

Crisis response revision of Armenia country strategic plan (2019–2024) and corresponding budget increase

| | Current | Change | Revised |
|-------------------------------|---------------------------------|------------------|-------------------|
| Duration | July 2019– June 2024 | No change | No change |
| Beneficiaries | 148 500 | 74 000 | 222 500 |
| <i>(USD)</i> | | | |
| Total cost | 32 134 824 | 8 383 899 | 40 518 723 |
| Transfers | 21 792 743 | 6 505 560 | 28 298 303 |
| Implementation | 5 509 897 | 701 105 | 6 211 002 |
| Adjusted direct support costs | 2 974 115 | 666 878 | 3 640 993 |
| Subtotal | 30 276 754 | 7 873 544 | 38 150 298 |
| Indirect support costs | 1 858 069 | 510 356 | 2 368 425 |

Gender and age marker code*: 3

* <http://gender.manuals.wfp.org/en/gender-toolkit/gender-in-programming/gender-and-age-marker/>.

Rationale

1. High-intensity fighting in the 2020 Nagorno-Karabakh conflict resulted in unconfirmed reports of more than 1,000 civilian and military fatalities, with indications that many people in the area of conflict fled into adjacent territory in Azerbaijan and into Armenia. Fighting reportedly left extensive damage to infrastructure, roads and housing and impacted supply corridors into the area.
2. On 10 November 2020, a halt in hostilities was brokered by the Russian Federation. A tripartite statement was signed by Armenia, Azerbaijan and the Russian Federation.
3. Spontaneous arrivals in Armenia from the area of conflict are mainly accommodated with host families in private homes, in empty buildings or guest houses. Given the high level of infrastructure damage in the conflict-affected region, combined with ongoing de-mining actions and the upcoming winter season, it is estimated that returns will be staggered during the winter season and that some of the spontaneous arrivals will not return in the immediate future.
4. Prior to the crisis, it was estimated that up to 700,000 Armenians live below the poverty line. The economic pressure of COVID-19 put significant strain on the population. The Government of Armenia is calibrating how to support the spontaneous arrivals still living in Armenia and the most vulnerable population groups hosting them, in an already difficult economic context. The Government of Armenia has requested WFP to expand the current portfolio of assistance in Armenia to alleviate the pressure on food security in Armenia caused by the crisis.
5. Cognizant that of an estimated 90,000 spontaneous arrivals (estimated figure provided by Government of Armenia), some have returned to their home area, this budget revision proposes to support 74,000 beneficiaries: 54,000 spontaneous arrivals and 20,000 of the most vulnerable host community members with cash transfers for four months, from January to April 2021. The support is embedded in strategic outcome 4.



Changes

Strategic orientation

6. There are no changes in the strategic orientation of the country strategic plan.
7. Previous budget revisions:

The first budget revision (approved in July 2020 by the country director) introduced two new strategic outcomes and two activities under crisis response, to accommodate and support general food distributions to 80,000 vulnerable people affected by COVID-19 for two months and to support on-demand service provision and technical support for assessments.

Strategic outcomes

Targeting approach and beneficiary analysis

8. In partnership with the Government of Armenia, WFP will coordinate vulnerability assessments to confirm the food security status of the spontaneous arrivals and the population hosting them. In addition to the family needs assessment launched for emergency situations by the Ministry of Labour and Social Affairs, WFP conducted a rapid assessment and is currently undertaking a more in-depth food security assessment. The three pieces of analysis will provide an evidence base for targeting, considering gender, disability and protection concerns.

Transfer modalities

9. Under this budget revision, cash/voucher assistance will be included under activity 4. The cash-based transfer (CBT) modality will be through the postal service (HayPost) and other financial service providers which have broad coverage in Armenia and is used by the Government to provide pensions and other social benefit payments. The transfer value is USD 24 per beneficiary per month for the spontaneous arrivals, based on the equivalent of a full food assistance ration of 2,100 kcal per person per day and USD 12 for the host population, who have access to a wider range of food sources. The transfer value will be adjusted in line with fluctuations in market prices, to allow beneficiaries to purchase diverse, nutritious food items. In addition, a network of implementing partners will support vulnerable populations if they cannot access postal services. Under strategic outcome 3, WFP will continue to accommodate on-demand service provision and technical support for assessments within the context of the COVID-19 response.

Partnerships

10. Within the Government, WFP works closely with the Ministry of Labour and Social Affairs, the Ministry of Territorial Administration and Infrastructure, the Ministry of Health and the Ministry of Economy.

Country office capacity

11. Under this budget revision, the Armenia country office will add several critical staff surge positions, notably for CBT, vulnerability analysis and mapping, reports and budgeting and programming.
12. The country office capacity will be reassessed periodically to ensure that the staffing structure is fit for purpose.

