



# Joint Programme 2021 Annual Progress Report

## SDG Financing Portfolio - Component 1

### Cover page

**UNCT/MCO:** Armenia

**Reporting Period:** 1 January - 31 December 2021

**JP title:** Making Finance Work for Transformative Change in Armenia: UN-locking Finance for Armenia 2030

**PUNOs:** UNDP, UNICEF, WFP

**Government partner:** Office of the Deputy Prime Minister

**Target SDGs:** SDGs 1, 2, 3, 4, 5, 13, 16, 17

**Gender Marker:** 2

**Approved budget:** USD 998,330

**Co-funding:** USD 642,000

**Total Disbursement by 2021:** USD 998,330

**Total estimated expenditures:** USD 461,100.7 (est. Delivery rate: 46.2%)

**Total estimated commitments** (including expenditures): USD 652,227.6 (est. Committed rate: 65.3%)

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### Executive Summary

1. DFA report and INFF roadmap – The JP has implemented the DFA for Armenia covering the whole financial landscape of Armenia both for public and private finance flows. The final report, including the INFF roadmap was designed by a team of international and local experts in 2021 and will be the main document to hold financing dialogues with the GoA for proceeding with the INFF and the design of a financing strategy for the country priority areas.
2. SDG budgeting and tagging for Armenia – The team of local experts has implemented a pilot exercise for SDG budgeting and tagging for Armenia by aligning development policies and SDGs targets/indicators with state budget programs in 2021. In December 2021 presentation and discussions were organized with the main Ministries and DPM's office to discuss the findings and next steps of these activities.

3. Financing gaps and opportunities identified in three prioritized areas – WFP, in partnership with technical expert institutions in Armenia, completed a comprehensive analysis of the context and policies in Food Security and Agriculture to have a better understanding of the gaps. Opportunities were later developed and presented to the MoE with evidence-based support of feasibility studies. UNICEF initiated a partnership with MoLSA and a wide range of stakeholders for the development of the first ever Labour and social protection umbrella strategy 2021-2026 and sub-strategy on integrated social services reform, entailing costing and result framework development for better alignment with SDGs and between the strategies and medium-term expenditure framework. In collaboration between UNICEF, MoLSA and the WB, a review of the vulnerability assessment system for the determination of benefits and related privileges (in health, education) for the poorest and most vulnerable groups of the population is underway, including scenario building, econometric and financial analysis through development of various concepts and approaches.

## Annual Progress

### Overall JP self-assessment of 2021 progress:

On track (expected results achieved)

**Comments on self-assessment:** The main results planned by JP workplan have been achieved in 2021: 1. ATS was partially aligned with SDGs with gender/age considerations by local experts in close collaboration with the PM's office. 2. Finance landscape development in Armenia was assessed for DFA and INFF roadmap. Both public and private finance flows were analyzed by a team of experts and the DFA and INFF roadmap were designed in 2021. SDG budgeting/tagging exercises have been implemented including development policies and SDGs alignments with budget programs. 3. Financing needs and gaps analyses in the thematic areas of food security and agriculture were completed in 2021. The results were shared with stakeholders in two separate conferences and informed on the priority areas for the Republic of Armenia's Food Systems Summit National Dialogues. As an action point of these dialogues, the MoE with technical support from WFP, is developing the National Food Security Strategy (2022-2025). Human capital activities included: initiation of the umbrella Labour and Social Protection strategy development, review of the vulnerability assessment system for poor families and children, and kick-off of the assessment of policies and programmes directed at families with many children, all entailing analysis of financing needs and gaps, as well as costing.

### Overall progress and key developments to date (3 key JP milestones)

1. DFA report and INFF roadmap for Armenia In the scope of the DFA Armenia a team of international and local experts implemented a line of analysis and research on public and private finance flows to find out the development finance mechanisms and opportunities in Armenia. The DFA report was designed in 2021, including an INFF roadmap which will serve as a key instrument for building a holistic financing strategy for development in Armenia. In parallel to the DFA, an independent analysis on the international experience related to SDG finance as well as SDG finance opportunities in Armenia was undertaken by local experts. In December 2021 a local company was hired to conduct a feasibility study on innovative financing mechanisms for the SDGs in Armenia with particular focus on green, diaspora and blended finance mechanisms. Partnerships with the DPM's office, MoF and MoE were strengthened in these areas during 2021.
2. SDG budgeting A team of local experts started the implementation of SDG budgeting in Armenia. The overall concept was designed, and thorough analysis and assessments were implemented in two main directions: the alignments between development policies and budget programs, the alignments between SDGs targets/indicators and budget programs. Outputs included specific databases and mappings which should be further developed in 2022. Capacity building event was organized for Government partners in December 2021 during which the first round of discussions took place. The meetings and discussions will continue in 2022 to receive the main stakeholders' feedback and have their active engagement in the SDG budgeting process.

