

# **Russian Federation-UNDP Trust Fund for Development**

## **Project Annual Narrative and Financial Progress Report**

**(Template approved by the 6<sup>th</sup> meeting of the TFD Steering Committee)**

**12 June 2017**

## Russian Federation-UNDP Trust Fund for Development (TFD)

### Project Annual Narrative and Financial Progress Report

#### Template

Project title:	Integrated Rural Tourism Development
Project ID:	00096517/00100450
Implementing partner:	Ministry of Territorial Administration and Development
Project budget:	Total: 3,000,000 USD TFD: 0.4%
Project start and end date:	September 2016 - December 2019
Period covered in this report:	September 2016 - December 2019
Date of the last Project Board meeting:	December 23, 2016
SDGs supported by the project:	8

## 1. EXECUTIVE SUMMARY

Integrated Rural Tourism development project was officially launched by UNDP Armenia on 7<sup>th</sup> September, 2016. The period of September to December 2016 was used to recruit the staff, set up the office and plan the future activities. A list of projects with detailed time frames and budgets were developed, with the initial budget revised.

The project team has started an inventory of the regions to identify 60 villages with high business potential for tourism development. To ensure that the identification, assessment and prioritization of tourism assets of the villages are conducted with maximum efficiency and minimum bias, it was decided to automate the process to the extent possible, by developing an assessment system for scoring, comparison and filtering of villages, as well as for extracting long and short lists of villages matching any predefined criteria.

Five different groups of segments (Villages, Private sector, Universities and Youth, Diaspora) were identified to involve into the participatory planning process.

To ensure the long-term cooperation, a new concept of private-public voluntary partnership network “Bridge” was developed, involving tour industry partners. Participatory planning with the private sector will guarantee the design and development of sustainable and quick win products and services.

Observations have shown that there is a gap between universities and industries leading to the poor economic development in the regions. To help overcome the gap, universities will be involved into the participatory planning process with the goal to become economic development oriented engines in their local areas. Tourism R&D laboratories will be established to link university and students with the tourism industry, state and international agencies. Laboratories will act as regional local DMO to unite local players, incubate ideas, implement pro-business oriented projects and promote regional tourism development.

UNDP Armenia is planning to involve qualified members of the Russian diaspora living or working in Armenia into participatory planning process for the country tourism development. The network will help to identify resources and develop strategies to increase promotion of high-quality, sustainable products and services that

will meet the needs of Russian tourists. The network will also assist in identifying cultural gaps and plan projects that may help to overcome them.

Two type of capacity building projects have been designed to support increase of income level through diversification of tourism products and services in the community.

“Start Me Up” will support youth and women to partner with the private sector to incubate tourism related sustainable projects. Armenia Innovative Challenge Scheme public-private partnership opportunity, providing co-funding to creative and commercially feasible ideas for implementation of the final marketable rural tourism products.

Management structure of the project was established; respective staff requirements were developed and recruitment started.

Activities were implemented to create awareness about the project and identify field players who will contribute to the project future development.

## **2. RESULTS**

During the period of September 2016 - December 2016 the following activities were performed:

### **COMPONENT 1: Planning of sustainable integrated rural tourism.**

*Objective 1.1. Raise the accessibility and sustainable utilization of tourism assets of the community.*

#### **Activity 1.1: Assessment of local products and services attractiveness for tourism market.**

Inventory should be conducted to identify 60 villages with high business potential for the tourism development. In fact, this inventory will be implemented for the first time in Armenia, and the Government, development partners and private sector appreciate it very much.

To ensure that the identification, assessment and prioritization of tourism assets of the villages are conducted with maximum efficiency and minimum bias, it was decided to automate the process to the extent possible, by developing an assessment system for scoring, comparison and filtering of villages, as well as for extracting long and short lists of villages matching any predefined criteria.

The assessment implies three main steps: a) data collection, b) village scoring, c) village score and information consolidation into a Master Matrix for automated comparison, filtering and shortlisting.

Data collection focused on retrieving tourism potential of villages (including tourism attractions and support services) as well as on documenting their socio-economic characteristics. Teams of subject-matter specialists collected all the data available from secondary sources through semi-structured questionnaires. On the other hand, the information, not available from secondary sources, was collected through direct calls to village administrations and other informed parties. Upon completion of data collection, tourist resources of the villages were scored in terms of security, attractiveness, accessibility and the potential time a tourist could spend there. Each village was scored by two independent specialists, based on a 1–5 scale, where “1” means “Very low” and “5” means “Very high”. To allow comparison and filtering across all villages and resource types, a consolidated Master Matrix was developed. In addition to the scoring data, the Matrix incorporates information collected through Questionnaire 5, to allow filtering villages based on socio-economic characteristics. During the pilot assessment, certain data limitations were identified and corresponding measures taken to minimize possible negative effect.

Inventory of two regions of Armenia (Lori and Tavush) is planned to complete in April 2017.

