



PROJECT DOCUMENT
[Armenia]

Project Title: Building a Resilient Social Protection System in Armenia

Project Number: Atlas- 00145866-00133102, Quantum- 01000185

Implementing Partner: UNDP

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Brief Description

Over the recent years, COVID-19, the escalation of hostilities in and around Nagorno Karabakh, effects of the Ukraine crisis, the military escalations between Armenia and Azerbaijan, increasing inflation (including food inflation) and fluctuating exchange rates have shattered years of development and poverty reduction efforts in Armenia, exacerbating vulnerabilities and disproportionately affecting various vulnerable groups and regions, at the same time making room for new types of vulnerabilities and inequalities. These crises have underscored – more than ever – the need for a robust and shock-responsive social protection system in the country.

With an emerging need to contribute to inclusive, resilient and sustainable socio-economic recovery and growth in the post-pandemic and post-conflict period, **UNICEF's, UNDP's and WFP's joint action** comes to put in place an agile, integrated, human-centered and shock-responsive social protection system in Armenia that builds a person's resilience to vulnerability, deprivation and crises across the lifecycle. This will be achieved through four interlinked components, showing a sequenced logic of interventions across **policy and legal framework development, administrative data system strengthening and integration, capacity building and prototyping**. The joint action will leverage on the organizational capacity, expertise, ongoing support initiatives, partnerships and added value of UNICEF, UNDP and WFP. Through the introduction of innovative tools, such as design thinking, data analytics, digital transformation and behavioural science, the action offers a holistic approach for decision-makers to look beyond recovery, making choices and managing complexity particularly in the areas of inclusive, resilient and sustainable socio-economic recovery and growth. The project will build upon the cooperation with the Ministry of Labour and Social Affairs, the Government of Armenia, National Assembly and line Ministries, Governors' Offices and communities, as well as Civil Society Organizations.

Contributing Outcome (UNDAF/CPD, RPD or GPD): UNSDCF Outcome 2: People benefit from a progressively universal, inclusive, and shock-responsive social protection system across the lifecycle UNDP CPD Output 4.3: National/ local governments use innovative, impact-oriented, data-driven solutions for policymaking. SDGs: 1, 8, 10 Gender marker²: GEN2	Total resources required:	2,206,681.36	
	Total resources allocated:	European Union:	2,009,801.36
		UNDP in-kind contribution:	196,880

UNDP



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I. DEVELOPMENT CHALLENGE

Armenia is an upper-middle income country, driven by multiple socio-economic reforms since independence and making considerable gains in human development. The country was set towards an ambitious reform agenda after the peaceful non-violent Velvet revolution of 2018 that created a unique momentum for transformation and development in Armenia. However, the **dual crises of COVID-19 pandemic and the escalation of hostilities in and around Nagorno Karabakh**, as well as the third economic shock have shattered years of progress in reducing poverty, threatening to reverse human capital gains, exacerbating already existing vulnerabilities and widening inequalities. Persons with disabilities, children, women, youth, low-wage and informal workers, older persons, migrants, displaced persons and vulnerable groups at risk, including those in border and conflict-affected areas, were disproportionately affected.

Per data from the Statistical Committee of Armenia, **every fourth adult (27%) and every third child (33.9%) continued to live below the average poverty line** in 2020, with considerable urban-rural disparities and differences across regions (Shirak and Gegharkunik regions face the highest poverty rates), as well as varying by household composition and other characteristics (e.g. age of children, gender etc.). 19.1% of the population is multidimensionally poor, with close to 58% deprived in at least one dimension¹. High unemployment and inactivity rates, combined with a challenging demographic situation due to falling fertility rates, ageing population and migration, put additional pressure on social sectors, creating challenges for growth. Food security is directly correlated with poverty. The 4th nationwide Food Security and Vulnerability Assessment (FSVA4) carried out in May-June 2022 across Armenia by WFP, shows that only 20% of households are food secure, and 57% are marginally food secure. Food insecurity levels revealed to be 23.2% out of which 22% of households are moderately food insecure and 1.2% is severely food insecure.

The **repercussions of the Ukraine crisis on Armenia** in 2022 are yet to be fully seen; however, the increasing inflation rates, fluctuating exchange rates and other factors are already impacting the country's economy and population as a "cost-of-living" crisis, and lead to further losses in human development, affecting basic incomes and wellbeing of households, restricting their access to necessary social services, including those that enable children and other vulnerable groups to live a dignified life in a protective environment.

Amid the ongoing crises and growing uncertainty, social protection systems are crucial stabilizers during various types of shocks – from household level shocks to those that affect the country as a whole; providing basic income security, protecting from engaging in negative coping strategies and addressing economic and social vulnerabilities across a person's lifecycle. According to the joint UNICEF-World Bank Core Diagnostic of the Social Protection System in Armenia from 2020, the country has a relatively well-developed social protection system with a mix of social insurance, social assistance, social service and active labour market programmes. However, the **coverage of most programmes is limited** and cash transfer values are generally below the poverty line. Active labour market programmes do not fully cover the needs of beneficiaries in case of unemployment and do not address the massive unemployment challenge, especially that of less competitive groups of the population, and cover only 3% of those officially registered as unemployed.

Social care services have a strong role to play in advancing human capital. Although their geographic scope is expanding, including through outsourcing of services by the Government to civil society partners, day care services for children cover only 0.2% of estimated need, based just on the number of poor children. Day care services for persons with disabilities are very limited, with the main alternative being specialized institutional care.² Lack of psychosocial support and other preventive and community-based services for children, parents and caregivers remains a concern, due to the significant additional mental health and psychosocial well-being effects of the dual crises. Finally, the **displaced population** currently residing in Armenia³, in good part in

¹ Data quality and comparability is of concern, considering the transition to phone-based interviews due to COVID-19 pandemic.

² Core Diagnostic of the Social Protection System in Armenia, UNICEF, World Bank, June 2020.

³ The displaced population currently residing in Armenia has been estimated at 20,000 persons as of 1 August 2022. Out of those,

Syunik region, and persons living in **poor, border and conflict-affected areas across the country**, have specific vulnerabilities that require integrated and multidisciplinary solutions, particularly in the wake of continuing ad hoc violations of ceasefire. Their needs range from access to basic services to food security, employment and housing; thus transitioning from purely relief support to a humanitarian-development nexus approach.

The ad hoc nature of policy design and reform, and the lack of a comprehensive, human-centered, evidence-based and costed social protection strategy and related policies and programmes, has evolved into a **fragmented policy and legal framework, linear and siloed planning and reliance on “quick fixes”**. This fragmentation translates into overlaps and inconsistencies in regulations, implementation and monitoring and evaluation, inefficient decision-making, thus impeding agile, effective and efficient service delivery to tackle poverty and vulnerability through the lifecycle, including during structural and co-variate shocks. While the Government has embarked on a promising reform of integrated social services (ISS) in 2010, including comprehensive social needs assessment, case management, inter-agency collaboration and local social planning, the reform is still underway.

As of 1 January 2022, 195,634 persons are registered as **persons with disabilities**, out of them 9,182 are children (around 1.3% of children population). The percentage of persons with disabilities in regions varies from 5% to 9%, while according to WHO, 15% of the world population may experience disability, in case of children it is around 2.5%. In Armenia, there are groups of children/persons with disabilities who are not applying for disability and needs assessment, remaining invisible to the social system for various reasons, such as the unwillingness to get certification due to stigma and lack of quality services and benefits linked to disability certification. In order to ensure an independent and dignified life for children/persons with disabilities service delivery systems and procedures need transformation.

The reform of the **child protection system** is also underway, with the aim of setting clear roles and responsibilities for USS (Unified Social Services) social workers, community social workers and regional authorities in child protection, developing inter-sectorial cooperation and referral protocols, enhancing the scope and coverage of community-based care and support services for families and children in difficult life circumstances. One of the key challenges of the reform is ensuring comprehensive approach, linking support to the family wellbeing with child protection, as opposed to isolated and scattered interventions with the family, which can only be achieved through ensuring close interlinkages between more general social protection reform, including the reform of ISS, and more specific child protection system reform, with its community, regional/ISS and national tiers.

Professionalisation of social workers at national and local level is a key challenge, due to **lack of continuous training and on-the-job support, coaching, practical tools and standards for social work and service delivery**, as well as professional supervision opportunities. While regulations for inter-agency cooperation (e.g. social protection, health, education, police etc.) modalities exist, in practice these are sporadic and depend on personal relations of selected staff, often resulting either in duplication of action or no action by any of the entities due to blurred responsibility lines, which is particularly worrying during shocks. Protocols and tools for activating social workforce to assess affected populations and respond, as well as response resources are not on board.

A key challenge in effective and efficient social protection policy-making, programme delivery and monitoring and evaluation is the **lack of a unified and integrated information management system** reflecting ongoing policy and reform directions. There are approximately 15 systems spanning across various social protection programmes, which are not harmonized and interoperable neither between each other, nor properly linked to systems of other line Ministries (e.g. education, health). Moreover, some programmes are still paper-based and not automated at all. This creates issues of data quality, duplication, fragmentation and the inability to provide rapid enrolment and response in emergency contexts, as data often needs to be manually checked and those outside of

some 3,173 persons (817 households) reside in Syunik region.

existing social protection programmes are difficult to capture. With World Bank support, in 2022 MoLSA has initiated the development of an application management module and a module on vulnerability scoring for provision of benefits, while with EBRD support e-borsa module is being designed. E-disability is being advanced through Government own resources with ADB, UNICEF and UNDP support. However, many key modules, especially those related to social work, child protection, rapid response, service provision, M&E and others, are lagging behind and there is a need to ensure close coordination between all parties involved in the process to avoid duplication and leverage on partnerships and resources, as well as ongoing overall Government digitalization processes. The overall digitalization work should incorporate the set up of complaint and feedback mechanisms. Alongside with digitalization agenda, outreach mechanisms need to be introduced to ensure that populations with limited digital access are not excluded.

Social protection expenditure represents more than one fourth of Armenia's budget and is the largest category of central government spending. After a decline from 7.9% to 6.9% of GDP between 2016-2019, the SP expenditures increased by more than 20%, reaching 9% of GDP in 2020 due to a large number of emergency cash assistance programmes in response to COVID-19 and conflict. However, pensions and other cash transfers consume some 85% of social protection spending, leaving **social services and labour market programmes severely underfunded**. Moreover, social protection spending as percentage of GDP and overall budget expenditure shows a declining trend, while the triple shocks have created a severe need for protecting or even increasing social spending for preserving and developing human capital. Some of the declines are linked to ineffective and inadequate programmes, lack of links between strategic documents and budget programmes, no systematic financial and cost-benefit analysis of existing and suggested policies and programmes.

Overall, the social protection system is **neither shock-responsive nor risk-informed**, as evidenced by the dual crises. While in 2020-2021 the Government demonstrated capacity to mobilize resources and design emergency programmes, it was obvious that the national social protection system was overstretched to allocate additional resources and organize rapid response using the existing social protection system. The dual crises also identified a number of shortcomings in the existing national emergency response and social protection systems, including lack of clear mapping of roles and coordination gaps between line ministries, and with international partners and CSOs to prepare for and respond to shocks, lack of mechanisms for rapid response and quick enrolment of additional beneficiaries, limited interconnectivity between databases both within social protection and other Ministries impeding service delivery, lack of capacity and knowledge on overall disaster and emergency preparedness and weak mechanisms for activation during various types of risks. A special challenge relating to lack of contingency financing and planning modalities was identified, including the participation of external stakeholders in national emergency response mechanisms for unified and coordinated response. National early warning protocols that can benefit all the actors of the National Emergency Response are not operational in a holistic manner and need coordination to inform planning and implementation of early actions in all respective areas, including social protection. This includes weak communication lines, amongst others, with the MoLSA, for the activation of potential early actions. Also, concrete mechanisms for mitigating the effects on the population of economic downturns, recessions, or disaster shocks, including contingency and risk financing, are not prescribed within existing program regulations. disaster risk reduction (DRR) and emergency preparedness are only briefly mentioned in social protection legislation and vice versa, and there are no nationally regulated protocols for response that identify and activate response owners.