3. Financing frameworks design and implementation A Climate Change Financing Framework (CCFF) for Armenia was drafted in 2021, including a summary of the best international experience and suggested methodology. In 2022 the discussions with the main stakeholders should be initiated to agree the CCFF and to design a specific action plan for the implementation of CCFF. WFP collaborated with national academic and research institutions to analyze the contextual situation and policy environment surrounding agriculture and food security throughout 2020 and 2021. This identified financing framework gaps and opportunities for enhanced implementation of the Strategy on Main Directions Ensuring Economic Development of the Agricultural Sector of Armenia for 2020-2030, and the National Food Security Strategy (2022-2025). The latter is being developed by the MoE with technical assistance from WFP. WFP also shared the dynamics of market functionality and supply chain with UN agencies and NGO partners. UNICEF provided technical assistance to MoLSA for initiating the development of the first ever Labour and social protection strategy for Armenia, based on an earlier diagnostic of the social protection system for Armenia conducted jointly by UNICEF and the World Bank. The strategic development process has been outlined, including steps for result framework development, stakeholder consultations, SDG alignment and costing, including further reflection in the medium-term expenditure framework. A kick-off event for partners was organized, gathering more than 60 participants, including development partners, IFIs and NGOs, where the strategy development process was outlined, and key partnerships were identified for future costing exercises (e.g. with IMF). The review of the vulnerability assessment system for poverty-targeted benefits for families and children included mapping of international best practices, analysis of gaps and issues of the currently used vulnerability assessment formula, analysis of databases and profiling of vulnerable households, and development of preliminary approaches for the new system subject to confirmation by MoLSA and the WB. . An assessment of policies and programmes directed at families with many children – most affected by poverty and deprivation - is underway.

**Changes made to JP:** Given the compound crisis in Armenia due to the COVID-19 pandemic and the post-conflict reality, the JP had been continuously working with the Government and key stakeholders to maintain relevance and strategic positioning vs the new priorities of the country. As such, two main changes to the JP have been initiated: 1. JP duration – no-cost extension for 6 months, until 31 December 2022; to allow enough time to achieve the key milestones of the JP. 2. Updating the name of the main reference strategic development document, from Armenia Transformation Strategy to Armenia strategy document on sustainable development (such as the ATS or the Government Programme). The budget and the main expected results haven’t changed. The workplan has been updated according to the above, and the updated Joint Document was co-signed by the Government of Armenia. The other strategic aspects of the JP remain important for Armenia.

**Main Challenges:** Due to the dual crises (COVID-19 and hostilities in and around Nagorno Karabakh in 2020) the Government’s priorities for long-term development, as well as the JP’s operation have been impacted and the JP’s activities were delayed from July to December 2020. The JP team put many efforts to renew the dialogue with the GoA in the beginning of Y2021 to implement the activities in accordance with the Government’s priorities. In addition, due to snap parliamentary elections in June 2021 the JP encountered some delays since the key JP partners from the Government changed and thus, there was a need to rebuild new partnerships with both key stakeholder institutions - the DPM’s office and MoF. The JP has long discussions, meetings with the new Government for identifying possible ways to assist the new Government for the implementation of the Government’s new priorities and tasks in the scope of the project.

## Updates on SDG financing framework

Inception phase	Assessment Diagnostics	Financing Strategy	Monitoring Review	Governance Coordination
Advancing (50-99%)	Completed (100%)	Emerging (1-49%)	Emerging (1-49%)	Emerging (1-49%)

## Descriptions on progress by INFF building blocks

**Inception Phase:** The INFF Roadmap was designed after Development Finance Assessment, finalized by experts' team in December 2021. Both documents' drafts were presented to the key stakeholders in late November, while the final DFA and INFF roadmap will be shared and discussed with the main governmental authorities in early 2022 for adoption and defining the next steps. The INFF roadmap includes the recommendations based on the main findings of the DFA, which includes public and private finance flows analysis and assessments as well as financing opportunities based on public-private partnership. The key recommendations including desired outcomes and actions are on improved use of public investment and finance, extension of public-private collaboration space, increase in private investment and finance.

