proposals as explained above. For this reason, most of the performance indicators chosen for this Result relate to percentages. As a result of MR the Action will provide additional support to roughly 25 people in frame of Activity 1.2 "Support to non-agricultural livelihoods rehabilitation through grants to MSMEs and individuals".

[INT] Update on all the indicators for this result

Indicator 01: progress value 2150: in the reporting period 975 beneficiaries/household members were provided with resources to protect and start rebuilding their livelihoods, and in the previous periods the figure was 1175. The progress value from the beginning of the project is 2150.

Indicator 02: progress will be reported at the end of the project tentatively in March, 2023 (reflecting the results of the final project delivery monitoring (PDM) survey among representative sample of beneficiaries), once all the anticipated non-agricultural and agricultural mini-grants/ micro or small businesses are supported, established and functional.

Indicator 03: progress value 30%: overall 113 beneficiaries took on-the-job training in the previous reporting periods. By the end of this reporting period about 30 percent of all those beneficiaries had received job offers from their employers. Further figures on this indicator will be reported in the next reports.

Indicator 04: progress value 70%: throughout its implementation project provided 207 beneficiaries for income generating activities/businesses (agriculture and non-agriculture-related), which included both provision of mini-grants and creations of jobs as a results of these grants. Nearly 70 percent of these beneficiaries were DPs. Throughout project implementation it was apparent that some DPs have moved from the target areas, decreasing their overall proportion. Also, in application and selection processes the local vulnerable households facing serious economic hardships were quite active. That's why the local selection committees identified a bit less percentage of DPs than the target value is.

Result 1 - Activity 1

Short description (for the logframe)

Activity 1.1 Up-skilling or reskilling of the most vulnerable households to reinstate their livelihoods systems.

Detailed description (if needed)

Model of intervention. This activity comprises a model of intervention that has already been tested under the UK-funded project "Strengthening Stability and Resilience of the Bordering Communities in Vayots Dzor, Gegharkunik and Syunik Regions" implemented by UNDP and UNICEF. Here UNDP worked in partnership with regional employment agencies as well as the NGO "Armenian Progressive Youth" in 2021. The model envisages a collaboration between employment agencies, local NGOs/CBOs, employers and vulnerable individuals among the displaced in particular but also, in smaller proportion, among the host populations.

Identification of appropriate implementing partner. As a first step, UNDP will identify the appropriate partner to engage through a competitive procedure. It is expected that the partner will be familiar with the creation of job opportunities in the following sectors or subsectors: food, cooking and baking services, hairdressing and beauty, shop assistance and sales; warehouse and inventory management; textile industry; car service; computer service; teaching / education; accounting; healthcare provision; construction work; and cleaning services. These sectors and subsectors tend to absorb workers primarily at vocational/technical training level and be open to hiring women and youth also from the displaced populations.

Identification of interested employers. In collaboration with the selected partners, UNDP will identify employers that are willing and interested in training and eventually retaining new, better skilled manpower. Through expert trainers, UNDP will assist employers in organizing training courses and engaging prospective staff members in 'on-the-job' training contracts for two months. UNDP will sign a contract with a qualified implementing partner, which, in turn, will enter into a contract with participating employers. These will receive an amount that will cover the salary for each trainee for two months, including benefits and the costs of trainers.

Expected results. The model provides for a two month injection of capital in vulnerable households (amounting to the minimum wage plus benefits), a small financial incentive for the employers and an in-kind incentive in terms of better qualified employees and the opportunity for trainees to obtain skills sets that are in demand by the local labour market and to get to know their potential employers.

In the past this model achieved a 26% worker retention rate as an unintended positive result (at the time, displaced persons were not to be supported in permanent job placement but only in 'on-the-job' trainings). UNDP is confident that this intervention will achieve at least a 50% retention rate as displaced persons are now allowed remaining in Armenia and permanently settling down if they wish to do so. If diligent, the staff are offered long term contracts. This program will help employers feel confident enough in offering decent work opportunities to vulnerable workers such as the displaced, especially women and youth, and thus support their socio-economic integration while offering a permanent solution to the humanitarian crisis.

Result 1 - Activity 2

Short description (for the logframe)

Activity 1.2. Support to non-agricultural livelihoods rehabilitation through grants to MSMEs and individuals

Detailed description (if needed)

Reaching the most vulnerable. This activity will focus on supporting individuals and groups from the most vulnerable households especially among the displaced but also the host communities in establishing or resuming a business or engaging in an income generating activity that can provide them with sustained incomes over time. The demand for this type of support has been vocalized several times by local NGOs who have submitted requests for financial support to the IA-RP partners.

Dedicated assistance to those that are harder to reach. As mentioned earlier in section 5 of this proposal, Activity 1.2 would offer the opportunity to partner with those organizations specialized in providing assistance and finding jobs for the harder to reach groups. These organizations will accompany selected participants throughout the process of recovery from the trauma experienced during crisis and support them in reinstating livelihood systems. Based on our experience through the UNDP Innovation Lab, these individuals and their households require more intensive support to have a fair chance at early recovery and UNDP has developed specific models of intervention that have proven successful in this regard.

Models of intervention for the target groups that are harder to reach. The models envisage the following steps: (i) identification of the target groups and their specific needs, (ii) assessment of strengths and aspirations, (iii) identification of the appropriate implementation partner through a competitive process and (iv) mobilization and deployment of the selected partner. The partner will reach out to eligible beneficiaries and assist them in participating in the action based on their interests and personal goals.

Post Distribution Monitoring (PDM) will take place through the project monitoring staff who will verify, among other things, that (i) the actual recipients are those declared on the agreements and fulfill the eligibility criteria; (ii) the full amounts/or agreed assets were distributed and (iii) the assets and cash are being used as per statement of intent.

Budget. For budgeting purposes, it has been estimated that about 100 MSMEs will apply requesting an average amount of EUR1,250 each for a total of EUR125,000. Of these, it is expected that about 75% or EUR90,000 will be provided in terms of cash assistance and the remaining 25% or EUR35,000 in kind. It is anticipated that 75% of the assistance will target IDPs while the remaining 25% will target the most vulnerable groups among the host populations.

Result 1 - Activity 3

Short description (for the logframe)

Activity 1.3. Support to agricultural livelihoods rehabilitation through grants and/or in-kind distributions for small scale agricultural production and processing.

Detailed description (if needed)

Model of intervention. The activity will be implemented based on the following main steps:

- Conduct of a needs assessment validation exercise. Through a local expert in agriculture and microenterprise development, the action will first identify agricultural production and processing opportunities along local value chains, the available skills and needs of vulnerable households among the displaced population in particular and their livelihood aspirations. The local expert will be hired through a service contract, based in Yerevan, with frequent field missions to the implementation sites. The expert will also support the project team in the identification of local implementation partners, NGOs or CSOs, which are specialized in supporting agricultural related livelihoods.
- Preparation and announcement of a local call for proposals. The implementation partner will help organise and manage a call for proposals, which will offer cash and in kind support to vulnerable households and their agriculture related MSMEs. Purpose of the support will be to help selected beneficiaries in either re-instating or starting a microbusiness in agricultural production or processing or preserving assets, especially livestock, through the distribution of fodder, equipment, tools or other inputs that they cannot access or afford. The call will be announced via print and social media, radio and TV channels, with the support of regional and local administrations as well as participating NGOs and CBOs. Local focal points will be identified to support the potential beneficiaries in preparing and submitting their applications.
- Establishment of a selection committee and screening of applicants. A selection committee will comprise UNDP staff, experts and beneficiary community representatives from both the host and displaced populations. UNDP staff will prepare a long list of applicants found eligible which will be reviewed and validated by the local selection committees. This will ensure that the selection is impartial, transparent and based on agreed criteria exclusively.
- Signature of grant agreements with their recipients. The agreements with grant recipients will establish the modality of the transfer of assets or cash as well as how monitoring on the part of the action will take place. The recipients will sign statements of intent and handover certificates.

