After the difficult early years following independence, Armenia has undergone large-scale reforms towards a market economy and democratic institution building, shifting from a low to middle-income country. The Armenian economy is characterized by a decreasing absolute number of economically active people because of a shrinking population, emigration and the ageing of society. Agriculture, the most important sector of the Armenian economy, employs most of the labour force, with public administration coming second. Thus, unemployment is lower in rural than in urban areas.

Despite positive developments in the agricultural sector, food insecurity and malnutrition remain a problem in Armenia. In 2014, 15 percent of the population was found to be food insecure. The double burden of malnutrition (combined with micronutrient deficiencies) are serious problems that Armenia must solve in the future. Food insecurity shows strong correlation with poverty. Unemployment is one of the key determinants of poverty in Armenia. One third of the population lives below the national poverty line, with stark regional inequalities. The rural population is slightly less prone to poverty than the urban population residing outside of the capital.

Armenia has a well-developed, comprehensive social protection system, even if certain components are modest in size. It includes social insurance and social assistance transfers, social services and active labour market policies. Remittances from migrant workers play an important role as an informal safety net, but reliance on such arrangements cannot replace formal measures. Pension schemes seem to have particularly strong poverty reduction effects. School feeding is an important component of the system, offering a combination of protective and promotive functions, and contributing to food and nutrition security of children and their families.

Although these social protection systems substantially contribute to the reduction of (extreme) poverty, certain gaps remain. Inclusion and exclusion errors are high, hampering their poverty reduction effect. Shock-responsive and promotive safety nets, nutrition objectives in social protection and a life-cycle approach are lacking. Challenges regarding governance and policy implementation must also be addressed.
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These gaps can be addressed by cooperation among stakeholders for a systematic reform of social protection. The government in cooperation with development partners should focus on further fostering the on-going policy dialogue around the following elements:

- Policy dialogue should be guided by a set of minimum standards, such as those proposed in International Labour Organisation’s Social Protection Floor recommendations.
- Another important area of work is supporting nutrition-sensitive social protection by investing in the capacity of social case managers to detect child malnutrition; introducing referral mechanisms between social and health services as well as strengthening communication about nutrition.
- Strengthening governance and cooperation among line ministries, such as the Ministry of Labour and Social Affairs (MLSA), Ministry of Agriculture (MoA), Ministry of Health, Ministry of Education and Science and others is also needed.

Close cooperation between MLSA and MoA could create synergies particularly in rural areas and contribute to the development of active labour market policies, public work programmes and productive safety net programmes.

- The government and its partners should further work together in strengthening programme management and implementation by further investing in a comprehensive policy monitoring and evaluation system and the expansion of the ePension registry to other social protection programmes, including the school feeding programme.
- The introduction and development of sustainable local food systems would ensure the sustainability of the school feeding programme.
- Finally, creating and using the synergies in development partner cooperation to make the best use of each partner’s strength is vital. While developing programmes, crosscutting issues such as gender equality and inclusion of young people need to be considered and duly incorporated.
WFP is the world’s largest humanitarian agency fighting hunger worldwide, delivering food in emergencies and working with communities and governments to build resilience. Each year, WFP assists some 80 million people in around 80 countries.

The full version of this report is forthcoming and available on request. Contact: wfp.mena@wfp.org