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United Nations Development Programme

PROJECT DOCUMENT

[Country: Armenia]

Project Title: The Project for Promoting Resilient Agricultural Management for Displaced Persons from Nagorno–Karabakh and Host Communities

Project Number: 1005626

Implementing Partner: UNDP

Start Date: March 30, 2026 **End Date: March 31, 2029** **PAC Meeting date: 20 February 2026**

Brief Description

The suggested proposal is a UNDP-led initiative aimed at fostering sustainable agricultural livelihoods and economic resilience for refugees displaced from Nagorno-Karabakh and the most affected host communities in Armenia's peri-urban regions. Developed in response to urgent employment, market access, and infrastructure challenges, **the project bridges humanitarian relief and long-term development by enabling inclusive, market-driven opportunities in the agricultural sector.**

Building on the strong partnership with the GoA at all levels the Project focuses on unlocking the economic potential of refugee and host community members through a comprehensive, area-based approach. The project aims to deliver targeted support across two transformative outputs:

1. Promoting Employment through Sustainable Agriculture and Local Food Systems
   - Establishment of 105 Refugee-Led Greenhouse Clusters, including 5 with aquaponic systems;
   - Creation of 60 Home-Based Agro-Processing Units;
   - Launch of the 'Together We Operate' (TWO) centralized distribution and market access platform.
2. Fostering Job Creation through Reskilling and Shared Agro-Processing Infrastructure
   - Establishment of the AgriHub at the Scientific Center of Vegetable and Technical Crops (NOSC), providing shared-use processing equipment, technical training, and incubation services.

The project prioritizes the needs of the most vulnerable groups, including women, youth, and persons with disabilities, ensuring equitable access to productive assets, digital tools, and market linkages. The project directly aligns with Armenia's Inclusive Livelihoods National Framework for Refugees and Host Communities and contributes to national priorities in economic development, employment generation, rural revitalization, and social cohesion.

By project completion, it is expected to directly benefit over 10,940 individuals and indirectly impact up to 112,700 people, providing a scalable model for durable, community-driven recovery and economic empowerment in Armenia's agriculture-dependent regions.

Contributing Outcome (UNSDCF, CPD, RPD): UNSDCF Outcome 2/CPD 2026-2030 Outcome 1: By 2030, people benefit from green, inclusive, economic development, sustainable livelihoods and decent work opportunities.Indicative Output(s) with gender marker: Output 1.3 Balanced territorial development promoted by supporting entrepreneurship and Micro and Small Enterprises (MSEs), through innovative rural and urban development, inclusive nature-positive regional growth and improved livelihoods particularly for women, youth, and refugees, especially in remote and bordering communities. GEN2

Total resources required:		USD 5,233,751
Total resources allocated:		USD 5,233,751
	UNDP TRAC:	
	Donor:	Government of Japan USD 5,233,751
	Government:	
	In-Kind:	
Unfunded:		N/A

Agreed by (signatures):

UNDP
Natia Natsvlishvili Resident Representative DocuSigned by: C9987F31EEF2477...
Date: 24-Mar-2026

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I. DEVELOPMENT CHALLENGE

Access to sustainable livelihoods has long been a pressing development challenge in Armenia, particularly in regions with limited economic opportunities. This situation was further exacerbated in the autumn of 2023, as over 115,000 individuals - approximately 4% of Armenia's population - were displaced within a few days due to military escalation and renewed hostilities. Around 66% were women, children, and older persons, many of whom arrived without documentation, belongings, and could no longer rely on local support networks. The actual number of arrivals far exceeded all estimations, overwhelming national systems. Refugees were either accommodated through government-led relocation or settled independently, primarily in Yerevan and surrounding regions. As of June 2025, 46% resided in Yerevan, while 54% were living in the marzes, 73% of whom were concentrated in Kotayk, Ararat, Armavir, and Aragatsotn.

Host communities, many of whom were already facing development challenges, responded with exceptional solidarity and generosity. Despite their own pre-existing constraints, local residents welcomed refugees families without hesitation. However, as the crisis continues, growing pressure on employment, housing, healthcare, and education systems has raised concerns about how long this solidarity can be sustained. Vulnerable segments of the host population—who also experience unmet needs—are particularly at risk of frustration and exclusion. Ensuring balanced and inclusive support that meets the needs of both refugees and host communities is essential to preventing social tension and sustaining social stability.

At the onset of the crisis, the Government of Armenia, in close collaboration with national and international partners, activated emergency measures to address urgent humanitarian needs. In October 2023, the Armenia Refugee Response Plan (RRP) was launched, bringing together over 60 humanitarian and development actors under a coordinated platform. UNDP has been supporting the government of Armenia from the first days of the crisis providing much needed support. As part of its crisis response efforts, in February 2024, UNDP commenced $2.9 mln 'Project for Supporting Basic Infrastructure and Social Integration for Displaced Persons from Nagorno-Karabakh and Host Communities', generously funded by the government of Japan aimed at strengthening social cohesion and improving the quality and accessibility of essential services in host communities towards dignified and safe living conditions for the refugee and host populations. This timely initiative has already demonstrated some strong results benefiting over [26,245 (women-13,647, men-12,598), complementing government of Armenia crisis response efforts.

Alongside the RRP, the Government introduced a nationally led cash-based assistance programme. Since October 2023, one-time payments of $250 were provided to over 113,000 refugees, covering approximately 98% of all registered refugees, and totaling over $28 million. This was followed by monthly rental and utility support of $100 and $25 per person, respectively. By mid-2025, more than $190 million had been allocated to support displaced Armenians, with 90% of funding sourced directly from the state budget. Initially set to conclude in March 2024, the programme was extended through mid-2025. Due to fiscal constraints, the Government is now planning a transition to a more targeted approach based on age, vulnerability, and socio-economic status. With 2025 expenditures projected at $78 million, this shift highlights the urgent need for sustainable, long-term livelihood strategies for refugees and host communities.

This transition from emergency relief to a longer-term development-oriented integration marks the beginning of a new phase in Armenia's refugee crisis response. In early 2025, the Government, through the Office of the Deputy Prime Minister and the Ministry of Foreign Affairs, formally requested UN support to design a national framework for mid- to long-term livelihood interventions. Following this request, the Inclusive Livelihoods National Framework for Refugees and Host Communities was developed under technical leadership of UNDP and UNHCR and in close consultation with the government of Armenia, UNCT and other key stakeholders. The Framework serves as a key instrument for operationalizing Armenia's transition from humanitarian response to sustainable development - consistent with the principles of the

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humanitarian–development–peace (HDP) Nexus. It underscores the importance of evidence-based policies, robust financing, and well-coordinated interventions that go beyond short-term humanitarian assistance.

At the heart of the Framework is a focus on income-generating opportunities as a pathway to integration, self-reliance, and poverty reduction. It targets approximately 30,000 working-age refugees and proposes tailored support for six priority groups, 18,500 unemployed individuals without prior experience, 3,000 skilled jobseekers, 9,500 underemployed individuals with skill mismatches, 2,200 part-time or informal workers, 3,300 persons with disabilities, and 2,400 caregivers. Proposed interventions include vocational training, on-the-job learning, wage subsidies, flexible and home-based employment, and subsidized care services to facilitate broader participation in the labor market. Additionally, the Framework recommends support for 3,500 refugee entrepreneurs through grants, low-interest loans, and business incubators to promote self-employment and local economic growth.

A central finding of the Framework is the acute employment gap in rural areas, where approximately 26% of refugees are estimated to have historically settled, based on the best available, but limited, data from various sources. Labor market assessments conducted in 2024 revealed a refugee unemployment rate of 49%, while our field observations indicated a noticeable worsening of underemployment in rural host regions. This gap is largely due to the limited reach of employment programmes and weak local service infrastructure, leaving many refugees unaware of or unable to access support. Many rely on seasonal, unstable, and low-paid informal work, particularly in agriculture and construction. These findings highlight the need for targeted, area-based interventions that expand access to sustainable livelihoods and address regional disparities.

By mid-2025, the full socio-economic impact of displacement had become clear. Despite the scale of need, to date no large-scale livelihood solutions have been implemented, and both state and donor resources are either depleted or fully committed. The Government's fiscal space is constrained due to competing demands in housing, education, and healthcare. Moreover, the recent cancellation of some larger scale programmes of another donor, which included critical support for agriculture and rural development, has further limited available funding and left urgent livelihood needs unmet.

The proposed Project presents a timely and strategic opportunity to bridge the gap between humanitarian aid and sustainable development. By addressing the interconnected needs of both refugees and host communities through inclusive, livelihood-focused interventions, it will reduce vulnerabilities, strengthen local economies, and foster social cohesion. Building cohesion is particularly urgent, as both groups face overlapping hardships and limited access to services. The Project promotes participatory, inclusive approaches that build trust, facilitate dialogue, and empower communities to work together toward shared recovery.

