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UNDP

ANNUAL REPORT

April 2024-April 2025

The Project for Supporting Basic Infrastructure and Social Integration for Displaced Persons from Nagorno-Karabakh and Host Communities

Yerevan

2025

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Reporting Agency:	**UNDP**
Country:	**Armenia**
No. and title:	The Project for Supporting Basic Infrastructure and Social Integration for Displaced Persons from Nagorno-Karabakh and Host Communities (01001458)
Reporting period:	April 1, 2024 - March 31, 2025

I. PROJECT OVERVIEW

Building on the strong partnership with the Government of Armenia (GoA) at all levels and leaning on the cross-sectoral and interagency coordination mechanisms, UNDP sets out to respond to the ongoing refugee crisis in line with the GoA priorities and UNDP Offer to support refugees, host communities and Government of Armenia '**Armenia's Refugee Crisis: Resilience for All'**[1]. The project's **main objective is to strengthen social cohesion and improve the quality and accessibility of essential services in host communities towards dignified and safe living conditions for the refugee and host populations.** Following a balanced, needs-based, and people-centered approach responsive of the vulnerabilities of the most left-behind groups among the host and refugee populations, including women, children and people with disabilities, UNDP seeks to achieve the following results throughout the implementation of the project:

- Social cohesion and trust-building among host communities and refugees are strengthened
- Safe and dignified shelter/housing is accessible for the displaced populations
- Local capacities are fostered to address the increased needs for health services
- Energy resilience of host communities is enhanced with long-lasting green energy solutions
- Sustainable land and water management practices are introduced in host communities through establishment of water storage and distribution infrastructure

Duration:	**April 1, 2024 - March 31, 2026**
Implementing partner:	United Nations Development Program
Partners:	Ministry of Territorial Administration and Infrastructure, Ministry of Labor and Social Affairs, regional and local administrations.

The project contributes to the United Nations Sustainable Development Cooperation Framework for Armenia 2021-2025 (UNSDCF) Outcome 4 and UNDP Country Programme Document for Armenia 2021-2025 (CPD) Outcome 1: People, communities and regions benefit from equitable economic opportunities, decent work and sustainable livelihoods, enabled through competitiveness and inclusive green growth and in line with UNDP Strategic Plan Output 1.3 Access to basic services and financial and non-financial assets and services improved to support productive capacities for sustainable livelihoods and jobs to achieve prosperity and CPD Output 1.1 Marginalized groups are empowered to gain universal access to basic services and financial and non-financial assets to build productive capacities and benefit from sustainable livelihoods and jobs.

[1] https://www.undp.org/armenia/publications/armenias-refugee-crisis-resilience-all-undp-offer-support-refugees-host-communities-and-government-armenia

II. RESOURCES, FINANCIAL IMPLEMENTATION

- *Matrix showing project's total, annual and delivered resources and percentage by donor funds.*

	Total Project Budget	Current Year (2024-2025)			All Years Delivery as of current quarter (USD)	All Years Delivery rate as of current quarter (%)
		Annual Budget	Delivery as of current quarter (USD)	Delivery rate as of current quarter (%)		
Gov. of Japan	2,865,291.84	1,475,779.00	1,145,149	77.6%	1,145,149	40%
Total	**2,865,291.84**	**1,475,779.00**	**1,145,149**	**77.6%**	1,145,149	**40%**

III. EXECUTIVE SUMMARY

In response to the ongoing Refugee Crisis and its impact on host communities, UNDP Armenia through funding support from the Government of Japan has commenced a comprehensive, multi-sectoral initiative aimed at strengthening community resilience, promoting social cohesion, expanding access to essential services, and fostering sustainable infrastructure. The project targets both refugees and vulnerable populations within host communities, addressing urgent needs while laying the groundwork for long-term solutions.

In the first year of project implementation UNDP rapidly assembled the project team, conducted necessary consultations at both national and local levels and commenced project activities with noticeable progress (implementation of second component of the project is pending decision on shifting the focus).

Output 1.1: Strengthening Social Cohesion and Trust-Building

Social tensions in host communities were proactively addressed through the introduction of *Restorative Circles*, a dialogue-based methodology grounded in trauma-informed and peacebuilding practices. A locally adapted approach was developed and piloted in 10 communities, selected based on refugee presence and community engagement structures. Advisory Council members were trained to facilitate over 120 community discussions, with the first five circles already held, engaging 60 participants. These circles have proven instrumental in identifying shared concerns and co-designing solutions to enhance integration and mutual trust between refugees and host communities.

Output 1.2: Enabling Access to Safe and Dignified Shelter

In response to a government request and in the context of recent flood-related crisis, UNDP initiated consultation through the Embassy of Japan to shift from initially envisaged small-scale housing repairs to the full rehabilitation of a single building former boarding school in Vanadzor. If approved positive response is received, the facility will be transformed into a modern social housing complex accommodating up to 18 refugee and vulnerable families at a given time. This strategic reallocation if implemented will maximize impact within existing resources, aligning with national social housing priorities.

Output 1.3: Expanding Local Health Service Capacities

To address the strain on local health systems, UNDP renovated three primary healthcare centers (ambulatories) and began repairs in two others. Facilities in Ararat now offer safe, accessible, and climate-resilient healthcare, directly serving over 20,000 residents and refugees. Renovations included structural upgrades, provision of modern medical equipment, and installation of solar energy systems. Additional health centers are in the pipeline, with designs underway for three new locations based on refugee density and service gaps.

Output 1.4: Enhancing Energy Resilience with Green Solutions

Following field assessments, 64 hybrid solar systems (2kW and 5kW) will be installed across 13 communities in Syunik, Vayots Dzor, Gegharkunik, and Lori. These systems will power vital services such as clinics, schools, and emergency response centers, improving energy reliability and reducing operational costs. Expected number of beneficiaries is more than 25,000 people.

Output 1.5: Sustainable Land and Water Management

To address water scarcity and promote climate-resilient agriculture, two 10,000 m^3 water reservoirs are being established in Chambarak (Gegharkunik Region) and Verishen (Syunik Region) settlements. Construction is set to begin in June 2025. These reservoirs will provide critical water storage and irrigation capacity for hundreds of local farmers, including refugee households. Local municipalities fully support implementation of activities and contribute with their funding for complementary activities.

Together, these outputs reflect UNDP's integrated and adaptive approach to supporting Armenia's refugee and host populations delivering durable solutions while fostering conditions for integration of refugees and host communities.