PDM will take place also in this case with the same scope as described above in Activity 1.2.

Coordination. Where beneficiaries will receive fodder as in-kind assistance, the project will coordinate with the ongoing fodder assistance provided to the displaced households by FAO in the regions of Gegharkunik and Syunik to ensure the approaches to assistance delivery are aligned and beneficiaries receive assistance only once.

Budget. For budgeting purposes, it has been estimated that about 18 MSMEs will apply requesting an average amount of EUR3,000

each for a total of EUR55,000 in cash assistance. Another 44 beneficiaries especially from Syunik but also from Gegharkunik may apply for fodder distribution (we have calculated that 3 months of fodder for 5 cows will cost about EUR1,350). Finally, another 38 beneficiaries may request support in terms of equipment and tools for their small scale agricultural production and processing activities each costing on average EUR1,350. Both types of in-kind assistance will amount to about EUR120,000 in total.

Result (1/2) - [INT] Overall update on activities of the result

Activity 1.1 Up-skilling or reskilling of the most vulnerable households to reinstate their livelihoods systems through engaging prospective beneficiaries in paid 'on-the-job' training. In the previous reporting periods the project had selected an implementing partner (responsible party) for this activity: the "Youth for Change" local NGO, based in Vardenis town, Gegharkunik. The partner organized paid on job trainings in two phases for 113 beneficiaries overall. The beneficiaries (displaced women) for on paid job training were in Goris, Kapan (Syunik province) and Vardenis, Gavar, Chambarak (Gegharkunik province) areas. The responsible party had identified about 35 local businesses and public agencies and after negotiations the selected beneficiaries were smoothly engaged in paid "on-the-job" training. The employers represented various sectors of the economy, including Food/ Cooking & Baking, textile industry, teaching, accounting, healthcare services etc. This activity also supported the employers in their economic recovery by enrolling a workforce of 113 employees. Through this modality beneficiaries received 100.000 AMD net monthly salary; taxes and social payments were paid by the project as well; and employers received 34.000AMD monthly per each beneficiary for coaching and consultations.

Ongoing coaching and consultations were carried by the responsible party with both employers and beneficiaries on various topics, such as employee rights, obligations, labor legislation issues. Thanks to this endeavor, the beneficiaries were able to generate income, enhance their employability, upgrade their skills and acquire working experience through work-based learning. The overall number of beneficiaries, including the households members of the selected participants is 566. Performance evaluations were used to support tracking beneficiaries' progress. By the end of this reporting period about 33 beneficiaries had received preliminary job offers to continue their job in the current workplaces.

Activity 1.2 Support to non-agricultural livelihoods rehabilitation through grants to MSMEs and individuals - Through this activity the project aims to support the most vulnerable groups (including DPs) to restore their livelihoods and develop their self-employment opportunities. To this end, after preliminary needs assessment and consultations in Gegharkunik and Syunik regions, in late 2021 the project had announced a call for small grant support as a means for non-agricultural livelihoods rehabilitation. As a result, in that reporting period 15 applicants (9 women and 6 man) from displaced population and other vulnerable groups were selected and provided with small non-agricultural grants mainly as an additional support to their existing enterprises. Additionally, they employed three DP women in frame of small grant contribution.

In the previous reporting period the project had rolled out calls for grant support to the non-agricultural livelihoods. 3 local NGOs in Syunik and Gegharkunik regions (Goris Youth Center, Kapan Women Resource Center, Vardenis Astghavard NGO), all women-headed, were identified and selected to coordinate the project support to non-agricultural livelihoods in the target regions. After close collaboration with local administrations, using comparative data, field visits, home visits, conducting interviews and evaluation of potential beneficiaries the NGOs identified and through local selection committees selected around 122 beneficiaries in Goris, Kapan, Vardenis and Sisian areas overwhelmingly from displaced populations and provided them with small non-agricultural grants. Project and the organizations worked with the selected beneficiaries to refine their small business plans, provided them with non-agricultural mini grants and ensured proper coaching, mentoring and trainings throughout the process. Overall 140 beneficiaries/MSMEs (with 672 household members) benefited from this endeavor.

Activity 1.3 Support to agricultural livelihoods rehabilitation through grants and/or in-kind distributions for small scale agricultural production and processing- in the previous reporting periods the project had initiated consultations with local administrations in Syunik and Gegharkunik regions through field visits. As a result, local administration officials collaboratively participated and supported project activities concerning provision of small agricultural and non-agricultural grants. Likewise, local administration representatives participated in mini grants selection as committee members, provided expert advice, reviewed beneficiary lists, if relevant.

As mentioned in the previous reporting period, the fodder distribution process to DPs and most vulnerable populations in Syunik and Gegharkunik areas has been progressing in close synergy with other UNDP projects and FAO as well. Need assessment and subsequent lists of beneficiaries in both regions with their specific needs and required quantities were identified with support from FAO and local administrations. 87 households (mainly DPs, as well as vulnerable host families) who have a maximum of 5-6 cows were selected. The selection criteria and implementation methods were based on an already successfully implemented WFP modality. The project acquired the necessary amount of fodder (about 122 tons) through a competitive tender and provided beneficiaries with fodder sufficient for at least three months. Thanks to this intervention the households were able to preserve their livestock through harsh winter and early spring months, contributing to the rehabilitation of their agricultural livelihoods.

For informative decision making for the agricultural small grants provision component, the project staff conducted several meetings and discussions with local municipal and regional authorities (through field visits as well), residents, active regional NGOs and organizations, other counterparts, projects, experts. Based on this, in the previous reporting periods the project prepared and rolled out a call for grant support to the agricultural livelihoods. To this end, 3 local NGOs (Goris Women resource Center, "Partnership and teaching NGO, Vardenis Youth For Change) were identified and selected to coordinate the project support to agricultural livelihoods in the target regions. These local CSOs, conducted their own needs assessments, also used their own data and the lists in local administrations to successfully identify the need among DPs in the target areas. In addition, they used comparative data, conducted field and home visits, interviews and evaluation of potential beneficiaries to identify, formed relevant evaluation committees, and selected 49 beneficiaries for mini agricultural grants (overwhelmingly from displaced population) and 18 beneficiaries for small agricultural grants in Goris, Kapan and Vardenis areas. In this reporting period the partner CSOs provided the mini agricultural grants and conducted relevant business mentoring and training with selected agricultural livelihoods.

Overall, under Activity 1.3 154 beneficiaries (households/MSMEs) benefited from the project interventions, with 911 household members.

The links to appropriate communication materials on the above-mentioned activities are attached to this report as "Annex 1 Comms and Visibility".

7.3 Result (2/2)

Safer and more resilient border settlements

Sector

Shelter and settlements

Subsectors

Other (Shelter)

Estimated total amount

162.000,00

Result 2 - Indicator 1

Type / Subsector

Custom

Definition

Additional number of settlements equipped with energy efficient street lighting

Source and method of data collection

The identification of the target settlements for this intervention will take place during the small scale validation exercise conducted in collaboration with local communities including representatives of women and girls from both the displaced and host populations.

Baseline

0,00

Target value

42,00

Progress value

42,00

Comments on the indicator, baseline and target value

The definitive target value will be identified during the inception phase. At proposal stage, it is expected that additional 42 settlements of the border communities will be provided with energy efficient street lighting benefitting approximately 21,830 people in total including 5,765 IDPs.

Result 2 - Indicator 2

Type / Subsector

Custom

Definition

Percentage of women and girls among the displaced and host populations that feel safer in the settlements that received street lighting.

