



REPORT

Conference: “Sustainable development for forcibly displaced persons from Artsakh: Opportunities Ahead”

Yerevan, February 25, 2025

Summary of the outcomes of the panel discussions on “Employability and decent work for forcibly displaced persons” and “Affordable housing and economic stability for forcibly displaced persons”, challenges and proposed solutions

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Context

Before the start of the 2020 war in Nagorno-Karabakh, the working-age population of Artsakh stood at **107,800** people, of which **68,000** (63.1%) were part of the labor force. **55.5%** of the employed individuals were employed in the public sector, including education, healthcare, and defense, while in the private sector - trade, construction, and manufacturing prevailed.

The displacement caused by the war has significantly changed the structure and number of the labor force. About **113,000** people from Artsakh moved to Armenia, around **68,000** of which are of working age. Between September 2023 and January 2025, nearly **29,000 of them have been registered as employed**. Notably, 82% of the displaced persons reside in Yerevan and adjacent regions, where most of the jobs are concentrated.

As of February 14, 2025, 9,821 displaced persons seeking work were registered with the territorial centers of the Unified Social Services (USS), of which 3,414 had the status of unemployed, and the rest were classified as new job seekers. This data shows that a portion of the displaced persons, for the sake of ensuring their livelihood, is often forced to accept job offers that do not match their professional qualifications or preferences. This trend is further confirmed by a labor market study conducted by the International Organization for Migration (IOM), according to which, about 40% of the employed are engaged in seasonal or temporary work.

Business activities carried out by displaced persons are viewed as an alternative route to employment. Despite existing challenges, in the Republic of Armenia (RA), 1,415 individuals from Artsakh have already registered as sole proprietors. Nevertheless, they face a number of obstacles, including financial constraints, lack of necessary skills, and incomplete information about the specific features of Armenia's market.

With regard to housing for forcibly displaced persons, following the displacement from Nagorno-Karabakh in September 2023, the RA Government developed and implemented the "State support program for housing for families forcibly displaced from Nagorno-Karabakh." Under this program, a mortgage lending mechanism is deployed: beneficiaries receive support for the purchase or construction of an apartment or a detached house, or for the repayment of an existing mortgage. As of February 25, 2025, out of 680 applicants, only about 30 had used their certificates, of which 12 had their transactions officially confirmed through notarial validation.

Despite the housing support program's important goal of assisting many families, a number of challenges have been observed during its implementation. In particular, among beneficiaries and the expert community, there is a perception that the face-value amount of the certificates often does not always correspond to real market conditions. As a result, beneficiaries struggle to find suitable real estate or are forced to invest additional funds. The legal regulations in the lending process, the comprehensive package of required documents, as well as the perceived stringent creditworthiness requirements pose difficulties for certain beneficiaries seeking to benefit from the program. Furthermore, the lack of clarity on how housing provision connects with broader socio-economic integration restricts the possibilities for establishing stable living conditions for families.

Necessity of the conference

A year and a half has passed since the forcible displacement from Nagorno-Karabakh. However, the problems and challenges faced by the people of Artsakh continue to remain urgent.

During this period, various state agencies of the RA and more than 100 organizations have implemented many programs and measures in various fields – ranging from humanitarian aid to

employment and housing solutions. One such program has been “Learn to Earn Artsakh Program”.¹ In view of the lessons learned and achievements attained through the program, and with a view to discuss future steps with the RA Government and all other interested parties, the Armenian General Benevolent Union (AGBU), together with HEKS/EPER, initiated the conference “**Sustainable development for forcibly displaced persons from Artsakh: Opportunities Ahead.**” This one-day conference served as a dialogue platform among the stakeholders. Over 120 participants attended, representing the National Assembly of the RA, the Government of the RA, community leaders of Nagorno-Karabakh, international organizations, and civil society.

Fundamental principles of the conference

Collaboration | The conference brought together the stakeholders around a shared goal - those responsible for policy-making and program implementation, donor agencies, and community representatives from Nagorno-Karabakh.

Participation | Throughout the conference’s activities and thematic discussions, equal inclusion of the different sides was ensured through the representation of decision-makers, leaders and community advocates.

Independence | The conference excluded political, ideological, or economic bias and interference.

Challenges discussed

The programs implemented in the fields of housing and employment for forcibly displaced persons face several overarching challenges, presented below:

Lessons from past experience and coordination issues

Previous housing and employment programs have shown that initiatives carried out without comprehensive intersectoral analysis often face practical applicability problems, repeat past mistakes and fail to provide long-term sustainable solutions. Public and private initiatives exhibit gaps in coordination, hindering the delivery of effective support.