It is directly aligned with Armenia's national development goals and the Sustainable Development Goals, particularly SDG 1 (No Poverty), SDG 8 (Decent Work), and SDG 10 (Reduced Inequalities). With existing support mechanisms nearing expiration and national fiscal constraints deepening, this initiative offers a critical opportunity to sustain progress, scale solutions, and ensure no one is left behind.

II. STRATEGY

The project seeks to enhance human security, promote self-reliance, and build socio-economic resilience among refugees from Nagorno-Karabakh and the most affected host communities in the Ararat, Armavir, Aragatsotn, and Kotayk marzes of Armenia. It does so by addressing the acute and systemic challenges of unemployment, market exclusion, and economic vulnerability in agriculture-dependent regions situated near the capital, Yerevan.

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Displacement-affected communities face immediate barriers to livelihoods, including high unemployment (49%[1] among refugees vs. 14%[2] nationally), lack of income, and limited access to productive assets or markets. These are compounded by systemic issues such as fragmented support services, a mismatch between skills of refugees and labor market needs, underdeveloped rural infrastructure, and limited vocational opportunities, particularly in agriculture and agro-processing. At a structural level, the absence of durable integration solutions and long-standing underinvestment in peri-urban economies have left both refugees and host communities excluded from opportunities to secure sustainable income sources and livelihoods.

To address these challenges, the project adopts an inclusive, market-based livelihoods approach anchored in sustainable agriculture value-chains and agro-enterprise development. This strategy is designed to unlock the latent (hidden) economic potential of regions surrounding Yerevan while promoting urban-rural linkages and refugee-host community cohesion. It will be implemented through two interlinked components:

I. promoting employment through refugee-led greenhouse clusters, home-based agro-processing units, and a centralized market access platform (TWO) to improve productivity, income generation, and access to urban markets, and

II. fostering job creation and entrepreneurship through the establishment of AgriHub at the Scientific Center of Vegetable and Technical Crops (NOSC), a shared-use processing and training facility providing infrastructure, mentorship, and technical guidance to early-stage agro-enterprises.

The selected approach builds on lessons learned from UNDP's crisis response efforts and is designed to capitalize on well-established partnerships with humanitarian and development actors - including national and local authorities, UN agencies, and civil society organizations. In this context, UNDP strategically operates within the humanitarian-development-peace (HDP) nexus, strengthening linkages between emergency response, early recovery, and long-term resilience-building providing tangible support aimed at avoiding gaps between humanitarian assistance and transition to development. The project will leverage existing coordination platforms and institutional capacities to deliver early development dividends that go beyond the immediate humanitarian phase. In doing so, it will not only restore livelihoods but also enhance social cohesion, boost agricultural productivity, and contribute to individual and community-level sustainable development of host communities. By addressing the root causes of vulnerability of both refugees and host communities through inclusive economic empowerment, the project aims to secure durable outcomes benefitting population groups hit most by the crisis.

The proposed strategy for project implementation is backed by the available data. Over 800 refugees have already registered as individual entrepreneurs, and 453 as LLC founders, indicating a high degree of entrepreneurial intent. Evaluations of similar models implemented by UNDP and partners in Armenia show that 89% of agro-based micro-enterprises remain operational five years after launch. Global lessons from UNDP's work in Moldova, Georgia, and Ukraine affirm that shared-use agro-processing infrastructure and localized market platforms significantly improve the sustainability of rural (agriculture) entrepreneurship, especially when designed to include refugees and vulnerable populations.

The project is gender-responsive. It ensures women's equal access to all components—training, asset ownership, infrastructure use, and market participation, providing opportunities for female-headed households and supporting women's leadership in economic clusters. Safe and accessible working conditions and dedicated mentorship will address both structural and cultural barriers to economic inclusion.

[1] Labour force assessment of refugees from the Nagorno-Karabakh, IOM, 2024

[2] https://www.azatutyun.am/a/33434010.html

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By the end of the project, the expected outputs include the establishment of 105 greenhouses, 60 home-based processing units, and the operationalization of AgriHub. These interventions will lead to improved incomes, enhanced employability, reduced aid dependency, and strengthened community cohesion across refugee-host populations.

The overall approach of the project is based on the following assumptions:

- Refugees and host community members, when provided with equitable access to training, productive assets, and support systems, are able to launch and sustain small-scale agro-enterprises that generate meaningful income and employment.
- Joint economic initiatives, such as greenhouse clusters, shared processing units, and market platforms, foster social cohesion and trust, especially when they create visible, shared benefits and are designed with community participation.
- Proximity to Yerevan provides untapped economic potential for peri-urban areas, which can be activated through targeted investments in agri-value chains, connectivity, and business support infrastructure.
- Refugee-led initiatives, when supported with mentorship, digital tools, and access to markets, can transition from subsistence to sustainable entrepreneurship and serve as local engines of recovery.
- Shared-use facilities, like the AgriHub, strengthen institutional capacity and foster innovation, while reducing entry barriers for marginalized producers through cooperative and low-cost access models.

The Theory of Change of the project is formulated as follows:

[i] IF refugees and host community members are supported to co-develop inclusive, agriculture-based livelihoods through greenhouse clusters, home-based processing units, and digital market platforms;

[ii] IF aspiring entrepreneurs receive access to quality training, mentorship, and affordable infrastructure through AgriHub and local partners;

[iii] IF vulnerable groups are deliberately included and supported with tailored interventions that address structural barriers to participation;

[iv] IF project activities are delivered in a balanced, gender-responsive, and community-driven manner; and

[v] IF key internal and external assumptions related to institutional support, market dynamics, and community cooperation hold true;

THEN refugees and host communities will achieve increased self-reliance, reduced aid dependency, and long-term socio-economic integration, contributing to inclusive growth and strengthened resilience in Armenia's peri-urban regions.

III. RESULTS AND PARTNERSHIPS

Expected Results

This Project seeks to strengthen human security, self-reliance, and socio-economic resilience among refugees from Nagorno-Karabakh and the most affected host communities in the regions of Ararat, Armavir, Aragatsotn, and Kotayk. By fostering inclusive, agriculture-based livelihoods and enabling community-driven economic integration, the initiative promotes dignified economic participation and lays the groundwork for longer-term recovery, inclusive growth, and social stability in peri-urban and rural areas of Armenia.

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The Project is designed to address both the immediate barriers to employment and income, such as lack of access to land, productive tools, and markets, and the structural challenges that limit long-term integration, including skills mismatches, weak infrastructure, and limited institutional support for small producers. By deploying a holistic, area-based model that leverages Armenia's agricultural strengths and proximity to Yerevan's consumer markets, the Project empowers vulnerable populations to transition from dependency to self-sufficiency.

At the heart of the intervention is a strategy to expand access to productive assets, strengthen agricultural value chains, and support the growth of early-stage agro-enterprises. Through a targeted combination of technical training, digital inclusion, mentorship, and access to modern technologies, the Project will equip refugees and vulnerable individuals with the knowledge, tools, and infrastructure needed to build viable livelihoods and contribute meaningfully to their local economies.

The Project adopts a strong equity and inclusion lens, ensuring that both refugee and host communities benefit from new opportunities, shared infrastructure, and institutional investments. It is fully aligned with the Government of Armenia's Inclusive Livelihoods National Framework for Refugees and Host Communities and supports key national development priorities, including the Strategy for Economic Development in the Agricultural Sector (2020–2030)[3] and the Employment Strategy for 2025–2031. It also contributes to regional stability by reinforcing social cohesion, enabling productive cooperation, and reducing the risk of marginalization and exclusion.

By the end of the implementation period, the Project aims to deliver the following transformational changes:

- Up to 105 refugee-led greenhouses, including 5 with aquaponic systems, 100 aquaponic towers and 60 home-based agro-processing units will be fully operational, income-generating, and economically viable.
- Over 1025 individuals will receive high-quality, tailored training in agriculture, food safety, entrepreneurship, and digital skills.
- Local economic ecosystems will be revitalized through enhanced market access, innovation, and institutional capacity building.
- Inclusive rural–urban value chains will be established, linking smallholder producers directly with urban consumers through digital platforms and logistics networks.
- Refugee and host community members will experience greater economic security, enhanced social integration, and improved resilience to future shocks.

The Project is expected to directly benefit 10,940 individuals (52 percent women, 48 percent men) and indirectly benefit up to 112,700 people through increased employment, market activity, service provision, and social capital development.

The Project contributes directly to the following strategic outcomes:

- UNSDCF Outcome 2 / CPD Outcome 1: By 2030, people benefit from green, inclusive, economic development, sustainable livelihoods and decent work opportunities
- UNDP Strategic Plan Output 1.1: Economic opportunities expanded for people and enterprises to access decent jobs, trade and productive assets, including human capital, human mobility and sustainable energy.

[3] https://mineconomy.am/en/page/1467

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- CPD Output 1.3: Balanced territorial development promoted by supporting entrepreneurship and Micro and Small Enterprises (MSEs), through innovative rural and urban development, inclusive nature-positive regional growth and improved livelihoods particularly for women, youth, and refugees, especially in remote and bordering communities.

