

Joint SDG Fund
 Joint Programme Annual Progress Report
SDG FINANCING PORTFOLIO – COMPONENT 1

Cover page

Reporting period: June 30 – December 31, 2020

Country: Armenia

Joint Programme (JP) title: Making Finance work for Transformative Change in Armenia: UN-locking Finance for Armenia 2030

Short title: UN-locking Finance for Armenia 2030

Start date (month/year): 01 July 2020

End date (month/year): 30 June 2022

RC (name): Armenia

Government Focal Point (name and ministry/agency): Sedrak Barseghyan, Head of DPM office

Representative of Lead PUNO (name and agency): Dmitry Mariyasin, UNDP

List of PUNOs: UNDP, UNICEF, WFP

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Budget (Joint SDG Fund contribution): 998,330 USD

Overall budget (with co-funding): 1,640,330 USD

Annual Financial Delivery Rate:

- *Annual Delivery Rate (%) = $\frac{\text{Expenditures PUNO 1} + \text{Expenditures PUNO 2...}}{\text{Total transferred funds Jan 2020 to December 2020}}$;*

Rate of Committed Funding :

- *Committed Funding Rate (%) = $\frac{\text{Committed money PUNO 1} + \text{Committed money PUNO 2...}}{\text{Total transferred funds Jan 2020 to December 2020}}$*

	Expenditures January 2020 - December 2020	Committed resources January 2020- December 2020	Transferred Funds January 2020- December 2020	Annual Financial Delivery Rate (%)	Committed Funding Rate(%)
UNDP	20,200	20,200	99,417	89%	20%
UNICEF	8,698	-	-		
WFP	59,215	-	-		

Short description of the Joint Programme (max 1 paragraph):

The joint Project, designed by UNDP, UNICEF and WFP is developed to: (i) help the Government of Armenia create clear links between policies, planning and budgeting processes (horizontal workstream); and (ii) deploy innovative and evidence-driven mechanisms to leverage partnerships and multiple sources of finance towards three priority areas in Armenia - climate change, food security and human capital (vertical workstream).

Executive summary

The COVID-19 crisis and the escalation of conflict in Nagorno-Karabakh (NK) during September-November 2020 imposed major risks and had negative impacts many of the key development and sectorial strategies relevant to this JP which have been put on hold or are pending revision to be adjusted to the needs and challenges of the rapidly changing context, including emerging social/health needs such as physio-social support and disability services and implications related to families affected by COVID-19 and conflict, as well as the overall economic decline in the country. The situation had a strong impact on the UN's programme and operations in the country, including the JP, leading to implementation delays. Since the breakout of hostilities, the JP team had been working on adopting conflict-sensitive approach and repositioning the project to make its interventions targeted in the COVID-19 and post-conflict recovery narrative. The discussions with the Government and other stakeholders have re-started after the ceasefire to make updates in the project's objectives and activities with due consideration of the UN COVID-19 Socio-Economic Response and Recovery Plan (SERP) and Inter-Agency Response Plan to the NK conflict.

One of the main challenges was the changing government priorities and significant delays in the design and roll out of national policy processes and plans such as the Armenia Transformation Strategy 2050 and the 20+ sectoral strategies and associated action plans and budgets, which all play key roles in the JP's ToC.

Annual Progress (MAXIMUM 7 PAGES)

A.1 The overview of progress and challenges

A.1.1. Overall self-assessment

Provide a self-assessment on the overall JP progress in the last year.

- Above expectations (expected annual results fully achieved and additional progress made)
- On track (expected annual results achieved)
- Satisfactory (majority of expected annual results achieved)
- Not-satisfactory (majority of expected annual results not yet achieved)

There have been delays in the implementation of all the activities due to the escalated conflict in Nagorno Karabakh.

A.1.2. Overall progress and key developments to date

Overall, the launch and implementation of the JP has been delayed due to the escalated conflict in Nagorno Karabakh. Nevertheless, since the outbreak of hostilities in NK in September 2020, the JP team has been closely following the situation in the country to identify areas and solutions through which the JP can support and bring value to the Government. In other words, the JP team has been working on adopting a conflict-sensitive approach and repositioning the project to make its interventions targeted in the post-conflict recovery narrative. The discussions with the Government and other relevant stakeholders have also re-started after the ceasefire to ensure that necessary

adjustments in the project's objectives and activities are made. Of importance is the development of a draft DFA concept note where relevant focus areas for Armenia and key advantages for the Government to roll out this assessment in the immediate post-conflict context is presented. All the activities planned for 2020 should be implemented in the first half of 2021 to maintain the duration of the JP. No additional financial resources were mobilized for the project in 2020.

A.1.3. Changes

Was the JP document modified in the past year?

Yes

No

The JP document will need to be modified during the first half of Y2021 in line with the Government's new priorities and needs in the context of the post-conflict recovery and COVID-19 crisis.

A.1.4. Challenges

Did the JP face any major challenges in the past year?

Yes

No

The COVID-19 crisis and the escalation of conflict in Nagorno-Karabakh (NK) during September-November 2020 imposed major risks and had negative impacts on the political and economic stability, public health, social protection and other development sectors of Armenia, including public finance management and spending prioritization. Many of the key development and sectorial strategies relevant to this JP have been put on hold or are pending revision to be adjusted to the needs and challenges of the rapidly changing context, including emerging social/health needs such as physio-social support and disability services and implications related to families affected by COVID-19 and conflict, as well as the overall economic decline in the country. The situation had a strong impact on the UN's programme and operations in the country, including the JP, leading to implementation delays. Since the breakout of hostilities, the JP team had been working on adopting conflict-sensitive approach and repositioning the project to make its interventions targeted in the COVID-19 and post-conflict recovery narrative. The discussions with the Government and other stakeholders have re-started after the ceasefire to make updates in the project's objectives and activities with due consideration of the UN COVID-19 Socio-Economic Response and Recovery Plan (SERP) and Inter-Agency Response Plan to the NK conflict. One of the main challenges was the changing government priorities and significant delays in the design and roll out of national policy processes and plans such as the Armenia Transformation Strategy 2050 and the 20+ sectoral strategies and associated action plans and budgets, which all play key roles in the JP's ToC.