II. STRATEGY

The theory of change (ToC) of the joint Action rests with a premise that as Armenia is set to reorient itself towards an economic development agenda and post-dual-crisis recovery, at the same time facing risks tied to repercussions of regional developments on the country, the challenge of leaving the most vulnerable and those at risk behind should be addressed through improved,

human-centered policy and enabling environment, delivery mechanisms, and more effective practices. Thus, the overall objective and long-term impact of the Action entails contribution to inclusive, resilient and sustainable socio-economic recovery and growth in the post-pandemic and post-conflict period, in line with the EU-Armenia CEPA provisions. This will be achieved through a direct focus on transforming and investing in building a resilient social protection system that has the capacities and potential to protect the population against shocks, reduce poverty, promote equity and equality, boost financial and productive assets and build human capital, thus contributing to the decrease of the proportion of population living below the national poverty line.

A two-pronged approach to social protection system strengthening will be used, focusing on comprehensive reform to address systemic issues, inefficiencies and shortcomings while at the same time embedding greater preparedness and response capacity for fast and effective scale-up in case of shocks and crises to address immediate and basic needs of the most vulnerable and at-risk groups of the population. Thus, the specific objective of the Action is to put in place an agile, integrated, human-centered and shock-responsive social protection system that builds a person's resilience to vulnerability, deprivation and crises across the lifecycle. Success in contributing to this objective will be measured through improved coverage of the population by social protection programmes, increase in satisfaction of beneficiaries with unified social services, as well as increased or protected and more efficient spending on social protection.

The ToC is closely aligned with the 2021-2026 Government programme and related strategies, 2021-2025 UNSDCF, EU-Armenia CEPA priorities, internationally accepted social protection and shock-responsive social protection frameworks, recommendations of human rights instruments and work of development partners.

- *ASSUMING* a) leadership and ownership by the Government to advance poverty reduction and social protection programming as an investment in human development with focus on post-COVID and post-conflict recovery, including allocation of resources; b) no major shift in political systems and ongoing reform processes; c) Government commitment to human-rights based and human-centric approaches, and evidence-based policymaking and programme design; d) Government commitment for advancing the culture of resilience, preparedness and emergency response planning; d) Government leadership in coordination and joint work by partners; e) flexibility of the Government, the donor and other counterparts to align the project to the socio-economic situation in the country in a shock-responsive manner - the **CHANGE PATHWAY** of the Action will address all building blocks of and the conducive environment for the social protection system at national and local level, with a focus on the following indicative results/outputs:

The proposed joint Action builds on the overarching and topical need for re-assessing, supporting and strengthening the national social protection system to ensure prevention and protection against risks and shocks and promotion of social guarantees, support schemes and opportunities for the most vulnerable affected by structural and co-variate shocks. It strongly adheres to key principles of the **Comprehensive and Enhanced Partnership Agreement between the European Union and Armenia (CEPA)** on Better Living Standards, Fairer and Safer Society. It integrates efforts to ensure human rights protection and implementation of basic rights of the citizens of Armenia to social security, food security, access to social assistance, protection and employment, and directly links to the specific CEPA Chapter on employment, social policy and equal opportunities.

The Action will launch interventions that directly address the fundamental priorities of the **2021-2026 RA Government Programme and five year Action Plan** in the elimination of extreme poverty by 2026, development of labour and social protection strategy and related sub-strategies, the fulfilment of principles to provide social needs assessment and a social service proportionate to the assessment, thus boosting the socio-economic potential of a person, as well as application of comprehensive measures of employment, skills building and income generation to ensure socio-economic inclusion of beneficiaries of social assistance programs. It also sets the agenda for strengthening of the newly-established Unified Social Service in terms of its data systems, staff capacities and institutional ability. Another important milestone the Action will address is the

support to unified social policy on housing implementation for the purpose of providing low-income and poor families and other vulnerable groups with permanent or temporary shelters.⁴

The Action will also support the **first ever national umbrella Strategy of Labour and Social Protection** to be enacted in 2022 that safeguards interventions for social rights realization and multidimensional poverty reduction. The Strategy outlines a vision of promoting employment through continuous human capital development and an effective, socially just and resilient to shocks environment that guarantees preventive, needs- and rights-based social assistance and security across a person's lifecycle. The Strategy was developed in a participatory manner with an aim to streamline reform processes and outline key reform directions in four broad areas aligned to the lifecycle approach, focusing on children, working age population and the elderly, as well as outlining labour and social protection system strengthening directions. It views inclusive and integrated social and employment services as tools for graduation out of poverty and reducing the impact of poverty on all layers of the population. The Action will directly refer to the above strategic components, as well as will exert interventions to strengthen the social protection system in terms of its pro-activeness, resilience, effectiveness and shock response as part of Strategy's Goal 4. The Action will also take place in the momentum of design and implementation of the national employment sub-strategy which is in line with frameworks on promotion of effective employment opportunities combined with skills building, accents graduation models for vulnerable populations, as well as that of integrated social services development sub-strategy, primarily concentrating on strengthening the capacities of USS.

The current design of the national **Food Security Strategy** already reflects close interlinkages with shock-responsive social protection (SRSP) framework aimed at strengthening both the regular social protection and shock-response mechanisms. The Strategy includes concrete sections when social protection mechanisms enhance access to food through increase of income, skills building and enhancement of purchasing power for vulnerable populations both in regular setting and under shocks.

Ultimately, the joint Action is of fundamental relevance to the **ongoing reform of the Unified Social Service** launched in April 2021 which incorporates four merged social services and intends to provide integrated packages to ensure vulnerable persons' overcoming of difficult situations of life. The reform has a huge scope and envisages significant capacity development, strengthening of business processes, improving data operability and usage and is a crucial step to improve the lives of all vulnerable populations that rely on social assistance. Moreover, the Action will contribute to the ongoing Government reforms in disability assessment and child protection system strengthening. The Action will support the development of communities in Armenia that underwent the **community consolidation reform** in 2021 in terms of their capacities to provide social services and link community social workforce to the reform of USS, as well as the broader decentralization agenda.

The project interventions in the area of data system strengthening closely align with the targets of the **RA National Digitalization Strategy 2021-2025**⁵ that aims to increase the access of population to and information on digital platforms, enhance effectiveness of Government services, improve the interoperability of Government internal digital systems and enhance digital skills capacity. The functional review and institutional changes will be in line with the newly adopted **Public Administration Reform strategy**. Finally, the **Gender Policy Implementation Strategy of Armenia for 2019-2023** will be considered, with a particular emphasis on Government's priorities for achieving gender equality in the socio-economic spheres.

The Parties to joint Action – UNICEF, UNDP and WFP have been implementing close interventions in the area of social protection for many years. In the Action, as part of **2021-2025 UN-Armenia Sustainable Development Cooperation Framework's** (UNSDCF) agenda UNICEF, UNDP and WFP will continue working jointly to ensure strengthened shock responsive

⁴ RoA Government Program 2021-2026, www.gov.am

⁵ RA Government Digitalization Agenda 2021-2025; <https://www.arlis.am/DocumentView.aspx?docID=149957>

social protection system in country, as well as implement the main priorities of the cooperation framework: people’s well-being and capabilities, responsive and effective governance. The development outcomes of the work in priority areas will be that people benefit from a progressively universal, inclusive and shock-responsive social protection system across the lifecycle. Moreover, key international conventions and commitments will be considered in the design and implementation of project interventions, including the UN CRC, UN CRPD, UN CEDAW, ILO standards and others.

The joint Action will take account the major achievements and challenges recorded in thematic projects implemented by partners such as the WB “Armenia Social Protection Administration Project II” and the “Promoting Self-Inclusion and Self-Reliant Livelihood Activities” project⁶, as well as USAID-funded Community Level Access to Social Services and Data for Impact Projects.

UN’s Leaving No One Behind is the central, transformative promise of the **2030 Agenda and the SDGs** and it encompasses the axis of this joint Action. UN agencies are committed to contribute to the achievement of these outcomes by leveraging specific enablers and adopting innovative approaches to support evidence-based decision-making and contribute to the creation of an enabling policy environment. As such, the joint Action will contribute significantly to the acceleration of SDGs and respective targets/indicators with focus on: 1 “No Poverty”, 2 “Zero hunger”, 5 “Gender equality”, 8 “Decent work and economic growth”, 10 “Reduced inequalities” and 16 “Peace, Justice and Strong Institutions”.

III. RESULTS AND PARTNERSHIPS

Expected Results

UNSDCF Outcome 2: People benefit from a progressively universal, inclusive, and shock-responsive social protection system across the lifecycle

UNDP CPD Output 4.3: National/ local governments use innovative, impact-oriented, data-driven solutions for policymaking.

The **project objective** is to contribute to inclusive, resilient and sustainable socio-economic recovery and growth in the post-pandemic and post-conflict period in Armenia, through an agile, integrated, human-centered and shock-responsive social protection system that builds a person’s resilience to vulnerability, deprivation and crises across the lifecycle.

The Action rests on a strong horizontal and vertical logic between outputs and various thematic areas and prioritized jointly by MoLSA and UN agencies. The Action will be implemented with nationwide coverage, with a particular focus on conflict-affected and poor regions (Syunik, Gegharkunik, Shirak).

A detailed description of activities per respective output is presented below:

Output 1: Social protection strategies, policies and programmes are enhanced and adequately financed to improve coverage and address risks and vulnerabilities through the life-cycle

Under this output, the policy framework will be revamped as the highest level of engagement, where a common vision to system development will be established through a comprehensive labour and social protection strategy, and the objectives, functions and targets of the social protection system will be analyzed and defined in the context of national goals, international commitments and considering the multitude of various shocks and risks. The policy framework will provide clarity of vision and direction as well as a strong legal foundation that will support programme sustainability and underpin the transformative power of social protection. This will include revising, reshaping and designing social protection laws, policies, and related strategic and institutional frameworks and designing appropriate integrated disability-inclusive programmes and

⁶ WB, JSDF, Japan Government, AASW

support packages to increase coverage of the population across the lifecycle. The focus will be on establishment and improvement of protective measures that guarantee relief from deprivation, preventive measures that avert deprivation through comprehensive assessment of needs, and promotional, livelihoods and employment schemes to ensure the socio-economic inclusion of people as a way out of poverty. To ensure the USS management and operation systems are levelled up to meet the required standards to implement the large reform agenda, comprehensive functional review will be carried out followed by elaboration of institutional development plans and necessary legal acts. The policy framework will also facilitate cooperation and coordination between MoLSA and various line ministries, on one hand, and MoLSA and development partners, the private sector, CSOs, academia, etc. on the other, so streamlining the design, financing and implementation of coherent integrated social protection policies. The policy framework will for the first time include standard operating procedures and inter-ministerial protocols for shock-response enforcing roles and accountabilities for social protection, emergency response and other decision-makers throughout the entire response chain.