**Activity 1.2:** *Participatory planning of integrated rural tourism development.*

Five different groups of segments will be involved into the participatory planning process:

1. Villages
2. Private sector
3. Universities and Youth
4. Diaspora

**Villages**

Participatory planning in the villages will be implemented to identify resources and willingness of local communities for tourism development. This stage is planned to be implemented after the long list of the villages is identified and approved by the government (May 2017).

**Private Sector**

Private sector is the main sales channel and driving force in promoting villages and attracting tourists into the destinations. Participatory planning with the private sector will ensure the design and development of sustainable and quick win products and services.

To ensure the long-term cooperation, a new concept of private-public voluntary partnership network “Bridge” was developed.

“Bridge” unites tourism related companies committed to support and advance sustainable rural tourism development in Armenia through multi-stakeholder engagement and collective actions.

The mission of the Network is to enhance natural, cultural and business potential of rural destinations to generate socio-economic benefits for the local communities.

The network aims to:

- Bring together tourism industry players and facilitate country forum to exchange priorities, viewpoints, and experience, excite new ideas and facilitate open dialog among tourism stakeholders;
- Encourage and support its affiliates to develop joint initiatives and implement partnership projects to contribute to the achievement of the mission of the Network.
- Integrate rural and urban business capabilities and foster cooperation between tourism industry players and owners of rural tour products.
- Facilitate effective collaboration between the Network, destination businesses and individuals, to tailor the rural tour products to the specific needs of tourists.
- Contribute to the development of the competitive tour packages, promotion, market access and quality improvement of the rural tour products.
- Act as a mediator for outreach of issues related to the rural tourism development

It is planned to launch the network by the end of April 2017. The target is 30 companies.

**Universities**

Observations have shown that there is a gap between universities and industries leading to the poor economic development in the regions. For example, only 5% of tourism department graduates from one of the regional universities are directly involved with the tourism sector.

Universities tend to focus more on provision of basic theoretical knowledge, which is not enough for the contemporary market needs. Hence, we are facing with the reality where the majority of graduates cannot find corresponding jobs or sell their skills as entrepreneurs, which eventually inhibits economic development in the regions.

To help overcome the gap, we decided to involve universities into the participatory planning process and help them become economic development oriented engines in their local areas.

To be practical, we negotiated a free office space in the Yerevan State University branch of Ijevan (Tavush region) to establish a tourism R&D laboratory. This R&D laboratory will link university and students with the tourism industry, state and international agencies. Laboratory will act as a regional local DMO to unite local players, incubate ideas, implement pro-business oriented projects and promote regional development.

Currently, the concept of R&D laboratory is under development. The pilot may be launched by June 2017.

### **Youth**

UNDP's paid internship framework "Youth Career Trail" will be benchmarked and implemented on the basis of the R&D laboratories in the Universities. "Youth Career Trail" assumes that last year students and newly graduates will be hired by UNDP (100\$ per month) and placed in the leading touristic companies for the knowledge and experience gaining purposes. These interns will be trained to be business oriented, ready to share their knowledge and experience through tourism R&D laboratories and push for regional tourism development.

### **Diaspora**

UNDP Armenia is planning to initiate a voluntary network -"Armenia through my eyes" (Армения моими глазами) to involve qualified members of the Russian diaspora living or working in Armenia into participatory planning process of the country tourism development.

"Armenia through my eyes" will help to identify resources and develop strategies to increase promotion of high-quality, sustainable products and services that will meet the needs of Russian tourists. The network will also help to identify cultural gaps and plan projects that may help to overcome them.

UNDP will provide premises and administrative assistance in organizing regular monthly informal working group meetings. The future development of the network will depend on the members' decision. The launch is planned in 2017.

## **COMPONENT 2: Increase income level through diversification of tourism products and services in the community.**

*Objective 2.1. Support the community to thrive as a tourism destination by diversification of services and developing high quality products.*

### **Activity 2.1. Capacity building for tourism startups.**

"Start Me Up" is a new initiative of UNDP Armenia. "Start Me Up" is a financial aid project to support youth and women to partner with the private sector to incubate tourism related sustainable projects. UNDP Armenia

will grant financial resources or required equipment to the pro-business oriented sustainable initiatives which will have a high impact on the regional tourism development. The graduates of “Youth Career Trail” may be the primary beneficiaries of the project. R&D or regional DMO may be supported through “Start Me Up” with the term of profit “sharing” to fund the development of other R&Ds or regional DMOs.

Armenia Innovative Challenge Scheme Projects is a new initiative of UNDP Armenia.

Innovation Challenge Scheme is a public-private partnership opportunity, providing co-funding to creative and commercially feasible ideas and the implementation of the final marketable rural tourism products

Innovation Challenge Scheme will support rural tourism infrastructure and tour product development projects in the villages of Armenia selected by UNDP “Integrated Rural Tourism Development” Project (in 2017 only in Tavush and Lori regions), which will create sustainable income-generation and new job opportunities in the rural areas of Armenia.

What are the eligibility criteria?

- Applicant must be a business unit legally registered in Armenia (LLC, sole entrepreneur, etc).
- Individuals are not eligible. Program is open to private companies only.
- Be financially stable, have established management and operations systems and sufficient resources to successfully execute the project.

