

Reporting Agency: **UNDP “Fostering multi-stakeholder partnerships to achieve MDGs in the framework of the UN Global Compact” Project**



Country: **Armenia**

## STANDARD PROGRESS REPORT

No. and title: **Fostering multi-stakeholder partnerships to achieve MDGs in the framework of the UN Global Compact (GC Armenia)**

Reporting period: **January 2009-December 2009**

### I. PURPOSE

The project “Fostering multi-stakeholder partnerships to achieve MDGs in the framework of the UN Global Compact” aims to harness the value-creating assets of the private sector for poverty reduction in the Western CIS and Caucasus -- in Armenia, Belarus, Georgia, Moldova, Russia and Ukraine. This will be achieved through the establishment of the national Global Compact networks and promotion of multi-stakeholder partnerships for development. One type of the partnership projects will focus on coordination and sharing of partners’ resources and expertise. Whilst these will not be strictly commercial, they will be linked to companies’ core business and will make social investments into local communities.

The Global Compact asks companies to embrace, support and enact, within their sphere of influence, a set of core values in the areas of human rights, labor standards, the environment and anti-corruption. The Global Compact offers engagement opportunities to all participants through the networks, dialogues, learning events and partnership projects.

Global Compact Armenia office was established in July 2006. Currently Armenian network consists of 38 members.

The planned outputs by the project are:

Output I: Global Compact Networks consolidated and sustainable beyond active UN coordination support

Output II: Enhanced participation of companies in policy dialogues and formulation of policies on promotion of responsible inclusive entrepreneurship

Output III: Multi-stakeholder partnership projects brokered

#### **Output I: Global Compact Networks consolidated and sustainable beyond active UN coordination support**

##### **New GC Signatories**

- 4 new organizations signed for Global Compact Partnership
  - o Geghm-Lama LLC
  - o LEJAME Community Development Fund
  - o Shen NGO

- o Armavir Development Fund

Total number of UNGC participants in Armenia as of November 15, 2009 is 38.

## **1. Local network strengthening activities.**

- 1.1. The Governing Principles of the UNGC Armenian network were developed by individual national consultant selected on competitive basis. All the members of the local network were involved in the process through face-to-face interviews and surveys. The experience and the governing models of other GC networks around the world were considered by the consultant. The final version of the Principles were approved by the General Meeting of UNGC Armenian network on June 30, 2009 (available on [www.globalcompact.am](http://www.globalcompact.am))
- 1.2. The first Steering Committee of the UNGC Armenian network was established on June 30, 2009. Previous to that the UNGC project conducted online elections to the SC through gathering nominations to the SC by network members. Results of the online elections were presented to the General Meeting and the latter approved the results with unanimous vote. Also the GM elected the Chairman of the SC.
- 1.3. The first meeting of the Steering Committee of the UNGC network in Armenia was held on November 5. The main agenda of the meeting was to highlight the main directions for activities for 2010, with special emphasis on further development and dissemination of UNGC and its principles among business community of the country. The results of the Steering Committee meeting will be presented to the General Meeting of the UNGC Local Network for approval at the end of December.

## **2. GC/CSR promoting activities:**

- 2.1 The first Armenian web portal on CSR is launched. On June 30, the first CSR portal in Armenia was launched during the General Meeting of the UNGC local network in Armenia. The address of the portal is [www.globalcompact.am](http://www.globalcompact.am). The portal is developed by one of the leading Armenian IT companies ("CIT" ltd) selected on competitive basis. The site will also serve as official website of the UNGC local network in Armenia.
- 2.2 From March 30 to April 6, 2009 six TV series on CSR and GC in Armenia (developed earlier in 2008) were broadcasted on H1 Central republican TV station covering the whole territory of the country. The TV series essentially contributed to the overall public awareness on CSR/GC in the country and especially among the business community which is expressed by frequent contacts and inquiries observed.
- 2.3 In cooperation with the British Council, American Chamber of Commerce and Eurasia Partnership Foundation there were organized two business luncheons on March 6 and February 6, 2009 with the representatives of tourism and manufacturing/industry sectors of Armenia correspondingly. The purpose of the meetings was to reveal the situation with the CSR in the sectors (particularly at the times of crisis) and find opportunities for possible "intra-sector" cooperation for implementation of CSR projects.