*Activity 1.1. Technical assistance to **development and operationalization of the comprehensive Labour and Social Protection strategy and sub-strategies on Integrated Social Services and Unified Social Service development, Social Housing, Employment** including application of a shock-responsive and food security lens and mainstreaming of citizen-centric and evidence-based decision-making approaches and processes (joint between UNICEF, WFP and UNDP).*

The comprehensive Labour and Social Protection strategy 2022-2026 (once approved) will set the foundation and vision for policy reforms for the sector. More specifically, the Strategy will set the framework of strategic interventions to tackle poverty, deprivation, vulnerability, food insecurity and other aspects through a person's lifecycle. Additionally, the overall Strategy emphasizes the importance of system strengthening and building the shock-responsiveness of the overall system, including a focus on early action and social protection response through multi-stakeholder approach. The Strategy is designed as a living document with a transitional year for 2022-2023 to ensure alignment with budget and MTEF processes and mandatory annual reviews, definition and measurement of the status of achievement or respective strategic indicators. Moreover, the Strategy entails development of in-depth sectorial sub-strategies and strategic programmes in the area of integrated social services/USS development, Social Housing, Employment or disability assessment and child protection reforms. The ISS/USS sub-strategy will be particularly prioritized, considering its important role in integrated service delivery to the benefit of vulnerable groups of the population. The Action will support further development and operationalization of these key important policy documents in a participatory manner, including provision of expert and technical assistance, sharing of expertise, support in organization of annual reviews and consequent revision processes, coordination and preparation of budget submissions or MTEF alignment (per need). Key partners and stakeholders will be involved in consultation processes to ensure transparency, ongoing dialogue and collective ownership and coordination over strategic planning, reporting and monitoring processes and their results.

*Activity 1.2. Support to **development, harmonization and operationalization of resilient, human-centric, evidence-based and shock-responsive legal and policy frameworks** (joint between UNICEF and UNDP).*

Following adoption of large-scale strategic and policy documents, as well as functional review processes, there will be a need for development and revision of a number of legislation pieces (more than 50 overall), including laws, secondary legislation, regulations, standards and SOPs, in line with national and international commitments, human rights instruments and informed by practice. This activity will capitalize on major reform processes undertaken in 2021-2022 related to the review of the Law on Social Assistance, Law on Child Rights and Family Code, disability assessment/ICF that require solid and participatory development of secondary legislation to enable the application of the laws in practice. The following areas will be specifically targeted:

- Development of draft secondary legislation, including bylaws, Minister orders, regulations, standards, protocols, codes of conduct and referral pathways for social assistance, social work and integrated social services reform in relation to the review of the Law on Social Assistance, Local Self-Government and related laws to enable targeted and quality service delivery to the vulnerable and at risk population;
- Development of draft secondary legislation (including bylaws, regulations, standards, protocols and referral pathways) to advance risk-informed child protection reforms, including focus on the Family Code, Law on the Rights of the Child and related laws, as well as protection of children and response to risks in emergencies;
- Development of draft secondary legislation, including bylaws, regulations, standards and referral mechanisms focused on provision of quality services and support to children with disabilities and children with developmental delays (supporting disability/ICF reform).

The developed legislative framework will serve as the basis for development of administrative data systems, as well as capacity development interventions. Moreover, many of its aspects will be prototyped and tested in the target regions, as well as heavily consulted with civil society and development partners, practitioners, academia, parliamentarians and policy-makers to inform final design.

*Activity 1.3. Update and standardization of the **National Occupational Classification System** (UNDP)*

The national classification of skills, competences, qualifications and occupations will be updated and standardized based on the European and International taxonomies (ESCO and ISCO) to enable categorization and analysis of the relationships between occupations, skills/competences and qualifications as well as enhance national statistics, evidence-based policy making and implementation of targeted and effective employment schemes and programs. The mentioned international classification systems will need to be adapted to the context of the Armenian labour market in consultation with relevant sectors and industries. Moreover, with an everchanging labour market, standardized classification systems require the integration of novel approaches to keep a finger on the pulse of labour market developments in real-time. One such novel approach is to integrate findings from online job vacancy announcements into the analysis of the labour market and wherever applicable, integrate these findings into the national classification systems, for example, new emerging professions can be integrated into the classification system and relevant skills, competences and qualifications be defined. This way policy-makers, educational institutions and career navigators will be equipped with relevant evidence to understand the timely developments in the labour market and thus adjust their decision making processes to the emerging evidence. This work will be informed by the Edu2Work online platform (scrapes and analysis online job vacancies), developed together with MoLSA and MoESCS. In the process of updating the existing classification system in Armenia and further enriching it by online announcements analysis, new processes will be introduced in terms of periodically and methodologically updating the classification system based on new evidence from the labour market.

*Activity 1.4. Support to design, revision and adaptation of fiscally sustainable **social assistance (cash/in-kind/services) integrated packages/programmes**, including for rapid response in crisis situations (joint between UNICEF, WFP and UNDP).*

The Activity envisages development and revision of various social assistance programmes that would enable integrated and comprehensive support to vulnerable groups, with a particular focus on persons and children with disabilities, poor and displaced persons and shock-response scenarios. The packages will be aligned to ongoing reforms in the review of family social needs and disability assessment/ICF approaches.

Design of new service packages will be supported through expert involvement, workshops and consultations, per need, jointly with MoLSA, subject to the operationalization of the vulnerability targeting and family social needs assessment approaches, including definition of eligibility standards and packaged solutions.

With regard to the disability assessment/ICF reform, the Action will support revision of social assistance packages linked to disability status to enable adequate social support and access to specialized services linked to disability. In particular, the introduction of voucher or card-based system for receiving specialized services will be further developed and operationalized, in cooperation with UNICEF.

And finally, the Action will support redesign of the social housing programme, including revision of the structural setup and functional distribution, subsequent regulations and procedures, with an aim to operationalize the Social Housing sub-strategy and enable better provision of social housing to the most vulnerable and displaced population.

*Activity 1.5. Conduct a **comprehensive functional review of USS** to inform design of the new structures aligned with strategic and policy priorities (UNDP).*

The functional review of USS – as a relatively new, but key entity established in April 2021 - will help to increase the effectiveness and efficiency of the USS system, including the national body and territorial centers, as well as ensure coherence and human-centric service delivery on-site. Moreover, it will lay the foundation for more informed development of the ISS/USS sub-strategy. The functional review will entail:

- Conduct of an institutional assessment (organigram with functional and structural analysis - management span, distribution of units and staff etc.);
- Description and analysis of business processes and development of optimized processes;
- Development of an optimized structure and revised functionalities of units and distribution of job descriptions of the staff;
- Review of staff performance management (appraisal) system to ensure the stability and quality of the workforce in the social protection system.
- Elaboration of institutional capacity development plan for the USS, considering its renewed functions, mandate as well as tasks and responsibilities.

Technical support will be provided to the implementation of functional review recommendations of the USS through development, review and finalization of relevant policy and legal documents (laws/bylaws/SOPs including development of models of the new institutional architecture, charters of departments, job descriptions etc). As an innovative approach, poverty-inducive behavior change will be embedded in the policy and legal documents of the USS (workshops on identification of problems and desired behavior; behavioral barrier analysis and design of behavioral leverages; design of the behaviorally-informed intervention streamlined into the policy and legal documents).

Output 2: Administrative data systems are further integrated, modernized, developed and operationalized to enable improved governance, citizen-centric policy and programme design and delivery, monitoring and evaluation

Modernized administrative data and digital systems are the next crucial component in building a resilient and shock-responsive social protection system, thus increasing the ability of the country to identify those who are in need, enrol them and expand vertically and horizontally during shocks in an agile way, provide tailored and human-centered benefits and services, catering for evolving and lifecycle needs and improving overall targeting and effectiveness. The integration of selected functions within the unified information management system (UIS) (e.g. family social needs assessment, child case management, social housing management, digitalization of services and integrated delivery platforms for social services during emergency response etc.) along the social assistance delivery chain – as well as interoperability with other government systems (e.g. education, health, disaster risk reduction etc.) - will help to reap economies of scope and scale and focus on systemic policy outcomes. This will lead to better understanding the demand for social protection (e.g. differential needs across population groups, lifecycle stages and shocks) and result in better coordination, accountability, transparency and monitoring of the supply of programmes and service providers using data visualization dashboards to inform more evidence-based decision

making at all levels. The UIS will also help reduce errors and fraud and speed up necessary steps in the implementation process through automation, promoting efficiency and synergies across programmes and resulting in more effective service delivery, as well as great accountability, monitoring and evaluation. There will be close alignment with the World Bank Social Protection Administration Project II under this pillar, considering ongoing works on a unified application management and intake module, as well as ADB, UNDP, UNICEF and EBRD that have planned support for e-disability and e-borsa development respectively. The Action will focus on the development of the most prioritized modules for the UIS as discussed with MoLSA.

Activity 2.1. Support to design of the social housing management digital system (UNDP).

The Action will also support the design of the social housing management digital system, which will organically complement the new management model of the social houses with enhanced monitoring and security capabilities allowing automated oversight over registration and access to the building, early warning systems in case of fire and theft as well as monitoring of the fulfilment of requirements for graduation of social housing programme beneficiaries. Thorough institutional assessment and re-designed management model will lay basis for piloting of institutional development of at least one social housing facility which will be equipped with necessary tools, sensors, cameras and other equipment complemented by a customized building management software to allow targeted, effective and citizen-centric provision of social housing services.

Activity 2.2. Development and re-design of various digital tools and data-driven digitalization and automation of internal operations and service provision to improve the efficiency of operations of USS (UNDP).

Key labour-intensive and high-frequency services will be identified and digitalized within the USS, including front-office and back-office operations to increase the accessibility and usability of the services with a focus on groups with limited access to USS territorial centers and informed by the functional review. End-to-end digitalization will help the USS to increase the uptake of the services and collect digital data enabling the development of more tailored and evidence-based policies and programmes.

In the framework of comprehensive capacity building of the USS, the current e-learning platform (developed with World Bank support) will be enhanced to accommodate cutting edge technologies to ensure a user-friendly journey of learning for the USS social workforce and service providers and to increase the quality and effectiveness of internal operations and service delivery. The platform will be equipped with a tailored video player, coursework and performance tracking systems, certification mechanism, community building and collaboration tools as well as robust analytics and report generation functions. And finally, based on the adapted taxonomy of skills, competences, qualifications and occupations, a digital tool will be developed to automate job-matching based on AI-powered classification model. With technical assistance of data scientists and design thinking specialists coupled with development of a software allowing design and development of an AI-powered digital tool enabling evidence-based decision-making for policy makers, educational institutions, businesses as well as citizens of Armenia will increase the quality of decision making.

Activity 2.3. Improvement of the quality, security and interoperability of the data and visualization to ensure evidence-based policy- and decision-making and digitized and quality service delivery to the citizens (UNDP).

This Activity will support mapping of the data landscape of more than ten tools and databases, allowing for identification of standardization and integration opportunities. This will lead to overall improvement of the quality of the data through unified classification standards, cross-checking and integration. Interoperability and synchronization will not only increase the accuracy of data, but also enhance the quality of data-driven operations including service delivery and data analysis leading to better and more evidence-based decision making at all levels. Development of a dashboard with integrated advanced data visualization tools will enhance the analytical and decision-making capacity of the social protection system making it easier to identify patterns,

trends and outliers in large data sets that leads to more evidence-based policy making and service delivery.

Output 3: National and local institutions, social service workforce and service providers are equipped with capacities to design, coordinate and implement integrated, inclusive and shock-responsive social protection policies and programmes

Strengthened professional capacities, including institutional and human resource capacities, are a key precondition for effective integrated social protection design and delivery. Thus, an emphasis will be put on both the strengthening of USS organizational architecture, functional landscape and business processes, performance management, Nork Center audit and ISO certification, as well as the development of a pool of qualified and trained professionals to deliver policy and programme reforms advanced within the Action in a coherent manner. This will include further professionalization of social service workforce within the USS territorial offices and community social workers, and ensuring mechanisms for continuous certification, on-the-job support and coaching, with a particular focus on advancing e-learning solutions, as well as supportive supervision for increased performance in addressing social and economic vulnerabilities of beneficiaries. Capacities for implementation of functional changes will also be increased, with focus on citizen-centric service delivery and change management. Considering that social service workforce and providers have been at the forefront of the dual crises, reaching out to affected families, identifying the most vulnerable and providing needs-based services, they will be equipped with the necessary skills and knowledge to effectively operationalize rapid response protocols of regular social protection schemes and implement effective coordination at local level to coordinate shock response. They will also be trained on implementing projects prototyped under this Action that will have evidence and potential for institutionalization. Finally, institutional capacities of MoLSA to plan, coordinate, implement, monitor and evaluate integrated and evidence-based shock-responsive social protection policies will be enhanced for improved, human centered decision-making, coordination and communication for early warning and early action, embracing the culture of innovation and change management.

