

**PROJECT DOCUMENT****Armenia****Project Title: Environmental Protection of Lake Sevan – EU4Sevan****Project Number: 00129871/00123402****Implementing Partner: UNDP****Start Date: 10 September 2020    End Date: September 2024    PAC Meeting date: 21 January 2021****Brief Description**

Lake Sevan has a highly significant historical, cultural, and economic value for the country as it is a source of drinking water, irrigation water, and production of hydropower. It also serves as a recreational area for the Armenian population. However, because of the intensive and unsustainable use during the past decades, the water quantity and quality have significantly deteriorated. The Lake faces numerous environmental challenges and has also suffered significant biodiversity loss. The restoration and preservation of the lake's ecological balance, as well as its protection and sustainable use are top priorities of the Armenian Government in the field of climate and environment. The Project pursues the following main objective that is improvement of lake Sevan ecosystem governance framework.

EU4Sevan project aims to further enhance the environmental protection of Lake Sevan. UNDP will focus on further improve the governance of Lake Sevan ecosystem through: (i) improving management framework, (ii) strengthening policy environment, (iii) creating capacity for long-term development planning and site assessments. The Project is part of the EU Action "EU4 Energy Efficiency and Environment", and of the BMZ-funded programme "Management of natural re- sources and safeguarding of ecosystem services for sustainable rural development in the South Caucasus (ECO serve)".

**Contributing Outcome (UNDAF/CPD 7/4):** By 2020 Sustainable Development principles and good practices for environmental sustainability resilience building, climate change adaptation and mitigation, and green economy are introduced and applied.

**Indicative Output 7/4.3:** Government uses innovative mechanisms and tools for evaluation and decision-making over the conservation and sustainable use of natural resources".

**Gender marker 2: GEN2**

**SDGs 6, 12, 15**

<b>Total resources required:</b>		
<b>Total resources allocated:</b>	<b>UNDP TRAC:</b>	-
	<b>EU:</b>	1,174,488 <sup>1</sup>
	<b>Government:</b>	-
	<b>In-Kind:</b>	-
<b>Unfunded:</b>		-

**Implementing agency: UNDP**

  
 Dmitry Mahiyasin  
 UNDP Resident Representative

Date: 22.01.2021

<sup>1</sup> Total allocated amount is 1,000,664 EURO. Calculation is based on the following exchange rate: 1 USD = 0.852 EURO.

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## I. DEVELOPMENT CHALLENGE

1. Lake Sevan is the largest freshwater lake in the Caucasus Region (1,242 km<sup>2</sup> area) and one of the largest freshwater high-mountain lakes of Eurasia. It is situated in Gegharkunik Province, at an altitude of about 1,900 m above sea level. The total surface area of the Lake makes up one sixth of the total territory of Armenia. The Lake is fed by 28 rivers and streams, and the river Hrazdan flows out of it. Lake Sevan and some of its surrounding areas are designated as Sevan National Park. Lake Sevan has a highly significant historical, cultural, and economic value for the country as is the most significant source of freshwater, irrigation water, aquaculture, as well as hydropower source in Armenia. Its condition has direct bearing on the region's environmental health and Armenia's economic potential. To address wider environmental issues as well as to protect major water sources, like Lake Sevan from contamination, regulations and their enforcement need to be revised.

2. Since Armenia's independence in 1991, the deterioration of water supply and sanitation infrastructure and related service delivery mechanisms have impacted the quality and management of water, making it a crucial issue on the development agenda. Currently, only two-thirds of the country's population (mostly urban) is connected to sewerage-collection systems. About 20% of these networks are connected to sewer treatment facilities, all built before independence, in the Soviet era. Most of these facilities are not functional due to aging, faulty and/or missing infrastructure in wastewater and sewage treatment. To ensure water quality in Lake Sevan, proper sewage treatment is required for most of the neighbouring urban as well as rural settlements, from where wastewater is currently discharged into rivers which are flowing into Lake Sevan, polluting it further. It is necessary to refurbish and build new sewerage pipelines, to transfer wastewater of those settlements to the treatment plants or to apply local cleaning solutions. Besides the untreated municipal wastewater, diffuse pollution from agriculture, e.g. from mineral and organic fertilizers and manure, is affecting Lake Sevan's water quality. This agricultural pollution from several settlements in the basin located on the coastal zone of the Lake Sevan directly flows into the Lake. Also, livestock production is having a significant pressure on quality of water resources.



3. Stakeholders at the local level lack proven and practical solutions to reduce water pollution that can be replicated. This applies equally to sustainable, biodiversity-friendly land-use and agricultural production methods (to tackle diffuse pollution sources) as well as nature-based solutions for wastewater treatment (to tackle main point sources of pollution). Likewise, there are not enough opportunities or suitable incentive mechanisms for promoting and disseminating country-specific innovations. Furthermore, no adequate upscaling strategies are available. Effective incentives and disincentives, knowledge and capacities are lacking to adopt more sustainable practices at the local level and to assess the technical and financial feasibility of measures, including initiatives by the private sector.

4. Lack of monitoring data on the quality and quantity of water resources and on the status of ecosystems is another challenge in the Sevan basin. While significant progress is being made -also with support from the European Union (EU) - there are still important gaps to be filled, including inadequate hydro-meteorological and hydrogeological observation data due to insufficient quantity of monitoring sites; insufficient actual

water use data; absence of biological monitoring data; insufficient data on the use of organic fertilizers and pesticides and data on pesticides in surface water and groundwater; water abstraction for fish-farming and data on phosphorus release from fish farms; as well as data on wastewater composition and volume. Overall, in Armenia, the data used for planning and decision-making processes and for drafting legal acts and enforcement regulations are not up to EU and other international standards. In many cases, the resource users (households, farmers, employees of state agencies and public facilities), but also civil society in general, lack environmental awareness, information and know-how that is necessary for the protection of the Lake's water from pollution through and a more sustainable and biodiversity friendly management and use of resources.

5. Not least, current water use in the Sevan basin - including excessive transfers of Lake Sevan's water through Sevan-Hrazdan Cascade for generation of hydropower and irrigation - causes disturbance in aquatic life. The governance of water resources and ecosystems needs to be strengthened in order to ensure efficient use of water resources and prevent the overuse of Sevan Lake water.

The Government of Armenia recognizes the importance of rehabilitation of Lake Sevan ecosystem and for over two decades has invested into setup of institutional and regulatory framework and plan of actions towards ecosystem rehabilitation. However, inadequate and disintegrated planning, weak inter-sectoral co-ordination, inefficient monitoring, control and law enforcement mechanisms as well as outdated policy framework not harmonized among sectors inhibit the progress towards sustainable management of the lake ecosystem and basin.

#### **Relevance of the action**

6. The action is fully in line with Armenia Development Strategy 2014-2025 (ADS) adopted in March 2014 and now under revision, which highlights numerous measures to reduce pollution of water resources. In September 2015, the Government of Armenia signed on to Agenda 2030 and its 17 Sustainable Development Goals (SDG). This intervention contributes primarily to the progressive achievement of Sustainable Development Goal 6: Clean water and sanitation. It also supports achieving SDGs 15 (Life on land), 13 (Climate protection) as well as SDG 1 (Poverty reduction) and takes account of interactions between the various dimensions and/or SDG sub-targets.

7. The Government Programme 2019-2024 sets an ambitious agenda for environmental management. It outlines as a priority area to restore and preserve ecological balance in Lake Sevan and preserve and manage Ararat artesian basin and river ecosystems. Laws on the Lake Sevan (2001) and On Adoption of the Annual and Complex Program of Activities for the Use, Protection, Reconstruction and Reproduction of the Lake Sevan Ecosystem (2001) have had a significant impact on enhancing the legal framework.

8. In recent years, Armenia has moved a step closer to the EU legislation and practices of integrated water resources management. The Comprehensive and Enhanced Partnership Agreement (CEPA) between Armenia and the EU aims at a gradual alignment of the Armenian legal framework in the water sector with the EU acquis. In the field of water quality and resources management, this will include five EU acquis directives: Water Framework Directive, Floods Directive, Urban Wastewater Directive, Drinking Water Directive and Nitrates Directive.

9. Through the Comprehensive and Enhanced Partnership Agreement (EUWI+) programme, technical assistance was provided to develop a roadmap for alignment with the five EU water-related directives identified in the CEPA. Roadmap implementation is now on-going. A comprehensive set of amendments to the Water Code was recently submitted to government entities for feedback. Also, Armenia has revised its

national targets<sup>2</sup> in the context of the Protocol on Water and Health. The draft revised targets cover all priority areas under the Protocol for Armenia- from quality of drinking water and reduction of water-related diseases- to access to drinking water and sanitation, wastewater treatment and water resources management. The revisions were submitted for adoption.

10. The development of the first River Basin Management Plan for Sevan<sup>3</sup> and Hrazdan basins is on-going. This document aims at structuring and improving the management of water resources at basin level in the long term. As a result, Armenia will be able to implement concrete measures at local level for more efficient water resources management in order to reach good water status. The plan is intended to be ready by late 2020. A series of water quality surveys was conducted. For example, in 2018 sampling was done in 15 sampling sites of the Seven and Hrazdan river basins. Awareness and educational activities have been implemented in conjunction with the work on the Sevan River Basin Management Plan.

