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IMPLEMENTATION COMPLETION AND RESULTS REPORT

TF 85651

ON A

SMALL GRANT

IN THE AMOUNT OF USD 3.72 MILLION

TO THE

Republic of Armenia

FOR

Armenia Support to Conflict Affected Families Project (P176454)

November 15, 2022

Social Protection and Jobs Global Practice  
Europe And Central Asia Region

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## ABBREVIATIONS AND ACRONYMS

ESCP	Environmental and Social Commitment Plan
ESMP	Environmental and Social Management Plan
ESS	Environmental and Social Standards
FM	Financial Management
FCS	Food Consumption Score
FCV	Fragility, Conflict and Violence
GoA	Government of Armenia
IRI	Intermediate Results Indicator
MLSA	Ministry of Labor and Social Affairs
M&E	Monitoring and Evaluation
PCU	Project Coordination Unit
PDI	Project Development Indicator
PDO	Project Development Objective
RMSNA	Rapid Multi-Sector Needs Assessment
USS	Unified Social Services

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**DATA SHEET**

**BASIC INFORMATION**

**Product Information**

Project ID	Project Name
P176454	Armenia Support to Conflict Affected Families Project
Country	Financing Instrument
Armenia	Investment Project Financing
Original EA Category	Revised EA Category

**Organizations**

Borrower	Implementing Agency
Republic of Armenia	Ministry of Labor and Social Affairs

**Project Development Objective (PDO)**

Original PDO

The grant development objective is to improve the resilience of conflict-affected people and to reduce the financial burdens of hosting families.

**FINANCING**

	Original Amount (US\$)	Revised Amount (US\$)	Actual Disbursed (US\$)
<b>Donor Financing</b>			
TF-B5651	3,718,218	3,718,218	3,718,218
<b>Total</b>	<b>3,718,218</b>	<b>3,718,218</b>	<b>3,718,218</b>
<b>Total Project Cost</b>	<b>3,718,218</b>	<b>3,718,218</b>	<b>3,718,218</b>

**KEY DATES**

Approval	Effectiveness	Original Closing	Actual Closing
22-Apr-2021	03-Jun-2021	31-May-2022	31-May-2022

**RESTRUCTURING AND/OR ADDITIONAL FINANCING**

Date(s)	Amount Disbursed (US\$M)	Key Revisions
13-Dec-2021	3.31	Change in Results Framework

**KEY RATINGS**

Outcome	Bank Performance	M&E Quality
Satisfactory	Satisfactory	Substantial

**RATINGS OF PROJECT PERFORMANCE IN ISRs**

No.	Date ISR Archived	DO Rating	IP Rating	Actual Disbursements (US\$M)
01	01-Dec-2021	Moderately Satisfactory	Moderately Satisfactory	0.00
02	17-Apr-2022	Satisfactory	Satisfactory	3.33

**ADM STAFF**

Role	At Approval	At ICR
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## I. PROJECT CONTEXT AND DEVELOPMENT OBJECTIVES

### Context

- 1. At the time of Project preparation, the Government of Armenia (GoA) was grappling with how to address the needs of those displaced and relocated to Armenia due to the September-November 2020 conflict and the COVID-19 pandemic.** More than 90,000 displaced people were being hosted in Armenia with relatives and host families.<sup>1</sup> Some were placed in shelters, many of which were poorly equipped, putting great pressure on the local communities' provision of basic services. The displaced population in Armenia lacked access to basic services, education and health care, besides having left behind assets, livelihoods and social networks. Many had been separated from or lost family members and/or were wounded in the conflict. Congested living conditions in both host families and communal accommodations and an overstretched health system in the region were contributing to an increase in COVID-19 cases. Economic activity in the country declined by 7.4 percent in 2020.
- 2. To respond to the emergency, the GoA developed a broad social protection response package with support from development partners.** The package included cash assistance, psychological support, support for restoring livelihoods and labor market integration, access to education and health services, among others. The Ministry of Labor and Social Affairs (MLSA) of the Republic of Armenia was responsible for the provision of needed social assistance to the displaced people and coordination of the technical and financial support by donors. Although a detailed recovery plan was not developed, as part of the overall support package, between mid-November 2020 and April 1, 2021, the GoA quickly adopted fourteen cash-based assistance programs<sup>2</sup> targeted to conflict-affected people and families. The Project contributed to support four of these programs: (1) cash benefit to displaced people in Armenia; (2) cash assistance to Armenian families hosting the displaced people; (3) a temporary employment subsidy; and (4) public works<sup>3</sup>.
- 3. The Project was consistent with the Country Partnership Framework and the World Bank Group Strategy for Fragility, Conflict and Violence.** The Project related to focus area 2, human development and equity, of the Country Partnership Framework for the Republic of Armenia for the period FY19-FY23 (Report No. 123902-AM, dated February 28, 2019). Armenia was classified as a country affected by fragility, conflict and violence (FCV) as a result of the September-November 2020 conflict. Through providing temporary cash benefits and public works to the displaced people and their host families the Project was directly linked to the "Forced Displacement" focus area, as well as related to the focus areas of Humanitarian-Development-Peace Nexus and prevention and recovery of the World Bank Group Strategy for Fragility, Conflict and Violence 2020-2025. In responding to MLSA's request, the Project also built on the regular discussions under the Sub-working Group on Humanitarian Cash Transfer Programming, which included twenty-two organizations. The Sub-working Group was part of a broader

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<sup>1</sup> 'Displaced People' means displaced Nagorno Karabakh residents located in the territory of the member country. In the Government of Armenia legislation concerning displaced people, Nagorno Karabakh is referred to as Artsakh.

<sup>2</sup> There were approximately twenty programs through December 2021.

<sup>3</sup> Program details are in paragraph 6.



structure put in place by the UN to coordinate the humanitarian efforts through the Inter-Agency Response Plan.

### Project Development Objectives (PDOs)

- 4. The Project Development Objective was to improve the resilience of conflict-affected people and to reduce the financial burden of hosting families.** This objective was to be achieved through the four programs supported by the grant. The cash payments to the displaced people would help them meet their basic needs on a day-to-day basis, whereas the cash payments to hosting families would incentivize Armenians to host the displaced people and help them cope with the financial burdens of hosting. The temporary subsidized employment and public works programs would support the displaced people with respect to their economic and labor market integration, further helping them meet their basic needs and improving their resilience.

### Key Expected Outcomes and Outcome Indicators

- 5. Expected outcomes included increased resilience of conflict-affected families through cash assistance support and reduced financial burdens of hosting families.** The original Project Development Indicators (PDIs) were:
  - Share of project displaced households in Armenia that report that the conflict reduced their ability to purchase food;
  - Share of project beneficiary hosting households in Armenia that report that the conflict reduced their ability to purchase food; and
  - Share of project beneficiaries who are employed (by any employer) in Armenia after participating in the temporary subsidized employment program.

