Stakeholder Engagement Plan

Housing Response and Mortgage Market Enhancement (HOME) Project

(P508310)

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Prepared by the Ministry of Labor and Social Affairs of the Republic of Armenia
Complemented by input from the National Mortgage Company Refinancing Credit Organization CJSC

Contents

List of Acronyms

ADB	Asian Development Bank
AFD	Agence Française de Développement
CBA	Central Bank of Armenia
CSO	Civil Society Organization
COP	Communication and Outreach Plan
CoUD	Committee of Urban Development
DPM	Deputy Prime Minister
e-request.am	Unified government e-request platform
ESCP	Environmental and Social Commitment Plan
ESF	Environmental and Social Framework
ESS	Environmental and Social Standard
FGRM	Feedback and Grievance Redress Mechanism
FSM	Financial System Mediator
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
GoA	Government of Armenia
GRS	Grievance Redress Service (WB)
ICA	Interagency Commission of Appeals
HH	Household
HPC	Housing Purchase Certificate
HSP	Housing Support Program
KfW	Kreditanstalt für Wiederaufbau (German Development Bank)
LOC	Line of Credit
MCS	Migration and Citizenship Service
M&E	Monitoring and Evaluation
MLSA	Ministry of Labor and Social Affairs
MoF	Ministry of Finance
NMC	National Mortgage Company
NGO	Non-Governmental Organization
NSS	National Security Service
PBC	Performance Based Conditions
PBL	Program-Based Lending
PFI	Participating Financial Institution
PIT	Project Implementation Team
PSSA	Program Safeguards System Assessment
SAP	Social Assistance Program
SC	Steering Committee
SE	Stakeholder Engagement
SEP	Stakeholder Engagement Plan
SECS	Stakeholder Engagement and Communications Specialist

UNDP	United Nations Development Programme
UNICEF	United Nations Children's Fund
UNHCR	United Nations High Commissioner for Refugees
USS	Unified Social Service
WB	World Bank

Executive Summary

Context: Armenia faces pressing challenges in providing adequate and affordable housing, with the influx of refugees adding further strain to an already limited housing market and underdeveloped mortgage sector. The Housing Response and Mortgage Market Enhancement (HOME) Project seeks to address these challenges by improving access to housing for refugee households, while also strengthening the long-term sustainability of the mortgage finance market.

Introduction to HOME Project: The HOME Project, implemented by the Ministry of Labor and Social Affairs (MLSA) with support from the World Bank (WB) and other partners, provides a combination of immediate assistance and institutional capacity-building. It supports upfront payments and mortgage installments for eligible households, cash support to cover rent and utilities, and liquidity to the National Mortgage Company (NMC) to ensure the continued availability of affordable housing finance. The HOME project is comprised of three components as follows: (i) Housing subsidies and support for institutional development, (ii) Housing finance market development, and (iii) Project management, communication, monitoring, and evaluation.

Purpose and Objectives of the Stakeholder Engagement Plan (SEP): This SEP has been prepared in line with the WB Environmental and Social Standard 10 (ESS10) to guide meaningful, inclusive, and transparent engagement with stakeholders throughout the Project cycle. Its objectives are to ensure that information on the Project is accessible, that stakeholder feedback is considered in decision-making, and that effective feedback and grievance redress mechanism (FGRM) is in place.

Stakeholder Identification, Analysis and Engagement Methods: This SEP identifies refugee households, host communities, government institutions, financial intermediaries, civil society organizations (CSOs), and development partners as key stakeholders. Beneficiaries will be engaged primarily through the Unified Social Service (USS) network, CSOs, and mass/digital media, with special measures to reach vulnerable groups such as female-headed households, persons with disabilities, elderly refugees, and those in rural areas. Engagement will be continuous, combining consultations, outreach campaigns, and perception surveys.

The SEP outlines methods for both stakeholder engagement and beneficiary outreach and communication. Beneficiary-facing activities include outreach through USS territorial centers and CSOs, mass media and digital campaigns, targeted support for vulnerable groups, and periodic perception surveys. Engagement with other stakeholders will involve interagency coordination meetings, collaboration with partner banks and NMC, roundtables with CSOs and development partners, and structured media engagement.

Information disclosure: Information on the Government Housing Support Program (HSP) is already available on the MLSA website, including eligibility criteria and application procedures, complemented by video explainers to guide beneficiaries. Throughout implementation, MLSA will continue to disclose key project documents, updates, and guidance materials through digital, print, media, and community-level channels, ensuring tailored formats for women-headed households, persons with disabilities, elderly beneficiaries, and refugees in rural areas.

Feedback and Grievance Redress Mechanisms: For Component 1, the Project will build on the MLSA's existing 114 hotline and USS territorial centers to ensure accessible grievance channels, with the newly established Interagency Commission on Appeals serving as an additional mechanism for rejected applicants. Grievance handling will follow the Law on Freedom of Information (2003), ensuring fairness, transparency, and accountability, while sensitive cases such as SEA/SH will be managed under survivor-centered protocols. For Component 2, NMC will rely on its internal grievance redress mechanism (GRM) as outlined in the organizations Environmental and Social Management Systems (ESMS) manual[1].

Management resources and responsibilities for SEP implementation: The MLSA is responsible for implementing this SEP related to Component 1 and NMC will be responsible for stakeholder engagement (SE) activities under Component 2. MLSA will establish a project Implementing team (PIT) comprised of civil servants and non-civil servants assigned from within the MLSA. The Project Coordinator is responsible for managing and overseeing the implementation of stakeholder engagement activities, monitoring, and reporting, as well as ensuring the quality of the SEP activities delegated to respective departments of the MLSA. For SEP implementation, MLSA will hire or assign a Stakeholder Engagement and Communications Specialist (SECS). As for Component 2, NMC will use in-house capacities to implement SE activities.

Monitoring and Reporting on the SEP: Monitoring and reporting will be carried out through biannual progress reports, mid-term and end-of-project perception surveys, and regular updates to stakeholders. Feedback will be incorporated into adaptive engagement strategies, ensuring that the SEP remains responsive to community needs and program realities.

Final Notes: This SEP was disclosed on the MLSA website on September 15, 2025 and was circulated for stakeholder feedback and consultation during September–October 2025 (Annex 5). The current version integrates written inputs received within that period. The SEP will be updated within three months after Project Effectiveness and afterwards will be reviewed annually and revised as needed following major program or institutional change.

Communities and individuals who believe that they are adversely affected by a project supported by the World Bank may submit complaints to existing project-level grievance mechanisms or the Bank's Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed in order to address project-related concerns. Project affected communities and individuals may submit their complaint to the Bank's independent Accountability Mechanism (AM). The AM houses the Inspection Panel, which determines whether harm occurred, or could occur, as a result of Bank non-compliance with its policies and procedures, and the Dispute Resolution Service, which provides communities and borrowers with the opportunity to address complaints through dispute resolution. Complaints may be submitted to the AM at any time after concerns have been brought directly to the attention of Bank Management and after Management has been given an opportunity to respond. For information on how to submit complaints to the Bank's Grievance Redress Service (GRS), visit http://www.worldbank.org/GRS. For information on how to submit complaints to the Bank's Accountability Mechanism, visit https://accountability.worldbank.org.

[1] In the SEP, Feedback and Grievance Redress Mechanism (FGRM) will be used to refer to Project grievance mechanism established and operated by MLSA while Grievance and Redress Mechanism (GRM) will be used to refer to internal grievance mechanism of the NMC.

1. Introduction

1.1 Project context

Housing is one of the most pressing challenges in Armenia, with the recent influx of refugees adding further strain to an already limited housing supply, while also putting pressure on labor markets and social services. The country's housing stock is largely aging and privately owned, with low vacant rates and limited availability outside Yerevan. An estimated 20,000 households remain without long-term housing, including families affected by the 1988 Spitak earthquake and successive refugee waves, while many others live in overcrowded or inadequate conditions. Existing housing programs are fragmented, narrowly targeted, and often costly, limiting both their reach and long-term impact.

To address these challenges, the Government of Armenia (GoA), with support from the WB and other development partners, is implementing the Housing Response and Mortgage Market Enhancement (HOME) Project. The Project provides immediate and medium-term support to refugee and vulnerable households through cash assistance, housing solutions, and improved access to financial services.

1.2 Project Description

Project Development Objective is to improve refugees' access to housing solutions and enable deepening of the mortgage market.

The HOME project is comprised of three components as follows: (i) Housing subsidies and support for institutional development, (ii) Housing finance market development, and (iii) Project management, communication, monitoring, and evaluation.

Component 1: Housing Subsidies and Support for Institutional Development

This component will provide housing solutions to eligible beneficiaries, which will simultaneously increase their resilience towards increasing climate risks such as extreme heat and floods. Financial assistance will be provided in the form of direct cash transfers to beneficiaries to support rent, utilities, and other living costs. The component will also provide financial assistance to eligible beneficiary HHs for the acquisition of housing solutions through mortgages obtained from commercial banks. The component will also seek to enhance the institutional capacities of the GoA and its relevant agencies for designing, establishing, implementing, and managing future national housing sector policy and programs.