11. With support from the GCF Readiness Programme, the Ministry of Environment has commissioned a "Study of Treatment of Wastewaters Discharged into the Basin of Lake Sevan" which is expected to provide key baseline information relevant for the Project, which will be built on and complemented by the Project outputs.

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## II. STRATEGY

12. Theory of Change (TOC) of the project is based on the understanding that the pathway to environmental sustainability and resilience requires systemic changes in decision-making across multiple sectors that will help the country transition towards: (i) resource efficient, resilient and socially inclusive economy; (ii) ability to properly manage its rich ecosystems and natural resources within a limit of natural capital, and (iii) adapting to and mitigating the effects of climate change and disasters. The UNDP's interventions will be geared towards strengthening national capacities in reshaping its long terms vision, policy development and implementation and resilience building as well as identifying, piloting and scaling data-driven and gender-responsive smart policies and solutions that are environmentally and climate friendly, risk-informed, people-centred and long lasting.

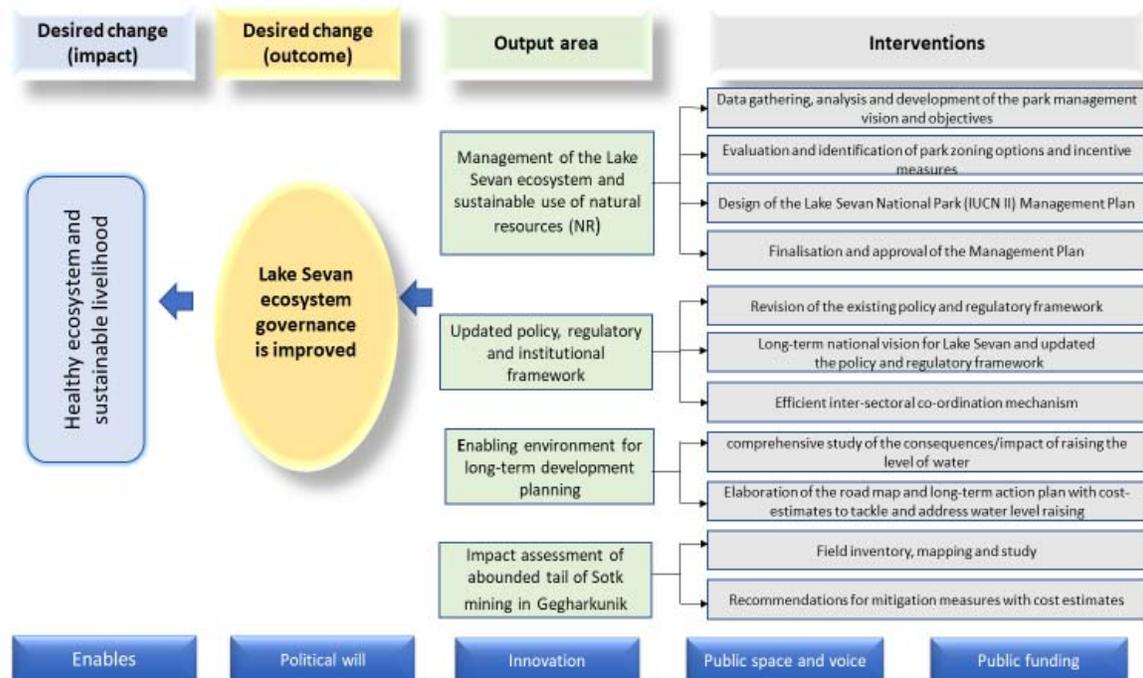
13. To be able to effectively manage Lake Sevan ecosystem and ensure population wellbeing conflicting regulatory frameworks, policies and practices should be tackled. At the same time, conservation and sustainable management of natural resources, including aqua- and terrestrial biodiversity, fresh water, forests, land and air will need to be promoted with incorporation of ecosystem-based management approaches, resilient thinking and risk-informed development into governance systems, community planning, business practices and consumption behaviours.

14. The third significant change that needs to take place in order to advance towards a more environmentally sustainable and less vulnerable society, is related to people's and ecosystems' resilience to climate change and disasters. There is a broad spectrum of approaches and interventions that are needed in order to make progress in this area, including improved legislative and planning frameworks; new tools for information management and enhanced community participation and increasing local level resilience, as well as promoting behavioural change (please see TOC diagram below).

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<sup>2</sup> <https://euwipluseast.eu/en/component!content!article/96-all-activities/activites-armenia/reports-of-ar-menia/778-armenia-revised-national-targets-of-armenia-in-the-context-of-the-unece-who-europe-pro-tocol-on-water-and-health?Itemid=397>

<sup>3</sup> <https://euwipluseast.eu/en/component/content/article/96-all-activities/activites-armenia/reports-of-ar-menia/684-armenia-thematic-summary-development-of-draft-river-basin-management-plan-for-sevan-river-basin-district?Itemid=397>



*Theory of Change Diagram*

15. The project has the **rights-based approach in its centre**. It will greatly contribute towards equity and inclusiveness by directly tackling environmental degradation, which has a greater impact on poorer segments of the society. Pollution in Lake Sevan directly impacts the local economic development, i.e. income of fishmongers and people working in the tourism sector. In 2016, 34.3% of households were female-headed according to Social Snapshot and Poverty in Armenia, 2017. Poverty rates in female-headed households with children under six have increased from 35% in 2008 to 42.6% in 2016, mostly due to economic crisis. Thus, by targeting low-income communities, the programme will significantly support the female-headed households, through which it will further contribute towards gender equality efforts.

16. The Action supports the **integration of gender aspects** into national strategies, concepts and guidelines for the sustainable and biodiversity-friendly management of water, land and ecosystems. Databases, analyses, instruments and decision-support tools developed by the project will be based on gender-disaggregated data, and developed and applied with a significant participation of women as researchers, planners, trainers, lecturers etc. Formation, training and awareness raising measures and materials will target at both, women and men, and reflect the different needs and interests of both sexes. The project will support the quantitative and qualitative participation of women in decisions on the elaboration, implementation and control of management plans (e.g. basin management plan, national park management plan, etc.). High participation of and benefits for women will further be aimed at in all steps of planning, monitoring and evaluation of the Action.

17. **Environmental sustainability** will be considered throughout the project. Natural resources and ecosystems are a key capital of this project. The economic value of natural resources is growing with increased fishing, agricultural production, which at the same time implies potential risks and further depletion of natural resources if not sustainably managed. It will therefore be ensured that all stakeholders understand and appreciate the economic value of the environment and of ecosystems, that activities equally take environmental sustainability and social inclusion into account. Environmental and climate change aspects will be addressed at the policy level, as they shall be tackled in the framework of the joint learning events as well as mainstreamed in policy and regulatory frameworks, to the extent possible.

18. The Action will also promote a **"One Health" approach** with a focus on links between environment and health that address the links between people, animals, plants, and their shared environment. Through addressing water and land contamination and ecosystem health as well as food safety issues, the Action contributes to tackling some of the main causes of chronic diseases, and to reducing vulnerability of the population from COVID-19 and future pandemics.

19. Building on previous achievements, this project aims to address the immediate needs for rehabilitation of Lake Sevan, while also contributing to longer-term solutions through good water governance that is high on the public agenda at the national level. The project will coordinate activities with the ongoing and future EU-funded Regional Initiatives, such as the EU Water Initiative Plus, EU4Environment and UNDP implemented EU4Climate. The project will also consider results of water sector vulnerability assessment, including for the lake Sevan, undergoing under UNDP implemented "Support to National Adaptation Planning" project funded by the Green Climate Fund.

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### III. RESULTS AND PARTNERSHIPS

#### *Expected Results*

##### *Overall objective:*

20. Overall objective associated with the EU Action "EU4 Energy Efficiency and Environment" is to improve energy efficiency and enhance environmental protection and resilience with its **specific objective to enhance environmental protection of the Lake Sevan.**

##### *Specific Objective:*

21. **UNDP project objective is further improvement of the overall governance system regulating lake Sevan ecosystem management and sustainable use.** The improvement of water and lake area governance is a key prerequisite for effective basin management and monitoring, thus project aims to bring ecosystem-based approach as a basis for planning and management of productive landscape in the Lake Sevan basin and sectoral development in an integrated manner to help minimize further deterioration of ecosystems and enhance sustainable livelihood opportunities for communities.

22. The Project supports formulation of a new long-term vision on Lake Sevan, update respectively the policy and regulatory framework governing Lake Sevan to consider change dynamics over the past 20 years and mainstream additional factors, such as ecosystem vulnerability due to climate change. This will be achieved through multi-stakeholder collaboration in course of elaboration of the Lake Sevan management plan as a means of managing different land use and resources in a joint-up way. In contrast to sectoral planning, in this landscape approach provides a framework for balancing the different daily needs with long-term conservation objectives. In the course of prioritisation of measures, the management planning process will build on Basin Management Plan for Lake Sevan and its Programme of Measures and the Action to be finalised by end of 2020 under umbrella of EUWI+.