**Assessment & Diagnostics:** Development Finance Assessment (DFA) has been implemented for Armenia by an international Lead INFF expert and local experts on public and private finance flows. Thorough analysis has been implemented on public finance flows, particularly tax revenues, public debt, official development database, public climate finance as well as private finance flows, such as private financial sector, financial inclusion and MSME finance, public-private partnerships, foreign direct investment, remittances and private philanthropy. The assessment and analysis were based on official publications and analytical reports of Government of Armenia, Armenian Statistics Service, Ministry of Finance, Central Bank of Armenia and international organizations, such as UNDAF, UNDP, IMF, WB, ADB etc. Targeted mission was organized for the Lead expert to Armenia in November 2021, during which a line of meetings and discussions were organized with the main stakeholders, particularly with the Deputy Prime Minister's office, Ministry of Finance, Ministry of Economy, Ministry of Environment, Central Bank of Armenia, Banks Union as well as with IFIs: IMF, WB, ADB, EU etc., and the greater JP team. The mission helped finalize the DFA recommendations based on the discussions on policies and future actions with the key responsible people. The DFA Armenia was finalized in December 2021 and it will be the main document with recommendations and INFF roadmap for future discussions with the Government of Armenia on the development of the financing strategy.

**Financing Strategy:** The Financing Strategy design should be discussed with the Government in early 2022 based on the recommendations of the DFA and INFF roadmap, finalized at the end of December 2021.

**Monitoring & Review:** N/A for Y2021

**Governance & Coordination:** N/A for Y2021

## Priority Cross-cutting Issues

### How did the JP adapt to the COVID-19 context

The Project team continued discussions with the Government for alignment of the JP with recovery strategies and policies, including the UNCT-led SERRP and Inter-agency Response Plan to the displacement crisis. The development of the umbrella Labour and Social Protection Sector Strategy entails including due consideration of various shocks and crises, including in the recovery phase.. Moreover, the JP team has been in contact with the Government to ensure that policy objectives classification will be aligned in Donor Assistance Database - including at indicators/targets level using the same classification for SDGs, COVID-19, conflict recovery.

### How did the JP apply the Gender Marker

Under the horizontal workstream gender policies were aligned with SDG targets and indicators and gender policies alignments with budget programs were analyzed. The results will help to evaluate gender policies reflection in state budget and the gender policies financing gaps. In later phases it will be possible to define innovative finance instruments for gender policies gaps. The DFA report included gender analysis and highlighted persisting issues limiting women's full economic potential in the economy, including the gender pay gap and uneven access to finance. The report included gender-mainstreamed recommendations and examples of gender-mainstreamed

policy goals and measures. The development of the Labour and Social protection strategy will entail due consideration for gender equality, including combining of childcare and labour market activation programming, women's economic empowerment and gender-based violence, outlining policy directions based on gender analysis, ensuring gender-sensitive result and indicator frameworks (aligned to SDGs) and future costing. 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 were completed in a gender-responsive manner. The overall JP team is gender-balanced and all experts' understanding and experience working on gender equality have been evaluated during recruitment process.

*Estimated % of overall disbursed funds spend on gender: 20%*

### **Alignment with cross-cutting UN issues (e.g. human rights, decent work, inclusion, LNOB)**

During 2021 the DFA and activities towards SDG budgeting were implemented for the benefit of the population of Armenia. The GoA will benefit from an integrated policy and financing infrastructure which in turn will contribute to more efficient use of public and private funds for the achievement of development goals, keeping human rights, poverty reduction, population inclusion and LNOB considerations. The development of the labour and social protection strategy and review of the vulnerability assessment system for poverty-targeted benefits aim to include human-rights based approaches, minimizing exclusion and promoting inclusive solutions and access to decent work for those most left behind. The focus on families with many children seeks to develop policies and programmes that consider their additional vulnerabilities conditioned by the number of children and related vulnerabilities and deprivations. JP's horizontal and vertical workstreams will help ensure that SDG targets and indicators are reflected in Armenia's budgeting process and aligned with national policies, including in mechanisms to monitor and evaluate the adequacy, efficacy, and equitability of investment for the benefit of all Armenians. The completed DFA will help ensure that the future government strategies, budgets, and programmes across all sectors are evidence-based, targeted and measurable for greater impact.

