

Reporting Agency: United Nations Development Programme  
Country: Republic of Armenia



## STANDARD ANNUAL PROGRESS REPORT

No. and title: 00011261, Community Development Project

Reporting period: 15 July – 15 November 2009

### I. PURPOSE

The aim of the project is to contribute to sustainable, integrated rural development through community-based projects that help the communities of Armenia to attain the Millennium Development Goals (MDG). The projects aim to generate a community-based process of prioritisation of community and district development needs, create partnership-based implementation structures, focusing on economic and social infrastructure, economic development priorities and generate income for key vulnerable groups in the poorest and most disadvantaged communities in the Republic of Armenia.

The Project has been implemented under the following main interrelated components, aiming to:

- **Empower** communities through participatory community-based development planning, prioritization, and implementation and monitoring. The major tool of the project throughout the recent and current year has been the individual strategic community development. The main project activities focus on the economic and social development priorities of poor and vulnerable communities in the Republic of Armenia. Integrated Community Development Plans including projects with the development priorities arising through population needs are presented to attract Diaspora as well as other donors' support towards their implementation.
- **Contribute** to the rural/economic revitalization of rural and urban areas, basically near border communities by targeting inhabitants of rural communities both in mainstream and agriculture areas. In recognition of the need to concurrently stabilize the social and economic environment, the Project continuously targets the most vulnerable beneficiaries and focuses its funds and efforts on creating farmers' associations, funds, NGOs, developing agro-processing activities, rehabilitating important social/economic infrastructures in rural and urban communities, group savings and income generation for poorest households. Rural and urban economic and social infrastructure is rehabilitated / constructed.
- **Provide** policy advice to the decentralization practices implemented in the country, more specifically through supporting the creation of pilot Inter community union, update of the Community typology database and the publication of the handbook on Municipal Service.
- **Support** the capacity building the RoA Ministry of Territorial Administration through the development and implementation of awareness raising campaign on policies in the fields of LSG and decentralization, Elaboration of the Concept on E-Governance System at regional level, institutionalization of performance based budgeting methodology implication at the local level; support the application of ICT in education.

- **Customized** capacity building for project partners is also delivered through the Project, more specifically in strengthening the capacities of local government and civil society organizations, groups and rural households.
- **Ensure** sustainable livelihood for refugees through implementation of income generation projects, which will in their turn emphasize the strengthening of human capital in the community



## II. RESOURCES

### **Total Approved Budget: USD 1,274,356**

- i. UNDP Core Resources: USD 442,072
- ii. Non-Core Resources: USD 832,284
- UN HSTF: USD 284,086
- RoA GVMT: USD 231,364
- Government of Italy: USD 176,000
- Coca Cola: USD 70,500
- CCF: USD 26,880
- USAID: USD 20,000
- The Izmirlian Foundation: USD 18,442
- OSI: USD 3,890
- MANES: USD 1,112

## III. RESULTS

### **1. Progress Assessment towards Outcomes and Outputs**

Project outputs have been drawn strongly in line with its objectives and outcomes and demonstrate the level and influence of achievements by clusters, communities, households, institutions and individuals.

The Project has identified and implemented several community sub-projects activities through various funding mechanisms such as cost sharing, co-funding and parallel funding. Each sub-project has aimed at one or several MDGs: halving the proportion of people without access to safe drinking water, eradicating extreme poverty and hunger, ensuring environmental sustainability and developing an overall “global partnership for development”. The implementation of the sub-projects builds on the mutually reinforcing mechanisms that allow enhancing the project impact and ensuring lasting results of the initiated activities.

By mid November 2009 most of the undertakings have been either finalized or are underway due to the project planning to be finalized in the coming 2010 year.