*Activity 3.1. Development of **institutional capacity of USS** stemming from the functional review to enhance citizen-centric and evidence-based decision making and service delivery, including through change management (UNDP).*

As a result of a comprehensive functional review of the USS, as well as development of the ISS/USS sub-strategy, there will be a need to increase the institutional capacities of USS for implementation of those changes, enhancing of citizen-centric and evidence-based decision-making and service delivery. In particular, the following interventions will be pursued:

- Development of user-friendly training materials (both written and audio-visual for the e-learning platform) to accommodate capacity needs for better internal management of the USS (automated or semi-automated internal operations, document and knowledge management, staff management, communication etc.);
- Capacity building of the USS staff to manage the institution effectively to deliver quality services to citizens; re-skilling of staff to conduct the optimized functions effectively based on the reengineered business processes and new model of coordination, communication and reporting, and use the tools for citizen-centric and evidence-based decision-making and service-delivery as well a digital platforms, including through new modalities for cooperation with external partners;
- Development and implementation of a change management model for USS to increase resilience of the institution to constant changes in the external environment and internal operations and be able to deliver uninterrupted services to people in challenging settings.

Activity 3.2. Support to increased capacity of Nork Center to effectively manage information security through ISO 27001 certification (UNDP).

Nork Center will undergo ISO27001 certification in three phases. The first phase will include a gap analysis and vulnerability assessments undertaken with external support. The second phase entails institutional capacity building, use and implementation of compliance software. Finally, the third phase includes internal and external audits, certification and surveillance audit to ensure long-term consistency with the pre-defined quality requirements. The certification will trigger and ensure 3 aspects of information security: confidentiality (only the authorized persons have the right to access information); integrity (only the authorized persons can change the information) and availability (the information must be accessible to authorized persons whenever it is needed). Apart from enhanced information security, Nork Center will benefit from improved legal framework, cost savings and enhanced institutional capacity.

Output 4: Rights-based and adaptive social protection programmes and mechanisms are prototyped to address intersecting vulnerabilities through an integrated approach and human-centered design and piloted in conflict-affected and poor areas

Activity 4.1. Piloting of the new structure and operational model of USS in at least two territorial centers (UNDP).

The Activity entails piloting the re-designed USS institutional setup with new functional distributions, coordination and communication mechanisms, performance management, as well as change management models. Two territorial centers will undergo transformative changes related to institutional structure, functional distributions, capacity building, new operational model based on the optimized business processes and re-designed services as well as external and internal communication models. The piloting sites will be selected based on preliminary designed criteria with the MoLSA and project partners. The pilot will help to extract valuable findings and identify operational gaps and lessons for further finalization and replication of the model in other regions to ensure citizen-centric service delivery and management of internal operations.

Output 5. Creating favourable physical environment for socially vulnerable families, including displaced and most vulnerable population

Activity 5.1. Support to piloting an affordable social housing model in a renovated facility (UNDP).

Under this Activity, the new social housing model will be piloted. The renovated and furnished facility will be complied to security standards as well as equipped with energy efficiency measures to host socially vulnerable families eligible for the state programme, with focus on the displaced and most vulnerable population. The re-designed management model and building management digital system will be piloted for in the selected housing facility to elicit valuable insights that will uncover lessons learned and lay down relevant recommendations for the replication of the management model and the digital system in other areas of the country.

Output 6. Creating innovative mechanisms for graduating from poverty

Activity 6.1. Piloting of new employment schemes in line with the Employment Strategy, in Syunik, Gegharkunik and Shirak regions (UNDP).

Employment programmes stemming from the Employment Strategy (currently under development) and aligned with the goals of the National Platform for Women's Economic Empowerment (established by UNDP and RA Government) will be piloted in Syunik region. The Activity will start from the design of the employment programme pilot with target scope per region/end-user and move to actual piloting with extracting lessons for the scale-up nation-wide in subsequent years. As per the current background research analysis for the Strategy, as well as priorities of the Government, socially vulnerable families including young women aged 28 years and above (other priority criteria to be set forth in the strategy) will be targeted by the pilot programs. It is envisaged that at least 250 participants from the regions of Syunik, Gegharkunik and Shirak will benefit from the programs. Behaviorally-informed communication campaign will help better targeting and increasing the uptake of those pilot programs. As a result of the campaign recommendations will be

provided to the project partners including MoLSA to design and conduct the communication efforts for pilots' replication and scaling.

Target groups and final beneficiaries

The **target groups** of the Action include:

1. vulnerable and multidimensionally deprived groups and those with intersecting vulnerabilities, including poor families, children, women, unemployed, informal workers, displaced persons, persons with disabilities (children/adults) and those living in remote and rural communities of Armenia;
2. staff of MoLSA and affiliated agencies (USS, NILSR, Nork), social service workforce and social service providers at national and local level;
3. geographically poor, border and conflict-affected regions and communities (Syunik, Gegharkunik, Shirak), including regional and community administrations.

The MoLSA – as the primary beneficiary of the Action – has been heavily consulted during the project preparation phase, including prioritization of work and engagement areas, and will continue its lead role during project implementation, also ensuring participation of affiliated agencies and line Ministries. The USS and Nork Social Services Technology and Awareness Center (Nork Center) were also directly engaged in project preparation, with a particular focus on policy implementation, data and capacity development pillars of work. The needs of various population groups were analysed based on data from the Statistical Committee of Armenia (e.g. Social Snapshot and Poverty Reports), surveys and needs assessments conducted by the UN (e.g. FSVA, CODI etc.) and other partners (including as part of conflict response), as well as in consultation with the MoLSA, thus ensuring that the planned interventions address their needs as end-recipients of social protection packages and employment opportunities.

Considering the heavy engagement of three UN agencies in the COVID-19 and conflict response, as well as ongoing development work in the regions of Armenia, regional and local level partners have outlined their needs and gaps in service provision through multiple discussions and meetings. Initial discussions were also held with civil society organizations, especially those representing various vulnerable and deprived groups of the population, both as part of strategic planning processes, as well as programmatic work, where priorities were reconfirmed and agreements were sought to collaborate and seek synergies during project implementation, especially in Syunik region, where other EU-funded projects are being implemented or planned.

The **final beneficiaries** are women, men and children, including persons with disabilities and their families, as well as vulnerable and deprived groups and communities, which will benefit from increased quality, coverage, effectiveness, socio-economic integration and enhanced shock-responsiveness of social protection schemes and services at national and local level, thus building their resilience across the lifecycle.

Resources Required to Achieve the Expected Results

The Project will use the following human resources:

1. One part-time Innovation and SDG Finance portfolio manager who will ensure the Project quality assurance and implementation oversight.
2. One part-time programme manager (SDG Innovation Lab lead) under the direct supervision of the Innovation and SDG Finance portfolio manager, who will effectively coordinate the implementation with partner agencies and external stakeholders as well as manage and ensure the delivery of the outputs committed by the agency in full scope.
3. One full-time project coordinator who will work under the direct supervision of the program manager and overall coordination of the Innovation and SDG Finance portfolio manager. The Project Coordinator will be responsible for project implementation, development,

monitoring of project activities, managing financial delivery and ensuring planned outputs as per Project work plan. (S)He will also ensure project coordination with all respective UNDP staff engaged in the project, including from Socioeconomic Development Portfolio in charge of social housing related activities, liaise with the government, regional and local authorities, CSOs, ongoing UNDP initiatives and international partners to ensure information exchange, coordination and synergism.

4. One part-time communications specialist who will work under the direct supervision of the programme manager and in close collaboration with the project coordinator to lead all communications-related aspects of the project.
5. One full-time project assistant to provide assistance for project administration and operational matters.
6. One part-time driver to support in carrying out the project and implementing pilot programs in the target regions and communities of Armenia.
7. One part-time crisis recovery and socio-economic policy analyst will also support the project implementation to smoothly integrate the project outcomes with development goals and objectives of UNDP and the Government to bring transformational change in social protection sector on various dimensions.
8. Thematic local and international experts who will work under the overall guidance of the program manager and direct supervision of project coordinator to provide thematic expertise for all required outputs and activities.

Partnerships

UNDP in Armenia will apply inclusive and participatory approaches to the design and implementation of the project – with strong emphasis on strengthening and deepening already established partnerships, as well as forging new ones.

At the national level, the **Ministry of Labour and Social Affairs** will be the primary owner and stakeholder of the project considering their lead role in strengthening the labour and social protection system in Armenia

The **Government of Armenia** will be a key stakeholder, considering their coordination and decision-making power.

Line Ministries, such as the Ministry of Education, Science, Culture and Sport (MoESCS), Ministry of Health (MoH), Ministry of Justice (MoJ) will be further consulted and involved in strategic planning and reform processes, with a particular focus on cross-cutting issues and service delivery, such as universal health coverage, disability assessment, skills building, child protection and others.

The **Ministry of Territorial Administration and Infrastructure (MoTAI)**, as a key stakeholder in the community consolidation reform and local level service delivery, will be continuously involved in policy and reform discussions to support replication of developed mechanisms across the country.

The **Ministry of Finance (MoF)** will be the key ministerial counterpart in financing for social protection, including engagement in public finance administration, development of MTEF and review of programme budget submissions for greater efficiency and effectiveness of social protection spending.

The **Ministry of Economy (MoE)** as the key institution in charge of development of economic policy in the country, will be a key stakeholder in the design of the Employment sub-strategy and development of active labour market and graduation programmes.

The **Ministry of Emergency Situations (MoES)** will be engaged in the design of shock-responsive social protection solutions, advancing disaster risk reduction and preparedness, as well as early warning and early action.

The **Ministry of High Tech Industry (MoHTI)** has already expressed interest in supporting the digitalization agenda of MoLSA, thus continuous engagement will be pursued in the fields of communication, information, information technology and information security, seeking alignment to overall digitalization processes.

The **National Assembly of the Republic of Armenia** and relevant Parliamentary Committees will support with policy design, legal framework development and adoption and budget scrutiny, ensuring sustainability, effectiveness and efficiency, as well as in the organization of public hearings for greater transparency and citizen engagement in budget- and policymaking.

Civil Society Organizations, with a particular focus on those representing various vulnerable groups (e.g. organizations of persons with disabilities, child protection organizations etc.) or social themes (e.g. social work, women's rights and gender equality, GBV etc.) will ensure the voice of the population to be heard, the protection of human rights and the good governance of the project. These organizations will be involved across various project components, with a particular focus on those that are implementing related EU-funded Actions in Syunik region. **The Armenian Association of Social Workers, in collaboration with academia**, will ensure critical knowledge, expertise and adherence to professional social work approaches in the design of state standards and mechanisms.

The **national and international donor community** will play a key role in both the design of the project as well as its operationalisation. Particular synergies will be sought with UN agencies within the UNSDCF, as well as those donors that have active engagement and interest in labour and social protection, with a particular focus on coordination with the World Bank Social Protection Administration Project, Community Level Access to Social Services and Data for Impact Projects funded by USAID.