23. The following results are envisaged for achieving the relevant specific output: **The Lake Sevan ecosystem governance is further improved (corresponding to the output 5 of the EU description of Action).**

**Output 1:** Improved management framework for protection of the Lake Sevan ecosystem and sustainable use of natural resources (NR)

- 1.1 Data gathering, analysis and development of the park management vision and objectives
- 1.2 Evaluation and identification of park zoning options and incentive measures (user fees, conservation funds, etc.)

- 1.3 Design of the draft Lake Sevan National Park (IUCN II) Management Plan and processing public consultation
- 1.4 Finalisation and approval of the Management Plan

**Output 2:** Revised and updated policy, regulatory and institutional framework governing protection and sustainable use of lake Sevan

- 2.1 Revision of the existing policy and regulatory framework governing lake Sevan management and gap analysis
- 2.2 Defining new long-term national vision for Lake Sevan and update the policy and regulatory framework
- 2.3 Setup of the efficient inter-sectoral co-ordination mechanism to support implementation and monitoring of policy enforcement measures

**Output 3:** Enabling environment created for long-term development planning and implementation of response measures to address water level raising.

- 3.1 Conduct a comprehensive study of the consequences/impact of raising the level of water in the lake with full environmental and socio-economic dimensions – to address potential risks associated with impact into physical infrastructure (roads and construction facilities) and landscapes (forests, agricultural and other community lands)
- 3.2 Elaboration of the road map and long-term plan with cost-estimates to tackle and address water level raising

**Output 4:** Comprehensive impact assessment of abounded tail of Sotk mining in Gegharkunik<sup>4</sup>

- 4.1 Conducting Field inventory, mapping and study
- 4.2 Provide recommendations for mitigation measures with cost estimates

24. Project results are in line with UNDAF Outcome 7 “By 2020 Sustainable Development principles and good practices for environmental sustainability resilience building, climate change adaptation and mitigation, and green economy are introduced and applied”, as well as feet to CPD Output 7.3 that is “Government uses innovative mechanisms and tools for evaluation and decision-making over the conservation and sustainable use of natural resources”.

***Resources Required to Achieve the Expected Results***

25. Directly implemented activities UNDP include technical, strategic, organizational and process advice, human capacity development, organization of workshops and outreach campaigns, and supervision of works and services by respective consultancy services and individual experts. The UNDP Office will ensure project ac- countability, transparency, effectiveness and efficiency in implementation. A Project Team will be established under UNDP's Portfolio for Climate, Environment and Resilience, comprised of a full time Project Coordinator (PC), a Financial and Administrative Assistant, as well as driver. The Project activities will be supported by UNDP operational part-time staff, such as communication, finance, IT and procurement officers, which will provide backstopping to the project daily operations and communications.

26. Professional support will be provided by the Project technical Advisor (s) and team of short and long-

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<sup>4</sup> Subject to further discussion and agreement with the government

term individual consultants (national and International) and/or contractual services to be identified and hired for specific tasks along the process as relevant to the project budget and workplan.

### ***Partnerships***

27. The Project will closely collaborate with GIZ which is also implementing partner for EU4Sevan. While UNDP's component has focused on water governance aspects, GIZ will provide inputs to the following outputs: (i) capacities for basin monitoring and management; (ii) sustainable and-use; (iii) Nature-based wastewater treatment solutions; (iv) awareness and information. Above mentioned outputs are fully integrated into the regional BMZ-financed project "Management of natural resources and safeguarding of ecosystem services for sustainable rural development in the South Caucasus (ECOserve)" that is also implemented by GIZ. As all outputs are complementary and mutually interlinked, GIZ and UNDP will closely coordinate in the planning and implementation of activities.

28. Collaboration with the project SEVAMOD2 "Development of a model for Lake Sevan for the improvement of the understanding of its ecology and as instrument for the sustainable management and use of its natural resources" funded by the German Federal Ministry of Education and Research (BMBF) will be established. The project will utilise data from the monitoring and assessment of Lake Sevan's water quality (nutrient budget, satellite-based remote sensing, eutrophication model) done by the Helmholtz-Centre for Environmental Research- UFZ (Germany) together with the Scientific Center of Zoology and Hydro-ecology and the Center for Ecological-Noosphere Studies (both of the National Academy of Sciences of the Republic of Armenia), and the Hydrometeorological and Monitoring Center of Armenia.

29. The project will utilise experience and knowledge of the EU Water Initiative Plus (EUWI+) project in Eastern Europe and Caucasus countries for the period of 2016-2020. It has an overarching to improve water resources management. Through the EU Water Initiative Plus (EUWI+) programme, and in collaboration with UNECE, technical assistance was provided to develop a roadmap for alignment with the five EU water-related directives identified in the CEPA, to achieve convergence of national policies and strategies with principles of the EU Water Framework Directive (WFD), Integrated Water Resources Management (IWRM) and relevant Multilateral Environmental Agreements (MEAs) such as the Water Convention and its Protocol on Water and Health. Current project will be built on the first River Basin Management Plan for Sevan and Hrazdan basins drafted by EUWI plus. This document aims at structuring and improving the management of water resources at basin level in the long term.

30. The project will also coordinate activities with the ongoing EU-funded Regional Initiatives, such as EU4Environment and EU4Climate. It will consider results of water sector vulnerability assessment, including for the lake Sevan, undergoing under UNDP implemented "Support to National Adaptation Planning" project funded by the Green Climate Fund. The Project will also seek close coordination with International Financial Institutions (IFIs), particularly the European Investment Bank (EIB), the European Bank for Reconstruction and Development (ERBD) and the German Development Bank KfW, which all have an interest in investing in the wastewater treatment in Armenia, and particularly around Lake Sevan.

### ***Risks and Assumptions***

31. Risks and mitigations measures were identified during the formulation phase, assumptions are elaborated (see Annex 1)

### ***Stakeholder Engagement***

32. The Ministry of Environment is the major partner with wide scope of authority for natural resources protection. Among other tasks, the Ministry implements strategic management, protection and allocation of

water resources with the main enforcement tools being the water use permits. Further key ministries the project will work with are the Ministry of Economy, which is responsible for the agricultural sector, and the Ministry of Territorial Administration and Infrastructure which is in charge of local governance and infrastructure. The Water Committee is a public agency, operational in the system of governance of the Ministry of Territorial Administration and Infrastructure of the Republic of Armenia, which develops and implements the policy of the Government of the Republic of Armenia regarding the management and use of state-owned water management systems.

33. The Hydrometeorological and Monitoring Center contains two formerly separated entities, the Environmental Monitoring and Information Center (EMIC) and Service of Hydrometeorology and Active Influence on Atmospheric Phenomena. It is subordinate to the Ministry of Environment and implements the monitoring of surface and groundwater quality and quantity. The National Academy of Sciences, particularly the Scientific Center of Zoology and Hydro-ecology and the Center for Ecological-Noosphere Studies carry out monitoring of Lake Sevan.

34. The Environmental Project Implementation Unit of the Ministry of Environment oversees work to study pollution sources and impacts on Lake Sevan under the GCF Readiness Programme. The independent Commission on Lake Sevan, established in 2008 by a Presidential Decree, deals with the lake issues. The Commission has an annual action plan and is the main conduit of international development financial resources targeted at the lake. In addition, the lake and some of its surrounding areas form the Sevan National Park with about 340 km<sup>2</sup> in area, which was established in 1978.

35. The "Sevan National Park" State Non-commercial Organisation (SNCO) of the Ministry of Environment is the governing institution responsible for the protection of the National Park ecosystem's landscape and biological diversity, natural heritage, for scientific research, inventory and monitoring, as well as for conservation, rehabilitation and sustainable use of natural resources. Sevan National Park is authorized for commercial operations as well and is overall responsible for day to day management of the Park.

36. Gegharkunik Regional Administration (Marzpetaran) responsible for and implements the territorial policy of the government at the regional level, coordinates the activities of the territorial services of the republican executive bodies.

37. Local stakeholders in the Sevan basin, particularly for the implementation of pilot measures, include local authorities and village communities, local NGOs and civil society organisations, farmers and farmers associations as well as private sector such as tourism operators, hotels and restaurants.

### ***South-South and Triangular Cooperation (SSC/TrC)***

38. The Project has no specific dimension or component for South-South exchange, but it will build upon the successful experience of other countries and will consider the examples and lessons learned from similar projects in the wider region and from EU countries.

### ***Knowledge***

39. The knowledge management strategy forms a core element of the project. While budgets and activities are mainstreamed across the four outputs, in operational terms the implementation of the knowledge strategy will be managed centrally within the core project team with the Project Coordinator playing an oversight role in coordination and delivery of the strategy, as well as in coordination with EU-GIZ. Technical inputs for knowledge products will be developed as part of the mandate of the international and national consultant teams. During implementation, the project team will work closely with project partners, main governmental and non-governmental institutions in the identification of key findings,

development and dissemination of knowledge products. Consultations with these partners ensure that they are all committed to building and disseminating knowledge on subject related issues beyond the project framework.