Moreover, the Project directly reflects the core tenets of Japan's development cooperation as set forth in its Development Cooperation Charter - which underscores human security, self-reliant, inclusive growth, and respect for partner-country ownership. By empowering refugees and host communities through agriculture-led livelihoods, inclusive job creation, and community-based capacity building, it embodies Japan's emphasis on human-centered, grassroots development.

To ensure that the project results are achieved and sustained, the Project will implement a robust results-based monitoring framework. Progress will be regularly tracked through a set of performance indicators aligned with the project's logical framework. Baseline and endline assessments, combined with participatory reviews and feedback loops involving target communities, will enable adaptive implementation and ensure that the Project remains responsive, inclusive, and impact-driven throughout its lifecycle.

Output 1: Promoting Employment through Sustainable Agriculture and Local Food Systems

This output focuses on revitalizing agriculture-based income generation by supporting small-scale producers with productive infrastructure, skills, and access to markets.

Activity 1.1: Establishment of Refugee-Led Greenhouse Cluster Network

This activity will establish up to 105 individually owned greenhouses (up to 250 m² each) in peri-urban areas, organized into structured greenhouse clusters designed to boost sustainable livelihoods for refugees and host community members. Each greenhouse will be fully equipped with a comprehensive starter kit, including essential tools, drip irrigation or aquaponic systems, and high-quality agricultural inputs, enabling beneficiaries to begin production immediately. The project will procure innovative, modular greenhouse structures that can be easily assembled and disassembled without welding or heavy concrete foundations. These user-friendly, tool-assisted designs allow beneficiaries to independently install, manage, and maintain their greenhouses—ensuring flexibility, mobility, and long-term affordability.

To promote modern, sustainable, and climate-resilient food production, five greenhouses will pilot aquaponic systems and vertical aquaponic towers, an innovative approach that integrates fish farming with soil-less plant cultivation. In these systems, nutrient-rich water from fish tanks circulates through the plants, which in turn purify the water before it returns to the fish, creating a natural, closed-loop ecosystem. The aquaponic towers further optimize this process by growing plants vertically, allowing high yields in limited spaces while conserving up to 90% of the water typically used in traditional farming. These technologies will not only demonstrate environmentally responsible agriculture but also showcase practical models for urban and refugee-inclusive food production, combining innovation with livelihood creation.

The greenhouses will be provided directly to beneficiaries and installed on their own land, fostering individual ownership and self-reliance. In cases where refugee beneficiaries are renting homes, agreements will be arranged with landlords for greenhouse installation during the tenancy period. Where this is not feasible, municipalities will be requested to allocate land for long-term use, ensuring the sustainability of operations.

Beneficiary selection will prioritize refugee households with prior experience in agriculture or greenhouse cultivation, as well as those with agribusiness backgrounds who show strong potential for income generation. Preference will also be given to vulnerable groups, including large families, women-headed households, and persons with disabilities, to maximize inclusivity and social impact. Members of the host

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community will be included to maintain a balanced 50:50 ratio between refugees and host participants, strengthening social cohesion. Geographic clustering will be emphasized, with up to ten greenhouses established in each location to foster peer learning, shared input procurement, joint infrastructure use, and coordinated market engagement.

A public competition will be announced through an online platform and promoted via local government and community channels to ensure broad outreach. Complementary community meetings and information sessions will ensure inclusive access, especially for vulnerable and marginalized groups.

Applicants will undergo a multi-stage selection and training process designed to ensure commitment and readiness. Structured training modules will cover greenhouse management, aquaponic operation, climate-smart agriculture, and business development. Practical sessions will provide hands-on experience in managing greenhouse systems, including fish–plant integration and water efficiency practices. Participants will later develop individual business plans and present them through pitch sessions, after which shortlisted candidates will be visited on-site to assess land suitability and operational feasibility.

The final selection will be based on training performance, site feasibility, and demonstrated motivation. Selected beneficiaries will then receive continued mentorship and technical support. The cluster-based model will enable coordinated production planning, joint marketing, and shared use of supporting infrastructure such as seedling nurseries, composting stations, cold storage, and water management systems.

To strengthen market linkages, the project will connect producers directly with retailers, agro-processors, and local markets while exploring digital marketplace platforms. Beneficiaries will receive agribusiness mentoring to build entrepreneurial capacity, improve cost efficiency, and enhance competitiveness in local value chains.

By incorporating aquaponic technologies and vertical towers, the project not only increases productivity and resource efficiency but also demonstrates how innovation can transform food systems in refugee and host communities. Combining modern agriculture, renewable energy, and digital coordination tools, the initiative represents a scalable model for climate-resilient, inclusive, and sustainable livelihood development—empowering individuals while nurturing both environmental and social well-being.

Activity 1.2: Creation of Micro-Scale Agro-Processing Units

To build on the primary production base established through the greenhouse clusters, the project will establish up to 60 home-based agro-processing and storage units operated by refugees and host community members. These micro-enterprises will provide value-added services such as drying, juicing, sorting, packaging, and refrigerated storage, enabling beneficiaries to extend product shelf life, reduce post-harvest losses, and enhance the commercial viability of greenhouse produce. The units will also serve as decentralized collection and storage points, allowing small-scale producers to aggregate their goods until delivery to end users, thereby strengthening supply chain efficiency and improving access to larger markets.

Each micro-scale agro-processing unit will be a fully renovated, dedicated space within the beneficiary's own or rented premises, designed and equipped to meet local sanitary and regulatory requirements. These small-scale production units will be outfitted with appropriate machinery and equipment corresponding to the intended processing activities, including work surfaces, packaging tools, and, where applicable, small-scale refrigeration systems. The facilities will feature essential amenities such as access to clean running water, proper drainage, a dedicated area for raw material handling, and designated zones for packaging and storage. To ensure compliance with food safety standards, each unit will include sanitary facilities such as toilets, a changing area for work clothing, and handwashing stations. The production spaces will be adapted

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to comply with national food safety regulations and public health requirements, ensuring that products are processed in hygienic, controlled environments suitable for small-scale commercial distribution. Beneficiaries operating these units will be supported in registering as individual entrepreneurs or micro-enterprises, formalizing their operations and gaining access to local and digital markets. This will enable them to produce, process, and sell under recognized legal status, opening pathways to participate in local supply chains, rural tourism networks, and formal retail channels.

By integrating agro-processing and cold storage capacities at the household level, the activity will create a localized “field-to-shelf” value chain that benefits both greenhouse owners and other small-scale producers in the community. This model will reduce transportation costs, minimize perishability-related losses, and facilitate bulk order fulfillment, increasing the competitiveness and income potential of participating families.

The primary target beneficiaries will be refugees and host community members with formal or informal experience in agricultural production, who have available space within their own or rented premises suitable for conversion into a functional production unit. Priority will be given to individuals who demonstrate a willingness to renovate their premises and a clear potential to develop income-generating agro-processing activities. This approach will minimize infrastructure investments and reduce monthly rental expenses by utilizing beneficiaries’ own or rented private spaces for production. It enables participants to transform underutilized premises into productive assets, avoiding the need for costly external facilities. Home-based operations also offer flexibility for vulnerable groups, such as women, elderly individuals, and persons with disabilities, who may face mobility or employment barriers.

The beneficiary selection process will be conducted in a transparent and phased manner. An online application form will be developed and promoted widely through UNDP’s communication platforms, regional and local government websites, NGOs, local activists, and refugee social networks to ensure broad outreach. In addition to online dissemination, face-to-face information sessions will be organized in targeted settlements to present the project in detail and encourage eligible individuals to apply. Preference will be given to applicants from settlements where greenhouse clusters are being established, ensuring integration across the production and processing value chain.

Shortlisted applicants will participate in a series of trainings on agro-processing, business development, and food safety. Based on their performance and demonstrated commitment during these sessions, candidates will be advanced to the next phase of selection. Project experts will conduct site visits to assess the suitability of applicants’ premises and evaluate the level of investment required to convert these spaces into functional production units. These assessments will examine factors such as infrastructure readiness, space adequacy, and potential for sustainable operations. Final selection decisions will be based on a combination of training performance, technical feasibility of site adaptation, and overall alignment with project objectives.

Although these units will operate individually, beneficiaries will be organized into informal production groups or “soft clusters” to promote collaboration, resource-sharing, and joint marketing efforts. These groups will coordinate bulk orders, share specialized equipment where feasible, and collaborate on packaging and branding initiatives. Beneficiaries will receive targeted training in food hygiene, cold chain management, branding, marketing, regulatory compliance, and digital sales techniques. Special emphasis will be placed on developing distinctive local product lines—such as herbal teas, dried fruits, and artisanal preserves—that highlight community identity and appeal to niche markets.

The project will facilitate access to both local and digital markets by supporting participation in local fairs, rural tourism circuits, and pop-up markets, while also assisting beneficiaries in leveraging digital platforms for online sales and social media marketing. These interventions will equip beneficiaries with the necessary skills and tools to diversify their customer base and ensure sustainable business operations.

