

Approved by the ATDF Board members voting
On August 10, 2017

THE SEMI-ANNUAL REPORT
ON ACTIVITIES OF THE ARMENIAN TERRITORIAL DEVELOPMENT FUND
January 1 – June 30, 2017

Yerevan

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I. SUMMARY

The reporting period covered activities of the Armenian Territorial Development Fund (ATDF) in frames of Social Investment and Local Development (SILD) Project implemented by the support of the International Bank for Reconstruction and Development (IBRD) in the period from January 1, 2017 through June 30, 2017. Brief results of ATDF activities in frames of Local Governance Reform Activity (LGRA) Project financed by USAID grant, SILD Project financed by Swiss Agency for Development and Cooperation (SDC) grant, Seismic Safety Improvement Project (SSIP) financed by Asian Development Bank and Local Economy and Infrastructure Development (LEID) Project financed by IBRD are presented as well.

Applications: During the period under review, a total of 24 applications of micro-projects were received from communities of eight marzes and passed the 1st phase of appraisal. According to the procedures set in Operational Manual of the SILD Project, community general meetings were held in the communities, where Project implementation committees (PIC) were selected. All applications were passed to the 2nd stage of appraisal, and project designs were ordered for them.

Agreements: In the 1st semester of 2017, a total of 23 preliminary agreements with total cost of 2.68 billion Armenian dram (AMD) equivalent to 5.52 million US dollars (USD) were signed with PICs of micro-projects that passed the 1st stage of appraisal. A total of 5 micro-projects were approved, and 5 Framework Agreements with total cost of 503.4 million AMD (about 1.04 million USD) were signed with PICs of approved micro-projects.

Construction works: Six contracts with total cost of 613.3 million AMD (about 1.27 million USD) were signed with experienced construction companies selected through tenders. Construction works were completed for 5 micro-projects. Work places were created equaled to 12.4 thousand man*day ensuring a profit of nearly 105.6 million AMD (equivalent to 218 thousand USD) for people involved in construction works. As of June 30, 2017 construction works were going-on in frames of 37 micro-projects.

LGRA Project / USAID: During the period under review no activities were carried out in frames of the SILD's 2nd Component. But its procedures were used for creation of proposals of multi-component sub-projects in 13 consolidated communities under the LGRA Project financed from the USAID grant. As of June 30, 2017 sub-projects of Dilijan, Tumanyan, Tatev communities were in the implementation stage; sub-projects of Amasia, Ashotsk, Arpi, Sarapat, Urtsadzor and Vayk were in project design stage; sub-projects of Goris, Noyemberyan, Ayrum and Koghb were in the stage of preliminary appraisal.

In the reporting semester Dilijan, Tatev, Tumanyan and Vayk communities were provided with machinery (excavator, garbage truck, dump truck, grader, combine, tractor, etc.) for the expansion and improvement of community services.

SILD under SDC grant: Preparatory work was carried out to generate Inter-community project proposals in consolidated communities of Vayots Dzor and Syunik regions (Meghri, Tegh, Gorayk, Jermuk, and Zaritap). These sub-projects will be financed from grant means provided by SDC. As of June 30, 2017 Tegh's sub-project was under preliminary appraisal stage, and others were under final appraisal stage (project design).

SSIP / ADB: Activities under the SSIP continued in the reporting period. Eight schools of the first batch were selected; construction work started for one school; 3 schools were in contracting period; 3 schools - under bidding; project design papers were prepared for 1 school under financing by UNDP.

Received and expended amounts: During the period under review:

- An amount of about 1.71 million USD (equivalent to 826.9 million AMD) was received from the IBRD credit for the SILD Project. Correspondingly, an amount of 256.8 billion AMD (530 thousand USD) was received from the state budget as part of the Government contribution for the Project. Total expenditures made 895.9 million AMD (1.85 million USD).
- In frames of SSIP no amount was received from Asian Development Bank (ADB), and an amount of 169.2 million AMD (about 349.8 thousand USD) was received from the state budget as part of the Government contribution. Total expenditures made 209.74 million AMD (433.7 thousand USD).
- An amount of about 100 thousand USD (equivalent to 48.5 million AMD) was received from the IBRD credit for the LEID Project, and an amount of 3.9 million AMD (8,023 USD) was received from the state budget as part of the Government contribution for this Project. Total expenditures made more than 10.2 million AMD (21.09 thousand USD).

- An amount of 300 thousand USD (~145.3 million AMD) was received from grant provided by SDC for SILD Project; expenditures made 1.8 million AMD (3,659 USD).
- An amount of 1.21 million USD (equivalent to 584.5 thousand AMD) was received from grant provided by USAID for LGRA Project; expenditures made 520.1 million AMD (1.07 million USD).
- An amount of 119.2 million AMD (equivalent to 246.82 thousand USD) was received as a monetary contribution of communities, of which:
 - 90.9 million AMD (188.3 thousand USD) for micro-projects of the SILD's 1st Component;
 - 16.8 million AMD (34.6 thousand USD) for sub-projects of the LGRA (USAID);
 - 11.6 million AMD (24 thousand USD) for sub-projects of the SILD's SDC grant.

For SILD's 1st Component Expenditures from this source totaled 48.5 million AMD (~ 100.07 thousand USD).

In the frames of the SILD Project, the semi-annual plan was accomplished by 88 percent (1.85 million USD against planned 2.11 million USD), while the plan of civil works was accomplished by 95 percent.

For more details, see the next chapters.

II. ACTIVITIES OF THE TERRITORIAL DEVELOPMENT FUND

2.1 Component 1 of the SILD Project. Preparation of micro-projects

Under the 1st component of SILD Project micro-projects are carried out aimed at satisfying the basic needs of vulnerable communities based on applications and micro-projects proposals submitted by communities and their two-stage appraisal.

The micro-project application includes: community decision on participation in SILD Project; information on measures aimed at identifying the first priority needs of the beneficiaries; information on the infrastructure selected as a priority and its description; an evidence on willingness of the community to make required contribution; and the community council's commitment to invest the necessary resources for the operation and maintenance of the rehabilitated infra-structure in the community budget. The process and results of the discussions of priority problems with evidencing materials should be attached to the application along with the Community council's decision adopted based on these discussions.

All applications are screened against general eligibility criteria including: a) the application is properly compiled and signed, and the required documents are attached; b) compliance with the final list of needy communities of Marz; c) the proposed micro-project type corresponds to the eligible micro-projects' typology; d) the proposed micro-project is classified as environmental Category C of B; e) no land acquisition by ATDF (permanent or temporary) or involuntary resettlement (including loss of access to property or livelihood assets) is required for the micro-project. The applications not meeting these criteria are rejected by the ATDF's Executive Committee (EC) decision. The rest are handed over to the appraisal unit of the Fund for preliminary appraisal.

After the preliminary appraisal stage the promotion specialists facilitate events in the selected applicant communities aimed at updating the community on the micro-project preparation progress and the results of the preliminary appraisal, obtaining community agreement on the appraisal results, and ensuring awareness on the project grievance redress mechanism. After this information delivery campaign, a general community meeting is held with participation of Community outreach and Promotion unit (COPU) officer, during which SILD Project and its procedures are presented to community members; decision is made on the community contribution, and on setting up the Project Implementation Committee (PIC) to represent the community population and to take responsibilities for the implementation of micro-projects under the Framework Agreement signed with the ATDF.

PIC acts as the focal point through which local communities provide feedback or voice their concerns on micro-project preparation, technical design and implementation, work quality, and collaboration with ATDF, contractors, and other stakeholders. The first meeting of the PIC takes place with participation of the Fund's promotion specialist right after the general community meeting closing. During the meeting: (i) the Head of PIC is elected; and (ii) a short training on the role of the PIC and its next steps in the proposal preparation is conducted by the representatives of the ATDF.

During the period under review, a total of 24 applications of micro-projects were received from communities of eight marzes that are presented in the Table 1 by typology.

**Table 1. Distribution of applications received in the reporting period
by typology and marzes**

Marz	Kindergarten	School	Potable water system	Community Center	Special school	Irrigation system	Total
Aragatsotn	2			1			3
Ararat	3	1					4
Armavir	1						1
Lory		1		1			2
Kotayk						1	1
Shirak	3	2			1		6
Syunik	1			1			2
Tavush			1	1			2
Vayots Dzor	1		2				3
Total	11	4	3	4	1	1	24

The list of all applications received as of June 30, 2017 is presented in Annex 1.

Community General Meetings (CGM): In the period from application generation till approval of micro-project three general meetings should be organized in micro-project communities in order to ensure availability of the information to all the population groups (including women, youth, vulnerable groups, community members of remote or near border regions), and local government.

The 1st CGM: The 1st GCM is organized by the Community Council which invites formal and informal leaders of the community, representatives of vulnerable groups, community organizations, schools, business, and general public. The objective of this meeting is to make a decision on participation in the SILD Project; to discuss the important community problems, and to identify the priority one; to request the Community Council to prepare and send to the ATDF an application for participation in the SILD Project. In the CGM no participation of ATDF promotion officer is envisaged.

A total of 24 CGMs were held in the reporting period. On average, 72.3 people attended this meeting (women made up 56.6 percent).

The 2nd CGM: After the preliminary stage of appraisal the 2nd GCM should be organized to inform the community on SILD Project in more details, to get confirmation of the participants that all the community problems were openly discussed at the first GCM and to ensure that the community population understands and appreciates the micro-project selection and design, to make a decision on the local contribution, and setting up the PIC to represent the community population, and support all activities related to the micro-project preparation and implementation.

A total of 24 CGMs were held in the reporting period. On average, 76 people attended this meeting (women made up 62.3 percent).

The 3rd CGM is held after that the 2nd stage appraisal is completed. At the meeting, head of PIC in collaboration with the promotion officer presents once more the SILD Project, the micro-project final design and the community involvement in its co-financing and implementation. This meeting also provides an opportunity for the public to ask questions or make comments on the micro-project.

A total of 6 CGMs were held in the reporting period. On average, 50 residents attended this meeting (women made up 62 percent).

Data on CGMs organized in applicant communities in the reporting period are presented in Table 2.

Table 2. Data on CGMs

Meeting	N	N of participants	Of which women	
			N	%
I CGM	24	1,732	981	56.6%
II CGM	24	1,813	1,129	62.3%
III CGM	6	297	184	62.0%

2.2 Cumulative data on Micro-project proposals

Typology of all micro-projects' proposals received as of June 30, 2017 is illustrated in Figure 1, and their distribution by implementation phases is provided in Table 3, by marzes and location types in Table 4.

Table 3. SILD's micro-projects' distribution by implementation phases

Phase	Number
Completed	24
Construction	37
Bidding	8
Project Design	17
Preliminary Appraisal	24

Table 4. Distribution of micro-project proposals by marz and location type

Marz	N	Urban	Rural
Aragatsotn	8	3	5
Armavir	6		6
Ararat	6	2	4
Gegharqunik	11	3	8
Kotayk	7	2	5
Lory	9	6	3
Shirak	12	2	10
Syunik	12	2	10
Tavush	12	2	10
Vayots Dzor	4		4
Total	87	22	65

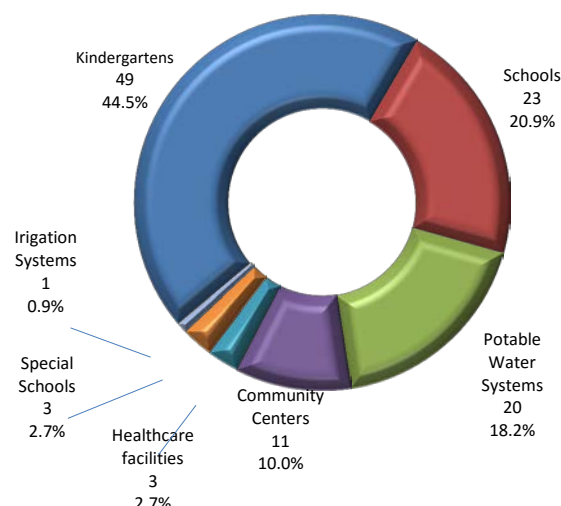


Fig. 1 Typology of SILD's micro-projects received as of June 30, 2017

2.3 Summary of promotional activities in the micro-project communities

Data on promotional activities performed in the 110 communities of micro-projects are summarized in Table 5.