40. Also, the project will facilitate information and knowledge exchange on ongoing initiatives and programmes on Lake Sevan through a regular multi-stakeholder platform (such as an annual Sevan conference or forum) including national and local authorities, non-governmental and community-based organisations, development partners, academia, private sector organisations and others. This will provide an opportunity for stakeholders to share results and experiences from their initiatives as well as inform about current and planned interventions as a basis for enhanced coordination. It also contributes to an improved understanding among political decision makers, the media and the general public about the key issues and required actions concerning the protection of Lake Sevan.

41. With regards to longer term sustainability of knowledge transfer and uptake, the following strategy is envisaged:

- Learning materials developed to explain new vision, policy approaches, regulatory improvement, national park management models around lake ecosystem will be transferred to relevant authorities, partner scientific and educational institutions, NGOs for further dissemination and/or update. These will continue to be disseminated as part of the mandate of these institutions and form part of their knowledge offering;
- Capacity and materials developed around improved governance framework and natural resources management practices will be mainstreamed into those structures responsible for data management and information systems at national and local levels. All knowledge products and lessons learned will be used as input to consultative workshops and meetings with project stakeholders and disseminated to other donors and relevant agencies.
- The project will use existing social media platform and establish a link to the existing UNDP, GIZ and Government's social media on which all relevant reports, documents and findings will be posted for access by interested parties.

### ***Visibility of the action***

42. The Action will develop a set of suitable communication activities that relate to the different target groups and stakeholders such as project beneficiaries, implementing partners at national and sub-national level, local media and other donors and embassies. GIZ will consider the EU's visibility requirements as set out in the Communication and Visibility Manual for EU External Actions as well as the visibility guidelines of the German BMZ. UNDP will act in accordance with Article 11 of the Financial and Administrative Framework Agreement between the European Union and the United Nations to which it is party. In order to maximize the impact of the action, the project will develop and apply a robust visibility strategy throughout the project cycle.

This will be organized via the following means:

- ✓ Public information in reference to the EU funding provision for the launching and final/closing ceremonies of the project (and its sub-activities), public events and "share" conferences, to be disseminated via social media, press conferences and press releases;
- ✓ Regular updates and information on project activities under the remit of EU funding provision through UN online platforms, to be discussed and agreed with EU;
- ✓ Project reports and related publications compliant to the EU visibility standards and requirements.

### ***Gender equality (GEN2)***

43. The Project supports the integration of gender equality aspects into strategies, concepts and guidelines for the sustainable and biodiversity-friendly management of water, land and eco- systems. Databases, analyses, instruments and decision-support tools developed by the Project will be based on gender-disaggregated data, and developed and applied with a significant participation of man and women as researchers, planners, trainers, lecturers etc. Formation, training and awareness raising measures and materials will target at both, women and men, and reflect the different needs and interests of both sexes. The project will support the quantitative and qualitative participation of women in decisions on the elaboration, implementation and control of management plans (e.g. basin management plan, national park management plan, etc.). In general, UNDP will mainstream gender issues in all stages of project implementation and the following approach will be applied:

- Ensure gender mainstreaming in capacity development measures, including family engagement into public awareness and capacity building activities;
- Ensure women active participation in the basin planning and related decision-making processes, encourage participation and delivery at events;
- Encourage also the participation of families (women and men) in training and to plan, discuss and make decisions jointly;
- Ensure gender equality in awarding grants (if any) and access to resources;
- Ensure gender responsive methodology taking into consideration the specific needs of women and men during assessments and studies, trainings, awareness-raising campaigns.

#### ***Sustainability and Scaling Up***

44. To secure the long-term effectiveness and **sustainability at policy level** of the interventions, the Action is embedded into the national policy and planning frameworks (particularly the Se- van River Basin Management Plan, Lake Sevan National Park Management Plan, etc), and further strengthens the regulatory and policy framework for water and ecosystem management in Armenia. The Action seeks to disseminate approaches and innovations developed in the field of water and ecosystem management via partner or other intermediary systems and strengthens the capacities for scaling-up pilot measures.

45. The project aims to ensure social inclusion by facilitating equal access to resources, services, infrastructures and capacity development measures. To the extent possible, the project will facilitate participation of local communities in planning and decision-making processes, ensuring that local needs, interests and priorities are taken into account. Specific needs and constraints of poor and vulnerable groups will be analysed (in the framework of the baseline survey and feasibility study) and possible measures identified to further promote inclusive participation and equal benefits, thus forming roots for local ownership.

46. In order to ensure **institutional sustainability**, the Project sustainably strengthens core capacities of the responsible national institutions, as well as those of local resource users. The specific roles and tasks performed by men and women are given due consideration when providing advice, designing measures and also during hands-on implementation and final evaluation. This ensures that the changes initiated are sustainable, because they respect the reality and needs of men and women alike. Close coordination with other donors will enable other development measures to benefit from the Action's results, contribute to a for a wide dissemination of approaches and results and prepares the ground for scaling-up of pilot measures through financial cooperation programmes to ensure financial sustainability.

47. The Project is directly supporting **environmental sustainability** as reducing pollution and protecting ecosystems in the Lake Sevan basin will have a direct impact on restoring the bio- diversity and long-term

impact on environmental sustainability. Natural resources and ecosystems are a key capital of this project. The economic value of natural resources is growing with increased fishing, agricultural production, which at the same time implies potential risks and further depletion of natural resources if not sustainably managed. It will therefore be ensured that all stakeholders understand and appreciate the economic value of the environment and of ecosystems, that activities equally take environmental sustainability and social inclusion into account. Environmental and climate change aspects will be addressed at the policy level, as they shall be tackled in the framework of the joint learning events as well as mainstreamed in policy and regulatory frameworks, to the extent possible.

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## **IV. PROJECT MANAGEMENT**

### ***Cost Efficiency and Effectiveness***

48. In order to be cost-effective and work with high effectiveness the project management will rely on evidence-based approach in order to deliver maximum results with available resources. By using the theory of change analysis, different options to achieve the maximum results with available resources will be explored. UNDP Environmental Programme management mechanism will be used to improve cost effectiveness by sharing resources, knowledge and leveraging activities and partnerships with other ongoing country office projects, as well as through synergised efforts with the projects and agencies working in the same direction in the target area (reference to the Section III, Partnerships).

49. UNDP and GIZ joint monitoring of the project activities, including monitoring missions, will be organised to increase the effectiveness. Wider engagement of local consultants and contractual services will be ensured at the extent possible to reduce service and transaction cost.

### ***Project Management***

50. The project will be implemented by UNDP through “Direct Implementation Modality” (DIM) in close cooperation with the Ministry of Environment and GIZ. In DIM modality, UNDP has the technical and administrative capacity to assume the responsibility for mobilizing and applying effectively the required inputs in order to reach the expected outputs. The UNDP CO will ensure project accountability, transparency, effectiveness and efficiency in implementation. UNDP will be responsible for the following main functions in accordance with UNDP corporate regulations: (i) Identification and recruitment of project personnel; (ii) procurement of goods and services; (iii) financial services. More specifically, UNDP will:

- Be accountable for delivering on the expected outputs within the time required, manage risks and sustain results after the project end.
- Ensure national ownership and broad stakeholder engagement.
- Provide sensitivity and neutrality in project implementation as required.
- Ensure the key technical, financial, and administrative capacities required for the project are in place; and
- Deliver good value for money and accountability for resources.

51. Financial oversight, including approval of expenditures and annual external audits of all funds spent under this contract, and monitoring of results, will be also ensured by the UNDP country office.

52. UNDP will establish a project team, which will ensure that the envisaged activities are carried out in a timely manner and the outputs are reached. The project team will be managed by the National Project Coordinator

(NPC). The NPC will report to the UNDP Environment, climate and resilience Team Leader/Analyst and will be responsible for all project operations, in coordination with GIZ management team. S/he will ensure the proper use of funds and that project activities are implemented in accordance with the agreed project document and project work plans. The NPC will be supported by support staff as well as short- and long-term experts.

### ***Reporting***

53. In line with the EU Contribution Agreement, the following reports will be submitted by UNDP to the government and to the EU along the implementation:

- annual progress reports (narrative and financial), recapitulating on the progress made in the achievement of the results (outputs and outcomes); listing activities carried out during the reporting period, difficulties encountered and measures taken to overcome problems and eventual changes introduced; providing information on the implementation of the Visibility and Communication Plan; and outlining the work plan for the coming 12 months.
- the final report shall cover the entire period of the Project, providing information on achievements of the Action, including an outlook on measures undertaken to ensure sustainability of results and further dissemination/up-scaling.

54. The project will prepare also quarterly monitoring reports in line with UNDP programme and project management and monitoring rules (see chapter VI).

