

**PROJECT DOCUMENT****Country: Armenia****Project Title:** Unleashing Employment and Income Generating Opportunities for the Youth in the Regions of Armenia**Project Number:** 00135110/00126473**Implementing Partner:** Ministry of Education, Science, Culture and Sports**Start Date:** April 1, 2022**End Date:** March 31, 2025**PAC Meeting date:** January 12, 2022**Brief Description**

Armenia is going through one of the most turbulent periods of its contemporary history. The onset of the COVID-19 and the recent escalation of the conflict in and around Nagorno Karabakh have resulted in major socioeconomic shock and political crisis, which have impacted all the layers of the society shattering the social contract, causing big divides and deepening vulnerabilities. In this time of uncertainty and double crisis, the youth are one of the most vulnerable groups, who despite their increasing sociopolitical role, remain poorly equipped to withstand the modern challenges mainly due to the lack of economic opportunities, insufficient quality of education, social and economic exclusion. The recent hostilities in and around Nagorno Karabakh added new dimensions to the vulnerability profile of the youth in Armenia, leaving hundreds of young people all over the country with physical and psychological trauma and vague prospects.

All these factors are compounding the decades-long issues of youth unemployment, emigration, especially from rural and remote areas, and demographic decline, leaving a "scarring effect" with long-term impacts on the human capital of the country.

In response to the 3rd Call for Proposals: Youth Window of the Russia-UNDP Trust Fund and in strong alignment with the national demand, the Project aims at supporting the fulfilment of the youth's potential and wellbeing in the regions of Armenia through youth economic empowerment, including improved education opportunities, facilitated labour market transition and fostered entrepreneurship, and sets out to achieve the following objectives:



1. Increase the employability of the youth in vocational education and training by addressing the mismatch of the labour market demand and supply sides.
2. Facilitate transition to work for the youth in the target regions
3. Support economic empowerment of young people in the target regions, especially in rural and remote areas.

Throughout its implementation the Project plans to reach out to around 18,000 young population in the target regions of Syunik, Gegharkunik, Vayots Dzor and Kotayk.

Contributing Outcome (UNSDCF, CPD, RPD):  
UNSDCF Outcome 4/CPD 2021-2025 Outcome 1: People, communities and regions benefit from equitable economic opportunities, decent work and sustainable livelihoods, enabled through competitiveness and inclusive green growth.  
Output 1.3 Competitive labour force developed through promotion of innovative practices of skills building and human capital development with focus on youth  
Gender Marker: GEN2 (Gender equality as a significant objective)  
SDGs 4.3, 4.4, 5, 8.6

<b>Total resources required:</b>	USD 2,000,000	
<b>Total resources allocated:</b>	<b>RTF:</b>	USD 2,000,000
	<b>Parallel Co-financing:</b>	
	<b>Government:</b>	USD 205,000
	<b>Private:</b>	USD 30,000

**Agreed by (signatures):**

<b>Ministry of Education, Science, Culture and Sports</b>	<b>UNDP</b>
 Print Name: Vahram Dumanyan Minister	 Print Name: Natia Natsvlisvili Resident Representative
Date: 25.03.2022	Date: 19.03.22

## I. DEVELOPMENT CHALLENGE

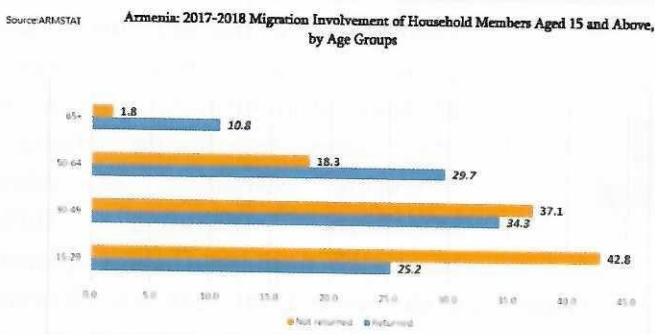
### Overview

Armenia is going through one of the most turbulent periods of its contemporary history. The onset of the COVID-19 and the recent escalation of the conflict in and around Nagorno Karabakh have resulted in major socioeconomic shock and political crisis, which have impacted all the layers of the society shattering the social contract, causing big divides and deepening vulnerabilities. In this time of uncertainty and double crisis, the youth are one of the most vulnerable groups, who despite their increasing sociopolitical role, remain poorly equipped to withstand the modern challenges mainly due to the lack of economic opportunities, insufficient quality of education, social and economic exclusion. The recent hostilities in Nagorno Karabakh added new dimensions to the vulnerability profile of the youth in Armenia, leaving hundreds of young people all over the country with physical and psychological trauma and vague prospects. All these factors are compounding the decades-long issues of youth unemployment, emigration, especially from rural and remote areas, and demographic decline, leaving a “scarring effect” with long-term impacts on the human capital of the country.

### Demographic trends

Armenia is facing population decline since the country gained independence as a result of long-term demographic trends, including low fertility rate and high emigration. As a result of decreasing rates of natural population growth, **the number of young people in Armenia is declining, while the number of the elderly is on the rise. This trend is going to seriously challenge the young population of the country putting a big social burden on their shoulders, which means better labour market inclusion of the youth and their increased productivity in the changing labour market should be targeted stronger than ever as a coping strategy in the aging society.**

### Youth migration



Although the 35-55-year-old are still the dominant age group among seasonal labour migrants and long-term migrants, emigrating population in Armenia is becoming younger. Moreover, the number of emigrants who do not return is the highest in the age group 15-29. Russian Federation remains the main destination for the young labour migrants and accepts 87.8% of the migrants who return and 90% of the migrants who do not return to

their permanent place of residence (ARMSTAT 2020). The male population constitutes the majority of emigrants, while the number of women prevails in immigration. Almost two-thirds of emigrants mention work as the main reason for recent migration (IOM 2018). Emigration is especially high from the rural communities, which depletes the human capital in rural settlements, corrodes the critical mass of young population capable to drive progress, innovation, and development. This trend eventually creates a chain reaction of rising emigration pushing the rural areas into the misery of abandonment and deep poverty. Consequently, the high rates of migration have turned remittances into an important factor in the national economy and constitute the biggest share in the income structure of thousands countrywide. About 80% of remittances is received from Russia (IOM 2018). The travel restrictions imposed by the COVID-19 have drained the remittance flows to



the country impacting the livelihood of households especially in the rural areas and exacerbating the vulnerabilities of already disadvantaged youth.

Surveys among the youth show that they would prefer staying in their communities, if they had better opportunities for self-fulfilment, employment, and quality education.

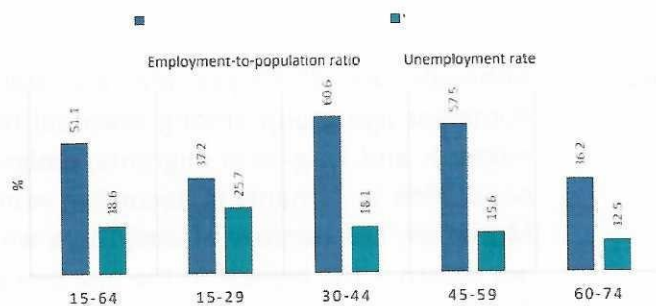
### Youth in Education

The number of students in higher education, as well as vocational education and training (VET) has been decreasing during the recent years, especially in rural areas. **This trend may signal an issue for the future of skills for employment and human capital and is strongly interlinked with higher outmigration, especially from rural areas, where economy is unable to provide adequate jobs and economic perspectives to households and the younger generation. As a result, the number of the youth not in education, employment or training (NEET) is rising.**

The education, particularly vocational education, and training (VET) remains a chronically underfinanced sector in Armenia, which directly impacts its quality and correspondence to the labour market demand causing **increasing numbers of overqualified and underqualified workforce in the labour market.** Meanwhile **the COVID-19 continues impacting the quality of education on all levels and may deteriorate Armenia’s human capital on the long run.**

***Increasing the number of youths in VET with low-cost and work-oriented training opportunities and harmonizing the supply and demand sides of the labour market through targeted interventions in VET system are one of the top priorities of the current education reform agenda of the Government.***

### Youth Labor Market Participation



While the youth is considered the most dynamic, innovative and valuable part of the workforce, their transition to work remains challenging in Armenia. On top of the above-mentioned factors hindering education to work transition, including skills mismatch and insufficient quality

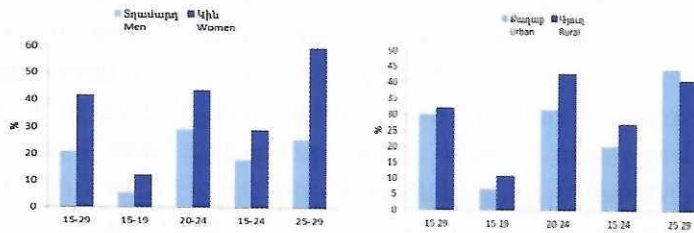
of education, young people are inexperienced in navigating in the job market, lack transferable skills and the practical experience highly valued by the employers. In Armenia youth unemployment is almost 50% higher than the adult unemployment (ARMSTAT). **The stressed labour market and slowed economy as a result of the COVID-19 and the hostilities in and around Nagorno Karabakh make the work transition of the youth particularly difficult in Armenia, which results in high youth unemployment in the age groups 15-24 and 25-29, currently amounting to 32.6% and 19.8% respectively (ARMSTAT 2020).** Absence of work experience is a major factor hindering youth employability. Next to this, the career choices of the youth complicate their entry into the labor market. For example, 46% of young people in Armenia choose career in public sector over entrepreneurship. This leads to oversupply of workforce in several sectors, while leaving untapped the potential of youth entrepreneurship to generate decent works. ***Fostering entrepreneurship and entrepreneurial education as a measure to facilitate youth transition to work is one of the priorities of the Government’s “Work Armenia” Strategy.***



## Gender Dimension

Source: ARMSTAT

Youth not in Education and not in Employment by Sex, Age Groups and Residency, 2019



According to the results of the Global Gender Gap Report 2020 Armenia has been steadily improving its ranking (currently 98th) among 153 countries in terms of gender equality. Some progress is observed in the area of education. Particularly, the number of women in STEM is growing (currently 10.16%) and the overall education

attainment of women is remarkably high (twice more than men's). In the meantime, worrying trends are observed when studying the numbers of NEET women. **Currently it amounts to 33% (ETF calculations).**

Despite the high education attainment, women constitute 72.8% of economically inactive youth in the age group 25-30. Among contributing family workers (unpaid domestic work) women's share is twice higher than men's (ARMSTAT 2020). This is conditioned by the sociocultural perceptions of gender roles, which make the young women choose marriage and motherhood over career (World Bank 2019). The gender norms result in girls being streamed into traditional education and subsequent labour sectors which may often be non-competitive or undervalued sectors, particularly in the small towns and rural areas of Armenia which may have fewer economic opportunities than urban areas (Armenia Country Gender Equality Report 2019). This leads to gender pay gap close to 36 % (ARMSTAT 2020). Consequently, females are more vulnerable to poverty than men, 1.6% of female population is extremely poor (males-1.3%) and females constitute 54.1% of the poor population (males-45.9%) (ARMSTAT 2020). COVID-19 has greatly contributed to deepening the feminization of poverty. Socioeconomic Impact Assessment of COVID-19 (UNDP and partners 2020) pinpoints to differences in the magnitude of the COVID-19 impact on the women-led and men-led businesses and households; the former group reporting a more severe impact. A possible reason for this is the bigger representation of women in hard-hit sectors such as hospitality, beauty and well-being services, inaccessibility of the day care services during the pandemic and the added burden of care for the sick household members, as well as the already existing higher vulnerability of women-led households to the poverty. ***This particularly underlies the significance of rethinking women's career choices through career guidance, capacity development and reskilling.***

With the high death toll of the hostilities in and around Nagorno Karabakh and emigration, the number of women-led households rose. In the time of compound crisis with restricted economic opportunities and meagre pensions, their vulnerability to poverty and endangered livelihoods is expected to increase. While entrepreneurship can be a solution to reducing the poverty among the women, women represented about 20.7% of business owners of all active enterprises in Armenia. Looking only at individual entrepreneurs and owners of micro-sized enterprises combined, women made up 30% of this group (ADB 2015). Housekeeping and childcare responsibilities, access to assets and finance, lack of training and business skills are all the most prevalent obstacles to women entrepreneurship. Next to work-life balance, women entrepreneurs mention lack of access to start capital as one of the biggest obstacles to starting business (52.3% of women and 26.2 % of men) (IFC 2020), **which stresses the importance of the financial support and capacity development for the female entrepreneurs and the upskilling/reskilling opportunities to young mothers within the scope of the project.**



## Project Geography: Regional profiles

The project targets Syunik, Gegharkunik, Vayots Dzor and Kotayk regions with a view to deteriorating socioeconomic situation therein on the backdrop of the COVID-19 and the recent hostilities in and around Nagorno Karabakh. These regions are facing a heap of new socioeconomic vulnerabilities which overload the social protection system and make the local and regional governments go beyond their means to sustain the minimum leaving standards of local population. With the support of the Russia-funded projects “Building Back Better through Strengthening Resilience of Rural Communities in Ararat, Aragatsotn, Armavir and Kotayk regions” and “Fostering Participatory Development in Bordering Settlements of Gegharkunik and Vayots Dzor Regions”, UNDP is addressing the new vulnerabilities caused by the double crisis in all target regions of the project. However, none of the ongoing projects directly targets the youth, who can fall off the radar of the donor and government support, left behind and unheard, given the widening scope of vulnerabilities and the insufficiency of means to address them all. Project targets the regions where the ongoing support already addresses the double crisis and synergizes efforts with the other Russia-funded projects therein for a more holistic approach based on leaving no one behind principle.

### Kotayk

Regional Center: Hrazdan

Area: 2076 square km

Population: 316,734

Out of which: young women (15-29)-21,518

Young men (15-29)- 25,134

urban 207,674 (65.5%), rural 109,060  
(34.5%)

Number of communities: 42

Out of which urban 7, rural 35

Borders with Tavush, Gegharkunik, Lori,  
Ararat, Aragatsotn regions and Yerevan

Poverty: 31.9 %

Unemployment 20.7%

Number of preliminary VET institutions-5 (in  
Yeghvard, Abovyan, Byureghavan, Hrazdan  
communities)

Number of middle VET institutions- 4 (in Nor Geghi, Hrazdan, Abovyan communities)

Attendance to VET education- 2565



### Gegharkunik

Regional Center: Gavar

Area: 5,349 square km

Population: 227,700

Out of which: young women (15-29)-24,356

Young men (15-29)- 25,713

urban 66,600 (29%), 161,100 rural (71%)

Number of communities: 98

Out of which urban 5, rural 93

Borders with Lori and Tavush marzes in the North, Azerbaijan in the East, from the South Vayots Dzor marz in the South, Ararat marz in South-West and Kotayk marz in the West.



Poverty: 43.5%  
Unemployment; 8.6%  
Number of preliminary VET institutions- 0  
Number of middle VET institutions- 6 (in Gavar, Sevan, Martuni communities)  
Attendance to VET education- 1798

### **Vayots Dzor**

Regional Center: Yeghegnadzor  
Area: 2308 square km  
Population: 48,500  
Out of which: young women (15-29)- 4,830  
Young men (15-29)- 4,937  
Urban 17,100 (35%), rural 31,400 (65%)  
Number of communities:55  
Out of which 3 urban, 52 rural  
Borders with Nakhijevan in the South, Gegharkunik in the North, Syunik in the South and in the West, and Ararat marz in the West  
Poverty:19.3%  
Unemployment: 22.4%  
Number of preliminary VET institutions- 0  
Number of middle VET institutions- 1 (in Yeghegnadzor)  
Attendance to VET education- 247

### **Syunik**

Regional Center: Kapan  
Area: 4,506 square km  
Population: 137,300  
Out of which: young women (15-29)- 13,150  
Young men (15-29)- 13,654  
Urban 93,200 (68%), rural 44,100 (32%)  
Number of communities:55  
Out of which 7 urban, 131 rural  
Borders with Vayots Dzor marz in the North, Iran in the South, Nakhijevan in the West and Azerbaijan and Artsakh in the East  
Poverty:12.1%  
Unemployment: 15%  
Number of preliminary VET institutions- 2 (in Qajaran, Kapan communities)  
Number of middle VET institutions- 7 (in Goris, Kapan, Sisian, Meghri communities)  
Attendance to VET education- 1263

---

## **II. STRATEGY**

The theory of change of the project is formulated as follows:

If up to date labour market information is in place to inform the improvements (including those supported by the Project) in vocational education and training benefitting young people and capacities of VET institutions are strengthened to effectively engage young people in work-based learning (WBL). And both **assumption 1**, that the decision-makers are interested in data-driven



reform of VET system and can use the collected data on labour markets demand and supply sides purposefully and **assumption 2**, that formal structured work-based learning delivers positive impacts towards reducing youth unemployment (ILO 2018) **hold true**, then the project will increase the employability of the youth in vocational education and training by addressing the mismatch of the labour market demand and supply sides.