Source and method of data collection

Final PDM surveys with representative sample of beneficiary women and girls.

Baseline

0,00

Target value

100,00

Progress value

0,00

Comments on the indicator, baseline and target value

Currently, mobility especially at night is constrained due to the lack of proper illumination in the target areas. This investment will support increasing overall protection levels within the border communities and improve the perception of safety among the population, especially among women and girls. This will, in turn, support the economic and social integration of women and girls, especially among the IDPs. Further the project will provide assistance to communities in a cost-sharing modality wherever possible so as to ensure ownership and sustainability of the investment, including of its operation and maintenance.

[INT] Update on all the indicators for this result

Indicator 01- the project closely collaborated with local administrations, heads of communities, conducted needs assessment to identify communities in Syunik region to strengthen the security of night-time movement for the local population. Overall, the project identified and selected about 28 settlements in Sisian and Tatev areas of Syunik to benefit from street modernization component. Additionally, as a co-funding from UNDP other programme- "Sustainable Communities", the street lighting systems of 14 settlements mainly in Kapan (Syunik) and Gegharkunik marzes were modernized. Overall, under this component the street lighting systems in 42 settlements in Syunik (Sisian, Tatev, Kapan, Goris areas) and Gegharkunik regions were modernized.

Indicator 02- project has not yet completed this result. the value to be reported at the final stage of project.

Result 2 - Activity 1

Short description (for the logframe)

Activity 2.1 Provision of energy efficient street lighting for border settlements to increase overall protection levels especially for women and girls'.

Detailed description (if needed)

Model of intervention. The activity will be implemented based on the following main steps:

- Small scale validation exercise. The action will first initiate a needs validation exercise and prioritize the areas that need street lighting in collaboration with the local administrations and other stakeholders, in particular with representatives of women and girls from both the host communities and the displaced population. It will be important for the action to ensure that women and girls participate in the exercise and are able to indicate the areas that they consider priority for their own protection.
- Procurement of energy efficient street lamps. As a next step, the action will offer two types of support to the target communities: (a) the action will procure and deliver only the energy-efficient street lamps while the communities will purchase the poles and finance the design and installation works; (b) in the event that communities do not have the resources to co-finance the intervention, especially those with a high number of IDPs and depleted administrative budgets, the action will cover the whole financing requirements and has set aside a specific amount for this purpose.
- Procurement of engineering services. When required, the action will ensure that the most affected communities will avail of the engineering services required by the design and installation works. UNDP will identify such services on a competitive basis following its own applicable procurement rules and procedures. Should all communities be able to cost-share and cover for the engineering services, it is proposed to reallocate those funds for the purchase of lamps for those settlements within the same target communities which are still in need but had to be left out from the action for budgetary reasons.
- Signing of agreements with beneficiary communities. The delivery of street lamps and support for the design installation works, if necessary, will be provided based on the condition of (i) redirecting the administrative budget savings enabled by the provision of lamps towards the coverage of other needs of the IDPs and other most vulnerable groups in the community, and (ii) assuring that operation and maintenance will be adequately provided for. This conditionality will be elaborated in the agreement concluded between the participating communities and UNDP and encourage strengthening of the response capacity of local administrations vis a vis emergencies and thus their resilience.
- Management arrangements This activity will be implemented directly by UNDP, aided by a local expert in engineering. The duty station of this engineer will be Yerevan with frequent missions to implementation sites.

Result (2/2) - [INT] Overall update on activities of the result

As a part of the needs assessment process in the previous reporting periods the project had initiated appropriate consultations with local administrations in Syunik and Gegharkunik regions. The project had reached an initial agreement with the local authorities to support identifying relevant communities with their specific needs for lightning. In addition, the results of interproject synergy with UNDP's "Sustainable Communities Programme" data (lists of already supported communities, and communities potentially needing street lighting) and lessons learnt were considered and used to further identify and prepare the list of beneficiary communities. Based on the mentioned results and list of communities, the street lights/lamps procurement process was conducted, again with close inter-programme synergy with other UNDP projects (particularly with Sustainable Communities Programme) with a similar activity/component. The acquired 870 high quality street LED lamps arrived in March, 2022.

In early 2022, the project, along with other UNDP projects with a similar component, engaged in extensive consultations with local authorities to finalize the list of communities, which need street lighting modernization. The project selected an engineer/expert to supervise and direct the process. To this end, project staff conducted in detail need analyzes reaching every potential settlement in Sisian and Tatev regions of Syunik marz. Project staff discussed and assessed every detail and need for each lamp in each settlement in the mentioned areas. In addition, project considered provision of solar panels to seven settlements, which will allow the local administration to fully save means on street lighting and direct them on solving the most poignant needs of DPs and vulnerable host population living in those communities. Twenty-eight, mainly remote, bordering and mountainous settlements were finalized for the purpose of street lighting modernization to benefit directly and indirectly. Project reached an agreement with local authorities in Sisian and Tatev areas according to which all the installation/modernization works of street lamps were carried by the local administrations.

In the reporting period the project provided the LED lamps to the selected settlements. Local administrations in Sisian and Tatev enlarged communities carried the installation of lamps, which was basically finished by December, 2022. Close and regular follow up by the project was carried to ensure street lighting modernization is done according to high quality standards and proper technical requirements. Project expert supervised and directed all the process. Project ensured that every single lamp is properly installed in the target communities.

Additionally, the project finalized the acquisition of seven 10kw high quality solar panels. Special technical evaluation was conducted by the solar panels company, along with project team, to identify needs and special requirements in the seven settlements for solar panels installation. Again, the panels installation works were completed by December, 2022. Six solar panels were installed in the settlements of Tatev region, and one in a remote settlement in Sisian region. Project expert monitored all the process to ensure the panels are installed properly and in accordance to technical standards. According to preliminary calculations, up to 50% of street lighting energy expenses in the six settlements of Tatev area will be covered or compensated by these solar panels. Almost all of the energy expenses of a Sisian settlement will be covered by the solar.

Inhabitants of the settlements, local administration expressed high satisfaction from the results and quality of the installed lamps. Many streets were lightened after long years of neglect. Energy efficiency for those communities in terms of savings was significant. Population generally stated tangible increase in terms of night movement safety.

Additionally, as a co-funding from UNDP other programme, "Sustainable Communities", the street lighting systems of 14 settlements

mainly in Kapan (Syunik) and Gegharkunik marzes were modernized as well. Overall, under this component as a result of close synergy with and co-funding from other UNDP programme the street lighting systems in 42 settlements in Syunik (Sisian, Tatev, Kapan, Goris areas) and Gegharkunik regions were modernized partially (main streets of a settlement) or completely (almost all the streets of a settlement). The overall number of unique beneficiaries living in these 42 settlements is around 25,570 (from which 12,560 live in 28 settlements benefited under the project, and 13,000 live in 14 settlements of Syunik and Gegharkunik regions modernized by other UNDP programme as co-funding).

7.4 Results Context and Conditions

7.4 Preconditions

The external preconditions for the action relate primarily to the conflict and the COVID-19 pandemic. The action's design assumes that the operational context will remain the same at least up to its commencement. Should there be major changes such as a major resumption of full scale hostilities or a wave of COVID-19 infections that overwhelm the national health care system, the design of the action may need revision.