Table 5. Data on promotional activities as of June 30, 2017

Marz	N of applications	N of participants in discussions (1st CGM)	of which women		N of participants in Elderly Council meetings	of which women		N of PICs' members	of which women	
			N	%		N	%		N	%
Aragatsotn	11	968	504	52.1%	171	26	15.2%	87	20	23.0%
Ararat	10	1,019	483	47.4%	119	44	37.0%	80	29	36.3%
Armavir	7	560	222	39.6%	36	2	5.6%	56	21	37.5%
Gegharqunik	11	738	304	41.2%	138	42	30.4%	76	21	27.6%
Kotayk	11	998	561	56.2%	176	54	30.7%	79	29	36.7%
Lory	8	590	319	54.1%	113	37	32.7%	61	18	29.5%
Shirak	17	1,011	513	50.7%	431	171	39.7%	126	34	27.0%
Syunik	14	855	381	44.6%	137	37	27.0%	105	29	27.6%
Tavush	7	353	215	60.9%	28	4	14.3%	32	12	37.5%
Vayots Dzor	14	899	337	37.5%	239	76	31.8%	100	31	31.0%
Total	110	7,991	3,839	48.0%	1,588	493	31.0%	802	244	30.4%

2.4 Micro-projects' classification by vulnerability of communities

Distribution by vulnerability clusters: Based on the community mapping and profiling exercise carried out in 2015, all Armenian communities (except of Yerevan, Gyumri and Vanadzor cities) were ranked and distributed among 3 clusters: 1. "Most vulnerable", 2. "Vulnerable" and 3. "Least vulnerable".

According to the requirement instituted under the SILD, at least 40% of the loan proceeds should be used for micro-projects in the communities from the 1st cluster, and maximum 20% in the communities from the 3rd

cluster. The distribution of the total value of the estimated costs of micro-projects among three clusters is shown in Table 6.

Table 6. Distribution of micro-projects by vulnerability clusters

Vulnerability Cluster	Interval of vulnerability index		N of applications*	Total Cost, AMD **	%	Requirement set under the SILD
1. Most vulnerable	0.456	0.950	41	5,275,123,185	37.7%	At least 40%
2. Vulnerable	0.276	0.455	57	7,704,208,066	55.1%	
3. Least vulnerable	0.050	0.275	9	994,607,065	7.1%	Not more than 20%

* Three applications received from Gyumri and Vanadzor cities were not taken into account.

** Cost referred to the stage of micro-projects as of June 30, 2017.

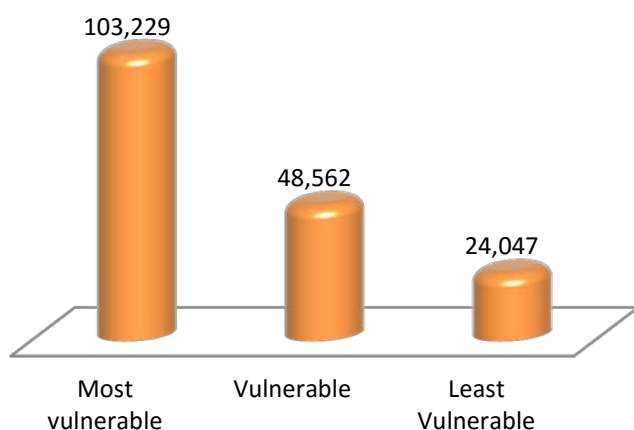


Fig. 2 Cost per beneficiary in clusters

Fig. 2 shows average amounts disbursed per beneficiary in clusters "Most vulnerable", "Vulnerable" and "Least vulnerable".

Obviously, average amounts invested per beneficiary in "most vulnerable" and "vulnerable" communities (respectively, 103 thousand and 49 thousand AMD or equivalent to about 214, 101 US dollars) are much higher than average amount in "less vulnerable" communities, i.e. – 24 thousand dram (or about 50 USD).

This proves that SILD Project's resources are mostly directed to the most needy beneficiaries.

Information on the ATDF activities. During the reporting period a number of meetings

of ATDF heads were held with representatives of donors and regional and local heads in 24 communities of Syunik, Vayots Dzor, Gegharqunik, Aragatsotn, Kotayk, Lory and Tavush marzes. The subject of these meetings referred to ATDF Projects and its procedures. A few meetings and tours were organized in eight regions with the participation of Prime Minister and Minister of Territorial Administration and Development. These activities were elucidated through mass media: a total of 46 programs, interviews and reports were broadcast by the public and local TV channels. Two interviews with ATDF's Executive Director was published in "Varkanish (Rating)" magazine and "Hraparak (Forum)" daily.

2.5 Appraisal of Micro-projects

The goal of appraisal is to study the received applications, to rank them according to the ATDF appraisal criteria, to select the higher ranked applications and to prepare all necessary documents for the implementation of those micro-projects (ordering the architectural/ engineering design and cost estimations, verifying the presence of the documents envisaged by the RA legislation and ATDF regulations, etc.). The appraisal is carried out in two stages: preliminary and final.

During the **preliminary appraisal**, the applications' compliance with the SILD Project's eligibility appraisal criteria is checked based on the collected data and preliminary cost estimation. If the application fails to meet the eligibility criteria, the Head of the Appraisal Unit suggests the EC to reject the application. In case if the aggregated cost of the complying micro-projects from the particular marz does not exceed the amount of financial resources pre-allocated to the marz and to the specific vulnerability cluster, all the complying

applications are presented for the Executive Committee approval. In the opposite case the applications are scored against ATDF evaluation criteria. The group of the higher scored applications with the aggregated cost not exceeding the funds pre-allocation is presented for the Executive Committee approval. The remaining micro-projects are rejected. It should be noted that if the applicant community was a beneficiary of the ASIF Project, the community must submit the actual data on the current state of infrastructure maintenance.

In case the aggregated amount of applications received by ATDF exceeds the available financial resources allocated to the marz and/or to the vulnerability cluster, the ATDF specialists evaluate the applications against the set of the evaluation criteria (geographical, social, economic, general features, environmental classification, and technical) during preparation of the preliminary and final appraisal reports. Applications classified as environmental Category C or B, and given higher scores are selected by the EC for the transferring to the next stage of the micro-project cycle. At the end of the period under review 24 micro-projects were under preliminary appraisal.

The micro-projects passed preliminary appraisal are handed over to the Legal unit for preparation and signing of the Preliminary Agreement with the PICs allowing the procurement of the project technical design works and/or consultancy services. The agreement defines the preliminary portion of the community contribution which is asked as a guaranty for carrying out final stage of the appraisal. As a rule, the preliminary contribution is 50% of the entire contribution.

In the 1st semester of 2017 a total of 23 Preliminary Agreements with total cost of 2.68 billion AMD (equivalent to 5.52 million USD) were signed with applicant communities. A total 108 Preliminary Agreements were signed as of June 30, 2017 with total cost of 14.2 billion AMD (equivalent to 29.3 million USD).

The final appraisal stage of micro-projects starts immediately after signing of the Preliminary Agreement with the PIC. During this stage the following should be done: ordering for architectural/engineering design, additional visits and investigations, complex appraisal and/or special environmental and social appraisal of the prepared design, etc.

During the period under review, a total of 5 micro-projects passed to the final stage of appraisal, and Project Design papers were ordered for these micro-projects. At the end of reporting period 17 micro-projects are under the final appraisal stage.

Taking as a base the adjusted project design and the estimated cost, as well as the results of initial and final stages of appraisal, the final appraisal report is developed. It includes the description of main planned activities, the final micro-project budget, the technical indices of the civil works and equipment, the planned measures for environmental protection and improvement (if needed). The finally appraised micro-projects are approved by the Executive Committee meetings.

2.6 Micro-projects Approval

After the final appraisal of the micro-project the PIC is planning and carrying out information dissemination events in the community aimed at updating the community on the micro-project progress and presenting the final version of its design. It is important to ensure that entire population has an opportunity to get information and to provide comments / suggestions on the micro-projects specifications. At the end of information dissemination campaign the last general community meeting is held. The minutes of the meeting are included in the micro-project proposal package. Decision of EC on micro-projects approval become into force only after the 3rd CGM and provision of its minutes to ATDF.

The micro-projects with the ATDF share (the WB loan means, the Government co-financing and local co-financing together) above equivalent of USD 330,000 in local currency must get the no-objection of the World Bank and approval of the ATDF Board. In these cases ATDF Board has seven days for providing its no-objection. The Board decision on the micro-project approval is made through collection of written endorsements of the members. If the ATDF Board does not provide comments or no-objection within seven days of the receipt of the micro-project appraisal, then the micro-project proposal is considered to be automatically approved and is sent to the World Bank for its no-objection.

In the period under review 5 micro-projects were approved, one of which was submitted to the ATDF Board and the World Bank for approval, the others were presented in the Board in the course of informing.

After the micro-project's final approval (including the Bank's "no objection", if required), a Framework Agreement is signed with the PIC that will regulate the entire project implementation. During the period under review a total of 5 Framework Agreements were signed with PICs with total cost of 503.4 million AMD (equal to 1.04 million USD). At the end of reporting period 71 Framework Agreements were signed with PICs with total cost of 9.6 billion AMD (equal to 19.8 million USD).

2.7 Environmental and Social Safeguards

As of June 30, 2017, according to the SILD's Component 1 procedures, a total of 23 applications passed environmental and social expertise, out of which 11 were classified as category "B" and 12 as category "C" (see Annex 2). For these applications Environmental and social management plans were prepared and published on the ATDF's website and presented to the World Bank. After that public hearings were announced and organized in these communities.

2.8 Grievance resolution

Within the social safeguard framework, a grievance redress mechanism is established. Thus, a separate e-mail (support@atdf.am) was set up, and online registration system was launched for submission of complaints through ATDF's official website <http://atdf.am/hy/Home/ContactUs>. The ATDF website provides information on appeal procedures and process, contact details of the officer responsible for processing of submitted complaints and other information of general nature.

An automatic response form was developed for all complaints received either by e-mail, or online, with contact information and a notice, describing terms of complaints' resolution. Along with that, complaints registration and resolution rules were developed and introduced for complaints processing at two levels, by the ATDF officer and on project sites by the local coordinators. Also, the principles of running a logbook of complaints by the ATDF Grievance Focal Point were clarified.

The list of 109 local coordinators for all micro-projects was published on the site. A guide on the grievance redress mechanisms was presented to them in which details of complaints' resolution, complaints coordinators duties and documentation procedures were described.

Information billboards were provided to micro-project communities, where contact details were specified within the grievance redress mechanism. Local Government units mounted information billboards in publicly visible places and post periodically update reports on the progress of micro-projects, including information on the appointment of a local coordinator for grievances.

During the period under review no grievances were submitted to local coordinators by beneficiaries. ATDF received 11 requests (5 phone calls and 6 e-mails) concerning procedures for micro-projects; all requests were registered and referred to appropriate departments of the Fund. No complaint was recorded related to the micro-projects' implementation. However, a number of questions received from communities related to participation in tenders, construction works, to faster connection with ATDF employees, etc. All these questions were addressed to ATDF specialists and received proper responses.

2.9 Procurement

Procurement arrangements under the SILD micro-projects are as follows: based on the responsibilities of parties outlined in the Framework Agreement signed between the ATDF and the PIC, civil works under the SILD Project Component 1 will be procured by the PIC under technical assistance, guidance and supervision of ATDF. Goods and Consultant Services will be procured/selected by the Procurement Department of the ATDF. After the micro-project approval, the PIC in collaboration with ATDF carries out the procurement of civil works.

In the reporting period 6 construction firms were selected through the tender and 6 contracts were signed with construction companies with total amount of 613.3 million AMD (equivalent to 1.27 million USD).

Cumulative data on procurement: All procurement transactions made in frames of SILD Project as of June 30, 2017 are summarized in Table 7.

Table 7. SILD Project's procurement transactions as of June 30, 2017

Type of Contract	N	Cost, AMD	Cost, USD	%
Civil works	61	6,896,103,382	14,361,655	90.70%
Project Design Services	23	347,009,120	724,015	4.56%
Micro-project supervision services	6	148,756,611	312,114	1.96%
Furniture for micro-projects	2	83,693,900	174,431	1.10%
Vehicles for ATDF	2	46,175,000	96,637	0.61%
Technical Expertise services	7	36,295,676	75,318	0.48%
Authors supervision	11	21,971,344	45,582	0.29%
State expertize of designs	1	8,510,736	17,940	0.11%
Expertize Services	1	5,751,045	12,157	0.08%
Computer equipment for ATDF	1	4,603,240	9,632	0.06%
Furniture for ATDF	1	4,498,800	9,416	0.06%

Furniture provision. Under the 1st and 2nd Components of the SILD Project procurement of goods for micro-projects and sub-projects is envisaged in the form of furniture, equipment and materials for the rehabilitated schools, kindergartens, healthcare facilities and community centers. The ATDF will provide goods to other infrastructures beyond the ATDF coverage as well based on applications received from the marz centers/governor offices. During the period under review no contract was signed.

Cumulative data on furniture provision. As of June 30, 2017:

- In frames of the 1st Component of SILD, two contracts with total cost of 83.69 million AMD (equivalent to 174.25 thousand USD) were signed according to which 3,908 units of furniture were provided to 21 communities of 8 marzes (including 7 schools, 8 kindergartens, 4 community and cultural centers, one of each Art school and healthcare facility).
- A contract was signed under the 3rd Component of SILD Project on provision of furniture for ATDF office with cost of 4.5 million AMD (equivalent to USD 9,416).

