

“SUPPORT TO SOCIAL SECTOR REFORMS IN ARMENIA”

Program

Quarterly Progress Report #3

July – September 2015



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i. List of Acronyms and Abbreviations

ANCA	Armenian National Committee of America
CIG	Civic Initiative Groups
CPI	Counterpart International
CRRC	Caucasus Research Resource Center
CSO	Civil Society Organization
ENA	Electric Networks of Armenia
ISS	Integrated Social Services
MA	Mission Armenia
MLSA	Ministry of Labor and Social Issues
NA	National Assembly
PRIP	Pension Reform Implementation Program
PSSS	Public Social Services Sector
RoA	Republic of Armenia
RFA	Request for Application
UFSD	Urban Foundation for Sustainable Development
USA	United States of America

ii. Background

In December 2014, in response to the submitted proposal for *RFA No. 111-14-000003: Advanced Civil Society for Accountable Governance Project*, Mission Armenia was awarded USD 3,349,187.00 under the USAID Cooperative Agreement No.: AID-111-A-15-00003 for the implementation of the “**Support to Social Sector Reforms in Armenia**” program.

This is a five-year program and focuses on Social Sector Reforms under *Civil Society Consortium 2* of the mentioned RFA. The program directly supports the **Intermediate Result 2.1**: “*More participatory, effective and accountable governance*” and its sub-IRs under Development Objective 2 of the USAID Country Development Cooperation Strategy for 2013-2017.

The overarching **goal** of the program is to promote improved and sustained social protection system in Armenia that is effectively responsive to the needs and concerns of the citizens. The program seeks to achieve the following key **results**:

- Result Area 1: Civil Society’s ability to engage citizens and articulate their interests improved and sustained;
- Result Area 2: Monitoring of government institutions, officials and policy processes strengthened;
- Result Area 3: Citizen access to independent and reliable information increased;
- Result Area 4: Civil society enabling environment improved.

These Results are supported by a wide scope of activities focused on capacity building, creation of community platforms, sub-grants management, advocacy, monitoring, gap analysis, and visibility. The program is to intervene in 29 communities/districts of Yerevan and 8 provinces of Armenia, including Ararat, Shirak, Gegharkunik, Lori, Kotayk, Syunik, Armavir, and Tavush.

A consortium of four local and international organizations implements the program, namely:

1. Mission Armenia - Armenia-based NGO, the lead organization;
2. Urban Foundation for Sustainable Development - Armenia-based NGO;
3. Child Development Foundation - Armenia-based NGO;
4. Counterpart International - US-based NGO.

Mission Armenia, Urban Foundation for Sustainable Development and Child Development Foundation serve as the primary implementers of the program, while Counterpart International provides capacity building and assistance in key technical and management areas. The major roles of the Consortium are to:

1. mobilize and empower citizens with relevant capacities to ensure citizens’ engagement in the monitoring of social sector reforms that Government of Armenia (GoA) has recently introduced in Armenia to the social services, child protection services, and pension system;
2. strengthen the capacity of CSOs to monitor these reforms and provide quality services in line with the Integrated Social Services (ISS) principals;
3. engage in monitoring and advocacy for the realization of these social sector reforms;
4. develop evidence-based recommendations for further improvement of reforms and the better protection of social rights.

1. Political Context / Enabling Environment

Political Situation:

Hearings on Draft New Constitution: September 2015

On September 1, 2015, the National Assembly organized a parliamentary hearing on draft Constitution of the Republic of Armenia with participation of CSOs and other interested parties. Discussions over the draft continued during the September 14-17 parliamentary session and during the extraordinary session on September 18. The hearings on the draft new Constitution were organized on the initiative of the Standing Committee on State and Legal Affairs. It had an open hearing too, and representatives of extra-parliamentary forces and interested NGOs and political forces had an opportunity to attend the hearings on September 4. The revised draft will be brought back to the National Assembly on October 5, 2015.

To remind, President Serzh Sargsyan submitted on August 21 the draft amendments in the Constitution of Armenia to the National Assembly. The Commission on Constitutional Reforms under Armenian President had developed the draft amendments. Vardan Poghosyan, a member of the Commission, was appointed as official representative of Armenian President for presentation of the draft amendments to the Constitution in the National Assembly of Armenia. The head of state also instructed the Commission on Constitutional Reforms under Armenian President to continue the dialog with the Venice Commission (VC) over those issues indicated in the VC's preliminary opinion, around which no agreed solutions had been found so far. Besides, Serzh Sargsyan held consultations on the approaches stated in the draft new Constitution with representatives of various parties. <http://www.panorama.am/en/law/2015/08/29/h-sahakyan/>

Draft State Budget for 2016: October 1, 2015

The Armenian Government approved the draft state budget of Armenia for 2016. Armenian Minister of Finance Gagik Khachatryan pointed out that the real GDP for 2016 is estimated at 2.2%, GDP deflator index - 4%, 12-month inflation - 4% (+1.5%), budget deficit - 3.5% of GDP. Khachatryan said that current expenses will make up 96% or 1 trillion 244.4 billion AMD, expenses on non-financial assets will make up 9.4% or 129.3 billion AMD. The budget expenditures in 2016 will be by 68.1 bln AMD more than those in 2015. In particular, 47.3% of the expenditures will cover the social and cultural sectors - education, healthcare, social security, culture, sport, and information. 20.8% of the expenditures will cover defense, national security, and penitentiaries, 10.6% will cover economy sectors, 7.2% will be spent on the state debt servicing, 3.5% will cover community budgets, 6.7% will be spent on maintenance of state bodies, 1% will cover science, and 0.6% will be allocated for the emergency fund of the Government. The budget deficit will be financed by internal and external sources - 70.1 bln AMD and 120.6 bln AMD, respectively. Armenian Prime Minister Hovik Abrahamyan instructed submitting the draft state budget of Armenia for the consideration of the National Assembly.

http://www.finport.am/full_news.php?id=23078&lang=3#sthash.TpooFArR.dpuf

Arpine Hovhannisyan Appointed Justice Minister of Armenia: September 4, 2015

National Assembly member Arpine Hovhannisyan of the ruling Republican Party of Armenia (RPA) has been appointed Minister of Justice of Armenia. Hovhannisyan's appointment was discussed during a meeting held on September 3 by the Executive Body of the ruling RPA,

Vice Speaker of the National Assembly and spokesman for the RPA Edward Sharmazanov told reporters on Friday. President Serzh Sarkisian accepted Hovhannisyan's appointment, issuing a presidential decree on Friday.