Subcomponent 1.1: Rental support through direct cash transfers

This subcomponent will provide direct cash transfers to beneficiaries supported through the ongoing social assistance program (SAP). Beneficiaries will receive up subsidies of up to AMD50,000 (US$125) per person per month for rent and utilities, as well as other HH-related expenses and consumption needs.[2] The SAP has been administered by the MLSA since December 2023, and program parameters have been gradually adjusted over time to tailor support for the most vulnerable groups. Project financing will support both the GoA's past (reimbursement through retroactive financing) and ongoing cash assistance under the SAP.[3] The rental assistance plays a critical role in enabling the freedom of mobility of refugee HHs to locate and settle in suitable areas for jobs and for, eligible households, subsequently acquiring permanent housing through the HSP. The subcomponent will utilize the current payment systems of the GoA's SAP and rely on

[2] Beneficiaries already owning property in Armenia receive AMD10,000 per person per month to cover utilities.

[3] Up to a maximum US$48 million, based on the limit for retroactive financing under World Bank Investment Project Financing of 20 percent of the Bank loan amount for expenditures incurred up to 12 months prior to Loan signing.

the existing direct transfer mechanisms of the MLSA, through its USS,[4] to deposit funds into beneficiary bank accounts at commercial banks.

Subcomponent 1.2: Subsidies for the acquisition of housing solutions

This subcomponent will finance direct subsidies to eligible HHs for the acquisition of housing solutions through participating financial institutions (PFIs)[5]. In support of the HSP administered by the MLSA since June 2024, this subcomponent will finance: (a) up-front downpayment assistance of up to 30 percent of the housing purchase price, and (b) monthly installment payments for mortgage loans provided through commercial banks. The subcomponent will support HHs to: (a) acquire a new or existing individual residential house or apartment; (b) acquire the right to purchase an apartment in a building under construction; and (c) construct an individual residential house. The subcomponent will also provide subsidy assistance for the repayment of an existing mortgage loan for HHs who already had property in Armenia. As part of the mortgage origination process, PFIs will assess the technical condition of housing units, their suitability for occupation, and will screen for seismic and climate risks while ensuring site selection for new construction avoids hazard-prone areas. Additionally, all new construction of apartments and individual residential homes will be performed by licensed contractors[6], and screened for exposure to seismic and climate-related risks[7], and will adhere to relevant energy efficiency norms.

Subcomponent 1.3: Institutional Development in Housing

The subcomponent will finance procurement of goods, consulting, and non-consulting services for technical assistance, advisory, and capacity building to support institutional strengthening and policy reforms at the national level in the housing sector as well as improvements to the HSP's management information system managed by the MLSA.

Component 2: Housing Finance Market Development

This component is designed to support the NMC operations by enhancing long-term liquidity for mortgage-originating financial institutions. A line of credit (LOC) of US$ 10 million extended by the project to NMC seeks to increase access to mortgage loans by providing refinancing for PFIs i.e., commercial banks with signed agreements with the GoA to provide mortgage loans under the refugee HSP.

Component 3: Project Management, Communication, Monitoring and Evaluation

This component will finance the procurement of consulting and non-consulting services, goods, training, and overall operating costs to support the project implementing team under the MLSA in project management, communications, and implementation activities, including for, but not limited to, monitoring and evaluation, reporting, audits, independent verification of performance based conditions (PBCs), procurement, financial management, environmental and social management, feedback and grievance redress mechanism, citizen engagement activities including beneficiary surveys, and project

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[4] The USS is an arm of the MLSA comprised of 49 territorial centers and is responsible for processing and channelling social assistance funds.

[5] Participating financial institutions refers to the financial institutions with signed agreements with the GoA to provide mortgage loans under the refugee HSP. As of October 2025, participating commercial banks include AmeriaBank, Armeconombank, Converse Bank, EvocaBank, FastBank, and UniBank.

[6] Up to 30 percent (or approximately 3,900) of the 13,000 potential beneficiary HHs are expected to opt for new construction.

[7] For single family homes, the CoUD makes freely available standardized template designs that are code compliant and can be customized for specific site conditions by a licensed technical design firm and subsequently approved by an independent expert review.

communication outreach services. The component will also finance the operating costs for maintaining a fully staffed and equipped project implementing team housed within the MLSA.

1.3 Implementing Agency

The Project will have two implementing agencies: MLSA will be in charge of implementing Component 1 and Component 3 activities[8] and NMC will be in charge of implementing Component 2. The PIT under MLSA will utilize project management, communication, monitoring and evaluation support provided under Component 3 for its activities.

A Steering Committee (SC) will be established by Decision of the Deputy Prime Minister (DPM) prior to loan effectiveness. The SC will be chaired by the DPM. It will comprise relevant ministries and agencies that are directly involved, or with delegated responsibilities, in the implementation of the refugee HSP and housing sector activities overall including the Ministry of Finance (MoF), MLSA, Central Bank of Armenia (CBA), NMC, and Committee of Urban Development (CoUD), among others. The SC's main purpose will be to provide strategic oversight over project implementation, provide high-level decision-making and guidance, and facilitate inter-ministerial and interagency cooperation considering the complex nature of the refugee HSP and housing sector in general. The SC will also be expected to serve as the platform for obtaining decisions on setting housing and finance policy priorities, and providing overall guidance for the formulation and administration of future national housing sector policy.

The MLSA will establish a PIT by Ministerial Decree prior to loan effectiveness. The PIT will be responsible for the implementation of Components 1 and 3 of the Project. The PIT will be comprised of staff assigned from within the MLSA and a team of technical experts (non-civil servants) contracted by the MLSA. The MLSA staff assigned to the PIT will undertake project activities alongside their regular responsibilities. The = Project Coordinator of the PIT will serve as the focal point for activities during implementation. Using the available operating budget under Component 3, the PIT will be maintained with the required fiduciary, environment and social, and technical specialists on a full-time basis and possessing adequate capacities for implementing the project, including in FM, procurement, and E&S risk management according to TORs and qualification requirements acceptable to the World Bank. The capacities of the PIT will be supplemented with additional technical expertise (e.g., in housing sector policy) through the competitive hiring of consultants, as needed. Finally, the PIT will coordinate and work closely with relevant staff of the USS in charge of processing and channeling the refugee HSP funds.

The NMC will assign a dedicated team in support of Component 2 activities prior to loan effectiveness. The team will comprise of assigned NMC senior staff with appropriate technical expertise in financial management, environmental and social risk management, and monitoring and evaluation. The team will be responsible for implementing Component 2 project activities and ensuring effective coordination with the PIT at MLSA in support of overall project supervision, reporting and evaluation activities. The team will also participate in implementation support missions to be held every six months.

1.4 Purpose of the SEP

The HOME Project is being prepared under the WB's Environment and Social Framework (ESF). Per ESS10 on Stakeholder Engagement and Information Disclosure, the implementing agencies should provide stakeholders with timely, relevant, understandable, and accessible information, and consult with them in

[8] The MLSA is responsible for the implementation of the both the Government Decree N 1763-L, December 2023 governing the implementation of the cash assistance program and the State Assistance Program for Housing for Displaced Families (N 710-L, 16 May 2024) and its subsequent regulation (N 989-L, 14 June 2024).

a culturally appropriate manner, which is free of manipulation, interference, coercion, discrimination, or intimidation.

This SEP prepared under the Project was disclosed through MLSA website and consulted on (See Annex 5). This SEP will be periodically reviewed, updated and improved to ensure that the information presented herein is consistent and is the most recent, as well as to ensure that the identified methods of stakeholder engagement are efficient and appropriate to the existing situation and context. The SEP will be updated to reflect on any major changes to the project-related activities and to its schedule, if any.

2. Objective of SEP and Methodology

2.1 SEP Objectives and Principles

The overall objective of this SEP is to define a program for stakeholder engagement, including public information disclosure and consultation throughout the entire project cycle. The SEP outlines the ways in which the project team will communicate with stakeholders and includes a mechanism by which people can raise concerns, provide feedback, or make complaints about project activities.

SEP serves the following **objectives**:

(i) identify and analyze project stakeholders, including disadvantaged and vulnerable groups;
(ii) design inclusive engagement processes that allow their views to be considered in project decision-making;
(iii) (iii) ensure timely and accessible disclosure of project information;
(iv) (iv) define clear roles and responsibilities for implementing stakeholder engagement activities; (v) establish a robust FGRM; and
(v) (vi) monitor, evaluate, and report on the effectiveness of engagement throughout the project cycle.