Since the outbreak of hostilities in NK in September 2020, the JP team has been closely following the situation in the country to identify areas and solutions through which the JP can support and bring value to the Government. In other words, the JP team has been working on adopting a conflict-sensitive approach and repositioning the project to make its interventions targeted in the post-conflict recovery narrative. The discussions with the Government and other relevant stakeholders have also re-started after the ceasefire to ensure that necessary adjustments in the project's objectives and activities are made. Of importance is the development of a draft DFA concept note where relevant focus areas for Armenia and key advantages for the Government to roll out this assessment in the immediate post-conflict context is presented. During Q1 international and local experts on DFA will be attracted to organize the works on DFA. The technical specifications of Donor Assistance Database (DAD) have been designed and now are in discussion phase between all the stakeholders, particularly: the DPM office, UN agencies and supplier company. In addition, the project team collaborates actively with the Ministry of Finance in budgeting processes and SDG alignments.

A.1.5. COVID-19 and other strategic alignment

The Project will help bring together and deepen the collaboration between line ministries, development partners, the private sector, diaspora, CSOs, etc., and improve the synergies between their individual efforts and

initiatives - including during and post the COVID-19 crisis. Such alignment has already been envisaged in the initial JP. Focus will be on forging new partnerships, building strategies to mobilize and use various types of public and private finance, as well as developing coordination mechanisms and analytical capacity to improve Armenia’s post-COVID-19 recovery, socio-economic development and resilience-building. From the end of 2020 the Project team has started discussions with the MoF and the DPM’s office to align the JP with recovery strategies and policies, including a National Mid-Term Recovery Plan currently under development, which is expected to be finalised in June 2021 with the support of UNDP and the UNRCO. Moreover, feedback has been provided to the draft Labour and Social Protection Sector Development Strategy for including due consideration of various shocks and crises, including in the recovery phase. The discussions are still ongoing and in the first quarter the results will be more visible. Moreover, the JP team has been engaging with the developer of the Government's new DAD to ensure that Policy Objectives classification - including at indicators/targets level and possibly using the same classification for the SDG, COVID-19, conflict recovery and other tagging systems - are built in to the system, and in alignment with budget classifications used as per the public finance chart of accounts).

A.2 Update on priority issues

A.2.1. Progress on Integrated National Financing Framework/SDG financing building blocks

Implementation stages	Planned (0%)	Emerging (1-49% progress)	Advancing (50-99% progress)	Complete (100% progress)	Previously completed	Not applicable	Comments/ Notes
1. Inception phase	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Agreement of the purpose, scope, oversight mechanism of INFF, DFA report, INFF roadmap
2. Assessment & diagnostics	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
3. Financing strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
4. Monitoring & review	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
5. Governance & coordination	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	

The Project team has designed the DFA experts TORs (local and international) and drafted the DFA concept note to be presented to the Government of Armenia in Q1 to help position the project in the new context. The DFA has been designed as a two phased assessment, considering key national processes and their time frames, current and emerging national priorities as well as micro and macro-economic effects of the compound crisis in Armenia and the region. .

A.2.2. Thematic focus

- | | | | |
|--|---|---------------------------------------|---|
| <input checked="" type="checkbox"/> Cross-cutting | <input checked="" type="checkbox"/> Social protection | <input type="checkbox"/> Agriculture | <input checked="" type="checkbox"/> Human Capital |
| <input checked="" type="checkbox"/> Gender | <input checked="" type="checkbox"/> Health & nutrition | <input type="checkbox"/> Biodiversity | <input checked="" type="checkbox"/> SDG finance |
| <input checked="" type="checkbox"/> Children & youth | <input checked="" type="checkbox"/> Climate change & nature | <input type="checkbox"/> Blue economy | <input type="checkbox"/> Other..... |

A.2.3. Gender marker

Did your Joint Programme feature Gender Results in the past year at the outcome or output level?

Yes

No

Briefly explain: There was no milestone defined for 2020 for Gender Results. Nevertheless, under human capital development component in the scope M&E support to the Ministry of Education (outcome 1, output 1.2) the results and indicators use gender-sensitive language and the disaggregation was provided, wherever possible.

Gender Marker total average scoring from 0 to 3 (as defined in the JP document): GEN 2

As part of the technical support in the development of the SDG-aligned M&E framework for the Education Sector Development Strategy, the context analysis was reviewed from the gender lens to add information on the disproportionate coverage and access of girls by and to the education system, with focus on rural areas. At the same time, the indicators were disaggregated wherever possible and disaggregated data collection and monitoring was suggested for the Action Plan. These are being reviewed and finalized.

Moreover, the preparatory work of the JP, such as recruitment of key experts as well as planning of assessments and the development of governance structures have been completed in a gender-responsive manner. As an example, the overall JP team is gender balanced and all experts' understanding and experience working on gender equality have been evaluated during recruitment process.

[A.2.4. Vulnerable groups](#)

Will the JP directly impact marginalized and/or vulnerable groups through a dedicated outcome or output?

