

**Armenia SPSS Year 1 Annual Report**  
Armenia Social Protection Systems Strengthening Project  
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USAID Armenia Social Protection Systems Strengthening Project  
ԱՄՆ ՄԶԳ Հայաստանի սոցիալական պաշտպանության  
համակարգերի հզորացման ծրագիր

# **FY07 Annual Report**

## **1 Oct 2006 — 30 Sept 2007**

**Implemented by: The Services Group, Inc. (TSG)**  
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## LIST OF ACRONYMS

AmCham	American Chamber of Commerce
BRIDGE	Building Resources in Democracy, Governance and Elections
CBA	Central Bank of Armenia
CIS	Commonwealth of Independent States
CoP	Chief Of Party
EOP	End of Project
EU	European Union
FBA	Family Benefit Allowance
FSDP	Financial Sector Deepening Project
GDP	Gross Domestic Product
GOAM	Government of Armenia
IALI	International Association of Labor Inspectorates
IBP	International Best Practice
ILCS	Independent Living Conditions Survey
ILO	International Labor Organization
LFS	Labor Force Survey
LI	Labor Inspectorate
MDG	Millennium Development Goals
MIS	Management Information System
MLSI	Ministry of Labor and Social Issues
MTA	Ministry of Territorial Affairs
MTED	Ministry of Trade and Economic Development
NGO	Nongovernmental Organization
NILSR	National Institute for Labor and Social Research
NSS	National Statistical Service
PARNAS	Personal Account Registration, Numbering and Analysis System
PRSP	Poverty Reduction Strategy Paper
PWG	Pension Reform Working Group
RA	Republic of Armenia
RFP	Request for Proposals
SESA	State Employment Service Agency
SIF	Social Insurance Fund
SLI	State Labor Inspectorate
SME	Small and Medium-sized Enterprises
SMEC	Socio-Medical Examination Commission
SOE	State-Owned Enterprise
SPSS	Social Protection System Strengthening
SSC	Social Security Card
SSIF	State Social Insurance Fund
STS	State Tax Service
TOR	Terms of Reference
UN	United Nations
UNDAF	United Nations Development Assistance Framework
USAID	United States Agency for International Development
WB	World Bank

## I. EXECUTIVE SUMMARY

The purpose of the Social Protection System Strengthening Project (SPSS) is to improve social protection systems in Armenia and, at the same time, increase opportunities for self-reliance and reduce citizens' dependence on public support to meet basic needs. To achieve these goals, SPSS provides technical assistance in four key social protection areas: (1) Social insurance, (2) Employment services, (3) Occupational safety and labor code, and (4) Social assistance programs for vulnerable populations. This report documents the progress that SPSS has made over its first contract year (FY07). The contract start date was 1 October 2006, however, a stop-work order was issued on 23 October 2006 due to a protest launched by another firm. The stop-work order was lifted on 26 January 2007. Due to the delayed start, several of the proposed long-term advisors had to be replaced and were fielded in May 2006. As a result, this report reflects 4-8 months of Project activity.

In FY07, SPSS has significantly contributed to USAID Armenia/Mission's Foreign Assistance operational plan goals. SPSS activities fall under Investing in People and Economic Growth spanning four Program Elements: Policies, Regulations and Systems (3.3.1), Social Services (3.3.2), Social Assistance (3.3.3) and Workforce Development (4.6.3). The SPSS Team consists of six long-term expatriate advisors and 22 local advisors. SPSS' primary counterpart is the Ministry of Labor and Social Issues (MLSI). The Team has also engaged a number of local organizations, which will be critical for the sustainability of Project activities.

Each of SPSS' four components has made significant progress towards improving social protection systems in Armenia in FY07. In Component One: Social insurance, SPSS is assisting the Government of Armenia (GOAM) to develop a sustainable and adequate social insurance program. The Team has raised the awareness and extent of dialogue on pension reform issues, including the complexities and difficulties of reform. The Team has provided counterparts information on best practices in pension reform, and has helped GOAM and other donors move towards consensus on pension reform design. The Team also built a model to evaluate pension reform options. As a result of SPSS' work, a proposed pension reform was submitted in August 2007 that reflects SPSS' advice. The proposal is currently being further refined due to the Team's comments.

In Component Two: Employment services, SPSS assisted the State Employment Services Agency (SESA) to organize Armenia's largest job fair with 108 employers across 17 sectors and 14 Armenian partners, the first ever event of this type. The Team also developed a terms of reference (TOR) for an Employment Strategy Plan, presented to MLSI and SESA, which will guide pro-active services such as model employment office and new services, vocational training centers and stronger links with employers. This is an important step in modernizing SESA and expanding its services and reach.

In Component Three: Occupational safety and labor code, SPSS is assisting the newly created State Labor Inspectorate (SLI) to expand its impact and build its capacity more effectively to carry out its labor regulation mission. In FY07, Mining and Explosive Environment Regulations were created through a collaborative process. This included hosting a tripartite round table where representatives of the private sector, trade unions, and Government agencies came together for the first time to discuss safety norms and cooperation between different government bodies responsible for safety in the mining industry. Engaging the private sector continues to be the Project's sustainability strategy. The Team also made recommendations for amendments to the Labor Code, including six policy level changes and 43 specific proposals. Based on SPSS' recommendations, the MLSI has made several changes to its draft law for amending the Labor Code.

In Component Four: Social assistance programs for vulnerable populations, SPSS is supporting the MLSI to better target, upgrade, and reinforce its system of social safety nets. A key accomplishment in FY07 is the establishment of five social contracts with non-governmental organizations (NGOs) to provide

daycare services for the disabled. This initiative is a pilot-project that will be implemented in Yerevan and two regions, benefiting over 130 people. It is a significant achievement in assisting the MLSI outsource activities that can better be performed by the private sector, a key goal of the project.

Over this first project year, SPSS has laid a successful foundation for accomplishing U.S. Foreign Assistance Goals and the objectives of USAID, providing for improved and sustainable social systems within Armenia, and is looking forward to continued success in coming years.

## II. INTRODUCTION

The U.S. Foreign Assistance objective in Armenia is designed to support the mutual vital interests of the U.S. and Armenia, in which a strong economy and an accountable democracy are critical for Armenia's stability as well as its integration into the community of nations. Like most transitioning states, Armenia's market-driven, democratically run profile is beginning to emerge yet the real challenges of transformation are introducing frustrations. In this context U.S. social protection Foreign Assistance objectives are specific to strengthening the systems that will move Armenia away from dependence on humanitarian assistance through investing in its people and supporting economic growth.

The Social Protection System Strengthening Project (SPSS) caps a series of humanitarian assistance projects and a predecessor social transition project, builds upon relative political and economic stability and is intended to strengthen Armenia's internal capacity to provide for the needs of its most vulnerable citizens. The purpose of SPSS is to improve social protection systems in Armenia and, at the same time, increase opportunities for self-reliance and reduce citizens' dependence on public support to meet basic needs. To achieve these goals, SPSS provides technical assistance and support for capacity-building training, commodities, and public education to select public and private sector entities. SPSS targets four key social protection areas:

- Component One: Social insurance
- Component Two: Employment services
- Component Three: Occupational safety and labor code
- Component Four: Social assistance programs for vulnerable populations

These components are supported by the following crosscutting activities: information, education, communication and public relations; policy, regulatory, and legislative drafting and promotion; IT and administrative design; IT and other commodity procurement; anti-corruption initiatives; gender; monitoring and evaluation (M&E); sustainability strategies; and grants management.

In the USAID/Armenia Foreign Assistance Operational Plan, SPSS activities fall under Investing in People and Economic Growth spanning the following Program Elements: Policies, Regulations and Systems (3.3.1), Social Services (3.3.2), Social Assistance (3.3.3) and Workforce Development (4.6.3). To improve Investing in People, SPSS is enhancing the overall Government capacity to address the needs of vulnerable populations through the development and implementation of innovative mechanisms including social contracting with non-governmental organizations (NGOs). To promote Economic Growth, SPSS is strengthening the Armenian Government's ability to restructure Armenia's labor market; increasing Government competency in mapping labor skills demand and supply, and developing mechanisms to link demand and supply in order to improve job placement services in the public and private sectors; and assisting the newly created State Labor Inspectorate (SLI) to develop the framework for and implement workplace safety programs as well as establish transparent procedures and protocols for ensuring compliance and enforcement of the Labor Code.

The MLSI is the counterpart for all four components for this project. A framework agreement, incorporating the MLSI's work plan for this Project, was adopted by the Project and the MLSI after many collaborative iterations to develop it. A working group, chaired by Deputy Minister Petrossian, is convened at the MLSI periodically to provide ongoing review and support of the project. The Project has also established relationships with all other affected agencies and working groups, including the CBA, the SSIF, the Pension Working Group, the National Labor and Social Research Institute, the Employment Services Administration and the Labor Inspectorate.

The SPSS contract start date was 1 October 2006. The TSG Start-Up Team arrived October 9, and the Chief of Party (CoP), Amy Ramm, arrived October 18. A Stop Work Order was issued 23 October 2006 due to a protest launched by another firm, by which time TSG had registered in Armenia and had recruited and identified local staff for remaining professional and administrative positions not filled at the proposal stage. The Stop Work Order was canceled 26 January 2007, and Project activities immediately resumed, with the CoP and Start-Up team arriving back in-country on February 2. All six expatriate long-term advisors were fielded during February-May. (Three of six long-term advisors originally proposed were replaced, for varying reasons including family emergencies and lack of availability due to start-up delays.) As a result, full-time technical assistance for several of the components did not begin until May 2007.

The purpose of this report is to present SPSS' progress toward Project goals and USAID/Armenia's Foreign Assistance objectives in Project Year 1 (FY07). The report discusses in detail the accomplishments of each Component in FY07. The following sections are presented for each component:

- Overall Goal
- Counterparts
- FY07 Results
- Opportunities and Challenges

A complete list of FY07 Project deliverables is presented in Appendix One. Data on training activities is in Appendix Two. Progress towards contract results and U.S. Foreign Assistance objectives are presented in Appendices Three and Four respectively. Background on the current social protection situation in Armenia is presented in Appendix Five. Appendix Six contains a Decent Work Country Program Excerpt on Objectives From The (ILO) Decent Work Country Program For The Republic Of Armenia 2007-2011, and Appendix Seven presents the SPSS' contributions to the USAID/Armenia Operational Plan.

### III. OVERVIEW OF FY07 RESULTS

#### A. Component 1: Social Insurance

##### **Overall Goal**

The goal of Component One is to assist the Government of Armenia (GOAM) in developing a sustainable and adequate social insurance program. SPSS is working to strengthen the GOAM's ability to design, refine and/or reform, based on international standards and best practices (ISBPs), Armenia's social insurance system. As part of this effort, the Team's goals include economic analysis, institutional advice, training and legislative drafting.

##### **Counterparts**

The Team has four counterparts in this Component. MLSI is the overall counterpart for the project and has a pension department. MLSI also has an affiliated research institute, the National Institute of Labor

and Social Research (Institute). The Team has established a working relationship with the MLSI staff in the pension department, with whom it has discussed the work plan and the details of its deliverables. The Team has also worked extensively with the Institute. The Team's seminars in April and May of 2007 were presented jointly with the Institute. The Project is providing some assistance to the Institute in upgrading its training facilities.

The Team's second counterpart is the GOAM Pension Reform Working Group (PWG). The GOAM has appointed a Chairman, Simon Ghonaghchyan Head of Economic Policy Department, GOAM. The coordinator of the PWG Astghik Mirzakhanyan and several of its staff members are employees of the Central Bank of Armenia. The PWG includes representatives from the MLSI, Ministry of Finance, Ministry of Trade and Economic Development, and the State Social Insurance Fund. International donor agencies such as the IMF, the World Bank and USAID also participate in PWG discussions. Staff of the USAID Financial Sector Deepening Project (FSDP) project are also represented. The Team has assisted the PWG in a number of endeavors, including analysis of different proposed parametric changes to the social insurance system and drafting documents to be used in making PWG presentations. The Team has participated in PWG meetings including several retreats. The Team has direct and frequent access to the coordinator of the PWG by phone, e-mail and in person.

The Team's third counterpart is the State Social Insurance Fund, SSIF. The Team has organized an assessment of the SSIF business processes and IT systems and presented its observations both in written reports and in a retreat with SSIF staff in August 2007. A major weakness of SSIF is its poor coordination with the State Tax Service (STS), which collects SSIF contributions. The Team is working to gain access to the STS in order to assess that business process and suggest enhancements.

The fourth counterpart is the Ministry of Trade and Economic Development, which is engaged in economic reform generally and has a particular interest in the implementation of pension reform, especially in the use of technological methods and e-government in the reformed pension system.

### **FY07 Results**

In FY07, the Team established and intensified a close working relationship with the GOAM Pension Reform Working Group (PWG). A key result of SPSS' work is increased awareness and increased dialogue on pension reform issues, including the complexities and difficulties of reform. The Team has provided extensive information on international experience in social insurance reform in the form of written materials and study tours as well as a seminar series on pension reform launched on 4 April 2007 and completed on 29 May 2007 at the National Labor and Social Research Institute. The Team built a model to evaluate pension reform options, and support the analysis of the economic implications of pension reform. SPSS has helped the GOAM and other donors move towards consensus on a pension reform design, which is important for moving the reform forward in FY08. As a result of SPSS technical assistance, the PWG proposed a pension reform on 8 August 2007 that reflects the Team's advice (flat first pillar and funded second pillar). The proposal is currently being further refined due to the Team's comments.

Other major accomplishments in FY07 include:

- An assessment of the current social insurance system, including a detailed demographic and economic analysis, provided to both the MLSI and the GOAM PWG.
- Widespread delivery of a CD-ROM version of the Armenian and English, and in some cases Russian, text of all Seminar presentations, handouts and reference documents to counterparts and stakeholders.

- Ongoing assistance to the activities of the PWG including development of materials for the concept paper on pension reform, modeling on pension reform options, translations, development of a website and other administrative support.
- Comprehensive assessment of the business process and IT of the existing state Social Insurance Fund.
- Completed assessment of socio medical commissions that make disability pension determinations.
- Completed assessment of integrated social services centers.
- Advised on other social insurance programs.

### **Opportunities and Challenges**

Armenia has a great opportunity to reform an outdated and unsustainable social insurance system. Reform has political momentum and leading politicians recognize the need to reform the social insurance system. SPSS has the opportunity to influence the pension reform design and assist with implementation during the life of the project. Key challenges that the Team will work on in FY08 include:

- Pension increase of 60 percent announced to be effective January 2008; while the increase is needed to enhance the adequacy of the pensions it presents challenges in terms of sustainability.
- Shallow and limited capital markets, making it difficult to introduce a funded pension system invested primarily in Armenia.
- Appreciating currency making it difficult to invest abroad.
- Proposed institutional arrangements for the funded pension system are weak and provide poor collection and governance as well as opportunities for conflicts of interest.
- Institutional and business process weaknesses in the collection of social insurance contributions and corresponding information – there is poor coordination between the SSIF, which collects the data, and the STS, which collects the contributions.

## **B. Component 2: Employment Services**

### **Overall Goal**

Component Two aims to strengthen ongoing modernization of the employment sector by emphasizing employer relations, targeting vulnerable populations and restructuring administrative functions for more program delivery. The Team is working to increase GOAM competency in mapping labor skills demand and supply, develop mechanisms and processes for linking demand and supply, and improve job placement services both in the public and private sectors.

### **Counterparts**

The primary counterpart for this Component is the State Employment Services Agency (SESA). The Team has created a strong and supportive partnership with which to introduce flexible skills and career training opportunities with several programs targeting vocational training to vulnerable populations such as youth, the long-term unemployed and the disabled. Adjustments to the body of laws and regulations affecting employment has been a primary focus using a participatory process to promote inclusion of local beneficiaries. Additionally, the Team has made an effort to engage other local organizations and as a result has strong support from local NGOs and business representatives. Labor Market Information research capacity is being enhanced via improved labor market information dissemination with a focus on the demand side of providing services to employers. This will help ensure that reforms are sustainable

beyond the life of the Project. The Team has also established a working relationship with relevant Ministry counterparts. The Team works closely with other USAID projects such as CHF, CAPS, LGIII, and Mission Armenia, and relevant EU donor projects such as Swedish and German donors.

### **FY07 Results**

In FY07, a positive working relationship has been formed with the SESA staff who are eager to learn about model centers and create new partnerships with the private sector. SPSS developed a terms of reference (TOR) for an Employment Strategy Plan, presented to MLSI and SESA, which will guide pro-active services such as model employment office and new services, vocational training centers and stronger links with employers. This is an important step in modernizing SESA and expanding its services and reach. SPSS Team assisted SESA to organize Armenia's largest job fair with 108 employers across 17 sectors and 14 Armenian partners to create the first event of this type. The Team provided training on how to organize a job fair and developed a manual for job fair implementation, effectively building the capacity of SESA to replicate the event. As a result of SPSS' work, SESA is recognizing the benefits of pro-active employment services, creating the opportunity for further reform in following years.

Other key accomplishments in FY07 include:

- Employment Law reviewed and recommendations on how to integrate international best practice concepts into current law were presented to MLSI and SESA Staff.
- Created a validation panel to identify best practices previously piloted in SESA and to define a system into which these practices will be adopted.
- Assessment of 12 SESA regional offices complete in IT and program capacity, working conditions, staffing allocations and functions.
- Identified Employment Office model service pilot site shortlist based on assessment of 12 offices.
- Developed IT connectivity strategy for 11 regional SESA offices.
- Revised the SESA Employment Survey, provided skills building and resources on data reporting.
- Supported Labor Code recommendations that provide stronger benefits.
- Provided research and best practices on National Employment Strategies in preparation of the development for Armenia's National Social Sector Assistance Strategy.
- Presented International Experience in Promoting Employment and Social Partnership during the "Social Partnership in Armenia" conference dedicated to SESA's 15th anniversary, organized by AED.
- Researched and facilitated SESA membership in World Association of Public Employment Services.
- Prepared with SESA and NSS a Labor Market Research capacity building plan to provide on-going support for future survey analysis of the employer-generated data.
- Established partnership with USAID BRIDGE project to provide vocation training in renovations of seven employment offices.
- Created partnership with USAID partner CHF to renovate seven employment offices.

### **Opportunities and Challenges**

SPSS will take advantage of opportunities to build stronger links to the private sector to create demand-driven workforce development support. Other opportunities for SPSS assistance include:

- Introduction of employer services to small and medium enterprises (SMEs).

- Using data, labor market information to design programs, measure results and compare for continuous improvement in SESA.
- Building on EU donors' introductory training to sustain programs and provide train-the-trainer models.
- Model collaborative relationships with other donors, private sector agencies.

The Team has faced several challenges in its work. SESA is viewed as a low priority in the MLSI and as a result has limited resources. In FY08, the Team will work to raise awareness of the benefits of SESA's activities. Administrative processes and procedure present another challenge. Currently, there is a poor distribution of tasks and a high ratio of administrative tasks to program service in local offices. SPSS is working to improve the distribution of tasks within SESA. Corruption within SESA presents another challenge that the Team is actively working to overcome.

### C. Component 3: Occupational Safety and Labor Code

#### **Overall Goal**

Component Three aims to assist the newly created State Labor Inspectorate (SLI) to develop the framework for and implement workplace safety programs based on international occupational safety standards and norms, and establish transparent procedures and protocols for ensuring compliance and enforcement of the Labor Code. The Component Three Team is working to coordinate at the Ministry level to reinforce and harmonize Armenia's achievement of its ILO Strategy for 2007-2011. This includes raising awareness of health and safety issues in the private sector, streamlining and improving the public administration concerned with these issues within the Government of Armenia, and enabling effective policymaking that does not place a crushing burden on businesses.