To meet best practice approaches, the project will apply the following principles for stakeholder engagement:

- **Openness and life-cycle approach:** Public consultations for the Project will be arranged during the whole life cycle, carried out in an open manner, free of external manipulation, interference, coercion, or intimidation.
- **Informed participation and feedback:** Information will be provided to and widely distributed among all stakeholders in an appropriate format; opportunities are provided for communicating stakeholder feedback, and for analyzing and addressing comments and concerns.
- **Inclusiveness and sensitivity:** Stakeholder identification is undertaken to support better communications and build effective relationships. The participation process for the projects is inclusive. All stakeholders always are encouraged to be involved in the consultation process. Equal access to information is provided to all stakeholders. Sensitivity to stakeholders' needs is the key principle underlying the selection of engagement methods. Special attention is given to vulnerable groups that may be at risk of being left out of project benefits, particularly women, the elderly, persons with disabilities, low income HHs.
- **Closing the Loop - Providing Feedback to Stakeholders:** As the Project will use the time and knowledge of its stakeholders, providing meaningful feedback to stakeholders on how their participation and feedback contributed to Project evolvement is crucial. The provision of feedback will help the stakeholders to understand how they influenced the Project decisions and outputs and will encourage their future participation in its activities. The record of all questions and feedback provided will be properly maintained.

2.2 Key Definitions

Project stakeholders are defined as individuals, formal or informal groups and organizations, governmental entities whose interests or rights will be affected, directly or indirectly, by the HOME project, both positively and negatively, and/or who may have an interest in Project implementation and who have the potential to influence the Project outcomes in any way.

For the purposes of effective and tailored engagement, stakeholders of the proposed project can be divided into the following core categories:

- **Affected Parties:** Persons, groups, and other entities within the Project Area of Influence (PAI) that are directly influenced (actually or potentially) by the project and/or have been identified as most susceptible to change associated with the project, and who need to be closely engaged in identifying impacts and their significance, as well as in decision-making on mitigation and management measures.
- **Other Interested Parties:** Individuals/groups/entities that may not experience direct impacts from the Project but who consider or perceive their interests as being affected by the project and/or who could affect the project and the process of its implementation in some way.
- **Vulnerable Groups:** Persons or groups who may be disproportionately impacted or further disadvantaged by the project(s) compared with any other groups due to their vulnerable status' and that may require special engagement efforts to ensure their equal representation in the consultation and decision-making process associated with the project.

3. Stakeholder Identification, Analysis and Engagement Methods

3.1 Stakeholder Identification and Analysis

The Project engages multiple stakeholders from government institutions, the private sector, civil society, international development partners, and the public. As presented in the above section, stakeholders are grouped into three categories: **affected parties, other interested parties, and disadvantaged/vulnerable groups** (see Table 1).

3.1.1 Affected Parties and Other Interested Parties

Affected Parties are those directly impacted by the Project and actively involved in its implementation. This group includes the GoA, the MLSA and its USS, refugee households eligible for cash assistance and/or HSP, current beneficiaries of such assistance, PFIs, the NMC, and the Asian Development Bank (ADB). The direct beneficiaries of the Project are the estimated 115,000 refugees who were displaced after 2020 and in September 2023, whose information was included in the official list of residents as of September 19, 2023. The estimated number of households is about 30,000 (using an average family size of 3.8), out of which approximately 13,000 – 15,000 households are estimated to be eligible for the refugee state housing support program. About 103,000 refugees have benefitted from temporary cash assistance. The Government of Armenia and its agencies directly or indirectly involved in housing will also benefit from the institutional development activities of the proposed project. **Other Interested Parties** are individuals, groups, or entities who may not be directly affected but whose interests could be influenced by the Project, or who may influence its implementation. These include other government agencies engaged in policy or oversight roles, CSOs active in refugee response, international organizations and development partners, the media, and the wider public.

3.1.2. Disadvantaged/vulnerable Individuals or Groups

The existing government cash assistance and housing programs, including HSP targeting refugees, primarily support housing ownership solutions for vulnerable groups. Currently cash assistance targets children under 18 years of age or people over 18 years of age receiving compulsory education, people 63 years of age and older, those families who have lost their breadwinner, or people with certain disabilities. The current cycle of the refugee Social Assistance Program (SAP) support is expected to end by December 2025, after which beneficiaries who qualify for needs-based assistance, such as the poor and vulnerable, will be transitioned to the relevant national social income-based assistance programs. HSP targets refugee households in need of housing, who do not own real estate in Armenia, have not received benefits under the 2020 housing program (N 169-L), and hold Armenian citizenship.

Under HOME Project, disadvantaged and vulnerable groups are those who may face barriers to participation and therefore require special support or additional engagement channels to ensure their voices are heard and their needs addressed. This category includes, among others, low-income households, single-headed households (especially female-headed), persons with disabilities or chronic illness, elderly refugees without support networks, and refugees living in remote or rural areas with limited access to information and services.

Table 1. Key Stakeholder Groups

Stakeholder Group	Interest & Description
Affected parties	
GoA, MLSA & USS	Responsible for cash assistance, government HSP and project design and implementation. MLSA oversees policy, while USS (49 territorial centers) manages beneficiary registration, eligibility and disbursement.
Refugee Households	Primary beneficiaries of monthly cash assistance to cover rent, utilities, and basic consumption and government HSP.
PFIs	Provide financial products and services linked to housing programs.
NMC	Ensures mortgage market development and facilitates access to housing for low- and middle-income families, while promoting green finance and social programs.
ADB	Co-financier of the Project through Program-Based Lending (PBL). Supports implementation and safeguards alignment alongside the WB.
Interested parties	
Other Government Agencies	Contribute through policy alignment, data provision, and oversight. Includes ministries of Finance, Territorial Administration and Infrastructure, Migration and Citizenship Services (MCS) of the Ministry of Internal Affairs, and CoUD.
Civil Society & Humanitarian/Diaspora Organizations	Complement government support by offering housing repair, livelihoods, social services, and advocacy. Includes NGOs (e.g., UNHCR, Caritas, AGBU, Red Cross).
Media	Disseminates program information and shapes public awareness on eligibility, processes, and outcomes.
International Organizations	Provide funding, technical support, and complementary refugee response initiatives. Includes UNDP, UNICEF, UNHCR, GIZ, KfW, and others, as well as the Agence Française de Développement (AFD), that is preparing to provide additional credit financing to NMC in support of the refugee housing program.
Local Governments & Host Communities	Facilitate local implementation and act as interface with refugees and host households at municipal level.
Construction & Valuation Companies	Deliver technical services such as housing assessments, valuation, and renovations linked to housing support measures.
Vulnerable and disadvantaged groups	
Disadvantaged & Vulnerable Groups	At risk of exclusion and requiring tailored engagement: low-income households, persons with disabilities/elderly, single-headed households (esp. female-headed), those with limited financial literacy, and refugees in remote areas.

A more detailed stakeholder analysis, including specific roles and characteristics of each group, is provided in Annex 1.

3.2 Stakeholder Engagement Program

3.2.1 Summary of Stakeholder Engagement done During Project Preparation

During project preparation, consultations were carried out with a range of stakeholders to inform the design of the HSP and to ensure that both institutional perspectives and beneficiary needs were reflected in the Project design. MLSA and the WB conducted meetings with the International Organization for Migration (IOM), United Nations Development Programme (UNDP), United Nations High Commissioner for Refugees (UNHCR), Armenian General Benevolent Union (AGBU), Ameria Management Advisory, NGO Forum Armenia on Social Integration, as well as discussions with PFIs on their participation in the refugee HSP. Consultations have included alignment on targeting, assistance modalities, and protection considerations. Feedback highlighted gaps in refugee documentation, concerns about exclusion of rural households, and the need for clear communication on eligibility. The World Bank also coordinated with the AFD on the potential for additional external financing to NMC in support of the refugee housing program.

In April-May 2025, A large-scale household survey was implemented among refugees and host communities by WB, providing an opportunity to systematically capture their views on housing, tenure security, access to services, and social cohesion. In parallel, focus group discussions and in-depth interviews were organized in selected communities including diverse stakeholders, including refugees, host community members, local government representatives, and civil society actors. The results of this engagement directly informed the housing project's design, shaping interventions to be more responsive to refugee needs and priorities. Data revealed limited awareness of the HSP and difficulties in application processes

Initial public information on the HSP has been also shared through USS territorial centers. Several CSOs (e.g., Mission Armenia, Armenian Red Cross) have played a role in relaying information to refugees, especially those in shelters or outside Yerevan. Some NGOs have also collected feedback on barriers to access, such as lack of documentation or unclear eligibility rules.

3.2.2 Stakeholder Engagement Methods and Approach

Refugee participation will be strengthened by ensuring that refugees and displaced households are directly engaged in consultation processes and feedback collection activities. MLSA, with support from UNHCR and CSO partners, will organize information sessions and consultations to ensure that feedback from diverse refugee groups—women, elderly, youth, and persons with disabilities—is reflected in Project implementation.