### Components

- 6. Component 1: Cash Assistance for Conflict-Affected Families (US\$3,693,218)** The objectives of the cash assistance supported under the component was to provide temporary income support to affected families to smooth basic consumption and support the labor market inclusion of displaced people of working age. Specifically, the component supported the following four programs:
  - Cash benefit to displaced people in Armenia.** A one-time lump-sum benefit of AMD 68,000 (US\$135), equivalent to the minimum wage, per eligible displaced person was approved in November 2020. The program was initially in place for four months and then extended until June 2021. The benefit amount was defined to satisfy basic needs and was initially provided through Haypost (the post office) then shifted to bank transfers. Applications were made online through the Social Security Administration (SSA) portal.<sup>4</sup> Eligible beneficiaries were

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<sup>4</sup> In case individuals needed assistance in the application process, staff in the offices of the Unified Social Services (USS) provided



people who were registered and had lived in the conflict-affected area for at least three months before September 27, 2020, had property that became uninhabitable due to military hostilities, and were displaced in the territory of Armenia. Exceptions were:

- a. Persons receiving a salary or equivalent income from the state or municipal budget of Nagorno-Karabakh;
  - b. Persons working in Armenia for any period from January 1 to September 30, 2020, or if in the same period he/she was registered in Armenia as a sole entrepreneur; and
  - c. Men ages 18-63 unless assessed with 1<sup>st</sup> or 2<sup>nd</sup> category of disability<sup>5</sup>.
- (b) **Cash benefit targeted to hosting families.** The benefit was approved in December 2020 and would be provided for up to six months between December 2020 and May 2021.<sup>6</sup> A host was defined as a physical person who owned residential real estate in Armenia providing accommodation to adult displaced people. Host families would receive AMD 30,000 (US\$60) per month for each displaced adult hosted. Applications were to be submitted electronically through the SSA portal and payments made to host families through bank accounts.
- (c) **Temporary employment subsidy.** The program aimed to provide temporary work experience to unemployed displaced people in Armenia and facilitate their labor market participation and economic inclusion. Applications were to be submitted online through the Unified Social Services (USS) of MLSA online platform. The USS collected applications, conducted the eligibility verification and a brief skills assessment and matched with employers. The AMD 100,000 (US\$199) payment covered a monthly salary and reimbursement of taxes and social contributions for the employee and AMD 34,000 (US\$67) monthly compensation for the employer for three months. The program was launched in March 2021 to run until the end of 2021.
- (d) **Public works would be implemented throughout the country as requested by municipalities in coordination with the USS.** The program was launched in March 2021 and would run until the end of December 2021. Applications were to be submitted through the USS online platform. The maximum duration for public works would be three months and the benefit amount was equal to the daily minimum wage. A contract would be signed between the beneficiary and the municipality.

7. **Component 2: Project Management (US\$25,000).** Component activities would ensure proper implementation of the grant, including fiduciary aspects, monitoring and evaluation, as well as compliance with the World Bank environmental and social standards and other operating costs.

## Changes during Implementation

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support. The same applies for all four of the programs listed in this section. After April 2021, the platform was renamed under the USS with no disruption to the application process.

<sup>5</sup> Men were eligible for the two employment programs that were part of the package of measures for displaced people.

<sup>6</sup> The benefit was initially provided for up to three months, and then extended to up to six months. According to Government data, a displaced adult was hosted for about 3.4 months in average. Benefits were transferred monthly as reimbursements for the previous month of hosting.



8. **A restructuring approved in December 2021 modified the PDO indicators in the Results Framework (RF).** Two PDO indicators measuring the ability, respectively, of displaced and hosting families to purchase food were replaced because the corresponding question used in the data collection instrument (Rapid Multi-Sector Needs Assessment-RMSNA) was reformulated and could no longer be used to track progress since it was not comparable between survey rounds. The average Food Consumption Score (FCS), respectively for displaced and hosting families, based on the same RMSNA data and baseline (November-December 2020), replaced the original indicators. The FCS is a food security indicator commonly used by the humanitarian and development community, measuring households' dietary diversity and nutrient intake. The methodology used to calculate this indicator follows World Food Program guidelines. The new indicators measured the same original Project objectives of increasing the resilience of conflict-affected families and reducing the financial burden of hosting families and were aligned with the survey instruments. Targets for the new indicators were set to match a comparable level of ambitiousness: a roughly 20 percent increase in the average FCS for the displaced and maintenance of the average FCS for hosting families. As was the case for the original indicators, the score serves as a proxy for the ability of the displaced and hosting families to meet their basic needs.
9. **Changes in the RF affected some intermediate indicators.** Targets for several intermediate results indicators were adjusted primarily to reflect changes in how the GoA needed to budget grant resources across particular programs and to make the indicator on citizens' engagement more concrete. Specifically, the Government switched the modality for the cash payment to displaced people from the post office (Haypost) to a more efficient and timely mechanism (commercial banks). However, since it was not possible to guarantee that payments made through commercial banks would be withdrawn in the territory of Armenia, transfers paid through commercial banks were not eligible for Project financing. While a large number of displaced people (about 48,800) received payments through the post office, over 90 percent of these payments occurred prior to December 21, 2021, the date after which expenditures were eligible for retroactive financing under the grant. Thus, the Project target for this indicator had to be reduced significantly. Also, take-up of the two employment programs was less than expected and could not be addressed within the short duration of the grant.
10. **The changes to the RF did not alter the scope (or the ambition) of the Project nor changed how the envisioned outcomes were to be achieved.** The Project aimed to improve the resilience of conflict-affected people and to reduce the financial burden of hosting families. The revised PDO indicators are robust and valid measurements of these goals with the advantage of being more objective than the original indicators. The aims of the Project were to be achieved through the four programs supported by the grant. While the Project Paper included the best estimates at the time of the number of participants for each program (intermediate results), most important for the achievement of the PDO was the overall spending to support displaced people and hosting families. In other words, these adjustments are considered as only a slightly different path to achieve the same expected outcomes, necessitated by the need for the GoA to respond proactively and constructively to rapidly changing circumstances on the ground in an emergency. Hence, this ICR is not using split evaluation of the project key associated outcome targets in deriving the project's overall Outcome rating before and after the



restructuring.

## II. OUTCOME

### Assessment of Achievement of Each Objective/Outcome

11. The assessment of achievement of the PDO is organized around the two objectives captured in the PDO statement: (1) Improve the resilience of conflict-affected people; and (2) Reduce the financial burden of hosting families. The objectives were to be achieved through the four programs supported by the grant, that is, through the provision of cash transfers to displaced people in Armenia and their hosting families, respectively, and through the implementation of a public works program and a temporary subsidized employment program for the displaced people in Armenia. The cash payments to the displaced people would help them meet their basic needs on a day-to-day basis, whereas the cash payments to hosting families would incentivize Armenians to host displaced people and help them cope with the financial burdens of hosting. The temporary subsidized employment and public works programs supported the displaced people with respect to their economic and labor market integration, further helping them meet their basic needs and improving their resilience.