## V. RESULTS FRAMEWORK<sup>5</sup>

<b>Intended Outcome as stated in the UNDAF/Country Programme Results and Resource Framework Outcome 7/4:</b> (2016-2020) By 2020 Sustainable Development principles and good practices for environmental sustainability resilience building, climate change adaptation and mitigation, and green economy are introduced and applied. (2021-2025) 5/2 Ecosystems are managed sustainably and people benefit from participatory and resilient development and climate-smart solutions										
<b>Outcome indicators as stated in the Country Programme Results and Resources Framework, including baseline and targets:</b> Number of hectares of rehabilitated landscapes and areas demonstrating sustainable use practices, Baseline:0, Target: 20,000/										
<b>Applicable Output(s) from the UNDP Strategic Plan:</b> 4.1 Gender-responsive legal and regulatory frameworks, policies and institutions strengthened, and solutions adopted, to address conservation, sustainable use and equitable benefit sharing of natural resources, in line with international conventions and national legislation.										
<b>Project title and Atlas Project Number:</b> <i>Environmental Protection of Lake Sevan – EU4Sevan, 00129871/00123402</i>										
EXPECTED PROJECT OUTPUTS/ COMPONENTS	OUTPUT INDICATORS <sup>6</sup>	DATA SOURCE	BASELINE		TARGETS (by frequency of data collection)					DATA COLLECTION METHODS & RISKS
			Value	Year	Year 1 2021	Year 2 2022	Year 3 2023	Year 4 2024	FINAL	
<b>Output 1</b> <i>Improved management framework for protection the lake Sevan ecosystem and sustainable use of Natural resources</i>	<i>1.1. No of Hectares of area effectively zoned and managed for multiple ecosystem benefits.</i>	<i>Management plan implementation protocols Ministerial reports</i>	0	2020	0	0	125,000ha	125,000 ha	125,000 ha	<i>Document review, Field data inventory and analysis, mapping, Local survey &amp; questionnaires, Participatory meetings <b>Risk:</b> Inability to assess economic benefits of ecosystem services and derive direct measurable benefits to local economy may result in reluctance to move away from unsustainable nature use practices</i>
	<i>1.2. Availability of the Lake Sevan National Park management plan</i>	<i>Government decisions Ministerial reports Project web-page and media page (Facebook, etc.)</i>	<i>There was no operational management plan for protected area since 2010</i>	2020	No	No	Yes	Yes	Protected area management plan developed and approved by the Government	

<sup>5</sup> UNDP publishes its project information (indicators, baselines, targets and results) to meet the International Aid Transparency Initiative (IATI) standards. Make sure that indicators are S.M.A.R.T. (Specific, Measurable, Attainable, Relevant and Time-bound), provide accurate baselines and targets underpinned by reliable evidence and data, and avoid acronyms so that external audience clearly understand the results of the project.

<sup>6</sup> It is recommended that projects use output indicators from the Strategic Plan IRRF, as relevant, in addition to project-specific results indicators. Indicators should be disaggregated by sex or for other targeted groups where relevant.

<b>Output 2</b> <i>Revised and updated policy, regulatory and institutional framework governing protection and sustainable use of lake Sevan</i>	<i>2.1 No of enhanced/updated policy and regulatory documents</i>	<i>Governmental decisions, Parliament bulletins</i>	0	2020	0	0	3	5	5	<i>Document review, Stakeholder consultation reports</i>
	<i>2.2 Institutional framework governing lake Sevan issues is upgraded</i>	<i>Ministerial report</i>	<i>Though different public institutions are mandated to deal with the Lake Sevan issues, overall mis-coordination and institutional barriers are evident<sup>7</sup></i>	2017	No	No	Yes	Yes	<i>Inter-sectorial coordination mechanism established and operationalised</i>	<b>Risk:</b> <i>The overall political and economic environment remains unstable and not conducive for conceptual regulatory improvements Disputes over mandates and responsibilities threaten the efficiency of law making and enforcement of regulations</i>
<b>Output 3</b> <i>Enabling environment created for long-term development planning and implementation of response measures to address water level raising</i>	<i>3.1 Analytical basis in place for evidence based long term decision making on Lake Sevan protection, conservation and sustainable use</i>	<i>Ministerial reports Independent Study Review</i>	<i>Risk associated with impact into infrastructure, environment and population well being in the result of water increase was never assessed, there were no studies ever conducted</i>	2020	No	No	Yes	Yes	<i>A comprehensive study with full environmental and socio-economic dimensions to address risks associated with Impact into physical infrastructure and landscapes is available</i>	<i>Document review, Stakeholder consultation reports Local survey &amp; questionnaires Document review, Stakeholder consultation reports</i>  <b>Risk:</b> <i>Political processes in the country related to the crisis may lead to processes of restructuring and creating uncertainties in long term policy</i>

<sup>7</sup> Chapter Four of the Law on lake Sevan (2001) set mandates of authorities at national, regional and local levels in the field of restoration, reproduction and use of Lake Sevan ecosystem, including involvement of Academia through setup of special expert commission. In addition, in 2008 the President directed to setup a new Commission to study all issues related to lake Sevan, thus distribution of function in practice between the Ministry of Environment and both Commissions seems unclear.

	<i>3.2 Long terms action plan with cost-estimates to tackle water level raising developed and submitted to the Government</i>	<i>Ministerial reports Action plan and development process documentation</i>	<i>No long-term vision, action plan and budget scenarios to tackle complex issues associated with water level raising</i>	<i>2020</i>	<i>No</i>	<i>No</i>	<i>No</i>	<i>Yes</i>	<i>Roadmap and long-term action plan documents to address consequences of water level raising is submitted to the Government</i>	<i>priorities and financial commitments</i>
<b>Output 4</b> <i>Comprehensive impact assessment of abounded tail of Sotk mining in Gegharkunik (to be further clarified)</i>	<i>4.1 Impact assessment report developed and submitted to the Government</i>	<i>Ministerial reports Survey</i>	<i>Risk associated with possible leakage of chemical and other materials from the former abandoned mining site declared but actual impact assessment is not done in a full scope</i>	<i>2020</i>	<i>No</i>	<i>No</i>	<i>Yes</i>	<i>Yes</i>	<i>Comprehensive impact assessment study with list of measures and cost estimates</i>	<i>Document review</i>

## VI. MONITORING AND EVALUATION

55. A results-based monitoring system will be established to generate data on the progress of the overall Project. UNDP, in partnership with GIZ, will monitor the implementation progress and results based on the overall EU4Sevan European Union Action's log-frame and work plan. UNDP will be responsible for the monitoring of its respective outputs, indicators and activities, while GIZ will be responsible for compiling and submitting the overall report to the EU including the results at the outcome level. The log frame will be used as management tool, allowing the GIZ and UNDP for adjustments and revisions at the output, activity and indicator level in order to effectively achieve the expected specific objective.

56. In accordance with UNDP's programming policies and procedures, the project will be monitored through the following monitoring and evaluation plans:

Monitoring Activity	Purpose	Frequency	Expected Action	Partners (if joint)	Cost (if any)
<b>Track results progress</b>	Progress data against the results indicators in the RRF will be collected and analysed to assess the progress of the project in achieving the agreed outputs.	Semi-annually	Slower than expected progress will be addressed by project management. In the inception phase and along the implementation, variety of tools and methods will be applied to regularly assess both quantitative and qualitative progress indicators	GIZ	n/a
<b>Monitor and Manage Risk</b>	Identify specific risks that may threaten achievement of intended results. Identify and monitor risk management actions using a risk log. This includes monitoring measures and plans that may have been required as per UNDP's Social and Environmental Standards. Audits will be conducted in accordance with UNDP's audit policy to manage financial risk.	At least annually	Risks are identified by project management and actions are taken to manage risk.  The risk log is actively maintained to keep track of identified risks and actions taken.	n/a	n/a
<b>Learn</b>	Knowledge, good practices and lessons will be captured regularly, as well as actively sourced from other projects and partners and integrated back into the project.	At least annually	Relevant lessons are captured by the project team and used to inform management decisions.	GIZ, EUWI+	\$ 3,000 USD
<b>Annual Project Quality Assurance</b>	The quality of the project will be assessed against UNDP's quality standards to identify project strengths and weaknesses and to inform management decision making to improve the project.	At least annually	Areas of strength and weakness will be reviewed by project management and used to inform decisions to improve project performance.	n/a	n/a

<b>Review and Make Course Corrections</b>	Internal review of data and evidence from all monitoring actions to inform decision making	At least annually	Performance data, risks, lessons and quality will be discussed by the project board and used to make course corrections.	GIZ	n/a
<b>Project Report</b>	A progress report will be presented to the Project Steering Committee and key stakeholders, consisting of progress data showing the results achieved against pre-defined annual targets at the output level, the annual project quality rating summary, an updated risk long with mitigation measures, and any evaluation or review reports prepared over the period.	Annually, and at the end of the project (final report)		n/a	n/a
<b>Project Review (Project Steering Committee)</b>	The project's governance mechanism (i.e., project Steering Committee) will hold regular project reviews to assess the performance of the project and review the Multi-Year Work Plan to ensure realistic budgeting over the life of the project. In the final year, the Project Steering Committee shall hold an end-of project review to capture lessons learned and discuss opportunities for scaling up and to socialize project results and lessons learned with relevant audiences.	At least annually)	Any quality concerns or slower than expected progress should be discussed by the project board and management actions agreed to address the issues identified.	GIZ	\$ 4,500 USD
<b>Periodic Monitoring through site visits</b>	UNDP CO will conduct visits to project sites based on the agreed schedule in the project's Annual Work Plan to assess first-hand project progress. Other members of the Project Steering Committee may also join these visits. A Field Visit Report will be prepared no less than one month after the visit.	At least quarterly		GIZ	\$15,000 USD

In case the Contracting Authority plans to send a monitoring and/or evaluation mission for this Project, UNDP will support such mission in a collaborative manner.