Yes

No

List of marginalized and vulnerable groups	Dedicated Outcome	Dedicated Output	Status (planned/in progress/complete)
Women and girls	Outcomes 1, 2	Outputs 1.1, 1.2, 2.1, 2.2	In progress
Children	Outcomes 1, 2	Outputs 1.1, 1.2, 2.1, 2.2	In progress
Youth	Outcome 1	Outputs 1.1., 1.2	In progress
Persons with disabilities	Outcomes 1, 2	Outputs 1.1, 1.2, 2.1, 2.2.	In progress
Older persons			
Minorities (incl. ethnic, religious, linguistic...)			
Indigenous peoples			
Persons of African Descent (when understood as separate from minorities)			
Migrants			
Refugees & asylum seekers	Outcome 2	Output 2.1, 2.2	Planned
Internally displaced persons			

Stateless persons			
Persons deprived of their liberty			
Peasants and rural workers			
Human rights defenders (incl. NGOs, journalists, union leaders, whistleblowers...)			
LGBTI persons (sexual orientation and gender identity)			
Persons affected by (HIV/AIDS, leprosy...)			
Persons with albinism			
Victims or relatives of victims of enforced disappearances			
Victims of (slavery, torture, trafficking, sexual exploitation and abuse...)			

A.2.5. Learning and sharing

- The Armenian JP learnt from the Nepal and Thailand experience in positioning a DFA to the Government in the COVID-19 context. This was achieved with the help of UNDP’s INFF focal points and Nepalese focal points who shared insights from the process in Thailand as well as shared examples on how the JP in Armenia can adjust to proposition to the Armenian context.
- The UNDP INFF experts provided support to the JP in terms of potential partnership opportunities and entry points with the EU and IMF, building on the experience from other countries in the E/CIS region and elsewhere.
- UNDP’s global SDG Budgeting advisor has also shared information from other countries such as Mongolia on potential entry points and the value that SDG budgeting can offer the Ministry of Finance in Armenia. The JP expert shared UNDP Armenia’s experience on Climate Change Budgeting, namely Climate Change budget Indexing and CPEIR during a Technical webinar for practitioners on SDG Budgeting, organized on 09 September by the Istanbul Regional Hub.

A.3 Update on events and partnerships

A.3.1. Events

Type of event	Yes	No	Comments
JP launch event	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<i>Delayed due to the escalated conflict in NK</i>
Annual donors’ event*	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<i>Delayed due to the escalated conflict in NK</i>
Partners’ event **	<input type="checkbox"/>	<input checked="" type="checkbox"/>	SDG Financing Component 1 - Annual Report & INFF Survey Webinar (organized by UN Joint SDG Fund and UNDP)

*the Fund donor countries are Denmark, European Union, Germany, Ireland, Luxembourg, Monaco, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland. Please note that this event can be held together with a launch event or partners’ event.

** Key advocacy outreach events with high level JP partners.

A.3.2. Partnerships

Did your Joint Programme facilitate engagement with diverse stakeholders (e.g. parliamentarians, civil society, IFIs, bilateral/multilateral actor, private sector)?

- Yes
 No

The Government of Armenia, the Ministry of Finance, IMF, WB, ADB etc (ADB – in the development of the Education sector strategy; World Bank – in the provision of consolidated feedback to the Social Protection strategy; on DFA, IMF – in developing joint messages on protecting social spending post-COVID, DFA, INFF).

The EU: Development of an SDG-aligned National Development Assistance Database

[A.3.3. Additional financing](#)

- Yes
- No

Source of funding	Yes	No	Co-funding or Co-financing?	Name of organization	Amount (USD)	Comments
Government	<input type="checkbox"/>	<input type="checkbox"/>				
Donors/IFIs	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<i>Co-funding</i>	<i>EU (through UNDP) ADB (jointly with UNICEF)</i>	150,000 USD App. 10,000 USD	<i>DAD Education Strategy costing</i>
Private sector	<input type="checkbox"/>	<input type="checkbox"/>				
PUNOs	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<i>Co-funding</i>	<i>UNDP</i>		<i>Veteran financing</i>
Other partners	<input type="checkbox"/>	<input checked="" type="checkbox"/>				

A.4 Strategic communications

Did the JP develop a strategic communications plan?

- Yes
- No

Due to significant critique extended to the UN and other international organizations during and in the aftermath of the conflict in an around NK, the UNCT limited its communication efforts between September and December 2020. Accordingly, the recruitment of a dedicated part-time communication assistant responsible for the development of communications plan was postponed until 2021. The Communications Plan is expected to be developed and approved in Q1.

- Transparency
- Interactive communication (permanent strategic updates)
- Discussions and negotiations dedicated platforms
- Specifying the main stakeholders

As mentioned above, all communications related to the JP, including the JP Launch Event together with the DPM’s Office planned in October, was stalled between September and December 2020. Accordingly, no highlights can be reported.

B. Annual Results (MAXIMUM 3 PAGES)

B.1. SDG acceleration

List up to 3 main SDG targets that your Joint Programme primarily focused in 2020.

SDG: 1. No Poverty

SDG: 13. Climate Action

SDG: 17. Partnerships for Goals

The COVID-19 crisis and the escalation in the conflict in Nagorno-Karabakh (NK) imposed major risks and negative impacts on political and economic stability, public health, social protection and other development sectors of Armenia as well as public finances and spending prioritization. The situation had a strong impact on the UN’s programme and operations in the country, including the JP, leading to implementation delays

One of the main challenges in 2020 was the changing government priorities and significant delays in the design and roll out of national policy processes and plans such as the Armenia Transformation Strategy 2050 and the 20+ sectoral strategies and associated action plans and budgets, which all play key roles in the JP’s ToC.

Since the outbreak of hostilities in NK in September 2020, the JP team has worked to sensitize the situation in the country and identify areas and solutions through which the JP can support and bring value to the Government. In other words, the JP team has been working on adopting a conflict-sensitive approach and repositioning the project to make its interventions targeted in the COVID-19/post-conflict recovery narrative. The discussions with the Government and other relevant stakeholders have also re-started after the ceasefire to ensure that necessary adjustments in the project’s objectives and activities are made. with due consideration of National priorities (immediate, mid- and long-term), the UN COVID-19 Socio-Economic Response and Recovery Plan (SERRP), and the Inter-Agency Response Plan to the NK conflict. Particularly, the support to MoF was permanent in adjusting the 2022 MTEF and budget methodological instructions for better policy-budget alignment, in the practical implementation of new templates and instructions in the scope of the project.