Two general vectors of stakeholder engagement under the project will be carried out as follows:

- Consultations with stakeholders and feedback collection throughout the entire project cycle
- Awareness-raising activities on the HSP

Communication and Outreach of HSP: The Government Housing Program targets refugees with housing needs, with government estimates indicating between 13,000–15,000 households requiring assistance. General eligibility criteria include: (i) not owning real estate in Armenia, (ii) not having received benefits under the 2020 housing program (N 169-L), (iii) not having two or more working-age family members residing abroad, and (iv) holding Armenian citizenship.

A survey of 1,062 refugee households conducted in April–May 2025 found that while just over half of refugees report a functional understanding of the HSP, nearly half remain underinformed or unaware, limiting their ability to benefit from available support. Around 20% had little or no knowledge of the program, and 28% were only superficially informed. Awareness levels vary by household type and socio-demographic characteristics: female-headed households, older individuals (55+), those with lower education, and refugees living in rural areas are significantly less familiar with the program compared to male-headed, middle-aged, more educated, and urban-based households. These gaps highlight the need for targeted outreach to ensure equitable access and understanding across all refugee groups.

To further support refugee beneficiaries, the SEP includes specific measures to help them understand and fulfill citizenship requirements, while also addressing potential misconceptions surrounding the process. The MLSA will provide guidance and assisted access through the USS territorial centers and CSO partners to inform beneficiaries about citizenship eligibility, documentation, and registration procedures. Outreach will also include active involvement of refugee representatives and community volunteers to ensure two-way communication and equitable access to information and services.

Engagement with beneficiaries will combine multiple channels to ensure inclusive, accessible, and two-way communication (Table 2):

- **Outreach through USS territorial centers and CSOs:** Outreach will be carried out through the 49 branches of the USS network via face-to-face consultations, awareness raising sessions and information boards. Printed materials (posters, flyers, leaflets) will be distributed in refugee-populated communities through USS territorial centers, municipalities, and CSOs.
- **Targeted outreach to vulnerable groups:** CSOs, social workers, and community volunteers will provide direct contact with vulnerable and harder-to-reach groups, such as women-headed households, the elderly, and rural residents.
- **Mass media campaigns:** TV, radio, and social media will be used to expand the program's reach and visibility.
- **Digital engagement:** Regular updates will be provided on MLSA's website and dedicated social media pages, using accessible formats such as infographics and video explainers. Some information is already available on the MLSA website and will be further expanded.
- **Information sessions:** USS territorial centers and partner CSOs will host regular sessions where applicants can ask questions and receive tailored guidance.
- **Grievance redress and appeals:** Beneficiaries will be able to submit grievances or appeals through the Government's 114 hotline, USS territorial centers, and governmental e-request portal, as well as other grievance submission channels specified in Chapter 5 of this SEP.

To complement these ongoing engagement methods, two perception surveys will be carried out among beneficiaries:

- **Mid-project perception survey:** Conducted midway through implementation to assess awareness of eligibility and procedures, satisfaction with transparency and fairness, adequacy of communication channels, and accessibility of grievance redress. Findings will inform adjustments in outreach and grievance handling during implementation.
- **End-of-project perception survey:** Conducted at completion to evaluate overall satisfaction with housing support, perceptions of fairness and timeliness, and effectiveness of engagement and communication activities. The results will generate lessons for strengthening future housing and social protection programs.

MLSA, through its 49 USS territorial centers, will lead communication and outreach efforts. Within the first three months of project implementation, MLSA will prepare a **Communication and Outreach Plan (COP)** that will ensure:

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- **114 hotline operators** are trained to respond effectively to refugee housing and citizenship-related queries.
- **Awareness campaigns** are implemented via TV, radio and social media.
- **Support to beneficiaries in understanding and addressing citizenship requirements and related documentation issues** through USS territorial centers and CSO partners, including targeted communication to reduce misinformation and assisted access for completing registration processes.

- **Strengthen collaboration with UNHCR and CSO partners** to enhance communication with refugee communities, facilitate their participation in consultations and feedback processes, and build the capacity of USS staff on protection-sensitive communication and referral pathways.
- **Dedicated outreach to vulnerable groups** (female-headed households, elderly, persons with disabilities, rural communities, etc.) through partnerships with CSOs and training of USS of social workers.
- **Regular monitoring of outreach effectiveness**, with adjustments informed by survey findings, consultations, and feedback through the FGRM.

Table 2. Beneficiary engagement methods

Engagement Method	Target Group(s)	Frequency / Timing	Responsible Party
Face-to-face consultations, individual outreach, info boards at USS territorial centers	Refugee households, applicants	Continuous	MLSA, USS centers
Printed outreach materials (posters, flyers, leaflets)	Refugee households in urban & rural areas	Annual / as updated	MLSA PR Dept. / USS / CSOs
Targeted outreach by CSOs, social workers, volunteers	Vulnerable groups (women-headed HHs, elderly, persons with disabilities, rural HHs)	Continuous	CSOs / Social workers / USS
Mass media campaigns (TV, radio, social media)	General public, refugee communities	Semi-annual / as needed	MLSA PR Dept. / PIT
Digital engagement (website, social media updates, infographics, videos)	Tech-connected refugees, younger groups	Continuous	MLSA PR Dept.
Information sessions at USS centers & municipalities	Applicants, community members	Quarterly or as needed	USS / Local authorities
FGRM & appeal mechanisms (hotline 114, USS reporting channels)	All beneficiaries and applicants	Continuous	MLSA, USS
Mid-project perception survey	Beneficiaries of housing program	Year 2	Independent consultant / MLSA
End-of-project perception survey	Beneficiaries of housing program	Final year	Independent consultant / MLSA

Engagement with Host Communities: While the Project primarily targets newly arrived refugees, it is important to recognize that housing shortages and substandard living conditions are also critical issues for host communities. Approximately 20,000 households in Armenia remain in temporary or inadequate housing, many of whom are long-standing vulnerable groups, including families displaced by the 1988 Spitak earthquake, earlier refugee flows from Azerbaijan, Syria, Lebanon, and those affected by the 2020 war.

At the same time, existing housing programs in Armenia (about 14 in total) primarily support ownership solutions for specific groups. Eligibility criteria are defined by law and often target professional categories (e.g., sportsmen, artists, civil servants) or specific vulnerable groups (families with children, persons with disabilities, conflict-displaced households). However, these programs are heavily concentrated in Yerevan, omit large segments of underhoused populations (such as the elderly and people in need), and are limited in scale due to high subsidy costs and ad-hoc funding availability.

As a result, host communities facing long-standing housing shortages may feel excluded or disadvantaged compared to newly arrived refugee households. To address this risk and maintain social cohesion, the SEP will:

- **Engage host communities** in consultations to ensure their concerns about fairness, inclusion, and access to housing support are heard and considered.
- **Communicate transparently** about the scope and limitations of the Project, clarifying eligibility and highlighting that refugee-targeted measures are complementary to, not replacements for, national housing programs.
- **Strengthen awareness** of existing government housing support schemes for vulnerable host groups, while acknowledging their limitations and the need for more inclusive approaches.
- **Provide feedback mechanisms** (via the FGRM) that host communities can use to voice grievances or propose improvements to ensure equitable access to information and services.
- **Promote dialogue** on how lessons learned from the Project can inform the Government's efforts to move from fragmented, ad-hoc housing schemes toward a more comprehensive, harmonized Housing Strategy.

Project SE activities with other stakeholders: Beyond beneficiary engagement, the Project will maintain continuous dialogue and coordination with institutional stakeholders, civil society, and development partners to ensure effective program implementation, alignment of activities, and transparency.

Engagement will include:

- **Interagency coordination meetings**: Regular consultations with the MoF, CoUD, MCS, Cadastre Committee, and other relevant agencies to harmonize housing support measures and address policy and technical gaps.

- **Financial sector engagement**: Ongoing collaboration with the NMC and PFIs to align program eligibility, streamline application procedures, and ensure fair treatment of applicants. These meetings will also serve to monitor bank-level grievance handling and appeals procedures.

- **CSO and humanitarian partner coordination**: Periodic roundtables with NGOs, diaspora organizations, and international agencies (e.g., UNHCR, UNICEF, GIZ, KfW) to avoid duplication, exchange lessons, and strengthen outreach to vulnerable groups.

- **Collaboration with UNHCR as a technical partner:** MLSA will collaborate with UNHCR as a technical partner in the implementation of the SEP, supporting communication with refugee communities, dissemination of information, and capacity building of USS staff and local partners to ensure protection-sensitive and inclusive engagement.

- **Media engagement**: Proactive engagement with national and local media outlets to ensure accurate reporting on eligibility, procedures, and program achievements, including press briefings and provision of media kits.

- **Local government collaboration**: Municipalities and community councils will be engaged through working meetings to facilitate local outreach and information dissemination.

- **Knowledge-sharing with development partners**: Regular technical meetings with the WB, ADB, and other partners to share progress, safeguard monitoring findings, and lessons learned for future housing programs.