IV. RESULTS

OUTPUT 1.1: SOCIAL COHESION AND TRUST-BUILDING AMONG HOST COMMUNITIES AND REFUGEES IS STRENGTHENED

Building on the project's overarching objective to foster social cohesion and inclusion, especially among women and girls, UNDP has prioritized the participatory engagement of both refugee and host populations.

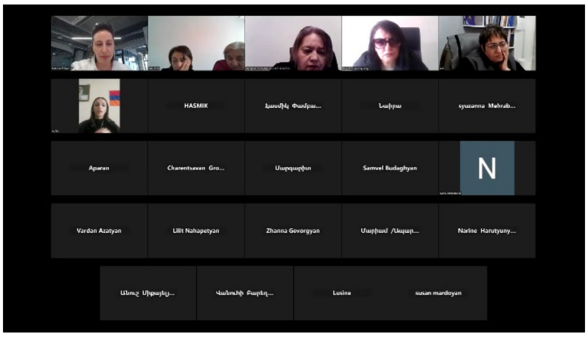
The Restorative Circles component plays a central role in this effort, serving as a key vehicle for mobilizing communities and offering a safe, facilitated space for open dialogue. This inclusive methodology is designed to allow individuals to express needs, share concerns, and jointly address common challenges, thereby strengthening trust and social integration.

To support this objective, a comprehensive and tailored to the local context methodology for Restorative Circles is developed, drawing on best practices from *"Heart of Hope: A Guide for Using Peacemaking Circles to Develop Emotional Literacy, Promote Healing & Build Healthy Relationships"* and *"Closing a Gap in Conflict Transformation: Understanding Collective and Transgenerational Trauma."* In addition to the methodology, structured discussion outlines were prepared to guide facilitators through each stage of the circle process.

Participants engaged in the two-day capacity-building workshop.

Participants actively engaging in the practical session of the training, practicing the restorative circle methodology.

A call for participation was disseminated nationwide, resulting in applications from 17 municipalities. Based on selection criteria, including the number of refugees in each community, the presence of Advisory Councils, and the strength of applications, 10 communities were selected to implement the initiative. To build local capacity, two-day training workshops were held on December 16–17 and 18–19, 2024 for 48 Women and Youth Advisory Council members. The capacity building focused on equipping the Advisory Council members with essential skills to facilitate Restorative Circles, an innovative dialogue methodology designed to foster open, safe, and inclusive conversations between refugees and local populations for strengthening social cohesion. Restorative Circles are intended to help refugees and host communities prioritize shared issues, enhance trust, and co-design solutions that address all needs.



Orientation meeting held on March 18 with Advisory Council members, reviewing key topics for the first four restorative circles.

First restorative circle is conducted in Abovyan on March 27, 2025

A qualified expert was recruited to guide and mentor WYAC members throughout the process. An orientation meeting held on March 18, 2025, brought together Advisory Council members to review the key themes for the first series of circles. These initial sessions were designed to surface pressing concerns related to displacement, integration, and community wellbeing. Subsequently, five Restorative Circles were successfully conducted with the participation of 60 individuals from both refugee and host communities. These sessions are proving to be a valuable platform for restoring a sense of belonging, enhancing mutual understanding, and encouraging collaborative problem-solving. WYAC members continue to play a central role in facilitating these inclusive discussions, which contribute to strengthening trust and co-developing solutions that address shared needs.

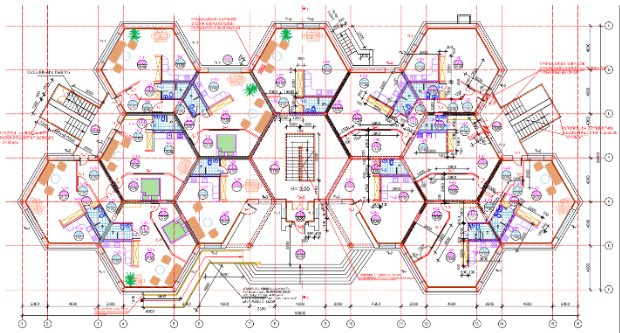
OUTPUT 1.2: SAFE AND DIGNIFIED SHELTER/HOUSING IS ACCESSIBLE FOR THE DISPLACED POPULATIONS

The Government of Armenia, through the Ministry of Labour and Social Affairs (MLSA), requested UNDP to reconsider the scope of Output 1.2 under the project. Initially designed to support up to eight small-scale shelter repairs for refugees, it was proposed that the allocated resources be redirected toward the comprehensive rehabilitation and repurposing of a single larger facility. In response, UNDP conducted an extensive assessment of more than twenty potential buildings across the country to identify a suitable site.

In alignment with donor priorities—particularly in the aftermath of the May 2024 floods that severely impacted the Lori and Tavush regions—MLSA proposed to focus on a two-story former boarding school in Vanadzor, Lori Region. This building needs to be fully rehabilitated and converted into a social housing complex, providing individual apartments, each with private kitchen and sanitation facilities. The aim is to offer dignified, semi-independent living conditions for vulnerable populations, including refugees and at-risk groups from host communities.

The facility is expected to accommodate up to 18 families of varying sizes, benefiting approximately 100 individuals at a time. The design and Bill of Quantities confirmed that the rehabilitation and refurbishment can be covered by the existing budget allocated under Output 1.2, with no need for additional funding. Importantly, the Government of Armenia, through MLSA, will assume responsibility for the building's ongoing management and maintenance.

This strategic shift reflects an approach to addressing housing needs prioritized by the Government of Armenia, consolidating financial resources for longer-term housing solutions. The Vanadzor initiative directly contributes to the Government's broader effort to develop a national Social Housing Strategy and aligns with its priorities to expand and modernize the country's social housing stock. In this context, UNDP requested no-objection from the Embassy of Japan.



Technical design of the repurposed building in Vanadzor

At the request of the Ministry, UNDP has finalized the design and cost estimation processes and is currently awaiting completion of the official documentation flow from MLSA, and no-objection from the Embassy of Japan, to proceed with the procurement and commencement of the construction works. The design was developed through close collaboration with stakeholders, incorporating site-specific recommendations and drawing on international best practices in social housing to ensure the facility meets modern standards of functionality, inclusivity, and sustainability.