Overall, housing provision should be seen not merely as a means of providing shelter, but as a long-term economic and social integration opportunity. Securing sustainable living conditions for forcibly displaced persons requires expanding local employment opportunities, implementing educational and professional retraining programs, and developing the corresponding infrastructure.

Challenges of alignment between support and market conditions

Within the scope of the housing support program, in some cases, the financial assistance provided to beneficiaries does not align with the real price rates, particularly in communities where the average market price of housing exceeds the allocated funds. This can make it difficult for families to choose suitable housing and may lead to additional financial burdens.

A similar challenge arises in employment programs, where the discrepancy between offered wages and the beneficiaries’ economic needs is another major hurdle. Displaced persons are often unfamiliar with the demands and features of Armenia’s labor market, which differ significantly from those of Nagorno-Karabakh. Their skills and qualifications do not always match employers’ requirements, while high-quality retraining opportunities, especially in the regions, are insufficient.

¹ See the AGBU official website for more information about the program: <https://agbu.am/leap>

Legal regulations and citizenship

In the context of the housing support program, the requirement of citizenship is viewed by some beneficiaries as an additional obstacle, especially in light of the social and psychological implications triggered by war and forced displacement. Moreover, the process of obtaining citizenship can be long. The lack of citizenship also, to some extent, limits eligibility for certain employment programs.

Complexities of socio-economic integration

The lack of permanent housing, as well as social and psychological difficulties, significantly hinder stable employment and the process of securing housing. Limited social connections, feeling of psychological discomfort, uncertainty, and lack of motivation hinder displaced persons' integration and the establishment of long-term career prospects and social stability.

Housing and employment are often treated as separate issues, without accounting for their mutual impact. Consequently, a comprehensive socio-economic approach is missing - one that would allow beneficiaries to integrate sustainably. Merely securing housing or finding a job does not suffice for long-term social integration, especially when essential infrastructure and educational and professional development opportunities are limited.

Support programs sometimes fail to provide individualized approaches tailored to the professional and social specifics of each beneficiary. Even when material resources such as housing and job opportunities are provided, complete integration is not guaranteed.

Gaps in awareness and coordination of tasks

Displaced persons often are not sufficiently informed about the programs and opportunities intended for them, which reduces the effectiveness of these initiatives. Gaps in coordination between state and private organizations lead to ineffective use of resources, duplication of programs, and insufficient outreach to some groups.

In certain cases, programs are developed without a comprehensive needs assessment, which weakens their overall impact. Special attention should be paid to isolated groups among the displaced. Unlike active and well-integrated beneficiaries, these individuals are less aware of available opportunities and face barriers to social integration.

Other challenges

In the housing support program, the current lending mechanisms, as well as additional notarial and cadaster-related costs, insurance requirements, the consequences of credit history, and other financial limitations may restrict broad participation of beneficiaries. Creditworthiness criteria become a high barrier, particularly for those without sufficient financial guarantees. Financial constraints exist for starting a business as well. These are compounded by incomplete information about the specifics of the market.

Displaced persons face serious financial and psychological challenges that hamper long-term career planning. They often are unable to accurately assess their professional potential or the job market opportunities, resulting in missed prospects. Moreover, in some cases, social polarization impedes their full integration.

In housing support programs, community cohesion is of great importance. To preserve the social and cultural heritage and identity of the Armenian community of Nagorno-Karabakh, one could consider the idea of developing residential neighborhoods with a community-based approach. This

could promote the social engagement of displaced persons and preserve the culture of mutual support.

Recommendations based on the discussions

Mapping the needs of displaced persons, coordinated management and monitoring

It is necessary to develop a mechanism for collecting representative data that incorporates successful international practice (for example, the sampling model used in Jordan to collect data on displaced Syrians). This mechanism shall include not only socio-economic indicators, but also behavioral metrics to evaluate and enhance the effectiveness of targeted policies and programs.

To effectively coordinate support programs for displaced persons, it is necessary to establish a state coordinating body, which would operate based on a data-driven toolkit. This body would coordinate the efforts of different organizations to avoid duplication of programs and inefficient allocation of resources. Furthermore, it is essential to implement comprehensive monitoring and clear mechanisms for evaluating effectiveness.