**And if** quality and accessibility of career guidance and professional orientation are improved and participation of young people, especially in rural areas of target regions into active labour market programmes is increased. And the **assumption 3**, that active labour market policies can be particularly beneficial in countries with high rates of unemployment (including Armenia), as they are designed to support jobseekers with a range of services that vary depending on the duration of the unemployment spell, the level of educational attainment or other elements (Serrière 2015) holds true. And the transferable skills including digital skills of young people are developed, and the **assumption 4** that transferable skills, allow young people to become agile, adaptive learners and citizens equipped to navigate personal, academic, social, and economic challenges (UNICEF 2019) holds true, **then** the project will facilitate transition to work for the youth in the target regions. **And if** income-generation opportunities for young people are created in the target regions through promoting youth entrepreneurship, and the **assumption 5**, that considerable number of young students and unemployed youth expressed a desire to work for themselves and entrepreneurship can be a channel to productive and satisfactory employment (Serrière 2015) holds true, **then** the project will support economic empowerment of young people in the target regions, especially in rural and remote areas.

**And if** the **assumption 6** that education remains high on the government's reform agenda and is properly funded; and international development organizations, government and private investors are able to allocate resources for the modernization of the education system and capacity building in education institutions (UNSDCF 2021-2025).

**Assumption 7** that trained teachers and revised curricula will be able to raise students' performance (UNSDCF 2021-2025).

**Assumption 8** that life-long and age-appropriate learning will translate in jobs, livelihood opportunities and civic engagement (UNSDCF 2021-2025).

**Assumption 9** that adequate school buildings and policies will facilitate access and retention of children with disabilities, girls and other vulnerable groups **hold true**, **then** the project will contribute to **UNSDCF Outcome 4/CPD 2021-2025 Outcome 1**: People, communities and regions benefit from equitable economic opportunities, decent work and sustainable livelihoods, enabled through competitiveness and inclusive green growth. **Output 1.3** Competitive labour force developed through promotion of innovative practices of skills building and human capital development with focus on youth.

*In a nutshell, TOC can be concluded as follows, if a data-driven and labor market-responsive decision-making and VET system are in place benefitting the youth, as well as if young people can access both informal and formal education opportunities and support for developing the skills required by the labor market and starting business activities, including through innovation, then the project will contribute to **CPD Output 1.3**: Competitive labour force developed through promotion of innovative practices of skills building and human capital development with focus on youth, and **UNSDCF Outcome 4/CPD 2021-2025 Outcome 1**: People, communities and regions benefit from equitable economic opportunities, decent work and sustainable livelihoods, enabled through competitiveness and inclusive green growth.*

*The ToC is enclosed as Annex 4.*



The overall approach of the project builds on recognition of interlinked development challenges for youth and offers a multi-level intervention logic in line with the fact, that youth is not a homogenous group. Through this approach the project aims at ensuring that in all the stages of youth's transition from education to job market, unemployment to economic inclusion; there is adequate and quality support available for them. With this in mind, the project will work on the level of formal education in VET considering its potential of offering low-cost and work-oriented education to the youth in regions, as well as through non-formal channels, such as peers and online learning platforms, social support system, including the active labour market programs and career guidance, and youth led innovation and entrepreneurship to help them reach their potential. The approach will ensure uninterrupted support to young people considering their mobility across the groups in accord with their changing needs and evolving education and employment in target sectors. This comprehensive approach will allow to meet both the immediate needs of the youth and meanwhile offer systemic change to ensure sustainability of interventions and strengthen youth's resilience to crisis. In doing so the project will enact the principles of:

**Leaving No One Behind** through expanding opportunities to those who are left behind based on the factors of discrimination, geography, governance, socioeconomic status, shocks and fragility through working with the national partners, CSO, local administrations and the youth themselves to identify, inform, engage and empower young people, both men and women, with disabilities, restricted access to quality formal and informal education, inclined to migrate, living in remote and conflict-affected communities, demonstrating bigger vulnerability to poverty and socioeconomic exclusion, in the meantime ensure their meaningful participation, availability of disaggregated data and intersectionality of interventions through addressing both social and economic aspects of the targeted problems.

**Human Rights** through recognising that young people are rights holders and within the scope of its interventions empower the young people to realize their rights and support the Government to meet their rights obligations. Through its comprehensive selection criteria and zero tolerance for discrimination, as well as context-specific measures to facilitate participation of women and young people with disabilities, the project will make sure that its interventions are inclusive and accessible without constraints, while all the groups equitably benefit from project resources, and provided social and economic benefits. In furthering the realization of rights, UNDP refrains from providing support for activities that may contribute to violations of a State's human rights obligations and the core international human rights treaties (UNDP Social and Environmental Standards). Following the findings and recommendations of Youth and Human Rights, Report of the United Nations High Commissioner for Human Rights ([A/HRC/39/33](#) 2018) the project will address the challenges that young people, including women, migrants, young people with disabilities face in ensuring respect for their rights, in particular their rights to gain access to decent jobs when transitioning from education to the labour market, as well as decent livelihoods.

**Gender Equality and Women's Empowerment:** The intervention strategy is informed by the findings of the gender analysis and later will be enriched by gender-disaggregated data to be collected under Component 1 by the project. The interventions will benefit both women and men, so that they are able to participate meaningfully and equitably, have equal access to programme and project resources, and receive comparable social and economic benefits (UNDP Social and Environmental Standards). To this end the project will make targeted interventions to accommodate the women's needs and will apply specifically designed mechanisms to address women's needs in situations, where they demonstrate bigger vulnerability compared to men.



**Sustainability and Resilience:** The project will work in crisis-affected communities addressing some of the root causes of poverty and inequality by making systemic interventions in education, strengthening capacities on national and local levels, empowering the youth and strengthening their agency, as well as establishing network of peer support thus contributing to strengthened resilience of the target communities and vulnerable groups. UNDP uses and promotes a precautionary approach to significant social and environmental challenges and applies a mitigation hierarchy to first avoid potential adverse impacts to people and the environment, or where avoidance is not possible, to then minimize, mitigate, and as a last resort, offset and compensate for potential residual adverse impacts (Social and Environmental Standards, UNDP).

## **Results and Partnerships**

### ***Expected Results***

**Overall goal:** The project aims at supporting the fulfilment of the youth's potential and wellbeing in the regions of Armenia through youth economic empowerment, including improved education opportunities, facilitated labour market transition and fostered entrepreneurship.

**The project will contribute to:**

**UNSDCF Outcome 4/CPD 2021-2025 Outcome 1:** People, communities and regions benefit from equitable economic opportunities, decent work and sustainable livelihoods, enabled through competitiveness and inclusive green growth.

**Output 1.3** Competitive labour force developed through promotion of innovative practices of skills building and human capital development with focus on youth.

**SP Output 1.1.2:** Marginalized groups, particularly the poor, women, and people with disabilities and displaced are empowered to gain universal access to basic services and financial and non-financial assets to build productive capacities and benefit from sustainable livelihoods and jobs

**The project pursues the following objectives:**

- 1. Increase the employability of the youth in vocational education and training by addressing the mismatch of the labour market demand and supply sides.*
- 2. Facilitate transition to work for the youth in the target regions.*
- 3. Support economic empowerment of young people in the target regions, especially in rural and remote areas.*

**Under Objective 1 the project contributes to the Thematic Area 3,** particularly through providing up-to-date data on labor market demand and supply to inform reforms in vocational education and training; including advancement of Work-based learning (WBL) in line with the national policies and upgrading the VETIs infrastructure and teaching capacities to improve VET quality as key measures to making the youth more employable and allowing them to gain access to decent work.

**The Objective 2** is aligned to **the Thematic Area 1**, meanwhile contributing to the priorities under the **Thematic area 5** by enhancing the long-term employability of the youth through developing transferable skills (including digital skills), improving quality and accessibility of career guidance, facilitating inclusion of young people into active labor market programmes. **The Objective 3** directly contributes to **The Thematic Area 2** by advancing entrepreneurial education and entrepreneurship for the young men and women in the regions of Armenia, especially targeting the remote and rural areas.

#### SDG alignment

- Improved quality of vocational training and education, as well as efficient and accessible career guidance will contribute to increased number of youths in VET for the target regions of the country (**SDG 4, target 4.3**)
- By building and advancing the transferable skills of young people the project will contribute to increased number of Youth with ICT skills (**SDG 4.4**), meanwhile targeting strengthened digital and tech skills for young women the project contributes to **SDG 5** promoting women empowerment through access to ICT and increased use of technology.
- Through facilitating education to work transition particularly with the help of active labor market programmes and entrepreneurship for young people, the project will contribute to reduced youth unemployment and decreased numbers of NEET youth (**SDG 8.6**).

#### Alignment with national priorities and policies

**The project is fully in line with the priorities of 2014-2025 Development Strategy of Armenia:**

- Supporting youth entrepreneurship
- Improving the quality of VET education in accord with the labour market needs

#### Government Programme 2021-2026

- Strengthening the links between the labour market and education, including VET
- Increasing the labour market participation of the youth
- Fostering entrepreneurship among the youth
- Expanding the outreach of career guidance programmes, increasing the young people's competitiveness in the labour market
- Updating the education programmes in VETI, introduction of work-based learning, upgrading the VET facilities, including laboratories.

#### The Government "Work Armenia" Strategy

- Increasing the accessibility of career guidance services and strengthening the capacities of career counselors
- Facilitating participation of young people, especially young women, in employment promotion programmes
- Improving accessibility of data for evidence-based policy-making

#### The Work-Based Learning Development concept for Armenia

- Development of WBL modules
- Upgrade TVETs infrastructure



## **Objective 1: Increase the employability of the youth in vocational education and training by addressing the mismatch of the labour market demand and supply sides**

### **Component 1.1: Up-to-date labor market information is in place to inform the improvements (including those supported by the project) in vocational education and training benefitting young people**

Like most of the countries worldwide Armenia is facing the challenge of mismatch between the skills sought by employers and the ones possessed by the graduates on all education levels, including VET. Next to the precarious working conditions, poor wages, limited career opportunities, the skills gap is one of the major reasons why the youth unemployment persists. Given that the reform of VET sector is underway in Armenia, provision of data informing the policy-making and actual changes in the sector are welcomed support for the key stakeholders in the field, including the RA Ministry of Education, Science, Culture and Sports (MESCS) as well as VET institutions.

Torino Process National Report of Armenia 2018-2020 indicates that there are no clear-cut mechanisms for assessing the labour market skills needs, moreover for evaluating the skills anticipation. Through reaching out to the private sector and employers in general, the project plans conducting the employers' skills needs anticipation assessment. The assessment will engage the employers into the reform process of the sector through i) data provision, based on voluntary participation in the labor market assessments. The representatives of the sectors will be mapped during the initial stage of the project and will be invited to participate in focus group discussions, complete the surveys circulated by the project, or in expert interviews; ii) engagement at training level through implementing company-based internship schemes based on project facilitated contractual relations with the VET institutions, the jointly designed standards and mentorship capacity developed with the support of the project; iii) engagement at institutional level, including participation in revising the standards both for classroom and work-based learning, this entails the representation of the employers' associations in the working group facilitated by the Ministry of Education, Science, Culture and Sports. While being an important stakeholder and one of the most sought-after partners for advancing the VET reform, the employers remain disinterested, and quite often skeptical about the potential of the VET system in providing qualified and skilled workforce to fulfil their needs. Currently the teaching programme at the VET institutions is developed based on state education standards with engagement of a limited number of employers, which is far from being a systemic solution to the mismatch of education content and the labour market needs. With this said, additionally conducting an assessment of training programmes (curricula) for selected qualifications at VET institutions and cross-referencing the results of the assessments will equip the project and decision makers with data for more targeted interventions towards improving the quality of VET education.

#### **Indicative Activities**

##### **Activity 1.1.1: Conduct assessment of skills needs anticipation in pre-identified sectors**

Available intelligence about the demand for knowledge and skills is one of the success factors in achieving quality of VET education. Ideally, the education system of a country should have a mechanism for regular intelligence building to ensure that it functions in coherence with the labour market demand, yet Armenia currently lacks it.

During the recent years several exercises have been held with the support of donor organizations, among them sector-based Technological Foresight (ILO G20 Training Strategy project funded by the Russian Federation); region-based Future Foresight (RTF-funded "Future Skills and Jobs for Armenia's Rural Youth" project). The reports detailing the skills anticipation in Food Processing,

Precise Engineering, Hospitality Management and Tourism, Creative industry, and Agriculture conducted by UNDP with RTF support within the scope of “Future Skills and Jobs for Armenia’s Rural Youth” project are widely shared with the concerned stakeholders.

Following the recommendations (ILO) on efficiency of combined methods in skill needs assessment, project plans applying Skolkovo School of Management methodology of Future Foresight combined with tracer study of VET graduates for evidence-based results. The foresight will be held on sectoral level with a view to economic development priorities of the regions and the work already done in this direction and for the purpose of making the exercise realistic and manageable within the project timeframe. During the initial stakeholder consultations health, textile and green energy will be targeted in the regions of Syunik, Gegharkunik, Vayots Dzor and Kotayk. The exercise will yield qualitative assessment based on inputs from key experts and stakeholders, which will be brought together in an interactive way trying to facilitate the social dialogue around the vision they have of occupations, skills and qualification in mentioned sectors. The foresight exercise for skills anticipation will help meet future skill needs by providing policymakers, other actors and the project with relevant information. Meanwhile the tracer study of VET graduates will provide descriptive and quantitative gender-disaggregated information about the labour market situation of the VET graduates in target regions. Tracer study will survey the graduates from VETI in target regions, sometime after graduation or the end of the training on subjects such as study progress, the transition to work, work entrance, job career, use of learned competencies, etc. The tracer study will inform the current trend analysis of the supply side of foresight exercise allowing to factor in the youth’s perspective, both women and men. The data collected from demand and supply sides will give the opportunity to validate the findings, and will equip the decision-makers, high school students, the VETIs and the VET students with updated information to guide their decisions based on evidence. A summary report based on the findings of assessments and qualitative reports of the assessments will be available online with open access, while the findings will be communicated to the RA Ministry of Education, Science, Culture and Sports and the Ministry of Labor and Social Affairs. The tracer study model designed in this stage will be used in the Activity 1.1.3.

### **Activity 1.1.2: Analyse VET-related job vacancies through Edu2Work platform**

Building on the experience of the Edu2Work platform of analysing the labour market demand based on online job vacancies, this activity suggests taking a closer look at the demand of vocational trades as depicted in online announcements and state databases. Currently the Edu2Work platform focuses on analysing vacancies that demand higher education degrees and are posted on commercial websites. The experience of this analysis will be applied to postings require preliminary and middle-level of professional education, by including additional data sources (such as state employment agency’s (currently Unified Social Service) digital databases and online postings) and applying VET-specific data analysis models.

The Edu2Work VET analysis would help extract the most demanded VET jobs vacancies, their development trends over time, the most required skills as applicable to VET postings, associated experiences levels, employers and industries to complement traditional research on VET demand in the labour market. It is important to note that this type of analysis allows for automation and real time analysis of data beyond the project as opposed to one-time traditional research ensuring its sustainability. Moreover, a multivariate forecasting model can continuously be applied to depict the VET careers experiencing growth or decline to help guide evidence-based decisions among policy makers, educational institutions, and students.

In summary, the product of this activity will be an additional separate block on the Edu2Work platform to help analyse the demand for vocational trades in Armenia in real-time. It would serve as an information provision tool showcasing the current and future demand for preliminary and mid-level of professional education and training in Armenia. The direct beneficiaries of the platform



would be students contemplating career choices, who could use the evidence of the platform to help them make informed career choices, and VET students, to help them navigate the current and future labour market demand to find suitable opportunities based on their profession. To ensure that the platform reaches the relevant audiences targeted communication efforts will be carried out with high schools and career centres of VET institutions. Another important group of direct beneficiaries are the career navigators at schools and career centres at VET institutions to help them keep a finger on the pulse of labour market development with regards to vocational trends and help them adjust their curricula for providing guidance to students. And last, but not least, a very important beneficiary group are the ministries involved in the education and work ecosystem, that need up-to-date labour market information to guide their decision making – the Ministry of Education, Science, Culture and Sports, the Ministry of Labour and Social Affairs and the Ministry of Economy have been actively involved in the development of the platform in its first phase and have expressed great interest in investing their time and knowledge for its future development. Moreover, the Ministry of ESCS and Ministry of LSA are currently co-owners of the platform and both have vested interest in connecting VET education and employment through the means of data and evidence.