### **How did the JP work to build ownership and buy-in of key stakeholders**

The JP actively engages all the main counterparts and stakeholders in discussions about the JP's benefits for the country. The management of agencies as well as the JP team presents the importance of the project to all level officials in the main governmental authorities to have more engagement and interest in the project as well as to reflect their priorities in the JP's activities and the results. The JP is working through technical level focal points in the main stakeholder organizations: the Deputy Prime Minister's office and Ministry of Finance. Meetings, targeted presentations and technical level discussions are organized to raise the understanding of the JP's work within different Ministries and Government staff and to increase their engagement level. Key reform processes supported through the JP are done in close consultation and partnership with the respective line Ministries and interested stakeholders to ensure transparency, participation and ownership. These tools make the JP's implementation much easier, and the results of the activities are more targeted to the development policies of the Government.

## **Annual Reporting on Results**

### **Results achieved in promoting the priority thematic SDG agendas**

DG: 1. No Poverty SDG: 13. Climate Action SDG: 17. Partnerships for Goals ?? The JP's main objective is to create clear links between policies, planning and budgeting processes as a horizontal workstream which will create a strong infrastructure for better and more efficient use of public finance and more targeted policies towards decreasing poverty and increasing financial inclusion of the whole population. 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. Nevertheless, the JP succeeded in implementing the activities in the planned timeline and within

results framework. Since the outbreak of military hostilities in and around 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 were implemented 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 supported a number of activities in relation to SDG 1 considering post-COVID and post-conflict recovery and rising poverty and emerging vulnerable groups. These activities included initiation of the development of the umbrella labour and social protection strategy for Armenia in close collaboration with MoLSA and coordination with development partners, IFIs and key NGOs; review of the vulnerability assessment system for poverty-targeted benefits for families and children; assessment of policies and programmes for families with many children – most affected by poverty and deprivation. In all actions UNICEF leveraged partnerships with development partners, including IFIs (e.g. the World Bank, IMF), to ensure a participatory, coordinated and transparent process.

Climate Change Financing Framework (CCFF) draft was designed in 2021 which is a comprehensive methodology for an efficient institutional and financing infrastructure in climate change. Targeted discussions and meetings are planned with the main stakeholders in 2022 for reviewing and discussing the draft of CCFF methodology for Armenia.

#### **JP contributions to the Joint SDG Fund's global results (especially around Outcome 2 & Output 4)**

Due to dual crises of COVID-19 and military hostilities in and around Nagorno-Karabakh the JP's activities were delayed that's why the JP's revision was necessary. In the results of the revision no targets were set for Outcome 2 Indicators 2.1. and 2.2. and Output 4 Indicators 4.1 and 4.2 for 2021. Nevertheless, a line of activities was undertaken towards financing strategies design and implementation as well as multi-sectoral solutions leverages both in horizontal and vertical workstreams in climate change, human capital and food security. The partnerships with different key governmental stakeholders and IFIs were built in 2021 which will support the achievement of the set indicators which in their turn will contribute to the Fund's global results around Outcome 2 and Output 4.

#### **Progress against JP-specific outcomes**

Under Outcome 1 the JP engaged local experts for the analytical assessments of ATS, its alignments with SDGs and anchoring with gender-sensitive and equitable financing framework in close collaboration with the PM's office. In parallel, the sectorial development documents have been reviewed for identifying strategic planning gaps and gaps in alignments with budget programs and long-term development strategy. The analysis for designing of the Climate Change Financing Framework has been implemented and the draft methodology was designed which will be discussed with the main stakeholders in early 2022. WFP commissioned an analysis of the Strategy on Main Directions Ensuring Economic Development of the Agricultural Sector of Armenia for 2020-2030, and the Food Security Strategy (2018-2021). Alongside this, a comprehensive multi-year assessment of market functionality and supply chain dynamics in Armenia was completed to understand the opportunity to enhance food security components enhancement in the above-mentioned strategies. This was complemented by feasibility studies of various food value chains, and four further policy briefs to understand the policy environment for food security investments. MoLSA, with UNICEF support and closely with partners, initiated development of an umbrella labour and social protection strategy and sub-strategy on integrated social services reform, including development of result and indicator framework that is SDG-aligned and future costing. The review of the vulnerability assessment system for vulnerable families and children entails scenario-building and financing framework development. These activities consider the impact of COVID-19 on human capital financing, including reduced allocations on social protection and education and increased allocations for health.