Former Minister of Justice Hovhannes Manukyan was relieved of his position on July 14 by a presidential decree and in accordance to Armenia's constitution.

<http://asbarez.com/139532/arpine-hovhannisyan-appointed-justice-minister-of-armenia/>

United States Department of Energy urged to make investments in renewable energy in Armenia: August 8, 2015

Trade and Investment Framework Agreement between the Government of the United States of America and the Government of the Republic of Armenia will provide a possibility of strengthening bilateral trade and economic relations between the two countries, developing the economy of Armenia as the freest one in the region.

According to Elizabeth Chuljian, spokesperson for Armenian National Committee of America, ANCA will continue working on signing a new tax agreement between the USA and Armenia. "We want to make sure that the American investors, doing business in Armenia, will not be obliged to pay double taxes. We must sign a new agreement for that. The current document is not sufficient". <http://www.lragir.am/index/arm/0/politics/view/118995>

Russian Owner Sells Armenian Electric Utility: September 30, 2015

Ending months of speculation, Russia's state-controlled energy conglomerate Inter RAO announced the widely anticipated sale of Armenia's debt-ridden power distribution network to another Russian group owned by an Armenian-born billionaire. In a joint statement, Inter RAO and Samvel Karapetian's Tashir Group said they have signed a corresponding deal and are awaiting its approval by the Armenian authorities.

The protests had forced president Serzh Sarkisian to promise that his government will subsidize the energy tariffs for consumers pending a special international audit of ENA. He said it would determine whether the price hike is economically justified or is the result of corruption and mismanagement. <http://www.azatutyun.am/content/article/27279959.html>

Social Protection

Results of reforms surpass expectations – Artem Asatryan: August 27, 2015

Summing up the results of 3-year-long system reforms and the fight against corruption, Armenia's Minister of Labor and Social Affairs Artem Asatryan, US Ambassador to Armenia Richard Mills and the World Bank Country Manager for Armenia Laura Bailey visited the Nork information center on August 25, 2015. They got acquainted with the ongoing work of the "114" hotline and the new social security technologies. "Employing international experience, we have introduced IT instruments that operate in the countries that have the most developed social systems in the world. These investments significantly innovate the quality of our services, preventing corruption, improving the availability of services to our citizens and making the payments more accurate. The social hotline with its outreach and effectiveness has surpassed our expectations as well because 3 years is a short period to make these instruments become a serious tool for the service. And this program would not have been implemented so promptly and with such a high quality if there was not our guests' active support to the development of Armenia's social security system", Mr Asatryan said. http://www.mlsa.am/home/show_news.php?id=1065

Citizens' Letters Submitted to NA: July 7, 2015

According to the Law on “The Procedure for Consideration of Citizens’ Proposals, Applications and Complaints,” the General Division of the NA Secretariat announced brief information for 2015 second quarter results of letter considerations. Total 876 letters submitted by the citizens were accepted, registered and delivered to the NA President, the Vice Presidents, the NA Chief of Staff, the NA Standing Committees, the NA Factions. All the letters were responded to. Additionally, some of the letters were delivered to the NA President's Staff, and the Staff of the National Assembly. The citizens had raised legislative, legal, health care, social, educational, financial and everyday issues in the letters.

http://parliament.am/news.php?cat_id=2&NewsID=7693&year=2015&month=07&day=10&lang=eng

Care provision process to disabled, elder people and the children will be regulated: September 25, 2015

To improve the quality of care and social services in social protection institutions, the Government of Armenia approved the procedure and the conditions of providing care, as well as the list of diseases that will be considered as a basis in order to reject the provision of care to elder and/or disabled people. It is also planned to invest in having a certification institute for the organizations that provide social services.

Another change was made in one of the decisions adopted previously. It aims to create better conditions for medical institutions in the regions of the RoA, as well as to increase physical accessibility in the regional hospital services.

<http://www.gov.am/am/news/item/12138/>

Hotline Service Calls Citizens Applications Received by MLSA: July-September, 2015

During the reporting period, MLSA received 2,219 applications from the citizens and the MLSA Hotline “114” service received 7,444 calls during the reporting quarter. The overwhelming majority of calls referred to getting information about pension, poverty family benefits, child care and questions related to the funded component of pension system. Calls received on the given period also included questions related to social-medical examination, deposit guarantee, etc. Concurrently, 66 complaints were received in the same period that were directed to the Medical-social examination Commission, Social Service Agencies, to territorial divisions of the State Social Security Service, and State Employment Agency.

http://www.mlsa.am/home/show_news.php?id=1102&sec=news&back

http://www.mlsa.am/home/show_news.php?id=1061&sec=news&back

http://www.mlsa.am/home/show_news.php?id=1071&sec=news&back

http://www.mlsa.am/home/show_news.php?id=1057&sec=news&back

http://www.mlsa.am/home/show_news.php?id=1070&sec=news&back

Annual Plan- People with Disabilities: July 21, 2015

On July 21, 2015, a regular session of the National Commission dealing with issues of people with disabilities took place. During the session, the Commission discussed the 2016 Annual Plan on social protection of people with disabilities, legal status of social entrepreneurs, investment process of new model of definition of disability, etc.

Conference on “International Aspects of Child Abduction, Adoption under the Hague Convention, and the Sexual Exploitation of Children”: July 29, 2015

Organized by the US Embassy in Yerevan for members of the National Assembly, judges, prosecutors, lawyers, civil servants and CSO representatives, the conference addressed issues of sexual exploitation and abduction of children and shared international experience on the topic. The invitees had the opportunity to not only learn about the international experience on the issue, but also localize the topic and discuss specifically the concerns and issues related to Armenia.