#### **Counterparts**

The SLI is a new organization, founded in 2005, and as such has not yet found its administrative footing. In particular, it suffers from a difficult administrative structure (where all departments are comprised of inspectors, whether or not this department plays a supporting role in the organization), woeful knowledge of technology and data collection, strained relations with businesses, and leadership that can only charitably be called "erratic." The Inspectorate is currently focused on the forthcoming reforms to the Labor Code and the addition of new responsibilities in 2008; to wit, the promulgation and enforcement of health and safety norms. A major portion of this component is devoted to helping develop these norms, and preparing the Inspectorate for their enforcement.

In addition to the Labor Inspectorate, Component Three is also working with the MLSI, in particular the Department of Labor and Employment, on the development of norms and regulations in health and safety. Coordination between the Ministry and the Inspectorate is sporadic, resulting in sometimes contradictory assertions.

Finally, Component Three has expanded during this first year to deal with other equally important counterparts in the field of health and safety. During work on the mining industry, the National Safety and Technical Center, the Ministry of Trade and Economic Development, and the Association of Trade Unions were enlisted for progress, and it is envisioned that the Safety and Technical Center will play a large role in operations over the next two years. This is a significant accomplishment and will greatly contribute to the sustainability of reforms. In addition to the plethora of government agencies, work was also undertaken with private sector firms in the mining industry to help develop safety rules for surface and underground mining, and the private sector is involved in an ongoing survey of private attitudes towards the Labor Inspectorate.

## **FY07 Results**

In FY07, the Team collaborated with the SLI with the aim to expand the SLI's impact and build its capacity more effectively to carry out its labor regulation mission. Mining and Explosive Environment Regulations were created through a collaborative process. The Team hosted a roundtable where representatives of the private sector, trade unions, and Government agencies came together for the first time to discuss safety norms and cooperation between different government bodies responsible for safety in the mining industry. The result was the creation of a dialogue on mining safety between the private sector and the GOAM. Engaging the private sector contributes to the Project's sustainability strategies. The Team made recommendations for amendments to the Labor Code, including six policy level changes and 43 specific proposals. Based on the recommendations, the Ministry has made several changes into its draft law for amending the Labor Code. As of the end of FY07, VGM Partners, one of TSG's partners on the Project, is conducting a survey of 200 firms in Armenia to obtain their views on the SLI in addition to other issues. The survey will be used to track the rate of injuries and fatalities, and will allow the SLI to quantify its impact. These data will inform the SLI and the Project on what interventions are working and those that should be redirected.

Additional accomplishments in FY07 include:

- Bureaucratic process improved: The Ministry for Labor acknowledged that improved coordination is needed between it and the Ministry for Trade. Previously, there was no recognition of need to work between the Technical Safety and the Occupational Safety aspects.
- Brief overview of the U.S. Occupational Safety and Health Administration delivered to SLI.
- Agreement secured on pursuing risk-based management with the Legal and Control Department, creation of norms for the Occupational Safety and Health Department, and improvement of statistical analysis in SLI.
- A Labor Inspection Manual was drafted introducing best international standards into Armenian labor inspection practices and laying the groundwork for risk-based enforcement.
- A survey of experts in the sphere of labor and labor regulation was conducted to gauge public perceptions of the Labor Inspectorate and identify key weaknesses in the Labor Code and its enforcement.
- Translations of relevant EU directives regarding occupational health and safety were presented to the Labor Inspectorate and MLSI.
- A seminar on labor force data and analysis presented at NSS on 20 June 2007.
- Membership documents for the SLI to the International Association of Labor Inspectorates (IALI) were presented and prepared.
- Preliminary analysis of network and IT issues at the Labor Inspectorate was prepared and presented.

## **Opportunities and Challenges**

The coming years of the Project will present many challenges and opportunities in working with the SLI and the private sector in increasing awareness on occupational safety and health issues. The biggest challenge regards the diffusion of inspection services within the Armenian government; per the Law "On Organizing and Carrying out Inspections in the Organizations on the Territory of the Republic of Armenia," no fewer than 17 entities in the country are empowered to do inspections. The severe lack of capacity at the Labor Inspectorate means that some broader, systemic-wide reform is necessary to bring disparate inspections together and allow each Ministry/agency to utilize its expertise. The concept of "complex inspections," where all inspections that a firm is to undertake must occur simultaneously, will be explored in the Armenian context over the next year, and it is hoped that this will provide an impetus to SLI reform as well.

## D. Component 4: Social Assistance

### Overall Goal

Component Four aims to build the capacity of the MLSI to better target, upgrade, and reinforce its system of social safety nets in a way that supports Armenia's Poverty Reduction Strategy Paper (PRSP). A major objective is to develop an overall strategy on social safety net (protection) and participate in designing new elements to provide for a credible, sustainable financing strategy/mechanism. Other objectives include needs assessments, development of reliable and objective targeting mechanisms, promotion of community-level involvement, and promotion of professional Social Work. Pilot and refinement of mechanisms to deliver targeted social services through nongovernmental providers, and to update and make more functional the laws, regulations, and management processes controlling delivery of social assistance.

### Counterparts

The Team has established close working relationships with Social Assistance, Elderly and Disability, Children and Family Departments of MLSI. The Team also works closely with the Territorial Administration Ministry and Association of Communities, Ministry of Education, and Armenian State University. Additionally, the Team collaborates with an active NGO network to reinforce activities with the GOAM. The Team cooperates with other donor-funded projects including EC- Tacis, Food Program, and various World Bank projects.

### FY07 Results

A key accomplishment of SPSS is the establishment of five social contracts (signed) with active participation of MLSI. This initiative is a pilot-project of daycare service provision by NGOs for the disabled for the first time in Armenia. The purpose of the tender process was to initiate a sustainable service outsourcing mechanism that can be used by GOAM to purchase needed basic social services in the future. The daycare centers for people with disabilities are services newly added to the basic package of public obligation, and international experience has shown that such services are more efficiently provided by NGOs. The project will be implemented in two regions and Yerevan, and will benefit over 130 disabled people.

Other key accomplishments include:

- Roundtable held on social contracting that brought together Government, local, and international organizations to discuss challenges and barriers for development of social contracting in Armenia.
- Three-day training session on social service decentralization and quality improvement for 100 regional social workers.
- Grants competition held, in joint collaboration with MLSI, to enable five NGOs to provide community day care services for the people with disabilities.
- Training for social workers from regional social agencies on rules of decentralization of device distribution to disabled, and overall improvement of accessibility services to the vulnerable populations.
- Produced report on situation of social assistance provision, and social portrait of elderly. Presentation on poverty of elderly within the Pension Seminar Series.
- Dissemination of 500 copies of roundtable proceedings *RA Government and NGOs: Current Practice and Challenges in Social Contracting*, with plans for follow-on feedback gathering.
- Delivered a report on *Social Portrait of Elderly* to PWG.

## Opportunities and Challenges

Under Component Four, opportunities exist to assist in designing and developing a social protection strategic paper to enhance social protection. The Team will continue work on improving social assistance provision, particularly the Family Benefit System. Additional opportunities in FY08 include:

- Developing social contracting legal coverage.
- Developing community based social strategy and service provision.
- Increasing the capacity and skills of social workers.
- Reinforcing the status of social work.
- Assisting in revising Armenia's PRSP.
- Supporting alternative care development.

Key challenges SPSS is working to overcome include:

- Lack of services for the disabled.
- Poor IT and data exchange within GOAM.
- Corruption.
- Higher institutionalization of special care; weak incentives on alternative care development.

### III. CROSSCUTTING ACTIVITIES

The following crosscutting activities support the four Components: (1) information, education, communication and public relations; (2) policy, regulatory, and legislative drafting and promotion; (3) IT and administrative design; (4) IT and other commodity procurement; (5) anti-corruption initiatives; (6) gender; (7) monitoring and evaluation (M&E); (8) sustainability strategies; and (9) grants management. Information Technology (IT), anti-corruption, information, education, communication and public relations, and grants management are discussed below. Other crosscutting activities are interwoven in the Components above.

#### A. IT and Administrative Design / IT and other Commodity Procurement

##### Overall Goal

The goal of crosscutting activities in IT is to assist GOAM in the development and implementation of effective and efficient Social Protection Management Information Systems and Databases. The Team is working to upgrade IT systems and re-engineering administrative processes.

##### Counterparts

There are two main counterparts for IT activities: Information Analytical Centre NORK and the Information Systems and Analysis Department of State Social Insurance Fund (SSIF). The Team has established a working relationship with both counterparts, and has agreed on the work plan and deliverables. The Team has organized an assessment of the SSIF IT systems and participated in the assessment of its business processes. Observations and recommendations were presented in written reports and presented during a retreat with SSIF staff in August 2007. The Team has evaluated information systems and databases developed and maintained in the NORK center. Recommendations for priority Management Information Systems modernization were made and tenders were prepared for two high priority projects.

Working relationships were also established with the Medical Social Examination Agency, MLSI Secretariat, National Statistical Services, Information Technologies Department of the Ministry of Trade

and Economic Development, and Project Coordination Unit of Social Protection Administration project of the World Bank.

### **FY07 Results**

A key accomplishment includes developing an Information Strategy for Social Protection systems. Additional accomplishments include:

- Extensive assessments of current ICT infrastructure, hardware, software and connectivity capacity, carried out across all components (SSIF, SESA, LI central and some of local offices, NORK center).
- Assessments of existing Information Systems and databases (Social Security Cards, GORTS, PAROS, PYUNIK, MANOUK, PARNAS, ARAKS).
- Assessment of Information Systems data flows and data exchange requirements.

### **Opportunities and Challenges**

Due to intensive donor support, Armenia has the opportunity to update its outdated Social Protection Information Systems and Databases. Following are several opportunities to improvements:

- There are several donor projects assisting with IT improvements in the social sector. Coordination will create a synergy effect and result in drastic improvements.
- Use of the newest IT systems to improve management and quality of services.
- About 2.5 million citizens have Social Security Cards and Social Security numbers exist in all systems. These can facilitate the integration of IT systems.
- Implementation of new web based Employment Services system at GORTS can serve as a best practice example.

Following are the challenges that the Team will continue to address in FY08:

- Lack of MLSI top management commitment and awareness of the IT benefits. There is no IT policy body at MLSI responsible for IT strategy development and implementation.
- Lack of budget and qualified staff for new IT projects.
- Lack of integrated systems.
- Lack of customer focus in systems design. Most existing MIS in all state agencies have to be redesigned to introduce citizen-friendly services of the social sphere and promote the use of self-services by citizens and enterprises.
- Isolated subsystems and databases slow down data exchange between central and regional offices and interagency data exchange.
- Different versions for central and territorial offices and heterogeneous databases and programming languages complicate and make software maintenance more expensive.
- Problems with data quality and a lack of data standardization.

## **B. Anti-Corruption Initiatives**

### **Overall Goal**

The goal of the anti-corruption activities is to improve the professionalism of social services delivery in Armenia and reduce the opportunities for corruption. All components are addressing different facets of anti-corruption, including through the enhancement of better bureaucratic processes, training of employees, system upgrading, and through a concerted public outreach program to avail employers and citizens of their rights.

## Counterparts

The main counterparts for anti-corruption activities are the same as the rest of the project, involving close collaboration with the MLSI, the Labor Inspectorate, the National Institute for Labor and Social Research, NORK, the NSS, the Ministry of Trade, and every other counterpart mentioned in activities above. For 2007, the main counterpart involved in anti-corruption activities was the MLSI and, to a lesser extent, the Labor Inspectorate. Additionally, the private and the NGO sectors have emerged as main counterparts in anti-corruption activities, as they are being enlisted and are becoming a growing influence to hold the government accountable for social programs and inspections.

## FY07 Results

During FY07, the Project concentrated on integrating anti-corruption work with other ongoing processes, and in notable achievements listed below, teaching by example.

- Draft manual presented to the Labor Inspectorate lay down guidelines against corruption by detailing appropriate behavior for inspectors (including refusing offers of transportation from inspected entities and protocol in dealing with difficult inspections). This section will be developed further in FY08 into a code of ethical behavior for inspectors.
- A draft manual was produced and translated for employers apprising them of their rights in relation to regulations on occupational health and safety. This will be distributed through the Ministry in the first quarter of FY08.
- As part of teaching by example approach, the grants program of Component 4 on “Community Day Care Center for Disabled Individuals” was undertaken and completed. The process was widely announced in two newspapers, on the MLSI website, and on [www.careercenter.am](http://www.careercenter.am), and information was open to all organizations. Moreover, an orientation seminar was organized for all applicants. Selection criteria was discussed with the MLSI and announced in the RFP. Based on this criteria, a selection committee, which included MLSI and SPSS representatives as well as international NGO representatives, chose winners from the proposals. The entire selection process was recorded and filed, and a Grants Policy Procedure Manual and a Grant Beneficiary Handbook were developed from this process. (The manual is currently being finalized for use in future grant-making procedures).
- A transparent tender process to select a firm for the renovation of the National Institute for Labor and Social Research (NILSR) was also completed, including creation of an RFP, development of a selection committee with Ministry participation, creation of evaluation criteria, and finally selection of a winning firm.
- As part of policy recommendations on the proposed amendments to the Labor Code, many of the Project’s recommendations regarding the need to level the playing field between public and private organizations were accepted by the Ministry. These amendments were submitted to the government at the end of FY07 and currently await approval before being codified.

## Opportunities and Challenges

The anti-corruption sphere is a difficult one in Armenia, due to a widespread perception of dishonesty on the part of government officials, as reported by the private sector. (Armenia continues to score low on Transparency International’s corruption index).

There are opportunities for meaningful advances in this sphere for the coming year, however. As administrative and bureaucratic changes are implemented, the opportunities for rent-seeking will be diminished. Reforms of business processes within the SIF and the Labor Inspectorate will lead to

improved government accountability, and enhanced IT and data sharing capacity will help to account for funds collected by the government in social contributions. Concrete activities are planned for FY08 across SPSS components, including increased public outreach, and, in the case of Component 3, planned trainings on ethical standards for inspectors. A complaints hotline for the Inspectorate is also planned for this component, while increased responsiveness to the public by government is planned for each of the components in the coming year.

A key opportunity for progress lies in the forthcoming opportunity for collaboration between SPSS and the new USAID initiative on anti-corruption. Opportunities for collaboration will be explored in FY08, and synergies between existing initiatives in the social sphere and those proposed by the new project will help SPSS to build on the progress of FY07.

### C. Information, Education, Communication and Public Relations

#### **Overall Goal**

The goal of information and communication activities is to raise the public awareness of the SPSS project, particularly its social sector reform objectives and accomplishments, in order to promote informed decision-making and public-private collaboration. The Team pursues this objective through coordination across the four SPSS Components and at the Ministry level.

#### **Counterparts**

The Public Relations Division at MLSI, opened in 2005 with tenure for two employees that report directly to the Minister. Aside from a second function of NGO liaison, the division oversees all public relations aspects for the Ministry and, regularly, of underlying structures, including the intranet and the Ministry website, with news updated on a daily basis. The Division has a history of active participation in local and international PR and NGO related activities, and better institutional footing will further improve its capacity to implement daily duties. Employees need increased awareness and knowledge of how to publicize social sector reforms, carry out campaigns, work with the media to increase social sector coverage, promote public awareness and understanding of social issues, and perform professional beneficiary/customer outreach. The team's capacity to develop and implement an integrated PR strategy for the field requires further enhancement. Aside from above-mentioned technical aspects, the Division has a limited budget line and works to challenge the state opinion of the value and importance of PR.

The key counterpart within SSIF is the Public Relations Department, integrated with that of International Relations. The PR Department is well staffed with competent employees working to expand SSIF's public image and promote the core message of the pension reforms and social insurance objectives in general. The Department heavily participates in international conferences and has well established media contacts with traces of strategic media planning.

#### **FY07 Results**

##### *Public Outreach and Communications*

- Successful public launch of the Project with nine instances of media coverage and effective stakeholder outreach activities.
- Extensive public outreach support provided to key counterparts, including the drafting of relevant outreach material, media interface, and media coverage on six occasions in eight months.
- Two success stories produced focusing on increased accessibility of social services provided to the elderly and persons with disabilities, and enhanced public-private as well as inter-governmental collaboration in the field of mining safety and regulations.

- Enhanced discussion of social contracting between and among the government and civil society.
- Publication of the “RA Government and NGOs: Current Practice and Challenges in Social Contracting” roundtable discussion proceedings.
- Report on the assessment of the July 2007 survey research of print and electronic media editors on social sector coverage in Armenia, based on a preceding content analysis of the coverage from April to June 2007.
- Establishment of high-level collaboration with the RA National Assembly to promote social sector cooperation with MLSI.
- Year Two outreach plan of communication activities developed and approved with MLSI.
- Recognized public stand of the project as a resource/information house in the field. To date, 10 public presentations and workshops have been held.
- Establishment of strong partnerships and collaboration with AED Armenia, Poverty Reduction Strategy (PRSP) Working Group, World Bank, American Chamber of Commerce, and other major sector stakeholders.
- Design and implementation of project communication, branding, and web strategy as well as support materials.

#### *Training and Capacity Building*

- Twenty-two formal and informal training events, including three study tours have been held to date. Total number of participants trained is 538 (284 males and 254 females).
- Established evaluation criteria for training activities among counterparts. Generated high monthly rates of response evaluations for subsequent sharing with counterparts, presenting valid and reliable data on training participant feedback and attitudes.
- Presentation of the Annual TraiNet Data report, including complete statistical and financial information and gender breakdown of all Year One training events.
- Promoted informed decision making on pension system reforms: Pension System Reforms seminars’ first series CD has been published and widely disseminated. The CD has also been placed on SSIF’s intranet for wide access to employees.
- Year two training plans developed and approved with MLSI.
- Establishment of project training and capacity building strategy as well as support materials.

#### **Opportunities and Challenges**

A key challenge is that the mass media coverage of social sector is comparatively low. In FY08, the SPSS Team will continue to build the technical capacity and support counterparts to be better equipped and prepared to meet challenges and upcoming political processes.

#### **D. Grants Management**

##### **Overall Goal**

Grants management activities are intended to establish transparent and effective mechanisms that enable the GOAM to contract NGOs to provide social services throughout the country. Grant making activities aim to promote effective dialogue and partnership between NGOs and the GOAM in order to create a Government outsourcing mechanism.

## **Counterparts**

The primary counterpart under grant making activities is the MLSI. The pilot outsourcing was conducted in close partnership with the MLSI, the Department of Elderly and Disabled issues. The relationships with the counterpart are successful, and the collaboration with the MLSI continues to gain strength with the progress of the project. The Ministry volunteered to participate in close monitoring and offered to develop a new Request for Proposal for other social services which are crucial for the MLSI.

## **FY07 Results**

The primary accomplishments of grant making activities in FY07 include the development of the Grant Management Handbook (including application package, grant evaluation sheet, score sheet, grant agreement), which establishes guidelines on grant making activities. The Handbook will serve as an outsourcing tool for the MLSI for future activities. Moreover, the Handbook will be further improved and expanded and transferred to the Ministry to guide future outsourcing activities. The first grant competition was conducted jointly with the MLSI for Component Four (details are above under Component Four FY07 Results).

## **Opportunities and Challenges**

A key challenge for SPSS is to ensure sustainable funding for outsourcing social services. The MLSI has an interest in outsourcing and working with NGOs, but it is important to ensure that scarce budget resources do not endanger future funding for services. In FY08, the Team will work to improving the capacity of NGOs to participate in providing social services. There is an opportunity to establish an outsourcing mechanism on the local government level in partnership with the NGOs, which will be explored.

## **IV. CONCLUSION**

In FY07, SPSS has significantly contributed to USAID Armenia/Mission's Foreign Assistance operational plan goals. Each of SPSS' four Components has made progress towards improving social protection systems in Armenia in FY07. In Component One: Social insurance, the Team has raised the awareness and extent of dialogue on pension reform issues, including the complexities and difficulties of reform. SPSS provided counterparts information on best practices in social insurance reform, and has helped GOAM and other donors move towards consensus on a pension reform option. This is a critical first step in moving the reform forward in FY08 and beyond.