### **2. Past Commitments of 2008 already finalized in 2009**

- i) **Construction of potable water network in Lusadzor community, Tavush Marz.  
Donor: Government of Italy and UNDP.**

**Results:** Having commenced in 2008, within the framework of this project a new water pipeline with a 6.2 kilometer-long internal network and a water pumping station is constructed and the existing water reservoirs are renovated. Already finalized in the first quarter of 2009, this project is of human development significance to the community: all

village residents are supplied with potable water round the clock. The official inauguration of the network was held on 01 October 2009 with the participation of the Ambassador of Armenia to Armenia, UN RC/UNDP RR, Marz Governor and representatives of mass media.



**ii) Organization of artificial insemination of livestock in Lusadzor community, Tavush Marz. Donor: Government of Italy and UNDP.**

**Results:** The project envisaged increasing the genetic quality of the cattle in Lusadzor community and accordingly to increase the income of those households who are engaged in cattle breeding. Project beneficiaries are the 120 households of Lusadzor community who are engaged in cattle breeding. The project was initiated in May 2008 and is underway at present.

**iii) Planting of persimmon orchards in Lusadzor community, Tavush Marz. Donor: Government of Italy and UNDP.**

**Results:** As a successful continuation of planting of 5575 persimmon seedlings undertaken in fall 2007, another quantity of 5500 persimmon seedlings was provided to community households per their applications in November 2008. The project undergoes steady monitoring within 2009. Monitoring indicators set were the awareness of community households (not less than 90% of households), the timely and fair distribution of seedlings, the signing of contracts with all beneficiary households and the planting and further cultivation of seedlings.

**iv) “Toros Ishkhan” Community Development Fund, the operation of the community agricultural machinery pool in Yeghvard community, Syunik Marz. Donor: “Monarch” Concern and UNDP**

**Results:** The Fund operating since May 2009 successfully governs the activities of the agricultural machinery pool which was fully replenished with 5 pieces (1 caterpillar tractor, 4-share plough, 1 wheeled tractor, 1 seed dresser, 1 grain seeder and 1 combine harvester) of machinery. The pool also serves the needs of neighboring communities, as well as it will become an income generating scheme for the community both in terms of employing mechanizations and generating profit while providing services to neighbor communities. Regular monitoring meetings are held by UNDP experts in the Fund and ongoing activities are discussed.

**v) Establishment of a Revolving seed fund of winter wheat seeds in Yeghvard community, Syunik Marz. Donor: “Monarch” Concern and UNDP**

**Results:** This important income generation scheme was launched in mid 2008. 36 tons of winter wheat seeds (Elite class) were distributed to 89 beneficiary households in the community in September 2008. According to revolving seed fund regulations, beneficiary households sign contracts where they undertake the obligation of returning the cost of seeds received after a year. Within 2009 the monitoring of seed sowing and cultivation was conducted with the harvest to come in August 2009. Harvest collection was quite efficient and yielded desired results. The results were monitored by CDP experts.

vi) **Construction of a Flour Mill in Yeghvard community, Syunik Marz.**  
**Donor: “Monarch” Concern and UNDP**



**Results:** The equipment was installed in 2008, and the building of the mill has already been constructed and is fully operational. The World Vision provided an electrical sub-station for the mill and UNDP procured construction materials which were provided to the Fund. To note, the flour mill with the capacity of 700 tons per hour enables community residents to grind flour in the community and receive 750 kg of flour and 250 kg of straw out of 1 tons of ground wheat.

vii) **Finalization of investment projects in Dilijan and Alaverdi**

**Results: a)** The renovation works of Musical School in Alaverdi are completed. In February 2009 the opening ceremony of the School was held with participation of representatives from UNDP, USAID, CHF, RTI, Alaverdi Municipality.

**b)** The works of the construction of decorative support wall in the center of Dilijan city are already completed.

**c)** The works for reconstruction of “Lion Stairs” and renovation of sidewalk were suspended in December 2008 due to unfavorable winter conditions. The works were resumed in March-April 2009. Meanwhile, the project team closely worked with the Municipality of Dilijan to identify additional works to be implemented by the available savings in the budget. As a result, it was decided to expand the sidewalks and the works are currently underway.