<http://armenia.usembassy.gov/news072915.html>

Compensation for child loss at prenatal period: August 7, 2015

RoA Government adopted a decision to provide a parent with AMD 50,000 compensation in case of child loss at prenatal period (starting from the 22nd pregnancy week to 7 days after the birth).

<http://www.lragir.am/index/arm/0/country/view/117399>

http://www.mlsa.am/home/show_news.php?id=1044&sec=news&back

Foster Care System Development: August 8, 2015

Save the Children Armenia Country Office organized a working meeting in the framework of the project “Social inclusion of children from vulnerable groups”, where the concept of foster care was highlighted as a concept needed more discussion and enforcement in Armenia. There are still gaps in the legislation regarding the phenomenon and the concept, therefore more working discussions among state and experts from civil society are needed to come up with a comprehensive concept covering the issue. Geghanush Gyunashyan, Head of the Family, Women and Children Department, Ministry of Labor and Social Affairs, who was also present at the meeting, highlighted the importance of raising awareness of officials on the issue and respective legislation in order to ensure enforcement of the law.

<http://goo.gl/0z1dRI>

Child Rights Situation Analysis: Armenia: September 30, 2015

Save the Children Armenia Country Office presented a report called “Child Rights Situation Analysis: Armenia”. It is based on UN Convention on The Rights of The Child observing the extent Armenia follows the responsibilities taken under the above-mentioned convention. The report addresses the obstacles and difficulties faced while putting into practice child rights in Armenia.

<https://armenia.savethechildren.net/resources/sort-title-asc>

Study on Human Trafficking and Forced Labor Prevalence in Armenia: July 10, 2015

On July 10, RoA Human Trafficking Committee held a session, where in a row of scheduled activities, a pilot study on forced labor and human trafficking conducted by OSCE Yerevan office was presented. The study targeted both adults and minors in Yerevan and a few marzes. A special attention was drawn on possible risks of child trafficking and forced labor in childcare, protection, and educational institutions. During the session, the need to engage child’s rights defender organizations and experts in the Committee was emphasized.

Constitutional Court on Funded Pension System: July 7, 2015

Upon appeal filed by a group of deputies of the National Assembly, on July 7, the Constitutional Court of Armenia examined the issue of constitutionality of a number of articles of the 'RoA Law on Amendments to the Law on Mandatory Fully Funded Pension'. In particular, the Constitutional Court ruled that the participants of the Funded Pension System make social payment at the amount of 5% of their gross monthly revenue while the maximum threshold for calculation of social payment has been stipulated equaling AMD 500.000. From revenues exceeding this maximum threshold social payments are not made.

Another amendment refers to persons working on service contracts: the Court ruled that social payments made by such persons are also supplemented by allocations from the state budget, whereas it was not the case before the amendment. The next provision rules that an employer, as a tax agent, shall pay social payment to their employees who are on leave for childcare. The decisions of the Constitutional Court are final and are put in force from the moment of publication.

<http://concourt.am/armenian/decisions/common/2015/pdf/sdv-1224.pdf>

Monitoring in the Pension Reforms System: September 25, 2015

USAID/PRIP project presented the results of a nationwide survey conducted to support the introduction of a new Monitoring and Evaluation (M&E) policy for the state pension system developed by a special working group created at the Ministry of Labor and Social Affairs and supported by USAID/PRIP program. The survey results contain interesting data revealing the public attitudes on pension system since the survey questionnaires included several aspects of Government funded pension scheme such as the living standard of labor pensioners, the income sources of households, level of satisfaction of pensioners with the services delivered, public understanding and perception of the pension system and etc. It is noted that the new USAID supported M&E policy will reduce and prevent corruption risks in the state pension system.

<http://prp.am/new-usaid-supported-me-policy-will-reduce-and-prevent-corruption-risks-in-the-state-pension-system-2/>

Pension Reforms: September 9, 2015

Artem Asatryan, Armenia's Minister of Labor and Social Affairs presented Government's decision related to the changes in the list of diseases in which case it will be possible to get the whole amount of the compulsory accumulated payments.

<https://www.e-gov.am/gov-decrees/item/26296/>

http://www.mlsa.am/home/show_news.php?id=1078&sec=news&back

2. Summary of Conducted Activities

Over the reporting period, the four member organizations of Consortium: Mission Armenia, Urban Foundation for Sustainable Development, Child Development Foundation and Counterpart International carried out activities under 4 Result Areas of the SSSRA Program. Detailed description of performance is provided below.

Result Area 1: Civil Society's Ability to engage citizens and articulate their interests improved and sustained.

Result 1.1: Citizens more involved in CSO activities:

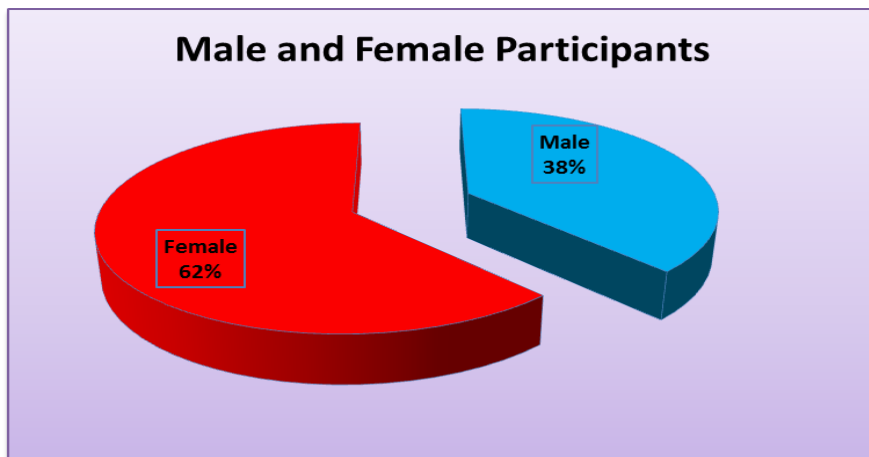
Activity 1.1.3 Build the Capacity of the CIGs and 4 CSO's

Quantitative Data of Participants

During the reporting period, a number of trainings and workshops were conducted by Consortium members on different aspects of civic participation, social sector reforms and advocacy. As common to the nowadays Armenian society, in general, and in this case, in particular, the number of female participants in the workshops, trainings and in civic activities that are described by training type below, was higher (62%) than that of the male trainees.

