

**PRESS RELEASE**

**UNDP and Partners Assess the Socio-Economic Impact of COVID-19 on Community Life in Armenia**

**Yerevan, September 2020** – “COVID-19 pandemic is far more than a health crisis: it is affecting the social and economic dimensions of community life at the core. While the impact of the pandemic varies across regions and communities, systemic issues and chain reactions to these issues will impact lives and livelihoods in Armenia for years to come,” says the COVID-19 Socio-Economic Impact Assessment (SEIA) Report, produced by the United Nations Development Programme (UNDP) in Armenia, in close collaboration with the Government of Armenia, in partnership with UNFPA, UN Women, UNAIDS, the Asian Development Bank, and the generous technical support and inputs from other UN agencies and

International financial institutions. UNDP is the technical lead for UN’s socio-economic response to COVID-19 in Armenia, under the leadership of the UN Resident Coordinator.

Launched in May 2020, the nationwide assessment targets communities, with special focus on small and medium-sized enterprises (SMEs) and self-employed farmers operating in the communities; livelihoods/sources of income and the well-being of community members; systems of delivery and demand for basic services in communities, and provides thirty-seven recommendations that will help the Government of Armenia, in partnership with the international community, to respond to COVID-19 more effectively, in line with the principle of “Leaving No One Behind.” The recommendations are presented across four of the UN’s five pillars of policy interventions: (i) health protection, (ii) social protection, (iii) support the economy and (v) community resilience.

“Assessing the impacts of the COVID-19 crisis on the Armenian society, economy and vulnerable groups is fundamental to tailor the Government of Armenia, UNDP and its partners response to recover from the crisis and ensure that no one is left behind. Building on lessons learned and the results of the SEIA, UNDP will continue supporting the Government of Armenia to look beyond recovery, towards 2030, in four main areas: governance, social protection, green economy, and digital disruption,” said Dmitry Mariyasin, UNDP Resident Representative in Armenia.COVID-19 has impacted the health status of people nationwide. 40 percent of respondents reported that their psychological, mental and/or emotional health had been affected after the spread of coronavirus. This finding was particularly noticeable for Ararat, Armavir and Aragatsotn regions. Not easy access to health facilities and social assistance services in the communities, lost jobs and incomes as a result of lockdown were affecting factors to the health status of people. The need for effective work of social workers was perceived as never before taking into account the large share of people who experienced physiological and emotional issues.

On average, more than 10 percent of respondents of the household survey mentioned they had lost a job during the pandemic. This figure is relatively higher in Armavir, Lori and Vayots Dzor. Whilst the loss in job opportunities in urban areas is strongly correlated with the negative economic impact on SMEs, workers in rural areas are more impacted by the lack of opportunity to seek employment abroad, i.e. outgoing labour migration.

The pandemic considerably hit the SME sector, which makes the largest share of employment in the economy. More than 82 percent of the respondents indicated that they were negatively impacted by the crisis. Business activities of almost 65 percent of the surveyed businesses were temporarily shut down during the lockdown, and more than 50 percent of the SMEs engaged in tourism, manufacturing and trade sectors, reported that they were strongly hit by the crisis.

Agriculture has been relatively less affected. Around 40 percent of the respondent agricultural businesses remained non-affected or were positively impacted by the crisis. This can be explained by the seasonal nature of the Armenian agricultural sector.

According to survey results, most adversely affected businesses have been largely targeted by state support programmes. While one-time assistance grants to some extent mitigate the immediate impact of the crisis, they do not solve the persisting liquidity issues, mid-term and long-term challenges of SMEs.

Taking into account a potential second wave of the spread of the coronavirus, and the likelihood of other pandemics in the future, the SEIA argues the country should focus on building resilience and robustness of its systems, not least in relation to health, social and economic dimensions of community life.

Promotion of public-private partnerships in the regions, largely focusing on tourism and industry development secondary cities, softening tax regulations for SMEs can help mitigate the impact of COVID-19. The SEIA also recommends developing effective communication and information sharing measures to support the beneficiaries to access the information, by creating user-friendly and relevant resources.

In total, about 7,200 people in the 10 regions of Armenia and in Yerevan took part in the SEIA process. Respondents represented 3,000 households, 1,537 SMEs and 515 farmers, 2,150 representatives from local authorities and service providers, 150 persons through focused group discussions, and over 2,000 people through the online survey on essential services throughout the 10 regions of Armenia.

The full Report can be accessed [here](https://armenia.un.org/en/134665-socio-economic-impact-assessment-covid-19-outbreak-armenian-communities).

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UNDP in Armenia was established in March 1993 and supports the government in meeting its development priorities and the Sustainable Development Goals.

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