Supply chain challenges

13. According to the market functionality index, suppliers of food commodities in Armenia have not been significantly disrupted by the recent conflict. However, they have experienced a downturn in demand due to the COVID-19 related economic downturn. Suppliers have also experienced an increase in requests for purchasing food on credit. The results of the market functionality index are consistent with the food security assessment findings, suggesting that households coped with



the socio-economic impact of the pandemic by borrowing funds for food and decreasing consumption.

Monitoring and evaluation

14. The conflict situation, travel restrictions and other COVID-19 related disruptions have necessitated a revision of WFP’s monitoring processes in Armenia. While on-site visits still occur, WFP has increased monitoring through telephone calls. However, there was some discomfort from beneficiaries regarding the motivation of the caller to collect data, with some respondents opting not to participate. Consequently, the call centre increased the number of calls, and updated the opening statement, to further outline the assurance mechanisms and confidentiality of information provided. Response rates subsequently improved.

Accountability to affected populations, protection risks, restrictions of gender and disabilities

15. WFP will establish a dedicated telephone hotline and email feedback loop, to enable beneficiaries in Armenia to request support if required. The telephone hotline will be operated by WFP monitoring and evaluation staff and will be applicable for all types of assistance provided under the CSP. Gender equality and women’s empowerment will be considered in the implementation of the response.

Proposed transition/handover strategy

16. This is a short-term response to a shock and there is no plan to extend the operation.

Risk management

17. WFP will continue to ensure strong compliance with internal controls and to oversee internal controls of partners.
18. WFP will regularly update its country office risk register to capture changes in the environment and will closely monitor the implementation of existing controls and any additional or new controls required to mitigate strategic, operational and fiduciary risks of the country office.

Social and environmental safeguards

19. WFP will continue to minimize and mitigate any potential negative impacts of its activities on the environment and the general population in accordance with WFP’s social and environmental safeguards.

Beneficiary analysis

| TABLE 1: DIRECT BENEFICIARIES BY STRATEGIC OUTCOME, ACTIVITY AND MODALITY | | | | | | | |
|--|------------------------------|-------------------|--------------------------|------------------------|---------------------------|--------------------------|---------------|
| Strategic outcome | Activity and modality | Period | Women (18+ years) | Men (18+ years) | Girls (0-18 years) | Boys (0-18 years) | Total |
| 1 | 1 (CBTs) | Current | 824 | 716 | 8 675 | 9 785 | 20 000 |
| | | Increase/decrease | | | | | |
| | | Revised | 824 | 716 | 8 675 | 9 785 | 20 000 |
| | 1 (Food) | Current | 3 502 | 3 043 | 29 115 | 32 840 | 68 500 |
| | | Increase/decrease | | | | | |
| | | Revised | 3 502 | 3 043 | 29 115 | 32 840 | 68 500 |
| 2 | 2 (CBTs) | Current | | | | | |

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| Strategic outcome | Activity and modality | Period | Women (18+ years) | Men (18+ years) | Girls (0-18 years) | Boys (0-18 years) | Total |
| | | Increase/decrease | | | | | |
| | | Revised | | | | | |
| | 2 (Food) | Current | | | | | |
| | | Increase/decrease | | | | | |
| | | Revised | | | | | |
| 3 | 3 (CBTs) | Current | | | | | |
| | | Increase/decrease | | | | | |
| | | Revised | | | | | |
| | 3 (Food) | Current | | | | | |
| | | Increase/decrease | | | | | |
| | | Revised | | | | | |
| 4 | 4 (CBTs) | Current | 32 960 | 28 640 | 8 608 | 9 792 | 80 000 |
| | | Increase/decrease | (6 399) | (8 877) | 4 974 | 4 302 | (6 000) |
| | | Revised | 26 561 | 19 763 | 13 582 | 14 094 | 74 000 |
| | 4 (Food) | Current | 32 960 | 28 640 | 8 608 | 9 792 | 80 000 |
| | | Increase/decrease | | | | | |
| | | Revised | 32 960 | 28 640 | 8 608 | 9 792 | 80 000 |
| Total (without overlap) | Current | 36 462 | 31 683 | 37 723 | 42 632 | 148 500 | |
| | Increase/decrease | 26 534 | 19 716 | 13 621 | 14 129 | 74 000 | |
| | Revised | 62 996 | 51 399 | 51 344 | 56 761 | 222 500* | |

* The grand total for the current takes into account for activity 4 food figures and not CBTs assuming food beneficiaries are the same as those of the CBTs. For the revised, the grand total takes into account the summation of food and CBTs under activity 4 assuming that they are different beneficiaries. This explains the increase in the total adjusted due to an increase in the grand total.