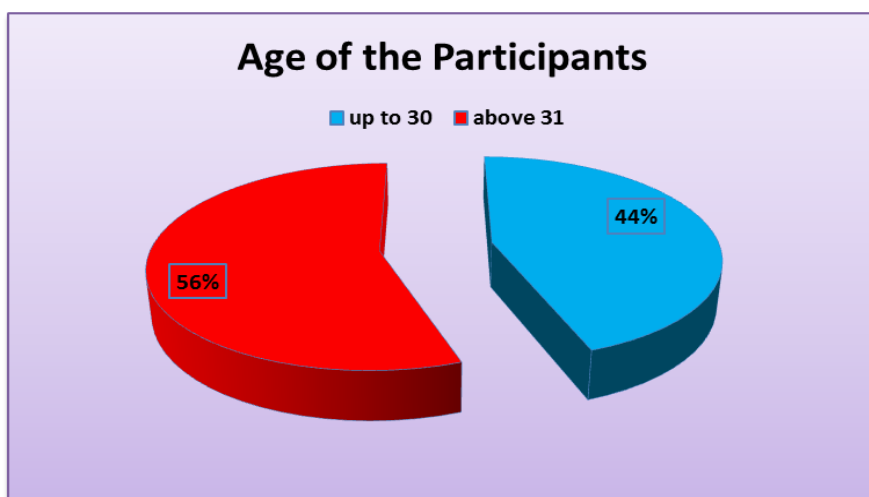
The following chart shows the breakdown of training participants in percent.

Chart 1. Gender Breakdown of Capacity Building Training Participants



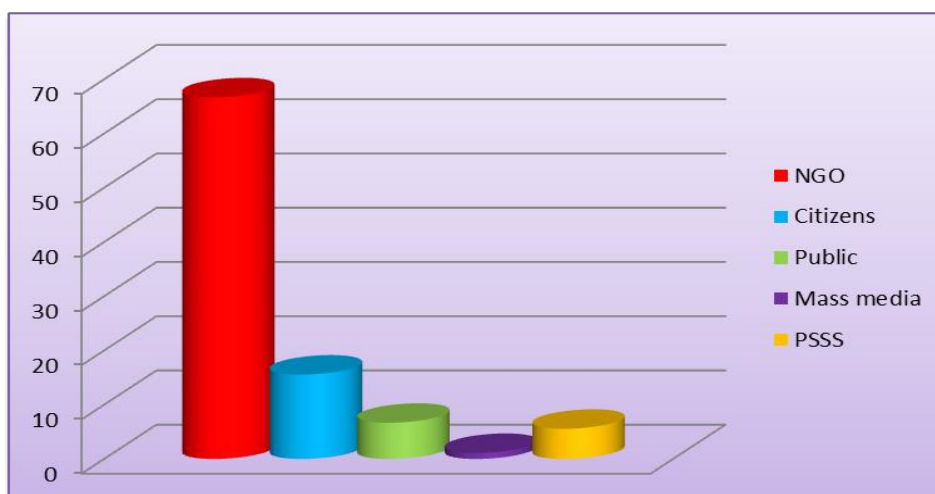
According to the analysis of participation/attendance trends of trainees throughout the quarter, we can state a positive tendency of participation range within different age groups . The number of people under 30-years of age and that of 31 and above was almost the same. Below is the chart that presents the percent of participants by 2 age groups.

Chart 2. Age Breakdown of Capacity Building Training Participants



It is also important to mention that the trainees represented different institutions and activity sectors. We distinguished five main fields of participants' activity. The following chart shows the distribution of participants by the field they represent.

Chart 3. Breakdown of Capacity Building Training Participants by Activity Sectors



Introductory workshop on the Integrated Social Service reform

During the reporting period, the SSSRA Social Policy analyst-expert of Mission Armenia conducted introductory workshops for CIG members in different marzes on the Integrated Social Service reform, its vision, implementation mechanisms and specific focus. The workshops were conducted for CIGs members of the targeted communities in Lori, Shirak, and Syunik provinces and Yerevan. The CIG members were informed about social sector reforms in general, with a detailed focus on ISS reform and ISS Centers operations, as well as other programs implemented by Armenian Government in this field.

At the workshops, the CIG members referred to a variety of social issues, particularly getting interested in issues regarding Poverty Family benefits and pensions. The SSSRA staff of Mission Armenia also organized a study tour for the CIG members. They

visited several ISS Centers located in Kotayk, Shirak and Gegharkunik provinces (Charentsavan, Tshambarak and Maralik towns) that helped them witness the ISS work in practice.

Trainings on Citizen engagement

In the framework of capacity development of CIGs, UFSD conducted 4 trainings on citizen engagement. 102 representatives from 17 CIGs took part in the trainings based on the training plan elaborated jointly with UFSD during the 2nd quarter of the project. The trainings were held in Yerevan and Syunik, Lori and Gegharkunik provinces (Sissian, Vanadzor and Sevan). The training plan included both theoretical and hands-on practical activities and covered the following topics:

- Participatory democracy: direct and indirect participation
- Legal framework for participatory management
- The opportunities and limitations for citizen engagement
- Participation ladder and the decision making process
- Instrument of engagement
- Information technologies for enhancing citizen engagement

Training for Trainers

With the purpose of building the capacities of program mentors and social workers, Counterpart's Advocacy and Transparency Technical Advisor conducted two-day Training for Trainers (TOT) on Advocacy in Yerevan on August 4-5, 2015. The trainees obtained profound knowledge on advocacy as well as on successive steps of developing an effective advocacy strategy. During the TOT Counterpart's Civil Society Development Technical Advisor presented the participants policy cycle in local level and functions of Community Head and Community Council. Advocacy Specialist of Mission Armenia introduced the Advocacy steps, national government structure and detailed-out the decision making process in national level.

