

**REPORT ON RECOMMENDATIONS OF THE
RELEVANT, FEASIBLE AND INNOVATIVE
FINANCIAL INSTRUMENTS FOR THE
SELECTED ACTIONS AND OBJECTIVES
IMPLEMENTATION FROM THE
EMPLOYMENT STRATEGY OF ARMENIA**

**Financing instruments and mechanisms for the
implementation of the Employment Strategy
designed in the scope of INFF facility**

ABBREVIATIONS

ADA	Austrian Development Agency
ADC	Austrian Development Cooperation
AWDA	Armenian Workforce Development Activity
CPF	Country Partnership Framework
CPS	Country Partnership Strategy
EFRA	Economic Foundations for Resilient Armenia
GGF	Good Governance Fund
GIZ	German Agency for International Cooperation
GoA	Government of Armenia
ILO	International Labor Organization
SDC	Swiss Development Cooperation
SO	Strategic Objective
UK	The United Kingdom of Great Britain and Northern Ireland
UN	United Nations
UNDP	United Nations Development Programme
UNFPA	United Nations Population Fund
UNICEF	United Nations Children Fund
USAID	United States Agency for International Development
WB	World Bank

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INTRODUCTION

This document was designed by Ameria Management Advisory and CIVITTA in the scope of UNDP Integrated National Financing Framework (INFF) facility. It serves as a pilot financing strategy for designing a comprehensive template by applying the INFF methodology of the financing strategy building block. The main outcomes of this document will be incorporated in Employment Strategy of Armenia and will be discussed with all the relevant counterparts, including Government of Armenia, Ministries and donor organizations.

UNDP Armenia will facilitate the discussions with all the counterparts and will continue different activities and actions towards full INFF implementation.

ROLE OF DONOR FINANCING IN ARMENIA STATE BUDGET

As for 2022, the GoA planned to attract 129.4 billion AMD in the forms of loans and grants from international donor organizations and foreign countries. The main goal of attracting these sources was the implementation of 28 projects (5 only grants, 11 only loan, 12 both grant and loan¹).

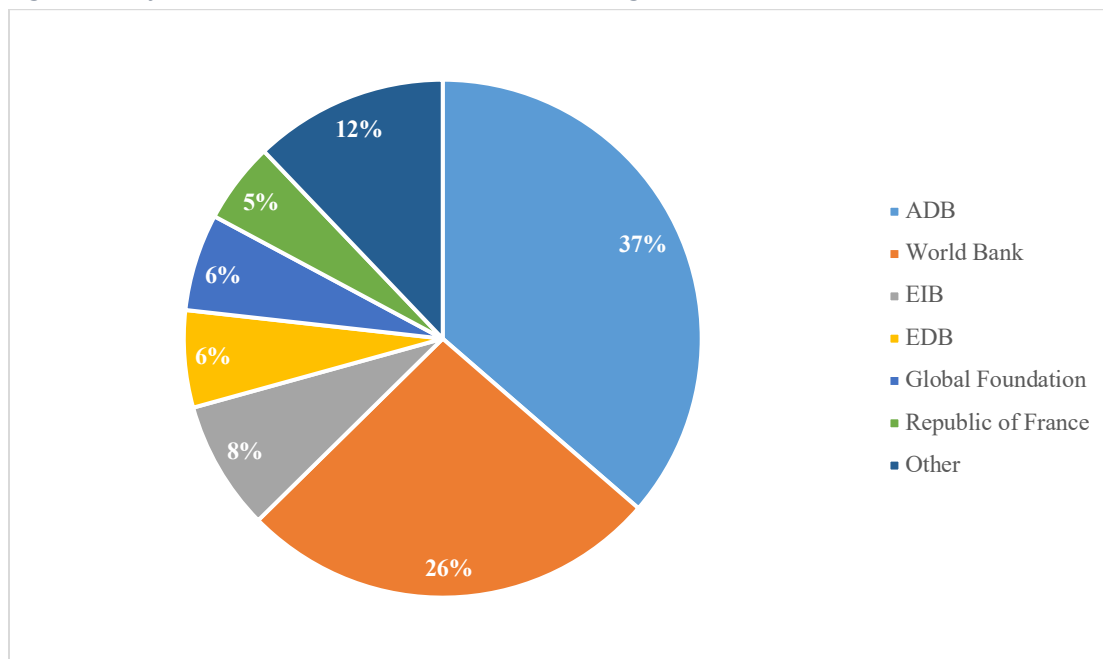
Due to various reasons, in 2022 only 44.1% of the expected funding from international donors was fulfilled. As mentioned before, GoA planned to attract 129.4 billion from international donors, which included 92.6 billion AMD in the form of loans and 36.8 billion AMD as grants. Moreover, the state planned to make co-financing in the amount of 25.9 billion AMD.

However, 6 out of 28 planned programs did not receive donor funding, 4 exceeded planned funding and 18 were funded partially. Additionally, 7 other programs received donor financing and total amount of donor funding in 2022 state budget was 57.1 billion AMD (2.5% of actual expenditures).

Largest international donor to Armenia's state budget was Asian Development Bank (20.4 billion AMD or 36%), followed by the World Bank and European Investment Bank (15.1 and 4.6 billion AMD).

¹ Ministry of Finance, State Budget of RA

Figure 1 Major international donors to the state budget

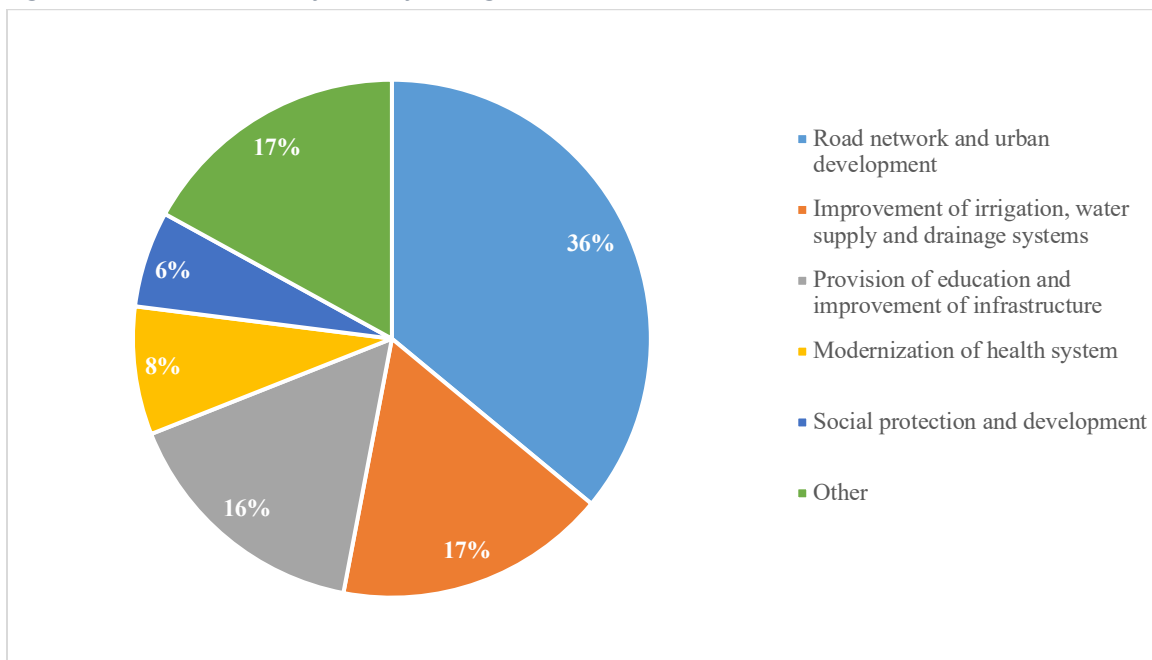


Source: State Budget

Majority of funding (36%), received from international donor organizations was in the form of capital expenditures (road network and urban development), 17% went to irrigation development, water supply systems and another 16% to the education and infrastructure development.

Hence, the overwhelming majority of donor sourcing received Ministry of Territorial Administration and Infrastructure (69.7%), followed by Ministry of Health (8.4%) and Ministry of Economy (7.4%).

Figure 2 Main directions of donor funding



Source: State Budget

EMPLOYMENT STRATEGY FINANCING: DONOR ORGANIZATIONS IN-DEPTH INTERVIEW RESULTS

Project implementation team conducted 17 interviews with 13 donor organizations representatives, as well as 20 interviews with representatives of private sector (including manufacturing companies, financial sector, ICT sector etc.).

Donor interviews clearly showed, that majority of international organizations consider Employment Strategy as one of the core strategies in Armenia, particularly in the field of social protection and development, which is one of the priorities for international organizations in Armenia, as showed in figure 2. Moreover, despite the fact that the due to the initial selection infrastructure projects (which have the biggest financial cost) were not included in the list, however, taking into account the fact that international financial institutions have certain interest in these kinds of projects, it is possible to also get financing for infrastructure development measures in the frames of Employment strategy.