#### A. Objective 1 – Improve the resilience of conflict-affected people

**Table 1: Indicators Measuring the Achievement of Objective 1**

PDI 1	Average Food Consumption Score of Displaced Households benefiting of social protection measures in Armenia	Baseline: 61 Original Target: 75 Actual: 73 (May 28, 2021) <sup>7</sup> Status: Achieved at 97 percent
PDI 3	Share of project beneficiaries who are employed (by any employer) in Armenia after participating in the temporary subsidized employment program	Baseline: 0 Original Target: 30 Actual: 35 (May 28, 2022) <sup>8</sup> Status: Overachieved at 117 percent
IRI	Number of project beneficiary displaced individuals receiving AMD 68K cash grant payments in Armenia	Baseline: 0 Original Target: 11,530 Formally Revised Target: 3,986 (December 13, 2021)

<sup>7</sup>Value reflects the first 5 months of implementation when most of the cash assistance was delivered. More recent values for this indicator are not available because the RMSNA survey was stopped after the second round of data collection.

<sup>8</sup>This figure is higher than the value shown in the last ISR. The latter was based on a sample of 120 beneficiaries and was carried out before all beneficiaries had completed their subsidized employment. The value of 35 percent is based on a second more comprehensive survey implemented in May 2022 that aimed to include all beneficiaries of the program (census). This survey covered almost 300 beneficiaries. The remainder could not be reached, probably because they had changed residence.



		Actual: 3,984 (February 15, 2022) Status: Achieved at 99 percent
IRI	Share of project beneficiary female displaced individuals receiving AMD 68K cash grant payments in Armenia	Baseline:0 Original Target: 70 Formally Revised Target: 52 (December 13, 2021) Actual: 52 (February 15, 2022) Status: Achieved at 100 percent
IRI	Number of displaced individuals for whom payments are made to project beneficiary hosting families in Armenia	Baseline: 0 Original Target: 9,937 Actual: 12,943 (February 15, 2022) Status: Overachieved at 130 percent
IRI	Number of project beneficiary individuals participating in the temporary subsidized employment program with an employer in Armenia	Baseline: 0 Original Target: 936 Formally Revised Target: 387 (December 13, 2021) Actual: 379 <sup>9</sup> (May 28, 2022) Status: Achieved at 98 percent
IRI	Share of female project beneficiary individuals participating in the temporary subsidized employment program with an employer in Armenia	Baseline: 0 Original Target: 75 Actual: 76 (May 28, 2022) Status: Achieved at 100 percent

**12. The assessment of the achievement of the first objective of improving the resilience of conflict-affected people is organized around the two PDO indicators and the principal related intermediate results indicators (IRIs) for each one, as well as supplementary quantitative and qualitative evidence.**

- **Food Consumption Score.** The value of the indicator increased by 20 percent from its baseline level reaching 97 percent of its target value. As explained above, improved resilience was to be achieved mainly through income support delivered via the two main cash transfer programs. The target for the related intermediate results indicator – Number of project beneficiary displaced individuals receiving AMD 68K cash grant

<sup>9</sup> The Government measure supported 388 beneficiaries. Given available resources, the Project financed 379 positions and the GoA covered the difference.



payments in Armenia – met its revised (lowered) target. Moreover, while the grant financed cash payments to fewer displaced beneficiaries than initially expected because of the reasons explained in Para 9 above, this did not affect the ability of the GoA to fully implement this program. In fact, the final number of beneficiaries paid was more than double the January 2021 estimates reported in the Project Paper (Report No. PP4502). The target for the related intermediate results indicator for the other program – Number of displaced individuals for whom payments are made to project beneficiary hosting families in Armenia – was exceeded by 30 percent, reflecting the GoA’s decisions to extend the program (Monthly cash benefit for hosting families in Armenia) by three months and to use a higher share of grant resources to finance it. Qualitative data confirm the Project’s strategy of supporting displaced families through the four cash assistance programs: in focus group discussions carried out in August 2021 displaced families said that income support, housing and employment (see next section) were the priority areas in which they needed support.

- **Share of participants still employed after the end of the Subsidized Employment Program.** The share of participants in the temporary subsidized employment program who were employed within two months after program exit reached 35 percent, surpassing the PDI target of 30 percent<sup>10</sup>. Additional evidence of positive achievements comes from a survey of displaced people carried out as part of the “Assessment of the Subsidized Employment Program for Displaced Population” (June 2022). Both participating workers and firms had high levels of satisfaction. Among workers, 71 percent were very satisfied and 25 percent were somewhat satisfied with the program. Among firms, 82 percent said that the program had a positive impact on business and 95 percent characterized the experience of hiring displaced workers as positive. Also, the revised (lowered) IRI target for the number of participants in the temporary subsidized employment program was met. The main reason for the revision to the target was that applications for the program were much lower than estimated when the Project was approved (824 vs. 6000). A survey of the displaced population found that the low number of applications (uptake) was mainly due to a lack of knowledge about the program (for more than half of non-applicants). Also, some displaced people continued to receive wages in the place of origin (exclusion criteria). The gap between applications and placements for the employment program (824 vs 388)<sup>11</sup> is explained by factors on both the demand side (applicants no longer interested in participating due to having found another job, household responsibilities, or other reasons) and restrictions from the supply side. About 45 percent of non-beneficiary applicants cited that they were still interested and eligible to participate but were not placed, which could be due to the difficulty in getting employer offers in some locations or the program’s budget limitations. The target for female beneficiary participants of 75 percent was met.

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<sup>10</sup> According to the results of the survey of displaced people (May 2022) the sustainability of employment outcomes varied by region, with participants in Yerevan being significantly more likely to remain employed after the program ended, highlighting the role of local economic conditions.

<sup>11</sup> The total number of placements was 388, out of which 379 were financed from the Grant proceeds.



**B. Objective 2 – Reduce the financial burdens of hosting families**

**Table 2: Indicators Measuring the Achievement of Objective 2**

PDI 2	Average Food Consumption Score of hosting households benefiting of social protection measures in Armenia	Baseline: 76 Original Target: 76 Actual: 74 (May 28, 2021) <sup>12</sup> Status: Achieved at 97 percent
IRI	Number of project beneficiary hosting families in Armenia receiving cash grant payments	Baseline: 0 Original Target: 3,975 Actual: 4,872 (February 15, 2022) Status: Overachieved at 123 percent

13. **The second PDO objective was to reduce the financial burden on hosting families.** According to the Project Paper the cash payments to hosting families were intended to incentivize Armenians to host the displaced people and help them cope with the financial burdens of hosting. The target for the PDO indicator – average food consumption score of hosting households benefiting of social protection measures in Armenia was 97 percent achieved. The FCS dropped less than 3 percent from the baseline.