Renovation works are expected to commence in June–July 2025, with completion planned by the end of the project. As part of its contribution, UNDP Armenia will also provide and install individual **4kW solar photovoltaic systems** for each of the 18 apartments. These systems will promote renewable energy use, significantly reduce utility expenses for residents, and contribute to the facility's long-term energy efficiency and sustainability.

Once operational, the Vanadzor social housing complex will serve as an important building block of Armenia's evolving social protection infrastructure offering a replicable, climate-smart model for future interventions and delivering long-term impact in a region heavily affected by both displacement and natural disasters.

OUTPUT 1.3: LOCAL CAPACITIES ARE FOSTERED TO ADDRESS THE INCREASED NEEDS FOR HEALTH SERVICES

During the reporting period, seven ambulatories were identified for intervention as part of UNDP's efforts to enhance access to quality primary healthcare in vulnerable and refugee-hosting communities. Of these, three facilities - Taperakan, Ayntap, and Ranchpar, all located in the Ararat region - were fully renovated and refurbished, including structural improvements, functional reconfiguration, and the provision of new furniture and medical equipment. Renovation works commenced in two additional ambulatories in the Lori region, specifically in Tumanyan and Akori, both undergoing major upgrades after decades of underinvestment and, in some cases, damage from environmental hazards. With regard to the remaining two facilities, Verin Artashat in the Ararat region and Haytagh in the Armavir region, the project has completed their design and cost estimations and is now in the construction procurement stage.

In addition, three more ambulatories are currently being identified in close collaboration with national partners. Design development and cost estimation for these facilities are expected to be finalized by the end of June, pending procurement outcomes.

The selection and sequencing of all interventions were guided by a strategic, needs-based approach, prioritizing communities with high concentrations of refugee populations and limited healthcare access. In close coordination with regional and local authorities, facilities were chosen for their potential to generate maximum benefit for both host and refugee populations. As part of a co-financing arrangement, UNDP provided fully renovated ambulatories with solar photovoltaic systems and solar water heaters to improve energy efficiency, reduce operational expenses, and ensure reliable access to hot water. These renewable energy investments enhance both the sustainability and resilience of primary healthcare services in crisis-affected areas.

Taperakan Ambulatory

The Taperakan ambulatory, serving five settlements with a population of 4,694 people (2,359 men and 2,335 women), including up to 400 refugees, was previously operating under critically inadequate conditions. The facility was located in a deteriorated building with only a few small rooms insufficient to accommodate the full medical team or ensure dignified patient care. Basic infrastructure was severely compromised: there was no functioning toilet, water pipes were damaged, and outdated windows and doors failed to provide adequate insulation. The interior walls were visibly deteriorated, marked by deep cracks, moisture damage, and peeling paint, creating an unhygienic and unsafe environment for healthcare delivery. In response to these challenges, UNDP, in close coordination with local and regional authorities, reached an agreement to relocate the ambulatory to a more suitable and sustainable location. The newly designated site on the previously unused first floor of the municipal building was fully renovated and transformed into a modern, accessible, and patient-centered healthcare facility. Each healthcare provider was assigned a dedicated consultation room, a designated quarantine room was established, and a centralized records room was introduced to improve operational efficiency. Sanitary facilities were newly constructed for staff and patients, and the staff kitchen was upgraded to meet hygiene standards. A central heating system and local cooling systems were installed to ensure year-round comfort. The ambulatory was fully furnished with new equipment and furniture, and a 10kW solar photovoltaic (PV) system and a solar water heater were installed with UNDP co-financing. These renewable energy systems are expected to reduce utility expenses and enhance the sustainability of healthcare service delivery.

Before

After

Ayntap Ambulatory

Ayntap, one of the largest settlements in the Masis community of Armenia’s Ararat region, plays a vital role in regional healthcare service provision. The local ambulatory serves five settlements with a combined population of 8,786 individuals (4,111 men and 4,675 women), including a growing number of refugees. In response to increasing healthcare demands, the Mayor of Masis formally requested the urgent renovation of the facility, a request subsequently endorsed by regional authorities. The original infrastructure was no longer sufficient to handle the expanded patient load or staffing needs. UNDP supported a full-scale renovation, realigning the layout to national healthcare standards. Dedicated consultation rooms, centralized patient file storage, and sanitary facilities were constructed. A centralized heating system and modified cooling systems were installed, and technical rooms for medicine storage and waste management were added. The community also allocated additional space from the adjacent municipal building, which was transformed into a fully functional diagnostic laboratory. Under a co-financing arrangement, UNDP installed a 10kW solar PV system and a solar water heater, reducing utility costs by up to 90 percent and allowing for the redirection of savings toward critical health services. The facility was furnished with new furniture, and procurement of modern medical equipment is currently underway.

Before

After

Ranchpar Ambulatory

Ranchpar is a settlement within the Masis community of the Ararat region with a population of approximately 4,000 residents. Due to strong family ties established during past displacement waves, Ranchpar has become a key destination for newly arriving refugees, placing additional strain on healthcare infrastructure. The ambulatory was formerly housed in a deteriorated wooden structure dating back to the 1980s. Comprising only four rooms, the building lacked running water, functioning sanitation, and space for secure recordkeeping and supply storage. These conditions rendered the facility unsafe and inefficient for delivering even basic healthcare services. UNDP partnered with local authorities to expand and modernize the ambulatory. A fully renovated container-type modular unit was attached to the original structure, while the existing building underwent comprehensive renovation, including a new roof constructed with durable metal tiles. The facility was restructured to comply with national legislative standards, creating separate patient and administrative areas, secure storage rooms, and a new toilet. The heating system was upgraded, and UNDP provided a solar water heater and new, ergonomic furniture. Additionally, a 10kW solar PV system was installed to reduce lighting and operational energy expenses, enabling the community to reallocate funds toward the healthcare needs of refugee families. Today, Ranchpar's ambulatory is a safe, energy-efficient, and resilient facility capable of serving both host and refugee populations.

Before

After

Tumanyan Ambulatory

The community of Tumanyan, located in the Lori region, is home to approximately 6,500 residents and includes several neighboring villages. In recent years, the community has hosted a growing refugee population and was severely affected by flooding from the Debed River, which disrupted local infrastructure and essential services.