Table 3. Stakeholder Engagement Plan

Project Stage	Estimated Date/Time Period	Topic of Consultation / Message	Method Used	Target Stakeholders	Responsibilities
Project Preparation	Prior to effectiveness	Project objectives, eligibility criteria for HSP, roles of MLSA/USS, scope of refugee support	National consultation meetings, inter-agency coordination workshops, information disclosure (MLSA website)	GoA (MLSA, MoF, CoUD, Cadastre), CSOs, UNHCR, development partners, media	MLSA / PIT, WB team
Early Implementation	First 3 months of implementation	Launch of Communication & Outreach Plan; training of hotline 114 operators; dissemination of eligibility and application procedures; awareness campaigns	Training workshops, TV/radio spots, social media posts, printed flyers, posters at USS centers	Refugee households, host communities, USS staff, CSOs, media outlets	MLSA PR Dept., USS, CSOs Collaboration with UNHCR for advisory and communication support, as needed
Continuous Implementation	Throughout project cycle (2025–2029)	Ongoing awareness-raising, updates on eligibility, grievance channels, status of housing applications	Face-to-face consultations, outreach via 49 USS centers, CSO & volunteer outreach, community info sessions, media campaigns, digital platforms	Refugee households, vulnerable groups (female-headed HHs, elderly, rural), host communities, municipalities	MLSA, USS, CSOs, local authorities Collaboration with UNHCR for advisory and communication support, as needed
Mid-project Review	Year 2 (2027)	Perception survey on awareness, satisfaction, fairness, effectiveness of communication and grievance handling	Household survey, focus groups, targeted consultations	Refugee beneficiaries, host communities	Independent consultant with MLSA oversight
Ongoing Coordination with Institutions & Partners	Semi-annual / as needed	Policy alignment, technical gaps, financial sector cooperation, monitoring of bank-level GRM, knowledge-sharing	Interagency meetings, financial sector roundtables, CSO & humanitarian partner roundtables, technical meetings with WB/ADB	MoF, Urban Dev. Committee, NMC, PFIs, CSOs, UNHCR, UNICEF, GIZ, diaspora orgs, development partners	MLSA / PIT

Late Implementation	Final year (2029)	Evaluation of outreach effectiveness, beneficiary satisfaction, lessons for Housing Strategy	End-of-project perception survey, consultations, dissemination of survey results, press briefing	Refugee households, host communities, GoA, CSOs, media, development partners	Independent consultant, MLSA / PIT
Project Completion / Closure	End of project (2029–2030)	Results achieved, lessons learned, transition to national housing strategy	Public consultations, dissemination of final reports, knowledge-sharing events	Refugees, host communities, GoA institutions, media, development partners	MLSA, PIT, WB team

3.2.3 Information Disclosure

The MLSA is committed to ensuring that all stakeholders, particularly refugee households and other vulnerable groups, have timely, accurate, and accessible information about the Government HSP and related project activities.

Information on the HSP is already publicly available on the MLSA's official website, including eligibility criteria, application procedures, and relevant policy documents. To complement this, MLSA has also prepared and disseminated video materials that provide step-by-step guidance to beneficiaries on how to apply for housing support, ensuring that the process is understandable and accessible for diverse audiences.

Throughout the Project lifecycle, MLSA will continue to disclose key documents and updates, including but not limited to:

- The SEP, Environmental and Social Commitment Plan (ESCP), Environmental and Social (E&S) risk screening and management procedures, and other Project documents.
- Updates on program implementation, including progress reports and monitoring results.
- Guidance materials for beneficiaries, including visual, audio, and written formats.
- Summaries of grievance and appeals procedures, including the role of the Interagency Commission on Appeals (see Chapter 5).

Information will be disclosed using multiple channels to maximize outreach and inclusivity:

- **Digital platforms**: MLSA's official website and social media pages will be regularly updated with program information, infographics, and video explainers.
- **Mass media**: TV, radio, and press releases will disseminate key messages on program eligibility and procedures.
- **Local outreach**: Posters, flyers, and leaflets will be distributed through USS territorial centers, municipalities, and CSO partners.
- **Community engagement**: Information sessions and public meetings will be organized at the municipal level to provide opportunities for direct interaction, questions, and feedback.

Special attention will be given to tailoring information disclosure for vulnerable groups and their engagement, such as women-headed households, persons with disabilities, elderly beneficiaries, and refugees in rural areas, to ensure equitable access to information and program benefits, as follows:

- **Women-headed households**: Targeted outreach through women's NGOs and community groups, as well as distribution of simplified written materials and video explainers in accessible formats.
- **Persons with disabilities**: Information will be made available in accessible formats (large print, easy-to-read, and audio-visual materials with captions and sign-language interpretation where possible). Physical accessibility of information boards and USS territorial centers will be ensured.
- **Elderly beneficiaries**: Outreach through community meetings, local social workers, and volunteers, complemented by printed leaflets and guidance provided directly at USS territorial centers and municipalities.

- **Refugees in rural or remote areas**: Outreach through USS field visits, partnerships with CSOs, and use of local TV, radio and community centers to disseminate program updates and application guidance.

MLSA commits to updating its website and social media platforms **at least quarterly** with program updates, including data on beneficiaries reached, grievance resolution trends, and any changes to eligibility rules. Information boards at USS territorial centers will be updated monthly, and printed outreach materials will be refreshed annually or when eligibility criteria are modified. **Media briefings** will be held semi-annually to ensure consistent, accurate coverage.

Note: All public reporting will avoid personal identifiers and follow MLSA data-protection procedures; only aggregated, anonymized data will be disclosed.

4. Resources and Responsibilities for Implementing Stakeholder Engagement Activities

4.1 Management Functions and Responsibilities

The MLSA, through the PIT and support of the Public Relations Department and USS, will implement and oversee stakeholder engagement activities. The MLSA is responsible for implementing this SEP related to Component 1 and NMC will be responsible for SE activities under Component 2. MLSA will establish a PIT comprised of civil servants and non-civil servants assigned from within the MLSA. The Project Coordinator, engaged under PIT, will be responsible for managing and overseeing the implementation of SE activities, monitoring, and reporting, as well as ensuring the quality of the SEP activities delegated to respective departments of the MLSA. For SEP implementation, MLSA will hire or assign a Stakeholder Engagement and Communications Specialist (SECS). As for Component 2, NMC will use in-house capacities to implement SE activities.

The USS territorial centers will serve as the primary local-level interface with beneficiaries and will ensure consistent communication, information dissemination, and grievance intake.

Key roles and responsibilities are as follows:

- **MLSA, through PIT**– oversees SEP implementation, ensures compliance with ESS10, and coordinates with the WB.
- **Stakeholder Engagement and Communications Specialist** – plans, manages, and monitors SE activities, prepares reports, and maintains records of engagement.
- **Public Relations Department** – leads mass media campaigns, digital engagement, and production of outreach materials.
- **USS territorial centers** – manage day-to-day engagement with beneficiaries, including information dissemination, consultations, grievance handling, and outreach to vulnerable groups.
- **PFIs and NMC** – engage with beneficiaries on financial services, inform applicants of grievance/appeal options, and report grievances to MLSA.
- **Development partners, CSOs and NGOs** – support outreach to vulnerable groups and provide feedback from the community to MLSA and USS.

Detailed roles and responsibilities of the key actors involved in SE implementation is presented in Annex 2.

The Project Coordinator, based within the PIT of MLSA, will:

- **Lead and oversee SEP and COP implementation** under Component 1, ensuring alignment with project objectives and ESS10 requirements.
- **Manage and coordinate** the stakeholder engagement activities carried out by MLSA departments, the Public Relations Department, and the USS.
- **Ensure quality and consistency** of all SEP activities, providing guidance to responsible units and resolving implementation challenges.
- **Monitor progress and results**, including timely collection of stakeholder feedback and its integration into project implementation.

- **Prepare and submit reports** on stakeholder engagement to the WB and other oversight bodies.
- **Facilitate coordination with NMC**, to ensure SEP activities under Component 2 complement and align with those under Component 1.
- **Supervise and support SECS**, providing strategic direction and ensuring adequate resources for effective communication and engagement.

The SECS, either hired or assigned by MLSA, will:

- **Operationalize the SEP and COP**, ensuring timely planning and implementation of outreach, consultation, and communication activities under Component 1.
- **Develop communication materials** (press releases, brochures, website content, social media updates) in collaboration with the Public Relations Department.
- **Organize and facilitate consultations** with stakeholders, including vulnerable groups.
- **Coordinate with USS territorial centers** to disseminate project information and collect feedback at the local level.
- **Maintain and update the FGRM communication channels**, ensuring visibility and accessibility to beneficiaries.
- **Document and report** on consultations, grievances received, and stakeholder feedback, feeding results into the project's monitoring system.
- **Support capacity building** of MLSA staff and USS representatives on stakeholder engagement practices.
- **Work closely with the Project Coordinator** to ensure consistency, quality, and responsiveness of all SE activities.