Advocacy Trainings

During the reporting period, Counterpart together with Mission Armenia continued to build the capacity of CIGs through different trainings. Particularly, two-day trainings were organized on Advocacy for the CIG members from Kotayk and Gegharkunik Marzes on September 17-18, and Yerevan and Ararat Marz September 24-25. Each of the clusters involved 20-22 participants. Trainers made special emphasize on importance of detailed analysis of problems, as only thorough breakdown of problems and clarifications of its causes will lead to successful design and implementation of advocacy campaigns. In addition, Counterpart's Outreach and Communication Technical Advisor introduced the participants how to create powerful success stories and how to make effective and powerful photos as tools to affect advocacy targets. In both cases, mentors were also involved in training, conducted sessions, and utilized their knowledge gained during the Advocacy TOT in August.

Both trainings were organized with overnight stay in Tsakhkadzor, which was a very good opportunity for the CIG members to get to know each other, discuss common issues and share their experience as well as built network for further cooperation. One more Advocacy training will be conducted in early October, for the CIG members of Shirak and Lori Marzes.

During Advocacy trainings, the following training techniques were used:

- **Presentations** - activities conducted by the facilitator or a resource specialist to convey information, theories, or principles;
- **Case Study Scenarios** - written descriptions of real-life situations used for analysis and discussion;
- **Role-Plays** - two or more individuals enacting parts in scenarios as related to a training topic;
- **Simulations** - enactments of real-life situations; and
- **Small Group Discussions**-participants sharing experiences and ideas or solving a problem together.

Facilitators encouraged participants to discuss:

- To what extent the obtained information will be helpful in their own work.
- The possible problems participants might face with when applying or adapting what they have learned.
- What participants might do to help overcome difficulties they encounter when applying their new knowledge and skills.

The trainings also had homework for the CIG members- participants. They were to further work within their CIGs and propose topics for advocacy strategies on a specific social issue to advocate for. Advocacy specialists of Mission Armenia and Counterpart would review the strategies and provide feedback to CIGs.

Event Planning and Organization of Public Hearings

As all CIGs will be actively involved in the organization of different events (round tables, trainings, public hearings, etc.) in the frames of the SSSRA Program, Counterpart initiated and provided a series of workshops on *Event Planning and Organization of Public Hearings*. Workshops were organized for 9 CIGs during which participants learned how to choose an event topic, venue, how to select and invite participants, speakers, etc. During the next reporting period, Counterpart will continue the provision of the above mentioned training for the rest of CIGs thus ensuring that the capacities of all CIGs members are equally built.

Activity 1.1.2. Partner CSOs are identified

On September 2, a call was launched to select 4 partner CSOs which are going to work in 12 ISS communities and districts with CDF and the Consortium in monitoring social sector reforms focusing on child rights. The targeted communities were combined in 4 lots by their geographical location, including Yerevan and 4 provinces, namely: Armavir, Ararat, Shirak, Tavush and Gegharkunik.

At the end of September, the call was closed. In total, 12 CSOs had applied with the below breakdown of Lots by geographical coverage and number of applications:

Lot	Administrative Division	Communities	# of Applications Submitted
1	Yerevan	Nubarashen, Erebuni and Ajapnyak;	1
2	Tavush and Gegharkunik	Noyemberyan; Vardenis	6
3	Armavir and Ararat	Armavir, Baghramyan; Vedi, Ararat	3
4	Shirak	Ashotsk, Maralik	2

A 5-member selection committee was formed from the representatives of the Consortium member organizations (one per organization) and one representative from the Ministry of Labor and Social Affairs. In the beginning of October, the committee will evaluate all the application packages and will come up with a list of 4 qualified CSOs, each being responsible for one lot.

Activity 1.2.2. 12 informative meetings for CIGs and CSOs

Community meeting in Maralik

On July 28, a community meeting in Maralik was held where 16 representatives of state institutions, local CSOs, social services and other institutions working with children were present. The Consortium members introduced the invitees to the ongoing project focusing on the nature of the activities planned in Maralik. CDF director/SSSRA program director for CDF Lusine Simonyan, referred to child's rights reforms and challenges faced so far. Then, the floor was given to those present to discuss the issues Maralik faces in terms of child's rights protection. CDF took notes on the raised issues to voice them in the upcoming discussion with the government.

Maralik mayor welcomed the initiative and expressed his willingness to cooperate in future. The Consortium members visited the local ISS center and learnt about their work and challenges they face regarding the ongoing reforms.

CDF and other members of the Consortium agreed on further cooperation with the ISS Center.

Result Area 2: Monitoring of government institutions, officials and policy processes strengthened.

Result 2.1: CSOs use systematic and evidence-based approaches to monitor, and assess impact of and report on selected government reforms and reform processes

Activity 2.1.1: Civil Society Monitoring tools of the ISS reform implementation is developed.

Activity 2.1.2. Citizens' concerns about the Integrated Social Services across Armenia are systematically collected and analyzed.

Guidebook for Mentors and Social Workers:

During the reporting period, the MA monitoring specialists developed and tested the

Guidebook for Mentors and Social Workers and tools on citizens' concerns collecting process. At the end of September, the Guidebook was available for use for mentors and social workers and it was presented in detail to them with important instruction of use. Mentors and social workers had their feedback and made several suggestions which were involved in the finalized Guidebook. As far as it refers to the tools, the whole package is to be tested in the next quarter.