UNICEF convened development partners (World Bank, EU) and UN agencies (WFP, ILO, IOM, UNHCR) for joint feedback to the draft Labour and Social Protection Sector Development Strategy and Action Plan 2020-2025, focusing on its linkages to human capital development, SDGs, as well as Covid-19 response and recovery. This was a unique joint effort by development partners, with a very strong message to the Ministry of Labour and Social Affairs on improving the shock-responsiveness of the social protection system, inclusion of emerging vulnerable groups, as well as conducting appropriate costing of proposed interventions and developing a robust M&E framework in the wake of rising poverty and emerging vulnerable groups. The recommendations of the joint Core Diagnostic of the Social Protection System conducted by the World Bank and UNICEF were already partially included in the draft Strategy, including internationally recognized definition of social protection, lifecycle and human rights-based approach and others. The recommendations were positively taken by the Ministry of Labour and Social Affairs and partially incorporated in the new draft of the Strategy, which has not been approved yet; and together with development partners, including IFIs, UN agencies, humanitarian NGOs, UNICEF developed a position paper on protecting social spending for joint advocacy within Medium-term expenditure framework and budget discussions by the Government, considering COVID-19’s toll on human capital gains and progress towards SDGs.

B.2. Contribution to Fund’s global results

As the project has been just initiated in the last year there were no planned contributions to the Fund’s global Outcome and Output by the JP in 2020.

Indicators	Targets	
	2020	2021
2.1: Ratio of financing for integrated multi-sectoral solutions leveraged in terms of scope ¹	-	1:2 ¹⁰

¹Additional resources mobilized for other/ additional sector/s or through new sources/means

2.2: Ratio of financing for integrated multi-sectoral solutions leveraged in terms of scale ²	-	1:4 ³
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Joint SDG Fund Output 4: Integrated financing strategies for accelerating SDG progress implemented

Indicators	Targets	
	2020	2021
4.1: #of integrated financing strategies that were tested (disaggregated by % successful / unsuccessful)	-	3
4.2: #of integrated financing strategies that have been implemented with partners in lead ⁴	-	1
4.3: # of functioning partnership frameworks for integrated financing strategies to accelerate progress on SDGs made operational	-	1

B.3. JP Outputs and outcomes

- Output 1.2: While progress on ATS remained only in the developed and presented vision by the Prime Minister, work has progressed on sectorial strategies, particularly the social protection and education sector development strategies with UNICEF support and in collaboration with relevant Government counterparts and development partners, including IFIs. The draft Social Protection and Education Sector Development Strategies were prepared, with consideration of issues of poverty, gender equality and equity, including clear reference to SDGs. However, these strategies are pending review and approval after the dual crises of COVID-19 and conflict. Intense collaboration with MoF started from December till now in the scope of JP to strengthen public finance management and to start initial steps towards SDG tagging/coding.
- Output 1.3: The technical specifications of DAD have been designed and now are in discussion phase between all the stakeholders, particularly: the DPM office, UN agencies and supplier company. The DFA concept note and experts TOR-s design has been initiated in December which will be finalized in Q1. In addition, works are going on in the fields of innovative financial instruments and veteran financing instruments (veteran bonds, social impact bonds) research.
- Output 2.1: Social spending gaps and priorities were mapped in a position paper by the UN COVID-19 Social Protection and Psycho-social support working group led by UNICEF as a reference for the Government in the MTEF preparation. Agreement was reached with the Ministry of Labour and Social Affairs to work on family-friendly policies with focus on families with many children, including costing of social protection solutions and programmes and their sustainable financing.

B.4. Strategic Documents

Did the JP produce strategic documents in the last year (policy, strategies, analyses/assessments, methodological documents, and other relevant documents)?

- Yes
No

Project Document was produced by the JP team in 2020 which describes the project, references to SDGs, outcomes and outputs of the project, the multi-year action plan, budget, risk etc. Later on several other documents have been produced, particularly:

- "Position paper on protecting social spending" - UNICEF

²Additional resources mobilized for the same multi-sectoral solution.

³ The proposed ratios assume that for each USD 1 that the JP provides, an additional USD 2/4 will be mobilized to finance interventions and other activities in other/same priority areas. However, as the targets are set for 2020 and 2021 and the results of the JP are expected in 2022, the proposed ratios may need to be adjusted. This more so given the ongoing COVID-19 pandemic which may cause JP delays or distort investments to other areas.

⁴ This will be disaggregated by (1) government/public partners (2) civil society partners and (3) private sector partners

- “Draft Education Sector Development Strategy M&E framework” - UNICEF
- “Consolidated feedback by development partners to the draft Labour and Social Protection Sector Development Strategy” - UNICEF
- “Food Security System in Armenia: Policy over Years, Market Functionality, Supply Chains” - WFP

WFP in partnership with the Republican Union of Employers of Armenia (RUEA) carried out a market assessment. The report is part of a multi-phase assessment of food security system in Armenia and presents baseline findings of examination of food security policy framework in Armenia, as well as the impact of COVID-19 global health pandemic on market functionality and supply chains of essential food and non-food items in Armenia during summer months of 2020. The findings of the assessment are presented in a report that will be shared during a conference on the 5th of October 2021.