In Component Two: Employment services, SPSS has taken steps towards modernizing SESA and expanding its services and reach. The Team laid the foundation for improving Government employment services and ultimately decreasing unemployment in Armenia.

In Component Three: Occupational safety and labor code, SPSS engaged the private sector in developing Mining and Explosive Environment Regulations. The Team also made recommendations for amendments to the Labor Code amendment. The accomplishments in FY07 represent progress towards creating sound rules and regulations under the Labor Code that will protect labor rights without restricting business.

In Component Four: Social assistance programs for vulnerable populations, SPSS established five social contracts with NGOs – a significant achievement in creating a sustainable service outsourcing mechanism that can be used by GOAM to purchase needed basic social services in the future.

In FY07, the Project has developed a strategy to diversify SPSS technical assistance and increase the sustainability of reforms by expanding its work to include NGOs, other government units and ministries, the private sector, and other interested parties that have the goal of social protection. This approach has already yielded positive results, and should continue forward. Over this first Project year, SPSS has laid a successful foundation for accomplishing its goals in Economic Growth and Investing in People, providing for improved and sustainable social systems within Armenia, and is looking forward to continued success in coming years.

## APPENDICES

## Appendix One: List of FY07 Deliverables

## No. USAID/SPSS Deliverables in Fiscal Year 2007 Quarter 1- 4

1. SPSS\_FY07Q2\_Jun\_SocContractRoundtableProceedings\_final
2. SPSS\_FY07QR2\_Quarterlyrept\_submitted to USAID
3. SPSS\_FY07Q1\_March19\_OverviewUSOSHA\_arm
4. SPSS\_FY07Q1\_March19\_OverviewUSOSHA\_eng
5. SPSS\_FY07Q1\_March20\_SocInsFundsInternPerspective\_eng
6. SPSS\_FY07Q1\_March27\_Hartwell\_exitrpt\_eng
7. SPSS\_FY07Q1\_Apr11\_ConceptSocialContracting\_arm
8. SPSS\_FY07Q1\_Apr11\_ConceptSocialContracting\_eng
9. SPSS\_FY07Q1\_Apr11\_CurrentPract&ChallSocialContract\_eng
10. SPSS\_FY07Q1\_Apr11\_LegisFrameSocialContracting\_arm
11. SPSS\_FY07Q1\_Apr11\_LegisFrameSocialContracting\_eng
12. SPSS\_FY07Q1\_Apr11\_MissionArmeniaPresent\_eng\_arm
13. SPSS\_FY07Q1\_Apr11\_OverviewPensReformIssues\_arm
14. SPSS\_FY07Q1\_Apr11\_OverviewPensReformIssues\_eng
15. SPSS\_FY07Q1\_Apr26\_AnalysisCurrentSocAssistProvisinArmenia\_eng
16. SPSS\_FY07Q1\_Apr26\_PovertyinArmenia\_arm
17. SPSS\_FY07Q1\_Apr26\_PovertyinArmenia\_eng
18. SPSS\_FY07Q1\_Apr26\_SituatAnalysisArmenia'sPensSystem\_arm
19. SPSS\_FY07Q1\_Apr26\_SituatAnalysisArmenia'sPensSystem\_eng
20. SPSS\_FY07Q1\_Apr26\_SocialPensions\_eng
21. SPSS\_FY07Q1\_Apr26\_SocialPensions\_rus
22. SPSS\_FY07Q1\_May10\_Quarter1Report\_eng
23. SPSS\_FY07Q1\_May10\_Quarter1Report\_eng
24. SPSS\_FY07Q1\_May10\_BasicDemog&LaborMarkets&PensModel\_arm
25. SPSS\_FY07Q1\_May10\_BasicDemog&LaborMarkets&PensModel\_eng
26. SPSS\_FY07Q1\_May10\_financialdata\_eng
27. SPSS\_FY07Q1\_May10\_InternExpPromotEmployment&SocPartner\_arm
28. SPSS\_FY07Q1\_May10\_InternExpPromotEmployment&SocPartner\_eng
29. SPSS\_FY07Q1\_May10\_LegisAspectPensReform\_eng
30. SPSS\_FY07Q1\_May10\_ListEduDocstranslated\_eng
31. SPSS\_FY07Q1\_May10\_ListPWGSeminars\_eng
32. SPSS\_FY07Q1\_May10\_RecLessonsWorldPensRefArmenia\_arm
33. SPSS\_FY07Q1\_May10\_RecLessonsWorldPensRefArmenia\_eng
34. SPSS\_FY07Q1\_May10\_Training&CommunicActivities\_eng
35. SPSS\_FY07Q1\_May10\_TypesPensionSystems\_arm
36. SPSS\_FY07Q1\_May10\_TypesPensionSystems\_eng
37. SPSS\_FY07Q1\_May11\_BudgetProcExNGO-MediaCollab\_eng
38. SPSS\_FY07Q2\_May15\_DevelopComprehenSocialSec&SocInsurRA\_eng
39. SPSS\_FY07Q2\_May16\_Disability&Payments2ndpillar\_rus
40. SPSS\_FY07Q2\_May18\_SPSSPowerpointDisability\_arm
41. SPSS\_FY07Q2\_May18\_SPSSpowerpointDisability\_eng
42. PSS\_FY07Q2\_Jun6\_PressAnalyt\_eng
43. SPSS\_FY07Q2\_Jun7\_SPSSOrganizationChart
44. SPSS\_FY07Q2\_Jun11\_Labor\_Code\_Amendments[1]
45. SPSS\_FY07Q2\_Jun11\_Labor\_Code\_Amendments\_arm[1]
46. SPSS\_FY07Q2\_Jun14\_Empl\_Law\_Review\_arm
47. SPSS\_FY07Q2\_Jun14\_Empl\_Law\_Review\_eng

48. SPSS\_FY07Q2\_Jun15\_Ulbricht\_Exit\_Rpt
49. SPSS\_FY07Q2\_Jun18\_Snelbecker\_PensionReformRecommends\_eng
50. SPSS\_FY07Q2\_Jun18\_Snelbecker\_PensionReformRecommends\_arm
51. SPSS\_FY07Q2\_Jun18\_Value&UsesLaborForceData
52. SPSS\_FY07Q2\_Jun21\_Summeduccuractuar\_YSU
53. SPSS\_FY07Q2\_Jun21\_Szumillo\_Exit
54. SPSS\_FY07Q2\_Jun21\_YSU\_Workplan&curriculum\_act.m&b
55. SPSS\_FY07Q2\_Jun25\_Briefing&Update\_eng
56. SPSS\_FY07Q2\_Jun25\_LaborForceDataSeminarCoverRecap\_eng
57. SPSS\_FY07Q2\_Jun25\_RecommsonPensionReformPost-PWGconference\_arm
58. SPSS\_FY07Q2\_Jun25\_RecommsonPensionReformPost-PWGconference\_eng
59. SPSS\_FY07Q2\_Jun26\_handoutoverview\_arm
60. SPSS\_FY07Q2\_Jun26\_handoutoverview\_eng
61. SPSS\_FY07Q2\_Jun26\_Snelbecker\_Exit\_rpt
62. SPSS\_FY07Q2\_Jun27\_EconImpactFundedPillarIntrodnRA\_eng
63. SPSS\_FY07Q2\_Jun27\_PensionReform&EconomicImpact\_Eng
64. SPSS\_FY07Q2\_Jun29\_ReviewPreliminaryResultsEmployer Survey\_eng
65. SPSS\_FY07Q2\_Jun30\_AnalysisCommentarysys\_arm
66. SPSS\_FY07Q2\_Jun30\_AnalysisCommentarysys\_eng
67. SPSS\_FY07Q2\_Jun30\_Report\_Hartwell\_final
68. SPSS\_FY07Q4\_Jul1\_EconImpFundPillIntroRA
69. SPSS\_FY07Q4\_Jul1\_MacroPaperTables
70. SPSS\_FY07Q4\_Jul1\_PensRefEconImpact
71. SPSS\_FY07Q4\_Jul1\_RFP Daycare-arm
72. SPSS\_FY07Q4\_Jul1\_RFP Daycare\_eng
73. SPSS\_FY07Q4\_Jul1\_RFPannouncement
74. SPSS\_FY07Q4\_Jul2\_RevPrelimResultsEmplSurvey\_arm
75. SPSS\_FY07Q4\_Jul2\_RevPrelimResultsEmplSurvey\_eng
76. SPSS\_FY07Q4\_Jul3\_Lewarne\_Exit\_Rpt
77. SPSS\_FY07Q4\_Jul12\_pressrelease\_eng
78. SPSS\_FY07Q4\_Jul13\_Figures PWGWhitePaper\_eng
79. SPSS\_FY07Q4\_Jul13\_InsertsWhitePaper\_engl
80. SPSS\_FY07Q4\_Jul13\_OutlineWhitePaper\_eng
81. SPSS\_FY07Q4\_Jul13\_TablesPWGWhitePaper\_eng
82. SPSS\_FY07Q4\_Jul15\_InspectorateManual\_arm
83. SPSS\_FY07Q4\_Jul15\_InspectorateManual\_eng
84. SPSS\_FY07Q4\_Jul15\_InspectorateManualtitlepage\_arm
85. SPSS\_FY07Q4\_Jul15\_InspectorateManualtitlepage\_eng
86. SPSS\_FY07Q4\_Jul17\_NApolicy briefing\_Concept
87. SPSS\_FY07Q4\_Jul18\_Beatcoveragettraining
88. SPSS\_FY07Q4\_Jul25\_hamkarreport
89. SPSS\_FY07Q4\_Jul30\_HamkarestimatesSTAGEDAPPROACH\_Eng&Arm
90. SPSS\_FY07Q4\_Aug01\_IALIinfosheet\_arm
91. SPSS\_FY07Q4\_Aug01\_EHopping\_Exit\_Rpt
92. SPSS\_FY07Q4\_Aug01\_IALI\_Application
93. SPSS\_FY07Q4\_Aug01\_IALIinfosheet\_eng
94. SPSS\_FY07Q4\_Aug1\_LaborInspectYearPlan\_eng
95. SPSS\_FY07Q4\_Aug1\_MediaSurveyrevised\_arm
96. SPSS\_FY07Q4\_Aug1\_MediaSurveyrevised\_eng
97. SPSS\_FY07Q4\_Aug2\_NILSRrenovationRFP
98. SPSS\_FY07QR4\_Aug3\_SSIFLegStatPresent\_arm
99. SPSS\_FY07QR4\_Aug3\_SSIFLegStatPresent\_eng
100. SPSS\_FY07QR4\_Aug3\_SSIFBusinessProcPresent\_arm

101.	SPSS_FY07QR4_Aug3_SSIFBusinessProcPresent_eng
102.	SPSS_FY07QR4_Aug3_SSIFGovernPresent_arm
103.	SPSS_FY07QR4_Aug3_SSIFGovernPresent_engl
104.	SPSS_FY07QR4_Aug3_SSIFVisMgmtPresent_arm
105.	SPSS_FY07QR4_Aug3_SSIFVisMgmtPresent_engl
106.	SPSS_FY07QR4_Aug4_SSIFCorpNetPresent_arm
107.	SPSS_FY07QR4_Aug4_SSIFCorpNetPresent_eng
108.	SPSS_FY07QR4_Aug4_SSIFE-sigPresent_arm
109.	SPSS_FY07QR4_Aug4_SSIFE-sigPresent_eng
110.	SPSS_FY07QR4_Aug4_SSIFITStratPresent_eng
111.	SPSS_FY07QR4_Aug4_SSIFSummRetrSuggest_eng
112.	SPSS_FY07QR4_Aug4_SSIF_MgmtProcPresent_arm
113.	SPSS_FY07QR4_Aug4_SSIF_MgmtProcPresent_eng
114.	SPSS_FY07Q4_Aug6_Explosiveregulation_arm
115.	SPSS_FY07Q4_Aug6_Explosiveregulation_eng
116.	SPSS_FY07QR4_Aug6_actionplanSIF_eng
117.	SPSS_FY07QR4_Aug6_actionplanSIF_arm
118.	SPSS_FY07Q4_Aug 8_ SecondPillarTransitionCost_eng
119.	SPSS_FY07Q4_Aug 8_YearsOfService_eng
120.	SPSS_FY07Q4_Aug8_NILSR renovation RFPPARTC_arm
121.	SPSS_FY07Q4_Aug8_NILSRrenovationRFP
122.	SPSS_FY07Q4_Aug15_IT AssessmentSSIF&relatedSPPs
123.	SPSS_FY07Q4_Aug15_Tomar STTA Exit Report
124.	SPSS_FY07Q4_Aug16_ConstructionMoU_revised_ARM
125.	SPSS_FY07Q4_Aug16_ConstructionMoU_revised_ENG
126.	SPSS_FY07Q4_Aug16_constructionMoU_ARM
127.	SPSS_FY07Q4_Aug17_IT AssessmentEmploymentServices
128.	SPSS_FY07Q4_Aug18_child5_eng
129.	SPSS_FY07Q4_Aug18_HHincome-eng
130.	SPSS_FY07Q4_Aug18_PerCapitaIncome1_eng
131.	SPSS_FY07Q4_Aug18_PerCapitaIncome2-eng
132.	SPSS_FY07Q4_Aug18_SocialGroups_eng
133.	SPSS_FY07Q4_Aug20_BP assessmentfinaldraft
134.	SPSS_FY07Q4_Aug20_ECusick_Exit_Rpt
135.	SPSS_FY07QR4_Aug21_FACTSHEET_parliament
136.	SPSS_FY07Q4_Aug21_MeetingABabloyan
137.	SPSS_FY07Q4_Aug22_Agenda&listofhandoutsdisability_eng
138.	SPSS_FY07Q4_Aug23_disability seminar press release_arm
139.	SPSS_FY07Q4_Aug23_disabilityseminarpressrelease_eng
140.	SPSS_FY07Q4_Aug23_FBquestionnaire_arm
141.	SPSS_FY07Q4_Aug23_FBquestionnaire_eng
142.	SPSS_FY07Q4_Aug24_firmsforanalysis_arm
143.	SPSS_FY07Q4_Aug24_ISSCassesment_eng
144.	SPSS_FY07Q4_Aug24_KazakhStratDevPlan_rus
145.	SPSS_FY07Q4_Aug28_MLSI_SESA-TSG_Septplan_arm
146.	SPSS_FY07Q4_Aug28_MLSI_SESA-TSG_Septplan_engl
147.	SPSS_FY07Q4_Aug28_PensionAdminRetreatCoverRecap
148.	SPSS_FY07Q4_Aug28_SocworkerSemCoverRecap
149.	SPSS_FY07Q4_Aug28_SurfaceMiningBasicNorms_arm
150.	SPSS_FY07Q4_Aug28_SurfaceMiningBasicNorms_eng
151.	SPSS_FY07Q4_Aug29_successtory1
152.	SPSS_FY07Q4_Aug30_30CFR Subparts_arm
153.	SPSS_FY07Q4_Aug30_30CFRSubparts_eng

154. SPSS\_FY07Q4\_Aug30\_AssessLaborInspectITPaper\_Eng
155. SPSS\_FY07Q4\_Aug30\_AssessLaborInspectITPaperRevised\_arm
156. SPSS\_FY07Q4\_Aug30\_AssessLaborInspectITPaperRevised\_eng
157. SPSS\_FY07Q4\_Aug30\_CFRoutlinrSurfaceMetal&NonMetalMines\_arm
158. SPSS\_FY07Q4\_Aug30\_CFRoutlinrSurfaceMetal&NonMetalMines\_eng
159. SPSS\_FY07Q4\_Aug31\_draftmessageplan\_eng
160. SPSS\_FY07Q4\_SEP 4\_CFRPART 57UndergroundOutline\_ENG
161. SPSS\_FY07Q4\_SEP 4\_CFRPART57UndergroundOutline\_ARM
162. SPSS\_FY07Q4\_Sept4\_USMineSafetyLegislHistoryReport\_eng
163. SPSS\_FY07Q4\_Sept4\_PartnershipsforJobFairs\_arm
164. SPSS\_FY07Q4\_Sept4\_PartnershipsforJobFairs\_eng
165. SPSS\_FY07Q4\_Sept4\_The USBlustingMining\_ARM
166. SPSS\_FY07Q4\_Sept4\_The USBlustingMining\_ENG
167. SPSS\_FY07Q4\_Sept4\_USMineSafetyLegislHistoryReport\_arm
168. SPSS\_FY07Q4\_Sep 5\_Com-sOnPensRefParamAug8\_arm
169. SPSS\_FY07Q4\_Sep 5\_Com-sOnPensRefParamAug8\_eng
170. SPSS\_FY07Q4\_Sept 5\_BP assessment\_Rev1\_chapters
171. SPSS\_FY07Q4\_Sept5\_BPASSESSTRev1chapters\_eng
172. SPSS\_FY07Q4\_Sept5\_successtory2\_eng
173. SPSS\_FY07Q4\_Sept6\_Augtrainingevaluations
174. SPSS\_FY07Q4\_Sep10\_BruceDialExitReport\_eng
175. SPSS\_FY07Q4\_Sep10\_TableofContentsWhitePaper\_engl
176. SPSS\_FYQ4\_Sept12\_MonthlyPlanWPSafety&Labour\_eng
177. SPSS\_FY07Q4\_Sept12\_responsetoMLSI\_arm
178. SPSS\_FYQ4\_Sept12\_MonthlyPlanWPSafety&Labour\_arm
179. SPSS\_FYQ4\_Sept12\_MonthlyPlanWPSafety&Labour\_eng
180. SPSS\_FY07QR4\_Sept13\_CurrentPensionSystemDraft\_arm
181. SPSS\_FY07QR4\_Sept13\_CurrentPensionSystemDraft\_eng
182. SPSS\_FY07Q4\_Sept17\_AssessmLIIT\_TomarCHNORK\_arm
183. SPSS\_FY07Q4\_Sept17\_AssessmLIIT\_TomarCHNORK\_eng
184. SPSS\_FY07Q4\_Sept17\_MLSI spokespersons\_training
185. SPSS\_FY07Q4\_Sept17\_RecommUndergroundStandsRevised\_arm
186. SPSS\_FY07Q4\_Sept17\_RecommUndergroundStandsRevised\_eng
187. SPSS\_FY07Q4\_Sept18\_Amcham\_Landis\_present
188. SPSS\_FY07Q4\_Sept18\_ZietzerExitRpt
189. SPSS\_FY07Q4\_Sept19\_TempDisabilityMaternity\_arm
190. SPSS\_FY07Q4\_Sept19\_TempDisabilityMaternity\_eng
191. SPSS\_FY07Q4\_Sept20\_RequestforspaceforJobFair\_arm
192. SPSS\_FY07Q4\_Sept25\_JobFairManual\_arm
193. SPSS\_FY07Q4\_Sept25\_JobFairManual\_eng
194. SPSS\_FY07Q4\_Sept27\_englishclub\_eng
195. SPSS\_FY07Q4\_Sept27\_TraiNet Data Forms 07
196. SPSS\_FY07Q4\_Sep28\_ReportMoscowConference\_eng
197. SPSS\_FY07Q4\_Sept28\_MacKellar\_ExitRept3
198. SPSS\_FY07QR4\_Sep28\_RevDisabProg&Policllene\_eng
199. SPSS\_FY07QR4\_Sep29\_ExitReportMacKellar\_eng

#### **Translations**

200. SPSS\_FY07Q2\_Jun1\_EUdirectivesExplosive\_arm
201. SPSS\_FY07Q2\_Jun1\_EUdirectivesExplosive\_eng
202. SPSS\_FY07Q2\_Jun1\_ILOtoolkit\_arm
203. SPSS\_FY07Q2\_Jun1\_ILOtoolkit\_eng
204. SPSS\_FY07Q2\_Jun1\_EUdirectiveMining 1\_arm
205. SPSS\_FY07Q2\_Jun1\_EUdirectiveMining 1\_eng