Risks and Assumptions

Risks

1. Escalation of hostilities in and around Nagorno-Karabakh and potential resumption of war over the Armenian-Azerbaijani border and/or other developments in the conflict zone.
2. Deterioration of the socio-economic and political situation in the country and further escalation in border areas and the region at large, including unprecedented inflation and exchange rate fluctuations.
3. Protracted COVID-19 pandemic/ another outbreak.
4. Weak or no national coordination for preparedness, shock response and recovery.
5. Parallel and unsynchronized work on administrative data systems resulting in duplication of effort.
6. Limited capacities and difficulty of capacity retention in a highly competitive field working on data systems.
7. Limited capacities at national and local levels.
8. Resistance to change internally and by the public.

See Project Risk analysis in [Annex 3](#).

Stakeholder Engagement

At the national level, the **Ministry of Labour and Social Affairs** will be the primary owner and stakeholder of the project considering their lead role in strengthening the labour and social protection system in Armenia, including involvement in project design and implementation, with direct participation in decision-making and coordination with line Ministries and partners. There have been multiple consultations with MoLSA in shaping the Action and ensuring alignment both with EU, UN and national priorities, as well as ongoing policy and strategic reforms. MoLSA's affiliated agencies, such as the USS and its 49 territorial offices, Nork Center and National Institute of Labour and Social Research (NILSR) will be key entities in project implementation.

The **Government of Armenia** will be a key stakeholder, considering their coordination and decision-making power, and overall leadership in setting the tone for the resilient recovery and growth agenda, as well as shaping reforms in other sectors that may impact social sector reforms (e.g. digitalization, economic recovery, fiscal rules etc.). Respective Deputy Prime Ministers offices will be involved in project implementation.

The **Ministry of Territorial Administration and Infrastructure (MoTAI)**, as a key stakeholder in the community consolidation reform and local level service delivery, will be continuously involved in policy and reform discussions to support replication of developed mechanisms across the country. At the regional level, **regional administrations** – particularly Syunik, Shirak and Gegharkunik – will be directly involved in overall supervision and coordination of works in the regions, *inter alia*, through territorial/local social planning. At the local level, **consolidated communities** – particularly community social workers, community-based service providers, and community administrations - will be directly involved in the design and implementation of social services and will support maintenance and other interventions to ensure sustainability, once their capacities are increased.

The **Ministry of Economy (MoE)** as the key institution in charge of development of economic policy in the country, will be a key stakeholder in the design of the Employment sub-strategy and development of active labour market and graduation programmes.

South-South Cooperation

South-South cooperation with other countries in the region and beyond will be explored around all relevant outputs and activities of the project. Relevant opportunities will be explored, and partnerships identified and shaped throughout the project implementation.

Sustainability and Scaling Up

The Action has embedded sustainability elements throughout its design, including full national ownership of interventions through co-design with UN agencies, use of existing structures and leveraging on ongoing reform processes, as well as clearly defined horizontal and vertical linkages between planned outputs and activities. The Action will seek to forge multi-stakeholder partnerships as opposed to siloed interventions that can mobilize and share knowledge, expertise, technology and financial resources to support the achievement and sustainability of interventions.

Moreover, the sequenced approach to Action implementation will allow for translation of various policy reform processes, including revisions in legal framework, mechanisms, SOPs, into coherent administrative data systems and strengthened national capacities at various levels of Government and service delivery, finalized and tested through prototyping and piloting activities. Three levels of sustainability can be outlined:

- **Policy level sustainability** will be ensured through close alignment of interventions with the Government Programme 2021-2026, Labour and Social Protection Strategy and related sub-strategies (e.g. Employment, Social Housing, ISS/USS, Comprehensive Programme and Action Plan for 2022-2027 on Social Inclusion of Persons with Disabilities, and 2023

Annual Plan on Social Inclusion of Persons with Disabilities etc.), revisions in the Laws on Social Assistance, Child rights, Family Code and related laws, ongoing reform processes (e.g. integrated social services reform, disability assessment/ICF reform), as well as constant engagement of civil society and development partners in shaping the policy agenda for greater ownership. Ultimately, the proposed policy changes will become adopted and enacted legal and policy documents with binding regulations and norms for implementation nationwide, including reflection in Government programmes and plans.

- **Institutional level sustainability** will be ensured through creation and development of appropriate capacities within line Ministries and affiliated agencies (e.g. USS, NILSR, Nork Center), social service workforce and service providers at national and local level to deliver on proposed policy changes and replicate the developed methodologies, approaches and guidelines nationwide, thus providing better and more citizen-centric services to the target populations, including during shocks. Focus will be on building in-house capacities through on-the-job support and learning by doing, use of e-learning approaches and a mix of traditional training opportunities – all designed and informed by behaviourally informed communication strategies to ensure stronger uptake and ownership. Moreover, the development of administrative data systems will allow for effective and efficient social protection programme implementation, monitoring and reporting, creating solid foundations for the finalization of the integrated social services reform in the country.
- **Financial level sustainability** will be ensured through financed policy reforms as part of the state and community budgets, including their reflection in the MTEF processes. Co-financing requirements for community social projects and outsourcing of services will also be defined. Costing of proposed interventions will also be pursued to the extent possible to justify on effectiveness and efficiency of proposed interventions with a particular focus on prototyped services and programmes.
- **Sustainability and scale-up of piloted and prototyped activities** will be ensured through participatory design and implementation, as well as solid documentation of key lessons learned and challenges. Moreover, services, programmes and approaches tested in the three target regions, once documented and proven viable and sustainable, including costing, will be grounded in the legal and policy framework as finalized programme packages for national rollout and application by the Government. In this regard, the Action will support in creating the necessary preconditions at the national level for appropriate scale-up of community-based interventions, including through regular Government policy-making and budgeting processes.

In terms of strengthening the shock-responsiveness of the social protection system, the Action will ensure that the sector will be able to leverage each sector's potential to enhance overall outcomes in pre-empting and responding to shocks. This requires identifying all actors' key strengths and how their activities fit into wider and longer-term objectives across the development and humanitarian nexus. In this regard, Government capacities and ownership will be strengthened in communication and coordination mechanisms for SRSP, on a short, medium or longer-term. While most emergency responses are mobilized after the onset of a crisis, the proposed action seeks to mitigate the most damaging impacts of possible emergencies by first designing national emergency response SOPs and protocols with linkages to SRSP, then improving the MoLSA communication mechanisms that link protocols to early action and external early warning mechanisms. Improved early warning systems, which build on continued enhancements in forecasts for different types of emergency situations, combined with vulnerability and risk assessments, make it possible to trigger funding and better prepare for the implementation of predefined and pre-planned actions during that window of opportunity. These interventions will be anchored in already existing structures, which may include government disaster risk management and social protection information systems, as well as humanitarian platforms and mechanisms that facilitate targeting for assistance and response. Leading to greater government ownership on shock responsive operating procedures,

as well as strengthened government capacity over time is key to leveraging social protection systems to enhance longer term sustainability.

IV. PROJECT MANAGEMENT

Cost Efficiency and Effectiveness

UNDP in Armenia applies inclusive and participatory approaches to the design and implementation of the project – with strong emphasis on strengthening and deepening already established partnerships, as well as forging new ones using a portfolio management approach to improve cost effectiveness by leveraging activities and partnerships with other initiatives/projects.

The project represents good Value for Money not only in the duration of the project but also beyond. The overarching goal of the project is to mainstream evidence-based interventions and policy making, which can and are revolutionizing the way Governments around the world work. Instead of rolling out costly policies and programmes at once, this approach suggests small scale testing and scaling up of only those interventions that generate the expected benefits and social impact.

Project Management

The Project will be implemented by UNDP in Direct Implementation Modality (DIM): the Country Office will be responsible for the overall project implementation and will provide progress updates to the donor, as required.

Overall coordination and oversight of the joint Action co-funded by the EU and UN agencies via other sources will lie with **UNICEF as lead agency**. UNICEF will coordinate the EU Contribution Agreement and enter into agreements with UNDP and WFP. Project fund management will be conducted using pass-through mechanism, for which **UNICEF will act as Administrative Agent (AA)**. As AA UNICEF will be accountable for effective and impartial fiduciary management and consolidating financial and narrative report(s).

UNICEF will coordinate the work between different agencies with support of a Social Protection Officer/Coordinator, find synergies and implement joint activities, as well as manage project reporting activities with inputs and support from all agencies. Each participating UN agency will be accountable for their own programmatic and financial results; organizations will jointly be responsible for achieving the joint project objective, outcomes and outputs.

A **high-level governance structure (Project Board)** will be established for the joint Action to convene annually and provide overall guidance, supervision, discussion and coordination of the activities. The composition of the high-level governance structure will include, at minimum, MoLSA, EUD, three UN agencies. A **technical coordination group** for Action implementation will be established comprising UN agency representatives, which will be responsible for day-to-day project implementation, ensuring that the activities are coherent, complement each other and are designed in a way as to build on the added value of each organization.

Joint approach and implementation by the three UN Agencies will be pursued to ensure comprehensive approach and systemic solutions for the social protection system reform; building on comparative advantages of each and maximizing the intervention impact, as well as leveraging on already existing coordination structures, including within the UNSDCF Result Groups.

Details on implementation of joint project components:

UNICEF (lead agency) will be primarily responsible for the further development and operationalization of the Labour and Social Protection strategy and ISS/USS sub-strategy, as well

as managing work on policy, data, capacity and prototyping related to social assistance (particularly family social needs assessment and social work), risk-informed child protection and MHPSS, disability assessment/ICF for children with developmental delays and disabilities and their families, and M&E.

UNDP will manage the work related to USS functional review and implementation, operationalization of Employment and Social Housing strategy, support to disability/ICF reform with focus on adults with disabilities, development of digital tools and systems for strengthening USS operations, Nork Center ISO certification, as well as testing and prototyping respective programmes in the target regions, including affordable housing models and employment programmes.

WFP will manage the component on shock-responsive social protection, with a particular focus on supporting design and operationalization of SRSP SOPs, internal and external communication protocols, and enhancing capacities of national and local partners towards that end, as well as legal and operational upgrade and testing of the food card social assistance tool and the social ambulance programmes, underpinned by appropriate UIS modules.

The joint Action will capitalize on the professional technical teams and organizational structures of UN agencies, with benefit from additional expertise, when required, and with various levels of engagement, as specified in the Budget of the Action.

Namely, UNICEF, as the convening agency, will mobilize its staff capacities for management, coordination and implementation of the joint Action. The Social Policy Section will provide overall direction, coordination, strategic vision and policy support to implementation through a team comprising the Social Policy Specialist (part-time), full-time Social Protection Officer (joint Action Coordinator) and a Programme Associate. The Child Rights Monitoring and Evaluation Specialist together with a Data/Research Officer will contribute to the development of administrative data systems, monitoring and evaluation frameworks, capacity development and quality assurance of the Action. The Education Officer will support implementation of disability assessment/ICF interventions, while the Child Protection Officer will contribute to aspects of risk-informed child protection programming envisaged within the Action in close alignment with other ongoing initiatives. The Deputy Representative will contribute to overall oversight of the Action, its complementarity with other ongoing interventions within UNICEF and UNSDCF for greater impact, as well as monitoring and programme assurance activities. The Communication team will be engaged in ensuring proper public communication and visibility of the activities in coordination with other UN agencies, including design of visibility materials, photography and videography, social media and media dissemination and online engagement and awareness raising. The Operations Team led by the Operations Manager and consisting of ICT Associate, HR Associate, Finance and Accounting Associate and Drivers will ensure internal control mechanisms and compliance to UNICEF rules and regulations, including hiring of staff and individual consultants, procurement of goods/services, travel arrangements and transportation in the field.