Transfers

| TABLE 2: FOOD RATION (g/person/day) or CASH-BASED TRANSFER VALUE (USD/person/day) BY STRATEGIC OUTCOME AND ACTIVITY | | | | |
|---|---------------------|-----------------|--------------------|-------------------|
| | Strategic outcome 4 | | | |
| | Activity 4 | | | |
| Beneficiary type | Women (18+ years) | Men (18+ years) | Girls (0-18 years) | Boys (0-18 years) |
| | | | | |



| | Cash-based transfers | | | |
|---|----------------------|-----|-----|-----|
| CBTs for spontaneously arrivals (<i>USD/person/day</i>) | 0.8 | 0.8 | 0.8 | 0.8 |
| CBTs for host populations (<i>USD/person/day</i>) | 0.4 | 0.4 | 0.4 | 0.4 |
| Number of feeding days per year | 120 | 120 | 120 | 120 |

| TABLE 3: TOTAL FOOD/CASH-BASED TRANSFER REQUIREMENTS AND VALUE | | | | | | |
|--|----------------|------------------|------------|------------------|----------------|-------------------|
| Food type/ cash-based transfer | Current budget | | Increase | | Revised budget | |
| | Total (mt) | Total (USD) | Total (mt) | Total (USD) | Total (mt) | Total (USD) |
| Cereals | 6 005 | 2 920 907 | | | 6 005 | 2 920 907 |
| Pulses | 526 | 314 345 | | | 526 | 314 345 |
| Oil and fats | 411 | 671 010 | | | 411 | 671 010 |
| Mixed and blended foods | | | | | | |
| Other | | | | | | |
| Total (food) | 6 942 | 3 906 262 | | | 6 942 | 3 906 262 |
| Cash-based transfers | | 3 174 787 | | 6 144 000 | | 9 318 787 |
| Total (food and cash-based transfer value) | 6 942 | 7 081 049 | | 6 144 000 | 6 942 | 13 225 049 |

Cost breakdown

20. Funds will be raised for the emergency response (strategic outcome 4) through partnerships with international financial institutions, government donors, Armenian diaspora organizations, United Nations agencies and the Government of Armenia. WFP has already engaged with several donors related to the urgent response to spontaneous arrivals populations. WFP is also working with donors and other agencies to support fundraising efforts targeting the continuation of the COVID-19 response.

| TABLE 4: COST BREAKDOWN OF THE REVISION ONLY (USD) | | | | | |
|--|---------------------------------------|--|---|---------------------------------------|------------------|
| | Strategic Result 1/ SDG Target 2.1 | Strategic Result 5/ SDG Target 17.9 | Strategic Result 8/ SDG Target 17.16 | Strategic Result 1/ SDG Target 2.1 | Total |
| | Strategic outcome 1 | Strategic outcome 2 | Strategic outcome 3 | Strategic outcome 4 | |
| Focus area | Root causes | Root causes | Crisis response | Crisis response | |
| Transfers | | | 20 000 | 6 485 560 | 6 505 560 |
| Implementation | | | | 701 105 | 701 105 |
| Adjusted direct support costs | | | | | 666 878 |



| | | | | | |
|------------------------|--|--|--|--|------------------|
| Subtotal | | | | | 7 873 544 |
| Indirect support costs | | | | | 510 356 |
| Total | | | | | 8 383 899 |

| TABLE 5: OVERALL CSP COST BREAKDOWN, AFTER REVISION (USD) | | | | | |
|--|---|--|---|---|-------------------|
| | Strategic Result 1/ SDG Target 2.1 | Strategic Result 5/ SDG Target 17.9 | Strategic Result 8/ SDG Target 17.16 | Strategic Result 1/ SDG Target 2.1 | Total |
| | Strategic outcome 1 | Strategic outcome 2 | Strategic outcome 3 | Strategic outcome 4 | |
| Focus area | Root causes | Root causes | Crisis response | Crisis response | |
| Transfers | 13 588 973 | 4 835 437 | 1 420 000 | 8 453 893 | 28 298 303 |
| Implementation | 3 313 238 | 1 511 897 | 210 000 | 1 175 867 | 6 211 002 |
| Adjusted direct support costs | 1 978 108 | 768 435 | 82 987 | 811 463 | 3 640 993 |
| Subtotal | 18 880 318 | 7 115 769 | 1 712 987 | 10 441 224 | 38 150 298 |
| Indirect support costs | 1 227 221 | 462 525 | | 678 680 | 2 368 425 |
| Total | 20 107 539 | 7 578 294 | 1 712 987 | 11 119 903 | 40 518 723 |