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Our past experience demonstrates the effectiveness of this model. Feasibility assessments of UNDP-supported projects over the past five years have shown that nearly 90% of small and medium enterprises (SMEs), established based on this home-based, low-investment principle, remained active and sustainable over a five-year period. Notably, even during the COVID-19 pandemic, when mobility and market access were severely restricted, these businesses continued operating, underscoring the model's resilience and adaptability under crisis conditions.

Activity 1.3: Strengthening Market Access through the Together We Operate (TWO) Platform

Marketing and sales have consistently been among the weakest aspects for small-scale rural agro-producers, limiting their ability to scale beyond subsistence farming. This challenge is further exacerbated for refugee producers, who often lack the necessary networks, information channels, and access to formal markets. During consultations and assessments conducted to reveal their needs, refugees repeatedly identified limited market access and the absence of structured sales channels as key barriers preventing them from transforming agricultural activities into sustainable livelihoods.

To address these systemic challenges, the project will launch the **Together We Operate (TWO)** initiative, a dedicated distribution and sales mechanism designed to bridge the gap between small-scale peri-urban producers and urban consumer markets. TWO will engage a specialized company or consortium of service providers to act as a centralized aggregator and market facilitator. This entity will coordinate the collection, processing, and distribution of agricultural products, serving as a one-stop hub that offers producers streamlined access to diverse sales channels.

The selection of the TWO platform operator will be conducted through an open and transparent call for proposals. Both commercial companies and social enterprises will be encouraged to apply, ensuring a competitive process that values innovation, operational capacity, and social impact. Applicants will be required to present their vision for implementing the platform, detailing their proposed operational mechanisms, distribution models, and strategies for engaging producers and consumers. The selection process will be overseen by a committee composed of project board representatives and key stakeholders, ensuring an objective and inclusive evaluation. Preference will be given to applicants demonstrating inclusive employment models, a commitment to engaging refugees, women, and youth, and a clear plan for sustainability.

The selected operator will receive targeted financial assistance from the project to establish and manage the distribution infrastructure required to aggregate, market, and deliver products from greenhouse owners and micro-scale production units. This support will cover essential start-up investments, including logistics coordination, packaging, cold storage solutions, digital platform enhancements, and workforce mobilization. The partnership with the operator will be performance-based, with clear milestones and accountability mechanisms to ensure effective service delivery and equitable benefits for small-scale producers.

Through TWO, producers will gain access to subscription-based home delivery services, digital storefronts, farmers' markets, and partnerships with established retail outlets, restaurants, and hotels. The initiative will target both business-to-consumer (B2C) and business-to-business (B2B) segments, diversifying market opportunities and significantly enhancing the visibility of small-scale producers in formal supply chains. By providing structured pathways to markets and professionalizing the distribution process, TWO will address the persistent barriers that have historically limited rural producers' income potential and market reach.

TWO will integrate robust inventory management systems, logistics coordination, and digital engagement tools, enabling real-time traceability, customer feedback loops, and demand forecasting. Transparent pricing mechanisms and ethical trade principles will be embedded to ensure fair returns to producers, while the

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platform's branding strategy will leverage refugee success stories and community narratives to appeal to ethically conscious consumers.

Beyond market access, TWO will create employment opportunities along the value chain, including packaging, delivery, customer service, and platform operations, prioritizing the inclusion of refugees, women, and youth. The platform will also introduce environmental sustainability practices, such as eco-friendly packaging and waste reduction initiatives. Beneficiaries will receive targeted training in digital literacy, online sales management, and customer engagement, equipping them to navigate both traditional and digital markets effectively.

TWO will serve as a scalable and replicable model for strengthening local agricultural value chains, transforming fragmented, vulnerable producers into empowered market actors. By addressing long-standing barriers in marketing and sales, the platform will contribute to a more inclusive, resilient, and sustainable local economy, while providing a blueprint for expansion into other regions and sectors.

Output 2: Fostering Job Creation through Reskilling and Shared Agro-Processing Infrastructure

This output addresses the skills and infrastructure gaps that constrain early-stage agro-enterprises and facilitates their scale-up and integration into the formal economy.

Activity 2.1: Establishment of AgriHub at the Scientific Center of Vegetable and Technical Crops (NOSC)

One of the most pressing challenges identified by refugees during community consultations and needs assessments is the financial barrier to investing in production spaces and advanced processing technologies. For early-stage agro-entrepreneurs, the high costs of renting fully equipped facilities, purchasing professional-grade machinery, and meeting regulatory standards create insurmountable obstacles to business start-up and growth. In response to this structural gap, the project will establish the AgriHub, a shared-use agro-processing and enterprise incubation facility, hosted at the Scientific Center of Vegetable and Technical Crops (NOSC).

The Scientific Center of Vegetable and Technical Crops (NOSC) has been strategically identified as the host institution for the AgriHub due to its unique combination of location, institutional capacity, and sectoral relevance. Operating under the Ministry of Economy, NOSC is situated in Ararat Marz, in close proximity to the primary refugee-hosting settlements, ensuring easy and equitable access for targeted beneficiaries. With a long-standing track record in agricultural research, technology development, and practical farmer engagement, NOSC possesses extensive experience and technical expertise that align with the objectives of the AgriHub. Additionally, NOSC operates large-scale greenhouses that can serve as a reliable source of raw materials for processing units, offering beneficiaries access to quality produce at wholesale prices. This vertical integration will strengthen the AgriHub's value chain by ensuring consistent supply, facilitating product development, and reducing procurement costs for early-stage entrepreneurs. NOSC's established infrastructure, combined with its capacity for training, research, and innovation, provides an ideal institutional ecosystem to support the incubation of agro-enterprises, foster cross-sectoral collaboration, and ensure the long-term sustainability of the AgriHub.

The AgriHub will offer affordable, on-demand access to industrial-grade equipment for food processing, packaging, preservation, and labeling—critical services that small-scale producers and start-ups cannot afford to establish independently. By providing this infrastructure under a co-working model, the AgriHub will eliminate the upfront capital investment barriers that currently exclude refugees, smallholder farmers, and informal entrepreneurs from entering formal markets.

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Refugees will be granted prioritized access to the AgriHub under a structured, time-bound support model designed to facilitate their transition into self-sustained enterprise operations. Selected refugee entrepreneurs will receive a defined period of subsidized access to the facility—typically ranging from 6 to 12 months—during which they will benefit from free or symbolic user fees, comprehensive technical assistance, and business development support. This incubation period will allow them to utilize the AgriHub's professional-grade equipment, receive mentorship, and develop market-ready products without the immediate financial burden of infrastructure investments. As their businesses mature and begin generating stable income, refugees will gradually transition to regular user agreements, contributing symbolic fees aligned with their production scale and financial capacity. The phased approach is designed to provide a realistic runway for refugees to build their operations while fostering accountability and long-term sustainability. This mechanism ensures that the AgriHub serves as a launchpad rather than a permanent dependency, empowering refugees to scale their enterprises and eventually operate independently in formal markets.

Beyond infrastructure, the AgriHub will function as a vibrant business incubation and training hub, offering hands-on technical training, mentorship in product development, branding and marketing support, and guidance on meeting food safety and regulatory compliance standards. The facility will foster an ecosystem of learning and collaboration, open to refugees, host community members, students, researchers, and early-stage agro-entrepreneurs, encouraging cross-sectoral innovation and peer-to-peer knowledge exchange.

A sustainable operating model will be established, based on symbolic user fees that ensure affordability, public-private partnerships that enhance resources and expertise, and capacity-building initiatives for NOSC staff to ensure effective day-to-day management. By embedding the AgriHub within NOSC, the project will leverage existing scientific infrastructure and expertise, transforming it into an accessible platform for grassroots enterprise development.

Importantly, the AgriHub is designed as a replicable institutional model that can be expanded to other regions of Armenia, offering a scalable solution to the systemic barriers faced by small-scale producers seeking to formalize and grow their businesses. By addressing both the physical and knowledge-based infrastructure gaps, the AgriHub will become a cornerstone for fostering inclusive rural entrepreneurship, unlocking job creation, and strengthening Armenia's local food systems.

Resources Required to Achieve the Expected Results

To deliver the planned outputs and realize the anticipated transformational results, the Project will mobilize a strategic combination of human, financial, technical, and institutional resources. These inputs are directly aligned with the pathways articulated in the Theory of Change and are critical for enabling inclusive, market-oriented, and climate-smart livelihoods for refugees and host communities in Armenia's peri-urban regions.

At the heart of project implementation will be a dedicated UNDP team, led by a full-time Project Manager and supported by a Project Associate, a Public Relations and Communications Specialist, two Drivers, and a cadre of technical experts specializing in greenhouse project management, the establishment of small-scale agro-processing units, and rural infrastructure development. This core team will ensure coherent coordination, high-quality delivery, and visibility of the Project's interventions, while providing targeted technical support to beneficiaries and stakeholders across the four regions. Oversight, operational assurance, and strategic guidance will be provided by UNDP Armenia's Programme and Operations teams, with access to on-demand expertise from UNDP's Regional Bureau for Europe and the CIS and global technical advisors as needed.