14. **The target for the number of project beneficiary hosting families in Armenia receiving cash grant payments was overachieved.** The number of beneficiary hosting families in Armenia receiving cash grant payments exceeded the target by slightly more than 20 percent. Interviews carried out in Armenia during ICR preparation support a positive assessment. Hosting families (often of modest means) experienced pressures on their living arrangements when they hosted the displaced particularly early on. The psychosocial stress of the displaced people being hosted, many of which had suffered extreme personal losses, was ameliorated to some extent by the knowledge that the GoA was supporting their hosts. Being hosted gave the displaced people time to stabilize their situation, find employment, and otherwise helped them transition to more sustainable arrangements.

**Overall Outcome Rating**

15. **The overall outcome rating is Satisfactory.** The Satisfactory rating is based on the substantial achievement of the three PDO indicators and either achievement or over-achievement of the targets for the six related IRIs. The combined values of the indicators evidence the full achievement of the two PDO objectives. Project objectives were also achieved efficiently: administrative costs were low as the PCU built on the structure of an existing project and the Project fully disbursed by the original closing date in a period of a little over a year between approval and the closing date.

<sup>12</sup> Current value reflects the first 5 months of implementation when most of the assistance was delivered. More recent values for this indicator are not available because the RMSNA survey was stopped after the second round of data collection.



### III. KEY FACTORS THAT AFFECTED IMPLEMENTATION AND OUTCOME

16. **The key factors affecting implementation and outcome are discussed first for the project preparation stage and then for implementation.**

17. **Project preparation. Activities during preparation contributed to the subsequent achievement of Project objectives.** Key factors included a simple design that focused on cash assistance delivered through four programs already initiated by the GoA and consultations with other partners providing assistance. The comments received and the discussions during the decision review made a substantive contribution that helped preparation. The identification of substantial risk and the need for mitigation measures in the area of governance and politics were correct, given the proposed activities in a FCV country recently engaged in a conflict that had yet to be resolved. World Bank management set a clear requirement that steps be taken to ensure that benefit payments to displaced people would be withdrawn within the territory of Armenia. The due diligence carried out by Bank financial management (FM) staff indicated that commercial banks had no mechanism to guarantee that withdrawals by displaced beneficiaries would happen in the territory of Armenia, leading to the decision that only payments made through Haypost (the Armenian post office) were eligible for grant financing for this category of beneficiaries. The substantial risk rating for financial management was appropriately mitigated by providing for a detailed description of funds flow in the Project Operational Manual (POM) as well as the incorporation of hands-on assistance by Bank staff and specific verification and monitoring mechanisms. The Project was ready for implementation: the programs supported by the Project had been enacted and were being implemented by the GoA. Consultations with donor partners within the Cash Coordination Sub-working Group, including UNICEF, ensured coherence between various cash support packages and other support initiatives. The pace of Project preparation enabled the World Bank to respond to the emergency and the GoA request in a timely fashion.

18. **Project Implementation. Several factors under the control of the GoA/Ministry of Labor and Social Affairs (MLSA) had a positive influence on the achievements of the Project during implementation in a difficult and complex situation.** MLSA authorities devoted attention to the Project and facilitated coordination among the involved internal units, particularly to enable the documentation flow required to support disbursements. In view of the need to adjust to the governance risk mitigation requirement in the context of the new and improved benefit payment modality and the differences between actual and estimated demand among the four programs, the GoA proactively initiated a State budget reallocation in September 2021. Staff in the responsible internal government units had sufficient capacity and was highly motivated to respond to the emergency situation. Within the PCU of the existing Social Protection Administration II Project (P146318), the staff whose responsibilities included the grant, particularly related to environmental and social safeguards, financial management and monitoring and evaluation (which incorporated verification activities for the cash transfer programs) responded effectively to the new and different demands presented by this Project. The POM was quickly prepared and approved by the World Bank and the Government hired the PCU staff on time. The PCU delivered three comprehensive progress reports of good quality on a timely basis. The Government put in place the necessary regulations governing the programs, revising as necessary given the rapidly changing conditions. The USS was proactive and performed well regarding fiduciary requirements and related controls on error, fraud and corruption. Specifically, there were crosschecks with the authorities in Nagorno-Karabakh to verify the past and current status of beneficiaries and to identify those applicants who were still receiving wages in Nagorno-



Karabakh. These procedures were complemented by verification surveys (random samples) of beneficiaries for each measure, implemented by the PCU. The FM arrangements under the project were overall satisfactory. The audit report was issued in time and found acceptable to the Bank. The auditor issued an unmodified (clean) opinion on the project financial statements, which were received by the due date.

**19. There were minor issues during implementation that did not compromise Project achievements to a significant extent.** Small shortcomings included bureaucratic delays in the approval of the State budget modifications necessary to reallocate expenditures across the four cash programs<sup>13</sup>; the need for supplemental data processing given the parameters in the MLSA information system supporting the cash assistance programs; some gaps in data availability and accuracy early on; and minor glitches on implementation of safeguards requirements (see next section on compliance issues). The fact that the Employment Department was only integrated into the USS as of April 1, 2021, may have contributed to some of the issues with databases and uncertainty on roles early on in Project implementation. In addition, because of several vacancies the USS was short of staff. Finally, the capacity and practices of local USS staff regarding linking the displaced people with employers/jobs and outreach was uneven.

**20. Several factors subject to World Bank control contributed to the positive achievements of the Project.** In the early stages of the Project fiduciary staff undertook timely due diligence on the requirement of benefit receipt in the territory of Armenia and determined that only payments handled through Haypost would be eligible. Fiduciary staff also provided hands-on support to PCU staff, enabling them to submit correctly the documentation on cash assistance needed to support disbursement requests. Bank staff supported the PCU to prepare consistent data for the Project monitoring indicators. Financed through a Bank-executed Trust Fund, Bank staff managed and completed in collaboration with the MLSA an assessment of the temporary employment program, the results of which are informing a broader redesign of employment programs. The transition between task team leaders was smooth.

**21. Some factors were outside of the control of the Government and the World Bank.** Outside the control of both the GoA/MLSA and the World Bank was the rapidly changing, hard to predict environment. For example, it was difficult to know where refugees would reside over time. The displaced people were unsure of their immediate plans. More displaced people than expected continued to receive wages in the territory of origin. This context plus the short implementation duration put a premium on the ability of the Project to be flexible and adjust to changing conditions on the ground.