Number of direct beneficiaries: 5000 school students and 5800 VET students

### **Activity 1.1.3: Digitize and analyse VET student data and career journey through cooperation with the National Centre of Educational Technologies**

Studying the labour market demand for vocational trades to make evidence-based decisions is only one side of the coin. To have a full picture of the labour market trends and developments, there is need to collect and analyse current and future supply side of the market – the students and graduates of VET institutions and their career tracks. The analysis will demonstrate the benefits of opting for VET to high school students through providing data on proven successful career tracks and real earnings of previous graduates of the course, as well as will inform the decision-making on to adjusting curricula and career orientation at VET institutions through tracking the career development of their students and finally, allowing to make policy level decisions with respect to VET education and employment by looking at aggregated macro level analysis of the market supply. To provide the decision makers at all levels starting from high school students to policy makers with relevant VET supply side data, the project proposes a cooperation with the National Centre of Educational Technologies (NCET). NCET has a successful track record of digitizing and centralizing school student related data across Armenia, currently it has the mandate to expand the system to include VET institutions as well – providing a platform to digitally input data on students focusing only on data collection and centralization of current day students. The project proposes, in cooperation with NCET to digitize historical databases (where available), run aggregated analyses on the students and juxtapose the VET student databases against that of the State Revenue Committee, to get an gender-disaggregated analysis of career development and earnings of different VET specializations. This data, just like the labour market demand data, if utilized correctly, can be very useful for students, educators and policy makers to align their decisions to the actual labour market. The advantage of such analysis is not only its automation, but also opportunities for forecasting future supply and earnings.

In addition, the project proposes, in cooperation with the Ministry of ESCS and the Ministry of LSA to add a block of digital career tracking to the existing NCET system. While many of the VET institutions do their own career tracking of students, the methodologies and tools differ, therefore it is not possible to aggregate the results and get a full picture of vocational trades on the supply side of the market, or even the potential market opportunities and average earnings for a given trade. In this view, an additional career tracking block on NCET, devised together with national

partners, would allow for standardized data gathering on student careers and aggregated analysis for the market as a whole and for professional streams. This block would build on the tracer study methodology of Activity 1.1.1, making it into an automated tool with the added value of long-term sustainability. Importantly, the gender-disaggregated supply side data can be fed into the Edu2Work platform (the NCET is responsible for the technical maintenance of Edu2Work on the behalf of the Ministry of ESCS) to provide a full picture of both labour market demand and supply for vocational trades in Armenia.

To recap, the product of this activity will be an additional analytical and digital career tracking block on the NCET system for VET institutions and data visualization on the Edu2Work VET block for a complete picture of the labour market. To ensure the efficacy and sustainability of this block, the project will work together with the Ministry of ESCS and Ministry of LSA, and through them with the career centres of VET institutions to ensure proper gender-disaggregated data collection, standardization, and analysis. As in the case of Activity 1.1.2, the direct beneficiaries of this analysis will be students, VET institutions and policy makers, who will be equipped with timely information to align their expectations and make evidence-based decisions about education and employment. Number of direct beneficiaries: 5000 school students and 5800 VET students.

### **Component 1.2: Capacities of VET institutions are strengthened to effectively engage young people in work-based learning (WBL)**

Work-based learning refers to all forms of learning that takes place in a real work environment. It provides young people with the skills needed to successfully obtain and keep jobs and progress in their professional development (ILO). Integration of WBL in VET system is recognized as a priority in the RA Preliminary and Middle Professional Education and Training Development programme for 2017–2021. Draft WBL development concept for Armenia and the roadmap 2019-2025 underlie the significance of the approach in equipping young people in education with skills matching the needs of labour market and contributing to successful job placement. WBL directly impacts quality of VET by improving it and consequently helps to bring down the levels of youth unemployment.

Strengthening WBL in VET system will significantly improve the employability of the youth, facilitate school-to-work transition giving better access to jobs. With this said, quality WBL delivered by VET system can fill the skill gaps both horizontally and vertically through reconciling the demand and supply sides of labour market and ensuring education quality required by employers. On another note, WBL increases entrepreneurship and innovation and can offer better access to job opportunities for disadvantaged youth. WBL can be adopted in different forms.

Through its intervention strategy and considering stakeholder consultations with RA Ministry of Education, Science, Culture and Sports (MESCS) the Project will support the model of internships for the students in VET, meanwhile creating close-to-work conditions at the VET laboratories.

#### **Indicative Activities**

##### **Activity 1.2.1: Assess vocational training content relevance (for certain occupations) to the labour market needs**

RA Education Development Strategy 2020-2030 (draft) sets out restructuring and content revision of the teaching programmes at VET institutions towards harmonization with the needs of the labour market as one of its priorities. Even though the state educational standards defining the content of VET are developed with engagement of employers, its relevance to the labor market is still considered insufficient. While the donor-supported improvements in the learning environment, textbooks and the capacities of teachers have positively impacted the quality of the training content in VET, the employers are still dissatisfied with the VET outcomes (Torino Process Armenia 2018-2020 National Report). Currently **there are no specific assessments** showing the level of relevance



of the education content to the labor market needs. The Project plans to address this gap and assess the training content for certain occupations while taking stock of the assessment results held under the Component 1.1. The choice of occupations will be based on the findings of analysis and wide stakeholder consultations to be held during the assessments under Component 1. The assessment should yield recommendations on improving the content of the relevant programmes, learning materials (tools, textbooks, didactic materials, etc.) and the capacities of teachers, including from the perspective of work-based learning. The analysis will inform the Project interventions under the Activities 1.2.2, 1.2.3.

**Activity 1.2.2: Revise VET standards with corresponding modular curricula for certain occupations to better integrate work-based learning for VET students**

While the National Centre for VET Development develops the exemplary curricula for each standard, VET institutions have the freedom to adapt the curricula, and choose the ways and methods of instruction, meanwhile ensuring the learning outcomes as defined by the standards (Torino Process 2018-2020 Armenia). Based on the recommendations of the assessment under the Activity 1.2.1 (as well as the data collected through formerly conducted assessments), the project will support the VETIs to revise the education standards of certain occupations and the curricula. The Project will consider the qualification standards, as well as the division of classroom and workplace learning necessary for WBL and will conduct the process with active engagement of employers' associations. The activity will benefit all the 18 VETIs with about 5800 students in target regions depending on the choice of occupations.

UNDP implemented GEF Small Grants Programme has already started piloting a model for providing essential knowledge and vocational skills matching the needs of the labor market on innovative low carbon technologies to students of different technical VET colleges in the regions of Lori, Shirak, Tavush, Gegharkunik. The Project will consider the lessons learnt of the pilot, its principles and approach while modernizing and revising the curricula for the selected qualifications.

**Activity 1.2.3: Launch an internship scheme as a form of work-based learning for VET students**

The scheme will target the students currently enrolled at VET institutions in the target regions studying for specific qualifications (the qualifications will be selected based on findings of the assessments under the Component 1 and stakeholder consultations). The internship programme will be launched within the logic of work-based learning. In cooperation with the VET institutions, employer's associations and the MESCS the Project will develop the requirements for host organizations (with special focus on mainstreaming Occupational Safety and Health Information), decide the duration, standards, and assessment principles for the internship, announce a call for selection of the host organizations. Online internship opportunities with Russian companies will be considered based on the successful cooperation history within the scope of the Russia-funded "Future Skills and Jobs for Armenian Rural Youth" Project. 80 young people (at least 50% women) will benefit from the internship schemes.

**Activity 1.2.4: Develop the capacities of teachers and instructors at target VETIs and companies**

Teachers and mentors are critical agents in providing quality vocational education and training to the youth. Despite the big role that the teachers and mentors have in shaping the knowledge and skills of young people in VET, and advancing efficiency of internships at companies, their professional development opportunities in Armenia are limited. While the VET teachers are periodically participating in trainings, the main focus is on pedagogical issues (methodology) and only very limited courses are of vocational nature. Meanwhile there is no established training mechanism for the mentors assigned by the employers to instruct and teach the students taking an internship or in temporary job placement at their companies.

The Project steps in to contribute to the development of teachers' and mentors' capacities involved in internship schemes (work-based learning) launched by the project. Next to TOTs, support to teachers and mentors under this activity will include provision of up-to-date learning materials, which will directly impact the outcomes of learning process. To this end, expertise of Russian specialized research centers and institutions will be applied. 500 VET faculty and mentors will benefit from this intervention.

*In 2018 there were 4406 female teachers at VET institution, (76%), at the same time the share of young teachers (20-35 years) is close to 30% (ARMSTAT), which means that the activity not only supports delivery of the project outputs, but directly contributes to gender and youth empowerment through capacity development.*

#### **Activity 1.2.5 Upgrade VETIs to address quality of vocational education and training for selected qualifications**

Quality VET requires investment in infrastructure, equipment and maintenance. The majority of VET institutions in Armenia have not been renovated since 1980s and most of the training laboratories are outdated. The Project plans supporting the infrastructural and technological upgrade of the VETIs. Under this Activity the VET laboratories/workshops will be renovated and equipped in the target regions enabling smooth delivery of practical learning for young people in the selected qualification programmes. The qualifications will be selected based on the findings of the assessments under Component 1 and stakeholder consultations. The activity will be implemented in thorough consideration of the work already done or planned in this direction by other UNDP projects and donor organizations, and in close cooperation with the MESCS. The Project will pay specific attention to facilitating the instruction of Russian language in several of the beneficiary VETIs through provision of supplementary instructional materials, including books, audio materials, laptop, projector. The activity will benefit at least 50% of the VETIs in target regions covering 9 VETIs with around 2500 students.

#### **Objective 2: Facilitate transition to work for the youth in the target regions.**

##### **Component 2.1 Quality and accessibility of career guidance and professional orientation for young people are improved**

Like many countries of the world, Armenia is also facing the challenge of unpredictability of labour market. After years in tertiary or vocational education, or long spells of unemployment for the NEET and unskilled youth, young people may end up entrapped in poor quality jobs or face the impossibility of finding a job leading to misuse and degradation of human capital on the long run. This problem is particularly evident in the time of COVID-19, when the labour market is going through tremendous shock and the recovery calls for revision of all aspects of youth employment, including recruitment, reskilling, career change.

Long term effects of labour market entry failures on the life of youth make access to formal employment and decent jobs a key policy issue. **Reduction of the time period spent by the youth for transition from education to work is one of the targets of "Work Armenia" Strategy based on the priorities of the Government Programme for 2019, which also highlights the significance of career guidance in this context.**

The changing profile of required skills and the fast digital/technological transformation affects not only the labor market, but provision of career guidance and professional orientation as well. In order to ensure efficiency, career guidance in Armenia needs to be reformed with the purpose of making it broader, more insightful, inclusive and accessible. The reforms of career guidance started in Armenia back in 2012. Since then the reform has been advanced with the support of the donor community mainly on three levels: policy elaboration, technical support, training, and service



provision. In Armenia career guidance is viewed in parallel with the VET reform and Active Labour Market Programme provision (ALMP). With its intervention strategy the Project aims at supporting this holistic reform agenda and contribute to the quality and accessibility of the career guidance for young people in the country.

#### **Activity 2.1.1: Strengthen the capacities of career counsellors**

The activity will complement the ongoing efforts by the Unified Social Service (and its relevant departments), the line Ministries and the donor community to develop the capacities of the career counsellors through increasing the number of trained specialists. The trainings will focus on gender sensitive career counselling, distant career counselling, counselling for NEET youth, veterans, young temporary labor migrants and people with disabilities, among others.

Currently the career guidance to the persons not engaged in education or training, unemployed or in need of reskilling is provided under the Unified Social Service (and its relevant departments. In addition, career guidance is provided in the secondary, tertiary and VET education systems. The services by these centres are provided in accord with the methodology developed by Professional Orientation and Competences Development Centre. The Project will closely cooperate with the Center for harmonizing the work of the career counsellors with the changing labour market needs. The project will reach out to 300 career counsellors (at least 50% women).

#### **Activity 2.1.2: Build capacities of active community youth as peer career advisors (PCA)**

The critical issue about career services in Armenia is not only their quality, but also their accessibility. Career guidance has limited reach into its target populations and its expansion beyond the education system and accessibility particularly for the vulnerable youth is the specific focus of the project. The career guidance services shall become more accessible for young women, NEET youth, young people with disabilities, young temporary labor migrants and the youth in the remote rural areas, who are disadvantaged as entrants to the labour market. In order to improve the outreach of career counselling the Project proposes piloting an informal channel of career advisors through engaging the active youth in the communities as peer career advisors. The peer career advisor's model is practiced worldwide, including Russia (i.e. РАНХиГС, [Твоя карьера](#)). The activity will aim at recruiting the active community youth in the target regions, build their capacities in career and professional development and equipping them with the skills and knowledge for guiding their peers in the right direction based on their needs.

The PCA will function as a non-formal youth-led initiative coordinated by the Youth Club established with UNDP support within the scope of "I am the Community" youth leadership model. The Youth Club is a non-formal network of the most active graduates of the leadership model and functions in accord with the provisions of its Charter and is coordinated by the Board (composed of young people) with a rotating membership. The young PCAs will be selected from the pool of the active youth trained and empowered as part of "I am the Community" youth community leadership model, successfully applied within the scope of UNDP WILD project. These are knowledge- and empathy driven young people who are well-trained in leadership, local self-governance, gender equality, project design and implementation. The peer career advisors should be able to deliver courses on basic job search topics (including through distant format), help their peers to prepare cover letters, resume, prepare for interviews or career fairs, educate young people on the use of various online career resources and online learning sources, inform about the public, CSO and donor support programmes to the youth, especially those available for women. The peer career advisors will be able to motivate and psychologically support the vulnerable youth in the remote communities (young women in vulnerable settings, young war veterans, young people as heads of households, young migrants, young people with disabilities), youth who dropped out), meanwhile

guiding them through the labour market opportunities. The working schemes of PCA may include individual drop-in sessions (online or offline), group consultations, local career orientation events. The Project will consider adding a mentorship component for the PCA choosing the most active and young career guidance counsellors from the regional VET institutions. The project will build the capacities of 40 PCA (at least 50% women), who will reach out to around 200 young women and men in the target regions through various initiatives.

### **Component 2.2: The transferable skills (including digital skills) of young people are developed**

In its 2019 study on the Youth Registered in State Employment Agency (SEA) (currently Unified Social Service), SEA indicates that next to professional skills and work experience, the employers are anticipating mastery of transferable skills, such as ICT, communication skills, constructive and analytical thinking from the young applicants. The report assumes that sometimes vacancies are hard to fill because of the poor level of required transferable skills among the youth. This should not be surprising, given that 64% of the unemployed youth have never participated in additional training apart from formal education. Only 17% of the unemployed youth have participated in additional trainings, yet within the scope of formal education.

The skepticism about effectiveness of additional trainings for employability, absence of financial means or inability to decide what courses to choose for capacity development or reskilling were the reasons mentioned by the young people for not taking additional training courses (SEA 2019). According to another study the employers score the general (personal) competencies of the applicants below 3 (out of 5, when 5 is the maximum score) (Save the Children 2018). This data proves the above-described inefficiencies of education and career guidance in Armenia and alarms about the incompetence of most of the economically active youth to successfully perform in the changing labour market.

With this in mind, the project plans building the transferable skills of young people in the target regions towards increasing their competitiveness and employability in ever-advancing sectors of the labour market.

#### **Activity 2.2.1: Launch non-formal educational component on developing transferable skills for young people**

While the massive open online courses are revolutionizing the education worldwide, Armenian content on these platforms is scarce and fragmented. To ensure a wide accessibility to the learning content on transferable skills, the Project will use the RTF-funded KolbaJobs platform for providing learning content in Armenian on digital literacy, communication skills, negotiation skills, time management, teamwork, etc. The platform will host multimedia learning and awareness raising products for the platform to ensure wide range of users get access to educational sources. The platform is already well known among the youth and is “marketed” on social media, which means that the courses will be widely accessible for thousands of young people in all the regions of Armenia. The learning effect of the video courses will be amplified by *Kolba Masterclasses*, already piloted format of online introductory webinars on remote jobs, which will be scaled up to traditional employment and jobs in line with the sectoral focus of the Project. Also, series of non-formal educational workshops, masterclasses and bootcamps on transferrable skills for rural youth will be organized to create offline network and knowledge sharing platforms for rural youth. The activity plans to reach out to 5000 young people, including 500 young people (at least 50% women) directly benefiting from offline learning opportunities.

### **Component 2.3: Increased participation of young people, especially in rural areas of target regions into active labour market programmes (ALMP)**



Within the scope of its employment strategy 2013-2018 the Government of Armenia adopted a new model which marked a move away from reliance on passive policies towards active labour market policies. As part of this transition the state program of unemployment pensions has been gradually suspended. Instead, several active labour market programmes (ALMPs) were introduced.

The State Program of Employment Regulation for 2021 offers 12 programmes targeting different segments of the unemployed and vulnerable population. The Project will support several of the labour market programmes as a measure to reach out to the most vulnerable groups among the youth and ensure that the Project-supported employment opportunities are inclusive and in line with LNOB principle. The Project will help around 270 unemployed youth (50% women) in the target regions to find jobs and build new skills and the first labour market experience critical for increasing their employability.

### **Activity 2.3.1: Launch support schemes to offer temporary job opportunities to the unemployed young people**

UNDP has been supporting the fresh graduates as first-time job seekers within the scope of its Career Trail Project. More than 300 fresh graduates built first-time job experience within different periods of its implementation. The initiative offered internships to the young job seekers as an active labour market programme to help them build competitive skills, practical knowledge and work experience in the field of their qualifications. The latest round of the initiative has been implemented with the support of RTF within the scope of “Future Skills and Jobs for Armenia’s Rural Youth” Project. Building on UNDP’s long-time experience, the Project will support the vulnerable unemployed youth in the rural and remote areas of target regions through the following employment mechanisms:

Support to the **first-time job seekers** (targeting also young veterans and young migrants) with professional qualification to get a three-month job placement corresponding to their qualification. The beneficiaries of these scheme will be remunerated in the amount of minimum wage. The remuneration of the employee for the period of three months, the income tax and the 50% of the minimum wage as a monthly payment to the mentor assigned by the company will be subsidized by the Project. The Project will ensure at least 50% participation of women and 10% of youth with disabilities.