What is the funding scheme?

UNDP Integrated Rural Tourism Development Project will cover 60% (not to exceed USD 20,000) of the total Project budget. The Applicant from its own funds and/or from other sources will secure co-financing at 40%. Acceptable co-financing includes company’s own investment, private investors, loan financing and/or other private sector cash contributions. The total amount of UNDP funding cannot be increased during the Project.

**Activity 2.2.** *Facilitate access of local tourism startups to seed funding.*

**Beneficiaries and type of assistance will be identified after the inventory**

**Activity 2.3.** *Rehabilitation of community infrastructure.*

**Projects will be identified after the inventory**

### **COMPONENT 3: Destination Management**

*Objective 3.1. Ensure the sustainability of the rural tourism through establishing basic destination management mechanisms.*

*Objective 3.2. Shape the identity of the community as a destination of rural tourism and market it locally and internationally.*

Different models for DMO development are under consideration. Project team is working with other state and donor organizations to find the best solution for implementation.

### **3. PROJECT RISKS**

*Project team has divided the inventory conduct into two stages:*

<b>Stage</b>	<b>Number of Regions</b>	<b>Deadline</b>
<i>Stage 1</i>	<i>2 (around 200 villages)</i>	<i>April 30, 2017</i>
<i>Stage 2</i>	<i>8 (around 700 villages)</i>	<i>August 31, 2017</i>

There is a risk of not meeting internally developed deadlines due to:

- inventory methodology and grading system peculiarities
- big amount of data to be collected

To mitigate the risk:

- the team will finalize the methodology and the grading system after the inventory of the first region is complete
- a poll of experts will be enlarged to involve more people, if needed

## **4. LESSONS LEARNT**

### *Lesson 1*

*Project team has done an extensive analytical research to identify the best methodology for inventory. A big amount of international literature and practical cases were explored, face to face meetings with local universities, organizations as well as international agencies conducted.*

*Lesson is that there are methodologies to benchmark, but none of them could be a single solution to base our decision for the villages' selection. Thus, the verdict was to combine several existing methodologies and develop our own. As a result, team decided to conduct a desk based research and check the potential of the villages against the five main groups: nature, human made, human living activities, tourism services and village current condition. A very detailed questionnaire for each of the group was developed. After information collection, experts according to the following factors assess each group; safety, attractiveness, access, short term and long term potential usage. The maximum score for each of the factor is 5, the maximum score that group can reach is 25, so based on the results of 5 groups the maxim score that the village can get is 125. These grades will be entered into the special database, which later will be used as analytical tool in selected any type of the village that we would like to work with.*

*This database will be passed to the Government of Armenia and become a very important inventory source for the rural tourism development.*

### *Lesson 2*

*At the end of the year 2016, the Government of Armenia has started the community enlargement process, which assumed that several villages would be joined under one community. To not create misunderstandings with the word "community", the Project Implementing Partner Ministry of Territorial Administration and Development of RA proposed to assume the community word in the project doc as a village.*

### *Lesson 3*

*During the meetings with the regional universities, the project team learned that there are tourism services teaching faculty in the university in the regions, but the capacity of graduates involved in the regional tourism development is very low to none. For that purpose, it was decided to create special youth oriented projects and teach/empower them to get involved into the tourism industry.*

#### Lesson 4

*During the process of familiarization with the industry players, lesson learned is that there are several international organizations involved in the tourism development in Armenia. During the meetings with them, it was revealed that due to the nature of their projects and donor requirements most of them are involved in the soft component development. To avoid replications, it was agreed with those projects that in case agencies enter into the same geographical area, the soft part could be covered by the partners. In return, UNDP can cover the hard part of joint projects.*

## **5. FUTURE PLANS**

<b>Project</b>	<b>Start</b>	<b>End</b>	<b>Quantity</b>
<i>Inventory</i>	<i>January 2017</i>	<i>August 2017</i>	<i>More than 900 villages</i>
<i>Pro-business oriented projects in the villages</i>	<i>April 2017</i>		<i>10 in 2 regions</i>
<i>Bridge Network</i>	<i>April 2017</i>	<i>Till the end of project</i>	<i>Min 30 companies involved</i>
<i>Армения моими глазами Armenia through my eyes</i>	<i>March, April 2017</i>		<i>Min 20 people involved</i>
<i>Research and Development Laboratories</i>	<i>March, April 2017</i>		<i>2 in 2 regions</i>
<i>Youth Career Trail</i>	<i>March, April 2017</i>		<i>20 youths in 2 regions</i>
<i>Start Me Up</i>	<i>August 2017</i>		<i>2 project in 2 regions</i>
<i>Armenia Innovative Challenge Scheme Projects</i>	<i>August 2017</i>		<i>2 project in 2 regions</i>

## **6. PARTNERSHIPS**

*UNDP Armenia initiated activities of Active Tourism Stakeholders (ATS) network. ATS is a country tourism development network of state and public organizations united for effective development. ATS meets regularly once a month to coordinate activities, update, synergize and collaborate on partnership projects.*