7.5 Assumptions and risks (including risk of fraudulent activities and environmental risk)

1. Risks

The action is exposed to the following risks:

- Fraud or corruption. Irregularities or fraudulent practices in the management and distribution of the assistance provided by the action could occur
- The COVID-19 pandemic. The Covid-19 epidemiological situation in Armenia could worsen, significantly impacting the health of UNDP personnel, partners and beneficiaries. Travel restrictions and local lockdowns may also slow down the action's implementation.
- Worsened security situation. Escalating security issues in the border communities in Gegharkunik and Syunik would threaten UNDP personnel, partners and beneficiaries' safety and security, thus undermining implementation and expected results.
- Increased cost of the action. Financial risks related to the fluctuation of currency exchange rates would increase the cost of materials, equipment and machinery needed to implement the action.
- Political turmoil. Dramatic changes in the domestic political situation could cause instability and jeopardize the current humanitarian aid frameworks.
- Unmet expectations. The targeted communities may have expectations outside the action's scope and budget, and which the action would not be able to meet. This, in turn, could cause a general sense of disappointment and a lack of motivation of engagement or even resentment and security risk for the staff.
- Change of social relations. The arrival of additional displaced persons competing with host communities over scarce public services, infrastructures and job opportunities may lead to social disruption, tension, grievance, social fragmentation and upheaval.
- Environmental impacts. The action's procured inputs and equipment may be disposed of inappropriately in the target communities contributing to pollution and environmental damage.
- Low levels of women's participation. There could be resistance within households towards the involvement of women in income-generating initiatives because of rooted stereotypes in the communities on the different roles of women and men.
- Lack of affordable transportation. Beneficiaries may not be able to participate in the proposed activities because of issues with accessibility or affordability of public transportation to reach an employer's location.
- Crisis. Major natural disaster (e.g. earthquake), resumption of hostilities over the Nagorno-Karabakh region or the border delimitation and demarcation process could lead to crisis escalation in the targeted border communities.

2. Assumptions

The effective implementation of the action hinges on the following assumptions:

- The operational context will remain substantially the same and the compound crisis will not worsen considerably during the implementation period.
 - Target communities will accept the scope of the action and understand the need to give preferential access to vulnerable groups in the targeted regions especially among the displaced populations.
 - Local partners will respond positively to enacting the "Leave No One Behind" approach offering assistance and working with those who are the most vulnerable and in need.
 - People from the targeted communities will respond positively to the participatory approach of the action and be interested in being closely involved in the design and implementation of the action, thus ensuring that both host and displaced populations participate and benefit from the action in a transparent and accountable manner.
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7.6 Contingency measures taken to mitigate the risks described in the section 7.5

Risk mitigation plan. In line with UNDP's policies, a risk mitigation plan will be developed in collaboration with local partners, beneficiaries and other humanitarian and early recovery actors working in Armenia in the target regions.

Identified risks and mitigation measures will be included in the action's risk register, monitored and updated to account for the rapidly changing operational environment of the action. It is anticipated that the following mitigation measures may be included in the action's risk mitigation plan:

- Fraud or corruption. The project team will be vigilant in monitoring irregularities and the risk of fraud following UNDP's policy on fraud prevention and risk mitigation.
- The COVID-19 pandemic. All implementation processes will follow strict COVID-19 prevention protocols and measures. Should there be a worsening of the epidemiological situation in the country or the target regions, UNDP will consult with ECHO on the way forward to review implementation arrangements and, if necessary, the activities themselves.
- Worsened security situation. UNDP security protocols will be adhered to following the security plan of the CO. Should the safety and security conditions worsen in the field to the point of undermining implementation, UNDP and ECHO will consult with each other and agree on the way forward.

- Increased cost of the action. Financial risks related to the fluctuation of currency exchange rates will be closely monitored. Should they materialize and turn into increases in the cost of materials, equipment and machinery needed to implement the action, UNDP and ECHO will review priority investments and agree on the best strategy to maintain cost efficiency and obtain maximum value for money under the changed circumstances.
- Political turmoil. The domestic political situation will be monitored along with security in the field based on the CO security plan.
- Unmet expectations. The action's participatory and transparent approach to implementation from activity and beneficiary selection to monitoring and progress reporting as well as the implementation of the visibility and communication plan will ensure that targeted communities understand the action's scope and budget and thus what they can expect from the action.
- Change of social relations and environmental impacts. The action will be implemented in line with UNDP's Social and Environmental Standards. This will help avoid adverse impacts on people and the environment; minimize, mitigate, and manage adverse impacts where avoidance is not possible; strengthen partner capacities for managing social and environmental risks; and ensure full and effective stakeholder engagement. Mainstreaming age, gender and disability concerns throughout implementation will assist in ensuring adequate participation from vulnerable groups and providing support packages that are tailored to their needs. Mainstreaming environmental and climate change concerns in procurement and product choice and distribution through adequate arrangements on waste removal and appropriate disposal will be part of the agreements with the grant recipients including NGOs, CSOs, local administrations, employers, participating individuals, businesses and communities.
- Limited funds to reach their own employers. The wages provided for beneficiaries' 'on-the-job' trainings may be disbursed partly in advance through host employers to ensure trainees are able to reach their employers and participate in their training courses.

7.7 [INT] Update on preconditions, assumptions and risks

Risks, assumptions, and mitigation plan remained generally the same during this reporting period. September escalation of hostilities in Armenia-Azerbaijan border with its dreary consequences was the major change since the last reporting period.

Ukrainian war, with its multifaceted effects on international transfer of goods and exchange rate fluctuations remained a risk since the last reporting periods as well.

As mentioned, in September hostilities occurred in the bordering regions of Armenia, as a result of which thousands of people had to flee their houses in Gegharkunik and Syunik regions. The situation affected some of the project beneficiaries living in the project target communities in Vardenis area. Fortunately, there were no casualties for project beneficiaries, who gradually started to return to their houses and resume their agricultural activities from October.

As mentioned, a noteworthy risk was Ukrainian war, which caused some disturbances in transfers and logistics in South Caucasus as well. This may cause potential delays, for instance, in procurement and transfer of photovoltaic solar panels. In addition, the activity of provision of micro grants for non-agricultural and agricultural micro and small businesses was affected as well. The beneficiaries and implementing CSOs had encountered difficulties in procuring and importing some equipment due to disturbed logistics.

Another issue is continuous flagrant fluctuation of exchange rates (USD, Euro, Armenian dram), which directly affected the project financial and budgetary progress. On one hand the project was able to save some funds only due to these fluctuations, on the other hand, some activities, pre-calculated in AMD, required significantly more means in USD. Decreasing Euro value against USD further exacerbated the situation, as project funding is in Euro. Project staff strictly monitors the financial expenses not to allow any major risk drastically and negatively affecting the overall budget.

The worsened security situation, especially after September event, in Gegharkunik and Syunik regions, where some strategic roads had moved out of Armenian government control continued to affect the project logistics. Current conditions still require more time, additional distance, and efforts to reach some remote communities in the region. To this end, UNDP security protocols are strictly adhered to in this situation. If the safety and security conditions worsen in the field to the point of undermining implementation, UNDP and ECHO will consult with each other to agree on the way forward.

Processes of the local self-governance bodies elections in project target communities (Vardenis, Sisian, Goris) with their disputed results had their impact on the project activities, hampering or delaying project activities in mentioned communities. Particularly, the local elections in Sisian community, resulted in a local political stalemate, which continues up to date, with local council not functioning and community not having formally elected mayor. It took continuous significant efforts and work from the project to ensure street lighting modernization is completed in time and properly in that community's settlements.

8. Resilience Marker

8.1 Resilience

Q1: Do the proposed project activities adequately reflect an analysis of risks and vulnerabilities (including conflict, environment and climate risks)? Yes

Provide details

Section 4 summarized the most important needs in the target regions which include:

- High dependence on humanitarian assistance and lack of income generation especially among the IDPs;
- Loss of access to livelihood assets for both the IDPs and the target host communities due to the compound crisis and particular difficulties for the most vulnerable groups to recover from it
- Limited local response capacity and especially limited budget availability to cater for the additional needs of the IDPs
- Growing concerns about safety of border settlements make movement at night particularly unsafe in poorly lit areas especially for women and girls.