Support to **young mothers** without professional qualification to get on-the-job training. Duration of the support is maximum six months. The monthly remuneration in the amount of minimum salary will be subsidized by the Project. The mentor at the hosting company will be remunerated in the amount of minimum wage, as well as a lump-sum payment to the employer at the amount of AMD 30,000 to compensate the expenses the employer incurs for purchasing the materials and tools for the training purposes.

Support to **NEET youth (targeting also young migrants)** to get on-the-job training with the purpose of building skills and new capacities for raising their employability. The lump-sum payment to the employer in the amount of minimum wage will be subsidized by the Project. The Project will ensure at least 50% participation of women. On top of this, the Project will support participation of the most vulnerable youth (particularly targeting young women) in the remote areas paying a monthly remuneration in the amount of minimum wage to the beneficiaries, who will have to travel to another region or community to get to work. The maximum duration of the programme is 6 months. The beneficiaries will be selected through open calls in accord with the selection criteria built by the project, particularly considering the following:

Age: the beneficiaries will fall within the youth age bracket (15-29 years old)

Gender: at least 50% female participation, including young women as heads of household, NEET young women, young women with multichild family, girls, who dropped out of school, female VET

students, young mothers in transition to job, unemployed young women, young women with disabilities

Area of residence: Youth from the remote rural and bordering areas will be specifically targeted

Education: education background so it matches the objectives of the programme (i.e. currently enrolled in VET, NEET youth, youth, who dropped out of school and fresh graduates)

Socio-economic vulnerability: income level (compared to the poverty threshold), number of dependents, young people with disabilities, young temporary migrants and young people as heads of household

Current employment situation: the unemployed youth and first-time jobseekers will be targeted

In addition, consultations and cooperation with the local municipalities, social workers, the administration of VETIs, the Migration Resource Centres and local offices and the relevant departments of Unified Social Service, youth and women NGOs will allow to inform and engage the most vulnerable youth in the target regions. The activity will benefit around 270 young people, with at least 50% women participation.

### **Objective 3: Support economic empowerment of young people in the target regions, especially in rural and remote areas.**

#### **Component 3.1: Income-generation opportunities for young people are created in the target regions through promoting youth entrepreneurship.**

Development of entrepreneurial capacities among the youth is one of the Government priorities (Work Armenia Strategy) and is targeted by education and labour policies. According to ILO research on youth transition to work in Armenia, 26% percent of young people is interested in establishing their own business, yet only 7.5 % of the employed youth are entrepreneurs (Save the Children 2018), which means that targeted measures are needed for fostering youth entrepreneurship in Armenia.

The enterprising youth is the resilient and agile segment of the society who drives innovation and progress, even in the time of crisis, as they better cope with uncertainty and insecurity. Moreover, the recommendations of the UNDP-led socioeconomic impact assessment of the COVID-19 in Armenia and ILO recommendations in the assessment of the COVID-19 impacts on the labour market in Armenia underlie the significance of entrepreneurship as a measure to mitigate the chronic shortage of wage-earning jobs in the country and elevate the role of young people in Armenia's economic and social recovery. In order to contribute to development of enterprising human capital the project plans to offer learning opportunities coupled with access to finance to the youth, meanwhile creating an inclusive and diverse cohort of innovative and educated young entrepreneurs in the target regions. The component will be implemented in close cross-portfolio partnership actively engaging the acceleration model of UNDP CO Innovation and SDG Finance Portfolio for fostering entrepreneurial mindset and innovation among the youth through active learning and skills development.

#### **Activity 3.1.1 Launch two-level Acceleration program**

Two-level acceleration programme will be launched to help the youth improve their business, digital and financing skills and capabilities to successfully identify, access and benefit from economic opportunities in the post-COVID-19 context. Each level programme will target two groups of participants (two programmes and four groups in total).



Level 1 will focus on youth with little or no labour market experience, including in vulnerable settings, to leverage their entrepreneurship potential. The Level 1 acceleration program will help participants to design and operationalize their own startup projects (develop canvas business models, pitch decks). The main focus will be on youth and women working in the informal sector or carrying the burden of unpaid domestic or care work, as well as young veterans and young migrants who need education/skills and guidance for job opportunities and job placement.

The Level 1 program curriculum will focus on training business, digital and tech skills. This will be a 3 to 6 months' intensive programme running fully online with Universities and Private Sector partners on board for content delivery and further job placement of participants. The graduates will have the opportunity to study and adapt business models developed within the scope of Russia-funded Projects (Integrated Rural Tourism Development" and Integrated Support to Rural Development: Building Resilient Communities" projects), including gastro yards, wine production, bakery, as well as the successful pilots of previous acceleration programmes. As a result, graduates will develop new market-driven skills and get prepared for either performing in the freelance environment or starting their own startup projects.

**The Level-1** acceleration program will build on ImpactAIM Accelerator's 3-year successful experience of upscaling 716 individuals with limited or no market experience into startup founders (15 startups), entrepreneurs and freelancers. To mitigate project success risks associated with participant inexperience, the programme will leverage a three-tiered mechanism. Firstly, participants will be selected upon rigorous applicant screening (through initial screening and selection panel interviews) against a select set of criteria based on ImpactAIM's former experience (e.g. participants should be from the target regions, experience with other programmes funded by the Russia-UNDP Trust Fund, vulnerability level, entrepreneurship potential, be active members of their community, openness to learn and commitment to full program participation). Secondly, selected participants will be matched with mentors to supervise/coach the learning experience and development of startup ideas into viable projects. Thirdly, the program will offer participants weekly workshops (including to share need-tailored expertise generated via other TFD-funded projects), with field experts and entrepreneurs.

**The Level 1** acceleration program will equip 150 participants (at least 50% women/girls) with new business, digital and tech skills to design startup canvas (business) models and pitch decks. From the two groups of participants of the Level 1 acceleration programme, one will be an entirely female group. Up to five successful graduates, selected by a panel of experts, will receive funding to prototype/set up their startups. The graduates will also join Impact AIM's alumni network to benefit from long-term peer-support, access to new partnerships, roadshows and funding opportunities.

**The Level 2** will target young entrepreneurs, particularly those, whose businesses have been negatively impacted by the COVID-19 pandemic. This tier of the program will focus on digital transformation and business model innovation, including training on business skills, digitalization, tech solutions for business expansion, financing tools, impact measurement and management, etc. Following the programme, targeted groups will be better capable of capitalizing on digital platforms, apply innovative, tech-driven solutions, as well as make use of financial tools for business adoption and expansion in the post-COVID-19 context. The new skills and innovative approaches to business development and services will also help them build resilience to future pandemics and socio-economic shocks in line with the principle of building back better, not least by using digital solutions.

Level 2 acceleration program will support up to 10 businesses (at least 50% women-led or women-co-founded) for digital transformation. Up to five successful graduates, selected by a panel of experts, will receive funding for strengthening/digital transformation of their startups. The graduates will also join Impact AIM's alumni network to benefit from long-term peer-support, access to new partnerships, roadshows and funding opportunities.

As a result, the Activity will establish up to 2 new partnerships with the private and public sectors, support creation of 30 jobs (by supporting in total 10 startups from levels 1 and 2), capacity-building of 150 target population representatives and indirectly benefit up to another 150.

### **Activity 3.1.2 Select and support youth start-ups, microbusinesses and SMEs through an open call mechanism**

The Project will provide funding opportunities to the youth in the target regions accepting applications from all the interested young entrepreneurs. The priority sectors include, but are not limited, to agriproduction and agriprocessing (greenhouse farming, dairy, meat processing), tourism and gastronomy (gastroyards, bakeries), entertainment, recreation and culture. Start-ups offering innovative solutions in the sectors (not limited only to the sectors mentioned in the call) will also be considered. The project will specifically support the female startups (with a special focus on young women as sole heads of households, women with disabilities, women with multiple children), the women's microenterprises and SMEs hard hit by the compound crisis, scaleup of innovative female MSMEs. The selection criteria will also be oriented at youth from remote rural and bordering areas, young people with disabilities, young temporary migrants and young people as heads of household, the unemployed youth, young people whose businesses have been affected by the compound crisis. In order to build a sense of ownership, the call will set a condition of 10% co-financing from application. It is expected that the overall co-financing amount from the startups/businesses will amount to USD 30,000.

Next to financial support, the project will offer tailored capacity building to the beneficiary start-ups, particularly with a focus on women entrepreneurs, based on their needs. The most requested and relevant areas for support services or training programs for entrepreneurs include (1) business management, (2) marketing, (3) financial consultations, (4) legal consultations, and (5) professional networking. According to the study of IFC (2020) women entrepreneurs acknowledge gaps in business knowledge and skillsets needed to properly conduct entrepreneurial activities, particularly mentioning challenges related to marketing. A peer support/mentorship scheme will be established by the Project offering opportunities to actively engage the entrepreneurs supported within the scope of "Integrated Rural Tourism Development", "Future Jobs and Skills for Armenia's Rural Youth", "Fostering Participatory Development in Bordering Settlements of Gegharkunik and Vayots Dzor Regions" and "Building Back Better through Strengthening Resilience of Rural Communities in Ararat, Aragatsotn, Armavir and Kotayk regions" projects (all the Projects are funded by the Russian Federation). A women entrepreneurs' non-formal network will be established to bring together the former and current beneficiary female startups of Russia-funded projects for facilitating knowledge spillovers and mutual support. The startups will have the opportunity to network and get membership with the sectoral, business associations and will be regularly updated on the availability of support opportunities from other sources (NGOs, Government, International organizations). The project will support around 60 startups (at least 50% women) with up to 120 direct beneficiaries and indirectly benefitting about 500 people.

### ***Resources Required to Achieve the Expected Results***



The human resources required by the project include a team with a Project Manager, Project Assistant, Task Leaders, sectoral experts, and specialists. The project will need the operational support of UNDP for processing its financial, procurement and HR related operations. Procurement of goods works, and consultancy services will be required throughout the Project. Project intervention strategy relies on partnerships elaborated in the corresponding section, and cross portfolio collaboration.

### ***Partnerships***

Youth related issues are at the intersection of several sectors, which means that project implementation is going to happen in a multistakeholder environment. Considering also the strong linkage of the project intervention logic to the systemic reform and ongoing social support schemes provided to the youth by the State, the implementation will happen in strong partnership with the Ministry of Education, Science, Culture and Sports, the Ministry of Labour and Social Affairs, the Unified Social Service and its regional centers, National Center for Vocational Education and Training Development Center.

The project has already started the stakeholder consultations with the Ministries and has the support and approval for the offered project architecture. Through its component on youth economic empowerment UNDP will closely cooperate with the Ministry of Territorial Administration and Infrastructure and Ministry of Economy. Due to strong alignment with the national priorities, the project will engage Government co-financing under the support to active labor market programmes, revision of VET curricula and capacity development of VET human resource, as well as improvement of career guidance.

Within the scope of the ongoing Russia-funded projects UNDP is ensuring the wider coverage of the ALMPs of the Ministry of Labour and Social Affairs, which followed the Ministry's request to increase the number of subsidized employment opportunities for vulnerable groups (especially the displaced population currently residing in Armenia). The project will continue this cooperation by supporting youth inclusion into this programme.

Synergies with the ongoing Russia-funded Projects in the target regions will be the integral part of the project. The project will make sure that the logistics centers and the successful start-ups established within the scope of the projects supported by the Russian Government and the RTF are actively contributing to internship and ALMP components of the project offering work-based learning opportunities to the beneficiary youth.

A mentorship scheme and support network will be established between the start-ups supported by the ongoing project and those established within the scope of "Integrated Rural Tourism Development", "Future Skills and Jobs for Armenia's Rural Youth", "Fostering Participatory Development in Bordering Settlements of Gegharkunik and Vayots Dzor Regions" and "Building Back Better through Strengthening Resilience of Rural Communities in Ararat, Aragatsotn, Armavir and Kotayk regions" projects (all the projects are implemented with the support of the Russian Federation).

VETI in Armenia is supported by several organizations, including EU, GIZ, Save the Children, World Vision. UNDP is in regular communication with all the organizations active in the field for sharing the best practices, building synergies and avoiding duplications.

The project will cooperate with the regional NGOs, youth initiatives (youth clubs, youth networks), youth organizations operating in the target areas of the project to inform and engage the youth in the regions. Active cooperation with the women’s organizations, including Women Resource Centers in Syunik and Vayots Dzor, Women Entrepreneurs Network in Armenia and others will be the integral part of reaching out to the young vulnerable women in target regions, involving, strengthening their capacities and creating a network of support to sustain their empowerment during and beyond the project lifecycle.

Notwithstanding the central role that social partners have in VET reform, the project will facilitate the social dialogue to emerge through offering forum and modalities for dialogue and cooperation between VETIs, employers’ or business associations, line ministries and affiliated agencies, as well as local municipalities. The engagement mechanisms will be based both on voluntary and non-formal schemes, such as providing feedback, data or participation in discussions, focus groups and expert interviews, as well as contract-based multipartite partnerships towards revising standards, designing internship schemes or supporting employment programmes. The role of social partners is summarized in the table below:

Social Partners	Formulates vocational training policies	Consultative role in development of qualification frameworks and/or analysing labour market trends	Provides work-based learning and practical training	Career orientation and guidance	Employment promotion
Ministry of Education of Science, Culture and Sports	V				
Ministry of Labour and Social Affairs		V		V	V
Employer’s or business associations		V			V
Private companies		V	V		V
NGOs	V	V	V		V
Local Administrations					V

The project will cooperate with the Migration Resource Centres to reach out to young migrants with the purpose of engaging them in skills development, active labor programmes and other opportunities offered by the project.



The implementation of the project will require close cooperation with the VET institutions and the private sector, as well as the cross- portfolio cooperation with the Socioeconomic Governance, Innovation, Democratic Governance and Environment Portfolios.

Next to actively integrating the expertise and the methodologies passed to UNDP by the Skolkovo School of Management and the Soil Science Faculty of M.V. Lomonosov Moscow State University, the project will explore cooperation with Skolkovo Education Development Center, particularly in Acceleration Programme, as well as IBM Moscow, Moscow Innovation Agency, Engineering City Armenia and others through various mechanisms including targeted workshops, mentorships, market entry for successful startups through joint roadshows.

The project will use sector-specific expertise and consultancy from the Soil Science Faculty of M.V. Lomonosov Moscow State University and Federal Institute of Education Development (ФИРО). The project will consider further expansion of Skolkovo School of Management educational tools for VET faculty and key decision-makers. The cooperation modality with the Russian partners will include short-term direct contracts to meet the needs of the project in expertise and consultancy throughout the project implementation.

For the Edu2Work and NCET platform VET block developments, the project will explore potential avenues of cooperation with the [Agency for Strategic Initiatives \(ASI\)](#) which signed a memorandum of understanding with UNDP in 2020. Importantly, the memorandum defined specific areas of cooperation between UNDP and ASI that could be beneficial to the project and its outcomes. The stipulated areas include but are not limited to providing information to the UNDP system on the Russian experience in reforming the secondary vocational education system and the possibilities of its replication abroad with the UNDP's assistance, collaboration on identifying big data technology solutions for the economy, public administration, and other areas, as well as training data specialists among the ASI's partner organisations.

The project will continue cooperating with the partner organizations and **suppliers from the Russian Federation**, specifically sharing notifications about the **procurement competitions** with the ones, who have proved themselves as reliable partners during recently implemented Russia-funded projects.

UNDP closely cooperates with the Embassy of the Russian Federation and the Trade Mission of the Russian Federation in Armenia. Regular updates, working meetings and annual boards will enable uninterrupted communication between partners throughout implementation of the project.

In all the stages of implementation the project will apply mechanisms and approach directed to strengthening the agency of the youth and directly consulting with them about their needs. Both tracer study and foresight exercise under the Component 1 will engage the youth as key informants allowing the project to learn about their needs and expectations, while peer career guidance under component 2, youth entrepreneurship support under component 3 are youth-led mechanisms strengthening youth's agency in addressing the challenges they face.

### ***Risks and Assumptions***

The project results depend on the following assumptions:

**Assumption 1**, that the decision-makers are interested in data-driven reform of VET system and can use the collected data on labour markets demand and supply sides purposefully.

**Assumption 2**, that formal structured work-based learning delivers positive impacts towards reducing youth unemployment (ILO 2018).

**Assumption 3**, that active labour market policies can be particularly beneficial in countries with high rates of unemployment (including Armenia), as they are designed to support jobseekers with a range of services that vary depending on the duration of the unemployment spell, the level of educational attainment or other elements (Serrière 2015).

**Assumption 4**, that transferable skills, allow young people to become agile, adaptive learners and citizens equipped to navigate personal, academic, social, and economic challenges (UNICEF 2019).