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Inputs Supporting Output 1: Promoting Employment through Sustainable Agriculture and Local Food Systems

The Project will finance the procurement and deployment of critical productive infrastructure to empower refugees and host communities as economic actors. This includes:

- Up to 105 greenhouse units (each up to 250 m²), equipped with climate-resilient starter kits, including essential tools, irrigation systems, and seedling stock as well as 5 aquaponic systems and 100 aquaponic towers.
- Up to 60 home-based agro-processing units, supported by the delivery of up to 350 units of food-grade equipment such as dryers, juicers, and packaging tools.

To ensure sustainability and proper use of these assets, the Project will invest significantly in capacity development and technical mentoring. Local trainers will deliver practical, hands-on modules on agronomy, climate-resilient practices, post-harvest handling, food safety, small business development, and the use of digital tools for production and marketing. The Project will also strengthen the operations of the Together We Operate (TWO) platform, a refugee-led distribution and sales initiative, by upgrading its logistics systems, packaging capabilities, and digital infrastructure, including inventory management tools, e-commerce functionality, and customer engagement platforms.

Inputs Supporting Output 2: Fostering Job Creation through Reskilling and Shared Agro-Processing Infrastructure

For the establishment of the AgriHub at the Scientific Center of Vegetable and Technical Crops (NOSC), the Project will procure professional-grade agro-processing equipment and invest in the renovation and setup of shared-use production spaces. This facility will enable aspiring entrepreneurs and early-stage enterprises to develop, test, and scale food-based products in a safe and supportive environment.

The AgriHub will include a digital learning and incubation space, supporting entrepreneurship and technical skill development. It will also operate under a sustainability model, offering services on a symbolic fee basis and investing in the capacity of NOSC staff for long-term facility management, quality control, and regulatory compliance.

Operational Resources and Monitoring

The Project's operations will be further supported by UNDP's internal systems, including procurement, finance, legal, and communications units. Additional short-term technical assistance will be mobilized for environmental screening, feasibility assessments, and third-party evaluations. Logistics support will include a dedicated project vehicle, venue rentals for community consultations and trainings, and digital infrastructure to support coordination, reporting, and knowledge management.

All human resource inputs, procurement costs, logistical expenses, and implementation overheads will be comprehensively costed and reflected in the project budget. Dedicated funds will also be allocated for robust monitoring, learning, and adaptive management. This will include the development of a tailored M&E framework, implementation of baseline and endline studies, and establishment of community-level feedback mechanisms to ensure transparency, responsiveness, and accountability throughout the project cycle.

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Partnerships

The Project is rooted in UNDP's long-standing collaboration with the Government of Armenia and builds on a proven record of coordinated action with national and local institutions. These partnerships are essential to ensure strategic alignment, effective targeting, and long-term sustainability of results. UNDP will work in close coordination with the Ministry of Economy and the Ministry of Territorial Administration and Infrastructure, which will play a central role throughout the project lifecycle—from design and planning to rollout and monitoring. Their engagement will ensure policy coherence, technical oversight, and equitable outreach to the most vulnerable communities.

At the regional level, the administrations and municipal authorities of Ararat, Armavir, Aragatsotn, and Kotayk will facilitate beneficiary outreach, community mobilization, and site-level planning. Their involvement will strengthen local ownership and ensure that interventions are tailored to the specific social and economic context of each target location.

The Project will also coordinate closely with other UN agencies and humanitarian actors involved in the refugee response to maximize synergies, avoid duplication, and enhance the overall coherence of support, particularly in the fields of livelihoods, shelter, and social inclusion.

Civil society organizations (CSOs) will be key implementation partners throughout the project. Local NGOs with expertise in displacement response, livelihoods development, and social cohesion will support beneficiary identification, training delivery, and follow-up activities. Their community-level insights will help tailor interventions to meet the specific needs of women, youth, and other vulnerable groups, while also contributing to inclusive dialogue, trust-building, and conflict sensitivity. Partnerships will also extend to academic institutions, research centers, and local media outlets to foster knowledge generation, raise awareness, and enhance project visibility.

The Project builds on the foundation of a previous Japan-funded UNDP initiative that focused on infrastructure and social cohesion for displaced populations and host communities. This new phase expands into inclusive livelihoods and economic recovery, while maintaining close and regular coordination with the Embassy of Japan in Armenia. The Embassy will remain actively engaged throughout implementation and will be a key partner in visibility events, including project launches, stakeholder roundtables, and media campaigns.

To further strengthen this strategic partnership, UNDP will explore cooperation with Japanese institutions, including private sector actors. These collaborations will focus on advancing climate-smart agriculture, value chain development, inclusive entrepreneurship, and digital innovation.

Additionally, an international knowledge management professional will be engaged to support communications, strengthen knowledge management, and contribute to building new institutional linkages with Japanese stakeholders. All partnership activities will be implemented in line with UNDP's operational, financial, and procurement guidelines to ensure accountability, transparency, and high impact.

Risks and Assumptions

The project's implementation strategy rests on a number of key assumptions that are central to its Theory of Change. It is assumed that inclusive economic engagement through agriculture-based livelihoods can foster social cohesion and trust between refugees and host communities, creating a strong foundation for joint problem-solving and long-term integration. Beneficiaries are expected to remain in or near the target areas and to actively participate in project-supported activities, including greenhouse cultivation, agro-

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processing, and digital marketing. It is also assumed that national and local authorities will remain committed to the project's goals and continue to facilitate access to land, infrastructure, and beneficiary data.

The project assumes that infrastructure and productive assets delivered, such as greenhouses and home-based processing units will be properly maintained by beneficiaries and municipalities, contributing to sustained outcomes. The active inclusion of women, youth, and vulnerable groups is expected to be achieved through tailored outreach, accessible training, and culturally sensitive support modalities. Additionally, it is assumed that with proper support, the digital divide can be narrowed, allowing participants to leverage digital tools for e-commerce, inventory management, and communication. Finally, the project presumes that local and regional markets will remain stable and capable of absorbing increased agri-product supply, and that environmental safeguards will be integrated into all relevant interventions to ensure sustainable use of land and water resources.

Despite these enabling factors, a number of potential risks and mitigation measures have been identified:

First, there is the possibility of escalating geopolitical tensions or deterioration of the security situation along Armenia's borders. Such instability may limit access to affected border regions or delay planned interventions. To mitigate this, UNDP will maintain close coordination with the UN Department of Safety and Security (UNDSS), and relevant national authorities, and will adjust operational plans based on real-time risk assessments.

Mitigation: Maintain close coordination with UNDSS and national authorities, apply real-time security monitoring, and ensure flexible and adaptive operational planning (including contingency and remote implementation options) to minimize disruption.

Second, macroeconomic risks such as currency volatility and rising costs of agricultural inputs could affect procurement plans and reduce affordability for beneficiaries. To address this, UNDP will apply adaptive financial planning, leverage local supplier networks where feasible, and maintain budget flexibility to respond to price fluctuations. The country office's financial management team is experienced in mitigating such risks.

Mitigation: Apply adaptive financial management, including flexible budgeting, local sourcing where feasible, and periodic procurement reviews to manage price fluctuations and protect beneficiary affordability.

Third, there is a risk of overly high expectations from project beneficiaries, particularly given the acute needs of refugees. Some individuals may anticipate direct employment or full recovery support, which may exceed the project's intended scope. To manage this, a proactive communications strategy will be implemented to clearly explain project objectives, limitations, and eligibility criteria. Feedback and grievance mechanisms will be established to address concerns and reinforce transparency and accountability.

Mitigation: Implement a proactive and transparent communication strategy, including clear eligibility criteria and accessible grievance mechanisms, to manage expectations and reinforce accountability.

Fourth, natural hazards - including extreme weather events, droughts, heavy rains, floods, or pest outbreaks, pose another potential risk to agricultural productivity and infrastructure sustainability. In this regard, all greenhouse and agro-processing designs will incorporate climate-resilient features. Beneficiaries will receive training in sustainable practices such as water management and integrated pest control, while contingency protocols will be developed to respond to localized shocks.

Mitigation: Integrate climate-resilient infrastructure design and sustainable agricultural practices, supported by contingency planning and beneficiary training, to enhance resilience to environmental shocks.

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Fifth, digital exclusion represents another risk, especially for rural women, older adults, and individuals with limited literacy. The project will address this by providing tailored digital literacy support and accessible alternatives for key services. Hybrid models combining online and offline delivery will be used to maximize inclusion.

Mitigation: Adopt inclusive hybrid service delivery models combined with tailored digital literacy support to ensure equitable access for vulnerable groups.