The section also summarized the major risks that affect Armenia's recovery speed and capacity and possibly the implementation of the proposed action. These include natural and human induced hazards the target regions are exposed to in particular the risks related to the change of social relations with the arrival of displaced persons competing with host communities over scarce public services, infrastructures and job opportunities. Both needs and risks are addressed by the choice of activities as well as implementation processes. The participatory approach to beneficiary selection and the competitive process envisaged for the identification of business ideas and implementation partners in particular will ensure on one side that the assistance is transparent

and accountable to the target population and obtaining the best value for money on the other.

Q2: Does the project adopt a "do no harm and conflict sensitivity" approach, include specific measures to ensure that the identified risks and any environmental impacts of the project are addressed to the extent possible, and are not aggravated by the action?	Yes
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Provide details

Managing expectations will be an important priority of the communication and visibility activities implemented by the project from the onset. The participation of main local stakeholders in the selection of beneficiaries will also assist in ensuring that the selection process is fair, transparent, accountable and well communicated. This will support respecting the principle of do no harm on the part of the project. While its focus will be on assisting the IDPs, it will be also important for the project to involve at least in part the most vulnerable groups among the host communities to ensure equity and conflict sensitivity of the assistance provided.

Q3: Does the project include measures to strengthen local preparedness capacities (of individuals and national or local institutions or organisations) to respond or adapt to identified risks?	Yes
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Provide details

The project is designed to support livelihood rehabilitation capacities within local communities by creating mechanisms whereby local employers can feel confident in training and hiring displaced people and other vulnerable groups, especially women and youth. Further the project will support local administrations using a cost sharing modality wherever possible in increasing protection levels within at risk communities through infrastructure investments and encourage them in using freed up resources to invest in assisting IDPs further. It is clear that wherever cost-sharing is not possible given the vulnerability of the target communities, the project will cover 100% of the cost and it has set aside a small portion of the budget (EUR30,000) for this purpose. Further, all contract agreements with individuals, businesses, NGOs and local administrations will include clauses relating the respect of social and environmental standards and involve specific responsibilities as to the implementation of environmental and social risk mitigation measures. UNDP will monitor their implementation throughout the duration of the project.

Q4: Does the project contribute to long-term strategies to reduce humanitarian needs, underlying vulnerability and risks or identifies modalities to link up with ongoing development interventions (national or international stakeholders)?	Yes
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Provide details

The whole action is designed to contribute to reducing humanitarian needs. The livelihoods component will aim at contributing to the independence of beneficiaries from humanitarian assistance for their food security (which is 100% at the moment) while the shelter and settlements component will support increasing the safety and security perception within target communities, their overall protection levels and thus contribute to overall social and economic recovery, especially of women and girls among the IDPs and host populations equally.

Initial mark	2
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8.2 [INT] Update on Resilience marker

No significant or relevant changes in any of the elements covered by the 4 questions above in this reporting period.

9. Monitoring and Evaluation

9.1 Complaint mechanism

UNDP Social and Environmental Standards (SES): All UNDP programmes and projects need to adhere to the objectives and requirements of the Social and Environmental Standards (SES). The SES objectives are to: (a) strengthen the quality of programming by ensuring a principled approach; (b) maximize social and environmental opportunities and benefits; (c) avoid adverse impacts to people and the environment; (d) minimize, mitigate, and manage adverse impacts where avoidance is not possible; e) strengthen UNDP and partner capacities for managing social and environmental risks; and (f) ensure full and effective stakeholder engagement, including through a mechanism to respond to complaints from project-affected people.

UNDP's work on prevention from sexual exploitation and abuse. UNDP and UNFPA are currently co-chairing UN's internal working group on Protection from Sexual Exploitation and Abuse (PSEA). As part of this responsibility, UNDP, UNFPA and UNHCR are currently putting together an interagency training on PSEA with the aim to equip UN staff, and in some cases partners with awareness and skills to define, detect and respond to sexual misconduct when implementing the IA-RP. As part of this work, UNDP is also working with the UN country team to identify needs related to the development of joint complaint mechanisms and referral systems.

9.2 Monitoring of the action

UNDP's POPP. All UNDP's operations are implemented based on UNDP's Programme and Operations Policies and Procedures (POPP) and must adhere to quality standards which ensure that operations are strategic, relevant and principled. This applies also to the M&E system which is in charge of monitoring the efficiency and effectiveness of the action along with its performance in terms of sustainability and national ownership.

M&E procedures applicable to the action. A comprehensive, costed monitoring and evaluation plan will be developed during the inception stage of the action and implemented to support evidence-based management.

M&E Framework. The M&E framework, proposed for this action will be further developed during the inception phase with support from

Monitoring arrangements. The Project Coordinator will be responsible for day-to-day substantive management of the action, including its monitoring, under the supervision of relevant portfolio lead. The Technical Leads will be in charge of implementing, monitoring and reporting the activities under their responsibility. Data will be collated and analyzed on a regular basis by each Technical Lead and shared with the M&E Officer, who will elaborate them for the preparation of the Interim and Final Reports.

Supervision. Periodic field supervision and monitoring will also be carried out with the objective to identify any existing issues or bottlenecks together with partners and beneficiaries and to plan corrective actions. In order to ensure the best possible monitoring process of the action, the M&E Officer will be involved in monitoring missions and their tasks. Local monitors will be mobilized where appropriate and these will engage with the local monitoring committees to ensure participatory monitoring processes taking place in the field are inclusive, transparent and make the action accountable towards participating communities.

Compliance with the SES will also be reviewed by UNDP as part of the Programming QA system. At least one quality assurance approver who reviews the credibility of the QA assessments will be appointed. The QA Approver is typically the Resident Representative, Deputy Resident Representative, or a portfolio head.

Reporting. The Project Coordinator will prepare the Interim and Final Reports (IR and FR respectively) based on the inputs from the Technical Leads and the elaboration of the M&E Officer. In-house quarterly reports will be also prepared for management consideration. Reports will be shared and periodic meetings will be held with partners and other development agencies implementing complementary initiatives in the two regions or in the same sectors, to ensure programmatic alignment and cooperation.

The UNDP Operations team will support and supervise the administrative processes and procedures during the life of the action. The IR and FR will be submitted to ECHO in line with contractual requirements.

9.3 Is this action remotely managed?

No

9.4 Which of the following evaluations will be undertaken and charged to the action?

Internal evaluation of the action's results

No

External evaluation of the action's results

No

External audit (only if it is a legal obligation)

No

9.5 Studies carried out in relation to the action (if relevant)

No

9.6 [INT] Update on monitoring and evaluations (including complaint mechanism)

In the reporting period project activities adhered to the UNDP social and environmental standards and UNDP's Programme and Operations Policies and Procedures. The Project Coordinator carried out the day-to-day management of the action, including its monitoring, under the supervision of the portfolio lead. Project staff implemented, monitored and reported the activities under their responsibility.

Field supervision and monitoring was also carried out to monitor the activities pace, to identify any existing issues together with implementing partner and beneficiaries and to plan corrective actions. Local representatives were included in selection committees, and regional and local administrations were actively consulted while implementing project activities to ensure participatory monitoring processes, transparency and accountability towards beneficiaries, communities, stakeholders.

In the reporting period the donor EU ECHO representative monitor arrived to Armenia to monitor the progresses of ECHO funded projects in Armenia. The monitor visited project beneficiary sites, conducted several group meetings with the beneficiaries of the project, monitored the activities implemented by the project partners, satisfaction of beneficiaries. Overall, it was accentuated that the beneficiary selection process was done in fair, transparent and participatory way, when every potential beneficiary was able to be informed and apply for mini grants. The involvement of project partners in dissemination of information was robust. No serious social tensions were observed in the target communities, resulting from project activities. The overall impact of the project on the rehabilitation of the livelihoods and on the improvement of social conditions of displaced and vulnerable populations was quite substantial. Street lighting component has noticeably improved the security of the target areas' population. Generally, project was progressing smoothly, without any serious caveats and drawbacks.