The SE activities will be documented through standardized templates and tools, including:

- Consultation records (meeting notes, attendance sheets, feedback forms) (See Annex 4).
- Grievance logs and resolution tracking within the MLSA FGRM database (See Annex 3).
- Biannual SE progress reports prepared by the MLSA.
- Public updates disclosed through MLSA's website, social media, and information boards at USS territorial centers.

4.2 Resources

The budget for the SEP and COP will be covered under **Component 3: Project Management, Monitoring and Evaluation**, which finances overall project management costs, including communications, outreach, training, and expenditures related to meeting WB E&S requirements.

Indicative SE budget is presented below and is indicative. The actual costs may be adjusted during implementation based on project needs, scale of outreach, and evolving priorities. This budget covers salaries of key staff (Project Coordinator and SECS), communication and outreach campaigns, beneficiary perception surveys, trainings, and consultation events. Adjustments may also be made to reflect additional engagement with vulnerable groups, unforeseen outreach requirements, or expanded use of digital platforms. The overall budget for SEP activities is estimated of USD 300,000.

Table 4. Indicative Stakeholder Engagement Budget

Budget Category	Quantity	Unit Costs	Times/Years	Total Costs	
1. Estimated staff salaries* and related expenses					
1a. Stakeholder Engagement & Communications Specialist	1	$12,000/year	5 years	$60,000	
1b. Project Coordinator – % time on SEP	0.3 FTE	$24,000/year (pro-rata)	5 years	$36,000	
1c. Travel costs for staff (Coordinator, SECS, USS outreach)	Lump sum	$3,000/year	5 years	$15,000	
2. Communication campaigns					
2a. Posters, flyers, leaflets	Lump sum	$5,000	1 year	$5,000	
2b. Social media & media campaigns	Lump sum	$10,000	2 years	$20,000	
2c. TV and Radio campaigns	Lump sum	$40,000	1 year	$40,000	
3. Trainings					
3a. Training of USS staff	2	$2,000/training	1 year	$4,000	
3b. Training of 114 hotline staff	2	$1,000/training	1 year	$2,000	
3c. Training on SEA/SH-sensitive grievance handling	2	$1,000	1 year	$2,000	
4. Beneficiary surveys					
4a. Mid-project perception survey	1	$30,000	Year 2	$30,000	
4b. End-of-project perception survey	1	$30,000	Year 5	$30,000	
7. Other expenses					
7a. Consultation workshops / roundtables with CSOs & partners	2/year	$2,500/workshop	4 years	$20,000	
7b. Public information sessions (municipal/community level)	5/year	$500/session	5 years	$12,500	Includes hall rental, refreshments, materials

7c. Knowledge-sharing/lessons learned events	2	$3,000	Years 3 & 5	$6,000	
TOTAL STAKEHOLDER ENGAGEMENT BUDGET				≈$280,000-$300,000	

**indicative and subject to revision during implementation*

5. Feedback and Grievance Redress Mechanism

5.1 Government Systems on Grievance Resolution

The primary objective of the FGRM is to facilitate the timely, effective, and efficient resolution of complaints and grievances in a manner that is fair, transparent, and satisfactory to all parties involved. The project will build on the existing **114-hotline** of the MLSA, the network of local territorial centers of the USS to ensure accessible channels for grievance intake and response, as well as through unified platform for electronic inquiries (e-request.am) that allows citizens to send electronic requests to state bodies through a one-window format. The **Interagency Commission on Appeals for Housing Support Program Beneficiaries**, established by Government Decree N901-L (July 3, 2025) will also act as a key grievance redress mechanism for refugees and vulnerable groups denied housing assistance.

All grievance resolution procedures will be implemented in line with the **Law on Freedom of Information (2003)**, which guarantees individuals the right to request and access information from public authorities. In accordance with the law:

- Complaints and requests must be registered, classified, and responded to within set timelines (5 days for standard requests; up to 30 days if additional processing is required, with written notice of the delay provided within 5 days).
- Rejections must be justified in writing, citing the legal basis, and must inform complainants of their right to appeal the decision.
- Authorities are obliged to ensure accessibility, transparency, accuracy, and completeness of information provided, while safeguarding confidentiality and personal data.

The **Interagency Commission on Appeals for Housing Support Program Beneficiaries** provides an additional grievance redress channel for families whose applications for the Government's HSP were rejected, as specified below:

- **Mandate**: Review individual appeals, verify supporting documents, and address gaps or inaccuracies that may have led to unjust rejections.
- **Composition**: Chaired by the Deputy Minister of Labor and Social Affairs, with participation from deputy heads or advisors of:
  - MLSA
  - Ministry of Territorial Administration and Infrastructure
  - MCS (Ministry of Internal Affairs)
  - National Security Service
  - Cadastre Committee

- **Functions and Procedures**:
  - Appeals must be submitted within two months of rejection.
  - Sessions are held at least every two months, or more frequently if needed.
  - The Commission may request data from relevant state bodies and invite experts for case assessments.
  - Decisions granting or denying beneficiary status are issued in writing and delivered to applicants within three working days after the session.

PFIs: In accordance with the Law on the Financial System Mediator (June 17, 2008) and supporting normative acts, all PFIs have established minimum internal procedures for managing customer grievances including principles, processes, and timelines for grievance handling. Under the Project, these procedures will be aligned with the overall FGRM to ensure consistency and fairness. In cases where applicants are not satisfied with the information or decisions provided, the PFIs will be required to:

- **Inform beneficiaries of their right to appeal** through the FGRM or Interagency Commission on Appeals;
- **Provide clear guidance** on the steps, timelines, and documentation required for filing an appeal both internally and through FGRM;
- **Refer beneficiaries to the relevant USS office or MLSA** for further assistance, including support in preparing and submitting appeals.

In addition, in cases where beneficiaries are not satisfied with the resolution provided by the banks, they may appeal to the Financial System Mediator (FSM)[9] as an independent grievance redress mechanism, in accordance with the Law on the FSM.

The PFIs will be required to report to MLSA on the number, type, and status of grievances received and handled, including the number of cases referred to the USS or the Appeals Commission or the FSM.

National Mortgage Company: As an implementing agency for Component 2, the NMC will follow its internal Grievance Redress Mechanism (GRM) to be established under its ESMS. This includes registering and addressing grievances in line with the ESMS manual, that has been developed and is pending internal approval. According to the ESMS manual, within the scope of its activities, NMC will establish and implement a transparent, fair and accessible GRM for the resolution of complaints submitted by beneficiaries of programs jointly implemented with the PFIs. NMC receives grievances through multiple channels, including an e-mail address or other official written means of communication. NMC will establish a Grievance Redress Committee (GRC) to respond proactively and promptly to stakeholder complaints[10].

Though NMC's GRM is mostly oriented to PFIs, Project beneficiaries may also apply to NMC for loan-related issues that are beyond NMCs mandate or jurisdiction to address. For such cases NMC will register the grievances in their GRM log and provide beneficiaries with information on Project FGRM, including their rights to appeal. NMC will report data on grievances to MLSA on a quarterly basis for MLSA to consolidate all grievance in a single log.

NMC's GRM will be equipped to receive, register, and facilitate the resolution of SEA/SH complaints, including through the referral of survivors to relevant gender-based violence service providers, all in a safe, confidential, and survivor-centered manner.

5.1. Key Elements of FGRM under the Project

The table below outlines the key elements of the FGRM that will be applied under the Project.

Table 5. FGRM Elements

Step	Description of Process	Time Frame	Responsibility

[9] More details on FSM can be found here https://fsm.am/

[10] Detailed procedure on NMC GRM will be disclosed in the updated version of SEP once those are internally approved as part of the NMC's ESMS.