2.10 Micro-projects in construction works stage

Micro-project follow-up phase commences with start of construction works, during which the author of project design and the technical supervisor along with monitoring by the follow-up engineer of ATDF conduct the supervision of construction works under the micro-projects. The technical supervisor is responsible for the daily supervision of ongoing works, in particular the supervision of construction quality and amounts and ensuring compliance with the Project safeguards documents and overall World Bank safeguards policies.

As of June 30, 2017, construction works were in process for 37 micro-projects with total cost of 5.66 billion AMD (total contract cost is 10.15 million USD).

Table 8 presents summarized data on the micro-projects under construction by their typology.

Table 8. Brief data on the on-going micro-projects by typology

Type	N of MPs	%	Total MPs' Cost, AMD	%	Total Contract Cost, USD	Number of Beneficiaries	%
Kindergarten	19	51.4%	3,488,387,017	61.6%	\$ 6,294,654	45,903	50.5%
Potable water	7	18.9%	460,203,802	8.1%	\$ 866,980	8,094	8.9%
School	5	13.5%	955,478,752	16.9%	\$ 1,723,491	5,960	6.6%

Community center	3	8.1%	378,210,831	6.7%	\$ 618,370	17,311	19.0%
Special school	2	5.4%	190,500,664	3.4%	\$ 328,181	918	1.0%
Healthcare facility	1	2.7%	187,988,602	3.3%	\$ 322,449	12,800	14.1%
Total	37	100%	5,660,769,668	100%	\$10,154,125	90,986	100%

Fig. 3 Ongoing micro-projects by level of their accomplishment as of June 30, 2017

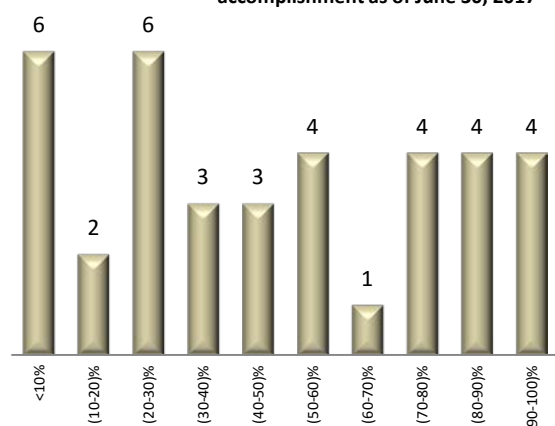


Figure 3 presents the stage of micro-projects under implementation according to the level of their accomplishment as of June 30, 2017.

The total amount paid against accomplished civil works of on-going micro-projects at the end of the reporting period made about 2.32 billion AMD (equal to 4.58 million USD).

2.11 Completed micro-projects

As of the end of reporting period construction works were completed for 5 micro-projects of SILD-1. The average cost of a completed micro-project was 129.6 million AMD (267 thousand USD) for the average construction period of 12.9 months. The total number of beneficiaries made 10,398, and the cost per beneficiary averaged 62 thousand AMD (or 128 USD). Brief data on micro-projects completed in the period under review is provided in Table 9 below.

Table 9. Micro-projects of SILD Component 1 completed in the 1st semester 2017 by typology

Type	N of MPs	%	Total MPs' Cost, AMD	%	Total Contract Cost, USD	N of Beneficiaries	%
Kindergarten	4	80	596,247,608	8.0%	\$ 99,293	1,534	14.8%
Potable water	1	20%	51,614,934	92.0%	\$ 1,124,935	8,864	85.2%
Total	5	100%	647,862,542	100.0%	\$ 1,224,227	10,398	100%

Cumulative data on micro-projects completed in frames of the SILD's Component 1: As of June 30, 2017 construction works were completed for 25 micro-projects. The average cost of a completed micro-project was 90.77 million AMD (about 187 thousand USD); the average construction period was 8.3 months. The total number of beneficiaries made more than 65 thousand, and the cost per beneficiary averaged 35 thousand AMD (or 72 USD). Brief data on micro-projects completed as of the end of reporting period is provided on the Fig 4. and in Table 10 below.

Fig. 4 Typology of micro-projects completed in frames of the SILD Component 1, as of June 30, 2017

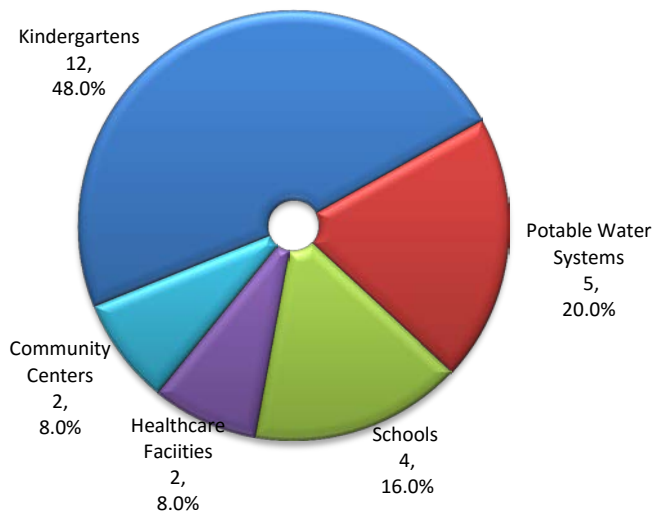


Table 10. Micro-projects of SILD Component 1 completed by typology, as of June 30, 2017

Type	N of MPs	%	Total MPs' Cost, AMD	%	Total Contract Cost, USD	N of Beneficiaries	%
Kindergartens	12	48.0%	1,334,832,882	58.8%	\$2,496,226	23,830	36.5%
Potable water s-ms	5	20.0%	283,358,901	12.5%	\$ 534,493	4,950	7.6%
Schools	4	16.0%	391,447,658	17.3%	\$ 757,455	4,959	7.6%
Healthcare Facilities	2	8.0%	100,431,912	4.4%	\$ 187,573	6,415	9.8%
Community centers	2	8.0%	159,137,026	7.0%	\$ 306,199	25,120	38.5%
Total	25	100.0%	2,269,208,380	100.0%	\$4,281,947	65,274	100.0%

In frames of completed micro-projects work places created equaled to about 39.6 thousand man*day ensuring a profit of nearly 336 million AMD (equivalent to 697 thousand USD) for people involved in construction works.

2.12 SILD's 2nd Component. Preparation of sub-projects

In frames of the 2nd Component of the SILD project sub-projects that will improve the livelihood of beneficiaries and public service provision, promote social capital and institutional capacity, and expand the income generation opportunities for the population can be financed. Sub-projects can have a composite structure and include several components funded from different sources, including private investments. All components integrated in one sub-project shall be aimed at the same goal, shall supplement and reinforce each other, and be sustainable and viable. Except of social-economic components, sub-projects may have local level business projects as well (such as storing and processing of agricultural products; new technology-based gardens, nurseries, greenhouses, etc.; milk collection points and initial processing workshops; etc.).

Sub-projects are available to the new consolidated communities created through the agglomeration of several previously separate communities, and groups of communities that are either formerly united in community

unions or are collaborating within a written intercommunity agreement on implementation of a joint project. Eligible communities presented a sub-project application to the ATDF, based on which sub-project initiative groups (SIG) developed an initial proposal of sub-project that will be modified into the final proposal with assistance of the ATDF staff. The final proposals will pass through a two-stage appraisal; after that they will be estimated by the experts' working group under the guidance of Ministry of Territorial Administration and Development; will be approved by the Executive Committee and the World Bank, and will be implemented in accordance with the procedures of the SILD's Operational Manual.

During the period under review no activity was carried out in frames of SILD's 2nd Component. But procedures of generation of sub-project proposals and their implementation were used in frames of Projects financed from USAID and SDC grants (see paragraphs 2.14.2 and 2.14.3).

2.13 Training and Technical Assistance (T&TA) in in frames of SILD Project

2.13.1 T&TA in frames of SILD's Component 1

Under the SILD's Component 1 in area of preparation and appraisal of micro-projects ATDF staff worked with the target groups of population, local governments (LG), formal and informal community leaders and other stakeholders to raise awareness on SILD's micro-projects typology, selection criteria and implementation procedures, mechanisms for beneficiaries participation, etc. as well as promoted the development of organizational and technical capacities of LG representatives and community groups assisting generation of micro-project proposals that meet SILD criteria. Consultancy was provided to the PICs and community councils on application development, operation and maintenance of infrastructure, ensuring the continuity of the relevant service after the completion of micro-projects, community contribution and availability of services provided for all segments of the population, including the vulnerable groups.

The TA/capacity building is provided by the promotion and appraisal specialists mainly in form of coaching/tutoring immediately after the 1st general community meeting where the PIC is elected; during the appraisal final stage; after the approval of the micro-project and signing of the Framework Agreement.

Table 11 contains brief data on training & TA provided to applicant communities, community councils and PICs in the period under review and as of June 30, 2017.

Table 11. Brief data on T&TA in frames of SILD's Component 1

To whom T&TA is directed	In 2016 (24 micro-projects)			As of June 30, 2017 (110 micro-projects)		
	N of participants	Of which women		N of participants	Of which women	
		N	%		N	%
I. Community councils of applicant communities and heads of infrastructures	340	123	36.2%	1,588	492	31.0%
II. Discussions in applicant communities	1,732	981	56.6%	7,991	3,839	48.0%
III. Project Implementation Committees	193	50	25.9%	802	244	30.4%

2.13.2 T&TA in frames of SILD's Component 2

During the period under review series of seminars titled "Social Investment and Local Development Project" were organized in 6 consolidated communities of 2 marzes to increase community members' awareness on inter-community cooperation and socio-economic development of communities:

- From January 30 to 31 in Ayrum, Koghba and Noyemberyan communities of Tavush marz with 86 participants (of which 31 women);

- From February 8 to 10 in Ayrum, Koghb and Noyemberyan communities of Tavush marz with 86 participants (of which 31 women);
- From January 30 to 31 in Sarapat, Amasia, Arpi and Ashotsk communities of Shirak marz with 97 participants (of which 38 women).

In particular, seminars were held with participation of a total of 183 attendees (of which 69 were women), among whom were leaders of communities, members of community councils, community leaders and council candidates of communities to be consolidated; representatives of some ATDF partners (Ministry of Territorial Administration and Development, USAID, SDC, and GIZ) and a local media company attended the seminar.

Also, training was organized for 124 members (of which 15 were women) of sub-project initiative groups (SIG) of Ayrum, Koghb, Noyemberyan, Sarapat, Amasia, Arpi, Ashotsk and Goris communities with detailed presentation of formats of sub-project preparation, including classroom activities and discussion of issues in consolidated communities. Subsequently, on-job technical assistance was provided to SIGs of these communities in the ATDF office related to formation of the sub-project proposals, financial, economic and other issues. When necessary, further consultations continued by e-mail and additional visits especially to vulnerable communities including specialists of ATDF various departments.

2.13.3 ATDF staff training

During the reporting period ATDF staff training/capacity building activities comprise of both on-the-job/experience-based, and structured training courses. Thus:

- ☐ ATDF accountants attended 4 workshops on Amendments to the Tax Law and expected amendments in taxation in 2017, organized by "Economics and Law", IAB Center and International Accounting training center.
- ☐ In March, employees of Fund's Procurement unit took part in discussions regarding application of ARMEPS e-procurement system within WB-funded programs" in NCB and Shopping procedures.
- ☐ On June 29-30, a procurement specialist participated in a training course for procurement coordinators organized by the Ministry of Finance with the support of the German International Cooperation Agency.
- ☐ Two staff members of the Fund participated in a study tour to Albania and Macedonia within the framework of the European Union project "Assistance to the RA Ministry of Territorial Administration, Assistance to Territorial Development Processes", to study projects related to regional and socio-economic development, as well as for acquaintance with alternative planning and funding mechanisms (funded by the European Union).

2.14 Collaboration with other International organizations

2.14.1 ADB. Seismic safety Improvement Project

...

2.14.2 USAID. Local Governance Reform Activity Project

During the reporting year activities were going on in frames of the Project of Local Governance Reform Activity (LGRA) financed by USAID grant that was provided in G2G format¹. This Project aimed at supporting the Government's Territorial Administration Reform of Armenia (TARA) initiatives through the implementation of complex inter-community projects in consolidated communities. Overall coordination of TARA will be carried out under the mandate of the Ministry of Territorial Administration and Development (MTAD), which will guide ATDF in areas of the state policy regarding TARA, and will exercise control over selection and prioritization of the sub-projects.

LGRA project started in August 2015. The total project cost is 9.39 million USD, of which 8.6 million is USAID grant, and 786 thousand will be contributed by the communities (by the way, the monetary investment will be 2.5 percent of the 8.6 million, the rest will be calculated as future operating costs). Through this activity USAID

¹ G2G (Government-to-Government). The grant is provided under Development Objective Cooperation Agreement No. AAG-111-G-13-001 signed US and Armenia on Sep 13, 2013.

is supporting TARA to fund intercommunity development projects in 13 consolidated clusters included in the pilot phase of the TARA.