## **Progress against JP-specific outputs**

At the output level almost all targets for Y2021 were achieved. Particularly the JP supported the MoF in the scope of Public Finance Management system strengthening, particularly assisting in the scope of MTEF methodological instructions design as well as by the request of the Ministry implementing analytical works to find out the gaps between strategic development documents and budget programs. DFA and INFF roadmap design were finalized in 2021 which will be the base documents for INFF next building blocks. In 2022 active discussions and meetings will be undertaken to have the Government's engagement in the INFF process. WFP completed all contributions to outputs 2.1.5., 2.1.6., and 2.2.3. within the scope of the SDG supported project by the close of 2021. Active investments remain in terms of output 2.2.4, with all activities anticipated to be completed in May 2022. UNICEF intensified its work on all aspects of the JP, including development of labour and social protection strategy and sub-strategy on integrated social services reform to ensure alignment with SDGs, subsequent costing and analysis of financing options. Moreover, the investment case for family-friendly policies in Armenia is being developed together with the National Institute of Labour and Social Research under MoLSA. Finally, works have resumed for the development and finalization of the Education Sector Development Strategy and costing of primary healthcare.

## **JP contributions to strengthening UN coherence, partnerships and reducing duplications of efforts**

The JP has a technical working group including the key representatives from UN RCO Armenia, UNDP, UNICEF and WFP. The technical working group has held weekly meetings to discuss the status of the activities, to share the news and information from all the agencies as well as to discuss all the challenges the JP faced. This platform helped to coordinate all the activities and actions undertaken by the agencies and to have more targeted engagement from the partner agencies. The involvement of UN RCO helped to have more information from other UN agencies and from the Government. In addition to this platform round tables, discussions and presentations were organized regularly to share the results of analytical works and the results of expert's assessments. Strong partnership is built between all the agencies which helps to implement both horizontal and vertical workstreams' activities more efficiently and without duplication of works. UNCT was invited to strategic events which had purpose to present the main outcomes of the JP, such as Development Finance Assessment, SDG budgeting, kick-off event for the development of the labour and social protection strategy etc.

## **Strategic Partnerships, Documents and Communications**

### **How did the JP facilitate collaboration with diverse stakeholders in the SDG financing space**

In 2021 the JP has intensively worked on building partnerships with the main stakeholders in the SDG finance space in Armenia. In particular, the partnership with the new Government officials after snap parliamentary elections in June was re-built and strengthened to ensure their engagement and continued relevance of the Programme for Armenia. The JP has continued the collaboration with the MoF during the PFM reform activities and MTEF procedures. The JP has built the partnership with the MoE and MoEN in the scope of DFA, climate change financing and Public Investment Management initiatives as well as with the CBA for designing an architecture for e-learning platform for raising financial literacy levels within different groups of population. All assessments that were completed within the scope of this project have been proactively shared with a range of stakeholders, including government, non-governmental, and private sector. This took the form of WFP hosting two conferences to showcase results. These assessments directly fed into priority areas of the Food Systems Summit National Dialogues, hosted by the MoE in 2021 with the participation of FAO, UNDP and WFP, among others. The UNCT provided extensive technical support to the MoE during preparation and implementation of the national dialogues in Armenia. The results were shared at a 2021 World Food Safety Day event hosted by the Food Security Inspectorate Bureau, leading to a collaboration on building SME capacity to understand minimum food safety requirements in Armenia, which is taking effect in 2022. Through supporting the development of labour and social protection strategy and sub-strategy on integrated social services, UNICEF jointly with MoLSA engaged a variety of partners around the common agenda,

including development partners, IFIs, NGOs with an aim to leverage on each other’s strengths both in the development of the policy document, but also its subsequent costing, financing and operationalization. UNICEF and the WB have engaged in a partnership to support the review of the vulnerability assessment system, including scoring, for poverty-targeted benefits.