Preparatory Activities for Townhall Meetings:

To support CIGs with their upcoming activity, i.e. organization of townhall meetings, Counterpart started the preparatory activities and worked on the methodology to be applied when organizing the townhall meetings. The townhalls are aimed at identifying citizen's concerns about the social services available in their community as well as to discuss the key problems related to the implementation of the social sector reforms. After discussing and summarizing the social issues CIGs will try to urge local authorities to involve those issues in local budgets and allocate certain financial means for the solution of the latter. During the next reporting period the CIGs will start holding the townhalls in communities.

Activity 2.3.1. Collaboration with local and national Government is established to ensure access and support for CSOs to lead the monitoring of the selected reforms' operation and effectiveness.

On October 08, the representatives of the SSSRA Consortium held a meeting with MLSA, during which they discussed possible ways of cooperation between the Ministry and the SSSRA Consortium. It was agreed upon that the Consortium would submit for a discussion a working format for collaboration with MLSA within the framework of the SSSRA program.

Further to the finalization of the collaboration format, the Project Board will be formed with representatives from USAID, Ministry of Labor and Social Affairs and members of the Consortium in the next report period. Within this board the scope and framework of the monitoring process will be identified and agreement upon indicators measuring reform progress will be agreed to.

Result Area 4: Civil society enabling environment improved

Result 4.1: CSOs identify and advocate on specific improvements to CSO legal framework

Activity 4.1.1: Forum with CSOs to discuss the progress improving the CSO legal framework and deciding on next steps.

During the quarter, Counterpart jointly with Mission Armenia organized and facilitated 3 working meetings with the CSO representatives involved in social sector to discuss "Current Practice and Challenges in Social Contracting between the Government and NGOs".

Two meetings were organized in Yerevan on September 09 and September 16 with the participation of the following CSOs: *Bridge of Hope, Unison, Prkutyun, "Havat" Deaf Children's Mothers' Union, Full Life, NGO Center, Partnership & Teaching, Civic Development & Partnership Foundation.*

The third meeting was held in Gyumri on September 28 with the participation of following CSOs: *Shirak Center, World Vision, A.D.Sakharov Armenian Human Rights Center, Armenian Caritas.*

The following issues were discussed during the meetings:

- What is Social Contracting and how can it be applied in the CIS context?
- Why would a government opt for Social Contracting?
- What are the key elements of a regulatory framework for Social Contracting?
- How can the provision of social services by a non-state actors be funded?
- What is the role of CSOs in social service provision?
- What are the benefits in social contracting CSOs for the provision of social services?
- What are the risks and obstacles involved?
- What are the necessary steps the government should take to introduce an effective system for Social Contracting?

There exist a number of issues hindering the establishment of an operating and sustainable social assistance environment. To resolve these issues a comprehensive and multifaceted approach integrating stakeholders from governmental and public institutions is required. It is necessary to formulate a clear policy, create the appropriate legal framework, and establish effective mechanisms, which, in their turn, will ensure that the processes become transparent, mutually beneficial, and manageable.

Apart from above described working meetings, individual meetings were also held with the representatives of international organizations involved in the process of social reforms aimed at identifying common priorities and concerns as well as mobilizing efforts to work more effectively in the field.

The meetings were aimed to discuss and articulate concerns that have not been incorporated in the latest draft Law on Public Organizations and develop recommendations to be submitted to the Ministry of Justice. The meetings proved to be rather productive and a set of valuable opinions and recommendation were raised and compiled, which will be summarized during a larger-scale roundtable planned in the next reporting period. The roundtable discussion will feature the following issues:

- Clarification of social contracting,
- Current status of legal framework,
- Necessity for legislative amendments,
- Degree of awareness and preparedness of NGOs to participate in tender processes and undertake contracted social services.

The issues and recommendations raised will be thoroughly studied and further included in the agenda of Policy Agenda Advocacy Day (PAAD).

Other Activities:

Cooperation with Other Stakeholders

During the quarter, SSSRA Consortia effectively cooperated with other consortia and participated in the events/workshops organized by respective consortia partners. Particularly:

- On 3 July, the SSSRA Consortium members took part in the discussion organized in the frame of the USAID Civic Engagement in Local Governance (CELOG) Program. The meeting took place at the “Erebuni plaza” business center. Representatives from the RoA Ministry of Territorial Administration and Emergency Situations, Armenian National Assembly Standing Committee on Territorial Management and Local Self-Governance, USAID, USAID-funded CELOG program and other local and international organizations participated at the meeting as well. The consortium team of the SSSRA program made suggestions on the above mentioned plans.
- On 29 July, Embassy of the United States in Armenia organized a conference on the topic of the international aspects of child abduction, sexual violence and adoption under the Hague convention. US Ambassador to Armenia Richard Mills, permanent legal adviser of US Embassy to Armenia John Lulejian and other officials participated in the discussion. Representatives of the Mission Armenia and Child Development Foundation also participated in the conference as consortium members of the SSSRA program.
- On September 15, the SSSRA Consortium members in cooperation with the USAID/PRIP project staff participated in discussion on Pension Reforms in Armenia. This discussion will be continued in the next quarter. This cooperation between the two programs is very effective, because both programs have a component on pension reforms in Armenia. Given the productive discussion, it will be continued in the next quarter too.
- On September 25, the SSSRA Consortium members have participated in discussion on Monitoring in the Pension Reform System: the USAID/PRIP project presented the results of a nationwide survey conducted to support the introduction of a new Monitoring and Evaluation (M&E) policy for the state pension system developed by a special working group created at the Ministry of Labor and Social Affairs and supported by the USAID/PRIP program.
- On September 25, the SSSRA consortium representatives participated in the “Lradadar” club organized by Media Initiative Center to discuss “How the local media elucidates social-economic issues and the ways to solve them”. A media contest award organized in the frames of “Tvapatum 2015” followed the discussion on how the media elucidates the issues of state and local government, as well as issues of social sector and the possible solutions or special programs implemented to address or mitigate those issues. The Media Initiatives Center wrapped up the results of “Tvapatum 2015: Stories about Change” digital storytelling contest. Out of 72 submissions, the jury of five media professionals had selected the best works.
- In the reporting quarter, Counterpart’s Team Leader participated in a discussion organized by Save the Children Armenia on Constitutional Reforms and was one of the experts (main speaker) introducing Child’s Rights Protection issues. The Minister of Labor and Social Affairs Artem Asatryan was also present in the discussion and highly appreciated the suggested recommendations.