UNDP will implement the project through engagement of a full-time project coordinator, supported by a full-time project assistant and a communication specialist (part-time at 25%). To effectively coordinate the implementation with partner agencies and external stakeholders as well as to manage and ensure the delivery of the outputs committed by the agency in full scope a programme manager (SDG Innovation Lab lead) will be engaged on part-time basis (40%). UNDP will support the implementation through part-time (50%) engagement of a driver to carry out the project and implement pilot programs in the target regions and communities of Armenia. Project quality assurance and implementation oversight will be ensured by UNDP through part-time (30%) contribution of the Innovation and SDG Finance portfolio manager and in-kind contribution from UNDP Socioeconomic Portfolio Manager on Social housing related activities. UNDP crisis recovery and socio-economic policy analyst (50%) will also support the project implementation to smoothly integrate the project outcomes with development goals and objectives of UNDP and the Government to bring transformational change in social protection sector on various dimensions.

The Social Protection Unit in WFP will lead the implementation of the Action with close support of functional units in the Country Office. The team will be comprised of the Social Protection Programme Policy Officer leading all coordination, communication, policy engagement and strategic support to all activity implementation, the Social Protection Programme Associate and Programme Assistant supporting and engaging implementation of Action activities, the Research, Vulnerability Assessment and Mapping team led by the Officer. This team includes the Vulnerability and Mapping Associate and the M&E Officer and Assistant ensuring program evidence generation, research and program quality work. The Communication Officer will be engaged as well working internally and externally with all stakeholders to provide consolidated support to Action communications and ensure visibility of Activity outcomes. WFP will also engage a driver in the Action to support all field work. WFP Regional Bureau will provide strategic and technical support to the Country Office throughout the entire Action.

The UN agencies will work together to find synergies and coordinate efforts at all levels of Action implementation in line with the Theory of Change and outlined outputs and activities, with a particular focus on the regional and community level, to capitalize on the results achieved and have greater joint impact on the beneficiaries through an agile, integrated, human-centered and shock-responsive social protection system that builds a person's resilience to vulnerability, deprivation and crises across the lifecycle.

V. RESULTS FRAMEWORK

UNSDCF Outcome 2: *People benefit from a progressively universal, inclusive, and shock-responsive social protection system across the lifecycle*

CPD Outcome Indicator: Number of policies/strategies/laws adapted to support appropriate and timely vertical and/or horizontal expansion of the existing social protection systems during a crisis by government and/or humanitarian agencies

Baseline (2022): 0 policy, 0 strategy, 0 law

Target (2026): 1 policy, 1 strategy, 4 laws (cumulative)

CPD Output 4.3: *National/ local governments use innovative, impact-oriented, data-driven solutions for policymaking*

CPD Output Indicator 4.3.1: Number of innovative, impact-oriented and data-driven tools developed

Baseline (2022): 0 new and emerging data, 3 other tools

Target (2026): 2 new and emerging data, 4 other tools (cumulative)

2022-2025 Strategic Plan

SP IRRF Output E.2: Innovation capabilities built, and approaches adopted to expand policy options at global, regional, national and sub-national levels

SP IRRF Indicator E 2.2: Number of innovative solutions adopted by programme partners, which expanded policy and development options

Baseline (2022): 0 behavioral insights, 0 new and emerging data, 0 real-time information systems

Target (2026): 1 behavioral insight, 2 new and emerging data, 1 real-time information system (cumulative)

Project Title and Number: Building a Resilient Social Protection System in Armenia, Atlas: 00145866-00133102, Quantum: 01000185

EXPECTED OUTPUTS	OUTPUT INDICATORS	DATA SOURCE	BASELINE		TARGETS (by frequency of data collection)				FINAL	DATA COLLECTION METHODS & RISKS
			Value	Year	Year 1 2023	Year 2 2024	Year 3 2025	Year 4 2026		
Output 1: Social protection strategies, policies and programmes are enhanced and adequately financed to improve coverage and address risks and vulnerabilities through the life-cycle	<i>1.1. Number of comprehensive Labour and Social Protection strategy and sub-strategies developed through technical assistance</i>	<i>MoLSA reports Government websites</i>	0	2022	0	1	0	0	1	<i>Adopted policies, strategies and sub-strategies, Official reports, Project reports</i>
	<i>1.2. Number of legal documents and regulations revised incorporating shock responsive lens and clarifying and improving delivery of social protection</i>	<i>MoLSA reports Government websites</i>	0	2022	0	3	3	0	6	<i>Adopted polices/legal documents/regulations, Project reports</i>
	<i>1.3. Number of updated and standardized National Occupational Classification System</i>	<i>Current National Occupational Classification System Stakeholder interviews</i>	0	2022	0	1	0	0	1	<i>Official reports, Project reports</i>

	<i>1.4 Number of legal acts drafted to support the design, revision and adaptation of social assistance services, packages and programs</i>	<i>MoLSA reports Government websites</i>	0	2022	0	1	1	0	2	<i>Adopted polices/legal documents/regulations, Project reports</i>
	<i>1.5. Number of functional reviews of USS conducted to inform design of the new structures aligned with strategic and policy</i>	<i>MoLSA reports Government websites</i>	0	2022	1	0	0	0	1	<i>Finalized functional review, Project reports</i>
Output 2: Administrative data systems are further integrated, modernized, developed and operationalized to enable improved governance, citizen-centric policy and programme design and delivery, monitoring and evaluation	<i>2.1. Number of developed social housing management digital system</i>	<i>MoLSA reports Government websites Site visits</i>	0	2022	0	1	0	0	1	<i>Developed digital system, Project reports</i>
	<i>2.2. Number of digital tools developed for targeted assistance and evidence based policy planning and # of end-to-end digitalized services</i>	<i>MoLSA reports Government websites</i>	0	2022	0	2	1	1	4	<i>Developed tools, Adopted legal and policy documents, Project reports</i>
	<i>2.3. Number of mechanisms put in place to assess the level of compliance of developed data system modules with interoperability, data safety and security requirements</i>	<i>MoLSA reports Government websites Site visits</i>	0	2022	0	1	1	0	2	<i>Assessment documents, Project reports</i>

Output 3: National and local institutions, social service workforce and service providers are equipped with capacities to design, coordinate and implement integrated, inclusive and shock-responsive social protection policies and programmes	3.1. Number of government representatives trained (staff of MoLSA, USS etc.) who increased their knowledge of good practices on SP governance and other related aspects., disaggregated by sex	<i>MoLSA reports Government websites Stakeholder interviews</i>	0	2022	0	20 F:14 M:6	25 F:17 M:8	0	45	<i>Project reports, Training records</i>
	3.2. Number of social protection institutions with increased capacities to effectively manage information security through ISO certification	<i>Nork Service website Stakeholder interviews</i>	0	2022	0	1	0	0	1	<i>Project reports, Training records</i>
Output 4: Rights-based and adaptive social protection programmes and mechanisms are prototyped to address intersecting vulnerabilities through an integrated approach and human-centered design and piloted in conflict-affected and poor areas	4.1. Number of social service provision centres targeting vulnerable groups set up/ supported	<i>MoLSA reports Government websites Stakeholder interviews</i>	0	2022	0	1	1	0	2	<i>Adopted plans, Project reports, Adopted programmes/initiatives</i>

Output 5. Creating favourable physical environment for socially vulnerable families, including displaced and most vulnerable population	<i>5.1. Number of migrants, refugees, internally displaced people or individuals from host communities, as well socially vulnerable individuals and families protected or assisted with EU support</i>	<i>MoLSA reports Government websites EU reports Stakeholder interviews</i>	0	2022	0	25 F: 15 M: 10	0	0	25	<i>Project reports Beneficiary lists</i>
Output 6. Creating innovative mechanisms for graduating from poverty	<i>6.1. Number of people directly benefiting from EU supported interventions that aim to reduce social and economic inequality (disaggregated by sex, age, population group (disability, conflict-affected), location, type of intervention or scheme)</i>	<i>MoLSA reports Government websites EU reports Stakeholder interviews</i>	0	2022	250 F: 250	0	0	0	250	<i>Project reports, Adopted programmes/initiatives Beneficiary lists</i>

VI. MONITORING AND EVALUATION

Overall coordination and monitoring of the joint project will lie with UNICEF as the convening agency; however, each UN agency is responsible for monitoring results and achievement of targets within their components in line with indicators identified in the Logframe and activities specified in the Work Plan. Each agency will prepare required reports for financial and programmatic monitoring that will be submitted to UNICEF for consolidation and preparation of joint project reports.

All UN agencies will engage key stakeholders and beneficiaries in project monitoring activities, including women and men, young people, children and people with disabilities. They will be consulted on regular basis and their views will be considered in any necessary changes and adjustments to the project. The existing UN structures, including UNSDCF result groups will be utilized for monitoring of progress, as well as regular debriefing with other UN agencies for synergies and complementarity.

Regular reviews of the joint project will be conducted in cooperation with the EU, national counterparts and other stakeholders to assess the progress of the project, review lessons learned and suggest necessary adjustments, as needed.

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

Monitoring Plan

Monitoring Activity	Purpose	Frequency	Expected Action
Track results progress	Progress data against the results indicators in the RRF will be collected and analysed to assess the progress of the project in achieving the agreed outputs.	Semi-annual	Slower than expected progress will be addressed by project management.
Monitor and Manage Risk	Identify specific risks that may threaten achievement of intended results. Identify and monitor risk management actions using a risk log. This includes monitoring measures and plans that may have been required as per UNDP's Social and Environmental Standards. Audits will be conducted in accordance with UNDP's audit policy to manage financial risk.	Semi-annual	Risks are identified by project management and actions are taken to manage risk. The risk log is actively maintained to keep track of identified risks and actions taken.

Learn	Knowledge, good practices and lessons will be captured regularly, as well as actively sourced from other projects and partners and integrated back into the project.	At least annually	Relevant lessons are captured by the project team and used to inform management decisions.
Annual Project Quality Assurance	The quality of the project will be assessed against UNDP's quality standards to identify project strengths and weaknesses and to inform management decision making to improve the project.	At Design, Implementation and Closure stages	Areas of strength and weakness will be reviewed by project management and used to inform decisions to improve project performance.
Review and Make Course Corrections	Internal review of data and evidence from all monitoring actions to inform decision making.	At least annually	Performance data, risks, lessons and quality will be discussed by the project board and used to make course corrections.
Project Report	A progress report will be presented to the Project Board and key stakeholders, consisting of progress data showing the results achieved against pre-defined annual targets at the output level, the annual project quality rating summary, an updated risk log with mitigation measures, and any evaluation or review reports prepared over the period.	Annually, and at the end of the project (final report)	
Project Review (Project Board)	The project's governance mechanism (i.e., project board) will hold regular project reviews to assess the performance of the project and review the Multi-Year Work Plan to ensure realistic budgeting over the life of the project. In the project's final year, the Project Board shall hold an end-of project review to capture lessons learned and discuss opportunities for scaling up and to socialize project results and lessons learned with relevant audiences.	At least annually	Any quality concerns or slower than expected progress should be discussed by the project board and management actions agreed to address the issues identified.

Evaluation Plan: No evaluation envisaged within the framework of this project.