C. Plan for the Next Year of implementation (MAXIMUM 2 PAGES)

C.1 Upcoming activities

Activity 1. Armenia Transformation Strategy is adopted as an integrated, gender-sensitive and equitable national SDG framework

- *Adjustments to the project's priority areas, scope and budget in line with the new context in Armenia, including the Government's priorities following the COVID-19 crisis and the escalation in the conflict in Nagorno-Karabakh*
- *Establishment of contact and working mechanism with all the stakeholders, including the DPM's office, the Ministry of Finance (MoF) and other relevant Line Ministries.*

Activity 2. Public finance management system is strengthened for better measurement and increased adequacy, effectiveness and equitability of the distribution of public resources for the realisation of gender-responsive, child-sensitive and SDG-aligned policies

- *Support the MoF in adjusting the 2022 MTEF and budget methodological instructions for better policy-budget alignment:*
 - *templates and instructions related to the presentation, aggregation, and prioritization of new initiatives and program measures related to certain cross-sectoral policy areas ((i) COVID-19 control measures and (ii) post-conflict economic recovery measures);*
 - *introduction of templates and instructions for policy-budget mapping in the MTEF, including the alignment of budget programs with SDGs.*
 - *Support in the design of methodology aspects of SDG budgeting, including SDG tagging.*
- *Support the MoF with the practical implementation of new templates and instructions:*
 - *capacity development and on the job support to the MoF budget block staff with the implementation of new templates and instructions (including the revision/examination of relevant sections of budget submissions of state agencies).*

Activity 3. Public, private and development financing landscape, including existing flows, gaps and options, is mapped to inform the implementation of the ATS

- *Implementation of a DFA in Armenia, including preparation of a DFA report and INFF roadmap to support to creation of a baseline understanding of current financing flows and gaps and identify strengths and weaknesses of existing financing strategies, policies, and institutional structures to meet key financing challenges,*
- *Support in the development and operationalizing of Donor Assistance Database (DAD) to improve donor assistance coordination, transparency, and result-reporting, which currently limits the effectiveness of foreign aid flows to Armenia*
- *Undertake research on innovative financial instruments to deploy innovative and evidence-driven mechanisms to leverage partnerships and multiple sources of development finance to bridge investment gaps (including new financing options that can support investments in sectors that disproportionately benefit women, poor and vulnerable groups, and strengthen medium and long-term planning)*

Activity 4. Financing needs and gaps are diagnosed in the achievement of climate change, food security and human capital sectoral targets

Activity 5. Coherent financing frameworks developed in the pre-selected sectors for the allocation of sufficient and adequate public and private resources

- *Further support the review and finalization of social sector strategies, including costing of human capital development programmes across 2030 and across target sectors to determine the collective investment gap from public and private resources*
- *Development of social protection and family-friendly policies, including building of an investment case in the post-COVID and conflict recovery phase*

Narrative about JP's expected annual results (Outputs and outcomes)

Outcome 1: Armenia Transformation Strategy is anchored in an SDG-aligned, integrated, gender-sensitive and equitable financing framework

Output 1.1. Armenia Transformation Strategy is adopted as an integrated, gender-sensitive and equitable national SDG framework – **at least 60% for Jan 2021 – 31 Dec 2021**

Output 1.2. Public finance management system is strengthened for better measurement and increased adequacy, effectiveness and equitability of the distribution of public resources for the realization of gender-responsive, child-sensitive and SDG-aligned policies – **100% of ATS targets are mapped with budget program structure, budgeting process includes an SDG perspective and partially specifies allocations to gender equality and children in the relevant sectors and agencies, level of awareness of relevant GoA staff on gender-responsive, child sensitive and SDG-aligned program-based budgeting – 30% for 2021 in three prioritized areas.**

Output 1.3. Public, private and development financing landscape, including existing flows, gaps and options, is mapped to inform the implementation of the ATS – **DFA conducted in 2021, 70% alignment of DAD with ATS/SDGs for 2021.**

Outcome 2: Public and private investment and financing options for climate change, human capital and food security are identified, enabling accelerated, evidence-based and accountable progress towards selected SDGs.

Output 2.1. Financing needs and gaps are diagnosed in the achievement of climate change, food security and human capital sectoral targets - **At least 1 gender-sensitive and SDG-related expenditure review and assessment conducted, assessment conducted, and Financing gaps identified in 1 prioritized areas considering LNOB and gender equality principles for 2021.**

Output 2.2. Coherent financing frameworks developed in the pre-selected sectors for the allocation of sufficient and adequate public and private resources – **N/A for 2021**

C.2. Expected changes

The project needs to be reviewed and adjusted to the new reality and Government priorities as the escalation of Nagorno-Karabakh conflict and protracted quarantine regime with COVID-19 substantively changed the situation in the country and the Government's development agenda. Given the dual crisis in the country and the implications on the JP, the project team envisages further modifications to the Project Document to reflect the renewed national priorities and recovery agenda, particularly: project scope, outcomes and outputs, budget, deadlines. As such, the reference document (Armenia Transformation Strategy) can be updated to make reference to the new recovery or country development strategy.

C.3. Risks and mitigation measures

Are there any changes made/expected to be made to the Risk Matrix?

Yes

No

Annex 1: Consolidated Annual Results

1. JP contribution to global programmatic results (annual)

Joint SDG Fund Global Outcome 2: Additional financing leveraged to accelerate SDG achievement (Update table below)

Indicators	Target 2020	Result 2020	Target 2021
2.1: Ratio of financing for integrated multi-sectoral solutions leveraged in terms of scope(for other/ additional sector/s or through new sources/means)	0	0	1:2 ¹⁰
2.2: Ratio of financing for integrated multi-sectoral solutions leveraged in terms of scale(for the same multi-sectoral solution.)	0	0	1:4 ⁵

Joint SDG Fund Global Output 4: Integrated financing strategies for accelerating SDG progress implemented
(Update table below and provide details as requested)

Indicators	Target 2020	Result 2020	Target 2021	List of strategies/ frameworks developed
4.1: #of integrated financing strategies that were tested (disaggregated by % successful / unsuccessful)	0	0	3	
4.2: #of integrated financing strategies that have been implemented with partners in lead disaggregated by (1) government/public partners (2) civil society partners and (3) private sector partners	0	0	1	
4.3: # of functioning partnership frameworks for integrated financing strategies to accelerate progress on SDGs made operational	0	0	1	

2. Selected global performance indicators (annual)

2.1. Did your Joint Programme contribute to the improvement of the overall UNCT coherence in 2020?

- Yes, considerably contributed
- Yes, contributed
- No

Explain briefly:

2.2. Did your Joint Programme contribute to reduced transaction costs for the participating UN agencies in interaction with national/regional and local authorities and/or public entities compared to other Joint Programmes?