206. SPSS\_FY07Q2\_Jun1\_EUdirectiveMining 2\_arm
207. SPSS\_FY07Q2\_Jun1\_EUdirectiveMining 2\_eng
208. SPSS\_FY07Q2\_Jun5\_DisabilityActionPlan\_eng
209. SPSS\_FY07Q2\_Jun5\_Rec(2006)5 DisabilityActionPlan\_arm
210. SPSS\_FY07Q2\_Jun5\_Rec(2006)5 DisabilityActionPlan\_eng
211. SPSS\_FY07Q2\_Jun5\_DisabilityActionPlan\_arm
212. SPSS\_FY07Q2\_Jun8\_Lithuania-nationalstrategyonageing\_eng
213. SPSS\_FY07Q2\_Jun8\_Lithuania-nationalstrategyonageing\_arm
214. SPSS\_FY07Q2\_Jun22\_NationalStartegyonAging\_Serbia\_eng
215. SPSS\_FY07Q2\_Jun22\_NationalStrategyonAging\_Serbia\_arm
216. SPSS\_FY07Q4\_Jul24\_ILOOSH GUIDETranslation\_arm
217. SPSS\_FY07Q4\_Jul24\_ILOOSH GUIDETranslation\_eng
218. SPSS\_FY07Q4\_Aug1\_IALI\_Statutes\_arm
219. SPSS\_FY07Q4\_Aug1\_IALI\_Statutes\_eng
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221. SPSS\_FY07Q4\_Aug10\_labourcode ammendments\_arm
222. SPSS\_FY07Q4\_Aug13\_PensRef Parameters-original\_arm
223. SPSS\_FY07Q4\_Aug13\_PensRef Parameters-trans\_eng
224. SPSS\_FY07Q4\_Aug13\_PensRefStrat Principles-original\_arm
225. SPSS\_FY07Q4\_Aug13\_PensRefStrat Principles-trans\_eng
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227. SPSS\_FY07Q4\_Aug15\_Lawtechnicalsafty\_eng
228. SPSS\_FY07Q4\_Aug27\_ToRGORTSsystem\_arm
229. SPSS\_FY07Q4\_Aug27\_ToRGORTSsystem\_engl
230. SPSS\_FY07Q4\_Aug28\_EuropeanSocialCharter\_ArmComments
231. SPSS\_FY07Q4\_Aug28\_TOR\_DevCommLevSocPartnConcept\_arm
232. SPSS\_FY07Q4\_Aug28\_TOR\_DevCommLevSocPartnConcept\_eng
233. SPSS\_FY07Q4\_Aug29\_EmplProgram2005-2007Kazakhstan\_ru
234. SPSS\_FY07Q4\_Sept20\_AzYouthEmplStr\_2005-4
235. SPSS\_FY07Q4\_Sept28\_AzYouthEmplStr\_arm
236. SPSS\_FY07Q4\_Sept28\_EmplStr2004-2010\_Bulgaria\_arm
237. SPSS\_FY07Q4\_Sept28\_EmplStr2004-2010\_Bulgaria\_engl

## Appendix Two: FY07 Training Data

USAID SO	USAID IR	Name of Contractor or Grantee	Program Title	Field of Study	City or Region in Armenia	Event Location	Start Date M/D/Y	End Date M/D/Y	Number of Male Participants	Number of Female Participants	Total Cost to USAID
Investing in People	Improved Social Protection	TSG	Grants Management - USAID Standards	Social Protection	Yerevan	SPSS office	25/12/07	25/12/07	2	4	5
Investing in People	Improved Social Protection	TSG	Workshop-training on Job Fair Overview and Guidelines for Job Seekers	Social Protection	Yerevan	SPSS office	25/12/07	25/12/07	2	6	5
Investing in People	Improved Social Protection	TSG	Workshop-training on Job Fair Overview and Guidelines for Employers	Social Protection	Yerevan	SPSS office	09/12/07	09/12/07	5	5	5
Economic growth	Improved Social Protection	TSG	Roundtable meeting on Partnerships for Job Fairs	Social Protection	Yerevan	SPSS office	39329	39329	5	13	45
Economic growth	Improved Social Protection	TSG	Roundtable discussion on Mining Safety & Regulations in Armenia	Social Protection	Yerevan	SPSS office	39325	39325	14	4	270
Investing in People	Improved Social Protection	TSG	Seminar on Increasing Accessibility of Services Provided to the Elderly and Persons with Disabilities Seminar	Social Protection	Yerevan	Congress Hotel	39318	39318	21	7	606
Investing in People	Improved Social Protection	TSG	Seminar on Increasing Accessibility of Services Provided to the Elderly and Persons with Disabilities Seminar	Social Protection	Yerevan	Congress Hotel	39317	39317	26	10	606
Investing in People	Improved Social Protection	TSG	Seminar on Increasing Accessibility of Services Provided to the Elderly and Persons with Disabilities Seminar	Social Protection	Yerevan	Congress Hotel	39316	39316	19	7	606
Investing in People	Improved Social Protection	TSG	Pension Administration Retreat	Social Protection	Aghveran	Arthur's Resorts conference room	39297	39298	13	4	816
Investing in People	Improved Social Protection	TSG	Orientation Seminar on Proposal Submission for Community Day Care Centers for Individuals with Disabilities	Social Protection	Yerevan	SPSS office	39279	39279	20	28	120
Investing in People	Improved Social Protection	TSG	Five Days in Yerevan - Briefing of regional students on Current Issues in Social Protection	Social Protection	Yerevan	Ministry of Labor & Social Issues confernece room	39259	39259	13	27	100
Investing in People	Improved Social Protection	TSG	The Use and Value of Labor Force Data seminar	Social Protection	Yerevan	National Statistical Service conference room	39252	39252	8	22	204
Investing in People	Improved Social Protection	TSG	Pension System Reform, 1 series of seminars - #8	Social Protection	Yerevan	National Institute for Labor & Social Research training room	39231	39231	9	8	411

USAID SO	USAID IR	Name of Contractor or Grantee	Program Title	Field of Study	City or Region in Armenia	Event Location	Start Date M/D/Y	End Date M/D/Y	Number of Male Participants	Number of Female Participants	Total Cost to USAID
Investing in People	Improved Social Protection	TSG	Pension System Reform, 1 series of seminars - #7	Social Protection	Yerevan	National Institute for Labor & Social Research training room	39226	39226	14	9	411
Investing in People	Improved Social Protection	TSG	Pension System Reform, 1 series of seminars - #6	Social Protection	Yerevan	National Institute for Labor & Social Research training room	39224	39224	13	13	411
Investing in People	Improved Social Protection	TSG	Pension System Reform, 1 series of seminars - #5	Social Protection	Yerevan	National Institute for Labor & Social Research training room	39212	39212	11	9	411
Investing in People	Improved Social Protection	TSG	Pension System Reform, 1 series of seminars - #4	Social Protection	Yerevan	National Institute for Labor & Social Research training room	39205	39205	15	8	411
Investing in People	Improved Social Protection	TSG	Pension System Reform, 1 series of seminars - #3	Social Protection	Yerevan	National Institute for Labor & Social Research training room	39198	39198	10	9	411
Investing in People	Improved Social Protection	TSG	Pension System Reform, 1 series of seminars - #2	Social Protection	Yerevan	National Institute for Labor & Social Research training room	39191	39191	13	13	411
Investing in People	Improved Social Protection	TSG	RA Government & NGOs. Current Practice & Challenges in Social Contracting roundtable discussion	Social Protection	Yerevan	Ani Plaza Hotel	39183	39183	12	23	639
Investing in People	Improved Social Protection	TSG	Pension System Reform, 1 series of seminars - #1	Social Protection	Yerevan	National Institute for Labor & Social Research training room	39182	39182	23	10	411
Investing in People	Improved Social Protection	TSG	Launch of the project press conference	Social Protection	Yerevan	Ministry of Labor & Social Issues confernece room	39164	39164	25	30	5

### Appendix Three: Progress Towards Contract Results

SPSS activities and deliverables have a cumulative effect on moving Armenia toward its policy goals as well as the Project goals as specified in the SPSS RFP/Contract. Highlights of the deliverables are summarized in the Tables below, to illustrate progress toward accomplishing the larger expected results of the project. Interpretive commentary is shown in italics.

SPSS Progress Toward Expected Results: Social Insurance			
Expected Result	Target	2007 Activities	2007 Accomplishments
The GOAM will have completed design of its overall pension reform strategy, complete with action plan and timetable for multi-pillar reforms, and will have drafted and promoted legislation relevant to the adopted reform strategy.	(3 year action plan for years 1-3 of SPSS, 2 year action plan for years 4-5*).  <i>GOAM action plan is in process at the close of FY07, with the PWG still defining reform and its implementation strategy.</i>	<ul style="list-style-type: none"> <li>&lt; Participated in establishing PWG under the Prime Minister.</li> <li>&lt; Delivered seminar series on pension reform for PWG, 4 April - 29 May 2007 at NILSR.</li> <li>&lt; Provided ongoing assistance to PWG: Developed materials for the concept paper on pension reform based on PWG's policy considerations and contributing to a White Paper on pension reform that will be presented by PWG to Government.</li> <li>&lt; Worked to develop a model on pension reform options that will become a tool used by GOAM through its NILSR beginning Y2Q1.</li> <li>&lt; Produced and distributed translations of reference materials and IBPs.</li> <li>&lt; Developed PWG website and provided administrative support to PWG.</li> </ul>	<ul style="list-style-type: none"> <li>&lt; Key stakeholders of the pension reform were given background information on related issues.</li> <li>&lt; Bilingual proceedings published 25 June with NILSR; wide distribution promotes informed discussion.</li> <li>&lt; Delivered draft analysis of current system to MLSI 31 July.</li> </ul> <p>Through the FY07 information distribution and discussion stimulation GOAM has move from having a few disparate camps believing each has already defined a Pension Reform to having a few camps now more aware of the complexity characteristic of any reform and of the further decision-making needed to resolve problems with each of the various proposals and, more importantly, to reconcile them.</p>
Employer and employee knowledge of pension reforms	Increased by 75% by year 3 and 100% by year 5* .	<ul style="list-style-type: none"> <li>&lt; Initiated planning to inform Parliament's Social Committee, Private sector, and other constituencies of proposed reforms and the decision point still under discussion. Reform adoption expected in 2008 after presidential elections.</li> <li>&lt; Baseline survey planned for immediately after introduction of reform.</li> </ul>	<ul style="list-style-type: none"> <li>&lt; Discussions of pension reform issues are initiated in an atmosphere of high political interest but little information.</li> </ul> <p>Heightened awareness of the debate is increasing, and this will improve readiness for the eventual reform as well as increased public awareness of the decisions to be made. This should prepare for rapid understanding of the reform that is eventually proposed. SPSS is, at the close of FY07, interested in promoting an increasingly informed discussion.</p>
Policy and legislative gaps relevant to the SSC (e.g., privacy issues, corruption, etc.) identified, and appropriate corrective policies and legislation drafted and promoted among lawmakers and the public.*		<ul style="list-style-type: none"> <li>&lt; Completed review of eligibility definitions in present law, comparison to EU standards.</li> <li>&lt; Completed initial assessment of information technology system of SSIF (PARNAS).</li> <li>&lt; Proposed a series of business process improvements for SSIF that have application throughout the Social Protection system for improving service</li> </ul>	<ul style="list-style-type: none"> <li>&lt;Delivered assessment of integrated service centers, with recommendations, 28 Aug.</li> </ul> <p>While exemplary in principle, integrated services are difficult to accomplish in the most sophisticate systems; Armenia is far from ready. The assessment of the earlier experiment yielded a set of recommendations that can lead</p>

		<p>quality and reducing opportunities for corrupt practice.</p> <p>Further recommendations will be forthcoming when the pension reform is defined and when community-based social programming matures.</p>	<p>Armenia's social protection system toward a more customer-friendly and efficient operation, but much must be done to move even a bit toward integration.</p>
<p>MLSI will have analyzed, refined and documented the eligibility requirements and value of social insurance benefits (other than pensions) based on the refined and/or new criteria (e.g., new consumer basket if adopted) and submitted the new criteria and benefits formulae to the GOAM for approval.</p>		<p>&lt; Drafted an analytic report on the current status of the pension system.</p> <p>&lt; Presented report of current status of Social Assistance (zero pillar).</p> <p>&lt; Initiated assessment of socio medical commissions making disability determinations.</p> <p>&lt; Identified requirements and benefits under the various privileged pensions.</p> <p>&lt; Training plan for Socio-medical commissions for updates on current medical and vocational disability issues.</p> <p>&lt; Initiated work to refine zero pillar targeting through improved modeling.</p>	<p>&lt; Delivered analysis of current system including legislation, eligibility requirements, benefit gaps and value of the various current benefits 31 July.</p> <p>As the reform takes shape, it is likely that privileged pensions will be abandoned, and that disability benefits, both permanent and temporary, will become better defined and more oriented toward promoting workforce (re)entry.</p>
<p>MLSI will have developed professional public outreach and education capabilities, with mechanisms to inform and to solicit public opinion about GOAM social insurance programs as well as mechanisms enabling the GOAM to respond effectively to public concerns.</p>		<p>&lt; Entered into a coaching relationship with the Public Affairs office of MLSI to improve internal and external communications.</p> <p>&lt; Initiated assessment of business process of SSIF.</p> <p>&lt; Organized SSIF retreat to discuss governance, management, business process and IT of current pension fund.</p> <p>&lt; Completed assessment of integrated social services centers.</p>	<p>&lt; Agreed a plan for upgrade of website and for making an internal portal operational; created press releases for MLSI program, staff development and operations improvements previously unremarked in the press.</p> <p>&lt; Delivered assessment of SSIF business process with recommendations 28 Aug.</p> <p>&lt; Agreed to a workplan with SSIF for improving pension fund business process 4 Aug.</p> <p>FY07 activities emphasized developing counterpart awareness of public relations and customer service orientations, significantly different perspectives for those with the habits of institutional power-holders.</p>
<p>PARNAS will be evaluated, refined as necessary, and implemented in a consistent, transparent manner nation-wide,</p>	<p>Resulting in 80% employer compliance with PARNAS reporting (by Year 3), and 95% at EOP.*</p>	<p>&lt; Completed initial assessment of information technology system of SSIF (PARNAS).</p> <p>&lt; Promulgated recommendations for administrative moves to improve employer-friendliness of PARNAS-E.</p>	<p>&lt; Achieved understanding of PARNAS as a basically sound system with some improvements in employer-friendliness needed in customer service rather than in the software.</p> <p>Initial work toward broad public understanding of Pension reform, coupled with institutional capacity-building for both employer/customer service and reduced corruption opportunities is hoped to lay the foundation for improved PARNAS reporting rates.</p>

SPSS Progress Toward Expected Results: Employment Services			
<p>The SESA will have a strong private sector orientation, with enhanced capacity to identify and analyze labor market and employment trends, forecast labor needs, exchange information rapidly among different regions on job opportunities, and understand the impact of labor policies and regulations on unemployment.</p>	<p>(Contractor will propose appropriate indicators to measure this result by end of base period and at EOP.)*</p> <p><i>Indicator definitions remain to be determined.</i></p>	<p>&lt;Presented International Experience in Promoting Employment and Social Partnership at the community level at “Social Partnership in Armenia” conference in March.</p> <p>&lt; TOR for developing an Employment Strategy / Action Plan presented to MLSI and SESA.</p> <p>&lt; Employment Law recommendations proposed by MLSI reviewed by legal experts.</p> <p>&lt; Legislative recommendations presented to MLSI and SESA Staff provided suggestions on how to harmonize comparable IBP concepts into current law.</p>	<p>&lt; Vetted outline of the planning document to guide development of pro-active services such as model employment office and new job search assistance services, vocational training updates and stronger links with employers.</p> <p>&lt; Sections of legislative recommendations presented to Government for adoption.</p> <p>SESA, at the close of FY07, is agreeing to a series of capacity-building efforts to improve its relationships with employers: better data collection for forecasting, more responsive vacancy solicitation and listing, improved job-matching, and more market-sensitive training and retraining.</p>
<p>SESA branch offices and headquarters will be networked with operational automated data exchange, permitting the rapid, effective sharing of information on labor needs and supply.</p>	<p>(Contractor will propose appropriate targets for this result by end of base period and at EOP.)*</p> <p><i>Initial assessment reveals challenges that suggests pilots, #TBD, more feasible than nationwide network.</i></p>	<p>&lt; Visited 7 regional offices to assess IT and employment service program needs.</p> <p>&lt; Consulted with other donors to determine history of active labor measure skill building to debate in SESA.</p>	<p>&lt; Presented to SESA criteria for selecting model offices to pilot active labor measures.</p> <p>&lt; Presented IT strategy to develop overall network and upgrade information system.</p> <p>At the close of FY 07, SESA is in the process of defining pilots and undertaking the information system design needed to automate. This will require NORK’s willingness, which has been obtained, and NILSR willingness, which is yet unclear, but promising.</p>
<p>Increased numbers of employers will recruit successfully through SESA branch offices</p>	<p>(Increase of 25% by Year 3 and 50% by EOP, baseline TBD at beginning of project).</p>	<p>&lt; Training needs assessment conducted with SESA, NILSR, NSS.</p> <p>&lt; SESA’s existing employer survey reviewed: sample marz survey results analyzed by statistical expert.</p>	<p>&lt; Prepared training plan for Labor Market survey improvement.</p> <p>&lt; Provided detailed survey question adjustments that will integrate and improve Labor Market Information and use of employer-generated data.</p>

SPSS Progress Toward Expected Results: Occupational Safety and Labor Code			
The basic rights of all Armenian workers are protected, with mechanisms in place to identify, sanction and eliminate unsafe and unfair labor practices, and ensure that working conditions meet acceptable standards.		<p>&lt; Participation in the Conference of the International Association of Labor Inspection (IALI) in Toronto, April 18-20.</p> <p>&lt; Brief overview of the US Occupational Safety and Health Administration delivered to LI.</p> <p>&lt; Comments on proposed amendments to the Labor Code presented to MLSI.</p> <p>&lt; Agreement secured on pursuing risk-based management with the Legal and Control Department, creation of norms for the Occupational Safety and Health Department, and improvement of statistical analysis in LI.</p> <p>&lt; Seminar on labor force data and analysis presented at NSS on June 20, 2007, introducing foundation skills for risk-based enforcement.</p>	<p>&lt; IALI membership application explained and filled out for MLSI consideration.</p> <p>&lt; Labor Code comments incorporated into changes to the Code proposed to Government by MLSI.</p> <p>IALI membership will give Armenia a window on IBPs. LI has evaded tripartite events planned for summer 2007 to obtain labor and employer input into a comprehensive review of the Labor Code, but its commitments to ILO will make the discussion necessary in FY08. The transparent tripartite dialogue is essential to comprehensive code reform. English language training is proposed for FY08 to improve access to IBPs through conferences and the internet.</p>
GOAM has drafted norms and standards related to occupational safety and industries have implemented these standards.	(Contractor should propose targets for no. of industries addressed and for industry compliance rates with new norms and standards -- for base and options periods.*)	<p>&lt; Translations of relevant EU directives regarding occupational health and safety presented to the Labor Inspectorate and MLSI.</p> <p>&lt; IBPs researched and adapted to Armenian Labor Code for Explosive Environments norms.</p> <p>&lt; Private sector input sought for promulgation of Mining norms, and basic norms proposed.</p> <p>&lt; Mine Safety round table 31 August 2007 involving Mining Companies, AmCham, Ministry of Trade and Economic Development (MTED), LI and MLSI.</p>	<p>&lt; Norms delivered for work in Explosive Environments.</p> <p>Two high-risk industries(explosive environments and mining) have been targeted, and relevant norms developed. LI remains poorly prepared to enforce safety rules by the deadline in its law, June 2008. Further training and institutional organization must be supported to achieve goals.</p>
Required social insurance payments by employers increase steadily due to the development and steady application of improved compliance and reporting procedures	(Payments increase to 75% in base period and 90% by EOP*).	<p>&lt; Baseline data identified.</p> <p>&lt; SSIF business process analyzed for understanding of PARNAS-E effectiveness.</p> <p>&lt; Survey initiated of employer perceptions of LI.</p>	As the first project year closes, SPSS is defining the problem and preparing to develop a strategy. At this point it is clear there is little of the mutual respect between employers and LI that will foster compliance.
The LI has transparent, clearly defined systems in place for receiving, investigating and adjudicating complaints; the number of complaints investigated and resolved in an open and transparent manner will increase annually.*	Will increase annually.* <i>Baseline from current records.</i>	< Manual for Labor Inspectors created according to LI input and EU standards, and submitted for approval.	Initial steps are made toward standardizing inspection procedures, improving transparency and reducing discretion.