In response to these compounding pressures, the Governor of Lori region requested UNDP's support in upgrading the local medical infrastructure. A field assessment revealed that the Tumanyan ambulatory, serving over 6,700 residents, had not been renovated since the 1960s and was found in a state of advanced disrepair. Walls were cracked and moisture-damaged, windows and doors were broken or poorly sealed, and outdated, unstable furniture made the environment unsuitable for professional healthcare provision. The facility lacked the infrastructure needed to meet basic health standards. A full-scale renovation is currently underway, with a redesigned layout to accommodate patient care, administration, medical storage, and waste management. The upgrade includes full modernization of hygiene, heating, and cooling systems to ensure climate-resilient operations. UNDP co-financed the installation of a 10kW solar PV system and solar water heaters, reducing utility costs and increasing sustainability. The facility will be fully furnished and equipped with new medical devices to enhance service quality. Renovation works are scheduled for completion by August, marking a key milestone in strengthening healthcare resilience in Tumanyan.

Before

After

Akori Ambulatory

Akori is a highland village in the Lori Province, located within the Alaverdi Municipality, with a population of approximately 2,065 residents. Positioned at 1,400 meters above sea level, Akori is considered one of the safest settlements in the region, especially in light of flood-related risks. During the recent Debed River flood, Akori remained unaffected and emerged as a potential safe relocation site for refugee families.

Recognizing its strategic value, the Governor of Lori region formally requested that Akori be prioritized for medical infrastructure support. A technical assessment revealed that the ambulatory is located on the first floor of the village kindergarten, in a space that has not been renovated since the 1970s. The wooden floor, elevated above ground level, has deteriorated to the point that it allows animal intrusion beneath the structure, posing serious hygiene and safety hazards. The facility is inadequate for modern healthcare, with shared use undermining privacy, infection control, and service quality. To address this, the ambulatory is now undergoing full renovation and will be furnished and equipped in accordance with Armenian healthcare legislation. Once completed, the upgraded ambulatory will provide a hygienic, resilient, and inclusive healthcare environment, strengthening Akori's capacity to serve both its residents and refugee population.

Before

During

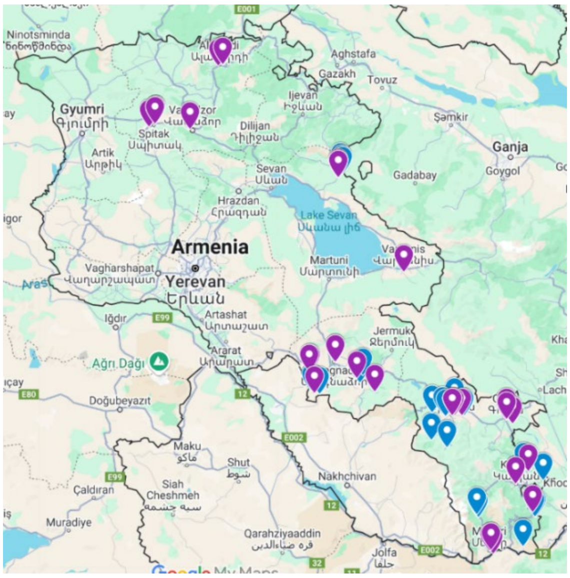
OUTPUT 1.4: ENERGY RESILIENCE OF HOST COMMUNITIES IS ENHANCED WITH LONG-LASTING GREEN ENERGY SOLUTIONS

To strengthen the energy resilience of host communities accommodating refugees, the deployment of 2-kW and 5-kW hybrid solar energy stations in key public and community facilities is being implemented. While the 5-kW units are stationary, the 2-kW units are mobile and easily deployable. These innovative systems combine solar panels with hybrid inverter and battery technology, allowing for both grid-connected and autonomous operation. Designed to meet critical energy needs – such as lighting and communications – during power outages, the stations are to be installed in administrative buildings, medical centers, emergency service hubs, shelters etc. This initiative not only improves energy access during crises but also supports long-term sustainability by building local capacity to manage and maintain these green energy systems effectively.

Field studies were conducted from May to August 2024 to identify suitable locations for installing 2 kW and 5 kW capacity hybrid solar systems. Following these studies and extensive communication with local community administrations, 13 communities were selected across the Syunik, Vayots Dzor, Gegharkunik, and Lori regions. The Lori region was included considering the devastating impacts of the May 2024 flooding and following consultations between with the Lori Marzpet Office. The 64 selected locations encompass public administration offices, medical facilities, educational institutions, rapid response and emergency services, as well as essential service centers:

- **Syunik region:** 21 units of 2 kW and 14 units of 5 kW hybrid solar systems in the consolidated communities of Kapan, Goris, Meghri, and Sisian.
- **Vayots Dzor region:** 4 units of 2 kW and 7 units of 5 kW hybrid solar systems in the consolidated communities of Vayk, Yeghegnadzor, and Areni.
- **Gegharkunik region:** 4 units of 2 kW and 5 units of 5 kW hybrid solar systems in the consolidated communities of Vardenis and Chambarak.
- **Lori region:** 3 units of 2 kW and 6 units of 5 kW hybrid solar systems in the consolidated communities of Vanadzor, Alaverdi, Spitak, and Tumanyan.

The international tender for the procurement of hybrid solar systems[2] was conducted in cooperation with the Office of Procurement in UNDP Copenhagen and finalized in December 2024. Subsequently, the contract for the supply and installation of 32 units of 2kW capacity and 32 units of 5 kW capacity hybrid solar systems was signed with an overseas company. According to the contract, the solar systems will be supplied between June and August 2025, and the installation will take place from July to November 2025.



Locations of 2 kW and 5kW capacity hybrid solar systems to be installed in four regions

[2] Solar system with on-grid hybrid inverter.

During the field studies and communication with potential local beneficiaries, a demand for hybrid solar systems with capacities beyond the initial 2 kW, particularly 5 kW systems, was revealed. As a result, the procurement of both 2 kW and 5 kW capacity solar systems proceeded. To achieve the overall goal of deploying 280 kW of solar systems, further procurement is planned for this year.