Optimization of the support programs

Applying a customized approach in support programs is recommended, taking into account the needs and circumstances of the displaced persons. To this end, a digital platform could be developed based on the best international practices (for example, Switzerland's Path2Work system). Such a platform shall match job offers with individual skills and experience, while also providing psychological support and professional counseling.

Most support programs are utilized by active beneficiaries, while isolated individuals with limited social networks often remain outside the scope of support. To engage them, it is necessary to implement targeted mechanisms, such as home visits to ensure individual attention and greater access to support services.

In the case of training programs, addressing the employment problem of beneficiaries shall be regarded as the end goal. Courses need be designed to foster participants' professional advancement and economic integration, providing job opportunities for a certain period following program completion. Employment outcomes should be a core metric for assessing the success of the educational programs.

Within the framework of the housing support program, it can be considered to review the face-value limits of housing certificates through an economic feasibility assessment and adjust them in line with the real estate market situation in each community. It is further proposed to consider additional financial support mechanisms based on the differentiated socio-economic needs of families, aiming to strengthen livelihoods. If a part of the allocated amount remains unused after purchasing a house, one could consider allowing these unused funds to be directed toward small business development, thereby increasing the program's economic impact.

Simplification of the legal regulations

It can be considered easing or adjusting the citizenship requirement, for example, by providing property rights after receiving citizenship within a defined timeframe.

It may be considered to relax lending conditions, particularly by adopting more flexible creditworthiness requirements, taking into account the specific circumstances of those who have been forcibly displaced.

It is recommended to consider partial or full subsidization of additional expenses (notarial, cadaster-related, insurance costs) based on the level of vulnerability of the beneficiaries, aiming to reduce their financial burden.

Introduction of socio-economic integration and psychological support programs

It is recommended to link housing programs with business development, professional retraining, and employment support initiatives, as well as with infrastructure projects that promote community development (accounting for educational, healthcare, and economic factors).

Support programs must adopt a comprehensive approach, including not only housing but also psychological support. Training shall emphasize not only technical skills but also personal development - enhancing self-confidence, fostering psychological resilience, and creating a supportive environment for stable employment.

Implementation of pilot programs

To evaluate the effectiveness of programs, it is advisable to conduct experimental projects of various formats. Data collected from a pilot stage can help identify the most successful models for larger-scale implementation.

Additionally, forcibly displaced persons can be involved as trainers or mentors, ensuring a more effective communication model based on shared experiences.

It is proposed to consider community-based housing programs to preserve the social ties of communities displaced from Nagorno-Karabakh. These programs would include common spaces, services, and development opportunities.

It is also recommended to consider developing a state-sponsored social housing rental program as an interim solution until beneficiaries can secure private homes or as an alternative solution in parallel.

Key guidelines from successful international experience for displaced persons' integration and support programs

Taking into account international experience in employment and housing for forcibly displaced persons, particularly the examples of Serbia, Georgia, Ukraine, and Colombia, several important points stand out as potential guidelines for programs in Armenia:

Targeted and rational approach

- ↪ There is a need to clarify the targeted groups, taking into account family composition, socio-economic status, housing location preferences, as well as willingness to relocate and integrate. Such an approach will make support measures more focused and effective, while also ensuring that isolated individuals or those lacking social networks are included in existing programs.

Comprehensive socio-economic integration

- ↪ Housing programs shall be combined with the creation of economic opportunities, including business grants, entrepreneurial training, mentorship programs, small business development support, and the improvement of local infrastructure. This approach will promote not only the material but also the socio-psychological stabilization of families, ensuring their long-term integration.

Flexible financing mechanisms

- ↪ International experience shows that the process of providing housing vouchers, loans, or other forms of financial assistance should be simple, rapid, and flexible. It is necessary to revisit current legal regulations, reduce additional costs and bureaucratic hurdles, and align the level of financial assistance with real market conditions and the needs of beneficiaries.

Community engagement and local collaboration

- ↪ The active involvement of displaced persons in the development and implementation of housing and employment programs significantly increases program effectiveness and beneficiary satisfaction. It is essential to ensure beneficiary participation not only at the implementation stage but also during the initial planning phase, taking their perspectives and suggestions into account.

Coordinated collaboration and transparent communication

- ↪ International experience demonstrates that coordinated collaboration among various stakeholders - state authorities, international organizations, civil society, and the private sector, along with transparent and clear dissemination of information, substantially increases the effectiveness of programs. To this end, introducing digital tools for information management and coordination will improve cooperation between state and non-state actors and expand beneficiary access to available programs.