10. Implementation

10.1 Human resources and management capacities

The core project team will be fully local and will comprise one full-time Project Coordinator, one assistant, six part-time Technical Leads, two technical experts, local monitors, a M&E Officer and a Communication Officer, the last two on a part time basis. The project team will also benefit from early recovery advisors and technical specialists from UNDP's Crisis Bureau too. Operational support related to procurement, human resources management, payments, and IT will be provided by the UNDP Country Office as required.

The day-to-day project management will be carried out by the Project Coordinator, administratively supported by one Project Assistant. The management of project funds including disbursements, record keeping, accounting, reporting, and auditing will follow UNDP rules and procedures and managed by the procurement and finance team.

The Technical Leads will plan and oversee the implementation of each of the proposed activities in line with the work plan and budget, with technical support from local experts. Close collaboration and information sharing will also be ensured with other local staff, experts and consultants hired to implement activities and partners who will work directly with the beneficiaries, enterprises, local authorities, etc. Frequent field missions to the implementation sites will also be ensured.

From the programmatic point, UNDP's Head of the Socioeconomic Portfolio will provide overall project implementation guidance and quality assurance, identifying and proposing synergies with other humanitarian actions and/or UNDP projects. This will help ensure that the activity is relevant, does not duplicate efforts of others, and generates expected results. Considering that the proposed Technical Leads already have or are implementing similar interventions for UNDP in Armenia, the action will benefit from already established networks, technical knowledge, and practical implementation experience. The Technical Leads will also ensure the action's alignment and coordination with the rest of the early recovery and development portfolio.

The Resident Representative and the Deputy Resident Representative will provide strategic guidance and oversight of the overall management to ensure efficient and effective program and operational services and adherence to UNDP's policies and procedures, as well as ECHO's requirements.

10.2 Do you intend to deploy EU Aid Volunteers in the framework of this action? No

10.3 Logistics

10.3.1 Are you overseeing your entire supply chain? Please answer "No" if you are relying on other entities to do this either fully or partially (e.g. Humanitarian Procurement Centre, Global Logistics Cluster, through joint procurement initiatives etc.)? Yes

10.3.2 Please describe shortly the approaches you are using. If used, please also provide details on the Humanitarian Procurement Centre

The action will be managed following UNDP procurement procedures. The procurement strategy for the action will take several aspects in consideration and UNDP will procure and distribute in-kind as mentioned earlier when that is the most approach course of action.

Although UNDP takes a decentralized approach to procurement by different business units, organization-wide policies and procedures apply. The procurement process encompasses planning, requisitions, sourcing of suppliers, solicitation and evaluation of offers, contract review, contract award, and the management of contracts and assets.

The following general principles will be applied to all phases and types of procurement:

Best Value for Money

- The core governing principle is to obtain the best value for money. This means the selection of the offer that presents the optimum combination of lifecycle costs and benefits, and meets business needs.
- Best value for money should not be equated with the lowest price. It requires an integrated assessment of technical, organizational and pricing factors in light of their relative importance (i.e., reliability, quality, experience, reputation, past performance, cost/fee and reasonableness). Parameters can also include social, environmental and other strategic objectives defined in the procurement plan.
- As part of upholding best value for money, the processes of soliciting offers and selecting a contractor should: (a) Maximize competition; (b) Minimize the complexity of the solicitation, evaluation and selection processes; (c.) Ensure impartial and comprehensive evaluation of solicited offers; and (d) Ensure selection of the contractor whose offer has the highest degree of realism and whose performance is expected to best meet the business unit's specifications, statement of works or terms of reference

Fairness, Integrity and Transparency

- As competition is the basis for efficient, impartial and transparent procurement, business units are responsible for protecting the integrity of the procurement process and maintaining fairness in the treatment of all offers. Sound procurement involves openness, probity, complete and accurate records, accountability and confidentiality. It establishes and maintains rules and procedures that are attainable and unambiguous.

Effective Competition

- Competitive processes should provide all eligible offerors with timely and adequate notification of UNDP's requirements, and an equal opportunity to tender bids for goods, works and services.
- UNDP does not accept the restriction of awards to exclusive contractors or countries, unless explicitly mentioned in a donor agreement approved by the Chief Procurement Officer.

UNDP's Interest

Four considerations guide UNDP's interest: (a) Economy and efficiency in program implementation, including in the procurement of goods, works and services; (b) Access to procurement opportunities for all interested and qualified offerors worldwide, except where other criteria are mandated by the UN Security Council or UN General Assembly; (c) Giving all eligible offerors the same information and equal opportunity to compete in providing goods, works or services; and (d) Transparency throughout the procurement process.

Direct contracting

UNDP allows direct contracting under special circumstances, including when there is a genuine exigency for the requirement. This applies during times of natural disaster, epidemics or sudden onset of unforeseen crises, such as the compound crisis in Armenia. Yet, under no circumstance can 'exigency' be used to justify urgency arising from poor planning, poor oversight or delay in receipt of funding, among other possible circumstances that sound and proactive project management could have avoided.

10.3.3 [INT] Update on supply chain

In the reporting period the Project procurement processes strictly adhered to UNDP procurement procedures. Frequent and ongoing consultations with UNDP relevant officials were carried to follow all UNDP requirements for any purchase, tender, contract, payment. VfM, fairness, integrity, transparency, competition were ensured throughout those processes. Project staff ensured relevant documentation is gathered, in place and available for all project related matters.

10.4.1 Do you anticipate any implementation challenges in the supply chain?	No
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10.4.3 [INT] Update on supply chain challenges and mitigation measures

No formidable challenges were encountered during the reporting period. The only challenge or lessons learnt is that due to Ukrainian war, exchange rate fluctuations and some disruption of supply chains worldwide, some equipment takes considerably more time to acquire and import to country. To address the situation the project partners considered finding alternative suppliers; in addition, project generally with its activities were extended to allow proper time for acquiring necessary equipment/goods.

10.6 Are there any other participants in the action?	No
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11. Field Coordination

11.1 Operational coordination with other humanitarian actors

UNDP will implement the proposed action in close coordination with the EU Delegation in Yerevan, partners of the Inter-Agency Response Plan to the conflict (the IA-RP), government counterparts, primarily the Ministry of Territorial Administration and Infrastructure and local self government bodies, and the humanitarian and development aid community in general. Close coordination will take place with international, national and local partners operating in the targeted regions or elsewhere but in the same sectors. It will be of paramount importance to coordinate with them at community level to ensure alignment and harmonization of approaches and methods.

11.2 Action listed in

<i>Humanitarian Response Plan (HRP)</i>	No
<i>UN Flash Appeal</i>	Yes
<i>Red Cross / Red Crescent appeal</i>	No
<i>Other</i>	No

11.3 Coordination with national and local authorities

Every technical lead, with support from local experts and partners, will ensure that the dialogue with national and local authorities is never interrupted throughout the life cycle of the action and that they remain well informed and involved. This will help in nurturing relationships based on trust. It is highly likely that local administrators will also become the action's co-financiers and active promoters as a result. Regular joint field visits and discussions will take place to ensure their participation in monitoring and learning processes and nurture a sense of ownership of the action, its progress and achieved results.

Field work will also involve coordination with the Ministry of Territorial Administration and Infrastructure, building on UNDP's long standing relationship with the ministry as part of ongoing implementation of projects in the regions of Armenia.