- Yes,
- No
- N/A (if there are no other joint programmes in the country)

⁵ The proposed ratios assume that for each USD 1 that the JP provides, an additional USD 2/4 will be mobilized to finance interventions and other activities in other/same priority areas. However, as the targets are set for 2020 and 2021 and the results of the JP are expected in 2022, the proposed ratios may need to be adjusted. This more so given the ongoing COVID-19 pandemic which may cause JP delays or distort investments to other areas.

Explain briefly:

2.3. Was your Joint Programme aligned with the UNCT Results Groups in 2020?

Yes

No

Explain briefly:

3. Results as per JP Results Framework (annual)

Result / Indicators	Baseline	Expected 2020 Target	2020 Result	Reasons for variance from planned target (if any)	Expected 2021 target	Expected final target (if different from 2021)
Outcome 1:						
Outcome 1 indicator						
Outcome 1 indicator						
Output 1.1: Armenia Transformation Strategy is adopted as an integrated, gender-sensitive and equitable national SDG framework						
Output 1.1 indicator 1.1.1: Percentage of ATS/SDG alignment, including gender and age considerations	0%	0%	0%		at least 60%, with gender/age considerations	at least 60%, with gender/age considerations
Output 1.1 indicator 1.1.2: Percentage of ATS/SDG harmonization with sectoral strategies, including gender and age considerations	0%	0%	0%		60% in three prioritized LNOB sectors, with gender/age considerations	80% in three prioritized LNOB sectors, with gender/age considerations
Output 1.2: Public finance management system is strengthened for better measurement and increased adequacy, effectiveness and equity of the distribution of public resources for the realisation of gender-responsive, child-sensitive and SDG-aligned policies						
Output 1.2 Indicator 1.2.1: Percentage of alignment of ATS/SDG policy targets/indicators with the MTEF/budget programmes	0%	0%	0%		100% of ATS targets are mapped with budget programme structure	100% of ATS targets are mapped with budget programme structure and at least 70% ATS/SDG targets aligned with budget framework/targets
Output 1.2 Indicator 1.2.2: Existence of a system to track and make allocations for specific SDG targets, including gender equality and children (SDG 1.b, 5.c and 17.14)	The budgeting system does not include an SDG perspective and partially specifies allocations to gender equality and children in the relevant	n/a for 2020	n/a for 2020		The budgeting process partially includes an SDG perspective and partially specifies allocations to gender equality and children in the relevant sectors and agencies, including specific	Automatic reporting on budget allocations and expenditures by ATS/SDGs, including gender equality and children, is bridged with FMIS database and reports produced

	sectors and agencies				indicators and a tracking system Report on budget allocations by ATS/SDGs is developed	
Output 1.2 Indicator 1.2.3.: Level of awareness of relevant GoA staff on gender-responsive, child-sensitive and SDG-aligned programme-based budgeting	0, considering all three aspects (gender, age, SDGs)	0%	0%		30% in three prioritized areas	60% in three prioritized areas
Output 1.3: Public, private and development financing landscape, including existing flows, gaps and options, is mapped to inform the implementation of the ATS						
Output 1.3 Indicator 1.3.1: Overall ATS costing conducted to assess financing needs	Not assessed	n/a for 2020	n/a for 2020		DFA conducted	INFF roadmap prepared; MTEF and budget estimates/costing cover at least 70% of ATS targets
Output 1.3 Indicator 1.3.2: Extent of alignment of DAD with country-owned results frameworks and planning tools for ATS/SDG implementation (SDG 17.15)	0%	0%	0%		70% alignment of DAD with ATS/SDGs	90% alignment of DAD with ATS/SDGs. Donor support programmes are synergistically presented with budget programmes in the 2022 Budget Message
Output 2.1: Financing needs and gaps are diagnosed in the achievement of climate change [food security and human capital] sectoral targets						
Output 2.1 Indicator 2.1.1: Number of gender-sensitive and SDG-related climate change expenditure reviews and assessments conducted	0	0	0		At least 1 gender-sensitive and SDG-related expenditure review and assessment conducted	At least 1 gender-sensitive and SDG-related expenditure reviews and assessments conducted
Output 2.1 Indicator 2.1.2: Financing gaps identified in three prioritized areas considering LNOB and gender equality principles	No assessment done and gaps identified	n/a for 2020	n/a for 2020		Assessment conducted and Financing gaps identified in 1 prioritized areas considering LNOB and gender equality principles	Financing gaps identified in 1 prioritized areas considering LNOB and gender equality principles
Output 2.2: Coherent financing frameworks developed in the pre-selected sectors for the allocation of sufficient and adequate public and private resources						
Output 2.2 Indicator 2.2.1: Number of gender-sensitive and inclusive Financing Frameworks Developed for the 2022-2024 MTEF process	0	0	0		0	1

Output 2.2 Indicator 2.2.2: Number of gender-sensitive and SDG-related climate change financing options developed	0	0	0		0	1
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Annex 2: List of strategic documents

1. Strategic documents that were produced by the JP

Title of the document	Date (month; year) when finalized	Brief description of the document and the role of the JP in finalizing it
Project Document	June, 2020	The document was produced by the UNDP team and aims to define the scope, the outcomes, the outputs, risks, budget, targets for the project as well as the project management activities.