During the period under review activities of LGRA carried out in the following enlarged communities (see Table 13 below):

Table 13. Sub-projects implementing in frames of LGRA by marzes and phases as of June 30, 2017

Marz	Community (implementation phase)	Grant, USD	Community contribution, USD	Total, USD
Lory	Tumanyan (implementation)	331,305	8,283	339,588
Shirak	Amasia (projects design)	338,357	8,459	346,816
	Ashotsk (projects design)	471,607	11,790	483,397
	Arpi (projects design)	309,034	7,726	316,760
	Sarapat (projects design)	368,575	9,214	377,789
	Tatev (Implementation)	404,040	10,101	414,141
Syunik	Goris (Appraisal)	1,426,534	35,663	1,462,197
Ararat	Urtsadzor (projects design)	272,805	6,820	279,625
Tavush	Dilijan (Implementation)	1,739,595	43,490	1,783,085
	Noyemberyan (Appraisal)	1,026,640	25,666	1,052,306
	Ayrum (Appraisal)	678,918	16,973	695,891
	Koghb (Appraisal)	365,289	9,132	374,421
Vayots Dzor	Vayk (projects design)	517,790	12,945	530,735
Total	13	8,250,489	206,262	8,456,751

A number of meetings and discussions were held in these communities with regional governor offices, community councils, residents of the communities with the aim to understand the priority needs of communities clarify the competitive advantages of the communities and discuss specific community development projects (see paragraph 2.12.2). As a result, initial applications of sub-projects were formed and submitted to the ATDF. After review by ATDF applications were sent back to SIGs for further revision and formation of the final project proposals. The final proposals were conveyed to the appraisal unit for the preliminary stage of appraisal. Brief description of the sub-projects of LGRA Project is provided in Annex 3 of this Report.

Table 14. Monetary contributions of LGRA communities made in the 1st semester period of 2017

Community	Code	Contribution	
		AMD	USD
Dilijan	U-01	10,000,000	20,548
Tatev	U-03	4,814,689	9,892
Tumanyan	U-02	2,000,000	4,145

The sub-projects implemented in the consolidated communities are subject to review in terms of adverse impacts. Particularly, the preliminary and final social appraisal of sub-projects presented from Dilijan, Tumanyan and Tatev communities revealed that projects do not have negative social impacts on private land users or business activities of inhabitants. There was no need for development of Resettlement Action Plans.

Expenditures: During the reporting period an amount of 1.21 million USD (equivalent to 584.51 million AMD) was received by six tranches of USAID grant. In addition, a total 16.8 million AMD (about 35 thousand USD) was received from 3 communities as a monetary contribution (see Table 14).

Expenditures made in the 1st semester of 2017 and as of its end are provided in Table 15.

Table 15. Financial means received and disbursed in frames of LGRA

	In the 1 st semester of 2017		Cumulative as of June 30, 2017	
Name	USD	AMD	USD	AMD
Received amounts				
Received from USAID Grant	584,506,817	1,206,000	731,070,313	1,510,596
Monetary contributions of communities	16,814,689	34,585	18,814,689	38,746
Total received	601,321,506	1,240,585	749,885,002	1,549,342
Expenditures				
Goods	495,905,600	1,023,898	600,379,600	1,239,925
Consulting services	24,150,165	49,754	24,875,165	51,254
Other expenses (bidding announcement)	16,668	35	33,335	69
Total expenditures	520,072,433	1,073,688	625,288,100	1,291,248

Community Development projects funded under the LGRA Project in consolidated communities are focused not on solving of an urgent problem of the community, but on the identification of communities' competitive advantages so that the community could develop and raise funds to solve its needs on its own.

Table16. List of machinery purchased for communities of LGRA sub-projects, as of June 30, 2017

Community	Machinery given to community
Dilijan	Grader
	2 Multifunctional excavators
	3 Dump trucks
	Auto tower
	2 Garbage trucks
	Urban vacuum cleaner
	Caterpillar tractor
Vayk	Garbage truck
	Utility track
Tatev	Garbage truck
	Dump truck
	2 Combines
	Grader
	Multifunctional excavator
Tumanyan	Garbage truck
	Dump truck
	Multifunctional excavator

These programs contribute to enlargement of community services and to the improvement their quality, to the capacity building of the community to address similar issues that arise continuously, to improvement of the quality of life of the population, as well as to the increase of the community's autonomy and budget replenishment.

As a result of the Fund's provision of machinery and equipment to communities, it becomes possible to replenish the community budget (for example by providing the agricultural machinery to community members at more reasonable fee), to increase the income of the residents (by enabling the development of gardens, cereals and other crops) as well as to positively influence the use of modern and new techniques by population.

The need for regular waste management is high, which, besides solving an important problem, also makes it possible to create new jobs. The solution of issues related to the operation of intercommunity roadways is not based on construction or asphaltting of several kilometres of road, but is grounded on the use of special vehicles for unpaved roads, and thus making roads more accessible and their operation possible during a longer period.

Table 16 summarizes the data on machinery and equipment purchased with total cost of 564 million AMD (about 1.16 million USD) and provided to the communities

of the LGRA of sub-projects as of June 30, 2017.

2.14.3 SILD's Grant Project (SDC)

Swiss Agency for Development and Cooperation allocated a grant in amount of 2.43 million USD for implementation of inter-community projects in consolidated communities of Syunik and Vayots Dzor Regions under guidance of the World Bank. These projects will be implemented according to the procedures of the SILD's 2nd Component. The Project is started at the beginning of 2017.

The following five enlarged communities were included in frames of this Project:

- Tegah consolidated community in Syunik Region (including communities of Tegah, Aravus, Kornidzor, Qarashen, Khnatsakh, Vaghatin, Khoznavar);
- Meghry consolidated community in Syunik Region (Meghry, Agarak, Alvank, Lehvaz, Karchevan, Gudemnis, Kuris, Nrnadzor, Shvanidzor, Vahravar, Vardanidzor, Tashtun);
- Gorayk consolidated community in Syunik Region (Gorayk, Tsghuk, Sarnakunk, Spandaryan);
- Zarithap consolidated community in Vayots Dzor Region (Zarithap, Bardzruni, Martiros, Sers, Gomk, Nor Aznaberd, Khndzorut, Artavan, Saravan)
- Jermuk consolidated community in Vayots Dzor Region (Jermuk, Gndevaz, Herher, Karmrashen).

Brief data on sub-projects to be implementing in abovementioned communities is provided in the Table 17.

Table 17. Data on sub-projects to be implementing under SILD Grant Project (SDC) as of June 30, 2017

Region	Community (phase)	SDC contribution, USD	Community contribution, USD	Total, USD
Syunik	Tegah (Appraisal 1)	522,745	13,069	535,814
	Gorayk (project design)	121,680	32,340	154,020
	Meghry (project design)	770,185	19,194	789,379
Vayots Dzor	Jermuk (project design)	613,210	15,191	628,401
	Zarithap (project design)	272,480	7,415	279,895
Total 5 sub-projects		2,300,300	87,209	2,387,509

On SDC Grant finances:

During the period under review an amount of 300 thousand USD (equivalent to 145.3 million AMD) was received by a tranche of grant provided by SDC. Also a total of 11.6 million AMD (about 24 thousand USD) was received from 2 communities as a monetary contribution (see Table 18).

Expenditures made in the 1st semester and as of June 30, 2017 are provided in Table 19. This Project has come into force at the beginning of 2017, therefore expenses for the semi-annual period and aggregate figures are the same (Table 19).

Table 18. Monetary contributions of SILD Grant Project (SDC) communities made in the 1st semester of 2017

Community	Code	Contribution	
		AMD	USD
Jermuk	S-03	3,687,692	7,654
Gorayk	S-01	7,866,343	16,301

Table 19. Financial means received and disbursed in frames of SILD Grant Project (SDC)

Name	In the 1 st semester of 2017	
	AMD	USD
Received amounts		
Received from SDC Grant	145,248,000	300,000
Monetary contributions of communities	11,554,035	23,955
Expenditures		
Consulting services	1,769,913	3,659

2.14.4 Local Economy and Infrastructures Development Project

Another WB Project named **Local Economy and Infrastructures Development Project (LEIDP)** with the total cost of 68.27 million USD (of which 55 million will be provided by IBRD) is being implemented through the ATDF. The Project launched on December 29, 2016.

For the present, project design papers are ordered for sub-projects Garni, Goris, Zorats Stones and Dvin at the expense of grant funds provided to Development Fund of Armenia. These PD papers will be submitted to the WB for approval after which these sub-projects will be transferred to ATDF for final appraisal.

During the reporting period an amount of 52.4 million AMD (equivalent to 108 thousand USD) was received by a tranche of IBRD loan provided for LEID Project.

Received amounts and expenditures made in the period under review and as of June 30, 2017 are provided in Table 20. It should be noted that expenses for the semi-annual period and aggregate figures are the same.

Table 20. Received amounts and expenditures of the LEID Project as of June 30, 2017

Financing Source	Received		Disbursed	
	AMD	USD	AMD	USD
IBRD loan	48,488,000	100,000	8,158,162	16,872
Co-financing of GoA	3,881,000	8,023	2,039,541	4,218
Total	52,369,000	108,023	10,197,703	21,090

III. COLLABORATION WITH COMMUNITIES

For the SILD micro-projects, community contribution is sought as part of the micro-project financing.

- ✓ 4% minimum (out of a micro-project estimated cost) contribution rate is set up for the most vulnerable communities of Cluster “A”,
- ✓ 7% minimum rate is set up for the Cluster “B” vulnerable communities, and
- ✓ 10% rate is set up for the Cluster “C” least vulnerable communities.

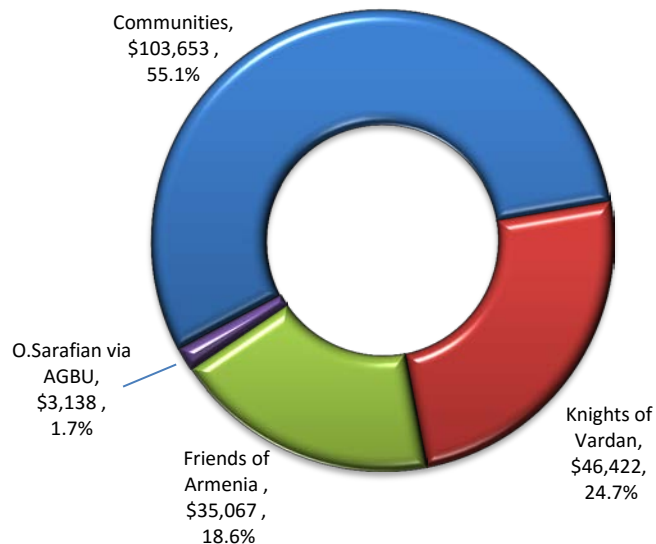
The SILD Project allows micro-projects to be implemented in the marz-centers, for which a minimum of 10 percent community contribution would be provided.

The principal forms of community contribution are local budget allocation, small amounts raised from all the members of the community, and sponsors’ contributions. Sponsors, donors, community members and the local government are permitted to provide the community contribution. The Preliminary Agreement (see section 2.5) defines the preliminary portion of the community contribution which is asked as a guaranty for carrying out

final stage of the Appraisal. As a rule, the preliminary contribution is 50% of the entire contribution, and can be changed only by decision of Executive Committee of the ATDF.

It is worth to be mentioned that procurement of the civil works under the approved micro-project commenced only after the agreed community contribution was deposited in full in the ATDF's bank account.

Fig 5. Monetary contributions made in the 1st semester of 2017 by sources



During the reporting semester monetary contributions were done in amount of 90.86 million AMD (equivalent to 188 thousand USD) for 20 micro-projects. Figure 5 and Table 21 present data on monetary contributions community made in the period under review.

Table 21. Monetary contributions made for micro-projects of SILD's Component 1 by sources done in the 1st semester of 2017

Source	N *	Total amount, AMD	Total amount, USD	%
Communities	12	49,982,009	103,653	55.0%
"Knights of Vardan" diaspora organization	5	22,381,903	46,422	24.6%
"Friends of Armenia" d/o	2	16,978,389	35,067	18.7%
Private sponsors on behalf of O.Sarafian and via AGBU	1	1,520,738	3,138	1.7%
Total	20	90,863,039	188,280	100%

* Contribution for a micro-project can be made from different sources.

The amount of payments against works completed during the period under review made from the source of communities' contributions totaled more than 48.5 million AMD (or about 100 thousand USD).

Aggregate data on community contribution. As of June 30, 2017 monetary contributions issued by or on behalf of the 80 micro-projects community totalled more than 568.5 million AMD (or 1.18 million USD), and non-cash contributions made about 47.09 million AMD. Fig. 6 and Table 22 present data on aggregated contributions done as of June 30, 2017 by sources.