OUTPUT 1.5: SUSTAINABLE LAND AND WATER MANAGEMENT PRACTICES ARE INTRODUCED IN HOST COMMUNITIES THROUGH ESTABLISHMENT OF WATER STORAGE AND DISTRIBUTION INFRASTRUCTURE

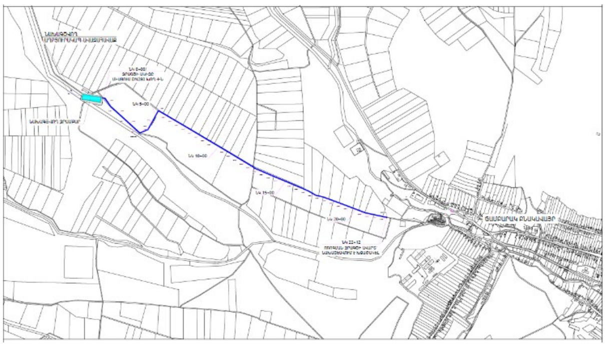
To support climate-resilient agriculture and sustainable resource use in host communities accommodating over 1,400 refugees, introduction of climate-smart land and water management practices was planned. This includes the construction of two low-cost water storage facilities (10,000 m³ each) and distribution systems to serve at least 2,500 people. These solutions will improve water availability for both agricultural and domestic use, helping to restore irrigation across up to 400 hectares of arable land. By enhancing local capacity and infrastructure, this initiative aims to increase agricultural productivity, strengthen livelihoods, and improve resilience to climate shocks.

Field studies were conducted from May to August 2024 as part of a comprehensive and consultative process to identify optimal locations for the establishment of small-scale water storage facilities (referred to as "daily regulated water reservoir" – DRWR – as per local legislation). This process involved detailed technical assessments, including topographical surveys, water demand analyses, and environmental considerations. In parallel, extensive consultations were held with regional authorities, community representatives, local farmers, and relevant government bodies to ensure the selection process was transparent, participatory, and aligned with local development priorities. Based on combined outcomes of the technical studies and stakeholder engagement, two locations were selected for the establishment of 10,000 m³ water reservoirs: the Chambarak settlement in the Chambarak community (Gegharkunik region), and the Verishen settlement in the Goris community (Syunik region). These locations were prioritized due to their demonstrated need, community readiness, and potential for high impact in terms of restoring irrigation and improving water access.

The selected communities confirmed their interest and submitted the necessary documentation for formal consideration of the water reservoir construction. The Project is supporting the development of the technical design and bill of quantities (BoQ) for the water reservoir and the associated water distribution system, as well as the construction of the water reservoir itself. The community administrations will contribute to the establishment of the related water distribution systems.

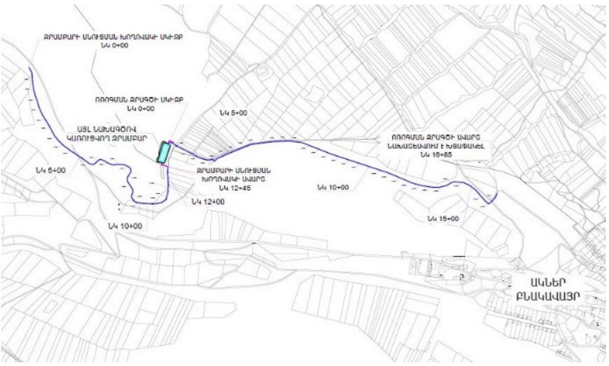
The technical design and BoQ for the construction of the 10,000 m³ water reservoir and the associated water distribution system in the Chambarak community were developed by a selected licensed company in 2024. The tender for the construction of the water reservoir in the Chambarak community was held in 2025, and the evaluation process has been completed. Construction is scheduled to commence in May 2025 and will be completed within 75 days.

The development of the technical design and BoQ for the water reservoir and the associated water distribution system in the Goris community is currently underway.



Chambarak DRWR as per technical design

On-site measurement works for development of the Chambarak DRWR technical design



Verishen DRWR as per draft technical design

Field visit to the planned Verishen DRWR site together with representatives of Goris community administration

Through discussions with the Chambarak and Goris community administrations, an understanding was reached regarding potential financial contributions from beneficiary municipalities to support the construction of the irrigation water distribution systems associated with DRWRs. The agreed-upon inputs will involve the use of their own community resources and applications to relevant state subvention program. Moreover, the identified technical solutions for construction optimized available resources and reduce the overall implementation costs. This collaborative approach between UNDP, local authorities, and communities has resulted in significant cost-efficiency, enhancing the value and impact of the intervention.

IMPLEMENTATION STATUS

		1 April 2024 - 1 April 2025	
Activity	Year targets/ deliverables	Status	Comments
1.1.1 Strengthen the capacity of Women and Youth Advisory Councils to facilitate restorative circle talks and conduct service co-design exercise.	*a) 10 WYACs with strengthened capacity for improving social cohesion.*	Completed	
	b)120 circle talks conducted.	Ongoing	
1.1.2 Co-design and pilot five solutions that will strengthen the cohesion between refugees and host community	*a) 5 solutions, co-designed, validated by the experts' groups and piloted.*		Planned for Q II-IV 2025
	b) At least 20% of local self-government contribution to the piloted solutions.		Planned for Q II-IV 2025
1.2.1 Rehabilitate and refurbish shelters and housing for refugees, including access to water, sanitation, and hygiene.	*a) shelters/housing facilities renovated and refurbished*	Initiated	

1.3.1 Modernize rural ambulatories in host communities towards increasing local capacities to address the increased needs for health services.	*a) Modernize up to 5 rural ambulatories in host communities*	Completed	
1.4.1 Provide critical infrastructure support through hybrid energy solutions for refugees and host communities.	*a) Identify locations/facilities in host communities for installation on hybrid solar systems*	Completed	
	b) Conduct tender for supply and installation of hybrid solar systems	Completed	
	c) Launch installation of hybrid solar systems in host communities		Planned for Q III-IV 2025
1.5.1 Sustainable land and water management practices are introduced in host communities through construction of alternative small-scale water storage facilities	*a) Identify locations of two daily regulated water reservoirs in host communities*	Completed	
	b) Develop at least one technical design for construction of the daily regulated water reservoir	Completed	

V. GENDER MAINSTREAMING, LEAVING NO ONE BEHIND, OTHER ASPECTS

The project is GEN2 focusing on empowering women and addressing their specific vulnerabilities in the context of the refugee crisis. The project incorporates comprehensive gender mainstreaming through the leadership of Women and Youth Advisory Councils (WYACs), which ensure women's voices are heard at the local level and facilitate the identification of gender-specific needs. It addresses unique challenges faced by women refugees. As formal community structures that lead social cohesion efforts between refugee and host populations. The WYACs specifically target women's engagement through facilitated circle talks, creating safe spaces for women to share concerns and participate in decision-making about community issues. Through co-design exercises, the project ensures women from both refugee and host communities actively participate in developing and piloting solutions that address their unique needs and challenges.