**Assumption 5**, that considerable number of young students and unemployed youth expressed a desire to work for themselves and entrepreneurship can be a channel to productive and satisfactory employment (Serrière 2015).

**Assumption 6**, that education remains high on the government's reform agenda and is properly funded; and international development organizations, government and private investors are able to allocate resources for the modernization of the education system and capacity building in education institutions (UNSDCF 2021-2025).

**Assumption 7**, that trained teachers and revised curricula will be able to raise students' performance (UNSDCF 2021-2025).

**Assumption 8**, that life-long and age-appropriate learning will translate in jobs, livelihood opportunities and civic engagement (UNSDCF 2021-2025).

**Assumption 9**, that adequate school buildings and policies will facilitate access and retention of children with disabilities, girls and other vulnerable groups (UNSDCF 2021-2025).

Throughout the risks analyses the project has identified the following risks, the impact, the management and mitigation strategy of which are detailed in the risk log enclosed as Annex 3:

**Risk 1-** Change of the security situation along the border and escalation of the conflict.

**Risk 2-** Floating exchange rate of the Armenian Dram and the high frequency of rate fluctuations.

**Risk 3-** The internal political situation changes in the country, including the sectoral development priorities.

**Risk 4-** Natural hazards (including pandemics, earthquake, etc.)

**Risk 5-** High expectations of the beneficiaries, which cannot be met within the scope of the Project, its budget and strategy

**Risk 6-** Contractor/Third Party workers can be exposed to the risk of labor rights violation, damage to their health or dignity

**Risk 7-** Issues with data quantity and quality within administrative registers and online announcements available on the web

The project takes a precautionary approach to significant social and environmental challenges and is designed to avoid potential adverse impacts to people and the environment.

### ***Stakeholder Engagement***

The primary target group of the project are young people residing in the regions of Armenia, including remote and bordering areas, who will be selected through open calls in accord with the selection criteria built by the project, particularly considering the following:

Age: the beneficiaries will fall within the youth age bracket (15-29 years old)

Gender: at least 50% female participation, including young women as heads of household, NEET young women, young women with multichild family, girls, who dropped out of school, female VET students, young mothers in transition to job, unemployed young women, young women with disabilities

Area of residence: Youth from the remote rural and bordering areas will be specifically targeted



Education: education background so it matches the objectives of the programme (i.e. currently enrolled in VET, NEET youth, youth, who dropped out of school and fresh graduates)  
Socio-economic vulnerability: income level (compared to the poverty threshold), number of dependents, young people with disabilities, young temporary migrants and young people as heads of household  
Current employment situation: the unemployed youth and first-time jobseekers will be targeted  
Young entrepreneurs

In addition, consultations and cooperation with the local municipalities, social workers, the administration of VETIs, the Migration Resource Centres and Unified Social Service, youth and women NGOs will allow to inform and engage the most vulnerable youth in the target regions, including young migrants and youth with disabilities.

The project has incorporated mechanisms for more targeted engagement of women. Namely, under Objective 1 the assessments will yield gender-disaggregated data allowing to analyze the trends and dynamics in the labor market both for men and women. Under Objective 2 the counsellors will be trained to do gender-sensitive career guidance recognizing the different needs and constraints that women and men face in education and labour market. Given the overrepresentation of women in VET as teachers (76%), trainings for teachers are directly contributing to improving the performance of women as teaching professionals. The Project has gender-disaggregated target for all the activities under Objective 2 and 3, whenever applicable, to be achieved through gender-sensitive selection criteria, active cooperation with the women's organizations, local offices and relevant departments of Unified Social Service, NGOs, VETIs, career centers and local municipalities in informing women, increasing the visibility and accessibility of the project-offered support to women and facilitating their application to the internship programmes, ALMPS, acceleration programme and open calls offering support and guidance. Additionally, from the two groups of participants of the Level 1 acceleration programme, one will be an entirely female group. The female entrepreneurs supported under the Project will be included into a peer support network of businesswomen and will have access to marketing support and need-based capacity building.

Another group of stakeholders are employers, employers' associations and private sector. Areas and mechanisms of their engagement will include i) data provision, based on voluntary participation in the labor market assessments. The representatives of the sectors will be mapped during the initial stage of the project and will be invited to participate in focus group discussions and expert interviews, complete the surveys circulated by the project, etc. ii) engagement at training level through implementing company-based internship schemes based on project facilitated contractual relations with the VET institutions, the jointly designed standards and mentorship capacity developed with the support of the Project; iii) engagement at institutional level, including participation in revising the standards both for classroom and work-based learning, this entails the representation of the employers' associations in the working group facilitated by the Ministry of Education, Science, Culture and Sports.

VETIs are direct beneficiaries and important stakeholders for the project, whose capacities and infrastructure will be developed and strengthened by the project for efficient and effective delivery of skills in demand by the labor market. Meanwhile they will be active parties to the social partnership facilitated by the project. The VETIs will be shortlisted in consultation with Ministry of Education, Science, Culture and Sports, and through application of call mechanism.

Ministry of Labour and Social Affairs (MLSA) and the Ministry of Education, Science, Culture and Sports (MESCS), as well as their relevant subdivisions are among the high importance and high influence stakeholders of the project. MESCS will be the national implementing party whose engagement and role will be regulated by the general provisions for NIM modality of the Project document. Both ministries will be represented in the project Board.

More details on stakeholders as partners are available in Partnership section.

The project will make sure that stakeholders have access to and are aware of mechanisms to submit concerns about the social and environmental impacts of a project in line with UNDP Social and Environmental Standards.

### ***South-South and Triangular Cooperation (SSC/TrC)***

Though at this stage the Project does not involve South-South and Triangular Cooperation, relevant opportunities may be identified, and partnerships shaped throughout implementation phase.

### ***Knowledge***

Throughout its implementation the project will yield several knowledge products, including specific outputs of project activities, as well as communication materials and visibility products. Most of these knowledge products will be widely available through the communication platforms of UNDP or partners, as well as through already existing and functioning platforms, such as Edu2Work or KolbaJobs. The knowledge products that the project will produce, include:

- Foresight, as a qualitative assessment that will be held on sectoral level with a view to economic development priorities of the regions to identify skills anticipation and help meet future skill needs by providing policymakers, other actors and the project with relevant information.
- The tracer study of VET graduates, which will provide descriptive and quantitative gender-disaggregated information about the labour market situation of the VET graduates in target regions.
- An additional separate block on the Edu2Work platform to help analyse the demand for vocational trades in Armenia in real-time.
- An additional analytical and digital career tracking block on the NCET system for VET institutions and data visualization on the Edu2Work VET block for a comprehensive overview of the labour market.
- Assessment showing the level of relevance of the VET education content to the labor market needs
- With recommendations on improving the content of the relevant programmes, learning materials (tools, textbooks, didactic materials, etc.) and the capacities of teachers, including from the perspective of work-based learning.
- Revised education standards of certain occupations and the curricula in VETIs.
- Learning content on transferable skills.

The project will develop a visibility plan in line with the requirements of Russian Federation-UNDP Trust Fund for Development Communication and Visibility Strategy. The project will make sure that the project related information is always available to the target groups and stakeholders through channels and in languages in the most accessible, affordable, timely and comprehensible way. To



this end the official communication channels of UNDP, including social media, official website, and those of the partner's, whenever relevant will be used for this purpose. Depending on the needs of the target groups, print media, local entry points, meetings, information sessions, TV and radio, as well as communication channels of schools, universities and VETIs will be used. The project will make sure that the project uses messages appropriate for each target group, thoroughly considering the social and cultural context and related sensitivities, as well as ensuring donor's visibility.

### ***Sustainability and Scaling Up***

Sustainability of the project hinges on taking stock of lessons learnt from previous and ongoing projects and rests on strengthened capacities on institutional and individual levels, support networks, innovation, partnerships and strong ownership.

The project is designed in a period of high momentum for VET reform, when the MESCS is at work on the new VET Strategy and the project is informed by the main objectives and the vision of the draft strategy. This will help the project build strong ownership at the national level and practically be one of the comprehensive initiatives advancing the implementation of the new VET development concept. The implementation of several of the project components will be using the structures and mechanisms that the Government has in place, meanwhile offering training and capacity development, which will strengthen the institutional capacities to advance the VET reform and capture long-lasting impact. In particular, the project will be using the active labor market programme as a support scheme, which has been developed and handed over to the Government by UNDP. Government commits USD 150,000 as a parallel co-funding to this specific programme, which underlies sense of ownership and support by the Government. Active labor market programmes are a part of the MLSA strategy to tackle unemployment and will continue to be delivered as an annual initiative to address the unemployment in Armenia after the project duration.

Project will support the ongoing Government efforts towards labor market data collection. Through automation of the work on Edu2Work platform and devising an additional career tracking block on the National Centre of Educational Technologies based on initial data scientific effort, the learnings during the process will become a know-how for national partners, such as profession and skill standardization taxonomies that could support future national classification system development based on real labor market data. The MESCS and MLSA are currently co-owners of the platform and both have vested interest in connecting VET education and employment through the means of data and evidence. To reinstate its interest, the Government offers USD 5,000 as parallel co-funding to the assessment component of the project.

The revised curricula, the designed internship programmes and equipped laboratories will be transferred to the beneficiary VETIs to be maintained and managed under the auspices of the MESCS. The capacity development of VET teachers and career counsellors is a regular initiative, and the designed training programme will be handed over to the MESCS and MLSA to use nationwide. Government parallel co-financing for the revisions of VET curricula, capacity development of VET teachers and instructors, career counselling is USD 50,000.

Through applying the work-based approach, as one of the main pillars of VET reform, the project shapes a new learning environment in VETI supported by data supply, new partnerships, improved infrastructure, revised programmes and teaching capacities, which will result in attitudinal and behavioral change among the engaged stakeholders for long-lasting and sustainable concerted efforts towards matching the demand and supply sides of labour market. To this end, the VETI and

employers will be equipped with cooperation schemes and standards allowing replication and scaleup of partnerships beyond the project duration.

The project takes stock of the lessons learnt of previous and ongoing projects, particularly that i) engagement of employers into remote hiring schemes is hard to achieve as found out within the scope of “Future Skills and Jobs for Armenia’s Rural Youth” project. They are skeptical about the efficiency of the model, as well as qualification and capacities of the human resource from vulnerable settings. The project has revised the engagement approach of employers initiating a dialogue process between the employers and education providers, policy makers and the youth, strengthening employers’ agency in the design of standards and curriculum, as well as building their capacities of mentoring of the first time labor market entrants and young employees ii) In order to be able to engage the youth online in the regions, offline dialogue and outreach events should be part of the youth engagement strategy to build awareness and trust. With this in mind, the project will couple the online non-formal education opportunities with local meetings, masterclasses and discussions iii) need-based capacity development is more effective for the startups and allows to eliminate knowledge gaps at the early stages of market entry reducing the risks of low performance, after the project support ends, iv) the compound crisis showcased the necessity for flexible business models and digital shift, so the project will support the beneficiaries to embed those features into their business plans for shock proofing their businesses, v) despite the competition, the business community is ready to reach out and support each other, and after the project support ends, peer networks and industry associations are an effective way of mentoring, so the project will facilitate the support networks to emerge and the membership of beneficiaries into associations and chambers.

In the same way the Accelerator provides program participants with sustainable post-programme support. Upon graduation participants join the Accelerator’s large network of graduates and ecosystem players. This provides them with unique opportunities for company to company knowledge spillover, investor matching, new partnerships, continuous access to UNDP’s global network often resulting in increased impact and investments.

Building on traditional methods to understand and analyse the labour market, the proposed digital tools coupled with AI provide the opportunity of continued data collection and automated analysis beyond the duration of the project. By investing once in building these analytical tools, the project will have supported the national counterparts in their analytics and evidence-generation efforts for the years to come ensuring lasting impact and sustainability of project results. In other words, the proposed VET focused innovative blocks on the Edu2Work and NCET national platforms replicate the project’s labour market analytics efforts on a digital level with the added value of automating the analysis through the use of advanced data analytics.

---

### **III. PROJECT MANAGEMENT**

#### ***Cost Efficiency and Effectiveness***

The project’s theory of change rests on models which have already been proof tested, fine-tuned to the local context, including crisis situations and relevant mechanisms of delivering the results have been designed to ensure the cost-efficiency and effectiveness, including planning arrangements, availability of relevant expertise, including in-house expertise, partnerships, etc. As an example, the previous iterations of foresight exercise succeeded to develop the local capacities to use the methodology, which will be further utilised by the project. The Acceleration programme has created an ecosystem, where sharing of information, learning, including peer learning, and access to expertise happens at a lower cost and more effectively. Part of the assessment under the Component 1 will use the tech solutions already in place through Edu2Work. The MSME support



mechanism of UNDP has come up with several business models which can be used as blueprints reducing the consultancy fees.

The project will conduct the procurement of goods and services in compliance with UNDP Standard Operational Procedures, which envisages acquisition of appropriate quality goods and services at the most competitive/lowest price in the market.

The Project will optimise the costs and increase the impact mobilising expertise through synergised efforts with the projects and various stakeholders working in the same direction in the target area (reference to Section III Partnerships).

### ***Project Management***

The project will be implemented through “Support to National Implementation Modality (NIMCO) with the Ministry of Education, Science, Culture and Sports as the Project Implementing Partner. The UNDP CO will ensure project accountability, transparency, effectiveness and efficiency in implementation. UNDP will provide the Implementing Partner with the following major support services for the activities of the project in accordance with UNDP rules and regulations: (i) Identification and recruitment of project personnel; (ii) procurement of goods and services; (iii) financial services; based on a Letter of Agreement (LoA) on direct project costing (DPC).

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.

UNDP, as responsible partner, 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 National Project Coordinator (NPC), who will coordinate project activities and serve as the financial authorizing officer.

The Project will be implemented within the Socio-economic Development (SED) Portfolio under the management of SED Portfolio Manager. Cooperation and dual oversight will be exercised with the Innovation and SDG Finance (ISDGF) portfolio manager on several activities (1.1.2, 1.1.3, 3.1.1).

The NPC will report to the SED Portfolio Manager and will be responsible for all project operations. S/he 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 NPC will be responsible for the project daily planning, implementation quality, reporting, timeliness and effectiveness of the activities carried out. The NPC will be supported by support staff and experts.

#### IV. RESULTS FRAMEWORK

Intended Outcome as stated in the UNDAF/Country [or Global/Regional] Programme Results and Resource Framework: Outcome 4: People, communities and regions benefit from equitable economic opportunities, decent work and sustainable livelihoods, enabled through competitiveness and inclusive green growth.