#### IV. BANK PERFORMANCE, COMPLIANCE ISSUES, AND RISK TO DEVELOPMENT OUTCOME

**22. Bank Performance is rated Satisfactory.** Based on the information presented in the preceding section, the services provided by the Bank contributed positively to the operation's quality at entry (realistic PDO and due diligence activities to mitigate risks). Project design, speed, and quality of preparation were satisfactory.

**23. World Bank supervision of the Project was also satisfactory.** Bank staff carried out two implementation support missions (September 2021 and March 2022) and reported completely and frankly on issues affecting project implementation (i.e., need for Project restructuring, revision of indicators, and safeguards issues) and reflected them accurately in the ratings, documented in aide memoires and Implementation Status Reports

<sup>13</sup> The reallocation was an internal GoA requirement. Since the transfers for the four programs were in the same disbursement category in the World Bank grant, the changes in spending allocation did not require modifications in the grant legal agreement.



(ISRs). Bank staff was proactive in working with the GoA team to facilitate the adjustments needed due to changing conditions on the ground, including to restructure the Project to align the RF with the GoA-initiated budget reallocations across the four cash assistance programs. Bank staff also worked with the GoA team, UNICEF, and REACH (the agency responsible for the Rapid Multi-Sector Needs Assessment (RMSNA) survey) to identify an alternative, robust option for the two PDO indicators related to food security. Another plus was the availability of support from the full Bank task team (including fiduciary and safeguards) during the duration of the grant.

**24. The quality of Monitoring and Evaluation (M&E) is rated Substantial.** The three main M&E elements - M&E design, quality of M&E implementation, and quality of M&E utilization – were of good quality. There were only moderate shortcomings in the design of monitoring and evaluation. A few intermediate indicators could not be automatically sourced from the MLSA information system (for example, the number of “eligible” applicants for the public works and subsidized employment programs). The indicator on citizens’ engagement was ambiguous and not closely related to Project activities (share of project beneficiaries who report that the project has established effective engagement processes). The Project restructuring corrected these moderate shortcomings as well as effectively addressed the unexpected need to revise the PDO indicators related to food purchases by the displaced and hosting families. Implementation of the monitoring system experienced some initial difficulties (for example, to count the number of “unique” beneficiaries) because the MLSA information systems were designed mainly to facilitate payments. In other words, the information system counted the number of monthly payments without distinguishing unique beneficiaries, resulting in double counting. Another challenge was the inability of PCU staff to travel to the field during 2021 due to the COVID-19 pandemic. But these difficulties were overcome, enabling the data for the monitoring indicators to be collected and analyzed in a methodologically sound manner. In particular the verifications surveys carried out by the PCU were timely and complete. Especially considering the short duration of the Project, a strong point was the carrying out and analysis of the survey on the subsidized employment program with the support of World Bank technical assistance through a Bank-executed Trust fund.

**25. Compliance Issues.** Five Environmental and Social Standards (ESSes) were assessed as relevant for the Project (ESS 1: Assessment and Management of Environmental and Social Risks and Impacts; ESS 10: Stakeholder Engagement and Information Disclosure; ESS 2: Labor and Working Conditions; ESS 3: Resource Efficiency and Pollution Prevention and Management; and ESS 4: Community Health and Safety). In general, the PCU ensured Environmental and Social compliance of the Project activities funded by the grant with the World Bank Environmental and Social Standards and implementation of the activities specified in the ESCP actions and requirements even with the travel constraints due to the COVID-19 pandemic. There were two minor shortcomings. First, due to the post-conflict emergency nature of the Project, several public works sub-projects were started and some were completed before finalization of ESMPs. While PCU Environmental and Social specialists conducted pre-screening and preparation of site-specific ESMP checklists for public works sub-projects and these public works were generally compliant, the ESMPs were not included in the contracts between USS and the respective municipalities. The World Bank and the GoA agreed that the grant would not finance these public works projects. Second, while some beneficiaries of the employment subsidy program did not sign the Code of Conduct due to a procedural slip, additional verification confirmed that the requirements of the Code of Conduct were followed as part of the Labor Code of the Republic of Armenia, which covers all aspects of ESS 2 except for the requirement to establish a grievance mechanism. The project grievance mechanism was established in line with SEP and ESS 10 requirements. It was advertised through the Social Security Administration website and the project team continuously provided the necessary information to beneficiaries about application of the grievance mechanism, including reporting and accountability procedures. Moreover,



the target for the corresponding IRI – Percent of beneficiaries who agree that the project has in place an accessible feedback and grievance mechanism – was exceeded (80 vs 89). With the exception of the minor shortcomings, project compliance with the Environmental and Social Standards was satisfactory. The PCU prepared the required documents, carried out the requisite trainings and other activities and submitted complete reports on a timely basis.

**26. Risk to Development Outcomes.** The risk to development outcome is considered low for three reasons. First, according to the final report of the Inter-Agency Response Plan<sup>14</sup>, many previously displaced persons have returned to their place of origin, where they have access to their original assets (property, employment, etc.). The number of displaced individuals in the territory of Armenia had declined from 90,000 (October 2020) to 26,725 in December 2021. Second, in part because of the cash and other assistance provided, displaced households have been able to make progress towards stabilizing their situation. One favorable sign is that 95 percent of the displaced people are in a situation in which they are paying rent. Correspondingly the host community population has declined from 18,000 in October 2020 to an estimated 4,500 by December 2021. Also, according to the Economic Resilience Assessment carried out in the second half of 2021, the displaced people were more actively seeking jobs or income-generating activities than during the first months of displacement. Three, as part of the updated Armenia inter-Agency Response Plan (covering the period between October 2020 and December 2021), there was agreement with the MLSA on the priority needs of the displaced population in Armenia, including rental subsidies, employment-related programs, and provisions of services in collaboration with NGOs, in line with GoA's policy aiming at integrating the refugee-like population within existing services<sup>15</sup>. During 2022 the GoA through the MLSA continued to implement both the temporary employment subsidy and public works programs for the displaced people if they had not participated in 2021. In addition, a new GoA program provides a subsidy for home mortgages for the displaced population. On the other hand, as noted in the final report of the Inter-Agency Response Plan there is uncertainty given the still volatile situation.

## V. LESSONS LEARNED AND RECOMMENDATIONS

**27. The use of GoA systems ensured that the Project effectively fulfilled an important role within the multiple agency response to the crisis.** As the Project Paper stated, the grant was part of a response that involved many actors, including humanitarian agencies. The World Bank was one of the few donors able to channel its support through the GoA treasury using its systems and based on its cash assistance programs. Financing from other donors had some restrictions, for example, the need to combine with in-kind support or to target more narrowly defined population groups. In contrast, the resources from the grant were more flexible. The GoA indicated that this flexibility proved to be an advantage in the emergency situation. Moreover, using Government structures and payment systems reduced overhead costs compared to other implementation modalities.