The project's targeting strategy prioritizes women, youth, and marginalized groups among host communities and refugees, ensuring their active participation through WYACs. By fostering dialogue, co-designing solutions, and addressing shared needs, it promotes social cohesion and equitable benefits for all. This approach aligns with the LNOB principles by empowering vulnerable voices, reducing disparities, and building resilience for sustainable development.

VI. PROPOSED ADJUSTMENTS

Throughout the implementation of the project during the reporting period, the following challenges are identified.

Conflict Escalation

Although the peace process between Azerbaijan and Armenia a new escalation is rather unlikely. Escalation, if materializes, may potentially delay or put on halt certain components or activities of the project impacting up to 40% of projected annual delivery depending on the project locations.

Fluctuation in currency exchange rate

Due to the exchange rate loss, the project may experience resource deficiencies, which will impact budget of activities. The project will consider buffers for the annual budgeting and redistribution within the allowed limits between components, whenever the project savings allow so, to ensure some security and a cushion for the project.

Proposed adjustments

1. To provide a more comprehensive, centralized solution to address the housing and social needs of refugees while maximizing the impact of the allocated funding, it was decided to reconsider the Output 1.2 of the Project. More specifically, the resources under the Output 1.2 of the Project are suggested to be allocated to one building that will be fully repurposed and rehabilitated instead of initially planned up to 8 small scale repairs of shelters for refugees. It will reduce the number of beneficiaries in the short-term from 480 to 100 but considering the rotating nature of the building's use will result in an accumulated number of beneficiaries that, in the medium term, is expected to exceed the initial target of 480 beneficiaries.

   This option is considered a more sustainable solution for the community, as it includes comprehensive capital renovations of the building, along with WASH and kitchen facilities, which will serve the community over many years.

   There is an additional benefit of the proposed change:

   The proposed social housing building in Vanadzor will also serve as an important element for the ongoing government effort to develop a comprehensive Social Housing Strategy in Armenia. This approach is in full alignment with government priorities, particularly the focus on rehabilitating social housing.

VII. PARTNERSHIP, COMMUNICATION AND KNOWLEDGE PRODUCTS

- To deliver a compelling, human-centered video story that highlights the generous support of the Government of Japan to Armenia, including for refugees from Nagorno-Karabakh and host communities, the project team developed a script to showcase how Japan's generous funding, with implementation support from UNDP, is making a tangible difference on the ground in Armenia. At present the project team is collecting all necessary materials to document project achievements by visualizing the situation before Japan-funded project interventions and after provision of support.
- WYACs and LSGs are as the main partners of the project Output 1.1. The selected WYACs have a pivotal role in lead circle talks, facilitating dialogue between refugee and host populations and co-design service solutions to strengthen social cohesion. LSGs role is central in the piloting phase by

facilitating the implementation of initiatives in selected communities. LSGs contribute to co-funding of the pilots and committing to their sustainability.

- Under the Outputs 1.2 and 1.3, the successful implementation of healthcare infrastructure renovations and the establishment of the first social house has been driven by a strong partnership framework involving the Ministry of Health, Ministry of Labour and Social Affairs, Ministry of Territorial Administration and Infrastructure, regional authorities, and local municipalities. This multi-stakeholder collaboration ensures a coordinated and strategic approach to strengthening primary healthcare services and social support systems, while optimizing resource allocation and institutional expertise. Regional authorities and municipalities play a crucial role as key partners, ensuring that both renovation projects and social initiatives are tailored to community needs and effectively integrated into local governance structures. Their involvement in site selection, infrastructure planning, and long-term maintenance fosters local ownership and enhances service delivery. By leveraging strategic partnerships, cooperative knowledge-sharing mechanisms, and inter-agency coordination, this approach ensures that healthcare infrastructure development and social service enhancements are sustainable, inclusive, and impactful, ultimately improving accessibility, resilience, and the well-being of communities across the regions.
- In the scope of implementation of the Outputs 1.4 and 1.5, the project established partnerships with (i) two local community administrations, securing agreements to apply for state subvention funding for the construction of water distribution systems connected to water reservoirs, (ii) the GEF Small Grants Programme (SGP), leveraging their expertise in climate-smart water management and hybrid solar solutions, and (iii) Serbia-funded "Resilience from the Start" project, which shares similar objectives, facilitating active data and information exchange on construction of small-scale water reservoirs and installation of green energy solutions in refugee-hosting communities.
- *Collate in a table* ***knowledge and communication materials and links.*** *Indicate planned flagship publications and discuss their strategic importance.*

Coverage	Event
WYAC Capacity Building Event	Capacity Building on Restorative Circles Modules

VIII. LESSONS LEARNED

One of the major factors for consideration that affects timely initiation of construction works is the potential delay in finalizing the legal and administrative documentation. Procedural requirements such as land registry updates, changes in property designation, and internal government clearances may take longer than anticipated due to bureaucratic bottlenecks, limited institutional capacity, or the sequencing of approvals across various entities.

IX. FUTURE ACTIONS, WORK PLAN

Below are presented future actions respectively under each output.

OUTPUT 1.1: SOCIAL COHESION AND TRUST-BUILDING AMONG HOST COMMUNITIES AND REFUGEES IS STRENGTHENED

- The facilitation of up to 120 restorative circle talks by WYAC members is currently underway across 10 target communities. These dialogues aim to foster constructive engagement between refugees and host community members, enabling the identification of shared needs and co-creation of relevant municipal services. The process is expected to be completed by the end of June.

- Based on the outcomes of these discussions, five community-led initiatives will be either established or enhanced in close collaboration with the selected communities, further contributing to social cohesion and inclusive local development.

OUTPUT 1.2: SAFE AND DIGNIFIED SHELTER/HOUSING IS ACCESSIBLE FOR THE DISPLACED POPULATIONS

- In Q2, 2025 – Q1, 2026, the repurposing and renovation of the former boarding school in Vanadzor will commence and be completed, transforming it into Armenia's first social housing facility (provided no objection is granted by the donor). This pioneering initiative will serve as a benchmark project for the Ministry of Social Affairs and other stakeholders working to develop sustainable housing solutions for vulnerable populations. The facility will feature 18 separate apartments, each equipped with individual sanitation and kitchen facilities, ensuring a dignified and self-sufficient living environment for its residents. Once completed, the social housing complex will accommodate up to 18 families, providing safe and stable housing for approximately 100 refugees and other vulnerable groups from host communities. This project not only addresses the urgent need for long-term social housing solutions but also sets a precedent for future policies and initiatives aimed at supporting marginalized populations. By integrating modern living standards with social support mechanisms, the facility will contribute to enhanced social inclusion, economic stability, and community resilience, demonstrating a scalable model for inclusive urban development in Armenia.