## VII. MULTI-YEAR WORK PLAN <sup>89</sup>

All anticipated programmatic and operational costs to support the project, including development effectiveness and implementation support arrangements, need to be identified, estimated and fully costed in the project budget under the relevant output(s). This includes activities that directly support the project, such as communication, human resources, procurement, finance, audit, policy advisory, quality assurance, reporting, management, etc. All services which are directly related to the project need to be disclosed transparently in the project document.

EXPECTED OUTPUTS	PLANNED ACTIVITIES	Planned Budget by Year				RESPONSIBLE PARTY	PLANNED BUDGET		
		Y1 2021	Y2 2022	Y3 2023	Y4 2024		Funding Source	Budget Description	Amount
<b>Output 1:</b> <i>Improved management framework for protection the lake Sevan ecosystem and sustainable use of Natural resources</i>	<i>1.1 Data gathering, analysis and development of the park management vision and objectives</i>	<b>43,955</b>	<b>66,561</b>	<b>43,955</b>	<b>46,467</b>	UNDP	EU	71200 - International consultants	19,953
	<i>1.2 Evaluation and identification of park zoning options and incentive measures (user fees, conservation funds, etc.)</i>							71300 - Local consultants	45,775
	<i>1.3 Design of the draft Lake Sevan National Park (IUCN II) Management Plan and processing public consultation</i>							71600 - Travel	8,216
	<i>1.4 Finalisation and approval of the Management Plan</i>							72100 - Contractual services - companies	106,807
								74200 - Audio visual & print. Production costs	7,042
								75100 - Facilities and Administration	13,145
<b>Sub-Total for Output 1</b>								<b>200,938</b>	

<sup>8</sup> Cost definitions and classifications for programme and development effectiveness costs to be charged to the project are defined in the Executive Board decision DP/2010/32

<sup>9</sup> Changes to a project budget affecting the scope (outputs), completion date, or total estimated project costs require a formal budget revision that must be signed by the project board. In other cases, the UNDP programme manager alone may sign the revision provided the other signatories have no objection. This procedure may be applied for example when the purpose of the revision is only to re-phase activities among years.

<b>Output 2:</b> <i>Revised and updated policy, regulatory and institutional framework governing protection and sustainable use of lake Sevan</i>	2.1 <i>Revision of the existing policy and regulatory framework governing lake Sevan management and gap analysis</i> 2.2 <i>Defining new long-term national vision for Lake Sevan and update the policy and regulatory framework</i> 2.3 <i>Setup of the efficient inter-sectoral co-ordination mechanism to support implementation and monitoring of policy enforcement measure</i>	<b>62,793</b>	<b>31,397</b>	<b>31,397</b>	<b>0.00</b>	UNDP	EU	71200 - International consultants	11,737
								71300 - Local consultants	23,474
								72100 - Contractual services-companies	70,422
								75700 - Workshops	11,737
								75100 - Facilities and Administration	8,216
<b>Sub-Total for Output 2</b>								<b>125,586</b>	
<b>Output 3</b> <i>Enabling environment created for long-term development and implementation of response measures to address water level raising</i>	3.1 <i>Conduct a comprehensive study of the consequences/impact of raising the level of water in the lake with full environmental and socio-economic dimensions – to address potential risks associated with impact into physical infrastructure (roads and construction facilities) and landscapes (forests, agricultural and other community lands)</i> 3.2 <i>Elaboration of the road map and long-term action plan with cost-estimates to tackle and address water level raising</i>	<b>31,397</b>	<b>33,500</b>	<b>124,111</b>	<b>87,283</b>	UNDP	EU	71200 - International consultants	43,474
								71300 - Local consultants	36,385
								72100-Contractual services-companies	165,493
								74200 - Audio visual & print. Production costs	12,864
								74500 - Miscellaneous	18,075
								75100 - Facilities and Administration	43,474
<b>Sub-Total for Output 3</b>								<b>276,291</b>	
<b>Output 4</b> <i>Comprehensive impact assessment of abounded tail of Sotk mining in Gegharkunik</i>	4.1 <i>Conducting Field inventory, mapping and study</i> 4.2 <i>Provide recommendations for mitigation measures with cost estimates</i>	<b>62,793</b>	<b>71,584</b>	<b>71,584</b>	<b>0.00</b>	UNDP	EU	71200 - International consultants	16,432
								71300 - Local consultant	35,211
								71600 - Travel	5,868
								72100 - Contractual services-companies	132,629

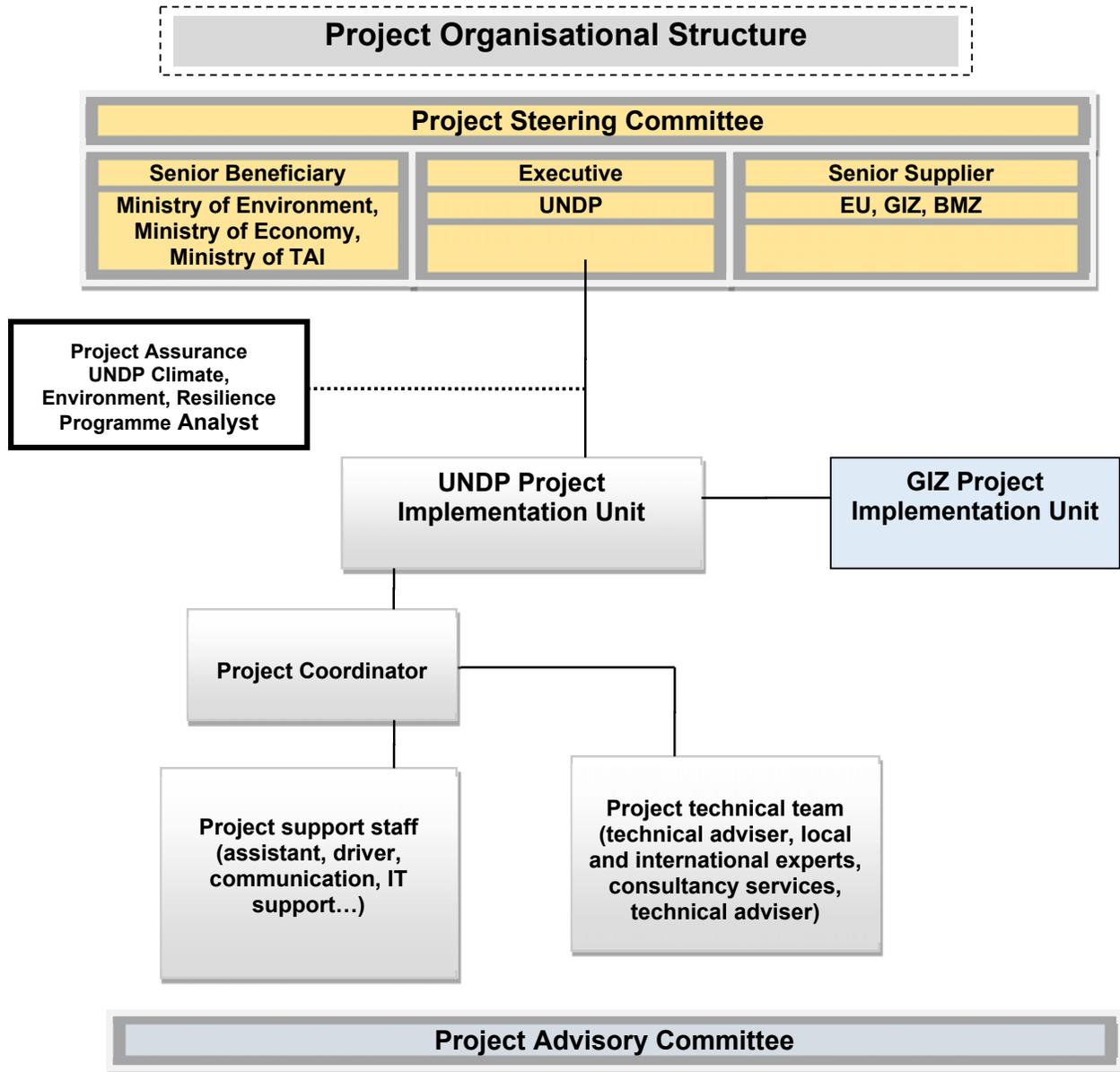
									74200 – Audio visual and print. Prod.	2,347
									74500 - Miscellaneous	13,474
									75100 - Facilities and Administration	16,432
	<b>Sub-Total for Output 4</b>									<b>205,962</b>
<b>Project management</b>	<i>Human resources Travel Equipment and Supplies Local office Other cost/services (Audit, conferences and workshops, etc.</i>	<b>94,504</b>	<b>86,466</b>	<b>93,876</b>	<b>90,862</b>	UNDP	EU		64300- Staff DPC	46,126
									71400 - Contractual Service Ind.	192,429
									71600- - Travel	17,605
									72300 - Materials & goods	4,694
									72400 - Comm. And audio visual eq.	10,798
									72500 - Supplies	5,633
									73100 - Rental and maint.-premises	24,823
									74100 - Prof. services (Audit)	5,633
									74200 - Audio visual and print. Prod.	23,474
									75700 - Workshops	10,563
									75100 – Facilities and Administration	23,924
	<b>Sub-total for management</b>									<b>365,708</b>
<b>Total Direct Cost</b>		<b>276,115</b>	<b>270,569</b>	<b>341,050</b>	<b>209,917</b>					<b>1,097,652</b>