FGRM implementation structure	The FGRM will function at national and local levels. Designated focal points in USS local territorial centers will serve as the first point of contact, with oversight and coordination at the MLSA level.	Continuous	MLSA and USS
Grievance uptake	Complaints may be submitted through: ▪ 114 toll-free hotline / SMS ▪ www.e-request portal ▪ Email: info@mlsa.am ▪ Written letter to the Ministry or USSs: Government Bld. 3 ▪ Walk-ins recorded in logbooks or suggestion boxes at MLSA and USS local territorial centers ▪ MLSA social media pages	Continuous	MLSA and USS
Sorting and processing	Complaints are forwarded to the relevant departments, logged into the central database, and categorized by type (eligibility, exclusion, service quality, SEA/SH, etc.).	Upon receipt	MLSA and USS
Acknowledgment and follow-up	Receipt of the grievance is acknowledged in writing or verbally to the complainant. In line with the Law on Freedom of Information (2003), acknowledgment and/or response are provided within 5 days.	Within 5 days	MLSA and USS
Verification, investigation, action	Complaints are investigated by the responsible unit or Interagency Commission on Appeals, depending on the nature of the complaint. Proposed resolutions are formulated and communicated to the complainant. If additional processing is required, the complainant is notified within 5 days, and resolution is provided within 30 days as per the Law on Freedom of Information (2003).	5–30 days	MLSA/USS and other relevant agencies, Interagency Commission on Appeals, PFIs, NMC, FSM
Monitoring and evaluation	Data on grievances are consolidated in a central database and reported quarterly to MLSA higher management and the WB. Trends are analyzed to improve responsiveness and service delivery.	Quarterly	MLSA, Project Coordinator, SECS
Provision of feedback	Complainants' feedback on satisfaction with complaint resolution is systematically collected to strengthen accountability.	After resolution	MLSA, Project Coordinator, SECS / USS focal points
Training	Regular capacity-building for USS staff, call center staff on grievance management, with emphasis on handling SEA/SH cases.	Annual, upon need	MLSA and USS Project Coordinator, SECS

Handling of Sensitive Complaints: Grievances related to Sexual Exploitation and Abuse/Harassment (SEA/SH) will be registered, tracked, and addressed with due attention to confidentiality and sensitivity. While grievance resolution procedures generally follow the Law on Freedom of Information (2003) to ensure transparency and accountability, complaints related to SEA/SH will be managed under a survivor-centered and confidential protocol. Such cases will not be disclosed through public reporting mechanisms and will instead be referred to specialized service providers in line with WB's Good Practice Note on SEA/SH.

The MLSA is responsible for managing SEA/SH cases and will ensure coordination with specialized local NGOs that provide survivor support services. One of the key referral partners is the **Women's Support Center (WSC)**, which operates Armenia's first confidential domestic violence shelter. WSC offers 24/7 emergency shelter, psychological counseling, legal support, and reintegration assistance to women and children at risk, accessible via hotline **099 88 78 08**. The shelter maintains strict confidentiality of its location and provides a safe environment managed by trained female staff. Referrals from the Project FGRM to WSC and other specialized providers will always respect survivor consent and confidentiality protocols, ensuring protection, dignity, and access to appropriate services.

Appeals and Legal Recourse: If a complainant is not satisfied with the resolution provided through the FGRM, they may file an appeal. Once all possible project-level solutions are exhausted, complainants will be informed of their right to legal recourse under Armenian legislation.

Non-Retaliation Commitment: The WB and the Borrower maintain a strict zero-tolerance policy for reprisals or retaliation against individuals or groups who raise grievances, provide feedback, or express their views about Bank-financed projects.

Communicating FGRM and appeal procedures to beneficiaries: The MLSA 114 hotline and the e-request portal are already well publicized and will be further strengthened under the Project. In addition, the beneficiary outreach and awareness-raising campaign will ensure that affected populations are informed of their right to appeal in cases of rejection from the HSP. Information on the role and procedures of the Interagency Commission on Appeals will be integrated into the broader project communication and outreach activities, including public information materials, information sessions, and the MLSA/USS communication channels.

- **Coordination**: Communication efforts will be closely coordinated with the grievance mechanisms of MLSA and USS to avoid duplication, ensure consistency of messages, and provide beneficiaries with clear and reliable information.
- **USS**: Local USS territorial centers' staff working directly with beneficiaries will also disseminate information on appeal procedures during their interactions, ensuring that beneficiaries are aware of available redress channels and receive assistance in preparing and submitting appeals where needed.
- **Sensitization:** Gender-sensitive messaging and survivor-centered referral training will be integrated into communication and outreach capacity-building for USS and hotline staff.

6. Monitoring and Reporting

6.1. Monitoring of SEP

Implementation of the SEP will be systematically monitored to ensure that stakeholder engagement activities are inclusive, effective, and responsive to community needs. Monitoring will focus on both the quantity and quality of engagement, as well as the accessibility and performance of the FGRM.

Key indicators to be monitored during the SEP implementation will include:

- **Stakeholder engagement activities:** number of consultations and outreach campaigns carried out through USS territorial centers, municipalities, CSOs, MLSA and digital platforms.
- **Information dissemination:** number of outreach materials distributed (posters, leaflets, social media posts), media campaigns implemented, and information sessions held.
- **FGRM performance:** number of grievances and appeals submitted to USS territorial centers, the 114 hotline, the Interagency Commission and other channels; proportion of grievances accepted, resolved, and addressed within agreed timelines.
- **Beneficiary feedback:** results of mid-project and end-of-project perception surveys, capturing satisfaction with transparency, fairness, access to information, and responsiveness of grievance mechanisms, as well as tracking of citizenship-related feedback and awareness
- **Inclusion of vulnerable groups:** proportion of engagement activities specifically targeting women-headed households, elderly beneficiaries, and refugees in rural areas.
- **Tracking feedback from host communities:** tracking feedback from host communities to assess perceptions of fairness, access to information, and satisfaction with communication and grievance mechanisms.

Sample of indicators to be tracked in biannual progress reports on SE implementation are listed below. MLSA will elaborate the list of indicators to be reported aligned with Project Result Framework and incorporate into Communication and Outreach Plan:

- Number of consultations and outreach campaigns carried out annually.
- Percentage of grievances resolved within 30 days.
- Percentage of women-headed households participating in consultations.
- Number of outreach materials distributed (posters, leaflets, videos).
- Frequency of website and social media updates (minimum quarterly).
- Beneficiary satisfaction levels from mid-term and end-of-project perception surveys.

Biannual progress reports will be prepared by the MLSA, summarizing engagement activities, grievance trends, and key lessons learned. These reports will be shared with WB and disclosed publicly through MLSA's website.

6.2. Reporting back to stakeholder groups

Stakeholders will be regularly informed about the progress of the HSP, including updates on E&S performance, implementation of the SEP and FGRM, as well as overall program achievements.

Quarterly summaries on grievances, enquiries, and feedback received through the 114 hotline, USS territorial centers, and other channels will be prepared by the MLSA and shared with the public. Results from perception surveys and consultations will be *publicly summarized* to show how feedback informed project design or adjustments. These reports will track both the number and type of complaints, as well as the timeliness and effectiveness of responses, enabling management to monitor trends and identify areas requiring corrective or preventive measures.

To ensure transparency and accountability, results of engagement activities and grievance management will be reported back to stakeholders through multiple channels, including:

- **Public updates on MLSA's website and social media platforms**, summarizing key progress, outreach activities, and frequently asked questions.
- **Information boards at USS territorial centers and municipalities**, displaying summaries of program updates, common enquiries, and grievance redress outcomes.
- **Annual public meetings and community information sessions** in selected municipalities, providing opportunities for beneficiaries to hear updates and directly raise questions.
- **Targeted communication to vulnerable groups** (via CSOs and social workers), ensuring that underinformed or harder-to-reach households also receive feedback on program progress and grievance outcomes.
- **Inclusion of survey results** (mid-project and end-of-project perception surveys) in public reporting to demonstrate how beneficiary feedback has shaped program implementation.

Annex 1: Key Stakeholder Groups

Name of Stakeholder	Interest	Details / Estimated Number
Affected Parties		
Government of Armenia (GoA), MLSA and USS	GoA is the main beneficiary of the Project. MLSA oversees policy and program design and has overall responsibility for implementation. USS manages registration, eligibility verification, disbursement, and acts as local interface.	49 territorial USS territorial centers across Armenia; central MLSA and interagency bodies
Refugee Households	Primary beneficiaries of cash assistance and/or housing support.	~13,000–15,000 refugee households eligible; currently receiving cash assistance for rent, utilities, and consumption
PFIs	Administer housing-related loans and financial services.	5 participating commercial banks
NMC	Ensures mortgage market development and facilitates access to housing for low- and middle-income families, while promoting green finance and social programs	CBA-owned financial institution managing mortgage finance
ADB	Co-financier of the Project; supports safeguards and financing modalities.	Partner agency, uses PBL and PSSA instruments
Other Interested Parties		
Other Governmental Agencies	Provide policy alignment, oversight, and technical data.	Ministries of Finance, Territorial Administration and Infrastructure, CoUD
CSOs, NGOs, and Diaspora Organizations	Complement government efforts with service delivery, advocacy, outreach, and feedback collection.	Mission Armenia, Armenian Red Cross, Caritas, AGBU, Tufenkian Foundation, Fund for Armenian Relief, etc.
International Organizations & Programs	Provide funding, technical support, and complementary refugee response activities.	UNDP, UNICEF, UNHCR, GIZ, KfW, IOM, and other bilateral/multilateral agencies
Media	Disseminate information on eligibility, procedures, and outcomes.	National and local media outlets, TV, radio, and online channels
Local Governments & Host Communities	Facilitate local-level implementation and engagement with refugee households.	Municipalities and community councils in affected regions
Construction & Valuation Companies	Provide technical services for housing assessments, valuation, and renovations.	Private sector actors contracted under HSP
Disadvantaged and Vulnerable Groups		