*Currently, there are 8 members in the network: UNDP, State Committee of Tourism, World Bank, USAID, GIZ, World Vision, Idea Foundation, Center for Strategic Initiatives. It is planned to expand the network and involve other interested parties in 2017. During the period of October-December three meetings were organized.*

## **7. PARTNERSHIP WITH THE RUSSIAN FEDERATION**

*The following institutions were contacted for the future cooperation:*



- *Armenian Institute of Tourism-the Branch of Russian International Academy of Tourism,*
- *Institute of Economics and Business at the Russian-Armenian University*

*Yelena Shuvaeva, a chief editor of Armenia Travel magazine, member of Writers Union of the Russian Federation was contacted to join the project team as Promotion Task Leader.*

### **Synergy with Tavush development project**

*It was decided to start the inventory of the regions from Tavush to search for possible cooperation synergies with another UNDP Project “Integrated Support to Rural Development: Building Resilient Communities” funded by the Russian Federation.*

## **8. COMMUNICATION AND VISIBILITY**

<http://www.am.undp.org/content/armenia/en/home/presscenter/pressreleases/2016/09/07/undp-to-develop-the-untapped-rural-tourism-potential-in-60-communities-of-armenia.html>

<http://www.aysor.am/am/news/2016/09/07/%D5%A4%D5%A5%D5%BD%D5%BA%D5%A1%D5%B6/1133923>

<http://www.tourism-review.com/rural-tourism-in-armenia-developing-news5119>

<http://www.mtad.am/hy/news/item/2016/09/07/mtad79/>

<http://www.yerkir.am/news/view/112700.html>

<http://yerkirmedia.am/social/gyughakan-turizm/>

<http://www.panarmenian.net/arm/photoset/9712/94181>

<http://www.kentron.tv/index.php/am/news/item/11092-2016-09-07-13-30-58.html>

<https://armeniasputnik.am/armenia/20160907/4830324/turizm-rusastan-mak-gyux.html>

<http://hetq.am/arm/news/70538/hayastani-60-hamaynqmerum-meknarkel-egyuxakan-turizmi-integrats-zargacum-tsragiry.html>

## **9. FINANCIAL MANAGEMENT**

<i>OUTPUT</i>	<i>Budgeted for the reported year</i>	<i>Delivered for the reported year</i>	<i>Delivery rate for the reported year (%)</i>	<i>Budgeted* for the entire project</i>	<i>Delivered since the project start</i>
<i>Output 1</i> <i>Planning of sustainable integrate rural tourism</i>	64,800.00	166.56	0%	426,600	0%
<i>Output 2</i> <i>Increased income through diversification of tourism products</i>	75,600.00	0	0%	1,372,440	0%

<i>and services in the community</i>					
<i>Output 3 Sustainable Destination Management</i>	<i>43,200.00</i>	<i>0</i>	<i>0%</i>	<i>591,840</i>	<i>0%</i>
<i>Project Implementation Costs</i>	<i>124,200.00</i>	<i>11,806.47</i>	<i>10%</i>	<i>609,120</i>	<i>2%</i>
<b>TOTAL:</b>	<b>307,800.00</b>	<b>11,973.03</b>	<b>4%</b>	<b>3,000,000</b>	<b>0,4%</b>

*In addition to the budget summary table please attach a Combined Delivery Report as an annex.*

\*the budget was revised. Revised budget presented below.

## **Budget Revision**

*Total budget of the project has been revised since:*

- *The project has started late than was planned and the budget of year 2016 was re-allocated to the project implementing years.*
- *The detailed timeframe for projects implementation was designed and respective corrections in the budget needed.*
- *After thoroughly studying other players' projects and budgets, it was decided to increase the hard investment component to strengthen the competitive advantage of our project in the field.*

	<i>Initial Budget</i>	<i>Revised</i>	<i>Revision in %</i>	<i>Revision in absolute fig</i>
<i>Component 1</i>	<i>426,600</i>	<i>310,499</i>	<i>-27%</i>	<i>(116,101.00)</i>
<i>Component 2</i>	<i>1,372,440</i>	<i>1,895,892</i>	<i>38%</i>	<i>523,452.00</i>
<i>Component 3</i>	<i>591,840</i>	<i>385,776</i>	<i>-35%</i>	<i>(206,064.00)</i>
<i>Office Support</i>	<i>609,120</i>	<i>407,833</i>	<i>-33%</i>	<i>(201,287.00)</i>