OUTPUT 1.3: LOCAL CAPACITIES ARE FOSTERED TO ADDRESS THE INCREASED NEEDS FOR HEALTH SERVICES

- In Q 2-4 2025, three additional ambulatories will be selected, renovated, and refurbished to fulfill the project's objective of upgrading a total of ten facilities by the end of the year. This final phase of implementation aims to further strengthen access to quality primary healthcare services across Armenia, particularly in underserved and refugee-hosting communities.
- Following the finalization of the selection process, UNDP will initiate a consolidated procurement of medical equipment for all ten ambulatories to ensure consistency, cost-effectiveness, and timely delivery. These final investments will mark the completion of the project's infrastructure improvement component, significantly enhancing the resilience, functionality, and inclusivity of Armenia's primary healthcare system, while ensuring long-term sustainability and alignment with national development priorities.

OUTPUT 1.4: ENERGY RESILIENCE OF HOST COMMUNITIES IS ENHANCED WITH LONG-LASTING GREEN ENERGY SOLUTIONS

- 32 units of 2kW capacity and 32 units of 5 kW capacity hybrid solar systems will be supplied to Armenia and installed in 13 host communities in Syunik, Vayots Dzor, Gegharkunik region and Lori regions. The trainings for local beneficiaries on the use and maintenance of the hybrid solar systems will be carried out. The procurement of additional units of 2kW and 5 kW capacity hybrid solar systems will be carried out.

OUTPUT 1.5: SUSTAINABLE LAND AND WATER MANAGEMENT PRACTICES ARE INTRODUCED IN HOST COMMUNITIES THROUGH ESTABLISHMENT OF WATER STORAGE AND DISTRIBUTION INFRASTRUCTURE

- The technical deign and BoQ for construction of the 10,000 m^3 water reservoir and related water distribution system in Goris Community (Syunik region) will be developed. The construction of two 10,000 m^3 water reservoirs in Chambarak (Gegharkunik region) and Goris (Syunik region) communities will be completed. The construction of the water distribution systems by beneficiary communities will be supported and closely monitored.

Results and Resources Framework											
EXPECTED OUTPUTS	OUTPUT INDICATORS	DATA SOURCE	BASELINE		DATA COLLECTION METHODS & RISKS, COMMENTS						
			Value	Year	Year 1 (04.2024-04.2025)		Year 2 (04.2025-04.2026)		FINAL		
					Planned	Actual	Planned	Actual	Planned	Actual	
Output 1.1 Social cohesion and trust-building among host communities and refugees is strengthened.	*1.1.1 a) Number of WYACs with strengthened capacity for improving social cohesion*	*Indicator Tracking Database, Meeting Notes, Registration Sheets, People's Stories, Posts*	0	2023	*10*	*10*	0	0	*10*	*10*	Reports, Monitoring visit records, Project Monitoring Database, Donor Report
	b) Number of circle talks conducted	*Indicator Tracking Database, Meeting Notes, Registration Sheets, People's Stories, Posts*	0	2023	*50*	*5*	70	0	*120*		Reports, Monitoring visit records, Project Monitoring Database, Donor Report
	1.1.2 a) Number of solutions,	*Indicator Tracking*	*0*	*2023*	*0*	*0*	*5*	*0*	*5*		Reports,

	co-designed, validated by the experts' groups and piloted	*Database, Meeting Notes, Registration Sheets, Community Head and Community Council decision Decisions*									Monitoring visit records, Project Monitoring Database, Donor Report
	b) % of local self-government contribution to the piloted solutions	*Indicator Tracking Database, Meeting Notes, Registration Sheets, Community Head and Community Council decision Decisions*	*0*	*2023*	*0*	*0*	*20%*		*20%*		Reports, Monitoring visit records, Project Monitoring Database, Donor Report
Output 1.2 Safe and dignified shelter/housing is accessible for the displaced populations.	*1.2.1 Number of shelters/housing facilities renovated and refurbished*	*Project Annual reports. Transfer Acts, Visibility materials*	5	2023	*0*	*0*	*1*[3]		*1*		Project's monitoring records

[3] Provided the no-objection for the change of scope within the Project second component is granted.

	1.2.2 Number of refugees benefiting from access to improved and decent shelters/housing facilities	*Project Annual reports. Visibility materials*	400	2023	*0*	*0*	*100 (w-52, m-48, including people with disabilities (pwd)-2, youth-12,, children-25)*		*100 (w-52, m-48, including people with disabilities (pwd)- 2, youth-12, children-25)*		Project's monitoring records
Output 1.3 Local capacities are fostered to address the increased needs for health services.	*1.3.1 Number of medical facilities supported with renovation, furnishing, medical equipment*	*Project Annual reports. Transfer Acts, Visibility materials*	*10*	*2023*	*5*	*5*	*5*		*10*		Project's monitoring records
	1.3.2 Number of refugees and host populations benefiting from access to upgraded medical facilities	*Project Annual reports Visibility materials*	*10,000*	*2023*	*12,500 (w-6,500, m-6000, pwd-75, youth-2,000, children-2,500)*	*26,245 (w-13,647, m-12,598, pwd-1324, youth-6,036, children-6,299)*	*12,500 (w-6,500, m-6000, pwd-75, youth-2,000, children-2,500)*		*25,000 (w-13,000, m-12,000, pwd-150, youth-4,000, children-5,000)*		Project's monitoring records

	1.3.3 % of refugees and host populations in beneficiary settlements with renovated and refurbished ambulatories confirm that they can access local primary healthcare services in improved conditions	*Final Beneficiary survey*	*0*	*2023*			*95% (out of whom, w-52%, m- 48%, pwd-2%, youth-30%)*		*95% (out of whom, w-52%, m-48%, pwd-2%, youth-30%)*		Project' monitoring records
Output 1.4 Energy resilience of host communities is enhanced with long-lasting green energy solutions.	*1.4.1 Number of refugees and host populations benefiting through access to mobile hybrid solar systems.*	*Indicator Tracking Database, Meeting Notes, Registration Sheets, People's Stories, Posts*	*0*	*2023*	*20,000 (w-10,400, m-9,600, including pwd-100, children-4,000, youth-3,000)*	*0*	*5,000 (w-2,600, m-2400, including pwd-50, children 1,500, youth-1,000)*	*0*	*25,000 (w-13,000, m-12,000, including, pwd-150, children-5,500, youth-4,000)*	*0*	Reports, Monitoring visit records, Project Monitoring Database, Donor Report