**Did the JP secured additional financing (co-funding/co-financing) from the following stakeholders:**

Government	Donors & IFIs	Private Sector	PUNOs	Other Partners
Yes	Yes	No	Yes	Yes

**Comments on additional financing secured:** In 2021 the JP has intensively worked on building partnerships with the main stakeholders in the SDG finance space in Armenia. In particular, the partnership with the new Government officials after snap parliamentary elections in June was re-built and strengthened to ensure their engagement and continued relevance of the Programme for Armenia. The JP has continued the collaboration with the MoF during the PFM reform activities and MTEF procedures. The JP has built the partnership with the MoE and MoEN in the scope of DFA, climate change financing and Public Investment Management initiatives as well as with the CBA for designing an architecture for e-learning platform for raising financial literacy levels within different groups of population. All assessments that were completed within the scope of this project have been proactively shared with a range of stakeholders, including government, non-governmental, and private sector. This took the form of WFP hosting two conferences to showcase results. These assessments directly fed into priority areas of the Food Systems Summit National Dialogues, hosted by the MoE in 2021 with the participation of FAO, UNDP and WFP, among others. The UNCT provided extensive technical support to the MoE during preparation and implementation of the national dialogues in Armenia. The results were shared at a 2021 World Food Safety Day event hosted by the Food Security Inspectorate Bureau, leading to a collaboration on building SME capacity to understand minimum food safety requirements in Armenia, which is taking effect in 2022. Through supporting the development of labour and social protection strategy and sub-strategy on integrated social services, UNICEF jointly with MoLSA engaged a variety of partners around the common agenda, including development partners, IFIs, NGOs with an aim to leverage on each other’s strengths both in the development of the policy document, but also its subsequent costing, financing and operationalization. UNICEF and the WB have engaged in a partnership to support the review of the vulnerability assessment system, including scoring, for poverty-targeted benefits.

**JP organized events in 2021**

JP Launch Event	Annual Donor Event	Partners Event
Yes in 2021	Yes in 2021	Yes in 2021

*Number of strategic documents produced by the JP: 2*

*Number of strategic documents contributed by the JP: 13*

*Number of communication materials produced: 15*

**2022 Plans & Way Forward**

**JP priority activities & expected results for 2022**

- PFM and PIM systems are 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 in close collaboration with MoF.
- Public, private and development landscape, including existing

flows, gaps and options, is mapped to contribute to the implementation of the Armenia strategy document on sustainable development (such as ATS or Government Program). The financing strategy development and design will be negotiated with the Government based on the DFA results and INFF roadmap designed in 2021. • CCFF is finalized with all the stakeholders in the Government to have a comprehensive institutional framework for climate change financing policy in Armenia.

- WFP will test a financial framework which is a model of inclusive financing which could inform the implementation of the agricultural strategy going forward.
- Development and costing of the labour and social protection strategy and sub-strategy on integrated social services reform jointly by MoLSA and UNICEF.
- Costing of the Education sector development strategy and primary healthcare, as well as review of the vulnerability assessment system underpinned by adequate financing.
- Finalization of the investment case for policies and programmes targeted at families with many children.

**3 major transformative results that will be achieved by the end of the JP**

1. Financing strategy for sustainable development – Based on the DFA Armenia and INFF roadmap financing strategy should be designed in close collaboration with the DPM’s office and MoF; as well as other line Ministries such as MoE and MoEn. The financing strategy should include an action plan with the responsible authorities and financing schemes (both public and private). Various financial instruments, including innovative financing mechanisms, will be among the recommendations for the financing strategy. The main challenge is to ensure and maintain Government’s engagement in the discussions and decision-making process.
2. SDG budgeting/tagging institutional implementation is one of the transformative results which should be achieved by the end of the JP. The preliminary assessments and pilot exercises have been implemented in 2021 which should be discussed with all the relevant governmental authorities in 2022. The requirement to implement SDG tagging is included in the methodological instructions of state budget. Close collaboration with Ministries, deep capacity building and more efforts from the JP are necessary for the full and high-quality implementation thereof.
3. Development of financing Frameworks and financing needs and gaps analysis in three priority areas is another transformative result of the JP for 2022: climate change, human capital and food security. CCFF should be finalized and agreed by the MoEn, MoE and MoF as the main stakeholders. The DPM’s office’s engagement in the process is necessary as well. The MoE, with support from WFP, is working on a new Food Security Strategy (2022-2025), which is due to be launched in Q2 of this year. Transparent, participatory and coordinated development of the first ever labour and social protection strategy for Armenia by MoLSA with UNICEF support, which is costed and underpinned by proper financing mechanisms, thus supporting all other reforms processes (including vulnerability assessment, support to families with children etc.).

**Estimated rate of completion for each result as of 31 Dec 2021**

Result.1	Result.2	Result.3
Completed (100%)	Completed (100%)	Completed (100%)