Organizational Assessment by Eurasia Partnership Foundation

During the reporting period, all local partners of the consortium underwent an organizational assessment by Eurasia Partnership Foundation with participation from the organization’s staff and management on strategy, governance, structure and internal systems. Counterpart

Armenia's M&E Technical Advisor and Advocacy Technical Advisor participated in the assessment process of two of the partner organizations, namely – CDF and UFSD. The draft assessment report for Mission Armenia is already developed while the reports of the other 2 partner organizations are expected to be finalized in the beginning of the next quarter. The analysis of the results of Mission Armenia's organizational assessment revealed the need of addressing the following capacity areas, among others:

- Organizational strategy, structure and governance
- Financial Management, including fundraising capacity and membership fee attraction
- External communications
- Program management, including the development of business plans and programs well as refining the focus on program management philosophy, distribution of roles and responsibilities and the like

Upon the receipt of organizational assessment reports for all partners, Counterpart Armenia is planning to engage in action plan development process with each of the partner organizations using a participatory approach. In particular, Counterpart Armenia will organize meetings and action planning sessions with partners to develop respective action plans and provide continuous advice and support during the process of action plan implementation in building specific organizational capacities.

Finance, Grants and Administration

Work with Sub-grantees: During the reporting quarter, the MA Finance Team received the sub-grantees' Advance Request Forms on a monthly basis, verified them and submitted to USAID in such a manner to ensure the timely provision of the sub-recipients with funds needed for smooth and steady implementation of programmatic activities. Particular attention had been drawn to the presentation of the quarterly financial reports of sub-recipients, complying with the requirements, rules, methods and principles of the Financial Reporting documentation and their transmission to Mission Armenia and sustaining sufficient and appropriate controls in place. The MA Finance team received the reports from sub-grantees, checked and approved them. Detailed information on sub-agreement funds was obtained, actual expenditures were compared to the approved project budget, to verify those expenditures, their nature, eligibility and compliance with the project objectives, USAID rules and regulations and local legislation. The scanned copies of all relevant supporting documentation were required on contract bases, as well. While reviewing this period's Financial reporting, as one preceding the annual report, the state of budgetary performance and budget effectuation extent were measured and analyzed.

Sub-agreements Quarterly Financial Reports: To enhance the Consortium Partners institutional and professional capacities in sub-award management and in ensuring compliance with USAID rules and regulations, Counterpart Finance and Grants Teams provided ongoing consultancy to Partners in developing Sub-Agreement Quarterly Financial Reports. The reports presented the detailed information on sub-agreement funds received and the expenditures made, the information on the planned and actual cost-share amounts, as well as provided copies of all invoices, payment orders and other supporting financial documentation required by the RoA legislation. Counterpart also assisted in careful review of

the submitted during the quarter financial reporting forms and documents, as well as provided comments and suggestions that were incorporated in the final version of the documents.

Grants Management Training: During the quarter, Counterpart organized Grants Management Training for the Child Development Foundation (CDF) representatives to ensure the effective administration and management of Child Protection Monitoring Grants issued by CDF in September. The topics included but were not limited to:

- Developing Request for Application (RFA);
- RFA dissemination;
- Conducting RFA Information Session;
- Forming the Grants Evaluation Committee;
- Grants evaluation criteria;
- Grants approval process;
- Grants agreement;
- Conducting consultations with Grantees on the reporting process;
- Conducting monitoring visits and grants final evaluations.

In addition to the presentations on the above topics, the Training format provided ample opportunities for the discussions, exchange of experiences as well as questions and answers sessions. This activity was regarded as an important step in Consortium Partners capacity development and it is planned to continue the organization of this training for the Consortium other Partners in the upcoming quarters.

Child Protection Monitoring Grants: During the reporting period, Counterpart provided ongoing consultancy to CDF to finalize and issue the Request for Applications for Child Protection Monitoring Grants. The goal of the grant is to monitor the Child Protection component of the social protection reform in twelve target areas. The RFA was designed to help developing good quality applications with the detailed information on problem statement, proposed methods/solutions, goals and objectives, intended beneficiaries, project implementation locations, the main activities that need to be implemented, expected results, project staffing and management. The RFA also provided instructions and format for the development of grant project workplan, budget and budget narrative. The RFA was widely announced through Counterpart website and Facebook page, CDF mailing list, and other public organizations' websites and social media pages. Additionally, with the assistance of Counterpart, the Question/Answer Session for the potential grantees was organized at CDF office to clarify all application requirements. The selection of the grantees will be finalized and the grant agreements will be signed in the next quarter.

3. Analysis of Program Progress

The SSSRA Consortium members were following and actively engaged in public discussions on social sector reforms. Due to intensive and targeted work by the member organizations, the Consortium is already well known in the provinces and in the capital, as well as among local and international CSOs, governmental bodies and social service providers. While progressing, the program provides opportunity to the Consortium members promote the goal

and activities of SSSRA and set up communication and partnership with other CSOs and their consortia. As a result, there is a smooth information flow between the partner consortia and CSOs, therefore important contribution and involvement in the process is ensured.

Throughout the quarter, the regular meetings, phone calls, e-mails with the Consortium Partners representatives helped to further promote work effectiveness, coordination of activities and consistency in the area of finance, grants and administration, as well as in the performance of the projected activities. This format proved to be successful and practical and allowed to effectively share information, exchange updates, monitor the progress and discuss the challenges in the above mentioned areas.

4. Monitoring and Evaluation

Baseline and follow up study: During the reporting period, team members of Counterpart Armenia and Mission Armenia participated in a number of meetings with Caucasus Research Resource Center Armenia (CRRC) to discuss issues related to the baseline assessment. Accordingly, household survey tool and survey questionnaire were developed, synchronized with CRRC and finalized. Further to which, fieldwork started. The respective report on baseline study is expected to be issued during the next quarter.