2. Strategic documents for which JP provided contribution

Title of the document	Date (month; year) when finalized	Brief description of the document and the role of the JP in finalizing it
Labour and Social Protection Sector Development Strategy 2020-2025	June 2020 draft	The Labour and Social Protection Sector Development strategy is the first standalone social protection strategy in Armenia, focusing on poverty reduction, social protection programmes, gender equality and general human capital development through active labour market programmes. With JP support consolidated feedback to the draft Strategy was provided by development partners, including IFIs, with focus on SDG integration, costing and robust M&E framework development.
Education Sector Development Strategy 2030 and Action Plan 2020-2025	November 2020 draft	Per request from the Ministry of Education, Culture, Science and Sport, the JP supported the development of sectorial strategies of the Ministry, with focus on education, youth, science, culture and sport. A new partnership with ADB has emerged, in that UNICEF has been supporting the development of the result structure and M&E framework of the Education Sector Development Strategy, while ADB is responsible for the costing of the strategy. The text and action plan of the strategy have been reviewed and aligned with methodological guidelines for programme based budgeting and development of strategies, SDG indicators have been incorporated

		throughout as well as clear linkages between the ATS, SDGs and national priorities have been defined. The Strategy is being reviewed after the dual crises.
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Annex 3: List of strategic communication documents

1. Have you created a strategic communication plan for the Joint Programme?

- Yes
 No

Explain briefly: Due to the dual crisis in country as detailed above, all communication of the UNCT has been put on hold, including for this JP. The process should start from 2021.

2. What percentage of the annual budget towards communications was utilized from the total budget? (Note that the entire JP comms budget must be min 5% of the total JP budget)

Explain briefly: 0%, as communication activities should start from 2021.

3. Have visibility outcomes increased due to the provided funding for JP strategic communications?

- Yes
 No

Explain briefly: The process should start from 2021.

4. Does the Country Profile Page on the Joint SDG Fund website contribute to your JP outreach?

- Yes
 No

Explain briefly: The process should start from 2021.

5. How many articles (interviews, human interest stories, press releases, expert insights, etc) about your JP were published by an external media outlet (Non-UN published)?

Total number: 0

Explain briefly: The process should start from 2021.

6. How many articles (interviews, human interest stories, press releases, expert insights, etc) about the Joint Programme were published by the UNCT and JP PUNOs?

Total number: 0

Explain briefly: The process should start from 2021.

7. Have you received an increase of social media followers?

- Yes
 No

Total number: (Not mandatory)

Explain briefly:

Multi-Media Faucets

Title of the document	Date when finalized (MM/YY)	Brief description and hyperlink (if it exists)
N/A		

Social Media Campaigns

Title of the document	Type (FB/Twitter/LinkedIn/Etc.)	Brief description and hyperlink (if it exists)
N/A		

Annex 4: Updated JP Risk Management Matrix

Risks	Risk Level: (Likelihood x Impact)	Likelihood: Certain - 5 Likely - 4 Possible - 3 Unlikely - 2 Rare - 1	Impact: Essential - 5 Major - 4 Moderate - 3 Minor - 2 Insignificant - 1	Mitigating measures	Responsible Org./Person
Contextual risks					
Destabilization of the socio-economic and political situation in the country, slowing down the implementation of the JP.	16	4	4	The PUNOs and UNRCO will closely monitor the socio-economic and political situation in the country, maintaining neutrality and impartiality and offering to act as mediator to solve the situation. The JP is designed with strong high-level GoA ownership and buy-in and will be embedded in the UNSDCF 2021-2025. Moreover, the sequence of specific activities can be adjusted to minimize JP delays.	UNRCO: country economist babken.dergrigorian@un.org with support from UNCT, particularly UNDP, UNICEF and WFP
COVID-19 outbreak continuation impacting GoA planning and budgeting processes with prolonged state of emergency, resulting in boosted expenditures on health, social protection and food security to address immediate shocks	16	4	4	The UNRCO will be maintain constant communication with the Commander, high-level Government officials and the PUNOs through established channels, as well as the DMCT to maintain contingency and business continuity through established procedures to ensure continuity of work and disruption. Moreover, considering that food security and human capital are key areas addressed by the JP (SDGs 1, 2, 3, 4, 5), and are areas of direct interest of the GoA's COVID-19 response, the PUNOs will work on aligning GoA priorities and decisions for short-term response with long-term and results-	UNRCO: country economist babken.dergrigorian@un.org with support from UNCT, particularly UNDP, UNICEF and WFP

				based programming and budgeting in those areas.	
Escalation of the Nagorno-Karabakh conflict and potential resumption of hostilities over the Armenian borders (already observed in North-East border of Armenia) and/or other developments in the conflict zone, slowing down the implementation of the JP.	20	5	4	<p>The PUNOs and UNRCO will closely monitor the situation in the country, maintaining neutrality and impartiality and will adapt a conflict-sensitive approach to the JP implementation, and adjust activities accordingly, if needed, as per the programme contingency plan, and in agreement with UN Joint SDG Fund.</p> <p>The PUNOs together with the UNRCO will maintain contingency and business continuity plans to minimize disruption, as per agency specific guidelines, as well as through the DMCT.</p>	<p>UNRCO: country economist babken.dergrigorian@un.org UNDP: Peace and Conflict advisor: naira.sultanyan@undp.org</p> <p>with support from UNCT, particularly UNICEF and WFP</p>
Programmatic risks					
Lack of funding for the successful scale-up of developed tools and methodologies as well as lack of GoA capacity and buy-in for INFF roadmap implementation	9	3	3	The JP team will work closely with the GoA and explore, forge and deepen partnerships with various stakeholders (e.g. donor community, IFIs/DFIs, private sector, diaspora, etc.) to mobilize, target and use multiple sources of public and private funding for successful implementation and scale-up of all JP interventions	<p>UNDP: Team Leader for Innovation, Acceleration & SDG Finance tatevik.koloyan@undp.org and the to be appointed JP project manager. Each PUNO will also be responsible for sector specific monitoring and reporting.</p>
Government changes impacting continuity of planning and budgeting for SDGs	9	3	3	The PUNOs and the UNRCO will use structured venues for project implementation to minimize the possible negative effects of government staff changes on the pace and quality of JP implementation. These venues would include the National SDG Council, JP Steering Committee, Donor Coordination Groups and UNSDCF. Moreover, many staff will be involved in	<p>UNRCO: country economist babken.dergrigorian@un.org,</p> <p>UNDP: Team Leader for Innovation, Acceleration & SDG Finance tatevik.koloyan@undp.org and the to be appointed JP project manager.</p>