The initial list of selected actions included 41 measures, primarily focusing on technical assistance, education, and entrepreneurship promotion. It is crucial to emphasize, that certain measures interested numerous donors, while other appealed to only one or two donors:

- **M 1.1.4.3** “Expand the Armenian equivalent of the WorldSkills platform, through which competitions will be held every year within the framework of different professions, with financial incentives for the winners”. Overall six organizations, including UNFPA, UNDP, ADB, ILO, GIZ and SDC emphasized, that they might be interested in supporting the implementation of this program
- Two programs “**M 1.1.4.2** Development of an online financial and digital literacy course, including their provision in the territorial centers of the Unified Social Service and **M 2.1.1.1** Development of non-formal professional education institutions with the introduction of a competitive system” potentially may attract 5 donors (UNFPA, ADB, World Bank, ILO, GIZ and EBRD, UNICEF, ADB, GIZ, AWDA respectively)

Finding external sources for these programs (as well as other ones, which potentially attract more than three donors) will not be difficult. However, there are 11 programs (**M 4.2.1.1** (ADA), **M 1.2.3.3** (World Bank), **M 4.2.1.2** (ADA), **M 2.1.2.3** (SDC), **M 5.3.1.6** (World Bank), **M 5.4.1.1** (World Bank), **M 5.3.1.2** (AWDA), **M 5.4.4.1** (World Bank), **M 5.4.4.2** (World Bank), **M 5.4.5.1** (World Bank), **M 5.4.5.2** (World Bank)), which potentially might attract only one donor. These actions are the “most vulnerable” ones in terms of donor funding. Overall, based on the results of the interviews, it is clear, that multilateral organizations (World Bank, ADB) will be the main partners of GoA in the implementation of the strategy. The table below, shows the possible sources apart from budget, projected budget for each measure and deadline for each action:

Note: Measures which could be fully covered by donors are shaded in **gray, and those which could be partially covered by donors are shaded in **blue***

Measure	Projected Budget	Possible sources apart from state budget	Responsible Body	Deadline	Method of Calculation	Impact and/or Monitoring indicators
M 4.2.1.1 Legislative amendments for the implementation of the Institute of Public Works	Up to 30 million AMD	ADA - SG 2. Inclusive local development and improved local governance in disadvantaged regions	Ministry of Labor and Social Affairs	2024	Projected cost for consultancy services for the development of legislative amendment	List of public works
M 1.1.1.1 Alignment of educational programs of non-formal professional education institutions in the communities that include regional cities with the specialization of the industrial zone in that communities	Up to 480 million AMD	ADB – SO 2 Targeted Service Delivery Improvements	Ministry of Education, Science, Culture and Sports	2025-2030	Calculation is based on the annual number of vocational educational institutions providing updated non-formal trainings correlated with the number of industrial zones. Calculation also takes into account the average cost for consultancy services (20 million AMD) for the preparation of customized educational programs	Share of educational programs corresponding to the specialization of industrial zones to be 35% in 2030
		ILO – Specific Goal 1.1 Developing labor force and ensuring its availability in the communities that include regional cities for highly productive non-agricultural sectors				
		GIZ – Economic Development & Employment Area				
		AWDA – Objective 1.2 Introducing new and scaling up existing work-based and dual-educational programs				
M 1.1.1.3 Up-/re-skilling of the teaching staff of state non-formal professional educational institutions operating in regional communities with industrial zones with the specialization of industrial zone	Up to 170 million AMD	ADB – SO 2 Targeted Service Delivery Improvements	Ministry of Education, Science, Culture and Sports	2025-2030	Calculation is based on the annual number of vocational educational institutions providing updated non-formal trainings correlated with the number of industrial zones. The calculation also takes into account the average number of teachers per institution (60), average cost for the professional training (100,000 AMD) and 4% inflation	Share of trained professors of state institutions providing non-formal education in communities of industrial zones, to be 40% in 2030
		ILO - Specific Goal 1.1				
		GIZ – Economic Development & Employment Area				
		AWDA – Objective 1.2				

M 1.1.1.4 Conducting a grant competition among non-formal professional education institutions and programs with any form of ownership, in order to implement non-formal professional education programs in regional cities (total cost of the grant program)	Up to 1,550 million AMD	ADB – SO 2 Targeted Service Delivery Improvements	Ministry of Education, Science Culture and Sports	2025-2030	Total number of institutions participating in the grant programs implemented during the given year (regions) (90 in 2030) Number of grant programs implemented during the given year (regions) (7 in 2030)	The calculation is based on the number of annual grant programs and the average budget allocated to the program (which is approximately AMD 50 million).
		ILO – Specific Goal 1.1				
		GIZ – Economic Development & Employment Area				
Measure	Projected Budget	Possible sources apart from state budget	Responsible Body	Deadline	Method of Calculation	Impact and/or Monitoring indicators
M 1.1.1.5 Opening of the offices of the Interactive Professional Training Platform in the territory of the territorial centers of the Unified Social Service (as well as the Youth Centers created by the state) located in the regional cities of the Republic of Armenia, whose capital and operating costs, including the translation of the lecture materials to Armenian, will be reimbursed by the state. Budget includes total cost for the courses	Up to 7,269 billion AMD	World Bank – CPF Objective 4 Enhanced access and quality of education services	Ministry of Labor and Social Affairs	2025-2030	The calculation is based on the annual number of beneficiaries (calculated on the basis of the reduction of underutilization of the labor force), the average cost of a professional course on the Coursera platform (which is approximately 60 th. AMD) and annual inflation of 4%.	Number of users of the professional training platform in regions 2025-13,000 2026-14,000 2027-16,000 2028-18,000 2029-20,000 2030-23,000
M 1.2.1.2 Development of the concept of the state program of industrial zones	Up to 268 million AMD	World Bank - CPF Objective 1: Greater diversification of export markets and products	Ministry of Economy	2025-2030	The average market value of outsourcing consulting services for this project (which is approximately AMD	Availability of a government-approved program with appropriate financial allocations

		ADB – SO 1 Priority Infrastructure Investments			60 million). In 2024, it is planned to carry out a large-scale mapping and study of the development potential of industrial zones by regions. Further, consulting costs are expected for each state industrial zone to carry out a study on the potential of each individual industrial zone.	
M 1.2.1.3 Implementation of operator selection of state industrial zones. This action includes tender organization, ToR development etc.	Up to 1,386 million AMD	World Bank – CPF Objective 1: Greater diversification of export markets and products	Ministry of Economy	2025-2030	To calculate the average value of 1 industrial zone (which is approximately 11,000 million AMD), the following components were taken as a basis: (1) a goal of creating a potential 110,000 jobs by 2030; 2) the volume of capital investments for the creation of an industrial zone in the world and in the region; 3) Calculation of costs for 1 workplace. (4) plan to open 27 industrial zones by 2030.	Number of state industrial zones with selected professional operators (cumulative index) to be 14 in 2030
		ADB – SO 1 Priority Infrastructure Investments				
M 1.2.2.3 Organization of available consulting services in order to support the business during participation in the state financial support programs	Up to 3,839 million AMD	ADB – SO 2 Targeted Service Delivery Improvements	Ministry of Economy	2025-2030	The calculation takes into account the number of approved loans within the state financial support programs as a result of the consulting support, the average cost of consulting services (the estimated average level of the success	Number of companies receiving consulting support 2025-5 2026-40 2027-105 2028-240 2029-360 2030-600
		World Bank – CPF Objective 3: Better conditions for private business				
		EFRA – Objective 2: Greater Economic Resilience through Improved Export Competitiveness				

					fee to the consultant for one signed loan agreement (which is approximately 400 th. AMD), annual inflation. Av	As a result of advisory support, the number of approved loans within the state financial support programs to be 3000 in 2030
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Measure	Projected Budget	Possible sources apart from state budget	Responsible Body	Deadline	Method of Calculation	Impact
M 4.2.1.2 Development and implementation of a description of public works implementation processes	Up to 50 million AMD	ADA - Strategic goal 2: Inclusive local development and improved local governance in disadvantaged regions	Ministry of Labor and Social Affairs	2024-2026	Projected cost for consultancy services for this activity	List of public works
M 2.1.1.1 Development of non-formal professional education institutions with the introduction of a competitive system	Up to 23,401 million AMD	EBRD – Priority 1: Strengthen private sector competitiveness, improve governance and support business environment reforms	Ministry of Education, Science Culture and Sports	2025-2030	The calculation took into account the costs included in the 2024 state budget under the program "Initial (vocational) and secondary professional education" (which is approximately AMD 15,863.95 million), as well as the predicted growth in the accelerated GDP growth scenario (8, 0% CAGR) and the share of competitive non-formal vocational education state funding.	Share of professional educational institutions implementing non-formal training with the introduction of a competitive system to be 30%
		UNICEF - Priority Area: Better quality and inclusive education, including pre-primary				
		ADB - SO 2 Targeted service delivery improvements				
		GIZ - Economic Development & Employment Area (PSD TVET)				
		AWDA - Objective 1: To reduce the gap between the skills of the workforce and the needs of employers				
M 3.1.2.3 Implementation of a grant program within organizations engaged in the development of non-formal professional skills and coaching system for middle-aged unemployed women	Up to 640 million AMD	EBRD - Priority 1: Strengthen private sector competitiveness, improve governance and support business environment reforms	Ministry of Labor and Social Affairs	2024-2030	The calculation is based on the number of annual grant programs and the average budget allocated to the program (which is approximately AMD 20 million).	Average number of participants per grant competition to be 150 in 2030 Number of implemented grant programs 2024 and 2025 - 2 2026 -2 2027-4 2028-6 2029-8 2030-10
		ADB - SO 2 Targeted service delivery improvements				
		World Bank - CPF Objective 4 Enhanced access and quality of education services				
		SDC - Swiss portfolio outcome 3: Improving economic development and creating decent jobs:				