	1.4.2 Number of critical infrastructure units (medical facilities, rapid response, emergency, etc.) with access to mobile solar systems	*Assessment Report and Transfer Act*	*0*	*2023*	*112*	*0*	*28(80)*		*140*	*64*	Project's own monitoring mechanisms
	1.4.3 *% of refugees and host population as well as critical infrastructure units confirming that they have access to mobile hybrid solar systems*	*Assessment Report and Transfer Act*	*0*	*2023*	*0*	*0*	*95% (out of whom, w-52%, m- 48%, pwd-2%, youth-30%)*		*95% (out of whom, w-52%, m-48%, pwd-2%, youth-30%)*		Project's own monitoring mechanisms

Output 1.5 Sustainable land and water management practices are introduced in host communities through establishment of water storage and distribution infrastructure.	***1.5.1*** *Number of refugees and host population in 2 select host communities benefiting through availability of irrigation water*	*Indicator Tracking Database, Meeting Notes, Registration Sheets, People's Stories, Posts*	*0*	*2023*	*0*	*0*	*2,500 (w-1,300, m-1,200, including pwd-50, children-750, youth-500)*		*2,500 (w-1,300, m-1,200, including pwd-50, children-750, youth-500)*		Project's own monitoring mechanisms
	1.5.2 *Hectares of irrigated land in 2 select host communities*	*Assessment Report*	*0*	*2023*	*0*	*0*	*400*		*400*		Project's own monitoring mechanisms
	1.5.3 *% of refugees and host population confirming that they benefit from availability of irrigation water in 2 select communities*	*Assessment Report*	*0*	*2023*	*0*	*0*	*95% (out of whom, w-52%, m- 48%, pwd-2%, youth-30%)*		*95% (out of whom, w-52%, m-48%, pwd-2%, youth-30%)*		Project's own monitoring mechanisms

ANNUAL/MULTIYEAR WORK PLAN AND BUDGET FROM PRODOC [4] [5]

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

EXPECTED OUTPUTS	PLANNED ACTIVITIES	Planned Budget by Year		RESPONSIBLE PARTY	PLANNED BUDGET		
		Y1	Y2		Funding Source	Budget Description	Amount
Output 1.1 Social cohesion and trust-building among host communities and refugees is strengthened *Gender marker: GEN 3*	**Activity 1.1.1 Strengthen the capacity of Women and Youth Advisory Councils to facilitate restorative circle talks and conduct service co-design exercise**	60,000	40,000	UNDP	Government of Japan	Local Consultants	19,620
						Contractual Services Companies	31,392
						Travel	11,772
						Contractual Services-Companies	15,696
						Learning Costs	19,620
	Activity 1.1.2. Co-design and pilot five solutions that will strengthen the cohesion between refugees and host communities	0	47,150	UNDP	Government of Japan	Contractual Services Innovation Challenge	49,050

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

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

EXPECTED OUTPUTS	PLANNED ACTIVITIES	Planned Budget by Year		RESPONSIBLE PARTY	PLANNED BUDGET		
		Y1	Y2		Funding Source	Budget Description	Amount
	Sub-Total for Output 1.1						**147,150**
Output 1.2 Safe and dignified shelter is accessible for the displaced populations *Gender marker: GEN 2*	**Activity 1.2.1 Rehabilitate and refurbish shelters and housing for refugees, including access to water, sanitation, and hygiene**	299,160,	287,635	UNDP	Government of Japan	Local Consultants	4,905
						Contractual Services Companies	483,790
						Equipment and Furniture	98,100
	Sub-total for Output 1.2						**586,795**
Output 1.3 Local capacities are fostered to address the increased needs for health services *Gender marker: GEN2*	**Activity 1.3.1 Modernize rural ambulatories in host communities towards increasing local capacities to address the increased needs for health services**	400,000	404,904	UNDP	Government of Japan	Local Consultant	34,335
						Contractual Services Companies	393,080
						Equipment and Furniture	377,489
	Sub-total for Output 1.3						**804,904**
Output 1.4 Energy resilience of host communities is enhanced with long-lasting green energy solutions	**Activity 1.4.1 Provide critical infrastructure support through hybrid energy solutions for refugees and host communities**	406,000	94,000	UNDP	Government of Japan	Local consultant	9,800
						Contractual services-company	480,390

EXPECTED OUTPUTS	PLANNED ACTIVITIES	Planned Budget by Year		RESPONSIBLE PARTY	PLANNED BUDGET		
		Y1	Y2		Funding Source	Budget Description	Amount
Gender marker: GEN2						Travel	9,800
						Audio visual& print product	5,886
						Learning cost	3,924
	Sub-total for Output 1.4						**500,000**
Output 1.5 Sustainable land and water management practices are introduced in host communities through establishment of water storage and distribution infrastructure *Gender marker: GEN2*	**Activity 1.5.1 Introduce climate-smart water management practices through construction of alternative small-scale water storage facilities**	134,000	239,089.76	UNDP	Government of Japan	Contractual services-company	19,620
						Local consultant	7,867
						Contractual services-company	142,245
						Materials and Goods	203,358
	Sub-total for Output 1.5						**373,090**

EXPECTED OUTPUTS	PLANNED ACTIVITIES	Planned Budget by Year		RESPONSIBLE PARTY	PLANNED BUDGET		
		Y1	Y2		Funding Source	Budget Description	Amount
Management		120,894	120,895	UNDP	Government of Japan	Delivery Enabling Services (Monitoring, Quality Assurance, Financial Oversight, Recruitment, Evaluation etc.)	29,430
						Contractual Services Individuals	173,139
						Travel	9,800
						Communication and Audio Visual	19,620
						Supplies	9,800
	Sub-Total						**241,789**
General Management Support							**211,563.84**
TOTAL							**2,865,921.84***

*The total budget was adjusted to $2,865,921.84 based on the actual amount received from the donor, due to the Exchange Rate on the date of the transfer of funds.