Submitted by Arman Valesyan

Economist/Project Coordinator

UNDP Integrated Rural Tourism Development Project

Date 13<sup>th</sup> of June, 2017

*Recommended length of the report – up to 15 pages (exclusive of the annexes).*

## 10. ANNEXES

### 10.1 Project performance data

EXPECTED OUTPUTS	OUTPUT INDICATORS	DATA SOURCE	BASELINE		VALUE FOR THE PREVIOUS YEAR IF DIFFERENT FROM BASELINE	TARGET FOR THE REPORTED YEAR	ACTUAL VALUE FOR THE REPORTED YEAR
			Value	Year			
<b>Output 1</b> Planning of sustainable integrate rural tourism	1.1 Number of Integrated rural tourism development plans.	<i>Project Progress Report</i>	0	2016		10	0
<b>Output 2</b> Increased income through diversification of tourism products and services in the community	2.1 Number of training courses	<i>Project Progress Report</i>	0	2016		30	0
	2.2 Number of people trained					150	0
	2.3 Number of new enterprises established					20	0
	2.4 Number of new job opportunities					100	0
	2.5 Income increase					20	0
	2.6. Rehabilitated community infrastructure					5	0
<b>Output 3</b> Sustainable Destination Management	3.1 Number of local committees on sustainable destination management established	<i>Project Progress Report</i>	0	2016		10	0
	3.2 Number of local authorities and stakeholders trained					100	0
	3.3 Number of online information sources about the destination					0	0
	3.4 Number of feature articles in guidebooks					0	0
	Number of trainings for the local enterprises to promote their services and goods thought ICT.					20	0

## 10.2 Combined Delivery Report for the reported year.



UN Development Programme  
Report ID: unglcdrv

### Combined Delivery Report by Activity

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#### Selection Criteria :

Business Unit : ARM10  
Period : Jan-Dec (2016)  
Selected Project Id : 00096517  
Selected Fund Code : ALL  
Selected Dept. IDs : ALL  
Selected Outputs : 00100450

Project Id : 00096517 Integrated Rural Tourism Devel	Period : Jan-Dec (2016)
Output # : 00100450 Integrated Rural Tourism Devel	Impl. Partner: 00139 Ministry of Territorial Admi
	Location: ARMENIA

	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
<b>Activity : ACTIVITY 1 (Planning of rural tourism)</b>				
<b>Fund : 49639 (Russia-UNDP TF for Develop_Chld)</b>				
74599 - UNDP cost recovery chrgs-Bills	0.00	154.22	0.00	154.22
75105 - Facilities & Admin - Implement	0.00	12.34	0.00	12.34
<b>Total for Fund 49639</b>	<b>0.00</b>	<b>166.56</b>	<b>0.00</b>	<b>166.56</b>
<b>Total for Activity ACTIVITY 1</b>	<b>0.00</b>	<b>166.56</b>	<b>0.00</b>	<b>166.56</b>
<b>Activity : ACTIVITY 4 (Project implementation/monitor)</b>				
<b>Fund : 49639 (Russia-UNDP TF for Develop_Chld)</b>				
71405 - Service Contracts-Individuals	0.00	7,493.49	0.00	7,493.49
71410 - MAIP Premium SC	0.00	16.86	0.00	16.86
71415 - Contribution to Security SC	0.00	286.59	0.00	286.59
71620 - Daily Subsistence Allow-Local	0.00	103.04	0.00	103.04
72405 - Acquisition of Communic Equip	0.00	235.00	0.00	235.00
72420 - Land Telephone Charges	0.00	1.70	0.00	1.70
72425 - Mobile Telephone Charges	0.00	13.27	0.00	13.27
72505 - Stationery & other Office Supp	0.00	669.02	0.00	669.02
73105 - Rent	0.00	1,062.10	0.00	1,062.10
74210 - Printing and Publications	0.00	209.37	0.00	209.37
74505 - Insurance	0.00	105.57	0.00	105.57
74599 - UNDP cost recovery chrgs-Bills	0.00	672.12	0.00	672.12
75105 - Facilities & Admin - Implement	0.00	874.67	0.00	874.67
75705 - Learning costs	0.00	65.22	0.00	65.22
76135 - Realized Gain	0.00	- 1.55	0.00	- 1.55
<b>Total for Fund 49639</b>	<b>0.00</b>	<b>11,806.47</b>	<b>0.00</b>	<b>11,806.47</b>
<b>Total for Activity ACTIVITY 4</b>	<b>0.00</b>	<b>11,806.47</b>	<b>0.00</b>	<b>11,806.47</b>
<b>Total for Output : 00100450</b>	<b>0.00</b>	<b>11,973.03</b>	<b>0.00</b>	<b>11,973.03</b>



Project Id : 00096517 Integrated Rural Tourism Devel	Period :	Jan-Dec (2016)		
Output # : 00100450 Integrated Rural Tourism Devel	Impl. Partner :	00139 Ministry of Territorial Admi		
	Location :	ARMENIA		
	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
Project Total:	0.00	11,973.03	0.00	11,973.03

Signed By : Vache Terteryan, First Deputy Minister of MIM Date: 10.02.17  
Signed By : Bradley Buxetto, UNDP RR Date: 10.02.17