- 2.4 Two days (October 26-27, 2009) seminar on environmental CSR co-organised by GC Project was held in Yerevan. The seminar was co-organized with the VivaCell-MTS company, Foundation for preservation of Wildlife and Cultural assets and GTZ. The auditorium of the festival was the business community of the country (on the day 1) and students from various universities (day 2). UNGC project Armenia invited Mr. Arbuzov, representative UN Global Compact Network of Ukraine as a guest speaker to cover the topic of the role of CSR in solving the environmental problems in countries.
- 2.5 In cooperation with EPF, BC and Amcham the GC project organized a practical workshop/training on CSR/PR for about 30 local business representatives. The main objective of the training was to help businesses develop their CSR strategies based and integrated into their business strategies. In result of the call for application the working group received 9 applications from different companies/consultants from 5 countries. Wayne Wisser from UK was selected by the working group to conduct the training in Armenia on 16, 17 of November.

## **Output 2: Enhanced participation of companies in policy dialogues and formulation of policies on promotion of responsible inclusive entrepreneurship**

The GC project in Armenia initiated base line study on Public Private Partnership in Armenia in result of which the international expert hired by the UNDP/GC project developed a Concept Paper on PPP in Armenia. PPP is one of the main priorities for the Armenian Government and it is also of great interest to Armenian companies. The project's involvement in this area is explained by the fact that within the framework of UNGC the project can provide active and wide participation of the local businesses in the development of the policies in the field of PPP.

In January 2009 the Government of Armenia approved the Concept Note on PPP for Armenia. The Note is fully based on the Concept paper developed/submitted by the UNDP/GC project and in addition it emphasizes the steps to be accomplished further for effective implementation of PPPs in the country. Adoption of a separate Law on PPPs in Armenia was one of the major activities planned by the Government in regard to the issue.

PPP consultant selected in the competitive bases was contracted in July 2009 for developing a draft Law on PPP in Armenia. During the working period the consultant had been working with the representatives of Ministry of Economy. The draft law was developed and submitted for further review to the Government in the beginning of September 2009. The document and work of the consultant were highly appreciated by the Ministry of Economy.

*The study of current situation with CSR in Armenia elaborated in the AWP was postponed as it is not considered reasonable to conduct such study having the country's economy and business activity hit by the current economic crisis.*

## **Output 3: Multi-stakeholder partnerships brokered**

The following partnership projects were under implementation by the GC project during Jan-December 2009:

### **1. Title of the project: Youth Career Trail III Project**

**Main partners:** Armenian General Benevolent Union (contributed \$6,000), VivaCell-MTS,

Beeline, Lamy Realty Ltd. and Coca Cola Bottlers in Armenia (as hosting companies).

**Main objective:** The project was designed to facilitate the transition of unemployed Armenian youth into the workforce by the provision of direct employment opportunities through internships. The third round of the project is implemented only for youth in regions/marzes of Armenia.

**Status:** 16 interns were selected to pass the 6 month internship starting from 15 January, 2009 as follows:

Gyumri 6 interns – Lamy realty ltd. (3), Coca Cola (2), VivaCell-MTS (1)

Ijevan 2 interns - Coca Cola (1), VivaCell-MTS (1)

Vanadzor 3 interns - Coca Cola (2), VivaCell-MTS (1)

Ararat 1 intern – VivaCell-MTS

Armavir 1 intern – VivaCell-MTS

Hrazdan 1 intern - VivaCell-MTS

Yerevan 2 interns - UNDP

Out of 16 interns 3 have already been hired on permanent positions by the employers. 1 of the interns stopped the internship due to personal reasons. The internship contracts with others ended on July 11, 2009.

**2. Title of the project: 10 Best Classroom Projects II.**

**Main partners:** Rusal/Armenal (contributed \$50,000)

**Main objective:** The project aims to involve schoolchildren from Yerevan in the implementation of various socially oriented projects related to improving their school life and learning conditions.