				capacity development to counteract potential turnover. Regular monitoring of the situation, as well as constant communication with GoA counterparts will be pursued.	
Uneven or a non- holistic approach to SDG prioritization/ Government policy harmonization	6	2	3	The UNRCO and PUNOs have extensively consulted with the Government, including the DPM's office and Ministries of Finance and Economy, ensuring buy-in to the policy harmonization, budgeting and prioritization process. Moreover, the National Council on Sustainable Development has been formed per UN joint suggestions, thus paving the way for full SDG nationalization. Finally, the cross-sectoral involvement of PUNOs will enable harmonization in multiple sectors, including embodiment of gender equality and other LNOB considerations.	<p>UNRCO: country economist babken.dergrigorian@un.org</p> <p>UNDP: SDG Liaison officer louise.skarvall@undp.org</p> <p>with support from the National SDG Task Force, particularly UNICEF and WFP</p>
Low interest by donors and the private sector in SDG-aligned programming	4	2	2	The UNRCO and PUNOs will use all donor coordination venues, as well as working groups (e.g. on PFM or PAR) to exchange information and advocate for joint action for SDG-aligned budgeting and programming. Moreover, through various programmatic initiatives targeting the private sector, the JP will increase the awareness of the business opportunities that the SDGs and impact investment present, thus creating buy-in and ownership for the 2030 Agenda.	<p>UNRCO: country economist babken.dergrigorian@un.org</p> <p>UNDP: SDG Liaison officer louise.skarvall@undp.org</p> <p>with support from UNCT, particularly UNICEF and WFP</p>

<p>Limited availability and disaggregation of financial and budgetary data, including by gender and age</p>	6	3	2	<p>The PUNOs will work with the Ministry of Finance, line Ministries and the ArmStat to obtain available SDG and budgetary data, disaggregated by gender, age etc. for better and more informed SDG-alignment of budgetary programmes and sub-programmes, as well as comprehensive SDG tagging/coding. The potential lack of budgetary data will be avoided through data generation, development of innovative data collection methods, or by using assumptions and weights, wherever applicable (within acceptable error intervals).</p>	<p>UNDP, UNICEF and WFP, under the overall leadership of the to be appointed JP project manager and with data collection and analysis support from the Armenia national SDG Innovation Lab tigran.tshorokhyan@undp.org</p>
<p>Institutional risks</p>					
<p>Internal GoA resistance to adjust financial policies and procedures towards achievement of SDGs, gender equality and LNOB</p>	6	2	3	<p>The PUNOs, under the leadership of the UNRCO, will support the GoA through the National SDG Council and line Ministries during the nationalization of the SDGs and the development of the national development and sectoral strategies to achieve full integration of the Agenda 2030 with focus on gender equality and LNOB. Existing coordination and cooperation frameworks with the highest level of the GoA, including the JP Steering Committee, will be utilized. Moreover, the PUNOs will develop SDG-aligned methodologies, tools and financial frameworks that will facilitate the process of linking policies and budgets. Capacity development and on-the-job technical assistance will be provided to involved ministries and technical staff for better</p>	<p>UNDP: to be appointed JP project manager, with support from UNRCO, UNCT, UNICEF and WFP</p>

				ownership and more informed implementation.	
Varying level of knowledge and capacity to absorb SDG-aligned methodologies and approaches for gender- and child-sensitive programming and programme budgeting and planning	6	3	2	The PUNOs together with the UNRCO will work closely with DPMs' office, all relevant line Ministers and other government personnel to build sufficient capacity and knowledge to successfully implement developed tools, methodologies and approaches to operationalize SDG aligned policies and budgets, with focus on gender equality and LNOB.	UNDP: to be appointed JP project manager UNICEF: Armenuhi Hovakimyan ahovakimyan@unicef.org with support from UNRCO and WFP
JP implementation is delayed due to constraints with PUNOs	3	1	3	UNDP, UNICEF and WFP have previously implemented joint projects and coordination structures have been designed for JP implementation, including inter-linked outputs and activities. Considering the integrated nature of the JP, the UN agencies will have a core group of focal points for the JP delivery, coordinated by a joint Project Coordinator to ensure linkages, synergies and timely implementation. Regular coordination and monitoring will also be undertaken by the UNRCO.	UNRCO: country economist babken.dergrigorian@un.org, UNDP: Team Leader for Innovation, Acceleration & SDG Finance tatevik.koloyan@undp.org and the to be appointed JP project manager
Fiduciary risks					
Financial mismanagement of the JP by UN implementing agencies or contractors leading to sub-optimal achievement of results	3	1	3	The JP Steering Committee will regularly meet every two quarters to review the implementation of activities and management of financial expenditures. Moreover, PUNO rules and regulations will be used for contracting purposes (e.g. procurement of services and hiring of individual contractors), which go through a competitive selection process,	UNRCO: country economist babken.dergrigorian@un.org, UNDP: Team Leader for Innovation, Acceleration & SDG Finance tatevik.koloyan@undp.org , the to be appointed JP project manager as well as UNICEF and WFP senior management, in

				<p>deliverable-based payments and close monitoring and quality control. In case of transfer of funds to third parties, UN Harmonized Approach to Cash Transfers (HACT) will be used, which is complemented by a whole set of quality assurance activities, depending on transfer size.</p>	<p>partnership with GoA, line Ministries and partners</p>
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