It is expected that in each one of the 12 communities the project will work with one local administration (for overall coordination and the delivery of Result 2 in particular) and one NGO/CSO (for the deliver of Result 1). Further, it will work with local employers and other agencies that will assist in reaching out to the beneficiaries, ensuring meaningful stakeholder engagement and delivering appropriate assistance.

11.4 Coordination with development actors and programmes

UNDP is member and in some cases technical lead of the working groups that coordinate actions among both humanitarian and development aid partners. These fora will be used to ensure coordination, complementarity and alignment of approaches and methods as well as to avoid duplication of activities. Specific communication and coordination protocols agreed with the EU Delegation in Yerevan at the onset of implementation will assist in ensuring the emergence of complementarities and synergies with the EU development portfolio.

11.5 [INT] Update on field coordination

In the reporting period successful coordination facilitated the implementation of the Action. The project continued to actively coordinate its actions with government counterparts, local self-government bodies, other UN agencies and UNDP projects, international donors in Armenia, local NGOs/CSOs. This coordination with national and local stakeholders, who are operating in the targeted regions in the sector of humanitarian aid and intervention, ensured alignment and harmonization of approaches and methods. Project staff ensured an ongoing dialogue and kept the partners well aware of and involved in the project activities, which contributed to nurturing relationships.

Namely, the project continued its robust collaboration with Gegharkunik and Syunik regions administrations, communities' administrations, active CSOs in the same regions. Through this cooperation the mentioned stakeholders were fully informed about the project's ongoing activities and donor.

In this reporting period EU ECHO monitor visited the project for monitoring purposes. The overall impact of the project on the rehabilitation of the livelihoods and on the improvement of social conditions of displaced and vulnerable populations was quite substantial. Generally, project was progressing smoothly, without any serious caveats and drawbacks.

In the previous reporting period the Project staff along with high level UNDP representatives had made several visits to Syunik marz as well. Two of the visits were accompanied by EU Ambassador in Armenia and Swedish international development agency's representatives. Project had successfully showcased its achievements in the target area, how it addressed the real needs of displaced population, and how the ECHO funding was important to change the lives of the beneficiaries. Strong UN inter-agency (mainly with FAO, UNCHR) and UNDP inter-project (with several projects of the UNDP "Sustainable Communities Programme") collaboration contributed to the successful implementation of the project by exchanging and providing relevant data, providing valuable information on lessons learnt, information and connection to the stakeholders in the field, conducting joint visits and needs assessments.

The project continued its coordination with actors implementing EU-funded humanitarian projects in the same regions (such as People in Need, Action Against Hunger, UNCHR). As appropriate, the project exchanged relevant data with them, get acquainted with the specific activities done by them, with the aim of avoiding possible duplication of the intervention actions. Lessons learnt were considered as well.

Local administrations were vigorously consulted while selecting the beneficiaries. Government representatives, especially from regional authorities were members of the local selection committees, both during selection of local implementing partners, and during selection of beneficiaries by those partners. Local authorities were regularly informed about the planned activities, ongoing implementation issues.

For activities under Result 2 (installation of street lightning for security purposes) local partners and administrations were consulted and played a key role throughout planning and implementation.

Local administrations continued to be the action's supporters and promoters. Local NGOs were frequently consulted for implementation, needs assessment and situation analysis purposes. Moreover, the expertise, representation, reach of local grassroots organizations played vital role in proper selection of beneficiaries, in avoiding any social tensions among host population and displaced persons. The field visits and frequent discussions also ensured their participation in monitoring and learning processes and nurtured a sense of ownership of the action and its progress.

12. Visibility, Communication and Information Activities

12.1 Standard visibility

A. Compulsory display of EU Humanitarian Aid visual identity on (all points required):

A1: Building signage (e.g. partner office buildings, health centers, distribution points)	Yes
A2: Equipment (for e.g. vehicles, water tanks, containers)	Yes
A3: Shipments and goods for distribution as part of the humanitarian response (e.g. blankets, sacks, tents, buckets, hygiene kits, debit cards)	Yes
A4: Branding of the operational materials/outreach materials addressing beneficiaries (e.g. training materials, flyers, notebooks, posters etc.)	Yes
A5: Clothing items worn by project staff (e.g. T-shirts, field vests, caps)	Yes

B. External communication of EU funding and partnership through (select at least 5 points):

B1: Press releases, press conference, other media outreach	Yes
B2: Videos	Yes
B3: Photos	Yes

B4: Human interest stories with visuals	Yes
B5: Social media posts	Yes
B6: Events	Yes
B7: Print materials (e.g. brochures, factsheets etc.)	Yes
B8: Others	No

Specify for each communication action: frequency, scope, timeline, channels to be used and number of people to be reached. If less than 5 options are selected, please justify:

Alignment with contractual obligations and the ECHO manual. The action will ensure that all visibility and communication activities will be carried out in line with the provisions of the FAFA, article 10 of the General Conditions and the applicable guidelines as agreed between the two institutions.

Preparation of the Communication and Visibility (C&V) Plan. UNDP plans to prepare this plan during the inception stage. The purpose of the plan will be to ensure the action communicates regularly and meaningfully with its stakeholders.

Main communication actions will include press releases, press conferences and/or other media events at the beginning of implementation to promote awareness on the project's objectives, main activities and expected outputs, and towards the end of the project to present the main results and accomplishments.

Expected frequency and outreach. Social media will be used weekly to communicate progress on the activities of the project. We envisage to reach about 1 million people annually through UNDP Armenia social media accounts on Facebook, Twitter and YouTube. To reach EU citizens and the project's global audience, we envisage paid promotions for key project-related events, including project launch and closure as well as and communication products such as videos and human stories. Photos and other visuals will be used on UNDP social media platforms as much as possible to illustrate the work that is being done. Professional photographers will be hired at least twice during implementation to cover human stories which will be posted in English on the UNDP website. At least, 1 social media post per week will be released during the implementation period on project progress and results and in relation to the human stories when collected. At least two videos will be realized, one on the occasion of the production of the interim report and another one towards the end of the action highlighting achieved results.

Standard visibility material. Print materials will be prepared at the beginning of the action and distributed throughout the course of implementation during the various activities to local administrations, implementing partners, beneficiary communities and individuals. UNDP plans to produce communication products such as banners, posters, leaflets, t-shirts, stickers, caps and educational materials to use for organizational visibility following standard practice of the Country Office.

All visibility and communication materials will have proper visual identity of the European Commission Humanitarian Aid including all training materials. All durable equipment will be labelled with stickers depicting the action and source of funding. Signboards will follow the guidance provided by the Communication and Visibility Manual for European Union-funded Humanitarian Aid Actions.

12.2 Do you foresee communication actions that go beyond standard obligations? No

12.3 [INT] Update on the progress and on the challenges encountered

Project communication and visibility related activities were progressing as well. The communications and visibility plan, which was finalized with feedback and endorsement from the European Commission Directorate-General Civil Protection and Humanitarian Aid Operations (DG ECHO) Regional Information Office was adhered.

During the reporting period the project has produced 10 stories and news (including 8 video and 2 photos success stories). 4 video stories aren't posted through UNDP social medias yet; and will be in the next reporting cycle.

Most of these materials have been disseminated through UNDP's Facebook and Twitter pages, tagging the donor and partner organizations. Some materials were disseminated through partner organization's social media pages. Social media posts were shared or retweeted often by EU and ECHO representatives.

Overall, at least 5.500 people were reached through UNDP social media post only, and around 650 people engaged. More people reached through the social pages of partner institutions.

Two video stories were prepared on the street lighting modernization component of the project. Yet three videos prepared on beneficiaries who benefited from agricultural mini-grants. These video stories will be disseminated in the next reporting cycle. Tatev municipality has published a story on the successful impact of solar panel and led lamps installation in their target settlements in its official website. Project partner had published a success story video on its FB page on agricultural mini-grants component.