**28. In projects with a short period of implementation, the use of already existing project PCUs coupled with further training as needed should be favored.** The decision to leverage the PCU staff of an existing Bank project had benefits. It might have been difficult to complete the Project within the short time period if a new PCU had to be constituted. Instead, the ability to build on the PCU of an existing project (Social Protection Administration II Project (P146318)) facilitated implementation. The willingness and effectiveness of the staff in learning and putting into practice new skills was a definite plus.

<sup>14</sup> Armenia Inter-Agency Response Plan Final Report (August 2022)

<sup>15</sup> Armenia Inter-Agency Response Plan (October 2020-December 2021): Update 2021



29. **While partnering with United Nations agencies can facilitate the collection of baseline data for project outcome indicators in a conflict situation, it is important to consider and mitigate the risks of this activity not being fully under project control.** Collecting baseline data for outcome indicators in a conflict/displacement setting is difficult, time-consuming, and costly. Partnering with United Nations agencies is a good solution for this type of exercise (and sometimes it is the only solution due to restricted access in the field) but does carry risks because data collection is not fully under the project control. (Note: There would be the same or even greater risk partnering with alternative agencies). Possible risk mitigation strategies include consideration of alternative measures and close contact with the agency in charge of data collection (both of which were used in this Project).

30. **In the absence of extensive outreach, profiling and other personalized attention for potential beneficiaries among the displaced, it may be difficult to match them to the most appropriate employment programs, with additional challenges because of their high mobility.** In retrospect, the employment programs were imperfectly tailored for the intended beneficiaries given the characteristics of the displaced adult population (well educated, previous jobs in the public sector, etc.). While salaries offered were competitive for low-skilled workers, the higher education and previous salary levels of the displaced population and their particular skills and occupational background (many having public sector experience) created mismatches between the supply and demand for the slots in the two employment programs. This issue is not surprising since, in the emergency and fluctuating situation, the provision of personalized orientation services to the displaced would have been challenging. The high mobility of the displaced people may reduce the incentives of both firms and workers for longer-term investments and commitments. Similar responses in other countries may want to take these factors into account when considering the role of employment programs.



**ANNEX 1. RESULTS FRAMEWORK AND KEY OUTPUTS**

**A. RESULTS INDICATORS**

**A.1 PDO Indicators**

**Objective/Outcome:** Improve the resilience of conflict-affected people

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
Average Food Consumption Score of displaced households benefiting of social protection measures in Armenia.	Number	61.00 31-Dec-2020	75.00 31-May-2022	75.00 31-May-2022	73.00 28-May-2021

**Comments (achievements against targets):**

Achieved at 97 percent

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
Share of project beneficiaries who are employed (by any employer) in Armenia after participating in the temporary subsidized employment program	Percentage	0.00 15-Mar-2021	30.00 31-May-2022	30.00 31-May-2022	35.00 30-May-2022



**Comments (achievements against targets):**

Fully achieved (overachieved by 17 percent)

**Objective/Outcome:** Reduce the financial burdens of hosting families and protect hosting families from consumption shocks

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
Average Food Consumption Score of hosting households benefiting of social protection measures in Armenia.	Number	76.00 31-Dec-2020	76.00 31-May-2022	76.00 31-May-2022	74.00 28-May-2021

**Comments (achievements against targets):**

Achieved at 97 percent

**A.2 Intermediate Results Indicators**

**Component:** Component 2. Project Management

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
Percent of beneficiaries who agree that the project has in place accessible feedback (hotline, email/ webpage form) and grievance mechanism	Percentage	0.00 31-Mar-2021	80.00 31-May-2022	80.00 31-May-2022	89.00 15-Feb-2022



**Comments (achievements against targets):**  
Fully achieved (overachieved (by 11 percent))

**Component:** Component 1. Cash Assistance for Conflict-Affected Families; Subcomponent 1.1 Cash transfers for displaced people in Armenia

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
Number of project beneficiary displaced individuals receiving AMD 68K cash grant payments in Armenia	Number	0.00	11530.00	3986.00	3984.00
		20-Dec-2020	31-May-2022	31-May-2022	15-Feb-2022
Share of project beneficiary female displaced individuals receiving AMD 68K cash grant payments in Armenia	Percentage	0.00	70.00	52.00	52.00
		20-Dec-2020	31-May-2022	31-May-2022	15-Feb-2022

**Comments (achievements against targets):**

Achieved (at 99.9 percent) This indicator measures the number of displaced people enrolled in the "Cash benefit to displaced people in Armenia" program and receiving the one time lump-sum of AMD 68,000 who were financed by the project.

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
Number of displaced individuals for whom payments are made to project beneficiary hosting families in Armenia	Number	0.00	9937.00	9937.00	12943.00
		20-Dec-2020	31-May-2022	31-May-2022	15-Feb-2022



**Comments (achievements against targets):**

Fully achieved (overachieved by 30 percent)

This represents the total number of displaced persons hosted and for which payments were made to hosting families (financed by the project).

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
Monthly number of displaced individuals hosted for whom payments are made to project beneficiary hosting families in Armenia (person/months, cumulative)	Number	0.00	43820.00	43820.00	43688.00
		18-Dec-2020	31-May-2022	31-May-2022	15-Feb-2022

**Comments (achievements against targets):**

Achieved at 99.7 percent

The displaced people were mobile and were changing location and hosts. This indicator was introduced (i) to align the monitoring of financial data for the cash transfers to hosting families with the monitoring of the number of displaced people hosted, and (ii) to have a better understanding of the period during which a displaced person was hosted (in average) by one or more hosts. The 12,943 displaced people were hosted in average for 3.4 months.

**Component:** Component 1. Cash Assistance for Conflict-Affected Families; Subcomponent 1.2 Monthly cash transfers for Armenian families hosting displaced people

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
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Total number of hosting families in Armenia applying for cash grants	Number	4560.00	19898.00	19898.00	6933.00
		31-Dec-2020	31-May-2022	31-May-2022	15-Feb-2022

**Comments (achievements against targets):**

Not achieved. The actual achieved represents 35 percent of the target.

This indicator was not in the control of the project (it was introduced for monitoring purposes only).

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
Number of project beneficiary hosting families in Armenia receiving cash grant payments	Number	0.00	3975.00	3975.00	4872.00
		20-Dec-2020	31-May-2022	31-May-2022	15-Feb-2022

**Comments (achievements against targets):**

Fully achieved (overachieved by 23 percent) This indicator measures the number of hosting families enrolled in the "Cash benefit targeted to hosting families" program ( AMD 30,000 per month for a displaced adult hosted) who were financed by the Project.

