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MINUTES

Virtual Local Project Appraisal Committee (LPAC)

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

Date: 05.11.2024

Attendance:

Konstantin Sokulskiy	UNDP Deputy Resident Representative
Anna Gyurjyan	UNDP SED Portfolio Manager
Ira Panosyan	Head of Agricultural Programs' Elaboration Department, Ministry of Economy
Artashes Darbinyan	UNDP Operations Manager
Davit Asatryan	UNDP Finance Analyst
Vahan Asatryan	Democratic Governance Programme Analyst
Hovhannes Ghazaryan	Climate, Environment, Resilience Programme Analyst
Tigran Tshorokhyan	Innovation and SDG Finance Portfolio Manager
Zhanna Harutyunyan	Gender Equality Portfolio Manager
Armine Hovhannisyan	Results-Based Management Programme Analyst

Representatives of Agroleasing, AgriConcept, AMPERA Consulting, and Armenian National Agrarian University (ANAU)

Purpose:

The purpose of the LPAC was to review the key parameters of the project and receive validation on the following:

- Necessity of the project and its alignment with national priorities, CPD/CPAP, other strategic frameworks
- Theory of change
- Expected results
- Results and Resources Framework
- Management arrangement and governance framework
- Risks
- Monitoring framework
- Gender equality parameter

Overview of the Committee comments:

On November 5, 2025, UNDP convened the virtual Local Project Appraisal Committee to present the **Dairy Development Impact Bond (DIB)** component of the Joint SDG Fund programme. The mechanism aims to introduce performance-based, innovative financing for Armenia's dairy sector, helping restore pastures, increase milk productivity, and strengthen livelihoods through verified, measurable results. The project will be implemented under the overall management of the Socioeconomic Portfolio in collaboration with FAO and UNEP. The following results are expected to be achieved by the end of project implementation:

- Design, structuring and piloting of Armenia's first Dairy Development Impact Bond (DIB) as a performance-based financing mechanism.
- About 300 farmers supported through training, technical assistance and in-kind inputs to improve milk quality, hygiene and productivity.
- One Milk Collection and Cooling Point (MCCP) established and operational with digital milk-quality testing capacities.
- Up to 1,000 hectares of pastureland improved through climate-smart and agroecological

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interventions.

- Minimum 20% increase in milk yield among participating farmers, verified by an Independent Verification Agent (IVA).
- A scalable model developed for integrating private capital into climate-smart and biodiversity-friendly agricultural development.

Mr. Konstantin Sokulskiy, UNDP Deputy Resident Representative, expressed strong support for the initiative, noting that the project introduces an innovative and evidence-based approach to agricultural development. He highlighted that piloting a Dairy Development Impact Bond creates a new opportunity to mobilize private capital for climate-smart and biodiversity-friendly transformation of Armenia's dairy sector. He emphasized that the mechanism places measurable results at the centre of the intervention and aligns fully with national development priorities and UNDP's strategic direction. The implementation of the project will be closely coordinated with the Ministry of Economy (MoE), as well as in cooperation with the Ministry of Environment. Mr. Sokulskiy concluded by expressing his gratitude for the efficient cooperation with MoE and acknowledged the generous support of the Joint SDG Fund.

Ms. Ira Panosyan, the Head of Department for Agricultural Programmes Elaboration at the Ministry of Economy confirmed the Ministry's positive position regarding the project. She noted that the programme is timely and relevant, and that the Ministry has no objections to the proposed intervention. She stressed that introducing an innovative financial instrument into the dairy sector is an important step toward improving productivity, sustainability, and access to finance for rural producers. Ms. Panosyan acknowledged the role of UNDP in addressing the challenges in various sectors of the economy, and thanked CO for productive cooperation.

Short reflections from other LPAC members

- Representatives from **Agroleasing**, **AgriConcept**, **ANAU,** and **AMPERA Consulting** expressed **strong support**, noting the relevance of the DIB approach and its potential to address long-standing challenges in the dairy industry.
- Members also highlighted the importance of ensuring robust monitoring, including application of MEL framework, careful management of expectations among farmers, and the need to incorporate lessons from past donor-supported dairy projects as well as capture lessons learned.
- Several participants stressed that the DIB framework offers an opportunity to address key sustainability gaps and introduce fair, evidence-based, and transparent performance assessment.

LPAC Decision

The LPAC:

- *Endorsed the project design, strategy, and planned results.*
- *Validated the commencement of the project under UNDP's Direct Implementation Modality (DIM).*
- *Confirmed the alignment of the Dairy DIB with national strategic priorities for agricultural modernization, biodiversity protection, and sustainable finance.*
- *Recommended the project for signature without changes.*

The LPAC has validated the commencement of the project and endorsed the proposed activities for the period of 2025-2028.

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Konstantin Sokulskiy
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Endorsed by Konstantin Sokulskiy, UNDP Deputy Resident Representative