Outcome indicators as stated in the Country Programme Results and Resources Framework, including baseline and targets: **Indicator 1.1:** Poverty rate decreased, Baseline (2018): 23.5%, Target (2025): 20%. **Indicator 1.2:** Unemployment rate decreased, Baseline (2018): 19%, Target (2025): 17%, Women, Baseline (2018) 20.4%, Target (2025) 19%, Men, Baseline (2018) 17.9%, Target (2025) 17%, Youth, Baseline (2018) 24.9%, Target (2025) 22%, Rural, Baseline (2018) 11.3%, Target (2025) 10%, Urban, Baseline (2018) 24.9%, Target (2025) 23%  
**Indicator 1.3:** Rural population per capita average monthly gross income level increased, Baseline (2018) 63,338 AMD, Target (2025) 75,000 AMD. **Indicator 1.4:** Proportion of youth (aged 15–24 years) not in education, employment or training, Baseline (2018): 11.3%, Target (2025): 10%

**Applicable Output(s) from the UNDP Strategic Plan:** Output 1.1.2: Marginalized groups, particularly the poor, women, and people with disabilities and displaced are empowered to gain universal access to basic services and financial and non-financial assets to build productive capacities and benefit from sustainable livelihoods and jobs

Project title and Atlas Project Number: **Unleashing Employment and Income Generating Opportunities for the Youth in the Regions of Armenia 00135110/00126473**

EXPECTED OUTPUTS/COMPONENTS	OUTPUT INDICATORS	DATA SOURCE	BASELINE		TARGETS (by frequency of data collection)			DATA COLLECTION METHODS & RISKS	
			Value	Year	Year 1	Year 2	Year 3		FINAL
Output 1.3: Competitive labour force developed through promotion of innovative practices of skills-building and human capital development with focus on youth	1.3.1 Number of new labour market-responsive Vocational Education and Training models supported	Annual Project Reports Reports of supported VET colleges and line ministries Media coverage	1	2019	0	0	1	1	Project's reporting mechanism

	1.3.2 Number of partnerships/mechanisms in place to bridge the education and labour-market gap	Annual Project Reports Reports of supported VET colleges and line ministries Partnership agreements, SOIs with the line Ministries, employers, other social partners, etc. Media coverage	0	2019	0	TBD	TBD	TBD	TBD	Project's reporting mechanism
Component 1.1: Up-to-date labor market information is in place to inform the improvements (including those supported by the Project) in vocational education and training benefiting young people.	1.1.1 Report combining the results of skills needs anticipation is completed.	Report summing up the findings of the assessment, Project progress report, Communication materials	No	2021	Yes	N/A	N/A	Yes	TBD	Project's reporting mechanism
	1.1.2 Additional block on Edu2Work platform for VET is in place	Project progress reports, Edu2Work live platform, Communication materials	No	2021	N/A	Yes	N/A	Yes	TBD	Project's reporting mechanism



Component of VET institutions strengthened to effectively engage young people in work-based learning (WBL)	1.1.3 a) Additional analytical and data visualisation blocks on NCET system and Edu2Work are in place.	a) Project progress reports, Edu2Work live platform, NCET systems, Communication materials	a) No b) 0 c) 0	a) 2021 b) 2021 c) 2021	a) N/A b) 0 c) 0	a) Yes b) 5 c) 5,000	a) N/A b) 10 c) 5,800	a) Yes b) 15 c) 10,800	Project's reporting mechanism, Edu2Work platform analytics, NCET system
	b) Number of institutions benefiting from additional data sources for decision-making	b) Project progress reports, Communication materials							
	c) Number of people benefiting from additional data sources for decision-making	c) Edu2Work platform, Project progress reports, Communication materials							
1.2: Capacities of VET institutions are strengthened to effectively engage young people in work-based learning (WBL)	1.2.1 Assessment with recommendations on improving the content of certain VET programmes is in place	Summary report with recommendations	No	2021	Yes	N/A	N/A	Yes	Project's reporting mechanism
	1.2.2 a) Number of VETs benefiting from revised VET standards	a) VETI approvals of the revised curricula	0	2021	a) 8 b) TBD	a) 10 b) TBD	a) 0 b) 0	a) 18 b) 5800	Project's reporting mechanism Survey
	b) Number of VET students benefiting from revised VET standards	b) Survey results							
	1.2.3 Number of VET students passed internship	Contracts with employers, monitoring reports	0	2021	20 w-at least 10 m-10	30 w- at least 15 m-15	30 w-at least 15 m-15	80 w-at least 40 m-max 40	Project's reporting and monitoring mechanism

	1.2.4 Number of VET teachers and mentors report improved capacities in coaching interns	Participant lists Participant survey results	0	2021	170 w-at least 85 m-85	170 w-at least 85 m-85	170 w-at least 85 m-85	160 w-at least 80 m-80	500 w-at least 250 m-max 250	Project's reporting and monitoring mechanism Survey, interviews with coaches and VET teachers.
	1.2.5 a) Number of state VETIs benefitting from upgraded physical facilities and equipment. b) Number of VET students benefitting from upgraded physical facilities and equipment of VET institutions	Visibility materials, monitoring reports, beneficiary survey results	0	2021	a)2 b)TBD	a)4 b)TBD	a)3 b)TBD	a) at least 9 b) TBD	Project's reporting and monitoring mechanism Survey	
Component 2.1: Quality and accessibility of career guidance and professional orientation for young people are improved	2.1.1 Number of career counsellors with strengthened capacities	Participant lists	0	2021	100 w-at least 50 m-50	100 w-at least 50 m-50	100 w-at least 50 m-50	300 w-at least 150 m-max 150	Project's reporting and monitoring mechanism	
	2.1.2 Number of young people trained as PCA	Participant lists	0	2021	17 w-at least 9 m-8	13 w-at least-7 m-6	10 w-at least 5 m-5	40 w-at least 20 m-max 20	Project's reporting and monitoring mechanism	
Component 2.2: The transferable skills (including digital skills) of young people are developed	2.2.1 Number of young people benefitting from online and offline learning opportunities	KolbaJobs data Participant lists Participants survey results	0	2021	1500 w-at least 50%	3000 w-at least 50%	1000 w-at least 50%	5500 w-at least 50% m-max 50%	Project's reporting and monitoring mechanism Survey	
	2.3.1 a) Number of young people benefitting from the ALMP	Project progress reports Monitoring reports Contracts with the employers	1272 nationwide of the direct beneficiaries of the program me)	2020	a) 90 w-at least 50%	a)90 w-at least 50%	a)90 w-at least 50%	a)270 w-at least 50%	Project's reporting and monitoring mechanism	
Component 2.3: Increased participation of young people, especially in rural areas of target regions into active labour market programmes (ALMP)										

<b>Component 3.1: Income-generation opportunities for young people are created in the target regions through promoting youth entrepreneurship</b>	<b>3.1.1 a) Number of jobs created for young people through acceleration programme</b> <b>b) Number of youth with strengthened capacities through acceleration program</b> <b>c) Number of partnerships established with private &amp; public sectors</b> <b>d) Number of thematic Acceleration programs run</b> <b>e) Number of startups capacitated</b> <b>f) Number of startups with seed funding</b>	Grant agreements Monitoring reports Visibility materials	0	2021	3.1.1 a)15 b)150 c)1 d)1 e)8 f)5	3.1.1 a)15 b)0 c)1 d)0 e)0 f)0	3.1.1 a)0 b)0 c)0 d)0 e)0 f)0	3.1.1 a) 30 w-at least 50% m- max 50% b) 150 w-at least 50% m- max 50% c) 2 d) 1 e) 8 (at least 50% women-led) f) 5 (at least 50% women-led)	Project's reporting and monitoring mechanisms
	<b>3.1.2 a) Number of jobs and income generation opportunities created for young people through start-up and MSME support</b>	Transfer acts and contracts Monitoring reports Visibility materials	0	2021	3.1.2 a)30 w-at least 50%	3.1.2 a)50 w-at least 50%	3.1.2a)40 w-at least 50%	3.1.2 a) 120 w-at least 50% m-max 50%	Project's reporting and monitoring mechanisms



## 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:

### Monitoring Plan

Monitoring Activity	Purpose	Frequency	Expected Action	Partners (if joint)	Cost (if any)
<b>Track results progress</b>	Progress data against the results indicators in the RRF will be collected and analysed to assess the progress of the project in achieving the agreed outputs.	Annually, or in the frequency required for each indicator.	Slower than expected progress will be addressed by project management.	N/A	N/A
<b>Monitor and Manage Risk</b>	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
<b>Learn</b>	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
<b>Annual Project Quality Assurance</b>	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.	Annually	Areas of strength and weakness will be reviewed by project management and used to inform decisions to improve project performance.	N/A	N/A

<b>Review and Make Course Corrections</b>	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
<b>Project Report</b>	A progress report will be presented to the Project Board and key stakeholders, consisting of progress data showing the results achieved against pre-defined annual targets at the output level, the annual project quality rating summary, an updated risk log with mitigation measures, and any evaluation or review reports prepared over the period.	Annually, and at the end of the project (final report)		N/A	N/A
<b>Project Review (Project Board)</b>	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

## VI. MULTI-YEAR WORK PLAN

EXPECTED OUTPUTS/COMPONENTS	PLANNED ACTIVITIES	Planned Budget by Year			RESPONSIBLE PARTY	Funding Source	PLANNED BUDGET	
		Y1	Y2	Y3			Budget Description	Amount
<p>Output 1.3: Competitive labour force developed through promotion of innovative practices of skills-building and human capital development with focus on youth</p> <p>Component 1: <i>Increase the employability of the youth in vocational education and training by addressing the mismatch of the labour market demand and supply sides.</i></p> <p>Gender marker: GEN2</p>	Activity 1_1 Skill needs assessment	40,000.00	0.00	0.00	UNDP	RUS GOV	Contractual Services/Individuals	40,000
	Activity 1_2 Analyse and digitise VET-related data (Edu2Work)	62,000.00	82,000.00	0.00	UNDP	RUS GOV	Local Consultants Contractual Services-Individual Contractual Services-Companies Information Technology Equipmt Audio Visual&Print Prod Costs Miscellaneous	144,000.00
	Activity 1_3 Strengthen VETI capacities	110,000.00	205,852.00	114,000.00	UNDP	RUS GOV	Local Consultants Contractual Services-Individual	



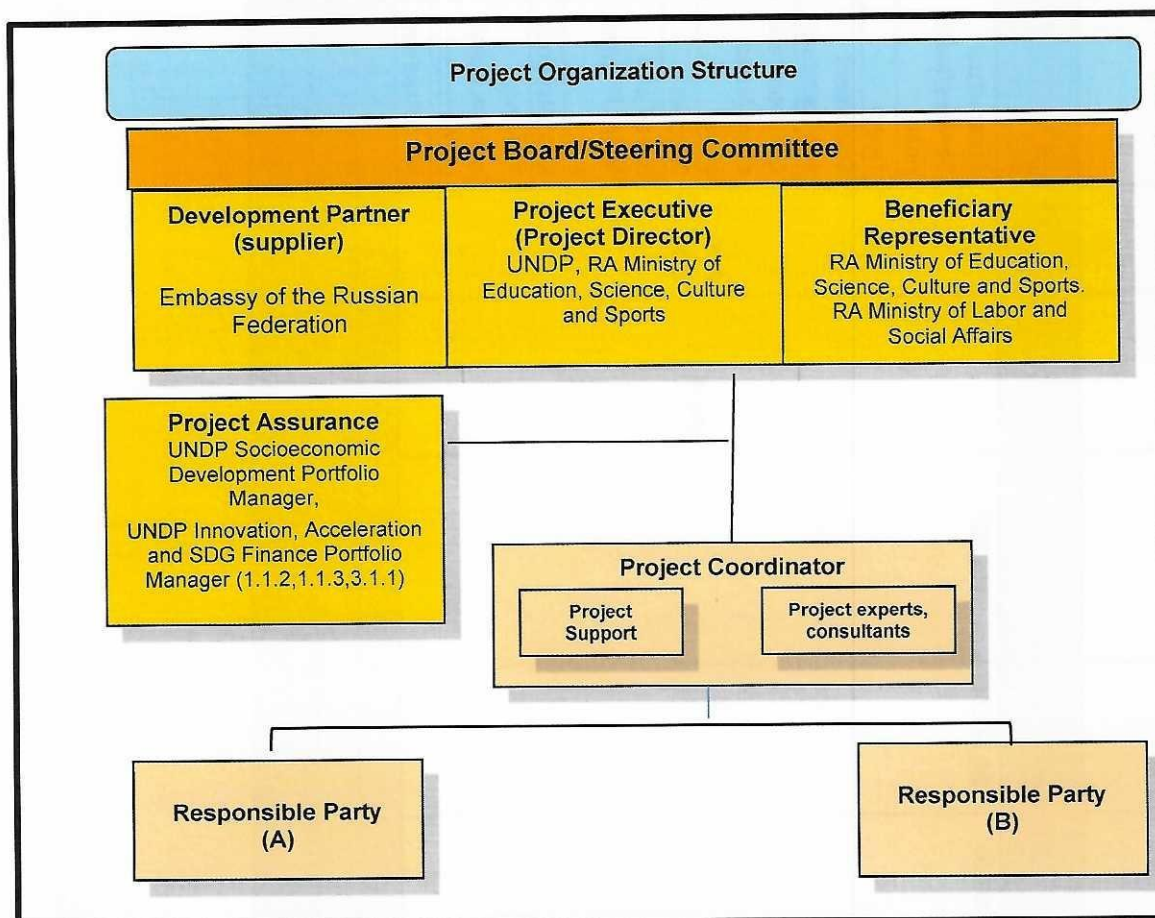
<b>Component 2: Facilitate transition to work for the youth in the target regions</b>  <i>Gender marker: GEN 2</i>	Delivery Enabling Services (Monitoring, Quality Assurance, Financial Oversight, Recruitment, Evaluation etc.)	2,300.00	2,300.00	2,400.00						Contractual Services-Companies Information Technology Equipmt Audio Visual&Print Prod Costs Miscellaneous	429,852.00	
	<b>Sub-Total for Output 1</b>											
	Government parallel financing	15,000.00	20,000.00	20,000.00	20,000.00	UNDP	GOV					620,852.00
	Activity 2_1 Improve career guidance	35,000.00	30,000.00	25,000.00	25,000.00	UNDP	RUS GOV					90,000
	Activity 2_2 Develop youth's transferable skills	10,000.00	20,000.00	15,000.00	15,000.00	UNDP	RUS GOV					45,000.00
	Activity 2_3 Increase youth participation in ALMP	50,000.00	120,000.00	100,000.00	100,000.00	UNDP	RUS GOV					

										Contractual Services/Companies	270,000.00
										Miscellaneous	
	Delivery Enabling Services (Monitoring, Quality Assurance, Financial Oversight, Recruitment, Evaluation etc.)	2,300.00	2,300.00	2,400.00							7,000.00
<b>Sub-Total for Output 2</b>											
Component 3: Support economic empowerment of young people in the target regions, especially in rural and remote areas  Gender marker: GEN 2	Government parallel financing	50,000.00	50,000.00	50,000.00					GOV		150,000.00
	Activity 3_1 Launch acceleration program	126,059.00	8,200.00	0.00				UNDP	RUS GOV	Local Consultants Contractual Services/Individuals Micro-Capital Grants - Other Rental and Maint. Of Other Eq. Audio Visual & Print Prod Costs Miscellaneous	134,259.00
	Activity 3_2 Support Youth MSMEs	100,000.00	160,000.00	100,000.00				UNDP	RUS GOV	Local consultants Contractual Services/Individuals Travel Contractual Services/Companies Materials and Goods	360,000.00

									Miscellaneous	
	Delivery Enabling Services (Monitoring, Quality Assurance, Financial Oversight, Recruitment, Evaluation etc.)	2,300.00	2,300.00	2,400.00						7,000.00
	<b>Sub-total for Output 3</b>									<b>501,259.00</b>
<b>Management</b>		109,000.00	104,741.00	104,000			UNDP	RUS GOV	Contractual Services/Individuals Travel Equipment and Furniture Communication and Audio visual Supplies Rental and Maint. Premises Miscellaneous Training, workshop and conferences Miscellaneous	317,741.00
	Sub-total for Project Management									<b>317,741.00</b>
	<b>General Management Support (8%)</b>									<b>148,148.00</b>
	<b>TOTAL</b>									<b>2,000,000.00</b>



## VII. GOVERNANCE AND MANAGEMENT ARRANGEMENTS



The Ministry of Education, Science, Culture and Sports will be the Implementing Partner of the Project. The Ministry will designate a representative through whom will be facilitated the consultations on all substantive issues related to the project execution.

UNDP will provide support services to the Implementing Partner in accordance with the Letter of Agreement to be signed with MESCS, which will be annexed to this project document. UNDP will ensure project accountability, transparency, effectiveness, and efficiency.

A Project Steering Committee (PSC) will be established to provide guidance to the project management. The PSC will be represented by the implementing agency, the key partners, including project beneficiaries, UNDP, and the donor. Regular PSC meetings will be organized to monitor the execution of the project. PSC meetings will take place as necessary, but at least once a year. The PSC will monitor project progress, provide political oversight, and offer general advice for project implementation to make certain the project is consistent with national development priorities.

UNDP SED Portfolio Manager will provide general project implementation assurance, including other programme support as necessary.

---

## 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

### Option a. Government Entity (NIM)

1. Consistent with the Article III of the SBAA [*or the Supplemental Provisions to the Project Document*], the responsibility for the safety and security of the Implementing Partner and its personnel and property, and of UNDP’s property in the Implementing Partner’s custody, rests with the Implementing Partner. To this end, the Implementing Partner shall:
  - a) 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;
  - b) assume all risks and liabilities related to the Implementing Partner’s security, and the full implementation of the security plan.
2. 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 Implementing Partner’s obligations under this Project Document.
3. The Implementing Partner agrees to undertake all reasonable efforts to ensure that no UNDP funds received pursuant to the Project Document 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>.
4. The Implementing Partner acknowledges and agrees that UNDP will not tolerate sexual harassment and sexual exploitation and abuse of anyone by the Implementing Partner, and each of its responsible parties, their respective sub-recipients 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, the Implementing Partner, and each of its sub-parties referred to above, 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, the Implementing Partner, and each of its sub-parties referred to above, 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.

5. a) In the performance of the activities under this Project Document, the Implementing Partner shall (with respect to its own activities), and shall require from its sub-parties referred to in paragraph 4 (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, the Implementing Partner will and will require that such 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 the Implementing Partner and its sub-parties referred to in paragraph 4 have not put in place its own training regarding the prevention of SH and SEA, the Implementing Partner and its sub-parties may use the training material available at UNDP;
  - iii. Report and monitor allegations of SH and SEA of which the Implementing Partner and its sub-parties referred to in paragraph 4 have been informed or have otherwise become aware, and status thereof;
  - iv. Refer victims/survivors of SH and SEA to safe and confidential victim assistance; and
  - v. Promptly and confidentially record and investigate any allegations credible enough to warrant an investigation of SH or SEA. The Implementing Partner shall advise UNDP of any such allegations received and investigations being conducted by itself or any of its sub-parties referred to in paragraph 4 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 Implementing Partner shall advise UNDP of any actions taken by it or any of the other entities further to the investigation.



b) The Implementing Partner 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 Implementing Partner, and each of its sub-parties referred to in paragraph 4, to comply of the foregoing, as determined by UNDP, shall be considered grounds for suspension or termination of the Project.