Sixth, in some municipalities, limited administrative capacity may constrain the long-term maintenance of infrastructure and delivery of services. To mitigate this, the project will sign formal agreements with local governments and build their institutional capacity for asset management, cost recovery, and beneficiary engagement. Ownership will be encouraged through co-management and cost-sharing approaches.

Mitigation: Strengthen institutional capacity and ownership through formal agreements, targeted training, and co-management approaches to ensure sustainable infrastructure maintenance and service delivery.

In addition to these measures, the project will fully comply with UNDP's Social and Environmental Standards. All infrastructure works will be screened for potential risks, and appropriate safeguards will be embedded in implementation. Emphasis will be placed on minimizing environmental impacts, protecting natural resources, and ensuring the full participation of marginalized groups in all phases of the project cycle. This precautionary approach will help ensure that the project delivers equitable and sustainable development results without causing harm to people or ecosystems.

Stakeholder Engagement

Target Groups

The Project directly targets vulnerable refugee and host community members in Armenia's Ararat, Armavir, Aragatsotn, and Kotayk regions, peri-urban areas that host a significant concentration of refugee populations and where socio-economic vulnerabilities and barriers to integration are most acute.

While the project is inclusive of all age groups, it will encourage participation primarily from individuals of economically active age who possess relevant experience or a demonstrated interest in agriculture, small business, or agro-processing. This includes refugees and host community members already involved in farming, informal income-generating activities, or small-scale food production, and who are motivated to expand, formalize, or improve their operations.

- For greenhouse-based interventions (Activity 1.1), selection will focus on individuals with prior agricultural experience or those demonstrating a strong motivation to enter agro-based entrepreneurship. Preference will be given to those capable of managing the technical and operational demands of greenhouse production and interested in peer-based cluster collaboration.
- For micro-scale agro-processing units (Activity 1.2), targeted beneficiaries will include individuals with business or informal production backgrounds, particularly those who already run small-scale income-generating activities and seek to enhance their production capacity, product quality, and market access.
- For the Together We Operate (TWO) distribution and market access platform (Activity 1.3), target groups will include refugees and host community members with skills or interest in logistics, customer service, marketing, digital commerce, and inventory management. The platform will also engage producers who lack access to urban markets and are seeking structured support in distribution and retail.

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- For the AgriHub (Activity 2), beneficiaries will include early-stage entrepreneurs, food producers, youth, and students from both refugee and host communities, particularly those with innovative product ideas or in need of shared-use infrastructure to process, package, and scale agro-products. The AgriHub will also serve researchers and startups focused on agricultural innovation and will be a space for testing, learning, and incubation of rural enterprises.

Across all interventions, the selection process will ensure inclusive participation of women, youth from low-income households, and persons with disabilities. Beneficiary identification will be carried out transparently and in partnership with the Ministry of Economy, Ministry of Territorial Administration and Infrastructure, regional and local authorities, and community-based organizations. Multi-step selection will include participation in preparatory trainings, assessments of motivation and technical readiness, and verification of household vulnerability.

This targeted and inclusive approach ensures that participants have the foundational capacities and drive needed to succeed, while simultaneously empowering the most affected communities to take ownership of their economic recovery.

Broader Stakeholder Engagement

The Project builds on the strong foundations established through a Japan-funded initiative that supported infrastructure development and social cohesion for displaced persons from Nagorno-Karabakh. With a new focus on inclusive livelihoods and economic empowerment, the Project adopts a collaborative, multi-stakeholder approach, drawing on longstanding partnerships with national and subnational institutions, civil society organizations, and international partners to ensure coherence, relevance, and sustainability across all phases of implementation.

At the national level, the Ministry of Economy will serve as the Project's key government counterpart. This institution will provide strategic oversight, ensure policy coherence, and support technical validation during planning, implementation, and monitoring. Their engagement will be critical for aligning project interventions with national development priorities and facilitating effective outreach to the most vulnerable populations.

At the regional and local levels, administrations and municipal authorities in the four target marzes—Ararat, Armavir, Aragatsotn, and Kotayk—will play a central role in site selection, community mobilization, and beneficiary engagement. Their active participation will help tailor project interventions to local contexts, strengthen public service linkages, and reinforce local ownership.

Civil society organizations, particularly those with experience in displacement, livelihoods, and social inclusion, will be instrumental in facilitating outreach, training, and follow-up support. These partnerships will help ensure that the perspectives and needs of women, youth, and marginalized groups are reflected in all stages of the project cycle, while also fostering community dialogue, participation, and social cohesion.

In line with the humanitarian-development-peace (HDP) nexus, the Project will closely coordinate with other UN agencies and development partners operating in the target regions, including UNHCR, IOM, FAO, WFP, UNICEF, and the World Bank, among others. The Project will ensure complementarity of interventions, reduce duplication, and align efforts toward shared development outcomes.

As per well-established practice, the Project will maintain close collaboration with the Embassy of Japan in Armenia, building on the successfully completed and ongoing joint initiatives in the areas of crisis response and climate action. The Embassy will be actively engaged throughout the implementation period, including

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participation in visibility events, media outreach, and stakeholder consultations. Regular communication will ensure transparency and strategic alignment with Japan's development cooperation priorities.

Digital Solutions

Digital technologies will serve as a key enabler of the Project's effectiveness, accessibility, and long-term sustainability. Recognizing the critical role of digital inclusion in addressing modern development challenges, the Project integrates a suite of targeted digital tools and platforms to improve service delivery, facilitate learning, and expand market connectivity for refugees and host communities across Armenia's peri-urban regions.

To promote transparency and ensure broad-based participation, key information—including project objectives, eligibility criteria, training schedules, and calls for applications—will be disseminated through digital channels such as social media, websites, and messaging applications. The application process for participation in key project components, such as greenhouse clusters, micro-scale agro-processing units, and access to the AgriHub facility, will be fully digitized. This will allow 24/7 access for potential applicants, especially those in remote or underserved areas, making participation more inclusive, timely, and user-friendly.

A central innovation of the Project is the expansion of the *Together We Operate (TWO)* platform, a refugee-led digital aggregator that connects small-scale producers with urban markets. The platform will be enhanced with improved digital functionalities, including e-commerce integration, inventory and order management systems, customer relationship management (CRM) tools, and logistics tracking. These upgrades will help micro-entrepreneurs reach broader consumer bases, streamline operations, and boost the market viability of their products.

At the *AgriHub*, the Project will introduce digital tools to manage scheduling, equipment use, and production workflows efficiently. A dedicated learning section on the project's website will provide beneficiaries—particularly entrepreneurs and students—with access to e-learning modules, virtual mentoring, and practical toolkits covering food safety, product innovation, and sustainable agro-business development. These resources will promote knowledge sharing, peer learning, and innovation, helping to foster a more dynamic and informed local entrepreneurship ecosystem.

To further strengthen engagement, the Project will leverage mobile communication technologies, including messaging platforms and SMS notifications, to keep beneficiaries informed of key developments, training opportunities, and support services. This channel will also serve as a real-time feedback loop, enabling the Project team to collect input directly from the field, identify challenges early, and adapt accordingly. This is especially critical for engaging participants who may have limited physical mobility or connectivity.

All digital solutions will be developed with a strong emphasis on accessibility, user privacy, and data protection. Where needed, digital literacy support will be provided to ensure vulnerable groups can fully benefit from the tools provided.

Knowledge and Communication

UNDP will ensure that the generosity of the Government of Japan is fully and visibly acknowledged throughout the implementation of the project. A comprehensive visibility and communications plan will be

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developed in line with the respective corporate guidelines to ensure that the partnership's impact is effectively communicated to all relevant stakeholders, beneficiaries, and the public.

Key visibility actions will include a dedicated press release at the project's launch, produced in coordination with the Embassy of Japan and disseminated through national and international media. Human interest stories, photo essays, and video features will be developed to highlight the impact of the project on individual beneficiaries and communities, illustrating the transformative outcomes made possible through Japan's support. Japan's logo will be clearly displayed on all project supplies, equipment, and visibility materials, including banners, training toolkits, t-shirts, and packaging where relevant, ensuring high visibility in all target locations.

Project progress and impact will be consistently promoted through UNDP Armenia's social media platforms (Facebook, Twitter/X, Instagram, LinkedIn), the official UNDP Armenia website, and—whenever relevant—through the channels of implementing partners. Close engagement with the Embassy of Japan will be maintained throughout the project cycle, including regular communication updates, provision of visual and narrative materials, and the organization of joint field visits to project sites, providing direct visibility into the results of Japan's contribution.

UNDP Armenia will also ensure that all project-related information is accessible to the target groups and stakeholders in the most inclusive, timely, affordable, and comprehensible formats and languages. To this end, a multi-channel outreach approach will be employed, including the use of community information sessions, local stakeholder briefings, municipal notice boards, and rural entry points such as agricultural centers and cooperative networks. Additionally, printed materials (e.g., brochures, posters, and factsheets) will be produced in Armenian and other locally spoken languages where relevant. Public awareness will also be supported through local media outlets, including television, radio, and regional press.