Measure	Projected Budget	Possible sources apart from state budget	Responsible Body	Deadline	Method of Calculation	Impact
M 3.3.1.6 Grant of 5 million drams to 3 female entrepreneurs within the framework of the "Best Female Entrepreneur" program	Up to 90 million AMD	EBRD - Priority 1: Strengthen private sector competitiveness, improve governance and support business environment reforms	Ministry of Labor and Social Affairs	2025-2030	The calculation took into account the provision of a grant of 5 million drams for the 3 best female entrepreneurs	The number of grant program participants 2025-700 2026-1200 2027-1800 2028-2600 2029-3400 2030-4400
		ADB - SO 2 Targeted service delivery improvements				
		World Bank - CPF Objective 4 Enhanced access and quality of education services				
		SDC - Swiss portfolio outcome 3: Improving economic development and creating decent jobs:				
M 5.4.1.1 Development of an occupational classification system	Up to 80 million AMD	EBRD - Priority 1: Strengthen private sector competitiveness, improve governance and support business environment reforms	Ministry of Labor and Social Affairs	2024-2025	The average cost of consultancy support for the implementation of the action (including the creation of an interactive digital platform)	Availability of a developed and updated occupation classifier that meets the best international standards and labor market realities
		World Bank - CPF Objective 2 – Improved service delivery at central and local levels				
M 5.4.3.1 Implementation of a long-term, large-scale national campaign to increase the role of work and the attractiveness of vocational education, as well as to promote the strategy's vision and activities	Up to 640 million AMD	EBRD - Priority 1: Strengthen private sector competitiveness, improve governance and support business environment reforms	Ministry of Labor and Social Affairs	2024-2030	Average contract value of leading PR agencies for projects of this scale	Results of the annual survey on the role of work and the attractiveness of secondary vocational education, which examines the public's perceptions and awareness of state assistance programs.
		World Bank - CPF Objective 2 Improved service delivery at central and local levels				
M 1.1.4.1 Provision of vocational education vouchers to the unemployed citizens of working age in communities including	Up to 38,067 million AMD	World Bank - CPF Objective 4 Enhanced access and quality of education services	Ministry of Labor and Social Affairs	2025-2030	The calculation is based on the annual number of beneficiaries (calculated on the basis of reducing labor underutilization), the value	The number of compensated education vouchers in municipalities that include regional cities to be 20,700 in 2030
		ILO - Specific Goal 1.1 Developing labor force and ensuring its				

regional cities, worth up to 300 thousand AMD		availability in the communities that include regional cities for highly productive non-agricultural sectors			of Education Vouchers (which is estimated at AMD 300) and annual inflation of 4%.	
		SDC - Swiss portfolio outcome 3: Improving economic development and creating decent jobs				
Measure	Projected Budget	Possible sources apart from state budget	Responsible Body	Deadline	Method of Calculation	Impact
M 1.1.4.2 Development of an online financial and digital literacy course, including their provision in the territorial centers of the Unified Social Service. Budget includes total cost for the courses for all beneficiaries	Up to 12,668 million AMD	UNFPA – Priority Area: Better quality and inclusive education, including pre-primary	Ministry of Labor and Social Affairs	2025-2030	The calculation is based on the annual number of beneficiaries (calculated on the basis of the reduction of underutilization of the labor force), the average cost of the vocational training program (which is approximately 100 h. AMD) and annual inflation of 4%.	Number of people completing the online financial and digital literacy course 2025-11,900 2026-18,300 2027-18,900 2028-19,500 2029-20,100 2030-22,700
		ADB - SO 2 Targeted service delivery improvements				
		World Bank - CPF Objective 4 – Enhanced access and quality of education services				
		ILO - Specific Goal 1.1 Developing labor force and ensuring its availability in the communities that include regional cities for highly productive non-agricultural sectors				
		GIZ - Economic Development & Employment Area (PSD TVET)				
M 1.1.4.3 Expand the Armenian equivalent of the WorldSkills platform, through which competitions will be held every year within the framework of different professions, with financial incentives for the winners	Up to 933 million AMD	UNFPA - Priority Area: Better quality and inclusive education, including pre-primary	Ministry of Labor and Social Affairs	2025-2030	The calculation takes into account the number of participants, the average cost of participation per participant (which is approximately AMD 50 thousand) and 4% annual inflation.	The number of participants of the Armenian equivalent of the WorldSkills platform 2026-838 2027-1534 2028-2748 2029-4303 2030-5984
		UNDP – Priority Area: Age-appropriate and life-long learning opportunities				
		ADB - SO 2 Targeted service delivery improvements				
		ILO - Specific Goal 1.1 Developing labor force and ensuring its availability in the communities that				

		include regional cities for highly productive non-agricultural sectors GIZ - Economic Development & Employment Area (PSD TVET) SDC - Swiss portfolio outcome 1: Protecting and promoting civic engagement and space as well as cooperation in the region:				
M 1.2.4.3 Implementation of an acceleration program for industrial organizations with the inclusion of educational, professional consulting, information, as well as financial support components (grants for selected programs)	Up to 550 million AMD	EFRA - Objective 3: Improved Productive Use of Financial Capital for Catalytic Sectoral Investments SDC - Swiss portfolio outcome 3: Improving economic development and creating decent jobs	Ministry of Economy	2026-2030	The calculation takes into account the number of beneficiaries and the average cost of the acceleration program per beneficiary (which is approximately AMD 5 million in 2023).	The number of participants of the acceleration program (24 in 2030, 18 in 2025)
M 2.1.2.3 "Best young professional" annual grant competition	Up to 288 million AMD	SDC - Swiss portfolio outcome 1: Protecting and promoting civic engagement and space as well as cooperation in the region	Ministry of Labor and Social Affairs	2026-2030	The calculation takes into account the following components: organizational costs (20 thousand drams per participant), as well as the number of professional sectors (which corresponds to the number of state industrial zones), a grant of 500 thousand drams and 4% inflation.	The number of participants of the "Best Young Professional" annual grant competition (2000 in 2025, 2300 in 2030)

Measure	Projected Budget	Possible sources apart from state budget	Responsible Body	Deadline	Method of Calculation	Impact
M 3.1.2.2 Development of an online financial and digital literacy course, including their provision in the territorial centers of the Unified Social Service	Up to 610 million AMD	GIZ - Economic Development & Employment Area (PSD TVET, EPIC)	Ministry of Labor and Social Affairs	2025-2030	The calculation is based on the annual number of beneficiaries (based on the change in the underutilization of the labor force among women), the average cost of the vocational training program (which is approximately AMD 100) and annual inflation of 4%	Number of people completing the online financial and digital literacy course 2025-2120 2026-790 2027-770 2028-750 2029-730 2030-710
		SDC - Swiss portfolio outcome 1: Protecting and promoting civic engagement and space as well as cooperation in the region:				
		ADB - SO 2 Targeted service delivery improvements				
		World Bank – Cross Cutting theme Women and Youth				
		SDC - Swiss portfolio outcome 3: Improving economic development and creating decent jobs				
		GIZ - Economic Development & Employment Area (PSD TVET)				
M 5.4.4.1 Development and recognition of career guidance criteria/standards	Up to 45 million AMD	World Bank - CPF Objective 2 – Improved service delivery at central and local levels	Ministry of Labor and Social Affairs	2024-2025	Average cost for consultancy services for the implementation of the project	National standards for career guidance in the fields of education, employment, social inclusion are developed and approved, which define the end results of career services according to age and socio-employment status and are a starting point for continuing education and training.
M 5.4.4.3 Capacity building of the structure responsible for the national career support system	Up to 775 million AMD	AWDA - Objective 2: To shift societal perceptions to support effective labor market participation	Ministry of Labor and Social Affairs	2025-2030	The calculation took into account the salaries of 10 highly qualified professionals (salary in the amount of 1 million drams), the average cost of renting an office, as	Availability of a national center staffed with highly qualified specialists, offering technologies in line with the demand of the labor market and having a collegial

					well as general transaction costs. The calculation also takes into account the change in the employment rate.	management with the involvement of social partners and interested public administration
Measure	Projected Budget	Possible sources apart from state budget	Responsible Body	Deadline	Method of Calculation	Impact
M 5.4.3.3 Creation of a common platform summarizing information about educational programs and state support in the field of employment	Up to 50 million AMD	World Bank - CPF Objective 2 – Improved service delivery at central and local levels AWDA - Objective 2: To shift societal perceptions to support effective labor market participation	Ministry of Labor and Social Affairs	2025	Average cost for consultancy services for the implementation of the project	Common platform availability
M 5.4.5.1 Conducting an annual evaluation to monitor the level of implementation of the strategy	Up to 161 million AMD	World Bank – Cross Cutting Theme Institutional Strengthening	Ministry of Labor and Social Affairs	2024-2030	Average cost for consultancy services for the implementation of the project	
M 5.3.1.2 Continuous improvement of the RA legislative framework, in particular, introducing the guarantees for the realization of labor rights arising from the obligations assumed by the RA under the RA-EU Comprehensive and Extended Partnership Agreement (CEPA)	Up to 93 million AMD	AWDA - Objective 2: To shift societal perceptions to support effective labor market participation	Ministry of Labor and Social Affairs	2024-2026	Average cost for consultancy services for the implementation of the project	
M 5.3.1.6 Development of unemployment insurance system	Up to 450 million AMD	World Bank - CPF Objective 2 – Improved service delivery at central and local levels	Ministry of Labor and Social Affairs	2025-2027	Average cost for consultancy services for the implementation of the project	

Overall, total cost of the Employment Strategy implementation is projected to be 765 billion AMD for the period of 2024-2030. In total, there are 103 measures designed under 5 interim goals, 26 out of which might be partially or fully covered by donor support (measures under codes 1.2.1.1, 1.2.3.3, 2.1.4.1, 2.1.5.2, 2.1.5.3, 5.3.1.3, 5.3.1.4, 5.4.4.2 and 5.4.5.2 do not require any financing). According to the project implementation team's projections, the following measures are expected to be implemented fully by donor financing: (1) M 4.2.1.1, (2), M 4.2.1.2, (3) M 3.3.1.6, (4) 5.4.1.1, (5) M.5.4.4.1, (6) M 5.4.3.3, (7) M.5.3.1.2

Overall cost of the measures, which were selected as potential interest for donor implementation is 94.6 billion AMD. This is explained by the fact, that 35% of the total costing is designed as capital investments and another 24% for financial support mechanisms.