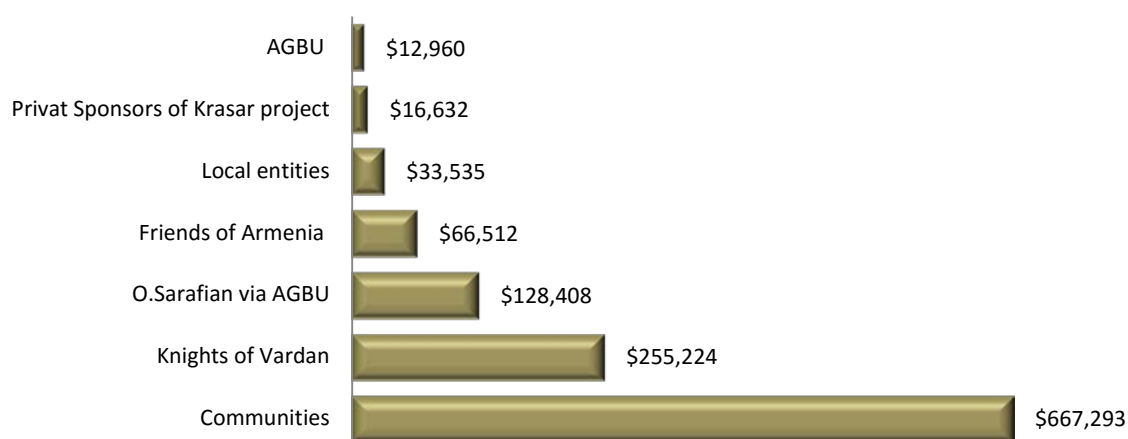


Fig. 6 Monetary contributions made by communities of SILD Component 1 as of June 30, 2017, USD

Table 22. Cumulative monetary contributions made by communities of SILD Component 1 by sources done as of June 30, 2017

Source	N *	Total amount, AMD	Total amount, USD	%
Communities	56	321,729,497	667,293	56.6%
"Knights of Vardan" diaspora organization	20	122,921,875	255,224	21.6%
Private sponsors on behalf of O.Sarafian and via AGBU	14	61,490,716	128,408	10.8%
"Friends of Armenia" d/o	6	32,077,294	66,512	5.6%
Local organization	3	16,044,927	33,535	2.8%
Garen Kökciyan for Krasar school **	1	8,006,962	16,632	1.4%
AGBU	1	6,219,018	12,960	1.1%
Total		568,490,289	1,180,565	100.0%

* Contribution for a micro-project can be made from different sources.

** Apart from the contribution on behalf of TSH-02 Krasar village community, Mr. Garen Kökciyan also provided co-financing in amount of 35.1 million (73.4 million US dollars).

Non-monetary contributions: Generally, the community contribution is done in cash. The work done by the community can be considered as a part of the community contribution in cases if (i) according to state regulations (for example, for mounting electricity lines, gas pipelines etc.) the community signs agreements with utility companies for provision of certain services/works; (ii) upon agreement with ATDF (for architectural/engineering design) the community orders some part of work to a third party, the documented and reasonable cost of these works is accepted as a part of the community contribution, and (iii) by agreement with ATDF, the community undertakes and executes a part of works under the micro-project – in accordance with the micro-project technical design/cost estimation. This contribution is done after signing of the Framework Agreement and prior to the commencing of the contractor's procurement. Communities may also contribute with necessary materials required for micro-projects.

As of June 30, 2017 in frames of 6 micro-projects communities (kindergartens in the town of Gavar (TGQ-08), in the villages of Artsvaberd (TTV-07) and Geghamavan (TGQ-03), outpatient clinic in Qaghshi (TKQ-02), water supply system in Vorotan (TSQ-11) and school in Akhtala (TLR-05)) provided contribution in project design papers, contracts of authors supervision, technical examinations related to micro-projects as well as in materials insectary for construction; total cost of non monetary contributions made more than 47.09 million AMD.

The amount of payments against works completed as of June 30, 2017 made from the source of communities' contributions totaled 297.6 million AMD (or about 620 thousand USD). It should be noted that according to information received from municipalities and contractors, around 60% of those involved in construction work are residents of micro-project communities.

Community contributions for LGRA and SDC grant Projects: Sub-projects within the framework of the USAID and the SDC Grant Programs are implemented by procedures of SILD's 2nd Component. In the sub-projects of the Component 2 the required contribution is up to 5%. In cases the applicant groups include two or most vulnerable or moderately vulnerable communities, the group should have 2.5% community contribution.

During 2016 an amount of 29.37 million AMD (about 58.5 thousand USD) was received as a contribution for sub-projects to be implemented in 5 consolidated communities (see paragraph 2.14.2 and 2.14.3).

IV. EXECUTIVE OFFICE MANAGEMENT

Considering increase of work volume due to new Projects start, the Fund's staff was expanded during the reporting period, namely:

- ☐ An economist analyst was hired under the SILD project; a deputy director was dismissed on the completion of the employment contract; and one procurement specialist was fired according to his statement.
- ☐ Under the LEID Project new staff members - Project Coordinator and Human Resource Management Specialist were selected on a competitive basis.

At the ATDF Board meeting held on April 28, 2017, the new institutional structure of the Fund was approved. It was elaborated by the consultant in frames of the ATDF's Institutional Development Program, in which the rapidly expanding program portfolio of the Fund and the implementation of inter-community development programs were taken into account.

In May 2017, an assessment of the professional qualification of the staff was conducted, based on the results of which new employment contracts were signed with the employees.

During the period under review, in April-May SOS Audit Company conducted financial audit covered financial reports of SILD and SSI Projects referring the year of 2016 and the ATDF as an organization. The auditor issued clean (unmodified) opinions on the financial statements of the SILD project and the ATDF (entity) and raised no issues in the management letters. The audit reports were published on the ATDF's website and the entity's audit report was published on the official website for the public notices (<https://www.azdarar.am/>), as required by the Armenian legislation.

The renovation of the ATDF office space took place in the reporting semester. Also furniture and office equipment were purchased for the office.

During the reporting period, all equipment and cars operated faultlessly. Kilometres logged by the cars made 149,567, and the consumption of fuel totalled 18,480 litres.

V. FINANCIAL PERFORMANCE

During the period under review the Territorial Development Fund maintains the following bank accounts in the Treasury of RA:

- Two accounts for credit means to be provided by IBRD (8483-AM) and for Government contribution for the **SILD Project**. The special account of the SILD Project was replenished 4 times by a total amount of nearly 1.71 million USD (equivalent to 827 million AMD). An amount of 256.8 million AMD (equivalent to 530.1 thousand USD) was received from the state budget as part of the Government contribution for the SILD Project.

- Two accounts for credit means to be provided by ADB (3284 ARM-SF) and for Government contribution for the **SSIP**. The special invoice has not been replenished as the balance at the beginning of the year was sufficient to cover Project's expenses. An amount of 169.2 million AMD (equivalent to 349.8 thousand USD) was provided from the state budget.
- Two accounts for credit means to be provided by IBRD (8572-AM) and for Government contribution for the **LEID Project**. The special account of the LEID Project was replenished once by a total amount of 100 thousand USD (equivalent to 48.5million AMD). An amount of 3.9 million AMD (equivalent to 8,023 USD) was received from the state budget as part of the Government contribution for the LEID Project.
- An account (USD) for **LGRA Project** financed by USAID grant, which was replenished 6 times by a total amount of 1.21 million USD (584.5 million AMD).
- An account for **SILD Grant Project** (financed by SDC grant project), which was replenished once by amount of 300 thousand USD (equivalent to 145.3 million AMD).

Two accounts for communities' monetary investments in local currency and USD are at "Ararat" bank. More than 119 million drams (or 246.8 thousand USD) were received from the communities under the SILD's Component 1 and 2.

In the Table 23 below a summary on semi-annual and aggregate disbursements in frames of ATDF Portfolio is provided.

**Table 23. ATDF expenditures in the 1st semester of 2017 and cumulative as of June 30, 2017
by Projects**

Project	In the 1 st semester of 2017		Cumulative as of June 30, 2017	
	AMD	USD	AMD	USD
SILD Project	895,906,263	1,853,934	5,767,478,329	12,031,542
SSI Project	210,005,565	434,249	445,949,319	925,209
LEID Project	10,197,700	21,091	10,197,703	21,091
LGRA / USAID	520,072,433	1,073,687	625,288,100	1,291,248
SILD / SDC	1,769,913	3,659	1,769,913	3,659

In the frames of the SILD Project, the semi-annual plan was accomplished by 88 percent (1.85 million USD against planned 2.11 million USD), while the plan of civil works was accomplished by 95 percent.

Annex 5 of this report presents data on expenditures made i) during the reporting period and ii) from the commencement of the SILD Project to the end of the reporting period in detail.

ATDF Executive Director

Ashot Kirakosyan

SILD Micro-projects as of June 30, 2017

Code	Region	Name	Type		Current stage of implementation
TAN-01	Aragatsotn	Reconstruction of school in the village of Alagyaz	school	most vulnerable	Construction
TAN-02	Aragatsotn	Reconstruction of one building and installation of heating system of kindergarten in the village of Ujan	kindergarten	vulnerable	Completed
TAN-03	Aragatsotn	Reconstruction of kindergarten in the village of Ohanavan	kindergarten	vulnerable	Construction
TAN-04	Aragatsotn	Reconstruction of kindergarten in the village of Parpi	kindergarten	vulnerable	Construction
TAN-05	Aragatsotn	Reconstruction of one building of school #1 in the town of Aparan with locating of kindergarten in it	school	most vulnerable	Construction
TAN-06	Aragatsotn	Reconstruction of kindergarten "Arevik" in the town of Ashtarak	kindergarten	vulnerable	Construction
TAN-07	Aragatsotn	Reconstruction of kindergarten #3 in the town of Talin	kindergarten	vulnerable	Construction
TAN-08	Aragatsotn	Reconstruction of kindergarten in the village of Voskevaz	kindergarten	least vulnerable	Construction
TAN-10	Aragatsotn	Installation of heating system for community center in the village of Tatul	Community center	vulnerable	Appraisal
TAN-11	Aragatsotn	Construction of kindergarten in the village of Aragats	kindergarten	vulnerable	Appraisal
TAN-12	Aragatsotn	Construction of kindergarten in the village of Shenavan	kindergarten	most vulnerable	Appraisal
TAR-01	Armavir	Completion of construction of semi-constructed kindergarten in the village of Arshaluys	kindergarten	vulnerable	Construction
TAR-02	Armavir	Construction of gym in the village of Mrgastan	School	vulnerable	Project Design
TAR-03	Armavir	Reconstruction of kindergarten in the village of Alashkert	kindergarten	most vulnerable	Construction
TAR-04	Armavir	Reconstruction of kindergarten in the village of Argavand	Kindergarten	vulnerable	Project Design
TAR-05	Armavir	Reconstruction of school in the village of Aygeshat	school	vulnerable	Bidding
TAR-06	Armavir	Reconstruction of school in the village of Eraskhahun	School	vulnerable	Project Design
TAR-07	Armavir	Reconstruction and expansion of the kindergarten in the village of Haytagh	kindergarten	vulnerable	Appraisal
TAT-01	Ararat	Overhaul of outpatient clinic in the village of Norashen	healthcare	vulnerable	Completed
TAT-02	Ararat	Reconstruction of community center in the village of Getazat	Community center	vulnerable	Project Design
TAT-03	Ararat	Reconstruction of kindergarten #4 in the town of Ashtarak	kindergarten	vulnerable	Construction
TAT-04	Ararat	Construction of kindergarten in the village of Dashtaqar	kindergarten	vulnerable	Bidding
TAT-05	Ararat	Construction of kindergarten in the village of Abovyan	kindergarten	vulnerable	Bidding
TAT-06	Ararat	Reconstruction of the 3rd building of kindergarten in the village of Ararat	kindergarten	least vulnerable	Bidding
TAT-07	Ararat	Improvement of Jrahovit's kindergarten area	kindergarten	vulnerable	Appraisal
TAT-09	Ararat	Reconstruction of Aygavan's kindergarten	kindergarten	least vulnerable	Appraisal
TAT-10	Ararat	Reconstruction of kindergarten in the village of Nor Ughy	kindergarten	most vulnerable	Appraisal
TAT-11	Ararat	Reconstruction of one building of Eraskh's school with placement in it of kindergarten	School	most vulnerable	Appraisal
TGQ-01	Gegharqunik	Reconstruction of kindergarten in the village of Tsakqar	kindergarten	vulnerable	Construction
TGQ-02	Gegharqunik	Reconstruction of community center in the village of Lichq with location of kindergarten in it	kindergarten	least vulnerable	Construction
TGQ-03	Gegharqunik	Reconstruction of one building of kindergarten in the village of Geghamavan	kindergarten	vulnerable	Completed
TGQ-04	Gegharqunik	Reconstruction of kindergarten "Zartok" in the town of Sevan	kindergarten	vulnerable	Construction