### 10.3 Media coverage report with links to main publications

- Գյուղական տուրիզմ. բացի գյուղատնտեսությունից, գյուղական համայնքները եկամտի այլ աղբյուր կունենան  
<http://www.yerkir.am/news/view/112700.html>
- 2. «Այսօր մեր խնդիրն է հստակեցնել, թե մեր ինստիտուտներից յուրաքանչյուրն ինչպես պետք է աջակցի այս ներուժի իրացմանը: Համակողմանի մոտեցում պետք է ցուցաբերել համայնքներում գյուղական տուրիզմի զարգացման գործում՝ հաշվի առնելով տուրիզմի զարգացման սոցիալական, այլ թվում կանանց եւ տղամարդկանց հավասարության, տնտեսական, բնապահպանական եւ մշակութային բաղադրիչները», - նշում է ՀՀ-ում ՄԱԿ-ի մշտական ներկայացուցիչ Բրեդլի Բուզետտոն:  
<http://yerkirmedia.am/social/gyughakan-turizm/>
- Launch of the Project on Integrated Rural Tourism Development in Armenia – photo coverage by PAN Photo  
<http://www.panarmenian.net/arm/photoset/9712/94181>
- Հայաստանի 60 համայնք կօգտվի գյուղական տուրիզմի զարգացման աջակցությունից  
Առաջիկա 3 տարվա ընթացքում Հայաստանի 60 համայնք կօգտվի երկրում գյուղական տուրիզմի զարգացմանն ուղղված ՄԱԿ-ի Զարգացման Ծրագրի տրամադրած աջակցությունից, ինչի հետևանքով, ըստ ծրագրի պատասխանատուների՝ Հայաստանում կնվազի գյուղական աղքատության մակարդակը: Այսօր Հայաստանի տարածքային կառավարման և զարգացման նախարար Դավիթ Լոքյանը, Հայաստանում ՄԱԿ-ի մշտական համակարգող, ՄԱԿ-ի Զարգացման Ծրագրի մշտական ներկայացուցիչ Բրեդլի Բուզետտոն և Ռուսաստանի արտգործնախարարության Միջազգային կազմակերպությունների դեպարտամենտի փոխտնօրեն Դմիտրի Մաքսիմիչևը Երևանում տվել են Գյուղական տուրիզմի ինտեգրված զարգացում ծրագրի մեկնարկը: Ծրագրի բյուջեն 3 միլիոն դոլար է:  
<http://www.kentron.tv/index.php/am/news/item/11092-2016-09-07-13-30-58.html>
- **Տուրիզմը կհաղթահարի հայաստանյան գյուղերի աղքատությունը**  
«Հավատացած ենք, որ գյուղական համայնքային մակարդակով տուրիզմի զարգացումը շուկա է, որը դեռ զարգացած չէ, և, եթե զարգանա, կխթանի նաև ընդհանուր տնտեսության զարգացումը երկրի ողջ տարածքում», - այսօր ՄԱԿ-ի Հայաստանյան գրասենյակում ծրագրի ներկայացման ժամանակ հայտարարեց ՄԱԶԾ մշտական ներկայացուցիչ Բրեդլի Բուզետտոն՝ հավելելով, որ ծրագրի նպատակների իրագործման գրավականը կառավարության ու ծրագրում ներգրավված արտասահմանյան գործընկերների ակտիվ համագործակցված աշխատանքն է:  
<https://armeniasputnik.am/armenia/20160907/4830324/turizm-rusastan-mak-gyux.html>

- **Հայաստանի 60 համայնքներում մեկնարկել է «Գյուղական տուրիզմի ինտեգրված զարգացում» ծրագիրը**  
 «Այսօր մենք սկսում ենք Հայաստանի գյուղական վայրերի համար մի շատ կարևոր ծրագիր, որը լուրջ հեռանկար ունի Հայաստանում: Գյուղական բնակավայրեր, համայնքներ, շատ տարածքներ տարիներով, որպես հիմնական գործունեության ուղղություն և եկամտի աղբյուր են ունեցել միայն գյուղատնտեսությունը, ինչը չի կարող լինել բավարար , չի կարող ապահովել տվյալ բնակչության զարգացման, նորմալ ապրելակերպի հնարավորությունը: Այսօր այս ծրագիրը գալիս է լրացնելու ՀՀ շուրջ 60 գյուղական համայնքների կարողությունները, և կդառնա լրացուցիչ եկամուտ տվյալ բնակիչների համար, գյուղական շրջանները կդառնան տվյալ տարածքի բնակչության կողմից արտադրված սննդամթերքի սպառման և այլ ծառայությունների մատուցման վայր: ՀՀ գյուղական վայրերի մի մեծ հատված օժտված է տուրիզմի բնագավառի լուրջ հնարավորություններով, որոնք դեռևս բացահայտված չեն: Եվ այն հնարավորությունը, որ կարող է այս ծրագիրը ստեղծել, շատ մեծ հեռանկար ունի», - իր խոսքում նշել է նախարար Դավիթ Լոքյանը:  
<http://hetq.am/arm/news/70538/hayastani-60-hamaynqmerum-meknarkel-egyuxakan-turizmi-integrats-zargacum-tsragiry.html>
- **ՀՀ-ում գյուղական տուրիզմի ծրագրի հարցում Իրանը լուրջ ներուժ կարող է ունենալ. Իրանի դեսպան**  
 Հանդիպման ընթացքում կարևորվել է զբոսաշրջության ոլորտում, մասնավորապես, գյուղական տուրիզմի ոլորտում համագործակցության ծավալման հնարավորությունը, որպես օրինակ նշելով ՌԴ կառավարության կողմից ֆինանսավորվող և ՄԱԿ-ի զարգացման ծրագրի, ՀՀ տարածքային կառավարման և զարգացման նախարարության հետ համատեղ իրականացվող «Գյուղական տուրիզմի ինտեգրված զարգացում» ծրագրի մոդելը: Դ. Լոքյանը վստահություն է հայտնել, որ այս ձևաչափով համագործակցությունը հաջողված կլինի նաև Իրանի Իսլամական Հանրապետության հետ:  
<http://www.aysor.am/am/news/2016/09/07/%D5%A4%D5%A5%D5%BD%D5%BA%D5%A1%D5%B6/1133923>
- **Armenia: Rural Tourism to receive investments**  
 In an effort to resolve the issue, the UN Nations Development Programme took the initiative to implement the project in Armenia. The aim is to develop rural tourism in the country. Its authors hope that within three years, towards the end of the project, poverty will be reduced significantly in sixty Armenian villages. Other than that, tourism should be also boosted.  
 “We believe that rural tourism is the market, whose development will promote the economic development throughout the country,” said the permanent representative of the UN Development Programme, Bradley Buzetto, during the presentation of the project in the UN Office in Yerevan.  
<http://www.tourism-review.com/rural-tourism-in-armenia-developing-news5119>