The biggest stakeholders of the Employment Strategy are: Ministry of Economy (44% of total financing), Ministry of Labor and Social Affairs (36%) and Ministry of Education, Science, Culture and Sports (12%). However, the overwhelming majority of selected measures are under Ministry of Labor and Social Affairs (21 out of 28 measures), followed by Ministry of Education, Science, Culture and Sports (4 measures) and Ministry of Economy (3 measures).

EMPLOYMENT RELATED COSTS IN MEDIUM TERM EXPENDITURE FRAMEWORK

The system of RA Medium-Term Expenditure Framework was introduced in 2003 and serves as an important part of the budgetary process. Currently, Medium-Term Expenditure Framework is the main fundament for the state budget development.

2024-2026 framework coincides with the completion period of 2021-2026 RA Government programme and is completely based on it. The most important goals highlighted in the 2024-2026 Medium-Term Expenditure Framework are the following:

- Strengthening the security of Republic of Armenia
- Develop economic infrastructure and increase its accessibility
- Human capital development

Overall, according to Medium-Term Expenditure Framework in 2024 the expenditure of the budget will amount 2,966.7 thousand AMD, in 2025 3,353.4 thousand AMD and in 2026 3,795.5 thousand AMD.

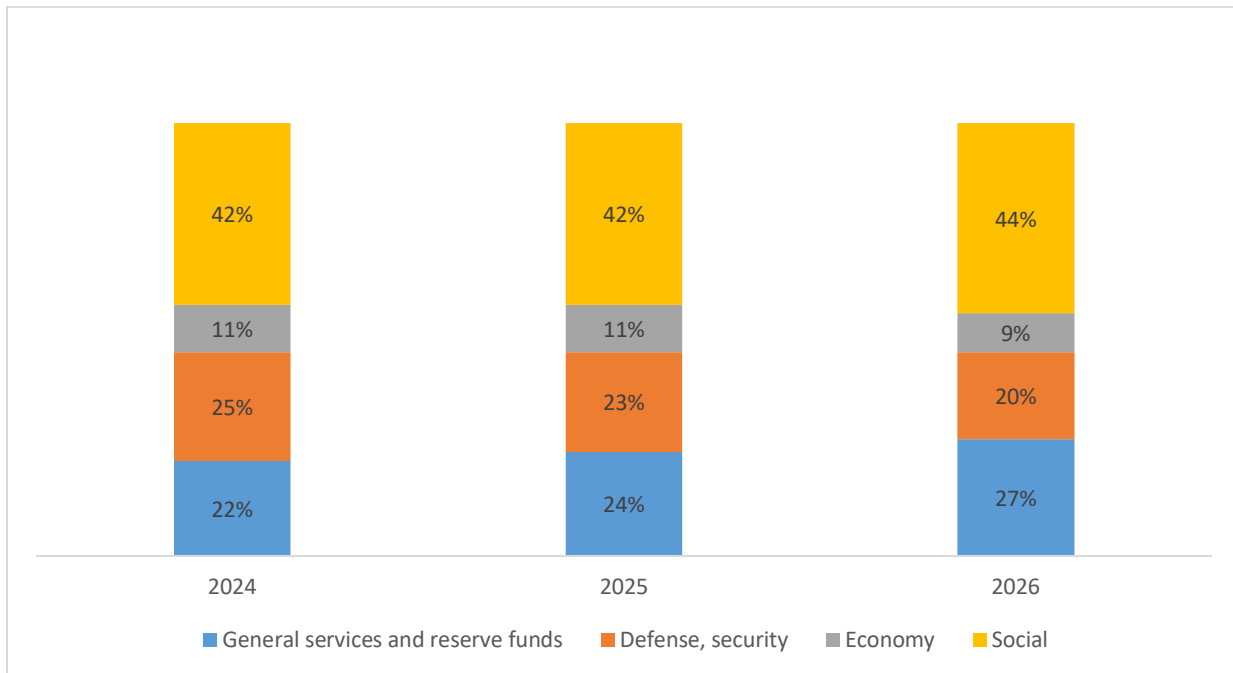
The table below summarizes main dimensions of Medium-Term Expenditure framework by main sectors.

Indicator	Actual			Budget	Medium-Term Expenditure Framework		
	2020	2021	2022		2024	2025	2026
Total	1,894.6	2,004.3	2,242.6	2,591.0	2,966.7	3,353.4	3,795.5
to GDP (%)	30.6	28.7	26.4	27.8	28	28.4	28.9
Public general services and reserve funds	344.3	381.0	407.4	549.4	655.5	791.5	1,000.1
to GDP (%)	5.5	5.5	4.8	5.9	6.2	6.7	7.6
In total expenditure (%)	18.2	19.0	18.2	21.2	22.1	23.6	26.3
Defense, security and judicial system	539.2	496.0	677.3	723.2	752.4	783.4	771.4
to GDP (%)	8.7	7.1	8.0	7.8	7.1	6.6	5.9
In total expenditure (%)	28.5	24.7	30.2	27.9	25.4	23.4	20.3
Economy	138.9	167.3	192.1	267.6	327.5	361.2	357.2
to GDP (%)	2.4	2.4	2.3	2.9	3.1	3.1	2.7
In total expenditure	7.3	8.3	8.6	10.3	11	10.8	9.4
Social Sphere	872.2	960.0	965.8	1,050.7	1,231.3	1,417.3	1,666.9
to GDP (%)	14.1	13.7	11.4	11.3	11.6	12	12.7
In total expenditure (%)	46.0	47.9	43.1	40.6	41.5	42.3	43.9

Source: Medium-Term Expenditure Framework

Overall, in 2024-2026 period, total expensed of state budget will be dominated by social sector (which includes employment issues as well). The share of state sector in this period will make 42.5% on average.

Figure 3 Structure of Medium-Term Expenditure Framework



In 2024-2026 period, the main targets of the state policy in the social protection field include goals connected with demography, realization of the rights of persons with disabilities, ensure return of children from orphanage to families etc. Moreover, targets in the social protection field include:

- Encouraging education and work among the vulnerable population, implementing programs to promote business, increasing the addressability of employment regulation programs, implementing programs aimed at increasing the competitiveness of young people, persons with disabilities, women in the labor market, reducing the unemployment rate
- Encourage the entry of private organizations into the field of social service provision: create a competitive environment, introduce alternative financing models, promote the diversity of social services

Overall, the total budget of Ministry of Labor and Social Affairs is planned to be 941,367 thousand AMD. The action under number 1088 (Employment Program) is supposed to create conditions aimed at ensuring stable and temporary employment of the population. However, the share of this program in total MoLSA financing is below 1% (only 580 million AMD).

ROLE OF PRIVATE SECTOR ORGANIZATIONS IN ARMENIA'S ECONOMY

Armenia's private sector is a vital component of its economic landscape, comprising businesses across manufacturing, services, technology, agriculture, and other sectors.

Private sector employs over 75% of the workforce in Armenia. Main contributors to employment in private sector include Agriculture (22% of total), Manufacturing (10%), Construction (9%), Wholesale and Retail Trade (12%).²

The contributions of private sector organizations to the state budget are multifaceted and impact various revenue streams. The private sector in Armenia contributes to the state budget through various channels, primarily through taxation and economic activities that generate revenue for the government. The main revenue streams for the Armenian government from the private sector include income taxes, value-added taxes (VAT), and corporate taxes. These funds play a crucial role in supporting public services, infrastructure development, and social welfare programs.

Income taxes form a significant portion of the revenue generated by the private sector. Individuals working in various industries and sectors contribute a portion of their income to the state in the form of income tax. This revenue is essential for funding government initiatives, public education, healthcare, and other essential services.