Code	Region	Name	Type		Current stage of implementation
TGQ-05	Gegharqunik	Reconstruction of kindergarten in the village of Ddmashen	kindergarten	vulnerable	Completed
TGQ-06	Gegharqunik	Reconstruction of kindergarten #3 in the town of Chambarak	kindergarten	most vulnerable	Construction
TGQ-07	Gegharqunik	Reconstruction of school in the village of Tsaghkashen	school	most vulnerable	Construction
TGQ-08	Gegharqunik	Reconstruction of kindergarten #5 in the town of Gavar	kindergarten	vulnerable	Bidding
TGQ-09	Gegharqunik	Reconstruction of kindergarten in the village of Vardadzor	kindergarten	vulnerable	Construction
TGQ-10	Gegharqunik	Potable system reconstruction in the village of Aghberk	Potable Water	most vulnerable	Project Design
TGQ-11	Gegharqunik	Reconstruction of external potable system in the village of Artsvanist	Potable Water	vulnerable	Project Design
TKQ-02	Kotayk	Construction of outpatient clinic in the village of Qaghisi	healthcare	least vulnerable	Completed
TKQ-03	Kotayk	Reconstruction of potable water supply system in the village of Marmarik	potable water	most vulnerable	Construction
TKQ-04	Kotayk	Construction of DRR of potable water network in the village of Zovashen	potable water	most vulnerable	Completed
TKQ-05	Kotayk	Construction of DRR and reconstruction of water intake of potable water network in the village of Zar	potable water	vulnerable	Construction
TKQ-06	Kotayk	Reconstruction of one building of kindergarten in the village of Geghadir and installation of its heating system	kindergarten	most vulnerable	Construction
TKQ-07	Kotayk	Reconstruction of kindergarten in the town of Charencavan	kindergarten	vulnerable	Construction
TKQ-08	Kotayk	Reconstruction of #3 kindergarten in the town of Abovyan	kindergarten	vulnerable	Project Design
TKQ-09	Kotayk	Construction of irrigation system for land plots in the village of Jrvejh	irrigation system	least vulnerable	Appraisal
TLR-01	Lory	Reconstruction of wrestling school in the town of Alaverdi	special school	vulnerable	Construction
TLR-02	Lory	Reconstruction of community center in the village of Norashen	Community center	vulnerable	Project Design
TLR-03	Lory	Construction of kindergarten in the village of Gyulagarak	kindergarten	vulnerable	Construction
TLR-04	Lory	Reconstruction of kindergarten in the village of Lermontovo	kindergarten	most vulnerable	Completed
TLR-05	Lory	Reconstruction of school #2 in the town of Akhtala	school	most vulnerable	Construction
TLR-06	Lory	Reconstruction of school #4 after A.Mikoyan in the town of Alaverdi	school	vulnerable	Project Design
TLR-07	Lory	Reconstruction of polyclinic in the town of Stepanavan	healthcare	most vulnerable	Construction
TLR-08	Lory	Reconstruction of kindergarten #11 in the town of Vanadzor	kindergarten	*	Bidding
TLR-09	Lory	Reconstruction of community and social services center in the town of Tashir	community center	vulnerable	Construction
TLR-10	Lory	Construction of school gym in the village of Arevashogh	School	vulnerable	Appraisal
TLR-11	Lory	Renovation of Culture House in the Spitak town and installation of its heating system	Community center	vulnerable	Appraisal
TSH-01	Shirak	Construction of school building for 100 students in the village of Vardaqr	school	vulnerable	Completed
TSH-02	Shirak	Construction of school building for 100 students in the village of Krasar	school	most vulnerable	Construction
TSH-03	Shirak	Replacement of floors and general renovation of school in the village of Haykadzor and installation of its heating system	school	most vulnerable	Completed
TSH-04	Shirak	Construction of school gym in the village of Harich	school	vulnerable	Completed
TSH-05	Shirak	Reconstruction of kindergarten in the village of Aygabac	kindergarten	most vulnerable	Construction
TSH-06	Shirak	Construction of potable water supply system in the village of Jajur	potable water	most vulnerable	Completed
TSH-07	Shirak	Reconstruction of kindergarten in the village of Tsakqar	kindergarten	vulnerable	Completed
TSH-08	Shirak	Reconstruction of kindergarten in the village of Arevik	Kindergarten	vulnerable	Appraisal
TSH-09	Shirak	Construction of a new kindergarten in the village of Spandaryan	kindergarten	vulnerable	Construction

Code	Region	Name	Type		Current stage of implementation
TSH-10	Shirak	Reconstruction of external network of potable water supply system in the village of Lernakert	potable water	most vulnerable	Completed
TSH-11	Shirak	Reconstruction of kindergarten "Nanulik" in the town of Gyumri	kindergarten	*	Bidding
TSH-12	Shirak	Construction of kindergarten "Arevik" in the town of Gyumri	kindergarten	*	Construction
TSH-13	Shirak	Construction of school building in Berdashen village	School	most vulnerable	Appraisal
TSH-14	Shirak	Reconstruction of kindergarten in Anushavan village	kindergarten	vulnerable	Project Design
TSH-15	Shirak	Reconstruction of school gym in Panik village	School	least vulnerable	Appraisal
TSH-18	Shirak	Construction of Music school in Pemzashen village	special school	vulnerable	Appraisal
TSH-19	Shirak	Construction of kindergarten in Horom village	kindergarten	vulnerable	Appraisal
TSQ-01	Syunik	Reconstruction of Museum of Sero Khanzadyan in the town of Goris	community center	vulnerable	Completed
TSQ-02	Syunik	Reconstruction of potable water supply system in the village of Akner	potable water	most vulnerable	Construction
TSQ-03	Syunik	Reconstruction of Art school in the town of Kapan	special school	least vulnerable	Construction
TSQ-04	Syunik	Construction of water intakes and pipeline in the village of Akhlatyan	Potable Water	most vulnerable	Project Design
TSQ-05	Syunik	Reconstruction of school in the village of Qarashen	school	most vulnerable	Project Design
TSQ-07	Syunik	Reconstruction of school in the village of Harjhis	School	most vulnerable	Project Design
TSQ-08	Syunik	Reconstruction of potable water supply system in the village of Khndzoresk	potable water	vulnerable	Bidding
TSQ-09	Syunik	Reconstruction of school in the village of Kornidzor	School	vulnerable	Project Design
TSQ-10	Syunik	Reconstruction of water supply system in the village of Noravan	Potable Water	most vulnerable	Project Design
TSQ-11	Syunik	Reconstruction of water intakes and potable water network in the village of Vorotan	potable water	most vulnerable	Construction
TSQ-12	Syunik	Construction of water supply system in the village of Hartashen	Potable Water	most vulnerable	Project Design
TSQ-13	Syunik	Reconstruction of potable water supply system in the village of Shurnukh	potable water	most vulnerable	Project Design
TSQ-14	Syunik	Reconstruction of kindergarten in Togh village	kindergarten	vulnerable	Appraisal
TSQ-15	Syunik	Reconstruction of community center in Togh village	Community center	vulnerable	Appraisal
TTV-01	Tavush	Reconstruction of kindergarten in the village of Tsakqar	kindergarten	vulnerable	Construction
TTV-02	Tavush	Reconstruction of 3rd building of kindergarten in the town of Berd	kindergarten	most vulnerable	Completed
TTV-03	Tavush	Construction of community center in the village of Verin Karmiraghbyur	community center	vulnerable	Construction
TTV-04	Tavush	Construction of potable water network in the village of Voskepar	potable water	most vulnerable	Completed
TTV-05	Tavush	Construction of kindergarten in the village of Navur	kindergarten	most vulnerable	Construction
TTV-06	Tavush	Reconstruction of gym of school #1 in the village of Bagratashen	school	vulnerable	Completed
TTV-07	Tavush	Construction of kindergarten for 75 children in the village of Artsvaberd	kindergarten	vulnerable	Construction
TTV-08	Tavush	Reconstruction of school in the village of Kirants	School	most vulnerable	Appraisal
TTV-09	Tavush	Reconstruction of 2 buildings of the school in the village of Ptghavan	school	most vulnerable	Bidding
TTV-10	Tavush	Construction of internal water supply system in the village of Zorakan	Potable Water	vulnerable	Project Design
TTV-12	Tavush	Reconstruction of damaged part of potable water supply network in the village of Varagavan	potable water	most vulnerable	Construction

Code	Region	Name	Type		Current stage of implementation
TTV-13	Tavush	Reconstruction of office building "Bridge of hope" in the town of Noyemberyan	community center	most vulnerable	Project Design
TTV-14	Tavush	Reconstruction potable water system in Vatagavan village	Potable Water	most vulnerable	Appraisal
TTV-15	Tavush	Reconstruction community center in Aygepar village	Community center	most vulnerable	Appraisal
TVZ-01	Vayots Dzor	Strengthening and reconstruction of kindergarten in the village of Zarithap	kindergarten	vulnerable	Completed
TVZ-02	Vayots Dzor	Reconstruction of one building of kindergarten in the village of Malishka	Kindergarten	least vulnerable	Project Design
TVZ-03	Vayots Dzor	Reconstruction of school in the village of Khndzorut	School	most vulnerable	Project Design
TVZ-04	Vayots Dzor	Reconstruction of school in the village of Artabuynk	School	most vulnerable	Project Design
TVZ-05	Vayots Dzor	Reconstruction of potable water provision system and construction of DRR in Agarakadzor village	Potable Water	vulnerable	Appraisal
TVZ-06	Vayots Dzor	Reconstruction of potable water provision system and construction of DRR in Vardahovit village	Potable Water	most vulnerable	Appraisal
TVZ-07	Vayots Dzor	Reconstruction of kindergarten in Rind village	kindergarten	vulnerable	Appraisal

Table 1. Environment and social assessment of SILD micro-projects

Code	Name	Current stage of implementation	Screening completed, category assigned	Draft ESMP developed	Draft ESMP approved	Consultation held	ESMP approved
TAN-01	Reconstruction of school in the village of Alagyaz	Construction	C	N/A	N/A	N/A	N/A
TAN-02	Reconstruction of one building and installation of heating system of kindergarten in the village of Ujan	Completed	C	N/A	N/A	N/A	N/A
TAN-03	Reconstruction of kindergarten in the village of Ohanavan	Construction	C	N/A	N/A	N/A	N/A
TAN-04	Reconstruction of kindergarten in the village of Parpi	Construction	C	N/A	N/A	N/A	N/A
TAN-05	Reconstruction of one building of school #1 in the town of Aparan with locating of kindergarten in it	Construction	C	N/A	N/A	N/A	N/A
TAN-06	Reconstruction of kindergarten "Arevik" in the town of Ashtarak	Construction	C	N/A	N/A	N/A	N/A
TAN-07	Reconstruction of kindergarten #3 in the town of Talin	Construction	C	N/A	N/A	N/A	N/A
TAN-08	Reconstruction of kindergarten in the village of Voskevaz	Construction	C	N/A	N/A	N/A	N/A
TAN-10	Installation of heating system for community center in the village of Tatul	Appraisal	C	N/A	N/A	N/A	N/A
TAN-11	Construction of kindergarten in the village of Aragats	Appraisal	B				
TAN-12	Construction of kindergarten in the village of Shenavan	Appraisal	B				
TAR-01	Completion of construction of semi-constructed kindergarten in the village of Arshaluys	Construction	C	N/A	N/A	N/A	N/A
TAR-02	Construction of gym in the village of Mrgastan	Project Design	B				
TAR-03	Reconstruction of kindergarten in the village of Alashkert	Construction	B	+	+	+	+
TAR-04	Reconstruction of kindergarten in the village of Argavand	Project Design	C	N/A	N/A	N/A	N/A
TAR-05	Reconstruction of school in the village of Aygeshat	Bidding	C	N/A	N/A	N/A	N/A
TAR-06	Reconstruction of school in the village of Eraskhahun	Project Design	C	N/A	N/A	N/A	N/A
TAR-07	Reconstruction and expansion of the kindergarten in the village of Haytagh	Appraisal	C	N/A	N/A	N/A	N/A
TAT-01	Overhaul of outpatient clinic in the village of Norashen	Completed	C	N/A	N/A	N/A	N/A
TAT-02	Reconstruction of community center in the village of Getazat	Project Design	C	N/A	N/A	N/A	N/A
TAT-03	Reconstruction of kindergarten #4 in the town of Ashtarak	Construction	C	N/A	N/A	N/A	N/A
TAT-04	Construction of kindergarten in the village of Dashtaqar	Bidding	B	+	+	+	+
TAT-05	Construction of kindergarten in the village of Abovyan	Bidding	B	+	+	+	+
TAT-06	Reconstruction of the 3rd building of kindergarten in the village of Ararat	Bidding	C	N/A	N/A	N/A	N/A
TAT-07	Improvement of Jrahovit's kindergarten area	Appraisal	C	N/A	N/A	N/A	N/A
TAT-09	Reconstruction of Aygavan's kindergarten	Appraisal	C	N/A	N/A	N/A	N/A
TAT-10	Reconstruction of kindergarten in the village of Nor Ughy	Appraisal	B				
TAT-11	Reconstruction of one building of Eraskh's school with placement in it of kindergarten	Appraisal	C	N/A	N/A	N/A	N/A
TGQ-01	Reconstruction of kindergarten in the village of Tsakqar	Construction	C	N/A	N/A	N/A	N/A
TGQ-02	Reconstruction of community center in the village of Lichq with location of kindergarten in it	Construction	C	N/A	N/A	N/A	N/A
TGQ-03	Reconstruction of one building of kindergarten in the village of Geghamavan	Completed	C	N/A	N/A	N/A	N/A
TGQ-04	Reconstruction of kindergarten "zartok" in the town of Sevan	Construction	C	N/A	N/A	N/A	N/A
TGQ-05	Reconstruction of kindergarten in the village of Ddmashen	Completed	C	N/A	N/A	N/A	N/A
TGQ-06	Reconstruction of kindergarten #3 in the town of Chambarak	Construction	C	N/A	N/A	N/A	N/A