### **3. Main activities implemented and achievements as of 15 November 2009**

Detailed information related to the planned and actually implemented activities and achieved results as per November 2009 as well as planned ones by the end of the year are shown below.

#### **3.1. Infrastructure Component**

i) **Reviving Gyumri: Improving the living condition in the Old Town of Gyumri through tourism development. Donor: Government of Italy**

**Results:** In order to improve the living condition in the old town of Gyumri through tourism development the project envisages reconstructing one of the old buildings of Gyumri into an Art Gallery. On 19 February 2009 the Government of Armenia made a decision to transfer the ownership right of this property from the Municipality of the city of Gyumri to the Ministry of Culture. Moreover, in order to check the physical condition of the building a seismic assessment for the building was conducted as required by RoA construction norms and standards. As the result of this assessment it was identified that the selected building has category 4 for damages, which means that we will need to do intensive reinforcement works. The bidding process for the technical design is finalized and the technical design for the building will be launched in August 2009 and will be finalized till the end of the year.

Initially, it was planned to implement 50% of the construction works of this project in 2009. However, due to the delay caused by the RoA Ministry of Culture in clearing the property right and the legal status of this building, during the current year only the technical design will be finalized, while construction will be initiated in 2010.

**ii) Every Drop Matters, Adopt and Revive Aghstev River Basin.**  
**Donors: UNDP, USAID, Coca Cola and RoA Government**



**Results: a)** The aim of the sub-project is to treat the waste water problem of Dilijan City through the construction of a waste water treatment facility on Aghstev River flowing through Dilijan City. Currently, the technical design for the construction and technological installation of the treatment facility is underway and will be finalized by the end of 2009. The finalization of the design fell behind the initially planned schedule due to the long consideration of allocating the land for the plant.

**b)** It is planned as part of the sub-project, to conduct an awareness raising campaign on environmentally friendly practices in the City. To this end, CDP prepared the campaign plan jointly with the representatives of donor organizations. The campaign plan includes activities covering the end of 2009 and entire 2010. The company which will conduct the basic course of campaign has already been subcontracted and at present CDP is working on the procurement of PR and educational materials. The community of Dilijan will be engaged in this initiative that will be centered on protection of the river's biodiversity and natural heritage. The possible activities will include support to organizations and initiatives already engaged in environmental protection, and organize various activities with schools, NGOs, and other relevant stakeholders, all directed towards awareness raising of the local community on the potentials and value of the river.

### ***3.2. Income Generation Component***

**i) Establishment of greenhouses in Lusadzor community, Tavush Marz.**  
**Donor: Government of Italy and UNDP.**

**Results:** This project has had two stages of implementation: in the first stage 15 polyethylene film-covered greenhouses were set up jointly with those rural households in the community that expressed their wish to take part in the undertaking. Having witnessed the successful exploitation of these 15 greenhouses, other community households expressed wish to acquire additional greenhouses. This request was discussed by project donors and the possibility of cost-sharing the project continuation with the households was considered. Thus, the second stage of establishing greenhouses was organized where additional 13 greenhouses were taken 13 households which cost-shared the construction of greenhouses.

The greenhouses will enable farmers to produce vegetables in early summer and in late fall. In the initial stage applications from the households were collected and training with project beneficiaries on assembling greenhouses was conducted.

**ii) Organization of computer literacy courses for 15 people in Lusadzor community.**

**Results:** This training was undertaken after the inauguration of the Cultural House in Lusadzor community. The Cultural House was equipped with PCs and other necessary hardware and the training would be just in place to help people of the community to acquire PC user skills. The trainings were conducted in May 2009 by Tavush Farmers Association – an organization which has history of successful cooperation with both UNDP and a long work experience in the field. Overall 15 people – representatives of municipality and community school were trained and received certificates of course completion.