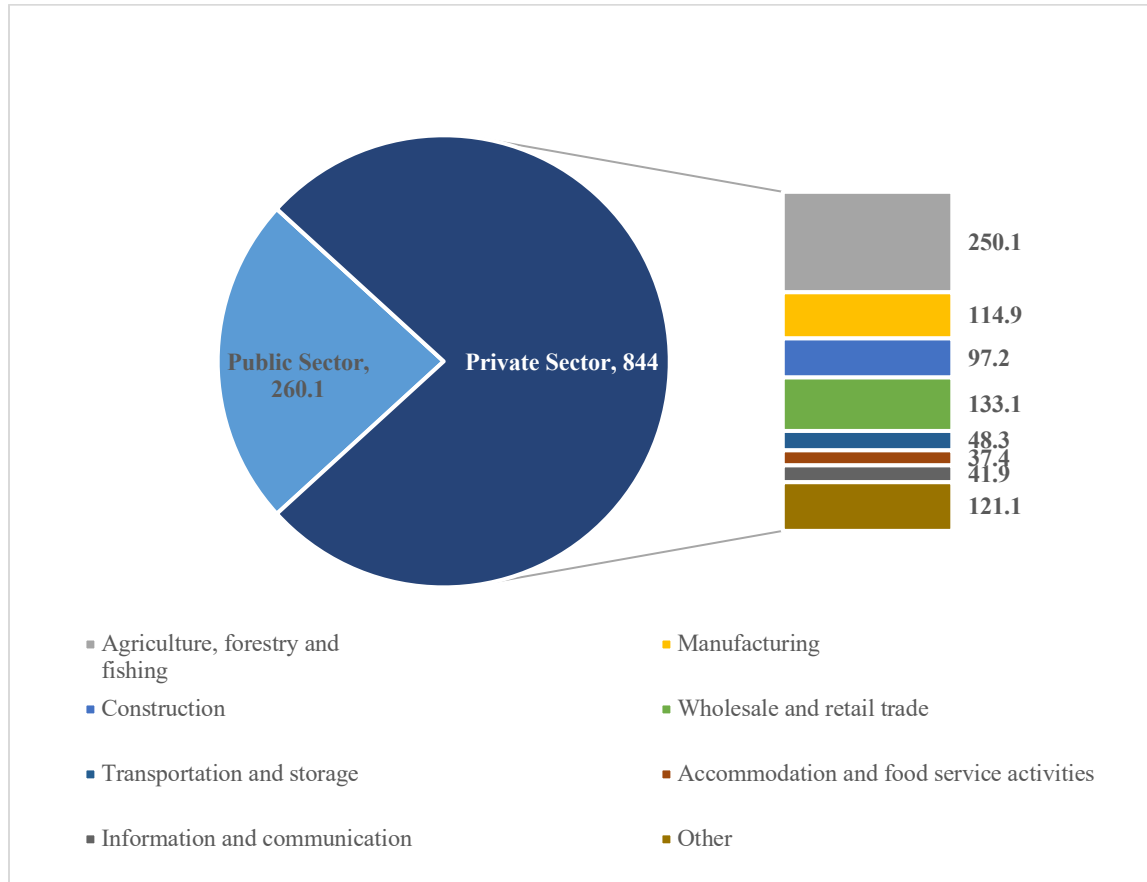
Value-added taxes (VAT) are another key source of revenue for the government. VAT is levied on the sale of goods and services at each stage of production and distribution, with businesses acting as intermediaries in the collection process. The private sector plays a pivotal role in this by collecting and remitting VAT to the government. This indirect tax contributes significantly to the state budget and helps fund public expenditures.

Corporate taxes are imposed on the profits earned by businesses operating within Armenia. The private sector's profitability directly influences the amount of revenue generated through corporate taxes. These funds are vital for the government's budgetary requirements, enabling investments in infrastructure, public services, and economic development initiatives.

In addition to direct taxation, the private sector indirectly contributes to the state budget through economic activities that stimulate overall economic growth. This includes job creation, increased consumer spending, and enhanced business activities. A thriving private sector fosters economic development, leading to a broader tax base and additional revenue streams for the government.

² Labour Market in Armenia, 2023 (Statistical Committee of the Republic of Armenia)

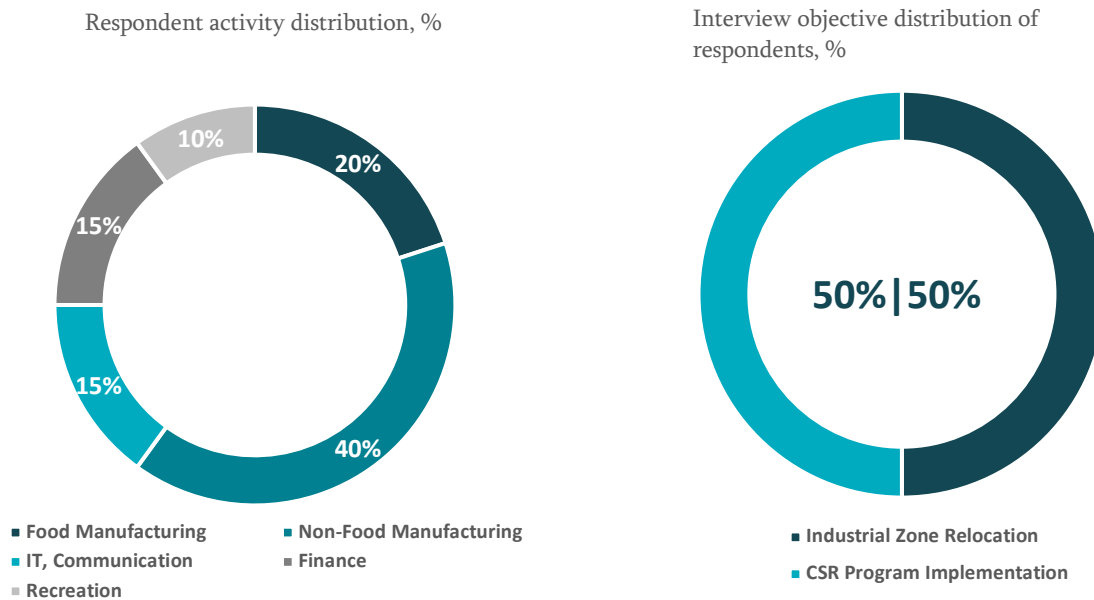
Figure 4: Number of people employed in Public and Private Sectors (2022)



Source: Labour Market in Armenia, 2023 (Statistical Committee of the Republic of Armenia)

To assess the possible areas where the private sector players may contribute to the implementation of the Employment Strategy, the Consultant conducted rounds of interviews with representatives of different industries. At this phase of the assignment implementation process, the objective was to identify synergies between the measures outlined in the Employment Strategy and the strategic objectives of

private sector companies. A total of 20 companies participated in the interviews, with half of them representing the manufacturing sector. The objective was to understand the challenges and incentives associated with relocating production to industrial zones. The remaining 10 companies interviewed were engaged in Corporate Social Responsibility (CSR) projects, specifically those with a focus on education and training. The charts below illustrate the distribution of respondents based on their types of activities.



The topics discussed covered the presentation of the main objectives and findings of Employment Strategy, as well as private sector's vision on interactions between selected measures of the strategy and the strategic objectives of their respective companies.

The proposed measures and recommendations aim to address the specific concerns raised by industrial companies and those engaged in CSR programs. Key focus areas include promoting collaboration between businesses and educational institutions by aligning educational programs with industry needs, empowering manufacturing industries, supporting international exposure for local companies, and promoting non-formal professional education.

EMPLOYMENT STRATEGY FINANCING: PRIVATE SECTOR IN-DEPTH INTERVIEW RESULTS

Following these 20 in-depth interviews, the project implementation team has formulated the following recommendations to address challenges in the labor market and enhance labor participation rates in Armenia. These suggestions offer comprehensive insights into potential measures, serving as valuable instruments for further consideration. They built the foundation for the development of strategies aimed at encouraging individuals from diverse target groups to enter the labor market.

Incentive program implementations: Catalyzing business synergy through strategic relocation

COMPREHENSIVE SUPPORT SYSTEM | To develop a dynamic industrial landscape and enhance collaboration among businesses and the handicraft industry, it is recommended to initiate a comprehensive support system. This program should encourage businesses, including employees, to voluntarily relocate to designated industrial zones. The support system could include benefits such as reduced corporate taxes, tax credits, cost-effective utilities, streamlined transportation options for employees, administrative assistance, and simplified access to loans. Making relocation financially attractive aims to create a thriving ecosystem, promoting the exchange of ideas and resources within these industrial zones.

SHARED ECONOMY | Furthermore, implementing a "shared economy" model within these industrial zones not only reduces overhead costs but also boosts cost-effective production and export. This approach involves the efficient utilization of resources and facilities among multiple entities, increasing overall productivity.

Protect local industries and promote domestic products:

ENHANCING GLOBAL COMPETITIVENESS | In response to the critical need to enhance the competitiveness of local industries, it is recommended to prioritize their growth through the strategic implementation of protectionist measures. This includes the introduction of targeted taxation on select imported goods. Taking inspiration from the successful application of this approach in Armenia for select goods, its extension to additional raw materials and products is considered vital. These measures aim to foster a conducive environment for local manufacturing, serving as a catalyst for economic growth and fortifying self-reliance. By encouraging consumers to choose domestic products, this strategy not only bolsters local industries but also lays a foundation for sustained economic development. Importantly, this initiative has a direct positive impact on employment, as the growth of local industries translates into increased job opportunities within the domestic workforce.

Allocate financial support for international expos:

To elevate the global standing of Armenian enterprises, a pivotal strategy involves extending financial support to Armenian companies engaged in international exhibitions. This proactive approach capitalizes on international business opportunities, fostering heightened demand, amplified production and exports, and catalyzing job growth. The key lies in providing grants to these companies, shouldering the burden of financing costs, thereby magnifying the impact of these strategic investments. This comprehensive approach not only amplifies the visibility of Armenian businesses worldwide but also fortifies the nation's economic growth and competitiveness on the international stage.

Strengthen collaboration between industries and educational institutions:

To strengthen the collaboration and partnerships between industrial sectors and academic institutions, it is recommended to cultivate a more substantial synergy by expanding the opportunities for internships and collaborative projects. This structured approach effectively bridges the gap between theoretical knowledge and practical application, enabling students to gain real-world experience while facilitating the exchange of expertise between educational institutions and industry. Such a formalized collaboration is mutually beneficial, as it provides industries with access to a skilled talent pool and innovative insights, while academic institutions acquire greater practical relevance and valuable industry connections. This approach is anticipated to elevate levels of innovation, research, and skill development within both sectors.