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
Number of monthly payments made to project beneficiary hosting families in Armenia (cumulative)	Number	0.00	15347.00	15347.00	15309.00
		20-Dec-2020	31-May-2022	31-May-2022	15-Feb-2022



**Comments (achievements against targets):**

Achieved at 99.8 percent

Displaced people were mobile, changing locations and hosts. Once a displaced family/ person was leaving, the hosting families could receive another one. This indicator was introduced to align the monitoring of financial data with the monitoring of hosting families included in the program. The 4872 hosting families enrolled in the program and financed by the project were hosting displaced people (the same or different) for about 3.1 months in average.

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
Number of displaced individuals for whom payments are made to project beneficiary hosting families in Armenia	Number	0.00	9937.00	9937.00	12943.00
		20-Dec-2020	31-May-2022	31-May-2022	15-Feb-2022

**Comments (achievements against targets):**

Fully achieved (overachieved by 30 percent)

This represents the total number of displaced persons hosted and for which payments were made to hosting families (financed by the project).

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
Monthly number of displaced individuals hosted for whom payments are made to project beneficiary hosting families in Armenia (person/months,	Number	0.00	43820.00	43820.00	43688.00
		18-Dec-2020	31-May-2022	31-May-2022	15-Feb-2022



cumulative)

**Comments (achievements against targets):**

Achieved at 99.7 percent

The displaced people were mobile and were changing location and hosts. This indicator was introduced (i) to align the monitoring of financial data for the cash transfers to hosting families with the monitoring of the number of displaced people hosted, and (ii) to have a better understanding of the period during which a displaced person was hosted (in average) by one or more hosts. The 12,943 displaced people were hosted in average for 3.4 months.

**Component:** Component 1. Cash Assistance for Conflict-Affected Families; Subcomponent 1.3 Employment subsidies for unemployed displaced people

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
Number of applicants to the temporary subsidized employment program for displaced people with an employer in Armenia	Number	0.00	6000.00	6000.00	824.00
		21-Dec-2020	31-May-2022	31-May-2022	15-Feb-2022
Share of displaced female applicants to the temporary subsidized employment program with an employer in Armenia	Percentage	0.00	75.00	75.00	75.00
		21-Dec-2020	31-May-2022	31-May-2022	15-Feb-2022

**Comments (achievements against targets):**

Not achieved. The actual achieved represents 14 percent of the target.

The low number of applications (uptake) was mainly due to a lack of knowledge about the program (for more than half of non-applicants). Also, some displaced people continued to receive wages in the place of origin (which constituted an exclusion criteria).



Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
Number of project beneficiary individuals participating in the temporary subsidized employment program with an employer in Armenia	Number	0.00 15-Mar-2021	936.00 31-May-2022	387.00 31-May-2022	379.00 15-Feb-2022
Share of female project beneficiary individuals participating in the temporary subsidized employment program with an employer in Armenia	Percentage	0.00 15-Mar-2021	75.00 31-May-2022	75.00 31-May-2022	76.00 15-Feb-2022
<b>Comments (achievements against targets):</b> Achieved at 98 percent.					
The total number of participants was 388. Given available resources, the Project financed 379 positions and the GoA covered the difference.					
<b>Component:</b> Component 1. Cash Assistance for Conflict-Affected Families; Subcomponent 1.4 Cash for work for displaced people (public works)					
Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
Total number of applicants to the public works program	Number	0.00 21-Dec-2020	500.00 31-May-2022	500.00 31-May-2022	85.00 15-Feb-2022



Share of female applicants to the public works program	Percentage	0.00 21-Dec-2020	18.00 31-May-2022	18.00 31-May-2022	3.00 15-Feb-2022
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**Comments (achievements against targets):**

Not achieved. The actual achieved represents 17 percent of the target.

This indicator was not in the control of the project (it was introduced for monitoring purposes only). The number of applicants was influenced among others by the capacity of local governments to organize public works programs. The number of local governments organizing public works programs was lower than expected.

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
Number of project beneficiary participants in public works programs	Number	0.00 15-Mar-2021	115.00 31-May-2022	81.00 31-May-2022	10.00 15-Feb-2022
Share of female project beneficiary participants in public works programs	Percentage	0.00 15-Mar-2021	18.00 31-May-2022	18.00 31-May-2022	0.00 15-Feb-2022

**Comments (achievements against targets):**

Not achieved The actual achieved represents 12 percent of the target.

The number of participants in public works was 81, out of which the project financed 10 (the difference was financed by the government).



**B. ORGANIZATION OF THE ASSESSMENT OF THE PDO**

<b>Objective 1: Improve the resilience of conflict-affected people</b>	
Outcome Indicators	<ol style="list-style-type: none"> <li>1. Average Food Consumption Score of Displaced Households benefiting of social protection measures in Armenia               <ul style="list-style-type: none"> <li>• The food consumption score reached 73, which is 97 percent of the target of 75.</li> </ul> </li> <li>2. Share of project beneficiaries who are employed (by any employer) in Armenia after participating in the temporary subsidized employment program               <ul style="list-style-type: none"> <li>• The share of project beneficiaries employed was 35 percent, exceeding the target of 30 percent.</li> </ul> </li> </ol>
Intermediate Results Indicators	<ol style="list-style-type: none"> <li>1. Number of project beneficiary displaced individuals receiving AMD 68K cash grant payments in Armenia               <ul style="list-style-type: none"> <li>• Number was 3,984 virtually meeting revised target (reduced) of 3,986.</li> </ul> </li> <li>2. Share of project beneficiary female displaced individuals receiving AMD 68K cash grant payments in Armenia               <ul style="list-style-type: none"> <li>• The female beneficiary share of 52 percent met the revised target (reduced).</li> </ul> </li> <li>3. Number of displaced individuals for whom payments are made to project beneficiary hosting families in Armenia.               <ul style="list-style-type: none"> <li>• The number of displaced individuals was 12,943, substantially exceeding the target of 9,937.</li> </ul> </li> <li>4. Monthly number of displaced individuals hosted for whom payments are made to project beneficiary hosting families in Armenia (person/months, cumulative)               <ul style="list-style-type: none"> <li>• The number of person/months was 43,688, virtually meeting the target of 43,820.</li> </ul> </li> </ol>



5. Number of beneficiary individuals participating in the temporary subsidized employment program
  - 388 individuals participated, meeting the revised target of 387 (reduced). The Project financed 379 and GoA the remainder.
6. Share of female project beneficiary individuals participating in the temporary subsidized employment program
  - The 76 percent female share of participants met the target.
7. Number of applicants to the temporary subsidized employment program
  - The number of applicants was 824, substantially below the target of 6000.
8. Share of displaced female applicants to the temporary subsidized employment program
  - The share of female applicants was 75 percent, meeting the target.
9. Number of project beneficiary participants in public works programs
  - The number of participants financed by the Project was 10, below the revised (reduced) target of 81.
10. Share of female project beneficiary participants in public works programs
  - The share of female participants was 0, compared to the target of 18 percent.
11. Total number of applicants to the public works program
  - The number of applicants was 85, well below the target of 500.
12. Share of female applicants to the public works program
  - Females accounted for 3 percent of applicants, well below the target of 18 percent.