Project successfully communicated and collaborated with communication responsables from ECHO representation in Ankara (because communications officers from ECHO in charge for the project are based in Ankara, Turkey), with EU delegation in Armenia and local partners, sharing project activities, collecting feedback and disseminating project's news and posts through email communication and social media post with appropriate tags.

UNDP in Armenia website published project success stories for general public reach.

13. Financial Overview of the Action

13.1 Estimated costs

	<i>Initial budget</i>	<i>Revised budget</i>	<i>Interim report incurred costs</i>	<i>Final report incurred costs</i>	<i>[RCI] Final update</i>
Total direct eligible costs	783.500,00	783.500,00	113.452,60	-	-
% of indirect costs (max 7%)	7,0	7,0	7,0	-	-
Amount of indirect costs (cut after 2nd decimal)	54.845,00	54.845,00	7.941,68	-	-
Total costs	838.345,00	838.345,00	121.394,28	0,00	0,00

13.2 Percentage of direct eligible costs allocated to the support costs

	<i>Initial budget</i>	<i>Revised budget</i>	<i>Interim report incurred costs</i>	<i>Final report incurred costs</i>
% of support costs	0,00	0,00	0,00	-

13.3 Funding of action

	<i>Initial budget</i>	<i>Revised budget</i>	<i>Final budget</i>	<i>[RCI] Final update</i>
Direct revenue of the action	0,00	0,00	-	-
Contribution by applicant	88.345,00	88.345,00	-	-
Contribution by other donors	0,00	0,00	-	-
Contribution by beneficiaries	-	-	-	-
Contribution requested from ECHO	750.000,00	750.000,00	-	-
% of total funding	89,4619	89,4619	-	-
Total funding	838.345,00	838.345,00	0,00	0,00

13.6 Contribution in kind

It is expected that at least some of the local municipalities will contribute to the action by covering the cost of installation of the energy efficient street lamps for the street lighting intervention. For those that will not be able to cover this cost, the project has set aside the amount of EUR30,000. Should all communities be able to contribute it is proposed for this amount to be reallocated for the purchase of street lamps for those communities that are in need and still have remained left out of the action's assistance.

13.7 Financial contributions by other donors

The costs estimated under section 13.2 are quantified as 0% pending clarifications requested by UN agencies from DG ECHO

13.8 VAT exemption granted (including to the implementing partners)?

Yes

13.10 Do you intend to involve and charge HQ staff costs to project?

No

14. Requests for Alternative Arrangements

14.3 Permanent derogations

#	Derogation
1	Where the communication of specific information to the Commission under Article 8.1 of the General Conditions would raise difficulties in light of the internal rules of the International Organisation, both Parties commit to consult each other with a view to finding a mutually acceptable solution.

15. Administrative Information

15.1 Name and title of legal representative signing the Agreement

Ms Camilla Bruckner - Director UNDP Brussels Office

15.1 Name and title of legal representative signing the Agreement

Name	Office location	Phone	E-mail
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16. Conclusions and Lessons Learned

16.2 [INT] Conclusions and lessons learned

Overall, the project reached its main purposes. Project reached its UNDP annual delivery target for the reporting period; and its activities are on track as well.

A few learnt lessons were identified throughout the course of action:

- noteworthy challenge remained the larger number of replaced families and their turnover versus the project target figures for almost all the activities under Result 1. To address the issue project closely collaborated with local administrations, local CSOs in the sector, conducted selection based on comparative data, interviews and evaluation of the potential beneficiaries. In case of paid on-job-training modality interviews with potential employers were conducted to identify their needs and select beneficiaries accordingly. In case of small agricultural and non-agricultural grants provision, the local implementing partners conducted preliminary needs assessments, home visits, social worker visits, evaluation of each applicants, consultation with local administrations, individual need assessments, business proposal evaluations to select the beneficiaries. Selection committees evaluated each proposal and application to select the best and most pertinent candidates. The lists of beneficiaries were regularly and continuously checked and re-checked again in collaboration with local administrations, CSOs, and with beneficiaries themselves.

Anyway, still thousands of displaced population need small livelihood support, fodder, housing etc. Despite its efforts, the scope and grasp of this project is quite limited to address the needs of hundreds of DP households in Syunik and Gegharkunik area. Expansion or continuation of some activities of this Action (provision of non-agricultural mini grants) is essential to further support the most poignant needs of DPs.

-September escalation of hostilities in Armenia-Azerbaijan border with its dreary consequences was the major change since the last reporting period. In September hostilities occurred in the bordering regions of Armenia, as a result of which thousands of people had to flee their houses in Gegharkunik and Syunik regions. The situation affected some of the project beneficiaries living in the project target communities in Vardenis area. Fortunately, there were no casualties for project beneficiaries, who gradually started to return to their houses and resume their agricultural activities from October. The military escalation showcased how fragile is the peace in the neighbouring communities of Armenia, and how easily skirmishes may resume directly affecting local population, their safety and security. Project continued its further activities considering the effects of this hostility and constant threat of military clashes in the bordering regions of Armenia.

-Security situation may unexpectedly worsen in the target bordering regions, which may delay some travels and activities. This risk is continued to be paid more attention in designing project actions.

- Ukrainian war had its impact on overall pace of the project implementation. It caused some disturbances in transfers and logistics in South Caucasus. This entailed in delays, for instance, in procurement and transfer of photovoltaic solar panels. In addition, the activity of provision of micro grants for non-agricultural and agricultural micro and small businesses was affected as well. The beneficiaries and implementing CSOs have encountered difficulties in procuring and importing some equipment due to disturbed logistics. These will result in some delays in acquisition of necessary agricultural and non-agricultural equipment for the project beneficiaries.

-another issue was the flagrant fluctuation of exchange rates (USD, Euro, Armenian dram), which directly affected the project financial and budgetary progress. One hand project was able to save some funds only due to these fluctuations, on the other hands, some activities, pre-calculated in AMD, required significantly more means in USD. Decreasing Euro value against USD further

exacerbated the situation, as project funding is in Euro. Project staff strictly monitored the financial expenses not to allow any major risk drastically and negatively affecting the overall budget.

-procurement process of large amounts took considerably more time than anticipated. Project will take this into account in its further activities.

- harsh climate and unfavorable winter weather conditions in target regions sometimes impeded the smooth implementation of project activities. Project will pay more attention to possible weather and climate related effects on the implementation, especially in late Autumn period.

- Provision of non-agricultural micro-grants directly by UNDP appeared to be cumbersome and not much ineffective. That's why project changed its approach and selected implementing partners/parties among local organizations to implement this activity. Local grassroots NGOs or CSOs were more involved and consulted in the project implementation process. Those organizations are usually well aware of the real situation, conditions, vulnerabilities and peculiarities of potential beneficiaries in their respective remote areas. They are more agile, and usually implement humanitarian and short-term development action faster. In this sense, they were able to more effectively guide and implement some key activities in the field. Additionally, the project in its turn contributed to the development of local civil society in the targeted bordering/remote regions of Armenia.

- Another risky issue were the local self-governance bodies elections on-going processes in Vardenis, Goris, Sisian communities, with their disputed results. This engendered a situation where the local self-governing bodies weren't fully functional. The situation sometimes hindered project activities in those communities. For example, disputed elections in Sisian enlarged community resulted in defunct local administration and local council. It took considerable efforts and continuous involvement from the project staff to properly complete the street lighting modernization activity in the settlements of Sisian area.

-As conclusion, more future actions/funds/projects are required to continue supporting the large number of DPs, and addressing their poignant needs for sustaining their livelihoods and development.