Development of professional educational programs providing non-formal education:

Due to the widespread shortage of labor in non-agricultural industries, it is essential to strategically improve the current educational program. It is recommended to develop specialized programs in collaboration with industry representatives to address this shortage, ensuring a fusion of theoretical understanding and hands-on experience. This transformative move not only bridges the gap between education and industry needs but also produces a workforce uniquely equipped to drive innovation and sustainability in these critical sectors.

Comprehensive empowerment of handicraft industries:

INCENTIVIZE ENGAGEMENT IN MANUFACTURING SECTOR | To address unemployment challenges existing in manufacturing sector, particularly affecting women and youth, a targeted strategy is essential. This involves incentivizing engagement in handicraft work through initiatives such as competitive salaries, personalized professional development, and transparent career paths. Simultaneously, an awareness campaign highlights the economic and cultural significance of handmade products to enhance the industry's perception, fostering financial appeal, growth, and sustained innovation.

ESTABLISHMENT OF NON-FORMAL EDUCATIONAL CENTERS | Furthermore, it is crucial to establish dedicated educational centers specializing in handicraft studies. Recognizing the intricate nature of the handicraft industry and the current lack of specialized focus in traditional education, these centers or university departments will serve as dynamic hubs for advanced education. They aim to create an environment tailored for in-depth skill development within the handicraft industry, bridging the existing educational gap.

Promote Armenian National Agrarian University and enrollment incentives:

As emphasized in interviews with representatives across diverse manufacturing industries, the Armenian National Agrarian University emerges as a crucial institution in shaping professionals for future manufacturing sectors. By playing a pivotal role in educating and nurturing the next generation of manufacturing professionals, elevating its stature becomes imperative to attract talented individuals to careers in agriculture and related fields. Implementing incentives like scholarships, grants, and financial aid is essential for encouraging higher enrollment, ensuring increased accessibility, and enhancing the overall appeal of education. Furthermore, the efficacy of these programs can be bolstered by the active

involvement of industry professionals. Their speeches and engagement in educational program planning contribute significantly to the practical relevance and success of these initiatives.

Enhance cultural and psychological education:

In order to encourage individuals to actively participate in the workforce and minimize the tendency of becoming unemployed, it is strongly advised to enhance educational institutions by integrating a comprehensive curriculum that encompasses cultural awareness, psychology, and financial literacy. This comprehensive education approach helps people gain the knowledge and skills to make better decisions, understand diverse perspectives, and manage personal finances effectively. This comprehensive educational strategy encourages individuals to participate in the workforce, thereby promoting economic engagement and reducing unemployment in the country.

Promote CSR initiatives through government-funded media:

Recognizing that companies may face financial challenges in promoting their CSR initiatives through advertising, a suggestion is to start government-funded media campaigns on public TV channels.

This initiative addresses the costliness of advertising for businesses, allowing them to actively participate in CSR activities. The proposed media campaigns will highlight the positive impact of CSR, showcasing successful examples and encouraging increased business involvement. By utilizing public TV channels, the outreach of these campaigns will be extensive, fostering awareness, engagement, and effectiveness in CSR endeavors.

Review and reform social benefit programs:

To incentivize employment and address the issue of individuals receiving social benefits without disabilities hindering their workforce participation, a recommendation involves evaluating and restructuring government social benefit programs. This assessment should focus on refining program duration and eligibility criteria to improve effectiveness, providing targeted support for those genuinely in need while maintaining financial sustainability. This proactive approach aims to align social benefit initiatives more closely with the diverse needs of the population, optimizing their impact on both individuals and the broader economic landscape.

Psychological consultation meetings implementation:

Addressing the psychological barriers to employment is a significant area for intervention, particularly among those capable of working but facing challenges such as financial illiteracy and motivational issues. It is strongly recommended to allocate funds for organizing and conducting psychological consultation meetings, with a specific focus on the unemployed, especially those receiving state social benefits. The primary objective is to motivate and guide individuals toward successful reintegration into the labor market. This financial commitment is designed to tackle the psychological dimensions of unemployment, fostering a supportive environment that enhances readiness and motivation for employment. By providing targeted psychological support, we aim to empower individuals to overcome barriers, enabling a more proactive approach to their engagement in the workforce.

ANNEXES

Annex: Interview Minutes

Magnon	
Participants	Astghik A. Hovsepyan - Director
Geographical Coverage	Operates within the local Armenian market and exports production to Georgia.
Strategic Cycle	- Magnon is a manufacturer specializing in playground, fitness, street workout, and sports equipment. - Offers services for planning and customization of playgrounds and sports ground areas. - Committed to inclusive playground equipment developed in collaboration with centers working with children with disabilities. - Holds copyrights for 57 unique equipment designs. - Has a strategy to increase annual production counts. - Create quality employment opportunities.
Employment strategy measures which Magnon might consider financing	M 1.1.1.1 - Alignment of educational programs of non-formal professional education institutions in the communities that include regional cities with the specialization of the industrial zone in that communities - Interested M 1.2.1.4 – Financing of capital costs of renovation and re-equipment of the industrial zones created by the state - Interested M 2.1.5.1 – Implementation of career guidance activities in schools by private organizations benefiting from state support programs in accordance with the signed cooperation memorandum

ARMPIPE LTD	
Participants	Tigran Baveyan - Director
Geographical Coverage	Operates within the local Armenian market
Strategic Cycle	- Armpipe Ltd specializes in the production of polymer pipes. - Key supplier to various regions of Armenia, contributing to the development of essential infrastructure and serving residential and industrial sectors.
Employment strategy measures which Avshar	M 1.1.1.1 - Alignment of educational programs of non-formal professional education institutions in the communities that include

Prod LTD might consider financing	regional cities with the specialization of the industrial zone in that communities - Not interested • M 2.1.5.1 – Implementation of career guidance activities in schools by private organizations benefiting from state support programs in accordance with the signed cooperation memorandum - Interested
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The Yerevan Leather Factory	
Participants	• Arsen T. - Director
Geographical Coverage	• Operates within the local Armenian market and exports production to Russia and Turkey.
Strategic Cycle	• The current workforce is diverse, with employees from various countries, including the Philippines, India, and Cuba. • Focuses on exporting leather as an intermediate and finished good. • Has a strategy to increase daily production counts. • Implement measures to enhance economic development, fostering a conducive environment for job creation, skills development, and overall prosperity. • Optimize production processes through relocation to a more suitable location.
Employment Strategy Measures which the Yerevan Leather Factory might consider financing	• M 1.2.1.4 – Financing of capital costs of renovation and re-equipment of the industrial zones created by the state - Interested • M 2.1.5.1 – Implementation of career guidance activities in schools by private organizations benefiting from state support programs in accordance with the signed cooperation memorandum - Interested • M 5.1.1.1 - Implementation of legislative changes for creation of labor market information system and data collection - Not interested • M 5.1.1.3 - Correspondence between the administrative registers of education, tax and social sectors, which will allow to observe the educational and career trajectory of beneficiaries - Not interested

SHKAFF wooden furniture salon	
Participants	• Hayk Hambarchyan-Director
Geographical Coverage	• Operates within the local Armenian market.

Strategic Cycle	• Shkaff is a domestic furniture manufacturing company with a history of over three decades. • It has evolved from a small family business into a high-end furniture factory with four sales points. • The company specializes in crafting high-quality furniture. • Shkaff aims to expand its reach by exporting to the international market.
Employment strategy measures which Shkaff might consider financing	• M 1.2.1.5 - 50% reimbursement of capital costs for the creation of private industrial zones • M 2.1.5.1 – Implementation of career guidance activities in schools by private organizations benefiting from state support programs in accordance with the signed cooperation memorandum • M 5.4.3.1 - Implementation of a long-term, large-scale national campaign to increase the role of work and the attractiveness of vocational education, as well as to promote the strategy's vision and activities (within the framework of this activity, grants may also be organized for marketing and communication companies that promote the strategy's objectives). • M 1.1.1.1 - Alignment of educational programs of non-formal professional education institutions in the communities that include regional cities with the specialization of the industrial zone in that communities - Not interested

Decora Group	
Participants	• Anna Zeybert- HR and Organisational development professional
Geographical Coverage	• Operates within the local Armenian market and exports its products to Russia and Georgia.
Strategic Cycle	• A representative of global home improvement and furnishing firms in Armenia. • Manufacturer of furniture, mattresses, and furnishing materials to the highest standards. • Collaborates with over 90 distinguished international companies from Germany, Italy, Spain, Austria, the USA, and more. • Committed to the design, development, and management of a diverse range of brands. • Engages in the export of its production to serve international markets. • Currently in the process of strategic relocation to a more suitable location for optimized production processes, considering factors like resource availability, logistics, and operational efficiency.
Employment Strategy Measures which Decora	• M 1.1.1.1- Alignment of educational programs of non-formal professional education institutions in the communities that include

