Recovery and Reconstruction	Economic Development and Employment	Macroeconomic Policy Support
Armenia & Georgia	Armenia, Georgia, Azerbaijan	Azerbaijan
SDC Humanitarian Aid	SDC Humanitarian Aid & Technical Cooperation and SECO	SECO
Objective		
Armenia and Georgia have improved response capacities to disaster risks and increased the capability to ensure social protection for the most vulnerable and disadvantaged population, including conflict-affected persons	A conducive and risk-conscious business environment has been created, leading to improvement and diversification of the income base in selected rural districts (in the three countries) and in urban areas (in Azerbaijan)	Transparency, efficiency and sustain- ability of fiscal processes and macro- economic policies in Azerbaijan have improved
Outcomes		
§ The Georgian government has adopted a social protection strategy for the most vulnerable population, including IDPs	§ Farmers and rural entrepreneurs acquire the knowledge and capacities to make more informed and efficient use of resources and market channels	§ The government regularly discloses progress in its public finance management practices using internationally recognized reporting standards
§ The South Caucasian Govern- ments have taken more responsibility over the most vulnerable segments of their population, including the dis-	§ Principles of disaster risk reduction with emphasis on prevention and re- duction of vulnerability are applied at local level	§ Economic modelling tools are developed and used in designated Government agencies in a coordinated manner
 placed In Georgia and Armenia, principles of disaster risk reduction with emphasis on the response capacities are applied at national and local levels 	§ The interaction between target groups and local self-government is enhanced through institutional capacity building and participatory decision-making	§ Advice and analysis are made available for high level policy-makers at the National Bank of Azerbaijan, the Ministry of Finance and other relevant national institutions
	§ In Azerbaijan, improved framework conditions for trade and investment and a strengthened financial market infrastructure lead to a diversified growth in the SME sector	
Lines of activities		
 Sustainable social housing model projects targeting vulnerable, conflict affected and displaced population Projects strengthening institutions, mechanisms and capacities to build 	 § Market-based rural income generation projects § Integrated Disaster Risk Reduction measures in market-based rural income generation projects 	 Policy assistance to the National Bank of Azerbaijan in the fields of general research, including economet- rics, financial programming Public Expenditure and Financial
resilience to disaster risks § Protracted relief projects for IDPs	§ Reinforcing measures in the field of local governance	Accountability assessment follow up § Support to government securities-
and most vulnerable population in alignment with the national social assistance programmes (exit strategy)	§ Community-based rehabilitation of traditional water supply infrastructure (Azerbaijan)	market development § Development of a financial programming modelling tool
Balanced support to most vulner- able population between Abkhazia and Western Coordinates	§ Development of postal financial services (Azerbaijan)	§ Possible initiatives for improving priority settings of public investments
Western Georgia	§ Co-financing activities in the field of leasing market, mortgage market, corporate governance, enforcement of intellectual property rights (Azerbaijan)	
Crosscutting themes		

Mainstreaming of a **gender-balanced** implementation of programmes and projects

Mainstreaming of principles of good governance (accountability, transparency, non-discrimination, participation, efficiency) in the implementation of programmes and projects

See Programme Planning Matrix in Annex 4 for expected outcomes, indicators and sources of verification.