<p>A functioning Hotline records complaints made about the LI and a transparent mechanism is in place to investigate and report on resolution of complaints.</p>	<p><i>Baseline employer perception data is being collected at close of FY07.</i></p>	<p>&lt; Initial review of existing complaints mechanism, as it now stands (or does not).</p> <p>&lt; Obtain baseline data on employer issues.</p>	<p><i>As FY07 closes, the problem analysis is still under way; no interest in this item is shown by LI. Employers and workers, on the other hand, seem quite interested in having an avenue for complaint.</i></p>
<p>LI issues regular reports (at least annually over LOP) on labor issues such as progress made regarding occupational safety, social insurance, compliance with Child Labor conventions, etc. Reports are widely disseminated to government, business, economic, policy, academic institutions and “think tanks.”</p>		<p>&lt; Seminar on collection and analysis of Labor Data, training needs assessment, 20 June.</p> <p>&lt; IALI membership promoted.</p>	<p>&lt; Foundation for data management and reporting begins.</p> <p>&lt; Exposure to IBPs in labor inspection.</p> <p><i>At the close of FY07 work with the LI is focused on developing its understanding the need for transparency and public information.</i></p>

SPSS Progress Toward Expected Results: Social Assistance			
<p>A minimum of 5 social contracts (or similar formal mechanisms) between GOAM and private sector or NGOs to address the needs of vulnerable populations.</p>	<p>5 social contracts by end of base period, 10 by the end of the project.*</p>	<p>&lt; Organized round table on barriers to social contracting 11 April 2007.</p> <p>&lt; Published and distributed proceedings of round table, RA Government and NGOs: Current Practice and Challenges in Social Contracting, jointly with MLSI, May 2007.</p> <p>&lt; Published and distributed: Current Social Assistance Programs and Challenges in Armenia.</p> <p>&lt; RFP of grant-matching program delivered and announced after extensive collaboration with MLSI partners who plan to institutionalize the granting mechanism.</p> <p>&lt; Initiated process to develop enabling legislation for community-based social contracting along with NGOs, Community Unions and Ministry of Territorial Affairs (MTA).</p>	<p>&lt; Clarification from MOJ requested on the legal obstacles to Social Contracting: differences between tax and legal status.</p> <p>&lt; Dissemination of 500 copies of roundtable proceedings.</p> <p>&lt; Increased awareness of social assistance targeting issues and weaknesses in current targeting.</p> <p>&lt; Social contracting management tools written and piloted in a MLSI project to extend day care services to people with disabilities.</p> <p>&lt; First tranche of grants made.</p> <p><i>Substantial progress not only on granting, but on establishing a sustainable mechanism MLSI and local units of government can use, in keeping with the GOAM policy to decentralize and make community-based social services.</i></p>
<p>Policy and legislative gaps relevant to social assistance programs identified and appropriate policies and legislation drafted and promoted among the population and lawmakers.</p>	<p>(Contractor should propose no. of policy and legislative acts addressed during base and option periods.*)</p>	<p>&lt; Provided translations of model Social inclusion strategies from relevant EU and CIS states along with coaching on inclusion strategy development.</p> <p>&lt; Provided translation of COE feedback to Armenia's report and arranged coaching for improvement of future replies.</p> <p>&lt; Presented IBPs for services with people with disabilities at round tables and fora.</p>	<p>&lt; Delivered a report on <i>Social Portrait of Elderly</i> to PWG and MLSI Elderly Strategy WG.</p> <p>&lt; Conducted training on community-based Social Work for elderly and disabled groups to 100 state, NGO and local workers.</p> <p><i>Close cooperation with MLSI and NGOs is bringing practice and policy into line with EU standards. Many enlightened decrees have been passed, and SPSS is creating capacity to implement.</i></p>

## Appendix Four: Progress Towards US Foreign Assistance Objectives

After the SPSS contract was signed in late 2006, USAID/Armenia adopted the US Foreign Assistance Framework. In the USAID Armenia/Mission's Foreign Assistance operational plan, SPSS activities fall under Investing in People and Economic Growth spanning four Program Elements: Policies, Regulations and Systems (3.3.1), Social Services (3.3.2), Social Assistance (3.3.3) and Workforce Development (4.6.3). The progress towards these objectives is discussed below.

### I. Progress Within Program Elements

#### 3.3.1 Investing in People Program Element: Policies Regulations, Systems Implementing Mechanism aims in the four key social protection areas to:

1. Strengthen the Armenian Government's ability to design, refine and/or reform Armenia's social insurance system;
2. Increase Government competency in mapping labor skills demand and supply, and develop mechanisms to link demand and supply in order to improve job placement services in the public and private sectors;
3. Assist the newly created Labor Inspectorate to develop the framework for and implement workplace safety programs as well as establish transparent procedures and protocols for ensuring compliance and enforcement of the Labor Code; and
4. Enhance overall Government capacity to address the needs of vulnerable populations through the development and implementation of innovative mechanisms including social contracting with non-governmental organizations.

Table 1 outlines the FY07 results for policy, regulation and reform development.

Table 1: Targets Met for Program Element 3.1 Policies, Regulations and Systems	2006	2007		2008
		Target	Actual	Target
1. Number of Social Protection Policy Reforms Drafted, Adopted or Implemented With USG Support	N/A	1	2	2
Pension Concept Paper Drafted			1	
Social Contracting Instrument accepted by GOAM			1	
2. Number of Nationwide Poverty/Vulnerability Mapping Efforts Being Supported	N/A	0	0	

#### 3.3.2 Investing in People: Program Element, Social Services Implementing Mechanism aims for increasing self-reliance and reducing citizens' dependence on public support to meet basic needs

1. Strengthen the Armenian Government's ability to design, refine and/or reform Armenia's social services system; and
2. Enhance overall Government capacity to address the needs of vulnerable populations through the development and implementation of innovative mechanisms including social contracting with non-governmental organizations.

Because SPSS is a system-strengthening project, the number of beneficiaries of system improvements is, in principle, the entire service recipient population. Table 2 shows the targets met in 2007 and the estimated level of service for 2008.

<b>Table 2: Number of People Benefiting from USG-Supported Social Services</b>	2006	2007	2008 est.
Total	N/A	150,592	160,000
Women	N/A	84,934	90,000
Men	N/A	65,685	70,000

The breakdown of beneficiary groups is provided by MLSI data (as of January 1, 2007). These numbers include elderly benefiting from home care and institutional care services, children at orphanages, children and adults attending day-centers for the disabled, children at risk of being placed in orphanages, graduates of orphanages, and the number of disabled registered with the Socio-Medical Examination Commission (SMEC). Some double counting exists as some people are members of more than one group, and this accounts for the disparate totals<sup>1</sup>. The respective population sizes are set forth in Table 3. SPSS commitment to decentralization, deinstitutionalization and community-based services as IBPs for social services should bring down the numbers under state-operated services in future.

<b>Table 3: Social Service Beneficiary Groups as of 1 January 2007</b>	
Number of elderly benefiting from home care services	1200
Number of elderly benefiting from institutional care services	1075
Number of children at orphanages	1142
Number of children at day-centers for disabled	180
Number of number children at risk to be placed in orphanages	372
Number of graduates of orphanages	86
Number of disabled registered with SMEC	148,656

### **3.3.3 Investing in People: Program Element, Social Assistance Implementing Mechanism aims for increasing self-reliance and reducing citizens' dependence on public support to meet basic needs**

1. Strengthen the Armenian Government's ability to design, refine and/or reform Armenia's social safety nets system; and
2. Enhance overall Government capacity to address the needs of vulnerable populations through the development and implementation of innovative mechanisms including social contracting with non-governmental organizations.

The long-term goals are to help the GOAM refine appropriate policies and legislation relevant to social assistance programs and promote them among the population and lawmakers. Assistance will be provided to the GOAM to refine and better target the programs that provide income transfers to the households with the greatest needs.

<b>Table 4: Number of People Benefiting<sup>2</sup> from USG-supported Social Assistance Programming</b>	2006	2007	2008 est.
Total	N/A	547,256	550,000
Women	N/A	306,969	330,000
Men	N/A	240,287	220,000
Percent of Total Eligible <sup>3</sup> Persons Receiving Assistance through USG-supported Social Assistance Programming	N/A	57%	67%

<sup>1</sup> NSS Poverty and Food Security, Social and Demographic situation of Armenia January-June 2007

<sup>2</sup> FBA=547,256; Child birth allowance recipients = 29,201; Child care allowance recipients = 6,325 (2006 NSS Statistical yearbook)

<sup>3</sup> GOAM maintains that every eligible person receives assistance, assuming the person has presented himself and been found eligible, but not accounting for outreach or determination failings. For our reporting purpose the term *eligible* will mean persons at or below the poverty line, the group identified as needy according to Armenia's PRSP.

**4.6.3 Economic Growth, Program Element: Workforce Development Implementing Mechanism aims for increasing self-reliance and reducing citizens' dependence on public support to meet basic needs the project activities aim to:**

1. Strengthen the Armenian Government's ability to restructure Armenia's labor market;
2. Increase Government competency in mapping labor skills demand and supply, and develop mechanisms to link demand and supply in order to improve job placement services in the public and private sectors; and
3. Assist the newly created Labor Inspectorate to develop the framework for and implement workplace safety programs as well as establish transparent procedures and protocols for ensuring compliance and enforcement of the Labor Code.

Assistance will be provided to the GOAM to develop and disseminate information about procedures for enforcing labor legislation to the private sector, labor unions, and employees. Table 11 sets forth the workforce development policy and regulation proposals submitted.

Table 11: Targets Met for Program Element 4.6.3 Workforce Development	2006	2007		2008
		Target	Actual	Target
Number of new improved workforce development policies drafted through USG assistance	N/A	3	62	15
Employment Law Amendments proposed			12	
MLSI labor policy proposals			24	
Labor Code Amendments proposed			19	5
Labor Inspectorate Reform Plan		1	1	
Explosive Environments Safety Regulations and Implementation Plan proposed			1	1
Mining Safety Regulations proposed			1	
Inspectorate Administrative Reform Plans			0	1
Public outreach materials created		1	1	3
Public outreach sessions held		1	3	5

## Appendix Five: Current Social Protection Situation in Armenia

Among the constitutional rights set forth in the *Constitution of the Republic of Armenia*<sup>4</sup> are basic social protections that guarantee all Armenians access to safe and fair employment, an adequate living standard, gender equity and social security.

*Article 29 Every citizen is entitled to **freedom of choice in employment**. Everyone is entitled to wages that are fair and that are no lower than the minimum established by the state, and to **working conditions which meet sanitary and safety requirements**. Citizens are entitled to strike in the defense of their economic, social and work interests. The procedures and restrictions applicable to the exercise of this right shall be prescribed by law.*

*Article 31 Every citizen is entitled to **an adequate standard of living** for himself or herself and his or her family, to adequate housing, as well as to the improvement of living conditions. The state shall provide the essential means to enable the exercise of these rights.*

*Article 32 The family is the natural and fundamental cell of society. Family, motherhood, and childhood are placed under the care and protection of society and the state. **Women and men enjoy equal rights** when entering into marriage, during marriage, and in the course of divorce.*

*Article 33 Every citizen is entitled to **social security during old age, disability, sickness, loss of an income earner, unemployment** and in other cases prescribed by law.*<sup>5</sup>

The Republic of Armenia (RA) took an arduous route to independence, one fraught with natural disaster, economic collapse, and border wars. The social and economic situation has improved in the early 21<sup>st</sup> Century, but the labor market, where the constitutional social protections are grounded, lags behind. A 2007 study of Armenia's Labor Market by the World Bank (WB)<sup>6</sup> elaborates on the present condition of the labor market. In fact the GDP growth is deceptive of the general condition and prosperity of the labor force, and policy formulation is not supporting an active labor market. Highlights of the 2007 WB report state:

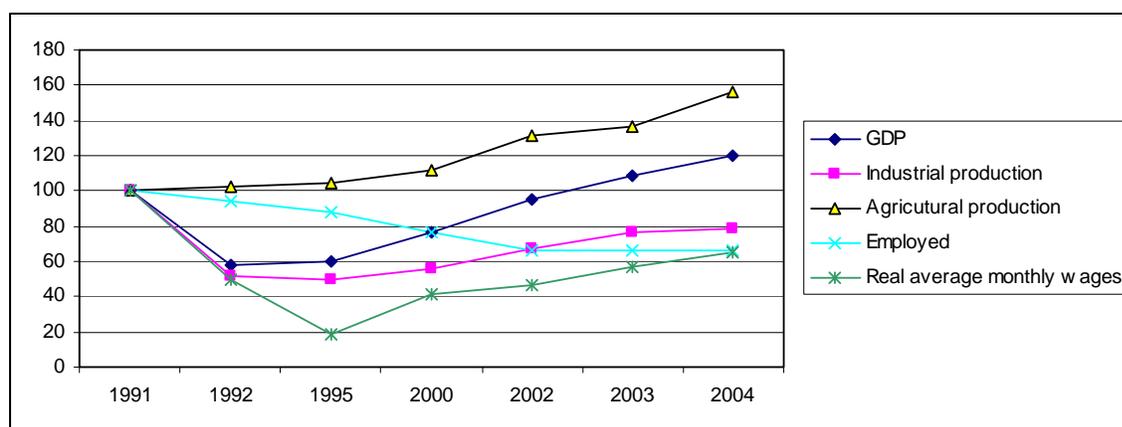
*„In the last decade, Armenia has been one of the fastest-growing transition countries.....*

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<sup>4</sup> *Constitution of the Republic of Armenia 1995*

<sup>5</sup> *Ibid.*

<sup>6</sup> World Bank. Report No. 35361-AM, *Armenia: Labor Market Dynamics*, Human Development Sector Unit, Europe and Central Asia Region, 2007

**Table 1. Dynamics of Main Economic Indicators, Percent**

Source: National Statistical Service; CIS STAT (2005).

**„However, the GDP growth was not enough to compensate the decrease in employment due to systemic and structural change. Like many other transition countries, Armenia has faced “jobless growth” or actually even “job loss growth.”**

**„Labor market outcomes in Armenia remain among the worst compared to other transition countries. The combination of unemployment and labor force withdrawal led to a substantial fall in the employment-to-population ratio....**

The 2007 WB analysis makes clear the severe conditions in the labor market stem for the most part from an aggressive program of privatization without corresponding growth of private sector economic opportunity, although the jobs that have been created are in the private sector. Underlying this have been necessary asset-stripping privatizations that have nonetheless not improved labor opportunities, coupled by restrictive regulation of businesses limiting job creation. The latter is confirmed among entrepreneurs operating in the current economic and RA regulatory environment. Business surveys, such as the annual survey of members of the American Chamber of Commerce (AmCham) completed in May 2007<sup>7</sup> suggest such factors are indeed at work in Armenia.

The WB study underscores a set of labor market trends with implications for employment promotion strategies. Limited job prospects have produced massive labor force discouragement, withdrawal, and heavy out-migration. Extrapolating from recent surveys, it is estimated that slightly more than 60,000 Armenian citizens were working outside of the country for more than six months at a time in 2006. Long-term unemployment suggests labor force stagnation. In 2004, the average unemployment spell for a particular worker was 13.8 months (13.1 months for men and 14.5 months for women), whereas 6 months per worker is the norm internationally. In addition to this overall bleak outlook, youth, women, and residents of urban areas outside of Yerevan have higher unemployment rates. These numbers may not capture the true extent of the labor force problems facing Armenia, however, as current statistical methods utilized by the Armenian government count only registered unemployed (thus artificially lowering the unemployment rate and increasing labor force participation rates). The labor force is especially challenged in a labor market experiencing a series of major structural changes. The State Employment Service Agency (SESA) is perceived as providing limited benefits and not job matching assistance.

<sup>7</sup> American Chamber of Commerce of Armenia, Annual Membership Survey, 2007.

Rural areas appear to have less unemployment, with almost 30 percentage point higher employment rates than in urban areas, but the jobs are predominantly low-paid and seasonal, providing inadequate livelihoods. There is also serious confusion within the Armenian government between land ownership and livelihood, as landowners are classified as “employed” in rural areas even if they do not have a formal job (or if they utilize their land for their livelihood). From 1990 to 2004, the number of people „employed“ in agriculture and forestry increased from 289,000 to 507,000, or to 47 percent of total employment in Armenia. 40 to 45 percent of jobs are informal sector jobs, reflecting the extent of the collapse of the formal sector of the economy, and also the extent of non-participation in the formal social protection system.

Furthermore, despite Armenia’s economic growth, there is increasing income disparity, with urban areas outside Yerevan and rural areas showing higher incidences of extreme poverty in due to limited labor market and economic options. Poverty mitigation measures like the Family Benefit Allowance (FBA) intended for the very poor are poorly targeted, with 23 percent of the benefits in 1999 going to non-poor households, and 32 percent similarly misdirected in 2001<sup>8</sup>, an ineffective distribution of scarce resources. Getting FBA to the most poor has improved, but there remains ample room for improvement in targeting of the program as 17 percent of recipients in 2005 are in the in top 20 percent of income levels for Armenia while consuming almost 14.4 percent of RA budget funds allocated for the poor<sup>9</sup>.

Armenia’s policymakers look increasingly to IBPs, especially those brought from the West and tested by regional neighbors, for models that will help RA honor its Constitution. Conformity with the European Union (EU), including and especially with regard to social protection, is a priority national goal. As it forges more and more agreements intended to bring it into the global mainstream, Armenia stretches its implementation capacity. On the 2006 World Bank Governance Index<sup>10</sup> Armenia’s scores ranked in the middle range on scales measuring: voice and accountability, political stability and absence of violence/terrorism, government effectiveness, regulatory quality, rule of law and control of corruption. Social protection implementation capacity at the level found in Europe will depend on a combination of political willpower, enhanced government capacity, and private sector involvement.

### **Current Policy Commitments, Directions, International Agreements**

Following the May 2007 parliamentary election, the new Government organized and publicized a program that emphasized social goals and more broadly distributed growth<sup>11</sup>. While the bulk of the program was directed towards economic goals, it touched upon several policy goals with direct relevance for the development of social services in Armenia. The government pledged to “considerably enlarge the expenditures envisaged” for the pension system, promised the institution of active labor market policies, and set a goal of reducing the poverty level in Armenia by 6percent by 2012 through a program targeting family benefits. While not explicitly mentioned, the goals set in the document appear to recognize that Armenia has made several international agreements, and that the country is now confronted with implementing them.

One of the first and most basic obligations that the country has concerns the United Nations’ (UN) Millennium Development Goals (MDG)<sup>12</sup> which range across social, economic, educational, health, equality and environmental spheres with specific targets related to each. All MDGs are relevant to Armenia while only certain targets are relevant. The most pertinent to Armenia’s Constitutional social security guarantees is the first goal, to eradicate extreme poverty and hunger, with two targets: (1) cutting

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<sup>8</sup> Republic of Armenia, *Poverty Reduction Strategy Paper (PRSP)*, 2003.

<sup>9</sup> USAID Armenia SPSS, *Current Social Assistance Programs and Challenges in Armenia*, 2007

<sup>10</sup> <http://info.worldbank.org/governance/wgi2007/pdf/WGIDataTablefor2006.pdf>

<sup>11</sup> The Government Program of the Republic of Armenia, June 2007

<sup>12</sup> Millennium Development Goals, Armenia, 2000-2015

in half the proportion of people whose income is less than one dollar a day and (2) cutting in half the proportion of people who suffer from hunger. Highly relevant to social security, but handled in other sectors are goals related to: gender equity, infant mortality, maternal health, combating communicable disease, assuring environmental sustainability, and creating global partnerships for development; each of which has direct bearing on a nation's poor.