Group might consider financing	regional cities with the specialization of the industrial zone in that communities - Interested • SpG 3.1– Integrating and reintegrating middle-aged unemployed women (30-40) into the labor market by changing the behavioral model and developing competitive skills - Interested • M 2.1.5.1– Implementation of career guidance activities in schools by private organizations benefiting from state support programs in accordance with the signed cooperation memorandum - Interested • StG 2- Growth of employment among youth not in education, employment or training (NEET), aged 18-29, based on continuous development of skills, expansion of their realization possibilities and increase of productivity - Interested • M 3.1.1.1 - Providing the opportunity to enroll in courses offered on the interactive professional training platform for middle-aged unemployed women - Interested and Implemented • P 4.1.1 - Encouraging non-formal vocational training for the working age population without any limitations, receiving family and social benefits, into the labor market through development of skills - Interested
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Wood Land	
Participants	• Arthur -Founder
Geographical Coverage	• Exporting products to Russia and the United States, with growing demand both locally and internationally
Strategic Cycle	• Woodland Company founded in 1982, operates in the Armenian wood manufacturing market. • Notable improvements in wood manufacturing processes, including the adoption of internationally recognized machinery. • Commitment to maintaining high-quality products and efficient resource management. • Strong emphasis on maintaining a skilled workforce. • Participation in international exhibitions to showcase products, design, and construction.
Employment Strategy Measures which Wood Land might consider financing	• M 1.1.1.1- Alignment of educational programs of non-formal professional education institutions in the communities that include regional cities with the specialization of the industrial zone in that communities - Not interested • M 1.2.1.4– Financing of capital costs of renovation and re-equipment of the industrial zones created by the state - Interested

	• M 2.1.5.1– Implementation of career guidance activities in schools by private organizations benefiting from state support programs in accordance with the signed cooperation memorandum - Interested • StG 3- Growth of women’s employment for full and long-term realization of their potential in the labor market, as well as for the development of women's entrepreneurship, in particular by promoting the employment of middle-aged women (30-40) - Not interested • M 5.1.1.3- Correspondence between the administrative registers of education, tax and social sectors, which will allow to observe the educational and career trajectory of beneficiaries - Not interested
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Arcolad CJSC	
Participants	• Emil Harutyunyan - Director
Geographical Coverage	• The company is currently based in Yerevan, Armenia, and primarily operates within the local Armenian market. However, the company has expressed intentions to potentially relocate its production facilities to a new location near Yerevan. • The company exports its production to Russia and US
Strategic Cycle	• Founded in 2004, Arcolad aims to offer fresh and genuine chocolate to chocolate aficionados. • Successfully navigated challenges over many years, becoming a well-established local brand. Future Intentions: • Transfer production facilities to an area near Yerevan. • Increase daily production counts • Solve problems with hiring younger employees. • Increase in exports
Employment strategy measures which Arcolad might consider financing	• SpG 3.1– Integrating and reintegrating middle-aged unemployed women (30-40) into the labor market by changing the behavioral model and developing competitive skills - Interested • M 2.1.5.1– Implementation of career guidance activities in schools by private organizations benefiting from state support programs in accordance with the signed cooperation memorandum - Interested • M 2.1.5.2- Development of a financial literacy module for high school students - Interested • M 1.2.1.5– Implementation of career guidance activities in schools by private organizations benefiting from state support programs in accordance with the signed cooperation memorandum - Interested

Avshar Prod LTD	
Participants	Armen Grigoryan - Founder
Geographical Coverage	Operates within the local Armenian market and exports its products to other countries.
Strategic Cycle	- Avshar Prod LTD, home to the Avshar cannery, was established in 2008. - Located in the Ararat valley, the factory benefits from the rich fruits and vegetables indigenous to Armenia. - Specializes in producing over 40 varieties of canned goods, including jams, fruit conserves, snacks, pickled vegetables, tomato paste, fruit juices, and fruit compotes. - Emphasizes the use of environmentally friendly raw materials and original recipes to preserve Armenian flavors. - Core objective is to ensure safety and hygiene standards in consumer products. - Implements quality control measures throughout the production process.
Employment strategy measures which Avshar Prod LTD might consider financing	M 1.1.1.1- Alignment of educational programs of non-formal professional education institutions in the communities that include regional cities with the specialization of the industrial zone in that communities-Not interested M 2.1.5.1- Implementation of career guidance activities in schools by private organizations benefiting from state support programs in accordance with the signed cooperation memorandum- Interested

Daughter Melania	
Participants	Sargis Harutyunyan - Director
Geographical Coverage	Serves both the local Armenian market and exports its dairy products to Russia and the United States.
Strategic Cycle	- The company is renowned for its commitment to quality in dairy products. - Achieves high-quality products through continuous investments, streamlined production processes, and efficient resource management. - Focuses on offering desirable and nutritious dairy products.
Employment strategy measures which Daughter Melania might consider financing	M 2.1.5.1 – Implementation of career guidance activities in schools by private organizations benefiting from state support programs in accordance with the signed cooperation memorandum - Interested

	• M 1.2.1.4 – Financing of capital costs of renovation and re-equipment of the industrial zones created by the state - Interested • SpG 3.1 - Integrating and reintegrating middle-aged unemployed women (30-40) into the labor market by changing the behavioral model and developing competitive skills - Not interested • M 5.1.1.3 - Correspondence between the administrative registers of education, tax and social sectors, which will allow to observe the educational and career trajectory of beneficiaries - Not interested
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Yell Extreme Park	
Participants	• Tigran Chibukchyan - Founder and CEO
Geographical Coverage	• Operates in Armenia, Tavush region
Strategic Cycle	• Current strategy orients towards continuous development and providing a high quality service, extending activities and offering each season, aiming to become a center of extreme, adventure and eco-tourism destination in the Tavush province.
Employment strategy measures which Yell Park might consider financing	• SpG 3.1– Integrating and reintegrating middle-aged unemployed women (30-40) into the labor market by changing the behavioral model and developing competitive skills - Interested • M 2.1.5.1– Implementation of career guidance activities in schools by private organizations benefiting from state support programs in accordance with the signed cooperation memorandum - Interested • M 2.1.5.2- Development of a financial literacy module for high school students - Interested • M 1.2.1.5– Implementation of career guidance activities in schools by private organizations benefiting from state support programs in accordance with the signed cooperation memorandum - Interested

Araratbank	
Participants	• Anna Allahverdyan - Advisor on Public Relations to the Executive Director of AraratBank
Geographical Coverage	• Operates in Armenia
Strategic Cycle	• The Bank became a closed joint stock company in September 2005 and an open joint stock company in August 2007. • Operates through a network of 51 branches, with 50 branches in the Republic of Armenia.

	• Provides a comprehensive range of financial services to both individuals and legal entities. • Committed to implementing international banking technologies and best practices in corporate governance. • Active member of the Union of Banks of Armenia. • Collaborates closely with the Ministry of Finance and the Ministry of Economic Development and Investments of the Republic of Armenia, particularly in managing the internal public debt. • Plays a pivotal role as a government agent in managing Armenia's public debt in primary and secondary markets. • Member of NASDAQ OMX Armenia OJSC, enabling participation in trading activities involving various financial instruments on the Stock Exchange. • ARARATBANK is actively engaged in Corporate Social Responsibility (CSR) initiatives, contributing to the community and promoting social and environmental responsibility.
Employment Measures Araratbank might consider financing	Strategy which • StG 2 - Growth of employment among youth not in education, employment or training (NEET), aged 18-29, based on continuous development of skills, expansion of their realization possibilities and increase of productivity -Implementing and Interested • M 2.1.1.1 - Development of non-formal professional education institutions with the introduction of a competitive system--Implementing and Interested

Ameriabank	
Participants	• Anna Vardanyants – Head of Human Resources Management Department
Geographical Coverage	• Operates in Armenia
Strategic Cycle	• Established in 1910 as a branch of the Caucasian Trade Bank. • Became Armenian branch of USSR Vneshtorgbank during the Soviet era. • Renamed Ameriabank CJSC in 2008. • In 2007, TDA Holdings Limited acquired main share holdings, reaching 100% by 2013. • Consolidated with Cascade Bank CJSC in 2010. • Focus on comprehensive banking services: corporate, investment, and retail. • “Generation A” program for youth integration into the job market. • Lab opened at the National Agrarian University. • Active support for individuals affected by the Artsakh conflict. • Initiatives for women returning after maternity leave. • Emphasis on branding professions and universities to attract talent.

		• Collaboration with Armenian universities for internships. • Active participation in international and local events, training courses, and conferences.
Employment Measures Ameriabank consider financing	Strategy which might	• StG 2 - Growth of employment among youth not in education, employment or training (NEET), aged 18-29, based on continuous development of skills, expansion of their realization possibilities and increase of productivity - Implementing and Interested • M 2.1.1.1 - Development of non-formal professional education institutions with the introduction of a competitive system - Implementing and Interested • P 2.1.3 - Providing career guidance and job support, developing career management skills - Implementing and Interested • SpG 3.1 - Integrating and reintegrating middle-aged unemployed women (30-40) into the labor market by changing the behavioral model and developing competitive skills - Implementing and Interested

Evocabank		
Participants		• Tatevik Khachatryan- Deputy Chairman of Management Board
Geographical Coverage		• Commercial bank based in Armenia
Strategic Cycle		• Strong focus on innovation and technology. • Embraces a mobile-first approach for customer convenience. • Aims to provide online services without physical visits to the bank. • Increased share capital by AMD 3 billion. • Actively engages in corporate social responsibility initiatives. • Supports technology, innovation, and startups. • Invests in youth development and educational initiatives. • Participates in initiatives of public importance. • Helps vulnerable groups, including children without parental care. • Focuses on ethical sourcing and sustainability in its operations
Employment Measures Evocabank might consider financing	Strategy which	• StG 2- Growth of employment among youth not in education, employment or training (NEET), aged 18-29, based on continuous development of skills, expansion of their realization possibilities and increase of productivity -Interested and Implementing • M 2.1.1.1- Development of non-formal professional education institutions with the introduction of a competitive system Interested • P 2.1.5- Improving professional orientation and financial literacy among students in middle and high schools, considering the components provided by the new state standard of general education-Interested and Implementing