VII. MULTI-YEAR WORK PLAN

Project Title: Building a resilient social protection system in Armenia

Project Number: Atlas: 00145866-00133102, Quantum: 01000185

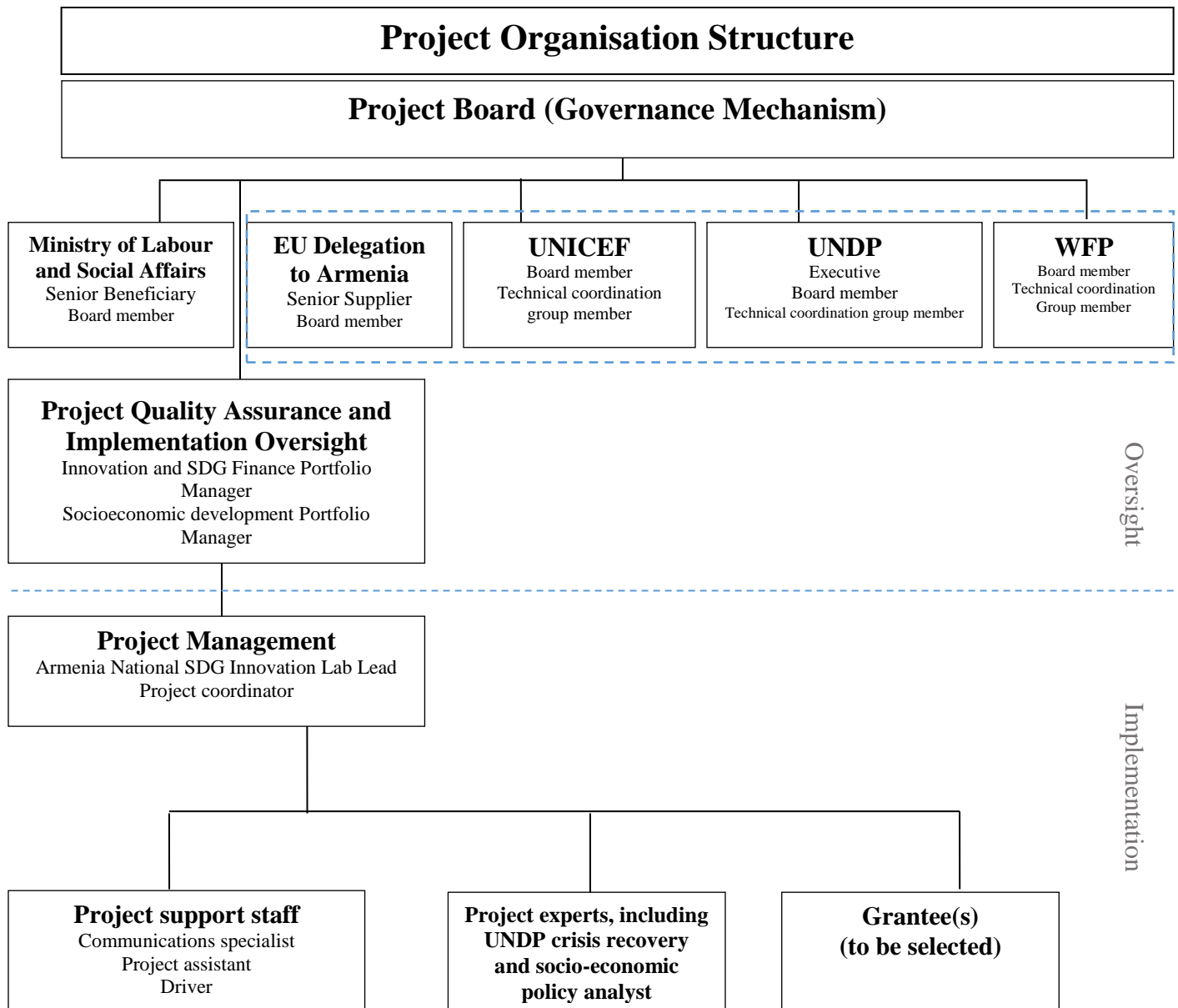
EXPECTED OUTPUTS	PLANNED ACTIVITIES	Planned Budget by Year				RESPONSIBLE PARTY	PLANNED BUDGET		
		Y1 2023	Y2 2024	Y3 2025	Y4 2026		Funding source	Budget Description	Amount
Output 1: Social protection strategies, policies and programmes are enhanced and adequately financed to improve coverage and address risks and vulnerabilities through the life-cycle	1.1 Technical assistance to development and operationalization of the comprehensive Labour and Social Protection strategy and sub-strategies	5 000,00	4 948,04	4 948,04	4 948,04	UNDP	EU	Local consultants Companies	19 844,11
	1.2 Support to development, harmonization and operationalization of resilient, human-centric, evidence-based and shock-responsive legal and policy frameworks	5 000,00	4 948,04	4 948,04	4 948,04				19 844,11
	1.3 Update and standardization of the National Occupational Classification System	11 402,60	65 473,73	-	-				76 876,33
	1.4 Support to design, revision and adaptation of fiscally sustainable social assistance (cash/in-kind/services) integrated packages/programmes	15 210,11	4 948,04	4 948,04	4 948,04				30 054,22
	1.5 Conduct a comprehensive functional review of USS to inform design of the new structures aligned with strategic and policy priorities (UNDP).	98 260,35	42 811,58	-	-				141 071,93
	Sub-Total for Output 1								
Output 2: Administrative data systems are further integrated, modernized, developed and operationalized to enable improved governance, citizen-centric policy and programme design and delivery, monitoring and evaluation	2.1 Support to design of the social housing management digital system	68 639,60	65 791,47	64 185,75	-	UNDP	EU	Local consultants Companies Furniture IT	198 616,82
	2.2 Development and re-design of various digital tools and data-driven digitalization and	58 884,07	52 293,97	57 293,97	50 964,55				219 436,56

	automation of internal operations and service provision to improve the efficiency of operations of USS							equipment	
	2.3 Improvement of the quality, security and interoperability of the data and visualization to ensure evidence-based policy- and decision-making and digitized and quality service delivery to the citizens	52 571,27	25 000,00	22 683,60	-				100 254,87
	Sub-Total for Output 2								518 308,25
Output 3: National and local institutions, social service workforce and service providers are equipped with capacities to design, coordinate and implement integrated, inclusive and shock-responsive social protection policies and programmes	3.1. Development of institutional capacity of USS stemming from the functional review to enhance citizen-centric and evidence-based decision making and service delivery, including through change management	7 256,20	27 787,92	21 404,22	16 044,12	UNDP	EU	Local consultants Companies	72 492,46
	3.2. Support to increased capacity of Nork Center to effectively manage information security through ISO 27001 certification	25 915,00	10 366,00	-	-				36 281,00
	Sub-Total for Output 3								108 773,46
Output 4: Rights-based and adaptive social protection programmes and mechanisms are prototyped to address intersecting vulnerabilities through an integrated approach and human-centered design and piloted in conflict-affected and poor areas	4.1. Piloting of the new structure and operational model of USS in at least two territorial centers	-	16 044,12	16 044,12	16 044,12	UNDP	EU	Local consultants Companies Trainings & workshops	48 132,36
	Sub-Total for Output 4								48 132,36
Output 5. Creating favourable physical environment for socially vulnerable families, including displaced and most vulnerable population	5.1. Support to piloting affordable social housing programs management model in a renovated facility in Syunik region	250 857,00	-	-	-	UNDP	EU	Local consultants Companies	250 857,00
	Sub-Total for Output 5								250 857,00
Output 6. Creating innovative mechanisms for graduating from poverty	6.1. Piloting of new employment schemes in line with the Employment Strategy, in Syunik, Gegharkunik and Shirak regions	177 776,90	-	-	-	UNDP	EU	Local consultants Companies Grants	177 776,90

	Sub-Total for Output 6								177 776,90
Output 7: Project Management, M&E	7.1. Project Management and M&E costs	110 577,24	131 874,55	125 216,23	119 112,33	UNDP	EU	PO, PA, visibility, translation, operations costs	486 780,35
	7.2. GMS (7%)	62 114,52	31 660,12	22 517,04	15 190,65				131 482,33
	Sub-Total for Output 7								618 262,68
Donor contribution		949,464.86	483,947.57	344,189.04	232,199.89				2,009,801.36
CO contribution		49,220	49,220	49,220	49,220				196,880
PROJECT TOTAL		998,684.86	533,167.57	393,409.04	281,419.89				2,206,681.36

VIII. GOVERNANCE AND MANAGEMENT ARRANGEMENTS

The Project Board, as the primary governing body, will be responsible for providing guidance, supervision, and coordination of project activities. The Project Board will convene at least once a year and will include MoLSA, EUD, a technical coordination group consisting of three UN agencies, and other partners identified at the beginning of the project. The daily implementation of the project will be the responsibility of the aforementioned parties, who will ensure that the activities are coherent, complementary, and capitalize on the strengths of each organization. The three UN agencies will adopt a collaborative approach to implementation to ensure a comprehensive and systemic solution for social protection system reform.



IX. LEGAL CONTEXT

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

This project will be implemented by UNDP (“Implementing Partner”) in accordance with its financial regulations, rules, practices and procedures only to the extent that they do not contravene the principles of the Financial Regulations and Rules of UNDP. Where the financial governance of an Implementing Partner does not provide the required guidance to ensure best value for money, fairness, integrity, transparency, and effective international competition, the financial governance of UNDP shall apply.

X. RISK MANAGEMENT

1. UNDP as the Implementing Partner will comply with the policies, procedures and practices of the United Nations Security Management System (UNSMS.)
2. UNDP as the Implementing Partner will undertake all reasonable efforts to ensure that none of the [project funds]⁷ [UNDP funds received pursuant to the Project Document]⁸ are used to provide support to individuals or entities associated with terrorism , that the recipients of any amounts provided by UNDP hereunder do not appear on the United Nations Security Council Consolidated Sanctions List, and that no UNDP funds received pursuant to the Project Document are used for money laundering activities. The United Nations Security Council Consolidated Sanctions List can be accessed via <https://www.un.org/securitycouncil/content/un-sc-consolidated-list>. This provision must be included in all sub-contracts or sub-agreements entered into under this Project Document.
3. Social and environmental sustainability will be enhanced through application of the UNDP Social and Environmental Standards (<http://www.undp.org/ses>) and related Accountability Mechanism (<http://www.undp.org/secu-srm>).
4. UNDP as the Implementing Partner will: (a) conduct project and programme-related activities in a manner consistent with the UNDP Social and Environmental Standards, (b) implement any management or mitigation plan prepared for the project or programme to comply with such standards, and (c) engage in a constructive and timely manner to address any concerns and complaints raised through the Accountability Mechanism. UNDP will seek to ensure that communities and other project stakeholders are informed of and have access to the Accountability Mechanism.
5. In the implementation of the activities under this Project Document, UNDP as the Implementing Partner will handle any sexual exploitation and abuse (“SEA”) and sexual harassment (“SH”) allegations in accordance with its regulations, rules, policies and procedures.
6. All signatories to the Project Document shall cooperate in good faith with any exercise to evaluate any programme or project-related commitments or compliance with the UNDP Social and Environmental Standards. This includes providing access to project sites, relevant personnel, information, and documentation.