Armenia will meet most of its MDG goals by the 2015 target due to economic growth. Ensuring the eradication of extreme and persistent poverty remains a challenge. There remains a core of unrelenting poverty among Armenia's most vulnerable populations: the elderly, refugees settled in remote regions, children without parental care, female heads of household, people with disabilities, and residents of rural areas disrupted by war or natural disaster.

Specifying goals and defining an approach to poverty reduction that promotes nationwide social security, Armenia prepared a Poverty Reduction Strategy Paper (PRSP)<sup>13</sup> in 2003 for the period from 2003 to 2015. The PRSP is in mid-term revision at this writing. It aims to promote strong economic growth and to redistribute this growth to social programs for the poor and socially disadvantaged as a way to eradicate poverty and improve living standards by 2015 according to the MDGs.

The United Nations Development Assistance Framework<sup>14</sup> (UNDAF) for Armenia 2005-2009 addresses MDGs and provides a coordinating framework for eight UN agencies assisting Armenia through a shared human rights orientation.

In addition to the MDGs, Armenia has set a rigorous agenda, and 2007 has been another active year for international agreements committing Armenia to more advanced social protection. Armenia's European Neighborhood country strategy identifies the republic's internal policy objectives as:

1. Consolidating democracy, the protection of human rights and fundamental freedoms
2. Consolidating the rule of law
3. Effective fight against corruption
- 4. Public sector reform**
5. Improving the investment climate
- 6. Improving welfare, reducing poverty and enhancing the provision of social services, and**
7. Security of energy supply.<sup>15</sup>

The bold items, numbers four and six, are especially of concern to SPSS, although all of the objectives are relevant for creating growth and protecting human rights.

Moving forward on the EU conformity track, Armenia has ratified most of the EU Charter articles since January 2004 and intends to adopt the remainder shortly. However, Armenia appears to have accepted these obligations with little thought on how to implement them. Armenia received in July 2007 feedback from the Council of Europe on its progress. The inquiries had centered primarily on employment-related issues (Articles 1-4, 2, 3, 4, 8, 14, 15, 17, 18, 22, 23, 24, 27 and 28). The dismal feedback delivered orally at a meeting 11-12 July 2007 from a delegation of the European Committee of Social Rights regarding Armenia's conformity of national law and practice with the European Social Charter, was confirmed in the Council's written report<sup>16</sup> delivered 31 July. Seven cases of conformity were found in the report produced by Armenia, with two cases of non-conformity, and 22 cases where the Committee

<sup>13</sup> PRSP

<sup>14</sup> RA and UN, United Nations Development Assistance Framework (UNDAF) 2005 –2009

<sup>15</sup> European Neighbourhood And Partnership Instrument  
Armenia Country Strategy Paper 2007-2013

<sup>16</sup> Council of Europe, European Charter, European Committee of Social Rights: Conclusions 2007 (Armenia).

needs more information to assess the situation. Either the Armenian respondents did not possess or did not know how to present the necessary information.

Two striking systemic issues are apparent from this exercise; one is poor understanding of what the inquiries mean, and another is how to describe the implementation steps Armenia is taking to produce the results needed to respond meaningfully to the EU reporting requirements. These are Ministry-level capacity issues. There is also an uneven layer of implementation capacity and legal environment issues. For example, Article 3 on the right to safe and healthy working conditions is left with a decision pending until receipt of further information. The information requested which includes updates on developing a national policy on health and safety, and its periodic review by authorities; development of detailed normative legal acts on health and safety at work; policy strategies for making occupational risk prevention an integral aspect of the public authorities' activity at all levels; etc. To date little can be reported because there is no comprehensive policy framework or set of norms to report to the EU..

Comparable gaps are evident between Armenia's Labor policy aspirations and its ability to deliver. Many of the same labor issues of concern to the Council of Europe also concern the International Labor Organization (ILO). Newly defined collaboration between the ILO and RA will be implemented in a framework for creating a more decent work<sup>17</sup> environment with three country priorities: improved employment policies, social partnerships and social protection. The full text of the Decent Work Country Program's priorities is excerpted in Appendix 1. For each, the strategy to establish more decent work sets forth outcomes to be sought and mid-term objectives leading towards those outcomes.

The ILO has had continuous involvement in Armenia since before independence in 1991. Each of the 25 conventions thus far ratified by Armenia brings regular requirements to document the continued tripartite consultation-based implementation progress. In the spring of 2007, topped by an unsubtle direct presentation of the issue at a March AED-organized conference with the theme of social partnerships in employment promotion, ILO made clear that Armenia had by that time submitted but one annual report in the past 12 years.

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<sup>17</sup>The (ILO) Decent Work Country Programme for the Republic Of Armenia 2007-2011

## Appendix Six: Decent Work Country Program Excerpt on Objectives From The (ILO) Decent Work Country Program For The Republic Of Armenia 2007-2011

- **Improvement of Employment Policies**

### *Employment Services*

The *employment policies* of the Republic of Armenia are targeted towards promoting full, productive and freely chosen employment, job creation and struggle against discrimination in the labor market and employment sphere, providing men and women with equal opportunities, increase in population's income, employment promotion and introduction of fair distribution mechanisms of the resources.

From this point of view it is important to develop and implement such a nation-wide policy that will be favorable for the development of economy by developing the skills of the unemployed and those threatened by unemployment, raising their economic activity and reducing their poverty in this way on the one hand, and on the other – to support the employers to keep the existing job places, create new ones and recruit skilled, well educated specialists keen on using new technologies for vacancies requiring modern professions.

### **Priority 1. Improvement of Employment Policies**

#### **Mid-term outcome 1.1 (MO 1.1) Support of Decent work opportunities through development of national employment policies and increasing employability of marginalized groups.**

**Indicator MO 1.1.a:** Labor market analysis methods are improved for development of national employment policies.

**Indicator MO 1.1.b:** Projects targeted at improvement of skills training through modular approaches are developed.

#### **Short-term outcome 1.1 (SO 1.1) Increasing employability of marginalized groups.**

**Indicator SO 1.1.a:** A Youth Professional Orientation Centre is established and functioning.

**Indicator SO 1.1.b:** Modular Skills Training system is introduced in skills training.

**Indicator SO 1.1.c:** Equal access of men and women is ensured in training programs on employability (+/- 10-15%).

#### **Short-term outcome 1.2 (SO 1.2) Reforms in employment related legislation and policy are performed.**

**Indicator SO 1.2.a:** Expertise is applied to ensure that draft legislation regulating labor market and employment avoids any kind of discrimination.

**Indicator SO 1.2.b:** A national policy and administrative mechanisms on migration for employment in accordance with ratified Conventions Nos. 97 and 143 and the ILO Multilateral Framework on Labor Migration are formulated and applied.

**Indicator SO 1.2.c:** Assistance is provided on improving labor market policies.

**Indicator SO 1.2.d:** Policy and legal measures such as those contemplated in the Job Creation in SMEs Recommendation, 1998 (No. 189), are adopted to promote entrepreneurship, including women entrepreneurship.

**Indicator SO 1.2.e:** Steps towards establishing partnership between public and private employment agencies are taken.

- **Strengthening Social Partnership**

*Social Dialogue and Labor Administration*

The government of the Republic of Armenia, the organizations representing employers' and workers' (hereafter employers' and workers' organizations) will attribute special attention to the promotion of effective consultation and cooperation between public authorities and employers' and workers' organizations at the national and regional levels as well as at the level of the different sectors of the economy.

It is very important to further strengthen the legal basis for social partnership, as well as create organizational and institutional conditions for functioning of **social dialogue**, including sectoral and enterprise level collective bargaining. Signing tripartite agreements will ensure carrying on purposeful and efficient social dialogue. The lack of legal framework for the work of the employers' organization is seen as an obstacle for the development of a tripartite agreement. Capacity building at all levels of employers' and trade unions' organizations is another important task.

Consistently implemented activities and procedures in labor sphere will result in the regulation of the relationship between the employers and the workers, improvement of working conditions and the development of social partnership.

Social dialogue has a particular role to play with regard to economic and social policy formulation and implementation as well as to wage determination mechanisms, in order to ensure decent wages for those at the lower end of the labor market, to guarantee equal pay for equal work and more generally to make sure that wage systems at the enterprise level are contributing to enterprise performance while allowing workers to benefit from higher economic growth.

Creation of the institutional and legal framework for social dialogue will be supported by the technical advice of the ILO, based on the ILO standards and principles.

**Priority 2. Strengthening Social Partnership**

**Mid-term outcome 2.1 (MO 2.1) A framework for effective social dialogue is established.**

**Indicator MO 2.1.a:** Tripartite and bipartite consultative commissions on social and labor issues are created and functioning at all levels.

**Indicator MO 2.1.b:** Promotion of collective bargaining at sectoral and enterprise levels as mandated by ratified Convention No. 154 results in an increased number of workers covered by collective agreements.

**Priority 2. Strengthening Social Partnership**

**Mid-term outcome 2.1 (MO 2.1) A framework for effective social dialogue is established.**

**Indicator MO 2.1.a:** Tripartite and bipartite consultative commissions on social and labor issues are created and functioning at all levels.

**Indicator MO 2.1.b:** Promotion of collective bargaining at sectoral and enterprise levels as mandated by ratified Convention No. 154 results in an increased number of workers covered by collective agreements.

**Mid-term outcome 2.2 (MO 2.2) Comprehensive and modern wage determination mechanisms introduced.**

**Indicator MO 2.2a:** The wage fixing policy in the country generally adapted to better address issues such as collective wage bargaining, wage disparity, wage discrimination, low pay, and performance-related pay.

**Indicator MO 2.2.b:** The minimum wage fixing system modernized in order to better fulfill its economic and social objectives, in a tripartite process, and in accordance with the principles set out in the ratified Conventions Nos. 26 and 131.

**Indicator MO 2.2.c:** Social dialogue on wage issues - not only the minimum wage - generally developed.

- **Improvement of Social Protection**

*Social protection*

The national **occupational safety and health (OSH) system**, an important part of Decent Work, is still in a development stage. The strengthening of the Labor inspection and social partnership in OSH as elements of the OSH system is particularly important.

Special attention should be paid to the creation of the national normative base defining occupational safety and health conditions and development of standards harmonized with the ILO norms.

It is of particular importance to take up measures to improve the training of specialists in occupational safety and health.

The realization and arrangement of the activities directed to the elimination of **child labor** require special attention and joint efforts of all social partners.

Contagious diseases, in particular AIDS, are closely related to poverty. Challenges posed by HIV/AIDS epidemic require adequate approaches and measures to be taken to provide the constituents with necessary tools and mechanisms to counteract **HIV/AIDS at the workplace**.

Taking into account the above mentioned considerations, the ILO regional priorities for Europe and Central Asia (Good governance, Sustainable economic development, Decent Work objectives and Social Dialogue promotion), the lessons learned and the results of the cooperation between the ILO and the Republic of Armenia in the previous years under the “Program of Technical Cooperation between the Ministry of Labor and Social Issues of RA, Union of Manufacturers and Businessmen (Employers) of RA, Confederation of Trade Unions of RA and the ILO for 2004-2006”, further collaboration between the ILO and the Republic of Armenia will be implemented in the framework of Decent Work under the following country priorities:

**Mid-term outcome 2.2 (MO 2.2) Comprehensive and modern wage determination mechanisms introduced.**

**Indicator MO 2.2a:** The wage fixing policy in the country generally adapted to better address issues such as collective wage bargaining, wage disparity, wage discrimination, low pay, and performance-related pay.

**Indicator MO 2.2.b:** The minimum wage fixing system modernized in order to better fulfill its economic and social objectives, in a tripartite process, and in accordance with the principles set out in the ratified Conventions Nos. 26 and 131.

**Indicator MO 2.2.c:** Social dialogue on wage issues - not only the minimum wage - generally developed.

**Mid-term outcome 3.2 (MO 3.2) Strengthening labor inspection management and effectiveness.**

**Indicator MO 3.2.a:** Training of trainers for labor inspectors is organized aimed at providing a preventive and advisory approach combined with social dialogue.

**Indicator MO 3.2.b:** The OSH information centre is further developed and produces promotion and information material.

**Indicator MO 3.2.c:** Employers and Trade Unions can receive information on labor inspection and OSH legislation and other related OSH information.

**Indicator MO 3.2.d:** A national action plan for the labor inspection is formulated as a part of the national OSH program (indicator 3.1.a).

**Indicator MO 3.2 e:** A tripartite audit of the labor inspection system is executed and recommendations presented to Armenia.

**Mid-term outcome 3.3 (MO 3.3) Awareness on HIV/AIDS prevention at workplace is enhanced.**

**Indicator MO 3.3.a:** Number of workers receiving training on HIV/AIDS prevention in selected enterprises is increased.

**Indicator MO 3.3.b:** The national action plan developed and implemented by the ILO constituents specifically addresses HIV/AIDS at the workplace.

**Mid-term outcome 3.4 (MO 3.4)** The constituents undertake targeted actions against child labour, giving priority to the elimination of its worst forms.

**Indicator MO 3.4.a:** Labor, education, family and criminal legislation have been reviewed to ensure their conformity with ratified Conventions Nos. 138 and 182.

**Indicator MO 3.4.b:** Actions against child labor are discussed and agreed upon in the framework of Social Dialogue.

**Indicator MO 3.4.c:** Activities developed and implemented by the Government and the social partners on (or including) combating the worst forms of child labor.

## Appendix Seven: USAID Armenia Operational Plan

## Section 5: Implementing Mechanism

<b>Prime Partner Name:</b>	<b>The Services Group (TSG), Inc.</b>		
<b>Implementing Mechanism Name:</b>	<b>No. 111-C-00-06-00067-00; Social Protection Systems Strengthening (SPSS)</b>		
<b>Implementing Mechanism Location:</b>	<i>The selection here should answer the question of "where is the procurement for this specific funding action taking place?"</i>		
	1. Central/Functional		
	2. Central/Regional		
	3. Field/Regional		
	4. Field/Bilateral		X
<b>Implementing Mechanism Type:</b>	<i>The Implementing Mechanism Type (or instrument) is a contract, grant, bilateral agreement, or other mechanism that obligates or sub-obligates funds.</i>		
	1. Direct Contract		X
	2. Direct Grant/Cooperative Agreement		
	3. Cash-Transfers		
	4. Other USG direct		
	5. Host government managed		
	6. Third party managed		
<b>USG Agency:</b>	<b>USAID/Armenia</b>		
<b>Program Element:</b>	3.3.1. Policies, Regulations and Systems		

<b>Implementing Mechanism Narrative:</b> (limit 1,200 characters)	<i>Give enough detail for reviewers to understand what the implementing mechanism entails, and what will be accomplished through this implementing mechanism in the Program Element. The specific items that should be mentioned in each narrative include: A clear statement of the expected result; How this activity will help you reach the short-term and long-term goals outlined in the Program Element Overview above and address opportunities and challenges; How you will reach the specific planned targets; Flag new activities as distinct from on-going activities; Populations that will be targeted (see sub-section below); Key issues that will be addressed (see sub-section below); Sub-Elements; and Component areas (see sub-section below). Example available on Page 22 of the Guidance.</i>			
	The Social Protection Systems Strengthening (SPSS) Project fosters sustainable social protection systems in Armenia that support the Republic's antipoverty and economic growth aspirations. It encourages establishment of public, private and NGO systems that increase opportunities for self-reliance and reduce dependence on public support in: (1) social insurance, (2) employment services, (3) occupational safety and (4) social safety nets. Policy formulation, legislative drafting and implementation capacity-building activities comprise: (1) strengthen GOAM ability to design, refine or reform and administer the social insurance system; (2) increase competency in mapping labor demand and supply, and develop tools to link demand and supply; (3) assist the Labor Inspectorate to develop the framework for workplace safety programs and to initiate transparent procedures for ensuring compliance with the Labor Code; and (4) enhance overall national and local government capacity to address the needs of vulnerable populations through improved targeting of social assistance and through demonstration of sustainable mechanisms for social contracting of services with non-governmental organizations.			
<b>I Indicators/Targets:</b> <i>For each implementing mechanism, you are asked to give targets for the indicators that the implementing mechanism will aim for in FY07 and FY08 with this funding. The first figure (FY06) is a measure of what has been accomplished to date (from the inception of the program until 9/30/06). The second figure (FY07) is a target for what will be accomplished in FY07. The applicable time frame for indicating targets to be achieved in FY07 is from the time of receipt of FY06 funds to the end of FY07, that is what can be accomplished with FY06 funding through the time period ending on September 30, 2007. The third figure (FY08) is a target for what will be accomplished in FY08. The applicable time frame for indicating targets to be achieved in FY 08 is from the time of receipt of FY07 funds to the end</i>	<b>FY06:</b> <b>9/30/06</b>	<b>FY07:</b> <b>9/30/07</b>	<b>FY08:</b> <b>9/30/08</b>	

<p>of FY08, that is what can be accomplished with FY07 funding through the time period ending on September 30, 2008. The same common indicators that appeared in the Program Element section are included here against which to set targets. If you select N/A for the target to the standard indicators in the drop-down section, then you may use the option to add Operating Unit indicator(s) and targets specific to that implementing mechanism that will be used to measure performance. As our objective is to obtain comparable data across Operating Units, this feature should be used sparingly and only where the standard indicators do not apply. A justification for why the standard indicator could not be used should be included in the narrative box below. Additionally, when adding indicators, an effort should be made to add indicators that can apply more generally to the work that will be done in that Program Element and to multiple implementing partners.</p> <p>Please note that this is the second place where performance targets for the Program Element are being identified in FACTS. Implementing mechanism-level targets refer to the expected partner level achievements in a given Program Element with the funding requested for that partner-activity in a specified fiscal year. It is expected and acceptable that the targets selected for different partners may refer to the same individual beneficiaries and at times the same points of service (sites), and the target for a partner or all partners may be the same as for the Program Element as a whole. Overall, however, this work should be well-coordinated across partners and activities to avoid misunderstandings about which partner targets are captured in the Program Element total.</p>																																														
<b>Program Element 3.1 Policies, Regulations and Systems</b>																																														
1. Number of Social Protection Policy Reforms Drafted, Adopted or Implemented With USG Support		N/A	14	9																																										
2. Number of Nationwide Poverty/Vulnerability Mapping Efforts Being Supported		N/A	0	2																																										
<b>Indicators Narrative:</b> (limit 800 characters)		<p>This box should be used to articulate what will be accomplished in FY2007 and in FY2008 by this implementing mechanism in the event that all of the standard indicators/targets are N/A. This box may also be used to articulate qualitative targets or discuss other important information related to the targets.</p> <p>The Social Protection Systems Strengthening (SPSS) Project began activity 29 January 2007; in the first 8 months' operation clarity on needed policy, regulation and system change was obtained, increasing the target numbers beyond initial estimates.</p>																																												
<b>Target Populations:</b> (select as many as appropriate)		<p>The <b>primary, direct target beneficiary</b> for the activity. In the design of the activity, these are the intended audiences for this activity.</p> <table border="1"> <tr><td>General population</td><td>X</td></tr> <tr><td>Infants (age 0-12 months)</td><td></td></tr> <tr><td>Children under 5 (age 1-5 years)</td><td></td></tr> <tr><td>Children and youth (non-OVC)</td><td>X</td></tr> <tr><td>Girls (age 5-14)</td><td>X</td></tr> <tr><td>Boys (age 5-14)</td><td>X</td></tr> <tr><td>Youth (age 15-24)</td><td>X</td></tr> <tr><td>Adults (age 25-49)</td><td>X</td></tr> <tr><td>Men</td><td>X</td></tr> <tr><td>Women</td><td>X</td></tr> <tr><td>Pregnant women</td><td></td></tr> <tr><td>Elderly (age 49+)</td><td>X</td></tr> <tr><td>Men</td><td>X</td></tr> <tr><td>Women</td><td>X</td></tr> <tr><td>People affected by HIV/AIDS</td><td></td></tr> <tr><td>Orphans and Vulnerable Children (HIV/AIDS only)</td><td></td></tr> <tr><td>People living with HIV/AIDS</td><td></td></tr> <tr><td>HIV positive infants (0-4 years)</td><td></td></tr> <tr><td>HIV positive children (5-14 years)</td><td></td></tr> <tr><td>Special populations</td><td>X</td></tr> <tr><td>Civilian Defense Personnel</td><td></td></tr> </table>			General population	X	Infants (age 0-12 months)		Children under 5 (age 1-5 years)		Children and youth (non-OVC)	X	Girls (age 5-14)	X	Boys (age 5-14)	X	Youth (age 15-24)	X	Adults (age 25-49)	X	Men	X	Women	X	Pregnant women		Elderly (age 49+)	X	Men	X	Women	X	People affected by HIV/AIDS		Orphans and Vulnerable Children (HIV/AIDS only)		People living with HIV/AIDS		HIV positive infants (0-4 years)		HIV positive children (5-14 years)		Special populations	X	Civilian Defense Personnel	
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HIV positive children (5-14 years)																																														
Special populations	X																																													
Civilian Defense Personnel																																														