**Status:** All of the 12 selected projects are successfully finalized. For dissemination of information on the accomplished projects as well as on successful completion of the initiative among other schools of the city, a decision was taken to publish articles in a special newspaper for youth/schoolchildren. After consultations with the representative of Rusal/Armenal CJSC, and taking into account the fact that “KANCH” newspaper is being distributed in all schools of Yerevan, the articles were published in the mentioned newspaper.

**3. Title of the project: Arts and Crafts Center for Disabled.**

**Main partners:** VivaCell-MTS, Pyunik Armenian association for disabled.

**Main objective:** The classes were established in Pyunic center to provide disabled people with an opportunity to learn different arts and crafts disciplines: ceramics, embroidery, wood carving, etc.

**Status:** The project consisting of 3 different rounds/phases (renovation of premises in Yerevan, establishment of 3 classes in Gyumri, establishment of 5 classes in Yerevan) was started in May 2007 and has been successfully finalized in March 2009 as planned. Due to the reported delay in establishment of ceramics class in Yerevan the GC project will continue the financial monitoring of the project till the end of 2009.

**4. Title of the project: Sheepskin to processing**

**Main partners:** Community Development Fund of Shirak region

**Main objective:** The main objective of the proposed project is to create additional sources of income for the population of the Bavra, Sizavet, Saragiugh and Tavshoot communities through implementation of alternative business ideas namely processing of sheepskin, which is currently treated as waste.

**Status:** Ameria CJSC, a Consulting Company was contracted for development of business

plan for implementation of PPP. In September 2009 the company submitted the BP with technical specifications of winter coats sewing shop. All the preparatory works are finalized for starting the implementation of the project. The implementation will be started as soon as the approval from BRC is received. .

## II. RESOURCES

Total approved budget for 2009: **USD 112,902**

UNDP Global Compact Project financing is provided by the Belgian Government, RUSAL, and AGBU

## III. RESULTS

### **The GC network:**

Establishment of the steering Committee for the local network has essentially strengthened the network. Involvement of well known companies in the management of the network has attracted a large interest toward the GC among the business community.

Adoption of the Governing Principles for the network assured the effective management as well as the sustainability of the network.

### **Policy Dialogue:**

Involvement of the GC project and the GC local network in the development of the Law on PPP in Armenia has proven the effective and mutually beneficial cooperation between the GC network and the Government (particularly the MoE RA).

### **PPPs**

***Arts and Crafts Centers for Disabled.*** Three classes were opened in Gyumri center for disabled Pyunic and other five in Yerevan. The concert hall of the center in Yerevan was completely renovated. The vehicle on property of Pyunic was modernized (lift installed) and repaired to transport disabled people.

The total number of beneficiaries of the project is about 200 (disabled in both cities).

***Youth Career Trail Project.*** 16 fresh graduates passed the internship courses and obtained their first working experience. 3 of the interns were offered permanent positions.

***Best school projects.*** *The main results of the first round of the projects are as follows:* All of twelve selected schools successfully finalized their projects and fully realized the grants of AMD 1 million each.

## IV. FUTURE WORK PLAN

1. The main activity of the project for the year 2010 will be to serve as a secretariat for the UNGC Local Network.
2. Implementation of the "Sheepskin to processing" project and monitoring of the results of the other partnership projects finalized by the project team.
3. Further promotion of GC/CSR among the business community of the country through co/organization of training/educating events.
4. Further cooperation within the framework of the CSR working group in Armenia.

## V. FINANCIAL IMPLEMENTATION

The total resources of the project for 2009 – USD 112,902 as follows:

2009 (Jan-June)	Approved Budget, USD	Revised Approved Budget, USD	Actual Expenditures, USD
Government of Belgium	100,473	100,473	71,399
RUSAL	10,000	6,429	1,780
AGBU	6,000	6,000	5,968

The total expenditures for Jan-Dec 2009 – USD 79,147

The Project delivery rate is 70.6% as of December 2009.