<b>General Management Support (indirect cost 7%)</b>		<b>19,328</b>	<b>18,940</b>	<b>23,873</b>	<b>14,694</b>				<b>76,835</b>
<b>TOTAL</b>								<b>1,174,487*</b>	

*\*Note: Minor deviations in sum of annual budgets and total amount may occur is the result of rounding calculation in the original budget in excel format*

## VIII. GOVERNANCE AND MANAGEMENT ARRANGEMENTS

57. The Project organizational structure is aimed to ensure clear and effective division of labour and decision-making powers, ownership by the beneficiaries, and appropriate involvement of and coordination among all stakeholders.



### **Project Steering Committee (PSC)**

57. PSC with members representing main involved partners (Ministry of Environment, Ministry of Economy, Ministry of Territorial Administration and Infrastructure and other relevant institutions as deemed necessary, will be set up as the main coordination and consensus-based decision-making body. The EU as contracting authority as well as GIZ and UNDP as implementing partners will be part of the PSC. Other potential members of the Project Board will be reviewed and recommended for approval during the Local Project Appraisal Committee (LPAC) meeting. PSC will provide overall guidance and direction to the project, ensuring it remains within any specified constraints: More specifically, PSC will:

- Apprise and approve project annual work plans, review any essential deviations from the original plans;
- Review and approve annual, mid-term and terminal project reports, make recommendations for follow-up actions;
- Provide ad-hoc direction and advice for exception situations when project manager's tolerances are exceeded;
- Assess and decide on conceptual project changes if necessary (outcome level);
- Assure that all planned deliverables are delivered satisfactorily and programme management directives are compiled;
- Assure that all products/outputs are delivered satisfactorily at the end and make recommendations for follow-up actions and post project review plan, etc.

The PSC will play a critical role in project monitoring and evaluations (if any) by assuring the quality of these processes and associated products, and by using evaluations for improving performance, accountability and learning. PSC decisions shall be made in accordance with international standards that shall ensure management for development results, best value for money, fairness, integrity, transparency, and effective international competition. The PSC will meet at least 2 times a year (unless otherwise required).

**58. Executive Role** will remain with UNDP Country Office that will serve as implementing partner for the project. UNDP will be responsible for full execution of the project activities, including planning, implementation, monitoring, evaluation and coordination with other initiatives.

**59. Senior Supplier Role** requires the representation of the interests of the funding parties for specific cost sharing projects and/or technical advice to the project. The Senior Supplier's primary function within the PSC will be to provide guidance regarding the feasibility of the proposed activities. This role will rest with representatives from EU delegation to Armenia, and GIZ.

**60. Senior Beneficiary Role** requires representing the interests of those who will ultimately benefit from the project. The Senior Beneficiary's primary function within the PSC will be to ensure the realization of project results from the perspective of different stakeholders and beneficiaries. The Ministry of Environment is the primary beneficiary based on the mandate on addressing water management and protected area management policies in the country. The Project organizational structure is aimed to ensure clear and effective division of labour and decision-making powers, ownership by the beneficiaries, and appropriate involvement of the Ministry of Territorial Administration and Infrastructure as well as the Ministry of Economy in the Steering-committee is equally important.

### **Project Assurance**

61. The Project Assurance role supports the PSC by carrying out independent project oversight and monitoring functions which are mandatory on all projects. Project Assurance role has to be independent of the Project Coordinator, therefore the Project Steering Committee cannot delegate any of its assurance responsibilities to

the Project Coordinator. The Project Assurance role will rest with the Climate, Environment and Resilience Programme Analyst of UNDP CO.

The following list includes the key suggested aspects that need to be checked by the Project Assurance throughout the project as part of ensuring that it remains consistent with, and continues to meet, a business need and that no change to the external environment effects the validity of the project:

- Maintenance of thorough liaison throughout the project between the partners and stakeholders;
- Beneficiary needs and expectations are being met or managed;
- Risks are being controlled;
- Adherence to the Project Justification (Business Case);
- Constant reassessment of the value-for-money solution;
- The project remains viable; the scope of the project is not “creeping upwards” unnoticed;
- Internal and external communications are working;
- Applicable standards are being used and followed;
- Any legislative constraints are being observed;
- Adherence to quality assurance standards.

#### **Project Implementation:**

62. Project Implementation Unit (PIU) will be established under the UNDP Climate, Environment and Resilience portfolio comprising of permanent staff including a full Project Coordinator (PC), a Project Assistant and a Driver-Clerk. Other technical resource persons/technical advisers and expert team support staff may be hired upon requirements. The Project Coordinator will be recruited on a competitive basis with the authority to run the project technical and operational activities on a day-to-day basis on behalf of the implementing agency within the constraints laid down by the PSC. The PC’s prime responsibility is to ensure that the project produces the results specified in the project document, to the required standard of quality and within the specified constraints of time and cost. Development and consolidation of work plans, preparation of quarterly/annual progress reports, supervision the work of the project thematic experts, etc. are major responsibility of the PC. Technical team of long-term and short term national and international consultants, as well as professional consultancy services will be brought at the different stage of implementation. Under the direct supervision of the PC, the Project Administrative Assistant will be responsible for full administrative, logistical and financial issues.

63. Since GIZ will be implementing partner for major outputs of EU4Sevan Description of Action, there will be close coordination between the two partners to ensure smooth implementation and to avoid any duplication of efforts. For this reason, regular coordination meetings will be held between the project managers and respective programme officers in Yerevan and in the region, but also between the Head of GIZ Office and the UNDP Resident Representative to share information, update on the implementation of the progress and planning of the joint activities.

#### **Advisory Committee:**

64. The main requirement for successful implementation of the project is sustained political commitment and broad-based public support. Thus, the involvement of wider list of stakeholders will be necessary. For this purpose, multi-stakeholder advisory committee will be established as an advisory body to provide technical and operational guidance for project implementation policy ensuring the project’s consistency and synergy with the other ongoing development processes in the country. In addition to Ministries involved in the PSC, representatives from line ministries, such as Ministries of Territorial Administration and Infrastructure, Health, Economy, Finance, Regional Administration, representatives from selected LSGs, CBOs and NGOs, scientific sector will be invited for

membership. Advisory Board will be co-chaired by representative from UNDP. The meeting of the Board will be held once in a year unless otherwise required and will be guided by decisions and recommendations of the project board.

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## **IX. LEGAL CONTEXT**

65. This project document shall be the instrument referred to as such in Article 1 of the Standard Basic Assistance Agreement between the Government of Armenia and UNDP, signed on 8 March 1995. All references in the SBAA to “Executing Agency” shall be deemed to refer to “Implementing Partner.”

66. This project will be implemented by UNDP (“Implementing Partner”) in accordance with its financial regulations, rules, practices and procedures only to the extent that they do not contravene the principles of the Financial Regulations and Rules of UNDP. Where the financial governance of an Implementing Partner does not provide the required guidance to ensure best value for money, fairness, integrity, transparency, and effective international competition, the financial governance of UNDP shall apply.

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## **X. RISK MANAGEMENT (STANDARD OPTION FOR DIM )**

67. UNDP as the Implementing Partner will comply with the policies, procedures and practices of the United Nations Security Management System (UNSMS.)

68. UNDP as the Implementing Partner will undertake all reasonable efforts to ensure that none of the project funds are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via [http://www.un.org/sc/committees/1267/aa\\_sanctions\\_list.shtml](http://www.un.org/sc/committees/1267/aa_sanctions_list.shtml). This provision must be included in all sub-contracts or sub-agreements entered into under this Project Document.

68. Social and environmental sustainability will be enhanced through application of the UNDP Social and Environmental Standards (<http://www.undp.org/ses>) and related Accountability Mechanism (<http://www.undp.org/secu-srm>).