	• StG 3- Growth of women's employment for full and long-term realization of their potential in the labor market, as well as for the development of women's entrepreneurship, in particular by promoting the employment of middle-aged women (30-40)- Interested and Implementing • SpG 3.1- Integrating and reintegrating middle-aged unemployed women (30-40) into the labor market by changing the behavioral model and developing competitive skills- Interested and Implementing
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Synopsis Armenia	
Participants	• Gayane Markosyan - Head of PR & Communications
Geographical Coverage	• Synopsis operates in multiple locations worldwide, with its headquarters in Mountain View, California, USA, and a global presence that includes offices, research and development centers, and educational partnerships in various countries, such as Armenia.
Strategic Cycle	• Synopsis is a company specializing in chip design and electronic design automation (EDA) solutions. • They collaborate with Armenian universities to provide educational programs that prepare students for careers. • Upholds a set of core values: Integrity, execution excellence, and leadership. • The company places a strong emphasis on corporate social responsibility, making a positive impact in the community.
Employment Strategy Measures which Synopsis might consider financing	• StG 2- Growth of employment among youth not in education, employment or training (NEET), aged 18-29, based on continuous development of skills, expansion of their realization possibilities and increase of productivity - Interested • M 2.1.1.1- Development of non-formal professional education institutions with the introduction of a competitive system - Interested • P 2.1.3- Providing career guidance and job support, developing career management skills - Interested • M 2.1.2.3- Best young professional" annual grant competition - Interested • StG 3- Growth of women's employment for full and long-term realization of their potential in the labor market, as well as for the development of women's entrepreneurship, in particular by promoting the employment of middle-aged women (30-40) - Interested

	• SpG 3.1- Integrating and reintegrating middle-aged unemployed women (30-40) into the labor market by changing the behavioral model and developing competitive skills - Interested
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Groksmith	
Participants	• Hovhannes Kuloghlyan - Co-founder and CEO
Geographical Coverage	• Operates in Armenia and collaborates with international markets
Strategic Cycle	• Concept development: involves transforming client product visions into viable business models, testing and adjusting for market fit. • Product design: analyze user needs, create interactive models, conduct user tests, and finalize designs based on feedback. • Software engineering: encompasses the entire development process, from initial architecture design to continuous product maintenance, • Marketing: employ data-driven techniques to identify efficient communication channels for product launch strategies • Collaborates with universities, educational centers, and governmental institutions.
Employment Measures which Groksmith might consider financing	• StG 2- Growth of employment among youth not in education, employment or training (NEET), aged 18-29, based on continuous development of skills, expansion of their realization possibilities and increase of productivity - Implementing and Interested • P 2.1.3- Providing career guidance and job support, developing career management skills - Interested • M 2.1.3.1- Implementation of the grant program within the framework of organizations engaged in the development of general non-professional skills- Implementing and Interested • P 2.1.5 Improving professional orientation and financial literacy among students in middle and high schools, taking into account the components provided by the new state standard of general education- Implementing and Interested

Fnet Telecom	
Participants	• Gevorg Yengibaryan- Chief Executive Officer at F net Armenia
Geographical Coverage	• Operates within the local Armenian market.
Strategic Cycle	• Fnet Telecom, a leading Armenian telecommunications company • 2014: Expanded services to Kotayq and Ararat regions • 2016: Introduced digital TV services • 2017: Rebranded as "Family Network" for strategic development

	• 2019: Integrated Gegharkunik region into the network • 2025 Goal: Double staff from 250 to nearly 500 employees • Expansion plans to serve more regions in Armenia
Employment Strategy Measures which Fnet might consider financing	• StG 1 - Growth of highly productive non-agricultural employment in communities that include regional cities - Interested • M 1.1.1.3 - Up-/re-skilling of the teaching staff of state non-formal professional education institutions operating in regional communities with industrial zones in accordance with the specialization of the industrial zone - Interested • M 2.1.5.1 - Implementation of career guidance activities in schools by private organizations benefiting from state support programs in accordance with the signed cooperation memorandum - Interested • SpG 3.1 - Integrating and reintegrating middle-aged unemployed women (30-40) into the labor market by changing the behavioral model and developing competitive skills - Interested • M 5.4.3.1- Implementation of a long-term, large-scale national campaign to increase the role of work and the attractiveness of vocational education, as well as to promote the strategy's vision and activities (within the framework of this activity, grants may also be organized for marketing and communication companies that promote the strategy's objectives) - Interested

Renshin	
Participants	• Roza Solomonyan- Social Work Expert
Geographical Coverage	• Operates in Armenia
Strategic Cycle	• Renshin specializes in urban development projects in Armenia. • Established in 2002, it has played a significant role in shaping the real estate market in the country. • The company collaborates with the Apaga Foundation for CSR programs. • Their CSR initiatives target various groups, including students and families.
Employment Strategy Measures which Renshin might consider financing	• StG 2 - Growth of employment among youth not in education, employment or training (NEET), aged 18-29, based on continuous development of skills, expansion of their realization possibilities and increase of productivity - Interested and Implementing • M 2.1.1.1 - Development of non-formal professional education institutions with the introduction of a competitive system - Interested • M 2.1.5.2 - Development of a financial literacy module for high school students - Interested

	• StG 3 - Growth of women's employment for full and long-term realization of their potential in the labor market, as well as for the development of women's entrepreneurship, in particular by promoting the employment of middle-aged women (30-40) - Interested • SpG 3.1- Integrating and reintegrating middle-aged unemployed women (30-40) into the labor market by changing the behavioral model and developing competitive skills - Interested and Implementing • M 3.1.1.1 - Providing the opportunity to enroll in courses offered on the interactive professional training platform for middle-aged unemployed women - Interested • M 5.4.3.1 - Implementation of a long-term, large-scale national campaign to increase the role of work and the attractiveness of vocational education, as well as to promote the strategy's vision and activities (within the framework of this activity, grants may also be organized for marketing and communication companies that promote the strategy's objectives) - Interested
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Profal LLC	
Participants	• Tatevik Martirosyan - HR Specialist HR Administration
Geographical Coverage	• Operates within the local Armenian market and exports its products to various countries.
Strategic Cycle	• Profal LLC specializes in manufacturing high-end aluminum frame windows, frame patio and sliding doors, curtain walls, glass structures, and architectural products. • Operates a factory equipped with European and American machinery to meet international standards. • Holds quality certifications from both the US (NFRC) and the EU, emphasizing high-quality product production. • Adheres to "Passive House" regulations, promoting energy efficiency and sustainable building practices.
Employment strategy measures which Profal LLC might consider financing	• M 1.2.1.4– Financing of capital costs of renovation and re-equipment of the industrial zones created by the state- Interested • M 2.1.5.1– Implementation of career guidance activities in schools by private organizations benefiting from state support programs in accordance with the signed cooperation memorandum - Interested • M 1.1.1.1- Alignment of educational programs of non-formal professional education institutions in the communities that include regional cities with the specialization of the industrial zone in that communities - Interested • SpG 3.1-Integrating and reintegrating middle-aged unemployed women (30-40) into the labor market by changing the behavioral model and developing competitive skills - Interested

A.M.P. Group	
Participants	Suren Barseghyan - CEO & Founder
Geographical Coverage	- The company is currently based in Yerevan, Armenia, and primarily operates within the local Armenian market. - Exports its products to more than 30 countries.
Strategic Cycle	- A.M.P. Group represents well-known brands within Armenia, including Carpisa, Geox, Ecco, and Scarpe Multibrand. - The company exports its products to more than 30 countries. - The strategic objectives include enhancing production capacity, advancing economic development and job creation, and optimizing production through strategic relocation. - Corporate Social Responsibility (CSR) initiatives primarily focus on employees, with financial support for training and education, as well as internal educational and motivational projects.
Employment strategy measures which A.M.P. Group might consider financing	SpG 3.1 – Integrating and reintegrating middle-aged unemployed women (30-40) into the labor market by changing the behavioral model and developing competitive skills-Interested M 2.1.5.1 – Implementation of career guidance activities in schools by private organizations benefiting from state support programs in accordance with the signed cooperation memorandum-Interested M 1.2.1.5 – 50% reimbursement of capital costs for the creation of private industrial zones

Coca-Cola HBS Armenia	
Participants	Elina Markaryan - Corporate Affairs and Sustainability Director
Geographical Coverage	Coca-Cola operates in multiple locations worldwide, with its headquarters in Atlanta, Georgia, USA. Its geographic region extending from Ireland to the Pacific coast of Russia and from the Arctic Circle to Nigeria.
Strategic Cycle	- Coca-Cola HBC collaborate with Armenian universities to provide management trainings and leadership talks. - The company places a strong emphasis on corporate social responsibility, making a positive impact in the community.
Employment Strategy Measures which Coca-Cola HBS might consider financing	StG 2- Growth of employment among youth not in education, employment or training (NEET), aged 18-29, based on continuous development of skills, expansion of their realization possibilities and increase of productivity -Interested

- **M 2.1.1.1-** Development of non-formal professional education institutions with the introduction of a competitive system- **Interested**
- **P 2.1.3-** Providing career guidance and job support, developing career management skills- **Interested**
- **SpG 3.1-** Integrating and reintegrating middle-aged unemployed women (30-40) into the labor market by changing the behavioral model and developing competitive skills- **Interested**