Commercial sex workers	
Disabled populations	X
Ethnic minorities	
Ex-Combatants	X
HIV/AIDS Discordant couples	
Injecting drug users	
Internally Displaced Persons	X
Men who have sex with men	
Migrants/migrant workers	X
Military Personnel - Officers	
Military Personnel - Non-commissioned officers	
Orphans and Vulnerable Children (non-HIV/AIDS affected OVCs)	X
Out-of-school youth	X
Partners/clients of CSW	
Populations vulnerable to trafficking	X
Prisoners	
Refugee/IDP returnees	
Refugees	
Religious Minorities	
Scientists	
Small Farmers	X
Stability Policy	
Street youth	
Students	
Primary school students	
Secondary school students	
University students	X
Victims of torture	
Victims of trafficking	
Victims of war	
USG staff	
American Citizens	
Foreign Service Nationals/Third Country Nationals	
Community	
Business Community/Private Sector	X
Community leaders	X
Religious leaders	
Program managers	X
Volunteers	X
Host country government workers	
Local host country government workers	X
National host country government workers	X
Political Parties/Political Leaders	
Groups/Organizations	
Community-based organizations	X
Faith-based organizations	
Host Country Government Agencies	X
Regional Organizations	
Non-governmental organizations/private voluntary organizations	X
Women's Associations	
Urban Populations	X
Rural Populations	X
Endangered Species	
Birds of Prey	
Cheetahs	
Great Apes	

		Other Endangered Species				
		Endangered Ecosystems				
		Other				
<b>Key Issues:</b> <i>The key issues will be used to facilitate responding to Congressional requirements (including earmarks and directives in legislation and Presidential Initiatives) and therefore it is critically important that they reflect the in-country or global/regional program reality as closely as possible. For each key issue, include dollar amounts going to those areas. For each key issue that is selected, please provide some detail in the Implementing Mechanism Narratives which describes what specifically will be undertaken to address that issue.</i>		<b>\$ Amount:</b>				
Africa Education Initiative (AEI)						
African Global Competitiveness Initiative (AGCI)						
Anti-Corruption						\$250,000
Biodiversity						
Civil Society						\$80,000
Clean Energy						
Community Mobilization/Participation						
Conflict Mitigation/Prevention/Transformation						
Counter Terrorism						
Dairy						
Food Security						
Gender						
Increasing gender equity						\$70,000
Reducing gender based violence and exploitation						
Global Climate Change						
Inclusive Development: Participation of People with Disabilities						\$100,000
Initiative to End Hunger in Africa (IEHA)						
Invasive Species						
Local Organization Capacity Development						\$70,000
Microenterprise						
Public-Private Partnerships						\$75,000
Research						
Applied Research						\$45,000
Basic Research						
Development Research						\$30,000
Trade Capacity Building						
Trafficking in Persons						
Water						
<b>Component Areas:</b> <i>Component Areas are defined as the distinct types of work that are undertaken in support of the purpose of an implementing mechanism. The Component Areas will be used to facilitate document searches in responding to both Congressional and media inquiries and therefore it is critically important that they reflect the in-country or global/regional program reality as closely as possible.</i> <i>A specific implementing mechanism may be characterized by the types of activities it includes. Each of these distinct activities is a component area.</i> <i>Include the estimated percentage of the total implementing mechanism budget that will be going to each component area. You are required to include at least one component area. Mention the component areas in the Implementing Mechanism Narratives.</i> <i>Definitions are available in Annex M of the OP Guidance: List and Definitions of the Drop-Down Selections.</i>		<b>N/A</b>	<b>1-25%</b>	<b>26-50%</b>	<b>51-75%</b>	<b>76-100%</b>
1. Capital						
2. Commodities			X			
3. Construction/Rehabilitation			X			
4. Operations Support						
5. Technical Assistance					X	

6. Training		X			
7. Other - Explain					

<b>Mechanism Sub-Elements:</b> For each prime partner, fill in the FY 2007 planned funds going to each of the Program Sub-Elements. This funding will automatically add up to fill in the amount of funding for the implementing mechanism, as well as the amount of funding for the Program Element, the Program Area, and the Objective.	<b>\$ Amount:</b>	<b>Funding Account:</b> A separate entry is needed for each fund account.
1. 3.3.1.1: Social Policy Governance	\$270,000	FSA
2. 3.3.1.2: Research Capacity	\$75,000	FSA

## Section 6: Sub-Partners

Recent legislation requires USG agencies to fully identify recipients of USG funding to the sub-partner level. Funding and approval of activities is contingent on the identification of sub-partners. The sub-elements should be selected only from those identified in Section 5.

<b>Prime Partner Name:</b>	The Services Group, Inc.	<b>Implementing Mechanism Name:</b>	Social Protection Systems Strengthening
<b>Program Element:</b>	3.3.1. Policies, Regulations and Systems		
<b>Sub-Partner Name:</b>	<b>\$ Amount:</b>	<b>Sub-Elements:</b>	
1. Emerging Markets Group	\$70,000	3.3.1.1: Social Policy Governance, 3.3.1.2: Research Capacity	
2. Development Associates	\$20,000	3.3.1.1: Social Policy Governance	
3. MetaMetrics Inc.	\$20,000	3.3.1.1: Social Policy Governance	
4. American University Armenia Corporation	\$20,000	3.3.1.2: Research Capacity	
5. International Center for Human Development	\$20,000	3.3.1.1: Social Policy Governance, 3.3.1.2: Research Capacity	
6. VGM Partners	\$20,000	3.3.1.2: Research Capacity	

<b>Program Element:</b>	3.3.2. Social Services
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<b>Implementing Mechanism Narrative:</b> (limit 1,200 characters)	<i>Give enough detail for reviewers to understand what the implementing mechanism entails, and what will be accomplished through this implementing mechanism in the Program Element. The specific items that should be mentioned in each narrative include: A clear statement of the expected result; How this activity will help you reach the short-term and long-term goals outlined in the Program Element Overview above and address opportunities and challenges; How you will reach the specific planned targets; Flag new activities as distinct from on-going activities; Populations that will be targeted (see sub-section below); Key issues that will be addressed (see sub-section below); Sub-Elements; and Component areas (see sub-section below). Example available on Page 22 of the Guidance.</i>
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The Social Protection Systems Strengthening (SPSS) Project aims to improve social protection systems in Armenia in part by fostering social services that increase opportunities for self-reliance and reduce dependence on public support. In the social services, project activities aim to: (1) strengthen government ability to design, and update Armenia's social services system according to established EU standards; and (2) enhance overall national and local government capacity to address the needs of vulnerable populations through innovative mechanisms including social contracting with NGOs. SPSS assists GOAM, regional and local governments, and NGOs to establish formal networks and sustainable mechanisms for providing poverty reduction services to vulnerable populations. The project helps partners to increase public awareness of key social sector services and reforms, and to promote community volunteerism, and to stimulate collaboration between the public and private sectors.

<b>I Indicators/Targets:</b> <i>For each implementing mechanism, you are asked to give targets for the indicators that the implementing mechanism will aim for in FY07 and FY08 with this funding. The first figure (FY06) is a measure of what has been accomplished to date (from the inception of the program until 9/30/06). The second figure (FY07) is a target for what will be accomplished in FY07. The applicable time frame for indicating targets to be achieved in FY07 is from the time of receipt of FY06 funds to the end of FY07, that is what can be accomplished with FY06 funding through the time period ending on September 30, 2007. The third figure (FY08) is a target for what will be accomplished in FY08. The applicable time frame for indicating targets to be achieved in FY 08 is from the time of receipt of FY07 funds to the end of FY08, that is what can be accomplished with FY07 funding through the time period ending on September 30, 2008. The same common indicators that appeared in the Program Element section are included here against which to set targets. If you select N/A for the target to the standard indicators in the drop-down section, then you may use the option to add Operating Unit indicator(s) and targets specific to that implementing mechanism that will be used to measure performance. As our objective is to obtain comparable data across Operating Units, this feature should be used sparingly and only where the standard indicators do not apply. A justification for why the standard indicator could not be used should be included in the narrative box below. Additionally, when adding indicators, an effort should be made to add indicators that can apply more generally to the work that will be done in that Program Element and to multiple implementing partners.</i>	<b>FY06:</b> <b>9/30/06</b>	<b>FY07:</b> <b>9/30/07</b>	<b>FY08:</b> <b>9/30/08</b>
<i>Please note that this is the second place where performance targets for the Program Element are being identified in FACTS. Implementing mechanism-level targets refer to the expected partner level achievements in a given Program Element with the funding requested for that partner-activity in a specified fiscal year. It is expected and acceptable that the targets selected for different partners may refer to the same individual beneficiaries and at times the same points of service (sites), and the target for a partner or all partners may be the same as for the Program Element as a whole. Overall, however, this work should be well-coordinated across partners and activities to avoid misunderstandings about which partner targets are captured in the Program Element total.</i>			
1. Number of People Benefiting from USG-Supported Social Services	N/A	150,592	160,000
number of women	N/A	84,934	90,000
number of men	N/A	65,685	70,000

<b>Indicators Narrative:</b> (limit 800 characters)	<i>This box should be used to articulate what will be accomplished in FY2007 and in FY2008 by this implementing mechanism in the event that all of the standard indicators/targets are N/A. This box may also be used to articulate qualitative targets or discuss other important information related to the targets.</i>	
	The beneficiary population is difficult to define. The population currently defined as vulnerable and in need of service is taken as indicative of current level system responsiveness. As definitions and service capacity change, the indicators will respond.	
<b>Target Populations:</b> (select as many as appropriate)	<i>The <b>primary, direct target beneficiary</b> for the activity. In the design of the activity, these are the intended audiences for this activity.</i>	
	General population	X
	Infants (age 0-12 months)	
	Children under 5 (age 1-5 years)	
	Children and youth (non-OVC)	X
	Girls (age 5-14)	X
	Boys (age 5-14)	X
	Youth (age 15-24)	X
	Adults (age 25-49)	X
	Men	X
	Women	X
	Pregnant women	
	Elderly (age 49+)	X
	Men	X
	Women	X
	People affected by HIV/AIDS	
	Orphans and Vulnerable Children (HIV/AIDS only)	
	People living with HIV/AIDS	
	HIV positive infants (0-4 years)	
	HIV positive children (5-14 years)	
	Special populations	X
	Civilian Defense Personnel	
	Commercial sex workers	
	Disabled populations	X
	Ethnic minorities	
	Ex-Combatants	X
	HIV/AIDS Discordant couples	
	Injecting drug users	
	Internally Displaced Persons	X
	Men who have sex with men	
	Migrants/migrant workers	
	Military Personnel - Officers	
	Military Personnel - Non-commissioned officers	
	Orphans and Vulnerable Children (non-HIV/AIDS affected OVCs)	X
	Out-of-school youth	X
	Partners/clients of CSW	
	Populations vulnerable to trafficking	X
	Prisoners	
	Refugee/IDP returnees	X
	Refugees	X
Religious Minorities		
Scientists		
Small Farmers	X	
Stability Policy		
Street youth		
Students		
Primary school students	X	
Secondary school students		

	University students	
	Victims of torture	
	Victims of trafficking	
	Victims of war	
	USG staff	
	American Citizens	
	Foreign Service Nationals/Third Country Nationals	
	Community	
	Business Community/Private Sector	X
	Community leaders	X
	Religious leaders	
	Program managers	X
	Volunteers	X
	Host country government workers	
	Local host country government workers	X
	National host country government workers	X
	Political Parties/Political Leaders	
	Groups/Organizations	
	Community-based organizations	X
	Faith-based organizations	
	Host Country Government Agencies	
	Regional Organizations	X
	Non-governmental organizations/private voluntary organizations	X
	Women's Associations	
	Urban Populations	X
	Rural Populations	X
	Endangered Species	
	Birds of Prey	
	Cheetahs	
	Great Apes	
	Other Endangered Species	
	Endangered Ecosystems	
	Other	
<b>Key Issues:</b> <i>The key issues will be used to facilitate responding to Congressional requirements (including earmarks and directives in legislation and Presidential Initiatives) and therefore it is critically important that they reflect the in-country or global/regional program reality as closely as possible. For each key issue, include dollar amounts going to those areas. For each key issue that is selected, please provide some detail in the Implementing Mechanism Narratives which describes what specifically will be undertaken to address that issue.</i>		<b>\$ Amount:</b>
	Africa Education Initiative (AEI)	
	African Global Competitiveness Initiative (AGCI)	
	Anti-Corruption	\$75,000
	Biodiversity	
	Civil Society	\$100,000
	Clean Energy	
	Community Mobilization/Participation	\$100,000
	Conflict Mitigation/Prevention/Transformation	
	Counter Terrorism	
	Dairy	
	Food Security	
	Gender	
	Increasing gender equity	\$30,000
	Reducing gender based violence and exploitation	
	Global Climate Change	
	Inclusive Development: Participation of People with Disabilities	
	Initiative to End Hunger in Africa (IEHA)	
	Invasive Species	

Local Organization Capacity Development						\$100,000
Microenterprise						
Public-Private Partnerships						
Research						
Applied Research						
Basic Research						
Development Research						
Trade Capacity Building						
Trafficking in Persons						
Water						
<b>Component Areas:</b> <i>Component Areas are defined as the distinct types of work that are undertaking in support of the purpose of an implementing mechanism. The Component Areas will be used to facilitate document searches in responding to both Congressional and media inquiries and therefore it is critically important that they reflect the in-country or global/regional program reality as closely as possible. A specific implementing mechanism may be characterized by the types of activities it includes. Each of these distinct activities is a component area. Include the estimated percentage of the total implementing mechanism budget that will be going to each component area. You are required to include at least one component area. Mention the component areas in the Implementing Mechanism Narratives. Definitions are available in Annex M of the OP Guidance: List and Definitions of the Drop-Down Selections.</i>	N/A	1-25%	26-50%	51-75%	76-100%	
1. Capital						
2. Commodities		X				
3. Construction/Rehabilitation						
4. Operations Support						
5. Technical Assistance				X		
6. Training		X				
7. Other - Explain						

Mechanism Sub-Elements:	\$ Amount:	Funding Account:
For each prime partner, fill in the FY 2007 planned funds going to each of the Program Sub-Elements. This funding will automatically add up to fill in the amount of funding for the implementing mechanism, as well as the amount of funding for the Program Element, the Program Area, and the Objective.		A separate entry is needed for each fund account.
3. 3.3.2.4: Other Targeted Vulnerable Groups	\$380,000	FSA

**Section 6: Sub-Partners**

Recent legislation requires USG agencies to fully identify recipients of USG funding to the sub-partner level. Funding and approval of activities is contingent on the identification of sub-partners. The sub-elements should be selected only from those identified in Section 5.

<b>Prime Partner Name:</b>	The Services Group, Inc.	<b>Implementing Mechanism Name:</b>	Social Protection Systems Strengthening
<b>Program Element:</b>	3.3.2. Social Services		
<b>Sub-Partner Name:</b>	<b>\$ Amount:</b>	<b>Sub-Elements:</b>	
1. Armenian Relief Society	\$5,206	3.3.2.4: Other Targeted Vulnerable Groups	

<b>Program Element:</b>	3.3.3. Social Assistance			
<b>Implementing Mechanism Narrative:</b> (limit 1,200 characters)	<p><i>Give enough detail for reviewers to understand what the implementing mechanism entails, and what will be accomplished through this implementing mechanism in the Program Element. The specific items that should be mentioned in each narrative include: A clear statement of the expected result; How this activity will help you reach the short-term and long-term goals outlined in the Program Element Overview above and address opportunities and challenges; How you will reach the specific planned targets; Flag new activities as distinct from on-going activities; Populations that will be targeted (see sub-section below); Key issues that will be addressed (see sub-section below); Sub-Elements; and Component areas (see sub-section below). Example available on Page 22 of the Guidance.</i></p> <p>The Social Protection Systems Strengthening (SPSS) Project aims in the social assistance mechanism to assist GOAM to better target its scarce cash benefit resources to the poorest members, or neediest households, in the population, better meeting its basic PRSP and MDG commitments. Tools are being designed for sustainable targeting methodology. Through SPSS intervention, GOAM is guided in the development of more transparent mechanisms that target vulnerable populations consistent with EU standards.</p>			
<b>I Indicators/Targets:</b>	<p><i>For each implementing mechanism, you are asked to give targets for the indicators that the implementing mechanism will aim for in FY07 and FY08 with this funding. The first figure (FY06) is a measure of what has been accomplished to date (from the inception of the program until 9/30/06). The second figure (FY07) is a target for what will be accomplished in FY07. The applicable time frame for indicating targets to be achieved in FY07 is from the time of receipt of FY06 funds to the end of FY07, that is what can be accomplished with FY06 funding through the time period ending on September 30, 2007. The third figure (FY08) is a target for what will be accomplished in FY08. The applicable time frame for indicating targets to be achieved in FY 08 is from the time of receipt of FY07 funds to the end of FY08, that is what can be accomplished with FY07 funding through the time period ending on September 30, 2008. The same common indicators that appeared in the Program Element section are included here against which to set targets. If you select N/A for the target to the standard indicators in the drop-down section, then you may use the option to add Operating Unit indicator(s) and targets specific to that implementing mechanism that will be used to measure performance. As our objective is to obtain comparable data across Operating Units, this feature should be used sparingly and only where the standard indicators do not apply. A justification for why the standard indicator could not be used should be included in the narrative box below. Additionally, when adding indicators, an effort should be made to add indicators that can apply more generally to the work that will be done in that Program Element and to multiple implementing partners.</i></p> <p><i>Please note that this is the second place where performance targets for the Program Element are being identified in FACTS. Implementing mechanism-level targets refer to the expected partner level achievements in a given Program Element with the funding requested for that partner-activity in a specified fiscal year. It is expected and acceptable that the targets selected for different partners may refer to the same individual beneficiaries and at times the same points of service (sites), and the target for a partner or all partners may be the same as for the Program Element as a whole. Overall, however, this work should be well-coordinated across partners and activities to avoid misunderstandings about which partner targets are captured in the Program Element total.</i></p>	<b>FY06:</b> 9/30/06	<b>FY07:</b> 9/30/07	<b>FY08:</b> 9/30/08
1. Number of People Benefiting from USG-supported Social Assistance Programming		N/A	547,256	550,000
number of women		N/A	306,969	330,000
number of men		N/A	240,287	220,000
2. Percent of Total Eligible Persons Receiving Assistance through USG-supported Social Assistance Programming		N/A	57%	67%
<b>Indicators Narrative:</b> (limit 800 characters)	<p><i>This box should be used to articulate what will be accomplished in FY2007 and in FY2008 by this implementing mechanism in the event that all of the standard indicators/targets are N/A. This box may also be used to articulate qualitative targets or discuss other important information related to the targets.</i></p>			