⁷ To be used where UNDP is the Implementing Partner

⁸ To be used where the UN, a UN fund/programme or a specialized agency is the Implementing Partner

7. UNDP as the Implementing Partner will ensure that the following obligations are binding on each responsible party, subcontractor, and sub-recipient:
- a. Consistent with the Article III of the SBAA [*or the Supplemental Provisions to the Project Document*], the responsibility for the safety and security of each responsible party, subcontractor and sub-recipient and its personnel and property, and of UNDP's property in such responsible party's, subcontractor's and sub-recipient's custody, rests with such responsible party, subcontractor and sub-recipient. To this end, each responsible party, subcontractor and sub-recipient shall:
 - i. put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;
 - ii. assume all risks and liabilities related to such responsible party's, subcontractor's and sub-recipient's security, and the full implementation of the security plan.
 - b. UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of the responsible party's, subcontractor's and sub-recipient's obligations under this Project Document.
 - c. Each responsible party, subcontractor and sub-recipient (each a "sub-party" and together "sub-parties") acknowledges and agrees that UNDP will not tolerate sexual harassment and sexual exploitation and abuse of anyone by the sub-parties, and other entities involved in Project implementation, either as contractors or subcontractors and their personnel, and any individuals performing services for them under the Project Document.
 - (a) In the implementation of the activities under this Project Document, each sub-party shall comply with the standards of conduct set forth in the Secretary General's Bulletin ST/SGB/2003/13 of 9 October 2003, concerning "Special measures for protection from sexual exploitation and sexual abuse" ("SEA").
 - (b) Moreover, and without limitation to the application of other regulations, rules, policies and procedures bearing upon the performance of the activities under this Project Document, in the implementation of activities, each sub-party, shall not engage in any form of sexual harassment ("SH"). SH is defined as any unwelcome conduct of a sexual nature that might reasonably be expected or be perceived to cause offense or humiliation, when such conduct interferes with work, is made a condition of employment or creates an intimidating, hostile or offensive work environment. SH may occur in the workplace or in connection with work. While typically involving a pattern of conduct, SH may take the form of a single incident. In assessing the reasonableness of expectations or perceptions, the perspective of the person who is the target of the conduct shall be considered.
 - d. In the performance of the activities under this Project Document, each sub-party shall (with respect to its own activities), and shall require from its sub-parties (with respect to their activities) that they, have minimum standards and procedures in place, or a plan to develop and/or improve such standards and procedures in order to be able to take effective preventive and investigative action. These should include: policies on sexual harassment and sexual exploitation and abuse; policies on whistleblowing/protection against retaliation; and complaints, disciplinary and investigative mechanisms. In line with this, sub-parties will and will require that their respective sub-parties will take all appropriate measures to:

- i) Prevent its employees, agents or any other persons engaged to perform any services under this Project Document, from engaging in SH or SEA;
 - ii) Offer employees and associated personnel training on prevention and response to SH and SEA, where sub-parties have not put in place its own training regarding the prevention of SH and SEA, sub-parties may use the training material available at UNDP;
 - iii) Report and monitor allegations of SH and SEA of which any of the sub-parties have been informed or have otherwise become aware, and status thereof;
 - iv) Refer victims/survivors of SH and SEA to safe and confidential victim assistance; and
 - v) Promptly and confidentially record and investigate any allegations credible enough to warrant an investigation of SH or SEA. Each sub-party shall advise UNDP of any such allegations received and investigations being conducted by itself or any of its sub-parties with respect to their activities under the Project Document, and shall keep UNDP informed during the investigation by it or any of such sub-parties, to the extent that such notification (i) does not jeopardize the conduct of the investigation, including but not limited to the safety or security of persons, and/or (ii) is not in contravention of any laws applicable to it. Following the investigation, the relevant sub-party shall advise UNDP of any actions taken by it or any of the other entities further to the investigation.
- e. Each sub-party shall establish that it has complied with the foregoing, to the satisfaction of UNDP, when requested by UNDP or any party acting on its behalf to provide such confirmation. Failure of the relevant sub-party to comply of the foregoing, as determined by UNDP, shall be considered grounds for suspension or termination of the Project.
 - f. Each responsible party, subcontractor and sub-recipient will ensure that any project activities undertaken by them will be implemented in a manner consistent with the UNDP Social and Environmental Standards and shall ensure that any incidents or issues of non-compliance shall be reported to UNDP in accordance with UNDP Social and Environmental Standards.
 - g. Each responsible party, subcontractor and sub-recipient will take appropriate steps to prevent misuse of funds, fraud, corruption or other financial irregularities, by its officials, consultants, subcontractors and sub-recipients in implementing the project or programme or using the UNDP funds. It will ensure that its financial management, anti-corruption, anti-fraud and anti money laundering and countering the financing of terrorism policies are in place and enforced for all funding received from or through UNDP.
 - h. The requirements of the following documents, then in force at the time of signature of the Project Document, apply to each responsible party, subcontractor and sub-recipient: (a) UNDP Policy on Fraud and other Corrupt Practices (b) UNDP Anti-Money Laundering and Countering the Financing of Terrorism Policy; and (c) UNDP Office of Audit and Investigations Investigation Guidelines. Each responsible party, subcontractor and sub-recipient agrees to the requirements of the above documents, which are an integral part of this Project Document and are available online at www.undp.org.
 - i. In the event that an investigation is required, UNDP will conduct investigations relating to any aspect of UNDP programmes and projects. Each responsible party, subcontractor and sub-recipient will provide its full cooperation, including making available personnel, relevant documentation, and granting access to its (and its consultants', subcontractors' and sub-recipients') premises, for such purposes at reasonable times and on reasonable conditions as may

be required for the purpose of an investigation. Should there be a limitation in meeting this obligation, UNDP shall consult with it to find a solution.

- j. Each responsible party, subcontractor and sub-recipient will promptly inform UNDP as the Implementing Partner in case of any incidence of inappropriate use of funds, or credible allegation of fraud, corruption other financial irregularities with due confidentiality. Where it becomes aware that a UNDP project or activity, in whole or in part, is the focus of investigation for alleged fraud/corruption, each responsible party, subcontractor and sub-recipient will inform the UNDP Resident Representative/Head of Office, who will promptly inform UNDP's Office of Audit and Investigations (OAI). It will provide regular updates to the head of UNDP in the country and OAI of the status of, and actions relating to, such investigation. Each responsible party, subcontractor or sub-recipient agrees that, where applicable, donors to UNDP (including the Government) whose funding is the source, in whole or in part, of the funds for the activities which are the subject of the Project Document, may seek recourse to such responsible party, subcontractor or sub-recipient for the recovery of any funds determined by UNDP to have been used inappropriately, including through fraud corruption or other financial irregularities or otherwise paid other than in accordance with the terms and conditions of the Project Document.

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

- k. UNDP will be entitled to a refund from the responsible party, subcontractor or sub-recipient of any funds provided that have been used inappropriately, including through fraud corruption, other financial irregularities or otherwise paid other than in accordance with the terms and conditions of this Project Document. Such amount may be deducted by UNDP from any payment due to the responsible party, subcontractor or sub-recipient under this or any other agreement. Recovery of such amount by UNDP shall not diminish or curtail any responsible party's, subcontractor's or sub-recipient's obligations under this Project Document.
- l. Each contract issued by the responsible party, subcontractor or sub-recipient in connection with this Project Document shall include a provision representing that no fees, gratuities, rebates, gifts, commissions or other payments, other than those shown in the proposal, have been given, received, or promised in connection with the selection process or in contract execution, and that the recipient of funds from it shall cooperate with any and all investigations and post-payment audits.
- m. Should UNDP refer to the relevant national authorities for appropriate legal action any alleged wrongdoing relating to the project or programme, the Government will ensure that the relevant national authorities shall actively investigate the same and take appropriate legal action against all individuals found to have participated in the wrongdoing, recover and return any recovered funds to UNDP.
- n. Each responsible party, subcontractor and sub-recipient shall ensure that all of its obligations set forth under this section entitled "Risk Management" are passed on to its subcontractors and sub-recipients and that all the clauses under this section entitled "Risk Management Standard

Clauses” are adequately reflected, mutatis mutandis, in all its sub-contracts or sub-agreements entered into further to this Project Document.

XI. ANNEXES

- Annex 1. Project Quality Assurance Report
- Annex 2. Social and Environmental Screening Template
- Annex 3. Project Risk Log
- Annex 4. Project Board Key TOR Functions

ANNEX 1. PROJECT QUALITY ASSURANCE REPORT

The QA report for the design phase of the project is attached.

ANNEX 2. SOCIAL AND ENVIRONMENTAL SCREENING TEMPLATE

The Social and Environmental screening template is attached.

ANNEX 3. PROJECT RISK LOG

Risk Management			
Event	Type	Impact and probability	Mitigating Measures
Escalation of hostilities in and around Nagorno-Karabakh and potential resumption of war over the Armenian-Azerbaijani border and/or other developments in the conflict zone.	Political	Slowdown/contingency operations. Worsened socio-economic situation in Armenia. Possible revision of certain programme aspects to meet emerging socio-economic priorities and needs. P = 3 I = 4	The Project will adapt a conflict-sensitive approach to the project implementation, do close monitoring of the situation and adjust activities accordingly, if needed, as per the programme contingency plan, and in agreement with UNDP Regional Bureau and HQ.
Deterioration of the socio-economic and political situation in the country and further escalation in border areas and the region at large, including unprecedented inflation and exchange rate fluctuations.	Socio-economic & political	The project may encounter changes on operational level (organization of planned meetings, events), financial (delayed delivery), as well as strategic (government's strategic priorities may change for certain period of time). P = 3 I = 3	The joint Action will work in close collaboration and under the national ownership of MoLSA to advance on reforms and ensure coordination, thus maintaining commitment and implementation at times of crises. Any shifts in implementation will be flagged to and agreed with the Project high-level governance structure. UN coordination mechanisms will be utilized to ensure alignment of response and recovery.
Protracted COVID-19 pandemic/ another outbreak.	Health	This will slow down the Project implementation and affect the expected results. P=3 I=3	Close collaboration with MoLSA on identifying programmatic interventions that would be impacted by the pandemic, including use of distance work and other tested mechanisms with full consideration of safety measures

Weak or no national coordination for preparedness, shock response and recovery.	Institutional	This will imply course corrections and slow down activities across all components. P=3 I=3	Utilizing existing and tested coordination and collaboration modalities between MoLSA and MoTAI in joint partnership with UN agencies. Development of SOPs and other mechanisms through joint Action interventions to address existing gaps.
Parallel and unsynchronized work on administrative data systems resulting in duplication of effort.	Institutional	This will imply course corrections and slow down activities across all components.	Close partnership with MoLSA and Nork, as well as development partners supporting various admin data strengthening initiatives to avoid duplication and ensure alignment of efforts.
Limited capacities and difficulty of capacity retention in a highly competitive field working on data systems.	Institutional	P=3 I=2	Reliance on Nork internal capacities and fostering partnerships with the private sector, as well as engagement of international expertise for quality assurance.
Limited capacities at national and local levels.	Institutional	This will imply course corrections and slow down activities across all components.	Development of mechanisms for continuous institutional and staff capacity development in line with the Labour and SP strategy, ISS/USS strategy etc., including conduct of trainings, workshops and other types of capacity development initiatives.
Resistance to change internally and by the public.	Institutional	P=3 I=3	In collaboration with MoLSA, development of awareness raising and communication plans for developed reform processes,

			including engagement of the beneficiaries in reform design and implementation through public discussions, outreach etc.
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ANNEX 4. PROJECT BOARD KEY TOR FUNCTIONS

The Project Board, as the primary governing body, will be responsible for providing guidance, supervision, and coordination of project activities. The Project Board will convene at least once a year and will include MoLSA, EUD, a technical coordination group consisting of three UN agencies, and other partners identified at the beginning of the project. The daily implementation of the project will be the responsibility of the aforementioned parties, who will ensure that the activities are coherent, complementary, and capitalize on the strengths of each organization. The three UN agencies will adopt a collaborative approach to implementation to ensure a comprehensive and systemic solution for social protection system reform..

Joint approach and implementation by the three UN Agencies will be pursued to ensure comprehensive approach and systemic solutions for the social protection system reform; building on comparative advantages of each and maximizing the intervention impact, as well as leveraging on already existing coordination structures, including within the UNSDCF Result Groups.

The Project Board reviews and approves the annual work plans (AWP) and authorizes any major deviation from these plans. It ensures that the required resources are available, arbitrates on any conflicts within the project and negotiates a solution to any problems between the project and external bodies.

The Executive is ultimately responsible for the project. He/she has to ensure that the project remains focused on achieving its objectives and is cost-effective.

The Senior Suppliers represent the interests of the parties providing funding and/or technical expertise to the project. Their primary function within the Board is to provide guidance regarding the technical feasibility of the project. They are accountable for the quality of the resources (funding or technical assistance) provided by the suppliers. Therefore, they must have the authority to commit or acquire the resources required.

The Senior Beneficiaries represent the interests of those who will ultimately benefit from the project. They monitor the accomplishments and outputs of the project against the agreed requirements.

The Project Board meets:

- At least annually to review and approve the regular project reports.
- At any other time a meeting is requested by one of its members, the Project Manager or the Project Assurance because guidance is required, tolerances have been exceeded, or a particular issue or risk requires the intervention of the Project Board.