**iii) Sustainable livelihood for socially vulnerable refugees, internally displaced and local families. Donor: UN Human Security Trust Fund**

**Results:** This project was approved and operational since March 2009. Within the project the Integrated Community Development plans for refugee populated communities of Pambak and Geghamasar, Gegharkunik Marz were elaborated using the participatory scheme. Performance Based Budgeting methodology were introduced in both communities. The priority projects were identified and assessed. At present the following agricultural and income generation projects in both communities have commenced:



**a) Procurement and distribution of winter wheat seeds and nitrogen fertilizer to households in Geghamasar community,**

**Results:** This sub-project was identified by the community households as priority one among several others. Within the sub-project 100tons of winter wheat seeds and 62 tones of nitrogen fertilizer were distributed to 329 households in the community. The project aims at increasing income of beneficiaries through providing them high quality seeds and increasing the harvest received every year.

**b) Procurement of agricultural machinery and establishment of community development funds to govern the exploitation of machinery in the communities of Pambak and Geghamasar, Gegharkunik Marz**

**Results:** Both communities prioritized the need for new agricultural machinery to exploit for agricultural activities. In this regard CDP at present conducts the procurement of 8 pieces of machineries (two for Geghamasar and six for Pambak). The main aim of this component is to increase the income of communities' members through increasing the productivity of cereals planting and harvesting.

**iv) In the frames of the Programme component: “Development of Research, Education and Civil Society Network Infrastructure in Armenia”** UNDP supports the expansion of independent ARENA network. During 2009, three new institutions, namely the Agricultural Academy, NATO Information office and Republican Scientific Medical Library were connected to ARENA network.

### **3.3. Public Outreach**

This component continued in 2009 in the framework of the sub-project entitled “Music and Public Outreach in Regions: Highlighting the Needs of Regions through Cultural Lens”. The project aims at visualizing regional disparities and raise public awareness on the needs of communities using culture and particularly, music as an effective communication tool. The project duration, envisaged for eight months comprised holding of total of seven concerts and public awareness campaigns which were carried out in Armenian regions by the National Chamber Orchestra of Armenia (NCOA). Three implemented in 2008, the remaining 4 concerts took place in spring 2009. Simultaneously, “Shoghakat” TV, a contractor selected for producing documentaries on each region, shot and aired 6 documentaries each focusing on the given region. Two films were shot in 2008, and in 2009 “Shoghakat” TV shot 4 films and one summary documentary. One by one, they address specific topics of high relevance to the local population such as poverty reduction, human rights, tolerance as well as issues of unemployment and environmental sustainability. On 30 October 2009 the scheduled launch of all 6 films and the summary documentary took place with the participation of all project partners during which the film on gender issues was screened.

### 3.4. Capacity Building of MTA



#### *a) Support to Decentralization Processes*

During 2009 the following activities have been implemented:

- The content of the brochure “Concept on formation of Inter-Community Unions (ICU)” has been developed; the formation of the ICU and the international experience of inter-community cooperation have been studied,
- The updated community database was prepared and launched in Armenian and English on 20 October 2009. The database is available on DVD format for users.
- The detailed analysis of the community database is underway at present and it will be finalized by the end of 2009.

#### *b) Development of PB Manual*

The Manual was published in Armenian and English and was launched on 20 October 2009.

#### *c) Support to creation of pilot condominiums in Dilijan and Alaverdi*

Two training/consultations on the topic of “The peculiarities of and issues encountered in accounting for condominiums” in cities of Alaverdi and Dilijan.

#### *d) The Handbook entitled “Principles of Municipal Service” was prepared and published in March 2009.*

#### *e) Provision of methodological and technical support to IT specialists of the RoA Ministry of Territorial Administration.*

#### *f) Development of a Concept on E-Governance System at regional/marz Municipality level.*

### 3.5. Gender mainstreaming indication in Projects

All income generation sub-projects directly involve women’s participation since beneficiary farmers or households either were women or included women. Income generation schemes introduced in the communities provide employment opportunities for women and increase their living standards.

The implementation of project titled “Sustainable livelihood for socially vulnerable refugees, internally displaced and local families” will secure vulnerable people’s lives, livelihoods and empower poor/vulnerable rural households (women headed households and households with three and more children dignity in the real life.