Code	Name	Current stage of implementation	Screening completed, category assigned	Draft ESMP developed	Draft ESMP approved	Consultation held	ESMP approved
TGQ-07	Reconstruction of school in the village of Tsaghkashen	Construction	C	N/A	N/A	N/A	N/A
TGQ-08	Reconstruction of kindergarten #5 in the town of Gavar	Bidding	C	N/A	N/A	N/A	N/A
TGQ-09	Reconstruction of kindergarten in the village of Vardadzor	Construction	B	+	+	+	+
TGQ-10	Potable system reconstruction in the village of Aghberk	Project Design	B				
TGQ-11	Reconstruction of external potable system in the village of Artsvanist	Project Design	B	+			
TKQ-02	Construction of outpatient clinic in the village of Qaghshi	Completed	B	+	+	+	+
TKQ-03	Reconstruction of potable water supply system in the village of Marmarik	Construction	B	+	+	+	+
TKQ-04	Construction of DRR of potable water network in the village of Zovashen	Completed	B	+	+	+	+
TKQ-05	Construction of DRR and reconstruction of water intake of potable water network in the village of Zar	Construction	B	+	+	+	+
TKQ-06	Reconstruction of one building of kindergarten in the village of Geghadir and installation of its heating system	Construction	C	N/A	N/A	N/A	N/A
TKQ-07	Reconstruction of kindergarten in the town of Charencavan	Construction	C	N/A	N/A	N/A	N/A
TKQ-08	Reconstruction of #3 kindergarten in the town of Abovyan	Project Design	C	N/A	N/A	N/A	N/A
TKQ-09	Construction of irrigation system for land plots in the village of jrvjrh	Appraisal	B				
TLR-01	Reconstruction of wrestling school in the town of Alaverdi	Construction	B	+	+	+	+
TLR-02	Reconstruction of community center in the village of Norashen	Project Design	C	C	C	C	C
TLR-03	Construction of kindergarten in the village of Gyulagarak	Construction	B	+	+	+	+
TLR-04	Reconstruction of kindergarten in the village of Lermontovo	Completed	B	+	+	+	+
TLR-05	Reconstruction of school #2 in the town of Akhtala	Construction	C	N/A	N/A	N/A	N/A
TLR-06	Reconstruction of school #4 after A.Mikoyan in the town of Alaverdi	Project Design	C	N/A	N/A	N/A	N/A
TLR-07	Reconstruction of polyclinic in the town of Stepanavan	Construction	C	N/A	N/A	N/A	N/A
TLR-08	Reconstruction of kindergarten #11 in the town of Vanadzor	Bidding	C	N/A	N/A	N/A	N/A
TLR-09	Reconstruction of community and social services center in the town of Tashir	Construction	C	N/A	N/A	N/A	N/A
TLR-10	Construction of school gym in the village of Arevashogh	Appraisal	B				
TLR-11	Renovation of Culture House in the Spitak town and installation of its heating system	Appraisal	C	N/A	N/A	N/A	N/A
TSH-01	Construction of school building for 100 students in the village of Vardaqaar	Completed	B	+	+	+	+
TSH-02	Construction of school building for 100 students in the village of Krasar	Construction	B	+	+	+	+
TSH-03	Replacement of floors and general renovation of school in the village of Haykadzor and installation of its heating system	Completed	C	N/A	N/A	N/A	N/A
TSH-04	Construction of school gym in the village of Harich	Completed	B	+	+	+	+
TSH-05	Reconstruction of kindergarten in the village of Aygabac	Construction	B	+	+	+	+
TSH-06	Construction of potable water supply system in the village of Jajur	Completed	B	+	+	+	+
TSH-07	Reconstruction of kindergarten in the village of Tsakqar	Completed	C	N/A	N/A	N/A	N/A
TSH-08	Reconstruction of kindergarten in the village of Arevik	Appraisal	C	N/A	N/A	N/A	N/A
TSH-09	Construction of a new kindergarten in the village of Spandaryan	Construction	B	+	+	+	+
TSH-10	Reconstruction of external network of potable water supply system in the village of Lernakert	Completed	B	+	+	+	+
TSH-11	Reconstruction of kindergarten "Nanulik" in the town of Gyumry	Bidding	B	+	+	+	+
TSH-12	Construction of kindergarten "Arevik" in the town of Gyumry	Construction	C	N/A	N/A	N/A	N/A
TSH-13	Construction of school building in Berdashen village	Appraisal	B				
TSH-14	Reconstruction of kindergarten in Anushavan village	Project Design	C	N/A	N/A	N/A	N/A

Code	Name	Current stage of implementation	Screening completed, category assigned	Draft ESMP developed	Draft ESMP approved	Consultation held	ESMP approved
TSH-15	Reconstruction of school gym in Panik village	Appraisal	C	N/A	N/A	N/A	N/A
TSH-18	Construction of Music school in Pemzashen village	Appraisal	B				
TSH-19	Construction of kindergarten in Horom village	Appraisal	B				
TSQ-01	Reconstruction of Museum of Sero Khanzadyan in the town of Goris	Completed	C	N/A	N/A	N/A	N/A
TSQ-02	Reconstruction of potable water supply system in the village of Akner	Construction	B	+	+	+	+
TSQ-03	Reconstruction of Art school in the town of Kapan	Construction	C	N/A	N/A	N/A	N/A
TSQ-04	Construction of water intakes and pipeline in the village of Akhlatyan	Project Design	B	+			
TSQ-05	Reconstruction of school in the village of Qarashen	Project Design	C	N/A	N/A	N/A	N/A
TSQ-07	Reconstruction of school in the village of Harjhis	Project Design	C	N/A	N/A	N/A	N/A
TSQ-08	Reconstruction of potable water supply system in the village of Khndzoresk	Bidding	B	+	+	+	+
TSQ-09	Reconstruction of school in the village of Kornidzor	Project Design	C	N/A	N/A	N/A	N/A
TSQ-10	Reconstruction of water supply system in the village of Noravan	Project Design	B				
TSQ-11	Reconstruction of water intakes and potable water network in the village of Vortan	Construction	B	+	+	+	+
TSQ-12	Construction of water supply system in the village of Hartashen	Project Design	B				
TSQ-13	Reconstruction of potable water supply system in the village of Shurnukh	Project Design	B	+	+	+	
TSQ-14	Reconstruction of kindergarten in Tegh village	Appraisal	C	N/A	N/A	N/A	N/A
TSQ-15	Reconstruction of community center in Tegh village	Appraisal	C	N/A	N/A	N/A	N/A
TTV-01	Reconstruction of kindergarten in the village of Tsakqar	Construction	C	N/A	N/A	N/A	N/A
TTV-02	Reconstruction of 3rd building of kindergarten in the town of Berd	Completed	C	N/A	N/A	N/A	N/A
TTV-03	Construction of community center in the village of Verinkarmiraghbyur	Construction	B	+	+	+	+
TTV-04	Construction of potable water network in the village of Voskepar	Completed	B	+	+	+	+
TTV-05	Construction of kindergarten in the village of Navur	Construction	B	+	+	+	+
TTV-06	Reconstruction of gym of school #1 in the village of Bagratashen	Completed	C	N/A	N/A	N/A	N/A
TTV-07	Construction of kindergarten for 75 children in the village of Artsvaberd	Construction	B	+	+	+	+
TTV-08	Reconstruction of school in the village of Kirants	Appraisal	C	N/A	N/A	N/A	N/A
TTV-09	Reconstruction of 2 buildings of the school in the village of Ptghavan	Bidding	C	N/A	N/A	N/A	N/A
TTV-10	Construction of internal water supply system in the village of Zorakan	Project Design	B				
TTV-12	Reconstruction of damaged part of potable water supply network in the village of Varagavan	Construction	B	+	+	+	+
TTV-13	Reconstruction of office building "Bridge of hope" in the town of Noyemberyan	Project Design	C	N/A	N/A	N/A	N/A
TTV-14	Reconstruction of potable water system in Vatagavan village	Appraisal	B				
TTV-15	Reconstruction of community center in Aygepar village	Appraisal	C	N/A	N/A	N/A	N/A
TVZ-01	Strengthening and reconstruction of kindergarten in the village of Zaritap	Completed	C	N/A	N/A	N/A	N/A
TVZ-02	Reconstruction of one building of kindergarten in the village of malishka	Project Design	C	N/A	N/A	N/A	N/A
TVZ-03	Reconstruction of school in the village of Khndzorut	Project Design	C	N/A	N/A	N/A	N/A
TVZ-04	Reconstruction of school in the village of Artabyunyk	Project Design	C	N/A	N/A	N/A	N/A
TVZ-05	Reconstruction of potable water provision system and construction of DRR in Agarakadzor village	Appraisal	B				
TVZ-06	Reconstruction of potable water provision system and construction of DRR in Vardahovit village	Appraisal	B				
TVZ-07	Reconstruction of kindergarten in Rind village	Appraisal	C	N/A	N/A	N/A	N/A

"N/A" - non available

" + " - Action mentioned in column's title is performed

Table 2. Environmental and social assessment of SILD's sub-projects

	Name of consolidated community	Screening completed, category assigned	Draft ESMP developed	Draft ESMP approved	Consultation held	ESMP approved
1	Dilijan	B	+			
2	Tumanyan	B	+			
3	Tatev	C	N/A	N/A	N/A	N/A
4	Gorayk	B				
5	Jermuk	C	N/A	N/A	N/A	N/A
6	Meghri	B				
7	Tegh	B				
8	Zaritap	C	N/A	N/A	N/A	N/A
9	Vayk	B				

"N/A" - non available

" + " - Action mentioned in column's title is performed

Description of sub-projects implementing under LGRA Project / USAID

1. **Dilijan** consolidated community, Tavush marz: Street lighting, garbage disposal, intracommunity transport service systems formation, and environmental and high-tech knowledge dissemination programs in schools (with inclusion of Dilijan town (with vulnerability index 0.406; 2nd cluster) and villages Haghartsin (0.305; 2nd cluster), Teghut (0.364; 2nd cluster), Gosh (0.581; 1st cluster), Aghavnavank (0.594; 1st cluster), Khachardzan (0.673; 1st cluster), and Hovk (0.581; 1st cluster) settlements). The subproject includes the following components:

- Installation of street lighting system and its expansion,
- Creation of waste management system,
- Design of the inter-community road maintenance system,
- Creation of the Community non-profit organization,
- Improvement of environment situation
- Construction of multi-functional bus-stop,
- Establishment of a high-tech engineering laboratories.

In May, 2016 this sub-project and all its components were discussed during meetings held in all settlements of the enlarged community, which were attended by 1075 people (of which 363 women).

In this sub-project apart from the funding of USAID grant (837.1 million AMD) and community contribution (25.74 million AMD), an additional non-monetary investment equivalent to 18.13 million AMD will be made by the two partner organizations (UNDP and UITE), bringing the total project cost to about 881 million AMD.

2. A sub-project for the provision of inter-community road maintenance and garbage removal services, the formation of a inter-community public transport system as well as the dissemination of environmental knowledge among schoolchildren and youth in the Tumanyan enlarged community (including Tumanyan town (0.535; 1st cluster), and villages Qarinj (0.590; 1st cluster), Martz (0.524; 1st cluster), Lorut (0.474; 1st cluster), Shamut (0.630; 1st cluster), Atan (0.670; 1st cluster), and Ahnidzor (0.696; 1st cluster)) with the following components:

- Maintenance and operation of inter-community roads;
- Waste disposal and sanitation,
- Establishment of Municipal public transport infrastructure, regular maintenance and construction of market station(s).

In April, 2016 this sub-project and all its components were discussed during meetings held in all settlements of the consolidated community, which were attended by 618 people (of which 350 women).

An amount of 161.8 million AMD is considered for implementation of this sub-project from the funding of USAID grant, and about 4.9 million AMD as a community contribution in forms of work and services.

3. A sub-project of “Inter-community road maintenance; establishment of regular waste disposal services; agricultural machinery modernization in the consolidated **community of Tatev**”. This sub-project includes the following components:

- Road maintenance and operation,
- Operation of sustainable waste management system;

- Modernization of agricultural machinery;
- Establishment of the Community non-profit organization and construction of a parking lot.