All visibility efforts will emphasize the message of partnership and solidarity between the people of Japan and Armenia, while reinforcing Japan's enduring commitment to human security, inclusive development, and post-crisis recovery.

Sustainability and Scaling Up

The Project builds on proven models that have been previously piloted and validated by UNDP in partnership with the Government of Armenia and local stakeholders—specifically greenhouse clusters and micro-scale agro-processing units. These approaches were developed and tested within the framework of earlier UNDP initiatives, where they demonstrated a high degree of sustainability, marked by continued functionality, strong community ownership, and economic viability even years after project support had ended. Building on this evidence of success, the Project is now scaling up these interventions to reach a wider group of beneficiaries while maintaining flexibility for geographic and contextual adaptation.

Given the urgent needs and readiness of local actors, this Project is expected to be among the first initiatives to operationalize support under the Government of Armenia's Inclusive Livelihoods National Framework for Refugees and Host Communities. As such, it will serve as a foundational pilot for broader national efforts, offering tested methodologies and implementation models that can inform future programming by government agencies, development partners, and civil society. The Project will generate practical lessons and scalable models that can be mainstreamed into future phases of the national response, thereby amplifying its long-term impact.

To ensure the sustainability of results, the Project will implement a phased transition strategy. Ownership of assets and initiatives, such as greenhouses, agro-processing units, and the AgriHub, will be gradually

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transferred to local institutions and community-based actors, under clearly defined terms for operations and maintenance. Where feasible, municipal authorities will be encouraged to allocate resources from local budgets to support the continued use of the provided infrastructure and equipment.

At the community level, sustainability will be reinforced by strengthening the skills, knowledge, and organizational capacity of beneficiaries and local actors. Through targeted training, mentoring, and support for market access and business development, the Project will enable beneficiaries to manage assets independently and generate sustainable income. Cooperative approaches and peer networks will be promoted to encourage shared ownership, resource pooling, and continued learning.

UNDP will also monitor the sustainability of interventions through dedicated tools, including post-exit evaluations, community feedback mechanisms, and collaborative reviews with government partners. These efforts will help track the durability of results and identify opportunities for policy integration, replication, and broader scaling up across regions and sectors.

Cost Efficiency and Effectiveness

The project will conduct the procurement of goods and services in compliance with UNDP Regulations and Rules, which envisages acquisition of proper quality goods and services while prioritising value for money.

The project will optimise the costs and increase the impact mobilising expertise and through synergised efforts with the projects and agencies working in the same direction in the target area. Thanks to well-coordinated approach no duplication of activities or investments on the same beneficiaries will occur.

Project Management

The project will be implemented through a direct implementation modality (DIM), fully managed by UNDP Armenia. The Resident Representative will exercise overall supervision of implementation, lead coordination, and consultations with key national partners, UNCT and other stakeholders. In accordance with corporate regulations UNDP will be responsible for: (i) identification and/or recruitment of project personnel; (ii) procurement of goods and services; and (iii) financial services, for which the project will incur Direct Project Costs as per UNDP 2023 Universal Price List (UPL). UNDP will ensure that the approved resources are used in line with the agreement with the donor, as well as in accordance with UNDP financial rules and regulations.

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

The project will be implemented under the overall management of Socio-economic Development (SED) Portfolio. UNDP SED Portfolio Manager will provide general project implementation and quality assurance, including other programme support as necessary.

UNDP will establish a project team, which will ensure that the envisaged activities are carried out and the outputs are reached. The project team will be managed by the Project Coordinator (PC), who will coordinate project activities and serve as the financial authorizing officer. The PC will report to the SED Portfolio

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Manager and will be responsible for all project operations. The incumbent will ensure the proper use of funds and that project activities are implemented in accordance with the agreed project document and project work plans. Management of project funds including budget revisions, disbursements, record keeping, accounting, reporting, and auditing will follow UNDP rules and procedures. The PC will be responsible for the project daily planning, implementation quality, reporting, timeliness, and effectiveness of the activities carried out.

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IV. RESULTS FRAMEWORK[4]

Intended Outcome as stated in the UNSDCF/Country [or Regional] Programme Results and Resource Framework: UNSDCF Outcome 2/ CPD 2026-2030 Outcome 1: By 2030, people benefit from green, inclusive, economic development, sustainable livelihoods and decent work opportunities
Outcome indicators as stated in the Country Programme [or Regional] Results and Resources Framework, including baseline and targets: Indicator 1.1: Poverty rate decreased, Baseline (2024): 23.7%, Target (2030): 21%, Indicator 1.2 Unemployment rate, Baseline (2024) 12.4%, Target (2030) 10%.
Applicable Output(s) from the UNDP Strategic Plan: Output 1.1 Economic opportunities expanded for people and enterprises to access decent jobs, trade and productive assets, including human capital, human mobility and sustainable energy.
Project title and Quantum Project Number: The Project for Promoting Resilient Agricultural Management for Displaced Persons from Nagorno–Karabakh and Host Communities

EXPECTED OUTPUTS	OUTPUT INDICATOR	DATA SOURCE	BASELINE		TARGETS (by frequency of data collection)				DATA COLLECTION METHODS & RISKS
			Value	Year	Year 1	Year 2	Year 3	FINAL	
Outcome level	**Percentage increase in sustainable income among refugee and host community households engaged in agricultural livelihoods**		*$184**	*2024*	*n/a*	*n/a*	*At least 20%*	*At least 20%*	*Project monitoring mechanisms, assessments*
Output 1: Promoting Employment through Sustainable Agriculture and Local Food Systems	**Activity 1.1: Establishment of Refugee-Led Greenhouse Cluster Network** a) Number of greenhouses installed b) Number of aquaponic towers installed c) Number of people capacitated d) Number of direct beneficiaries (project related) e) Number of indirect beneficiaries (project related)	*Project Annual reports Transfer Acts Visibility materials*	*a) 300* *b) 5* *c) 1,200* *d) 0* *e) 0*	*2025*	*a) 25* *c) 130 (67w, 63m)* *d) 400 (208 w, 192 m)* *e) 4,200 (2,184w, 2,016 m)*	*a) 40* *b) 50* *c) 200 (104w, 96m)* *d) 620 (322 w, 298 m)* *e) 6,500 (3,380w, 3,120 m)*	*a) 40* *b) 50* *c) 200 (104w, 96m)* *d) 620 (322w, 298m)* *e) 6,500 (3380w, 3120m)*	*a) 105 (405)* *b) 100 (105)* *c) 530 (1730)* *d) 1,640 (852 w, 788 m)* *e) 17,200 (8,944w, 8,256m)*	*Project's own monitoring mechanisms, Standard Progress Reports*
	Activity 1.2: Creation of Micro-Scale Agro-Processing Units a) Number of small scale production units launched b) Number of people trained c) Number of direct beneficiaries (project related) d) Number of indirect beneficiaries (project related)		*a) 350* *b) 1,200* *c) 0* *d) 0*	*2025*	*a) 10* *b) 50* *c) 300 (156w, 144m)* *d) 14,000 (7,280 w, 6,720m)*	*a) 30* *b) 150* *c) 800 (416w, 384m)* *d) 32,000 (16,640 w,15,360 m)*	*a)20* *b)100* *c)600 (312w, 288m)* *d)28,000 (14,560w,13,440m)*	*a) 60 (410)* *b) 300 (1500)* *c) 1700 (884w,816m)* *d) 74,000 (38,480w, 35,520 m)*	

[4] UNDP publishes its project information (indicators, baselines, targets and results) to meet the International Aid Transparency Initiative (IATI) standards. Make sure that indicators are S.M.A.R.T. (Specific, Measurable, Attainable, Relevant and Time-bound), provide accurate baselines and targets underpinned by reliable evidence and data, and avoid acronyms so that external audience clearly understand the results of the project.