<p>Key Outputs by Component (linked to the achievement of Objective 1)</p>	<p>Component 1</p> <ol style="list-style-type: none"> <li>1. AMD 68K cash grant paid to displaced individuals</li> <li>2. Displaced jobseekers attended by USS staff in territorial offices.</li> <li>3.Placements of displaced individuals in temporary employment program</li> <li>4. Displaced individuals accommodated by hosting families</li> <li>5. Placements of displaced individuals in public works program</li> </ol> <p>Component 2</p> <ol style="list-style-type: none"> <li>1. Feedback and grievance mechanism operational</li> <li>2. Application of Social and Environmental Safeguards to employment programs.</li> <li>3. Activities specified in the ESCP actions and requirements implemented.</li> </ol>
<p><b>Objective 2: Reduce the financial burden of hosting families</b></p>	
<p>Outcome Indicators</p>	<ol style="list-style-type: none"> <li>1. Average Food Consumption Score of hosting households benefiting of social protection measures in Armenia <ul style="list-style-type: none"> <li>• The food consumption score reached 74, which is 97 percent of the target of 76.</li> </ul> </li> </ol>
<p>Intermediate Results Indicators</p>	<ol style="list-style-type: none"> <li>1. Number of project beneficiary hosting families in Armenia receiving cash grant payments <ul style="list-style-type: none"> <li>• The number of project beneficiary hosting families in Armenia receiving cash grant payments was 4872, exceeding the target.</li> </ul> </li> <li>2. Number of monthly payments made to project beneficiary hosting families in Armenia (cumulative) <ul style="list-style-type: none"> <li>• 15309 monthly payments made, virtually meeting the target.</li> </ul> </li> </ol>
<p>Key Outputs by Component (linked to the achievement of the Objective/Outcome 2)</p>	<p>Component 1</p> <ol style="list-style-type: none"> <li>1. Payments made to hosting families</li> </ol>



Component 2

1. Feedback and grievance mechanism operational
2. Activities specified in the ESCP actions and requirements implemented.



**ANNEX 2. PROJECT COST BY COMPONENT**

<b>Components</b>	<b>Amount at Approval (US\$'000)</b>	<b>Actual at Project Closing (US\$'000)</b>	<b>Percentage of Approval</b>
Component 1: Cash Assistance for Conflict-Affected Families	3,693,218	3,693,218	100
Component 2: Project Management	25,000	25,000	100
<b>Total</b>	<b>3,718,218</b>	<b>3,718,218</b>	<b>100.00</b>



### **ANNEX 3. RECIPIENT COMMENTS (Ministry of Labor and Social Affairs, Armenia)**

As a result of the hostilities unleashed on September 27, 2021, a significant part of the population of Artsakh was displaced and settled in Armenia. For almost all of the displaced persons the existence of minimum physical conditions for living and meeting the minimum needs was an extreme hardship. The Government of the Republic of Armenia quickly mobilized and was able to meet the issue of housing for the displaced and began efforts to meet their minimum social needs. During that period, it was especially difficult for the RA government to carry out additional expenses from the already approved state budget funds, so it was a problem to redistribute the state budget. Various international and local organizations have expressed their support to the Government, but in this case, the funds could only be in addition to the state budget. Funds from international and local organizations could only be used to support certain vulnerable groups or for a specific type of support.

Support of the World Bank was directly aimed at mitigating deficits in the state budget, which was a great opportunity to develop support programs for a wider range of people, which allowed providing support to each of the displaced.

According to the assessment of the Ministry of Labour and Social Affairs of RA and the Unified Social Service, the program implemented by the World Bank with all its constituents was a considerable financial support to the state, as it gave an opportunity to quickly respond to the reduction of financial expenses in the short term and to alleviate the burden.

Provision of additional funds to the Government of the Republic of Armenia (represented by the Ministry of Labor and Social Affairs), with the aim to provide primary social support to the citizens of Artsakh, displaced as a result of the war unleashed on September 27, 2020 and actually residing in the Republic of Armenia, was considered and accepted as highly relevant, through which the targeted large or small groups were provided with funds to meet their urgent needs, (financial, food or non-food aid, social services).

The program has had a significant positive impact on ensuring the stability of conflict-affected persons and reducing the financial burden of host families, as it essentially shared the financial burden of the state needed to ensure the stability of conflict-affected persons, provision of financial support to host families, and provision of work experience for displaced persons.

Essentially, all components of the program were important for the MLSA/USS, but the most important role was the employment support measure, in particular the provision of temporary subsidized work experience for displaced persons who wish to gain work experience in Armenia.

In this case, the program for the individual, in addition to financial support, also offered the beneficiaries solutions for activation and integration into society, overcoming their own problems through work. Involvement in the program was considered by the beneficiaries not only as an action aimed at solving the financial problem of the given situation, but also contributed to the recovery of the psychological state, as a result of which the beneficiaries were able to have a source of income and quickly integrate in Armenia and the Armenian labor market. Acquiring certain professional skills and abilities within the framework of the work experience assistance program has created an opportunity for the beneficiaries to further apply the skills acquired as a result of the program to have a stable employment opportunity.

This is also evidenced by the results of comparing the data of the program participants and the State Revenue Committee database, according to which 35% of the participants of program continued to work within 3 months of completing the program. Mentioned indicator is quite high, taking into account the fact that after the end of



the program, a large number of beneficiaries returned to Artsakh or changed their place of residence. Within the framework of the program on organizing paid public works, performing public benefit work, as well as the repair and restoration of infrastructures and objects of community importance, which also contributed to their integration, have always been mentioned as a positive feedback.

It should be noted that the MLSA/USS, within the framework of the Program financed by the World Bank and in general have had relations based on partnership and mutual support, and all the activities implemented with the financing of the World Bank within the framework of the Program have, in fact, achieved their goal.

From the so-called "negative" aspects of the program, we can mention the issue related to deadlines. The short deadlines for the provision of urgent aid and support to the people affected by the conflict sometimes caused additional data processing problems, (the impossibility of simultaneous exchange of necessary information), which caused even more heavy work, but in fact, even simple problems could be solved by joint efforts.

Within the framework of future cooperation, if such is planned, it would be very effective to jointly implement employment assistance programs again, especially in those vulnerable communities of the country where employment opportunities are very limited, planning measures to promote self-employment of unemployed persons of these communities.



#### **ANNEX 4. SUPPORTING DOCUMENTS**

Assessment of the Subsidized Employment Program for Displaced Population from Nagorno-Karabakh  
(World Bank Presentation, June 22, 2022)