- **UNDP to develop the untapped rural tourism potential in 60 communities of Armenia**  
Yerevan, 7 September 2016 – Over the next three years 60 communities in Armenia will benefit from UNDP’s intervention to support rural tourism in the country, which will ultimately reduce the level of rural poverty and promote community based tourism and rural development. The “Integrated Rural Tourism Development” project is financed by the Government of the Russian Federation and implemented by UNDP in Armenia, in close partnership with the RA Ministry of Territorial Administration and Development. The project budget is USD 3 million.  
<http://www.am.undp.org/content/armenia/en/home/presscenter/pressreleases/2016/09/07/undp-to-develop-the-untapped-rural-tourism-potential-in-60-communities-of-armenia.html>
- **Ստորագրվել է համաձայնագիր ՀՀ տարածքային կառավարման և զարգացման նախարարության և ՄԱԿ-ի զարգացման ծրագրի միջև**  
<http://www.mtad.am/hy/news/item/2016/09/07/mtad79/>



## 10.4 - ... Any other annexes

### AWP Budget Revision

**UNITED NATIONS DEVELOPMENT PROGRAMME  
GOVERNMENT OF ARMENIA  
AWP Budget Revision**

**Armenia - Yerevan**

Project IDs: 00096517  
Output IDs: 00100450

Project Titles: Integrated Rural Tourism Development  
Implementing Partner: MTAD  
Responsible Parties: UNDP

Start Year: 2016  
End Year: 2019

Budget (US\$)					
Year	Donor	Fund	Present Revision	Last Revision	Difference
2016	RUS	49639	11,973.03	307,800.00	(295,826.97)
2017	RUS	49639	707,713.97	687,960.00	19,753.97
2018	RUS	49639	1,384,628.00	855,360.00	529,268.00
2019	RUS	49639	895,685.00	1,148,880.00	(253,195.00)
<b>Total Budget</b>			<b>3,000,000.00</b>	<b>3,000,000.00</b>	<b>(0.00)</b>
<b>Total Award</b>			<b>3,000,000.00</b>	<b>3,000,000.00</b>	<b>(0.00)</b>

Last Revision Type and Code: Initial A  
Present Revision Type and Code: General Revision B (CP Outcome 1)

**Brief Description:**

The AWP General Budget Revision B has been processed to:

- adjust funds in accordance with the factual expenses of 2016
- reallocate the residual amount of 295,826.97 USD from 2016 into the Year 2017,2018,2019 Budgets

Deviation of expenses up to 15% is allowed between project activity budget amounts.

**Agreed by:**

**Implementing Partner:**

Vache Terteryan  
First Deputy Minister of  
Territorial Administration and Development

  
signature

9.06.17  
date

**UNDP:**

Bradley Busetto  
UNDP Resident Representative  
UN Resident Coordinator

  
signature

9.06.17  
date

## Steering Committee Meeting



Empowered lives.  
Resilient nations.