* Social Snapshot and Poverty in Armenia,2024 ARMSTAT

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EXPECTED OUTPUTS	OUTPUT INDICATOR	DATA SOURCE	BASELINE		TARGETS (by frequency of data collection)				DATA COLLECTION METHODS & RISKS
			Value	Year	Year 1	Year 2	Year 3	FINAL	
	Activity 1.3: Strengthening of a Centralized Distribution and Market Access Platform a) Number of distributor supported b) Number of direct beneficiaries c) Number of indirect beneficiaries		*a) 0** b) 0 c) 0*	*2025*	*a) 0 b) 0 c) 0*	*a) 1 b) 1,100 (572 w, 528m) c) 6,500 (3380 w, 3120m)*	*a)0 b) 1,500 (780w, 720m) c) 8,000 (4160w, 3840m)*	*a) 1 b) 2,600 (1352w, 1248m) c) 14,500 (7540w, 6960m)*	
Output 2: **Fostering Job Creation through Reskilling and Shared Agro-Processing Infrastructure**	**Activity 2.1: Establishment of AgriHub at the Scientific Center of Vegetable and Technical Crops (NOSC)** a) Number of agro-processing sites established b) Number of people trained c) Number of direct beneficiaries d) Number of indirect beneficiaries		*d) 0 e) 0 f) 0 g) 0*	*2025*	*a) 0 b) 0 c) 0 d) 0*	*a) 1 b) 100 (52w, 48m) c) 2,500 (1,300m, 1,200w) d) 3,500 (1,820w, 1680m)*	*a) 0 b) 100 (52w, 48m) c) 2,500 (1300w, 1,200m) d) 3,500 (1,820w,1,680m)*	*a) 1 b) 200 (104w, 96m) c) 5,000 (2,600w, 2,400m) d) 7,000 (3,640w, 3,360m)*	

**New model to be introduced by UNDP.

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V. MONITORING AND EVALUATION

In accordance with UNDP's programming policies and procedures, the project will be monitored through the following monitoring and evaluation plans: *[Note: monitoring and evaluation plans should be adapted to project context, as needed]*

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

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Evaluation Plan[5]

Evaluation Title	Partners (if joint)	Related Strategic Plan Output	UNSDCF/CPD Outcome	Planned Completion Date	Key Evaluation Stakeholders	Cost and Source of Funding
Final Project Evaluation		1.1 Economic opportunities expanded for people and enterprises to access decent jobs, trade and productive assets, including human capital, human mobility and sustainable energy.	1. By 2030, people benefit from green, inclusive, economic development, sustainable livelihoods and decent work opportunities	By December 2028		20,000 USD

[5] Optional, if needed

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VI. MULTI-YEAR WORK PLAN [67]

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	Y3		Funding Source	Budget Description	Amount
Output 1: Promoting Employment through Sustainable Agriculture and Local Food Systems *Gender marker: 2*	Activity 1.1: Establishment of Refugee-Led Greenhouse Cluster Network	482,363	770,156	774,781	UNDP	Government of Japan	Contractual Services Individuals	216,000
							Strategic communication and partnership building	345,600
							Contractual Services Companies	142,500
							Materials and goods	1,301,000
							Travel	10,200
							Miscellaneous	12,000
	Activity 1.2: Creation of Micro-Scale Agro-Processing Units	186,402	457,203	306,195	UNDP	Government of Japan	Contractual Services Individuals	216,000
							Contractual Services Companies	327,000
							Materials and goods	360,000
							Audio visual& print product	30,000
							Travel	7,800
							Miscellaneous	9,000
	Activity 1.3: Strengthening of a Centralized Distribution and Market Access Platform	112,410	112,410	38,180	UNDP	Government of Japan	Contractual Services Individuals	108,000
							Grants	150,000
							Miscellaneous	5,000
Sub-Total for Output 1								**3,240,100**
Output 2: Fostering Job Creation through Reskilling and	Activity 2.1: Establishment of AgriHub at the Scientific Center of Vegetable and Technical Crops (NOSC)	156,130	291,130	239,940	UNDP	Government of Japan	Contractual Services Individuals	216,000
							Contractual Services Companies	250,000
							Materials and goods	200,000
							Audio visual& print product	7,200

[6] 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.

[7] 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.

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EXPECTED OUTPUTS	PLANNED ACTIVITIES	Planned Budget by Year			RESPONSIBLE PARTY	PLANNED BUDGET		
		Y1	Y2	Y3		Funding Source	Budget Description	Amount
Shared Agro-Processing Infrastructure *Gender marker: 2*							Travel	6,000
							Miscellaneous	8,000
	Sub-total for Output 2							**687,200**
Management		198,500	309,000	411,266	UNDP	Government of Japan	Direct Project Costs (Portfolio Manager 20%, RBM Analyst 5%, Pr. Associate 10%, Comms. 5%)	72,720
							Contractual Services Individuals 100% (Project Coordinator, Assistant, PR, drivers)	478,800
							IPSA9 100 %, 31 months	232,500
							Rental of premises	36,000
							Communications and audiovisual	12,000
							Rental and maintenance of other equipment	13,000
							Vehicles-Budget	45,000
							Evaluation	20,000
							Miscellaneous	8,746
	Sub-Total Management							**918,766**
General Management Support (8%)								387,685
TOTAL								**5,233,751**

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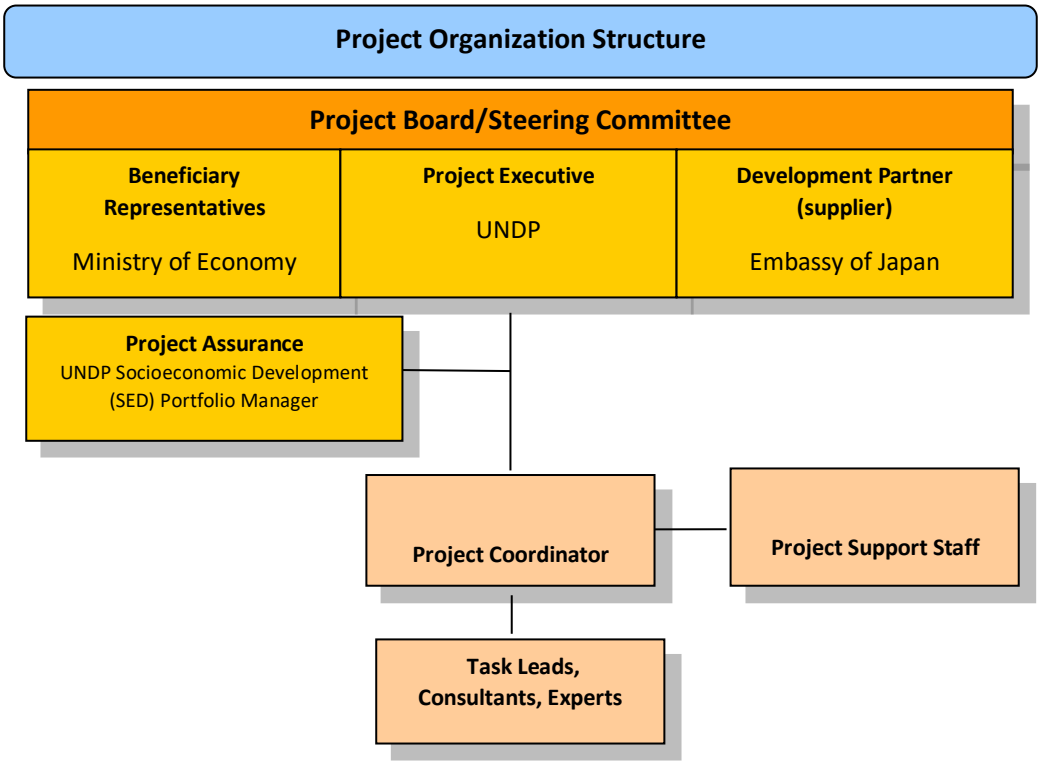
VII. GOVERNANCE AND MANAGEMENT ARRANGEMENTS

The project will be governed through a multi-layered structure designed to ensure strategic leadership, coordination, efficiency, and accountability. It comprises three core levels: the Project Steering Committee (PSC) providing strategic oversight, the Project Assurance function ensuring compliance and quality, and the Project Implementation Team responsible for daily operations.

The PSC is the highest decision-making body, guiding project implementation and ensuring alignment with national priorities and donor expectations. It will include representatives from the Ministry of Economy, local governments, UNDP Armenia (Project Executive), and the Embassy of Japan. The Ministry of Foreign Affairs will be invited to the Steering Committee Meetings as an observer. The PSC will review and approve work plans and budgets, monitor progress, and promote stakeholder coordination.

Project Assurance will be led by the UNDP Socioeconomic Development (SED) Portfolio Manager, who will provide independent oversight to ensure adherence to UNDP rules and quality standards. Tasks include reviewing work plans and budgets, verifying deliverables, monitoring compliance, and advising the PSC on key issues, thus enhancing transparency and risk management.

The Project Implementation Team, led by the Project Coordinator (PC), will manage day-to-day operations, ensure timely delivery of activities, and act as the financial authorizing officer. Reporting to the SED Portfolio Manager, the PC will prepare progress reports for the PSC and oversee all operational and financial tasks in line with UNDP procedures. The PC will be supported by Task Leads, support staff, and technical experts to ensure effective and quality implementation.



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VIII. LEGAL CONTEXT

Option a. Where the country has signed the Standard Basic Assistance Agreement (SBAA)

This project document shall be the instrument referred to as such in Article 1 of the Standard Basic Assistance Agreement between the Government of Armenia and UNDP, signed on March 8, 1995. All references in the SBAA to "Executing Agency" shall be deemed to refer to "Implementing Partner." This project will be implemented by UNDP in accordance with its financial regulations, rules, practices and procedures.

IX. RISK MANAGEMENT

UNDP (DIM)

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][8] [UNDP funds received pursuant to the Project Document][9] 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. 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.

[8] To be used where UNDP is the Implementing Partner

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

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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 there of;

(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

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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.

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.