	The most relevant indicator is the second, the percentage of the poverty population benefitting from social assistance. It is expected that the raw number of eligible population will increase with improved targeting in 2008, but, with improved economic growth and social services, should decrease over time. The percentage, however, will increase if targeting is improved.	
<b>Target Populations:</b> (select as many as appropriate)	<i>The <b>primary, direct target beneficiary</b> for the activity. In the design of the activity, these are the intended audiences for this activity.</i>	
	General population	X
	Infants (age 0-12 months)	X
	Children under 5 (age 1-5 years)	
	Children and youth (non-OVC)	X
	Girls (age 5-14)	X
	Boys (age 5-14)	X
	Youth (age 15-24)	X
	Adults (age 25-49)	X
	Men	X
	Women	X
	Pregnant women	
	Elderly (age 49+)	X
	Men	X
	Women	X
	People affected by HIV/AIDS	
	Orphans and Vulnerable Children (HIV/AIDS only)	
	People living with HIV/AIDS	
	HIV positive infants (0-4 years)	
	HIV positive children (5-14 years)	
	Special populations	X
	Civilian Defense Personnel	
	Commercial sex workers	
	Disabled populations	X
	Ethnic minorities	
	Ex-Combatants	X
	HIV/AIDS Discordant couples	
	Injecting drug users	X
	Internally Displaced Persons	
	Men who have sex with men	
	Migrants/migrant workers	X
	Military Personnel - Officers	
	Military Personnel - Non-commissioned officers	
	Orphans and Vulnerable Children (non-HIV/AIDS affected OVCs)	X
	Out-of-school youth	X
	Partners/clients of CSW	
	Populations vulnerable to trafficking	X
	Prisoners	
	Refugee/IDP returnees	X
	Refugees	X
Religious Minorities		
Scientists		
Small Farmers	X	
Stability Policy		
Street youth		
Students		
Primary school students	X	
Secondary school students		
University students		
Victims of torture		

	Victims of trafficking	
	Victims of war	
	USG staff	
	American Citizens	
	Foreign Service Nationals/Third Country Nationals	
	Community	
	Business Community/Private Sector	
	Community leaders	X
	Religious leaders	
	Program managers	
	Volunteers	
	Host country government workers	
	Local host country government workers	X
	National host country government workers	X
	Political Parties/Political Leaders	
	Groups/Organizations	
	Community-based organizations	X
	Faith-based organizations	
	Host Country Government Agencies	X
	Regional Organizations	
	Non-governmental organizations/private voluntary organizations	X
	Women's Associations	
	Urban Populations	X
	Rural Populations	X
	Endangered Species	
	Birds of Prey	
	Cheetahs	
	Great Apes	
	Other Endangered Species	
	Endangered Ecosystems	
	Other	
<b>Key Issues:</b> <i>The key issues will be used to facilitate responding to Congressional requirements (including earmarks and directives in legislation and Presidential Initiatives) and therefore it is critically important that they reflect the in-country or global/regional program reality as closely as possible. For each key issue, include dollar amounts going to those areas. For each key issue that is selected, please provide some detail in the Implementing Mechanism Narratives which describes what specifically will be undertaken to address that issue.</i>		<b>\$ Amount:</b>
	Africa Education Initiative (AEI)	
	African Global Competitiveness Initiative (AGCI)	
	Anti-Corruption	\$100,000
	Biodiversity	
	Civil Society	\$50,000
	Clean Energy	
	Community Mobilization/Participation	\$100,000
	Conflict Mitigation/Prevention/Transformation	
	Counter Terrorism	
	Dairy	
	Food Security	
	Gender	
	Increasing gender equity	\$50,000
	Reducing gender based violence and exploitation	
	Global Climate Change	
	Inclusive Development: Participation of People with Disabilities	
	Initiative to End Hunger in Africa (IEHA)	
	Invasive Species	
	Local Organization Capacity Development	\$215,000
	Microenterprise	

Public-Private Partnerships					
Research					
Applied Research					
Basic Research					
Development Research					
Trade Capacity Building					
Trafficking in Persons					
Water					
<b>Component Areas:</b> <i>Component Areas are defined as the distinct types of work that are undertaking in support of the purpose of an implementing mechanism. The Component Areas will be used to facilitate document searches in responding to both Congressional and media inquiries and therefore it is critically important that they reflect the in-country or global/regional program reality as closely as possible.</i> <i>A specific implementing mechanism may be characterized by the types of activities it includes. Each of these distinct activities is a component area.</i> <i>Include the estimated percentage of the total implementing mechanism budget that will be going to each component area. You are required to include at least one component area. Mention the component areas in the Implementing Mechanism Narratives.</i> <i>Definitions are available in Annex M of the OP Guidance: List and Definitions of the Drop-Down Selections.</i>	<b>N/A</b>	<b>1-25%</b>	<b>26-50%</b>	<b>51-75%</b>	<b>76-100%</b>
1. Capital					
2. Commodities		X			
3. Construction/Rehabilitation					
4. Operations Support					
5. Technical Assistance				X	
6. Training		X			
7. Other - Explain					

<b>Mechanism Sub-Elements:</b> For each prime partner, fill in the FY 2007 planned funds going to each of the Program Sub-Elements. This funding will automatically add up to fill in the amount of funding for the implementing mechanism, as well as the amount of funding for the Program Element, the Program Area, and the Objective.	<b>\$ Amount:</b>	<b>Funding Account:</b> A separate entry is needed for each fund account.
4. 3.3.3.1: Targeted Assistance to Meet Basic Needs for the Poorest	\$415,000	FSA

**Section 6: Sub-Partners**

Recent legislation requires USG agencies to fully identify recipients of USG funding to the sub-partner level. Funding and approval of activities is contingent on the identification of sub-partners. The sub-elements should be selected only from those identified in Section 5.

<b>Prime Partner Name:</b>	The Services Group, Inc.	<b>Implementing Mechanism Name:</b>	Social Protection Systems Strengthening
<b>Program Element:</b>	3.3. Social Assistance		
<b>Sub-Partner Name:</b>	<b>\$ Amount:</b>	<b>Sub-Elements:</b>	

<b>Program Element:</b>	4.6.3. Workforce Development
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<b>Implementing Mechanism Narrative:</b> (limit 1,200 characters)	<p><i>Give enough detail for reviewers to understand what the implementing mechanism entails, and what will be accomplished through this implementing mechanism in the Program Element. The specific items that should be mentioned in each narrative include: A clear statement of the expected result; How this activity will help you reach the short-term and long-term goals outlined in the Program Element Overview above and address opportunities and challenges; How you will reach the specific planned targets; Flag new activities as distinct from on-going activities; Populations that will be targeted (see sub-section below); Key issues that will be addressed (see sub-section below); Sub-Elements; and Component areas (see sub-section below). Example available on Page 22 of the Guidance.</i></p> <p>The Social Protection Systems Strengthening (SPSS) Project will improve social protection systems in Armenia, in part through stimulating a labor market driven by market principles. In the workforce development area the project activities aim to: (1) strengthen the Armenian Government's ability to restructure Armenia's labor market; (2) strengthen SESA capacity to offer active labor market interventions that match labor demand and supply; and (3) assist GOAM to develop a framework for workplace safety enforcement as well as establish transparent procedures and protocols for ensuring compliance with the Labor Code. Assistance will be provided to the GOAM to develop and disseminate information that transparently informs about procedures for enforcing labor legislation to the private sector, labor unions, and workers.</p>
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<b>I Indicators/Targets:</b> <i>For each implementing mechanism, you are asked to give targets for the indicators that the implementing mechanism will aim for in FY07 and FY08 with this funding. The first figure (FY06) is a measure of what has been accomplished to date (from the inception of the program until 9/30/06). The second figure (FY07) is a target for what will be accomplished in FY07. The applicable time frame for indicating targets to be achieved in FY07 is from the time of receipt of FY06 funds to the end of FY07, that is what can be accomplished with FY06 funding through the time period ending on September 30, 2007. The third figure (FY08) is a target for what will be accomplished in FY08. The applicable time frame for indicating targets to be achieved in FY 08 is from the time of receipt of FY07 funds to the end of FY08, that is what can be accomplished with FY07 funding through the time period ending on September 30, 2008. The same common indicators that appeared in the Program Element section are included here against which to set targets. If you select N/A for the target to the standard indicators in the drop-down section, then you may use the option to add Operating Unit indicator(s) and targets specific to that implementing mechanism that will be used to measure performance. As our objective is to obtain comparable data across Operating Units, this feature should be used sparingly and only where the standard indicators do not apply. A justification for why the standard indicator could not be used should be included in the narrative box below. Additionally, when adding indicators, an effort should be made to add indicators that can apply more generally to the work that will be done in that Program Element and to multiple implementing partners.</i>	<b>FY06:</b> 9/30/06	<b>FY07:</b> 9/30/07	<b>FY08:</b> 9/30/08
<i>Please note that this is the second place where performance targets for the Program Element are being identified in FACTS. Implementing mechanism-level targets refer to the expected partner level achievements in a given Program Element with the funding requested for that partner-activity in a specified fiscal year. It is expected and acceptable that the targets selected for different partners may refer to the same individual beneficiaries and at times the same points of service (sites), and the target for a partner or all partners may be the same as for the Program Element as a whole. Overall, however, this work should be well-coordinated across partners and activities to avoid misunderstandings about which partner targets are captured in the Program Element total.</i>			

1. Number of new improved workforce development policies drafted through USG assistance	N/A	58	9
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<b>Indicators Narrative:</b> (limit 800 characters)	<p><i>This box should be used to articulate what will be accomplished in FY2007 and in FY2008 by this implementing mechanism in the event that all of the standard indicators/targets are N/A. This box may also be used to articulate qualitative targets or discuss other important information related to the targets.</i></p> <p>Needed reforms of policy and regulations are abundant. In 2007 GOAM submitted to Parliament Employment Law and Labor Code amendments proposed by SPSS to move toward EU market principles. Draft safety regulations for two high-risk industries were proposed, as well.</p>
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Target Populations: (select as many as appropriate)	<i>The <b>primary, direct target beneficiary</b> for the activity. In the design of the activity, these are the intended audiences for this activity.</i>	
General population		X
Infants (age 0-12 months)		
Children under 5 (age 1-5 years)		
Children and youth (non-OVC)		
Girls (age 5-14)		
Boys (age 5-14)		
Youth (age 15-24)		X
Adults (age 25-49)		X
Men		X
Women		X
Pregnant women		
Elderly (age 49+)		X
Men		X
Women		X
People affected by HIV/AIDS		
Orphans and Vulnerable Children (HIV/AIDS only)		
People living with HIV/AIDS		
HIV positive infants (0-4 years)		
HIV positive children (5-14 years)		
Special populations		X
Civilian Defense Personnel		
Commercial sex workers		
Disabled populations		X
Ethnic minorities		
Ex-Combatants		X
HIV/AIDS Discordant couples		
Injecting drug users		
Internally Displaced Persons		X
Men who have sex with men		
Migrants/migrant workers		X
Military Personnel - Officers		
Military Personnel - Non-commissioned officers		
Orphans and Vulnerable Children (non-HIV/AIDS affected OVCs)		
Out-of-school youth		X
Partners/clients of CSW		
Populations vulnerable to trafficking		X
Prisoners		
Refugee/IDP returnees		X
Refugees		X
Religious Minorities		
Scientists		
Small Farmers		X
Stability Policy		
Street youth		
Students		
Primary school students		
Secondary school students		X
University students		X
Victims of torture		
Victims of trafficking		
Victims of war		
USG staff		
American Citizens		
Foreign Service Nationals/Third Country Nationals		

	Community	
	Business Community/Private Sector	X
	Community leaders	X
	Religious leaders	
	Program managers	X
	Volunteers	X
	Host country government workers	
	Local host country government workers	X
	National host country government workers	X
	Political Parties/Political Leaders	
	Groups/Organizations	
	Community-based organizations	X
	Faith-based organizations	
	Host Country Government Agencies	X
	Regional Organizations	
	Non-governmental organizations/private voluntary organizations	X
	Women's Associations	
	Urban Populations	X
	Rural Populations	X
	Endangered Species	
	Birds of Prey	
	Cheetahs	
	Great Apes	
	Other Endangered Species	
	Endangered Ecosystems	
	Other	
<b>Key Issues:</b> <i>The key issues will be used to facilitate responding to Congressional requirements (including earmarks and directives in legislation and Presidential Initiatives) and therefore it is critically important that they reflect the in-country or global/regional program reality as closely as possible. For each key issue, include dollar amounts going to those areas. For each key issue that is selected, please provide some detail in the Implementing Mechanism Narratives which describes what specifically will be undertaken to address that issue.</i>		<b>\$ Amount:</b>
	Africa Education Initiative (AEI)	
	African Global Competitiveness Initiative (AGCI)	
	Anti-Corruption	\$100,000
	Biodiversity	
	Civil Society	\$200,000
	Clean Energy	
	Community Mobilization/Participation	\$100,000
	Conflict Mitigation/Prevention/Transformation	
	Counter Terrorism	
	Dairy	
	Food Security	
	Gender	
	Increasing gender equity	\$100,000
	Reducing gender based violence and exploitation	
	Global Climate Change	
	Inclusive Development: Participation of People with Disabilities	
	Initiative to End Hunger in Africa (IEHA)	
	Invasive Species	
	Local Organization Capacity Development	\$240,000
	Microenterprise	
	Public-Private Partnerships	
	Research	
	Applied Research	
	Basic Research	
	Development Research	

Trade Capacity Building					
Trafficking in Persons					
Water					
<p><b>Component Areas:</b> <i>Component Areas are defined as the distinct types of work that are undertaken in support of the purpose of an implementing mechanism. The Component Areas will be used to facilitate document searches in responding to both Congressional and media inquiries and therefore it is critically important that they reflect the in-country or global/regional program reality as closely as possible.</i></p> <p><i>A specific implementing mechanism may be characterized by the types of activities it includes. Each of these distinct activities is a component area.</i></p> <p><i>Include the estimated percentage of the total implementing mechanism budget that will be going to each component area.</i></p> <p><b>You are required to include at least one component area. Mention the component areas in the Implementing Mechanism Narratives.</b></p> <p><i>Definitions are available in Annex M of the OP Guidance: List and Definitions of the Drop-Down Selections.</i></p>	<b>N/A</b>	<b>1-25%</b>	<b>26-50%</b>	<b>51-75%</b>	<b>76-100%</b>
	1. Capital				
	2. Commodities		X		
	3. Construction/Rehabilitation				
	4. Operations Support				
	5. Technical Assistance				X
	6. Training		X		
	7. Other - Explain				
<p><b>Mechanism Sub-Elements:</b> For each prime partner, fill in the FY 2007 planned funds going to each of the Program Sub-Elements. This funding will automatically add up to fill in the amount of funding for the implementing mechanism, as well as the amount of funding for the Program Element, the Program Area, and the Objective.</p>			<p><b>\$ Amount:</b></p>		<p><b>Funding Account:</b> A separate entry is needed for each fund account.</p>
4.6.3.1: Systemic Reform			\$400,000		FSA
4.6.3.2: Partnership Development			\$290,000		FSA

**Section 6: Sub-Partners**

Recent legislation requires USG agencies to fully identify recipients of USG funding to the sub-partner level. Funding and approval of activities is contingent on the identification of sub-partners. The sub-elements should be selected only from those identified in Section 5.

<b>Prime Partner Name:</b>	The Services Group, Inc.	<b>Implementing Mechanism Name:</b>	Social Protection Systems Strengthening
<b>Program Element:</b>	4.6.3. Workforce Development		
<b>Sub-Partner Name:</b>		<b>\$ Amount:</b>	<b>Sub-Elements:</b>
1. Development Associates		\$80,000	4.6.3.1: Systemic Reform, 4.6.3.2: Partnership Development
2. VGM Partners		\$20,000	4.6.3.2: Partnership Development

## Section 5 Target Descriptions

### 3.3.1 Investing in People Program Element: Implementing Mechanism Policies Regulations, Systems

Targets Met for Program Element 3.1 Policies, Regulations and Systems	2006	2007		2008
		Target	Actual	Target
1. Number of Social Protection Policy Reforms Drafted, Adopted or Implemented With USG Support	N/A	1	14	9
Pension Concept Paper Sections Drafted			5	
Increase in Pension Levels to Approach Poverty Level Adopted			1	
Pension reform proposals drafted			5	
Pension administration reform proposals drafted			2	
Social Contracting Instrument accepted by GOAM			1	
2. Number of Nationwide Poverty/Vulnerability Mapping Efforts Being Supported	N/A	0	0	2

Pension Concept Paper Sections Drafted:

Economic and Demographic Situation of Pension System, Transition to Second Pillar, Investment, Governance, Disability

Pension Reform proposals drafted:

Reform pension system into a flat first pillar

Introduce funded second pillar with individual accounts

Introduce appropriate investment policy for second pillar

Introduce appropriate payment program for second pillar

Reform disability pension to compensate for complete disability only

Pension Administration Reform proposals drafted:

Improve customer service and efficiency of SSIF

Integrate SSIF regional offices and headquarters with appropriate information technology

### 3.3.2 Investing in People: Program Element, Implementing Mechanism Social Services

Number of People Benefiting from USG-Supported Social Services*	2006	2007	2008 est.
total	N/A	150,592	160,000
women	N/A	84,934	90,000
men	N/A	65,685	70,000

The breakdown of beneficiary groups is provided by MLSI data. As of January 1, 2007, the numbers in the service group populations are as represented above. The Number includes elderly benefiting from home care and institutional care services, children at orphanages, children and adults attending day-centers for the disabled, children at risk to be placed in orphanages, graduates of orphanages, and the number of disabled registered with the Socio-Medical Examination Commission (SMEC). There is some double-counting as some persons are members of more than one group, and this accounts for the disparate

totals<sup>18</sup>. SPSS commitment to decentralization, deinstitutionalization and community-based services as IBPs for social services should bring down the numbers under state-operated services in future.

<b>* Social Service Beneficiary Groups as of 1 Jan 2007</b>	
Number of elderly benefiting from home care services	1200*
Number of elderly benefiting from institutional care services	1075*
Number of children at orphanages	1142*
Number of children at day-centers for disabled	180
Number of number children at risk to be placed in orphanages	372
Number of graduates of orphanages	86
Number of disabled registered with SMEC	148,656

### 3.3.3 Investing in People: Program Element, Implementing Mechanism Social Assistance

<b>Number of People Benefiting<sup>19</sup> from USG-supported Social Assistance Programming</b>	2006	2007	2008 est.
Total	N/A	547,256	550,000
women	N/A	306,969	330,000
men	N/A	240,287	220,000
Percent of Total Eligible <sup>20</sup> Persons Receiving Assistance through USG-supported Social Assistance Programming	N/A	57%	67%

### 4.6.3 Economic Growth, Program Element: Implementing Mechanism Workforce Development

<b>Targets Met for Program Element 4.6.3 Workforce Development</b>	2006	2007		2008
		Target	Actual	Target
Number of new improved workforce development policies drafted through USG assistance	N/A	3	58	9
Employment Law Amendments proposed			12	
MLSI labor policy proposals			24	
Labor Code Amendments proposed			19	5
Labor Inspectorate Reform Plan			1	
Explosive Environments Safety Regulations and Implementation Plan proposed			1	1
Mining Safety Regulations proposed			1	
Inspectorate Administrative Reform Plans				1

<sup>18</sup> NSS Poverty and Food Security, Social and Demographic situation of Armenia January-June 2007

<sup>19</sup> FBA=547,256; child birth allowance recipients=29201; child care allowance recipients=6325(2006 NSS Statistical yearbook)

<sup>20</sup> GOAM maintains that every eligible person receives assistance, assuming the person has presented himself and been found eligible, but not accounting for outreach or determination failings. For our reporting purpose the term *eligible* will mean persons at or below the poverty line, the group identified as needy according to Armenia's PRSP.