### Minutes of Project Steering Committee Meeting

#### " Integrated Rural Tourism Development " Project

**Date, time:** 23 December, 2016; 16:00 – 16:30

**Venue:** 14 Petros Adamyan Str., UN House

#### Agenda

Time	Topics of discussion	Reporter
16:00-16:15	Status of the Project	<i>Arman Valesyan, Economist/ Project Manager</i>
16:15-16:30	Q&A	

#### List of Participants

	NAME	POSITION	INSTITUTION
1	Vache Terteryan	First Deputy Minister	Ministry of Territorial Administration and Development of RA
2	Bradley Busetto	UN RC/UNDP RR	United Nations
4	Rudolph Poghosyan	Senior Specialist/Expert	The Trade Representation of the Russian Federation to Armenia
5	Armen Martirosyan	Portfolio Manager, Sustainable Growth and Resilience Portfolio	UNDP
7	Anna Gyurjyan	Associate, Sustainable Growth and Resilience Portfolio	UNDP
8	Arman Valesyan	Economist/Project Coordinator Integrated Rural Tourism Development Project	UNDP
9	Ruzanna Hayrapetyan	Project Assistant, Integrated Rural Tourism Development Project	UNDP

Opening and welcome remarks were delivered by: Mr. Vache Terteryan, First Deputy Minister of Territorial Administration and Emergency Situations of the RA, Mr. Bradley Busetto, UN Resident Coordinator, UNDP Resident Representative in Armenia and the Representative of the Russian Federation to Armenia, Rudolph Poghosyan.

The presentation of the project current status and the project Action Plan with details for 2017 were presented by the Economist/Project Coordinator, Arman Valesyan.

Mr. Valesyan, presented Project Components with respectively designed projects and detailed budget lines.

The Project's *Component 1* is targeted to:

- *Country Network*, the purpose of which is to invite private companies from tourism sector, supporting UNDP's initiative, to insure from bottom to top approach in designing and developing pro-business oriented long lasting sustainable rural tourism projects. The functions of the Network will be (a) to assess the rural destination's pro-business potential based on demand; (b) to propose development of demand based products and services; (c) support in promoting and selling locally and internationally; (d) to promote an entrepreneurial spirit and capacity building in the countryside.
- *Inventory of Communities*, the purpose of which is to conduct an inventory of touristic resources in all the marzes of the Republic of Armenia to assess and identify the list of 60 communities with the highest potential for pro-business oriented interventions. It is planned to accomplish the inventory of two Marzes: Lori and Tavush by the end of March 2017 and other 8 Marzes by the end of July 2017.

Under the Project *Component 2* is envisioned to:

- Create opportunities for the youth to get experience in Yerevan based companies under the *Youth Career Trail* project. The project to be started from March 2017.
- Support youth to partner with the private sector to incubate tourism related sustainable projects under *Start Me Up* project. The project is planned to launch from July 2017.
- Involve academia into the research and development of the tourism sector in their respective marzes by establishing *Research and Development Centres* to be started from March 2017.
- Involve private sector into the partnership projects aiming to solve the challenges mutually to deliver pro-business solutions for the communities under Armenia Innovative Challenge Scheme projects from March 2017.
- Design and develop two types of touristic products based on the selected community resources: extended tours and branded tours under *Pro-Business Oriented Intervention projects* from April 2017.

Under the Project *Component 3* is envisioned to start drafting the concept of DMOs, its functioning possibilities and the format of the establishment.

Mr. Valesyan also specified that the initial budget was revised according to the new timeframe and projects, where the hard investment proportion had been increased.

The presentation was followed by a discussion:

1. Mr. Terteryan highlighted the importance of Rural Tourism Development for Armenia and asked to keep the project action timeline. In addition, he emphasized the significance of the tourism inventory stage as the baseline for selecting the 60 rural areas. In particular he stressed that the selection should be for villages and not for communities as due to the communities' enlargement process, the communities may involve more than 2 villages. This was agreed by all participants of the meeting.
2. The Committee approved and authorized the Project Action Plan and the revised Budget for 2017. Mr. Terteryan liked the idea of increasing the project's hard

investment part in the budget, but asked to not weaken the importance of the soft part, which is crucial for the rural development.

Mr. Valesyan responded that the budget was revised due to the facts that:

- 1) Project started late and the budget for the year 2016 had to be relocated
- 2) Projects detalization freed amounts and the preference was given to strengthening the touchable assets investment part. This is the main differentiator and the strongest side of the project compared to other developing initiatives.
- 3) Initial agreements for cooperation, co-financing of the soft initiatives were made with other developing agencies involved mainly into the soft development. In response to the comment, Mr. Valesyan assured that the soft part is very important for UNDP as well and all efforts will be made to fully implement the planned.

At the end, the representative of the Russian Federation, Mr. Poghosyan, emphasized that in many countries the tourism sector is playing a crucial role in socio-economic development and the Russian Federation will continue supporting Armenia in developing this endeavor.

On behalf of the United Nations Development Program (UNDP)

Signature 

Mr. Bradley Busetto,  
UN Resident Coordinator/UNDP RR

Date...03/03/2017

On behalf of the Ministry of Territorial Administration and Development of RA (RA MTAD)

Signature 

Mr. Vache Terteryan,  
First Deputy Minister

Date...04/02/2017

On behalf of Russian Federation to Armenia (RF)

Signature 

Mr. Rudolf Poghosyan,  
Senior Specialist/Expert  
The Trade Representation of the Russian Federation to Armenia

Date...03/03/2017