Low-income households, households with limited financial literacy	May face affordability gaps despite assistance, at risk of exclusion, may struggle with mortgage-related processes and requirements.	Particularly large households and those with unstable incomes, risk of exclusion due to banking and documentation barriers
Female-headed households, single-headed households with children (esp. women)	At higher risk of economic vulnerability and exclusion; especially in geographically challenging regions, require targeted outreach.	Significant share of refugee HHs, includes widowed or single mothers
Persons with disabilities / chronic illness	Face barriers to access due to medical, mobility, or care needs.	Includes households requiring special assistance and accessible communication
Elderly refugees without support networks	At risk of being left out due to isolation or mobility limitations.	Especially older refugees in rural areas
Refugees in rural / remote areas	Have limited access to information and services.	Households in isolated communities with weak connectivity and fewer service points

Annex 2. Roles and Responsibilities of the Key Actors involved in SE Implementation

Actor	Roles and Responsibilities
MLSA (overall)	- Oversight of SEP implementation under Component 1. - Ensure compliance with ESS10 and WB requirements. - Coordinate across departments (PIT, PR Department, USS). - Consolidate and report stakeholder engagement results to WB.
Project Implementation Team (PIT)	- Manage day-to-day implementation of SEP activities. - Coordinate inputs from PR Department, USS, and CSOs. - Supervise SECS and ensure adequate resources for engagement. - Integrate feedback from SEP into project management.
Project Coordinator	- Lead and oversee SEP implementation within MLSA. - Monitor and ensure quality of SEP activities. - Supervise SECS and provide guidance. - Coordinate with NMC to align SEP under Component 1 and 2. - Prepare periodic SEP reports for WB.
Stakeholder Engagement and Communications Specialist (SECS)	- Operationalize SEP activities (planning, outreach, consultations, disclosure). - Develop communication materials (print, media, digital). - Organize and facilitate consultations, including with vulnerable groups. - Manage FGRM communication and visibility. - Document engagement and report to PIT.
Public Relations Department	- Lead mass media, TV/radio, and digital campaigns. - Support design of brochures, flyers, infographics, and video explainers. - Coordinate with SECS on consistent messaging.

(MLSA)	
USS	- Act as primary local interface with beneficiaries. - Disseminate information, conduct consultations, and collect feedback. - Manage grievance intake at community level and refer cases to MLSA. - Ensure outreach to vulnerable groups through 49 territorial centers.
NMC (Component 2)	- Implement SEP activities under Component 2. - Disclose information on financial services. - Operate internal GRM per ESMS manual. - Report grievance data to MLSA for consolidation.
PFIs	- Inform applicants of loan eligibility and grievance/appeal procedures. - Maintain internal GRM and report to MLSA/NMC. - Provide data on grievances received and resolved.
Civil Society Organizations (CSOs)/NGOs	- Support outreach to vulnerable groups (women-headed HHs, elderly, disabled, rural refugees). - Relay beneficiary feedback to MLSA/USS. - Partner on community-level consultations and awareness campaigns.
UNHCR	- Provide technical and advisory support to MLSA and USS on communication with refugee communities and protection-sensitive engagement, as needed. - Support outreach and information dissemination activities, as needed, in coordination with MLSA and CSO partners. - Contribute to staff capacity building and coordination with other refugee-related initiatives, as needed.

Annex 3. Sample Grievance Log Template

ID No.	Date Received	Name & Contact (if not anonymous)	Location / Channel of Submission (Hotline, USS, Email, etc.)	Type of Grievance (Eligibility, Exclusion, Service Quality, SEA/SH, Other)	Description of Complaint	Responsible Unit / Focal Point	Date Acknowledged	Action Taken / Resolution	Date Resolved	Status (Open / Closed)	Remarks

Notes:

- SEA/SH-related complaints must be recorded using codes only, without personal identifiers, and handled under confidential, survivor-centered protocols.
- The log will be maintained by the SECS at MLSA and consolidated quarterly for reporting to WB.

Annex 4. Sample Consultation Record Template

Consultation Title / Topic	Date & Location	Stakeholder Group(s) Engaged	Number of Participants (disaggregated by sex, age, other relevant categories)	Key Issues Raised	Feedback / Suggestions	Response / How Feedback Was Addressed	Follow-up Actions & Responsible Party

Notes:

- This template should be used for all public meetings, focus groups, and workshops.
- Attendance sheets and photos (if consent is given) should be attached to the record (not subject to disclosure).
- Results will be summarized in biannual SEP progress reports and disclosed on MLSA's website (no personal data disclosed).

Annex 5. Summary of stakeholder feedback and how it was addressed

Minutes of Stakeholder Consultation on Draft Environmental and Social Instruments

Project: Armenia – Housing Response and Mortgage Market Enhancement (HOME) Project
Date of Environmental and Social (E&S) Instruments' disclosure: September 15, 2025
Consultation period: September 27– October 15, 2025
Format: Written consultation (official correspondence)
Organized by: Ministry of Labor and Social Affairs (MLSA)

1. Purpose

The draft Environmental and Social Commitment Plan (ESCP), Stakeholder Engagement Plan (SEP), and Environmental and Social Risk Screening Form were shared with key stakeholders, including governmental institutions, international organizations and civil society organizations (CSOs) for review and written feedback as part of the consultation process. The stakeholders were provided with the draft E&S instruments and allocated a consultation period from September 27 to October 15, 2025, to review the documents and submit their feedback. The objective of the consultation was to gather comments and recommendations to ensure that stakeholder engagement, environmental and social risk management, and commitment measures are comprehensive, context-appropriate, and aligned with national frameworks and the World Bank's Environmental and Social Framework (ESF).

2. Stakeholders Consulted

Category	Institutions / Organizations
Governmental Institutions	- Ministry of Finance - Ministry of Environment - Central Bank of Armenia (CBA)
International Development Partners	- UNICEF Armenia - UNDP Armenia - UNHCR Armenia - IOM Armenia - World Health Organization (WHO)
Civil Society Organizations (CSOs)	- Mission Armenia NGO - Armenian Caritas - Armenian Association of Social Workers - "Fight Against Hunger" NGO - Armenian General Benevolent Union (AGBU) - World Vision Armenia - OxyGen Foundation - Armenian Relief Fund - KASA Swiss Humanitarian Foundation - People in Need Armenia - Women's Support Center NGO - Armenian Red Cross Society

3. Feedback Received

Written feedback was received from three institutions — the Ministry of Environment, UNHCR Armenia, and the Central Bank of Armenia. Other invited stakeholders acknowledged receipt but did not provide additional comments within the consultation period. The table below summarizes the feedback received:

Institution / Organization	Summary of Comments / Recommendations	Action / Response by MLSA
Ministry of Environment	The Ministry reviewed the ESCP, SEP, and ESRF and confirmed having no comments or recommendations, noting the documents are consistent with environmental and social requirements.	Noted. No action required.
UNHCR Armenia	Welcomed the inclusiveness of the Project and its alignment with the Global Compact on Refugees and the Global Refugee Forum commitments. Recommended to: Further strengthen references to refugee participation within outreach, consultation, and grievance mechanisms. Ensure equal access of refugees and host communities to information, services, and grievance channels. Consider opportunities for cooperation with UNHCR on outreach, technical support, and staff capacity building of Unified Social Service officers.	MLSA welcomed UNHCR's recommendations. The SEP will be updated to: Explicitly reference engagement activities targeting both refugees and host communities and highlight cooperation with UNHCR for outreach, awareness, and capacity building where feasible.
CBA	Provided input on NMC's mandate and clarification of its role, raised questions regarding eligibility criteria—specifically the requirement on the presence of family members in the country—and the feasibility of monitoring such criteria. Recommended further clarification of the scope of eligible beneficiaries. Also confirmed GRM requirements for participating banks and access to the Financial System Mediator as an independent grievance redress mechanism.	The feedback has been reflected in the SEP through enhanced description of eligibility communication measures, inclusion of the FSM under grievance redress pathways and reference to the Law on the Financial System Mediator (June 17, 2008). NMC role and mandate has been clarified.
Other stakeholders	As of the consultation closing date, no additional written feedback was received. Any comments submitted by stakeholders after the completion of the consultation period will be reviewed and, as relevant, incorporated into the updated versions of the E&S instruments to be finalized following Project effectiveness.	

4. Summary of Key Takeaways and next steps

Stakeholders confirmed alignment of draft instruments with national frameworks and ESF requirements. UNHCR emphasized enhancing inclusion measures for refugees in engagement and grievance processes. CBA stressed the importance of inter-institutional coordination with financial intermediaries.

The MLSA integrated all relevant feedback received during the consultation period into the final versions of the SEP. No changes have been made to E&S Risk Screening Form following the consultation process. The updated versions of E&S instruments were re-disclosed on the official websites of MLSA on October 24, 2025.