In April, 2016 this sub-project and all its components were discussed during meetings held in all settlements of the consolidated community, which were attended by 886 people (of which 392 women). The following settlements are included in Tatev community, Syunik Marz: villages Shinuhayr (0.327; 2nd cluster), Khot (0.516; 1st cluster), Halidzor (0.527; 1st cluster), Harzhis (0.550; 1st cluster), Svarants (0.553; 1st cluster), Tatev (0.527; 1st cluster), Tandzatap (0.837; 1st cluster), and Kashuni (0.950; 1st cluster).

An amount of 195.4 million AMD was considered for implementation of this sub-project from the funding of USAID grant, and about 4.9 million AMD as a community contribution in form of work and services.

4. A sub-project of "Expanding and improving of public services in the **Urtsadzor enlarged community**, increase community capacity and support the agricultural sector through technical upgrades" with the following sub-components:

- Acquisition of machinery designed for improvement of the intra-community and inter-community earth roads and their permanent maintenance, as well as to meet utility needs of the community;
- Acquisition of machinery necessary for increasing agricultural efficiency in the community.

In October, 2016 this sub-project and all its components were discussed during meetings held in all settlements of the consolidated community, which were attended by 350 people (of which 152 women). The following settlements are included in Urtsadzor enlarged community, Ararat Marz: villages Urtsadzor (0.323; 2nd cluster), Shaghap (0.481; 1st cluster), and Lanjanist (0.660; 1st cluster).

An amount of 133.8 million AMD was considered for implementation of this sub-project from the funding of USAID grant, and about 4.42 million AMD as a community contribution in form of work and services.

5. "Improvement of public services, capacity building and support the agricultural sector through technical upgrades of **Vayk enlarged community**" sub-project was proposed from Vayots Dzor Marz with participation of Vayk town (0.471, 1st cluster), villages Azatek (0.454, 2nd cluster), Por (0.726, 1st cluster) Zedea (0.677, 1st cluster), and Arin (0.574, 1st cluster). Sub-project components are:

- Improvement of road maintenance and utility services;
- Creation of municipal public transport infrastructure and provision of transport services;
- Acquisition of multifunctional agricultural machinery to promote the development of the agricultural sector.

In November of 2016 this sub-project and all its components were discussed during meetings held in all settlements of the consolidated community, which were attended by 520 people (of which 203 women). An amount of 250.61 million AMD was considered for implementation of this sub-project from the funding of USAID grant, and about 6.27 million AMD as a community contribution in form of work and services.

6. "Support the agricultural sector through technical upgrades of **Amasia enlarged community**" sub-project was proposed from Shirak Marz, and it has a component,

- Agriculture sector support.

In January and February of 2017, the subprogram was discussed at meetings held in all Amasia community communities (Amasia, Byurakn, Hovtun, Meghrashat, Voghji, Bandivan, Gtashen, Aregnadem, Jradzor), attended by 424 people including 111 women.

The program will be financed by USAID grant funds. About 169 million drams are envisaged for the implementation of the subproject, of which the community contribution is 4.2 million drams.

7. Project of Technical upgrade and support the agricultural sector of Amasia enlarged community of the Shirak Marz has the following components:

- Improvement of utility services;
- Agriculture support,
- Creation of a transport system.

In January and February of 2017, the subproject was discussed at meetings held in all Arpi communities (Alvar, Ardenis, Aghvorik, Berdashen, Garnarich, Zarishat, Zorakert, Tsaghkut, Shaghik), attended by 299 people, including 93 women.

The program will be financed by USAID grant funds. An amount of 154 million AMD was considered for implementation of this sub-project from the funding of USAID grant, including 3.75 million AMD as a community contribution.

8. Project of Technical upgrade, improvement of its road maintenance and utility services and support the agricultural sector of Amasia enlarged community of the Shirak Marz has the following components:

- Technical equipping of the utilities sector;
- Acquisition of agricultural machinery and agricultural equipment.

In March of 2017, the subproject was discussed at meetings held in all settlements of Ashotsk community (Ashotsk, Saragyugh, Bavra, Sizavet, Tavshut, Ghazanchi, Mets Sepasar, Poqr Sepasar, Krasar, Zuygaghbyur, Karmravan), attended by 703 people, including 300 women.

The program will be financed by USAID grant funds. An amount of 234.3 million AMD was considered for implementation of this sub-project, including 5.94 million AMD as a community contribution.

9. The project of "Assistance to the Sarapat enlarged community of Shirak Region, creation of supporting environment for rural households and expansion of multidirectional community services" has the following components.

- Agriculture support,
- Forming a inter community transport system between the settlements of Sarapat community,
- Maintenance and improvement of intercommunity and ground roads.

2017 In February, the program was discussed during meetings in all the communities of Sarapat community (Torosgyugh, Goghovit, Arpeni, Hoghmik, Tsogamarg, Vardaghbyur, Musayelyan, Salut, Dzorashen, Sarapat, Kakavasar, Poqr Sarian, Bashghyugh, Hartashen, Lernagyugh), with participation of 880 people, of which 440 women.

The program will be financed by USAID grant funds. An amount of 182.6 million AMD was considered for implementation of this sub-project, including 4.32 million AMD as a community contribution.

10. The project of "Improvement of utility services and transportation system, support for agriculture, modernization of garbage collection and lighting systems, improvement of water supply systems project" in Goris enlarged community of Syunik Region (with inclusion of Goris, Verishen, Khndzoresk, Karahunj, Akner, Hartashen, Vorotan, Nerkin Khndzoresk, Shurnukh and Bardzavan settlements). The components are:

- Improvement of transport system;
- Improvement of utility services and road maintenance;
- Agriculture sector support;
- Improvement of the waste management system;
- Improvement of water supply system;
- Modernization of street lighting system.

2017 In April-May, the subproject was discussed during meetings held in all the settlements of Goris enlarged community, where 312 people (of which 82 women) participated.

The program will be financed by USAID grant funds. An amount of 687.2 million AMD was considered for implementation of this sub-project from USAID grant, and 17.2 million AMD as a community contribution.

11. The subproject of "Improvement of utility services, road maintenance, inter-community transport system, agricultural support and energy savings system's formation" of the Noyemberyan enlarged community (including settlements of Noyemberyan, Baghanis, Barekamavan, Berdavan, Dovegh, Koti, Voskepar, Voskevan, Jujevan), Tavush Marz, has the following components:

- Improvement of utility services and road services;
- Creation of public transport system,
- Design of energy saving system;
- Modernization of agricultural machinery.

In February-March, 2017 the subproject was discussed during the meetings held in all Noyemberyan settlements where 753 people (of which 278 women) participated.

The program will be financed by USAID grant funds. An amount of 529.7 million AMD was considered for implementation of this sub-project from USAID grant, and 17.2 million AMD as a community contribution.

12. The project of "Utility infrastructures and community service delivery system improvement" of Koghb enlarged community (with settlements Koghb, Zorakan), Tavush Region has the following components:

- Improvement of intercommunity roads, provision of utilities and public services and their improvement,
- Building a solar power plant.

In February, 2017 the subproject was discussed at meetings held in all settlements of Koghb where 109 people participated (of which 38 women).

An amount of 188 million AMD was considered USAID grant funds for implementation of this sub-project, and 6 million AMD as a community contribution.

13. The project of "Support for balanced development of agriculture and creation of a machinery park" in Ayrum enlarged community, Tavush Region" (including settlements of Ayrum, Archis, Lchkadzor, Bagratashen, Debedavan, Deghdzavan, Haghtanak, Ptghavan)" has the following components:

- Improvement of road maintenance and utility services;
- Organization of intercommunity passenger transportation, provision of transport services,
- Supply of horticultural equipment.

In February, 2017 the subproject was discussed at meetings held in all Ayrum settlements where 475 people participated (of which 229 women).

An amount of 348.5 million AMD was considered USAID grant funds for implementation of this sub-project, and 9 million AMD as a community contribution.

Description of subprojects under SILD Project financed from SDC Grant

1. The project of "Formation of supporting environment for farms/households and expansion of service delivery system on **Meghri enlarged community**" has the following components:

- Creation of intercommunity transport routes.
- Creation of Community non-profit organization that provides maintenance of the acquired equipment and buses.
- Establishing agricultural market;
- Organization of road maintenance services;
- Improvement of the waste management system.

The following settlements are included in Meghry enlarged community: Meghry town (0.411, 2nd cluster) Agarak town (0.425, 2nd cluster), villages Alvank (0.631, 1st cluster), Lehvaz (0.457, 1st cluster), Karchevan (0.540, 1st cluster), Lichq (0.630, 1st cluster), Gudemnis (0.832, 1st cluster), Kuris (0.831, 1st cluster), Nrnadzor (0.778, 1st cluster), Shvanidzor (0.778, 1st cluster), Vahravar (0.708, 1st cluster), Vardanidzor (0.616, 1st cluster), and Tashtun (0.737, 1st cluster).

2. The project of "Organization of road maintenance service, waste management, intra-community transportation, and maintenance of agricultural machinery and establishment of new service delivery system in **Tegh enlarged community**, Syunik Marz" has the following components:

- Road maintenance.
- Garbage disposal organization.
- Organization of intra-community transport communication;
- Maintenance of agricultural machinery;
- Forming a new service system, creating Community non-profit organization.

The settlements of Tegah enlarged community are: Tegh (0.282, 2nd cluster), Aravus (0.644, 1st cluster), Kornidzor (0.439, 2nd cluster), Karashen (0.493, 2nd cluster), Khnatsakh (0.575, 1st cluster), Vaghatin (0.438, 2nd cluster), and Khoznavar (0.671, 1st cluster).

3. The project of "Acquisition of grain combine harvesters for the **Gorayk enlarged community** in Syunik Region" has only one component. The project was discussed at a meeting held in the community of Gorayk with participation of 64 people, including 21 women.

The settlements of Gorayk enlarged community are: villages Gorayk (0.409, 2nd cluster), Tsghuk (0.552, 1st cluster), Sarnakunk (0.431, 2nd cluster), and Spandaryan (0.586, 1st cluster).

4. Sub-project of "Maintenance intra-community roads, improvement of municipal services quality, technical upgrade of transportation system and supporting of agricultural sector in **Zaritap enlarged community**, Vayots Dzor Marz" with the following components:

- Maintenance, operation of intercommunity roads and organization of utility works;
- Design and organization of inter-community transport network;
- Build a parking lot and strengthen the structure of the SNCO.

The following settlements are included in Zaritap enlarged community: villages Zaritap (0.360, 2nd cluster), Bardzruni (0.612, 1st cluster), Martiros (0.478, 1st cluster), Sers (0.654, 1st cluster), Gomk (0.638, 1st cluster), Nor Aznaberd (0.786, 1st cluster), Khndzorut (0.601, 1st cluster), Artavan (0.619, 1st cluster), and Saravan (0.474, 1st cluster).

5. The project of “Technical equipping of utility services and agricultural sector support for **enlarged community of Jermuk**, Vayots Dzor” has the following components:

- Improvement of garbage collection, sanitation and communal services in the Jermuk community, through.
Improve the quality of inter-community road maintenance through technical upgrading;
- Promoting horticulture in the community.

The following settlements are included in Jermuk enlarged community: Jermuk town (0.447, 2nd cluster), villages Kechut (0.445, 2nd cluster), Gndevaz (0.324, 2nd cluster), Herher (0.454, 2nd cluster), and Karmrashen (0.635, 1st cluster).

ATDF

The 1st Semi-annual Report on SILD Project activities in 2017

Annex 5

The 1st semi-annual for 2017 and cumulative expenses as of June 30, 2017 of SILD Project by Components and Categories

USD

Component	Category	Expenditures of the 1 st semester of 2-17				Aggregated expenditures as of June 30,2017			
		IBRD Loan	Government's co-financing	Communities and Sponsors	Total	IBRD Loan	Government's co-financing	Communities and Sponsors	Total
I. Component 1: Support to Socio-Economic Development and Capacity Building at the Local Level.	I. Works	1,035,183	305,076	100,003	1,440,262	9,139,853	6,552,628	1,967,129	620,097
	II. Goods	9,014	3,480	0	12,494	174,355	125,797	48,558	0
	III. Training & TA	40,262	15,541	0	55,803	978,870	706,255	272,615	0
	Total of Component 1	1,084,460	324,097	100,003	1,508,559	10,293,079	7,384,680	2,288,302	620,097
III. ATDF Institutional Strengthening and Project Management	II. Goods	0	0	0	0	114,308	82,816	31,492	0
	III. Training & TA	5,666	2,155	0	7,821	30,307	21,958	8,350	0
	IV. Recurrent costs	134,995	202,492	66	337,553	1,593,847	729,511	863,807	529
	Total of Component 3	140,661	204,647	66	345,375	1,738,463	834,285	903,649	529
TOTAL of SILD		1,225,121	528,744	100,069	1,853,934	12,031,542	8,218,965	3,191,951	620,626