Women’s access to opportunities and services offered by CDP projects is ensured through the organization and encouraging equal participation of all community residents in project prioritization, selection, as well as further implementation, i.e. registration in trainings, employment in workshops, participation in revolving fund schemes and so on.

No adverse effects for women in projects were noted.

### 4. Implementation Constrains, Lessons Learned and Project Evaluation

The main implementation constrains that the project has faced are related to the two of the infrastructure component that the project is implementing, namely to the building of waste water treatment plant in the city of Dilijan and to the reconstructing of one of the historical

buildings of the city of Gyurmi into an art gallery. In the case of the first project, initially it was planned to have the land allocation for the treatment plant early this year and to finalize the technical design for the treatment plant by May, 2009 and thereafter to start the construction process. However, due to the fact that the land plot where the treatment plant will be located was not allocated by RA government up till now, for this year, in case the land allocation is arranged by the end of July, the project will be able to accomplish the technical design for this project, as well as to organize the procurement process for the construction work.



While in the case of the second project, initially it was planned to transfer the ownership right of the selected building from the Municipality of Gyumri to the Ministry of Culture by the end of 2008 and to finalize the TOR for the technical design of the building by the end of January, 2009. Thereafter, to finalize the technical design by the end of June and to start the construction by September, and to implement 50% of the construction work by the end of this year. However, the ownership right of the building was transferred to the MoC by the end of February 2009, and the TOR for the technical design was finalized by the end of April. Therefore, there was a delay of 3 months in project implementation. Accordingly, during this year the project will be able to accomplish the technical design for this project, as well as to organize the procurement process for the construction work.

#### **IV. FUTURE WORK PLAN**

##### **Future workplan for the end of 2009 and 2010**

- Monitoring of the artificial insemination and planting of persimmon seedlings projects in Lusadzor community.
- Monitoring of the operation of the greenhouses in Lusadzor community, as well as their transfer to beneficiary households.
- Monitoring of the operation of the flour mill in Yeghvard community, Syunik Marz.
- Monitoring of the operation of “Toros Ishkhan” Fund for Community Development and agricultural machinery pool in Yeghvard community.
- Preparation of the technical design for the historical building in Gyumri City that will be reconstructed into an art gallery.
- Initiating the procurement process for reconstructing the art gallery.
- Reconstructing the art gallery.
- Finalization of the technical design of the wastewater treatment plant in Dilijan City.
- Initiation of the procurement for the construction of the wastewater treatment plant.
- Constructing the wastewater treatment plant.
- Launching of the PR and educational campaigns for the wastewater treatment plant in Dilijan City.
- Procurement and provision of heifers and agricultural machinery for initiation of income generation projects in communities of Geghamasar and Pambak, Gegharkunik Marz.
- Selection of beneficiaries in communities of Geghamasar and Pambak, Gegharkunik Marz for organizing training on agricultural activities.
- Create two Community Based Organizations (one for Geghamasar and the other for Pambak) that will take responsibility, together with UNDP, in managing the agricultural projects implemented there.
- Finalization of the detailed analysis of the updated Community Database.

## V. FINANCIAL IMPLEMENTATION

Financial Implementation Status	Budgeted	Delivered
<b>Total in United States Dollar:</b>	<b>USD1,274,356</b>	<b>USD 999,206</b>
i. UNDP Core Resources:	USD 442,072	USD 442,072
ii. Non-Core Resources:	USD 832,284	USD 557,134
Government of Italy:	USD 176,000	USD 153,000
USAID:	USD 20,000	USD 14,000
The Izmirlian Foundation:	USD 18,442	USD 12,911
CCF:	USD 26,880	USD 22,325
UN HSTF:	USD 284,086	USD 278,561
Coca Cola:	USD 70,500	USD 10,500
OSI:	USD 3,890	USD 3,890
MANES:	USD 1,122	USD 1,122
RoA GVMT:	USD 231,364	USD 60,825



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