6. 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>).
7. The Implementing Partner shall: (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.
8. 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.
9. The Implementing Partner will take appropriate steps to prevent misuse of funds, fraud or corruption, by its officials, consultants, responsible parties, subcontractors and sub-recipients in implementing the project or using UNDP funds.
10. In the implementation of the activities under this Project Document, UNDP places reasonable reliance upon the Implementing Partner for it to apply its laws, regulations and processes, and applicable international laws regarding anti money laundering and countering the financing of terrorism, to ensure consistency with the principles of then in force the UNDP Anti-Money Laundering and Countering the Financing of Terrorism Policy.
11. The Implementing Partner 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.
12. The requirements of the following documents, then in force at the time of signature of the Project Document, apply to the Implementing Partner: (a) UNDP Policy on Fraud and other Corrupt Practices and (b) UNDP Office of Audit and Investigations Investigation Guidelines. The Implementing Partner 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](http://www.undp.org).
13. In the event that an investigation is required, UNDP has the obligation to conduct investigations relating to any aspect of UNDP projects and programmes in accordance with UNDP's regulations, rules, policies and procedures. The Implementing Partner shall provide its full cooperation, including making available personnel, relevant documentation, and granting access to the Implementing Partner's (and its consultants', responsible parties', 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 the Implementing Partner to find a solution.

14. The signatories to this Project Document will promptly inform one another in case of any incidence of inappropriate use of funds, credible allegation of fraud or corruption or other financial irregularities with due confidentiality.

Where the Implementing Partner becomes aware that a UNDP project or activity, in whole or in part, is the focus of investigation for alleged fraud/corruption, the Implementing Partner will inform the UNDP Resident Representative/Head of Office, who will promptly inform UNDP's Office of Audit and Investigations (OAI). The Implementing Partner shall provide regular updates to the head of UNDP in the country and OAI of the status of, and actions relating to, such investigation.

15. UNDP shall be entitled to a refund from the Implementing Partner of any funds provided that have been used inappropriately, including through fraud, corruption or other financial irregularity, or otherwise paid other than in accordance with the terms and conditions of the Project Document. Such amount may be deducted by UNDP from any payment due to the Implementing Partner under this or any other agreement. Recovery of such amount by UNDP shall not diminish or curtail the Implementing Partner's obligations under this Project Document.

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

*Note:* The term "Project Document" as used in this clause shall be deemed to include any relevant subsidiary agreement further to the Project Document, including those with responsible parties, subcontractors, and sub-recipients.

16. Each contract issued by the Implementing Partner 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 the Implementing Partner shall cooperate with any and all investigations and post-payment audits.
17. Should UNDP refer to the relevant national authorities for appropriate legal action any alleged wrongdoing relating to the project, 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.
18. The Implementing Partner shall ensure that all of its obligations set forth under this section entitled "Risk Management" are passed on to each responsible party, subcontractor and sub-

recipient and that all the clauses under this section entitled “Risk Management Standard Clauses” are included, *mutatis mutandis*, in all sub-contracts or sub-agreements entered into further to this Project Document



---

**X. ANNEXES**

- I. Project Quality Assurance Report
  - II. Social and Environmental Screening Template
  - III. Risk Analysis
  - IV. Theory of Change
  - V. LOA
-

## ANNEX II. SOCIAL AND ENVIRONMENTAL SCREENING TEMPLATE (2021 SESP TEMPLATE, VERSION 1)

The completed template, which constitutes the Social and Environmental Screening Report, must be included as an annex to the Project Document at the design stage. Note: this template will be converted into an online tool. The online version will guide users through the process and will embed relevant guidance.

### Project Information

Project Information	
1. Project Title	Unleashing Employment and Income Generating Opportunities for the Youth in the Regions of Armenia
2. Project Number (i.e. Atlas project ID, PIMS+)	135110/126473
3. Location (Global/Region/Country)	RBEC/ Armenia
4. Project stage (Design or Implementation)	Design
5. Date	September 20, 2021

### Part A. Integrating Programming Principles to Strengthen Social and Environmental Sustainability

#### QUESTION 1: How Does the Project Integrate the Programming Principles in Order to Strengthen Social and Environmental Sustainability?

##### *Briefly describe in the space below how the project mainstreams the human rights-based approach*

The project recognises that young people are rights holders and within the scope of its interventions will empower the young people to realize their rights and support the Government to meet their rights obligations, especially n equal access to education and decent work. Through its comprehensive selection criteria and zero tolerance for discrimination, as well as context-specific measures to facilitate participation of women and young people with disabilities, the project will make sure that its interventions are inclusive and accessible without constraints, while all the groups equitably benefit from project resources, and provided social and economic benefits. To this end the project set socially and gender-sensitive criteria, designed targeted components, has identified the partners, who will enable the inclusion of the most vulnerable, and will use the framework of contracts with the implementing partners and the third parties to the realization of youths' rights- as related to the scope of the project. UNDP refrains from providing support for activities that may contribute to violations of a State's human rights obligations and the core international human rights treaties (UNDP Social and Environmental Standards). Following the findings and recommendations of Youth and Human Rights, Report of the United Nations High Commissioner for Human Rights (A/HRC/39/33 2018) the project will address the challenges that young people, including women, migrants, young people with disabilities face in ensuring respect for their rights, in particular their rights to gain access to decent jobs when transitioning from education to the labour market, as well as decent livelihoods.

##### *Briefly describe in the space below how the project is likely to improve gender equality and women's empowerment*



The intervention strategy is informed by the findings of the gender analysis and later will be enriched by the gender-disaggregated data to be collected by the project. The interventions will benefit both women and men, so that they are able to participate meaningfully and equitably, have equal access to programme and project resources, and receive comparable social and economic benefits (UNDP Social and Environmental Standards). To this end the project will make targeted interventions to accommodate the women's needs and will apply specifically designed mechanisms to address women's needs in situations, where they demonstrate bigger vulnerability compared to men. Capacity building exercises fine-tuned to the women's needs, targeted interventions for increasing their inclusion into labor market, gender-sensitive selection criteria, gender-disaggregated data collection, gender-disaggregated results indicators and targets are all a part of the project's design aiming at improving gender equality and women's empowerment.

**Briefly describe in the space below how the project mainstreams sustainability and resilience**

The project will work in crisis-affected communities addressing some of the root causes of poverty and inequality by making systemic interventions in education, strengthening capacities on national and local levels, empowering the youth and strengthening their agency, as well as establishing network of peer support thus contributing to strengthened resilience of the target communities and vulnerable groups. UNDP uses and promotes a precautionary approach to significant social and environmental challenges and requires application of the mitigation hierarchy to first avoid potential adverse impacts to people and the environment, or where avoidance is not possible, to then minimize, mitigate, and as a last resort, offset and compensate for potential residual adverse impacts.

**Briefly describe in the space below how the project strengthens accountability to stakeholders**

The project will design a sound communication and visibility plan to ensure timely access to comprehensible information about project interventions, including related risks to all the stakeholders and beneficiaries, meanwhile the project will ensure that there is a mechanism and awareness of entry points for the stakeholders to submit grievances, complaints and concerns, as well as there is a process of addressing those complaints.

**Part B. Identifying and Managing Social and Environmental Risks**

QUESTION 2: What are the Potential Social and Environmental Risks? <i>Note: Complete SESP Attachment 1 before responding to Question 2.</i>	QUESTION 3: What is the level of significance of the potential social and environmental risks? <i>Note: Respond to Questions 4 and 5 below before proceeding to Question 5</i>	QUESTION 6: Describe the assessment and management measures for each risk rated Moderate, Substantial or High
<i>Risk Description (broken down by event, cause, impact)</i>	Impact and Likelihood (1-5)	<i>Description of assessment and management measures for risks rated as Moderate, Substantial or High</i>
Event: Contractor/Third Party Workers can be exposed to the risk of labor	Significance (Low, Moderate, Substantial, High) Low I=2 L=2	Contractual arrangement will be in place for managing and monitoring the performance of the third parties.



<p>rights violation, damage to their health or dignity. Cause: weak enforcement and monitoring mechanisms Impact: reputational damage to UNDP</p>		<p>Both the workers and employers will be provided the information about their rights and obligations. UNDP or the implementing partner will do the due diligence to ensure that all the required conditions, including OSH requirements, are in place to provide safety and dignity, as well as full exercise of labor rights as defined by the National law and international standards. Regular monitoring and a grievance mechanism will be in place to timely detect and discontinue undesirable practices.</p>
<p><b>QUESTION 4: What is the overall project risk categorization?</b></p>		
	<p><b>Low Risk</b>      <input checked="" type="checkbox"/></p> <p><b>Moderate Risk</b>      <input type="checkbox"/></p> <p><b>Substantial Risk</b>      <input type="checkbox"/></p> <p><b>High Risk</b>      <input type="checkbox"/></p>	
<p><b>QUESTION 5: Based on the identified risks and risk categorization, what requirements of the SES are triggered? (check all that apply)</b></p>		
<p>Question only required for Moderate, Substantial and High Risk projects</p>		
	<p><b>Is assessment required? (check if "yes")</b></p> <p><i>if yes, indicate overall type and status</i></p>	<p><input type="checkbox"/></p> <p><input type="checkbox"/> Targeted assessment(s)</p> <p><input type="checkbox"/> ESIA (Environmental and Social Impact Assessment)</p> <p><input type="checkbox"/> SESA (Strategic Environmental and Social Assessment)</p>
	<p><b>Are management plans required? (check if "yes")</b> <i>if yes, indicate overall type</i></p>	<p><input type="checkbox"/></p> <p><input type="checkbox"/> Targeted management plans (e.g. Gender Action Plan, Emergency Response Plan, Waste Management Plan, others)</p> <p><input type="checkbox"/> ESMP (Environmental and Social Management Plan which may include range of targeted plans)</p>

	ESMF (Environmental and Social Management Framework)	Comments (not required)
Based on identified risks, which Principles/Project-level Standards triggered?		
Overarching Principle: Leave No One Behind		
Human Rights	<input type="checkbox"/>	
Gender Equality and Women's Empowerment	<input type="checkbox"/>	
Accountability	<input type="checkbox"/>	
1. Biodiversity Conservation and Sustainable Natural Resource Management	<input type="checkbox"/>	
2. Climate Change and Disaster Risks	<input type="checkbox"/>	
3. Community Health, Safety and Security	<input type="checkbox"/>	
4. Cultural Heritage	<input type="checkbox"/>	
5. Displacement and Resettlement	<input type="checkbox"/>	
6. Indigenous Peoples	<input type="checkbox"/>	
7. Labour and Working Conditions	x	
8. Pollution Prevention and Resource Efficiency	<input type="checkbox"/>	

**Final Sign Off**

Final Screening at the design-stage is not complete until the following signatures are included

Signature	Date	Description
QA Assessor		Anna Gyurjyan, Team Leader, Socioeconomic Development
QA Approver		Natia Natsvlshvili, UNDP RR
PAC Chair		Artashes Darbinyan, Operations Manager

## SESP Attachment 1. Social and Environmental Risk Screening Checklist

<b>Checklist Potential Social and Environmental Risks</b>		
<b>INSTRUCTIONS:</b> The risk screening checklist will assist in answering Questions 2-6 of the Screening Template. Answers to the checklist questions help to (1) identify potential risks, (2) determine the overall risk categorization of the project, and (3) determine required level of assessment and management measures. Refer to the <a href="#">SES toolkit</a> for further guidance on addressing screening questions.		
<b>Overarching Principle: Leave No One Behind</b>		<b>Answer (Yes/No )</b>
<b>Human Rights</b>		
P.1	Have local communities or individuals raised human rights concerns regarding the project (e.g. during the stakeholder engagement process, grievance processes, public statements)?	<b>No</b>
P.2	Is there a risk that duty-bearers (e.g. government agencies) do not have the capacity to meet their obligations in the project?	<b>No</b>
P.3	Is there a risk that rights-holders (e.g. project-affected persons) do not have the capacity to claim their rights?	<b>No</b>
<i>Would the project potentially involve or lead to:</i>		
P.4	adverse impacts on enjoyment of the human rights (civil, political, economic, social or cultural) of the affected population and particularly of marginalized groups?	<b>No</b>
P.5	inequitable or discriminatory impacts on affected populations, particularly people living in poverty or marginalized or excluded individuals or groups, including persons with disabilities?	<b>No</b>
P.6	restrictions in availability, quality of and/or access to resources or basic services, in particular to marginalized individuals or groups, including persons with disabilities?	<b>No</b>
P.7	exacerbation of conflicts among and/or the risk of violence to project-affected communities and individuals?	<b>No</b>
<b>Gender Equality and Women's Empowerment</b>		
P.8	Have women's groups/leaders raised gender equality concerns regarding the project, (e.g. during the stakeholder engagement process, grievance processes, public statements)?	<b>No</b>
<i>Would the project potentially involve or lead to:</i>		
P.9	adverse impacts on gender equality and/or the situation of women and girls?	<b>No</b>
P.10	reproducing discriminations against women based on gender, especially regarding participation in design and implementation or access to opportunities and benefits?	<b>No</b>
P.11	limitations on women's ability to use, develop and protect natural resources, taking into account different roles and positions of women and men in accessing environmental goods and services? <i>For example, activities that could lead to natural resources degradation or depletion in communities who depend on these resources for their livelihoods and well being</i>	<b>No</b>
P.12	exacerbation of risks of gender-based violence? <i>For example, through the influx of workers to a community, changes in community and household power dynamics, increased exposure to unsafe public places and/or transport, etc.</i>	<b>No</b>
<b>Sustainability and Resilience:</b> Screening questions regarding risks associated with sustainability and resilience are encompassed by the Standard-specific questions below		
<b>Accountability</b>		
<i>Would the project potentially involve or lead to:</i>		



P.13	exclusion of any potentially affected stakeholders, in particular marginalized groups and excluded individuals (including persons with disabilities), from fully participating in decisions that may affect them?	No
P.14	grievances or objections from potentially affected stakeholders?	No
P.15	risks of retaliation or reprisals against stakeholders who express concerns or grievances, or who seek to participate in or to obtain information on the project?	No
<b>Project-Level Standards</b>		
<b>Standard 1: Biodiversity Conservation and Sustainable Natural Resource Management</b>		
<i>Would the project potentially involve or lead to:</i>		
1.1	adverse impacts to habitats (e.g. modified, natural, and critical habitats) and/or ecosystems and ecosystem services? <i>For example, through habitat loss, conversion or degradation, fragmentation, hydrological changes</i>	No
1.2	activities within or adjacent to critical habitats and/or environmentally sensitive areas, including (but not limited to) legally protected areas (e.g. nature reserve, national park), areas proposed for protection, or recognized as such by authoritative sources and/or indigenous peoples or local communities?	No
1.3	changes to the use of lands and resources that may have adverse impacts on habitats, ecosystems, and/or livelihoods? (Note: if restrictions and/or limitations of access to lands would apply, refer to Standard 5)	No
1.4	risks to endangered species (e.g. reduction, encroachment on habitat)?	No
1.5	exacerbation of illegal wildlife trade?	No
1.6	introduction of invasive alien species?	No
1.7	adverse impacts on soils?	No
1.8	harvesting of natural forests, plantation development, or reforestation?	No
1.9	significant agricultural production?	No
1.10	animal husbandry or harvesting of fish populations or other aquatic species?	No
1.11	significant extraction, diversion or containment of surface or ground water? <i>For example, construction of dams, reservoirs, river basin developments, groundwater extraction</i>	No
1.12	handling or utilization of genetically modified organisms/living modified organisms? <sup>1</sup>	No
1.13	utilization of genetic resources? (e.g. collection and/or harvesting, commercial development) <sup>2</sup>	No
1.14	adverse transboundary or global environmental concerns?	No
<b>Standard 2: Climate Change and Disaster Risks</b>		
<i>Would the project potentially involve or lead to:</i>		
2.1	areas subject to hazards such as earthquakes, floods, landslides, severe winds, storm surges, tsunami or volcanic eruptions?	No
2.2	outputs and outcomes sensitive or vulnerable to potential impacts of climate change or disasters? <i>For example, through increased precipitation, drought, temperature, salinity, extreme events, earthquakes</i>	No

<sup>1</sup> See the [Convention on Biological Diversity](#) and its [Cartagena Protocol on Biosafety](#).

<sup>2</sup> See the [Convention on Biological Diversity](#) and its [Nagoya Protocol](#) on access and benefit sharing from use of genetic resources.