As mentioned in the previous report, CRRC is conducting the sociological research for the Programs that all the three Consortia are implementing under the USAID funding covering areas of interest. Research outcomes, respectively, will be shared by all the three Consortia for their further use in their programmatic activities. The results to be gained will enable the SSSRA team to scientifically and objectively assess the level of awareness of citizens on social service provider organizations and other relevant infrastructures and measure degree of citizens' satisfaction concerning social services.

Performance Management System (PMS) Tools Designed:

During the reporting period, the MA monitoring specialists finalized the elaboration of methodology and the relevant tools for implementing monitoring of ISS. As a final step, the tools are to be agreed upon with a relevant Department at MLSA. As agreed MLSA, the monitoring process is to be carried out in close collaboration with MLSA.

On the other hand, for that purpose, it has been envisaged to form a working group consisting of representatives from SSSRA Consortium and MLSA. It is envisaged to have the working group formed in the next quarter. in the near future

In the first half of September, the SSSRA monitoring staff of Mission Armenia with the participation of Counterpart International team member piloted the developed tools in Davitashen community. The MA monitoring specialists carried out a pilot focus group discussion in that community to test and find out all the possible mistakes and / gaps concerning the relevant tool and its implementation process.

The efficiency of the piloted focus group discussion was rather low because of several factors, regarding the appropriate selection of respondents, in particular. Because of non-accessibility of the SSSRA Consortium to the available ISS database for selecting the respondents, the MA staff had to identify the beneficiaries by its own efforts. For instance,

during the discussion it was found out that some of the respondents who were supposed to be beneficiaries of the ISS Center, however, had never visited the local ISS center. Therefore, it was of utmost importance to have access to the available database to have accurate data and avoid inappropriate selection of beneficiaries.

The piloted focus group discussion had a very important finding. The main point, which MA monitoring specialists could take into consideration, was the fact that none of the respondents knew what ISS was. Thus, the team found out that a lot of awareness raising activities should be carried out among the community population to explain the what ISS Center is.

Even if the person accessed the local ISS center, and in the case when interviewer was explaining concrete location and feature of the ISS local center building, respondents could not perceive that facility as a local center for Integrated Social Services

To sum up, the piloted focus group discussion revealed of inefficient information flow by ISS, which shows that further discussions need to be organized at a highest level using MLSA-provided databases, to ensure that all the respondents are selected appropriately.

Universal Assessment Tool:

MA monitoring specialists have developed a universal assessment tool, which is used for all trainings and seminars. All the seminars and trainings implemented in the reporting period were assessed according to the effectiveness of the training in general, the professional skills of the trainer and, finally, organizational issues. Besides these factors, the tool also includes indicators, which will be involved in the basis at the end of the program.

The analysis of the assessment tools showed that all the participants were highly interested in all the topics that were discussed during all seminars and trainings that were conducted in the course of the reporting period. Moreover, they also mentioned that they would like to have other seminars on the same topic. The participants had also an opportunity to make recommendations and suggest their preferred topics. It is important to mention that most of the participants were interested in all aspects of social sector and social reforms. They also mentioned that they would prefer to have more seminars and have informative meetings on an on-going basis.

The assessment also showed that the participants gave the highest scores to the lectures and trainers. They liked the way of the presentations and methods of seminars. They also appreciated the professional skills and knowledge of the trainers.

To sum up, the seminars and trainings implemented by Consortium so far were both well organized and effective as stated by all participants.

5. Expenditures

For this quarter, all the expenditures were made according to the pre-approved budget. There were no major cost overruns or high unit costs. Besides, all the expenditures were based on the best combination of price and quality. All the financial data are detailed in the Financial report submitted by Consortium to USAID/Armenia.

6. Programming Priorities for Next Quarter

The following activities are to be carried out in the course of the next reporting period:

1. Support the CIGs to organize 17 annual town hall meetings
2. Organize 1 working meeting and 1 workshop with CSOs.
3. Develop policy brief and position paper
4. Conduct activities of organizing Policy Agenda Advocacy Day
5. Conduct activities of 2 meetings with policy makers
6. Develop 1 CSO advocacy plan for enabling CSO environment
7. Organize and conduct of the 1 Advocacy training for the last cluster of CIGs
8. Produce and broadcast 1 informational video
9. Provide ongoing consultancy and guidance for the Child Protection Monitoring Grants agreement development
10. Facilitate the Grantees selection process for the Child Protection Monitoring Grants
11. Conduct TOT for Project Mentors with the aim of introducing ISS Monitoring tools
12. Support the initiating of ISS monitoring process by facilitating the application of ISS centers' direct observation method
13. Conduct 34 trainings for 17 CIGs on social reforms and advocacy
14. Develop value chain mapping tools for civil society's involvement in the reform areas
15. Collect and analyze Citizens' concerns about social services across Armenia
16. Develop 1 policy brief and 1 position paper
17. Conduct quarterly monitoring meetings with community active members
18. Establish collaboration with local and national Government to ensure access and support for CSOs to lead the monitoring of the selected reforms
19. Get involved in all working groups of MLSA to work on the improvement and adjustment of monitoring and outreach tools.
20. Support and facilitate mechanisms for CSOs to foster civic awareness of social sector reforms
21. Inform Project beneficiaries about the reform through meetings, print-outs, etc.
22. Produce and publish 1 type of information leaflet on social service reforms
23. Produce and publish 1 brochure on ISS
24. Develop and publish 1 poster on ISS a Talk-Show

Part II: Appendices

The report has five Appendices attached. These are:

Appendix A: Photo Report

Appendix B: Structure and Specifics of Functioning of State Social Protection System in Armenia

Appendix C: TOT on Advocacy

Appendix D: Methodology of ISS monitoring

Appendix E: Guidebook for Mentors and Social Workers: Citizens' Concern Collecting Process