69. UNDP as the Implementing Partner will: (a) conduct project and programme-related activities in a manner consistent with the UNDP Social and Environmental Standards, (b) implement any management or mitigation plan prepared for the project or programme to comply with such standards, and (c) engage in a constructive and timely manner to address any concerns and complaints raised through the Accountability Mechanism. UNDP will seek to ensure that communities and other project stakeholders are informed of and have access to the Accountability Mechanism.

70. In the implementation of the activities under this Project Document, UNDP as the Implementing Partner will handle any sexual exploitation and abuse (“SEA”) and sexual harassment (“SH”) allegations in accordance with its regulations, rules, policies and procedures.

71. All signatories to the Project Document shall cooperate in good faith with any exercise to evaluate any programme or project-related commitments or compliance with the UNDP Social and Environmental Standards. This includes providing access to project sites, relevant personnel, information, and documentation.

72. UNDP as the Implementing Partner will ensure that the following obligations are binding on each responsible party, subcontractor and sub-recipient:

- a. Consistent with the Article III of the SBAA [*or the Supplemental Provisions to the Project Document*], the responsibility for the safety and security of each responsible party, subcontractor and sub-recipient and its personnel and property, and of UNDP's property in such responsible parties, subcontractor's and sub-recipient's custody, rests with such responsible party, subcontractor and sub-recipient. To this end, each responsible party, subcontractor and sub-recipient shall:
  - i. put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;
  - ii. assume all risks and liabilities related to such responsible parties, subcontractor's and sub-recipient's security, and the full implementation of the security plan.
- b. UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of the responsible parties, subcontractor's and sub-recipient's obligations under this Project Document.
- c. In the performance of the activities under this Project, UNDP as the Implementing Partner shall ensure, with respect to the activities of any of its responsible parties, sub-recipients and other entities engaged under the Project, either as contractors or subcontractors, their personnel and any individuals performing services for them, that those entities have in place adequate and proper procedures, processes and policies to prevent and/or address SEA and SH.
- d. Each responsible party, subcontractor and sub-recipient will take appropriate steps to prevent misuse of funds, fraud or corruption, by its officials, consultants, subcontractors and sub-recipients in implementing the project or programme or using the UNDP funds. It will ensure that its financial management, anti-corruption and anti-fraud policies are in place and enforced for all funding received from or through UNDP.
- e. The requirements of the following documents, then in force at the time of signature of the Project Document, apply to each responsible party, subcontractor and sub-recipient: (a) UNDP Policy on Fraud and other Corrupt Practices and (b) UNDP Office of Audit and Investigations Investigation Guidelines. Each responsible party, subcontractor and sub-recipient agrees to the requirements of the above documents, which are an integral part of this Project Document and are available online at [www.undp.org](http://www.undp.org).
- f. In the event that an investigation is required, UNDP will conduct investigations relating to any aspect of UNDP programmes and projects. Each responsible party, subcontractor and sub-recipient will provide its full cooperation, including making available personnel, relevant documentation, and granting access to its (and its consultants', subcontractors' and sub-recipients') premises, for such purposes at reasonable times and on reasonable conditions as may be required for the purpose of an investigation. Should there be a limitation in meeting this obligation, UNDP shall consult with it to find a solution.

- g. Each responsible party, subcontractor and sub-recipient will promptly inform UNDP as the Implementing Partner in case of any incidence of inappropriate use of funds, or credible allegation of fraud or corruption with due confidentiality.

Where it becomes aware that a UNDP project or activity, in whole or in part, is the focus of investigation for alleged fraud/corruption, each responsible party, subcontractor and sub-recipient will inform the UNDP Resident Representative/Head of Office, who will promptly inform UNDP's Office of Audit and Investigations (OAI). It will provide regular updates to the head of UNDP in the country and OAI of the status of, and actions relating to, such investigation.

- h. UNDP will be entitled to a refund from the responsible party, subcontractor or sub-recipient of any funds provided that have been used inappropriately, including through fraud or corruption, or otherwise paid other than in accordance with the terms and conditions of this Project Document. Such amount may be deducted by UNDP from any payment due to the responsible party, subcontractor or sub-recipient under this or any other agreement. Recovery of such amount by UNDP shall not diminish or curtail any responsible parties, subcontractor's or sub-recipient's obligations under this Project Document.

Where such funds have not been refunded to UNDP, the responsible party, subcontractor or sub-recipient agrees that donors to UNDP (including the Government) whose funding is the source, in whole or in part, of the funds for the activities under this Project Document, may seek recourse to such responsible party, subcontractor or sub-recipient for the recovery of any funds determined by UNDP to have been used inappropriately, including through fraud or corruption, or otherwise paid other than in accordance with the terms and conditions of the Project Document.

Note: The term "Project Document" as used in this clause shall be deemed to include any relevant subsidiary agreement further to the Project Document, including those with responsible parties, subcontractors and sub-recipients.

- i. Each contract issued by the responsible party, subcontractor or sub-recipient in connection with this Project Document shall include a provision representing that no fees, gratuities, rebates, gifts, commissions or other payments, other than those shown in the proposal, have been given, received, or promised in connection with the selection process or in contract execution, and that the recipient of funds from it shall cooperate with any and all investigations and post-payment audits.
- j. Should UNDP refer to the relevant national authorities for appropriate legal action any alleged wrongdoing relating to the project or programme, the Government will ensure that the relevant national authorities shall actively investigate the same and take appropriate legal action against all individuals found to have participated in the wrongdoing, recover and return any recovered funds to UNDP.
- k. Each responsible party, subcontractor and sub-recipient shall ensure that all of its obligations set forth under this section entitled "Risk Management" are passed on to its subcontractors and sub-recipients and that all the clauses under this section entitled "Risk Management Standard

Clauses” are adequately reflected, *mutatis mutandis*, in all its sub-contracts or sub-agreements entered into further to this Project Document.

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## **XI. ANNEXES**

- 1. Project Quality Assurance Report**
- 2. Social and Environmental Screening Template**

### 3. Risk Analysis.

Project Title:				Project Number:	
#	Description	Risk category	Impact & Likelihood = Risk level	Risk Treatment/Management Measures	Risk Owner
1.	Political processes in the country related to the crisis may lead to processes of restructuring and creating uncertainties in policy priorities and institutional set up	Political	<p>Volatile governance landscape and possible ministerial reorganisation will cause instability and reorientation of policy priorities, as well as disrupt the administrative setup and staff fluctuation needed for the project implementation</p> <p>P=4 I= 4</p>	Continued political and policy dialogue and interactions with the Government of Armenia. The programme foresees support to the new institutional set up and capacity building activities. The project may also revisit implementation mechanism and invest into capacity development not just for individual people but organisations to mitigate the risks associated with staff fluctuation	UNDP senior management, Project coordinator
2.	Change of the security situation along the Gegharkunik border	Political	<p>Difficulties/security restrictions for operating in certain sub-regions impose risk to data gathering and stakeholder engagement</p> <p>P=3 I=5</p>	Follow up on security situation in the country, especially along the borders and follow DSS requirements	UN DSS Project Coordinator
3.	Economic development promoted at the expense of natural resources degradation	Political	<p>Politicians prioritise ecological concerns to a lesser extent than public services and economic development, particularly in the post-crisis setup</p> <p>P=4 I=4</p>	Introduction of comprehensive valuation methodologies/tools during assessments and planning activities to emphasize link between environment, economic and social aspects for evidence-based decision making	Project coordinator

4.	Special business interests of certain groups might obstruct the rollout of any concepts and policies that are developed	Strategic	Reputation of the project is undermined and Lake Sevan surrounding communities are dis-interested in new planning and regulatory mechanisms  P=4 I=3	Introduction of the transparent processes and consultation mechanisms. Broad partner structure and adequate civil society participation, training for key actors also outside the environment ministries	Project coordinator
5.	Uncoordinated support programmes by different donors and public institutions	Operational	Limited sectorial interventions with short term benefits mislead to underestimation of benefits associated with revised policy and regulatory framework in longer perspectives  P=2 I=3	Promote pro-active donor and intra-sectorial coordination under the leadership of the ministry of environment, and support to wider information exchange and coordination under the project	UNDP management, Project coordinator
6.	Intersectoral disputes over mandates and responsibilities threaten the efficiency of law making and enforcement of regulations	Strategic	Lengthy negotiations between multiple stakeholders impede project progress  P=3 I=3	Corresponding policy consultancy, support for cross-sector and inter-institutional co-operation platforms, transparent communication	Project coordinator
7.	Corruption risks, namely at local level, affect the effectiveness and sustainability of the Project interventions	Financial	Continuation of further corruption schemes may hamper approval of proposed innovative sustainable resource management modalities and project activities at local level as a whole  P=3 I=4	Support to evidence-based policy making and coordination platforms and continues awareness-raising measures helps to generate greater transparency. Regular communication with local communities to visualise long-term benefits from the activities	Project coordinator

8.	The effects of the Covid-19 pandemic and declaration of martial law affect the implementation of activities	Other	Travel restrictions for local and international experts, difficulties for operation in communities and specifically organisations of stakeholder consultations P=4 I=5	Close monitoring of the development and alignment with the government's response to the effects of Covid-19	UNDP operations team Project coordinator
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