2.3	increases in vulnerability to climate change impacts or disaster risks now or in the future (also known as maladaptive or negative coping practices)? <i>For example, changes to land use planning may encourage further development of floodplains, potentially increasing the population's vulnerability to climate change, specifically flooding</i>	No
2.4	increases of greenhouse gas emissions, black carbon emissions or other drivers of climate change?	No
<b>Standard 3: Community Health, Safety and Security</b>		
<i>Would the project potentially involve or lead to:</i>		
3.1	construction and/or infrastructure development (e.g. roads, buildings, dams)? (Note: the GEF does not finance projects that would involve the construction or rehabilitation of large or complex dams)	No
3.2	air pollution, noise, vibration, traffic, injuries, physical hazards, poor surface water quality due to runoff, erosion, sanitation?	No
3.3	harm or losses due to failure of structural elements of the project (e.g. collapse of buildings or infrastructure)?	No
3.4	risks of water-borne or other vector-borne diseases (e.g. temporary breeding habitats), communicable and noncommunicable diseases, nutritional disorders, mental health?	No
3.5	transport, storage, and use and/or disposal of hazardous or dangerous materials (e.g. explosives, fuel and other chemicals during construction and operation)?	No
3.6	adverse impacts on ecosystems and ecosystem services relevant to communities' health (e.g. food, surface water purification, natural buffers from flooding)?	No
3.7	influx of project workers to project areas?	No
3.8	engagement of security personnel to protect facilities and property or to support project activities?	No
<b>Standard 4: Cultural Heritage</b>		
<i>Would the project potentially involve or lead to:</i>		
4.1	activities adjacent to or within a Cultural Heritage site?	No
4.2	significant excavations, demolitions, movement of earth, flooding or other environmental changes?	No
4.3	adverse impacts to sites, structures, or objects with historical, cultural, artistic, traditional or religious values or intangible forms of culture (e.g. knowledge, innovations, practices)? (Note: projects intended to protect and conserve Cultural Heritage may also have inadvertent adverse impacts)	No
4.4	alterations to landscapes and natural features with cultural significance?	No
4.5	utilization of tangible and/or intangible forms (e.g. practices, traditional knowledge) of Cultural Heritage for commercial or other purposes?	No
<b>Standard 5: Displacement and Resettlement</b>		
<i>Would the project potentially involve or lead to:</i>		
5.1	temporary or permanent and full or partial physical displacement (including people without legally recognizable claims to land)?	No
5.2	economic displacement (e.g. loss of assets or access to resources due to land acquisition or access restrictions – even in the absence of physical relocation)?	No



5.3	risk of forced evictions? <sup>3</sup>	
5.4	impacts on or changes to land tenure arrangements and/or community based property rights/customary rights to land, territories and/or resources?	No
<b>Standard 6: Indigenous Peoples</b>		
<i>Would the project potentially involve or lead to:</i>		
6.1	areas where indigenous peoples are present (including project area of influence)?	No
6.2	activities located on lands and territories claimed by indigenous peoples?	No
6.3	impacts (positive or negative) to the human rights, lands, natural resources, territories, and traditional livelihoods of indigenous peoples (regardless of whether indigenous peoples possess the legal titles to such areas, whether the project is located within or outside of the lands and territories inhabited by the affected peoples, or whether the indigenous peoples are recognized as indigenous peoples by the country in question)?  <i>If the answer to screening question 6.3 is "yes", then the potential risk impacts are considered significant and the project would be categorized as either Substantial Risk or High Risk</i>	No
6.4	the absence of culturally appropriate consultations carried out with the objective of achieving FPIC on matters that may affect the rights and interests, lands, resources, territories and traditional livelihoods of the indigenous peoples concerned?	No
6.5	the utilization and/or commercial development of natural resources on lands and territories claimed by indigenous peoples?	No
6.6	forced eviction or the whole or partial physical or economic displacement of indigenous peoples, including through access restrictions to lands, territories, and resources?  <i>Consider, and where appropriate ensure, consistency with the answers under Standard 5 above</i>	No
6.7	adverse impacts on the development priorities of indigenous peoples as defined by them?	No
6.8	risks to the physical and cultural survival of indigenous peoples?	No
6.9	impacts on the Cultural Heritage of indigenous peoples, including through the commercialization or use of their traditional knowledge and practices?  <i>Consider, and where appropriate ensure, consistency with the answers under Standard 4 above.</i>	No
<b>Standard 7: Labour and Working Conditions</b>		
<i>Would the project potentially involve or lead to: (note: applies to project and contractor workers)</i>		
7.1	working conditions that do not meet national labour laws and international commitments?	No
7.2	working conditions that may deny freedom of association and collective bargaining?	No
7.3	use of child labour?	No
7.4	use of forced labour?	No
7.5	discriminatory working conditions and/or lack of equal opportunity?	No
7.6	occupational health and safety risks due to physical, chemical, biological and psychosocial hazards (including violence and harassment) throughout the project life-cycle?	Yes
<b>Standard 8: Pollution Prevention and Resource Efficiency</b>		
<i>Would the project potentially involve or lead to:</i>		

<sup>3</sup> Forced eviction is defined here as the permanent or temporary removal against their will of individuals, families or communities from the homes and/or land which they occupy, without the provision of, and access to, appropriate forms of legal or other protection. Forced evictions constitute gross violations of a range of internationally recognized human rights.



8.1	the release of pollutants to the environment due to routine or non-routine circumstances with the potential for adverse local, regional, and/or transboundary impacts?	<b>No</b>
8.2	the generation of waste (both hazardous and non-hazardous)?	<b>No</b>
8.3	the manufacture, trade, release, and/or use of hazardous materials and/or chemicals?	<b>No</b>
8.4	the use of chemicals or materials subject to international bans or phase-outs? <i>For example, DDT, PCBs and other chemicals listed in international conventions such as the <u>Montreal Protocol</u>, <u>Minamata Convention</u>, <u>Basel Convention</u>, <u>Rotterdam Convention</u>, <u>Stockholm Convention</u></i>	<b>No</b>
8.5	the application of pesticides that may have a negative effect on the environment or human health?	<b>No</b>
8.6	significant consumption of raw materials, energy, and/or water?	<b>No</b>

Annex III. Risk Analysis

#	Description	Date Identified	Type	Impact & Probability	Countermeasures / Mngt response
1	Change of the security situation along the border and escalation of the conflict.	January 20, 2022	Political	Difficulties/security restrictions for operating in certain communities and impose risk for sustainability of actions. P = 5 I = 5	<i>Project will follow instructions from UN Department for Safety and Security and of local law enforcement for the trips to affected communities (additional security measures may be taken into account). In case of absence of restrictions for travelling and project operations in the affected communities, the project interventions should be readjusted to meet the needs of the target groups and communities, if approved by the donor.</i>
2	Floating exchange rate of the Armenian Dram and the high frequency of rate fluctuations	January 20, 2022	Financial	The costs will rise causing budget insufficiency.  P = 3 I = 3	<i>UNDP has efficient cash/currency management arrangements, and to the extent possible adaptive financial planning will be used. In addition, UNDP will work on attracting additional funds through establishing public-private partnerships, leveraging funds with other organizations / projects operating in the target regions.</i>
3	The internal political situation changes in the country, including the sectoral development priorities.	January 20, 2022	Political	This will cause instability and cancel the current policy frameworks and the administrative setup needed for the project implementation.  P = 3 I = 3	<i>The Project will revisit its implementation strategy in consultation with the donor, stakeholders and the board, and while the principles will remain intact, the intervention mechanisms may change. UNDP CO maintains good cooperation with all the line Ministries and will manage to adapt the project implementation without compromising the achievement of project results through flexible approach and constructive dialogue.</i>
4	Natural hazards (including pandemics, earthquake, etc.)	January 20, 2022	Environmental	Security measures can prevent interaction with the beneficiaries and stakeholders and may postpone or cancel the project operations in the field. Destructions can affect the Project results. The impact may range from damage to total destruction. P = 4 I = 4	<i>To mitigate the risk the Project will deploy a remote management modality, making sure that the key stakeholders and beneficiaries have access to the support and assistance most needed in the emergency situation. The possible changes to the project intervention strategy will be agreed with the donor. The project will make sure that all the construction implemented by the Project is done in accord with the mandatory security norms, including seismic assessments, whenever applicable.</i>
5	High expectations of the beneficiaries,	January 20, 2022	Other	The reputation of the Project is	<i>The regular and open communication with the</i>

	which cannot be met within the scope of the Project, its budget and strategy.			undermined in the communities and among the beneficiary groups, and they are not interested in the Project. P =2 I = 2	<i>beneficiaries will set it clear what should be expected from the Project and what are the limitations of the Project scope.</i>
6	Contractor/Third Party workers can be exposed to the risk of labor rights violation, damage to their health or dignity.	January 20, 2022		reputational damage to UNDP I=2 P=2	<i>Contractual arrangement will be in place for managing and monitoring the performance of the third parties. Both the workers and employers will be provided the information about their rights and obligations. UNDP or the implementing partner will do the due diligence to ensure that all the required conditions, including OSH requirements, are in place to provide safety and dignity, as well as full exercise of labor rights as defined by the National law and international standards. Regular monitoring and a grievance mechanism will be in place to timely detect and discontinue undesirable practices.</i>
7	Issues with data quantity and quality within administrative registers and online announcements available on the web.	January 20, 2022	Other	The data analytics scale and quality envisaged within the Project could be compromised.  P=3 I=3	<i>The Project will undertake measures such as qualitative analyses to help understand the reasons behind lack of data/quality issues and if need be, design and implement advocacy activities for better data generation/collection. Similarly, if the issues are encountered within state registers, data cleaning and standardization will be provided, in addition to recommendations for better data collection mechanisms.</i>



# Annex IV. Theory of Change:



## THEORY OF CHANGE. UNLEASHING EMPLOYMENT AND INCOME GENERATING OPPORTUNITIES FOR THE YOUTH IN THE REGIONS OF ARMENIA

CONTEXT	INPUTS	ACTIVITIES	OUTPUTS	OUTCOMES	IMPACT
<p>Ongoing VET reform</p> <hr/> <p>Rising need on faster and automated data collection for labour market analysis on regular basis</p> <hr/> <p>Skills mismatch</p> <hr/> <p>Long period of transition from school to work among the youth</p> <hr/> <p>Compound crisis</p> <hr/> <p>Increasing vulnerabilities and outmigration among young people</p> <hr/> <p>High youth unemployment</p> <hr/> <p>Limited entrepreneurial activity among the youth</p>	<p>In-house expertise in support to education, entrepreneurship and innovation.</p> <hr/> <p>Own tools and platforms as enablers of innovation, reskilling/upskilling and analysis (EduZWork, Accelerator Kolb Jobs)</p> <hr/> <p>Strong partnerships on the national and local level</p> <hr/> <p>Proven track record of youth empowerment</p> <hr/> <p>Strong presence in remote and rural areas.</p>	<p>1.1.1: Conduct assessment of skills needs anticipation in pre-identified sectors</p> <hr/> <p>1.1.2: Analyse VET-related job vacancies through EduZWork platform</p> <hr/> <p>1.1.3: Digitize and analyse VET student data and career journey through cooperation with the National Centre of Educational Technologies</p> <hr/> <p>1.2.1: Assess vocational training content relevance (for certain occupations) to the labour market needs</p> <hr/> <p>1.2.2: Revise VET standards with corresponding modular curricula for certain occupations to better integrate work-based learning for VET students</p> <hr/> <p>1.2.3: Launch an internship scheme as a form of work-based learning for VET students</p> <hr/> <p>1.2.4: Develop the capacities of teachers and instructors at target VETIs and companies</p> <hr/> <p>1.2.5: Upgrade VETIs to address quality of vocational education and training for selected qualifications</p> <hr/> <p>2.1.1: Strengthen the capacities of career counsellors</p> <hr/> <p>2.1.2: Build capacities of active community youth as peer career advisors (PCA)</p> <hr/> <p>2.2.1: Launch non-formal educational component on developing transferable skills for young people</p> <hr/> <p>2.3.1: Launch support schemes to offer temporary job opportunities to the unemployed young people</p> <hr/> <p>3.1.1: Launch two-level Acceleration program</p> <hr/> <p>3.1.2: Select and support youth start-ups, microbusinesses and SMEs through an open call</p>	<p>1.3: Competitive labour force developed through promotion of innovative practices of skills building and human capital development with focus on youth</p>	<p>1: People, communities and regions benefit from equitable economic opportunities, decent work and sustainable livelihoods, enabled through competitiveness and inclusive green growth</p>	<p>People's choices expanded for a fairer, sustainable future, to build the world envisioned by Agenda 2030 with planet and people in balance.</p>



Yerevan, 15 March 2022

Dear Mr. Dumanyan,

1. Reference is made to consultations between officials of the Ministry of Education, Science, Culture and Sport of Armenia (hereinafter referred to as “the Ministry”) and officials of the United Nations Development Programme (hereinafter referred to as “UNDP”, collectively referred to as “Parties”) with respect to the provision of support services by the UNDP Country Office in Armenia for “Unleashing Employment and Income Generating Opportunities for the Youth in the Regions of Armenia” Project. UNDP and the Ministry hereby agree that the UNDP Country Office may provide such support services at the request of the Ministry as described below.
2. The UNDP Country Office may provide support services for assistance with reporting requirements and direct payment. In providing such support services, the UNDP Country Office shall ensure that the capacity of the Ministry is strengthened to enable it to carry out such activities directly. The costs incurred by the UNDP Country Office in providing such support services shall be recovered from the administrative budget of the office.
3. The UNDP Country Office may provide, at the request of the Ministry, the following support services for the activities of the Project:
  - (a) Identification and/or recruitment of the Project personnel;
  - (b) Identification and facilitation of training activities;
  - (a) Procurement of goods and services;
4. The procurement of goods, works and services and the recruitment of project personnel by the UNDP Country Office shall be in accordance with the UNDP regulations, rules, policies and procedures. Support services described in paragraph 3 above are detailed in an annex to the project document, in the form provided in the Attachment hereto. If the requirements for support services by the Country Office change during the life of the project, the Attachment shall be revised with the mutual agreement of the UNDP Resident Representative and the Ministry.
5. The relevant provisions of the *UNDP Standard Basic Assistance Agreement with the Government of Armenia* (the “SBAA”), signed on 8th March 1995, including the provisions on liability and privileges and immunities, shall apply to the provision of such support services. The Ministry shall retain overall responsibility for the nationally managed project. The responsibility of the UNDP

Country Office for the provision of the support services described herein shall be limited to the provision of such support services as detailed in the Attachment below.

6. Any claim or dispute arising under or in connection with the provision of support services by the UNDP Country Office in accordance with this letter shall be handled pursuant to the relevant provisions of the SBAA.

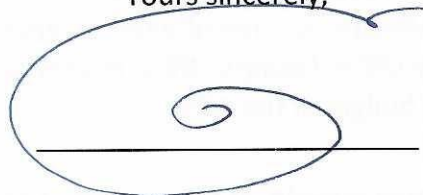
7. The manner and method of cost-recovery by the UNDP Country Office in providing the support services described in paragraph 3 above is specified in the Attachment below.

8. The UNDP Country Office shall submit progress reports on the support services provided and shall report on the costs reimbursed in providing such services, as may be required.

9. Any modification of the present arrangements shall be effected by mutual written agreement of the parties hereto.


10. If you are in agreement with the provisions set forth above, please sign and return to this office two signed copies of this letter. Upon your signature, this letter shall constitute an agreement between the Ministry and UNDP on the terms and conditions for the provision of support services by the UNDP Country Office for "Unleashing Employment and Income Generating Opportunities for the Youth in the Regions of Armenia" Project.

Yours sincerely,

A large, stylized handwritten signature in black ink, consisting of a large loop and a smaller spiral, positioned above a horizontal line.

Natia Natsvlishvili

UNDP Resident Representative

A handwritten signature in black ink, appearing as a series of connected loops and strokes, positioned above a horizontal line.

Vahram Dumanyan

Minister of Education, Science,  
Culture and Sport of Armenia



Annex to Annual Work Plan # 00135110/00126473

UNDP COUNTRY OFFICE SUPPORT SERVICES

Reference is made to the agreement reached between the Government of Armenia and UNDP for the implementation of the 2021-2025 Country Programme Document (CPD) whereby the parties have agreed that the UNDP country office would provide support services, when applicable, as described below.

#	Description of services	Reimbursement amount based on the Local Price List valid as of 01.07.2021 used by UNDP for direct project costing (in USD)	UNIT
1	Payment Process	39.02	Per voucher
2	Credit card payment	42.00	Per transaction
3	Payroll validation	40.02	Per person, quarterly
4	Leave monitoring	5.72	Per person, quarterly
5	IC and SC recruitment, including	236.79	Per person
5a	Advertisement	47.36	
5b	Short listing	94.71	
5c	Contract Issuance	94.71	
6	Issue IDs	38.32	Per ID
7	Travel management (Simple)	66.50	Per travel
7a	Travel cost estimates (including airline quotes DSA estimates) (25%)	16.62	
7b	Travel request or authorization (40%)	26.60	
7c	Travel claim or F10 settlement (35%)	23.27	
8	Travel management (Complex)	96.58	Per travel
8a	Travel cost estimates (including airline quotes DSA estimates) (25%)	24.15	
8b	Travel request or authorization (40%)	38.63	
8c	Travel claim or F10 settlement (35%)	33.80	
9	Hotel reservation	14.46	Per booking
10	Visa request	26.34	Per person
11	Vehicle Registration	38.43	Per item
12	Procurement process involving local CAP or RACP/ACP	545.78	Per case
12a	Identification and selection (50%)	272.89	
12b	Contracting/Issue PO (25%)	136.44	
12c	Follow-up (25%)	136.44	
13	Procurement not involving review bodies	217.80	Per case
13a	Identification and selection	108.90	
13b	Contracting/Issue PO	54.45	
13c	Contract follow-up	54.45	
14	Disposal of equipment	277.78	Per lot